	egislative Souncil Staff onpartisan Services for Colorado's Leg		нв 19-1285 SCAL NOTE
Drafting Number: Prime Sponsors:	LLS 19-1038 Rep. Lontine Sen. Fields	Date: Bill Status: Fiscal Analyst:	April 1, 2019 House Health & Insurance Erin Reynolds   303-866-4146 Erin.Reynolds@state.co.us
Bill Topic:	DENVER HEALTH MANAGED CARE ORGANIZATION CONTRACT WITH HCPF		
Summary of Fiscal Impact:	<ul> <li>State Revenue</li> <li>State Expenditure (minimal</li> <li>State Transfer</li> </ul>	/) □ Lo ⊠ St	ABOR Refund cal Government atutory Public Entity <i>(minimal)</i>
	This bill requires the Department of Health Care Policy and Financing to enter into a direct contract with Denver Health. It may shift workloads beginning in FY 2019-20.		
Appropriation Summary:	No appropriation is required.		
Fiscal Note Status:	This fiscal note reflects the int	roduced bill.	

# **Summary of Legislation**

This bill requires the Department of Health Care Policy and Financing (HCPF) to enter into a direct contract with Denver Health and Hospital Authority's managed care organization (Denver Health) as long as it continues to operate a Medicaid managed care program. If HCPF designates a managed care organization to manage behavioral health services, the Denver Health must collaborate with that organization for the term of that contract.

# Background

As required by House Bill 17-1353, which codified the planned changes for phase II of HCPF's Accountable Care Collaborative (ACC) care coordination system, HCPF completed competitive procurement processes for contracts with the seven Regional Accountable Entities (RAEs) effective July 1, 2018. The ACC is a Medicaid initiative designed to improve health outcomes, coordinate care, and contain costs through the use of patient-centered medical homes, care coordination agencies, and data sharing and analysis. RAEs coordinate physical and behavioral health care for Medicaid members.

HCPF does not have a direct contract with Denver Health, instead the contract is through the Region 5 RAE, Colorado Access. HCPF currently has 0.5 FTE overseeing operations of managed care provided by Denver Health.

The Denver Health and Hospital Authority is a political subdivision of the state.

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## State Expenditures

In FY 2019-20, HCPF will contract with Denver Health, as required under the bill. The contract would include requirements on how Denver Health would collaborate with the RAE in that region. HCPF staff appropriated through HB 17-1353 may shift job duties to ensure proper oversight of the contract to ensure the requirements of the ACC continue to be met. No change in appropriations is required.

### Statutory Public Entity

Similar to the state, Denver Health will have a workload increase to enter into a direct contract with HCPF.

### Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

### State and Local Government Contacts

Health Care Policy and Financing Law

Municipalities

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**.