



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1140

FINAL FISCAL NOTE

Drafting Number: LLS 20-0784
Prime Sponsors: Rep. Buck
Sen. Ginal

Date: September 9, 2020
Bill Status: Postponed Indefinitely
Fiscal Analyst: Max Nardo | 303-866-4776
Max.Nardo@state.co.us

Bill Topic: DIRECT PRIMARY CARE SERVICES FOR MEDICAID RECIPIENTS

**Summary of
Fiscal Impact:**

- | | |
|---|--|
| <input 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 would have allowed Medicaid enrollees to purchase direct primary care services from health care providers outside of the terms of the Medicaid program. It would have potentially affected state expenditures on an ongoing basis.

**Appropriation
Summary:** No appropriation was required.

**Fiscal Note
Status:** The fiscal note reflects the introduced bill. The bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Under current law, health care providers that treat Medicaid clients are prohibited by state and federal law from accepting payment from Medicaid clients outside of the terms set by the Medicaid program. The bill makes an exception to this prohibition for Medicaid clients who choose to purchase direct primary care services or enter into a direct primary care agreement with a provider.

The Department of Health Care Policy and Financing (HCPF) is directed to seek any federal waiver necessary to implement this change. Additionally, HCPF is required to evaluate whether this change affects access to care or results in any cost savings to the Medicaid program, and report to the Joint Budget Committee by July 1, 2025.

Background

A direct primary care agreement is defined in statute as an agreement between a patient and a health care provider that specifies services to be provided in exchange for a fee, and prohibits the provider from submitting a fee-for-service claim for payment to a health insurance issuer for services covered under the agreement.

State Expenditures

The bill may both increase and decrease state expenditures in HCPF, however the net impact is not estimated. To the extent that Medicaid clients purchase direct primary care services that would have otherwise been paid for by the Medicaid program, state and federal expenditures will decrease. HCPF will be required to pursue a federal waiver to facilitate this change to the program and gather and analyze data from providers on direct primary care services sold to Medicaid clients to evaluate impacts to access and cost savings. The fiscal note assumes that this work can be accomplished within existing appropriations. If additional appropriations are required for the access and cost evaluation, HCPF will seek an appropriation through the annual budget process.

Effective Date

The bill was postponed indefinitely by the House Health and Insurance Committee on March 11, 2020.

State and Local Government Contacts

Health Care Policy and Financing

Regulatory Agencies