



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 21-0394	Date:	February 18, 2021
Prime Sponsors:	Rep. Young; Pelton Sen. Fields	Bill Status:	House HHS
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Bill Topic: ESTABLISH BEHAVIORAL HEALTH ADMINISTRATION

Summary of Fiscal Impact:

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

This bill requires the Department of Human Services to develop a plan to establish the Behavioral Health Administration, and to establish it by July 1, 2022. Starting in the current FY 2020-21, state workload will increase and starting in FY 2022-23, state expenditures may increase on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill requires the Department of Human Services (DHS) to develop a plan for the creation of the Behavioral Health Administration (BHA), and to establish the BHA with specified duties by July 1, 2022.

Plan to establish the BHA. By November 1, 2021, the DHS must develop a plan for the creation of the BHA, as recommended by the Colorado Behavioral Health Task Force. The plan must include:

- recommendations for funding and legislation to implement the plan and the BHA;
- a list of state programs that should be managed by the BHA;
- the governance structure of the BHA;
- potential opportunities for collaboration with local governments;
- recommendations on how to deal with grievances, appeals, and ombudsman services for the BHA;
- a data integration plan; and
- a description of how to ensure the availability of programs and to establish a standard of care.

In addition, several state agencies are tasked with coordinating with the DHS to develop recommendations that align and integrate the BHA with medical assistance programs, private insurance, and prevention and preventive services.

Duties of the BHA. The bill requires that the DHS establish the BHA no later than July 1, 2022, and specifies the duties of the agency, which include:

- being the single state agency responsible for state behavioral health programs;
- receiving coordinating and distributing behavioral health funding;
- monitoring, evaluating, and reporting data on behavioral health outcomes;
- promoting a system that supports a whole-person approach; and
- promoting culturally responsive and equitable behavioral health care.

In establishing the BHA, the bill requires the DHS to promulgate rules to provide oversight of the agency. Until the BHA is fully operational, the agency is housed in the DHS. The DHS is required to provide recommendations to the General Assembly on the location of the BHA by November 1, 2024. If no decision is made by June 30, 2025, the BHA will remain in the DHS.

Background

In September 2020, the Colorado Behavioral Health Task Force released a report that identified a number of recommendations on how to reform the state's behavioral health system. One of these recommendations was the creation of the BHA which would, "lead and promote the State's behavioral health priorities...ensure that behavioral health services respond to the changing needs of communities....[monitor] state and local data, and [evaluate] state efforts".¹ The full report can be found here:

<https://drive.google.com/file/d/1HWh6KxA94HH7FOeCWG7zazfuiGNY36vO/view>

State Expenditures

The bill will increase state workload starting in the current FY 2020-21 and will potentially increase and reallocate state expenditures starting in FY 2022-23, as described below.

Plans and reports. Starting in the current FY 2020-21, workload in the DHS will increase to coordinate and develop a plan for the creation of the BHA, to promulgate rules, and to provide recommendations on the location of the BHA. In addition, workload in the Departments of Public Health and Environment, Regulatory Agencies, and Health Care Policy and Financing will increase to coordinate with the DHS on its recommendations concerning the creation of the BHA.

¹ Colorado Behavioral Health Task Force, 2020, p. 15

Creation of the BHA. Starting in FY 2022-23, state expenditures may increase or reallocated to fund the BHA. Because the amount of any potential increase or reallocation of appropriations between programs or departments is dependent on the plan created by the DHS and approved by the General Assembly, this increase has not been estimated. The fiscal note assumes that any increase in appropriations will be requested through the annual budget process.

Local Government

To the extent local governments choose to participate in the development of the plan to create the BHA, workload for those governments will increase. Once the BHA is established, local governments may be required to update procedures and policies to reflect the changes in administration at the state level.

Effective Date

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

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Regulatory Agencies

Human Services
Public Health and Environment