

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE BEHAVIORAL HEALTH ADMINISTRATION.

Prime Sponsors: Reps. Young and Pelton
Sens. Lee and Simpson

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/04/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

This JBC Staff analysis and amendment J.001 reflect minor technical adjustments to appropriations based on appropriations included in the FY 2022-23 Long Bill. This includes an increase of \$944 General Fund above the amount that the Legislative Council Staff Revised Fiscal Note anticipated moving from the Department of Human Services to the Department of Public Health and Environment. Legislative Council Staff and JBC Staff agree that the appropriations in amendment J.001 accurately reflect the amounts required by the bill for FY 2022-23.

In addition, there appears to be a conflict between this bill (H.B. 22-1278) and H.B. 22-1302 (Health-care Practice Transformation).

- This bill (H.B. 22-1278) requires the Behavioral Health Administration, in collaboration with relevant stakeholders, the Department of Health Care Policy and Financing, and other state agencies, to develop a universal contract for the provision of behavioral health services. The Legislative Council Staff Fiscal Note does not assume additional costs are necessary for this bill specific to the universal contract.
- However, H.B. 22-1302 also requires the Department of Health Care Policy and Financing to develop the universal contract and requires the General Assembly to appropriate \$3.0

million to the Department of Health Care Policy and Financing to for FY 2022-23 for that purpose. The Legislative Council Staff Fiscal Note for H.B. 22-1302 assumes a need for an appropriation of \$3.0 million cash funds from the Behavioral and Mental Health Cash Fund (which originated as federal funds from the American Rescue Plan Act) for the development of the contract.

- Thus, it is unclear which agency the General Assembly wants to lead the development of the universal contract. Finally, if development of the contract requires \$3.0 million in addition to the resources already assumed in this bill, there do not appear to be funds available for that purpose unless H.B. 22-1302 (and the associated appropriation) become law.

If the General Assembly intends for the Behavioral Health Administration to lead the development of the universal contract then it would be preferable appropriate the funds for that effort to the Behavioral Health Administration in this bill rather than to the Department of Health Care Policy and Finance in H.B. 22-1302. Based on the provisions in H.B. 22-1302, JBC staff assumes that the General Assembly intends to appropriate \$3.0 million cash funds from the Behavioral and Mental Health Cash Fund for this purpose. Using that assumption, staff has prepared an *optional* amendment to this bill (amendment J.002, discussed below) that would appropriate \$3.0 million cash funds from the Behavioral and Mental Health Cash Fund to the Behavioral Health Administration (Department of Human Services) for FY 2022-23 to support the development of the contract.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision making appropriations to five departments. In total, after accounting for movements of funds between departments, this provision results in a net increase of \$12,679,201 total funds for FY 2022-23, including \$3,931,362 General Fund, \$142,766 cash funds from the Division of Insurance Cash Fund, \$8,358,674 reappropriated funds that originate as federal funds in the Department of Human Services that are reappropriated to the Department of Public Health and Environment, and \$246,399 federal funds. This provision also states that the appropriations are based on the assumption that an additional 33.2 FTE will be required statewide. The following table summarizes the net changes in each affected department.

H.B. 22-1278 NET CHANGE IN APPROPRIATIONS BY DEPARTMENT						
DEPARTMENT	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Human Services	\$3,070,632	\$3,661,129	(\$590,497)	\$0	\$0	14.7
Law	177,426	0	0	177,426	0	1.0
Public Health and Environment	8,795,579	23,834	590,497	8,181,248	0	11.0
Health Care Policy and Financing	492,798	246,399	0	0	246,399	4.5
Regulatory Agencies	142,766	0	142,766	0	0	2.0
TOTAL	\$12,679,201	\$3,931,362	\$142,766	\$8,358,674	\$246,399	33.2

J.002 Staff has prepared amendment **J.002** (attached) to add a provision to amendment J.001 appropriating \$3.0 million cash funds from the Behavioral and Mental Health Cash Fund (which originated as federal Coronavirus State Fiscal Recovery Funds) to the Department of Human Services for FY 2022-23 to support the development of the universal contract discussed above. This provision also makes the funds available to the Department through December 30, 2024, for that purpose. The Committee should note that this amendment is optional depending on whether the General Assembly wishes to provide funds for the Behavioral Health Administration to develop the contract as required by this bill or assume that H.B. 22-1302 will provide the necessary resources (with an appropriation to the Department of Health Care Policy and Financing rather than the Behavioral Health Administration).

The Committee should adopt amendment J.001 regardless of whether or not it adopts amendment J.002.

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package leaves \$1.5 million over the fiscal year-end General Fund reserve requirement.

- The JBC has included as part of its FY 2022-23 budget package a total General Fund impact of \$4,649,893 associated with this bill, including: \$3,894,052 in appropriations, \$584,108 in required reserves for those appropriations, and a revenue reduction of \$171,733 associated with the diversion of General Fund revenues to the Division of Insurance Cash Fund in the Department of Regulatory Agencies.
- With amendment L.001, the total General Fund impact of the bill in FY 2022-23 is \$4,663,832, including: \$3,931,362 in appropriations, \$589,704 in associated reserves, and a revenue reduction of \$142,766. In total, the impact is \$13,940 more than the amount assumed in the budget package.
- As a result, the bill would decrease the excess reserve amount by \$13,940.