



Legislative Council Staff *Nonpartisan Services for Colorado's Legislature*

Fiscal Note

Drafting Number: LLS 22-0413
Prime Sponsors: Rep. Larson; Valdez A.
Date: February 10, 2022
Bill Status: House HHS
Fiscal Analyst: Erin Reynolds | 303-866-4146
 Erin.Reynolds@state.co.us

Bill Topic: **TRANSPORTATION SERVICES FOR MEDICAID WAIVER RECIPIENTS**

Summary of Fiscal Impact:

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

The bill authorizes a transportation network company to provide non-medical transportation services to persons enrolled in certain Medicaid waiver programs beginning July 1, 2024. It will increase state expenditures on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$547,674 to the Department of Health Care Policy and Financing.

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

**Table 1
State Fiscal Impacts Under HB 22-1114**

		Budget Year FY 2022-23	Out Year FY 2023-24	Out Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-	-	-
Expenditures	General Fund	\$88,411	\$36,282	\$270,000	\$540,000
	Cash Funds	\$22,400	\$19,833	-	-
	Federal Funds	\$436,863	\$344,801	\$270,000	\$540,000
	Total Expenditures	\$547,674	\$400,916	\$540,000	\$1,080,000
Transfers		-	-	-	-
Other Budget Impacts	General Fund Reserve	\$13,262	\$5,442	\$40,500	\$81,000

Summary of Legislation

Beginning July 1, 2024, the bill authorizes a transportation network company to provide non-medical transportation services to persons enrolled in the following Medicaid waiver programs:

- the Brain Injury Waiver (BI);
- the Developmental Disabilities Waiver (DD);
- the Elderly, Blind and Disabled Waiver (EBD);
- the Community Mental Health Supports Waiver (CMHS); and
- the Spinal Cord Injury Waiver (SCI).

The Department of Health Care Policy and Financing (HCPF) may seek any necessary federal authorization and must promulgate any necessary rules to ensure transportation network companies comply with any required background checks, CAPS (check Adult Protective Services) checks, drug tests, training, and vehicle inspections. HCPF must submit a report to the legislature by January 2024 identifying a reimbursement system with a goal to incentivize and increase transportation provider participation.

Background

Non-medical transportation (NMT) and non-emergency medical transportation (NEMT) are required Medicaid benefits available on all six adult waiver programs, including BI, DD, EBD, CMHS, SCI, and the Supported Living Services Waiver (SLS). Currently, the service provides transportation by credentialed drivers, as well as taxi service, mobility vans, and public transportation, where available. Reimbursement for this service utilizes Fee-for-Service, negotiated market price, and public pricing rate methodologies and is calculated by multiplying the rate by the number of units utilized. HCPF also oversees the safety and oversight of Medicaid non-medical and non-emergency medical transportation services.

Transportation network companies are services that use a digital network to connect riders to drivers for the purpose of providing transportation, such as Lyft and Uber.

State Expenditures

The bill increases state expenditures in HCPF by the amounts shown in Table 2 from the General Fund, cash funds, and federal funds.

Health Care Policy and Financing. Costs in HCPF include contract staff, computer programming, and increased service costs, as discussed below.

- **Staff.** HCPF requires contract support from a business analyst and policy advisor over two years to implement the program. The business analyst will coordinate the systems updates between multiple systems vendors and departmental programs. Business analyst costs assume 1,120 hours at \$180 per hour in FY 2022-23 and 800 hours at \$185 per hour in FY 2023-24. The policy advisor will coordinate recommendations related to stakeholder feedback, health and safety issues, and rate setting methodologies, among other tasks. Policy analyst costs assume 615 hours at \$202 per

hour in FY 2022-23 and 125 hours at \$208 per hour in FY 2023-24. Existing department staff will promulgate rules, submit waiver amendments, and work with contract staff within existing resources.

- **MMIS programming.** Programming costs for the Medicaid Management Information System assume 1,596 hours in each of FY 2022-23 and FY 2023-24 at an hourly cost of \$139 in FY 2022-23 and \$142 in FY 2023-24.
- **Service costs.** HCPF data show that there are approximately 2,250 applicable waiver participants currently utilizing NMT taxi services at a monthly cost of \$200. The fiscal note assumes a 20 percent increase in utilization due to the ease and availability of transportation network company services. FY 2024-25 costs reflect half-year utilization to account for a ramp-up period.

Table 2
Expenditures Under HB 22-1114

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25
Department of Health Care Policy and Financing				
Contract Business Analyst	\$201,600	\$148,000	-	-
Contract Policy Advisor	\$124,230	\$26,000	-	-
MMIS Programming	\$221,844	\$226,916	-	-
Service Costs	-	-	\$540,000	\$1,080,000
Total Cost	\$547,674	\$400,916	\$540,000	\$1,080,000
General Fund	\$88,411	\$36,282	\$270,000	\$540,000
Cash Funds	\$22,400	\$19,833	-	-
Federal Funds	\$436,863	\$344,801	\$270,000	\$540,000

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires the following appropriations to the Department of Health Care Policy and Financing:

- \$88,411 from the General Fund;
- \$22,400 from cash funds; and
- \$436,863 from federal funds.

State and Local Government Contacts

Health Care Policy and Financing
Law

Information Technology
Regulatory Agencies