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Revised Fiscal Note

(replaces fiscal note dated March 17, 2022)

Drafting Number: LLS 22-0273
Prime Sponsors: Rep. Titone; Ricks
 Sen. Fields

Date: April 6, 2022
Bill Status: House Appropriations
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Bill Topic: MEDICAID ASSISTANCE FOR SURVIVORS OF TORTURE

Summary of Fiscal Impact:

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

This bill provides Medicaid coverage to torture survivors living in Colorado regardless of immigration status. The bill increases state expenditures on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$2.2 million to the Department of Health Care Policy and Financing.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House Health and Insurance Committee. It has been updated to reflect new information regarding interpretive services costs.

Table 1
State Fiscal Impacts Under HB 22-1094

		Budget Year FY 2022-23	Out Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-	-
Expenditures	General Fund	\$2,244,204	\$3,702,199	\$4,297,087
	Centrally Appropriated	\$27,295	\$64,067	\$64,067
	Total Expenditures	\$2,271,499	\$3,766,266	\$4,361,154
	Total FTE	1.2 FTE	3.0 FTE	3.0 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$336,631	\$555,330	\$644,563

Summary of Legislation

Beginning January 1, 2023, the bill requires the Department of Health Care Policy and Financing (HCPF) to provide Medicaid benefits to individuals living in Colorado who have been tortured in another country and are under the care of a rehabilitative service provider, regardless of immigration status and without federal funding, unless federal funding becomes available. The Medical Services Board must adopt rules to implement the bill, including rules specifying outreach.

State Expenditures

The bill increases state expenditures in HCPF by \$2.3 million in FY 2022-23, \$3.8 million in FY 2023-24, and \$4.4 million in FY 2024-25 and future years, paid from the General Fund. Expenditure amounts are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under HB 22-1094**

	FY 2022-23	FY 2023-24	FY 2024-25
Department of Health Care Policy and Financing			
Personal Services	\$96,657	\$231,978	\$231,978
Operating Expenses	\$2,160	\$4,050	\$4,050
Capital Outlay Costs	\$18,600	-	-
Computer Programming and Maintenance	\$1,328,920	\$5,005	\$5,005
Health Care Costs ¹	\$797,867	\$3,461,166	\$4,056,054
Centrally Appropriated Costs ²	\$27,295	\$64,067	\$64,067
Total Cost	\$2,271,499	\$3,766,266	\$4,361,154
Total FTE	1.2 FTE	3.0 FTE	3.0 FTE

¹ See Table 3 for additional health care cost detail.

² Centrally appropriated costs are not included in the bill's appropriation.

Health Care Policy and Financing. Beginning mid-year FY 2022-23, costs will increase in HCPF to hire additional staff, perform computer programming, and pay for Medicaid health benefits, as discussed below.

- **Staff.** HCPF requires an increase of 3.0 FTE, including two state-only program administrators and 0.5 FTE each of technical staff and budgetary support staff. Program administrators will ensure regulatory compliance and manage caseloads of approximately 150 individuals each in lieu of county support for this population. The technical and budgetary support staff will manage the program's budget and accounting and ensure that claims are processed in compliance with federal regulations. All staff will also assist in facilitating computer programming updates. Standard operating and capital outlay costs are included, and first-year costs are prorated for a January effective date and reflect the General Fund pay date shift. In addition, existing HCPF management, administrative support, and procurement staff will support eligibility verification and program operations within existing appropriations.

- **Computer programming.** Costs to program the Colorado Benefits Management System (CBMS) and the Medicaid Management Information System (MMIS) are estimated at \$1.3 million in FY 2022-23, and \$5,005 per year thereafter for MMIS only. CBMS updates include creating a new population code, implementing eligibility criteria, and sending this information to the MMIS, at a cost of \$566,730, reappropriated to the Office of Information Technology. MMIS updates include accepting the newly eligible population from CBMS and creating a corresponding benefit, at a cost of \$762,190.
- **Health care costs.** The fiscal note assumes that each eligible individual will have total costs of \$13,520 per year, assuming both behavioral health and acute care services will be required, and that the eligible population will reach about 300 individuals by FY 2024-25, based on the bill's definitions, programs operating in other states, available data provided by HCPF, and assuming public awareness of the program will gradually increase over time. Actual costs will vary from this estimate and will be adjusted through the annual budget process to ensure that HCPF has adequate spending authority for this state-only funded population. These costs do not include an estimate of waiver services, which may be required in cases where there is a traumatic brain injury or other disability.

Table 3
Health Care Costs Under HB 22-1094

	FY 2022-23 <i>half-year impact</i>	FY 2023-24	FY 2024-25
Estimated Per Capita Behavioral Health Costs	\$1,672	\$1,689	\$1,689
Estimated Per Capita Acute Care Costs	\$10,993	\$11,831	\$11,831
Estimated Per Capita Care Costs	\$12,665	\$13,520	\$13,520
Estimated Population Size	126	256	300
Total Estimated Per Capita Service Costs¹	\$797,867	\$3,461,166	\$4,056,054

¹ Totals may not sum due to rounding.

- **Verification assumptions.** It is assumed that HCPF will rely on referrals from nonprofit refugee assistance organizations or affidavits to confirm that a person is torture survivor.

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 and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Technical Note

Based on the number of system changes currently scheduled, the required updates to the Medicaid IT systems cannot be completed by the bill's deadline to begin coverage for the newly eligible population by January 1, 2023. While the fiscal note shows costs based on the bill's deadlines, the actual timing of costs may be shifted to future years and require adjustments to HCPF appropriations to account for any delays in meeting the required implementation date.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$2,244,204 to the Department of Health Care Policy and Financing with 1.2 FTE. Of this amount, \$566,730 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Health Care Policy and Financing

Information Technology

Law