



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 32 of Senate Bill 07-239:

Department of Health Care Policy and Financing, Indigent Care Program, Health Care Services Fund Programs -- Senate Bill 06-044 required the Department to submit a state plan amendment for federal financial participation for moneys appropriated to primary care clinics operated by a licensed or certified health care facility. Senate Bill 06-044 authorizes the Department to receive and expend all available federal moneys without a corresponding reduction in cash funds exempt spending authority from the fund if the state plan amendment is approved. The Joint Budget Committee requests that the Department submit a report by February 1, 2008 to the Joint Budget Committee on the status of the state plan amendment and whether or not any additional federal match is available for distribution.

The Governor vetoed footnote 32 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. Notwithstanding this veto, I will direct the department to comply with this footnote to the extent feasible.

As authorized through S.B. 06-044, the Department of Health Care Policy and Financing (the Department) submitted a State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) on June 28, 2007. The purpose of this State Plan Amendment was to obtain a federal match on funding available, from the Health Care Services Fund, to primary care clinics operated by a licensed or certified health care facility. On September 24, 2007, CMS issued a request for additional information to the Department which required the Department to provide additional information or to clarify information the Department submitted in the original State

Plan Amendment. The Department responded to CMS and this request for additional information on December 19, 2007. CMS has until March 7, 2008 to either approve or deny this State Plan Amendment. The Department is confident that CMS will approve the State Plan Amendment and authorize the federal funding. Upon approval of this State Plan Amendment the Department will distribute the federal matching funds, which will be retroactive to April 1, 2007. 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 Health Care Services Fund and primary care clinics operated by licensed or certified health care facilities 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
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