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Fiscal Note

Drafting Number: LLS 21-0868
Prime Sponsors: Sen. Moreno
Rep. Herod

Date: April 05, 2021
Bill Status: Senate Appropriations
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Bill Topic: ADULT DENTAL BENEFIT

Summary of Fiscal Impact:

- State Revenue, TABOR Refund, State Expenditure, Local Government, State Transfer, Statutory Public Entity

Budget package bill. This bill repeals the \$1,000 annual Medicaid adult dental benefit cap, reverses and repeals various fund transfers, and makes appropriations. It increases state expenditures in FY 2021-22.

Appropriation Summary:

For FY 2021-22, the bill includes appropriations of \$5,565,000 to the Department of Health Care Policy and Financing.

Fiscal Note Status:

The fiscal note reflects the introduced bill. It was recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB 21-211

Table with 4 columns: Category, Current Year FY 2020-21, Budget Year FY 2021-22, Out Year FY 2022-23. Rows include Revenue, Expenditures (Cash Funds, Federal Funds, Total Expenditures, Total FTE), Transfers (General Fund, Cash Funds, Net Transfer), and TABOR Refund.

Summary of Legislation

House Bill 20-1361 capped the Medicaid adult dental benefit to \$1,000 annually for FY 2020-21 and FY 2021-22 and required transfers of \$1,139,402 in FY 2020-21 and \$2,278,804 in FY 2021-22 from the Unclaimed Property Trust Fund to the General Fund. This bill:

- repeals the adult dental benefit cap;
- transfers \$1,139,402 from the General Fund to the Unclaimed Property Trust Fund,
- repeals a scheduled transfer of \$2,278,804 from the Unclaimed Property Trust Fund to the General Fund;
- appropriates \$331,462 from the Healthcare Affordability and Sustainability (HAS) Fee Cash Fund; and
- appropriates \$1,187,152 from the Adult Dental Fund.

Background

Adult Dental Benefit. The adult dental benefit under Medicaid receives funding from the Adult Dental Cash Fund, which is funded through transfers from the Unclaimed Property Trust Fund. The Treasurer transfers enough funds to implement the adult dental benefit after first reserving enough funds to cover the costs for paying unclaimed property claims, anticipated claims, and any other statutorily required publications or correspondence related to the unclaimed property program.

Colorado Healthcare Affordability and Sustainability Enterprise. The Colorado HAS Enterprise in the Department of Health Care Policy and Financing (HCPF) collects a HAS fee from hospitals for the purpose of obtaining federal matching money to support the state's Medicaid and Indigent Care Programs.

State Transfers

The bill transfers \$1,139,402 from the Unclaimed Property Trust Fund to the General Fund in FY 2020-21. In addition, the bill eliminates a transfer of \$2,278,804 from the Unclaimed Property Trust Fund to the General Fund in FY 2021-22.

State Expenditures

Repealing the cap on the adult dental benefit increases costs for HCPF by \$5,565,000 in FY 2021-22, including \$335,723 from the Health Care Affordability and Sustainability Fee Cash Fund, \$1,187,152 from the Adult Dental Fund, and \$4,042,125 in federal funds. The adult dental benefit was not capped under current law beyond FY 2021-22, so there is no change to expenditures in subsequent years.

Effective Date

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

State Appropriations

For FY 2021-22, the bill includes the following appropriations to the Department of Health Care Policy and Financing:

- \$335,723 from the Healthcare Affordability and Sustainability Fee Cash Fund;
- \$1,187,152 from the Adult Dental Fund; and
- \$4,042,125 from federal funds.

State and Local Government Contacts

Joint Budget Committee Staff