

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0047	Date: June 26, 2012
Prime Sponsor(s): Rep. Swerdfeger; Pace Sen. Giron	Bill Status: Signed into Law
	Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE EXTENSION OF THE LOCAL ACCESS TO HEALTH CARE PILOT PROGRAM OPERATED UNDER THE AUTHORITY OF THE BOARD OF COUNTY COMMISSIONERS OF PUEBLO COUNTY.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue	See State Revenue section.	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on April 26, 2012, and takes effect on July 1, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill extends the authority of the Board of County Commissioners of Pueblo County to create and contract with a provider to operate a pilot health care program within the county. The program was set to repeal as of July 1, 2012, and under the bill, will repeal as of July 1, 2017.

Background

Enacted under House Bill 07-1022, the Local Access to Health Care Pilot Program was established to provide working individuals in Pueblo County with access to health care services. The program is operated by a nonprofit organization called "Health Access Pueblo" and is available to employers with two or more eligible employees that:

- have not offered health insurance to at least one class of uninsured employees within 12 months; and
- agree to enroll at least one or 50 percent of eligible employees.

Employees may participate if they work at least 15 hours per week and earn up to \$25 per hour. The program receives no direct state funding. As of December 31, 2011, the program has an enrollment of 260 individuals, representing 78 employer groups.

Since the program's inception in 2008, 11 adult members have transferred to Medicaid or CHP+ due to pregnancy or debilitating illnesses. Of these clients, three eventually returned to the program, while eight remained as clients of Medicaid. Between August 2010 and December 2011, the program referred 98 children to Medicaid and the Children's Health Plan Plus (CHP+). According to Health Access Pueblo, 13 of these referrals were subsequently enrolled in these programs.

State Revenue

To the extent that Health Access Pueblo continues to make referrals to CHP+ and eligible individuals opt to enroll in the program, state revenue will increase. Under current law, the Department of Health Care Policy and Financing collects an annual fee for participation in CHP+. Families pay a fee of \$25 for one child or \$35 for more than one child; however, this fee is waived for families with incomes less than 150 percent of federal poverty level and pregnant women. The amount of increased state revenue has not been estimated, but is anticipated to be minimal.

State Expenditures

To the extent that eligible individuals enroll in Medicaid or CHP+ as a result of a referral from Health Access Pueblo, state expenditures will increase. Based on current information, this analysis assumes that any increase in caseload will be minimal and will not require a new appropriation.

It should be noted that the bill does not alter eligibility for Medicaid or CHP+ and clients may enroll or be referred to either program by a number of other sources. For informational purposes only, per capita costs for FY 2012-13 are estimated at \$15,389 for CHP+. Medicaid per capita costs vary by eligibility category and range from \$1,498 to \$23,415. Costs for both programs are anticipated to increase by 4.6 percent per year. Expenditures in the Medicaid program are generally paid for with General Fund and receive a 50 percent federal match, while costs for the CHP+ program are generally cash funded and receive a 65 percent federal match.

Departments Contacted

Health Care Policy and Financing
Local Affairs
Regulatory Agencies

Human Services
Public Health and Environment