

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 13-0136  
**Prime Sponsor(s):** Sen. Morse  
 Rep. Gardner

**Date:** July 11, 2013  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Kirk Mlinek (303-866-2756)

**TITLE:** CONCERNING IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMITTEE ON LEGAL SERVICES IN CONNECTION WITH LEGISLATIVE REVIEW OF RULES AND REGULATIONS OF STATE AGENCIES.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Transfers</b>	See State Transfers section.	
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed into law by the Governor and took effect on May 11, 2013.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill provides for the continuation of certain state agency rules and regulations and the expiration of others. The bill reflects recommendations made by the Committee on Legal Services following a review of state agency rules and regulations that were adopted or amended between November 1, 2010, and November 1, 2011.

Rules are scheduled for repeal or expiration in the rule review bill when the Committee on Legal Services finds that the rule lacks statutory authority or conflicts with state law. Under this bill, discontinued rules are repealed on May 15, 2013.

Among other things, this bill repeals Rule 170.5, adopted by the Department of Health Care Policy and Financing (HCPF). Under this rule, the department denies payments to prenatal clients in the Children's Basic Health Plan (CHP+) during the 45-day presumptive eligibility period when it subsequently determines that the client is ineligible for coverage.

**State Transfers**

To the extent that this bill increases state General Fund expenditures in FY 2012-13, it will also cause a corresponding reduction in the amount transferred to the State Education Fund in FY 2013-14.

**State Expenditures**

Repealing Rule 170.5 of the Department of Health Care Policy and Financing (HCPF) will increase state expenditures by the amounts shown in Table 1 below. However, because the rule has been found to lack statutory authority, and because the HCPF has agreed with this finding, the fiscal note assumes that any additional costs for repealing the rule are attributable to current law, and not to this bill. The fiscal note further assumes that any appropriations necessary to comply with current law will be provided through the annual budget process, instead of this bill.

<b>Table 1. Expenditures Under SB13-079_</b>			
<b>Cost Components</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<i>Health Care Policy and Financing</i>			
Indigent Care Program; Children's Basic Health Plan Premium Costs			
General Fund	\$9,489	\$61,909	\$61,909
Cash Funds	5,415	45,832	45,832
Federal Funds	27,680	200,091	200,091
<b>TOTAL</b>	<b>\$42,584</b>	<b>\$307,832</b>	<b>\$307,832</b>

For each fiscal year, the source of cash funds is the Hospital Provider Fee Cash Fund.

**State Appropriations**

No new state appropriations are required for this bill. However, it should be noted that the Department of Health Care Policy and Financing requires either statutory authority to continue Rule 170.5, which is repealed by this bill on May 15, 2013, or an increase in appropriations beginning in FY 2012-13.

**Departments Contacted**

All Departments