



Legislative Council Staff

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FISCAL NOTE

Drafting Number:	LLS 19-0074	Date:	April 11, 2019
Prime Sponsors:	Rep. Michaelson Jenet; Buckner Sen. Winter	Bill Status:	House Finance
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Bill Topic: CANCER TREATMENT AND LICENSE PLATE SURCHARGE

Summary of Fiscal Impact:

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

The bill continues the Breast and Cervical Cancer Treatment and Prevention Program and Fund in the Department of Health Care Policy and Financing; creates the Underinsured Breast and Cervical Cancer Treatment Program and Fund in the Department of Public Health and Environment; and increases and reallocates the Breast Cancer Awareness group special license plate surcharge. The bill increases state revenue and expenditures beginning in FY 2019-20.

Appropriation Summary: In FY 2019-20, the bill requires an appropriation of \$2,620,353 to multiple state agencies. See State Appropriation section.

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

**Table 1
State Fiscal Impacts Under HB 19-1302**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	\$201,155	\$224,940
	Total	\$201,155	\$224,940
Expenditures	General Fund	\$201,768	\$191,723
	Cash Funds	\$860,415	\$979,940
	Federal Funds	\$1,558,170	\$1,326,415
	Centrally Appropriated	\$52,416	\$103,312
	Total	\$2,672,769	\$2,601,390
	Total FTE	2.1 FTE	2.1 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill continues the Breast and Cervical Cancer Prevention and Treatment Program (BCCP) and the BCCP Fund in the Department of Health Care Policy and Financing (HCPF) through July 1, 2029. This bill also creates a new program in the Colorado Department of Public Health and Environment (CDPHE) to serve women with breast and cervical cancer who are underinsured, and increases the total fee and reallocates revenue from the Breast Cancer Awareness group special license plate between the BCCP and the new program. These changes are described in more detail below.

Breast and Cervical Cancer Treatment and Prevention Program. Under current law, the BCCP and the BCCP Fund in HCPF are scheduled to repeal on July 1, 2019. This bill continues the program and the fund for ten years through FY 2028-29. Money in BCCP Fund, which is generated from a \$25 surcharge paid for the Breast Cancer Awareness group special license plate, must be annually appropriated by the General Assembly.

Underinsured Breast and Cervical Cancer Treatment Program. The bill creates the Underinsured Breast and Cervical Cancer Treatment Program in the CDPHE to provide medical treatment for breast and cervical cancer patients who are uninsured or underinsured. CDPHE may:

- establish and administer the Underinsured Breast and Cervical Cancer Treatment Program itself or contract with a third party to administer the program;
- accept and expend any federal funds, appropriations, or gifts, grants, and donations; and
- in consultation with stakeholders, adopt rules and procedures to administer the program.

In addition, the bill creates the Underinsured Breast and Cervical Cancer Treatment Fund, which receives a portion of the surcharge for the Breast Cancer Awareness group special license plate, as well as any other funds received to operate the program. Moneys in the fund require annual appropriation by the General Assembly.

License plate surcharge. Under current law, upon initial registration or renewal, persons with the Breast Cancer Awareness group special license plate pay a \$25 surcharge. The bill increases the surcharge to \$30. Through July 1, 2021, the Department of Revenue (DOR) must credit \$20 of the license plate surcharge to the BCCP Fund in HCPF and \$10 to the newly created Underinsured Breast and Cervical Cancer Treatment Fund in the CDPHE. Beginning July 1, 2021, DOR must credit \$25 of the license plate surcharge to the BCCP Fund in HCPF and \$5 to the Underinsured Breast and Cervical Cancer Treatment Fund in the CDPHE.

Background and Assumptions

The Breast Cancer Awareness group special license was created in 2005. Beginning in 2009, persons requesting the license plate upon initial registration and renewing their registration pay a \$25 surcharge in addition to other fees. The surcharge is credited to the BCCP Fund, which is appropriated to the BCCP in HCPF. The program assists women who have been diagnosed with breast or cervical cancer with associated treatment costs. Women qualify for the program if they:

- have been diagnosed with breast or cervical cancer;
- are between 40 and 65 years old for breast cancer or between 21 and 65 years old for cervical cancer;
- have an income less than 250 percent of the federal poverty level;

- have not had a mammogram or Pap smear test in the last year;
- do not have health insurance or the insurance does not cover breast or cervical cancer treatment;
- are not enrolled in Medicaid and are not eligible for Medicare; and
- are U.S. citizens or qualified non-citizens.

There are currently 35,474 vehicles registered with a Breast Cancer Awareness group special license plate. On average, approximately 4,757 new Breast Cancer Awareness group special license plates are issued each year. Currently, around 141 women per year are served under by the BCCP.

State Revenue

On net, the bill increases state revenue by \$201,155 in FY 2019-20 and \$224,940 in FY 2020-21. It also reallocates this funding between the BCCP Fund in HCPF and the Underinsured Breast and Cervical Cancer Treatment Fund in the CDPHE. It may also increase state revenue from gifts, grants, or donations.

Fee impact on vehicle owners. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee revenue is subject to TABOR; however, under the March 2019 Legislative Council Staff forecast, a TABOR surplus is not expected in FY 2019-20 or FY 2020-21. The table below identifies the fee impact of this bill. This fiscal note assumes 40,231 license plates will be registered and renewed in FY 2019-21 and 44,988 in FY 2020-21.

**Table 2
Fee Impact on Vehicle Owners**

FY	Type of Fee	Current Fee	New Fee	Fee Increase	Number Affected	Total Change in Revenue
FY 19-20	Surcharge	\$25	\$30	\$5	40,231	\$201,155
FY 20-21	Surcharge	\$25	\$30	\$5	44,988	\$224,940

Revenue by program. For FY 2019-20, the Breast Cancer Awareness group special license plate is expected to bring in approximately \$1.2 million in revenue, of which \$0.8 million is credited to the BCCP Fund and \$0.4 million is credited to the Underinsured Breast and Cervical Cancer Treatment Fund in the CDPHE.

Gifts, grants, and donations. Beginning in FY 2019-20, the bill potentially increases state cash fund revenue to the extent that CDPHE receives any gifts, grants, and donations for the Underinsured Breast and Cervical Cancer Treatment Program. However, no sources have been identified at this time. Any gifts, grants, and donations received by the department are exempt from the state TABOR limit.

State Expenditures

The bill increase state expenditures by \$2.7 million and 2.1 FTE in FY 2019-20 and \$2.6 million and 2.1 FTE in FY 2020-21. These costs are displayed in Table 3 and discussed below.

**Table 3
 Expenditures Under HB 19-1302**

Cost Components	FY 2019-20	FY 2020-21
Department of Public Health and Environment		
Personal Services	\$65,547	\$71,587
Operating Expenses and Capital Outlay Costs	\$5,748	\$1,045
HIPAA Data IT System	\$118,612	\$118,612
Independent Validation and Verification	\$11,861	-
Treatment Program	-	\$250,000
Travel for Contract Compliance	-	\$479
Centrally Appropriated Costs*	\$34,280	\$85,176
FTE – Personal Services	1.1 FTE	1.1 FTE
CDPHE (Subtotal)	\$236,048	\$526,899
Department of Health Care Policy and Financing		
Personal Services	\$52,802	\$52,802
Operating Expenses and Capital Outlay Costs	\$3,314	\$3,314
Legal Services	\$2,784	\$2,784
IT Operating Costs	\$9,206	\$9,206
Medical Service Premiums and Payments	\$2,338,779	\$1,988,249
Centrally Appropriated Costs*	\$18,136	\$18,136
FTE – Personal Services	1.0 FTE	1.0 FTE
HCPF (Subtotal)	\$2,425,021	\$2,074,491
Department of Revenue		
Computer Programming	\$11,700	-
DOR (Subtotal)	\$11,700	-
Total	\$2,672,769	\$2,601,390
Total FTE	2.1 FTE	2.1 FTE

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

Department of Public Health and Environment. The bill will increase expenditures in the CDPHE by \$236,048 and 1.1 FTE in FY 2019-20 and up to \$526,899 and 1.1 FTE in FY 2020-21. Additional information on CDPHE expenditures are outlined below. First-year costs are paid from the General Fund until sufficient cash funds are available starting in the second year to fund the costs of the bill.

- *Program administration.* CDPHE requires 1.1 FTE to administer the new underinsured treatment program. CDPHE will establish the program; work with stakeholders; conduct rulemaking; solicit and contract with treatment providers; manage the IT data system upgrades; monitor contract compliance; create manuals and forms; and advise the Board of Health on future program policy and requirements. In addition, CDPHE will also have costs for travel and mileage costs to conduct site visits and monitoring for contract compliance.
- *IT data system upgrades.* In order to comply with Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements for reimbursement of medical treatment services, CDPHE will require \$237,224 to update and enhance an existing data collection system. This fiscal note assumes it will take one year to update the existing data collection system, with half the work being conducted in FY 2019-20 and half in FY 2020-21. Data collection system upgrade costs are calculated at 2,100 hours at various rates ranging from \$120 to \$165 per hour. In addition, CDPHE requires \$11,861 in FY 2019-20 only for an independent verification and validation as required by state law. Beginning in FY 2021-22, ongoing operations and maintenance costs for the upgraded data collection system are estimated to be \$34,871.
- *Medical treatment costs.* CDPHE will provide approximately \$250,000 to contractors in order to provide treatment for underinsured breast and cervical cancer patients. The amount available for treatment will be adjusted annually based on the actual funds available from the Underinsured Breast and Cervical Cancer Treatment Fund.

Department of Health Care Policy and Financing. The bill continues expenditures of \$2.4 million and 1.0 FTE in FY 2019-20 and \$2.1 million and in FY 2020-21 for HCPF to administer the BCCP. The 1.0 FTE currently administers the program. If the program expires, HCPF will reallocate personnel to other Medicaid functions under current law in FY 2019-20.

Department of Revenue. In FY 2019-20 only, DOR requires a one-time programming cost of \$11,700 to update the Driver License, Record, Identification, and Vehicle Enterprise Solutions (DRIVES) system. Programming costs are calculated at 52 hours at a rate of \$225 per hour.

Centrally appropriated costs. Pursuant to 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 estimated to be \$52,416 in FY 2019-20 and \$103,312 in FY 2020-21.

Effective Date

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

State Appropriations

For FY 2019-20, the bill requires the following appropriations:

- \$2,406,855 to the Department of Health Care Policy and Financing, of which \$848,715 is from the Breast and Cervical Cancer Prevention and Treatment Fund and \$1,558,170 is from federal funds;
- \$201,768 to the Department of Public Health and Environment from the General Fund and allocation of 1.1 FTE; and
- \$11,700 to the Department of Revenue from the DRIVES Vehicle Services Account.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Information Technology
Revenue