



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 22-0993 **Date:** August 17, 2022
Prime Sponsors: Sen. Ginal; Rankin **Bill Status:** Signed into Law
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Bill Topic: **RURAL PROVIDER STIMULUS GRANT PROGRAM**

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

The bill creates the Rural Provider Access and Affordability Stimulus Grant Program, and associated advisory committee and cash fund in the Department of Health Care Policy and Financing. The bill increases state expenditures beginning in FY 2022-23 and may increase state revenue beginning in FY 2022-23.

Appropriation Summary: No appropriation is required; funds are continuously appropriated to the Department of Health Care Policy and Financing.

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

Table 1
State Fiscal Impacts Under SB 22-200

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	\$9,771,502	\$159,102
	Centrally Appropriated	\$32,533	\$32,533
	Total Expenditures	\$9,804,035	\$191,635
	Total FTE	1.5 FTE	1.5 FTE
Transfers	Cash Funds	(\$10,000,000)	-
	Cash Funds	\$10,000,000	-
	Net Transfer	\$0	-
Other Budget Impacts		-	-

Summary of Legislation

The bill creates the Rural Provider Access and Affordability Stimulus Grant Program (grant program) in the Department of Health Care Policy and Financing (HCPF). It also creates an advisory committee and a cash fund for the program. Additional information on these provisions of the bill are provided below.

Rural Provider Access and Affordability Stimulus Grant Program. The grant program is created to provide grants to qualified rural health care providers to improve health care services in rural communities through modernization of information technology infrastructure and expanded access to health care. In consultation with the advisory committee, HCPF is required to adopt program guidelines, including grant application procedures, timelines, eligibility, funding amounts and reporting requirements for grant recipients by December 31, 2022, and post the information on its website. The bill specifies that money transferred for the grant program must be used as follows:

- \$4,800,000 for health care affordability project grants;
- \$4,800,000 for health care access project grants; and
- \$400,000 for grant program administration.

By December 31, 2022, the Medical Services Board, with recommendations from the advisory committee, is required to promulgate rules for the administration of the grant program, including a methodology to determine which rural providers are considered qualified, permissible uses of grant funds, and reporting requirements.

HCPF is required to report to the legislature on the progress of the program and, along with any grant recipients, must comply with reporting requirements set by the Office of State Planning and Budgeting. The grant program is repealed July 1, 2025.

Rural Provider Access and Affordability Advisory Committee. The advisory committee is created to advise and make formal recommendations to HCPF on the administration of the program, program guidelines, and selection of grant recipients. It includes voting members from HCPF, the Department of Public Health and Environment, the Office of Health Innovation in the Governor's Office, and rural providers. The Executive Director of HCPF must make appointments to the advisory committee no later than August 1, 2022. The committee must convene by September 1, 2022, and meet at least twice per year.

Rural Provider Access and Affordability Fund. The fund consists of money transferred to the fund from the Economic Recovery and Relief Cash Fund, money appropriated or transferred to the fund by the General Assembly, and any gifts, grants, or donations from any public or private sources. The money in the fund is continuously appropriated to HCPF and any money in the fund not expended or encumbered by July 1, 2024, reverts to the Economic Recovery and Relief Cash Fund. By July 1, 2022, the State Treasurer must transfer \$10.0 million from the Economic Recovery and Relief Cash Fund to the fund.

State Revenue

The bill potentially increases state revenue to the Rural Provider Access and Affordability Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Transfers

The bill transfers \$10.0 million from the Economic Recovery and Relief Cash Fund to the Rural Provider Access and Affordability Fund. The transfer is required to occur by July 1, 2022. The fiscal note assumes the transfer will occur in FY 2022-23, but it may occur in the current FY 2021-22.

State Expenditures

The bill increases state expenditures in the Department of Health Care Policy and Financing by \$9,804,035 in FY 2022-23 and \$191,635 in FY 2023-24 from the Rural Provider Access and Affordability Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 22-200

	FY 2022-23	FY 2023-24
Department of Health Care Policy and Financing		
Personal Services	\$84,862	\$84,862
Operating Expenses	\$2,025	\$2,025
Capital Outlay Costs	\$12,400	-
Grant Contractor	\$72,215	\$72,215
Grants	\$9,600,000	-
Centrally Appropriated Costs	\$32,533	\$32,533
Total Cost	\$9,804,035	\$191,635
Total FTE	1.5 FTE	1.5 FTE

Department of Health Care Policy and Financing. In FY 2022-23 and FY 2023-24, HCPF requires 1.5 FTE and contracted support to implement the program.

- **Staff.** In FY 2022-23 and 2023-24, 1.0 FTE of an administrator will oversee the design and implementation of the grant program and work with the application review contractor, manage project timelines, track the budget, manage data, draft reports, and complete other grant management duties. HCPF also requires 0.5 FTE of accounting staff to provide payment processing and compliance support.

- **Grant Application and Review Contractor.** In FY 2022-23 and FY 2023-24, 357.5 hours of contractor time will be required to review grant applications. It is assumed that 65 applications will require 5.5 hours of review time each.
- **Grants.** The bill specifies that HCPF has \$9,600,000 in funds to distribute via grants. These are shown as expenditures in FY 2022-23, but will also be expended in FY 2023-24.

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.

Effective Date

This bill was signed into law by the Governor and took effect on June 1, 2022.

State and Local Government Contacts

Governor
Information Technology
Economic Development

Health Care Policy and Financing
Law
Public Health and Environment Treasury