



**Colorado
Legislative
Council
Staff**

HB16-1398

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1046 **Date:** August 10, 2016
Prime Sponsor(s): Rep. Young; Landgraf **Bill Status:** Signed into Law
 Sen. Martinez Humenik; **Fiscal Analyst:** Chris Creighton (303-866-5834)
 Steadman

BILL TOPIC: IMPLEMENT RESPITE CARE TASK FORCE RECOMMENDATIONS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
State Revenue	Gifts, Grants, and Donations.				
Cash Funds					
<i>State Transfers</i>	\$0				
Cash Funds	(900,000)				
General Fund	900,000				
State Expenditures	<u>\$520,934</u>	<u>\$457,942</u>	<u>\$457,942</u>	<u>\$457,942</u>	<u>\$289,344</u>
General Fund	513,688	449,853	449,853	449,853	284,491
Centrally Appropriated Costs	7,246	8,089	8,089	8,089	4,853
FTE Position Change	0.5 FTE	0.5 FTE	0.5 FTE	0.5 FTE	0.3 FTE
Appropriation Required: \$513,688 – Department of Human Services (FY 2016-17).					
Future Year Impacts: Potential ongoing revenue and expenditure increase.					

Summary of Legislation

This bill requires the Department of Human Services (DHS) to use a competitive request-for-proposal (RFP) process to select a contractor to implement the recommendations of the Respite Care Task Force. The selected contractor must have a presence in Colorado and serve individuals with disabilities or chronic conditions by providing and coordinating respite care. The selected contractor must:

- ensure that a study is conducted to demonstrate the economic impact of respite care and the benefits for those served;
- provide an analysis of the caregivers populations and the differences between caregivers who do and do not use respite services;
- show the impact of funds spent on respite services compared to funds saved in health care;
- use an evaluation tool to assess the respite care provided through Medicaid waiver programs and all Colorado respite care programs;

- identify data sources that the Colorado Respite Care Coalition can use to collect additional complementary data from caregivers using respite services and improve evaluation for agencies to show the effect of respite care on caregivers;
- create an up-to-date online inventory that lists existing training opportunities and providers along with information on how to become a respite care provider;
- develop a statewide training system for individuals that want to provide respite care services;
- ensure that a website is created to provide comprehensive information about respite care in Colorado and to serve as an access point for services throughout the state; and
- develop a centralized community outreach and education program about respite care services in Colorado.

The selected contractor must provide progress reports annually to legislative committees of reference. This bill also creates the continuously appropriated Respite Care Task Force Fund which consists of funds appropriated by the General Assembly and gifts, grants, and donations from private or public sources for the RFP process.

On July 1, 2016, the State Treasurer must transfer \$900,000 from the Intellectual and Developmental Disabilities Cash Fund to the General Fund for the purpose of the respite care study. DHS may not use more than 3 percent of these funds for administrative costs.

Background

Respite care is planned or emergency care provided to an individual with special needs in order to provide temporary relief to families who are caring for the child or adult. The Respite Care Task Force was created in 2015 and consisted of 15 members to study the dynamics of supply and demand of respite care services in Colorado. The task force completed its work and presented a report to the General Assembly on January 29, 2016. It repeals on July 1, 2016.

Assumptions

This analysis makes the following assumptions:

- the RFP process to select a contractor will begin July 1, 2016, and will take six months;
- the contract period for the selected contractor will begin January 1, 2017, and run through January 1, 2021;
- actual costs will be determined through the RFP process and the resulting contract and any additional funding needed will be requested through the annual budget process; and
- additional funding to continue any of the services developed by the selected contractor beyond FY 2020-21, if needed, will be requested through the annual budget process.

State Revenue

This bill potentially increases cash fund revenue from gifts, grants, and donations and makes a one-time transfer to the General Fund. These impacts are discussed below.

Gifts, Grants, and Donations. This bill potentially increases cash fund revenue in the Respite Care Task Force Fund from gifts, grants, and donations. At this time, no source of gifts, grants, or donations has been identified. Gifts, grants, and donations are exempt from TABOR.

State Transfers. For FY 2016-17, this bill makes a one-time transfer of \$900,000 from the Intellectual and Developmental Disabilities Cash Fund to the General Fund.

State Expenditures

For FY 2016-17, this bill increases state expenditures in the DHS by \$520,934 and 0.5 FTE. DHS expenditures are also increased in FY 2017-18 through FY 2020-21. These costs are listed in Table 1 and described below. This bill also increases workload in the Department of Public Health and Environment (CDPHE) and the Department Health Care Policy and Financing (HCPF).

Table 1. DHS Expenditures Under HB16- 1398					
Cost Components	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Personal Services	\$41,408	\$45,174	\$45,174	\$45,174	\$27,104
FTE	0.5 FTE	0.5 FTE	0.5 FTE	0.5 FTE	0.3 FTE
Operating Expenses and Capital Outlay Costs	5,178	475	475	475	285
Contract Staff	122,102	244,204	244,204	244,204	122,102
Respite Care Study	200,000				
Training	25,000	50,000	50,000	50,000	25,000
Website	20,000	10,000	10,000	10,000	10,000
Outreach and Educational Program	100,000	100,000	100,000	100,000	100,000
Centrally Appropriated Costs*	7,246	8,089	8,089	8,089	4,853
TOTAL	\$520,934	\$457,942	\$457,942	\$457,942	\$289,344

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

Department of Human Services — Personal services. Beginning in FY 2016-17, \$41,408 is needed for a part-time contract manager in the Division of Aging and Adult Services in the DHS. Costs in FY 2016-17 are prorated for 11 months due to the General Fund paydate shift. This position will prepare the RFP, review RFP responses, select an entity to implement the respite task force recommendations, and oversee the contractor through completion of all phases of the contract. This position will be eliminated mid-year FY 2020-21 upon completion of the contract and all required reports.

Contract staff. The DHS will have costs of \$244,204 per year for contract staff to perform and manage the required work including the respite care study, training, website development, and conducting an outreach and educational program. It is estimated that the contract staff will include a full-time project manager and project coordinator, and a part-time administrative assistant. The cost of the contract staff is prorated by six months in FY 2016-17 and FY 2020-21.

Respite care study. DHS will contract with an entity to perform a study on the economic impact and the costs and benefits of respite care. The actual cost of the study will be determined through the RFP process and is estimated to cost \$200,000.

Training. The selected contractor is required to create an online inventory of existing training opportunities and provide information on how to become a respite care provider. The contractor must also create a statewide training system. To accomplish this work, the contractor will develop respite care curriculum, provide training across the state, and design an online training platform. This is expected to cost \$50,000 per year for the life of the contract, with FY 2016-17 and FY 2020-21 costs prorated by six months.

Website. The selected contractor will develop a website with comprehensive respite care provider information that will also serve as the access point for respite care services throughout the state. The development and maintenance of the website is expected to cost \$20,000 in FY 2016-17 and \$10,000 each year thereafter through the life of the contract. Should additional funding be needed beyond FY 2020-21 to maintain the website, the DHS will request additional funding through the annual budget process.

Outreach and educational program. A statewide community outreach and educational program will be conducted by the selected contractor. This will include developing marketing materials which could include television, radio, and social media ads, and other materials to promote respite care in Colorado. Educational opportunities will also be provided throughout the state to provide families and professionals with the opportunity to learn about respite care. The outreach and educational program is expected to cost \$100,000 per year.

Department of Public Health and Environment. The CDPHE will have additional workload to participate in the study of respite care and make any rule changes that result from the study. This workload increase can be accomplished within existing appropriations.

Medicaid respite providers must be certified by the CDPHE. Before certification is recommended, CDPHE evaluates the respite provider to ensure they are providing quality care. To the extent that this bill increases the number of respite care providers in the state, CDPHE workload will also increase to certify them. It is assumed that this workload can be accomplished within existing appropriations. However, if additional appropriations are required, it is further assumed that they will be requested through the annual budget process.

Department of Health Care Policy and Financing. The HCPF will have increased workload for staff to assist the selected contractor as necessary to implement the respite task force recommendations, to assist with streamlining respite care regulatory requirements, and to participate in standardizing the full continuum of respite care options across all Medicaid waivers. HCPF can accomplish this initial workload increase within existing appropriations. If the respite care study recommends regulatory or Medicaid waiver funding changes, additional appropriations may be requested through the annual budget process.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB16-1398.					
Cost Components	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,703	\$4,041	\$4,041	\$4,041	\$2,424
Supplemental Employee Retirement Payments	3,543	4,048	4,048	4,048	2,429
TOTAL	\$7,246	\$8,089	\$8,089	\$8,089	\$4,853

Technical Note

The bill limits the DHS from using no more than 3 percent of the transferred funds for administrative expenses. However the fiscal note estimates administrative costs in the DHS needed to implement the bill will be approximately 9 to 10 percent of annual expenditures. Should additional funds be needed, the DHS will request them through the annual budget process.

Effective Date

The bill was signed into law by the Governor on June 10, 2016, and became effective on July 1, 2016.

State Appropriations

For FY 2016-17, this bill appropriates \$900,000 from the General Fund to the Department of Human Services to be used to implement the Respite Care Task Force recommendations. Funds not expended by July 1, 2017 are further appropriated to FY 2017-18.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Public Health & Environment Treasury

Human Services
Personnel