HB 19-1287

Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 19-1073	**Date:**	August 5, 2019
Prime Sponsors:	Rep. Esgar; Wilson Sen. Pettersen; Priola	**Bill Status:**	Signed into Law
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Bill Topic: TREATMENT FOR OPIOIDS AND SUBSTANCE USE DISORDERS

Summary of Fiscal Impact:

- ☐ State Revenue
- ☒ State Expenditure
- ☐ State Transfer
- ☐ TABOR Refund
- ☒ Local Government
- ☐ Statutory Public Entity

This bill enacts several initiatives to improve access to behavioral health care and substance use disorder treatment services, including the development of a web-based behavioral health capacity tracking system, establishment of a care navigation program, and creation of a capacity building grant program. These programs will increase state expenditures and may decrease local government workload on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill includes an appropriation of $5.7 million to multiple state agencies.

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

Table 1
State Fiscal Impacts Under HB 19-1287

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	$21,733	$24,135
	Marijuana Tax Cash Fund	$5,604,575	up to $5,562,652
	Cash Funds	$10,228	$11,358
	Federal Funds	$31,961	$35,493
	Centrally Appropriated	$78,199	$63,958
	Total	**$5,746,696**	**up to $5,697,596**
	Total FTE	**4.7 FTE**	**4.3 FTE**
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill enacts several initiatives to improve access to behavioral health and substance use disorder treatment, as outlined below.

Behavioral health capacity tracking system. The bill requires the Department of Human Services (DHS) to establish a centralized, web-based behavioral health capacity tracking system to track bed space use and availability at crisis stabilization units, acute treatment units, community mental health centers, and hospitals, including the state mental health institutes, inpatient treatment facilities, residential treatment facilities, medical detoxification facilities, and substance use disorder treatment facilities, and, with approval, medical providers providing behavioral health treatment. This system is intended to provide real-time data that is accessible to health care professionals, law enforcement, court personnel, and the public. Specified facilities are required to update capacity data for their facilities at least daily and are subject to a penalty for noncompliance.

The bill specifies the various data to be tracked in the system, including name and contact information for the facility, the facility license type and approved bed capacity, currently available bed space, admission and exclusion criteria, whether the facility takes involuntary clients, payor sources accepted, the type of substance for which the facility provides treatment, and other such data. The DHS is required to convene a stakeholder process to identify the design of the tracking system, and must report to the Opioid and Other Substance Use Disorders Study Committee during the 2020 legislative interim on the results of the stakeholder process. The system must be implemented by the DHS by January 1, 2021, and available to the public by January 1, 2022. The DHS may adopt rules, as necessary, to implement the system.

Care navigation system. The bill requires the DHS to establish a care navigation system to assist individuals in accessing substance use disorder treatment. The bill instructs the DHS to issue a request for proposals and to procure a contractor to operate the system. The system, at a minimum, must include independent screening of the treatment needs of the client, the identification of treatment options, and assistance finding available treatment options. The care coordination system must be available 24 hours per day and be accessible through various formats including online, in-person, and by telephone.

The contractor must coordinate services with other state care coordination and behavioral health response systems to ensure integrated service delivery. In addition, the contractor must enter into a memorandum of understanding with the Office of the Ombudsman for Behavioral Health Access to Care to facilitate reporting of health benefit plans that do not comply with the federal Mental Health Parity and Addiction Equity Act of 2008. The contractor must also collect and report specified data to the DHS. The system must be in place by January 1, 2020. The DHS must report by September 1, 2020, and each September 1 thereafter, to the Joint Budget Committee and the health committees of the General Assembly on the data and information collected by the contractor.

Capacity-building grant program. Subject to available appropriations, the DHS must make one-time grants to support substance use disorder treatment capacity-building in rural and frontier communities. The grants may be used to support building a continuum of services, including, but not limited to, medical detoxification, residential treatment, and intensive outpatient treatment. Managed service organizations, local primary care or substance use disorder treatment providers, local governments, counties, schools, and law enforcement agencies may apply for a grant. The grant program is repealed on July 1, 2024.

State Expenditures

This bill increase expenditures by $5.8 million and 4.9 FTE in FY 2019-20 and up to $5.7 million and 4.3 FTE in FY 2020-21 and each fiscal year through FY 2023-24. These costs are in the DHS, Office of Information Technology (OIT), and the Department of Health Care Policy and Financing (HCPF) and are paid from primarily from the Marijuana Tax Cash Fund, except for a portion of HCPF costs which are paid using General Fund, cash funds, and federal funds. In addition, the Department of Public Health and Environment (CDPHE) will have an increase in workload under the bill. These costs are summarized in Table 2 and discussed below.

Table 2
Expenditures Under HB 19-1287

Cost Components	FY 2019-20	FY 2020-21
Department of Human Services		
Personal Services	$167,549	$182,780
Operating Expenses and Capital Outlay Costs	$16,674	$2,850
Computer System Modifications	$100,000	$10,000
Care Coordination Contractors	$160,146	$334,410
Capacity-Building Grants	$5,000,000	up to $5,000,000
Centrally Appropriated Costs*	$39,133	$43,172
FTE – Personal Services	2.7 FTE	3.0 FTE
DHS (Subtotal)	**$5,483,502**	**up to $5,573,212**
Office of Information Technology (Reappropriated from DHS)		
Personal Services	$149,470	$32,611
Operating Expenses and Capital Outlay Costs	$10,736	-
Centrally Appropriated Costs*	$26,874	$5,812
FTE – Personal Services	1.4 FTE	0.3 FTE
OIT/DHS (Subtotal)	**$187,080**	**$38,423**
Department of Health Care Policy and Financing		
Personal Services	$58,364	$70,036
Operating Expenses and Capital Outlay Costs	$5,558	$950
Centrally Appropriated Costs*	$12,192	$14,975
FTE – Personal Services	0.8 FTE	1.0 FTE
HCPF (Subtotal)	**$76,114**	**$85,961**
Total	**$5,746,696**	**up to $5,697,596**
Total FTE	**4.9 FTE**	**4.3 FTE**

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

Department of Human Services. The DHS will have costs of up to $5,483,502 and 2.7 FTE in FY 2019-20 and $5,573,212 and 3.0 FTE in FY 2020-21 and future years. These costs, paid from the Marijuana Tax Cash Fund, are to establish the behavioral health capacity tracking system and the care coordination system, and to issue capacity building grants, as described below.

- *Personal services and operating expenses.* As shown in Table 2, the DHS will have personal services, operating, and capital outlay expenses for 3.0 FTE under the bill. These costs are prorated to reflect an assumed August 1 start date. Of the staff, 1.0 FTE is for a data management staff person for the capacity tracking system, and 2.0 FTE are for contract administration staff to oversee the grant program created under the bill. It is assumed that the contract administrator FTE will be reduced in FY 2024-25 after the grant program has wound down. The contract FTE is based on the assumption that 50 grants of $100,000 per year are awarded annually.

- *Capacity tracking system.* It is assumed that the DHS can modify and utilize an existing facility tracking system in the CDPHE to establish the behavioral health capacity tracking system required under the bill. System modifications will cost $100,000 in the first year and $10,000 in the second year to add modules to the existing system and establish necessary data connections across systems.

- *Care navigation system.* The DHS will have costs of $160,146 in FY 2019-20 and $334,410 in FY 2020-21 for contracted staff to operate the care navigation program required under the bill. It is assumed that this work would most effectively be conducted in conjunction with the existing statewide crisis hotline, which is available 24 hours per day, 7 days per week. These costs assume that additional contract staff will be used at the hotline to perform care coordination duties and to connect clients with the behavioral health ombudsman.

- *Capacity-building grant program.* The DHS will have costs of up to $5.0 million per year from FY 2019-20 to FY 2023-24 to make grants to local governments and other entities in rural and frontier areas of the state to enhance the capacity of the behavioral health care system. For FY 2019-20, these funds are appropriated from the Marijuana Tax Cash Fund. In future fiscal years, the exact amount appropriated for the grant program and the fund source will be decided by the General Assembly.

Office of Information Technology. Using reappropriated funds from DHS, the OIT will have costs of $187,080 and 1.4 FTE in FY 2019-20 and $38,423 and 0.3 FTE in FY 2020-21 for web development and project manager staff to establish the web-based portion of the capacity tracking system.

Department of Health Care Policy and Financing. HCPF will have costs of $76,114 and 0.8 FTE in FY 2019-20 and $85,961 and 1.0 FTE in FY 2020-21 for a staff person to assist in care coordination for Medicaid clients. This staff would serve as a point of contact for the care coordination contractor in the DHS concerning Medicaid clients and persons potentially eligible for Medicaid. Personal services, operating, and capital outlay expenses for this staff are shown in Table 2 above, and are prorated to reflect an August 1 start date and the General Fund paydate shift. If improved care coordination results in additional service costs for the Medicaid program, it is assumed that these costs will be addressed through the annual budget process.

Department of Public Health and Environment. The CDPHE will have an increase in workload for its staff to coordinate with the DHS on modifying its existing computer system to implement the capacity tracking system. It is assumed that this workload can be accomplished within existing appropriations.

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be $78,199 in FY 2019-20 and $63,958 in FY 2020-21.

Local Government

The bill impacts local governments in several ways. First, availability of the behavioral health capacity tracking system and the care coordination contractor, and expanded system capacity from the grant program may reduce workload for local law enforcement personnel, social workers, and other staff in placing persons in need of behavioral health services in an appropriate placement to meet their needs. This may also reduce the number of persons held in county jails when no other placement is available or accessible. Local governments in rural and frontier areas may also have increased revenue and expenditures if they apply for and receive grants from the DHS.

Effective Date

The bill was signed into law by the Governor and took effect on May 14, 2019.

State Appropriations

For FY 2019-20, the bill requires and includes an appropriation of $63,922 to the Department of Health Care Policy and Financing, of which $21,733 is General Fund, $10,228 is from the Colorado Hospital Accessibility and Sustainability Enterprise Fund, and $31,961 is federal funds, with an allocation of 0.8 FTE.

For FY 2019-20, the bill requires an appropriation of $5,604,575 to the Department of Human Services from the Marijuana Tax Cash Fund, including an allocation of 2.5 FTE; however, the bill includes an appropriation of $5,589,344 to the Department of Human Services from the Marijuana Tax Cash Fund. The $15,231 difference represents personal services costs that do not require proration for the General Fund paydate shift . Of this amount, $160,206 is reappropriated to the Office of Information Technology with an additional allocation of 1.4 FTE.

State and Local Government Contacts

Counties	Health Care Policy and Financing	Human Services
Information Technology	Public Health and Environment	