



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 24-0137	Date:	March 26, 2024
Prime Sponsors:	Sen. Fields; Buckner Rep. McLachlan	Bill Status:	Senate Health & Human Services
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Bill Topic: **IMPROVING PERINATAL HEALTH OUTCOMES**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill creates and modifies multiple programs concerning perinatal health. Starting in FY 2024-25, the bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires appropriations totaling \$1,083,052 to multiple state agencies.

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

Table 1
State Fiscal Impacts Under SB 24-175

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$806,011	\$799,341
	Federal Funds	\$277,041	\$277,041
	Centrally Appropriated	\$17,018	\$17,018
	Total Expenditures	\$1,100,070	\$1,093,400
	Total FTE	0.9 FTE	0.9 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$120,902	\$119,901

Summary of Legislation

The bill creates and modifies multiple programs concerning perinatal health, as discussed below.

Doula service coverage. The bill requires large employer health benefit plans to cover doula services to the same extent and with the same provider qualification requirements as required by Medicaid. It requires the Department of Regulatory Agencies (DORA) to submit a state defrayal determination to the federal Department of Health and Human Services for other state-regulated insurance plans and require coverage upon confirmation or after 365 days if no response is received.

Maternal and infant health quality improvement initiatives. The bill mandates hospitals that provide labor and deliver or neonatal care services to participate in at least one maternal or infant health quality improvement initiative and meet reporting requirements.

Perinatal Health Quality Improvement Engagement Program. The bill requires the Department of Public Health and Environment (CDPHE), in collaboration with the Perinatal Quality Collaborative (PQC), to:

- create the Perinatal Health Quality Improvement Engagement Program to distribute grants to select hospitals to meet the mandate;
- track implementation of the recommendations of the Colorado Maternal Mortality Review Committee;
- implement their own initiatives to improve maternal mortality and morbidity; and
- address discrepancies in care.

Choline supplements. The bill requires the Department of Health Care Policy and Financing to cover choline supplements.

State Expenditures

The bill increases state expenditures in CDPHE by about \$580,000 in FY 2024-25 and \$570,000 in FY 2025-26, paid from the General Fund. The bill increases state expenditures in HCPF by \$524,000 annually paid from the General Fund and federal funds. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under SB 24-175**

	FY 2024-25	FY 2025-26
Department of Public Health and Environment		
Personal Services	\$70,830	\$70,830
Operating Expenses	\$1,152	\$1,152
Capital Outlay Costs	\$6,670	-
Grant Program	\$480,000	\$480,000
Centrally Appropriated Costs ¹	\$17,018	\$17,018
FTE – Personal Services	0.9 FTE	0.9 FTE
CDPHE Subtotal	\$575,670	\$569,000
Department of Health Care Policy and Financing		
Choline Supplement Coverage	\$524,400	\$524,400
HCPF Subtotal	\$524,400	\$524,400
<i>General Fund</i>	\$247,359	\$247,359
<i>Federal Funds</i>	\$277,041	\$277,041
Total	\$1,100,070	\$1,093,400
Total FTE	0.9 FTE	0.9 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Health and Environment. CDPHE requires staff and contract funds to operate the grant program, and staff to track implementation of the Colorado Maternal Mortality Review Committee's recommendations. The fiscal note assumes that CDPHE's current efforts concerning perinatal health outcomes meet the other requirements of the bill.

- **Grant program.** CDPHE requires 0.7 FTE and contract funds to operate the grant program. The staff will solicit grant applications, select the grant recipients, and provide technical assistance. The contract funds are subject to available appropriations. Currently, the PQC assists 36 hospitals in implementing and maintaining initiatives to improve outcomes at a cost of about \$80,000 per hospital. There are an additional 19 hospitals that would be subject to the mandate to participate in at least one initiative. The fiscal note includes \$480,000 in grant funding, enough to support six additional hospitals.
- **Implementation tracking and reporting.** CDPHE requires 0.2 FTE to meet the reporting requirements of the bill and assist the PQC in tracking implementation of the recommendations of the Colorado Maternal Mortality Review Committee by developing reasonable metrics for tracking purposes. Given this assistance, the fiscal note assumes that the PQC can absorb the work of tracking the metrics within the grant program contract.

Department of Health Care Policy and Financing. The bill requires HCPF to cover doula services for its Children’s Health Plan Plus members (CHP+) and choline supplements for its Medicaid members. HCPF already covers doula services for all members. The fiscal note assumes that choline will only be covered when prescribed. Supply may be limited, especially in the first year, as a result of this restriction, as choline manufacturers’ administrative focus is typically on the over-the-counter market. The fiscal note assumes that all members who take prescription prenatal vitamins will take choline once covered at a cost of about \$50 per pregnancy. The prescription is assumed to receive a federal match of 52.8 percent.

Department of Regulatory Agencies. DORA may experience an increased workload, as the bill could result in health insurance carriers filing for a rate adjustment. The fiscal note assumes that this can be accomplished within existing resources.

State employee insurance. State employee insurance is subject to state regulation and would be required to comply with the coverage requirement in the bill. Any cost increase could contribute to higher insurance premiums, which would be shared by state agencies and employees. Because insurance premiums are influenced by a number of variables and the cost share between the state and employees has not been determined for future fiscal years, a cost to the state is not estimated.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2024-25, the bill requires:

- a General Fund appropriation of \$558,652 to the Department of Public Health and Environment, and 0.9 FTE; and
- an appropriation of \$524,400 to the Department of Health Care Policy and Financing, of which \$247,359 is from the General Fund and \$277,041 is from federal funds.

State and Local Government Contacts

Behavioral Health Administration
Information Technology
Regulatory Agencies

Corrections
Human Services

Health Care Policy and Financing
Public Health and Environment

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](#).