

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 12-0739  
**Prime Sponsor(s):** Rep. Young  
 Sen. Aguilar

**Date:** February 17, 2012  
**Bill Status:** House SVMA  
**Fiscal Analyst:** Bill Zepernick (303-866-4777)

**TITLE:** CONCERNING STUDIES OF THE REDESIGN OF LONG-TERM SERVICES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
<b>State Revenue</b> Cash Funds Department of Health Care Policy and Financing Cash Fund	Potential gifts, grants, and donations.	
<b>State Expenditures</b> Cash Funds Department of Health Care Policy and Financing Cash Fund	\$100,000*	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

\* Expenditures depend on the receipt of sufficient gifts, grants, and donations.

**Summary of Legislation**

The bill requires the Department of Health Care Policy and Financing (DHCPF), subject to the receipt of sufficient gifts, grants, and donations, to contract for one or more studies on the redesign of the systems for providing long-term care services and supports to persons with developmental disabilities. In selecting a contractor, the DHCPF is exempt from the competitive bidding requirements of the state procurement code. Any reports from these studies are to be provided to the relevant committees of the General Assembly.

If a study finds that a redesign of the long-term care services for persons with disabilities will result in cost savings or increased recipient satisfaction, the department is required to seek any necessary federal authorization to implement the changes. If federal approval is obtained, the DHCPF is instructed to request any required funding changes through the annual budget process. The provisions of this bill are repealed on July 1, 2015.

### **State Revenue**

The bill potentially increases revenue to the Department of Health Care Policy and Financing Cash Fund from the receipt of gifts, grants, and donations beginning in FY 2012-13. However, at this time no specific source for this funding has been identified. Based on the cost estimates in the State Expenditures section below, this analysis assumes that *at least \$100,000* is required to conduct the type of study proposed by the bill.

### **State Expenditures**

Subject to the receipt of sufficient gifts, grants, and donation, the DHCPF will have costs of *at least \$100,000* to contract for a study of the redesign of long-term care services for persons with developmental disabilities. This amount is based upon the costs of similar studies conducted in the DHCPF. The contractor would be required to analyze potential system changes, including the potential impacts on costs and client satisfaction.

*Other potential budget impacts.* Depending on the findings of studies conducted under the bill, the DHCPF may be required to seek additional funding through the annual budget process to apply for a federal waiver to implement the changes. If federal approval is received, the DHCPF could have higher or lower costs to provide long-term care services under the system redesign, depending on the type of changes proposed.

### **State Appropriations**

The bill requires an appropriation of \$100,000 in FY 2012-13 to the DHCPF from the Department of Health Care Policy and Financing Cash Fund.

### **Departments Contacted**

Health Care Policy and Financing

Human Services