

Geriatrics Unit (25 beds): The budget reduction proposal would close the 25-bed Geriatrics unit for a savings of \$1,009,084 Net General Fund and 19.2 FTE in FY 2009-10 and \$2,374,767 and 38.3 FTE in FY 2010-11. The Institutes would continue to operate two 20-bed Geriatrics units at the CMHIP.

The Fort Logan Geriatrics unit provides inpatient psychiatric treatment services for persons (typically over the age of 64) who have a principal psychiatric diagnosis and need inpatient hospital care. The vast majority of patients served by the Geriatrics unit are referred for admission by the Community Mental Health Centers. Many of these patients have histories of assaultive or aggressive behavior and are difficult to place in other treatment settings.

In FY 2008-09, the program admitted 36 patients and the Average Daily Attendance (ADA) was 21.7 for an occupancy rate of 87.6 percent. Of the 36 patients admitted during FY 2008-09, 61 percent were Medicaid eligible at admission. Many of these patients also had Medicare coverage for their inpatient hospitalization stay at Fort Logan.

This unit is proposed for closure because the patients currently on the Geriatrics unit could be served in other residential or inpatient facilities, including skilled nursing facilities. In addition, given that the majority of these patients have Medicaid eligibility, it is possible they could be placed in Medicaid eligible skilled nursing facilities.

TRCCF (20 beds): The TRCCF serves youth referred by county Departments of Social Services and the Division of Youth Corrections. This proposal would close the 20-bed Therapeutic Residential Child Care Facility effective July 1, 2010 for a Net General Fund savings of \$575,061 and 29.8 FTE in FY 2010-11.

In FY 2008-09, the program admitted 40 patients and the Average Daily Attendance was 15.5 for an occupancy rate of 79.9 percent. In FY 2008-09, 39 youth (97.5 percent of the 40 patients) admitted to the Fort Logan TRCCF were Medicaid eligible at admission.

Although the Fort Logan TRCCF serves as a safety net for hard-to-serve children, the TRCCF does not directly meet the Institutes' core role and mission. This proposal assumes youth currently referred to Fort Logan would be served by other existing TRCCFs. According to capacity and census data provided by the Department's Division of Child Welfare, adequate capacity exists at other TRCCFs across the state to meet the need currently provided by the Fort Logan TRCCF. In the second half of calendar year 2008, approximately 54.4 percent of 1,699 available TRCCF beds were occupied (approximately 924 beds). In addition to TRCCF capacity at other non-state facilities, Psychiatric Residential Treatment Facilities (PRTFs) could be utilized by the counties and the DYC to replicate the services provided by the Fort Logan TRCCF. This would require an expansion in capacity by one or more PRTF providers. In the second half of calendar year 2008, approximately 54.4 percent of 14 available PRTF beds were occupied.

The closure would also impact the Division of Youth Corrections since the Fort Logan TRCCF has successfully and consistently admitted and treated youth who meet a profile that few other DYC providers can serve as well. DYC views the Fort Logan TRCCF as the placement of choice for younger DYC boys and girls who demonstrate significant mental health needs.

The DYC currently contracts with many of the TRCCFs across the state to meet the needs of youth who require this level of care. Youth with high to severe mental health needs can be placed in the adolescent unit at Pueblo or the DYC Sol Vista Youth Services Center if they meet the criteria for placement. Upon notification of the closure of the Fort Logan TRCCF, the DYC and the CMHIFL will begin a transition

plan to find the most appropriate placement of the youth taking into consideration the age, mental health issues, and other identified needs to make the most appropriate placement with the least impact to the youth.

Adolescent Unit (18 beds): This proposal would close the 18-bed inpatient adolescent unit for a savings of \$189,713 Net General Fund and 15.8 FTE in FY 2009-10 and \$673,866 and 31.7 FTE in FY 2010-11. This unit provides inpatient psychiatric treatment services for adolescents, typically 12 to 18 years of age.

The CMHIFL adolescent unit has had an average annual occupancy rate of 61.0 percent from FY 2004-05 through FY 2008-09. Similarly, the occupancy rate at the CMHIP adolescent unit averaged 63.4 percent during this five-year period. In FY 2008-09, the program admitted 359 patients and the Average Daily Attendance was 11.0 for an occupancy rate of 61.0 percent. In FY 2008-09, 86.6 percent of the 359 adolescents admitted to Fort Logan were Medicaid eligible at admission.

The Department will continue to operate the 16-bed inpatient adolescent unit at the CMHIP as it serves juveniles who are court ordered for inpatient competency evaluation and restoration to competency treatment services. Closure of the Fort Logan adolescent unit could result in greater utilization of the CMHIP unit if the Community Mental Health Centers divert referrals that would have gone to Fort Logan to the CMHIP.

Youth served by the Institutes are generally referred either because of payment issues or acuity issues and the need for longer-term treatment than other hospitals can provide. These youth are often among the state's most mentally ill, treatment-refractory patients, including those with treatment-resistant psychosis, those requiring frequent and/or ongoing seclusion/restraint, and those presenting safety issues to staff and/or patients in the private hospitals. In addition, adolescents and children admitted to the Institutes have frequently been denied admission to private hospitals. These children include children and adolescents with significant developmental difficulties, youth with sex offense histories, youth with fire setting histories, and youth requiring intensive monitoring, such as those requiring 1:1 staffing.

The majority of adolescents admitted to the Institutes are in the legal custody of county Departments of Social Services or the DYC as these agencies are required to provide for their placement, medical and mental health care unlike the adults served by the Institutes. This proposal could create a hardship for the DYC. Both Fort Logan and Pueblo treat children and adolescents who are committed to the DYC, as well as youth with involvement in the juvenile justice system, such as detained youth. Other hospitals do not generally take committed youth, and tend to deny admission to youth due to legal and/or behavioral histories. The DYC youth in the Fort Logan TRCCF would be placed in either the adolescent unit at Pueblo, the DYC Sol Vista Youth Services Center in Pueblo, Colorado or in an appropriate TRCCF in a community setting.

Children's Unit (16 beds). The Children's unit provides inpatient psychiatric treatment services for children ages four to twelve years old. This proposal would close the 16-bed inpatient Children's unit at Fort Logan for a savings of \$257,390 Net General Fund and 13.4 FTE in FY 2009-10 and \$768,128 and 26.8 FTE in FY 2010-11. In FY 2008-09, the program admitted 228 patients and the Average Daily Attendance was 8.9 for an occupancy rate of 60.1 percent. In FY 2008-09, 89.5 percent of the 228 children admitted to Fort Logan were Medicaid eligible at admission.

The rationale for the closure is based on an average occupancy rate of 60.1 percent over the last five years (FY 2004-05 through FY 2008-09). Children's Hospital operates an inpatient unit for both children and

adolescents; therefore, this proposal would not eliminate all of the inpatient psychiatric capacity for children in the metropolitan Denver area. Also, the majority of children admitted to Fort Logan are in the legal custody of county Departments of Social Services or a parent or guardian and these agencies or individuals are required to provide for their medical and mental health care unlike adults served by the Institutes.

Assumptions and Tables to Show Calculations:

The proposed bed closures at the CMHIFL were based on the assumptions and calculations detailed below.

- All sources of revenue currently generated by the proposed bed/unit closures will be eliminated.
- General Fund backfill is requested to refinance the loss of revenue transfers from the beds/unit closures to the Office of Operations.
- Direct costs reflect projected FY 2008-09 personal services and operating costs. Direct costs are the expenditures directly associated with the units, i.e., payroll, physicians, outside medical, pharmaceuticals.
- Clinical support costs are based on the Institutes' FY 2007-08 Medicare Nine Month Cost Reports and represent savings from Institute administrative and ancillary areas that support the units, i.e., nutrition services, pharmacy, laboratory, dentistry, admissions.
- Personal services in FY 2009-10 reflect five months of savings for payroll and benefits due to the pay date shift. Other personal services, such as physicians and outside medical costs, reflect six months of savings.
- Total proposed savings include reductions in the Executive Director's Office, the Office of Operations and the Mental Health Institutes.

Alternatives to Inpatient Hospitalization at the CMHIFL

As discussed earlier, this budget reduction proposal includes funding for the CMHCs and the BHOs to provide services for the indigent patients currently served on the units proposed for closure and for the placement of elderly patients currently served in the CMHIFL Geriatrics unit in community residential or inpatient facilities (including Medicaid and Medicare eligible facilities).

Specifically, the closure of the Geriatrics Unit is estimated to result in following impact to the CMHCs and BHOs in FY 2009-10: 4.0 ADA inpatient psychiatric hospitalization; 3.0 ADA in Acute Treatment Units (ATUs); and placement of 3.0 ADA in Skilled Nursing Facilities (SNFs) for a total cost of \$782,487 in FY 2009-10. Additionally, placement for 0.85 ADA in ACFs would cost \$52,994 General Fund in FY 2009-10.

The daily rate for inpatient psychiatric hospitalization, ATUs, SNFs that treat patients with psychiatric illnesses and ACFs is calculated by averaging the audited FY 2007-08 provider rates inflated by 0.5% Consumer Price Index (Denver, Boulder and Greeley) for FY 2009-10.

The total additional cost associated with the bed closures is calculated by multiplying the ADA by the daily rate times 365 days per year. The ADA is calculated by dividing the total patient days (number of days a bed is occupied at midnight) by 365 days per year to derive the average daily bed utilization.

The average daily bed utilization is based on an analysis of FY 2008-09 ADA data by payer source. The ADA currently paid for by the BHOs will be cost neutral since the funds paid to Fort Logan will be used to

pay other service providers. Similarly, the ADA currently paid by Medicare and/or private insurance is also cost neutral, as the coverage will extend to private hospitalization.

The remaining ADA will incur additional costs as outlined in the table below. These geriatric patients represent Medicaid eligible or indigent clients currently paid by the General Fund because federal regulation excludes Medicaid payment to individuals ages 22 thru 64 who receive treatment in an Institute for Mental Disease or have exhausted the State's 45 days per year limit for inpatient psychiatric care.

DHCPF FY 2009-10	ADA	Daily Rate	Total Cost	GF	FF
DHCPF- Geriatrics					
4.00 ADA - Inpatient Psych Hospitalization					
ADA funded by BHOs	0.75	N/A			
Medicare	1.35	N/A			
Private insurance	0.45	N/A			
Balance of inpatient need	1.45	\$443.71	\$234,834	\$90,200	\$144,634
	4.00				
3.00 ADA - Acute Treatment Units					
	3.00	\$317.43	\$347,586	\$133,508	\$214,078
Subtotal - DHCPF Capitation			\$582,420	\$223,708	\$358,712
3.0 ADA - Skilled Nursing Facilities					
	3.00	\$182.71	\$200,067	\$76,846	\$123,221
Subtotal - DHCPF Nursing Home			\$200,067	\$76,846	\$123,221
Total DHCPF- Geriatrics Unit Closure			\$782,487	\$300,554	\$481,933

CDHS FY 2009-10	ADA	Daily Rate	Total Cost	GF
CDHS- Geriatrics				
0.85 ADA - Alternative Care Facilities				
DBH Alternatives to Inpatient Hospitalization	0.85	\$170.81	\$52,994	\$52,994

The annualized costs to continue inpatient psychiatric hospitalization and ATU, SNF and ACF placements in FY 2010-11 totals \$1,670,962 in FY 2010-11 as detailed in the following tables.

DHCPF FY 2010-11	ADA	Daily Rate	Total Cost	GF	FF
DHCPF- Geriatrics					
8.0 ADA in inpatient psych beds					
ADA funded by BHOs	1.5	N/A			
Medicare	2.7	N/A			
Private insurance	0.9	N/A			
Balance of inpatient need	2.9	\$443.71	\$469,667	\$207,617	\$262,050
	8.0				

DHCPF FY 2010-11	ADA	Daily Rate	Total Cost	GF	FF
6.0 ADA in Acute Treatment Units	6.0	\$317.43	\$695,172	\$307,301	\$387,871
Subtotal - DHCPF Capitation			\$1,164,839	\$514,918	\$649,921
6.0 ADA - Skilled Nursing Facilities	6.0	\$182.71	\$400,135	\$176,880	\$223,255
Subtotal - DHCPF Nursing Home			\$400,135	\$176,880	\$223,255
Total DHCPF- Geriatrics			\$1,564,974	\$691,798	\$873,176

CDHS FY 2010-11	ADA	Daily Rate	Total Cost	GF
CDHS- Geriatrics				
1.7 ADA in Alternative Care Facilities				
DBH Alternatives to Inpatient Hospitalization	1.7	\$170.81	\$105,988	\$105,988

Additional funding would also be needed related to the closure of the Adolescent and Children's units although the majority of patients served are Medicaid eligible. Since the Institutes bill Medicaid, BHOs, and the counties for these services, the funds for Medicaid eligible children and adolescents that are currently paid to Fort Logan would be used to pay other service providers.

Children and adolescents who are not Medicaid eligible because their parents exceed Medicaid income and/or asset limits would present at private hospitals. It is estimated that 0.21 ADA on the Children's unit and 0.385 ADA on the Adolescent unit are indigent and would need additional funding in FY 2009-10. The Division of Behavioral Health (DBH) would allocate the additional funding appropriated in the Alternatives to Inpatient Hospitalization line item to the Community Mental Health Centers.

CDHS FY 2009-10	ADA	Daily Rate	Total Cost	GF
CDHS- Indigent				
0.21 Children	0.21	\$170.81	\$13,093	\$13,093
0.385 Adolescent	0.385	\$170.81	\$24,003	\$24,003
Total - DBH Alternatives to Inpatient Hospitalization	0.595		\$37,096	\$37,096

CDHS FY 2010-11	ADA	Daily Rate	Total Cost	GF
CDHS- Indigent				
0.42 Children	0.42	\$170.81	\$26,185	\$26,185
0.77 Adolescent	0.77	\$170.81	\$48,006	\$48,006
Total - DBH Alternatives to Inpatient Hospitalization	1.19		\$74,191	\$74,191

Impact on the Office of Operations (OO):

The Division of Accounting is eliminating 1.0 FTE and \$40,765 in FY 2010-11 (0.3 FTE and \$15,286 in FY 2009-10) in the billing unit associated with the related bed closures. The bed closures represent a 15.6% reduction in the workload of the unit that is currently staffed by 7.5 FTE.

The Division of Facilities Management is eliminating 3.0 FTE and \$88,327 in FY 2010-11 (1.1 FTE and \$31,546 in FY 2009-10) related to bed closures. The division calculates direct staffing for each unit based on the square footage (22,955 square feet per maintenance FTE and between 12,500 and 16,400 per housekeeping FTE depending on the type of facility.) These metrics were applied to the cumulative square footage being closed. The FY 2010-11 total amount also includes savings of \$15,205 for operating supplies and \$41,197 for utilities associated with the unit closures. (The FY 2009-10 total amount also includes savings of \$5,264 for operating supplies and \$14,602 for utilities.)

The closing of designated residential units at Fort Logan has reduced the variable costs associated with patient care that fall within the Office of Operations. However, certain fixed costs remain that are necessary in order for the office to continue to provide support services to the Institutes. These support services include facility maintenance and housekeeping, patient and institute accounting, and procurement. Fixed costs associated with these services include salaries, operating costs, and utilities.

This budget reduction proposal also refinances \$1,128,023 General Fund in FY 2009-10 and \$2,256,047 General Fund in FY 2010-11 in the administrative areas to offset lost patient fees and revenue related to the bed closures. These funds (revenue sources) have historically been transferred from the Institutes to the administrative areas through a revenue requirement in the Long Bill letter notes. This transfer represents these units' share of fixed costs (payroll, human resources, information technology services, utilities, etc.) that support the Mental Health Institutes and the Department as a whole. Since these revenue sources end as a result of the unit closures, the fixed costs within the Department must be covered with other funding sources. In the past, the Department has relied heavily on patient fees and other Cash/ and Reappropriated fund sources to cover the indirect and fixed costs allocated within the Office of Operations¹ as a means to mitigate the impact of General Fund utilization. Clearly, there is a General Fund component to the indirect cost for the Institutes and fixed costs for the Department. With the significant change in the Mental Health Institutes' ability to earn patient fees and other cash sources due to these closures, the General Fund will need to cover the overhead fixed costs located within the Office of Operations. This proposal requests that existing General Fund within the Institutes' budget be reallocated to the Office of Operations to cover these fixed overhead costs.

Attachment 3- FY 2009-10 CMHIFL General Fund Refinance and Attachment 4- FY 2010-11 CMHIFL General Fund Refinance details the percentage of total revenue earned by each unit at the CMHIFL based on an analysis completed in December 2008. Total revenue earned is split between revenue transferred to other agencies pursuant to the Long Bill letter notes and revenue used to meet the MHI revenue requirements. The General Fund Refinance is the amount of revenue earned by each unit proposed for closure that will no longer be available to transfer to the Office of Operations.

¹ The base funding for the Institutes is approximately 82.7% General Fund, 8.7% Cash Funds; and, 8.6% Reappropriated Funds. However, indirect costs for the Institutes are funded with 43.1% Cash Funds and 56.9% Reappropriated Funds, and no General Fund.

FY 2009-10 General Fund Refinance	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Office of Operations	\$0	\$1,128,023	(\$96,807)	(\$1,031,216)
Total	\$0	\$1,128,023	(\$96,807)	(\$1,031,216)
FY 2010-11 General Fund Refinance	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Office of Operations	\$0	\$2,256,047	(\$193,612)	(\$2,062,435)
Total	\$0	\$2,256,047	(\$193,612)	(\$2,062,435)

Fiscal Impact of Closing 59 Beds at the CMHIFL

The bed capacity would total 450 at the CMHIP and 114 at the CMHIFL (173 – 59) as a result of the budget reduction proposal. The following tables summarize the fiscal impact of closing the 59 beds at the CMHIFL in FY 2009-10 and 79 beds in FY 2010-11. Attachments 1 & 2 detail the budget reduction proposal by line item for FY 2009-10 and FY 2010-11 respectively.

CDHS FY2009-10 Proposed MHI Bed Closures	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Geriatrics Unit	(\$1,622,251)	(\$1,009,084)	(\$563,070)	(\$50,097)	(\$0)	(\$0)	(\$1,009,084)	(19.2)
Adolescent Unit	(\$1,258,269)	(\$60,901)	(\$116,574)	(\$1,080,794)	(\$257,624)	(\$128,812)	(\$189,713)	(15.8)
Children's Unit	(\$1,143,321)	(\$257,390)	(\$158,319)	(\$727,612)	(\$0)	(\$0)	(\$257,390)	(13.4)
Total Bed Closures	(\$4,023,841)	(\$1,327,375)	(\$837,963)	(\$1,858,503)	(\$257,624)	(\$128,812)	(\$1,456,187)	(48.4)
Alternatives to Inpatient Hospitalization	\$90,090	\$90,090	\$0	\$0	\$0	\$0	\$90,090	0.0
Total CDHS Budget Reduction Proposal	(\$3,933,751)	(\$1,237,285)	(\$837,963)	(\$1,858,503)	(\$257,624)	(\$128,812)	(\$1,366,097)	(48.4)

DHCPF FY2009-10 Proposed MHI Bed Closures	Total Funds	General Fund	Federal Funds
Medicaid Mental Health Community Programs (A) Mental Health Capitation Payments	\$582,420	\$291,210	\$291,210
Medicaid Mental Health Community Programs (A) Mental Health Capitation Payments ARRA Adjustment	\$0	(\$67,502)	\$67,502
Medical Services Premiums (Skilled Nursing Facilities)	\$200,067	\$100,034	\$100,033
Medical Services Premiums (Skilled Nursing Facilities) ARRA Adjustment	\$0	(\$23,188)	\$23,188
Dept of Human Services Medicaid Funded Programs (E) Mental Health & Alcohol & Drug Abuse Services- Medicaid Funding Mental Health Institutes	(\$257,624)	(\$128,812)	(\$128,812)
Dept of Human Services Medicaid Funded Programs (E) Mental Health & Alcohol & Drug Abuse Services- Medicaid Funding Mental Health Institutes ARRA Adjustment	\$0	\$29,859	(\$29,859)
Total DHCF Budget Reduction Proposal	\$524,963	\$261,601	\$323,262

CDHS FY 2010-11 Proposed MHI Bed Closures	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Geriatrics Unit	(\$3,601,100)	(\$2,374,767)	(\$1,126,140)	(\$100,193)	(\$0)	(\$0)	(\$2,374,767)	(38.3)
TRCCF	(\$2,145,988)	(\$575,061)	(\$991,791)	(\$579,136)	(\$0)	(\$0)	(\$575,061)	(29.8)
Adolescent Unit	(\$2,810,977)	(\$416,242)	(\$233,147)	(\$2,161,588)	(\$515,248)	(\$257,624)	(\$673,866)	(31.7)
Children's Unit	(\$2,539,989)	(\$768,128)	(\$316,637)	(\$1,455,224)	(\$0)	(\$0)	(\$768,128)	(26.8)
Total Bed Closures	(\$11,098,054)	(\$4,134,198)	(\$2,667,715)	(\$4,296,141)	(\$515,248)	(\$257,624)	(\$4,391,822)	(126.6)
Alternatives to Inpatient Hospitalization	\$180,179	\$180,179	\$0	\$0	\$0	\$0	\$180,179	0.0
Total CDHS Budget Reduction Proposal	(\$10,917,875)	(\$3,954,019)	(\$2,667,715)	(\$4,296,141)	(\$515,248)	(\$257,624)	(\$4,211,643)	(126.6)

DHCPF FY2010-11 Proposed MHI Bed Closures	Total Funds	General Fund	Federal Funds
Medicaid Mental Health Community Programs (A) Mental Health Capitation Payments	\$1,164,839	\$582,420	\$582,419
Medicaid Mental Health Community Programs (A) Mental Health Capitation Payments ARRA Adjustment	\$0	(\$67,502)	\$67,502
Medical Services Premiums (Skilled Nursing Facilities)	\$400,135	\$200,068	\$200,067
Dept of Human Services Medicaid Funded Programs (E) Mental Health & Alcohol & Drug Abuse Services- Medicaid Funding Mental Health Institutes ARRA Adjustment	\$0	(\$23,188)	\$23,188
Dept of Human Services Medicaid Funded Programs (E) Mental Health & Alcohol & Drug Abuse Services- Medicaid Funding Mental Health Institutes	(\$515,248)	(\$257,624)	(\$257,624)
Dept of Human Services Medicaid Funded Programs (E) Mental Health & Alcohol & Drug Abuse Services- Medicaid Funding Mental Health Institutes ARRA Adjustment	\$0	\$29,859	(\$29,859)
Total DHCF Budget Reduction Proposal	\$1,049,726	\$464,033	\$585,693

Current Statutory Authority or Needed Statutory Change:

Sections 27-10-101, 27-13-101, 27-15-101 and 27-1-204, C.R.S., authorize the Department's creation and oversight of such program care and treatment for individuals with mental illness and substance abuse illnesses.

27-10-101. Legislative declaration.

(a) To secure for each person who may have a mental illness such care and treatment as will be suited to the needs of the person and to insure that such care and treatment are skillfully and humanely administered with full respect for the person's dignity and personal integrity;

27-15-101. Legislative declaration.

In order to promote mental health in the state of Colorado, a mental health center is established as provided in this article.

27-1-204 Types of services purchased-limitation on payments-offender mental health services fund.

(1) Community mental health services may be purchase from clinics, community mental health centers, local general or psychiatric hospitals, and other agencies, which have been approved by the executive director of the department of human services for such purchases.

The Governor will limit the funds for this program through an executive order since the statute requires that this program be executed subject to appropriations. However, since the appropriation is expected to be revised based on this budget request, statutory revision is not required.

Attachment 1- CDHS Summary of Proposed FY 2009-10 Budget Reduction by Line Item								
Line Item	Total	General Fund	Cash Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund	FTE
(1) Executive Director's Office (A) General Administration- Health, Life, Dental	(\$303,484)	(\$303,484)					(\$303,484)	
(1) Executive Director's Office (A) General Administration- Short-term Disability	(\$3,174)	(\$3,174)					(\$3,174)	
(1) Executive Director's Office (A) General Administration- SB 04-257 Amortization Equalization Disbursement	(\$45,042)	(\$45,042)					(\$45,042)	
(1) Executive Director's Office (A) General Administration- SB 06-235 Supplemental Amortization Equalization	(\$30,709)	(\$30,709)					(\$30,709)	
(1) Executive Director's Office (A) General Administration- Shift Differential	(\$71,099)	(\$71,099)					(\$71,099)	
Subtotal (1) Executive Director's Office	(\$453,508)	(\$453,508)	\$0	\$0	\$0	\$0	(\$453,508)	0.0
(3) Office of Operations (A) Administration-Personal Services	(\$46,832)	\$993,016	(\$92,160)	(\$947,688)			\$993,016	(1.4)
(3) Office of Operations (A) Administration-Operating Expenses	(\$5,264)	\$82,911	(\$4,647)	(\$83,528)			\$82,911	
(3) Office of Operations (A) Administration-Utilities	(\$14,602)	(\$14,602)					(\$14,602)	
Subtotal (3) Office of Operations	(\$66,698)	\$1,061,325	(\$96,807)	(\$1,031,216)	\$0	\$0	\$1,061,325	(1.4)
(8) Mental Health & Alcohol & Drug Abuse Services (B) Alternatives to Inpatient Hospitalization at a Mental Health Institute	\$90,090	\$90,090					\$90,090	
Subtotal (8) Mental Health & Alcohol & Drug Abuse Services (B) Alternatives to Inpatient Hospitalization at a Mental Health Institute	\$90,090	\$90,090	\$0	\$0	\$0	\$0	\$90,090	0.0

Attachment 1- CDHS Summary of Proposed FY 2009-10 Budget Reduction by Line Item								
Line Item	Total	General Fund	Cash Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund	FTE
(8) Mental Health & Alcohol & Drug Abuse Services (D) Mental Health Institutes, Mental Health Institute- Ft. Logan	(\$3,336,628)	(\$1,840,382)	(\$741,156)	(\$755,090)	(\$257,624)	(\$128,812)	(\$1,969,194)	(42.8)
(8) Mental Health & Alcohol & Drug Abuse Services (D) Mental Health Institutes, Educational Programs	(\$167,007)	(\$94,810)		(\$72,197)			(\$94,810)	(4.2)
Subtotal (8) Mental Health & Alcohol & Drug Abuse Services (D) Mental Health Institutes	(\$3,503,635)	(\$1,935,192)	(\$741,156)	(\$827,287)	(\$257,624)	(\$128,812)	(\$2,064,004)	(47.0)
Total CDHS Budget Reduction Proposal	(\$3,933,751)	(\$1,237,285)	(\$837,963)	(\$1,858,503)	(\$257,624)	(\$128,812)	(\$1,366,097)	(48.4)

Attachment 2- CDHS Summary of Proposed FY 2010-11 Reduction by Line Item								
Line Item	Total	General Fund	Cash Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund	FTE
(1) Executive Director's Office (A) General Administration- Health, Life, Dental	(\$942,844)	(\$942,844)					(\$942,844)	
(1) Executive Director's Office (A) General Administration- Short-term Disability	(\$9,859)	(\$9,859)					(\$9,859)	
(1) Executive Director's Office (A) General Administration- SB 04-257 Amortization Equalization Disbursement	(\$139,931)	(\$139,931)					(\$139,931)	
(1) Executive Director's Office (A) General Administration- SB 06-235 Supplemental Amortization Equalization	(\$95,407)	(\$95,407)					(\$95,407)	
(1) Executive Director's Office (A) General Administration- Shift Differential	(\$220,859)	(\$220,859)					(\$220,859)	
Subtotal (1) Executive Director's Office	(\$1,408,900)	(\$1,408,900)	\$0	\$0	\$0	\$0	(\$1,408,900)	0.0
(3) Office of Operations (A) Administration-Personal Services	(\$129,092)	\$1,950,605	(\$184,319)	(\$1,895,378)			\$1,950,605	(4.0)
(3) Office of Operations (A) Administration-Operating Expenses	(\$15,205)	\$161,145	(\$9,293)	(\$167,057)			\$161,145	
(3) Office of Operations (A) Administration-Utilities	(\$41,197)	(\$41,197)					(\$41,197)	
Subtotal (3) Office of Operations	(\$185,494)	\$2,070,553	(\$193,612)	(\$2,062,435)	\$0	\$0	\$2,070,553	(4.0)
(8) Mental Health & Alcohol & Drug Abuse Services (B) Alternatives to Inpatient Hospitalization at a Mental Health Institute	\$180,179	\$180,179					\$180,179	
Subtotal (8) Mental Health & Alcohol & Drug Abuse Services (B) Alternatives to Inpatient Hospitalization at a Mental Health Institute	\$180,179	\$180,179	\$0	\$0	\$0	\$0	\$180,179	0.0

Attachment 2- CDHS Summary of Proposed FY 2010-11 Reduction by Line Item								
Line Item	Total	General Fund	Cash Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund	FTE
(8) Mental Health & Alcohol & Drug Abuse Services (D) Mental Health Institutes, Mental Health Institute- Ft. Logan	(\$8,898,602)	(\$4,581,890)	(\$2,351,796)	(\$1,964,916)	(\$515,248)	(\$257,624)	(\$4,839,514)	(110.3)
(8) Mental Health & Alcohol & Drug Abuse Services (D) Mental Health Institutes, Educational Programs	(\$605,058)	(\$213,961)	(\$122,307)	(\$268,790)			(\$213,961)	(12.3)
Subtotal (8) Mental Health & Alcohol & Drug Abuse Services (D) Mental Health Institutes	(\$9,503,660)	(\$4,795,851)	(\$2,474,103)	(\$2,233,706)	(\$515,248)	(\$257,624)	(\$5,053,475)	(122.6)
Total CDHS Budget Reduction Proposal	(\$10,917,875)	(\$3,954,019)	(\$2,667,715)	(\$4,296,141)	(\$515,248)	(\$257,624)	(\$4,211,643)	(126.6)

Attachment 3

FY 2009-10 Colorado Mental Health Institute at Fort Logan General Fund Refinance

Percentage of Total CMHIFL Revenue Earned by Unit and Revenue Source

	CASH PATIENT FEES	MEDICARE	BHO	FEE FOR SERVICE MEDICAID
ADOLESCENT	13.44%	0.00%	48.06%	94.86%
TRCCF	0.00%	0.00%	0.00%	0.00%
CHILDRENS	15.63%	1.93%	42.55%	0.00%
GERIATRICS	31.88%	24.31%	3.07%	0.00%
SUBTOTAL	60.95%	26.24%	93.68%	94.86%
ADULT TEAM1	18.04%	30.91%	1.48%	5.14%
ADULT TEAM2	14.10%	4.02%	2.22%	0.00%
ADULT TEAM3	2.48%	28.34%	2.62%	0.00%
ADULT TEAM5	4.43%	10.49%	0.00%	0.00%
TOTAL CMHIFL REVENUE	100.00%	100.00%	100.00%	100.00%

CMHIFL--CASH REVENUE TRANSFERS PER LETTER NOTES		ALLOCATION FROM UNITS TO BE CLOSED
PATIENT FEES - OPERATIONS (Cash) (1)	\$ 59,804	\$ 18,226
PATIENT FEES - OPERATIONS (Medicare) (2)	\$ 598,939	78,581
TOTAL CMHIFL CASH REVENUE TRANSFERS FROM UNITS TO BE CLOSED		\$ 96,807

CMHIFL--REAPPROPRIATED REVENUE TRANSFERS PER LETTER NOTES		ALLOCATION FROM UNITS TO BE CLOSED
BHO-MEDICAID CAPITATION - OPERATIONS (3)	\$ 2,201,575	\$ 1,031,216
TOTAL CMHIFL REAPPROPRIATED REVENUE TRANSFERS FROM UNITS TO BE CLOSED		\$ 1,031,216

FY 2009-10 GENERAL FUND REFINANCE (6 Months)
OFFICE OF OPERATIONS \$ 1,128,023

Notes:

- (1) \$59,804 Cash Funds x 60.95% = \$36,451/2 = \$18,225
- (2) \$598,939 Cash Funds x 26.24% = \$157,162/2 = \$78,581
- (3) \$2,201,575 Reappropriated Funds x 93.68% = \$2,062,435/2 = \$1,031,216

FY 2010-11 Colorado Mental Health Institute at Fort Logan General Fund Refinance

Percentage of Total CMHIFL Revenue Earned by Unit and Revenue Source

	CASH PATIENT FEES	MEDICARE	BHO	FEE FOR SERVICE MEDICAID
ADOLESCENT	13.44%	0.00%	48.06%	94.86%
TRCCF	0.00%	0.00%	0.00%	0.00%
CHILDRENS	15.63%	1.93%	42.55%	0.00%
GERIATRICS	31.88%	24.31%	3.07%	0.00%
SUBTOTAL	60.95%	26.24%	93.68%	94.86%
ADULT TEAM1	18.04%	30.91%	1.48%	5.14%
ADULT TEAM2	14.10%	4.02%	2.22%	0.00%
ADULT TEAM3	2.48%	28.34%	2.62%	0.00%
ADULT TEAM5	4.43%	10.49%	0.00%	0.00%
TOTAL CMHIFL REVENUE	100.00%	100.00%	100.00%	100.00%

CMHIFL--CASH REVENUE TRANSFERS PER LETTER NOTES		ALLOCATION FROM UNITS TO BE CLOSED
PATIENT FEES - OPERATIONS (Cash) (1)	\$ 59,804	\$ 36,450
PATIENT FEES - OPERATIONS (Medicare) (2)	598,939	157,162
TOTAL CMHIFL CASH REVENUE TRANSFERS FROM UNITS TO BE CLOSED		\$ 193,612

CMHIFL--REAPPROPRIATED REVENUE TRANSFERS PER LETTER NOTES		ALLOCATION FROM UNITS TO BE CLOSED
BHO-MEDICAID CAPITATION - OPERATIONS (3)	\$ 2,201,575	\$ 2,062,435
TOTAL CMHIFL REAPPROPRIATED REVENUE TRANSFERS FROM UNITS TO BE CLOSED		\$ 2,062,435

TIE TO FY 2010-11 GENERAL FUND REFINANCE OFFICE OF OPERATIONS	\$ 2,256,047
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Notes:

- (1) \$59,804 Cash Funds x 60.95% = \$36,450
- (2) \$598,939 Cash Funds x 26.24% = \$157,162
- (3) \$2,201,575 Reappropriated Funds x 93.68% = \$2,062,435

**Schedule 13
Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2009-10 Budget Amendment FY 2009-10

Request Title: 13-Remove General Fund from State and Veterans Nursing Homes Consulting Services

Department: Human Services

Dept. Approval by: *Wag KSL*

Date: 8-11-09

Priority Number:

OSPB Approval: *John 2/6*

Date: 8-13-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	0	195,627	(195,627)	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	195,627	(195,627)	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	195,627	(195,627)	0	0	0	0	0	0	0
(9) Services for People with Disabilities, (E) Homelake Domiciliary and State and Veterans Nursing Homes, Nursing Home Consulting Services	Total	0	195,627	(195,627)	0	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	195,627	(195,627)	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	195,627	(195,627)	0	0	0	0	0	0	0

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: N/A



DEPARTMENT OF HUMAN SERVICES

*Budget Reduction Proposal
August 24, 2009*

*Karen L. Beye
Executive Director*

13: Remove General Fund from the State and Veterans Nursing Homes Consulting Services

Proposal: The Department of Human Services proposes a reduction of \$195,627 total funds/General Fund appropriated to the State Veterans Nursing Homes (SVNH) for the purpose of contracted consulting services. This funding, which began in FY 2005-06, provides services for each of the five homes, such as, review of fiscal operations, quality assurance, culture change, marketing consultation, pre-survey, pre-survey reviews, and complete Medicaid cost reports for each home.

Summary of Request:

- The consultant contract for the State and Veterans Nursing Homes which provides guidance on nursing, marketing, culture change, and pre-survey totals \$500,000 of which \$195,627 is General Fund. The balance of the contract \$304,373 is cash funded in the Program Cost appropriation.
- The State and Veterans Nursing Homes will evaluate the consulting services to determine the priority of activities to be funded. As a result it is likely that fewer staff trainings and less external oversight. SVNHs will continue to fund the rest of the contract out of the State Veteran's Nursing Home Enterprise Fund.

Assumptions and Tables to Show Calculations:

Summary of Request FY 2009-10	Total Funds	General Fund
Total Request	(\$195,627)	(\$195,627)
Nursing Home Consulting Services	(\$195,627)	(\$195,627)

Summary of Request FY 2010-11	Total Funds	General Fund
Total Request	(\$195,627)	(\$195,627)
Nursing Home Consulting Services	(\$195,627)	(\$195,627)

- Reduction assumes the entire FY 2009-10 appropriation for Nursing Home Consulting Services is eliminated.

Current Statutory Authority or Needed Statutory Change:

26-12-119, C.R.S. (2008). Contractual agreements. (1) The state department is authorized to contract with any public or private entity for all or part of the operation or management of any state nursing home in accordance with the "Procurement Code", articles 101 to 112 of title 24, C.R.S., and with part 5 of article 50 of title 24, C.R.S.

The specific contracted services are not mandated in statute therefore the Executive Director has authority to contract for these services as needed. This contract has financial obligations based on funds being budgeted, appropriated or otherwise made available, and the Governor will therefore limit the funds for this program through an executive order and a restriction on the appropriation. A budget action is subsequently requested to reduce the General Fund and thus remove the restriction.

Schedule 13
Change Request for FY 2010-11 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: 16-Medicaid Waivers Provider Rate Retraction
 Department: Human Services
 Priority Number:
 Dept. Approval by: *[Signature]* Date: 8-11-09
 OSPB Approval: *[Signature]* Date: 8-11-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	0	357,957,487	(5,888,663)	352,068,824	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	13,513,410	0	13,513,410	0	0	0	0	0	0
	CF	0	30,382,059	0	30,382,059	0	0	0	0	0	0
	CFE/RF	0	314,062,018	(5,888,663)	308,173,355	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	314,062,018	(5,888,663)	308,173,355	0	0	0	0	0	0
	MGF	0	156,451,124	(2,933,459)	153,517,665	0	0	0	0	0	0
	NGF	0	169,964,534	(2,933,459)	167,031,075	0	0	0	0	0	0
(9) Services for People with Disabilities, (A)	Total	0	273,785,089	(4,532,861)	269,252,228	0	0	0	0	0	0
Community Services for People with Developmental Disabilities, (2) Program Costs, Adult	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comprehensive Services for 66 General Fund and 4,163.5 Medicaid	GF	0	1,650,459	0	1,650,459	0	0	0	0	0	0
	CF	0	30,382,059	0	30,382,059	0	0	0	0	0	0
	CFE/RF	0	241,752,571	(4,532,861)	237,219,710	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	241,752,571	(4,532,861)	237,219,710	0	0	0	0	0	0
	MGF	0	120,876,286	(2,266,431)	118,609,855	0	0	0	0	0	0
	NGF	0	122,526,745	(2,266,431)	120,260,314	0	0	0	0	0	0
(9) Services for People with Disabilities, (A)	Total	0	54,167,273	(866,106)	53,301,167	0	0	0	0	0	0
Community Services for People with Developmental Disabilities, (2) Program Costs, Adult Supported Living Services for 692 General Fund and 3,248 Medicaid resources	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	7,974,941	0	7,974,941	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	46,192,332	(866,106)	45,326,226	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	46,192,332	(866,106)	45,326,226	0	0	0	0	0	0
	MGF	0	23,096,167	(433,053)	22,663,114	0	0	0	0	0	0
	NGF	0	31,071,108	(433,053)	30,638,055	0	0	0	0	0	0
(9) Services for People with Disabilities, (A)	Total	0	6,882,727	(129,051)	6,753,676	0	0	0	0	0	0
Community Services for People with Developmental Disabilities, (2) Program Costs, Children's Extensive Support Services for 393 Medicaid resources	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
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	6,882,727	(129,051)	6,753,676	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	6,882,727	(129,051)	6,753,676	0	0	0	0	0	0
	MGF	0	2,897,625	(54,330)	2,843,295	0	0	0	0	0	0
	NGF	0	2,897,625	(54,330)	2,843,295	0	0	0	0	0	0

Schedule 13
Change Request for FY 2010-11 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: 16-Medicaid Waivers Provider Rate Retraction
Department: Human Services **Dept. Approval by:** **Date:**
Priority Number: **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Fund											
(9) Services for People with Disabilities, (A)	Total	0	23,122,398	(360,645)	22,761,753	0	0	0	0	0	0
Community Services for People with Developmental Disabilities, (2) Program	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs, Case Management for 3,713 General Fund and 8,251.5 Medicaid	GF	0	3,888,010	0	3,888,010	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	19,234,388	(360,645)	18,873,743	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	19,234,388	(360,645)	18,873,743	0	0	0	0	0	0
	MGF	0	9,581,046	(179,645)	9,401,401	0	0	0	0	0	0
	NGF	0	13,469,056	(179,645)	13,289,411	0	0	0	0	0	0

Non-Line Item Request: None
Letternote Revised Text: b Of this amount ~~\$314,100,018~~ \$308,211,355 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, and \$491,314 shall be transferred from the Division of Vocational Rehabilitation. These amounts reflect the assumption that \$2,432,000 shall be received by community providers from consumers associated with post-eligibility treatment of income assessments.

Cash or Federal Fund Name and COFRS Fund Number: N/A
Reappropriated Funds Source, by Department and Line Item Name: Health Care Policy and Financing
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: Department of Health Care Policy and Financing

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11	Base Reduction Item FY 2010-11				Supplemental FY 2009-10	Budget Amendment FY 2010-11					
Request Title:	DHS - DDD Medicaid Waivers Provider Rate Retraction										
Department:	Health Care Policy and Financing				Dept. Approval by:	John Bartholomew	Date:	August 24, 2009			
Priority Number:	NP-ES7 (See also DHS ES-16)				OSP Approval:	<i>JMZ</i>	Date:	8/24/09			
		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 (Column 5)
	Fund	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2011-12
Total of All Line Items	Total	291,565,226	737,578,409	(5,888,663)	731,689,746	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	124,271,087	365,364,443	(2,253,462)	363,110,961	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	579,886	1,212,790	(8,353)	1,204,437	0	0	0	0	0	0
	CFE/RF	0	2,125,467	0	2,125,467	0	0	0	0	0	0
	FF	166,714,253	368,875,709	(3,626,828)	365,248,881	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; (F) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	Total	291,565,226	314,100,018	(5,888,663)	308,211,355	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	124,271,087	156,470,124	(2,933,459)	153,536,665	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	579,886	579,887	(10,873)	569,014	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	166,714,253	157,050,007	(2,944,331)	154,105,676	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; Long Bill Group Total	Total	0	423,478,391	0	423,478,391	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	208,894,319	679,977	209,574,296	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	632,903	2,520	635,423	0	0	0	0	0	0
	CFE/RF	0	2,125,467	0	2,125,467	0	0	0	0	0	0
	FF	0	211,825,702	(682,497)	211,143,205	0	0	0	0	0	0
Non-Line Item Request:	None.										
Letternote Revised Text:											
Cash or Federal Fund Name and COFRS Fund Number:	FF: Title XIX, CF: Health Care Expansion Fund 19K										
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:	Department of Human Services										



DEPARTMENT OF HUMAN SERVICES

*Budget Reduction Proposal
August 24, 2009*

*Karen L. Beye
Executive Director*

16-Medicaid Waivers Provider Rate Retraction

Proposal: This budget reduction proposal totaling (\$5,888,663) total funds including (\$2,933,459) net General Fund, imposes a 2.5 percent Medicaid provider rate decrease effective October 1, 2009 in FY 2009-10. The annualized FY 2010-11 impact is (\$7,851,550) total funds including (\$3,911,278) net General Fund.

Summary of Request:

- This reduction proposes to reduce provider rates by 2.5 percent effective October 1, 2009 for the following programs:
 - Adult Medicaid Comprehensive Services
 - Adult Medicaid Supported Living Services
 - Children's Extensive Support
 - Targeted Case Management Services
- Regulations require a thirty-day notice regarding a rate change. As a result providers will be notified by September 1, 2009 and effective October 1, 2009.
- Community Centered Boards, service providers, and families have expressed concerns regarding the impact recent rate changes have had on the availability of services. The Department must consider this feedback from stakeholders when determining which service rates will be reduced and the amount of the reduction. As a result some rates may be reduced by less than 2.5 percent, while other services may experience a rate reduction greater than 2.5 percent.
- Reductions will impact the Medicaid Waiver cost effectiveness calculations, so waiver amendments may need to be approved by the Department of Health Care Policy and Financing and the federal Centers for Medicare and Medicaid Services.

Assumptions and Tables to Show Calculations:

Summary of Request FY 2009-10	Total Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund
Total Request	(\$5,888,663)	(\$5,888,663)	(\$5,888,663)	(\$2,933,459)
Adult Comprehensive Services	(\$4,532,861)	(\$4,532,861)	(\$4,532,861)	(\$2,266,431)
Adult Supported Living Services	(\$866,106)	(\$866,106)	(\$866,106)	(\$433,053)
Children's Extensive Support	(\$129,051)	(\$129,051)	(\$129,051)	(\$54,330)
Case Management	(\$360,645)	(\$360,645)	(\$360,645)	(\$179,645)

Summary of Request FY 2010-11	Total Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund
Total Request	(\$7,851,550)	(\$7,851,550)	(\$7,851,550)	(\$3,911,278)
Adult Comprehensive Services	(\$6,043,814)	(\$6,043,814)	(\$6,043,814)	(\$3,021,907)
Adult Supported Living Services	(\$1,154,808)	(\$1,154,808)	(\$1,154,808)	(\$577,404)
Children's Extensive Support	(\$172,068)	(\$172,068)	(\$172,068)	(\$72,441)
Case Management	(\$480,860)	(\$480,860)	(\$480,860)	(\$239,526)

- This proposal is based on reducing the rates effective October 1, 2009. The following table outlines the impact by program.

2.5 Percent Reduction on FY 2009-10 Appropriation		
	Medicaid Cash Funds	Medicaid General Fund
<i>Adult Medicaid Comprehensive Services</i>	<i>\$241,752,571</i>	<i>\$120,876,286</i>
2.5 Percent Reduction Annual Impact	(\$6,043,814)	(\$3,021,907)
Monthly Reduction	(\$503,651)	(\$251,826)
9 Months (FY 2009-10 Reduction)	(\$4,532,861)	(\$2,266,430)
12 Months (FY 2010-11 Reduction)	(\$6,043,814)	(\$3,021,907)
<i>Adult Medicaid Supported Living Services</i>	<i>\$46,192,332</i>	<i>\$23,096,167</i>
2.5 Percent Reduction Annual Impact	(\$1,154,808)	(\$577,404)
Monthly Reduction	(\$96,234)	(\$48,117)
9 Months (FY 2009-10 Reduction)	(\$866,106)	(\$433,053)
12 Months (FY 2010-11 Reduction)	(\$1,154,808)	(\$577,404)
<i>Children's Extensive Support Services</i>	<i>\$6,882,727</i>	<i>\$2,897,625</i>
2.5 Percent Reduction Annual Impact	(\$172,068)	(\$72,441)
Monthly Reduction	(\$14,339)	(\$6,037)
9 Months (FY 2009-10 Reduction)	(\$129,051)	(\$54,330)
12 Months (FY 2010-11 Reduction)	(\$172,068)	(\$72,441)
<i>Targeted Case Management</i>	<i>\$19,234,388</i>	<i>\$9,581,046</i>
2.5 Percent Reduction Annual Impact	(\$480,860)	(\$239,526)
Monthly Reduction	(\$40,072)	(\$19,961)
9 Months (FY 2009-10 Reduction)	(\$360,645)	(\$179,645)
12 Months (FY 2010-11 Reduction)	(\$480,860)	(\$239,526)
<i>TOTAL</i>	<i>\$314,062,018</i>	<i>\$156,451,124</i>
2.5 Percent Reduction Annual Impact	(\$7,851,550)	(\$3,911,278)
Monthly Reduction	(\$654,296)	(\$325,940)
9 Months (FY 2009-10 Reduction)	(\$5,888,663)	(\$2,933,459)
12 Months (FY 2010-11 Reduction)	(\$7,851,550)	(\$3,911,278)

The Department of Health Care Policy and Financing is also affected by this request. Due to the increase Medicaid funding resulting from the American Recovery and Reinvestment Act of 2009, HCPF is proposing the following adjustments to their appropriation.

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Federal Funds
Total Request	(\$5,888,663)	(\$2,253,419)	(\$8,416)	(\$3,626,828)
DHS – Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	(\$5,888,663)	(\$2,933,459)	(\$10,873)	(\$2,944,331)
DHS, American Recovery and Reinvestment Act Adjustment	\$0	\$680,040	\$2,457	(\$682,497)

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Federal Funds
Total Request	(\$7,851,550)	(\$3,457,960)	(\$12,817)	(\$4,380,773)
DHS – Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	(\$7,851,550)	(\$3,911,278)	(\$14,497)	(\$3,925,775)
DHS, American Recovery and Reinvestment Act Adjustment	\$0	\$453,318	\$1,680	(\$454,998)

Current Statutory Authority or Needed Statutory Change:

27-10.5-104, C.R.S. (2008). Authorized services and supports - conditions of funding - purchase of services and supports - boards of county commissioners – appropriation. Subject to annual appropriations by the general assembly, the department shall provide or purchase, pursuant to subsection (4) of this section, authorized services and supports from community centered boards or service agencies for persons who have been determined to be eligible for such services and supports pursuant to section 27-10.5-106, and as specified in the eligible person's individualized plan. Those services and supports may include, but are not limited to, the following:

- (a) Family support services, including an array of supportive services provided to the person receiving services and the person's family, that enable the family to maintain the person in the family home, thereby preventing or delaying the need for out-of-home placement that is unwanted by the person or the family, pursuant to section 27-10.5-401;
- (c) Case management services;
- (d) Respite care services, including temporary care of a person with a developmental disability to offer relief to the person's family or caregiver or to allow the family or caregiver to deal with emergency situations or to engage in personal, social, or routine activities and tasks that otherwise may be neglected, postponed, or curtailed due to the demands of caring for a person who has a developmental disability;
- (e) Day services and supports that offer opportunities for persons with developmental disabilities to experience and actively participate in valued adult roles in the community. These services and supports will enable persons receiving services to access and participate in community activities, such as work, recreation, higher education, and senior citizen activities. Day services and supports, including early intervention services, may also include the administration of nutrition or fluids

through gastrostomy tubes, if administered by an individual authorized pursuant to section 27-10.5-103 (2) (k) and supervised by a licensed nurse or physician.

Reductions to this program do not require a statutory change since the provision of this program is subject to available appropriations; therefore, the Governor will restrict the funds for this program through an executive order, as well as request a budget action to reduce the appropriation.

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 <input type="checkbox"/>	Base Reduction Item FY 2010-11 <input type="checkbox"/>	Supplemental FY 2009-10 <input checked="" type="checkbox"/>	Budget Amendment FY 2010-11 <input type="checkbox"/>
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Request Title: 17-Closure of 32 bed Nursing Facility at Grand Junction Regional Center
 Department: Human Services Dept. Approval by: *[Signature]* Date: 8-20-09
 Priority Number: OSPB Approval: *[Signature]* Date: 8/20/09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	0	112,769,123	(2,820,485)	109,948,638	0	0	0	0	0	0
	FTE	0.0	1456.9	(57.0)	1399.9	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	33,627,307	0	33,627,307	0	0	0	0	0	0
	CF	0	4,782,675	0	4,782,675	0	0	0	0	0	0
	CFE/RF	0	68,420,275	(2,820,485)	65,599,790	0	0	0	0	0	0
	FF	0	5,938,866	0	5,938,866	0	0	0	0	0	0
	MCF	0	62,116,619	(2,820,485)	59,296,134	0	0	0	0	0	0
	MGF	0	28,795,870	(1,293,862)	27,502,008	0	0	0	0	0	0
NGF	0	62,423,177	(1,293,862)	61,129,315	0	0	0	0	0	0	
(3) Office of Operations, (A) Administration, Personal Services	Total	0	23,605,442	(109,911)	23,495,531	0	0	0	0	0	0
	FTE	0.0	461.6	0.0	461.6	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	11,521,751	0	11,521,751	0	0	0	0	0	0
	CF	0	1,706,650	0	1,706,650	0	0	0	0	0	0
	CFE/RF	0	8,665,294	(109,911)	8,555,383	0	0	0	0	0	0
	FF	0	1,711,747	0	1,711,747	0	0	0	0	0	0
	MCF	0	3,612,715	(109,911)	3,502,804	0	0	0	0	0	0
	MGF	0	1,636,357	(54,956)	1,581,401	0	0	0	0	0	0
NGF	0	13,158,108	(54,956)	13,103,152	0	0	0	0	0	0	
(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	Total	0	25,385,525	(266,400)	25,119,125	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	14,869,072	0	14,869,072	0	0	0	0	0	0
	CF	0	643,157	0	643,157	0	0	0	0	0	0
	CFE/RF	0	6,883,504	(266,400)	6,617,104	0	0	0	0	0	0
	FF	0	2,989,792	0	2,989,792	0	0	0	0	0	0
	MCF	0	5,822,263	(266,400)	5,555,863	0	0	0	0	0	0
	MGF	0	2,911,132	(133,200)	2,777,932	0	0	0	0	0	0
NGF	0	17,780,204	(133,200)	17,647,004	0	0	0	0	0	0	

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 17-Closure of 32 bed Nursing Facility at Grand Junction Regional Center
Department: Human Services **Dept. Approval by:**
Priority Number: **OSPB Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	Total	0	2,956,721	(14,005)	2,942,716	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,810,662	0	1,810,662	0	0	0	0	0	0
	CF	0	52,269	0	52,269	0	0	0	0	0	0
	CFE/RF	0	641,847	(14,005)	627,842	0	0	0	0	0	0
	FF	0	451,943	0	451,943	0	0	0	0	0	0
	MCF	0	573,553	(14,005)	559,548	0	0	0	0	0	0
	MGF	0	286,935	(7,003)	279,932	0	0	0	0	0	0
	NGF	0	2,097,597	(7,003)	2,090,594	0	0	0	0	0	0
(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	Total	0	4,796,527	(22,407)	4,774,120	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	2,947,009	0	2,947,009	0	0	0	0	0	0
	CF	0	83,630	0	83,630	0	0	0	0	0	0
	CFE/RF	0	1,042,779	(22,407)	1,020,372	0	0	0	0	0	0
	FF	0	723,109	0	723,109	0	0	0	0	0	0
	MCF	0	933,508	(22,407)	911,101	0	0	0	0	0	0
	MGF	0	467,012	(11,204)	455,808	0	0	0	0	0	0
	NGF	0	3,414,021	(11,204)	3,402,817	0	0	0	0	0	0
(1) Executive Director's Office; (A) General Administration, Short-term Disability	Total	0	359,300	(1,737)	357,563	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	221,696	0	221,696	0	0	0	0	0	0
	CF	0	6,245	0	6,245	0	0	0	0	0	0
	CFE/RF	0	78,192	(1,737)	76,455	0	0	0	0	0	0
	FF	0	53,167	0	53,167	0	0	0	0	0	0
	MCF	0	70,153	(1,737)	68,416	0	0	0	0	0	0
	MGF	0	35,097	(867)	34,230	0	0	0	0	0	0
	NGF	0	256,793	(867)	255,926	0	0	0	0	0	0

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 17-Closure of 32 bed Nursing Facility at Grand Junction Regional Center
Department: Human Services **Dept. Approval by:** **Date:**
Priority Number: **OSPB Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
(1) Executive Director's Office; (A) General Administration, Shift Differential	Total	0	3,536,438	(78,425)	3,458,013	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	2,257,117	0	2,257,117	0	0	0	0	0	0
	CF	0	288	0	288	0	0	0	0	0	0
	CFE/RF	0	1,269,925	(78,425)	1,191,500	0	0	0	0	0	0
	FF	0	9,108	0	9,108	0	0	0	0	0	0
	MCF	0	1,265,693	(78,425)	1,187,268	0	0	0	0	0	0
	MGF	0	632,847	(39,213)	593,634	0	0	0	0	0	0
	NGF	0	2,889,964	(39,213)	2,850,751	0	0	0	0	0	0
(9) Services for People with Disabilities, (B) Regional Centers for People with Developmental Disabilities, (1) Medicaid-funded Services, Operating Expenses	Total	0	2,760,399	(76,881)	2,683,518	0	0	0	0	0	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
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	2,760,399	(76,881)	2,683,518	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	2,760,399	(76,881)	2,683,518	0	0	0	0	0	0
	MGF	0	1,380,200	(34,596)	1,345,604	0	0	0	0	0	0
	NGF	0	1,380,200	(34,596)	1,345,604	0	0	0	0	0	0
(9) Services for People with Disabilities, (B) Regional Centers for People with Developmental Disabilities, (1) Medicaid-funded Services, Capital Outlay-Patient Needs	Total	0	244,499	(3,071)	241,428	0	0	0	0	0	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
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	244,499	(3,071)	241,428	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	244,499	(3,071)	241,428	0	0	0	0	0	0
	MGF	0	122,250	(1,382)	120,868	0	0	0	0	0	0
	NGF	0	122,250	(1,382)	120,868	0	0	0	0	0	0

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 17-Closure of 32 bed Nursing Facility at Grand Junction Regional Center
Department: Human Services **Dept. Approval by:**
Priority Number: **OSPb Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
(9) Services for People with Disabilities, (B) Regional Centers for People with Developmental Disabilities, (1) Medicaid-funded Services, Purchase of Services	Total	0	263,291	(7,812)	255,479	0	0	0	0	0	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
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	263,291	(7,812)	255,479	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	263,291	(7,812)	255,479	0	0	0	0	0	0
	MGF	0	131,649	(3,515)	128,134	0	0	0	0	0	0
	NGF	0	131,649	(3,515)	128,134	0	0	0	0	0	0
(9) Services for People with Disabilities, (B) Regional Centers for People with Developmental Disabilities, (1) Medicaid-funded Services, Personal Services	Total	0	48,860,981	(2,239,836)	46,621,145	0	0	0	0	0	0
	FTE	0.0	995.3	(57.0)	938.3	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	CF	0	2,290,436	0	2,290,436	0	0	0	0	0	0
	CFE/RF	0	46,570,545	(2,239,836)	44,330,709	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	46,570,545	(2,239,836)	44,330,709	0	0	0	0	0	0
	MGF	0	21,192,391	(1,007,926)	20,184,465	0	0	0	0	0	0
	NGF	0	21,192,391	(1,007,926)	20,184,465	0	0	0	0	0	0

Non-Line Item Request: None
Letternote Revised Text:

Executive Director's Office b Of this amount, it is estimated that ~~\$12,516,960~~ \$12,133,986 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, \$1,350 shall be other funds transferred from the Department of Health Care Policy and Financing, and \$2,777,040 shall be from various sources of reappropriated funds.

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 17-Closure of 32 bed Nursing Facility at Grand Junction Regional Center
Department: Human Services **Dept. Approval by:** **Date:**
Priority Number: **OSPB Approval:** **Date:**

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12

Office of Operations b. Of this amount, it is estimated that \$5,503,619 \$5,393,708 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, \$2,925,629 shall be from patient fees collected by the Mental Health Institutes that represent Medicaid revenue earned from the behavioral health organizations through Mental Health Community Capitation, \$1,282,312 shall be transferred from the Department of Corrections, \$800,000 shall be from nursing home indirect cost subsidies appropriated to the Homelake Domiciliary and the State and Veterans Nursing Homes, \$340,000 shall be from federal Medicaid indirect costs received from the Department of Health Care Policy and Financing, and \$1,043,435 shall be from various sources of reappropriated funds, including indirect cost recoveries.

Cash or Federal Fund Name and COFRS Fund Number:
Reappropriated Funds Source, by Department and Line Item Name: Department of Health Care Policy and Financing
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments:

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11		Base Reduction Item FY 2010-11			Supplemental FY 2009-10			Budget Amendment FY 2010-11			
Request Title:	DHS - Closure of 32 bed Nursing Facility at Grand Junction Regional Center										
Department:	Health Care Policy and Financing			Dept. Approval by: John Bartholomew <i>PNB</i>			Date: August 24, 2009 <i>8/21/09</i>				
Priority Number:	NP-ES8 (DHS ES-17)			OSPB Approval: <i>Shuzy</i>			Date: <i>8-21-09</i>				
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	2,595,866,039	5,636,128,997	(1,922,142)	5,634,206,855	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	956,727,823	2,466,559,963	(703,448)	2,465,856,515	0	0	0	0	0	0
	GFE	39,251,792	0	0	0	0	0	0	0	0	0
	CF	109,633,539	334,826,903	24,435	334,851,338	0	0	0	0	0	0
	CFE/RF	3,610,569	9,711,394	(116,380)	9,595,014	0	0	0	0	0	0
	FF	1,486,662,316	2,825,030,737	(1,126,749)	2,823,903,988	0	0	0	0	0	0
(2) Medical Services Premiums	Total	2,526,991,443	2,572,042,638	898,343	2,572,940,981	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	928,490,751	1,112,661,142	417,280	1,113,078,422	0	0	0	0	0	0
	GFE	39,251,792	0	0	0	0	0	0	0	0	0
	CF	109,633,539	167,097,000	31,891	167,128,891	0	0	0	0	0	0
	CFE/RF	2,631,068	2,746,329	0	2,746,329	0	0	0	0	0	0
	FF	1,446,984,293	1,289,538,167	449,172	1,289,987,339	0	0	0	0	0	0
(2) Medical Services Premiums; Long Bill Group Total	Total	0	2,572,042,638	0	2,572,042,638	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,112,661,142	(96,661)	1,112,564,481	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	167,097,000	(7,456)	167,089,544	0	0	0	0	0	0
	CFE/RF	0	2,746,329	0	2,746,329	0	0	0	0	0	0
	FF	0	1,289,538,167	104,117	1,289,642,284	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; (A) Executive Director's Office - Medicaid Funding	Total	4,007,340	13,011,981	(362,974)	12,629,007	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	1,865,605	6,659,567	(191,487)	6,468,080	0	0	0	0	0	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	368	0	368	0	0	0	0	0	0
	FF	2,141,735	6,352,026	(191,487)	6,160,539	0	0	0	0	0	0

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11	Base Reduction Item FY 2010-11				Supplemental FY 2009-10			Budget Amendment FY 2010-11			
Request Title:	DHS - Closure of 32 bed Nursing Facility at Grand Junction Regional Center										
Department:	Health Care Policy and Financing				Dept. Approval by: John Bartholomew			Date: August 24, 2009			
Priority Number:	NP-ES8 (DHS ES-17)				OSPB Approval:			Date:			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year			Total		Decision/			Total	Change
		Actual	Appropriation	Supplemental	Revised	Base	Base	November 1	Budget	Revised	from Base
	Fund	FY 2008-09	FY 2009-10	Request	Request	Request	Reduction	Request	Amendment	Request	(Column 5)
		FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2011-12
(6) Department of Human Services Medicaid-Funded Programs; (C) Office of Operations - Medicaid Funding	Total	5,627,497	5,503,619	(109,911)	5,393,708	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	GF	2,416,267	2,751,809	(54,956)	2,696,853	0	0	0	0	0	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	3,211,230	2,751,810	(54,956)	2,696,855	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; (F) Services for People with Disabilities - Medicaid Funding, Regional Centers	Total	59,259,759	50,049,730	(2,327,600)	47,722,130	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	GF	23,955,200	22,931,984	(1,047,419)	21,884,565	0	0	0	0	0	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	979,501	2,092,881	(116,380)	1,976,501	0	0	0	0	0	0
	FF	34,325,058	25,024,865	(1,163,801)	23,861,064	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; Long Bill Group Total	Total	0	423,478,391	0	423,478,391	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
	GF	0	208,894,319	269,795	209,164,114	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	632,903	0	632,903	0	0	0	0	0	0
	CFE/RF	0	2,125,467	0	2,125,467	0	0	0	0	0	0
	FF	0	211,825,702	(269,795)	211,555,907	0	0	0	0	0	0
Non-Line Item Request:	None.										
Letternote Revised Text:	None.										
Cash or Federal Fund Name and COFRS Fund Number:	FF: Title XIX, CF: Medicaid Nursing Facility Cash Fund 22X										
Reappropriated Funds Source, by Department and Line Item Name:	Department of Human Services, Service Fees from Regional Centers for People with Disabilities										
Approval by OIT?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>		N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:	Department of Human Services										



DEPARTMENT OF HUMAN SERVICES

*Budget Reduction Proposal
August 24, 2009*

*Karen L. Beye
Executive Director*

17-Closure of 32 bed Nursing Facility at Grand Junction Regional Center

Proposal: This proposal is to close the 32 bed nursing facility unit at the Grand Junction Regional Center by moving medically fragile individuals to community nursing facilities. Closing this facility will result in a savings of \$2,820,485 total funds, including \$1,293,862 net General Fund and a reduction of 57.0 FTE in FY 2009-10. The FY 2010-11 savings are projected to be \$6,479,793 total funds including \$2,985,243 net General Fund and 57.0 FTE. These savings will be partially offset by increased costs in the Department of Health Care Policy and Financing of \$898,343 total funds and \$320,619 General Fund in FY 2009-10 and \$2,063,856 total funds and \$847,626 General Fund in FY 2010-11 (as adjusted for enhanced federal Medicaid funds per the American Recovery and Reinvestment Act of 2009).

Summary of Request:

- State-operated Regional Centers provide services to adults who have the most complex medical and behavioral needs in the State and are not able to be served safely in the community-based system.
- Regional Center admission criteria have been targeted to three populations:
 - Extremely medically fragile adults requiring specialized professional medical support services;
 - Adults with extremely high needs due to challenging assaultive behaviors or mental illness; and
 - Adults who pose significant community safety risks to others because they have been involved in the criminal justice system or have a history of sex offenses that require a secure setting.
- The following table details the census at each of the Regional Centers as of July 1, 2009.

	Grand Junction	Wheat Ridge	Pueblo	Total
Comprehensive Developmental Disabilities Waiver	73	103*	74	250
Nursing Facility	32	0	0	32
ICF/MR	44	26	0	70
Total	149	129	74	352
Current FTE @ 6/30/09	382.3	415.1	173.9	971.3

** All 103 are in process to complete conversion to ICF/MR licensure as of October 30, 2009.*

- The Department proposes to eliminate the Nursing Facility at GJRC, currently licensed to serve 32 medically fragile individuals. While these individuals require extensive levels of medical and therapeutic monitoring to meet their physical care needs, these services could be provided by private nursing facilities in the community.
- With closure of this unit, the State intends to move individuals from older buildings on campus in need of substantial capital renovations to the vacated nursing facility.
- The Regional Center will develop discharge plans in conjunction with individuals and/or their guardians to ensure transition plans address all of the needs of the individual in services. The residents may transfer to either a privately operated nursing facility, or in some cases, they may be able to be served by a Community Centered Board within the Comprehensive Services waiver. If an individual can be served in the Comprehensive Services waiver it will be within existing resources.

- Many factors will slow down the reduction in costs, including the timing of the loss in revenues relative to actual reductions in expenses, need for some units to remain open with decreased census resulting in lost revenues, the need for commensurate reductions to indirect costs for the Department, and the likelihood delays resulting from of family and employee opposition to the closure.
- The savings associated with this proposal may change, requiring other means to meet the loss of revenues resulting from closing this unit, including freezing admissions into other Regional Center beds, a direct care hiring freeze, and reassignment of therapy and professional staff.
- The most significant impact to the developmental disability system is the reduction of the system's safety net capacity since private providers are not required to accept all referrals.
- The FY 2010-11 reduction of 57 FTE will be reconciled during the Med-13 cost report process and future budget actions may be submitted to adjust the out-year FTE accordingly.

Assumptions and Tables to Show Calculations:

Summary of Request FY 2009-10	Total Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Total	(\$2,820,485)	(\$2,820,485)	(\$2,820,485)	(\$1,293,862)	(\$1,293,862)	(57.0)
Health, Life, and Dental	(\$266,400)	(\$266,400)	(\$266,400)	(\$133,200)	(\$133,200)	0.0
S.B. 06-235 Supplemental Amortization Equalization Disbursement	(\$14,005)	(\$14,005)	(\$14,005)	(\$7,003)	(\$7,003)	0.0
S.B. 04-257 Amortization Equalization Disbursement	(\$22,407)	(\$22,407)	(\$22,407)	(\$11,204)	(\$11,204)	0.0
Short-term Disability	(\$1,737)	(\$1,737)	(\$1,737)	(\$867)	(\$867)	0.0
Shift Differential	(\$78,425)	(\$78,425)	(\$78,425)	(\$39,213)	(\$39,213)	0.0
Operations-Personal Services	(\$109,911)	(\$109,911)	(\$109,911)	(\$54,956)	(\$54,956)	0.0
Regional Centers, Personal Services	(\$2,239,836)	(\$2,239,836)	(\$2,239,836)	(\$1,007,926)	(\$1,007,926)	(57.0)
Regional Centers, Operating	(\$76,881)	(\$76,881)	(\$76,881)	(\$34,596)	(\$34,596)	0.0
Regional Centers, Capital Outlay	(\$3,071)	(\$3,071)	(\$3,071)	(\$1,382)	(\$1,382)	0.0
Regional Centers, Purchase of Services	(\$7,812)	(\$7,812)	(\$7,812)	(\$3,515)	(\$3,515)	0.0

Summary of Request FY 2010-11	Total Funds	Reappropriated Funds	Medicaid Cash Funds	Medicaid General Fund	Net General Fund	FTE
Total	(\$6,479,793)	(\$6,479,793)	(\$6,479,793)	(\$2,985,243)	(\$2,985,243)	(57.0)
Health, Life, and Dental	(\$735,264)	(\$735,264)	(\$735,264)	(\$367,632)	(\$367,632)	0.0
S.B. 06-235 Supplemental Amortization Equalization Disbursement	(\$38,653)	(\$38,653)	(\$38,653)	(\$19,326)	(\$19,326)	0.0
S.B. 04-257 Amortization Equalization Disbursement	(\$61,844)	(\$61,844)	(\$61,844)	(\$30,922)	(\$30,922)	0.0
Short-term Disability	(\$4,793)	(\$4,793)	(\$4,793)	(\$2,396)	(\$2,396)	0.0
Shift Differential	(\$216,454)	(\$216,454)	(\$216,454)	(\$108,227)	(\$108,227)	0.0
Operations-Personal Services	(\$329,733)	(\$329,733)	(\$329,733)	(\$164,867)	(\$164,867)	0.0
Regional Centers, Personal Services	(\$4,861,011)	(\$4,861,011)	(\$4,861,011)	(\$2,187,455)	(\$2,187,455)	(57.0)
Regional Centers, Operating	(\$203,252)	(\$203,252)	(\$203,252)	(\$91,463)	(\$91,463)	0.0
Regional Centers, Capital Outlay	(\$8,123)	(\$8,123)	(\$8,123)	(\$3,655)	(\$3,655)	0.0
Regional Centers, Purchase of Services	(\$20,666)	(\$20,666)	(\$20,666)	(\$9,300)	(\$9,300)	0.0

- This budget reduction is based on the revenue losses that will be incurred by the Grand Junction Regional Center as a result of closing the 32 nursing facility beds and assumes all individuals in the Grand Junction Regional Center Nursing Facility are eligible for Medicaid Nursing Facility Services and can be admitted into nursing facilities.
- The following two tables illustrate the anticipated revenue loss associated with the closure based on a transition plan from November 1, 2009 through February 28, 2010.

TABLE 1: Revenue Reduction/Savings for FY 2009-10 with Transition

Month	Transition Revenue Regional Center				Transition Revenue Community Nursing Home			
	Rate	Census	Days	Revenue	Rate	Census	Days	Revenue
July	\$595.30	32	31	\$590,534	\$176.70		31	\$0
Aug	\$595.30	32	31	\$590,534	\$176.70		31	\$0
Sept	\$595.30	32	30	\$571,484	\$176.70	-	30	\$0
Oct	\$595.30	32	31	\$590,534	\$176.70	-	31	\$0
Nov	\$595.30	32	30	\$571,484	\$176.70	-	30	\$0
Dec	\$595.30	22	31	\$405,992	\$176.70	10	31	\$54,777
Jan	\$595.30	22	31	\$405,992	\$176.70	10	31	\$54,777
Feb	\$595.30	12	28	\$200,019	\$176.70	20	28	\$98,952
March	\$595.30	-	31	\$0	\$176.70	32	31	\$175,286
April	\$595.30		30	\$0	\$176.70	32	30	\$169,632
May	\$595.30		31	\$0	\$176.70	32	31	\$175,286
June	\$595.30		30	\$0	\$176.70	32	30	\$169,632
				\$3,926,572				\$898,343

SUMMARY		Calculations
FY 2009-10 Budget	\$6,953,057	Shown in Table 2
FY 2009-10 Revenue	\$3,926,572	Transition Costs Calculated above
FY 2009-10 Revenue Reduction	(\$3,026,485)	FY 2009-10 Budget Minus FY 2009-10 Transition Costs
FY 2009-10 Adjustments	(\$206,000)	Projected Provider Rate Adjustment
Regional Center Cost Component	(\$2,820,485)	FY 2009-10 Savings minus indirect cost component

*Rate is based on FY 2007-08 MED13 Exp + 5% for salary survey received - 4% for GJRC overhead

**Rate is based on Average Nursing Home Rate.

- The table below illustrates the cost of the nursing facility at the Grand Junction Regional Center as compared to the average cost a community nursing home bed.

TABLE 2: FY 2010-11 Comparison of Annual Community NF Costs with RC Savings

Month	Full Year Revenue/Cost at Regional Center				Full Year Revenue/Cost Community Nursing Home			
	Rate	Census	Days	Revenue	Rate	Census	Days	Revenue
July	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
Aug	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
Sept	\$595.30	32	30	\$571,484	\$176.70	32	30	\$169,632
Oct	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
Nov	\$595.30	32	30	\$571,484	\$176.70	32	30	\$169,632
Dec	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
Jan	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
Feb	\$595.30	32	28	\$533,385	\$176.70	32	28	\$158,323
March	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
April	\$595.30	32	30	\$571,484	\$176.70	32	30	\$169,632
May	\$595.30	32	31	\$590,534	\$176.70	32	31	\$175,286
June	\$595.30	32	30	\$571,484	\$176.70	32	30	\$169,632
				\$6,953,057				\$2,063,856
Statewide Revenue/Cost Reduction:					\$ 4,889,201			
SUMMARY								
FY 2010-11 Revenue Reduction				(\$6,953,057)	Calculation Above			
Department Indirect Backfill				\$473,264	Loss of Medicaid will result in a need for general fund backfill. Calculation is based on FY 2007-08 audited cost report.			
Net Regional Center Revenue/Cost Component				(\$6,479,793)				

*Rate is based on FY08 MED13 Exp + 5% for salary survey received - 4% for GJRC overhead

**Rate is based on Average Nursing Home Rate

*** Does not include Central POTS Allocations

- The table below illustrates the reductions to various appropriations within the Department of Human Services based on the loss of revenue.

	Assumption	FY 2009-10	FY 2010-11	Comments
Total Revenue Loss		(\$2,820,485)	(\$6,479,793)	See Tables 1 and 2
Executive Director's Office				
Health, Life, and Dental	\$666/month	\$266,400	\$735,264	Calculations are based on an estimate of 57 FTE representing direct and program support staff attributed to this nursing facility.
SAED	1.25%	\$14,005	\$38,653	
AED	2.00%	\$22,407	\$61,844	
STD	0.16%	\$1,737	\$4,793	
Shift Differential	7.00%	\$78,425	\$216,454	Shift Differential Costs are based on FY 2008-09 actual expenditures associated with this nursing facility.
Total for Executive Director's Office		\$382,974	\$1,057,008	
Office of Operations				
Personal Services		\$109,911	\$329,733	Only reflecting reductions associated with personal service costs based on the Federal Cost report. FTE adjustments will be reflected via future budget actions as necessary.
Total for the Office of Operations		\$109,911	\$329,733	
Regional Centers				
Operating Costs		\$76,881	\$203,252	Based on FY 2008-09 actual expenditures associated with this nursing facility.
Capital Outlay Costs		\$3,071	\$8,123	Based on FY 2008-09 actual expenditures associated with this nursing facility.
Purchase of Services		\$7,812	\$20,666	Based on FY 2008-09 actual expenditures associated with this nursing facility.
Personal Services Reduction	57.0	\$2,239,836	\$4,861,011	57.0 FTE represent estimated direct and program support staff attributed to this nursing facility. Reduction to Personal Services is based on needed reduction from loss of revenue.
Reduction to Regional Center	57.0	\$2,327,600	\$5,093,052	
Total Reduction		\$2,820,485	\$6,479,793	Associated with reduction to Revenue

- The FTE reductions in both the Office of Operations and the Regional Centers will be adjusted according to the audited cost report (Med 13). Future budget actions may be submitted as needed.

- The Department of Health Care Policy and Financing budget will be impacted by this proposal. Tables illustrating the fiscal impact to the HCPF budget in FY 2009-10 and FY 2010-11 are shown below, which includes adjustments associated with the increase of Medicaid funding as a result of the American Recovery and Reinvestment Act of 2009.

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total	(\$1,922,142)	(\$703,448)	\$24,435	(\$116,380)	(\$1,126,749)
Medicaid Services Premiums	\$898,343	\$417,280	\$31,891	\$0	\$449,172
Medical Services Premiums, American Recovery and Reinvestment Act Adjustment	\$0	(\$96,661)	(\$7,456)	\$0	\$104,117
DHS-Executive Director's Office, Medicaid Funding	(\$382,974)	(\$191,487)		\$0	(\$191,487)
DHS – Office of Operations – Medicaid Funding	(\$109,911)	(\$54,956)	\$0	\$0	(\$54,955)
DHS-Regional Centers – Medicaid Funding	(\$2,327,600)	(\$1,047,19)	(\$116,380)	\$0	(\$1,163,801)
DHS – Services for People with Disabilities – Medicaid Funding, Regional Centers, American Recovery Act	\$0	\$269,795	\$0	\$0	(\$269,795)

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Total	(\$4,415,937)	(\$1,872,063)	(\$160,364)	(\$2,383,510)	(\$4,415,937)
Medicaid Services Premiums	\$2,063,856	\$958,661	\$73,267	\$1,031,928	\$2,063,856
Medical Services Premiums, American Recovery and Reinvestment Act Adjustment	\$0	(\$111,109)	(\$8,492)	\$119,601	\$0
DHS-Executive Director's Office, Medicaid Funding	(\$1,057,008)	(\$528,504)	\$0	(\$528,504)	(\$1,057,008)
DHS – Office of Operations – Medicaid Funding	(\$329,733)	(\$164,867)	\$0	(\$164,866)	(\$329,733)
DHS-Regional Centers – Medicaid Funding	(\$5,093,052)	(\$2,291,873)	(\$254,653)	(\$2,546,526)	(\$5,093,052)
DHS – Services for People with Disabilities – Medicaid Funding, Regional Centers, American Recovery Act	\$0	\$265,629	\$29,514	(\$295,143)	\$0

- The Medicaid Premiums for the Nursing Homes is based on the calculations in Tables 1 and 2 which illustrate the cost of moving individuals from the nursing facility at the Regional Center to community nursing homes.

Current Statutory Authority or Needed Statutory Change:

27-10.5-301. Regional centers for persons with developmental disabilities. There are hereby established state regional centers in Wheat Ridge, Pueblo, and Grand Junction. The essential object of such regional centers shall be to provide state operated services and supports to persons with developmental disabilities.

27-10.5-302. Directors. The executive director shall appoint, pursuant to section 13 of article XII of the state constitution, a director for each regional center. Persons appointed must be skilled and trained administrators with experience related to the needs of persons with developmental disabilities. The director

of each regional center shall appoint such other employees in accordance with section 13 of article XII of the state constitution as are necessary to carry out the functions of the regional center.

27-10.5-307. Expenditures. No moneys shall be paid by the state treasurer out of any other appropriation for, or moneys belonging to, a regional center, except upon warrants of the controller upon vouchers in favor of the persons to whom the state is indebted on account of said regional center and certified by the director of said regional center.

Reductions to this program do not require a statutory change since the provision of this program is subject to available appropriations; therefore, the Governor will restrict the funds for this program through administrative actions, as well as request a budget action to reduce the appropriation.

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 18-Old Age Pension Cost of Living and Other Adjustments
Department: Human Services **Dept. Approval by:** *[Signature]* **Date:** 8-13-09
Priority Number: **OSPB Approval:** *[Signature]* **Date:** 8-14-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	0	95,991,864	(6,127,916)	89,863,948	0	0	0	0	0	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
	CF	0	95,991,864	(6,127,916)	89,863,948	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	0	0	0	0	0	0	0	0	0
(10) Adult Assistance Programs (B) Old Age Pension Program - Cash Assistance Program	Total	0	95,991,864	(6,127,916)	89,863,948	0	0	0	0	0	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
	CF	0	95,991,864	(6,127,916)	89,863,948	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None
Letternote Revised Text: None
Cash or Federal Fund Name and COFRS Fund Number: Old Age Pension Cash Fund
Reappropriated Funds Source, by Department and Line Item Name: N/A
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None



DEPARTMENT OF HUMAN SERVICES

*Budget Reduction Proposal
August 24, 2009*

*Karen L. Beye
Executive Director*

18-Old Age Pension Cost of Living and Other Adjustments

Proposal: This request is to reduce the Old Age Pension (OAP) Cash Assistance Programs line by \$6,127,916 total funds/cash funds for FY 2009-10. The latest information from the Social Security Administration (SSA) indicates that no cost of living adjustment (COLA) will be implemented in calendar year 2010. The FY 2010-11 reduction would annualize to \$7,033,507 in total funds/cash funds. Reduction of these cash funds will allow additional state revenues to flow into the General Fund thus reducing shortfalls in the General Fund.

Summary of Request:

- The OAP program provides cash assistance to eligible individuals who meet the income and resource requirements, and who are: (1) age 60 to 64 and are disabled, (2) age 65 and older (a disability is not required for this age group), or, (3) age 60 or older and in a State institution (excluding penal institutions) and receive no Medicaid.
- Per the Colorado Constitution, the Old Age Pension program is funded prior to the General Fund appropriations. This means reductions to the Old Age Pension Program increase the amount of General Fund available and increases to OAP reduce the General Fund available.
- A Decision Item (DI #21) was approved during the FY 2009-10 budget cycle to fund \$1,801,722 for the anticipated CY 2010 OAP COLA. This request proposes to reverse DI #21 by reducing the OAP appropriation by \$1,801,722.
- The State Board of Human Services approved a 5.8% COLA effective January 1, 2009. This request proposes to revise the projected funding needed for the OAP Cash Assistance Programs by reducing the OAP appropriation by \$4,326,194. The reduction was revised based on current caseload and average cash assistance payment information.
- This reduction is based on the FY 2009-10 informational appropriation for the Old Age Pension cash assistance program, as show in S.B. 09-259. As a result this reduction may or may not reconcile to the Legislative Council June 2009 revenue forecast.

Assumptions and Tables to Show Calculations:

Summary of Request FY 2009-10	Total Funds	Cash Funds
Total Request	(\$6,127,916)	(\$6,127,916)
(10)(B) Old Age Pension Programs-Cash Assistance Programs Reversal of DI #21 Old Age Pension Cost of Living Adjustment reduced	(\$1,801,722)	(\$1,801,722)
(10)(B) Old Age Pension Programs-Cash Assistance Funding Adjustment	(\$4,326,194)	(\$4,326,194)

Summary of Request FY 2010-11	Total Funds	Cash Funds
Total Request	(\$7,033,507)	(\$7,033,507)
(10)(B) Old Age Pension Programs-Cash Assistance Programs Annualization FY 2009-10 BA#9:"Cost of Living Adjustment for Old Age Pension Program" reduced	(\$1,930,867)	(\$1,930,867)
(10)(B) Old Age Pension Programs-Cash Assistance - Funding Adjustment	(\$5,102,640)	(\$5,102,640)

- Based on recent information from the Congressional Budget Office, the Social Security Administration is not expected to pass on a COLA to the SSI program for CY 2010. Therefore, the Department does not anticipate the State Board of Human Services will approve a matching COLA for OAP for CY 2010 matching the SSI program's actions. (The SSA COLA decision will be confirmed in October 2009).
- This request presumes that the State Board of Human Services will not approve a 2% cost of living adjustment for OAP, effective January 1, 2010, which is currently included in the FY 2009-10 appropriation. The Department is requesting that the \$1,801,722 approved through DI #21 for FY 2009-10 be eliminated from the budget.
- Additionally, the Department is revising the projection of funding needed in FY 2009-10 for the OAP Program. The Department proposes an additional \$4,326,194 reduction in the OAP Cash Assistance Programs line based on revised calculations of current caseload and expenditure information. Each year the Department submits a projection for OAP to inform decision makers of the projected caseload and average monthly cost per case. The following table illustrates estimated caseloads and expenditures for FY 2009-10 and FY 2010-11 based on current information.

PROGRAM (Modeled on FY 2008-09 Caseload Growth Trend)	YEARLY ESTIMATED CASELOAD	PROJECTED AVERAGE MONTHLY COST PER CASE	NUMBER OF MONTHS IMPACTED	TOTAL PROJECTED FY 2009-10 OAP PROGRAM EXPENDITURES
OAP-A	18,987	\$279.78	12	\$63,746,194
OAP-B	4,950	\$439.37	12	\$26,098,578
OAP-C	6	\$266.33	12	\$19,176
TOTAL	23,943			\$89,863,948

PROGRAM (Modeled on FY 2008-09 Caseload Growth Trend)	YEARLY ESTIMATED CASELOAD	PROJECTED AVERAGE MONTHLY COST PER CASE	NUMBER OF MONTHS IMPACTED	TOTAL PROJECTED FY 2010-11 OAP PROGRAM EXPENDITURES
OAP-A	19,269	\$276.40	12	\$63,911,419
OAP-B	5,113	\$439.37	12	\$26,957,986
OAP-C	6	\$272.77	12	\$19,639
TOTAL	24,388			\$90,889,044

FY 2009-10 OAP Cash Assistance Programs Expenditures	FY 2009-10 OAP Cash Assistance Programs Appropriated Funds	Reductions Request
\$89,863,948	\$95,991,864	(\$6,127,916)
Add back DI #21 Old Age Pension Cost of Living Adjustment		\$1,801,722
Remaining adjustment for caseload growth and revised cost per case		(\$4,326,194)

FY 10-11 OAP Cash Assistance Programs Expenditures	FY 2010-11 OAP Cash Assistance Programs Estimated Appropriated Funds	Reductions Request
\$90,889,044	\$97,922,551	(\$7,033,507)
Add back annualization FY 2009-10 BA#9:"Cost of Living Adjustment for Old Age Pension Program"		\$1,930,867
Remaining adjustment for caseload growth and revised cost per case		(\$5,102,640)

Current Statutory Authority or Needed Statutory Change:

Colorado Constitution, Article XXIV Section 1 Fund created. A fund to be known as the old age pension fund is hereby created and established in the treasury of the state of Colorado.

Colorado Constitution, Article XXIV Section 6, Basic minimum award (c) The state board of public welfare, or such other agency as may be authorized by law to administer old age pensions, shall have the power to adjust the basic minimum award above one hundred dollars per month if, in its discretion, living costs have changed sufficiently to justify that action.

26-2-111, C.R.S. (2008), Eligibility for public assistance. (2) Old age pension. (a) Except as provided in paragraph (d) of this subsection (2), public assistance in the form of the old age pension shall be granted to any person who meets the requirements of subsection (1) of this section and any one of the following requirements:

While the Colorado Constitution and statutes mandate the provision of public assistance to those that qualify for the Old Age Pension Program, the amount of financial assistance is administered by the State Board of Human Services. Therefore, this budgetary reduction will be achieved via administrative action. Finally, State revenues are directed to this program before the General Fund and funds in excess of the program expenditures are then diverted to the General Fund based on official action of the Board; therefore, a restriction on the appropriation is unnecessary.

**Schedule 13
Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 19-DYC-Reduction in Boulder IMPACT Contract

Department: Human Services

Dept. Approval by: *[Signature]*

Date: 8-16-09

Priority Number:

OSPB Approval: *[Signature]*

Date: 8-19-09

	Fund	1	2	3	4	5	6	November 1 Request FY 2010-11	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11		Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	0	1,390,441	(271,421)	1,119,020	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,357,105	(271,421)	1,085,684	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	33,336	0	33,336	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	33,336	0	33,336	0	0	0	0	0	0
	MGF	0	16,668	0	16,668	0	0	0	0	0	0
	NGF	0	1,373,773	(271,421)	1,102,352	0	0	0	0	0	0
(11) Division of Youth Corrections (C) Community Programs - Managed Care Pilot Project	Total	0	1,390,441	(271,421)	1,119,020	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,357,105	(271,421)	1,085,684	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	33,336	0	33,336	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	33,336	0	33,336	0	0	0	0	0	0
	MGF	0	16,668	0	16,668	0	0	0	0	0	0
	NGF	0	1,373,773	(271,421)	1,102,352	0	0	0	0	0	0

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: N/A

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: None

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DEPARTMENT OF HUMAN SERVICES

*Budget Reduction Proposal
August 24, 2009*

*Karen L. Beye
Executive Director*

19-Reduction in Boulder IMPACT Contract

Proposal:

The 2009 Long Bill established \$1,357,105 as a Managed Care Pilot Project to assist Boulder County in developing local commitment and placement alternatives. The Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) Board is able to absorb a 20% reduction in this budget. The amount representing 20 percent reduction of the allocation is \$271,421 General Fund in FY 2009-10 and the same in FY 2010-11.

Summary of Request:

The Boulder County IMPACT Project is a managed care agreement between the Division of Youth Corrections (DYC) and Boulder County for handling delinquent youth. The agreement caps the dollars that can be used for detained and committed youth in Boulder County.

The Integrated Managed Partnership for Adolescent Community Treatment (IMPACT) is a community-based effort to integrate formerly categorical funding streams (Boulder County Social Services, Boulder County Mental Health, and the Division of Youth Corrections) and programs with a focus on accountability and outcomes. The IMPACT mission is to perform gate keeping, assessment, concurrent utilization review and quality assurance reviews for delinquent youth who are in or at risk of placement. DYC works collaboratively with Boulder on issues related to local management of Division resources and the number of beds and resources that will be dedicated to this initiative.

The IMPACT project consists of \$1,357,105 in General Fund and \$33,336 Reappropriated Funds (Medicaid funds transferred from the Department of Health Care Policy and Financing). No statutory changes are required, but the contract between the Department of Human Services and the Division of Youth Corrections and Boulder County require amending to reflect the decrease.

- This proposal reduces the Boulder County Managed Care Pilot Project budget by 20 percent from \$1,357,105 to \$1,085,684.
- The 20% target will be achieved by delaying a new hire in the District Attorney's office intended for the new juvenile drug court, reducing some treatment services and applying other funding available in the contract by using community-based programming in lieu of commitment.
- IMPACT officials believe they can maintain low commitment numbers for the next year by delaying new programming currently under development and targeting reinvestment dollars to existing services.

Assumptions and Tables to Show Calculations:

Cost savings are assumed immediately upon the restructuring of the contract between the Department of Human Services and the Division of Youth Corrections and Boulder County equal to 20% of \$1,357,105 equaling (\$271,421).

Summary of Request FY 2009-10 and FY 2010-11	Total Funds	General Fund	Medicaid Cash Fund	Net General Fund
Total Request				
Reduction in Boulder IMPACT contract	(\$271,421)	(\$271,421)	\$0	(\$271,421)

Current Statutory Authority or Needed Statutory Change:

Statute does not mandate this specific program, and the Executive Director has broad authority to purchase services on a contract basis. However, this contract has financial obligations if funds have been budgeted, appropriated or otherwise made available, and the Governor will therefore limit the funds for this program through an executive order.

19-2-211, C.R.S., (2008). Local juvenile service planning committee – creation - duties

If all of the boards of commissioners of each county or the city council of each city and county in a judicial district agree, there shall be created in the judicial district a local juvenile services planning committee that shall be appointed by the chief judge of the judicial district or, for the second judicial district, the presiding judge of the Denver juvenile court from persons recommended by the boards of commissioners of each county or the city council of each city and county within the judicial district. The committee, if practicable, shall include, but need not be limited to, a representative from the county department of social services, a local school district, a local law enforcement agency, a local probation department, the division of youth corrections, private citizens, the district attorney's office, and the public defender's office and a community mental health representative and a representative of the concerns of municipalities. The committee, if created, shall meet as necessary to develop a plan for the allocation of resources for local juvenile services within the judicial district for the fiscal year. The committee is strongly encouraged to consider programs with restorative justice components when developing the plan. The plan shall be approved by the department of human services. A local juvenile services planning committee may be consolidated with other local advisory boards pursuant to section 24-1.7-103, C.R.S.

19-2-410 (1), C.R.S., (2008). Contracts and agreements with public and private agencies - The executive director of the department of human services shall, subject to available appropriations, enter into agreements or contracts deemed necessary and appropriate with any governmental unit or agency or private facility or provider cooperating or willing to cooperate in a program to carry out the purposes of this article. Such contracts or agreements may provide, among other things, for the type of work to be performed at a camp or other facility, for the rate of payment for such work, and for other matters relating to the care and treatment of juveniles.

Schedule 13
Change Request for FY 2010-11 Budget Request Cycle

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 20-Increase State Capacity to 120% at State Commitment Facilities
 Department: Human Services Dept. Approval by: *Will Kugel by [Signature]* Date: *8/24/09*
 Priority Number: OSPB Approval: *John [Signature]* Date: *8/25/09*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/ Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	0	53,893,739	(3,895,450)	49,998,289	0	0	0	0	0	0
	FTE	0.0	39.0	0.0	39.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	51,028,084	(3,729,204)	47,298,880	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	2,865,655	(166,246)	2,699,409	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	1,535,455	(166,246)	1,369,209	0	0	0	0	0	0
	MGF	0	767,729	(83,123)	684,606	0	0	0	0	0	0
	NGF	0	51,795,813	(3,812,327)	47,983,486	0	0	0	0	0	0
(11) Division of Youth Corrections (C) Community Programs - Purchase of Contract Placements	Total	0	42,463,536	(4,440,222)	38,023,314	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	40,928,081	(4,273,976)	36,654,105	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	1,535,455	(166,246)	1,369,209	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	1,535,455	(166,246)	1,369,209	0	0	0	0	0	0
	MGF	0	767,729	(83,123)	684,606	0	0	0	0	0	0
	NGF	0	41,695,810	(4,357,099)	37,338,711	0	0	0	0	0	0
(11) Division of Youth Corrections (B) Institutional Programs- Operating Expense	Total	0	3,412,311	190,283	3,602,594	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	2,082,111	190,283	2,272,394	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	1,330,200	0	1,330,200	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	2,082,111	190,283	2,272,394	0	0	0	0	0	0

**Schedule 13
Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11 Base Reduction Item FY 2010-11 Supplemental FY 2009-10 Budget Amendment FY 2010-11

Request Title: 20-Increase State Capacity to 120% at State Commitment Facilities

Department: Human Services

Dept. Approval by:

Date:

Priority Number:

OSPB Approval:

Date:

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
(11) Division of Youth Corrections (B)	Total	0	8,017,892	354,489	8,372,381	0	0	0	0	0	0
Institutional Programs-Medical Services	FTE	0.0	39.0	0.0	39.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	8,017,892	354,489	8,372,381	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	0	0	0	0	0	0	0	0	0	0
	MGF	0	0	0	0	0	0	0	0	0	0
	NGF	0	8,017,892	354,489	8,372,381	0	0	0	0	0	0

Non-Line Item Request: None

Letternote Revised Text: None

Cash or Federal Fund Name and COFRS Fund Number: Medicaid Title XIX

Reappropriated Funds Source, by Department and Line Item Name: Health Care Policy and Financing - (6) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS (H) Division of Youth Corrections - Medicaid Funding

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: Health Care Policy and Financing

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13											
Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11	Base Reduction Item FY 2010-11				Supplemental FY 2009-10			Budget Amendment FY 2010-11			
Request Title:	DHS - Increase State Capacity to 120% at State Commitment Facilities				Dept. Approval by: John Bartholomew			Date: August 24, 2009			
Department:	Health Care Policy and Financing				OSP/B Approval:			Date: 8/25/09			
Priority Number:	NP-ES3 (See also DHS ES-20)				PN # JCS			8/25/09			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision: Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
	Fund										
Total of All Line Items	Total	1,589,795	425,093,190	(166,246)	424,926,944	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	692,800	209,701,719	(63,855)	209,637,864	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	632,903	0	632,903	0	0	0	0	0	0
	CFE/RF	0	2,125,467	0	2,125,467	0	0	0	0	0	0
	FF	896,995	212,633,101	(102,391)	212,530,710	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; (H) Division of Youth Corrections - Medicaid Funding	Total	1,589,795	1,614,799	(166,246)	1,448,553	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	692,800	807,400	(83,123)	724,277	0	0	0	0	0	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	896,995	807,399	(83,123)	724,276	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; Long Bill Group Total	Total	0	423,478,391	0	423,478,391	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	208,894,319	19,268	208,913,587	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	632,903	0	632,903	0	0	0	0	0	0
	CFE/RF	0	2,125,467	0	2,125,467	0	0	0	0	0	0
	FF	0	211,825,702	(19,268)	211,806,434	0	0	0	0	0	0
Non-Line Item Request:	None.										
Letternote Revised Text:	None.										
Cash or Federal Fund Name and CFRS 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:	Department of Human Services										



DEPARTMENT OF HUMAN SERVICES

*Budget Reduction Proposal
August 24, 2009*

*Karen L. Beye
Executive Director*

20-Increase State Capacity to 120% at State Commitment Facilities

Proposal:

The Division of Youth Corrections proposes to increase usage of state commitment facilities to 120% for FY 2009-10 for a reduction of \$3,895,450 total funds. The current number of state facility beds for committed use is 434.5. The Division proposes to increase this number to 521.4. This proposal will decrease the number of dollars paid to third party contractors for private treatment beds for the Division's committed population. After considering increased cost for custody related expenses for the additional 87 Average Daily Population in state operated facilities, General Fund savings would still save a total of \$3,812,327 net General Fund in FY 2009-10 and could continue annually but are only proposed for the current fiscal year. The impact on facilities operations and safety (described below), would be mitigated if the increase in capacity can be kept to only the one year.

Summary of Request:

The Division of Youth Corrections (DYC) in the Department of Human Services (DHS) is responsible for management and oversight of delinquent juveniles who are detained while awaiting adjudication, and for those who are committed to the department after adjudication.

To implement the increase to 120% capacity, the Division will determine the most appropriate and safe ways to multiple bunk youth or increase staffing ratios to accommodate additional youth in the facilities. The Division will assess the risks associated with increasing capacity within these facilities on a case by case basis.

The Division has worked to build capacity in each region to effectively transition youth back to their home communities. Often this transition involves youth leaving placements in the Denver Metro Area to distant rural communities across the State. DYC has worked to develop capacity for youth transitioning from Ridge View Youth Services Center, Lookout Mountain Youth Services Center and the Betty Marler Youth Services Center. These principals will be used as the Division responds to the current budget crisis to reduce contract services in communities.

- This proposal will decrease the dollars paid to third party contractors (\$4,440,222) but will increase medical, food, clothing and other custody related expenses by \$544,772 in FY 2009-10.
- Currently the number of state facility beds is at 110% of capacity. This was scheduled to be reduced to 100% capacity in July 2009. Those plans have not been implemented.
- This proposal will allow the Division to achieve a net General Fund reduction of \$3,812,327 in FY 2009-10. The FY 2009-10 savings represents 10 months of implementation.

The appropriation for keeping the Average Daily Population at 100% began on July 1, 2009. Prior to that the Division had been funded at 110% capacity. Because Youth Corrections is almost fully funded by General Fund, the Division postponed plans to reduce state bed capacity when the June revenue projections were presented. Clients that may have otherwise been placed in community programs were kept in the institutional programs to maintain 110% capacity.

Impact on Facilities Operations and Safety:

Over crowding of state operated facilities at 120% beyond building capacity will potentially result in negative and/or unanticipated consequences:

- Compromise safety of youth as most sleeping rooms will require double bunking in spite of risk
- Compromise staff safety based on increased staffing ratios of youth to staff
- Reduction in ability to provide a full range of clinical and treatment services because of increase of youth to staff ratios
- Increase in critical incidents based on less staff supervision resulting in strain on both local departments of social services and local law enforcement agencies

Assumptions and Tables to Show Calculations:

The Legislative Council Staff (LCS) provides a non-partisan population estimate for the Division of Youth Corrections. These estimates are considered when determining appropriations, as population growth and inflation are the main factors in the need for calculating appropriations. The following analysis is based on Legislative Council Staff projections for FY 2009-10 presented in December of 2008. These projections are presented each year for both youth corrections and the judicial systems. The current Long Bill SB 09-259 for DYC Purchase of Contract Placements (\$42,463,536) funds contract beds at 733.5 for commitment and 31.7 for detention. This totals 765.2 beds. The number of committed beds in state facilities at 100% is 434.5. The proposed reduction in contract placements decreases the contract beds funded from the current 765.2 to 721.8 for 110% and the second stage of reduction falling to 678.3 beds. The following tables show the staging of the reduction, two months at 110% and ten months at 120% of capacity.

Table 1 at 110% - Legislative Council Staff December 2008 Projections for FY 2009-10

	Commitment	Detention	Total
Forecasted All Beds	1,175.0	479.0	1,654.0
Minus Boulder Impact	(7.0)		(7.0)
Minus State Capacity at 110%	(478.0)	(447.3)	(925.3)
Contract Beds	690.1	31.7	721.8

Table 2 for 110% Calculation of Estimated Need Based on LCS Projections
 The model that follows is the standard calculation of costs for contracted services and calculates total costs when the State DYC Institutes accommodate youth at 110% capacity. The contract beds above (the 690.1 commitment beds and the 31.7 detention beds) are divided into service provider types and the types of beds are multiplied by the estimated rate per day for that type of service times 365 days in a year. The General Fund supports most of the costs but TRCCF¹ fee for service costs are paid by Medicaid.

Type	Contract Beds	Estimated Rate/Day	General Fund	Medicaid CF	Total	Net GF
TRCCF ¹ (30.94%) Treatment	213.5	\$175.26	13,657,574	0	13,657,574	13,657,574
TRCCF ¹ (30.94%) Fee-for-Service - Medicaid	213.5	\$18.54	0	1,444,776	1,444,776	722,388
CPA ¹ (2.23%)	15.4	\$103.45	581,492	0	581,492	581,492
RCCF ¹ (66.83%)	461.2	\$135.48	22,806,432	0	22,806,432	22,806,432
Total Commitment Beds	690.1		37,045,498	1,444,776	38,490,274	37,767,886
Detention Beds	31.7	\$134.27	1,553,571	0	1,553,571	1,553,571
Total DYC Contract costs Adjusted for Caseload at 110% at DYC facilities			38,599,069	1,444,776	40,043,845	39,321,457

¹ TRCCF=Therapeutic Residential Child Care Facility CPA=Child Placement Agency RCCF=Residential Child Care Facility

Total of 690.1 Commitment and 31.7 Detention beds	38,599,069	1,444,776	40,043,845	39,321,457
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SB 09-259 had funded the contract services and included the beds that would now be served by the DYC Institutes instead of the Community Programs. The following analysis shows the savings that would be realized by shifting the 478.0 contract beds and 447.3 detention beds to the DYC Institutes. The Long Bill appropriation (SB 09-259 is subtracted from the total costs for the contract beds at a level of 690.1 commitment plus 31.7 detention beds showing a net general fund savings of \$2,374,352. Personal services would not increase in the institutes, but food, clothing and medical services would increase and are calculated separately.

Calculation of Savings from Long Bill appropriation to 110% Capacity

	General Fund	Medicaid CF*	Total	Net GF
No rate reduction at 434.5 State Capacity (Long Bill)	40,928,081	1,535,455	42,463,536	41,695,809
Less 690.1 Commitment and 31.7 Detention beds	38,599,069	1,444,776	40,043,845	39,321,457
Change due to increased state capacity at 478 compared to 434.5 capacity	2,329,012	90,679	2,419,691	2,374,352
*50% of Medicaid CF is Medicaid General Fund (MGF), which is 45,340 added to 2,329,012 GF = Net GF				

Table 1 at 120% - Legislative Council Staff December 2008 Projections for FY 2009-10

	Commitment	Detention	Total
Forecasted Beds	1,175.0	479.0	1,654.0
Minus Boulder Impact	(7.0)		(7.0)
<u>Minus State Capacity at 120%</u>	<u>(521.4)</u>	<u>(447.3)</u>	<u>(968.7)</u>
Contract Beds	646.6	31.7	678.3

Table 2 for 120% - Calculation of Estimated Need Based on LCS Projections

The following calculation is for 646.6 contract beds and 31.7 detention beds based on the same methodology used for Table 2 at 110% on the previous page. It calculates the full cost of the contracts when 521.4 and 447.3 detention beds are shifted to the DYC Institutes.

	Contract Beds	Estimated Rate/Day	General Fund	Medicaid CF	Total	Net GF
TRCCF ¹ (30.94%) Treatment	200.1	\$175.26	12,800,377	0	12,800,377	12,800,377
TRCCF ¹ (30.94%) Fee-for-Service	200.1	\$18.54	0	1,354,097	1,354,097	677,049
CPA ¹ (2.23%)	14.4	\$103.45	543,733	0	543,733	543,733
<u>RCCF¹ (66.83%)</u>	<u>432.1</u>	<u>\$135.48</u>	<u>21,367,431</u>	<u>0</u>	<u>21,367,431</u>	<u>21,367,431</u>
Total Commitment Beds	646.6		34,711,541	1,354,097	36,065,638	35,388,590
Detention Beds	31.7	\$134.27	1,553,571	0	1,553,571	1,553,571

¹ TRCCF=Therapeutic Residential Child Care Facility CPA=Child Placement Agency RCCF=Residential Child Care Facility

DYC Continuation Adjusted for Caseload at 120%	36,265,112	1,354,097	37,619,209	36,942,161
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Calculation of Savings from 110% to 120% Capacity

The Table 2 for 110% estimate is subtracted from the total costs for the contract beds at a level of 646.6 commitment plus 31.7 detention beds, showing a net general fund savings of \$2,379,296. Personal services would not increase in the institutes, but food, clothing and medical services would increase and are calculated separately.

	General Fund	Medicaid CF*	Total	Net GF
Total costs for contracts with State Capacity at 110%	38,599,069	1,444,776	40,043,845	39,321,457
Less DYC Continuation Adjusted Caseload at 120%	36,265,112	1,354,097	37,619,209	36,942,161
Change due to increased state capacity to 521.4 - 120%	2,333,956	90,679	2,424,635	2,379,296
*50% of Medicaid CF is Medicaid General Fund (MGF), which is 45,340 added to 2,333,956 GF = Net GF				

Calculation of Net General Fund Savings including increased costs for medical and operating costs.

Savings in Contract Placements in Net General Fund would be offset by increased medical care. These youth would no longer covered by Medicaid and these cost increases would need to be General Fund. This would be for the additional 20% above 100% capacity (521 less 434) or 87 youth @ \$4,445 per youth per year. Medical expenses would need to be increased by \$386,715 annually. Food, clothing and other youth specific costs are approximately \$2,386 per youth per year, which would require an increase in operating expenses of \$207,582 annually. This amount is prorated for 10 months for a total of \$544,772 in FY 2009-10.

The following analysis used net General Fund to calculate the effect on the FY 2009-10 budget.

12 Months Incremental Savings in Contract Placements for 110% Capacity	\$2,374,352
12 Months Incremental Savings in Contract Placements for 120% Capacity	\$2,379,296
Less reduction for September 1 implementation of 120% Capacity (\$198,275 per month)	(\$396,549)
	<u>\$4,357,099</u>
Less increased costs in Medical expenses for 87 youth @ 4,445	(\$386,715)
Less reduction for 43.5 (50%) Youth for 9/1 implementation (2 months)	\$32,226
Net increase in Medical expense	<u>(\$354,489)</u>
Less increased costs in Food / Clothing/ Other 87 youth @ 2,386	(\$207,582)
Less reduction for 43.5 Youth for 9/1 implementation (2 months)	\$17,299
Net increase in Operating Expense	<u>(\$190,283)</u>
Combined net savings (110% for two months, 120% for ten months)	<u>\$3,812,327</u>
Note: Medicaid Cash Fund changes	
Reduction in Medicaid Cash fund – MGF at 50% for 110% capacity	\$45,340
Reduction in Medicaid Cash fund - MGF at 50% for 120% capacity	\$45,340
Less 2 months for 120% for 9/1 implementation	(\$7,557)
Total Reduction in Medicaid Cash Fund (\$166,246) – MGF/NGF at 50%*	<u>\$83,123</u>

*Please note the Department has considered the possible impact of the impact of the cash accounting method used for Medicaid funding and has determined there is no impact to this proposal.