

Department of Health Care Policy and Financing
 Summary of Proposed 10% Reductions
 FY 2009-10
 January 23, 2008

Priority	Yes or No	Enter One	Division	Title	Total Funds	General Fund	GFE	Cash Funds	Reappropriated Funds	Federal Funds	FTE	List
	Corresponding FY 2008-09 Impact – Yes or No?	One Time or Base/Ongoing?										Other Department(s) Affected
BA-15	No	Ongoing	(2) Medical Services Premiums	Community Transition Services for Mental Illness Waiver Clients	(\$373,390)	(\$186,695)	\$0	\$0	\$0	(\$186,695)	0.0	N/A
BA-21	Yes	One Time	(2) Medical Services Premiums (3) Medicaid Mental Health Community Programs (4) Indigent Care Program	Reductions to Outreach Efforts	(\$19,345,653)	(\$3,118,219)	\$0	(\$4,646,381)	(\$34,955)	(\$11,546,098)	0.0	N/A
BA-22	Yes	One Time	(4) Indigent Care Program	Reduce Pediatric Specialty Hospital Fund	(\$7,102,000)	(\$3,551,000)	\$0	\$0	\$0	(\$3,551,000)	0.0	N/A
BA-22a	Yes	On Going	(4) Indigent Care Program	Amendment to Specialty Hospital Fund Reduction	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-23	Yes	One Time	(4) Indigent Care Program	Delay CHP+ Expansion to 225% FPL	(\$13,628,344)	\$0	\$0	(\$4,779,240)	(\$31,069)	(\$8,818,035)	0.0	N/A
BA-24	Yes	Ongoing	(2) Medical Services Premiums	Adjust Outpatient Hospital Cost to Charge Ratio	(\$4,850,425)	(\$2,190,539)	\$0	(\$228,188)	\$0	(\$2,431,698)	0.0	N/A
BA-25	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-26	No	Ongoing	(2) Medical Services Premiums	Rebase FQHC Rates to Minimum Allowable under Federal Law	(\$6,083,076)	(\$2,747,227)	\$0	(\$286,178)	\$0	(\$3,049,671)	0.0	N/A
BA-27	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-28	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-29	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-30	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-31	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-32	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-33	No	Ongoing	(2) Medical Services Premiums (3) Medicaid Mental Health Community Programs (4) Indigent Care Program	Provider Volume and Rate Reductions	(\$150,439,622)	(\$70,395,991)	\$0	(\$2,216,635)	(\$2,504,586)	(\$75,322,410)	0.0	N/A
BA-34	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-35	No	Ongoing	(1) Executive Director's Office (4) Indigent Care Program	Revised Implementation of DI-5 - Improved Eligibility and Enrollment Processing	(\$7,428,132)	(\$3,543,388)	\$0	\$0	\$0	(\$3,884,744)	(2.8)	N/A
BA-36	No	Ongoing	(2) Medical Services Premiums	Enhanced Estate and Income Trust Recoveries	(\$1,116,721)	(\$558,360)	\$0	\$0	\$0	(\$558,361)	0.0	N/A
BA-37	No	Ongoing	(2) Medical Services Premiums	Increased Enrollment in Health Insurance Buy-In Program	(\$625,000)	(\$312,500)	\$0	\$0	\$0	(\$312,500)	0.0	N/A
BA-38	No	One Time	(4) Indigent Care Program	Reduction to DI-6 - Value Based Care	(\$823,596)	(\$358,877)	\$0	\$0	\$0	(\$464,719)	(1.0)	N/A
BA-39	N/A	N/A	N/A	This number intentionally left blank.	\$0	\$0	\$0	\$0	\$0	\$0	0.0	N/A
BA-40	No	Ongoing	(1) Executive Director's Office	Reduce Funding for Nursing Home Preadmission and Resident Assessments Training Program	(\$25,000)	(\$6,250)	\$0	\$0	\$0	(\$18,750)	0.0	N/A
BA-41	No	Ongoing	(1) Executive Director's Office	FY 2009-10 Salary Survey Reversal	(\$394,749)	(\$177,902)	\$0	(\$6,066)	(\$12,539)	(\$198,242)	0.0	N/A

Priority	Corresponding FY 2008-09 Impact – Yes or No?	One Time or Base/Ongoing?	Division	Title	Total Funds	General Fund	GFE	Cash Funds	Reappropriated Funds	Federal Funds	FTE	Other Department(s) Affected
BA-42	Yes	One Time	(2) Medical Services Premiums (3) Medicaid Mental Health Community Programs (4) Indigent Care Program (5) Other Medical Services (6) Department of Human Services Medicaid-Funded Programs	Increased Federal Financial Participation	\$0	(\$151,269,677)	\$0	(\$19,345,373)	(\$1,766,773)	\$172,381,823	0.0	Department of Human Services; and Department of Public Health and Environment
NP-BA4	Yes	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - Child Welfare Block Correction from FY 2008-09 Figure Setting	(\$259,341)	(\$129,670)	\$0	\$0	\$0	(\$129,671)	0.0	Department of Human Services
NP-BA5	Yes	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - Fee for Service versus Bundled Billing	(\$5,294,920)	(\$2,647,460)	\$0	\$0	\$0	(\$2,647,460)	0.0	Department of Human Services
NP-BA6	Yes	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - Vacancy Savings due to Systematic Client Turnover	(\$1,668,362)	(\$834,181)	\$0	\$0	\$0	(\$834,181)	0.0	Department of Human Services
NP-BA13	Yes	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - Regional Center Staffing High Need Clients	(\$1,895,525)	(\$947,763)	\$0	\$0	\$0	(\$947,762)	0.0	Department of Human Services
NP-BA9	No	One Time	(6) Department of Human Services Medicaid-Funded Programs	DHS - Reduce FY 2010 Decision Item for New Resources	(\$3,365,860)	(\$1,682,930)	\$0	\$0	\$0	(\$1,682,930)	0.0	Department of Human Services
NP-BA10	No	One Time	(6) Department of Human Services Medicaid-Funded Programs	DHS - Retract Budget Office Decision Item	(\$31,403)	(\$15,702)	\$0	\$0	\$0	(\$15,701)	0.0	Department of Human Services
NP-BA11	No	One Time	(6) Department of Human Services Medicaid-Funded Programs	DHS - Retract DI#10 - Child Welfare Services Block Increase (FY 2009-10)	(\$182,572)	(\$91,286)	\$0	\$0	\$0	(\$91,286)	0.0	Department of Human Services
NP-BA15	Yes	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - OIT Common Policy - Management and Administration of OIT	\$13,749	\$6,875	\$0	\$0	\$0	\$6,874	0.0	Department of Human Services
NP-BA16	No	One Time	(1) Executive Director's Office	DPHE - Fleet Operating Decrease (Decrease in Fuel)	(\$9,926)	(\$3,176)	\$0	\$0	\$0	(\$6,750)	0.0	Department of Public Health and Environment
NP-BA17	No	One Time	(1) Executive Director's Office (5) Other Medical Services	DPHE - Salary Survey	(\$99,381)	(\$34,083)	\$0	\$0	\$0	(\$65,298)	0.0	Department of Public Health and Environment
NP-BA22	No	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - Salary Survey	(\$1,429,321)	(\$887,147)	\$0	\$0	\$0	(\$542,174)	0.0	Department of Human Services
NP-BA23	No	One Time	(6) Department of Human Services Medicaid-Funded Programs	DHS - State Fleet Variable Cost	(\$93,785)	(\$46,894)	\$0	\$0	\$0	(\$46,891)	0.0	Department of Human Services
NP-BA24	No	Ongoing	(6) Department of Human Services Medicaid-Funded Programs	DHS - Provider Rate Increase	(\$4,649,984)	(\$2,324,363)	\$0	\$0	\$0	(\$2,325,621)	0.0	Department of Human Services
Total - Reductions					(\$231,202,339)	(\$248,054,405)	\$0	(\$31,508,061)	(\$4,349,922)	\$52,710,049	(3.8)	
FY 2009-10 Target						(\$142,755,155)						
Net Difference						(\$105,299,250)						

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13												
Change Request for FY 2009-10 Budget Request Cycle												
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10				
Request Title:		Community Transition Services for Mental Illness Waiver Clients			Dept. Approval by:			John Bartholomew <i>JB</i>		Date: January 23, 2009 <i>1/19/09</i>		
Department:		Health Care Policy and Financing			OSPB Approval:			<i>Smuz</i>		Date: <i>1-25-09</i>		
Priority Number:		BA-15										
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year Actual	Appropriation	Supplemental Request	Total Revised Request	Base Request	Decision/ Base Reduction	November 1 Request	Budget Amendment	Total Revised Request	Change from Base (Column 5)	
	Fund	FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11	
Total of All Line Items	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(373,390)	2,343,408,732	(388,324)	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(186,695)	703,941,900	(194,162)	
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0	
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	0	95,217,469	0	
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0	
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(186,695)	1,172,481,365	(194,162)	
(2) Medical Services Premiums	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(373,390)	2,343,408,732	(388,324)	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(186,695)	703,941,900	(194,162)	
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0	
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	0	95,217,469	0	
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0	
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(186,695)	1,172,481,365	(194,162)	
Non-Line Item Request:		None										
Letternote Revised Text:		None										
Cash or Federal Fund Name and COFRS Fund Number:				FF: Title XIX								
Reappropriated Funds Source, by Department and Line Item Name:				N/A								
Approval by OIT?		Yes: <input type="checkbox"/> No: <input type="checkbox"/>		N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:		None										



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

*Budget Reduction Proposal
January 23, 2009*

BA-15 CTS for Mental Illness Waiver

Proposal:

This request is to add Community Transition Services benefits to the Home and Community Based Services Waiver for Persons with Mental Illness, not to exceed a one-time expenditure of \$2,000 per client. This would result in an estimated \$373,390 in net savings in FY 2009-10 and an additional estimated net savings of \$388,324 in FY 2010-11. An initial investment of \$36,000 in total funds for FY 2009-10, and an additional \$36,000 in FY 2010-11, is needed to implement the program. This benefit would empower clients in directing their long term care. In addition, it would reduce the Department's expenditures while enabling the Department to continue to provide a nursing facility level of care through home- and community-based services.

Summary of Request:

- The program requires an initial, one-time expenditure of up to \$2,000 per client.
- Benefits include payment for security deposits, utility set-up fees, moving expenses, and one-time pest eradication and cleaning, as well as the purchase of essential household items and a one-time purchase of food not to exceed \$100.
- In FY 2009-10, the Department would realize an estimated \$1,855 in savings per client per month in FY 2009-10. For each month after the initial month, the estimated savings per client would increase to \$3,655 since the transition expenses are a one-time cost. The estimated per client net savings for the entire fiscal year is estimated to be \$20,470.
- Similarly, in FY 2010-11, the Department would realize an estimated \$1,989 in savings per client per month in FY 2010-11. For each month after the initial month, the estimated savings per client would increase to \$3,789 since the transition expenses are a one-time cost. The estimated per client net savings for the entire fiscal year is estimated to be \$21,216.
- This benefit would empower clients in directing their long term care. In addition, it would reduce the Department's expenditures while enabling the Department to continue to provide a nursing facility level of care through home- and community-based services.
- Without the requested funding, clients who would be eligible to move from an institution to their community yet who do not have the resources to make the transition would remain institutionalized. Clients would also lose the opportunity to choose to re-enter the community and still receive needed services.

Assumptions and Tables to Show Calculations:

Summary of Request FY 2009-10	Total Funds	General Fund	Federal Funds
Total Request	(\$373,390)	(\$186,695)	(\$186,695)
(2) Medical Services Premiums	(\$373,390)	(\$186,695)	(\$186,695)
Cost of Community Transition Services	\$36,000	\$18,000	\$18,000
Savings from client receiving HCBS-MI waiver services rather than residing in a Class I nursing facility	(\$409,390)	(\$204,695)	(\$204,695)

Summary of Request FY 2010-11	Total Funds	General Fund	Federal Funds
Total Request	(\$388,324)	(\$194,162)	(\$194,162)
(2) Medical Services Premiums	(\$388,324)	(\$194,162)	(\$194,162)
Cost of Community Transition Services	\$36,000	\$18,000	\$18,000
Savings from client receiving HCBS-MI waiver services rather than residing in a Class I nursing facility	(\$424,324)	(\$212,162)	(\$212,162)

Current Statutory Authority or Needed Statutory Change:

25.5-6-606 (1) and (2), C.R.S. (2008). No changes to statute would be required.

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			
Request Title:		Reductions to Outreach Efforts			Dept. Approval by: John Bartholomew			Date: January 23, 2009 1/21/09			
Department:		Health Care Policy and Financing			OSPb Approval:			Date: 1-21-09			
Priority Number:		BA-21									
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10 ^{a,b,c}	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
	Fund										
Total of All Line Items	Total	2,558,882,448	2,704,446,136	0	2,704,446,136	2,751,751,181	0	2,751,751,181	(19,345,653)	2,732,405,528	(19,345,653)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	813,715,085	800,128,697	0	800,128,697	801,358,255	0	801,358,255	(3,118,219)	798,240,036	(3,118,219)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	283,367	154,427,788	0	154,427,788	173,309,689	0	173,309,689	(4,646,381)	168,663,308	(4,646,381)
	CFE/RF	120,556,553	2,805,531	0	2,805,531	2,867,624	0	2,867,624	(34,955)	2,832,669	(34,955)
	FF	1,296,827,443	1,378,084,120	0	1,378,084,120	1,405,215,613	0	1,405,215,613	(11,546,098)	1,393,669,515	(11,546,098)
(2) Medical Services Premiums	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(5,640,180)	2,338,141,942	(5,640,180)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(2,820,090)	701,308,505	(2,820,090)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	0	95,217,469	0
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(2,820,090)	1,169,847,970	(2,820,090)
(3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments	Total	196,011,033	207,799,886	0	207,799,886	209,508,719	0	209,508,719	(596,258)	208,912,461	(596,258)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	94,172,151	96,906,217	0	96,906,217	97,229,660	0	97,229,660	(298,129)	96,931,531	(298,129)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	6,976,195	0	6,976,195	7,507,169	0	7,507,169	0	7,507,169	0
	CFE/RF	4,311,729	7,205	0	7,205	7,205	0	7,205	0	7,205	0
	FF	97,527,163	103,910,269	0	103,910,269	104,764,665	0	104,764,665	(298,129)	104,466,536	(298,129)

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			
Request Title: Reductions to Outreach Efforts											
Department: Health Care Policy and Financing					Dept. Approval by: John Bartholomew			Date: January 23, 2009			
Priority Number: BA-21					OSPB Approval:			Date:			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10 ^{a,b,c}	Total Revised Request FY 2009-10	Change from Base (Column 5)
	Fund										
(4) Indigent Care Program; H.B. 97-1304 Children's Basic Health Plan Trust	Total	6,671,262	406,045	0	406,045	488,936	0	488,936	(34,955)	453,981	(34,955)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	4,736,447	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	283,367	406,045	0	406,045	488,936	0	488,936	(34,955)	453,981	(34,955)
	CFE/RF	1,651,448	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	
(4) Indigent Care Program; Children's Basic Health Plan Administration	Total	5,514,604	6,952,590	0	6,952,590	6,937,590	0	6,937,590	(1,400,000)	5,537,590	(1,400,000)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	3,016,221	0	3,016,221	3,010,971	0	3,010,971	(537,670)	2,473,301	(537,670)
	CFE/RF	2,466,584	0	0	0	0	0	0	0	0	0
	FF	3,048,220	3,936,369	0	3,936,369	3,926,619	0	3,926,619	(862,330)	3,064,289	(862,330)
(4) Indigent Care Program; Children's Basic Health Plan Premium Costs	Total	104,684,790	154,739,207	0	154,739,207	177,141,049	0	177,141,049	(10,655,520)	166,485,529	(10,655,520)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	54,390,220	0	54,390,220	62,222,676	0	62,222,676	(3,717,197)	58,505,479	(3,717,197)
	CFE/RF	36,623,865	30,328	0	30,328	92,421	0	92,421	(34,955)	57,466	(34,955)
	FF	67,660,925	100,318,659	0	100,318,659	114,825,952	0	114,825,952	(6,903,368)	107,922,584	(6,903,368)

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle												
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10				
Request Title:	Reductions to Outreach Efforts											
Department:	Health Care Policy and Financing			Dept. Approval by:	John Bartholomew			Date:	January 23, 2009			
Priority Number:	BA-21			OSPB Approval:				Date:				
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year		Supplemental	Total	Base	Decision/	November 1	Budget	Total	Change	
		Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base	
	Fund	FY 2007-08	FY 2008-09	FY 2008-09	Request	FY 2009-10	Reduction	FY 2009-10	FY 2009-10 ^{a,b,c}	Request	(Column 5)	
					FY 2008-09		FY 2009-10			FY 2009-10	FY 2010-11	
(4) Indigent Care Program; Children's Basic Health Plan Dental Benefit Costs	Total	8,715,754	12,450,809	0	12,450,809	13,892,765	0	13,892,765	(1,018,740)	12,874,025	(1,018,740)	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	0	0	0	0	0	0	0	0	0	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	4,357,783	0	4,357,783	4,862,468	0	4,862,468	(356,559)	4,505,909	(356,559)	
	CFE/RF	3,050,514	0	0	0	0	0	0	0	0	0	
	FF	5,665,240	8,093,026	0	8,093,026	9,030,297	0	9,030,297	(662,181)	8,368,116	(662,181)	
Non-Line Item Request:	None											
Letternote Revised Text:	a This amount is from the Children's Basic Health Plan Trust Fund. b Of this amount, \$26,713,927 shall be from the Children's Basic Health Plan Trust; \$31,243,769 shall be from the Health Care Expansion Fund; \$311,205 shall be from the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust; and \$236,578 shall be from the Colorado Immunization Fund. c Of this amount, \$2,5344,796 shall be from the Children's Basic Health Plan Trust; \$2,137,630 shall be from the Health Care Expansion Fund; and \$23,483 shall be from the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust.											
Cash or Federal Fund Name and COFRS Fund Number:	CF: Annual enrollment fees of CBHP enrollees. FF: Title XXI, Title XIX											
Reappropriated Funds Source, by Department and Line Item Name:	CFE/RF: Tobacco Master Settlement Funds, Fund 11G (CBHP Trust Fund) and Fund 18K (Health Care Expansion Fund).											
Approval by OIT?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	N/A: <input checked="" type="checkbox"/>									
Schedule 13s from Affected Departments:	N/A											



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

Budget Reduction Proposal
January 23, 2009

BA-21: Suspend Outreach Efforts

Proposal:

This item would suspend the Department's outreach efforts in FY 2009-10 related to the Children's Basic Health Plan. In addition, the funds allocated for increased caseload for the Children's Basic Health Plan and Medicaid would also be reduced based on the rationale that decreased marketing would result in fewer children being enrolled in the program. This proposal would result in a reduction of \$19,345,653 total funds, including \$3,118,219 General Fund and \$4,646,381 Cash Funds in FY 2009-10.

Summary of Request:

- As part of the Governor's Building Blocks package, the Department was appropriated \$1.4 million total funds and \$537,670 General Fund for outreach related to the Children's Basic Health Plan program starting in July 2008. As a result of this expanded outreach, the Department was also appropriated funding to provide health care services to 8,000 Children's Basic Health Plan children and 4,000 Medicaid Eligible Children beginning in FY 2008-09.
- The Department is proposing to suspend all additional outreach funding in FY 2009-10. Because the outreach efforts began July 1, 2008, the Department does not believe that the entire caseload impact would be eliminated due to the reduction in funding. Based on the amount of work completed in FY 2008-09, the Department estimates that the caseload impacts would be decreased by 6,000 in Children's Basic Health Plan and 3,000 in Medicaid in FY 2009-10.
- This proposal is a continuation of the Department's January 15, 2009 S-18, in which the Department has proposed to decrease the outreach funding by \$600,000. This reduction is accompanied by decreased caseload of 2,000 in the Children's Basic Health Plan and 1,000 in Medicaid.

Assumptions and Tables to Show Calculations:

- The Department has proposed decreases through its January 15, 2009 S-23 and BA-23 due to the suspension of the eligibility increase to 225% of the federal poverty level in the Children's Basic Health Plan. This reduction results in sufficient General Fund savings to ensure the solvency of the Children's Basic Health Plan Trust Fund. As a result, this request does not produce General Fund savings from the Children's Basic Health Plan line items.
- The total savings associated with this proposal are shown below.

	FY 2009-10		
	Medicaid	CHP+	Total
Caseload	\$6,236,438	\$11,674,260	\$17,910,698
Outreach	\$0	\$1,400,000	\$1,400,000
Total (see bullet below)	\$6,236,438	\$13,074,260	\$19,310,698

- Note: The difference between the total shown in the table above is the enrollment fees. These fees are counted once as cash funds when received into the Children's Basic Health Plan Trust Fund. Then they are reappropriated to the Children's Basic Health Plan Premiums Cost line item. The table above only reflects the initial receipt of the enrollment fees by the Trust.

Children's Basic Health Plan Outreach Reduction- Caseload Savings

	FY 2009-10		
	Medicaid	CHP+	Total
Caseload	3,000	6,000	9,000
Medical Per Capita	\$1,880.06	\$1,775.92	-
Total Medical Cost	\$5,640,180	\$10,655,520	\$16,295,700
Enrollment Fees	\$34,955	\$34,955	\$69,910
CHP+ Trust Fund	\$3,486,731	\$3,486,731	\$6,973,462
Health Care Expansion Fund	\$230,466	\$230,466	\$460,932
General Fund	\$0	\$2,820,090	\$2,820,090
Federal Funds	\$6,903,368	\$9,723,458	\$16,626,826
	FY 2009-10		
	Medicaid	CHP+	Total
Mental Health Per Capita	\$198.75	\$0.00	-
Dental Per Capita	\$0.00	\$169.79	-
Total Mental Health/Dental Cost	\$596,258	\$1,018,740	\$1,614,998
CHP+ Trust Fund	\$0	\$334,452	\$334,452
Health Care Expansion Fund	\$0	\$22,107	\$22,107
General Fund	\$298,129	\$0	\$298,129
Federal Funds	\$298,129	\$662,181	\$960,310

- The reduced need for funds from the Children's Basic Health Plan Trust Fund will result in funds staying in the Trust Fund for the purpose of providing future health care to children and pregnant women.
- Schedule 13s double count any changes to the Children's Basic Health Plan Trust Fund. Enrollment fees and/or General Fund are appropriated to the Fund's line item, which must then be reappropriated to the CBHP line items. Other revenue to the Fund are transferred by the State Treasurer rather than appropriated.

Current Statutory Authority or Needed Statutory Change:

25.5-8-101, C.R.S. (2008) This article shall be known and may be cited as the "Children's Basic Health Plan Act".

The statute above is the authorization for the Children's Basic Health Plan and no statutory changes needed for this proposal.

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			
Request Title:		Replace Previous Specialty Hospital Fund Reduction Budget Amendment Request for FY 2009-10									
Department:		Health Care Policy and Financing			Dept. Approval by: John Bartholomew JB			Date: January 23, 2009 1/27/09			
Priority Number:		BA-22a			OSPB Approval: <i>[Signature]</i>			Date: 1-27-09			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	8,439,487	12,865,212	0	12,865,212	12,865,212	0	12,865,212	0	12,865,212	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	3,551,000	5,551,000	0	5,551,000	5,551,000	0	5,551,000	0	5,551,000	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	386,606	0	386,606	386,606	0	386,606	0	386,606	0
	CFE/RF	664,586	495,000	0	495,000	495,000	0	495,000	0	495,000	0
	FF	4,223,901	6,432,606	0	6,432,606	6,432,606	0	6,432,606	0	6,432,606	0
(4) Indigent Care Program; Pediatric Specialty Hospital	Total	8,439,487	12,865,212	0	12,865,212	12,865,212	0	12,865,212	0	12,865,212	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	3,551,000	5,551,000	0	5,551,000	5,551,000	0	5,551,000	0	5,551,000	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	386,606	0	386,606	386,606	0	386,606	0	386,606	0
	CFE/RF	664,586	495,000	0	495,000	495,000	0	495,000	0	495,000	0
	FF	4,223,901	6,432,606	0	6,432,606	6,432,606	0	6,432,606	0	6,432,606	0
Non-Line Item Request:	This request replaces the FY 2009-10 portion of the FY 2008-09 reduction request that was submitted on January 15. The January 15 request included a FY 2009-10 reduction of \$7,102,000 total funds, \$3,551,000 General Fund, and \$3,551,000 federal funds. This request replaces the previous submission, and seeks no reduction to this program in FY 2009-10.										
Letternote Revised Text:	None										
Cash or Federal Fund Name and COFRS Fund Number:	FF: Title XIX										
Reappropriated Funds Source, by Department and Line Item Name:	N/A										
Approval by OIT?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input checked="" type="checkbox"/>										
Schedule 13s from Affected Departments:	N/A										

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13											
Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			
Request Title:	Rebase FQHC Rates to Minimum Allowable under Federal Law										
Department:	Health Care Policy and Financing			Dept. Approval by:	John Bartholomew <i>JB</i>			Date:	January 23, 2009 <i>1/29/09</i>		
Priority Number:	BA-26			OSPB Approval:	<i>[Signature]</i>			Date:	<i>1-22-09</i>		
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision: Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Fund											
Total of All Line Items	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(6,083,076)	2,337,699,046	(6,083,076)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(2,747,227)	701,381,368	(2,747,227)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	(286,178)	94,931,291	(286,178)
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(3,049,671)	1,169,618,389	(3,049,671)
(2) Medical Services Premiums³	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(6,083,076)	2,337,699,046	(6,083,076)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(2,747,227)	701,381,368	(2,747,227)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	(286,178)	94,931,291	(286,178)
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(3,049,671)	1,169,618,389	(3,049,671)
Non-Line Item Request:	None										
Letternote Revised Text:	³ Of this amount, \$69,862,315 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (i), C.R.S.; \$13,842,626 represents public funds certified as expenditures incurred by public hospitals and agencies that are eligible for federal financial participation under the Medicaid program; \$233,043 shall be from the Colorado Autism Treatment Fund created in Section 25.5-6-805, C.R.S.; \$4,935,044 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (8) (a), C.R.S.; and, \$10,258,263 shall be from the Medicaid Nursing Facility Cash Fund created in Section 25.5-6-203 (2) (a), C.R.S.										
Cash or Federal Fund Name and COFRS Fund Number:	FF: Title XIX										
Reappropriated Funds Source, by Department and Line Item Name:	None										
Approval by OIT?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:	N/A										



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

*Budget Reduction Proposal
January 23, 2009*

BA-26 Rebase FQHC Rates to Minimum Allowable under Federal Law

Proposal:

This proposal would rebase rates paid to federally qualified health centers (FQHCs) to the lowest level allowable under federal law. FQHCs are required to be paid at least 100% of costs under federal law, although there are different methodologies to calculate the appropriate level. Under the Benefits Improvement and Protection Act of 2000 (BIPA), the Department is allowed to pay a prospective payment system (PPS) rate, based on the provider's costs from 1999 to 2000 annually adjusted for inflation. The Department's current rate methodology is more generous than is required by federal law. The Department proposes to pay the minimum PPS rate allowable under federal law; this rate would still be calculated to meet 100% of the providers' costs, as determined by BIPA.

Summary of Request:

- The Department proposes to pay the minimum prospective payment system rate allowable under federal law; this rate would still be calculated to meet 100% of the providers' costs, as determined by BIPA.
- Implementation will require a rule change. An emergency rule change can have the new rates in effect by July 2009.
- This request reduces Medical Services Premiums by \$6,083,076 total funds or \$2,747,227 General Fund. This reduction is ongoing.

Assumptions and Tables to Show Calculations:

Estimated Total FQHC Claims Expenditure*	Estimated Reduction Percentage	Estimated Savings (Total Funds)
\$59,643,326	-10.20%	(\$6,083,076)

Note: Estimated expenditure is based on claims processed through the Medicaid Management Information System only, and does not include adjustments accounted for in the Colorado Financial Reporting System.

Estimates are based on an estimate of annualized percentage savings applied to total applicable expenditures, calculated by provider. Calculations assume that an emergency rule change will be in effect by July 2009.

Current Statutory Authority or Needed Statutory Change:

25.5-5-102 C.R.S. (2008).

(1) Subject to the provisions of subsection (2) of this section and section 25.5-4-104, the program for the categorically needy shall include the following services as mandated and defined by federal law:

(m) Federally qualified health centers.

The Department does not require a change in statute to implement this request.

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			
Request Title:	Provider Volume and Rate Reductions				Dept. Approval by:	John Bartholomew <i>JB</i>		Date:	January 23, 2009 <i>1/27/09</i>		
Department:	Health Care Policy and Financing				OSP/B Approval:	<i>[Signature]</i>		Date:	<i>1-27-09</i>		
Priority Number:	BA-33										
	1	2	3	4	5	6	7	8	9	10	
	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11	
Fund											
Total of All Line Items	Total	2,578,145,483	2,748,384,781	0	2,748,384,781	2,795,017,237	0	2,795,017,237	(150,439,622)	2,644,577,615	(150,439,622)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	818,453,904	813,876,718	0	813,876,718	814,989,594	0	814,989,594	(70,395,991)	744,593,603	(70,395,991)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	158,340,406	0	158,340,406	177,096,376	0	177,096,376	(2,216,635)	174,879,741	(2,216,635)
	CFE/RF	122,637,805	2,905,859	0	2,905,859	2,967,952	0	2,967,952	(2,504,586)	463,366	(2,504,586)
	FF	1,309,503,774	1,404,261,798	0	1,404,261,798	1,430,963,315	0	1,430,963,315	(75,322,410)	1,355,640,905	(75,322,410)
(1) Executive Director's Office; (C) Information Technology Contracts and Projects, Medicaid Management Information System Contract	Total	0	24,094,147	0	24,094,147	23,489,449	0	23,489,449	504,000	23,993,449	504,000
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	5,499,078	0	5,499,078	5,382,396	0	5,382,396	126,000	5,508,396	126,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	1,881,903	0	1,881,903	1,833,613	0	1,833,613	0	1,833,613	0
	CFE/RF	0	100,328	0	100,328	100,328	0	100,328	0	100,328	0
	FF	0	16,612,838	0	16,612,838	16,173,112	0	16,173,112	378,000	16,551,112	378,000
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services, County Administration	Total	31,449,101	27,203,133	0	27,203,133	27,203,133	0	27,203,133	(2,000,000)	25,203,133	(2,000,000)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	9,475,266	8,248,943	0	8,248,943	8,248,943	0	8,248,943	(1,000,000)	7,248,943	(1,000,000)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	5,452,981	0	5,452,981	5,452,981	0	5,452,981	0	5,452,981	0
	CFE/RF	6,249,284	0	0	0	0	0	0	0	0	0
	FF	15,724,551	13,501,209	0	13,501,209	13,501,209	0	13,501,209	(1,000,000)	12,501,209	(1,000,000)

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10	Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10				
Request Title:	Provider Volume and Rate Reductions			Dept. Approval by:			John Bartholomew	Date:		January 23, 2009	
Department:	Health Care Policy and Financing			OSP/B Approval:				Date:			
Priority Number:	BA-33							Date:			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year		Supplemental	Total	Base	Decision/	November 1	Budget	Total	Change
	Fund	Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base
		FY 2007-08	FY 2008-09	FY 2008-09	Request	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	(Column 5)
											FY 2010-11
(2) Medical Services											
Premiums^a	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(137,656,934)	2,206,125,188	(137,656,934)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(65,773,393)	638,355,202	(65,773,393)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	(757,457)	94,460,012	(757,457)
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	(2,504,353)	263,645	(2,504,353)
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(68,621,731)	1,104,046,329	(68,621,731)
(3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments^b	Total	196,011,033	207,799,886	0	207,799,886	209,508,719	0	209,508,719	(6,386,688)	201,122,031	(6,386,688)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	94,172,151	96,906,217	0	96,906,217	97,229,660	0	97,229,660	(3,748,598)	93,481,062	(3,748,598)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	6,976,195	0	6,976,195	7,507,169	0	7,507,169	(444,178)	7,062,991	(444,178)
	CFE/RF	4,311,729	7,205	0	7,205	7,205	0	7,205	(233)	6,972	(233)
	FF	97,527,153	103,910,269	0	103,910,269	104,764,685	0	104,764,685	(4,193,679)	100,571,006	(4,193,679)
(4) Indigent Care Program; Children's Basic Health Plan Premium Costs	Total	104,684,790	154,739,207	0	154,739,207	177,141,049	0	177,141,049	(2,900,000)	174,241,049	(2,900,000)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	54,390,220	0	54,390,220	62,222,676	0	62,222,676	(1,015,000)	61,207,676	(1,015,000)
	CFE/RF	36,823,865	30,328	0	30,328	92,421	0	92,421	0	92,421	0
	FF	67,860,925	100,318,659	0	100,318,659	114,825,952	0	114,825,952	(1,885,000)	112,940,952	(1,885,000)

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle												
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10				
Request Title:		Provider Volume and Rate Reductions			Dept. Approval by:			John Bartholomew				
Department:		Health Care Policy and Financing			OSPb Approval:			Date: January 23, 2008				
Priority Number:		BA-33						Date:				
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11	
	Fund											
(4) Indigent Care Program; Children's Basic Health Plan Dental Benefit Costs		Total	8,715,754	12,450,809	0	12,450,809	13,892,765	0	13,892,765	0	13,892,765	0
		FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GF	0	0	0	0	0	0	0	0	0	0
		GFE	0	0	0	0	0	0	0	0	0	0
		CF	0	4,357,783	0	4,357,783	4,862,468	0	4,862,468	0	4,862,468	0
		CFE/RF	3,050,514	0	0	0	0	0	0	0	0	0
		FF	5,665,240	8,093,026	0	8,093,026	9,030,297	0	9,030,297	0	9,030,297	0
Non-Line Item Request:		None										
Letternote Revised Text:		<p>^a Of this amount, \$69,243,269 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (i), C.R.S.; \$13,842,626 represents public funds certified as expenditures incurred by public hospitals and agencies that are eligible for federal financial participation under the Medicaid program; \$227,100 shall be from the Colorado Autism Treatment Fund created in Section 25.5-6-805, C.R.S.; \$887,357 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (B) (a), C.R.S.; and, \$13,842,626 shall be from the Medicaid Nursing Facility Cash Fund created in Section 25.5-6-203 (2) (a), C.R.S.</p> <p>^b Of this amount, \$7,053,695 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (i), C.R.S.; \$9,296 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund as directed by Section 25.5-5-308 (9) (d) C.R.S.</p>										
Cash or Federal Fund Name and COFRS Fund Number:		CF: Tobacco Master Settlement Funds, Children's Basic Health Plan Trust Fund 11G; Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust Fund; Colorado Immunization Fund; Colorado Autism Treatment Fund 18A; Breast and Cervical Cancer Prevention and Treatment Fund 15D; Health Care Expansion Fund 18K. FF: Title XIX; Title XXI										
Reappropriated Funds Source, by Department and Line Item Name:		RF: Transfer from the Department of Public Health and Environment, Prevention, Early Detection, and Treatment Fund										
Approval by OIT?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	N/A: <input checked="" type="checkbox"/>										
Schedule 13s from Affected Departments:		N/A										



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

*Budget Reduction Proposal
January 27, 2009*

BA-33 Provider Volume and Rate Reductions

Proposal:

To meet Budget Balancing goals, the Department proposes to reduce Medicaid expenditures in its Executive Director's Office, Medical Services Premiums, Medicaid Mental Health Community Programs, and Indigent Care Program. In some cases, the Department will directly reduce rates paid. However, where possible, the Department will not unilaterally reduce provider rates. Rather, the Department will solicit ideas from provider groups on how to reduce avoidable, inappropriate, duplicative or unnecessary volume and create efficiencies. Emphasis will be placed on promoting health of clients and minimizing any deleterious impacts on clients. The Department will commit to a total reduction in expenditure of \$70.4 million General Fund in FY 2009-10 from the requested level of funding in its November 3, 2008 Budget Request.

Summary of Request:

The Department's proposal includes the following reductions:

- Annualization of the proposed FY 2008-09 Provider Rate Reductions (S-25), including:
 - Reducing County Administration Funding
 - Reducing selected physician codes that are above 100% of the Medicare rate
 - Repurpose existing disease management program funding to focus on the next generation of disease management programs
 - Revised cost for Medicare premiums due to lower than anticipated Medicare premiums
 - Reduce pharmacy reimbursement to Average Wholesale Price minus 14.5% for brand-name and Average Wholesale Price minus 45% for generic medications and Average Wholesale Price minus 13% for rural pharmacies
- Promoting enrollment of eligible veterans in the VA health care system – the Department estimates that there are a significant number of clients in Medicaid who are eligible to receive services through the federal Department of Veterans Affairs (VA) health care system. Enrolling clients in the VA system will allow clients to receive services directly through the VA. Medicaid will cover any additional services or coinsurance required, similar to the process for clients covered by Medicare. The Department is in the process of coordinating with the VA the information which is necessary for the VA to enroll clients. The Department anticipates that enrollments will begin near the end of FY 2008-09, with full implementation in FY 2009-10.

The Department estimates that approximately \$24.4 million total funds can be saved by enrolling approximately 5,000 clients in the VA health system. The Department assumes that the clients would come from the Adults to 65, Disabled Adults 60 to 64, and Disabled Individuals to 59 aid categories. The table below shows the Department's calculations, and is based on enrolling half the population and achieving savings of half the per capita.

VA Reduction	Adults to 65 (OAP-A)	Disabled Adults 60 to 64 (OAP-B)	Disabled Adults to 59 (AND/AB)	Total
FY 2009-10 Per Capita	\$21,115.89	\$17,538.63	\$14,025.28	
Eligible VA Clients	3,750	250	1,000	5,000
Enrollment Level	50%	50%	50%	
Per Capita Reduction	50%	50%	50%	
Savings	(\$19,796,147)	(\$1,096,164)	(\$3,506,320)	(\$24,398,631)

- Enhanced prior authorization and preferred drug list requirements – The Department would add anti-convulsant pharmaceuticals to prior authorization requirements and/or the preferred drug list for non-seizure uses of anti-convulsants. Seizure treatments would be exempted from the requirements. In FY 2007-08, at least one claim was paid for 21,013 clients who used anti-convulsant drugs, although not all clients would be subject to the requirements. Based on information from Idaho which has similar requirements, expenditure was reduced by approximately \$340,000; Idaho has approximately 28% of the claims volume of Colorado. Therefore, the Department estimates that a proportional reduction would be able to reduce expenditure by approximately \$1.2 million total funds. To be conservative and because the outcome of implementation in Colorado is not yet known, 80% of the estimated savings has been assumed, totaling \$960,000. This savings assumes that the automated prior authorization system in BRI-1 is funded. That system will allow the bypass of the seizure treatments without additional cost to the Department. Without the automated prior authorization system there may be significantly more prior authorization requests which will cost the Department \$12.69 per request.
- Cost Sharing Requirements for certain Home and Community Based Services clients – The Department would implement cost-sharing requirements for Home and Community Based Services programs for clients/families with incomes over \$250,000. Currently enrollees in HCBS programs have limited cost sharing requirements for certain state plan benefits and a patient-payment for any room and board costs of an alternative care facility living situation. Currently there are co-pay exemptions for dental services, home and community based services, home health care, Behavioral Health Organization services and transportation. Co-pays are expected to be collected by the provider, with a commensurate reduction in the State reimbursement for the service to that client. The Department anticipates that co-pays will be effective July 1, 2009.

The Department estimates that it can save approximately \$728,000 total funds by applying cost sharing requirements on clients and families over the resource limit. This figure is based on the assumptions that approximately 3,500 clients have resources over the limit; that clients receive approximately 4 services per week; and that each service will have a \$1 copayment. If the assumptions are correct, this would equate to \$728,000 total funds in savings. The Department does not anticipate that this requires a legislative change.

- Enhanced requirements to require providers to first bill Medicare on home health claims for dual eligibles – recent efforts by the Department’s Program Integrity section have determined that in many cases, providers have inappropriately billed Medicaid for dual eligible clients prior to receiving a Medicare denial for home health claims. Clients must fully exhaust their Medicare home health benefit or have Medicare determine the care is not a covered benefit before receiving the full Medicaid benefit. The Department anticipates that, through more targeted enforcement, it will be able to avoid costs which should be billed to and reimbursed by Medicare.

The Department estimates that it will save approximately \$500,000 total funds by implementing the enhanced requirements. For claims paid during FY 2006-07, the Department's Program Integrity Section found over \$1,000,000 during a six-month review period for claims in which Medicare should have paid prior to Medicaid. Because further information is not available, and the possibility that providers have changed billing practices after the initial review period, the Department has reduced this level of savings for FY 2009-10.

- Restrict inpatient hospital claims for readmissions within 24 hours with the same condition – current Department policy does not allow for separate bills in instances where the client is readmitted to the same hospital for the same condition less than 24 hours after the initial discharge. Under current practice, the Department monitors for these circumstances by having a contractor perform reviews well after the readmission. Under this proposal, the Department would alter its claims system to automatically deny a separate bill for these clients. Exceptions can be granted on an as-needed basis.

The Department estimates that approximately \$1,400,000 total funds can be saved through this program change. The Department analyzed claims data for a larger provider indicated that approximately 0.55% of claims would be denied under this policy. Based on FY 2007-08 inpatient expenditure of \$320.9 million, if this result holds, it would equate to approximately \$1.76 million in savings; however, the Department cannot be sure that the result will be applicable across providers, and has decreased the savings figure to 80% of the expected savings to account for expected lower rates of denials from other providers. The Department has also reduced the savings to account for the cost of altering the claims system.

- Adjust billing methodologies and provider rates for the Prenatal Plus program – The Department, in conjunction with the Department of Public Health and Environment, proposes to change certain billing processes and rates in the Prenatal Plus program. Currently, all services are paid using a single procedure code at a flat rate, based on how long the client is enrolled in the program. The Department would change the billing methodology and implement a reduced rate structure. The Prenatal Plus program served 1,658 clients in FY 2007-08, with total expenditure of \$943,523; the Department assumes that 33.0% of expenditure will be reduced as a result of rate reduction and billing methodology changes; however, the Department is still determining the actual methodology to achieve savings in conjunction with the Department of Public Health and Environment; across-the-board rate reductions may result in providers exiting the program, and so the Departments will work with provider groups to determine the appropriate level of reductions.
- Combined volume and rate reduction targets – The following providers will be subject to 4.33% volume and rate reduction targets effective July 1, 2009: Physician Services & EPSDT, Emergency Transportation, Non-emergency Medical Transportation, Dental Services, Inpatient Hospitals, Outpatient Hospitals, Lab & X-Ray, Durable Medical Equipment, Home Health, Private Duty Nursing, Hospice, and Single Entry Points. HCBS providers will be subject to a 2.17% volume and rate reduction target. Rates paid to behavioral health organizations will be adjusted to the median of the actuarially sound rate range. There will also be related decreases to managed care organizations, including PACE. However, any managed care rates which fall outside the current actuarially sound rate ranges may require additional certification. Note that rate reductions are based on FY 2008-09

expenditure levels prior to the reductions proposed in S-25; FY 2008-09 rate increases will annualize towards the FY 2009-10 levels.¹

In general, the Department will not unilaterally reduce provider rates. Rather, the Department will solicit ideas from provider groups on how to reduce unnecessary volume and create efficiencies. The Department will work to determine whether any of the rate reduction can be achieved through a scope, amount and duration reduction. It is the Department's goal that with the help of the provider community, drastic reductions to reimbursement can be avoided. Under no circumstances will the Department require any client to go without a medically necessary service, nor will the Department take any action which jeopardizes federal financial participation. The Department is currently in the process of engaging provider and advocate groups to develop the framework to achieve volume reductions; therefore, at this time, the magnitude of these reductions cannot be known. The Department will have a comprehensive plan in place by the beginning of FY 2009-10. If expenditure targets cannot be met through volume reductions, the Department will implement rate cuts as necessary, up to the full 4.33% target.

- Class I Nursing Facilities – In addition, the Department is proposing a rate reduction of 4.33% to Class I Nursing Facilities, which equates to approximately \$22.8 million total funds, \$11.3 million General Fund. This reduction will require a legislative change.
- Require utilization of the Vaccines for Children program in CHP+ –The federal Vaccines for Children (VFC) program is a program where vaccines and immunizations are provided at no-cost to recipients. The Department would require that all CHP+ providers utilize the VFC program to the extent possible when rendering services to CHP+ clients. The State estimates that it spent \$1.4 million on vaccines in FY 2007-08. Adjusting for projected caseload increases from the Department's November 3, 2008 DI-3, the amount for vaccines is approximately \$1.8 million. Because the VFC program may not be used in all cases, the Department is estimating that it will achieve cost savings of 50% on total vaccine costs, or \$900,000 total funds. The Department is still investigating the administrative requirements of this proposal with the Department of Public Health and Environment; if there is an additional administrative cost to the proposal, the Department will revise its projections accordingly.
- Collect additional funds from CHP+ reinsurance providers – The Department estimates that there is approximately \$2,000,000 in outstanding claims which can be recovered. The reinsurance projections are based on claims data for the state's Self-funded Managed Care Network, based on analysis performed by the Department's contracted actuary. The Department's contract with the reinsurer covers claims for individual enrollees whose claims exceed \$100,000 in FY 2007-08. The Department has 19 months to file claims from the date of service to be paid by the reinsurer. There is a 90% coinsurance, meaning the reinsurer will only pay up to 90% of the claims exceeding the \$100,000 level. The individual maximum is \$1,000,000, meaning the reinsurer will pay no more than \$1,000,000 per benefit year. The estimated savings are derived based on conditions described above, applied to the claims that the Department's actuary believes will be eligible for recovery.
- Funding for Medicaid Management System Changes – The Department has also included \$504,000 total funds, \$126,000 General Fund to incorporate system edits and changes required to allow for program changes, including implementing home health coinsurance and denying certain inpatient

¹ For example, the Department reduced home health rates by 1.5 basis points in FY 2008-09; in FY 2009-10, the Department will further reduce rates by 2.78 basis points, totaling a 4.33% rate decrease from the FY 2008-09 base.

readmissions. The Department estimates that it will require approximately 4,000 hours of programming time at a cost of \$126 per hour.

Assumptions and Tables to Show Calculations:

See attachments 1 and 2.

Current Statutory Authority or Needed Statutory Change:

25.5-4-401 (1) (a), C.R.S. (2008)

The state department shall establish rules for the payment of providers under this article and articles 5 and 6 of this title. Within the limits of available funds, such rules shall provide reasonable compensation to such providers, but no provider shall, by this section or any other provision of this article or article 5 or 6 of this title, be deemed to have any vested right to act as a provider under this article and articles 5 and 6 of this title or to receive any payment in addition to or different from that which is currently payable on behalf of a recipient at the time the medical benefits are provided by said provider.

Except where noted, the Department can implement rate reductions and programmatic efficiencies via rule change.

Cost sharing requirements for Home and Community Based Services programs will require waiver amendments.

Changes to Nursing Facility reimbursement requires changes to 25.5-6-202 and 25.5-6-204, C.R.S. (2008).

**Attachment 1
Reduction by Long Bill Group**

FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Reduction	(\$150,439,622)	(\$70,395,991)	(\$2,216,635)	(\$2,504,586)	(\$75,322,410)
(1) Executive Director's Office; (C) Information Technology Contracts and Projects, Medicaid Management Information System Contract	\$504,000	\$126,000	\$0	\$0	\$378,000
System Change Costs	\$504,000	\$126,000	\$0	\$0	\$378,000
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services, County Administration	(\$2,000,000)	(\$1,000,000)	\$0	\$0	(\$1,000,000)
Reduce County Administration	(\$2,000,000)	(\$1,000,000)	\$0	\$0	(\$1,000,000)
(2) Medical Services Premiums	(\$137,656,934)	(\$65,773,393)	(\$757,457)	(\$2,504,353)	(\$68,621,731)
Reduce Selected Physician Codes Below 100% of Medicare Rate	(\$5,432,902)	(\$2,633,646)	(\$82,805)	\$0	(\$2,716,451)
Repurpose Disease Management Programs	(\$5,008,706)	(\$500,871)	\$0	(\$2,504,353)	(\$2,003,482)
Revised Cost for Medicare Premiums	(\$4,238,188)	(\$2,542,913)	\$0	\$0	(\$1,695,275)
Reduce Pharmacy Reimbursement	(\$8,102,885)	(\$3,927,944)	(\$123,499)	\$0	(\$4,051,443)
Enroll Eligible Veterans in VA Health Care System	(\$24,398,631)	(\$12,199,316)	\$0	\$0	(\$12,199,316)
Add Prior Authorization/PDL Requirements for Anti-Convulsants	(\$960,000)	(\$465,368)	(\$14,632)	\$0	(\$480,000)
Prenatal Plus Program Changes	(\$314,508)	(\$157,254)	\$0	\$0	(\$157,254)
HCBS Cost Sharing for High Income Families	(\$728,000)	(\$364,000)	\$0	\$0	(\$364,000)
Correct Home Health Billing for Dual Eligibles	(\$500,000)	(\$250,000)	\$0	\$0	(\$250,000)
Restrict Inpatient Hospital Claims for Readmissions within 24 Hours	(\$1,400,000)	(\$678,662)	(\$21,338)	\$0	(\$700,000)
Provider Volume and Rate Reductions	(\$63,781,498)	(\$30,754,982)	(\$426,234)	\$0	(\$32,600,282)
Nursing Facility Rate Reduction	(\$22,791,616)	(\$11,298,438)	(\$88,950)	\$0	(\$11,404,228)
(3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments	(\$8,386,688)	(\$3,748,598)	(\$444,178)	(\$233)	(\$4,193,679)
Reduce BHO Rates in Actuarial Sound Rate Range	(\$8,386,688)	(\$3,748,598)	(\$444,178)	(\$233)	(\$4,193,679)
(4) Indigent Care Program; Children's Basic Health Plan Premium Costs	(\$2,900,000)	\$0	(\$1,015,000)	\$0	(\$1,885,000)
Utilize VFC in CHP	(\$900,000)	\$0	(\$315,000)	\$0	(\$585,000)
Collect on CHP Reinsurance	(\$2,000,000)	\$0	(\$700,000)	\$0	(\$1,300,000)

FY 2009-10 Percentage Change by Long Bill Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services, County Administration					
FY 2009-10 Base Request	\$27,203,133	\$8,248,943	\$5,452,981	\$0	\$13,501,209
Reduction Request	(\$2,000,000)	(\$1,000,000)	\$0	\$0	(\$1,000,000)
Percent Change	-7.35%	-12.12%	0.00%	0.00%	-7.41%
(2) Medical Services Premiums					
FY 2009-10 Base Request	\$2,343,782,122	\$1,073,128,595	\$95,217,469	\$2,767,998	\$1,172,668,060
Reduction Request	(\$137,656,934)	(\$65,773,393)	(\$757,457)	(\$2,504,353)	(\$68,621,731)
Percent Change	-5.87%	-6.13%	-0.80%	-90.48%	-5.85%
(3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments					
FY 2009-10 Base Request	\$209,508,719	\$97,229,660	\$7,507,169	\$7,205	\$104,764,685
Reduction Request	(\$8,386,688)	(\$3,748,598)	(\$444,178)	(\$233)	(\$4,193,679)
Percent Change	-4.00%	-3.86%	-5.92%	-3.23%	-4.00%
(4) Indigent Care Program; Children's Basic Health Plan Premium Costs					
FY 2009-10 Base Request	\$177,141,049	\$0	\$62,222,676	\$92,421	\$114,825,952
Reduction Request	(\$2,900,000)	\$0	(\$1,015,000)	\$0	(\$1,885,000)
Percent Change	-1.64%	0.00%	-1.63%	0.00%	-1.64%
(4) Indigent Care Program; Children's Basic Health Plan Dental Benefit Costs					
FY 2009-10 Base Request	\$13,892,765	\$0	\$4,862,468	\$0	\$9,030,297
Reduction Request	\$0	\$0	\$0	\$0	\$0
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%

Attachment 2
Percentage Change by Long Bill Group

FY 2009-10 Percentage Change by Long Bill Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services, County Administration					
FY 2009-10 Base Request	\$27,203,133	\$8,248,943	\$5,452,981	\$0	\$13,501,209
Reduction Request	(\$2,000,000)	(\$1,000,000)	\$0	\$0	(\$1,000,000)
Percent Change	-7.35%	-12.12%	0.00%	0.00%	-7.41%
(2) Medical Services Premiums					
FY 2009-10 Base Request	\$2,343,782,122	\$1,073,128,595	\$95,217,469	\$2,767,998	\$1,172,668,060
Reduction Request	(\$137,777,620)	(\$65,773,393)	(\$758,854)	(\$2,504,353)	(\$68,741,020)
Percent Change	-5.88%	-6.13%	-0.80%	-90.48%	-5.86%
(3) Medicaid Mental Health Community Programs; (A) Mental Health Capitation Payments					
FY 2009-10 Base Request	\$209,508,719	\$97,229,660	\$7,507,169	\$7,205	\$104,764,685
Reduction Request	(\$8,386,688)	(\$3,748,598)	(\$444,178)	(\$233)	(\$4,193,679)
Percent Change	-4.00%	-3.86%	-5.92%	-3.23%	-4.00%
(4) Indigent Care Program; Children's Basic Health Plan Premium Costs					
FY 2009-10 Base Request	\$177,141,049	\$0	\$62,222,676	\$92,421	\$114,825,952
Reduction Request	(\$2,900,000)	\$0	(\$1,015,000)	\$0	(\$1,885,000)
Percent Change	-1.64%	0.00%	-1.63%	0.00%	-1.64%
(4) Indigent Care Program; Children's Basic Health Plan Dental Benefit Costs					
FY 2009-10 Base Request	\$13,892,765	\$0	\$4,862,468	\$0	\$9,030,297
Reduction Request	\$0	\$0	\$0	\$0	\$0
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13												
Change Request for FY 2009-10 Budget Request Cycle												
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10				
Request Title:		Revised Implementation of DI-5 - Improved Eligibility and Enrollment Processing					Dept. Approval by: John Bartholomew JB		Date: January 23, 2009 1/19/09			
Department:		Health Care Policy and Financing			OSP/B Approval: <i>[Signature]</i>			Date: 1-22-09				
Priority Number:		BA-35										
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year		Supplemental	Total	Base	Decision/	November 1	Budget	Total	Change	
		Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base	
	Fund	FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	(Column 5)	
		FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11	
Total of All Line Items	Total	58,326,483	57,837,876	0	57,837,876	57,437,182	7,528,132	64,965,314	(7,428,132)	57,537,182	0	
	FTE	243.8	272.7	0.0	272.7	276.0	2.8	278.8	(2.8)	276.0	0.0	
	GF	18,468,209	18,299,062	0	18,299,062	17,934,018	3,591,238	21,525,256	(3,543,388)	17,981,868	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	9,286,510	0	9,286,510	9,269,973	0	9,269,973	0	9,269,973	0	
	CFE/RF	10,959,772	1,570,778	0	1,570,778	1,578,285	0	1,578,285	0	1,578,285	0	
	FF	28,898,502	28,681,526	0	28,681,526	28,654,906	3,936,894	32,591,800	(3,884,744)	28,707,056	0	
(f) Executive Director's Office; (A) General Administration, Personal Services	Total	20,382,113	19,251,491	0	19,251,491	19,989,456	174,304	20,163,760	(174,304)	19,989,456	0	
	FTE	243.8	272.7	0.0	272.7	276.0	2.8	278.8	(2.8)	276.0	0.0	
	GF	8,523,018	7,994,379	0	7,994,379	8,121,243	83,070	8,204,313	(83,070)	8,121,243	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	731,501	0	731,501	786,800	0	786,800	0	786,800	0	
	CFE/RF	2,219,695	1,557,401	0	1,557,401	1,564,984	0	1,564,984	0	1,564,984	0	
	FF	9,639,400	8,968,210	0	8,968,210	9,516,429	91,234	9,607,663	(91,234)	9,516,429	0	
(f) Executive Director's Office; (A) General Administration, Operating Expenses	Total	980,465	1,833,478	0	1,833,478	1,881,669	18,534	1,700,203	(18,534)	1,681,669	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	469,925	882,945	0	882,945	811,165	8,830	819,995	(8,830)	811,165	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	23,307	0	23,307	19,221	0	19,221	0	19,221	0	
	CFE/RF	24,209	13,377	0	13,377	13,301	0	13,301	0	13,301	0	
	FF	486,331	913,849	0	913,849	837,982	9,704	847,686	(9,704)	837,982	0	

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13												
Change Request for FY 2009-10 Budget Request Cycle												
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10				
Request Title:		Revised Implementation of DI-5 - Improved Eligibility and Enrollment Processing					Dept. Approval by:		John Bartholomew		Date: January 23, 2009	
Department:		Health Care Policy and Financing			OSPB Approval:			Date:				
Priority Number:		BA-35										
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11	
(I) Executive Director's Office; (A) General Administration, General Professional Services and Special Projects	Total	0	2,443,584	0	2,443,584	1,625,334	100,000	1,725,334	(100,000)	1,625,334	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	0	1,099,292	0	1,099,292	752,667	47,854	800,521	(47,854)	752,667	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	62,500	0	62,500	0	0	0	0	0	0	
	CFE/RF	0	0	0	0	0	0	0	0	0	0	
	FF	0	1,281,792	0	1,281,792	872,667	52,146	924,813	(62,146)	872,667	0	
(I) Executive Director's Office; (C) Information Technology Contracts and Projects, Centralized Eligibility Vendor Contract Project*	Total	0	153,600	0	153,600	0	7,741,136	7,741,136	(7,641,136)	100,000	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	0	73,503	0	73,503	0	3,704,405	3,704,405	(3,656,555)	47,850	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE/RF	0	0	0	0	0	0	0	0	0	0	
	FF	0	80,097	0	80,097	0	4,036,731	4,036,731	(3,984,581)	52,150	0	
(I) Executive Director's Office; (D) Eligibility Determinations and Client Services, County Administration	Total	31,449,101	27,203,133	0	27,203,133	27,203,133	(505,842)	26,697,291	505,842	27,203,133	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	9,475,266	8,248,943	0	8,248,943	8,248,943	(252,921)	7,996,022	252,921	8,248,943	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	5,452,981	0	5,452,981	5,452,981	0	5,452,981	0	5,452,981	0	
	CFE/RF	6,249,284	0	0	0	0	0	0	0	0	0	
	FF	15,724,551	13,501,209	0	13,501,209	13,501,209	(252,921)	13,248,288	252,921	13,501,209	0	

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13												
Change Request for FY 2009-10 Budget Request Cycle												
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			<input checked="" type="checkbox"/>	
Request Title:		Revised Implementation of DI-5 - Improved Eligibility and Enrollment Processing										
Department:		Health Care Policy and Financing			Dept. Approval by:		John Bartholomew		Date:		January 23, 2009	
Priority Number:		BA-35			OSPB Approval:				Date:			
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year		Supplemental	Total	Base	Decision:	November 1	Budget	Total	Change	
		Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base	
	Fund	FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	FY 2009-10	Reduction	FY 2009-10	FY 2009-10	FY 2009-10	(Column 5)	
											FY 2010-11	
(4) Indigent Care Program; Children's Basic Health Plan Administration		Total	5,514,804	6,952,590	0	6,952,590	6,937,590	0	6,937,590	0	6,937,590	0
		FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GF	0	0	0	0	0	0	0	0	0	0
		GFE	0	0	0	0	0	0	0	0	0	0
		CF	0	3,016,221	0	3,016,221	3,010,971	0	3,010,971	0	3,010,971	0
		CFE/RF	2,466,584	0	0	0	0	0	0	0	0	0
		FF	3,048,220	3,936,369	0	3,936,369	3,926,619	0	3,926,619	0	3,926,619	0
Non-Line Item Request:		None										
Letternote Revised Text:		None										
Cash or Federal Fund Name and COFRS Fund Number:		FF: Title XIX and Title XXI										
Reappropriated Funds Source, by Department and Line Item Name:		N/A										
Approval by OIT?		Yes: <input type="checkbox"/>		No: <input type="checkbox"/>		N/A: <input checked="" type="checkbox"/>						
Schedule 13s from Affected Departments:		N/A										



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

*Budget Reduction Proposal
January 23, 2009*

BA-35: Revised Implementation of DI-5 - Improved Eligibility and Enrollment Processing

Proposal:

The Department proposes to reduce its request in Decision Item 5, Improved Eligibility and Enrollment Process to \$100,000 total funds. This request includes a reduction in 2.8 FTE, resulting in savings of \$7,428,132 total funds and \$3,543,388 General Fund in FY 2009-10.

Summary of Request:

- Decision Item 5, Improved Eligibility and Enrollment Processing requested funds to implement and administer an Eligibility Modernization Vendor model that would improve eligibility and enrollment processing by creating a single state-level entity to enhance and complement the current multiple county-level processes. The Department requested funds to implement and administer three basic functions under an Eligibility Modernization Vendor Model: electronic document management system, workflow process management system, and a customer contact center.
- The Department is proposing to revise its Decision Item 5, to a total funds request of \$100,000. This one time funding would allow the Department to continue working towards improvements that are a necessary building block to allow for coverage of more eligible but not enrolled Coloradoans in public health programs. Specifically, the Department will use these funds to assess the impact of other programs administered by the county departments and the Department of Human Services.
- The requested funding would allow the Department to release the request for proposals currently being developed for the Eligibility Modernization Vendor. The Department can structure the request for proposals, so the funds requested for FY 2009-10 can be used to develop an implementation plan, organize resources and perform additional outreach to stakeholders. The requested funding would allow the Department to have the vendor that is awarded the contract for the Eligibility Modernization Vendor develop an implementation plan that includes:
 - Creating an Electronic Document Management System with Workflow Management
 - Constructing a Centrally Managed Customer Service Center
 - Increasing Involvement of Community-Based Organizations (CBOs)
 - Developing Web-Based Services for Clients and Community-Based Organizations
 - Replacing Paper Documentation with Electronic Data
 - Assisting with the Development of a Comprehensive Plan for Training, Quality Management, and Monitoring Performance
- The costs outlined in Decision Item 5 and in the Department's hearing before the Joint Budget Committee in November were only estimates and, as the Department specified in its request and before the Joint Budget Committee, the actual costs will not be known until the request for proposals is

released. The responses to the request for proposals will provide actual costs and an implementation plan for FY 2010-11.

- The original implementation date for the Eligibility Modernization Vendor was January 1, 2010 as proposed in Decision Item 5. Under the revised request, the Department would extend that implementation date to July 1, 2010. This new implementation date would allow the Department to submit an updated budget request with the responses from the request for proposals for the examination of the total costs of the project and the full impact on the county departments of social/human services.
- The Department can structure the request for proposals so the funds appropriated in FY 2009-10 can be used to develop an implementation plan, organizing resources and performing additional outreach to stakeholders and continue working towards the goal of eligibility modernization to improve access to the Department's programs.

Assumptions and Tables to Show Calculations:

- The Department requested \$7,528,132 in total funds to implement and administer an Eligibility Modernization Vendor model. The Department is revising its request to a total of \$100,000 allowing for a total budget reduction proposal of \$7,428,132.

Summary of Request FY 2009-10	Total Funds	General Fund	Federal Funds
Total Request DI-5	\$7,528,132	\$3,591,238	\$3,936,894
Total Revised Request	\$100,000	\$47,850	\$52,150
Total Budget Reduction Proposal	\$7,428,132	\$3,543,388	\$3,884,744

Current Statutory Authority or Needed Statutory Change:

Current statutory authority can be found at 25.5-4-204 (1) (b), C.R.S. (2008).

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10		Base Reduction Item FY 2009-10			Supplemental FY 2008-09			Budget Amendment FY 2009-10			
Request Title:	Enhanced Estate and Income Trust Recoveries										
Department:	Health Care Policy and Financing			Dept. Approval by:		John Bartholomew JB		Date:		January 15, 2009 1/19/09	
Priority Number:	BA-36			OSPB Approval:				Date:		1-23-09	
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual	Appropriation	Supplemental Request	Total Revised Request	Base Request	Decision/ Base Reduction	November 1 Request	Budget Amendment	Total Revised Request	Change from Base
	Fund	FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11
Total of All Line Items	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(1,116,721)	2,342,665,401	(1,116,721)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(558,360)	703,570,235	(558,360)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	0	95,217,469	0
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(558,361)	1,172,109,699	(558,361)
(2) Medical Services Premiums	Total	2,237,284,805	2,322,097,599	0	2,322,097,599	2,343,782,122	0	2,343,782,122	(1,116,721)	2,342,665,401	(1,116,721)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	714,806,487	703,222,480	0	703,222,480	704,128,595	0	704,128,595	(558,360)	703,570,235	(558,360)
	GFE	327,500,000	369,000,000	0	369,000,000	369,000,000	0	369,000,000	0	369,000,000	0
	CF	0	85,281,324	0	85,281,324	95,217,469	0	95,217,469	0	95,217,469	0
	CFE/RF	72,252,413	2,767,998	0	2,767,998	2,767,998	0	2,767,998	0	2,767,998	0
	FF	1,122,725,905	1,161,825,797	0	1,161,825,797	1,172,668,060	0	1,172,668,060	(558,361)	1,172,109,699	(558,361)
Non-Line Item Request:	None										
Letternote Revised Text:	None										
Cash or Federal Fund Name and COFRS Fund Number:	FF: Title XIX										
Reappropriated Funds Source, by Department and Line Item Name:	N/A										
Approval by OIT?	Yes: <input type="checkbox"/> No: <input type="checkbox"/> N/A: <input checked="" type="checkbox"/>										
Schedule 13s from Affected Departments:	None										



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

*Budget Reduction Proposal
January 23, 2009*

BA-36 Enhanced Estate and Income Trust Recoveries

Proposal:

The Department proposes a savings of \$1,116,721 in Medical Services Premiums expenditures for FY 2009-10 due to additional estate and income trust recoveries. The General Fund savings would be \$558,360. The Department is in process of amending the contract with HMS, a contractor, to explicitly enhance estate and income trust recovery efforts. The contract directs the Department to pay the contractor a contingency fee which is a percentage of monies recovered; no up front costs are necessary.

To show that funds exist which would be eligible for recovery by the Department, the staff have reprioritized efforts to sharply increase the time spent on recovery efforts. As a result of these efforts, the Department has had success in recovering funds, yet other job duties have been sacrificed, so these increased efforts cannot continue indefinitely.

Summary of Request:

- The Department will continue the process to amend the contract with HMS to enhance estate and trust fund recovery efforts.
- The Department staff will continue the increased efforts through the transition period in which HMS will take over the majority of these recovery efforts.
- Based on usual trend patterns and economic conditions, the Department estimated that \$7,052,679 in estate and income trust recoveries would be recovered in FY 2009-10 in its Decision Item 1, Request for Medical Services Premiums.
- The Department estimates that an additional \$1,116,721 in estate and income trust recoveries in FY 2009-10 would be the direct result of the enhanced recovery efforts. Of the total savings, \$558,360 would be savings to the General Fund.
- The enhanced recoveries would bring the total estate and income trust recoveries in FY 2009-10 to \$8,169,400.

Assumptions and Tables to Show Calculations:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Federal Funds
(2) Medical Services Premiums	(\$1,116,721)	(\$558,360)	\$0	(\$558,361)
<i>Savings from increased level of estate and trust recoveries</i>	(\$1,116,721)	(\$558,360)	\$0	(\$558,361)

Current Statutory Authority or Needed Statutory Change:

No statutory change is needed.

Section 25.5-4-302, C.R.S. (2008) states that increasing medical assistance costs to qualified recipients has increased the burden on state revenues and as such recovering some medical assistance from the estates of

medical assistance recipients is a viable mechanism for recipients to share in the cost of such assistance, and that a cost-recovery program is a cost-efficient method of offsetting medical assistance costs in an equitable manner.