



HB 22-1114

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 10, 2022)

Drafting Number: LLS 22-0413 **Date:** March 29, 2022
Prime Sponsors: Rep. Larson; Valdez A. **Bill Status:** House Appropriations
Fiscal Analyst: Erin Reynolds | 303-866-4146
Erin.Reynolds@state.co.us

Bill Topic: TRANSPORTATION SERVICES FOR MEDICAID WAIVER RECIPIENTS

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

The bill authorizes a transportation network company to provide non-medical transportation services to persons enrolled in certain Medicaid waiver programs beginning July 1, 2024. It will increase state expenditures on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$547,674 to the Department of Health Care Policy and Financing.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House Public and Behavioral Health and Human Services Committee.

Table 1
State Fiscal Impacts Under HB 22-1114

		Budget Year FY 2022-23	Out Year FY 2023-24	Out Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-	-	-
Expenditures	General Fund	\$88,411	\$36,282	\$270,000	\$540,000
	Cash Funds	\$22,400	\$19,833	-	-
	Federal Funds	\$436,863	\$344,801	\$270,000	\$540,000
	Total Expenditures	\$547,674	\$400,916	\$540,000	\$1,080,000
Transfers		-	-	-	-
Other Budget Impacts	General Fund Reserve	\$13,262	\$5,442	\$40,500	\$81,000

Summary of Legislation

The bill requires the Department of Health Care Policy and Financing (HCPF) to submit a report to the legislature by January 2024 identifying ways to incentivize and increase transportation provider participation for persons enrolled in the following Medicaid waiver programs:

- the Brain Injury Waiver (BI);
- the Developmental Disabilities Waiver (DD);
- the Community Mental Health Supports Waiver (CMHS);
- the Elderly, Blind and Disabled Waiver (EBD); and
- the Spinal Cord Injury Waiver (SCI).

The report must identify a reimbursement system, compliance procedures, a common reporting system, and other best practices, and must be informed by a stakeholder engagement process. Following report completion, HCPF must analyze and review each operational TNC and verify its ability to ensure health, safety, welfare, cost effectiveness, and capability in expanding non-medical transportation services.

By July 1, 2024, HCPF must authorize verified TNCs to provide services if the TNC is viable under federal requirements and within budgetary constraints. HCPF may seek any necessary federal authorization and promulgate any necessary rules to ensure compliances with federal and state oversight requirements. TNCs are not subject to Public Utilities Commission regulation when providing non-medical transportation services.

Background

Non-medical transportation (NMT) and non-emergency medical transportation (NEMT) are required Medicaid benefits available on all six adult waiver programs, including BI, CMHS, DD, EBD, SCI, and the Supported Living Services Waiver (SLS). Currently, these transportation services are provided by credentialed drivers, as well as taxi service, mobility vans, and public transportation, where available. Reimbursement for these services utilizes fee-for-service, negotiated market price, and public pricing rate methodologies and is calculated by multiplying the rate by the number of units utilized. HCPF also oversees the safety and oversight of Medicaid NMT and NEMT services.

Transportation network companies are services that use a digital network to connect riders to drivers for the purpose of providing transportation, such as Lyft and Uber.

Data and Assumptions.

For the BI, CMHS, EBD, and SCI waiver, trips are limited to 208 trips, or 104 round trips, per service plan year, excluding trips to and from adult day services. For the DD waiver, there is a maximum of 508 trips, or 254 round trips, per service plan year. Most waiver recipients do not fully utilize their ride maximums. The fiscal note assumes that the approval of TNCs to provide non-medical transportation will increase usage by 20 percent.

State Expenditures

The bill increases state expenditures in HCPF by the amounts shown in Table 2 from the General Fund, cash funds, and federal funds. These impacts are detailed below.

**Table 2
 Expenditures Under HB 22-1114**

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Department of Health Care Policy and Financing				
Contract Business Analyst	\$201,600	\$148,000	-	-
Contract Policy Advisor	\$124,230	\$26,000	-	-
MMIS Programming	\$221,844	\$226,916	-	-
Service Costs	-	-	\$540,000	\$1,080,000
Total Cost	\$547,674	\$400,916	\$540,000	\$1,080,000
<i>General Fund</i>	<i>\$88,411</i>	<i>\$36,282</i>	<i>\$270,000</i>	<i>\$540,000</i>
<i>Cash Funds</i>	<i>\$22,400</i>	<i>\$19,833</i>	<i>-</i>	<i>-</i>
<i>Federal Funds</i>	<i>\$436,863</i>	<i>\$344,801</i>	<i>\$270,000</i>	<i>\$540,000</i>

Health Care Policy and Financing. Costs in HCPF include contract staff, computer programming, and increased service costs, as discussed below.

- **Staff.** HCPF requires contract support from a business analyst and policy advisor over two years. The business analyst will coordinate the systems updates between multiple systems vendors and departmental programs. Business analyst costs assume 1,120 hours at \$180 per hour in FY 2022-23 and 800 hours at \$185 per hour in FY 2023-24. The policy advisor will identify a reimbursement system, a reporting system, compliance procedures, and engage in a stakeholder process, among other tasks. Policy analyst costs assume 615 hours at \$202 per hour in FY 2022-23 and 125 hours at \$208 per hour in FY 2023-24. Existing department staff will promulgate rules, submit waiver amendments, and work with contract staff within existing resources.
- **MMIS programming.** Programming costs for the Medicaid Management Information System assume 1,596 hours in each of FY 2022-23 and FY 2023-24 at an hourly cost of \$139 in FY 2022-23 and \$142 in FY 2023-24.
- **Service costs.** HCPF data show that there are approximately 2,250 applicable waiver participants currently utilizing NMT taxi services at a monthly cost of \$200. The fiscal note assumes a 20 percent increase in utilization due to the ease and availability of transportation network company services. FY 2024-25 costs reflect half-year utilization to account for a ramp-up period.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires the following appropriations to the Department of Health Care Policy and Financing:

- \$88,411 from the General Fund;
- \$22,400 from cash funds; and
- \$436,863 from federal funds.

State and Local Government Contacts

Health Care Policy and Financing
Law

Information Technology
Regulatory Agencies