



Legislative  
Council Staff

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**FISCAL NOTE**

<b>Drafting Number:</b> LLS 20-1197	<b>Date:</b> May 26, 2020
<b>Prime Sponsors:</b> Rep. McCluskie; Ransom Sen. Zenzinger	<b>Bill Status:</b> House Appropriations
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**Bill Topic:** LIMIT INCREASE TO MEDICAID NURSING FACILITY RATES

**Summary of Fiscal Impact:**

<input 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

**Budget package bill.** Under current law, the General Fund share of the per diem rates to nursing facilities is limited to an annual increase of 3.0 percent. The bill limits the annual increase to 2.0 percent for FY 2020-21 and FY 2021-22. It reduces expenditures in FY 2020-21 and FY 2021-22.

**Appropriation Summary:** For FY 2020-21, the bill includes a reduction in General Fund appropriations of \$3,288,230 and \$3,711,921 in federal funds.

**Fiscal Note Status:** This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2020-21 budget balancing package.

**Table 1**  
**State Fiscal Impacts Under HB 20-1362**

		FY 2020-21	FY 2021-22
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	(\$3,288,230)	(\$8,253,242)
	Federal Funds	(\$3,722,921)	(\$8,253,243)
	<b>Total</b>	<b>(\$7,011,151)</b>	<b>(\$16,506,485)</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

Under current law, the General Fund share of the per diem rates to nursing facilities is limited to an annual increase of 3.0 percent. The bill limits the annual increase to 2.0 percent for FY 2020-21 and FY 2021-22. This bill reduces appropriations by \$7,011,151 for the Department of Health Care Policy and Financing for FY 2020-21 of which \$3,288,230 is General Fund and \$3,722,921 are federal funds.

## Assumptions

The fiscal note assumes that per diem nursing facility rates will increase by 2.0 percent in both FY 2020-21 and FY 2021-22, and would have increased by the statutory maximum rate of 3.0 percent each year without the bill.

## State Expenditures

The bill reduces expenditures for medical services premiums by \$7,011,151 for the Department of Health Care Policy and Financing in FY 2020-21 and \$16,506,485 in FY 2021-22. The reduction by funding source is shown in Table 1 above.

## Effective Date

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

## State Appropriations

For FY 2020-21, appropriations in the Department of Health Care Policy and Financing are reduced by \$7,011,151, of which \$3,288,230 is General Fund and \$3,722,921 are federal funds.

## State and Local Government Contacts

Health Care Policy and Financing