



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2017-18 BUDGET BRIEFING SUMMARY

*Department of Health Care Policy and Financing
Office of Community Living*

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. This Joint Budget Committee staff budget briefing document concerns funding for the three Medicaid home- and community-based waivers for individuals with intellectual and developmental disabilities. Of the total General Fund appropriation to the Department for FY 2016-17, 9.8 percent supports behavioral health community programs.

FY 2016-17 APPROPRIATION AND FY 2017-18 REQUEST

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING (OFFICE OF COMMUNITY LIVING)						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405 (Long Bill)	\$566,692,736	\$288,657,084	\$3,712,266	\$845,000	\$273,478,386	34.5
Other Legislation	60,416	0	30,208	0	30,208	1.0
TOTAL	\$566,753,152	\$288,657,084	\$3,742,474	\$845,000	\$273,508,594	35.5
FY 2017-18 REQUESTED APPROPRIATION:						
FY 2016-17 Appropriation	\$566,753,152	\$288,657,084	\$3,742,474	\$845,000	\$273,508,594	35.5
R5 Office of Community Living	9,869,672	(2,025,296)	8,427,248	0	3,467,720	0.0
R10 Regional Center task force	301,125	150,548	0	0	150,577	1.8
R13 Quality of care and performance improvement projects	(69,102)	(34,551)	0	0	(34,551)	0.0
R14 Federal match rate	0	126,329	0	0	(126,329)	0.0
Human Services programs	151,649	75,826	0	0	75,823	0.0
Annualize prior year budget actions	(343,595)	383,177	(1,401,958)	1,579	673,607	0.0
TOTAL	\$576,662,901	\$287,333,117	\$10,767,764	\$846,579	\$277,715,441	37.3
INCREASE/(DECREASE)	\$9,909,749	(\$1,323,967)	\$7,025,290	\$1,579	\$4,206,847	1.8
Percentage Change	1.7%	(0.5%)	187.7%	0.2%	1.5%	5.1%

R5 OFFICE OF COMMUNITY LIVING: The Department requests a net increase of \$9,869,672 total funds, of which \$2,025,296 is a reduction of General Fund, \$8,427,248 is an increase in cash funds, and \$3,467,720 is an increase of federal funds for caseload adjustments for the IDD waivers. The increase of cash funds is due to using the Intellectual and Developmental Disabilities Services Cash Fund which receives the year-end reversions from the IDD waivers. The third issue brief provides additional discussion about the IDD waiver caseload forecasts.

R10 REGIONAL CENTER TASKFORCE: The Department requests \$922,801 total funds, including \$224,066 General Fund, and 1.8 FTE to: (1) provide intensive case management to people with intellectual and developmental disabilities who are transitioning from an Intermediate Care Facility or Regional Center to the community, and continue that service for one year after their transition; and (2) provide staff for the Department to continue working on implementation of the recommendations of the Regional Center Task Force. The \$301,125 total funds reflected in the above table are the increases specific to the Office of Community Living. The remaining \$621,676 is reflected in the Executive Directors Office for centrally appropriated costs associated with the 1.8 FTE and

computer programming costs. See the December 19, 2016 Department of Human Services briefing for additional information on this decision item.

R13 QUALITY OF CARE AND PERFORMANCE IMPROVEMENT PROJECTS: The Department requests \$639,237 total funds, including \$280,869 General Fund, to conduct member satisfaction surveys aimed at improving quality of care, and to validate performance improvement projects by managed care organizations. The amount in the table above reflects the requested change to the Operating Expenses line item in the Office of Community Living. See the December 5, 2016 staff briefing for the Department of Health Care Policy and Financing for additional information.

R14 FEDERAL MATCH RATE: The Department requests an increase in General Fund and cash funds and a corresponding decrease in federal funds based on a projected decrease in the federal match rate for Medicaid. The Department expects per capita income in Colorado will grow faster than the national average, leading to a formula decrease in the Federal Medical Assistance Percentage (FMAP) for Medicaid. This request is just for the adjustment to the Regional Centers Medicaid funding. For the Office of Community Living the effect of the change in the FMAP is included in the requested forecast adjustments (R1 through R5).

HUMAN SERVICES PROGRAMS: The Department's request reflects adjustments for the annualization of Medicaid funds appropriated for Regional Center staff salary survey adjustments.

ANNUALIZE PRIOR YEAR BUDGET DECISIONS: The request includes adjustments for out-year impacts of prior year legislation and budget actions. All of the annualizations included in the Department's request are summarized in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize FY 15-16 R7 Participant directed programs	\$1,261,619	\$630,683	\$0	\$0	\$630,936	0.0
Annualize HB 16-1321 Medicaid buy-in eligibility	65,136	(252,356)	284,917	0	32,575	0.0
Annualize Prior year salary survey	11,400	3,849	0	1,579	5,972	0.0
Annualize SB 16-038 Community-centered Board transparency	6,249	0	3,125	0	3,124	0.0
Annualize SB 14-130 Personal needs allowance	2,001	1,001	0	0	1,000	0.0
Annualize HB 15-1368 Cross-system response	(1,690,000)	0	(1,690,000)	0	0	0.0
TOTAL	(\$343,595)	383,177	(\$1,401,958)	\$1,579	\$673,607	0.0

R11 (INFORMATIONAL ONLY) – ELIMINATION OF THE HCBS-DD WAITING LIST

House Bill 14-1051 (Developmental Disability Services Strategic Plan) required the Department to develop a comprehensive strategic plan to enroll eligible persons with intellectual and developmental disabilities into home- and community-based services programs at the time those persons choose to enroll in the programs or need the services or supports. The bill required the Department to submit annual strategic plans that include specific recommendations and annual benchmarks for achieving the enrollment goal by July 1, 2020, including recommendations relating to increasing system capacity. As of September 2016 there were 2,684 individuals waiting for comprehensive services. Based on the number of individuals waiting for Comprehensive waiver services as soon as available, the Department projects it would cost a total of \$190,383,350 total funds per year.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

IDD SERVICES OVERVIEW: The system of services for individuals with intellectual and developmental disabilities (IDD) in Colorado is complex and covers four different departments. This issue provides an overview of the system starting at the federal level and moving through to the individual level.

CONFLICT FREE CASE MANAGEMENT: The Department was required to submit a plan, including an implementation timeline, for how Colorado will comply with the federal rule requiring the separation of case management services from service delivery. Community-Centered Boards are statutorily required to provide case management services, and most also provide direct services. The Department submitted a report outlining recommendations for how a plan could work. The recommendations did not establish a clear path forward for system changes to comply with the federal rule. Staff has provided a plan for the Committee's consideration.

IDD WAIVERS CASELOAD SUMMARY AND FORECASTS (R5): This issue provides an overview of the historical and projected caseload for the three Medicaid waivers for individuals with intellectual and developmental disabilities. Individuals receiving services through the Supported Living Services waiver are having difficulties finding service providers willing to work at the current reimbursement rates.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2017-18_hcpbrf3.pdf