ADDITIONAL REQUIREMENTS FOR NURSING FACILITY FUNDING

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.

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

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

<table>
<thead>
<tr>
<th>Table 1</th>
<th>State Fiscal Impacts Under HB 22-1247</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Current Year FY 2021-22</td>
</tr>
<tr>
<td>Expenditures</td>
<td>General Fund $17,000,500</td>
</tr>
<tr>
<td></td>
<td>Federal Funds $10,000,500</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$27,001,000</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
</tr>
<tr>
<td>Other Budget Impacts</td>
<td>General Fund Reserve $2,278,067</td>
</tr>
</tbody>
</table>
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

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.