



John W. Hickenlooper
Governor

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Henry Sobanet
Director, OSPB

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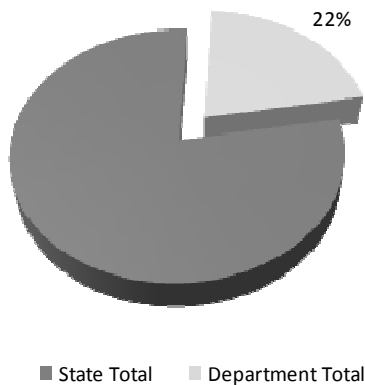
FY 2013-14 Budget Request

Department of Health Care Policy & Financing				
	FY 2012-13 Appropriation	FY 2013-14 Request	FY 2013-14 Change	Percent Change
Total Funds	\$5,561,158,114	\$6,036,722,041	\$475,563,927	8.6%
General Fund	\$1,856,673,875	\$2,031,840,027	\$175,166,152	9.4%
Cash Funds	\$925,374,919	\$916,573,919	(\$8,801,000)	-1.0%
Reappropriated Funds	\$8,170,248	\$5,929,334	(\$2,240,914)	-27.4%
Federal Funds	\$2,770,497,472	\$3,082,378,761	\$311,881,289	11.3%
FTE	326.2	338.2	12.0	3.7%

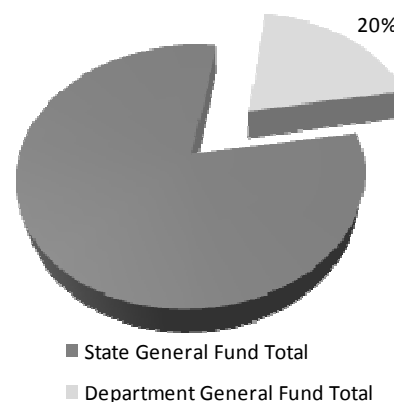
Department Description

The Department of Health Care Policy and Financing receives federal funding as the single state agency responsible for administering the Medicaid program (Title XIX) and the State Child Health Insurance Program (Title XXI), known as the Children's Basic Health Plan. In addition to these programs, the Department administers the Colorado Indigent Care Program, the Old Age Pension State Medical Program, the Comprehensive Primary and Preventive Care Grant Program, the Primary Care Fund as well as the Home and Community-Based Services Medicaid Waivers. The Department also provides health care policy leadership for the state's Executive Branch. Most of the Department's programs are funded in part by the federal Centers for Medicare and Medicaid Services (CMS). The Medicaid program receives approximately 50% of its funding from the federal government and the Children's Basic Health Plan receives approximately 65% of its funding from the federal government.

**Share of Statewide
Operating Total**



**Share of Statewide
General Fund**



Major Factors Affecting FY 2013-14 Budget

- The Department of Health Care Policy and Financing is requesting an increase of \$475.6 million Total Funds (8.6%) in its FY 2013-14 budget. This includes a \$175 million increase (9.4%) in General Fund.
 - The Department's General Fund request continues to be driven primarily by caseload growth and cost-per-client (per capita) spending. Caseload and per capita increases account for approximately \$362.8 million total funds and \$105.2 million General Fund.
- Medicaid caseload growth is 7.41% over the FY 2012-13 Appropriation, or nearly 51,000 additional clients, the majority of who are traditional Medicaid low-income children and adults, not expansion populations. The major drivers in the increased caseload include the following:
 - Increase in over-all State population, 15.35% from July 2002 to July 2012;
 - Increase in the average "length of stay:" the severity and length of the recent economic downturn has prolonged the average amount of time clients remain on the Medicaid program; and
 - Economic indicators such as high unemployment rates drive the Medicaid caseload increases
- The budget includes \$112.2 million total funds and \$29.1 million General Fund for requests that will allow the Department to pursue innovations in both policy and technology that will improve clients' health, lower costs and be responsive to the needs of clients, providers and other stakeholders. These include the following:
 - Purchasing a modern Medicaid Management Information System (MMIS) – The current MMIS is highly outdated and operationally inefficient. A new system, purchased with 90% federal funding, will improve the Department's ability to quickly implement policy changes, avoid manual workarounds, and pursue innovative provider reimbursement methodologies.
 - Dental benefit for adults – Using funding from the Unclaimed Property Trust Fund and reducing General Fund expenditures by over \$747,000, this request will provide a limited dental benefit for adults. Providing access to regular, preventive dental care can save money on emergency care in the future and improve clients' overall health.
 - Substance Use Disorder – This request expands the current benefit to give providers more treatment options and will create better oversight by including this disorder in the Behavioral Health Organization (BHO) contract.
 - A 1.5% provider rate increase – Maintaining and growing our provider network is critical to ensuring our clients have access to health care when they need it.