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Final Fiscal Note

Drafting Number: LLS 24-0661 Date: July 2, 2024
Prime Sponsors: Sen. Buckner Bill Status: Signed into Law
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Bill Topic: DISCOUNTED CARE FOR INDIGENT PATIENTS

Summary of Fiscal Impact:
State Revenue [ ] State Transfer [ ] Local Government [ ]
State Expenditure [x] TABOR Refund [ ] Statutory Public Entity [ ]

The bill modifies requirements for the presumptive eligibility program and for indigent patients receiving discounted care under the Department of Health Care Policy and Financing. The bill increases state expenditures beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires and includes an appropriation of \$309,195 to the Department of Health Care Policy and Financing.

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

Table 1
State Fiscal Impacts Under SB 24-116

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27. Rows include Revenue, Expenditures (General Fund, Cash Funds, Federal Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## **Summary of Legislation**

Under current law, people seeking to enroll in Medicaid or Child Health Plan Plus (CHP+) apply through the Department of Health Care Policy and Financing (HCPF). However, certain populations, including persons under 19 or who qualify for the Breast and Cervical Cancer Program (BCCP), are deemed presumptively eligible while their applications are processed and eligible to receive services immediately. HCPF and Denver Health are currently the only institutions that can make a presumptive eligibility determination. The bill allows hospitals to make these determinations.

Additionally, the bill makes changes to the requirements for indigent patients receiving health care discounts on services not reimbursed through the Colorado Indigent Care Program (CICP) including:

- requiring a patient to attest to residing in Colorado and limiting the health care services to those received in an inpatient or outpatient hospital setting;
- placing a price cap on comprehensive bills that aligns with the current caps on individualized bills;
- authorizing health-care facilities to deny discounted care to a patient if, during the initial screening, the patient is determined to be presumptively eligible for Medicaid;
- clarifying that the health professional who provides services is responsible for billing the patient for those services, unless the services are billed on a comprehensive bill;
- excluding primary care provided in clinics in rural or frontier counties that offer a sliding-fee scale from receiving discounted care; and
- requiring health professionals, in addition to health facilities, to report certain data to the Department of Health Care Policy and Financing (HCPF).

## **State Expenditures**

The bill increases state expenditures in the HCPF by \$377,000 in FY 2024-25, \$1.6 million in FY 2025-26, and \$9.5 million in FY 2026-27, paid from the General Fund, cash funds, and federal funds. These costs, which are for medical service from increased use of presumptive eligibility, staff, and IT system costs, are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 24-116**

	FY 2024-25	FY 2025-26	FY 2026-27
<b>Dept. of Health Care Policy &amp; Financing</b>			
Personal Services	\$271,493	\$397,112	\$397,112
Operating Expenses	\$4,352	\$6,400	\$6,400
Capital Outlay Costs	\$33,350	-	-
Service Costs	-	-	\$8,972,672
IT System Updates	-	\$1,066,080	-
Centrally Appropriated Costs <sup>1</sup>	\$67,393	\$98,906	\$98,906
<b>Total</b>	<b>\$376,588</b>	<b>\$1,568,498</b>	<b>\$9,475,090</b>
<b>Total FTE</b>	<b>3.4 FTE</b>	<b>5.0 FTE</b>	<b>5.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Staff.** Beginning in FY 2024-25, HCPF requires 5.0 FTE annually from the additional reporting requirements by health professionals and the inclusion of hospitals in determining presumptive eligibility for Medicaid. Staff activities include data collection, review, analysis, and reporting of data provided by medical professionals. For expanded presumptive eligibility, staff will develop and implement systems and policies for hospitals, certify and recertify hospitals as presumptive eligibility sites, review hospital and physician performance and ensure compliance, and maintain a database for all certified hospital sites. Initially, 3.0 FTE are assumed to start on September 1, 2024, and 2.0 FTE will start on January 1, 2025.

**Service costs.** HCPF will have costs to provide Medicaid coverage for patients determined to be presumptively eligible by hospitals. Currently, hospitals screen all uninsured patients for Medicaid eligibility and refer those eligible to HCPF to complete the Medicaid application process and then HCPF deems them as presumptively eligible if they meet the criteria. The fiscal note assumes that with hospitals able to provide this screening, more individuals will be covered under presumptive eligibility. Based on the most recent CICP report, of the 212,913 Coloradans who received financial assistance for hospital bills at UC Health, 66,848 or 31 percent are expected to be presumptively eligible for Medicaid. The fiscal note assumes that they will be eligible for an additional 45 days through the program at a cost of \$114.21 per person, and that service costs for this expanded presumptive eligibility will begin in FY 2026-27, as necessary systems and policies are established and implemented. Cost of services are estimates only, actual costs will depend on medical events and required treatments of eligible populations at any certified hospital.

**IT System updates.** In FY 2025-26 only, HCPF will have one-time costs of \$1.1 million to contract to make system changes to support expanded presumptive eligibility.

**Effective Date**

The bill was signed into law by the Governor on May 31, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

**State Appropriations**

For FY 2024-25, the bill requires and includes an appropriation of \$309,195 to the Department of Health Care Policy and Financing, split evenly from the Healthcare Affordability Sustainability Cash Fund and federal funds, and 3.4 FTE.

**State and Local Government Contacts**

Corrections  
Higher Education  
Regulatory Agencies

Counties  
Human Services

Health Care Policy and Financing  
Public Health and Environment

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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 the [General Assembly website](#).