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FISCAL NOTE

Drafting Number: LLS 19-1038
Prime Sponsors: Rep. Lontine, Sen. Fields

Date: April 1, 2019
Bill Status: House Health & Insurance
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Bill Topic: DENVER HEALTH MANAGED CARE ORGANIZATION CONTRACT WITH HCPF

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

This bill requires the Department of Health Care Policy and Financing to enter into a direct contract with Denver Health. It may shift workloads beginning in FY 2019-20.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

This bill requires the Department of Health Care Policy and Financing (HCPF) to enter into a direct contract with Denver Health and Hospital Authority's managed care organization (Denver Health) as long as it continues to operate a Medicaid managed care program.

Background

As required by House Bill 17-1353, which codified the planned changes for phase II of HCPF's Accountable Care Collaborative (ACC) care coordination system, HCPF completed competitive procurement processes for contracts with the seven Regional Accountable Entities (RAEs) effective July 1, 2018.

HCPF does not have a direct contract with Denver Health, instead the contract is through the Region 5 RAE, Colorado Access. HCPF currently has 0.5 FTE overseeing operations of managed care provided by Denver Health.

The Denver Health and Hospital Authority is a political subdivision of the state.

State Expenditures

In FY 2019-20, HCPF will contract with Denver Health, as required under the bill. The contract would include requirements on how Denver Health would collaborate with the RAE in that region. HCPF staff appropriated through HB 17-1353 may shift job duties to ensure proper oversight of the contract to ensure the requirements of the ACC continue to be met. No change in appropriations is required.

Statutory Public Entity

Similar to the state, Denver Health will have a workload increase to enter into a direct contract with HCPF.

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 and Local Government Contacts

Health Care Policy and Financing

Law

Municipalities