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**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-0260	Date:	June 21, 2018
Prime Sponsors:	Sen. Jahn; Tate Rep. Singer; Pettersen	Bill Status:	Signed into Law
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Bill Topic: EXPAND ACCESS BEHAVIORAL HEALTH CARE PROVIDERS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditures	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill modifies the Colorado Health Services Corps program to expand the availability of behavioral health care providers in designated shortage areas. The bill increases state expenditures on an ongoing basis beginning in FY 2018-19.

Appropriation Summary: For FY 2018-19, the bill requires and includes an appropriation of \$2.5 million to the Department of Public Health and Environment.

Fiscal Note Status: This bill reflects the enacted bill..

**Table 1
State Fiscal Impacts Under SB 18-024**

		FY 2018-19	FY 2019-20	FY 2020-21
Revenue		-	-	-
Expenditures	Cash Funds	\$2,500,000	\$2,500,000	\$2,500,000
	Centrally Appropriated	\$278,777	\$278,843	\$280,253
	Total	\$2,778,777	\$2,778,843	\$2,780,253
	Total FTE	2.0 FTE	2.0 FTE	2.1 FTE
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

Under current law, the Colorado Health Service Corps Program (CHSC) offers loan repayment for certain eligible health care providers who serve in federally-designated health professional shortage areas. The thirteen-member CHSC Advisory Council reviews applications and makes recommendations to the Primary Care Office in the Colorado Department of Public Health and the Environment (CDPHE), which administers the program.

This bill adds behavioral health care providers and candidates for certain types of professional licensure to the list of health care providers eligible for loan repayment. Candidates for licensure must serve at least two years in a shortage area after obtaining a license, plus the time spent obtaining supervised experience hours.

In addition, the Primary Care Office, in coordination with the Department of Health Care Policy and Financing (HCPF), must develop and administer state-designated health professional shortage areas. The bill specifies that CHSC loan repayment recipients must serve in a health professional shortage area as designated by either the state or federal government.

Scholarship program. Beginning in FY 2018-19, the bill creates a scholarship program to cover the costs of obtaining certification as an addiction counselor for individuals who agree to serve in a state or federally designated health professional shortage area for at least six consecutive months. Scholarships may cover up to the full costs of educational materials and direct expenses and must be paid to the academic institution or state-approved trainer. The advisory council must review applications and make recommendations to the Primary Care Office.

Advisory council. The bill adds two members to the council: a representative of a substance use disorder service provider and a licensed or certified addiction counselor. When considering applications from behavioral health care providers for loan repayment through the CHSC and the newly-created scholarship program, the advisory council must give priority to applicants who are practicing with a non-profit or public employer.

Additional provisions. The bill clarifies what must be included in the existing biennial program report, specifies that CDPHE must include the report as part of its SMART Act hearing. Beginning in FY 2018-19, the General Assembly must annually appropriate \$2.5 million from the Marijuana Tax Cash Fund for loan repayment for behavioral health care providers and candidates for licensure, and for scholarships to addiction counselors.

Background

Colorado Health Services Corps. CHSC was created in 2009 and provides education loan reimbursement for eligible health care providers who agree to serve in a federally-designated health professional shortage area for either two or three years, depending on the type of provider. Award amounts range from \$10,000 to \$90,000, depending on the type of provider and whether the provider works full or part time. Repayment amounts are paid in full at the beginning of the contract, although recipients must pay back a portion of the funds if the contract is not fulfilled.

As of October 2017, 279 providers were contracted with the program. For FY 2017-18, CHSC received approximately \$5.9 million in funding from the following sources: General Fund (\$1.9 million), Tobacco Master Settlement (\$845,646), a federal grant (\$1.3 million), and private grants (\$1.9 million).

Marijuana Tax Cash Fund. The Marijuana Tax Cash Fund contains state sales tax revenue collected on medical and retail marijuana and 85 percent of the revenue from the special sales tax on retail marijuana. The funds are appropriated annually and cannot be spent until the fiscal year after the year the funds were collected. Funds are dedicated to statutorily-determined uses, including health care, health education, substance abuse prevention and treatment, and law enforcement.

State Expenditures

The bill increases state cash fund expenditures in CDPHE by \$2.8 million per year, beginning in FY 2018-19. Specific costs are listed in Table 2 and discussed below.

**Table 2
Expenditures Under SB 18-024**

	FY 2018-19	FY 2019-20	FY 2020-21
Department of Public Health and Environment			
Personal Services	\$140,282	\$141,011	\$147,713
Operating Expenses and Capital Outlay Costs	\$11,306	\$1,900	\$1,995
Database Modification	\$16,000	\$5,000	\$5,000
Scholarships	\$75,000	\$75,000	\$75,000
Loan Repayments	\$2,257,412	\$2,277,089	\$2,270,292
Centrally Appropriated Costs*	\$278,777	\$278,843	\$280,253
FTE – Personal Services	2.0 FTE	2.0 FTE	2.1 FTE
Total Cost	\$2,778,777	\$2,778,843	\$2,780,253
Total FTE	2.0 FTE	2.0 FTE	2.1 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Assumptions. The fiscal note assumes that administrative costs for the scholarship program and expanded loan repayment program are paid out of the \$2.5 million appropriated for the bill. The fiscal note also assumes the following:

- loan repayment awards will average \$55,000 and approximately 41 new, three-year, loan repayment contracts will be signed each year, totaling about \$2.3 million annually;
- scholarship awards will average \$3,500 and approximately 21 one-year grant contracts will be signed each year, totaling about \$75,000 annually; and
- work will begin on the expanded CHSC and new scholarship program on July 1, 2018, with applications accepted in September 2018.

Administrative costs increase slightly over the first three years of the expanded program due to the three-year contract period. As a result, the amount available for loan repayments and scholarships will decrease slightly over the first three years. The exact distribution of available funds between the scholarship program and expanded loan repayment program will be determined by CDPHE.

Personal services. CDPHE requires 2.0 FTE in FY 2018-19 and FY 2019-20, and 2.1 FTE in FY 2020-21. Staffing is required to establish state health professional shortage areas, and maintain data and eligibility requirements, establish parameters for the scholarship program and the addition of behavioral health professionals to the current loan repayment program, conduct outreach and site visits, and manage contracts for both programs. Personal service or staff costs increase as the program phases in to full capacity over three years.

Database modification. CDPHE requires \$16,000 in FY 2018-19 to modify the health professional workforce directory database to add behavior health providers, and \$5,000 per year beginning in FY 2019-20 for annual maintenance to the expanded database.

Additional workload. The bill increases the workload for CDPHE to add two additional members to the advisory committee. Advisory committee members serve without compensation or reimbursement for expenses. In addition, the bill increases the workload for CDPHE to comply with the modified reporting requirements. The workload increase can be accomplished within existing appropriations.

Coordination with HCPF. The bill increases the workload for HCPF to coordinate with CDPHE to establish health professional shortage areas. It is estimated that approximately 50 hours of work will be necessary; no increase in appropriations is required.

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 \$278,777 in FY 2018-19, \$278,843 in FY 2019-20, and \$280,253 in FY 2020-21.

Effective Date

The bill was signed into law by the Governor on May 21, 2018, and takes effect on July 1, 2018.

State Appropriations

For FY 2018-19, the bill requires and includes an appropriation of \$2.5 million from the Marijuana Tax Cash Fund, and an allocation of 2.0 FTE, to the Department of Public Health and Environment.

State and Local Government Contacts

Governor	Health Care Policy And Financing
Higher Education	Human Services
Information Technology	Public Health and Environment
Regulatory Agencies	