



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

February 1, 2008

The Honorable Bernie Buescher, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Buescher:

This letter is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to footnote 31 of Senate Bill 07-239:

Department of Health Care Policy and Financing, Indigent Care Program, The Children's Hospital, Clinic Based Indigent Care -- This line item includes \$10,086,000 for funding for community health centers from the Health Care Services Fund pursuant to the requirements in S.B. 06-044. The Joint Budget Committee is aware that the Department may be able to enter into contracts with eligible hospitals to draw down matching federal funds for this funding. The Joint Budget Committee requests that the Department submit a report by February 1, 2008 to the Joint Budget Committee describing any federal financial participation received.

The Governor vetoed footnote 31 stating:

I am vetoing this footnote for two reasons. First, this footnote violates the separation of powers in Article III of the Colorado Constitution by attempting to administer the appropriation. Second, this footnote violates Article V, Section 32 of the Colorado Constitution because it constitutes substantive legislation that cannot be included in the general appropriations bill. Furthermore H.B. 07-1258, which I signed on April 16, 2007, serves the same function as this footnote, demonstrating that substantive legislation is required to achieve the purpose of this footnote. Notwithstanding this veto, I will direct the department to comply with this footnote to the extent feasible.

Effective July 1, 2007, the Department of Health Care Policy and Financing (the Department) is drawing down federal matching funds for the \$10,086,000 in funding for community health centers from the Health Care Services Fund pursuant to the requirements in S.B. 06-044. The State share and federal match are being distributed to community health centers that participate in the Colorado Indigent Care Program through The Children's Hospital. The Department's ability to draw this federal match was made possible by an existing State Plan Amendment

(TN 04-012) which was approved by the Centers for Medicare and Medicaid Services (CMS) on December 15, 2004. The Department added the funding for community health centers from the Health Care Services Fund to the existing Colorado Indigent Care Program payment without additional federal approval or modification to the existing relationship with The Children's Hospital. Additional information regarding the request for spending authority for federal financial participation that can be earned using the Health Care Services Fund appropriations can be found in the Department's January 2, 2008 request under Supplemental 16, Budget Amendment 10.

Questions regarding The Children's Hospital, Clinic Based Indigent Care line item and funding from the Health Care Services Fund can be addressed to Greg Tanner, Manager, Safety Net Programs Section. His telephone number is (303) 866-5177.

Sincerely,

Joan Henneberry
Executive Director

JH:gpt

Cc: Senator Moe Keller, Vice-Chairman, Joint Budget Committee
Senator Steve Johnson, Joint Budget Committee
Senator John Morse, Joint Budget Committee
Representative Jack Pommer, Joint Budget Committee
Representative Al White, Joint Budget Committee
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Senator Andy McElhany, Senate Minority Leader
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Representative Alice Madden, House Majority Leader
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