



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 22-0850	Date:	July 25, 2022
Prime Sponsors:	Rep. Herod; McCluskie Sen. Hansen; Rankin	Bill Status:	Signed into Law
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Bill Topic: **ADDITIONAL REQUIREMENTS FOR NURSING FACILITY FUNDING**

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 appropriates funding to enhance Medicaid payments to nursing facilities to support short-term solvency. It increases state expenditures in the current FY 2021-22 and FY 2022-23 only.

Appropriation Summary: For the current FY 2021-22, the bill includes an appropriation of \$27,001,000 to the Department of Health Care Policy and Financing.

Fiscal Note Status: The fiscal note reflects the enacted bill, which was recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under HB 22-1247

		Current Year FY 2021-22	Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-	-
Expenditures	General Fund	\$17,000,500	-	-
	Federal Funds	\$10,000,500	-	-
	Total Expenditures	\$27,001,000	-	-
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$2,278,067	-	-

Summary of Legislation

The bill directs the Department of Health Care Policy and Financing to make supplemental payments across all Medicaid-certified Class I nursing facilities in the current FY 2021-22.

Among other provisions, the department is also required to:

- establish reporting and result tracking requirements necessary to administer additional supplemental funding and evaluate provider outcomes;
- pursue federal matching funds to reduce the state share of costs; and
- engage with the stakeholders outlined in the bill to produce a report regarding suggestions for permanently changing the Medicaid nursing facility provider reimbursement policy in Colorado, due to the legislature by November 1, 2022.

The department may promulgate rules as necessary for implementation of the payments and their supporting requirements. Provisions regarding supplemental payments repeal July 1, 2023.

State Expenditures

The bill increases state expenditures in the Department of Health Care Policy and Financing by an estimated \$27 million in FY 2021-22, with roll-forward spending authority through FY 2022-23. Funding will be distributed to nursing facilities to support their short-term solvency. Workload will also increase for the department to report recommendations; this work is already underway.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 13.4 percent of General Fund appropriations must be set aside in the General Fund statutory reserve in FY 2021-22. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$2,278,067 in FY 2021-22, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill was signed into law by the Governor and took effect April 25, 2022.

State Appropriations

For the current FY 2021-22, the bill includes an appropriation of \$17,000,500 General Fund and \$10,000,500 federal funds to the Department of Health Care Policy and Financing. This appropriation may be spent through FY 2022-23.

State and Local Government Contacts

Health Care Policy and Financing

Joint Budget Committee