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HB 20-1284

FISCAL NOTE

Drafting Number: LLS 20-0454 Date: February 19, 2020
Prime Sponsors: Rep. Kraft-Tharp; McCluskie; Sen. Bridges; Smallwood Bill Status: House Public Health Fiscal Analyst: Aaron Carpenter | 303-866-4918 Aaron.Carpenter@state.co.us

Bill Topic: SECURE TRANSPORTATION BEHAVIORAL HEALTH CRISIS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill requires secure transportation services to be licensed by a county's board of commissioners. The bill also creates a new Medicaid benefit for secure transportation. The bill increases state expenditures and increases local revenue and expenditures on an ongoing basis.

Appropriation Summary: This bill requires appropriations totaling of \$206,795 to multiple state agencies. See State Appropriation section.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1 State Fiscal Impacts Under HB 20-1284

Table with 5 columns: Category, FY 2020-21, FY 2021-22, FY 2022-23. Rows include Revenue, Expenditures (General Fund, Cash Funds, Federal Funds, Centrally Appropriated, Total, Total FTE), Transfers, and TABOR Refund.

## Summary of Legislation

After January 1, 2022, this bill requires secure transportation services to be licensed by a county's board of commissioners in order to provide urgent transportation to an emergency medical services facility, a mental health treatment facility, an approved alcohol and substance abuse treatment center, or a walk-in crisis center for individuals experiencing a behavioral health crisis. The State Board of Health in the Colorado Department of Public Health and Environment (CDPHE) must promulgate rules establishing minimum requirements for secure transportation services licensing. If an entity meets these requirements, the entity may apply to the local board of county commissioners to get a license. Licenses, permits, and renewals all require a fee to cover the direct and indirect costs to issue the licenses. If approved, the board of commissioners must issue a license, valid for three years, and a permit for each vehicle, valid for twelve months, to the applying entity. Licenses or permits cannot be sold, reassigned, or transferred. Secure transportation services are not subject to the state's motor carrier regulations.

**Medicaid benefit.** After January 1, 2022, the Department of Health Care Policy and Financing (HCPF) must create a benefit for secure transportation services. HCPF must also create a cost-effective method to provide secure transportation services that includes:

- medical service provider or facility access to approved secure transportation needs; and
- an efficient method for obtaining and paying for secure transportation needs.

**Behavioral health system.** The bill allows secure transportation services, in lieu of a sheriff, to transport an individual who has been detained for a mental health evaluation and treatment, and for the safety of the individual or the public, requires secure transportation to another facility. The Office of Behavioral Health in the Department of Human Services (DHS) must collaborate with the Commissioner of Insurance in the Department of Regulatory Agencies (DORA) to identify barriers and solutions to expanding private health plan coverage to include payment for secure transportation services. In addition, the DHS must send a report to the General Assembly, before December 1, 2022, concerning how secure transportation is being used, how local communities are facilitating the use, and how the DHS has supported the use secure transportation.

## Background

In 2018, the General Assembly passed House Bill 18-1321 to require HCPF to create and implement a cost-effective method to meet urgent transportation needs including discharge from inpatient, emergency services, and other urgent non-emergency services.

Currently, this benefit is administered through three different state-designated entities including county departments of human services, multi-county collaboratives, and a contracted broker. Starting on July 1, 2020, HCPF will consolidate the three state designated entities so all 64 counties will be served under a state-contracted broker for their region.

## State Expenditures

In FY 2020-21, state expenditures will increase by \$235,277 and 1.5 FTE in HCPF and the CDPHE. For FY 2021-22, state expenditures are expected to increase by \$537,224 and 1.0 FTE in HCPF and the DHS, with state expenditures dropping to \$497,116 and 1.0 FTE in HCPF for FY 2022-23 and future years. These costs are shown in Table 2 and described below. Finally, workload in DORA will also increase.

**Table 2  
Expenditures Under HB 20-1284**

<b>Cost Components</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Department of Health Care Policy and Financing</b>			
Personal Services	\$65,772	\$71,751	\$71,751
Operating Expenses	\$1,350	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	-	-
Contract Costs	-	\$120,000	\$192,000
System Modifications	\$87,000	-	-
Medical Service Premiums	-	\$107,892	\$215,784
Centrally Appropriated Costs*	\$14,717	\$16,231	\$16,231
FTE – Personal Services	0.9 FTE	1.0 FTE	1.0 FTE
<b>HCPF (Subtotal)</b>	<b>\$175,039</b>	<b>\$317,224</b>	<b>\$497,116</b>
<i>General Fund</i>	\$38,984	\$138,456	\$221,207
<i>Cash Funds</i>	\$6,413	\$12,040	\$19,235
<i>Federal Funds</i>	\$114,961	\$150,497	\$240,443
<i>Centrally Appropriated</i>	\$14,717	\$16,231	\$16,231
<b>Department of Public Health and Environment</b>			
Personal Services	\$39,463	-	-
Operating Expenses	\$810	-	-
Capital Outlay Costs	\$6,200	-	-
Centrally Appropriated Costs*	\$13,765	-	-
FTE – Personal Services	0.6 FTE	0 FTE	0 FTE
<b>CDPHE (Subtotal)</b>	<b>\$60,238</b>	<b>\$0</b>	<b>\$0</b>
<b>Department of Human Services</b>			
Evaluation Contract	-	\$220,000	-
<b>DHS (Subtotal)</b>	<b>\$0</b>	<b>\$220,000</b>	<b>\$0</b>
<b>Total</b>	<b>\$235,277</b>	<b>\$537,224</b>	<b>\$497,116</b>
<b>Total FTE</b>	<b>1.5 FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Health Care Policy and Financing.** State expenditures in HCPF will increase by \$175,039 and 0.9 FTE in FY 2020-21, \$317,224 and 1.0 FTE in FY 2021-22, and by \$497,116 and 1.0 FTE in FY 2022-23 and ongoing. These costs are described in more detail below. Table 1 outlines the funding sources for these costs.

*Staffing costs.* Starting in FY 2020-21, HCPF will require 1.0 FTE to oversee the creation and implementation of the secure transport services benefit for Medicaid members. This includes overseeing any policy and regulatory revisions and ensure coordination and collaboration between

transportation and medical providers. The position would also oversee and ensure compliance of any secure transportation contracts. This amount is based on the FTE provided for the urgent transportation benefit established in HB 18-1321. Costs for the FTE are outlined in Table 2 and include personnel costs, operating expenses, and capital outlay costs. FTE costs are prorated for the General Fund payday shift in the first fiscal year. These costs are assumed to have a 50 percent federal match.

- *System modifications.* In FY 2020-21 only, state expenditures in HCPF will increase in order to include a new provider type in the Medicaid billing system. These changes are expected to take around 550 hours of contractor time at a cost of \$87,000. This cost is assumed to have a 90 percent federal match.
- *Contract costs.* HCPF will have a cost of \$120,000 in FY 2021-22 and \$192,000 in FY 2022-23 to retain a contractor that will provide administrative services for the transportation services and to provide outreach to transportation and medical providers. This cost is assumed to have a 50 percent federal match.
- *Medical services premiums.* Starting in FY 2021-22, expenditures in HCPF will increase by \$215,784 per year due to increased utilization of the NEMT benefit. The amount in FY 2021-22 is prorated the January 1, 2021 implementation date. The fiscal note assumes that 6 percent of Medicaid clients utilizing an emergency medical services facility, a mental health treatment facility, an approved alcohol and substance abuse treatment center, or a walk-in crisis center will use secure transportation services through the NEMT benefit. In addition, due to the severity of conditions that can qualify for secure transportation, the fiscal note assumes that secure transportation services will charge HCPF a rate close to the emergency transportation rate of \$222 per trip. This cost is assumed to have a 50 percent federal match.
- *Ambulance usage.* Starting in FY 2021-22, to the extent Medicaid clients use secure transportation instead of ambulances, expenditures in HCPF may decrease. However because the fiscal note assumes a similar rate to the emergency rate, any decrease in costs are assumed to be minimal and changes in appropriations will be handled through the annual budget process.

**Department of Public Health and Environment.** The CDPHE will require 0.6 FTE in FY 2020-21 only to hold stakeholder meetings, provide research to the Board of Health, and work on rule drafts. Costs for this FTE are shown in Table 2 and include personnel costs, operating expenses, and capital outlay costs. Costs for FY 2020-21, are prorated for the General Fund payday shift.

**Department of Human Services.** In FY 2021-22 only, expenditures in the DHS will increase by \$220,000 to contract with an entity to evaluate the usage of secure transportation throughout the state. This amount is based on the cost of similar evaluations conducted by the DHS.

**Department of Regulatory Agencies.** Starting in FY 2020-21, workload in the Division of Insurance in DORA will increase to work with the DHS on how to expand private health insurance to cover secure transportation services. The fiscal note assumes this work can be handled within existing appropriations.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance, supplemental employee retirement payments, and indirect cost recoveries, are estimated to be \$28,482 in FY 2020-21, \$16,231 in FY 2021-22 and future years.

### **Local Government**

Starting in FY 2020-21, revenue and expenditures to counties will increase. Local revenue will increase to issue and renew any licenses or permits within the county. Local expenditures will increase to create procedures for applying and renewing licenses and permits, process paperwork, investigate any complaints, and to monitor and ensure compliance. The fiscal note assumes that counties will set their fees to cover any direct and indirect costs of administering the licenses. The amount of the fee will vary by county depending on the number of secure transportation services in a county.

To the extent that sheriffs no longer are required to provide secure transportation, costs to county sheriffs will decrease. The amount of the decrease will vary by county based on the number of individuals who require secure transportation in the county, and the number of miles driven to get an individual to treatment.

### **Effective Date**

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

### **State Appropriations**

The bill requires the following appropriations for FY 2020-21:

- \$160,322 to the Department of Health Care Policy of Financing of which, \$38,948 is from the General Fund, \$6,413 is from the Healthcare Affordability and Sustainability Fee Cash Fund, and \$114,961 is from federal funds.
- An appropriation of \$46,473 and 0.6 FTE from the General Fund to the Department of Public Health and Environment.

### **State and Local Government Contacts**

Counties	Health Care Policy and Financing
Human Services	Information Technology
Judicial	Law
Public Health and Environment	Public Safety
Regulatory Agencies	Sheriffs