



**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0468
 Prime Sponsor(s): Rep. Primavera
 Sen. Aguilar; Crowder

Date: January 23, 2014
 Bill Status: House Public Health Care and Human Services
 Fiscal Analyst: Bill Zepernick (303-866-4777)

SHORT TITLE: BREAST & CERVICAL CANCER TREATMENT

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016	FY 2016-17
State Revenue	\$0	\$0	\$0
Cash Funds	675,000 (675,000)	675,000 (675,000)	675,000 (675,000)
State Expenditures	\$6,959,310	\$3,337,493	\$2,648,660
General Fund	7,982	7,982	7,982
Cash Funds	2,395,774	1,141,320	905,097
Federal Funds	4,554,542	2,187,114	1,734,440
Centrally Appropriated Costs**	1,012	1,077	1,141
FTE Position Change	0.1 FTE	0.1 FTE	0.1 FTE
Appropriation Required: \$7.0 million - Multiple agencies (FY 2014-15)			

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill extends the Breast and Cervical Cancer Prevention and Treatment Program (BCCP) in the Department of Health Care Policy and Financing (HCPF) through July 1, 2019. In addition, the bill makes the following changes to the BCCP:

- deposits proceeds from the sale of breast cancer awareness license plates directly to the Breast and Cervical Cancer Prevention and Treatment Fund (BCCP fund), rather than to an obsolete expansion account in the fund;
- allows moneys in the BCCP fund to pay for BCCP coverage regardless of where a woman with breast or cervical cancer was diagnosed;
- specifies that the program is to be funded from the BCCP fund, but that General Fund must be appropriated if cash funds are insufficient; and
- removes obsolete language concerning clients' place of diagnosis and the obsolete cash fund account.

Background

The BCCP is a Medicaid program that provides health coverage to women under the age of 65 with incomes up to 250 percent of the federal poverty level (FPL) who have been diagnosed with breast or cervical cancer. Previously, women seeking coverage under BCCP could only be diagnosed at a women's wellness center (WWC). Beginning on January 1, 2014, rule changes by

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 by \$7.0 million in FY 2014-15, by \$3.3 million in FY-2015-16, and by \$2.6 million in FY 2016-17 and beyond. An additional 0.1 FTE per year is also required. Most of these costs are located in HCPF and are paid with cash funds and federal funds; a small portion of the total costs and the 0.1 FTE are in the DPHE and paid from the General Fund. Costs for each agency are discussed below and summarized in Table 1.

Table 1. Expenditures Under HB 14-1045

Cost Components	FY 2014-15	FY 2015-16	FY 2016-17
Dept. of Health Care Policy and Financing	\$6,950,316	\$3,328,434	\$2,639,537
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
Dept. of Public Health and Environment	\$8,994	\$9,059	\$9,123
Personal Services	7,982	7,982	7,982
FTE	0.1 FTE	0.1 FTE	0.1 FTE
Centrally Appropriated Costs*	1,012	1,077	1,141
TOTAL - ALL AGENCIES	\$6,959,310	\$3,337,493	\$2,648,660
General Fund	7,982	7,982	7,982
Cash Funds	2,395,774	1,141,320	905,097
Federal Funds	4,554,542	2,187,114	1,734,440
Centrally Appropriated Costs*	1,012	1,077	1,141

* Centrally appropriated costs are not included in the bill's appropriation and are not broken out by fund source in the table above. These costs, which include employee insurance and supplemental retirement payment, are centrally appropriated through the annual budget process.

Department of Health Care Policy and Financing. By continuing the BCCP, the bill increases costs in HCPF 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.

Department of Public Health and Environment. The bill increases costs in the DPHE by \$8,994 General Fund and 0.1 FTE in FY 2014-15, and a similar amount each year thereafter. These costs represent the personal services costs (\$7,982 per year) and centrally appropriated costs (\$1,012) for about 200 hours of nurse consultant staff time to coordinate with the HCPF and health care providers concerning cancer screening standards at non-WWC sites.

Effective Date

The bill takes effect on July 1, 2014.

State Appropriations

The bill requires appropriations totaling \$6,950,316 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; and
- \$129,839 for Medicaid Behavioral Health Capitation Payments, including \$44,756 from the BCCP fund and \$85,083 from federal funds.

The DPHE requires an appropriation of \$7,982 General Fund and 0.1 FTE in FY 2014-15.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Revenue
Office of Information Technology