

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING HEALTH-CARE PRACTICE TRANSFORMATION TO SUPPORT WHOLE-PERSON HEALTH THROUGH INTEGRATED CARE MODELS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Reps. Kennedy and Will
Sens. Jaquez Lewis and Priola

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Phone: 303-866-4952
Date Prepared: May 4, 2022

Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

General Fund Impact (if sponsor amendment L.010 is adopted)

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 04/14/22.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	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

The Senate Health & Human Services Committee Report (04/25/22) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.010	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides in FY 2022-23:

- \$31.8 million from the Behavioral and Mental Health Cash Fund to the Department of Health Care Policy and Financing for the primary care and behavioral health statewide

integration grant program and makes the appropriation available through December 30, 2024

- \$3.0 million from the Behavioral and Mental Health Cash Fund to the Department of Health Care Policy and Financing and makes the appropriation available through December 30, 2024
- \$250,000 from the Behavioral and Mental Health Cash Fund to the University of Colorado for the regional health connector workforce program

Description of Amendments in This Packet

L.010 Bill Sponsor amendment **L.010** (attached) requires the Department of Health Care Policy and Financing to transform the process for clients attempting to receive long-term care in the community and to submit reports to the General Assembly on the Department's efforts related to the Olmstead decision by January 2023 and January 2024. The amendment adds funds to the existing appropriations clause to pay for the Department's work. The table below summarizes the additional FY 2022-23 appropriations included in L.010 and the expected costs in FY 2023-24 related to L.010.

Transforming Long-term Care in the Community per L.010				
	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
FY 2022-23				
Personal Services	\$853,316	\$440,226	\$413,090	12.0
Operating Expenses	11,400	5,882	5,518	0.0
Leased Space	79,200	40,860	38,340	0.0
Strategic Advisory Team Contract Funding	160,000	80,000	80,000	0.0
Systems Updates	500,000	50,000	450,000	0.0
Subtotal	\$1,603,916	\$616,968	\$986,948	12.0
Centrally Appropriated Costs ¹	246,199	127,015	119,184	0.0
Total FY 2022-23	\$1,850,115	\$743,983	\$1,106,132	12.0
FY 2023-24				
Personal Services	\$853,316	\$440,226	\$413,090	12.0
Operating Expenses	11,400	5,882	5,518	0.0
Leased Space	79,200	40,860	38,340	0.0
Strategic Advisory Team Contract Funding	160,000	80,000	80,000	0.0
Systems Updates	0	0	0	0.0
Subtotal	\$1,103,916	\$566,968	\$536,948	12.0
Centrally Appropriated Costs	246,199	127,015	119,184	0.0
Total FY 2023-24	\$1,350,115	\$693,983	\$656,132	12.0

¹ Centrally appropriated costs are not included in the appropriation.

This JBC Staff Fiscal Analysis assumes the positions and costs are time-limited to FY 2022-23 and FY 2023-24. The reporting requirements end in FY 2023-24 and the statutory instruction for the Department to transform the process for clients attempting to receive long-term care in the community is repealed July 1, 2025. However, compliance with the Olmstead decision is an ongoing obligation independent of this bill. This JBC Staff Fiscal Analysis assumes that if the Department needs additional resources related to the Olmstead decision then those costs would be addressed through the annual budget process.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

If sponsor amendment L.010 is adopted, this bill would create a two-year obligation and require General Fund appropriations totaling \$1,310,951, including \$616,968 in FY 2022-23 and an estimated \$693,983 in FY 2023-24. Since this obligation spans multiple fiscal years, the General Assembly could choose to count the FY 2022-23 appropriation against the \$40.0 million set aside for ongoing obligations. Alternatively, since this is a time-limited obligation, the General Assembly could choose to count the two-year cost (with the associated reserve) against the \$900.0 million set aside for one-time obligations.