

Colorado Legislative Council Staff Fiscal Note


**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0774 **Date:** February 12, 2015
Prime Sponsor(s): Rep. Young **Bill Status:** House Health, Insurance, and
 Sen. Steadman Environment
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: SERVICES FOR CHILDREN WITH AUTISM

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	<u>\$10,616,568</u>	<u>\$19,042,713</u>
General Fund	367,564	8,830,589
Cash Funds	4,840,203	508,566
Federal Funds	5,408,801	9,703,558
FTE Position Change	0.8 FTE	
Appropriation Required: \$10,616,568 - Department of Health Care Policy and Financing (FY 2015-16).		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Recommended by the Joint Budget Committee, this bill expands eligibility for the Autism Waiver Program by increasing the age limit from 6 years of age to 8 years of age. If a child enrolls prior to his or her eighth birthday, he or she is eligible to receive services for a total of three full years.

The bill removes the existing per child spending cap of \$25,000 per year and instead directs the Medical Services Board (board) in the Department of Health Care Policy and Financing (HCPF) to set the per child spending cap each year based on available appropriations. Other provisions of the bill remove language about prioritizing enrollment in the program so as to reduce the waiting list and require ongoing program evaluations be completed each June 1.

The bill appropriates a total of \$5,207,767 to the HCPF from the General Fund and the Colorado Autism Treatment Fund and assumes that a total of \$5,408,801 in matching federal funds will be received.

Background

Currently, to qualify for the Autism Waiver Program, a child must be eligible for Medicaid, be under the age of 6, have a diagnosis of autism, be at risk of institutionalization, and not be in another waiver program. Once qualified, a child must wait until there is room in the program before receiving services. Enrollment in the program is capped at 75 and children on the wait list are prioritized for services based on imminent need. Because these children are at risk for

institutionalization, they are considered a family of one and parent income is not considered for eligibility purposes. The wait list for services is currently above 300 children, which results in most children having to wait until after the age of five to enroll and receiving less than one year of services. The current source of funds for the program is the Autism Treatment Cash Fund, which receives a statutory transfer of \$1.0 million per year from tobacco settlement moneys.

State Expenditures

This bill increases state expenditures by \$10,616,568 and 0.8 FTE in FY 2015-16 and by \$19,042,713 in FY 2016-17. Table 1 and the discussion that follows describe the costs under the bill.

Cost Components	FY 2015-16	FY 2016-17
Personal Services (Temporary)	\$53,736	\$0
FTE (Temporary)	0.8 FTE	0.0
Waiver Effectiveness Study	62,000	62,000
Medical Services Premiums	10,205,160	18,234,642
Behavioral Health Community Programs	295,672	746,071
TOTAL	\$10,616,568	\$19,042,713

Department of Health Care Policy and Financing. Personal services costs are provided for temporary 0.8 FTE to manage enrollment growth in the first year. Annual costs of \$62,000 are provided to evaluate the program's effectiveness each year as required by the bill. Medical services premiums (health services provided under Medicaid) and behavioral health community programs are calculated based on the following assumptions:

- removing the program's enrollment cap will cause 151 clients in FY 2015-16 and 367 clients in FY 2016-17 to enroll in Medicaid so as to receive waiver services;
- removing the enrollment cap will also increase existing Medicaid clients served in the program by 302 clients in FY 2015-16 and 518 clients in FY 2016-17;
- new clients will receive an average of \$24,526 in services per year;
- by increasing the age limit and allowing clients to receive three full years of services after enrollment (versus aging out at six years of age under the current policy), existing clients will increase their use of services by an average of \$14,307 per year; and
- caseload and costs will continue to grow by 3.03 percent in future fiscal years.

Department of Public Health and Environment. To the extent that new providers establish a relationship with HCPF and any of these providers work in facilities, workload for the Department of Public Health and Environment may increase to provide an initial inspection and follow up inspections. Based on the assumption that new provider growth will be limited at this time, the fiscal note assumes that workload increases are minimal and can be accomplished within existing appropriations. If provider growth exceeds expectations, the department can request additional appropriations through the annual budget process.

Effective Date

The bill takes effect July 1, 2015.

State Appropriations

For FY 2015-16, the bill makes the following appropriations to the HCPF:

- \$57,868 General Fund for personal services related to general administration;
- \$5,005,049, including \$164,846 General Fund and \$4,840,203 from the Colorado Autism Treatment Fund for medical services premiums; and
- \$144,850 General Fund for behavioral health capitation payments related to behavioral health community programs.

The bill anticipates that the HCPF will receive \$5,408,801 in matching federal funds and allocates them as follows:

- \$57,868 federal funds for personal services related to general administration;
- \$5,200,111 federal funds for medical services premiums; and
- \$150,822 federal funds for behavioral health capitation payments related to behavioral health community programs.

Departmental Difference

The Department of Public Health and Environment identified costs of \$109,098 and 0.9 FTE in FY 2015-16 and \$124,927 and 1.1 FTE in FY 2016-17 based on the assumption that 125 new providers will establish new relationships with HCPF and require inspections. The fiscal note assumes that the number of new providers is likely to be minimal and that because clients are not institutionalized, no facilities inspections are required.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Joint Budget Committee Staff