



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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

July 13, 2007

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

Dear Senator Tapia:

This letter is in response to footnote 28 of the Long Bill (HB 06-1385) 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 HB 06-1385, states:

Department of Health Care Policy and Financing, Medical Services Premiums -- The calculations for this line item include \$4,138,750 for rate increase for home- and community-based waiver services, private duty nursing services, and home health services beginning April 1, 2007. It is the intent of the General Assembly that the Medical Services Board adopt rules to provide the following rate increases:

<i>Provider Class</i>	<i>Rate Increase</i>
<i>Assisted Living Facilities</i>	<i>12.50%</i>
<i>Day Care Services</i>	<i>1.00%</i>
<i>Skilled Nursing</i>	<i>23.60%</i>
<i>Physical Therapy</i>	<i>23.60%</i>
<i>Speech Therapy</i>	<i>23.60%</i>
<i>Occupational Therapy</i>	<i>23.60%</i>
<i>Private Duty Registered Nursing</i>	<i>23.40%</i>
<i>Private Duty Licensed Nursing</i>	<i>23.60%</i>

The Department is requested to report to the Joint Budget Committee by June 1, 2007, the rate plan that has been adopted by the Medical Services Board.

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In response, effective April 1, 2007, the percent reimbursement rate increases recommended in the Long Bill were implemented for the long term care community providers. This rate increase was also applied to the Consumer Directed Attendant Support program for clients receiving nursing services. The rate increase to the providers is estimated to increase FY 06-07 expenditures by approximately \$4,138,750. 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 April 2007 Medical Assistance Program Provider Bulletin.

Questions regarding this response to footnote 28 of HB 06-1385 can be addressed to John Bartholomew, Director, Budget Division at 303-866-2854.

Sincerely,

Joan Henneberry
Executive Director

JH:eb

Enclosure: Medical Assistance Program Bulletin issued April 2007

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Cc: Representative Bernie Buescher, Vice-Chairman, Joint Budget Committee
Senator Moe Keller, Joint Budget Committee
Senator Steve Johnson, Joint Budget Committee
Representative Jack Pommer, Joint Budget Committee
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Senator Joan Fitz-Gerald, President of the Senate
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Representative Alice Madden, House Majority Leader
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