



Legislative Council Staff
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**Fiscal Note
Memorandum**

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TO: House Health & Insurance Committee

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SUBJECT: Fiscal Assessment of Proposed Amendment **HB1136_L.002**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.002 to HB23-1136. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment HB1136_L.002 removes the under 26 age restriction, requiring state-regulated insurance plans to cover an alternative prosthetic device for anyone who meets the medical criteria.

The amendment also changes the medical criteria. The introduced bill requires a physician to determine that the device would maximize the patient's upper limb function. The amendment requires a physician to determine that the device would enable the patient to engage in physical and recreational activities.

Fiscal Impact of Amendment

With the adoption of HB1136_L.002, Medicaid costs will increase relative to the initial fiscal note to provide an alternative prosthetic device to Medicaid expansion clients over the age of 26. As the Children's Health Plan Plus (CHP+) does not serve clients over 26, this population is unaffected by the amendment. However, the Medicaid expansion benefit plan requires that all DOI mandatory covered items be covered under the Medicaid expansion benefit. This program typically serves clients between the ages of 18 and 65 and is funded through the Healthcare Affordability and Sustainability Cash Fund and federal funds, with a 90 percent federal match.

The changes to the medical criteria are assumed to have no fiscal impact, under the assumption that most of the affected population would benefit from an alternative device to engage in recreational activity. This assumption relies on the fact that only CHP+ and expansion Medicaid clients are affected by the bill and these populations are significantly younger than the general Medicaid population.

Bill's Revised Fiscal Impact with Amendment

In FY 2023-24, the bill requires an appropriation of \$6,108 from the Division of Insurance Cash Fund to the Department of Regulatory Agencies and 0.1 FTE. This is unchanged from the introduced version of the bill.

HB1136_L.002 increases the costs to the Department of Health Care Policy and Financing in FY 2025-26 and ongoing, paid from cash funds and federal funds.

Table 1
State Fiscal Impacts Under HB 23-1136 with Amendment L.002

		Budget Year FY 2023-24	Out Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
Revenue		-	-	-	-
Expenditures	General Fund	-	\$2,230	\$4,461	\$4,460
	Cash Funds	\$6,108	\$952	\$154,535	\$307,166
	Federal Funds	-	\$5,910	\$1,385,495	\$2,759,169
	Central. Approp.	\$1,674	-	-	-
	Total Expenditures	\$7,782	\$9,092	\$1,544,491	\$3,070,795
	Total FTE	0.1 FTE	-	-	-
Diversions	General Fund	(\$7,782)	-	-	-
	Cash Funds	\$7,782	-	-	-
	Net Diversion	\$0	-	-	-
Other Budget	GF Reserve	-	\$335	\$669	\$669