



Legislative  
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HB 19-1285

# FINAL FISCAL NOTE

**Drafting Number:** LLS 19-1038  
**Prime Sponsors:** Rep. Lontine  
Sen. Fields

**Date:** July 31, 2019  
**Bill Status:** Signed into Law  
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**Bill Topic:** DENVER HEALTH MANAGED CARE ORGANIZATION CONTRACT WITH HCPF

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory 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 enacted bill.

## Summary of Legislation

This bill requires the Department of Health Care Policy and Financing (HCPF) to offer to enter into a direct contract with Denver Health and Hospital Authority's managed care organization (Denver Health) until the organization ceases to operate a Medicaid managed care program or until June 30, 2025, unless the contract is renewed sooner. If HCPF designates a managed care organization to manage behavioral health services, then Denver Health and its subsidiaries must collaborate with that organization for the term of that contract. Denver Health is also required to maintain adequate financials to ensure proper solvency as a risk manager; accept rates determined by HCPF; maintain service and quality metrics as determined by HCPF; and meet statewide managed care system standards and operate as part of the overall managed care system.

## 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.

## State Expenditures

In FY 2019-20, HCPF will offer to contract directly 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 under the bill related to the contract with HCPF.

## Effective Date

The bill was signed into law by the Governor on May 31, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

## State and Local Government Contacts

Health Care Policy and Financing

Law

Municipalities