



Legislative
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HB 20-1139

FINAL FISCAL NOTE

Drafting Number: LLS 20-0434
Prime Sponsors: Rep. Pelton; Caraveo

Date: July 7, 2020
Bill Status: Deemed Lost
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Bill Topic: **PEER SUPPORT PROFESSIONALS BEHAVIORAL HEALTH**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have created and allowed recovery support services organizations to bill Medicaid for eligible services. The bill would have also established a tax credit for eligible peer-support professionals. This bill would have decreased state revenue and increased state expenditures starting in FY 2020-21.

Appropriation Summary: This bill would have required an appropriation of \$67,131 to the Department of Human Services.

Fiscal Note Status: This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Table 1
State Fiscal Impacts Under HB 20-1139**

		FY 2020-21	FY 2021-22
Revenue	General Fund	(\$50,000)	(\$100,000)
Expenditures	General Fund	\$67,131	\$125,526
	Centrally Appropriated	\$12,220	\$22,106
	Total	\$79,351	\$147,632
	Total FTE	0.7 FTE	1.3 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill creates and allows recovery support services organizations to bill Medicaid for eligible services. The bill also establishes a tax credit for eligible peer-support professionals.

Recovery support services organizations. This bill creates a new type of organization, called a recovery support services organization, for which the Office of Behavioral Health (OBH) in the Department of Human Services (DHS) may approve for reimbursement under Medicaid. Recovery support services organizations are governed by representatives of communities of recovery that provide recovery-focused services.

On or before January 1, 2022, recovery support services organizations approved by the OBH may bill for services including:

- peer-delivered support services;
- peer-run drop-in centers, recovery and wellness centers, and employment services;
- prevention and early intervention activities;
- peer mentoring for children and adolescents;
- patient and family support groups;
- warm lines; and
- advocacy services.

State income tax credit for peer support professionals. The bill also creates a state income tax credit for eligible peer support professionals. The amount of the tax credit is \$1,000 per taxpayer and is refundable, meaning if the amount exceeds the taxpayer's state income tax liability, the balance is refunded to the taxpayer. The credit is available for tax years 2021 through 2030. The bill caps the total amount of credits that can be issued to \$100,000 per tax year. The credit certificates will be issued by OBH and in the order in which they are requested. The DHS must adjust the tax credit amount for inflation beginning in tax year 2022.

To be eligible for the credit, a peer support professional must:

- have been employed in Colorado as a peer support professional at least part-time in the behavioral health sector for at least three years and be enrolled in a undergraduate or graduate degree from an accredited Colorado institution of higher education with at least 12 credit hours per academic year; or
- have been previously employed in Colorado as a peer support professional at least part-time in the behavioral health sector for at least three years, graduated from an accredited Colorado institution of higher education, and have been subsequently employed in Colorado as a behavioral health care provider.

The OBH must promulgate rules concerning what documentation is required to receive the credit; review all necessary information provided by eligible peer support professionals; ensure that the total amount of tax credits issued does not exceed the \$100,000 annual cap; and provide an annual report to the DHS of the number of eligible peer support professionals. On or before July 1, 2030, the OBH must submit a report to the General Assembly on the number and types of peer support professionals who took a tax credit.

Assumptions

The fiscal note assumes that the OBH will issue \$100,000 in tax credits, as capped in the bill, each year of the program. In the first and last program years, this amount is pro-rated for a half-year impact.

State Revenue

As discussed in the Assumptions section, the bill is expected to decrease General Fund revenue from individual income taxes by \$50,000 in FY 2020-21, by \$100,000 in FY 2021-22 through FY 2029-30, and by \$50,000 in FY 2030-31, when the credit is repealed. Individual income tax revenue is subject to TABOR.

State Expenditures

In FY 2020-21, General Fund expenditures will increase by \$79,351 and 0.7 FTE and by \$147,632 and 1.3 FTE in the DHS and the Department of Revenue (DOR), as shown in Table 2. The bill may also impact Medicaid expenditures in the Department of Health Care Policy and Financing (HCPF). These impacts are discussed below.

**Table 2
 Expenditures Under HB 20-1139**

Cost Components	FY 2020-21	FY 2021-22
Department of Human Services		
Personal Services	\$59,851	\$104,652
Operating Expenses	\$1,080	\$1,755
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs*	\$12,220	\$22,106
FTE – Personal Services	0.7 FTE	1.3 FTE
DHS (Subtotal)	\$79,351	\$128,513
Department of Revenue		
Computer Programming	-	\$19,119
DOR (Subtotal)	\$0	\$19,119
Total	\$79,351	\$147,632
Total FTE	0.7 FTE	1.3 FTE

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

Department of Human Services. This bill will require 1.0 FTE program manager starting in FY 2020-21 in order to facilitate rulemaking, review applications, conduct on-site reviews, ensure rule compliance, and to oversee recovery support services organizations. The DHS also requires 0.3 FTE program assistant starting in FY 2021-22 to coordinate with the DOR's Taxation Division on administrative issues related to the tax credit, be the primary source of contact for applicants, and to review the necessary paperwork. The department will also require 90 hours of legal services, provided by the Department of Law. This minimal increase in legal services costs will be accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical utilization of legal services; therefore, no appropriation for legal services is required through the bill.

Department of Revenue. This bill requires expenditures of \$19,119 to program, test, and update database fields in the Department of Revenue's GenTax software system. Programming costs are estimated at \$10,800, representing 48 hours of contract programming at a rate of \$225 per hour. Costs for testing at the department are estimated at \$7,680 representing 320 hours of contract testing at a rate of \$24 per hour. Expenditures in the Office of Research and Analysis (ORA) are required for changes in the related GenTax reports so that the department can access and document tax statistics related to the new tax policy. These costs are estimated at \$639. Of the amount listed in Table 2, only the ORA costs will recur in future years.

Department of Health Care Policy and Financing. Starting in FY 2020-21, the bill may minimally increase Medicaid expenditures to the extent that there is increased utilization of peer-support services due to the new provider type. Conversely, if the utilization of peer-support services reduces the need for more expensive services, costs will decrease. The fiscal note assumes that any changes in rates will be handled through HCPF's rate setting process and the annual budget process, and that no change in appropriation is required.

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 estimated to be \$12,220 in FY 2020-21 and \$22,106 in FY 2021-22.

TABOR refunds. Under the June 2020 LCS Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2020-21 or FY 2021-22, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers.

Effective Date

The bill was deemed lost on June 16, 2020.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$67,131 and 0.7 FTE to the Department of Human Services.

State and Local Government Contacts

Health Care Policy And Financing
Information Technology
Revenue

Human Services
Law