



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

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|-------------------------|--|------------------------|---|
| Drafting Number: | LLS 23-0838 | Date: | July 26, 2023 |
| Prime Sponsors: | Sen. Fields; Buckner Rep. English; Joseph | Bill Status: | Signed into Law |
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Bill Topic: COVERAGE FOR DOULA SERVICES

| | | |
|----------------------------------|---|--|
| 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 checked="" type="checkbox"/> State Diversion | <input type="checkbox"/> Statutory Public Entity |

The bill requires the Department of Health Care Policy and Financing to take steps towards covering doula services and creates a doula scholarship program in the department. The bill also requires the Division of Insurance to perform a cost-benefit analysis of doula coverage. The bill increases state expenditures in FY 2023-24 only.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$200,000 to multiple state agencies.

Fiscal Note Status: The fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under SB 23-288**

| | | Budget Year FY 2023-24 | Out Year FY 2024-25 |
|-----------------------------|---------------------------|---------------------------|------------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$100,000 | - |
| | Cash Funds | \$100,000 | - |
| | Total Expenditures | \$200,000 | - |
| Diversions | General Fund | (\$100,000) | - |
| | Cash Funds | \$100,000 | - |
| | Net Diversion | \$0 | - |
| Other Budget Impacts | General Fund Reserve | \$15,000 | - |

Summary of Legislation

The bill requires the Department of Health Care Policy and Financing (HCPF) and the Department of Regulatory Agencies (DORA) to take steps towards covering doula services, as detailed below.

Stakeholder feedback. HCPF is required to conduct stakeholder meetings in manner that encourages diverse participation, including providing reimbursement for child care and other costs for participants. HCPF must also create the Maternity Advisory Committee to provide feedback throughout the whole process. HCPF will report on their findings as part of the FY 2024-25 SMART Act presentation. This stakeholder process is exempt from the procurement code.

Doula scholarship program. HCPF is required to create a doula scholarship program to fund attendance at preselected doula training programs. To be eligible for the funds, students must demonstrate financial need and begin providing doula services to Medicaid recipients within six months of completing the program.

Federal authorization for provision of doula services. HCPF must seek federal authorization to provide doula services by July 1, 2024. However, the bill does not grant HCPF the authority to provide services upon federal approval.

Actuarial cost-benefit analysis. DORA is required to hire a contractor to perform an actuarial cost-benefit analysis of doula coverage and present the findings as part of its FY 2024-25 SMART Act presentation.

Assumptions

It is assumed that the bill, as drafted, only requires HCPF to conduct stakeholder engagement and seek federal approval for doula services; thus, costs to provide doula services have not been estimated.

State Diversion

This bill diverts \$100,000 from the General Fund in FY 2023-24. This revenue diversion occurs because the bill increases costs in the Department of Regulatory Agencies, Division of Insurance, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

State Expenditures

The bill increases state expenditures by \$200,000 in FY 2023-24 only, including \$100,000 in HPCF, paid from the General Fund, and \$100,000 in DORA, paid from the Division of Insurance Cash Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-288

| | FY 2023-24 | FY 2024-25 |
|--|-------------------|-------------------|
| Scholarship Program Service Costs (HCPF) | \$100,000 | - |
| Cost-Benefit Analysis (DORA) | \$100,000 | - |
| Total | \$200,000 | - |

Department of Health Care Policy and Financing. HCPF will have costs of \$1000,000 to implement the doula scholarship program. Doula training programs cost between \$1,000 and \$2,000 per participant. HCPF will distribute the funds to cover a portion of these costs for eligible applicants. The bill specifies that any funds appropriated to the scholarship for FY 2023-24 may be extended through FY 2024-25.

HCPF will also have additional workload to conduct a stakeholder engagement process. The department currently receives an annual appropriation to facilitate this type of stakeholder engagement and additional appropriations are not required for this work. The cost of administering these initiatives, reporting findings as part of the SMART Act hearings and seeking federal authorization is absorbable within current resources.

Department of Regulatory Agencies. Based on projects of similar scope, DORA will have costs of \$100,000 to hire a contractor to conduct the required cost-benefit analysis.

Effective Date

The bill was signed into law by the Governor and took effect on May 30, 2023.

State Appropriations

For FY 2023-24, the bill requires and includes the following appropriations:

- \$100,000 to the Department of Health Care Policy and Financing from the General Fund, which may be spent through FY 2024-25; and
- \$100,000 to the Department of Regulatory Agencies from the Division of Insurance Cash Fund.

State and Local Government Contacts

Early Childhood Health Care Policy and Financing Human Services
Public Health and Environment Regulatory Agencies

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.