

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING TREATMENT FOR INDIVIDUALS WITH SUBSTANCE USE DISORDERS, AND, IN CONNECTION THEREWITH, ADDING RESIDENTIAL AND INPATIENT TREATMENT TO THE COLORADO MEDICAL ASSISTANCE PROGRAM.

Prime Sponsors: Representative Pettersen
Sens. Priola and Jahn

JBC Analyst: Carolyn Kampman
Phone: 303-866-4959
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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/24/18.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Public Health Care and Human Services Committee Report (03/13/18) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$236,827 to the Department of Health Care Policy and Financing for FY 2018-19, including \$155,193 General Fund and \$81,634 cash funds from the Healthcare Affordability and Sustainability Fee Cash Fund. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.5 FTE and the Department will receive \$236,828 federal funds to implement the act.

Points to Consider*General Fund Impact*

1. The Joint Budget Committee has proposed a budget package for FY 2018-19 based on the March 2018 Office of State Planning and Budgeting revenue forecast. The budget package leaves approximately \$40.8 million General Fund unallocated. Thus, the General Assembly could appropriate up to \$38.3 million General Fund to fund 2018 legislation and maintain a 6.5 percent General Fund reserve. This bill requires a General Fund appropriation of \$155,193 General Fund for FY 2018-19, reducing the excess General Fund reserve by \$165,281.
2. As described on page four of the Fiscal Note, the expanded benefit (if approved by the federal government) is anticipated to increase annual expenditures by approximately \$173.9 million total funds. However, actual costs may vary depending on the exact terms of the benefit (e.g., the allowable number of days in treatment, provider rates, prior authorization process, etc.).

Technical Issues

3. As noted on page four of the Fiscal Note, the bill requires the Department to seek federal approval by October 1, 2018. However, this time frame is likely to be too short given the work required. The Fiscal Note assumes that the Department will apply for the federal waiver by February 1, 2019.