

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0728	Date: May 21, 2013
Prime Sponsor(s): Rep. Gerou; Ferrandino Sen. Kefalas	Bill Status: Signed into Law
	Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING COUNSELING BY MEDICAID PROVIDERS RELATING TO MEDICAL ORDERS FOR SCOPE OF TREATMENT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	Decrease - see State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on April 8, 2013, and takes effect August 7, 2013, assuming no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill adds counseling for medical orders for scope of treatment (MOST) by Medicaid providers to the list of services that are eligible for reimbursement, provided federal cost sharing is available. The bill clarifies that such reimbursement is to be made annually.

Background

MOST is a process whereby medical providers help persons to plan for and make end-of-life decisions. Under current law, Medicaid providers are allowed to provide MOST, but are not eligible to be reimbursed for the service. A person can obtain the service in conjunction with another visit, or the physician can provide service free of charge. Many persons receiving this type of service in other states are those:

- residing in long-term care facilities;
- receiving long-term care services;
- likely within the last year of life; or
- wishing to avoid some or all medical interventions related to illness or advanced age.

In 2007, the most recent year for which data are available, average end-of-life costs were \$11,528 per person receiving inpatient care in Colorado.

State Expenditures

Overall, this bill is anticipated to decrease state expenditures within the Department of Health Care Policy and Financing by an indeterminate amount. The bill increases costs for reimbursing MOST counseling and workload to make a minor computer system modification, if required, and to determine the method for reimbursing providers. The bill decreases costs for the provision of end-of-life services. This analysis assumes that decreases in costs will be greater than increases, but the actual change in appropriations will be addressed through the annual budget process.

MOST-related increases. Costs will increase from adding a procedure code to the Medicaid Management Information System (MMIS), if necessary, and as a result of providers being eligible to bill for providing MOST services. Any MMIS programming changes can be accomplished within existing appropriations. Assuming that about 1.4 percent of Medicaid clients in the adults 65 and older, disabled adults 60 to 64, and disabled individuals to 59 eligibility groups access MOST services, costs will increase by about \$64,608 per year. Costs are prorated to \$10,035 in FY 2013-14 to account for the delay in the bill's effective date and the time needed to make any required programming changes, review the benefit through the benefits collaborative, conduct rule-making, and prepare a state plan amendment. MOST costs are based on an assumed rate of reimbursement of \$40, which is consistent with reimbursement rates for other approved counseling services. These costs will be paid with equal shares of General Fund and federal funds. Workload increases are assumed to be accomplished within existing appropriations.

End-of-life care savings. As of this writing, current data about the amount of end-of-life services provided to Medicaid clients in the adults 65 and older, disabled adults 60 to 64, and disabled individuals to 59 eligibility groups were not available. In addition, the results of MOST services in other states are inconclusive as to the amount actual saved. In some states, savings averaged \$5,000 per person, but these savings were based on per person costs that significantly outpaced Colorado's 2007 costs. However, the fiscal note assumes that even a modest reduction in end-of-life costs for a portion of persons receiving MOST will more than offset the relatively low increase in costs.

Departments Contacted

Health Care Policy and Financing