



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 21-0755 **Date:** April 05, 2021
Prime Sponsors: Rep. Larson; Valdez A. **Bill Status:** House Health & Insurance
 Sen. Moreno; Coram **Fiscal Analyst:** Max Nardo | 303-866-4776
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Bill Topic: **MEDICAID TRANSPORTATION SERVICES**

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 moves the responsibility for oversight of Medicaid nonmedical and nonemergency medical transportation services from the Public Utilities Commission to the Department of Health Care Policy and Financing. It minimally affects state revenue and expenditures on an ongoing basis.

Appropriation Summary: The bill requires a net-zero change in appropriations within the Department of Health Care Policy and Financing. See State Appropriations section.

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

Table 1
State Fiscal Impacts Under HB 21-1206

| | | Budget Year FY 2021-22 | Out Year FY 2022-23 |
|---------------------|-----------------------------------|---------------------------|------------------------|
| Revenue | | - | - |
| Expenditures | General Fund (HCPF) | \$66,003 | \$66,003 |
| | Federal Funds (HCPF) | \$37,500 | \$37,500 |
| | General Fund (DORA) ¹ | (\$66,003) | (\$66,003) |
| | Federal Funds (DORA) ¹ | (\$37,500) | (\$37,500) |
| | Total Expenditures | \$0 | \$0 |
| Transfers | | - | - |
| TABOR Refund | | - | - |

¹ Funding to the Department of Regulatory Agency is paid through a transfer of funds appropriated to the Department of Health Care Policy and Financing. The reduction to DORA above reflects the original fund source prior to the transfer.

Summary of Legislation

The bill moves the responsibility for oversight of Medicaid nonmedical and nonemergency medical transportation services from the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) to the Department of Health Care Policy and Financing (HCPF). The bill requires HCPF to collaborate with stakeholders to establish rules for safety, access to services, and driver and vehicle requirements.

Background

In 2020, HCPF expanded a contract with the vendor IntelliRide to be the single statewide broker for nonemergency medical transportation, which includes oversight and safety responsibilities for providers of these services.

State Revenue

The bill minimally reduces revenue to the Department of Regulatory Agencies. Transportation service providers currently regulated by the PUC will no longer be required to pay that permit fee. This fee revenue is deposited into the Motor Carriers Cash Fund, and is subject to TABOR.

State Expenditures

The bill has a net-zero impact on state expenditures. By moving oversight responsibilities from the PUC in the Department of Regulatory Agencies to HCPF, the associated expenditures also move between departments. The fiscal note assumes the amount spent on oversight will remain unchanged. For FY 2021-22, the Long Bill is expected to include \$103,503 (\$66,003 General Fund and \$37,500 federal funds) for this purpose.

TABOR refunds. The bill decreases 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 decrease the amount required to be refunded to taxpayers from the General Fund in FY 2023-24. If the bill causes revenue to fall below the limit by \$30 million, it will trigger a transfer of up to \$30 million from the Unclaimed Property Trust Fund to the Housing Development Grant Fund under current law enacted in House Bill 19-1322.

State Appropriations

For FY 2021-22, the bill requires a net-zero change in appropriations in the Department of Health Care Policy and Financing. The *Transfer to DORA for Regulation of Medicaid Transportation* line should be decreased by \$66,003 General Fund and \$37,500 federal funds, and the *Medical Services Premiums* line should be increased by equivalent amounts.

Effective Date

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

State and Local Government Contacts

Health Care Policy and Financing

Regulatory Agencies