

In 2007, the most recent year for which data are available, average end-of-life costs were \$11,528 per person receiving inpatient care in Colorado.

State Expenditures

Overall, this bill is anticipated to decrease state expenditures within the Department of Health Care Policy and Financing by an indeterminate amount. The bill increases costs for reimbursing MOST counseling and workload to make a minor computer system modification and decreases costs for the provision of end-of-life services. This analysis assumes that decreases in costs will be greater than increases, but the actual change in appropriations will be addressed through the annual budget process.

MOST-related increases. Costs will increase from adding a procedure code to the Medicaid Management Information System (MMIS) and as a result of providers being eligible to bill for providing MOST services. The MMIS programming change can be accomplished within existing appropriations. Assuming that about 1.4 percent of Medicaid clients in the adults 65 and older, disabled adults 60 to 64, and disabled individuals to 59 eligibility groups access MOST services, costs will increase by about \$64,608 per year. This amount is prorated to \$45,160 in FY 2013-14 to account for the delay in the bill's effective date and the time needed to make the required programming change. Costs are based on an assumed rate of reimbursement of \$40, which is consistent with reimbursement rates for other approved counseling services. These costs will be paid with equal shares of General Fund and federal funds.

End-of-life care savings. As of this writing, current data about the amount of end-of-life services provided to Medicaid clients in the adults 65 and older, disabled adults 60 to 64, and disabled individuals to 59 eligibility groups were not available. In addition, the results of MOST services in other states are inconclusive as to the amount actual saved. In some states, savings averaged \$5,000 per person, but these savings were based on per person costs that significantly outpaced Colorado's 2007 costs. However, the fiscal note assumes that even a modest reduction in end-of-life costs for a portion of persons receiving MOST will more than offset the relatively low increase in costs.

Departments Contacted

Health Care Policy and Financing