

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0048
Prime Sponsor(s): Sen. Todd
 Rep. Primavera

Date: January 26, 2015
Bill Status: Senate Health & Human Services
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BILL TOPIC: PILOT PROG SPINAL CORD INJURY ALTERNATIVE MEDICINE

Fiscal Impact Summary*	FY 2015-16 Continuing	FY 2015-16 New	FY 2016-17 Continuing	FY 2016-17 New
This bill changes and continues a program that would otherwise end September 1, 2015, so the fiscal note shows the new and continuing fiscal impacts.				
State Revenue				
State Expenditures	\$229,861	\$143,187	\$233,691	\$169,542
General Fund	112,609	65,053	114,485	76,439
Federal Funds	117,252	67,735	119,206	79,590
Centrally Appropriated Costs**	0	10,399	0	13,513
FTE Position Change	0	0.8 FTE	0	1.0 FTE
Appropriation Required: \$362,649 - Department of Health Care Policy and Financing (FY 2015-16).				

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill continues the Medicaid Spinal Cord Injury alternative medicine pilot program through September 1, 2020, and expands the program to serve additional clients. Under the pilot, Medicaid clients with spinal cord injuries who are eligible for home- and community-based services (HCBS) are allowed to receive complementary or alternative medicines. Under Senate Bill 15-011, the existing cap of 67 clients would be raised to at least 100 clients, subject to available appropriations and matching federal funds.

Other provisions of the bill direct the Department of Health Care Policy and Financing (HCPF) to continue using a volunteer outreach coordinator and extends the deadline for an independent evaluation of the pilot to no later than January 1, 2020. The authority to seek gifts, grants, and donations for the program is repealed.

Background

This pilot program was established under House Bill 09-1047. The program is currently capped at 67 clients and has a waiting list of 13. Clients receive the same services as under the Elderly, Disabled and Blind (EDB) waiver program plus three additional therapies: acupuncture, chiropractic, and massage therapy. In FY 2013-14, HCPF expended \$1,773,572 on program services and \$40,933 on administrative costs. The average cost of the program in FY 2014-15 is estimated to be \$34,837 per client. In the absence of this bill, the program is set to expire on September 1, 2015, and existing program clients would return to the EDB waiver program.

State Expenditures

This bill will increase state expenditures by \$373,048 and 0.8 FTE in FY 2015-16 and by \$403,233 and 1.0 FTE in FY 2016-17 in the HCPF. Table 1 describes the new and continuing costs under the bill.

Table 1. Expenditures Under SB15-011		
Cost Components	FY 2015-16	FY 2016-17
New Personal Services	\$51,039	\$63,800
FTE	0.8	1.0
New Operating Expenses and Capital Outlay Costs	5,463	950
New Travel	600	600
New Client Medical Services Premiums	75,686	90,679
New Centrally Appropriated Costs*	10,399	13,513
Existing Medical Director / Program Evaluation Costs	\$55,000	\$55,000
Existing Clients Medical Services Premiums	174,861	178,691
TOTAL	\$373,048	\$403,233
New Clients and Administration	143,187	169,542
Existing Clients	229,861	233,691

* Centrally appropriated costs are not included in the bill's appropriation.

Assumptions. Because clients in this waiver program are already eligible for the EDB waiver, only the incremental costs of the three additional therapies/medicines available under this program are shown. Costs are based on the following assumptions:

- additional therapy/medicine costs available to clients in the spinal cord injury waiver program are calculated as \$2,553.94 per client for FY 2014-15 and are assumed to increase by 2.19 percent per year (\$2,609.87 per client for FY 2015-16 and \$2,667.03 per client for FY 2016-17);
- program enrollment will increase to 96 clients in FY 2015-16 (or 29 new clients, prorated due to the effective date of the bill) and to 101 clients in FY 2016-17 (or 34 new clients);
- by removing the language authorizing the HCPF to fund administrative and staff costs with gifts, grants, and donations and increasing caseload, 1.0 new FTE is required to manage the program and one-time capital outlay costs plus ongoing operating and travel expenses are provided;
- due to the effective date of the bill and the General Fund pay date shift, personal services costs are prorated in the first year;
- costs are shared between the General Fund (48.99 percent) and federal funds (51.01 percent); and
- existing client costs for the period of July 1 - August 31, 2015, are included in the HCPF's annual budget request, and excluded from the fiscal note.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB15-011*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,443	\$8,053
Supplemental Employee Retirement Payments	3,956	5,460
TOTAL	\$10,399	\$13,513

**More information is available at: <http://colorado.gov/fiscalnotes>*

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, the bill requires an appropriation of \$362,649, including \$177,662 General Fund and \$184,987 federal funds and an allocation of 0.8 FTE to the HCPF.

State and Local Government Contacts

Health Care Policy and Financing

Human Services