

Colorado Legislative Council Staff

STATE
FISCAL IMPACT

Drafting Number: LLS 05-0651
Prime Sponsor(s): Rep. Solano
 Sen. Tochtrop

Date: February 9, 2005
Bill Status: House Health & Human Services
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING THE REPORTING REQUIREMENTS REGARDING PERSONS RECEIVING PUBLIC HEALTH CARE BENEFITS.

Fiscal Impact Summary	FY 2005/2006	FY 2006/2007
State Revenues		
State Expenditures		
General Fund	\$31,655	\$179
Federal Funds	31,654	179
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: None		
Effective Date: 90 Days Following Adjournment of the General Assembly Unless a Referendum Petition Is Filed — August 10, 2005		
Appropriation Summary for FY 2005/2006:		
Department of Health Care Policy & Financing	\$ <u>63,309</u> Total	
	31,655 General Fund	
	31,654 Federal Funds	
Local Government Impact: None		

Summary of Legislation

The bill requires an applicant for health care benefits administered by the Department of Health Care Policy and Financing, including, but not limited to, benefits provided pursuant to the Medicaid program and the Children's Basic Health Plan (CBHP), and a person requesting uncompensated care in a hospital to identify his or her employer or employers, or if the beneficiary is unemployed, to identify the adult responsible for providing the beneficiary's support. The department is required to report annually to the General Assembly regarding employers with 25 or more employees who are public health program beneficiaries. Additionally, the department is required to make the report available to any person who requests such report.

State Expenditures

Department of Health Care Policy and Financing. The bill is assessed at having a fiscal impact of \$63,309 in FY 2005-06 and \$358 in FY 2006-07. Programmatic changes to the Colorado

Benefits Management System (CBMS) are necessary to meet the bill's requirements. Additionally, the department will incur printing/ mailing costs for the reports. Table 1 below identifies how costs have been estimated under HB 05-1245. CBMS costs are a one-time expenditure incurred in year one. First year printing costs reflect 5 months of expenditures due to the February 1 reporting requirements.

TABLE 1 — Cost Components Under HB 05-1245	FY 2005-06	FY 2006-07
Modifications to CBMS:		
Analysis to Implement New Employer Table in CBMS — 40 hrs. @ \$75/hr.	\$ 3,000	—
Develop Annual Report in CBMS — 48 hrs. @ \$75/hr.	3,600	—
Perform Unit and User Acceptance Test of Modifications — 64 hrs. @ \$65/hr.	4,160	—
Develop Support Documentation for Users — 32 hrs. @ \$75/hr.	2,400	—
Vendor Costs to Implement New Employer Table in CBMS	<u>50,000</u>	—
Total CBMS Modifications	\$ 63,160	—
Total — Printing/Mailing (208 reports in year one and 416 in year two)	\$149	\$358
BILL TOTAL	\$63,309	\$358
General Fund	31,655	179
Federal Funds	31,654	179

State Appropriations

The Department of Health Care Policy and Financing should receive an appropriation of \$63,309 for FY 2005-06. Of the total amount, \$31,655 is General Fund and \$31,654 is federal funds.

Departments Contacted

Health Care Policy and Financing

Omissions and Technical or Mechanical Defects

The Privacy Officer in the Department of Health Care Policy and Financing indicates that this bill would require the department to release information in a manner that could violate the Privacy Standard under the federal HIPAA legislation. For example, if a small business employed approximately 25 employees and the business had all employees receiving Medicaid benefits, the small business and the employees' health care costs would appear on the proposed annual disclosure report, and personal health information about all 25 employees of this business would be released to the public. Fines of up to \$1,000 per inappropriate disclosure could be assessed for violations of the HIPAA Privacy Standard. An even greater risk would be the possible loss of federal financial participation for the state's Medicaid program.