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*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

<b>Drafting Number:</b>	LLS 24-0661	<b>Date:</b>	February 19, 2024
<b>Prime Sponsors:</b>	Sen. Buckner Rep. Jodeh	<b>Bill Status:</b>	Senate Health & Human Services
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**Bill Topic:** **DISCOUNTED CARE FOR INDIGENT PATIENTS**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill modifies requirements for the presumptive eligibility program and the Colorado Indigent Care Program under the Department of Health Care Policy and Financing. The bill increases state expenditures beginning in FY 2024-25.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$154,598 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 SB 24-116**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
<b>Revenue</b>		-	-	-
<b>Expenditures</b>	General Fund	\$154,598	\$308,364	\$1,048,751
	Cash Funds	-	-	\$727,869
	Federal Funds	\$154,597	\$1,161,228	\$7,599,564
	Centrally Appropriated	\$67,393	\$98,906	\$98,906
	<b>Total Expenditures</b>	<b>\$376,588</b>	<b>\$1,568,498</b>	<b>\$9,475,090</b>
	<b>Total FTE</b>	<b>3.4 FTE</b>	<b>5.0 FTE</b>	<b>5.0 FTE</b>
<b>Transfers</b>		-	-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$23,190	\$46,255	\$157,313

## **Summary of Legislation**

Under current law, people seeking to enroll in Medicaid or Child Health Plan Plus (CHP+) apply through the Department of Health Care Policy and Financing (HCPF). However, certain populations, including persons under 19 or who qualify for the Breast and Cervical Cancer Program (BCCP), are deemed presumptively eligible while their applications are processed and eligible to receive services immediately. HCPF and Denver Health are currently the only institutions that can make a presumptive eligibility determination. The bill allows hospitals to make these determinations.

Additionally, the bill makes changes to the Colorado Indigent Care Program (CICP) including:

- requiring a patient to attest to residing in Colorado;
- placing a price cap on comprehensive bills that aligns with the current caps on individualized bills;
- authorizing health-care facilities to deny discounted care to a patient if, during the initial screening, the patient is determined to be presumptively eligible for Medicaid;
- clarifying that the health professional who provides services is responsible for billing the patient for those services;
- excluding primary care provided in clinics in rural or frontier counties that offer a sliding-fee scale from receiving discounted care; and
- requiring health professionals, in addition to health facilities, to report certain data to the Department of Health Care Policy and Financing (HCPF).

## **State Expenditures**

The bill increases state expenditures in the HCPF by \$377,000 in FY 2024-25, \$1.6 million in FY 2025-26, and \$9.5 million in FY 2026-27, paid from the General Fund and federal funds. These costs, which are for medical service from increased use of presumptive eligibility, staff, and IT system costs, are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 24-116**

	FY 2024-25	FY 2025-26	FY 2026-27
<b>Dept. of Health Care Policy &amp; Financing</b>			
Personal Services	\$271,493	\$397,112	\$397,112
Operating Expenses	\$4,352	\$6,400	\$6,400
Capital Outlay Costs	\$33,350	-	-
Service Costs	-	-	\$8,972,672
IT System Updates	-	\$1,066,080	-
Centrally Appropriated Costs <sup>1</sup>	\$67,393	\$98,906	\$98,906
<b>Total</b>	<b>\$376,588</b>	<b>\$1,568,498</b>	<b>\$9,475,090</b>
<b>Total FTE</b>	<b>3.4 FTE</b>	<b>5.0 FTE</b>	<b>5.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Staff.** Beginning in FY 2024-25, HCPF requires 5.0 FTE annually from the additional reporting requirements by health professionals and the inclusion of hospitals in determining presumptive eligibility for Medicaid. Staff activities include data collection, review, analysis, and reporting of data provided by medical professionals. For expanded presumptive eligibility, staff will develop and implement systems and policies for hospitals, certify and recertify hospitals as presumptive eligibility sites, review hospital and physician performance and ensure compliance, and maintain a database for all certified hospital sites. Initially, 3.0 FTE are assumed to start on September 1, 2024, and 2.0 FTE will start on January 1, 2025.

**Service costs.** HCPF will have costs to provide Medicaid coverage for patients determined to be presumptively eligible by hospitals. Currently, hospitals screen all uninsured patients for Medicaid eligibility and refer those eligible to HCPF to complete the Medicaid application process and then HCPF deems them as presumptively eligible if they meet the criteria. The fiscal note assumes that with hospitals able to provide this screening, more individuals will be covered under presumptive eligibility. Based on the most recent CICP report, of the 212,913 Coloradans who received financial assistance for hospital bills at UC Health, 66,848 or 31 percent are expected to be presumptively eligible for Medicaid. The fiscal note assumes that they will be eligible for an additional 45 days through the program at a cost of \$114.21 per person, and that service costs for this expanded presumptive eligibility will begin in FY 2026-27, as necessary systems and policies are established and implemented. Cost of services are estimates only, actual costs will depend on medical events and required treatments of eligible populations at any certified hospital.

**IT System updates.** In FY 2025-26 only, HCPF will have one-time costs of \$1.1 million to contract to make system changes to support expanded presumptive eligibility.

**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 2024-25, the bill requires an appropriation of \$309,195 to the Department of Health Care Policy and Financing, split evenly from the General Fund and federal funds, and 3.4 FTE.

**State and Local Government Contacts**

Corrections	Counties	Health Care Policy and Financing
Higher Education	Human Services	Public Health and Environment
Regulatory Agencies		

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).