

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING A PILOT PROGRAM ESTABLISHING NEW PAYMENT METHODOLOGIES IN MEDICAID, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Young and Gerou
Sens. Steadman and Roberts

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Date Prepared: May 1, 2012

Summary of Amendments Made to the Bill After the 04/24/12 Legislative Council Staff Revised Fiscal Note Was Prepared (Amended by the Senate Health and Human Services Committee 04/30/12)

The Health and Human Services Committee modified the criteria and process used by the Department of Health Care Policy and Financing to select payment projects for the pilot program.

Both Legislative Council Staff and the Joint Budget Committee Staff agree that this does not change the projected fiscal impact of the bill.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill includes an appropriation clause that provides \$213,079, including \$106,540 General Fund, and 0.8 FTE to the Department of Health Care Policy and Financing in FY 2012-13 to administer the pilot programs.

Bill Sponsor Amendments

Sponsor amendment **L.020** (attached) indicates that the Department *may* (rather than *shall*) seek any federal waiver necessary to ensure that the effect of the request for proposals does not adversely impact upper payment limits. Both Legislative Council Staff and the Joint Budget Committee Staff agree that this does not change the projected fiscal impact of the bill.

Points to Consider

1. The number of FTE required to implement this bill is dependent on the number and complexity of the proposals submitted. It is unlikely to require less than the 0.8 FTE identified in the Legislative Council Staff Revised Fiscal Note, but a large number of more involved payment reform proposals could require greater than 0.8 FTE to administer.

2. The Joint Budget Committee introduced a balanced budget package for FY 2012-13 based on the March 2012 Office of State Planning and Budgeting forecast. Based on 2012 legislation enacted to date, the FY 2012-13 Long Bill as sent to the Governor, and appropriations included in other budget package bills, the budget appropriates all but approximately \$100,000 of General Fund revenues projected to be available, less a statutorily required four percent General Fund reserve. This bill requires a General Fund appropriation of \$106,540 for FY 2012-13.