JOINT
BUDGET
COMMITTEE

SUPPLEMENTAL BUDGET REQUESTS
FY 2022-23 & FY 2021-22

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

(Executive Director's Office, Medical Services Premiums, Indigent Care, Other Medical Services)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
ERIC KURTZ, JBC STAFF
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JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR · DENVER · COLORADO · 80203
TELEPHONE: (303) 866-2061 · TDD: (303) 866-3472
https://leg.colorado.gov/agencies/joint-budget-committee

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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

DEPARTMENT OVERVIEW

The Department helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs, the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The major programs administered by the Department include:

- **Medicaid** -- serves people with low income and people needing long-term care
- **Children's Basic Health Plan** -- provides a low-cost insurance option for children and pregnant women with income slightly higher than the Medicaid eligibility criteria
- **Colorado Indigent Care Program** -- defrays a portion of the costs to providers of uncompensated and under-compensated care for people with low income, if the provider agrees to program requirements for discounting charges to patients on a sliding scale based on income
- **Old Age Pension Health and Medical Program** -- serves elderly people with low income who qualify for a state pension but do not qualify for Medicaid or Medicare

The Department also performs functions related to improving the health care delivery system, including advising the General Assembly and the Governor, administering grants such as the Primary Care and Preventive Care Grant Program, and housing the Commission on Family Medicine Residency Training Programs.

SUMMARY: FY 2021-22 APPROPRIATION AND RECOMMENDATION

REQUEST/RECOMMENDATION DESCRIPTIONS

S18 OVEREXPENDITURE: The Department requests and the JBC staff recommends the release of restrictions on the FY 2022-23 appropriations imposed by the State Controller due to over-expenditures in prior years. Because of the entitlement nature of the Medicaid program, statute (Section 24-75-109, C.R.S.) allows the Department to overexpend Medicaid line items, except administrative line items, as long as the overexpenditures are consistent with the statutory purposes of the Medicaid program. However, the State Controller restricts the current fiscal year's appropriation until the General Assembly approves a supplemental for the prior year overexpenditures. Releasing the overexpenditure restriction requires increasing the FY 2021-22 appropriation by $13,975,326 total funds, including $9,986,268 General Fund.

SUMMARY: FY 20222-23 APPROPRIATION AND RECOMMENDATION

Department Of Health Care Policy And Financing: Recommended Changes For FY 2022-23	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2022-23 Appropriation						
H.B. 22-1329 (Long Bill)	$14,175,863,675	$4,079,738,465	$1,805,089,552	$94,985,445	$8,196,050,213	711.7
Other Legislation	45,200,722	5,108,013	33,890,841	72,750	6,129,118	30.1
Current FY 2022-23 Appropriation:	**$14,221,064,397**	**$4,084,846,478**	**$1,838,980,393**	**$95,058,195**	**$8,202,179,331**	**741.8**
Recommended Changes						
Current FY 2022-23 Appropriation	$14,221,064,397	4,084,846,478	$1,838,980,393	$95,058,195	$8,202,179,331	741.8
S1 Medical Services Premiums	255,702,423	(160,547,818)	(3,920,627)	0	420,170,868	0.0
S2 Behavioral Health	45,221,048	(11,570,183)	5,252,102	0	51,539,129	0.0
S3 Child Health Plan Plus	(31,177,243)	(16,311,787)	2,220,103	0	(17,085,559)	0.0
S4 Medicare Modernization Act	(6,613,654)	(6,613,654)	0	0	0	0.0
S5 Office of Community Living	(21,697,423)	(39,079,985)	633,347	0	16,749,215	0.0
S6 Eligibility redeterminations	(3,374,136)	(144,341)	(644,273)	0	(2,585,522)	0.0
S8 ARPA HCBS Adjustment	(27,456,472)	0	(16,846,611)	0	(10,609,861)	0.0
S9 Public school health services	(19,537,512)	0	(15,450,768)	0	(4,086,744)	0.0
S10 Provider enrol fee & estate recoveries	465,841	(122,196)	972,458	0	(384,421)	0.0
S11 Behavioral health crisis response	(135,360)	(135,360)	0	0	0	0.0
S12 eConsult transfer between lines	(250,000)	(125,000)	0	0	(125,000)	0.0
S13 Utilization & quality review disallowance	1,183,837	1,183,837	0	0	0	0.0
S14 Federal match non-forecast items	5,221,823	(5,973,250)	(13,370,008)	(26,550)	24,591,631	0.0
S15 Birthing equity	(1,903,091)	(839,264)	0	0	(1,063,827)	0.0
S16 Implement SB 22-236 & SB 21-131	34,900	10,470	6,980	0	17,450	0.0
S19 Alternative payment model	3,189,221	852,217	182,376	0	2,154,628	0.0
S21 Denver Health one-time payment	0	0	0	0	0	0.0
NP OIT Supp. Real time billing	4,313,750	856,732	516,479	76	2,940,463	0.0
Human Services	729,885	364,942	0	0	364,943	0.0
Recommended FY 2022-23 Appropriation:	**$14,424,982,234**	**$3,846,651,838**	**$1,798,531,951**	**$95,031,721**	**$8,684,766,724**	**741.8**
Recommended Increase/(Decrease)	**$203,917,837**	**($238,194,640)**	**($40,448,442)**	**($26,474)**	**$482,587,393**	**0.0**
Percentage Change	1.4%	(5.8%)	(2.2%)	(0.0%)	5.9%	0.0%
FY 2022-23 Executive Request	**$14,399,721,825**	**$3,850,317,008**	**$1,783,956,055**	**$95,044,321**	**$8,670,404,441**	**751.6**
Request Above/(Below) Recommendation	($25,260,409)	$3,665,170	($14,575,896)	$12,600	($14,362,283)	9.8

Request/Recommendation Descriptions

S1 Medical Services Premiums: The Department requests and the JBC staff recommends an increase of $255.7 million total funds, including a decrease of $160.5 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources.

S3 Child Health Plan Plus: The Department requests and the JBC staff recommends a net decrease of $31.2 million total funds, including a decrease of $16.3 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources.

S4 MEDICARE MODERNIZATION ACT: The Department requests and the JBC staff recommends a decrease of $6.6 million General Fund for projected changes in caseload, per capita expenditures, and fund sources.

S6 ELIGIBILITY REDETERMINATIONS: The Department requests and the JBC staff recommends adjusting current appropriations for administrative resources to process eligibility redeterminations when the continuous coverage requirement for Medicaid ends. The staff recommendation is lower than the request by $5.6 million total funds, including $0.8 million General Fund, based on more recent information that the continuous coverage requirement will continue through March 31, 2023, reducing the need for resources to redetermine client eligibility in FY 2022-23.

S9 PUBLIC SCHOOL HEALTH SERVICES: The Department requests and the JBC staff recommends a reduction of $19.5 million total funds based on projected certified public expenditures by school districts and Boards of Cooperative Education Services (BOCES).

S10 PROVIDER ENROLL FEE & ESTATE RECOVERIES: The Department requests and the JBC staff recommends a net increase of $65,841 total funds, including a reduction of $122,196 General Fund, to better align appropriations with expected revenues from provider enrollment fees and estate recoveries.

S12 ECONSULT TRANSFER BETWEEN LINES: The Department requests moving $250,000, including $125,000 General Fund, that is associated with clinical and quality reviews for the eConsult program from the Provider Audits and Services, Professional Audit Contracts line item to the Medicaid Management Information System Maintenance and Projects line item. Staff recommends a reduction of $250,000 total funds, including $125,000 General Fund, from the Professional Audit Contracts line item that the Department will not spend in FY 2022-23.

S14 FEDERAL MATCH NON-FORECAST ITEMS: The Department requests and staff recommends an adjustment to the fund sources for line items where the Department does not routinely produce expenditure forecasts to account for the additional federal match available pursuant to the federal Families First Coronavirus Response Act. The staff recommendation is higher than the request by $2.1 million total funds and lower than the request by $1.3 million General Fund based on more recent information that the additional match will continue through March 31, 2023.

S16 IMPLEMENT S.B. 22-236 & S.B. 21-131: The Department requests additional resources to implement S.B. 22-236 (Review Medicaid Provider Rates) and S.B. 21-131 (Protect Personal Identifying Info Kept by State). Staff recommends the requested $34,900 total funds, including $10,470 General Fund for S.B. 21-131, but not the requested $318,378 total funds, including $95,514 General Fund, and 2.8 FTE for S.B. 22-236.

S19 ALTERNATIVE PAYMENT MODEL: The Department requests and staff recommends $3.2 million total funds, including $0.9 million General Fund, to reflect a more recent and lower estimate of the savings attributable to the prescriber tool and a revised proposal for how to share the savings with providers.

S21 DENVER HEALTH ONE-TIME PAYMENT: The Department requests but staff does not recommend $1.9 million General Fund one-time to provide financial assistance to Denver Health due to a lower-than-anticipated volume of commercial insurance and increased costs for wages.

MAJOR DIFFERENCES FROM THE REQUEST

- For *S6 Eligibility redeterminations*, the staff recommendation is lower than the request by $5.6 million total funds, including $0.8 million General Fund, based on more recent information that the continuous coverage requirement will continue through March 31, 2023, reducing the need for resources to redetermine client eligibility in FY 2022-23.
- For *S12 eConsult transfer between lines,* staff does not recommend the requested movement of funds and instead recommends a reduction of $250,000 total funds, including $125,000 General Fund, from the Professional Audit Contracts line item that the Department will not spend in FY 2022-23.
- For *S16 Implement S.B. 22-236 & S.B. 21-131*, staff does not recommend the requested $318,378 total funds, including $95,514 General Fund, and 2.8 FTE for S.B. 22-236.
- For *S21 Denver Health one-time payment*, staff did not recommend the requested $1.9 million General Fund.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 MEDICAL SERVICES PREMIUMS

	REQUEST	RECOMMENDATION
TOTAL	**$255,702,423**	**$255,702,423**
General Fund	(160,547,818)	(160,547,818)
Cash Funds	(3,920,627)	(3,920,627)
Federal Funds	420,170,868	420,170,868

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

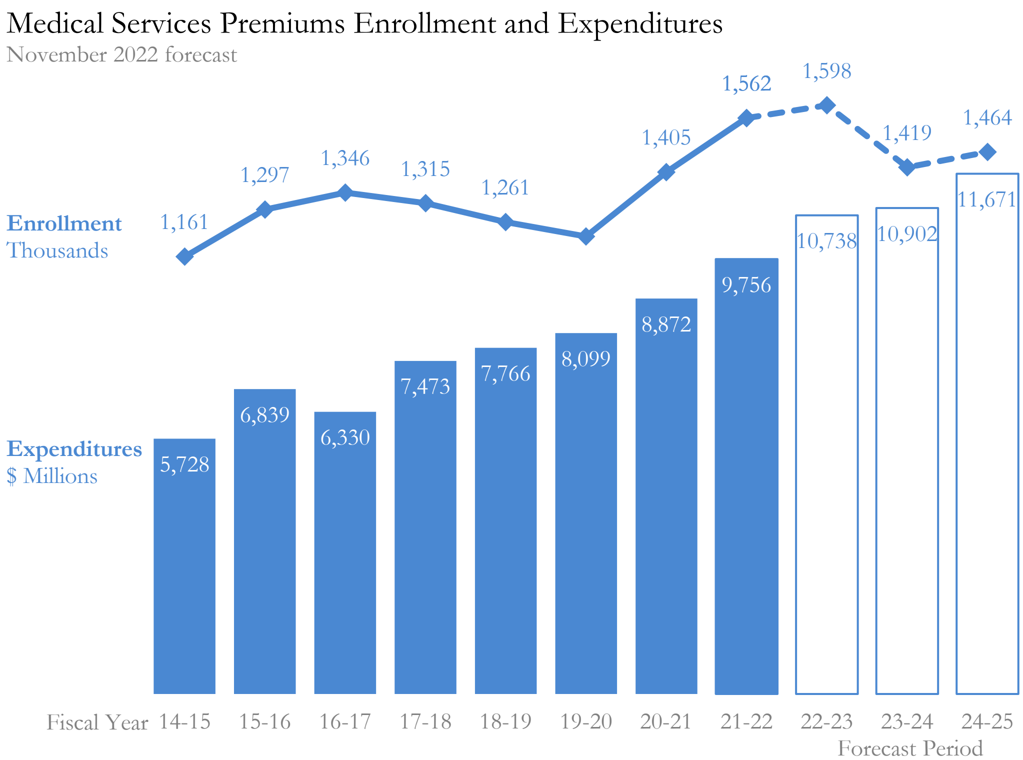
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

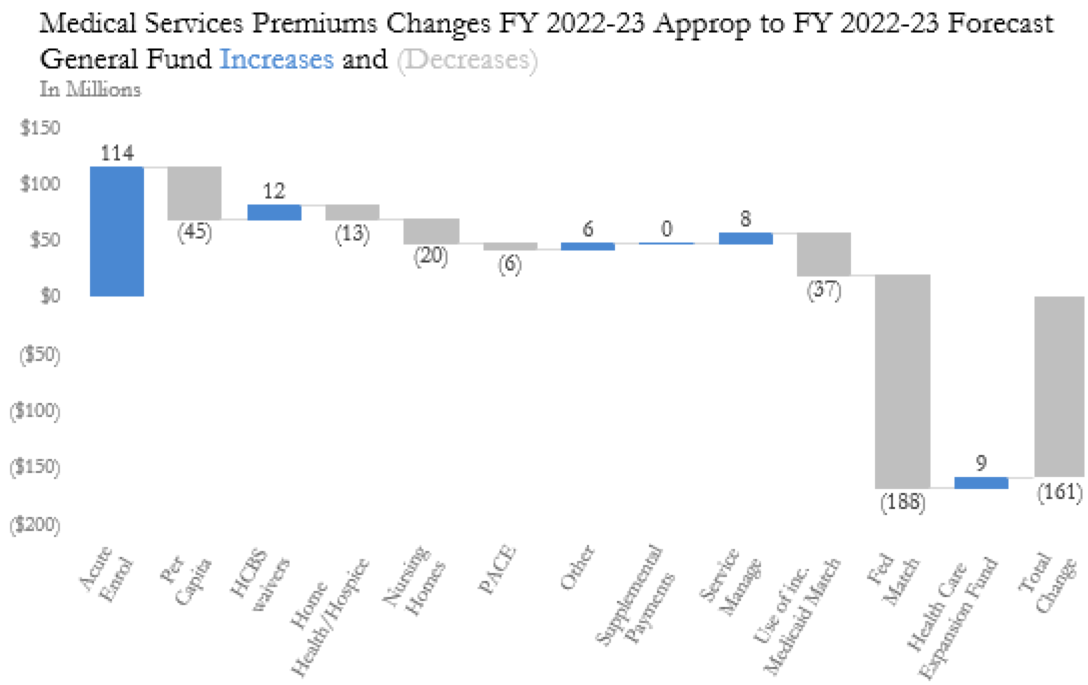
Department Request

The Department requests a net increase of $255.7 million total funds, including a decrease of $160.5 million General Fund, based on a new projection of enrollment and expenditures under current law. The Medical Services Premiums line item pays for physical health care and most long-term services and supports for clients eligible for the Medicaid program. The forecast used for the original FY 2022-23 appropriation incorporated trend data through December 2021 while the latest forecast used for this supplemental request incorporates data through June 2022. The Department will submit a new forecast in February that uses data through December 2022. If that February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

The chart below summarizes the Department's forecast of enrollment and expenditures.



The projection for FY 2022-23 is up a net $252.7 million total funds, including a decrease of $160.5 million General Fund. The graph below shows the major contributors to the General Fund change from the FY 2022-23 appropriation to the Department's November 2022 forecast for FY 2022-23. It does not show differences from FY 2021-22 expenditures. Aside from the federal match, the majority of the decrease is related to decreased per capita costs for acute care.



Specific values by fund source for the preceding chart are provided below.

FY 2022-23 Medical Services Premiums Enrollment/Utilization Trends (from FY 2022-23 Appropriation)	Total Funds	General Fund	Other State Funds	Federal Funds
FY 2022-23 Appropriation	$10,482,357,710	$2,899,250,775	$1,342,459,883	$6,240,647,052
Acute Care				
Enrollment	456,613,027	113,624,791	22,936,344	320,051,892
Per capita	(148,040,421)	(45,358,754)	(4,591,882)	(98,089,785)
Subtotal - Acute Care	*308,572,606*	*68,266,037*	*18,344,462*	*221,962,107*
Long-term Services and Supports				
HCBS waivers	23,872,887	11,936,443	0	11,936,444
Long-Term Home Health/PDN/Hospice	(30,424,327)	(12,942,050)	(2,864,382)	(14,617,895)
Nursing homes	(40,034,120)	(20,435,859)	490,725	(20,088,986)
PACE	(11,248,638)	(5,624,319)	0	(5,624,319)
Other	(2,171,907)	(1,190,907)	0	(981,000)
Subtotal – LTSS	*(60,006,105)*	*(28,256,692)*	*(2,373,657)*	*(29,375,756)*
Supplemental Payments	(22,164,949)	425,745	(41,470,743)	18,880,049
Health Care Expansion Fund	0	9,298,820	(9,298,820)	0
Service management	29,875,556	8,050,636	3,631,598	18,193,322
SB 21-213 Use of Increased Medicaid Match	0	(37,034,803)	37,034,803	0
Federal match	0	(188,216,971)	(11,778,253)	199,995,224
Financing	(574,715)	6,919,380	1,989,982	(9,484,077)
TOTAL	**$10,738,060,103**	**$2,738,702,927**	**$1,338,539,255**	**$6,660,817,921**
Increase/(Decrease)	$255,702,393	($160,547,848)	($3,920,628)	$420,170,869
Percentage Change	2.4%	(5.5%)	(0.3%)	6.7%

Acute Care

The acute care category includes expenditures for hospitals, primary care, specialty care, and pharmacy, among others.

Enrollment

While the Department overestimated FY 2022-23 enrollment for elderly and disabled population in its February 2022 forecast, the Department underestimated FY 2022-23 parents and pregnant women, children, and expansion population enrollment due to an earlier than realized end date for the COVID-19 public health emergency. Extension of the public health emergency into the second quarter of the state fiscal year, resulted in an update in the November 2022 forecast reflecting application of the enhanced FMAP of 6.2 percent through December 2022. In mid-November 2022, the public health emergency was extended into January of 2023, resulting in the continuation of the 6.2 percent enhanced FMAP into the third quarter of state FY 2022-23. The resulting refinance of General Fund will be reflected in the February 2023 forecast.

In addition to application of the enhanced FMAP for an additional two quarters, the Department lowered its projection of the number of members who will be disenrolled based on year-to-date actuals for the continuous coverage population. The November 2022 forecast assumes that 530,476 members will be locked into Medicaid by December 31, 2022, and that just over 315,000 people will be disenrolled from Medicaid when the public health emergency ends. The Department anticipates that eligibility redetermination for those locked into Medicaid will continue for twelve months upon conclusion of the public health emergency. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established the end of the continuous coverage requirement as March 31, 2023. The Department's February forecast will reflect this new information.

Per Capita

FY 2021-22 actual per capita expenditures were lower than expected, due to the number of members locked into continuous coverage. As a result, the Department decreased the projected FY 2022-23 per capita expenditures. The Department anticipates that the per capita costs will gradually increase with the conclusion of the public health emergency. At this time the increases are expected to occur through FY 2024-25.

COVID-19, RSV, and Flu Treatment costs

The forecast includes a projected total cost to treat COVID-19, RSV, and the flu of $148.3 million. Of this amount, $135.6 million is for hospitalizations related to COVID-19. This is a decrease of $29.8 million total funds below the amount identified in the February 2022 forecast.

Specialty Drugs

The FY 2022-23 forecast includes an adjustment for specialty drugs, which tend to cost significantly more than standard pharmaceuticals. The FY 2022-23 adjustment includes $274.9 million total funds, including $27.5 million General Fund, based on the assumption that 10 percent of members with qualifying conditions will utilize these drugs.

Impact of Specialty Drugs (FY 2022-23)						
Drug Name (Diagnosis)	Projected Annual Gross Costs	One-Time use?	Rebates	Estimated Approval Date	Adjustment to Prorate FY 2022-23	Impact
Skysona (Cerebral Adrenoleukodystrophy)	$4,000,000	Yes	17.1%	09/16/22	78.6%	$2,607,375
teplizumab (Type I Diabetes)	$3,500,000	Yes (14 days)	17.1%	11/17/22	61.6%	1,788,596
Roctavian (Hemophilia A)	$183,000,000	Yes	23.1%	10/01/22	74.5%	104,870,532
EtranaDez (Hemophilia B)	$27,000,000	Yes	23.1%	11/24/22	59.7%	12,400,915
Hepcludex (Hepatitis D)	$5,000,000	No	23.1%	09/30/22	75.0%	2,883,750
cipaglucosidase alfa (Pompe Disease)	$3,600,000	No	17.1%	10/29/22	66.9%	1,995,051
trofinetide (Rhett Syndrome)	$10,000,000	No	17.1%	01/01/23	50.0%	4,145,000
nirsevimab (RSV)	$40,000,000	No	17.1%	07/01/23	0.0%	0
LentiGlobin (Sickel Cell Disease)	$106,000,000	Yes	17.1%	08/19/22	86.3%	75,836,466
Zynteglo (Transfusion Dependent Beta Thalassemia)	$95,000,000	Yes	17.1%	08/17/22	86.9%	68,398,178
					Total	$274,925,863
Utilization Adjustment – percent of members with qualifying conditions anticipated to utilize drugs						10.0%
					Total Annual Impact	**$27,492,586**
					General Fund Impact	**9,223,436**

Long-term Services and Supports

Long-term care costs are projected to reflect an overall decrease in expenditures primarily due to reductions in Private Duty Nursing and Hospice utilization. These reductions are partially offset with increased in-home services and supports utilization on the Children's Home- and Community-based Services (CHCBS) waiver.

<u>CHCBS waiver</u>

Utilization of in-home services and supports on the Children's HCBS waiver and the average cost per utilizer have been steadily growing. The forecast reflects an assumption that the growth will continue.

<u>Home Health/PDN/Hospice</u>

Long-term home health and private duty nursing (PDN) are skilled nursing and therapy services provided in a home setting. People can potentially receive both HCBS services and long-term home health or private duty nursing. The difference between long-term home health and private duty nursing is a matter of degree, with private duty nursing the more intensive service and generally limited to people who are machine-dependent and/or require round-the-clock care. In addition to traditional nursing services, home health includes physical therapy, occupational therapy, and speech therapy.

The Department projects lower expenditures in FY 2022-23 as a result of reductions in PDN and Hospice utilization.

<u>Nursing homes</u>

The Department indicates that patient days for nursing facilities remains low.

PACE

PACE enrollment continues to decline as a result of the InnovAge enrollment freeze in December 2021. The Department expects growth to rebound in December 2022 and continue to grow based on historical trends after that.

OTHER

Supplemental payments

The forecast includes adjustments for supplemental payments for hospitals due to the extension of the enhanced federal match, for nursing facilities due to a reduction in the number of patient days, and for emergency medical transportation due to lower than anticipated payments.

Healthcare Expansion Fund

The forecast includes a true-up related to anticipated Health Care Expansion Fund revenue, which revenue originates from the Tobacco Tax Cash Fund.

Service management

The change is due to an increase in Accountable Care Collaborative administration payments to expansion populations and children offset by lower payments to elderly/disabled and low-income parents.

S.B. 21-213 Use of increased federal match

The forecast includes an adjustment related to two additional quarters of the 6.2 enhanced federal match, reflecting the offset of General Fund with federal funds for supplemental payments. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established a scheduled phase down of the enhanced federal match beginning in April 2023. The Department's February forecast will reflect this new information.

Federal match rate

The appropriation assumed that the public health emergency would conclude in the fourth quarter of state FY 2021-22. Therefore, the additional 6.2 percent federal match would be available through June of 2022. The request reflects the extension of the public health emergency into the second quarter of FY 2022-23. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established a scheduled phase down of the enhanced federal match beginning in April 2023. The Department's February forecast will reflect this new information.

Staff Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

S3 CHILD HEALTH PLAN PLUS

	REQUEST	RECOMMENDATION
TOTAL	**($31,177,243)**	**($31,177,243)**
General Fund	(16,311,787)	(16,311,787)
Cash Funds	2,220,103	2,220,103
Federal Funds	(17,085,559)	(17,085,559)

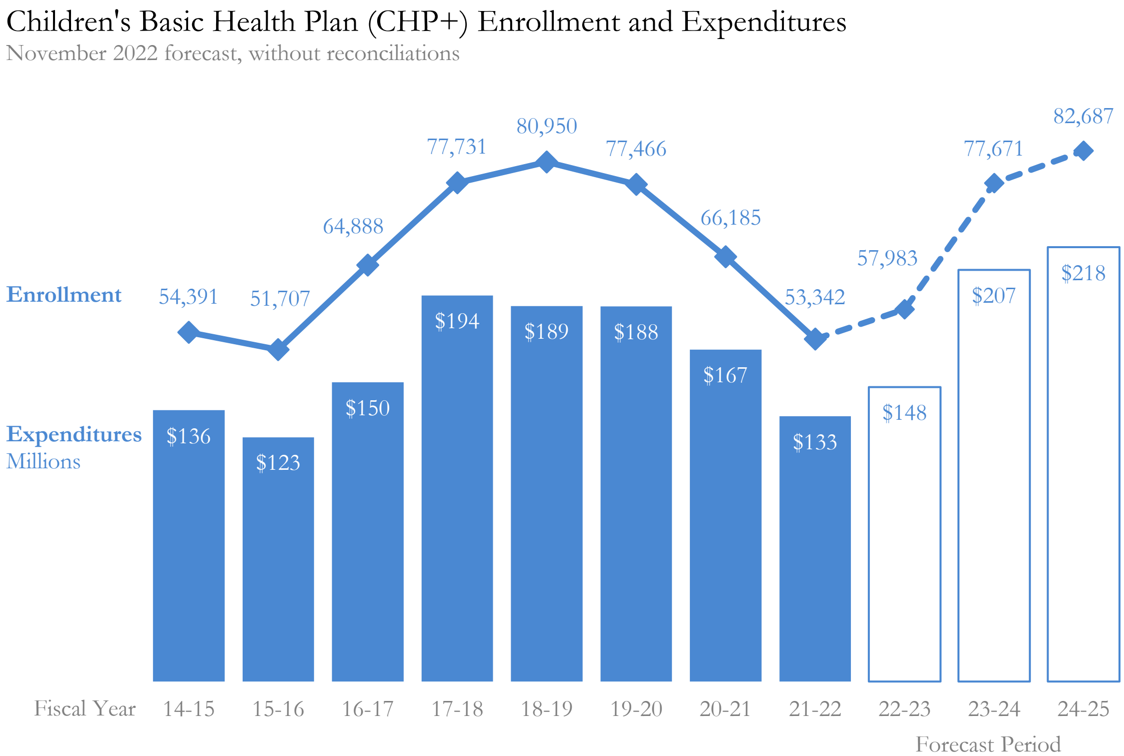
Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

DEPARTMENT REQUEST

The Department requests a net decrease of $31.2 million total funds, including a decrease of $16.3 million General Fund, based on a new projection of enrollment and expenditures under current law. The Children's Basic Health Plan pays for physical health services for eligible children and pregnant women and for dental services for children. The forecast used for the original FY 2022-23 appropriation incorporated trend data through December 2021 while the latest forecast used for this supplemental request incorporates data through June 2022. The Department will submit a new forecast in February that uses data through December 2022. If that February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

The chart below summarizes the Department's forecast of enrollment and expenditures.



The table below shows the major contributors to the change from the FY 2022-23 appropriation to the Department's November 2022 forecast for FY 2022-23. It does not show differences from the FY 2021-22 expenditures.

FY 2022-23 Children's Basic Health Plan Enrollment/Utilization Trends				
	Total Funds	General Fund	Other State	Federal Funds
FY 2022-23 Appropriation	$182,938,101	$24,514,105	$39,470,009	$118,953,987
Enrollment	(23,107,342)	(4,118,380)	(1,849,166)	(17,139,796)
Per capita	(7,415,743)	(1,285,308)	(568,628)	(5,561,807)
CHP+ Trust balance	0	(5,222,715)	5,222,715	0
Federal match	(654,158)	(5,685,384)	(584,818)	5,616,044
TOTAL	**$151,760,858**	**$8,202,318**	**$41,690,112**	**$101,868,428**
Increase/(Decrease)	(31,177,243)	(16,311,787)	2,220,103	(17,085,559)
Percentage Change	-17.0%	-66.5%	5.6%	-14.4%

Enrollment: Actual CHP+ enrollment is running lower than the Department had forecast in February and the Department further decreased the forecast to account for the extension of the federal public health emergency. During the federal public health emergency there are clients churning from CHP+ to Medicaid but no clients churning from Medicaid to CHP+. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established the end of the continuous coverage requirement as March 31, 2023. The Department's February forecast will reflect this new information.

Per capita: The forecast makes a small true-up to the capitated payments per member per month.

CHP+ TRUST BALANCE: There is an available balance in the CHP+ Trust that the Department's forecast assumes will be used to offset the need for General Fund in FY 2022-23. The primary source of revenue to the CHP+ Trust is tobacco master settlement, but the Trust also receives money from member premiums, interest, recoveries, and reversions. The General Fund makes up the difference between revenues to the CHP+ Trust and expenditures.

FEDERAL MATCH: The appropriation assumed the enhanced federal match would be available through June 2022 and the forecast reflects two additional quarters with the enhanced federal match through December 2022. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established a scheduled phase down of the enhanced federal match beginning in April 2023. The Department's February forecast will reflect this new information. The CHP+ match rate is derived from the Medicaid match rate.

Staff Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

S4 MEDICARE MODERNIZATION ACT

	REQUEST	RECOMMENDATION
TOTAL	**$6,613,654**	**$6,613,654**
General Fund	6,613,654	6,613,654

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

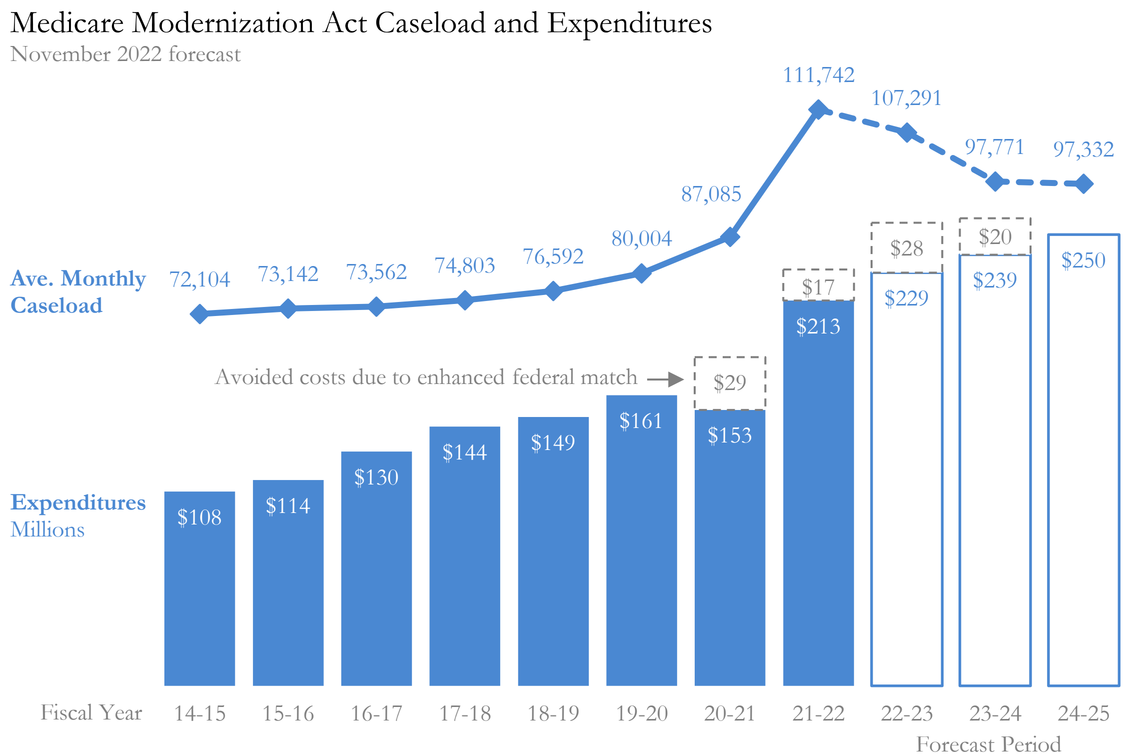
DEPARTMENT REQUEST

The Department requests a $6.6 million General Fund increase based on a new projection of enrollment and expenditures under current law. The Medicare Modernization Act line item reimburses the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. In 2006 Medicare took over responsibility for these drug benefits, but to defray the costs the federal legislation requires states to make an annual payment based on a percentage of what states would have paid for this population in Medicaid, as estimated by a federal formula. This is a state obligation with no federal match, but the federal match rate for Medicaid does impact the calculation of how much the state owes.

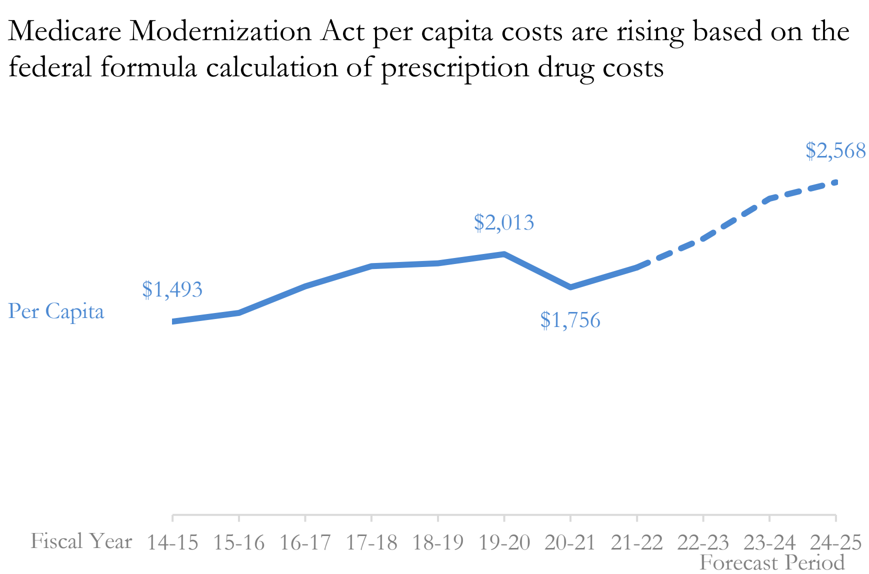
The forecast used for the original FY 2022-23 appropriation incorporated trend data through December 2021 while the latest forecast used for this supplemental request incorporates data through June 2022. The Department will submit a new forecast in February that uses data through December

2022. If that February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

The chart below summarizes the Department's forecast of enrollment and expenditures.



Per capita costs have been increasing due to higher prices for pharmaceuticals. The drop in FY 2020-21 was due to the enhanced match through the federal Families First Coronavirus Response Act and absent that enhanced federal match the per capita costs would have increased.



The table below shows the major contributors to the change from the FY 2022-23 appropriation to the Department's November 2022 forecast for FY 2022-23. It does not show differences from the FY 2021-22 expenditures.

FY 2022-23 Medicare Modernization Act	
	GENERAL FUND
FY 2022-23 Appropriation	$235,472,292
Enrollment	9,067,693
Per capita	(484,340)
Federal match	(15,197,007)
TOTAL	**$228,858,638**
Increase/(Decrease)	(6,613,654)
Percentage Change	-2.8%

ENROLLMENT: The change in the forecast is almost entirely attributable to the extension of the federal public health emergency and the prohibition on disenrolling people from Medicaid. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established the end of the continuous coverage requirement as March 31, 2023. The Department's February forecast will reflect this new information.

PER CAPITA: The federal formula for determining the rate per member came in slightly lower than expected.

FEDERAL MATCH: The appropriation assumed the enhanced federal match would be available through June 2022 and the forecast reflects two additional quarters with the enhanced federal match through December 2022. Since the request was submitted, the federal Consolidated Appropriations Act of 2023 established a scheduled phase down of the enhanced federal match beginning in April 2023. The Department's February forecast will reflect this new information.

Staff Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

S6 ELIGIBILITY REDETERMINATIONS

	REQUEST	RECOMMENDATION[1]
TOTAL	**$2,210,141**	**($2,424,484)**
General Fund	662,451	(144,341)
Cash Funds	443,530	(644,273)
	0	949,652
Federal Funds	1,104,160	(2,585,522)

[1] Includes costs in the Department of Personnel and Administration.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made regarding when the continuous coverage requirement and additional federal match will end.

DEPARTMENT REQUEST

The Department requests $2.2 million total funds, including $662,451 General Fund, to adjust current appropriations for administrative resources to process eligibility redeterminations when the continuous coverage requirement for Medicaid ends. The request is mostly consistent with previous funding provided by the General Assembly and just updates the timing and total funds needed based on how the public health emergency has been extended. The request assumed the continuous coverage requirement would end January 31, 2023.

Subsequent to the request, the federal government passed the Consolidated Appropriations Act of 2023 revising the timeline for the end of the continuous coverage requirement to March 31, 2023. The Department submitted an unofficial update to the request to reflect the new timetable in the Consolidated Appropriations Act of 2023, which is discussed in more detail in the staff recommendation.

The federal Families First Coronavirus Response Act (FFCRA) authorized states to receive an additional 6.2 percentage point federal match for Medicaid during the public health emergency declaration by the federal Secretary of Health and Human Services but, as a condition of receiving the additional match, prohibited states from reducing benefits or disenrolling people from Medicaid due to a change in income or family size beginning in March 2020. The Department was not required to implement continuous eligibility for CHP+ but elected to do so.

When the continuous coverage requirement ends, the Department will need to redetermine eligibility for all the people who have been locked in. The Department estimates it will need to redetermine eligibility for 530,476 people. Under federal guidance, the Department has 14 months to complete the redeterminations. Most of the work will be done by county eligibility offices and the request includes funding for 234 additional county staff to handle the volume. The request takes into account that some counties have already hired, trained, and equipped staff in anticipation of the end of the continuous coverage requirement, since the end date has moved several times. The request includes continuation funding for the actual county staff hired to date. For county staff that were not hired early, the Department's request includes funding based on the staff starting two months prior to the end of the continuous coverage requirement to allow time for training and to begin work on required advance notifications. The request would return any remaining difference between the previously appropriated funds in FY 2022-23 and the projected need based on the new timeline for the end of the continuous coverage requirement.

People with an adverse action have a right to appeal the finding to the county and state. The request includes funding for another 48 county staff to handle the appeals plus Department staff and administrative court hearing officers to manage appeals that are escalated to the Department.

The only significant difference in methodology between the Department's current request and the methodology used to determine previous funding approved by the General Assembly is related to appeals. The Department wants to increase the funding for department appeal staff and administrative court services based on an assumption that 5.0 percent of adverse actions will result in an appeal, rather than the current assumption embedded in the appropriation than 0.6 percent of adverse actions will result in an appeal.

When the Department first received resources for this purpose in FY 2021-22 through BA10 Public health emergency end resources, the Department assumed 5.0 percent of adverse actions would result in an appeal. However, the General Assembly provided funding based on an assumption that only 0.6 percent of adverse actions would result in an appeal. The Department's assumption resulted in a projection of appeals that was more than 8 times the actual number of appeals in the prior year, a need for more administrative law judge hours than the entire state consumed in the prior year, and more than 8 times the actual rate of appeals referred to administrative law judges per disenrollment in the prior fiscal year. The Department's assumption that 5.0 percent of adverse actions would result in an appeal was based on, "county survey data, experience, and knowledge of appeals resulting from eligibility redeterminations." The General Assembly's assumption that only 0.6 percent of adverse actions would result in an appeal was based on the actual rate of appeals referred to administrative law judges per adverse action in the prior fiscal year. If the Department's assumption was correct and the General Assembly's wrong, then processing appeals would take longer due to the lack of resources, but during processing the clients would remain covered. The risk was to the state that clients would remain on Medicaid and CHP+ longer than they should. There was also a possibility that the federal Centers of Medicare and Medicaid Services (CMS) could withhold federal funding for untimely processing of appeals. However, given the uncertainty and unprecedented nature of the mass disenrollment and appeal process, it seemed unlikely that there would be federal penalties as long as Colorado was making a good faith effort to budget for appeals.

In the 2022 legislative session the Department submitted S6/BA6 County administration resources to adjust funding for the end of the continuous eligibility requirement and in that request the Department proposed increasing the funding for county appeals officers from 6 to 48 based on the assumption that 5.0 percent of adverse actions would result in an appeal. The Department did not submit any new information to justify the assumption about the rate of appeals, but the General Assembly approved the request.

Now the Department wants to increase the state resources for Department appeal staff and administrative court services consistent with the assumption that 5.0 percent of adverse actions will result in an appeal.

STAFF RECOMMENDATION

Staff recommends funding based on the Department's unofficial update to the request that reflects the new end date for the continuous coverage requirement of March 31, 2023, approved in the federal Consolidated Appropriations Act of 2023. With one exception related to appeals, all of the purposes, amounts, and calculation methods are based on prior funding approved by the General Assembly, just updated for the new expiration date for the continuous eligibility requirement. The table below summarizes the FY 2021-22 actual expenditures, the staff recommendations for FY 2022-23 and FY 2023-24, the projected expenditures for FY 20224-25, and the cumulative total cost.

S6 Eligibility redeterminations					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2021-22 Actual expenditures					
HCPF					
County Administration	$3,934,901	$835,321	$262,490	$0	$2,837,090
Department appeals	0	0	0	0	0
Administrative court services	0	0	0	0	0
Subtotal - HCPF	$3,934,901	$835,321	$262,490	$0	$2,837,090
Personnel & Administration					
Office of Administrative Courts	0	0	0	0	0
TOTAL - FY 2021-22 Actual	**$3,934,901**	**$835,321**	**$262,490**	**$0**	**$2,837,090**
FY 2022-23					
HCPF					
County Administration	$10,758,760	$1,752,790	$1,325,479	$0	$7,680,491
Department appeals	245,833	73,651	49,265	0	122,917
Administrative court services	1,244,952	372,988	249,488	0	622,476
Subtotal - HCPF	$12,249,545	$2,199,429	$1,624,232	$0	$8,425,884
Personnel & Administration					
Office of Administrative Courts	1,244,952	0	0	1,244,952	0
TOTAL - FY 2022-23	**$13,494,497**	**$2,199,429**	**$1,624,232**	**$1,244,952**	**$8,425,884**
Current appropriations	15,918,981	2,343,770	2,268,505	295,300	11,011,406
Incremental change needed	($2,424,484)	($144,341)	($644,273)	$949,652	($2,585,522)
FY 2023-24					
HCPF					
County Administration	$21,010,078	$2,242,617	$3,971,390	$0	$14,796,071
Department appeals	879,325	263,445	176,217	0	439,663
Administrative court services	3,251,165	974,049	651,533	0	1,625,583
Subtotal - HCPF	$25,140,568	$3,480,111	$4,799,140	$0	$16,861,317
Personnel & Administration					
Office of Administrative Courts	3,251,165	0	0	3,251,165	0
TOTAL - FY 2023-24	**$28,391,733**	**$3,480,111**	**$4,799,140**	**$3,251,165**	**$16,861,317**
FY 2024-25					
HCPF					
County Administration	$292,080	$52,705	$93,335	$0	$146,040
Department appeals	73,277	21,953	14,685	0	36,639
Administrative court services	270,930	81,170	54,294	0	135,466
Subtotal - HCPF	$636,287	$155,828	$162,314	$0	$318,145
Personnel & Administration					
Office of Administrative Courts	270,930	0	0	270,930	0
TOTAL - FY 2024-25	**$907,217**	**$155,828**	**$162,314**	**$270,930**	**$318,145**
Cumulative Total	$46,728,348	$6,670,689	$6,848,176	$4,767,047	$28,442,436

Included in the staff recommendation is the requested increase in Department appeal staff and administrative court services based on the assumption that 5.0 percent of adverse actions will result in an appeal. This assumption does not appear to the JBC staff to be based on anything other than the gut instincts of the Department's staff. However, based on the General Assembly's approval of that assumption last year when calculating the resources for county appeals staff, it seems reasonable and consistent to use the same assumption for state resources related to appeals. Changing the assumed adverse actions resulting in an appeal from 0.6 percent to 5.0 percent increases the cumulative total expected cost by $9.3 million total funds, including $1.6 million General Fund.

S9 PUBLIC SCHOOL HEALTH SERVICES

	REQUEST	RECOMMENDATION
TOTAL	**($19,537,512)**	**($19,537,512)**
Cash Funds	(15,450,768)	(15,450,768)
Federal Funds	(4,086,744)	(4,086,744)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of **data that was not available** when the original appropriation was made regarding certified public expenditures by local school districts and boards of cooperative education services.

Department Request

The Department requests a decrease of $19.5 million total funds, including a decrease of $15.5 million cash funds and a decrease of $4.1 million federal funds based on projected certified public expenditures by school districts and Boards of Cooperative Education Services (BOCES). The Department is still projecting an increase in expenditures relative to FY 2021-22, just not as much of an increase as originally forecasted. The Department attributes the decrease to the previous forecast not fully capturing COVID-related impacts on school health services. More recent data suggests expenditure trends are returning to pre-pandemic levels.

Through the School Health Services Program school districts and BOCES are allowed to identify their expenses in support of Medicaid eligible children with an Individual Education Plan (IEP) or Individualized Family Services Plan (IFSP) and claim federal Medicaid matching funds for these costs. Beginning in FY 2020-21 the program expanded, following new federal guidance, to include services outside an IEP or IFSP that are included in other student health plans, such as a 504 disability plan, behavior plan, nursing plan, physician order, or crisis intervention services. Participating school districts and BOCES report their allowable expenses to the Department according to a federally-approved methodology and the Department submits them as certified public expenditures to claim the federal matching funds. The federal matching funds, less administrative expenses, are then disbursed to the school districts and BOCES and may be used to offset their costs of providing services or to expand services for low-income, under or uninsured children and to improve coordination of care between school districts and health providers.

The Department's revised forecast for FY 2022-23 projects total allowable expenses for Public School Health Services will be $19.5 million lower than the appropriation. The request also updates the fund sources to account for the enhanced federal match. Due to the lag between when services are delivered and when the administratively intensive process of certifying the expenditures is done and payments and reconciliations are complete, a large portion of the payments in FY 2022-23 are for services provided in FY 2021-22. Pursuant to S.B. 21-213, the amount of increased federal financial participation above 50 percent for certified public expenditures is transferred to the General Fund. The school districts are reimbursed as if the federal match were 50 percent. The revenue impact will be reflected in the Legislative Council Staff's March revenue forecast.

STAFF RECOMMENDATION

Staff recommends approval of the request. The expenses for Public School Health Services are driven by the amount of expenditures by school districts and BOCES that can be claimed for a federal match. The actual certified public expenditures are not under the direct control of the Department. The availability of data to forecast the expenditures is limited and delayed, so this is a line item that frequently receives mid-year adjustments.

S10 PROVIDER ENROLLMENT FEE & ESTATE RECOVERIES

	REQUEST	RECOMMENDATION
TOTAL	**$465,841**	**$465,841**
General Fund	(122,196)	(122,196)
Cash Funds	972,458	972,458
Federal Funds	(384,421)	(384,421)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of **data that was not available** when the original appropriation was made regarding actual provider enrollment fee and estate recovery collections and contractor costs.

DEPARTMENT REQUEST

The Department requests a net increase of $465,841 total funds, including a decrease of $122,196 General Fund, to better align appropriations with expected revenues from provider enrollment fees and estate recoveries. The request annualizes to $465,841 total funds, including a decrease of $36,671 General Fund, in FY 2023-24.

S10 Provider Enrol Fee & Estate Recoveries				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Provider Enrollment Fee				
Ongoing	$0	($36,671)	$221,935	($185,264)
Provider screening	*247,901*	*0*	*247,901*	*0*
Offset to administrative costs	*(247,901)*	*(36,671)*	*(25,966)*	*(185,264)*
One-time	$0	($85,525)	$517,603	($432,078)
HCPF Cash Fund balance	*578,163*	*0*	*578,163*	*0*
Offset to administrative costs	*(578,163)*	*(85,525)*	*(60,560)*	*(432,078)*
Subtotal - Provider Enrollment Fee	$0	($122,196)	$739,538	($617,342)
Estate Recoveries				
Estate Recoveries	465,841	0	232,920	232,921
Total	**$465,841**	**($122,196)**	**$972,458**	**($384,421)**

PROVIDER ENROLLMENT FEE

As required by federal and state regulation, the Department collects an application fee from most providers enrolling or revalidating enrollment in Medicaid (certain providers are exempt, including individual practitioners and those enrolled in Medicare or another state's Medicaid or Child Health Insurance Program). The revenue is deposited in the Health Care Policy and Financing (HCPF) Cash Fund and appropriated to offset administrative costs of screening providers, such as verifying medical licensing, checking federal databases, and site visits. Any money collected in excess of administrative costs must be remitted to the federal government.

The Department's spending authority from the HCPF Cash Fund is less than the collected fees, preventing the Department from using the revenue to offset administrative costs or remitting the excess to the federal government. Because of the imbalance between revenue and appropriations, the Department has accumulated a balance in the HCPF Cash Fund that violates the statutory fund balance limitations in Section 24-75-402, C.R.S.

To alleviate this problem, the Department proposes an on-going increase in appropriations from the HCPF Cash Fund to match projected revenues and a one-time appropriation in FY 2022-23 to spend down the balance in the HCPF Cash Fund. The appropriations from the HCPF Cash Fund would reduce the need for appropriations from the General Fund, HAS Fee, and federal funds for administration.

ESTATE RECOVERIES

As required by federal and state regulation, the Department recovers medical assistance expenditures from the estates of deceased Medicaid recipients under certain circumstances. The recoveries are used to reimburse the Department for Medicaid expenditures on behalf of the recipient and for administrative costs of pursuing recoveries. The Department pays a 12 percent contingency fee to a contractor to help identify cases that meet federal and state criteria for recovery, file liens and claims, represent the Department with probate courts, attorneys, and other parties, and process payments.

The Department's appropriation is less than the amount owed to the contractor. To make up the difference, the Department is following procedures in statute that allow a transfer of money from the Medical Services Premiums line item to the Estate Recovery line item. However, the transfer requires approval from the Office of the State Controller and the Office of State Planning and Budgeting, which can delay payments to the provider, and the transfer counts against a statewide statutory limit on transfers of this type. It also reduces budget transparency when the appropriation does not align with expected expenditures.

To address the problem, the Department requests an on-going increase in the appropriation to the Estate Recovery line item from cash funds from estate recoveries and federal funds.

STAFF RECOMMENDATION

Staff recommends approval of the request. The Department is required by federal and state regulation to collect the provider enrollment fee and estate recoveries. The appropriations from these sources should align with the projected revenue. When the appropriations are misaligned with the revenue it causes: administrative burdens, less transparency, and higher General Fund costs. If the misalignment is not addressed, then over time it can result in non-compliance with state and federal statute.

The request is not urgent and it is debatable whether it meets the JBC's supplemental criteria, but this is a technical and likely non-controversial change that would save General Fund and improve government function, so the JBC staff sees little value in delaying action to FY 2023-24.

S12 ECONSULT

	REQUEST	RECOMMENDATION
TOTAL	**$0**	**($250,000)**
General Fund	0	(125,000)
Federal Funds	0	(125,000)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **No**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff disagrees with the Department's assertion that the request is the result of a technical error in calculating the original appropriation.

DEPARTMENT REQUEST

The Department requests moving $250,000, including $125,000 General Fund, that is associated with clinical and quality reviews for the eConsult program from the Provider Audits and Services, Professional Audit Contracts line item to the Medicaid Management Information System Maintenance and Projects line item. The eConsult program, which is currently under development, is intended to help primary care providers connect with specialists who accept Medicaid reimbursement. It is intended to increase client access to specialist services and make it easier for specialists to serve Medicaid clients. Part of the funding provided was for development and operation of the system and part to evaluate eConsults for whether primary care providers submitted true clinical questions and whether specialists submitted appropriate responses.

The funding for the quality and clinical reviews was appropriated in the Provider Audits and Services, Professional Audit Contracts line item, as requested. The Department expected to contract for these services for the first two years of the program and then bring the work in-house to a state data and quality specialist FTE that was requested and funded. The Department assumed it would use a separate vendor for the quality and clinical reviews, but subsequently determined it would use the same vendor for development of the system and the quality and clinical reviews. The Department argues that putting the funding for the quality and clinical reviews in a separate line item from the rest of the vendor contract increases the administrative workload for those who need to account for the funding and reduces budget transparency. Also, the new line item where the Department wants to put the funding for the quality and clinical reviews has roll forward authority that is lacking in the Professional Audit Contracts line item.

STAFF RECOMMENDATION

Staff does not recommend approval of the request and instead recommends a reduction of $250,000 total funds, including $125,000 General Fund, from the Professional Audit Contracts line item that the Department will not spend in FY 2022-23.

The request does not meet the JBC's supplemental criteria. The appropriation was put in the line item where the Department requested the funding and there was no technical error. The Department subsequently changed its procurement strategy, but that new information doesn't change the purpose of the funding or require a transfer between line items. The Department can make the current structure of the appropriation work, and it only needs to do so for two years until the work is brought in-house.

Furthermore, the JBC staff disagrees with the Department that the proposed supplemental would be more transparent. The purpose of the funding is quality and clinical reviews, which is the kind of thing normally funded from the Professional Audit Contracts line item. It does not relate to the Medicaid Management Information System (MMIS). The Department says the vendor will need to consult data from the MMIS, such as licensure checks, but that does not change the purpose and nature of the work.

The primary benefit to the Department appears to be that the line item where the Department proposes putting the money has roll-forward authority that is lacking in the Professional Audit Contracts line item, so that with the request the Department would not need to submit a supplemental for further delays in implementing the eConsult program. This is not necessarily a benefit to the General Assembly due to the loss of tracking the status of the program.

The eConsult program was originally funded in response to Budget Amendment 15 in FY 2021-22, so it was a last minute revision to the request rather than something that was submitted with the November 1 budget. At the time, the Department expected to implement the eConsult program by January 1, 2022. Last year the Department submitted Supplemental 9 to adjust the funding based on an assumed implementation of September 2022. The delay was due to a change in policy by the federal Centers for Medicare and Medicaid Services (CMS) that prevented implementation of the originally designed method for reimbursing providers and not directly the fault of the Department. The Department now projects that it will not implement the program until Fall of 2023. The request does not explain this additional delay. If the request is approved, the Department would have no reason to ever need to explain this implementation delay or any future potential delay.

It is clear from the request that the Department will not spend the $250,000 provided for clinical and quality reviews in FY 2022-23. The JBC staff assumes the service impacts attributable to the delay in implementation will be reflected in the Department's February forecast for Medical Services Premiums. There are no changes needed to the funding for system development, due to the roll forward authority for the Medical Services Premiums line item. There was some funding for staff for the Department for the eConsult program in FY 2022-23, including term-limited staff, but it is not clear from the request whether that funding would be impacted by the delay in implementing the program. For now, the JBC staff recommendation does not include any adjustment to personal services funding.

S13 UTILIZATION & QUALITY REVIEW DISALLOWANCE

	REQUEST	RECOMMENDATION
TOTAL	**$1,183,837**	**$1,183,837**
General Fund	1,183,837	1,183,837

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**YES**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made regarding a federal disallowance.

DEPARTMENT REQUEST

The Department requests $1.2 million General Fund one-time for certain costs in the Department's federally required external quality review contract that were not described and approved in the Department's Public Assistance Cost Allocation Plan and therefore denied by the Centers for Medicare and Medicaid Services (CMS) for federal matching funds. The costs have since been described and approved in the Department's Public Assistance Cost Allocation Plan and will receive matching federal funds going forward.

The Department has contested the denial of federal funding but has not been successful to date. At the time the supplemental request was submitted the Department was in the process of submitting a final appeal. The request assumes the final appeal will be denied.

The Department received $1.3 million General Fund in FY 2018-19 for the estimated cost of the denied federal funds and has carried that amount forward pending the outcome of appeals. Subsequently, CMS increased the denied federal funds to $4.6 million. In FY 2021-22 the Department had an underexpenditure from the relevant line item and set aside another $2.1 million General Fund to help cover the cost of the denied federal funds. After accounting for the $1.3 million appropriated by the General Assembly and the $2.1 million set aside by the Department in FY 2021-22, the remaining cost is the requested $1.2 million.

STAFF RECOMMENDATION

Staff recommends approval of the request. This is an obligation that must be paid to the federal government. The Department continues to believe the denial of federal funds was inappropriate, but the Department is very pessimistic that the final appeal will be successful.

S14 FEDERAL MATCH NON-FORECAST ITEMS

	REQUEST	RECOMMENDATION
TOTAL	**$3,096,118**	**$5,221,823**
General Fund	(4,717,704)	(5,973,250)
Cash Funds	(10,537,379)	(13,370,008)
Reappropriated Funds	(13,950)	(26,550)
Federal Funds	18,362,151	24,591,631

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of **data that was not available** when the original appropriation was made regarding the applicable federal match rate.

DEPARTMENT REQUEST

The Department requests a true up of fund sources to account for a temporary increase in the federal match of 6.2 percentage points. This request is to adjust line items where the Department does not routinely produce expenditure forecasts. The fiscal impact of the enhanced match for the forecasted line items is included in the forecast requests (S1-S5). The request is not net neutral because in the Primary Care Fund Program line item the state match is a formula allocation of tobacco tax revenues that does not decrease when the federal funds increase.

The federal Families First Coronavirus Response Act (FFCRA) authorized states to receive an additional 6.2 percentage point federal match for Medicaid during the public health emergency declaration by the federal Secretary of Health and Human Services but, as a condition of receiving the additional match, prohibited states from reducing benefits or disenrolling people from Medicaid due to a change in income or family size. In the FFCRA the continuous coverage requirement extended to the last day of the month and the enhanced match extended to the last day of the fiscal quarter when the public health emergency declaration ended.

The FY 2022-23 appropriation assumed the continuous coverage requirement would end April 30, 2022, and the additional federal match would end June 30, 2022. The November 1 forecast requests (R1-R5) assumed the continuous coverage requirement would end October 31, 2022, and the enhanced match would end December 31, 2022. This supplemental request assumed the continuous coverage requirement would end January 31, 2023, and the enhanced match would end March 31, 2023, but the Department did not plan to update the assumptions in the forecast requests (S1-S5) until the February 15 forecast.

Since this supplemental request was submitted, the federal government passed the Consolidated Appropriations Act of 2023 that decoupled the continuous coverage requirement and the additional federal match from the public health emergency declaration. The continuous coverage requirement and additional federal match now both end on March 31, 2023, providing some increased predictability for the state budgeting process. The current 6.2 percent additional match steps down to 5.0 percent from April 2023 through June 2023, 2.5 percent from July through September 2023, and 1.5 percent from October through December 2023, after which there is no more additional match.

The federal match for Colorado's Child Health Plan Plus (CHP+) is derived by formula from the match rate for Medicaid, so there is a similar step down in the match rate for CHP+ over this time period. Colorado was not required to provide continuous coverage for CHP+ but choose to implement a similar requirement by emergency executive order.

The tables below summarize the new federal match rates under the Consolidated Appropriations Act of 2023 for Medicaid and CHP+ by fiscal quarter.

Standard Medicaid Federal Match					
State	Ave.	Federal Match by Quarter (of state fiscal year)			
Fiscal Year	Match	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
FY 18-19	50.00	50.00	50.00	50.00	50.00
FY 19-20	53.10	50.00	50.00	56.20	56.20
FY 20-21	56.20	56.20	56.20	56.20	56.20
FY 21-22	56.20	56.20	56.20	56.20	56.20
FY 22-23	55.90	56.20	56.20	56.20	55.00
FY 23-24	51.00	52.50	51.50	50.00	50.00
FY 24-25	*50.00*	50.00	*50.00*	*50.00*	*50.00*

Italicized figures are projections.

CHP+ Federal Match					
State	Ave.	Federal Match by Quarter (of state fiscal year)			
Fiscal Year	Match	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
FY 18-19	88.00	88.00	88.00	88.00	88.00
FY 19-20	81.55	88.00	76.50	80.84	80.84
FY 20-21	72.22	80.84	69.34	69.34	69.34
FY 21-22	69.34	69.34	69.34	69.34	69.34
FY 22-23	69.13	69.34	69.34	69.34	68.50
FY 23-24	65.70	66.75	66.05	65.00	65.00
FY 24-25	*65.00*	65.00	*65.00*	*65.00*	*65.00*

Italicized figures are projections.

Staff Recommendation

Staff recommends an update to the requested changes by line item to reflect the new federal match rates under the Consolidated Appropriations Act of 2023. Except for the Primary Care Fund Program, the total funds available for each program will not change. The Primary Care Fund Program will see an increase in total funds because the state match is a formula allocation of tobacco tax revenue that does not change when the federal match increases, so eligible primary care providers will see an increase in grants. The recommended adjustment trues up the appropriations to the correct applicable federal match rate, resulting in a savings to the General Fund.

S16 IMPLEMENT SB 22-236 AND SB 21-131

	REQUEST	RECOMMENDATION
TOTAL	**$353,278**	**$34,900**
FTE	2.8	0.0
General Fund	105,984	10,470
Cash Funds	70,655	6,980
Federal Funds	176,639	17,450

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **Partially**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that the portion of the request related to S.B. 21-131 is the result of an unforeseen contingency in that the Department of Health Care Policy and Financing was not canvased when preparing the fiscal note for S.B. 21-131, although describing it as technical error would also be valid. However, the JBC staff disagrees with the Department's assertion that the request related to S.B. 22-236 is the result of data that was not available with the original appropriation was made. The Department identified the cost last year in a Departmental Difference with the Legislative Council Staff Fiscal Note for S.B. 22-236 and the General Assembly was not persuaded to change the appropriation.

DEPARTMENT REQUEST

The Department requests an increase of $353,278 total funds, including $105,984 General Fund, and 2.8 FTE for implementation of S.B. 22-236 (Review of Medicaid Provider Rates) and S.B. 21-131 (Protect Personal Identifying Info Kept by State).

S16 Implement S.B. 22-236 and S.B. 21-131					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
FY 2022-23					
S.B. 22-236 Review Medicaid Provider Rates	$318,378	$95,514	$63,675	$159,189	2.8
S.B. 21-131 Protect Personal Identifying Info Kept by State	34,900	10,470	6,980	17,450	0.0
Subtotal - FY 2022-23	**$353,278**	**$105,984**	**$70,655**	**$176,639**	**2.8**
FY 2023-24					
S.B. 22-236 Review Medicaid Provider Rates	$331,032	$99,310	$66,206	$165,516	3.0
S.B. 21-131 Protect Personal Identifying Info Kept by State	25,000	7,500	5,000	12,500	0.0
Subtotal - FY 2022-23	**$356,032**	**$106,810**	**$71,206**	**$178,016**	**3.0**
FY 2024-25					
S.B. 22-236 Review Medicaid Provider Rates	$316,332	$99,310	$62,006	$155,016	3.0
S.B. 21-131 Protect Personal Identifying Info Kept by State	0	0	0	0	0.0
Subtotal - FY 2022-23	**$316,332**	**$99,310**	**$62,006**	**$155,016**	**3.0**

S.B. 22-236 REVIEW MEDICAID PROVIDER RATES

This JBC bill made several changes to the Medicaid rate review process including, most relevant for this request, changing the rate review cycle from five years to three years. The Department argues that the compressed review cycle means that more rates need to be analyzed per year and therefore the Department needs more staff. Going from a five-year cycle to a three-year cycle increases the rates that need to be reviewed per year by 66.7 percent.

The Department currently has 4.0 FTE and $250,000 in contract services specifically appropriated for and devoted to the rate review process. In addition, the Department estimates that the time contributed by the benefit managers for the specific rates being reviewed in a particular year represents another approximately 1.0 - 2.0 FTE.

To handle the additional workload, the Department is requesting three positions and requesting that the positions start in FY 2022-23 so that the Department can meet the bill's deadlines in FY 2023-24.

S.B. 21-131 PROTECT PERSONAL IDENTIFYING INFO KEPT BY STATE
This bill imposed a number of requirements on state agencies regarding personal identifying information. For the Department, the following requirements drive additional costs:

- The Department must record and report quarterly to the Governor's Office requests for records containing personal identifying information and retain a written record containing the request, the date of the request, whether the request was granted or denied, the name of Department employee who granted or denied the request, the purpose of the request, the identity of the requestor, and a summary of the outcome of the request.
- The Department must collect annual attestations from non-state employees certifying that they will not utilize immigration information in non-public state databases for impermissible purposes. The Department anticipates a need for county and vendor education and outreach and contract amendments to comply with the law.
- The Department must ensure that all non-public department databases (e.g. the Department's Colorado Benefits Management System, Medicaid Management Information System, and Business Intelligence Data Management system) display a "pop-up" window warning individual third-party users when they sign in about the prohibition on misuse of the immigration information contained in the databases.

The Department requests a total of $59,900 spread over two years to implement the bill. This includes $9,900 in FY 2022-23 to implement the required pop-up window and $25,000 in FY 2022-23 plus another $25,000 in FY 2023-24 for county and vendor education and outreach.

STAFF RECOMMENDATION
Staff recommends the portion of the request related to implementing S.B. 21-131 but not the portion related to implementing S.B. 22-236.

The costs identified by the Department for S.B. 21-131 are reasonable relative to the increased workload and consistent with the types of costs identified by other impacted departments. Legislative Council Staff agrees it was an error that the Department of Health Care Policy and Financing was not asked about potential fiscal impacts, especially considering the volume of personal identifying information collected by the Department. Legislative Council Staff attempts to contact state agencies affected by proposed legislation to help determine costs, but state agencies also have a responsibility to follow pending legislation and notify Legislative Council Staff of potential fiscal impacts on their operations. This bill fell through the cracks. The Department should have received an appropriation in the bill and the proposed supplemental would correct that oversight.

That said, the requested funding of $25,000 for education and outreach and $9,900 for computer programming are nominal amounts and arguably a bit ticky tacky by the Department considering that the money will go respectively into a flexible General Professional Services and Special Projects line item with an FY 2022-23 appropriation of $69.2 million and a flexible Medicaid Management Information System Maintenance and Projects line item with an FY 2022-23 appropriation of $47.5

million. It would not be unreasonable if the JBC decided that the Department could absorb the costs within existing appropriations.

For S.B. 22-236, the Department identified a fiscal impact in FY 2022-23, but Legislative Council Staff (LCS) did not agree with the identified cost. The Department felt so strongly that LCS included a Departmental Difference section in the fiscal note that read:

> *HCPF estimates 3.0 FTE Rate and Financial Analyst at a cost of $285,035 are required in FY 2022-23 to implement the change to a three-year review cycle, prior to bill's effective date of July 1, 2023. This is based on the assumption that HCPF will not meet the bill's deadlines without these resources. The bill's effective date does not permit these resources. Further, the fiscal note assumes that HCPF can meet the bill's reporting deadlines.*

Part of the disagreement was a technical issue that the bill did not take effect until July 1, 2023, which could have been resolved with a technical amendment to the effective date, and part of the issue was that LCS believed the Department could meet the reporting deadlines with funding in FY 2023-24 and no additional resources in FY 2022-23.

The Appropriations Committees in the Senate and House had opportunities to review the Departmental Difference and choose not to add an appropriation clause to the bill. This was a JBC bill and the JBC could have found money to pay for the FTE the Department proposed in the Departmental Difference. All of the General Assembly had an opportunity to review the Departmental Difference in deciding whether to vote for the bill or try to amend it. It is clear to the JBC staff that the Department had a chance to convince the General Assembly of the need for additional resources in FY 2022-23 and failed in that effort. The question was asked and answered by the General Assembly and the Department has not identified any new data to meet the JBC's supplemental criteria for when the Committee reconsiders appropriations.

The JBC staff agrees that the Department needs resources in FY 2023-24 but cannot recommend resources in FY 2022-23 given the legislative history. Based on the legislative history, the JBC staff believes the Department needs to absorb any additional workload in FY 2022-23 within existing resources.

Even if the General Assembly changed its mind and decided to provide funding in FY 2022-23, the JBC staff is skeptical of the actual benefit that would be realized by the Department. The supplemental bills will not even be introduced until February 6 and will likely take two weeks to get through the House and Senate. It could take longer if conference committees are required. By the time the bills are signed by the Governor and the positions are filled, the Department will not spend anywhere close to the $318,378 requested. At most, the Department will get a few months of work from the new employees.

If the requested new staff started March 1, which is an optimistic scenario given the lead times for filling positions, the JBC staff estimates the Department would require an appropriation of $102,128 total funds using the JBC's common policies for new FTE. The Department's FY 2022-23 appropriation for Personal Services is $57.9 million and in FY 2021-22 the Department reverted or transferred to the State Employee Reserve Fund $3.2 million from the line item. It is likely the Department could absorb the $102,128.

S18 OVEREXPENDITURE

	REQUEST (FY 21-22)	RECOMMENDATION (FY 21-22)
TOTAL	**$13,974,915**	**$13,975,326**
General Fund	9,986,268	9,986,268
Cash Funds	3,988,647	3,989,058

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of **data that was not available** when the original appropriation was made regarding actual expenditures for Medicaid.

DEPARTMENT REQUEST

The Department requests $14.0 million total funds, including $10.0 million General Fund, in FY 2021-22 to release restrictions on the FY 2022-23 appropriations imposed by the State Controller due to over-expenditures in prior years. Because of the entitlement nature of the Medicaid program, statute (Section 24-75-109, C.R.S.) allows the Department to overexpend Medicaid line items, except administrative line items, as long as the overexpenditures are consistent with the statutory purposes of the Medicaid program. However, the State Controller restricts the current fiscal year's appropriation until the General Assembly approves a supplemental for the prior year overexpenditures. This restriction allows the JBC an opportunity to review the reasons for overexpenditures and to decide if the overexpenditures could have been avoided with better management of the appropriation or if the overexpenditures occurred as a result of an unforeseen event or forecast error. Mechanically, the release of the restrictions on the FY 2022-23 appropriations is accomplished by amending the FY 2021-22 appropriations.

Staff Recommendation

Staff recommends releasing the restrictions. The staff recommendation is slightly higher than the Department's request, because the Department requested cash funds based on the net difference in all cash fund sources. The Department overspent some cash funds and underspent others. When releasing an overexpenditure restriction the General Assembly does not typically reduce appropriations for underspent funds. It only increases appropriations for overspent funds. The table below summarizes the recommended release of overexpenditure restrictions by line item and fund source.

S18 Overexpenditures (FY 2021-22)

	Total Funds	General Fund	CF - HAS Fee	CF - BCCP
Medical Services Premiums	$9,975,719	$9,975,719	$0	$0
Behavioral Health Capitation Payments	3,763,258	0	3,760,865	2,393
Behavioral Health Fee-for-service Payments	236,349	10,549	225,800	0
Total Funds	**$13,975,326**	**$9,986,268**	**$3,986,665**	**$2,393**

The largest overexpenditure was in Medical Services Premiums and primarily due to lower-than-forecasted tobacco settlement revenue in the Health Care Expansion Fund, which is used to offset the General Fund. The Department received $9.8 million less revenue from that cash fund than projected to offset General Fund. There was an error in the forecast that did not update the expected revenue to match the most recent Legislative Council Staff estimate. The Department overexpended the behavioral health line items primarily due to actual mix of Medicaid members in each eligibility category not matching the projection such that the appropriation did not identify the correct sources of funding for the state share of costs.

S19 ALTERNATIVE PAYMENT MODELS

	REQUEST	RECOMMENDATION
TOTAL	**$3,189,221**	**$3,189,221**
General Fund	852,217	852,217
Cash Funds	182,376	182,376
Federal Funds	2,154,628	2,154,628

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made regarding potential savings from the prescriber tool and the timing of incentive payments.

DEPARTMENT REQUEST

The Department requests $3.2 million total funds, including $852,217 General Fund, to reflect the net impact of a more recent and lower estimate of the savings attributable to the prescriber tool and a revised proposal for how to share the savings with providers.

The prescriber tool provides information to physicians on drug costs, the Department's preferred drug list that reflects current information on the most appropriate and cost-effective drugs, prior authorization requirements, and member-based risk factors based on diagnosis. Prescribers share in the savings if they increase their percentage of prescriptions from the preferred drug list or the lower cost option among multiple drugs on the preferred drug list.

The Department originally requested funding for the prescriber tool in FY 2018-19 through *BA16 Comprehensive claim cost control*. This budget amendment was submitted on March 20, 2018, well after the deadline for submitting budget amendments and just as the JBC was trying to wrap up deliberations on the Long Bill. The JBC tabled a decision on the request and didn't revisit it until the conference committee on the Long Bill. The JBC decided to sponsor S.B. 18-266 to provide funding for the requested initiatives, including the prescriber tool. During the 2020 legislative session the General Assembly approved *S6 Pharmacy pricing and technology* to reflect delays in developing the prescriber tool and higher development costs. For FY 2022-23 the General Assembly approved *R6 Value based payments* that provided resources to help the Department make the prescriber tool mandatory for providers and projected higher savings as a result.

According to the Department, work with the vendor has resulted in higher quality data and a new methodology for estimating the savings attributable to the prescriber tool. The request does not describe the new methodology. The old methodology conceptually assumed savings of 3 percent of prescription drug costs (1 percent in S.B. 18-266 and another 2 percent for making the prescriber tool mandatory), although the calculation method evolved over time without updating previous estimates.

S19 Change in Projected Pharmacy Savings			
	FY 22-23	FY 23-24	FY 24-25
Old savings in FY R6 Value based payments	($7,283,171)	($7,919,851)	($8,556,531)
New savings in S19 Alternative payment models	(2,273,157)	(3,023,393)	(3,356,008)
Difference	**$5,010,014**	**$4,896,458**	**$5,200,523**
General Fund	1,338,766	1,308,422	1,389,673
Cash Funds	286,498	280,004	297,392
Federal Funds	3,384,750	3,308,032	3,513,458

To build trust with providers and increase provider engagement with the prescriber tool, the Department proposes increasing the share of anticipated savings from the prescriber tool that are distributed to providers from 25 percent per year to 100 percent in FY 2023-24, 75 percent in FY 2024-25, and 50 percent thereafter. The Department says it is still developing the reimbursement methodology and so the Department does not anticipate any disbursements of savings to providers in FY 2022-23. According to the Department, technological uptake of the prescriber tool has been slower than expected. The Department describes providers as wary of adding additional steps and complexity to their work. Providers perceive the prescriber tool as a disruption to their operations, the Department says. The proposed changes to the share of savings distributed to providers are intended to build good will and increase utilization.

S19 Change in Share of Savings Distributed to Providers			
	FY 22-23	FY 23-24	FY 24-25
Old shared savings in FY R6 Value based payments	$1,820,793	$1,979,963	$2,139,133
New shared savings in S19 Alternative payment models	0	3,023,393	2,517,006
Difference	**($1,820,793)**	**$1,043,430**	**$377,873**
General Fund	(486,549)	278,823	100,974
Cash Funds	(104,122)	59,669	21,609
Federal Funds	(1,230,122)	704,938	255,290

In addition, the Department requests roll forward authority for up to $2,948,850 from FY 2022-23 to FY 2023-24 and up to $2,921,500 from FY 2023-24 to FY 2024-25 for stakeholder engagement and development related to alternative payment models approved in the FY 2022-23 budget, including the maternity bundle, primary care alternative payment model, and Colorado Providers of Distinction. The JBC staff will address the portion of the request related to roll forward authority during figure setting, since the issue is not with the current year appropriation but with the request year appropriation. Also, the JBC staff is still clarifying the specific fund sources and line items where the Department proposes rolling forward funding and the reasons.

STAFF RECOMMENDATION

Staff recommends approval of the Department's estimate of the savings associated with the prescriber tool because it is more conservative than previous estimates.

The JBC staff continues to have low confidence in the accuracy of the Department's savings estimate. In FY 2018-19 the JBC staff recommended assuming no savings associated with the prescriber tool, noting that the projected savings were dependent on providers adapting to the tool and changing behaviors, but the JBC overruled the staff recommendation. The projected savings were based on Kaiser's experience, but Kaiser's pharmacy tool was integrated into Kaiser's electronic health record system and didn't require any extra steps from the provider. These are the exact challenges the Department identifies today. Providers perceive the prescriber tool as not fully integrated with their workflow and requiring extra steps and they are reluctant to change their behavior as a result. The other problem with the prescriber tool is that it is difficult to attribute any savings to the tool versus other care coordination efforts. Savings attributed to the prescriber tool might be due to a doctor reading a scholarly article about the effectiveness of drug A versus drug B, or outreach by the Accountable Care Collaborative, or any of a multitude of other concurrent initiatives to improve the quality and cost effectiveness of care. The request to true up the estimated savings from the prescriber tool feels a little like exchanging one dartboard result for another dartboard result, but at least the new estimate is more conservative.

The proposed change to the share of savings that is distributed to the providers is most likely necessary. If the Department wants to get providers to actually use the prescriber tool, versus merely having it, there probably needs to be a strong financial incentive. If providers receive a large enough reward for using the tool, maybe they will learn to appreciate the tool rather than resenting that the Department forced them to acquire it.

S21 DENVER HEALTH

	REQUEST	RECOMMENDATION
TOTAL	**$1,423,920**	**$0**
General Fund	1,423,920	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	**NO**
[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	

Explanation: JBC staff disagrees with the Department's assertion that the request is the result of data that was not available when the original appropriation was made. If there is new data, the Department did not detail it in the request.

DEPARTMENT REQUEST

The Department requests $1,423,920 General Fund one-time to provide financial assistance to Denver Health due to a lower-than-anticipated volume of commercial insurance and increased costs for wages.

Normally, the Department would need specific legislative authorization to make a General Fund payment to a provider but the Department identified a creative method to increase payments to Denver Health that does not require a separate bill and can be accomplished through the budget process. Denver Health uses local tax dollars to provide services to Medicaid members. The Department follows a federally-approved administrative procedure to certify the public expenditures. The certified public expenditures by Denver Health for Medicaid clients then draw a federal match. The Department uses the additional federal funds to increase reimbursement to Denver Health above the standard rates for ambulance services and certain physician services. However, the Department normally withholds 10 percent of the additional federal funds for administrative costs. The withheld funds are used to offset the need for General Fund in the Medical Services Premiums line item. The

Department proposes to stop withholding the 10 percent of federal funds for FY 2022-23. The result would be an increase in payments to Denver Health and a decrease in federal funds available to offset the need for General Fund in the Medical Services Premiums line item. To make sure the Department has sufficient money to cover all the forecasted costs for Medical Services Premiums, the Department would need a General Fund increase to backfill the federal funds that were paid to Denver Health.

Although the withholding from Denver Health is ostensibly for administrative costs, it is not proportionate to the actual administrative costs. The Department estimates it spends roughly 560 hours of staff time, or $28,913 annually, to certify the public expenditures of Denver Health and make the supplemental payments. The withholding might be better described as the result of historic political considerations that if the state was going to implement a creative administrative process to draw additional federal funds for the benefit of a specific provider or group of providers, then the state should also see some benefit. The Department retains 10 percent from the majority of supplemental or certified public expenditure payments but there are exceptions ranging from situations where the Department retains 100 percent of the additional federal funds to none of the additional federal funds. The Department was not able to identify policy reasons for the variations and any historic political reasons are not well documented. In recent years, the Department has consistently requested and received approval to retain 10 percent for administration for new supplemental or certified public expenditure payments.

The request notes that Denver Health is the largest safety net provider in the state and that it is experiencing significant financial hardship. The request attributes Denver Health's financial duress to a lower-than-expected volume of services covered by commercial insurance, which typically pays higher rates than Medicaid, and increasing payroll costs to remain competitive with other providers and retain and recruit staff.

STAFF RECOMMENDATION

Staff does not recommend the request. The Department did not submit sufficient information to support the request. The explanation of the need for the funding is half of one paragraph (three sentences, with no quantifiable data) and the rest of the very short request is a technical explanation of how the Department proposes to get the money to Denver Health. The JBC staff has no reason to doubt that Denver Health is in dire financial straits but there is no evidence provided in the request to support that assertion. There are many other providers that could also say they have less (or no) commercial insurance volume and rising compensation costs. There is no explanation in the request of why Denver Health's circumstances are different and more deserving of attention. If Denver Health's issues are related to a lower volume of commercial insurance and higher salaries, then they are presumably on-going. The Department provides no explanation of how the proposed one-time funding will alleviate an on-going problem. When an organization is struggling financially every little bit helps, but if Denver Health's problems are as urgent as the Department implies, then $1.4 million sounds undersized to bail out such a large organization, so the JBC wonders if the request is sufficient to be impactful. If the issue is that Denver Health is seeing a disproportionate share of Medicaid clients, then it is in the interest of other hospitals to support Denver Health with higher supplemental payments from the Hospital Affordability and Sustainability (HAS) Fee. Otherwise, the Medicaid clients may end up at the other hospitals instead of Denver Health, reducing the reimbursement rates per client for those other hospitals. Part of the solution to Denver Health's finances might be a reallocation of the supplemental payments to hospitals that are supported with the HAS Fee and matching federal funds. The Department's request does not mention any interaction with this other very large system for balancing funding to hospitals that provide high volumes of indigent care. Denver Health receives local tax dollars and state funding through Medicaid. There is no explanation in the request of why this is a state funding issue rather than a local funding issue. The request does not describe why Denver Health's volume of commercial patients is lower-than-expected or whether Denver Health can or should be doing something to change the trend. The request leaves too many questions unanswered.

This might be a valuable and important proposal, but the Department failed to provide sufficient justification for the need. Nor did the Department provide any reason to believe the proposed solution will be effective. If this request (the lowest priority number submitted by the Department) is important, then staff recommends that the administration submit a comeback with a more robust explanation of why the funding is needed and how the proposed solution will resolve the issue.

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

SNP DIVISION OF YOUTH SERVICES CASELOAD

	REQUEST	RECOMMENDATION
TOTAL	**($125,663)**	**PENDING**
General Fund	(62,832)	
Federal Funds	(62,831)	

DEPARTMENT REQUEST

The Department requests a decrease of $125,663 total funds, including $62,832 General Fund based on a new forecast of Medicaid-eligible services provided by the Division of Youth Services in the Department of Human Services.

STAFF RECOMMENDATION

The staff recommendation for this request is pending Committee action on the corresponding request submitted by the Department of Human Services. Staff will include the corresponding appropriation in the supplemental bill for the Department of Health Care Policy and Financing based on Committee action on that prioritized request.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Department's Portion of Statewide Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OIT Real-time billing	$4,767,966	$1,083,840	$516,479	$76	$3,167,571	0.0
Utilities operating budget	406,332	203,166	0	0	203,166	0.0
Annual fleet	(5,000)	(2,500)	0	0	(2,500)	0.0
DEPARTMENT'S TOTAL STATEWIDE SUPPLEMENTAL REQUESTS	**$5,169,298**	**$1,284,506**	**$516,479**	**$76**	**$3,368,237**	**0.0**

Staff Recommendation

The staff recommendation for this request is pending Committee action on common policy supplementals. Staff will include the corresponding appropriations in the Department's supplemental bill based on Committee action on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
Kim Bimestefer, Executive Director

S1 Medical Services Premiums

(2) MEDICAL SERVICES PREMIUMS

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
Medical and Long-Term Care Services for Medicaid Eligible Individuals	9,756,293,144	10,482,357,710	255,702,423	255,702,423	10,738,060,133
General Fund	2,179,055,708	1,810,303,236	(160,547,818)	(160,547,818)	1,649,755,418
General Fund Exempt	0	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,087,673,430	1,252,446,475	(3,920,627)	(3,920,627)	1,248,525,848
Reappropriated Funds	82,610,308	90,013,408	0	0	90,013,408
Federal Funds	6,406,953,698	6,240,647,052	420,170,868	420,170,868	6,660,817,920
Total for S1 Medical Services Premiums	9,756,293,144	10,482,357,710	255,702,423	255,702,423	10,738,060,133
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	2,179,055,708	1,810,303,236	(160,547,818)	(160,547,818)	1,649,755,418
General Fund Exempt	0	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,087,673,430	1,252,446,475	(3,920,627)	(3,920,627)	1,248,525,848
Reappropriated Funds	82,610,308	90,013,408	0	0	90,013,408
Federal Funds	6,406,953,698	6,240,647,052	420,170,868	420,170,868	6,660,817,920

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S3 Child Health Plan Plus					
(4) INDIGENT CARE PROGRAM					
Children's Basic Health Plan Administration	2,336,020	3,864,405	0	0	3,864,405
General Fund	0	0	0	0	0
Cash Funds	716,224	1,243,319	25,365	25,365	1,268,684
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,619,796	2,621,086	(25,365)	(25,365)	2,595,721
Children's Basic Health Plan Medical and Dental Costs	133,119,234	179,073,696	(31,177,243)	(31,177,243)	147,896,453
General Fund	11,045,841	24,132,307	(16,311,787)	(16,311,787)	7,820,520
General Fund Exempt	0	381,798	0	0	381,798
Cash Funds	30,065,351	38,226,690	2,194,738	2,194,738	40,421,428
Reappropriated Funds	0	0	0	0	0
Federal Funds	92,008,042	116,332,901	(17,060,194)	(17,060,194)	99,272,707
Total for S3 Child Health Plan Plus	135,455,254	182,938,101	(31,177,243)	(31,177,243)	151,760,858
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	11,045,841	24,132,307	(16,311,787)	(16,311,787)	7,820,520
General Fund Exempt	0	381,798	0	0	381,798
Cash Funds	30,781,575	39,470,009	2,220,103	2,220,103	41,690,112
Reappropriated Funds	0	0	0	0	0
Federal Funds	93,627,838	118,953,987	(17,085,559)	(17,085,559)	101,868,428

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S4 Medicare Modernization Act					
(5) OTHER MEDICAL SERVICES					
Medicare Modernization Act State Contribution Payment	213,480,167	235,472,292	(6,613,654)	(6,613,654)	228,858,638
General Fund	213,480,167	235,472,292	(6,613,654)	(6,613,654)	228,858,638
Total for S4 Medicare Modernization Act	213,480,167	235,472,292	(6,613,654)	(6,613,654)	228,858,638
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	213,480,167	235,472,292	(6,613,654)	(6,613,654)	228,858,638

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S6 Eligibility redeterminations					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(A) General Administration					
Personal Services	51,242,435	57,919,026	1,734,463	710,453	58,629,479
FTE	600.5	693.0	0.0	0.0	693.0
General Fund	16,861,340	21,353,128	519,643	212,851	21,565,979
Cash Funds	4,699,898	6,314,203	347,588	142,376	6,456,579
Reappropriated Funds	1,772,301	2,273,021	0	0	2,273,021
Federal Funds	27,908,896	27,978,674	867,232	355,226	28,333,900
Operating Expenses	2,528,896	3,115,868	475,387	466,774	3,582,642
General Fund	1,209,995	1,258,892	142,426	139,846	1,398,738
Cash Funds	233,675	270,625	95,267	93,541	364,166
Reappropriated Funds	13,297	59,204	0	0	59,204
Federal Funds	1,071,929	1,527,147	237,694	233,387	1,760,534
(1) EXECUTIVE DIRECTOR'S OFFICE					
(D) Eligibility Determinations and Client Services					
County Administration	79,214,462	123,622,889	291	(4,551,363)	119,071,526
General Fund	14,337,301	20,061,678	382	(497,038)	19,564,640
Cash Funds	14,734,326	27,113,119	675	(880,190)	26,232,929
Federal Funds	50,142,835	76,448,092	(766)	(3,174,135)	73,273,957

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
Total for S6 Eligibility redeterminations	132,985,793	184,657,783	2,210,141	(3,374,136)	181,283,647
FTE	600.5	693 .0	0 .0	0 .0	693 .0
General Fund	32,408,636	42,673,698	662,451	(144,341)	42,529,357
Cash Funds	19,667,899	33,697,947	443,530	(644,273)	33,053,674
Reappropriated Funds	1,785,598	2,332,225	0	0	2,332,225
Federal Funds	79,123,660	105,953,913	1,104,160	(2,585,522)	103,368,391

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S9 Public school health services					
(5) OTHER MEDICAL SERVICES					
Public School Health Services	0	172,092,626	(19,537,512)	(19,537,512)	152,555,114
General Fund	0	0	0	0	0
Cash Funds	0	84,651,774	(15,450,768)	(15,450,768)	69,201,006
Federal Funds	0	87,440,852	(4,086,744)	(4,086,744)	83,354,108
Total for S9 Public school health services	0	172,092,626	(19,537,512)	(19,537,512)	152,555,114
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	0	0	0	0	0
Cash Funds	0	84,651,774	(15,450,768)	(15,450,768)	69,201,006
Federal Funds	0	87,440,852	(4,086,744)	(4,086,744)	83,354,108

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S10 Provider enrol fee & estate recoveries					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(C) Information Technology Contracts and Projects					
Medicaid Management Information System Maintenance and Projects	10,393,942	47,502,581	0	0	47,502,581
General Fund	0	2,908,573	(122,196)	(122,196)	2,786,377
Cash Funds	1,135,444	11,386,476	739,538	739,538	12,126,014
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	9,258,498	33,195,328	(617,342)	(617,342)	32,577,986
(1) EXECUTIVE DIRECTOR'S OFFICE					
(G) Recoveries and Recoupment Contract Costs					
Estate Recovery	749,055	700,000	465,841	465,841	1,165,841
Cash Funds	374,527	350,000	232,920	232,920	582,920
Federal Funds	374,528	350,000	232,921	232,921	582,921
Total for S10 Provider enrol fee & estate recoveries	11,142,997	48,202,581	465,841	465,841	48,668,422
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	0	2,908,573	(122,196)	(122,196)	2,786,377
Cash Funds	1,509,971	11,736,476	972,458	972,458	12,708,934
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	9,633,026	33,545,328	(384,421)	(384,421)	33,160,907

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S12 eConsult transfer between lines					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(C) Information Technology Contracts and Projects					
Medicaid Management Information System Maintenance and Projects	10,393,942	47,502,581	250,000	0	47,502,581
General Fund	0	2,908,573	125,000	0	2,908,573
Cash Funds	1,135,444	11,386,476	0	0	11,386,476
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	9,258,498	33,195,328	125,000	0	33,195,328
(1) EXECUTIVE DIRECTOR'S OFFICE					
(F) Provider Audits and Services					
Professional Audit Contracts	3,507,957	4,655,865	(250,000)	(250,000)	4,405,865
General Fund	1,524,776	1,816,102	(125,000)	(125,000)	1,691,102
Cash Funds	346,850	582,801	0	0	582,801
Federal Funds	1,636,331	2,256,962	(125,000)	(125,000)	2,131,962
Total for S12 eConsult transfer between lines	13,901,899	52,158,446	0	(250,000)	51,908,446
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	1,524,776	4,724,675	0	(125,000)	4,599,675
Cash Funds	1,482,294	11,969,277	0	0	11,969,277
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	10,894,829	35,452,290	0	(125,000)	35,327,290

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S13 Utilization & quality review disallowance					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(E) Utilization and Quality Review Contracts					
Professional Service Contracts	19,970,962	26,961,574	1,183,837	1,183,837	28,145,411
General Fund	6,803,020	7,236,040	1,183,837	1,183,837	8,419,877
Cash Funds	995,697	2,032,069	0	0	2,032,069
Federal Funds	12,172,245	17,693,465	0	0	17,693,465
Total for S13 Utilization & quality review disallowance	19,970,962	26,961,574	1,183,837	1,183,837	28,145,411
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	6,803,020	7,236,040	1,183,837	1,183,837	8,419,877
Cash Funds	995,697	2,032,069	0	0	2,032,069
Federal Funds	12,172,245	17,693,465	0	0	17,693,465

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S14 Federal match non-forecast items					
(4) INDIGENT CARE PROGRAM					
Safety Net Provider Payments	254,743,330	226,610,308	0	0	226,610,308
General Fund	0	0	0	0	0
Cash Funds	110,819,422	113,305,154	(10,537,379)	(13,370,008)	99,935,146
Reappropriated Funds	0	0	0	0	0
Federal Funds	143,923,908	113,305,154	10,537,379	13,370,008	126,675,162
Pediatric Specialty Hospital	10,764,010	10,764,010	0	0	10,764,010
General Fund	4,714,636	5,382,005	(500,526)	(635,076)	4,746,929
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	6,049,374	5,382,005	500,526	635,076	6,017,081
Primary Care Fund	51,647,973	48,087,990	3,096,118	5,221,823	53,309,813
General Fund	0	0	0	0	0
Cash Funds	22,755,511	24,176,000	0	0	24,176,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	28,892,462	23,911,990	3,096,118	5,221,823	29,133,813
(5) OTHER MEDICAL SERVICES					
Commission on Family Medicine Residency Training Programs	0	9,490,170	0	0	9,490,170
General Fund	0	4,520,085	(427,342)	(533,370)	3,986,715
Reappropriated Funds	0	225,000	(13,950)	(26,550)	198,450
Federal Funds	0	4,745,085	441,292	559,920	5,305,005

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
(7) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS					
(B) Office of Children, Youth, and Families - Medicaid Funding					
DHS Previous Structure					
Child Welfare Services	5,608,092	13,690,244	0	0	13,690,244
General Fund	2,446,548	6,845,122	(636,596)	(807,724)	6,037,398
Federal Funds	3,161,544	6,845,122	636,596	807,724	7,652,846
Division of Youth Services - Medicaid Funding	509,970	787,189	0	0	787,189
General Fund	234,584	393,595	(36,604)	(46,444)	347,151
Federal Funds	275,386	393,594	36,604	46,444	440,038
(7) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS					
(D) Behavioral Health Administration - Medicaid Funding					
DHS Previous Structure					
Children and Youth Mental Health Treatment Act	0	131,048	0	0	131,048
General Fund	0	65,524	(6,093)	(7,731)	57,793
Federal Funds	0	65,524	6,093	7,731	73,255
High Risk Pregnant Women Program	0	1,903,091	0	0	1,903,091
General Fund	0	951,546	(88,494)	(112,282)	839,264
Federal Funds	0	951,545	88,494	112,282	1,063,827

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
(7) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS					
(E) Office of Behavioral Health - Medicaid Funding					
DHS Previous Structure					
Mental Health Institutes	8,227,322	8,196,375	0	0	8,196,375
General Fund	3,588,299	4,098,188	(381,131)	(483,586)	3,614,602
Federal Funds	4,639,023	4,098,187	381,131	483,586	4,581,773
(7) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS					
(F) Office of Adult, Aging, and Disability Services - Medicaid Funding					
DHS Previous Structure					
Regional Centers	58,590,208	56,049,062	0	0	56,049,062
General Fund	22,018,088	26,135,628	(2,606,281)	(3,306,895)	22,828,733
Cash Funds	1,888,903	1,888,903	0	0	1,888,903
Federal Funds	34,683,217	28,024,531	2,606,281	3,306,895	31,331,426
Regional Center Depreciation and Annual Adjustments	691,725	691,725	0	0	691,725
General Fund	302,976	345,863	(31,637)	(40,142)	305,721
Federal Funds	388,749	345,862	31,637	40,142	386,004

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
Total for HUM S14 Federal match non-forecast items	390,782,630	376,401,212	3,096,118	5,221,823	381,623,035
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	33,305,131	48,737,556	(4,714,704)	(5,973,250)	42,764,306
Cash Funds	135,463,836	139,370,057	(10,537,379)	(13,370,008)	126,000,049
Reappropriated Funds	0	225,000	(13,950)	(26,550)	198,450
Federal Funds	222,013,663	188,068,599	18,362,151	24,591,631	212,660,230

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S16 Implement SB 22-236 & SB 21-131					
(1) EXECUTIVE DIRECTOR'S OFFICE					
(A) General Administration					
Personal Services	51,242,435	57,919,026	218,150	0	57,919,026
FTE	600.5	693.0	2.8	0.0	693.0
General Fund	16,861,340	21,353,128	65,445	0	21,353,128
Cash Funds	4,699,898	6,314,203	43,630	0	6,314,203
Reappropriated Funds	1,772,301	2,273,021	0	0	2,273,021
Federal Funds	27,908,896	27,978,674	109,075	0	27,978,674
Health, Life, and Dental	7,071,991	9,269,011	38,736	0	9,269,011
General Fund	2,642,297	3,552,746	11,621	0	3,552,746
Cash Funds	660,834	860,931	7,747	0	860,931
Reappropriated Funds	166,554	229,292	0	0	229,292
Federal Funds	3,602,306	4,626,042	19,368	0	4,626,042
Short-term Disability	104,617	95,356	310	0	95,356
General Fund	50,803	35,944	93	0	35,944
Cash Funds	10,843	8,492	62	0	8,492
Reappropriated Funds	3,300	2,119	0	0	2,119
Federal Funds	39,671	48,801	155	0	48,801
S.B. 04-257 Amortization Equalization Disbursement	2,428,087	2,980,995	9,710	0	2,980,995
General Fund	924,349	1,123,363	2,913	0	1,123,363
Cash Funds	211,103	266,467	1,942	0	266,467
Reappropriated Funds	52,920	66,241	0	0	66,241
Federal Funds	1,239,715	1,524,924	4,855	0	1,524,924

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S.B. 06-235 Supplemental Amortization Equalization Disbursement	2,428,087	2,980,996	9,710	0	2,980,996
General Fund	924,349	1,123,363	2,913	0	1,123,363
Cash Funds	211,103	266,467	1,942	0	266,467
Reappropriated Funds	52,920	66,241	0	0	66,241
Federal Funds	1,239,715	1,524,925	4,855	0	1,524,925
Operating Expenses	2,528,896	3,115,868	23,612	0	3,115,868
General Fund	1,209,995	1,258,892	7,084	0	1,258,892
Cash Funds	233,675	270,625	4,722	0	270,625
Reappropriated Funds	13,297	59,204	0	0	59,204
Federal Funds	1,071,929	1,527,147	11,806	0	1,527,147
Leased Space	1,363,822	3,745,236	18,150	0	3,745,236
General Fund	443,581	1,384,850	5,445	0	1,384,850
Cash Funds	238,330	434,705	3,630	0	434,705
Reappropriated Funds	0	31,842	0	0	31,842
Federal Funds	681,911	1,893,839	9,075	0	1,893,839
General Professional Services and Special Projects	15,288,124	69,154,379	25,000	25,000	69,179,379
General Fund	3,837,133	8,779,012	7,500	7,500	8,786,512
Cash Funds	2,892,967	25,419,903	5,000	5,000	25,424,903
Reappropriated Funds	69,000	81,000	0	0	81,000
Federal Funds	8,489,024	34,874,464	12,500	12,500	34,886,964

(1) EXECUTIVE DIRECTOR'S OFFICE

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
(C) Information Technology Contracts and Projects					
Medicaid Management Information System Maintenance and Projects	10,393,942	47,502,581	9,900	9,900	47,512,481
General Fund	0	2,908,573	2,970	2,970	2,911,543
Cash Funds	1,135,444	11,386,476	1,980	1,980	11,388,456
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	9,258,498	33,195,328	4,950	4,950	33,200,278
Total for S16 Implement SB 22-236 & SB 21-131	92,850,001	196,763,448	353,278	34,900	196,798,348
FTE	600.5	693 .0	2.8	0 .0	693 .0
General Fund	26,893,847	41,519,871	105,984	10,470	41,530,341
Cash Funds	10,294,197	45,228,269	70,655	6,980	45,235,249
Reappropriated Funds	2,130,292	2,821,164	0	0	2,821,164
Federal Funds	53,531,665	107,194,144	176,639	17,450	107,211,594

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S19 Alternative payment model					
(2) MEDICAL SERVICES PREMIUMS					
Medical and Long-Term Care Services for Medicaid Eligible Individuals	9,756,293,144	10,482,357,710	3,189,221	3,189,221	10,485,546,931
General Fund	2,179,055,708	1,810,303,236	852,217	852,217	1,811,155,453
General Fund Exempt	0	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,087,673,430	1,252,446,475	182,376	182,376	1,252,628,851
Reappropriated Funds	82,610,308	90,013,408	0	0	90,013,408
Federal Funds	6,406,953,698	6,240,647,052	2,154,628	2,154,628	6,242,801,680
Total for S19 Alternative payment model	9,756,293,144	10,482,357,710	3,189,221	3,189,221	10,485,546,931
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	2,179,055,708	1,810,303,236	852,217	852,217	1,811,155,453
General Fund Exempt	0	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,087,673,430	1,252,446,475	182,376	182,376	1,252,628,851
Reappropriated Funds	82,610,308	90,013,408	0	0	90,013,408
Federal Funds	6,406,953,698	6,240,647,052	2,154,628	2,154,628	6,242,801,680

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
S21 Denver Health one-time payment					
(2) MEDICAL SERVICES PREMIUMS					
Medical and Long-Term Care Services for Medicaid Eligible Individuals	9,756,293,144	10,482,357,710	1,423,920	0	10,482,357,710
General Fund	2,179,055,708	1,810,303,236	1,423,920	0	1,810,303,236
General Fund Exempt	0	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,087,673,430	1,252,446,475	0	0	1,252,446,475
Reappropriated Funds	82,610,308	90,013,408	0	0	90,013,408
Federal Funds	6,406,953,698	6,240,647,052	0	0	6,240,647,052
Total for S21 Denver Health one-time payment	9,756,293,144	10,482,357,710	1,423,920	0	10,482,357,710
FTE	0 .0	0 .0	0 .0	0 .0	0 .0
General Fund	2,179,055,708	1,810,303,236	1,423,920	0	1,810,303,236
General Fund Exempt	0	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,087,673,430	1,252,446,475	0	0	1,252,446,475
Reappropriated Funds	82,610,308	90,013,408	0	0	90,013,408
Federal Funds	6,406,953,698	6,240,647,052	0	0	6,240,647,052
Totals Excluding Pending Items					
HEALTH CARE POLICY AND FINANCING					
TOTALS for ALL Departmental line items	12,507,306,765	14,221,064,397	210,296,370	204,845,500	14,425,909,897
FTE	629.6	741.8	2.8	0 .0	741.8
General Fund	2,810,055,234	2,995,517,141	(184,081,750)	(187,791,522)	2,807,725,619
General Fund Exempt	0	1,089,329,337	0	0	1,089,329,337
Cash Funds	1,400,957,637	1,838,980,393	(26,019,652)	(30,003,759)	1,808,976,634
Reappropriated Funds	85,027,684	95,058,195	(13,950)	(26,550)	95,031,645
Federal Funds	8,211,266,210	8,202,179,331	420,411,722	422,667,331	8,624,846,662