



**Colorado  
Legislative  
Council  
Staff**

**Bill 1**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 17-0159  
**Prime Sponsor(s):**

**Date:** September 27, 2016  
**Bill Status:** Interim Study Committee on  
Communication between HCPF  
and Medicaid Clients Bill Request

**Fiscal Analyst:** Ryan Long (303-866-2066)

**BILL TOPIC:** TECHNICAL ISSUES FILING MEDICAID APPEALS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
<b>State Revenue</b>		
<b>State Expenditures</b>	<b><u>\$300,000</u></b>	<b><u>\$54,000</u></b>
Information Technology	300,000	54,000
<b>Appropriation Required:</b> \$300,000 - Department of Personnel and Administration (FY 2017-18)		
<b>Future Year Impacts:</b> Ongoing expenditure increase.		

**Summary of Legislation**

This bill, *requested by the 2016 Interim Study Committee on Communication between the Department of Health Care and Policy Financing (HCPF) and Medicaid Clients*, clarifies that Medicaid benefits must automatically continue without requiring an affirmative request by a client who is appealing a termination or reduction in benefits. HCPF must send the recipient written confirmation of the continuing benefits. The electronic filing form for appeals must include a check box or other method to opt out of continuing benefits, to request an accommodation for submitting an appeal or participating in a hearing, and to request dispute resolution. The electronic appeals website must additionally allow for the attachment of as many documents as necessary to support the appeal.

**State Expenditures**

This bill increases General Fund costs by \$300,000 in FY 2017-18 and \$54,000 in FY 2018-19 and future years. It also increases workload in HCPF by a minimal amount. These impacts are described below.

**Department of Personnel and Administration (DPA).** To streamline the document attachment process, a new e-filing system with the capacity to handle large document count submission is required. This fiscal note estimates that this system will cost \$300,000 in the first fiscal year, with an ongoing annual licensing fee of \$54,000 in future years. The Office of Administrative Courts (OAC) will also have additional workload to communicate client

accommodation and continuing benefit requests from HCPF and to the counties. This analysis assumes first-year costs will be incurred after July 1, 2017, to accommodate the development of the new e-filing system.

**Department of Healthcare Policy and Financing.** HCPF currently continues benefits during appeals if the appeal was requested within the required time frame for continuing benefits, and sends out a notifications when benefits are continued. Therefore, this fiscal note assumes that the clarification in this bill will not significantly impact workload or costs for HCPF.

### **State Appropriation**

For FY 2017-18, the bill requires a General Fund appropriation of \$300,000 to the OAC in DPA.

### **Effective Date**

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

### **State and Local Government Contacts**

Counties	Health Care Policy And Financing	Human Services
Information Technology	Law	Personnel