



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1237

FISCAL NOTE

Drafting Number: LLS 20-0893 Date: February 25, 2020
Prime Sponsors: Rep. Young; Saine Bill Status: House Public Health
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Bill Topic: MEDICAID MANAGED CARE ASSIGNMENT FOR CHILD WELFARE

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

This bill requires the Department of Health Care Policy and Financing to keep children involved in the child welfare system in the same managed care entity as where they entered the system unless otherwise requested to change by a county department of human services or a parent. This bill will increase state expenditures in FY 2020-21 and FY 2021-22 only.

Appropriation Summary: This bill requires a \$1.0 million appropriation to the Department of Health Care Policy and Financing and the Department of Human Services.

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

Table 1
State Fiscal Impacts Under HB 20-1237

Table with 4 columns: Category, Sub-category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Federal Funds, Total), Transfers, and TABOR Refund.

Summary of Legislation

This bill requires the Department of Health Care Policy and Financing (HCPF) to assign a youth who has had either a dependency and neglect or juvenile delinquency action initiated to the managed care entity (MCE) in which the proceedings were initiated, unless a change is requested by a county department of human services. HCPF may only change a child's MCE for children who are involved in the child welfare system when a parent requests the change.

Background

Under current law, a child automatically qualifies for Medicaid when they are adjudicated as a delinquent or are put into out-of-home placement. While a child in the child welfare system may be eligible for Medicaid through other means, HCPF's system cannot identify if an eligible child is in the child welfare system unless the child automatically qualifies in the scenarios listed above.

State Expenditures

This bill will increase state expenditures in HCPF and the Department of Human Services (DHS) by \$1.0 million in FY 2020-21 and by \$75,818 in FY 2021-22. These costs are paid from the General Fund and federal funds as shown in Table 2 and discussed below.

**Table 2
Expenditures Under HB 20-1237**

Cost Components	FY 2020-21	FY 2021-22
Department of Health Care Policy and Financing		
MMIS Modifications	\$897,740	-
CBMS Modifications	-	\$75,819
HCPF (Subtotal)	\$897,740	\$75,819
<i>General Fund</i>	<i>\$89,774</i>	<i>\$18,955</i>
<i>Federal Funds</i>	<i>\$807,966</i>	<i>\$56,864</i>
Department of Human Services		
TRAILS Modifications	\$121,714	-
DHS (Subtotal)	\$121,714	-
<i>General Fund</i>	<i>\$79,114</i>	<i>-</i>
<i>Federal Funds</i>	<i>\$42,600</i>	<i>-</i>
Total	\$1,019,454	\$75,819
<i>General Fund</i>	<i>\$168,888</i>	<i>\$18,955</i>
<i>Federal Funds</i>	<i>\$850,566</i>	<i>\$56,864</i>

Departments of Health Care Policy and Financing and Human Services. In order for HCPF to determine which children qualify for Medicaid and are involved in the child welfare system, three separate systems must be modified. The DHS' Trails system (the child welfare case management system) must feed information about children who are involved in the child welfare system into the Colorado Benefits Management System (CBMS) in HCPF, which tracks persons eligible for Medicaid benefits. The CBMS information will then feed information into the Medicaid Management Information System (MMIS), the payment system for Medicaid. The modifications for each system are described in more detail below.

- *TRAILS modifications.* In FY 2020-21, TRAILS will be modified to adjust Medicaid codes and create new data transfer to CBMS. It is estimated that this work will take approximately 811 hours at \$150 per hour. Costs for these modifications are eligible for 35 percent federal funding. Work will be completed by Office of Information Technology (OIT).
- *CBMS modifications.* In FY 2021-22, modifications to CBMS are required in order to add four new data fields to indicate whether a dependency and neglect proceeding has been initiated; the county that initiated the proceeding; whether a juvenile delinquency proceeding has been initiated; and which county initiated that proceeding. These fields will populate based on the information provided from Trails, as such work will begin at the conclusion of the Trails modification. It is estimated that this work will take approximately 566 hours at a rate of \$134 per hour. CBMS modifications are eligible for 75 percent federal funding. Work will be completed by the OIT.
- *MMIS modifications.* In FY 2020-21, the MMIS system in HCPF must be modified in order to create new managed care assignment plans, benefit rules, and reimbursement rules, as well as to update rate and group types. It is estimated that this work will take approximately 7,059 hours at \$127 per hour, completed by a contractor. MMIS modifications are eligible for 90 percent federal funding.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

This bill requires the following General Fund appropriations:

- \$897,740 to the Department of Health Care Policy and Financing, of which \$89,774 is from the General Fund and 807,966 of federal funds; and
- \$121,714 to the Department of Human Services of which \$79,114 is from the General Fund and \$42,600 from federal funds. This funding is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Counties
Information Technology

Health Care Policy and Financing
Law

Human Services