

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING IMPLEMENTING MEDICAID INITIATIVES THAT CREATE HIGHER VALUE IN THE MEDICAID PROGRAM LEADING TO BETTER HEALTH OUTCOMES FOR MEDICAID CLIENTS, AND, IN CONNECTION THEREWITH, CONTINUING THE IMPLEMENTATION OF THE ACCOUNTABLE CARE COLLABORATIVE AND AUTHORIZING PERFORMANCE-BASED PROVIDER PAYMENTS.

Prime Sponsors: Representative Young
Senator Lundberg

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/25/17.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Appropriations Committee Report (04/25/17) and House Second Reading (04/27/17) included amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2017-18.

Points to Consider

Future Fiscal Impact

Although this bill would not require a General Fund appropriation for FY 2017-18, it is projected to require a General Fund appropriation of \$7,591,223 in FY 2018-19. By FY 2019-20 the bill is expected to result in General Fund savings of \$28,177,190.

HB17-1353

JBC Staff Analysis

The increased costs are the result of: (1) an expected \$1 increase in the per member per month (PMPM) rate paid to regional accountable entities; (2) a larger portion of the existing Medicaid population joining the Accountable Care Collaborative; (3) performance-based payments for primary care; (4) performance-based payments for behavioral health; and (5) associated administrative costs. The projected savings are due to expected improvements in health outcomes as a result of integrating behavioral health and physical health and of a larger portion of the existing Medicaid population joining the Accountable Care Collaborative. There are both projected costs and savings in FY 2018-19, but changes in health outcomes are expected to occur more slowly than increases in costs, and so there is not a net projected savings until FY 2019-20.