



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

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## Fiscal Note Memorandum

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April 18, 2022

**TO:** House Appropriations Committee

**FROM:** Erin Reynolds, Principal Fiscal Analyst  
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**SUBJECT:** Fiscal Assessment of Proposed Amendment L.005 to House Bill 22-1289

This memorandum is an assessment of the fiscal impact of the attached proposed Amendment L.005 to House Bill 22-1289. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

### Summary of Proposed Amendments

Amendment L.005 delays the implementation of services — including Medicaid and CHP+ lookalike coverage for pregnant women and children regardless of immigration status — to no later than January 1, 2025. The bill's provisions regarding breast pump and lactation consulting coverage for all Medicaid and CHP+ members take effect upon signature of Governor.

The amendment also allows HCPF to have over-expenditure authority for the lookalike programs parallel to the authority the department has for Medicaid and CHP+ programs. HCPF is required to use a cash system of accounting for the program. Finally, the amendment modifies SMART Act reporting requirements to require program implementation reporting through 2025, then program cost savings and health improvement reporting beginning 2026 and each year thereafter.

### Fiscal Impact of Amendment

The primary fiscal impact of Amendment L.005 is the pushing out of the implementation date for lookalike benefit programs to no later than January 1, 2025. This shifts most implementation costs to FY 2023-24.

### Bill's Revised Fiscal Impact with Amendment

Table 1 on the following page shows the impact of the HB 22-1289 with Amendment L.005. In addition, Table 2 provides a detailed expenditure breakdown by agency and Table 3 outlines service costs. Costs are unchanged for the CDPHE. Costs in the memorandum have also been updated to include new information on Health Services Initiative funding, the impact for which is assumed to begin in FY 2023-24, and require a 35 percent General Fund match.

**State appropriation.** As amended, the bill requires \$730,571 General Fund and \$885,482 federal funds to HCPF and 5.1 FTE. The bill also requires an appropriation of \$423,626 General Fund to the CDPHE and 2.5 FTE.

**Table 1  
State Fiscal Impacts Under HB 22-1289\_L.005**

		Budget Year FY 2022-23	Out Year FY 2023-24	Out Year FY 2024-25	Out Year FY 2025-26
<b>Revenue</b>		-	-	-	-
<b>Expenditures</b>	General Fund	\$1,154,197	\$4,988,292	\$3,813,368	\$9,974,467
	Federal Funds	\$885,482	\$6,852,170	\$7,210,928	\$16,736,557
	Centrally Appropriated	\$133,468	\$230,169	\$252,364	\$245,799
	<b>Total Expenditures</b>	<b>\$2,173,147</b>	<b>\$12,070,631</b>	<b>\$11,276,660</b>	<b>\$26,956,823</b>
	<b>Total FTE</b>	<b>7.6 FTE</b>	<b>12.8 FTE</b>	<b>13.2 FTE</b>	<b>13.7 FTE</b>
<b>Transfers</b>		-	-		
<b>Other Budget</b>	General Fund Reserve	\$173,130	\$748,244	\$572,005	\$1,496,170

**Table 2  
Expenditures Under HB 22-1289\_L.005**

Cost Components	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Department of Health Care Policy and Financing</b>				
Personal Services	\$440,320	\$919,207	\$1,021,428	\$992,914
Operating Expenses	\$7,155	\$14,175	\$15,525	\$14,850
Capital Outlay Costs	\$43,400	\$24,800	\$6,200	-
Service Costs (see Table 3)	\$375,178	\$568,660	\$17,300,270	\$34,916,034
Service Savings (see Table 3)	-	(\$5,046,187)	(\$20,435,685)	(\$20,700,316)
MMIS Programming	-	\$3,114,696	\$2,612,463	-
CBMS Programming	-	\$122,463	\$573,909	-
Actuarial Contractor	-	\$250,000	-	-
Outreach Costs	\$750,000	\$750,000	\$750,000	\$750,000
County Support	-	\$125,000	\$221,227	\$189,022
Health Services Initiatives	-	\$10,398,715	\$8,349,675	\$9,928,371
Centrally Appropriated Costs	\$90,608	\$183,684	\$205,879	\$199,314
FTE – Personal Services	5.1 FTE	10.1 FTE	11.4 FTE	11.0 FTE
<b><u>HCPF Subtotal</u></b>	<b><u>\$1,706,660</u></b>	<b><u>\$11,425,213</u></b>	<b><u>\$10,620,892</u></b>	<b><u>\$26,290,189</u></b>
<i>General Fund</i>	<i>\$730,571</i>	<i>\$4,389,358</i>	<i>\$3,204,086</i>	<i>\$9,354,318</i>
<i>Federal Funds</i>	<i>\$885,482</i>	<i>\$6,852,170</i>	<i>\$7,210,928</i>	<i>\$16,736,557</i>
<i>Centrally Appropriated</i>	<i>\$90,608</i>	<i>\$183,684</i>	<i>\$205,879</i>	<i>\$199,314</i>

**Table 2**  
**Expenditures Under HB 22-1289\_L.005 (Cont.)**

<b>Cost Components</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Department of Public Health and Environment</b>				
Personal Services	\$198,560	\$216,611	\$216,611	\$216,611
Operating Expenses	\$3,645	\$3,645	\$3,645	\$3,645
Capital Outlay Costs	\$18,600	-	-	-
Survey Materials and Postage	\$34,403	\$36,124	\$37,930	\$39,826
Software and Licenses	\$6,207	\$6,232	\$6,259	\$6,287
Participant Incentives	\$162,211	\$170,322	\$178,838	\$187,780
Centrally Appropriated Costs	\$42,860	\$46,485	\$46,485	\$46,485
FTE – Personal Services	2.5 FTE	2.7 FTE	2.7 FTE	2.7 FTE
<b>CDPHE Subtotal</b>	<b>\$466,486</b>	<b>\$479,419</b>	<b>\$489,768</b>	<b>\$500,634</b>
<b>Department of Human Services</b>				
Computer Programming	-	\$166,000	\$166,000	\$166,000
<b>DHS Subtotal</b>	<b>-</b>	<b>\$166,000</b>	<b>\$166,000</b>	<b>\$166,000</b>
<b>Total</b>	<b>\$2,173,147</b>	<b>\$12,070,631</b>	<b>\$11,276,660</b>	<b>\$26,956,823</b>
<b>Total FTE</b>	<b>7.6 FTE</b>	<b>12.8 FTE</b>	<b>13.2 FTE</b>	<b>13.7 FTE</b>

**Table 3**  
**Estimated Service Costs and Savings Under HB 22-1289\_L.005**

<b>Service Costs</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>
Non-Citizen Pregnant Adult Medicaid	-	-	\$9,413,010	\$19,514,304
Non-Citizen Pregnant Adult CHP+	-	-	\$804,313	\$1,635,438
Non-Citizen Postpartum Adult Medicaid	-	-	\$3,909,198	\$7,919,640
Non-Citizen Postpartum Adult CHP+	-	-	\$249,940	\$506,095
Non-Citizen Children State-only Medicaid	-	-	\$976,234	\$2,020,865
Non-Citizen Children State-only CHP+	-	-	\$1,126,430	\$2,339,998
Breast Pumps Medicaid	\$322,138	\$495,256	\$620,108	\$745,421
Breast Pumps CHP+	\$53,040	\$73,404	\$82,435	\$92,771
Lactation Support Services Medicaid	-	-	\$104,685	\$125,840
Lactation Support Services CHP+	-	-	\$13,916	\$15,661
<b>Total Service Costs</b>	<b>\$375,178</b>	<b>\$568,660</b>	<b>\$17,300,270</b>	<b>\$34,916,034</b>
<i>General Fund</i>	<i>\$179,633</i>	<i>\$273,319</i>	<i>\$7,530,545</i>	<i>\$15,185,862</i>
<i>Federal Funds</i>	<i>\$195,545</i>	<i>\$295,340</i>	<i>\$9,769,725</i>	<i>\$19,730,172</i>
<b>Service Savings</b>				
EMS Savings from Non-Pregnant Adults	-	(\$5,046,187)	(\$20,435,685)	(\$20,700,316)
<b>Total Service Savings</b>	<b>-</b>	<b>(\$5,046,187)</b>	<b>(\$20,435,685)</b>	<b>(\$20,700,316)</b>
<i>General Fund</i>	<i>-</i>	<i>(\$2,523,094)</i>	<i>(\$10,217,843)</i>	<i>(\$10,350,158)</i>
<i>Federal Funds</i>	<i>-</i>	<i>(\$2,523,094)</i>	<i>(\$10,217,842)</i>	<i>(\$10,350,158)</i>