

HCPF allow women to receive BCCP coverage after receiving a diagnosis at any provider whose screening methods are recognized by the Department of Public Health and Environment (DPHE) as meeting certain standards.

Following the expansion of the Medicaid program under SB 13-200, BCCP caseload is expected to drop significantly. Beginning on January 1, 2014, all adults with incomes up to 133 percent of the federal poverty level (FPL) qualify for Medicaid. Thus, women with incomes up to 133 percent of the FPL are eligible for coverage through regular Medicaid, and do not need to seek coverage through the BCCP specifically. BCCP spending has been between \$9.7 million and \$10.4 million per year in recent years. Future program spending is discussed in more detail in the State Expenditures section below.

State Revenue

The bill is not expected to affect the amount of cash fund revenue from breast cancer awareness license plate proceeds to the BCCP fund. However, the bill deposits this funding directly into the BCCP cash fund, rather than to a specific account within the fund, and makes this funding available for general program operations. Revenue to the fund is estimated to be \$675,000 per year. The current fund balance is about \$4.4 million.

State Expenditures

In total, the bill increases costs in HCPF by \$7.0 million and 1.0 FTE in FY 2014-15, by \$3.4 million and 1.0 FTE in FY-2015-16, and by \$2.7 million and 1.0 FTE in FY 2016-17 and beyond. These costs, paid with cash funds and federal funds, are summarized in Table 1 and the discussion below.

Table 1. Expenditures Under HB 14-1045			
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17
Medical Services Premiums for BCCP	6,820,477	3,263,975	2,586,546
Behavioral Health Capitation for BCCP	129,839	64,459	52,991
BCCP Administration	56,486	56,486	56,486
FTE	1.0 FTE	1.0 FTE	1.0 FTE
TOTAL	<u>\$7,006,802</u>	<u>\$3,384,920</u>	<u>\$2,696,023</u>
Cash Funds	2,424,017	1,169,563	933,340
Federal Funds	4,582,785	2,215,357	1,762,683

BCCP medical services. By continuing the BCCP, the bill increases costs in HCPF for BCCP medical services by \$6,950,316 in FY 2014-15, \$3,328,434 in FY 2015-16, and \$2,639,537 in FY 2016-17. As discussed in the assumptions below, these costs reflect a decrease in the BCCP caseload as many previously eligible clients are now eligible for Medicaid under SB 13-200. These costs are summarized in Table 1.

Assumptions. In calculating the costs of the BCCP extension, the fiscal note makes the following assumptions:

- of the population currently served by the BCCP (682 women), 78 percent have incomes below 133 percent of the FPL (532 women) and 22 percent have incomes between 133 percent and 250 percent of the FPL (150 women);
- women with incomes between 133 percent and 250 percent of the FPL will continue to enroll in the BCCP in the future at an annual growth rate of 4 percent;
- women with incomes below 133 percent of the FPL will enroll in Medicaid through other adult expansion categories in the future rather than through BCCP, except that women in this income group who are currently enrolled in BCCP will remain in the program, per federal guidelines;
- the number of currently enrolled women with incomes below 133 percent of the FPL will decrease by 4 percent of the base amount in January 2014 (about 21 women) each month through attrition until this population phases out in approximately February 2016;
- per capita medical service premiums will remain constant at \$15,033 per year and behavioral health capitation payments (\$293 per person per year) increase at a rate of 3.7 percent per year;
- clients eligible for Medicaid through the BCCP will enroll in coverage, regardless of whether they have other health insurance; and
- federal funds cover 65 percent of costs through October 1, 2014, and 65.7 percent thereafter, resulting in a federal match rate of 65.5 percent in FY 2014-15 and 65.7 percent in FY 2015-16 and FY 2016-17.

Caseload. Based on the assumptions above, average monthly caseload in the BCCP is projected to be:

- 433 women in FY 2014-15;
- 212 women in FY 2015-16; and
- 168 women in FY 2016-17.

Medical service premiums. Using the caseloads above and the assumed per capita costs of \$15,033, medical service premiums for BCCP clients will total \$6,820,477 in FY 2014-15, \$3,263,975 in FY 2015-16, and \$2,586,546 in FY 2016-17. These costs pay for the full range of Medicaid benefits for the population, in addition to the costs of breast and cervical cancer treatments.

Behavioral health capitation payments. Medicaid clients, including those eligible through the BCCP, also qualify for behavioral health services. A fixed payment is made for each Medicaid client and behavioral health organizations (BHOs) manage care and usage within the set amount of funding. The payment is estimated to be \$293 per person per year in the first year and to increase 3.7 percent each year. Behavioral health capitation payments for BCCP clients are estimated to be \$129,839 in FY 2014-15, \$64,459 in FY 2015-16, and \$52,991 in FY 2016-17.

BCCP administrative expenses. By extending the BCCP program, administrative costs of at least \$56,486 and 1.0 FTE per year in HCPF will also continue beginning in FY 2014-15. These administrative costs include the following personal services (\$45,314 and 1.0 FTE), operating expenses (\$332), employee insurance (\$2,910), supplemental retirement payments (\$3,202), COFRS modernization (\$2,878), and salary survey and merit pay costs (\$1,850). Aside from personal services many of these administrative costs are centrally appropriated through the

annual budget process. However, given the expiration of the program, these expenses have been excluded from the FY 2014-15 Long Bill and must be in this bill. These costs are split evenly between the BCCP Fund and federal funds. Some costs, such as supplemental retirement payments, will increase slightly in future years.

Department of Public Health and Environment. The bill may increase workload in the DPHE by a small amount to coordinate with the HCPF and health care providers concerning cancer screening standards at non-WWC sites. The fiscal note assumes this work can be accomplished within existing resources to the DPHE and no new appropriation is required.

Effective Date

The bill takes effect on July 1, 2014.

State Appropriations

The bill requires appropriations totaling \$7,006,802 to the HCPF in FY 2014-15, as follows:

- \$6,820,477 for Medicaid Medical Service Premiums, including \$2,351,019 from the BCCP fund and \$4,469,458 from federal funds;
- \$129,839 for Medicaid Behavioral Health Capitation Payments, including \$44,756 from the BCCP fund and \$85,083 from federal funds; and
- \$56,486 for BCCP program administration and centrally appropriated costs, split evenly between the BCCP fund and federal funds.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Revenue
Office of Information Technology