



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1140

FISCAL NOTE

Drafting Number: LLS 20-0784
Prime Sponsors: Rep. Buck, Sen. Ginal

Date: January 31, 2020
Bill Status: House Health & Insurance
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Bill Topic: DIRECT PRIMARY CARE SERVICE FOR MEDICAID RECIPIENTS

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

The bill allows Medicaid enrollees to purchase direct primary care services from health care providers outside of the terms of the Medicaid program. It will potentially affect state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Under current law, health care providers that treat Medicaid clients are prohibited by state and federal law from accepting payment from Medicaid clients outside of the terms set by the Medicaid program. The bill makes an exception to this prohibition for Medicaid clients who choose to purchase direct primary care services or enter into a direct primary care agreement with a provider.

The Department of Health Care Policy and Financing (HCPF) is directed to seek any federal waiver necessary to implement this change. Additionally, HCPF is required to evaluate whether this change affects access to care or results in any cost savings to the Medicaid program, and report to the Joint Budget Committee by July 1, 2025.

Background

A direct primary care agreement is defined in statute as an agreement between a patient and a health care provider that specifies services to be provided in exchange for a fee, and prohibits the provider from submitting a fee-for-service claim for payment to a health insurance issuer for services covered under the agreement.

State Expenditures

The bill may both increase and decrease state expenditures in HCPF, however the net impact is not estimated. To the extent that Medicaid clients purchase direct primary care services that would have otherwise been paid for by the Medicaid program, state and federal expenditures will decrease. HCPF will be required to pursue a federal waiver to facilitate this change to the program and gather and analyze data from providers on direct primary care services sold to Medicaid clients to evaluate impacts to access and cost savings. The fiscal note assumes that this work can be accomplished within existing appropriations. If additional appropriations are required for the access and cost evaluation, HCPF will seek an appropriation through the annual budget process.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing

Regulatory Agencies