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FISCAL NOTE

Drafting Number: LLS 19-0287
Prime Sponsors: Rep. Landgraf; Singer
Sen. Gardner

Date: February 20, 2019
Bill Status: House Public Health
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Bill Topic: MENTAL HEALTH FACILITY PILOT PROGRAM

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

This bill creates a three-year mental health facility pilot program in the Department of Public Health and Environment. It will increase state expenditures through FY 2022-23.

Appropriation Summary: In FY 2019-20, the bill requires an appropriation of \$30,730 to the Department of Public Health and Environment.

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

Table 1
State Fiscal Impacts Under HB 19-1160

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

This bill creates a three-year mental health facility pilot program in the Department of Public Health and Environment (CDPHE). Two entities may be selected to participate in the pilot program through an application process that begins October 1, 2019. To be eligible, applicants must provide residential care, treatment, and additional services to individuals with both physical and mental health diagnoses, and meet other specific criteria outlined in the bill. Among these criteria, the entity must demonstrate cost savings or neutrality to Medicaid. CDPHE must select program participants by December 1, 2019. If more than one applicant is selected, the facilities must serve different-sized communities in different cities and must not be assisted living facilities.

State Expenditures

This bill will increase General Fund expenditures by \$44,327 in FY 2019-20, and by \$10,371 from FY 2020-21 to FY 2022-23. Expenditures are shown in Table 2 and discussed below.

Table 2
Expenditures Under HB 19-1160

	FY 2019-20	FY 2020-21
Department of Public Health & Environment		
Personal Services	\$29,466	\$6,556
Operating Expenses and Capital Outlay Costs	\$475	-
Travel and Per Diem Costs	\$789	\$789
Centrally Appropriated Costs*	\$13,597	\$3,026
Total Cost	\$44,327	\$10,371
Total FTE	0.5 FTE	0.1 FTE

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

Department of Public Health and Environment. CDPHE requires 0.4 FTE additional staff to create application criteria and perform rulemaking in the first half of FY 2019-20. In addition, CDPHE requires 0.1 FTE ongoing to provide technical assistance to each facility. Travel and per diem are included for these off-site technical assistance visits by two staff, with two nights hotel each at \$100 per night and four days in per diem reimbursements each at \$48.57.

While the CDPHE will select and support the pilot locations, it is assumed that these facilities will operate within their existing funding streams and that no financial support from the state is required.

Department of Health Care Policy and Financing. The Department of Health Care Policy and Financing (HCPF) can assist the CDPHE with application review within existing resources. If the pilot program results in any changes to Medicaid costs, these will be addressed through the annual budget process.

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 \$13,597 in FY 2019-20 and \$3,026 in FY 2020-21.

Technical Note

As the bill is drafted, the CDPHE does not have the legal authority to formally license these pilot facilities. The bill also requires a pilot site to demonstrate cost savings or neutrality to Medicaid program costs and may create efficiencies, but does not require any changes to the Medicaid program.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$30,730 and an allocation of 0.5 FTE to the Department of Public Health and Environment.

State and Local Government Contacts

Counties	Health Care Policy and Financing
Higher Education	Human Services
Information Technology	Law
Public Health and Environment	