



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2018-19 BUDGET BRIEFING SUMMARY

*Department of Health Care Policy and Financing
Medicaid Behavioral Health Community Programs*

The Department of Health Care Policy and Financing 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 Department's FY 2017-18 appropriation represents approximately 34.5 percent of statewide operating appropriations and 26.6 percent of statewide General Fund appropriations.

FY 2017-18 APPROPRIATION AND FY 2018-19 REQUEST

TABLE 4: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254 (Long Bill)	\$625,797,571	\$174,446,202	\$26,190,535	\$0	\$425,160,834	0.0
Other legislation	0	0	0	0	0	0.0
TOTAL	\$625,797,571	\$174,446,202	\$26,190,535	\$0	\$425,160,834	0.0
FY 2018-19 REQUESTED APPROPRIATION:						
FY 2017-18 Appropriation	\$625,797,571	\$174,446,202	\$26,190,535	\$0	\$425,160,834	0.0
R2 Behavioral health forecast	38,797,903	7,713,920	5,186,815	0	25,897,168	0.0
R9 Provider rates	59,938	13,099	2,463	0	44,376	0.0
Annualize prior year budget actions	25,317,295	6,925,587	881,871	0	17,509,837	0.0
TOTAL	\$689,972,707	\$189,098,808	\$32,261,684	\$0	\$468,612,215	0.0
INCREASE/(DECREASE)	\$64,175,136	\$14,652,606	\$6,071,149	\$0	\$43,451,381	0.0
Percentage Change	10.3%	8.4%	23.2%	0.0%	10.2%	0.0%

R2 BEHAVIORAL HEALTH FORECAST: The request includes an increase of \$38.8 million total funds, including \$7.7 million General Fund, for projected caseload and expenditure changes in both the capitation and fee-for-service Medicaid behavioral health programs.

R9 PROVIDER RATES: The request includes an increase of \$59,938 total funds, including \$13,099 General Fund, for an across-the-board increase of 1.0 percent for community providers. This proposed rate increase applies to fee-for-service payments made for behavioral health services, but it does not apply to payments made through the statewide capitation program.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes an increase of \$25.3 million total funds, including \$6.9 million General Fund, to reflect the second-year impact of 2017 legislation and two FY 2017-18 budget actions. The most significant change is an increase of \$26.7 million total funds for performance-based incentive payments to behavioral health organizations related to FY 2017-18 measurements of innovation and quality.

TABLE 5: ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Annualize HB 17-1353 Delivery and payment initiatives	\$26,717,069	\$7,215,319	\$1,090,836	\$18,410,914	0.0
Annualize FY 17-18 Provider rates	11,566	2,499	483	8,584	0.0
Annualize HB 16-1321 Waiver buy-in	2,711	(4,546)	5,903	1,354	0.0
Annualize FY 17-18 R6 Delivery system & payment reform (incentive payments to BHOs)	(1,414,051)	(287,685)	(215,351)	(911,015)	0.0
TOTAL	\$25,317,295	6,925,587	\$881,871	\$17,509,837	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

OVERVIEW OF DEPARTMENT'S FY 2018-19 REQUEST FOR BEHAVIORAL HEALTH COMMUNITY PROGRAMS (R2):

The Department's most recent projections for Medicaid behavioral health community programs indicate that the General Assembly will need to increase General Fund appropriations by \$0.8 million in the current fiscal year and by another \$13.9 million for FY 2018-19.

RESIDENTIAL AND INPATIENT SUBSTANCE USE DISORDER TREATMENT (HB 17-1351):

There is currently a gap in Medicaid coverage for adults with substance use disorder. This gap is partially filled with state and federal funds appropriated to the Department of Human Services.

ACCOUNTABLE CARE COLLABORATIVES, PHASE II:

The Department of Health Care Policy and Financing has announced the entities that it will contract with starting July 1, 2018, to manage the health needs of Medicaid enrollees, including both primary and behavioral health care.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: http://leg.colorado.gov/sites/default/files/fy2018-19_hcpbrf2.pdf