



COLORADO
Office of State Planning
& Budgeting

111 State Capitol
Denver, Colorado 80203

FY 2016-17

Supplemental Comeback Requests for Executive Branch Agencies

January 30, 2017



Office of State Planning and Budgeting FY 2016-17 Supplemental Comeback Requests

Department:	Department of Health Care Policy and Financing
Title:	S-1 Medical Services Premiums

	FY 2016-17 Appropriation	FY 2016-17 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$6,818,264,595	\$141,694,902	\$0	\$141,694,902	\$141,694,902
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$1,942,439,768	\$32,217,993	\$0	\$32,217,993	\$32,217,993
CF	\$705,708,120	\$1,650,193	\$0	\$1,650,193	\$1,650,193
RF	\$5,240,893	\$3,861,816	\$0	\$3,861,816	\$3,861,816
FF	\$4,164,875,814	\$103,964,900	\$0	\$103,964,900	\$103,964,900

Summary of Initial Request:

The Department of Health Care Policy and Financing requested funding for the Medicaid program in FY 2016-17 based on the most recent projections of enrollment and expenditures under current law.

Committee Action:

The Joint Budget Committee chose not to act on this request. The Committee has asked for a discussion with OSPB and the Department concerning the change to the prior authorization criteria for hepatitis C, and would like to discuss the process by which the Department informs the JBC and the General Assembly of executive actions.

OSPB Comeback:

OSPB respectfully requests that the JBC approve this request as submitted.

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Office of State Planning and Budgeting FY 2016-17 Supplemental Comeback Requests

Department:	Health Care Policy and Financing
Title:	Public School Health Services Funding Adjustment

	FY 2016-17 Appropriation	FY 2016-17 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$82,604,632	\$9,393,330	\$0	\$9,393,330	\$9,393,330
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$0	\$0	\$0	\$0
CF	\$41,001,948	\$4,754,691	\$0	\$4,754,691	\$4,754,691
RF	\$0	\$0	\$0	\$0	\$0
FF	\$41,602,684	\$4,638,639	\$0	\$4,638,639	\$4,638,639

Summary of Initial Request:

The Department requested a funding adjustment of \$9.4 million total funds in FY 2016-17 to account for the difference between the estimated expenditure of the Public School Health Services program and the current appropriation. The state share of the request is from certification of public expenditure. No General Fund or other state cash funds would be used.

Committee Action:

The Joint Budget Committee did not take action on the Department's request.

OSPB Comeback:

OSPB respectfully requests that the Committee approve the Department's request as submitted.

The Public School Health Services program serves children with disabilities in order to improve health and allow these children to attend school. Under the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and Title 22, C.R.S., public school districts are required to provide certain medical services for public school children. Additionally, school districts provide some level of health screening, nursing services and other medical support services for students. When delivered to a Medicaid eligible student, some of these services qualify for Medicaid reimbursement.

Services include:

- Screening, vision, hearing and dental services as required by the federal Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program
- Rehabilitative therapies, which are those services which reduce a physical or mental disability and which may improve physical or mental health levels.

- Specialized non-emergency transportation which is provided to and from a student's place of residence and the school or the site of a Medicaid reimbursable service if the service is not provided at the school.
- Targeted case management (TCM) to assist with accessing needed medical, social, educational, and other services for clients who have a diagnosable physical or mental condition that has a high probability of impairing cognitive, emotional, neurological, social, or physical development. Services may include individualized strengths and needs assessments; service planning that provides an individualized written, comprehensive service plan based on needs identified in the assessments; service coordination, monitoring and advocacy; and crisis assistance planning.

School districts received Medicaid reimbursement for providing medical services, TCM and specialized non-emergency transportation to 15,793 Medicaid eligible clients during FY 2015-16.

Without approval of this request, reimbursement to school districts may be delayed or limited. Delays in reimbursement may discourage provider participation in the program, resulting in the delivery of fewer health services to students.

Office of State Planning and Budgeting FY 2016-17 Supplemental Comeback Requests

Department:	Health Care Policy and Financing
Title:	Medicaid Funding for Connect for Health Colorado

	FY 2016-17 Appropriation	FY 2016-17 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$0	\$5,144,208	\$0	\$5,144,208	\$5,144,208
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$0	\$1,790,457	\$0	\$0	\$0
CF*	\$0	\$0	\$0	\$1,790,457	\$1,790,457
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$3,353,751	\$0	\$3,353,751	\$3,353,751

* Cash funds are Certified Public Expenditure from Connect for Health Colorado

Summary of Initial Request:

The Department requested funding to support an established cost allocation methodology to reimburse Connect for Health Colorado (C4HCO) for costs associated with Medicaid and CHP+ administration. These functions include customer service center work, providing an exchange assistance network for non-county partners, Medical Assistance Site functions, and general administration.

Committee Action:

Joint Budget Committee chose not to act on this request. The Committee asked for an opinion from the Attorney General concerning whether this request violates a statutory prohibition against the use of General Fund for C4HCO activities.

OSPB Comeback:

OSPB respectfully requests that the Committee consider approving a modified version of the request. Specifically, OSPB requests that the Committee appropriate funding for the request using certified public expenditure (CPE) as the State share instead of General Fund. This solution would alleviate potential conflicts with the enabling statutes for C4HCO, and have the added benefits of not using General Fund or generating a TABOR impact.

The Department and C4HCO have a memorandum of understanding in place for C4HCO to act as a Medicaid Assistance site. Under this agreement, C4HCO can perform eligibility determinations for Medicaid and the Child Health Plan *Plus* (CHP+) as part of C4HCO's obligation to determine eligibility for federal financial assistance through the Advanced Premium Tax Credit (APTC) or cost sharing reductions. However, despite this work qualifying for federal funding under federal Medicaid statutes, the State is unable to obtain this federal funding without an appropriate State share. As a result, C4HCO is performing this work on behalf of the State without proper reimbursement, as the

Department does not reimburse C4HCO for any the activities that they are performing on behalf of the State. OSPB believes that it is appropriate to reimburse C4HCO for these activities.

To draw federal funds, the Department would be able to utilize certified public expenditures from C4HCO to draw down eligible federal funds in order to reimburse C4HCO for the activities they provide on behalf of the Department in support of the Colorado Medical Assistance Act. Essentially, this means that C4HCO's existing funding sources would serve at the State share for the purpose of drawing down federal funds under Medicaid. By using CPE instead of General Fund, there would be no potential conflict with the statutory prohibition related to using General Fund for C4HCO. The designation of existing C4HCO funding as CPE does not generate a TABOR impact.

The methodology to allocate costs as CPE had not been evaluated by the Centers for Medicare and Medicaid Services (CMS) until January 2017. The Department only very recently received an informal approval of this plan, though a full cost allocation plan is not expected to be approved until March 31, 2017. In addition, on January 13, 2017, the Colorado Attorney General's Office provided the Department with an informal opinion that designating C4HCO's existing funding sources as CPE is appropriate under the federal rules and laws governing Medicaid.

Office of State Planning and Budgeting FY 2016-17 Supplemental Comeback Requests

Department:	Public Safety
Title:	State Toxicology Laboratory

	FY 2016-17 Appropriation	FY 2016-17 Budget Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$0	\$0	\$0	\$0	\$0
FTE	15.0	0.0	0.0	0.0	0.0
GF	\$0	\$0	\$0	\$0	\$0
CF	\$1,138,472	\$127,972	\$0	\$127,972	\$127,972
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

Summary of Initial Request:

The Department requested an increase in personal services spending authority of \$127,972 cash funds from the State Toxicology Laboratory Cash Fund in FY 2016-17 and beyond to increase staffing within the Laboratory based on anticipated increases in demand for services.

Committee Action:

The Joint Budget Committee did not approve Department's request for additional spending authority for personal services. However, the Committee did approve a technical correction for the allocation of FTE between General Fund and cash funds for the state toxicology laboratory.

OSPB Comeback:

The Office of State Planning and Budgeting respectfully requests that the JBC approve the increase in cash fund spending authority for the Colorado Bureau of Investigation's (CBI) state toxicology laboratory as requested.

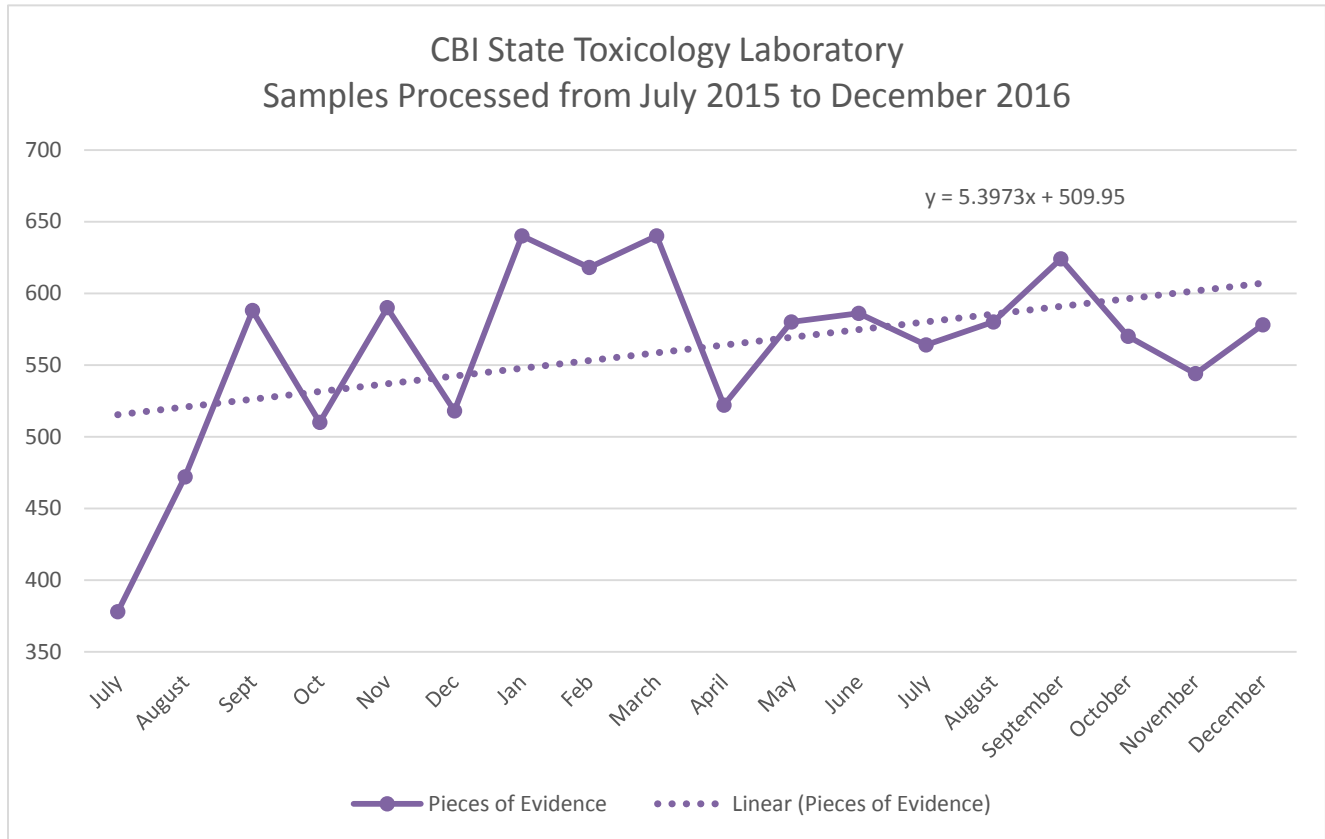
When comparing the year-over-year data from July to December, the state toxicology laboratory has experienced a 13.2 percent increase in workload since July 2015. This increase in demand is largely attributable to the fact that the CBI provides a high quality service for local law enforcement customers at a lower price than private laboratories.

Without an increase in toxicology scientists to handle this increased demand, the turnaround time during this same period has increased from 17 days to 26. Customers in this market segment have come to expect average turnaround times at 30 days or less.

If growth trends continue in this way, the Department projects that workload will exceed 639 samples per month by the end of FY 2016-17. In March, 2016, the CBI state toxicology laboratory received 640 samples, but had a turnaround time of 38 days.

Without the ability to hire additional personnel in FY 2016-17, the turnaround times for toxicology samples will likely exceed 38 days, and can be expected to climb beyond that level in the future. By the end of CY 2017, the Department projects 672 samples per month will be submitted to the CBI state toxicology laboratory.

Approval of this request will provide the funding needed to acquire the staff necessary to keep turnaround times from exceeding 30 days. Longer turnaround times may force local law enforcement agencies and district attorneys to pay higher rates to private laboratories for these services.



Month	Period	Projected Number of Samples Using Linear Regression Formula
Jan-17	19	612
Feb-17	20	618
Mar-17	21	623
Apr-17	22	629
May-17	23	634
Jun-17	24	639
Jul-17	25	645
Aug-17	26	650
Sep-17	27	656
Oct-17	28	661
Nov-17	29	666
Dec-17	30	672
Jan-18	31	677
Feb-18	32	683
Mar-18	33	688

Office of State Planning and Budgeting FY 2016-17 Supplemental Comeback Requests

Department:	Local Affairs
Title:	S-03 Kit Carson Mitigation Plan

	FY 2016-17 Appropriation	FY 2016-17 Supplemental Request	JBC Action	Comeback Request	Difference Between Action and Comeback Request
Total	\$750,000	\$180,704	\$0	\$180,704	\$180,704
FTE	0.0	0.0	0.0	0.0	0.0
GF	\$750,000	\$180,704	\$0	\$180,704	\$180,704
CF	\$0	\$0	\$0	\$0	\$0
RF	\$0	\$0	\$0	\$0	\$0
FF	\$0	\$0	\$0	\$0	\$0

Summary of Initial Request:

The Department of Local Affairs requested a FY 2016-17 supplemental appropriation of \$180,704 General Fund to offset the effects of the July 2016 closure of the CoreCivic private prison facility in Kit Carson County. Specifically, this request was intended to account for the resulting decline in revenue to the City of Burlington for utilities and per diem payments.

Committee Action:

The Joint Budget Committee did not approve this supplemental request. Though the Department indicated that it is open to legislation to accomplish this request, the members requested that the Department come back with a specific legislative proposal.

OSPB Comeback:

OSPB respectfully requests that the Committee approve this request as submitted. The Kit Carson Mitigation Plan is important for the economic stability of the local community.

Both OSPB and the Department support legislation that would create a general statutory framework to provide emergency assistance funds to distressed rural communities. This would not be an annually funded program, but rather permit the Department to serve as the vehicle to disburse funds to address economic emergencies in the State's cities, counties, and special districts on a case-by-case basis as determined by the General Assembly or an applicable legislative committee. The Department proposes that such assistance could be appropriated to the Other Local Government Grants line item, which is also in the Division of Local Government's Field Services section.