



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 21-0917 Date: April 05, 2021
Prime Sponsors: Sen. Hansen Bill Status: Senate Appropriations
Rep. McCluskie Fiscal Analyst: Clare Pramuk | 303-866-2677
clare.pramuk@state.co.us

Bill Topic: STATE PAYMENT HOSPICE PROVIDERS RESIDENTIAL CARE

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

Budget package bill. The bill provides a state payment to qualified hospice providers for care of persons enrolled in Medicaid who are unable to secure a bed in a nursing facility due to the presence of COVID-19 in the state or for other reasons described in the bill. The bill increases state expenditures in FY 2020-21 and FY 2021-22.

Appropriation Summary: For FY 2020-21, the bill includes an appropriation of \$684,000 to the Department of Health Care Policy and Financing that is further appropriated to FY 2021-22.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill was recommended by the Joint Budget Committee.

Table 1
State Fiscal Impacts Under SB 21-214

Table with 4 columns: Category, Current Year FY 2020-21, Budget Year FY 2021-22, Out Year FY 2022-23. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

Summary of Legislation

The bill authorizes a state payment to qualified hospice providers that provide hospice services to persons enrolled in Medicaid and who are eligible for care in a nursing facility, but who are unable to secure a bed in a nursing facility due to the presence of COVID-19 in the state or for other reasons described in the bill. The eligible patient must have a hospice diagnosis. The state payment to a qualified hospice provider is limited to not more than 28 days for each eligible patient.

The qualified hospice provider must provide residential services to an eligible patient during the fourth quarter of FY 2020-21 or during FY 2021-22. The state payment is an amount equal to one-half of the statewide average per diem rate for nursing facilities. State payments are limited to appropriations made for this purpose.

The Department of Health Care Policy and Financing is responsible for administering the state payment and is required to seek input from qualified hospice providers concerning the administration of the payment and the allocation of available appropriations. The State Board of Medical Services may adopt necessary rules for implementation.

Background

As a result of the COVID-19 disaster emergency and due to census limitations in nursing facilities, some clients who are at end-of-life and require hospice care have not been able to access the necessary level of care in an appropriate setting. Given the lack of available beds in inpatient settings and the care requirements of these patients, providers believe that a second option for placement is in a hospice care unit. However, placement in hospice care units are not eligible for Medicaid reimbursement.

State Expenditures

The bill will increase General Fund expenditures for the Department of Health Care Policy and Financing by \$684,000 for expenditures beginning in FY 2020-21 and ending in FY 2021-22. This assumes an average of 13 patients per day will receive hospice services at an average state per diem rate of \$115.38 for 456 days. The department will work with stakeholders to implement the provisions of the bill and the State Board of Medical Services will adopt any rules necessary for implementation.

Effective Date

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

State Appropriations

For FY 2020-21, the bill includes a General Fund appropriation of \$684,000 to the Department of Health Care Policy and Financing. Funds not expended prior to July 1, 2021, are further appropriated for FY 2021-22.

State and Local Government Contacts

Health Care Policy and Financing

Joint Budget Committee Staff