



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 4, 2023)

| | | | |
|-------------------------|------------------------|------------------------|---|
| Drafting Number: | LLS 23-0023 | Date: | May 4, 2023 |
| Prime Sponsors: | Rep. Ricks; Bockenfeld | Bill Status: | House Second Reading |
| | | Fiscal Analyst: | Kristine McLaughlin 303-866-4776 kristine.mclaughlin@coleg.gov |

Bill Topic: IMPROVED OUTCOMES PERSONS BEHAVIORAL HEALTH

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 requires Managed Care Entities (MCEs) to enter into single-case agreements when necessary to provide covered behavioral health services. The bill may minimally increase state workload on a temporary basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects strike-below Amendment L.012 adopted by the House Appropriations Committee.

Summary of Legislation

The bill requires managed care entities (MCEs) to enter into single-case agreements with out-of-network providers when the MCE cannot provide a specific member with behavioral health services required to be provided under the MCE's contract with the Department of Health Care Policy and Financing (HCPF).

Background

Managed care entities (MCEs). HCPF covers behavioral health services for its members by contracting with one MCE for each region of the state. The MCE receives a set monthly rate for each Medicaid member that resides in its region. The MCE then reimburses in-network providers as they serve Medicaid clients. The MCE is responsible for building a network of providers that ensures adequate access to services.

Single-case agreements. When in-network providers cannot provide an individual member with a covered service, the MCE may enter into a single-case agreement to reimburse an out-of-network provider with the service for that individual. Currently, these agreements are used for behavioral health providers when the provider is in the process of joining the network, when specialized care is required, or when the member needs out-of-state care.

State Expenditures

Workload may increase in HCPF to modify MCE contracts to ensure they meet the bill requirements. This workload is expected to be minimal as the contracts already allow for single-case agreements for behavioral health providers. In addition, any increase in the use of single-case agreements is expected to be minimal; thus, the bill is not expected to impact rates paid by HCPF to MCEs for behavioral health services.

Effective Date

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

State and Local Government Contacts

Behavioral Health Administration
Information Technology

Health Care Policy and Financing
Public Health and Environment

Human Services
Law