



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-0170	Date:	April 30, 2018
Prime Sponsors:	Rep. Ginal Sen. Smallwood	Bill Status:	House Health, Insurance, and Environment
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Bill Topic: STATEWIDE MANAGED CARE

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill repeals, relocates, and amends certain provisions of statute related to managed care under the Medicaid program. It increases state agency workload by a minimum amount

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the introduced bill.

Summary of Legislation

This bill repeals and relocates certain provisions of Title 25.5 related to managed care under the Medicaid program. Additionally, the bill amends statute related to managed care to:

- update the definition of the statewide managed care system;
- integrate Medicaid community health services into the statewide managed care system;
- establish the existing medical home model of care for the statewide managed care system in statute;
- align provisions in statute relating to managed care entities (MCE) with new and existing federal managed care regulations regarding MCE enrollment and administration; and
- increase the timeline for the rate setting process for capitation rates to meet new federal review requirements.

Additionally, it makes conforming amendments to align with these changes and updates various outdated or duplicated sections of statute.

Background

Colorado's Medicaid program currently has several managed care components, including health maintenance organizations (HMOs), the Program of All-Inclusive Care for the Elderly (PACE), primary care case management through the Accountable Care Collaborative (ACC), and behavioral health care under behavioral health organizations (BHOs).

State Expenditures

Beginning in FY 2018-19, this bill may increase workload for the Department of Health Care Policy and Financing (HCPF) to the extent that this bill requires any changes to provider communications, call center volume, contract updates, or computer system changes. As the changes in this bill align statute with current policy, it is assumed that HCPF can accomplish the administrative changes required by the bill within existing appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Health Care Policy and Financing