



**Colorado
Legislative
Council
Staff**

HB17-1343

FISCAL NOTE

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

Drafting Number: LLS 17-0858
Prime Sponsor(s): Rep. Young
Sen. Moreno

Date: April 24, 2017
Bill Status: House Public Health Care and
Human Services
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: IMPLEMENT CONFLICT-FREE CASE MANAGEMENT

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	<u>\$236,210</u>	<u>\$231,507</u>
Cash Funds	111,398	109,046
Federal Funds	111,396	109,045
Centrally Appropriated Costs	13,416	13,416
FTE Position Change	1.0 FTE	1.0 FTE
Appropriation Required: \$222,794 - Department of Health Care Policy and Financing.		
Future Year Impacts: Ongoing expenditure increase.		

Summary of Legislation

This bill, **recommended by the Joint Budget Committee**, implements conflict-free case management for people with intellectual and developmental disabilities who are enrolled in a Medicaid home- and community-based services (HCBS) waiver program. As defined in the bill, conflict-free case management refers to case management services provided by a case management agency that is a different agency from the one that provides services and supports to a client. Case management agencies must develop individualized plans for people enrolled in the HCBS waiver program. The state Medical Services Board must promulgate rules pertaining to the certification of case management agencies and the process by which people can select the case management agency of their choice.

No later than July 1, 2018, the Department of Health Care Policy and Financing (HCPF) must determine the options for community-centered boards to become compliant with conflict-free case management. The bill further outlines a timeline for community-centered boards to alter their business plans and attain compliance with conflict-free case management. No later than June 30, 2022, all clients receiving HCBS must be served through a system of conflict-free case management. Under this bill, HCPF is authorized to seek a federal exemption from conflict-free case management requirements for geographic areas where the only entity willing to provide case management services is also the only entity capable of providing HCBS in that area.

Background

A change in federal regulations in 2014 required that case management services and direct services under an HCBS waiver program be provided by separate agencies. House Bill 15-1318 required HCPF to submit a plan for complying with federal regulations around conflict-free case management. This plan was submitted to the Joint Budget Committee on July 1, 2016.

State Expenditures

This bill will increase state cash fund expenditures by \$236,210 and 1.0 FTE in FY 2017-18 and \$231,507 and 1.0 FTE in FY 2018-19 and in future years. These costs are split between the Intellectual and Developmental Disabilities Services Cash Fund and federal funds. Costs under the bill are outlined in Table 1 and described below.

Cost Components	FY 2017-18	FY 2018-19
Personal Services	\$67,141	\$67,141
FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
Contracting Costs	150,000	150,000
Centrally Appropriated Costs*	13,416	13,416
TOTAL	\$236,210	\$231,507

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

Personal services and operating expenses. HCPF will require 1.0 FTE to oversee the implementation of, and ensure compliance with, conflict-free case management regulation. This includes stakeholder engagement, identification of case management agency qualifications, the development and writing of waiver amendments for submission to the Centers for Medicare and Medicaid Services, and training case management agencies on requirements. It is assumed this position will be hired July 1, 2017.

Contracting costs. For FY 2017-18 through FY 2018-19, HCPF requires a contractor to assist staff in the implementation of this bill. The contractor is needed to assist with the development of criteria for the business continuity plans from community centered boards, analyzing the transition to conflict-free case management, and the provision of recommendations for the evaluation of requests for the rural exemptions. It is assumed that any duties remaining after the contractor completes its work in 2019 will be transferred to existing staff in HCPF.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB17-1343		
Cost Components	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$7,410	\$7,410
Supplemental Employee Retirement Payments	6,006	6,006
TOTAL	\$13,416	\$13,416

Effective Date

The bill takes effect upon signature of the Governor.

State Appropriations

For FY 2017-18, the bill requires and includes an appropriation of \$222,794 to the Department of Health Care Policy and Financing and an allocation of 1.0 FTE for use by the Office of Community Living. Of this appropriation, \$111,398 is from the Intellectual and Developmental Disabilities Services Cash Fund and \$111,396 is federal funds.

State and Local Government Contacts

Counties
Human Services

Health Care Policy and Financing
Information Technology