



**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0159
Prime Sponsor(s): Rep. Danielson
Sen. Crowder

Date: May 15, 2017
Bill Status: Postponed Indefinitely
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: TECHNICAL ISSUES FILING MEDICAID APPEALS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	<u>\$280,000</u> 280,000	<u>\$54,000</u> 54,000
Appropriation Required: \$280,000 - Department of Personnel and Administration (FY 2017-18).		
Future Year Impacts: Ongoing expenditure increase.		

Note: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill, *recommended by the 2016 Interim Study Committee on Communication between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients*, clarifies that Medicaid benefits must automatically continue without requiring an affirmative request by a client who is appealing a termination or reduction in benefits, and HCPF must send the client written confirmation of the continuing benefits. The electronic filing form for appeals must include a check box or other method to opt out of continuing benefits, to request an accommodation for submitting an appeal or participating in a hearing, or to request dispute resolution. The electronic appeals website must additionally allow for the attachment of as many documents as necessary to support the appeal.

State Expenditures

This bill increases General Fund costs by \$280,000 in FY 2017-18 and \$54,000 in FY 2018-19 and future years. It also increases workload in HCPF by a minimal amount. These impacts are described below.

Department of Personnel and Administration (DPA). To streamline the document attachment process, a new e-filing system with the capacity to handle large document count submission is required. The fiscal note estimates that this system will cost \$280,000 in the first fiscal year, with an ongoing annual licensing fee of \$54,000 in future years. These costs will

be reappropriated to the Office of Information Technology (OIT). The Office of Administrative Courts (OAC) is able to accommodate the cost of adding the check boxes required by this bill. While the addition of a check box indicating the need for Americans with Disabilities Act (ADA) accommodations may create additional costs for the OAC to process additional documentation of disability, this fiscal note assumes that any costs associated with this can be addressed within current appropriations and will be billed to HCPF through the annual common policy submission. Additionally, this analysis assumes first-year costs will be incurred after July 1, 2017, to accommodate the development of the new e-filing system.

Department of Healthcare Policy and Financing. HCPF currently continues benefits during appeals if the appeal was requested within the required time frame for continuing benefits, and sends out a notifications when benefits are continued. Therefore, this fiscal note assumes that the clarification in this bill will not significantly impact workload or costs for HCPF.

State Appropriation

For FY 2017-18, the bill requires a General Fund appropriation of \$280,000 to the OAC in the DPA, of which the whole amount is reappropriated to OIT.

Effective Date

The bill was postponed indefinitely by the House Public Health Care and Human Services Committee on February 14, 2017.

State and Local Government Contacts

Counties	Health Care Policy And Financing
Human Services	Information Technology
Law	Personnel