



## COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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

August 1, 2007

The Honorable Abel Tapia, Chairman  
Joint Budget Committee  
200 East 14<sup>th</sup> Avenue, Third Floor  
Denver, CO 80203

Dear Senator Tapia:

This letter is in response to footnote 28 of the Long Bill (SB 07-239) concerning a rate increase for long term care community providers. As you are aware, footnote 28 was vetoed by the Governor, because the footnote interferes with the ability of the executive branch to administer the appropriation and may constitute substantive legislation that cannot be included in the general appropriations bill. The Governor did instruct the Department to comply to the extent feasible.

Footnote 28 of SB 07-239, states:

*Department of Health Care Policy and Financing, Medical Services Premiums -- The calculations for this line item include \$5,081,736 total funds for a 1.5 percent reimbursement rate increase for home and community-based long-term care providers, home health, and private-duty nursing beginning in July 1, 2007. It is the intent of the General Assembly that the Medical Services Board adopt rules to increase reimbursement rates for these provider codes consistent with this footnote. The Joint Budget Committee requests that the Department provide a report to the Joint Budget Committee by August 1, 2007, on the status of the rules adopted by the Medical Services Board regarding this reimbursement rate increase.*

In response, effective July 1, 2007, the 1.5 percent reimbursement rate increases recommended in the Long Bill were implemented for the long term care community providers. The rate increase to the providers is estimated to increase FY 07-08 expenditures by approximately \$5,081,736. Implementation of this rate increase did not require rules to be adopted by the Medical Services Board nor a State Plan Amendment to be submitted to CMS. The providers were notified through the July 2007 Medical Assistance Program Provider Bulletin.

The Honorable Abel Tapia  
August 1, 2007  
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Questions regarding this response to footnote 28 of SB 07-239 can be addressed to John Bartholomew, Director, Budget Division at 303-866-2854.

Sincerely,

Joan Henneberry  
Executive Director

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Enclosure: Medical Assistance Program Bulletin issued July 2007