

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0940
Prime Sponsor(s): Sen. Hodge
 Rep. Gerou

Date: March 25, 2013
Bill Status: Senate Appropriations
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING CONTINUATION OF TRANSFERS FOR MEDICAID DISEASE MANAGEMENT PROGRAMS, AND, IN CONNECTION THEREWITH, MAKING AND REDUCING APPROPRIATIONS.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Transfers Transfer from the Prevention, Early Detection, and Treatment Fund to the Department of Health Care Policy and Financing	\$2.0 million	\$2.0 million
State Expenditures General Fund Cash Funds Prevention, Early Detection, and Treatment Fund Federal Funds	(\$2.0 million)	See State Expenditures section.
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

Recommended by the Joint Budget Committee, this bill continues annual transfers from the Prevention, Early Detection, and Treatment Fund (PEDT Fund) of \$2.0 million to the Department of Health Care Policy and Financing (HCPF) for Medicaid disease management and treatment programs. Established in FY 2008-09, this annual transfer was set to repeal following FY 2012-13.

Background

The PEDT Fund was established by House Bill 05-1262 to provide funding for several programs related to the prevention, early detection, and treatment of disease in the Department of Public Health and Environment (DPHE). Moneys in the fund are from taxes collected on tobacco products and are used to fund initiatives in the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants program.

HCPF received General Fund moneys for the state's share of costs for Medicaid disease management and treatment programs between FY 2005-06 and FY 2007-08, but was not appropriated General Fund moneys in FY 2008-09. Senate Bill 08-118 authorized annual transfers of \$2.0 million between FY 2008-09 and FY 2012-13 from the PEDT Fund to HCPF, in order to continue to receive \$2.0 million in federal funds per year for these programs.

State Transfers

Beginning in FY 2013-14, this bill directs an annual transfer of \$2.0 million from the PEDT Fund to HCPF. These transfers continue indefinitely.

State Expenditures

For FY 2013-14, this bill reduces state expenditures by \$2.0 million General Fund. It reduces cash fund expenditures in the DHPE by \$2.0 million and transfers the \$2.0 million to HCPF. Because the FY 2013-14 Long Bill includes an appropriation of \$2.0 million General Fund for HCPF, the net effect is to reduce state expenditures by \$2.0 million General Fund for FY 2013-14.

Beginning in FY 2014-15, the effect of the bill is dependent on future appropriations decisions of the General Assembly. Assuming no General Fund moneys would have otherwise been appropriated to HCPF, the bill increases state expenditures by \$2.0 million federal funds per year.

State Appropriations

For FY 2013-14, this bill reduces the appropriation to the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants program in DPHE by \$2.0 million cash funds from the PEDT Fund. Cash fund appropriations from the PEDT Fund are increased by \$2.0 million for allocation to HCPF.

For FY 2013-14, this bill reduces the General Fund appropriation for medical services premiums in HCPF by \$2.0 million. The bill increases appropriations by \$2.0 million reappropriated funds for medical services premiums from the PEDT Fund in DPHE.

Departments Contacted

Health Care Policy and Financing
Public Health and Environment

Joint Budget Committee Staff