



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0917 Date: September 22, 2021
Prime Sponsors: Sen. Hansen Bill Status: Signed into Law
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Bill Topic: STATE PAYMENT HOSPICE PROVIDERS RESIDENTIAL CARE

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

Budget package bill. The bill provides a state payment to qualified hospice providers for care of persons enrolled in Medicaid who are unable to secure a bed in a nursing facility due to the presence of COVID-19 in the state or for other reasons described in the bill. The bill increases state expenditures in FY 2020-21 and FY 2021-22.

Appropriation Summary: For FY 2020-21, the bill includes an appropriation of \$684,000 to the Department of Health Care Policy and Financing that is further appropriated to FY 2021-22.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 21-214

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

## **Summary of Legislation**

The bill authorizes a state payment to qualified hospice providers that provide hospice services to persons enrolled in Medicaid and who are eligible for care in a nursing facility, but who are unable to secure a bed in a nursing facility due to the presence of COVID-19 in the state or for other reasons described in the bill. The eligible patient must have a hospice diagnosis. The state payment to a qualified hospice provider is limited to not more than 28 days for each eligible patient.

The qualified hospice provider must provide residential services to an eligible patient during the fourth quarter of FY 2020-21 or during FY 2021-22. The state payment is an amount equal to one-half of the statewide average per diem rate for nursing facilities. State payments are limited to appropriations made for this purpose.

The Department of Health Care Policy and Financing is responsible for administering the state payment and is required to seek input from qualified hospice providers concerning the administration of the payment and the allocation of available appropriations. The State Board of Medical Services may adopt necessary rules for implementation.

## **Background**

As a result of the COVID-19 disaster emergency and due to census limitations in nursing facilities, some clients who are at end-of-life and require hospice care have not been able to access the necessary level of care in an appropriate setting. Given the lack of available beds in inpatient settings and the care requirements of these patients, providers believe that a second option for placement is in a hospice care unit. However, placement in hospice care units are not eligible for Medicaid reimbursement.

## **State Expenditures**

The bill will increase General Fund expenditures for the Department of Health Care Policy and Financing by \$684,000 for expenditures beginning in FY 2020-21 and ending in FY 2021-22. This assumes an average of 13 patients per day will receive hospice services at an average state per diem rate of \$115.38 for 456 days. The department will work with stakeholders to implement the provisions of the bill and the State Board of Medical Services will adopt any rules necessary for implementation.

## **Effective Date**

This bill was signed into law by the Governor and took effect on May 4, 2021.

## **State Appropriations**

For FY 2020-21, the bill includes a General Fund appropriation of \$684,000 to the Department of Health Care Policy and Financing. Funds not expended prior to July 1, 2021, are further appropriated for FY 2021-22.

**State and Local Government Contacts**

Health Care Policy and Financing

Joint Budget Committee Staff