



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Revised Fiscal Note

(replaces fiscal note dated March 5, 2021)

**Drafting Number:**  
**Prime Sponsors:**

LLS 21-0303  
Rep. Pelton; Caraveo

**Date:** April 02, 2021  
**Bill Status:** House Appropriations  
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**Bill Topic:**

**PEER SUPPORT PROFESSIONALS BEHAVIORAL HEALTH**

**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 requires the Department of Human Services to approve for reimbursement recovery support services organizations. It increases state revenue and expenditures on an ongoing basis, beginning in FY 2021-22.

**Appropriation Summary:**

For FY 2021-22, the bill requires appropriations of \$28,654 to the Department of Human Services.

**Fiscal Note Status:**

The fiscal note reflects the introduced bill, as amended by the House Finance Committee.

**Table 1**  
**State Fiscal Impacts Under HB 21-1021**

		Budget Year FY 2021-22	Out Year FY 2022-23
<b>Revenue</b>	Cash Funds	\$2,400	\$2,500
	<b>Total Revenue</b>	<b>\$2,400</b>	<b>\$2,500</b>
<b>Expenditures</b>	General Fund	\$26,254	\$42,983
	Cash Funds	\$2,400	\$2,500
	Centrally Appropriated	\$6,464	\$9,063
	<b>Total Expenditures</b>	<b>\$35,118</b>	<b>\$54,646</b>
	<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0.5 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

The bill requires the Department of Human Services (DHS) to develop a procedure to approve recovery support services organizations that meet certain qualifications, including those established by rule by DHS in collaboration with the Department of Health Care Policy and Financing (HCPF). The bill specifies that peer support professional services provided through an approved recovery support services organization can to be covered under Medicaid.

The bill creates the Peer Support Workforce Cash Fund that contains revenue from fees paid by recovery support services organizations that apply for approval, as well as from gifts, grants, and donations.

Under the bill, contracts entered into between DHS' Office of Behavioral Health and designated managed service organizations must include terms and conditions outlining the expectations for organizations to invest in the state's recovery services infrastructure.

## State Revenue

The bill increases state cash fund revenue from fees by approximately \$2,500 per year beginning in FY 2021-22. This revenue is from fees on recovery support service organizations applying to DHS for approval. Fee revenue is subject to TABOR. The bill also potentially increases state revenue from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

**Fee impact on recovery support service organizations.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by DHS based on cash fund balance, estimated program costs, and the estimated number of organizations subject to the fee. The table below identifies the fee impact of this bill.

**Table 2**  
**Fee Impact on Recovery Support Service Organizations**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
<b>FY 2021-22</b>	Application Fee	\$200	12	\$2,400
<b>FY 2022-23</b>	Application Fee	\$200	13	\$2,600

The fiscal note assumes that 25 organizations will apply for DHS approval. Based on similar regulatory programs, the fee is estimated at \$200 for two years of eligibility.

## State Expenditures

The bill increases expenditures by \$35,118 in FY 2021-22 and 0.3 FTE and \$54,646 in FY 2022-23 and 0.5 FTE. These costs, primarily in DHS' Office of Behavioral Health, are paid with General Fund and the Peer Support Workforce Cash Fund, and are summarized in Table 3 and described below.

**Table 3**  
**Expenditures Under HB 21-1021**

	FY 2021-22	FY 2022-23
<b>Department of Human Services</b>		
Personal Services	\$22,454	\$44,908
Operating Expenses	-	\$675
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs <sup>1</sup>	\$6,464	\$9,063
<b>Total Cost</b>	<b>\$35,118</b>	<b>\$54,646</b>
<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0.5 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Human Services.** DHS requires 0.3 FTE in FY 2021-22 and 0.5 FTE in FY 2022-23 and subsequent years. These expenditures represent 0.5 FTE program manager to manage rulemaking, evaluate applications, respond to inquiries, and perform site visits of programs. Staffing in FY 2021-22 is prorated for a January 1 start date.

**Department of Health Care Policy and Financing.** Some of these organizations may be eligible for Medicaid reimbursement under current law. To the extent that organizations that are not currently receiving Medicaid reimbursements for peer support services become eligible after approval by DHS, the bill will increase Medicaid expenditures, with costs paid using General Fund, Healthcare Affordability and Sustainability Cash Fund, and federal funds, depending on a client's Medicaid eligibility. This potential increase has not been estimated.

**Department of Law.** The bill requires rulemaking by DHS and HCPF, which is supported by the Department of Law. Such rulemaking can be accommodated within existing appropriations.

**Centrally appropriated costs.** Pursuant to a 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 \$6,464 in FY 2021-22 and \$9,063 in FY 2022-23.

**TABOR refunds.** The bill increases state revenue subject to TABOR. For FY 2022-23, the March 2021 LCS forecast projects revenue to fall short of the TABOR limit by \$28.6 million, or 0.2 percent of the limit. If actual revenue exceeds the limit, the bill will increase the amount required to be refunded to taxpayers from the General Fund in FY 2023-24.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2021-22, the bill requires the following appropriations to the Department of Human Services, with 0.3 FTE:

- \$26,254 from the General Fund; and
- \$2,400 from the Peer Support Workforce Cash Fund.

## State and Local Government Contacts

Human Services