

# JOINT BUDGET COMMITTEE



## STAFF FIGURE SETTING FY 2022-23

## DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

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

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## HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

## 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** which serves people with low income and people needing long-term care;
- **Children's Basic Health Plan** which provides a low-cost insurance option for children and pregnant women with income slightly higher than the Medicaid eligibility criteria;
- **Colorado Indigent Care Program** which 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; and
- **Old Age Pension Health and Medical Program** which 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 OF STAFF RECOMMENDATIONS

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$13,260,251,994	\$3,424,533,177	\$1,552,448,285	\$97,905,609	\$8,185,364,923	581.9
Other Legislation	20,429,443	(77,611,385)	43,716,468	(10,231,185)	64,555,545	19.5
H.B. 22-1173 (Supplemental Bill)	40,864,536	(115,756,292)	82,623,350	(749,549)	74,747,027	53.5
Long Bill Supplemental	111,149,200	(203,344,471)	3,558,990	122,413	310,812,268	0.0
<b>TOTAL</b>	<b>\$13,432,695,173</b>	<b>\$3,027,821,029</b>	<b>\$1,682,347,093</b>	<b>\$87,047,288</b>	<b>\$8,635,479,763</b>	<b>654.9</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$13,432,695,173	\$3,027,821,029	\$1,682,347,093	\$87,047,288	\$8,635,479,763	654.9
<b>PENDING DECISION ITEMS</b>						
R6 Value-based payments	22,850,574	7,403,648	(7,197)	0	15,454,123	9.6
R8 County administration	(590,849)	461,138	1,936,919	0	(2,988,906)	5.9
R12 Convert contracts to FTE	(339,518)	(155,265)	(60,722)	370,586	(494,117)	23.2
R13 Compliance FTE	(4,678,266)	(2,393,350)	108,434	0	(2,393,350)	10.8
R14 MMIS True up and administration	(56,079,142)	(10,347,479)	(2,753,052)	0	(42,978,611)	12.5
<i>Subtotal, Pending Decision Items</i>	(\$38,837,201)	(\$5,031,308)	(\$775,618)	\$370,586	(\$33,400,861)	62.0
<b>ENROLLMENT/UTILIZATION TRENDS</b>						
R1 Medical Services Premiums	215,454,048	480,167,054	45,125,954	(5,874,967)	(303,963,993)	0.0
R5 Office of Community Living	58,545,049	88,872,514	(17,301,874)	0	(13,025,591)	0.0
BA6 County administration resources	18,965,148	2,949,679	1,779,805	0	14,235,664	0.0
<i>Subtotal, Enrollment/Utilization Trends</i>	\$292,964,657	\$782,214,873	\$48,606,464	(\$5,874,967)	(\$531,981,713)	0.4
<b>BENEFITS/ELIGIBILITY ADJUSTMENTS</b>						
R9 OCL Program enhancements (benefits)	1,445,951	1,368,771	0	0	77,180	0.0

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R10 Member contributions	1,910,195	963,283	(1,637)	0	948,549	0.0
DOC transitions to nursing homes	938,820	405,208	64,201	0	469,411	0.0
<i>Subtotal, Benefits/Eligibility Adjustments</i>	4,294,966	2,737,262	62,564	0	1,495,140	0.0
PROVIDER RATES						
R10 Common policy provider rates	128,922,402	45,731,229	5,996,297	0	77,194,876	0.0
Targeted provider rate adjustments	98,702,943	38,184,844	6,454,711	0	54,063,388	0.0
BA7 Increase base wage for nursing homes	0	0	0	0	0	0.0
<i>Subtotal, Provider Rates</i>	227,625,345	83,916,073	12,451,008	0	131,258,264	0.0
ADMINISTRATION						
R7 Utilization management	(3,011,223)	(1,512,985)	116,559	0	(1,614,797)	0.0
R15 All-Payer Claims Database	1,209,655	1,209,655	0	0	0	0.0
BA9 eConsult program	221,516	76,774	111,195	0	33,547	0.0
BA10 HCBS ARPA spending authority	68,168,079	0	67,424,708	0	743,371	(3.4)
BA13 Connect for Health Colorado	(2,266,230)	0	(1,004,323)	0	(1,261,907)	0.0
BA14 Centralized eligibility vendor	(185,244)	0	(98,610)	0	(86,634)	0.0
BA15 Prescription drug importation	0	0	0	0	0	0.0
BA17 CU School of Medicine	1,580,667	217,000	(76,532)	0	1,440,199	(2.0)
<i>Subtotal, Administration</i>	65,717,220	(9,556)	66,472,997	0	(746,221)	(5.4)
NONPRIORITIZED REQUESTS AND OTHER						
OTT budget request package	18,439	7,436	1,243	347	9,413	0.0
Paid Family Medical Leave Act	5,978	2,411	403	112	3,052	0.0
CSEAP resources	3,180	1,253	282	36	1,609	0.0
Colorado WINS Partnership Agreement	564,979	280,251	15,288	(2,345)	271,785	0.0
OTT CBMS admin costs	3,477,278	738,945	417,243	(5,381)	2,326,471	0.0
Savings from nursing facility transitions	(3,396,132)	(1,698,066)	0	0	(1,698,066)	0.0
Equity officers	216,966	0	0	108,483	108,483	2.0
Transfers to other state agencies	141,804	53,758	0	0	88,046	0.0
Federal match for HCBS	412	210,225,626	19,002,579	0	(229,227,793)	0.4
Annualize prior year budget actions	111,611,183	92,874,518	(35,116,696)	5,159,407	48,693,954	5.1
Centrally appropriated items	4,086,275	1,963,124	132,187	141,270	1,849,694	0.0
<i>Subtotal, Nonprioritized Requests and Other</i>	116,729,950	94,223,630	(34,550,050)	5,401,929	51,654,441	7.1
DECISION ITEMS PRESENTED BY MR. KURTZ						
R2 Behavioral health	12,832,408	44,167,004	5,515,189	0	(36,849,785)	0.0
R3 Child Health Plan Plus	37,398,301	11,373,603	5,647,506	0	20,377,192	0.0
R4 Medicare Modernization Act	27,863,762	27,863,762	0	0	0	0.0
R11 ACC and CHP accountability	(1,048,141)	(351,127)	0	0	(697,014)	2.0
R16 Urban Indian Health	48,025	48,025	0	0	0	0.0
R17 SBIRT training	(250,000)	0	(250,000)	0	0	0.0
BA8 Behavioral Health Administration	638,727	319,365	0	0	319,362	4.8
BA12 Safety net provider payment	(34,573,801)	0	(20,272,246)	0	(14,301,555)	0.0
BA16 HB 21-1166 Roll forward authority	0	0	0	0	0	0.0
Human Services	983,331	491,665	0	0	491,666	0.0
Transfer programs to Department of Early Childhood	0	0	0	0	0	0.0
Technical adjustments	(20,676)	0	(20,676)	0	0	0.0
<i>Subtotal, Decision Items Presented by Mr. Kurtz</i>	43,871,936	83,912,297	(9,380,227)	0	(30,660,134)	6.8
<b>TOTAL</b>	<b>\$14,145,062,046</b>	<b>\$4,069,784,300</b>	<b>\$1,765,234,231</b>	<b>\$86,944,836</b>	<b>\$8,223,098,679</b>	<b>725.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$712,366,873</b>	<b>\$1,041,963,271</b>	<b>\$82,887,138</b>	<b>(\$102,452)</b>	<b>(\$412,381,084)</b>	<b>70.9</b>
Percentage Change	5.3%	34.4%	4.9%	(0.1%)	(4.8%)	10.8%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$13,755,841,750</b>	<b>\$3,998,654,564</b>	<b>\$1,760,716,470</b>	<b>\$92,576,709</b>	<b>\$7,903,894,007</b>	<b>725.8</b>
Request Above/(Below) Recommendation	(\$389,220,296)	(\$71,129,736)	(\$4,517,761)	\$5,631,873	(\$319,204,672)	(0.0)

## DESCRIPTION OF INCREMENTAL CHANGES

### FY 21-22

**LONG BILL SUPPLEMENTAL:** Staff recommends a supplemental, including the following:

- Adjustments related to enrollment and utilization trends identified in the Department's February forecast and technical corrections. See the descriptions of R1 and R5 for more information;
- **S6 COUNTY ADMINISTRATION RESOURCES:** A decrease of \$3.8 million total fund, including \$0.7 million General Fund to realign appropriations with the fiscal year in which funding will be needed for temporary county Medicaid eligibility staff who will review member eligibility and process disenrollment appeals for Medicaid and Child Health Plan Plus benefits upon the conclusion of the federal public health emergency.
- **S10 AMERICAN RESCUE PLAN ACT (ARPA) HOME- AND COMMUNITY-BASED SERVICES (HCBS) SPENDING PLAN:** An increase of \$10.4 million total funds, including \$3.0 million from the HCBS Improvement Fund for the implementation of the ARPA HCBS Spending Plan approved by the Centers for Medicare and Medicaid Service (CMS) and the Joint Budget Committee in September of 2021.
- **S17 REMOVE CUSOM CLINICAL REVENUE FUNDING:** A net decrease of \$22.7 million total funds, including an increase of \$1.5 million General Fund and a decrease of \$11.5 million cash funds from revenues transferred from the University of Colorado School of Medicine to the Department in order to receive a federal match.

### FY 22-23

#### *PENDING DECISION ITEMS*

The following decisions items will be presented March 9, 2022:

**R6 VALUE-BASED PAYMENTS:** The Department requests an increase of \$22.9 million total funds, including \$7.4 million General Fund, and 9.6 FTE for the planning and implementation of three alternative payment models, including shared savings for pharmacy prescribers, bundled payments in maternity care, and partial capitation payments to primary care providers.

**R8 COUNTY ADMINISTRATION:** The Department requests a net decrease of \$0.6 million total funds, including an increase of \$461,138 General Fund, and 5.9 FTE to:

- Address county administration funding issues;
- Increase funding for pay-for-performance through the County incentives Program allocation;
- Hire addition staff to provide proper fiscal and programmatic oversight of county administrative-related activities; and
- Reduce the amount of time it takes to conduct on-site compliance reviews of all 64 counties.

**R12 CONVERT CONTRACTS TO FTE:** The Department requests a net decrease of \$0.3 million total funds, including a decrease of \$0.2 million General Fund, and 23.2 FTE to repurpose funding from contractor resources to hire FTE.

**R13 COMPLIANCE FTE:** The Department requests a net decrease of \$4.7 million total funds, including a decrease of \$2.4 million General Fund, and an increases of 10.8 FTE to expand and strengthen operational compliance and program oversight and accountability.

**R14 MMIS TRUE-UP AND ADMINISTRATION:** The Department requests a decrease of \$56.1 million total funds, including \$10.3 million General Fund, and 12.5 FTE to accurately reflect current costs associated with operating the Medicaid Management Information Systems (MMIS) and current federal match rates.

*ENROLLMENT/UTILIZATION TRENDS*

**R1 MEDICAL SERVICES PREMIUMS:** Staff recommends a net increase of \$215.5 million total funds, including an increase of \$480.2 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for the Medical Services Premiums line item.

**R5 OFFICE OF COMMUNITY LIVING:** Staff recommends a net increase of \$58.5 million total funds, including \$88.9 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for services for people with intellectual and developmental disabilities.

**BA6 COUNTY ADMINISTRATION RESOURCES:** Staff recommends an increase of \$19.0 million total funds, including \$2.9 million General Fund, to extend the employment of temporary county eligibility staff for the review of member eligibility and the processing of disenrollment appeals for Medicaid and Child Health Plan Plus benefits upon the conclusion of the federal public health emergency.

*BENEFITS/ELIGIBILITY ADJUSTMENTS*

**R9 OFFICE OF COMMUNITY LIVING (OCL) PROGRAM ENHANCEMENTS (BENEFITS):** Staff recommends an increase of \$1.44 million total funds, including \$1.37 million General Fund, to expand benefits for services offered through the Home- and Community-based (HCBS) waivers, including the expansion of Home Delivered Meals and Maintenance of the current funding and enrollment levels of state-only programs for people with intellectual and developmental disabilities.

**R10 MEMBER CONTRIBUTIONS:** Staff recommends an increase of \$1.9 million total funds, including \$1.0 million General Fund, for adjustments to member contributions for copayments and personal needs allowances.

**DOC TRANSITIONS TO NURSING HOMES:** Staff recommends an increase of \$0.9 million total funds, including \$0.4 million General Fund, for nursing home services for Department of Corrections parolees.

*PROVIDER RATES*

**R10 PROVIDER RATES:** Staff recommends an increase of \$128.9 million total funds, including \$45.7 million General Fund, for a 2.0 percent across the board increase for most community providers. See the table below for a breakdown of the recommended common policy and targeted rate adjustments.

**TARGETED PROVIDER RATE ADJUSTMENTS (INCLUDING THOSE IN R9 AND R10):** Staff recommends an increase of \$98.7 million total funds, including \$38.2 million General Fund, for

targeted rate adjustment for certain providers. See the table below for a breakdown of the recommended common policy and targeted rate adjustments.

R9 OFFICE OF COMMUNITY LIVING PROGRAM ENHANCEMENTS TARGETED PROVIDER RATE ADJUSTMENTS					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Brain Injury Waiver (high acuity members)					
Transitional Living Program (change in rate methodology)	41.6 percent increase	\$208,321	\$104,161	\$0	\$104,160
Supported Living Program (newly negotiated rate)	new tier, 20 percent above tier 6 - \$538.38	(264,159)	(132,080)	0	(132,079)
<b>SUBTOTAL BRAIN INJURY WAIVER</b>		<b>(\$55,838)</b>	<b>(\$27,919)</b>	<b>\$0</b>	<b>(\$27,919)</b>
Case Management					
Rate alignment	various increases	\$839,791	\$419,896	\$0	\$419,895
Children with Complex Needs					
Respite and residential rates (alignment)	various increases	\$222,811	\$111,405	\$0	\$111,406
<b>TOTAL PROVIDER RATE ADJUSTMENTS</b>		<b>\$1,006,764</b>	<b>\$503,382</b>	<b>\$0</b>	<b>\$503,382</b>

FY 2022-23 JBC STAFF RECOMMENDATION R10 PROVIDER RATE ADJUSTMENTS					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Across the board rate adjustment	2.0 percent increase	\$128,922,402	\$45,731,229	\$5,996,297	\$77,194,876
Targeted rate increases					
Durable medical equipment	Rebalancing (between 80 and 100 percent)	\$1,596,720	\$798,360	\$0	\$798,360
Massage therapy	34.5 percent increase	27,293	13,647	0	13,646
Non-emergent medical transport	Increase rates below 70 percent up to 70 percent	29,724,365	9,631,987	5,230,197	14,862,181
Emergency medical transport	Increase rates below 70 percent up to 70 percent	22,385,308	5,256,215	1,224,514	15,904,579
Non-medical transport	Increase rates below 80 percent up to 80 percent	5,049,816	2,524,908	0	2,524,908
Speech therapy	Increase rates below 80 percent up to 80 percent	2,514,912	1,257,456	0	1,257,456
Outpatient physical/occupational therapy	Increase rates below 80 percent up to 80 percent	4,404,513	2,202,256	0	2,202,257
Home- and community-based services	Maintain \$15/hr wage through remainder of FY 2022-23	33,373,436	16,686,725	0	16,686,711
<b>SUBTOTAL TARGETED RATE INCREASES</b>		<b>\$99,076,363</b>	<b>\$38,371,554</b>	<b>\$6,454,711</b>	<b>\$54,250,098</b>
Changes to member contributions					
Changes to copayments	Increase fr \$6 to \$8	(\$26,920)	(\$5,275)	(\$1,637)	(\$20,008)
Personal needs allowance	Increase fr \$152.00 to \$383.33	1,937,115	968,558	0	968,557
<b>SUBTOTAL CHANGES TO MEMBER CONTRIBUTIONS</b>		<b>\$1,910,195</b>	<b>\$963,283</b>	<b>(\$1,637)</b>	<b>\$948,549</b>
<b>TOTAL JBC STAFF RECOMMENDATION</b>		<b>\$229,908,960</b>	<b>\$85,066,066</b>	<b>\$12,449,371</b>	<b>\$132,393,523</b>

**BA7 INCREASE BASE WAGE FOR NURSING HOMES:** The Department requests an increase of \$4.8 million total funds, including \$2.4 million General Fund, to provide supplemental payments to nursing facilities for the purpose of raising the minimum wage of facility staff to \$15 per hour. Due to the



prescriptive statutory rate methodology for this provider type, rates cannot be adjusted through a targeted rate decision item and must be done through legislation. The Department requests that the Joint Budget Committee consider sponsoring the required legislation to implement the wage increase. JBC staff recommends approval of the Department's request.

#### *ADMINISTRATION*

**R7 UTILIZATION MANAGEMENT:** Staff recommends net decrease of \$3.0 million total funds, including a decrease of \$1.5 million General Fund, to expand and strengthen utilization management measures in the Medicaid program.

**R15 ALL-PAYER CLAIMS DATABASE:** Staff recommends an increase of \$1.2 million General Fund to fully restore funding for the All-Payer Claims Database Scholarship Program and operations. The funding was eliminated in FY 2020-21 as part of budget balancing reductions.

**BA9 eCONSULT PROGRAM IMPLEMENTATION:** Staff recommends an increase of \$221,516 total funds, including \$76,774 General Fund, as a result of the delay in implementation of the program.

**BA10 HCBS ARPA SPENDING AUTHORITY:** Staff recommends an increase of \$68.2 million total funds, including \$67.4 million cash funds from the HCBS Improvement Fund, and a decrease of 3.4 FTE to implement the American Rescue Plan Act (ARPA) Home- and Community-based Services (HCBS) Spending Plan approved by the Centers for Medicare and Medicaid Services and the Joint Budget Committee in September 2021.

**BA13 MEDICAID FUNDING FOR CONNECT FOR HEALTH COLORADO:** Staff recommends a reduction of \$2.3 million total funds, including \$1.0 million cash funds, for Connect for Health Colorado Eligibility Determinations. The source of cash funds is certified public expenditures by Connect for Health.

**BA14 CENTRALIZED ELIGIBILITY VENDOR:** Staff recommends a decrease of \$0.2 million total funds, including \$0.1 million cash funds, to reimburse the Department's centralized eligibility vendor for eligibility and enrollment services provided to applicants and clients eligible for Medicaid and the Child Health Plan Plus. The source of cash funds include the Healthcare Affordability and Sustainability Fee and the Children's Basic Health Plan.

**BA15 PRESCRIPTION DRUG IMPORTATION:** The adjustment reflected in the table above is relative to the Department's supplemental bill (H.B. 22-1173), which moved \$296,160 General Fund appropriation for the Canadian drug importation program from the Payments to OIT line item to the General Professional Services line item for FY 2021-22 and ongoing. Staff recommends continuation of this change.

**BA17 CU SCHOOL OF MEDICINE:** Staff recommends a net increase of \$1.6 million total funds, including \$0.2 million General Fund, for Medical Student Diversity Scholarships through the University of Colorado School of Medicine. In addition, staff recommends a decrease of \$153,064 total funds and 2.0 temporary Department FTE responsible for calculating School of Medicine performance metrics, validating data, and measuring provider enrollment and member access.

*NONPRIORITIZED BUDGET REQUESTS AND OTHER*

**OIT BUDGET REQUEST PACKAGE:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**PAID FAMILY MEDICAL LEAVE ACT:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**CSEAP RESOURCES:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**COLORADO WINS PARTNERSHIP AGREEMENT:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**OIT CBMS ADMINISTRATIVE COSTS:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**SAVINGS FROM NURSING FACILITY TRANSITIONS:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**EQUITY OFFICERS:** Staff will reflect Committee action in the Department’s section of the Long Bill.

**TRANSFERS TO OTHER STATE AGENCIES:** Staff recommends \$0.1 million total funds, including \$53,758 General Fund, for transfers to programs administered by other departments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** Adjustments for the out-year impacts of prior year legislation and budget actions are summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant. If there is no reference to a bill number or priority number, then the change was initiated by an action other than a bill or request from the Department.

The largest General Fund increases are for the annualization of the following:

- S.B. 21.213 (Use of increased Medicaid match) that captured the benefit to certain cash funds provided by a temporary increase in the federal match rate and converted that benefit to General Fund relief;
- Addition of 667 waiting list enrollments onto the Home- and Community-based Services Comprehensive Waiver for individuals with intellectual and developmental disabilities;
- A 2.5 percent increase in rates paid to most community providers;
- S.B. 21-194 (Maternal health providers) that places new requirements on health providers and insurers, expands public health insurance coverage, and implements other initiatives related to maternal and perinatal health; and
- FY 2021-22 R18 Behavioral health program adjustments that decreased incentive payments that are based on provider service performance and quality metrics by 25 percent and to lower estimates of provider capacity and consequent utilization for the Substance Use Disorder benefit.

The largest decrease in General Fund is for the second year of FY 2021-22 R23 Behavioral health claims and eligibility process that integrated eligibility determinations, claims processing, and data reporting for various behavioral health programs statewide.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 21-22 Add 667 IDD enrollments	\$19,893,267	\$10,425,549	\$0	\$0	\$9,467,718	0.0
SB 21-194 Maternal health providers	14,387,178	7,395,282	0	0	6,991,896	(0.7)
SB 21-213 Use of increased Medicaid match	11,679,436	57,330,334	(57,330,334)	5,115,593	6,563,843	0.0
HB 20-1361 Reduce adult dental benefit	11,130,000	0	2,941,728	0	8,188,272	0.0
FY 21-22 2.5% Provider rate increase	7,496,012	8,088,950	(575,877)	0	(17,061)	0.0
FY 21-22 R20 MMIS annualization delay	7,253,689	1,913,195	0	0	5,340,494	0.0
FY 20-21 Local minimum wage adjustment	6,273,126	3,136,561	0	0	3,136,565	0.0
FY 21-22 Decrease member copayment	4,404,931	954,930	274,532	0	3,175,469	0.0
SB 20-033 Medicaid buy-in age 65 and over	2,702,866	(233,074)	1,712,267	0	1,223,673	0.0
SB 21-025 Family planning services for eligible individual	2,618,674	683,460	57,936	0	1,877,278	(0.8)
HB 21-1275 Medicaid reimbursement for services by pharmacist	2,423,343	798,411	192,919	0	1,432,013	0.4
FY 21-22 R8 Supported living services flexibility	940,719	470,360	0	0	470,359	0.0
FY 21-22 NPBA1 CBMS PEAK	755,237	377,416	42,560	17	335,244	0.0
SB 21-038 Expansion of complementary and alternative medicine	737,129	225,525	143,039	0	368,565	0.1
FY 21-22 R11 Medicaid funding for Connect 4 Health	482,663	0	189,918	0	292,745	0.0
FY 21-22 R10 Convert contractor resources to FTE	306,688	(738)	6,070	0	301,356	0.5
HB 21-1198 Health care billing requirements indigent care	299,633	299,633	0	0	0	2.1
FY 06-07 DI8 Fund nursing facility appraisals	279,746	139,873	0	0	139,873	0.0
SB 18-200 PERA unfunded liability	257,614	103,878	17,381	4,847	131,508	0.0
FY 20-21 R19 Leased space	173,278	71,839	14,799	0	86,640	0.0
HB 21-1085 Secure transport behavioral health crisis	139,300	104,717	5,433	0	29,150	0.1
FY 21-22 Restore funding for SB 19-195	94,095	47,048	0	0	47,047	1.0
HB 21-1232 Standardized health benefit CO Option	80,289	80,289	0	0	0	1.2
HB 21-1166 Behavioral health crisis response training	67,680	67,680	0	0	0	0.0
FY 19-20 R9 Adult LTHH/PDN clinical assessment tool	36,710	18,355	0	0	18,355	0.0
FY 19-20 Increase funding for IDD enrollment	13,517	6,759	0	0	6,758	0.0
FY 21-22 CUSOM clinical reviews	131	0	65	0	66	0.2
FY 21-22 Salary survey	0	0	0	0	0	0.0
FY 21-22 Funding for home health and PDN	0	462,686	0	0	(462,686)	0.0
FY 21-22 BA10 Public health emergency end resources	(7,002,728)	(2,556,275)	2,241,738	0	(6,688,191)	0.0
FY 21-22 R24 Addressing health care disparities	(5,900,000)	(1,000,000)	0	0	(4,900,000)	0.0
SB 21-211 Adult dental benefit	(5,565,000)	0	(1,522,875)	0	(4,042,125)	0.0
FY 21-22 R23 Behavioral health claims and eligibility process	(5,420,147)	(5,420,147)	0	0	0	0.0
FY 20-21 R20 Safety net provider payment adjustments	(3,274,628)	0	(1,637,314)	0	(1,637,314)	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 21-009 Reproductive health care program	(2,838,166)	(2,063,127)	0	0	(775,039)	0.6
FY 20-21 R15 Medicaid recovery third party liability	(2,360,799)	(669,553)	(102,725)	0	(1,588,521)	0.0
FY 21-22 BA15 Implement eConsult program	(2,170,076)	(377,537)	(18,528)	0	(1,774,011)	0.1
FY 19-20 R16 Employment first initiative, individuals with IDD	(1,995,497)	800,000	(2,795,497)	0	0	(2.0)
FY 21-22 CUSOM clinical reviews	(1,733,731)	0	0	0	(1,733,731)	0.0
FY 21-22 R6 Remote supports for HCBS programs	(1,433,231)	(696,695)	(19,921)	0	(716,615)	0.0
SB 21-016 Protecting preventive health coverage	(905,467)	(90,547)	0	0	(814,920)	0.0
FY 21-22 R9 Patient access and interoperability rule compliance	(858,490)	304,585	0	0	(1,163,075)	0.0
FY 21-22 R16 Provider rate adjustments	(545,169)	(241,986)	(31,945)	0	(271,238)	0.0
SB 21-039 Elimination of subminimum wage employment	(403,941)	(1,235,145)	1,195,646	0	(364,442)	0.1
SB 21-137 Behavioral health recovery act	(295,743)	(147,872)	0	0	(147,871)	0.2
HB 17-1343 to repeal IDD Services Cash Fund	(138,707)	307,488	(446,195)	0	0	2.0
FY 21-22 R17 Medicaid benefit adjustments	(52,173)	(26,086)	0	0	(26,087)	0.0
<b>TOTAL</b>	<b>\$52,033,258</b>	<b>\$79,856,021</b>	<b>(\$55,445,180)</b>	<b>\$5,120,457</b>	<b>\$22,501,960</b>	<b>5.1</b>

**FEDERAL MATCH FOR HCBS:** The request includes an adjustment for the expiration of the 10.0 percent enhanced federal medical assistance percentage (FMAP) increase for eligible Home- and Community-based Services (HCBS) pursuant to the American Rescue Plan Act of 2021.

**CENTRALLY APPROPRIATED ITEMS:** The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; paid family and medical leave insurance; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

### MAJOR DIFFERENCES FROM THE REQUEST

The largest dollar differences between the request and the JBC staff recommendation are due to the JBC staff using the Department's February 2022 forecast of expenditures for Medical Services Premiums, Behavioral Health, the Children's Basic Health Plan, the Medicare Modernization Act, and the Office of Community Living rather than the November 2021 forecast that was used for the Governor's request. The table below summarizes the differences between the February 2022 and November 2021 forecasts for all of the forecasted programs.

FEBRUARY 2022 FORECAST HIGHER/(LOWER) THAN NOVEMBER 2021 FORECAST					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>FY 2021-22</b>					
Medical Services Premiums	\$172,772,011	(\$149,902,425)	\$14,498,576	\$122,413	\$308,053,447

FEBRUARY 2022 FORECAST HIGHER/(LOWER) THAN NOVEMBER 2021 FORECAST					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Behavioral Health	(22,574,832)	(22,419,185)	(3,421,236)	0	3,265,589
Children's Basic Health Plan	(16,180,702)	(4,662,415)	(3,909,318)	0	(7,608,969)
Medicare Modernization Act	17,821,472	17,821,472	0	0	0
Office of Community Living	(8,754,384)	(31,817,126)	555,174	0	8,293,473
<b>TOTAL</b>	<b>\$128,869,470</b>	<b>(\$190,979,679)</b>	<b>\$7,723,196</b>	<b>\$122,413</b>	<b>\$312,003,540</b>
% Change from Nov Forecast	1.0%	-0.3%	-0.1%	0.1%	2.0%
<b><u>FY 2022-23</u></b>					
Medical Services Premiums	259,842,256	682,818,654	(10,213,523)	(759,374)	(412,003,501)
Behavioral Health	56,533,907	77,032,861	24,229,406	0	(44,728,360)
Children's Basic Health Plan	33,911,657	13,859,576	4,953,923	0	15,098,158
Medicare Modernization Act	20,449,617	20,449,617	0	0	0
Office of Community Living	81,873,336	156,992,814	(18,839,843)	0	(56,279,635)
<b>TOTAL</b>	<b>\$452,610,773</b>	<b>\$951,153,522</b>	<b>\$129,963</b>	<b>(\$759,374)</b>	<b>(\$497,913,338)</b>
% Change from Nov Forecast	1.0%	0.0%	1.7%	0.1%	1.4%
<b><u>Cumulative Over Both Years</u></b>					
Medical Services Premiums	432,614,267	532,916,229	4,285,053	(636,961)	(103,950,054)
Behavioral Health	33,959,075	54,613,676	20,808,170	0	(41,462,771)
Children's Basic Health Plan	17,730,955	9,197,161	1,044,605	0	7,489,189
Medicare Modernization Act	38,271,089	38,271,089	0	0	0
Office of Community Living	58,904,857	125,175,688	(18,284,669)	0	(47,986,162)
<b>TOTAL</b>	<b>\$581,480,243</b>	<b>\$760,173,843</b>	<b>\$7,853,159</b>	<b>(\$636,961)</b>	<b>(\$185,909,798)</b>
% Change from Nov Forecast	1.0%	-0.1%	0.8%	0.1%	1.7%

Other major non-technical differences include:

- R10 Provider rate adjustments – The staff recommendation is higher than the Governor's request by \$96.7 million total funds, including \$11.4 million General Fund. The JBC approved an across the board increase of 2.0 percent for most community providers instead of the 0.5 percent included in the Governor's request.
- Targeted provider rate adjustments – The staff recommendation is higher than the Governor's request by \$27.4 million total funds, including \$8.7 million General Fund, for higher targeted provider rate adjustments for ambulance services and speech therapy than were requested, and for targeted rate increases for outpatient physical and occupational therapy services.
- R15 Restore APCD scholarship funding – The staff recommendation is higher than the Governor's request by \$1.0 million General Fund, to fully restore operations and scholarship funding that was cut during FY 2020-21 budget balancing.
- BA6 County administration resources – That staff recommendation is higher than the Governor's request in FY 2022-23 by \$8.8 million total funds, including \$1.9 million General Fund, in order to accurately reflect anticipated expenditures across two fiscal years.

## DECISION ITEMS

### PENDING DECISION ITEMS (TO BE PRESENTED AT A LATER DATE)

JBC staff recommendation for the following decision items is pending and will be presented on March 9, 2022.

#### → R6 VALUE-BASED PAYMENTS

##### DEPARTMENT REQUEST

The Department requests an increase of \$22,850,574 total funds, including \$7,403,648 General Fund, and 9.6 FTE for the planning and implementation of three alternative payments models.

##### JBC STAFF RECOMMENDATION

During the JBC staff briefing for Information Technology Projects, the Joint Budget Committee referred this budget request to the Joint Technology Committee (JTC) for their consideration. As of the date of this writing, the JTC had not yet acted on the request. JBC staff recommendation is pending JTC action and will be presented on March 9, 2022.

#### → R8 COUNTY ADMINISTRATION

##### DEPARTMENT REQUEST

The Department requests a net decrease of \$590,849 total funds, including an increase of \$461,138 General Fund, and an increase of 5.9 FTE, to:

- Address an annual funding deficit for county administration of the Medicaid eligibility process;
- Increase funding for pay-for-performance through the County Incentives Program allocation;
- Hire addition Department staff to provide proper fiscal and programmatic oversight of county administration-related activities; and
- Reduce the amount of time it takes to conduct on-site compliance reviews.

##### JBC STAFF RECOMMENDATION

JBC staff will present this figure setting analysis on March 9, 2022.

#### → R12 CONVERT CONTRACTS TO FTE

##### DEPARTMENT REQUEST

The Department requests a net decrease of \$339,518 total funds, including \$155,265 General Fund, and an increase of 23.2 FTE to reduce the number of and cost associated with outside contractors by hiring state employees to perform the duties.

##### JBC STAFF RECOMMENDATION

JBC staff will present this figure setting analysis on March 9 2022.

→ R13 COMPLIANCE FTE

DEPARTMENT REQUEST

The Department requests a FY 2022-23 net reduction of \$4,678,266 total funds, including \$2,393,350 General Fund, and an increase of 10.8 FTE improve compliance, oversight, and reporting concerning services delivered to Medicaid members. The cost of the additional FTE is more than offset by a reduction in the benefits paid for claims.

JBC STAFF RECOMMENDATION

JBC staff will present this figure setting analysis on March 9 2022.

→ R14 MMIS TRUE-UP AND ADMINISTRATION

DEPARTMENT REQUEST

The Department requests a FY 2022-23 reduction of \$56,079,142 total funds, including \$10,347,479 General Fund, and an increase of 12.5 FTE to rebalance the Medicaid Management Information System (MMIS) Maintenance and Projects line item to accurately reflect current costs associated with operating the MMIS and current federal match rates.

JBC STAFF RECOMMENDATION

During the JBC staff briefing for Information Technology Projects, the Joint Budget Committee referred this budget request to the Joint Technology Committee (JTC) for their consideration. As of the date of this writing, the JTC had not yet acted on the request. JBC staff recommendation is pending JTC action and will be presented on March 9, 2022.

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ENROLLMENT/UTILIZATION TRENDS

Requests R1 and R5 propose changes to both FY 2021-22 and FY 2022-23 based on a new forecast of caseload and expenditures under current law and policy. They are described as requests by the Department, but they are not really discretionary, because they represent what the Department expects to spend absent a change in current law or policy. Most of Medicaid operates as an entitlement program, meaning that the people determined eligible have a legal right to the plan benefits. Section 24-75-109 (1)(a), C.R.S., authorizes the Department to overspend the Medicaid appropriation to pay the plan benefits. Only changes in law or policy, such as adjusting the eligibility criteria, plan benefits, or provider rates, will change the funding necessary to cover Medicaid costs.

On February 15, 2022, the Department submitted an update to the forecast requests. This update is not an "official" request and it is not accounted for in the Governor's budget balancing, as it was submitted after the General Assembly's budget request deadlines. The updated forecast represents the most current information available concerning projected Medicaid expenditures. The November 2021 forecast used for the Governor's request incorporated data through June 2021. The February 2022 forecast incorporates data through December 2021.

The table below shows the incremental difference between the February 2022 forecast and the June 2021 forecast for all of the forecast requests (R1 through R5). This comparison can be useful in understanding how much more or less there is to work with in the overall budget compared to the Governor's request, based on the new information in the February forecast. For this purpose, it is most useful to focus on the cumulative change over both years.

Cumulative over the two fiscal years the February forecast is up \$581.5 million total funds, including \$760.2 million General Fund. Of the General Fund amount, **\$486.1 million is attributable to the anticipated end of the federal public health emergency on April 16, 2022.** This extension increases enrollment projections because it increases both the amount of time and the number of people "locked in" to Medicaid during the period when states cannot disenroll people from Medicaid (through April 2022). At the same time, the extension of the public health emergency decreases projected General Fund expenditures, because Colorado is eligible for an additional 6.2 percent federal match for traditional Medicaid populations (through June 30, 2022).

The remaining **\$214.2 million is attributable to the March 31, 2022 end of the enhanced 10.0 percent federal match for eligible home- and community-based services (HCBS) under the American Rescue Plan Act of 2021.** The General Fund savings that result from this enhanced match much be used to expand or enhance HCBS programs therefore was unavailable for other purposes in FY 2021-22. Pursuant to S.B. 21-286 (Distribute Federal Funds for HCBS), \$260.0 million General Fund was transferred to the HCBS Improvement Fund to be appropriated for this purpose. This amount reflects the projected General Fund savings resulting from the 10.0 percent match at the time the bill was drafted. The bill contains a provision requiring additional transfers if the amount of savings exceeds what is identified in the bill. If the actual savings is less than what was identified in the bill, the difference between the balance of the fund and actual savings is returned to the General Fund. The Fund is repealed July 1, 2025.

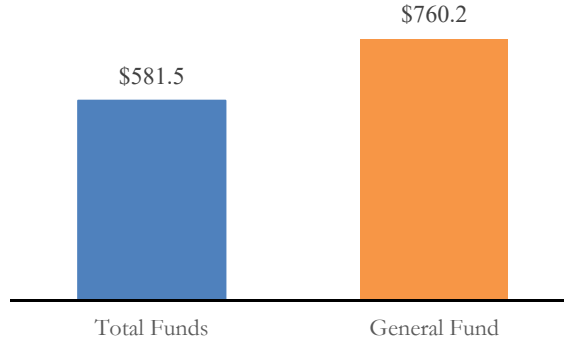
For budget balancing purposes, the \$260.0 million General Fund transfer was accounted for in FY 2021-22, therefore the FY 2022-23 and FY 2023-24 impact of the loss of the 10.0 percent enhanced match will still require a General Fund appropriation. It is important to note that this refinance of General Fund with federal funds for both enhanced matches is temporary, requiring the federal funds to be backfilled with General Fund in FY 2021-22 and FY 2022-23. **IF NOT APPLIED TO THE GENERAL FUND RESERVE, USE OF ANY GENERAL FUND FREED UP AS A RESULT OF THE ENHANCED FEDERAL MATCH IN FY 2021-22 SHOULD BE CONSIDERED AS AVAILABLE FOR ONE-TIME (ONLY) APPROPRIATIONS, TRANSFERS, OR PAYMENTS IN FY 2021-22, AND NOT FOR ONGOING PROGRAM FUNDING. THE TOTAL GENERAL FUND FOR ALL FORECAST RELATED MEDICAID PROGRAMS THAT WILL NEED TO BE BACKFILLED IN FY 2022-23 IS \$700.4 MILLION.**

FEBRUARY 2022 FORECAST HIGHER/(LOWER) THAN NOVEMBER 2021 FORECAST					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b><u>FY 2021-22</u></b>					
Medical Services Premiums	\$172,772,011	(\$149,902,425)	\$14,498,576	\$122,413	\$308,053,447
Behavioral Health	(22,574,832)	(22,419,185)	(3,421,236)	0	3,265,589
Children's Basic Health Plan	(16,180,702)	(4,662,415)	(3,909,318)	0	(7,608,969)
Medicare Modernization Act	17,821,472	17,821,472	0	0	0
Office of Community Living	(8,754,384)	(31,817,126)	555,174	0	8,293,473
<b>TOTAL</b>	<b>\$128,869,470</b>	<b>(\$190,979,679)</b>	<b>\$7,723,196</b>	<b>\$122,413</b>	<b>\$312,003,540</b>
% Change from Nov Forecast	1.0%	-0.3%	-0.1%	0.1%	2.0%



FEBRUARY 2022 FORECAST HIGHER/(LOWER) THAN NOVEMBER 2021 FORECAST					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>FY 2022-23</b>					
Medical Services Premiums	259,842,256	682,818,654	(10,213,523)	(759,374)	(412,003,501)
Behavioral Health	56,533,907	77,032,861	24,229,406	0	(44,728,360)
Children's Basic Health Plan	33,911,657	13,859,576	4,953,923	0	15,098,158
Medicare Modernization Act	20,449,617	20,449,617	0	0	0
Office of Community Living	81,873,336	156,992,814	(18,839,843)	0	(56,279,635)
<b>TOTAL</b>	<b>\$452,610,773</b>	<b>\$951,153,522</b>	<b>\$129,963</b>	<b>(\$759,374)</b>	<b>(\$497,913,338)</b>
% Change <i>from Nov Forecast</i>	1.0%	0.0%	1.7%	0.1%	1.4%
<b>Cumulative Over Both Years</b>					
Medical Services Premiums	432,614,267	532,916,229	4,285,053	(636,961)	(103,950,054)
Behavioral Health	33,959,075	54,613,676	20,808,170	0	(41,462,771)
Children's Basic Health Plan	17,730,955	9,197,161	1,044,605	0	7,489,189
Medicare Modernization Act	38,271,089	38,271,089	0	0	0
Office of Community Living	58,904,857	125,175,688	(18,284,669)	0	(47,986,162)
<b>TOTAL</b>	<b>\$581,480,243</b>	<b>\$760,173,843</b>	<b>\$7,853,159</b>	<b>(\$636,961)</b>	<b>(\$185,909,798)</b>
% Change <i>from Nov Forecast</i>	1.0%	-0.1%	0.8%	0.1%	1.7%

Two-Year Cumulative Change in Forecast



A key assumption in the forecast requests is that the federal public health emergency will end in April of 2022. During the public health emergency states are prohibited from disenrolling people from Medicaid if they want to access the higher federal match rate provided through the Families First Coronavirus Response Act of 2020. The additional federal match is 6.2 percent and it lasts until the last day of the fiscal quarter when the public health emergency ends. A change in when the public health emergency expires could change when the Department needs to begin redetermining eligibility and disenrolling people who no longer meet the criteria and/or when the additional federal match ends.

➔ R1 MEDICAL SERVICES PREMIUMS

DEPARTMENT REQUEST

The Department requests a change to the Medical Services Premiums appropriation for both FY 2021-22 and FY 2022-23 based on a new forecast of caseload and expenditures under current law and policy.

Medical Services Premiums pays for physical health and most long-term services and supports<sup>1</sup> for people eligible for Medicaid.

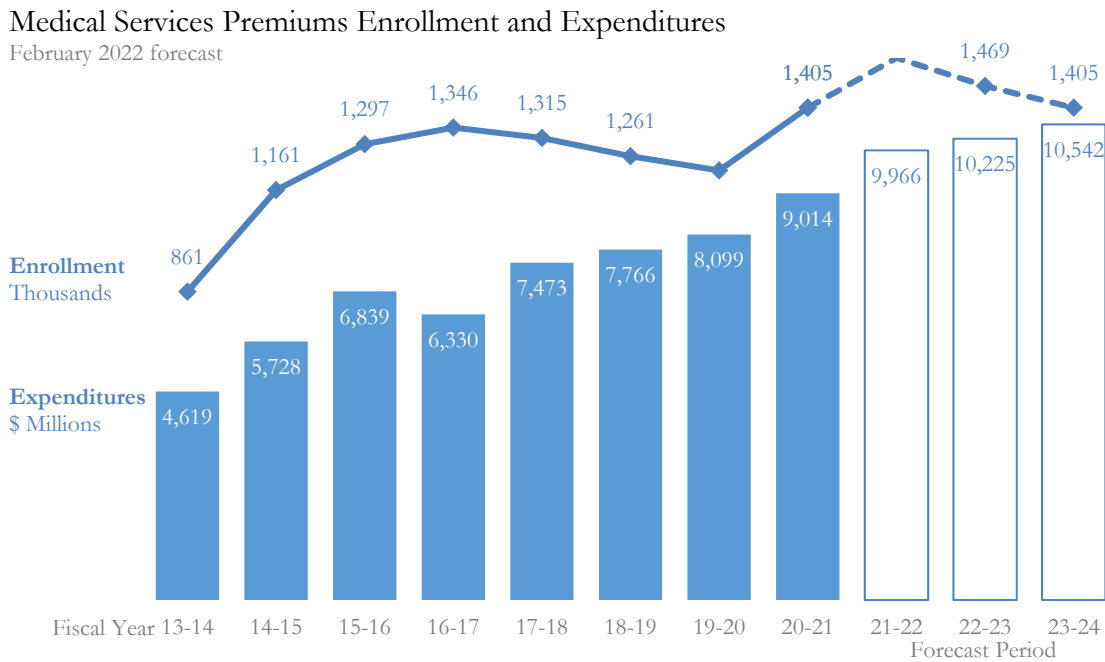
On February 15, 2022, the Department submitted an update to the R1 forecast. This update is not an "official" request and it is not accounted for in the Governor's budget balancing, as it was submitted after the General Assembly's budget request deadlines. The forecast represents the most current projection of expenditures available. The February 2022 forecast is higher than the forecast used for the Governor's request by \$172.8 million total funds in FY 2021-22 and \$259.8 million total funds in FY 2022-23. The General Funded portion of the FY 2021-22 forecast is \$150.0 million lower than the Governor's request, primarily due to the extension of the federal public health emergency; and the General Funded portion of the FY 2022-23 forecast is \$682.8 million higher than the Governor's request, primarily due to the anticipated end of the federal public health emergency.

**JBC STAFF RECOMMENDATION**

JBC staff recommends using the Department's February 2022 forecast of enrollment and expenditures to modify both the FY 2021-22 and FY 2022-23 appropriations. This is the best estimate available of what the actual costs will be for the program based on current law and policy. As noted above, the cumulative General Fund difference over the two years is \$532.8 million higher than the Governor's November request.

The forecast indicates that the total cost of Medical Services Premiums in FY 2023-24 will be \$10.1 billion, including \$2.1 billion General Fund. This is an increase of \$490,422,930 total funds, including \$373,741,944 General Fund over the FY 2022-23 projection.

The chart below summarizes the Department's forecast.



<sup>1</sup> The exception is long-term services and supports for people with intellectual and developmental disabilities, which are funded in the Office of Community Living.

## FY 2021-22

The table below shows the most significant factors driving the change in the Department's forecast for FY 2021-22. Note that this table displays changes from the appropriation and not changes from FY 2020-21. A negative number does not necessarily indicate negative growth for the fiscal year, but just slower growth than had been assumed for the appropriation.

FY 2021-22 MEDICAL SERVICES PREMIUMS ENROLLMENT/UTILIZATION TRENDS (FROM FY 2021-22 LONG BILL APPROPRIATION, S.B. 21-205)				
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS
FY 2021-22 Appropriation	\$9,986,500,296	2,403,846,455	1,280,064,975	6,302,588,866
Acute Care				
Enrollment	153,252,516	23,398,997	16,509,129	113,344,390
Per capita	(95,825,563)	(24,471,722)	9,048,442	(80,402,283)
<i>Subtotal - Acute Care</i>	<i>57,426,953</i>	<i>(1,072,725)</i>	<i>25,557,571</i>	<i>32,942,107</i>
Long-term Services and Supports				
HCBS waivers	(15,693,007)	(5,952,018)	0	(9,740,989)
Long-Term Home Health/PDN	12,047,997	4,750,595	0	7,297,402
Hospice	(16,000,718)	(6,055,749)	0	(9,944,969)
Nursing homes	(73,887,611)	(30,721,167)	(49,387)	(43,117,057)
PACE	(15,832,323)	(7,058,454)	0	(8,773,869)
Other	(11,622,603)	5,568,785	(3,357,465)	(13,833,923)
<i>Subtotal - LTSS</i>	<i>(120,988,265)</i>	<i>(39,468,008)</i>	<i>(3,406,852)</i>	<i>(78,113,405)</i>
Medicare insurance premiums	(758,910)	(1,619,831)	0	860,921
Service management	7,955,756	1,567,780	2,249,044	4,138,932
Federal match rate	0	(190,056,721)	(11,724,708)	201,781,429
CHIPRA Reconciliation	24,000,000	24,000,000	0	0
SB 21-213 Use of Increased Medicaid Match	0	(37,034,803)	37,034,803	0
Financing	11,412,263	(8,558,704)	(24,793,841)	44,764,808
<b>TOTAL</b>	<b>\$9,965,548,093</b>	<b>\$2,151,603,443</b>	<b>\$1,304,980,992</b>	<b>\$6,508,963,658</b>
Increase/(Decrease)	(\$20,952,203)	(\$252,243,012)	\$24,916,017	\$206,374,792
Percentage Change	-0.2%	-10.5%	1.9%	3.3%

MEDICAL SERVICES PREMIUMS LONG BILL ADD-ON FORECAST ADJUSTMENT FOR FY 2021-22						
	TOTAL FUNDS	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
Forecast, February 2022	\$10,030,753,264	\$1,286,319,184	\$865,284,199	\$1,249,711,462	\$82,705,627	\$6,546,732,792
Supplemental bill (H.B. 21-1173)	9,857,981,253	1,436,221,609	865,284,199	1,235,212,886	82,583,214	6,238,679,345
Long Bill Add-on Adjustment	\$172,772,011	(\$149,902,425)	\$0	\$14,498,576	\$122,413	\$308,053,447

FY 2021-22 MEDICAL SERVICES PREMIUMS ENROLLMENT/UTILIZATION TRENDS (FROM FY 2021-22 SUPPLEMENTAL BILL, H.B. 22-1173)				
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS
FY 2021-22 Appropriation	\$9,857,981,253	2,301,505,808	1,317,796,100	6,238,679,345
Acute Care				
Enrollment	58,427,934	21,472,797	940,329	36,014,808
Per capita	<u>115,565,284</u>	<u>32,715,346</u>	<u>11,364,744</u>	<u>71,485,194</u>
<i>Subtotal - Acute Care</i>	<i>173,993,218</i>	<i>54,188,143</i>	<i>12,305,073</i>	<i>107,500,002</i>
Long-term Services and Supports				
HCBS waivers	(7,452,473)	(2,705,248)	0	(4,747,225)
Long-Term Home Health/PDN	(118,848)	(43,142)	0	(75,706)

FY 2021-22 MEDICAL SERVICES PREMIUMS ENROLLMENT/UTILIZATION TRENDS (FROM FY 2021-22 SUPPLEMENTAL BILL, H.B. 22-1173)				
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS
Hospice	(7,489,047)	(3,280,203)	0	(4,208,844)
Nursing homes	(25,074,725)	(10,982,730)	0	(14,091,995)
PACE	(11,835,664)	(5,184,021)	0	(6,651,643)
Other	0	2,702,676	(52,157)	(2,650,519)
<i>Subtotal - LTSS</i>	<i>(51,970,757)</i>	<i>(19,492,668)</i>	<i>(52,157)</i>	<i>(32,425,932)</i>
Medicare insurance premiums	10,902,903	4,775,471	0	6,127,432
Service management	4,434,384	1,700,996	722,848	2,010,540
Federal match rate	0	(169,480,860)	(10,595,737)	180,076,597
CHIPRA Reconciliation	24,000,000	24,000,000	0	0
SB 21-213 Use of Increased Medicaid Match	0	(37,034,803)	37,034,803	0
Financing	11,412,263	(8,558,704)	(24,793,841)	44,764,808
<b>TOTAL</b>	<b>\$10,030,753,264</b>	<b>\$2,151,603,383</b>	<b>\$1,332,417,089</b>	<b>\$6,546,732,792</b>
Increase/(Decrease)	172,772,011	(149,902,425)	14,620,989	308,053,447
Percentage Change	1.8%	-6.5%	1.1%	4.9%

Acute care

- Enrollment – Compared to the supplemental the Department adjusted enrollment upwards due to higher than anticipated actual expenditures and primarily due to the extension of the continuous coverage requirement under the federal public health emergency.
- Per capita - The Department is projecting higher acute care per capita costs, primarily driven by an increase in the projected costs for COVID-19 hospitalizations and an increase in overall expenditures for children.

Long-term Services and Supports

Based on year to date expenses the Department lowered the forecast for all long-term services and supports, primarily due to a slower than anticipated rebound in nursing home placements. While regulatory restrictions on nursing home admissions have loosened, COVID-19 infection control procedures remain more labor intensive than they were pre-pandemic. Nursing homes must still isolate those with infections. In addition segregation or isolation of staff is required to prevent cross-contamination, directly impacting facility staffing levels. During the pandemic, the State Emergency Operations Center successfully added bed capacity when staffing support was provided through Federal Emergency Management Agency (FEMA) contracts and National Guard support, suggesting that bed capacity would increase with the addition of facility staff.

For reference, temporary increases in provider rates were authorized by executive order in FY 2019-20 and FY 2020-21. In addition, the JBC approved temporary rate increases for certain services for individuals with intellectual and developmental disabilities. The table does not include the supplemental payments that will be distributed through H.B. 22-1247 (Additional Requirements Nursing Facility Funding).

SERVICE	FY 2019-20 EO D 2020 054	FY 2020-21 EO D 2021 010	FY 2020-21 JBC ACTION	FY 2020-21 EO D 2021 116
Adult Day Services	\$0	\$476,385	\$4,600,142	\$0
Alternative Care Facility	\$2,471,996	\$1,277,169	\$0	\$0

SERVICE	FY 2019-20 EO D 2020 054	FY 2020-21 EO D 2021 010	FY 2020-21 JBC ACTION	FY 2020-21 EO D 2021 116
Consumer Directed Attendant Support Services (CDASS)	\$1,161,832	\$0	\$0	\$0
Day Habilitation	\$0	\$1,880,799	\$17,370,422	\$0
Homemaker	\$377,211	\$0	\$0	\$0
In-Home Support Services	\$2,254,460	\$0	\$0	\$0
Intermediate Care Facilities		\$1,000,000	\$0	\$0
Mentorship	\$0	\$0	\$0	\$0
Non-Medical Transportation	\$0	\$585,825	\$4,936,049	\$0
Personal Care	\$1,531,860	\$0	\$0	\$0
Prevocational Services	\$0	\$0	\$0	\$0
Residential Habilitation	\$7,229,990	\$1,181,706	\$0	\$0
Respite Care	\$0	\$0	\$0	\$0
Supported Community Connections	\$0	\$0	\$0	\$0
Supported Living Programs	\$823,194	\$444,240	\$0	\$0
Supported Employment	\$0	\$653,001	\$6,198,412	\$0
Nursing Homes	\$14,672,248	\$13,284,773	\$0	\$15,973,561
<b>TOTAL</b>	<b>\$30,522,791</b>	<b>\$20,783,898</b>	<b>\$33,105,025</b>	<b>\$15,973,561</b>

Federal Match

The reduction of General Fund and other fund sources is offset by an increase in federal matching funds as a result of the extension of the federal public health emergency. The extension resulted in the enhanced federal match rate of 6.2 percent being applied throughout FY 2021-22. In addition to this enhanced federal match under the Families First Coronavirus Response Act of 2020, the American Rescue Plan Act of 2021 provided an additional enhanced match of 10.0 percent for eligible HCBS programs through March 31, 2022. It is important to note that this refinance of General Fund with federal funds is temporary, requiring the federal funds to be backfilled with General Fund in FY 2022-23. **Use of any General Fund freed up as a result of the enhanced federal match should be considered as available for one-time (only) appropriations, and not for ongoing program funding.**

Other Changes

- Medicare insurance premiums – An increase of 4.0 percent is reflected in Medicare insurance premiums total costs due to a large increase in the Medicare Part B premium in calendar year 2022.
- Service management – The Department increased the projection based as a result of the caseload increase.
- CHIPRA reconciliation – The forecast includes an anticipated \$24.0 million payment required by the federal government to pay back a bonus received in fiscal years 2012-13 through 2014-15. The federal Centers for Medicare and Medicaid Services (CMS) believes Colorado miscalculated the bonus payments earned and is seeking to recover between \$17.0 million and \$26 million. Based on the Department’s interpretation of Title XIX of the Social Security Act, which based the calculation on the “unduplicated number of qualifying children enrolled in the State plan under title XIX...”, fund sources other than General Fund cannot be used to cover this payment.

*FY 2022-23*

The next table shows the most significant factors driving the forecasted change in expenditures from FY 2021-22 to FY 2022-23. The table combines the impact of changes in the forecast and annualizations, which are sometimes separated in other tables within this document.

FY 2022-23 MEDICAL SERVICES PREMIUMS ENROLLMENT/UTILIZATION TRENDS				
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS
FY 2022-23 Projection	\$10,030,888,504	\$2,606,498,055	\$1,229,841,091	\$6,194,549,358
<b>Acute Care</b>				
Enrollment	(249,654,070)	(61,968,026)	(10,817,456)	(176,868,588)
Per capita	240,193,813	80,830,285	5,564,978	153,798,550
<i>Subtotal - Acute Care</i>	<i>(9,460,257)</i>	<i>18,862,259</i>	<i>(5,252,478)</i>	<i>(23,070,038)</i>
<b>Long-term Services and Supports</b>				
HCBS waivers	72,125,149	26,181,429	0	45,943,720
Long-Term Home Health/PDN	44,771,132	16,251,921	0	28,519,211
Hospice	11,241,249	4,080,573	0	7,160,676
Nursing homes	73,527,990	32,205,260	0	41,322,730
PACE	30,331,312	11,010,266	0	19,321,046
Other	0	0	0	0
<i>Subtotal – LTSS</i>	<i>231,996,832</i>	<i>89,729,449</i>	<i>0</i>	<i>142,267,383</i>
Medicare insurance premiums	18,783,241	10,285,678	0	8,497,563
Service management	(14,559,702)	(3,872,787)	(1,345,010)	(9,341,905)
Federal match rate (6.2%) - FFCRA (expires 6/30/22)	0	370,968,524	3,666,070	(374,634,594)
Federal match rate (10%) - ARPA (expires 3/31/22)	0	129,226,570	1,468,338	(130,694,908)
CHIPRA Reconciliation	(24,000,000)	(24,000,000)	0	0
SB 21-213 Use of Increased Medicaid Match	0	94,365,137	(94,365,137)	0
Financing	57,082,142	(2,746,176)	84,855,320	(25,027,002)
<b>TOTAL</b>	<b>\$10,290,730,760</b>	<b>\$3,289,316,709</b>	<b>\$1,218,868,194</b>	<b>\$5,782,545,857</b>
Increase/(Decrease)	259,842,256	682,818,654	(10,972,897)	(412,003,501)
Percentage Change	2.6%	26.2%	-0.9%	-6.7%

### Acute Care

- Enrollment – The Department projects a reduction in caseload due to the end of the federal public health emergency; however with new CMS guidance allowing states 12 months to return to normal operations, the disenrollment period will last throughout FY 2022-23.
- Per capita – The Department projects an increase in per capita costs as the less expensive locked in members begin to disenroll.

### Long-term Services and Supports

The Department anticipates increased enrollment and increased cost per utilizer for HCBS waiver members, and those receiving private duty nursing and long-term home health services in FY 2022-23. In addition, it is anticipated that the number of patient days and new enrollments will increase in nursing facilities and the PACE program. Finally, the Department has projected the impact of the rate increase for nursing facilities and PACE to be 3.0 percent and 3.5 percent, respectively.

### Federal Match

The scheduled end of the federal public health emergency will require a refinance of the 6.2 percent federal match with General Fund. This match is applied to the full twelve months of FY 2021-22, however at this time, application of the match is not authorized into the first quarter of FY 2022-23. In addition, the enhanced 10.0 percent match authorized for eligible HCBS services will expire on March 31, 2022, requiring the federal funds to be refinanced with General Fund in the last quarter of FY 2021-22 and into FY 2022-23. For FY 2022-23 Medical Services Premiums,

- The increase in General Fund related to the expiration of the 6.2 percent enhanced match is \$371.0 million; and

- The increase in General Fund related to the expiration of the 10.0 percent enhanced match is \$129.2 million.

#### Other Changes

- Medicare insurance premiums – An increase of 7.0 percent in Medicare insurance premiums is assumed by the Department in calendar year 2023.
- Service management – The Department decreased the projection based as a result of changes in caseload.
- CHIPRA reconciliation – The FY 2021-22 forecast included an anticipated \$24.0 million payment required by the federal government to pay back a bonus received in fiscal years 2012-13 through 2014-15. This is a one-time payment and is therefore annualized out of the FY 2022-23 forecast.

### → R5 OFFICE OF COMMUNITY LIVING

#### REQUEST

The Department requests a change to the Office of Community Living line item appropriations for both FY 2021-22 and FY 2022-23 based on a new forecast of caseload and expenditures under current law and policy. Office of Community Living line items pay for long-term services and support for people with intellectual and developmental disabilities.

#### JBC STAFF RECOMMENDATION

JBC staff recommends using the Department's February 2022 forecast of enrollment and expenditures to modify both the FY 2021-22 and FY 2022-23 appropriations. This is the best estimate available of what the actual costs will be for the program based on current law and policy. The cumulative General Fund difference over the two years is \$35 million lower than the Governor's November request due to fewer enrollments on the Supported Living Services waiver as members churn to the Comprehensive waiver to fill the 667 enrollments funded by the Joint Budget Committee, as well as a lag in time from when people are enrolled on the Comprehensive waiver and actually begin utilizing services. As of January 13, 2022, 464 of the new 667 enrollments have accepted the resource and 268 have completed the enrollment process. Community Centered Boards are awaiting the decision of 203 individuals concerning enrollment.

The forecast indicates that the total cost of Office of Community Living services FY 2023-24 will be \$918.4 million, including \$461.6 million General Fund. This is an increase of \$40,320,518 total funds, including \$20,159,241 General Fund over the FY 2022-23 projection.

#### *FY 2021-22*

In addition to providing funding to ensure that there is no enrollment waiting list for the Supported Living Services (SLS), Children's Extensive Services (CES), and Children's Habilitation Residential Program (CHRP) waivers, S.B. 21-205 (Long Bill) as amended by H.B. 22-1173 (HCPF supplemental bill) raised the enrollment cap for the Comprehensive waiver by 667 enrollments and 411 transition enrollments. The transition enrollments include 189 emergency enrollments, 43 foster care transitions, 41 clients expected to move from an institutional setting into the community, 91 youth transitions from the CES waiver, and 47 aging-caregiver enrollments. As of June, 2021, the waiting list for those requesting enrollment as soon as available is 2,819.

The FY 2021-22 maximum enrollment in the Comprehensive waiver is 8,158 members. Accounting for churn and enrollment lag, the estimated fiscal year-end enrollment is 7,831 members. The February forecast makes adjustments based on utilization and per capita costs for the number of FPE who are anticipated to be served, in this case 7,382. Due to the enhanced federal match available for HCBS programs, the FY 2021-22 appropriation reflects a significant decrease in General Fund. Cash fund appropriations for this division are primarily from the IDD Services Cash Fund which will repeal on July 1, 2022, however, the amount reflected in the table below is from the HAS Fee Fund. The following adjustments, relative to the supplemental bill (H.B. 22-1173), will align FY 2021-22 appropriations with the February 2022 forecast.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
FY 2021-22 CASELOAD AND PER CAPITA ADJUSTMENT BASED ON FEBRUARY 15, 2022 FORECAST					
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Adult Comprehensive Waiver Services	(\$12,118,921)	(\$22,499,918)	\$0	\$0	\$10,380,997
Adult Supported Living Waiver Services	(9,114,763)	(6,028,456)	366,913	0	(3,453,220)
Children's Extensive Support Services	622,011	(900,421)	0	0	1,522,432
Children's Habilitation Residential Program	(1,875,550)	(1,044,555)	0	0	(830,995)
Case Management for People with IDD	(481,256)	(1,343,776)	188,261	0	674,259
TOTAL LONG BILL ADD-ON ADJUSTMENTS	(\$22,968,479)	(\$31,817,126)	\$555,174	\$0	\$8,293,473

*FY 2022-23*

In addition to maintaining a zero enrollment waitlist for SLS, CES, and CHRP waivers, the Department requests funding for an additional 411 Comprehensive waiver enrollments, increasing the maximum enrollment number to 8,791 members. This increase includes 189 emergency enrollments, 43 foster care transitions, 41 clients expected to move from an institutional setting into the community, 91 youth transitions from the CES waiver, and 47 aging-caregiver enrollments. The following table reflects the net adjustment to each line item based on the February forecast.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
FY 2022-23 CASELOAD AND PER CAPITA ADJUSTMENT BASED ON FEBRUARY 15, 2022 FORECAST					
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Adult Comprehensive Waiver Services	\$46,963,478	\$79,501,124	(\$18,301,030)	\$0	(\$14,236,616)
Adult Supported Living Waiver Services	9,722	3,236,005	854,967	0	(4,081,250)
Children's Extensive Support Services	2,232,016	3,469,630	0	0	(1,237,614)
Children's Habilitation Residential Program	1,705,842	1,786,695	0	0	(80,853)
Case Management for People with IDD	7,633,991	804,046	219,203	0	6,610,742
Family Support Services Program	0	75,014	(75,014)	0	0
TOTAL LONG BILL ADD-ON ADJUSTMENTS	\$58,545,049	\$88,872,514	(\$17,301,874)	\$0	(\$13,025,591)

Adjustments reflected above include the refinance of federal funds and cash funds with General Fund as a result of the expiration of the enhanced federal matches and the repeal of the IDD Services Cash Fund, respectively.

**➔ BA6/S6 COUNTY ADMINISTRATION RESOURCES [INCLUDES LONG BILL ADD-ON]**

**DEPARTMENT REQUEST**

The Department requests \$3,223,584 total funding, including \$581,690 General Fund in FY 2021-22 (S6) and \$10,175,120 total funds, including \$1,066,277 General Fund in FY 2022-23 (BA6) to provide resources to counties to hire temporary staff who will perform eligibility redeterminations for locked



in members upon the conclusion of the federal public health emergency. In addition, the Department requests roll-forward authority for funding previously appropriated in S.B. 21-205 (Long Bill) for this purpose, and for the additional FY 2021-22 funding requested in the Department’s S6 supplemental budget request.

During the FY 2021-22 supplemental budget process, the Department was notified that the federal public health emergency was extended through April 15, 2022. As a result, calculations for the resources needed to redetermine eligibility for locked in members over a 12-month period were expected to change again. JBC staff requested updated calculations for both FY 2021-22 and FY 2022-23 for this redetermination process. The updated calculations were requested for the Department’s FY 2021-22 BA10 PHE End Resources budget amendment, the FY 2021-22 S6 County Administration Resources budget request, and the FY 2022-23 BA6 County Administration Resources budget request, in order to align appropriations for both fiscal years with projected expenditures. The modified request is for:

- A FY 2021-22 net reduction of \$3,757,232 total funds, including a reduction of \$738,735 General Fund; and
- A FY 2022-23 increase of \$15,207,916 total funds, including \$2,210,944 General Fund.

**JBC STAFF RECOMMENDATION**

JBC staff recommends approval of the Department’s modified request for FY 2021-22 funding adjustments and approval of FY 2022-23 funding increases. Staff recommends denial of the Department’s request for roll-forward authority for FY 2021-22 appropriations.

**BACKGROUND INFORMATION**

During the FY 2021-22 budget process, \$9.5 million total funds, including \$3.0 million General Fund, was appropriated to the Department based on the assumption that the federal public health emergency would end prior to December 31, 2021. Funding was to be allocated to counties so that temporary county eligibility and appeals staff could be hired to address the workload associated with eligibility redetermination of continuously covered (locked in) members. The appropriation assumed that counties would have three months to train county staff, six months to process all redeterminations, and nine months to process all appeals. Counties have begun hiring county eligibility workers and appeals staff to ensure that appropriate training is provided, however the public health emergency has been extended two more quarters since that appropriation was made. Funding for these staff will expire on June 30, 2022, two months after the start of the public health emergency eligibility redetermination is set to begin. The Department requests roll forward authority for previously appropriated FY 2021-22 funds. The current appropriation for resources related to the end of the public health emergency is provided below.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
CURRENT FY 2021-22 APPROPRIATION					
RESOURCES FOR END OF PUBLIC HEALTH EMERGENCY					
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
General Administration					
Personal Services	\$245,701	\$73,612	\$49,238	\$122,851	2.0
Operating Expenses	2,700	809	541	1,350	0.0
General Professional Services and Special Projects	531,395	159,206	106,491	265,698	0.0
<b>Subtotal, General Administration</b>	<b>\$779,796</b>	<b>\$233,627</b>	<b>\$156,270</b>	<b>\$389,899</b>	<b>2.0</b>

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
CURRENT FY 2021-22 APPROPRIATION					
RESOURCES FOR END OF PUBLIC HEALTH EMERGENCY					
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Eligibility Determinations and Client Services					
Contracts for Special Eligibility Determinations	(\$6,148,800)	\$0	(\$3,074,400)	(\$3,074,400)	0.0
County Administration	13,002,670	2,512,308	789,463	9,700,899	0.0
Eligibility Overflow Processing Center	1,853,731	277,689	185,744	1,390,298	0.0
<b>Subtotal, Eligibility Determinations and Client Services</b>	<b>\$8,707,601</b>	<b>\$2,789,997</b>	<b>(\$2,099,193)</b>	<b>\$8,016,797</b>	<b>0.0</b>
<b>TOTAL FY 2021-22 APPROPRIATION, S.B. 21-205 (LONG BILL)</b>	<b>\$9,487,397</b>	<b>\$3,023,624</b>	<b>(\$1,942,923)</b>	<b>\$8,406,696</b>	<b>2.0</b>

The current appropriation includes:

- \$5.9 million total funds, including \$663,995 General Fund, for 239 temporary county employees to process eligibility redetermination and appeals over a six month period, based on the Department’s projection that over 500,000 individuals will be locked in by the end of the public health emergency and 40 percent of the redeterminations for the locked in population will require manual review by county employees;
- \$797,092 total funds, including \$238,809 General Fund, over two fiscal years for Administrative Law Judge (ALJ) services, based on an assumption that 0.6 percent of the appeals would require ALJ services;
- \$1.9 million total funds, including \$277,689 General Fund, for the Eligibility Overflow Processing Center; and
- Funding for 2.0 positions to oversee the Eligibly Overflow Processing Center.

In addition to the roll forward authority requested for the existing appropriation, the Department requested an increase of \$3.2 million total funds, including \$0.6 million General Fund and \$1.0 million cash funds from the Healthcare Affordability and Sustainability Fee Cash Fund, to extend the employment of temporary county eligibility staff who will review member eligibility and process disenrollment appeals for Medicaid and Child Health Plan Plus (CHP+) benefits. Additional funding is requested to increase the number of county staff who will address disenrollment appeals when the federal public health emergency expires and to provide training and laptops to these newly hired county staff.

Since January of 2020 and as a result of the enactment of the Families First Coronavirus Response Act, the State of Colorado has received an enhanced federal match rate for eligible Medicaid services. To be eligible to receive the 6.2 percent increase in the federal medical assistance percentage (FMAP) rate, the State is prohibited from disenrolling any individual who was enrolled as of the date of enactment until the last day of the month in which the public health emergency ends, regardless of any changes in a member’s eligibility. Disenrollment may only occur if the member dies, moves out of state, or requests to be disenrolled. While not required by the federal Act, the Department submitted a state plan amendment that locks in CHP+ members throughout the public health emergency as well. When the Department submitted this budget request, the public health emergency was set to end on January 16, 2022. On January 14, 2022, the Department was notified that the public health emergency has been extended through April 15, 2022.

Colorado counties are responsible for processing eligibility determinations and redeterminations for Medicaid members and for some CHP+ members. Counties are reimbursed for staffing costs and

activities related to this determination. The Act and the public health emergency have impacted county capacity in two ways: 1) through an increase in the number of initial eligibility determinations that must be performed; and 2) through the number of continuously enrolled Medicaid and CHP+ members who need ongoing support. Conclusion of the public health emergency will result in the need for each continuously enrolled (locked in) member's eligibility to be reviewed to determine whether or not the member is still eligible. In addition, the Department anticipates a significant number of the disenrolled population to appeal that decision. Members continue to receive Medicaid benefits throughout the appeals process until the final determination. According to guidance released by the Centers for Medicare and Medicaid Services (CMS) on August 13, 2021, states will now have 12 months (as opposed to the original 6 months) from the expiration of the public health emergency to complete all required eligibility reviews and appeals and return to normal operations.

### ANALYSIS

The Department now estimates the cost of ending the public health emergency to be \$24.6 million total funds, including \$4.0 million General Fund. The fund splits are based on the Department's caseload projection. For eligibility work for expansion populations the state match comes from the Healthcare Affordability and Sustainability (HAS) Fee and for traditional populations the state match comes from the General Fund. For all populations the counties are expected to contribute a portion of the cost as an incentive to keep expenditures efficient. The expected standard county share for expansion populations is 10 percent and for traditional populations 20 percent, but over the years the General Assembly has frequently made exceptions for specific initiatives, and so the net impact may not reflect those match rates.

### ELIGIBILITY REVIEWS

Eligibility redeterminations are automatic through the Colorado Benefits Management System (CBMS), but they can drive a significant workload for county and state officials. Eligibility review packets will be sent to all locked in members with instructions for the members to review the data on file and provide any updates. If members respond with updates, the county must process the new information into CBMS. Once a redetermination is made, either with the existing information on file or with updated information from the member, a notice is sent to members with a pending disenrollment. These members have a right to appeal. When an appeal is filed, the Department and counties must do additional research to determine if a case should be reopened as well as track steps in the hearing process and prepare hearing materials. Appeals can occur at the county level where they are processed through facilitated dispute resolution conferences and/or at the state level where an administrative law judge provides an initial decision.

Independent of the expected surge in redeterminations, counties have been dealing with increases in applications for all types of public assistance related to the pandemic and the economy, including Medicaid and CHP+. Also, the Department says counties are reporting unusually high employee absentee rates for reasons both related and unrelated to the pandemic. The Department says it continues to seek ways to make the eligibility process more efficient and automated to reduce the workload on counties and cites the centralized processing of returned mail as a recent example of an efficiency initiative. However, without additional county resources for the expected surge in redeterminations the Department fears already strained counties will not be able to maintain quality standards for timely processing of applications.

The Department estimates the cost of performing the eligibility reviews to be \$12.8 million throughout the redetermination timeline. As a result of the initial assumptions that the public health emergency would end in the second quarter of state FY 2021-22 and the initial CMS guidance that the disenrollment period would be six months, the Department estimated that counties staff would need to be increased by 234 FTE, and that county staff would need to be hired and trained in the Fall of 2021. If the calculation had been based on the 12 month redetermination timeline, the number of necessary county FTE would have likely been 164 and the cost would have been approximately \$12.0 million total funds. With the quarterly extension of the public health emergency, however, it is impossible for counties to assure stability in workforce capacity if they have to hire, train, and lay off county staff with every extension.

Costs related to eligibility reviews are eligible for a 75 percent federal match rate. JBC staff recommends approval of the Department’s request for county staffing funding.

COUNTY STAFFING COSTS FOR EXTENDING ELIGIBILITY REVIEWS	
ITEM	CALCULATION
Number of Cases an Eligibility Worker Can Process in a Day	5
Working Days in a Month	22
Number of Cases an Eligibility Worker Can Process in a Month	110
Number of Months to Complete Eligibility Reviews	6
Number of Cases an Eligibility Worker Can Process Over 6 Months	660
Number of Members Locked in at End of Public Health Emergency	541,107
Anticipated Percentage of Cases to be Worked by Eligibility Workers	40%
Total Number of Cases to be Worked by Eligibility Workers	216,443
Anticipated Number of Eligibility Workers Needed to Process Reviews	328
Absenteeism Rate of County Workers	17%
Additional Backfill Needed to Account for Absenteeism	56
Existing Worker Capacity at Counties Available to Work Reviews	150
Number of Eligibility Workers Approved in FY 2021-22 S-10/BA-10 to Process Reviews	234
Average Monthly Salary per County Eligibility Worker	\$6,085
Number of Additional Months of Employment	9
STAFFING COST FOR ELIGIBILITY REVIEWS BASED ON NEW CMS GUIDANCE AND PHE EXTENSION	\$12,798,255

**APPEALS**

Based on historical data, the Department assumes that 5.0 percent of the members receiving a disenrollment notification at the end of the public health emergency will file an appeal, increasing both Department and county workload. Fiscal year 2021-22 funding was provided to the Department to cover the workload associated with 0.6 percent of disenrolled members filing an appeal. Members continue to receive services during the appeals process. Activities associated with the appeals process are eligible for a 50 percent federal financial participation match rate.

The Department requests \$3,066,840 total funds to provide resources to county departments in order to process appeals related to disenrollments. The Department reports that there is concern that members are being told to appeal the disenrollment determination regardless of circumstances and that it is more likely that a higher number of appeals will actually be made than what was assumed during the FY 2021-22 figure setting process. JBC staff recommends approval of the Department’s request.

APPEALS COUNTY STAFFING NEEDED	
ITEM	CALCULATION
Number of Appeals an Appeals Worker Can Process in a Day	2
Working Days in a Month	22
Number of Appeals an Appeals Worker Can Process in a Month	44
Number of Months to Complete Appeals	9
Number of Appeals a Worker Can Process Over 9 Months	396
Total Number of Appeals to be Worked by Appeals Workers	33,303
Anticipated Number of Appeals Workers Needed to Process Appeals	84
Absenteeism Rate of County Workers	17%
Additional Backfill Needed to Account for Absenteeism	14
Number of Appeals Workers Requested in FY 2021-22 S-10/BA-10 to Process Appeals	48
Number of Appeals Workers Approved in FY 2021-22 S-10/BA-10 to Process Appeals	6
Estimated Number of Appeals Workers Still Needed to Process Appeals at the End of the PHE	42
Average Monthly Salary per County Appeals Worker	\$6,085
Number of Months of Employment	12
<b>TOTAL STAFFING COST FOR APPEALS STAFF TO WORK APPEALS</b>	<b>\$3,066,840</b>

**TRAINING AND LAPTOPS**

Initially, the department assumed that training would be conducted solely by the Staff Development Center (SDC), which is the state’s training center for county staff, and that the SDC would have capacity to train the new county workers hired to address the public health emergency workload. However, the SDC does not have the capacity to address the training needs of a large influx of new workers in such a short period of time, therefore counties will need to leverage county-based trainers to address short-term training capacity issues.

The counties have also identified a need for laptops for new staff that are hired. While the Governor’s Office of Information Technology, through a joint agreement with the Department of Health Care Policy & Financing and the Department of Human Services, is responsible for providing technology to county workers, the pre-planned schedule for county computers did not account for the influx of staff that were hired for the public health emergency workload. As such, OIT and counties did not have adequate funding to account for technology costs that were unable to be covered through the county administration’s ongoing appropriation. Laptops are required for county workers to be able to access the Colorado Benefits Management System in order to complete eligibility reviews and process appeals.

The Department’s request included \$1.7 million total funds, including \$304,987 General Fund and \$540,095 cash funds, for cover the cost of training and laptops for newly hired county staff. Expenditures related to operating costs are eligible for a 50 percent federal financial participation match rate. JBC staff recommends approval of the Department’s request.

COUNTY STAFF OPERATING COSTS DEPARTMENT REQUEST	
ITEM	AMOUNT
Number of staff approved to hire (FY 2021-22 BA10)	240
Number of staff requested (FY 2021-22 S6)	42
Cost per laptop	\$2,000
<b>DEPARTMENT REQUEST, LAPTOPS</b>	<b>\$563,388</b>
Number of staff hired	240
Number of staff requested	42
Cost of training	\$4,000

COUNTY STAFF OPERATING COSTS DEPARTMENT REQUEST	
ITEM	AMOUNT
DEPARTMENT REQUEST, TRAINING COSTS	\$1,126,776
<b>TOTAL DEPARTMENT REQUESTS, COUNTY OPERATING COSTS</b>	<b>\$1,690,164</b>

### JBC STAFF CONCERNS

Staff's primary concern is the ongoing cost of temporary county staff with each extension of the federal public health emergency. The Department and JBC staff believe that it is likely that the public health emergency will be extended beyond its current expiration date of April 16, 2022. The federal Secretary of Health and Human Services issued a letter in January 2022 stating that the federal department will provide states with 60 days' notice prior to termination. If the public health emergency is extended into the first quarter of FY 2022-23, the 12 month redetermination period will extend into FY 2023-24, requiring an adjustment to the FY 2022-23 appropriation during next year's supplemental process.

Staff's second concern is whether or not the counties will utilize the entire appropriation, however, pursuant to federal regulation, the Department cannot pay the counties more than actual allowable costs. Therefore, if the counties are unable to hire and train staff in this time frame and justify the expenses, any unused money will revert to the state.

### ROLL-FORWARD AUTHORITY OF FY 2021-22 APPROPRIATION

The Department requests approval of roll-forward authority for unspent FY 2021-22 appropriations associated with public health emergency end resources, including those appropriated in S.B. 21-205 (Long Appropriations Bill). The Department has provided updated calculations across both fiscal years in order to true-up FY 2021-22 appropriations and reflect a more accurate need for funding in FY 2022-23. JBC staff recommends denial of the request for roll-forward authority for any appropriation made for purposes related to this decision item.

## BENEFITS/ELIGIBILITY ADJUSTMENTS

### → R9 OFFICE OF COMMUNITY LIVING PROGRAM ENHANCEMENTS (BENEFITS)

#### DEPARTMENT REQUEST

The Department requests \$2,452,715 total funds, including \$1,872,153 General Fund, to increase rates and expand benefits for individuals enrolled in the Home- and Community-based Services waivers, increase provider bed capacity, and create additional opportunities for care in the community. The R9 budget request include funding for:

- The expansion of Home Delivered Meals;
- An increase in the rate for the Transitional Living Program;
- Creation of a negotiated rate for the Supported Living Program;
- Alignment of the rates for long-term care case management activities;

- Alignment of service limits and rates between Children’s Habilitation Residential program waiver and other HCBS waivers; and
- Maintenance of the current funding and enrollment levels of state-only programs for people with intellectual and developmental disabilities.

This analysis will consider the expansion of Home Delivered Meals (HDM) and maintenance of the current funding and enrollment levels of state-only programs for people with intellectual and developmental disabilities. The FY 2022-23 funding requested for these two items is a net increase of \$1,031,991 total funds, including an increase \$1,161,790 General Fund, comprised of:

- A decrease of \$259,599 total funds, including \$129,800 General Fund for HDM; and
- An increase of \$1,291,590 General Fund for the state-only programs.

### JBC STAFF RECOMMENDATION

JBC staff recommends approval of the Department’s request.

The FY 2023-24 fiscal impact of this request includes a net increase of \$757,320 total funds, including an increase of \$1,024,454 General Fund.

### ANALYSIS

The Department of Health Care Policy and Financing, Office of Community Living manages ten Medicaid long-term services and supports waivers – four for individuals with intellectual and developmental disabilities (IDD) and six for individuals without IDD:

- IDD Waivers –
  - Adult Comprehensive Services;
  - Supported Living Services;
  - Children’s Extensive Services; and
  - Children’s Habilitation Residential Program.
- Non-IDD Waivers –
  - Elderly, Blind, and Disabled (EBD);
  - Community Mental Health Supports (CMHS);
  - Children’s Home and Community-based Services (CHCBS);
  - Brain Injury (BI);
  - Children with Life Limiting Illness (CLLI); and
  - Spinal Cord Injury (SCI).

In addition, the Department manages programs that provide services to individuals with IDD who do not qualify for Medicaid, including:

- State Supported Living Services; and
- Family Support Services Program.

### HOME DELIVERED MEALS

A benefit of six of the waivers managed by the Department is Home Delivered Meals (HDM). It includes nutritional counselling, planning, preparations, and delivery of meals. In FY 2020-21, 385 members used the service, resulting in expenditures of just over \$1 million. Currently, the service is limited to members who are either transitioning from an institutional setting to a home- and community-based setting, transitioning from a more restrictive community setting to a less restrictive

community setting, or experiencing a change in life circumstance. The program may help in reducing hospital or nursing home readmissions related to malnutrition. The Department reports that approximately 800 members enrolled in the waiver program eligible for this service are diagnosed with malnutrition each year. On average 140 members per year received the diagnosis within 60 days of hospital or nursing facility discharge.

The Department requests funding to make the service available to individuals for 30 days after they have been discharged from the hospital. The Department indicates that HDM “will reduce hospital readmissions and allow members to experience better outcomes while receiving care in a less-restrictive setting.” The cost of expanding the food service to 30 days post-hospitalization is \$459,269 total funds, however the Department anticipates a cost savings of \$718,868 total funds resulting from the reduction in hospital stays.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING R9 OFFICE OF COMMUNITY LIVING ENHANCEMENTS HOME DELIVERED MEALS							
ITEM	EBD WAIVER	CMHS WAIVER	BI WAIVER	SCI WAIVER	DD WAIVER	SLS WAIVER	TOTAL
<b>ESTIMATED COST OF HDM BENEFIT EXPANSION</b>							
Members admitted to the hospital	595	59	9	7	92	50	812
Estimated uptake percentage	80.27%	80.27%	80.27%	80.27%	80.27%	80.27%	80.27%
Expected number of utilizers	478	47	7	6	74	40	652
Estimated days	30	30	30	30	30	30	n/a
Total number of days	14,340	1,410	210	180	2,220	1,200	19,560
Meals per day	2	2	2	2	2	2	n/a
Total meals per day	28,680	2,820	420	360	4,440	2,400	39,120
Cost per meal	\$11.74	\$11.74	\$11.74	\$11.74	\$11.74	\$11.74	\$11.74
<b>TOTAL COST OF HDM BENEFIT EXPANSION</b>	<b>\$336,703</b>	<b>\$33,107</b>	<b>\$4,931</b>	<b>\$4,226</b>	<b>\$52,126</b>	<b>\$28,176</b>	<b>\$459,269</b>
<b>SAVINGS FROM REDUCED HOSPITAL ADMISSIONS</b>							
Number of hospital readmission within 30 days for HCBS members	177	21	2	1	18	5	224
Estimated percentage reduction to hospital readmission rate	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Estimated number of avoided hospital stays	51	6	1	0	5	1	64
Average cost per admission	\$11,136	\$10,508	\$10,751	\$11,163	\$12,773	\$13,252	\$69,583
<b>SAVINGS FROM REDUCED HOSPITAL ADMISSIONS</b>	<b>(\$567,954)</b>	<b>(\$63,047)</b>	<b>(\$10,751)</b>	<b>\$0</b>	<b>(\$63,864)</b>	<b>(\$13,252)</b>	<b>(\$718,868)</b>
<b>TOTAL ESTIMATED IMPACT</b>	<b>(\$231,251)</b>	<b>(\$29,940)</b>	<b>(\$5,820)</b>	<b>\$4,226</b>	<b>(\$11,738)</b>	<b>\$14,924</b>	<b>(\$259,599)</b>

**LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284**

Senate Bill 21-284 states that a program or practice is “evidence-informed” if it “reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” The Department identified Home Delivered Meals as an evidence-informed practice, reporting that the National Institutes of Health found that nutritional interventions diminished the negative effects of malnutrition and improved patient health outcomes. In addition, the study found that per-patient health care costs from patients avoiding 30-day readmissions and the



reduction of hospital stays were reduced.<sup>2</sup> Additional research found that malnutrition and poorer food intake are independent risk factors for health-related outcomes, with malnourished patients indicating greater median lengths of stay and readmissions rates than those with a healthy nutritional intake.<sup>3</sup>

JBC staff agrees that, pursuant to S.B. 21-284 (Evidence-based Evaluations for Budget), the Home Delivered Meals program is evidence-informed.

### **FUNDING FOR STATE GENERAL FUNDED PROGRAMS**

The Department requests a refinance of \$1,291,590 cash funds from the Intellectual and Developmental Disabilities Services Cash Fund with General Fund in FY 2022-23 to continue to provide services for individuals with IDD who do not qualify for Medicaid and are served through the Family Support Services and State Supported Living Services programs. The IDD Services Cash Fund will repeal on July 1, 2022 and without the refinance, services to these individuals will be discontinued.

### **LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284**

Senate Bill 21-284 states that a program or practice is “theory-informed” if it “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.” The Department identified this portion of the budget request as theory-informed because there is program data available that can be used to evaluate progress. Because this is simply a refinance of fund types, JBC staff believes that assigning a level of evidence is “not applicable” pursuant to S.B. 21-284 (Evidence-based Evaluations for Budget).

## **→ R10 PROVIDER RATES (MEMBER COPAYS)**

### **DEPARTMENT REQUEST**

The Department requests \$104,434,828 total funds, including \$41,327,629 General Fund, to:

- Adjust member contributions for copayments and personal needs allowances;
- Target specific services for rate adjustments; and
- Provide an across the board rate adjustment of 0.5 percent to all providers not receiving a targeted rate adjustment.

This analysis will consider the adjustment of member contributions for copayments and personal needs allowances, only.

### **JBC STAFF RECOMMENDATION**

JBC staff recommends approval of the Department’s request.

### **ANALYSIS**

The Department requests an increase of \$1,937,115 total funds, including \$963,283 General Fund, in FY 2022-23 to adjust member copays for non-emergent use of emergency departments, and to

<sup>2</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5620506/>

<sup>3</sup> <https://www.sciencedirect.com/science/article/abs/pii/S0261561412002695>

increase the personal needs allowance from \$152.00 to \$383.33 for members on the Brain Injury (BI), Community Mental Health Supports (CMHS), and Elderly, Blind, and Disabled (EBD) waivers. The request annualizes to \$4,619,708 total funds, including \$2,318,783 General Fund, in FY 2023-24.

R10 MEMBER CONTRIBUTION ADJUSTMENTS		
ITEM	FY 2022-23	FY 2023-24
TOTAL SAVINGS FROM INCREASING NON-EMERGENT USE OF EMERGENCY DEPARTMENT COPAYMENTS		
Proposed Copayment	\$8	\$8.00
Current Copayment	\$6.00	\$6.00
Proposed Increase in Copayments	\$2.00	\$2.00
FY 2018-19 Copayments Paid	11,218	11,218
Estimated Caseload Growth	30.89%	30.89%
Payment Period Adjustment	91.67%	100.00%
TOTAL ANNUAL ESTIMATED SAVINGS FOR COPAYMENT INCREASES	(\$26,920)	(\$29,368)
TOTAL INCREASED COST OF INCREASING PERSONAL NEEDS ALLOWANCE		
Proposed Personal Needs Allowance Maximum	\$383.33	\$383.33
Current Personal Needs Allowance Maximum	\$152.00	\$152.00
Proposed Change in Personal Needs Allowance	\$231.33	\$231.33
Number of Members Currently Paying Maximum	1,981	1,981
Estimated Percentage Increase in Personal Needs Maximum	84.54%	84.54%
Payment Period Adjustment	41.67%	100.00%
TOTAL ANNUAL ESTIMATED INCREASE IN COSTS FOR PERSONAL NEEDS ALLOWANCES	\$1,937,115	\$4,649,076
TOTAL REQUEST	\$1,910,195	\$4,619,708

**COPAYMENTS**

The Department requires copayments on several services, including non-emergent outpatient hospital services, physician services, telemedicine services, rural health clinic services, pharmacy, optometry services, podiatry services, durable medical equipment, laboratory services, and radiology services. The cost for patients varies depending on the services rendered and the income of the members. Federal law prohibits copayments from exceeding 5.0 percent of the total income of a member of Medicaid.

The Department requests a reduction of \$26,920 total funds in FY 2022-23 for the increase of copayments for non-emergent outpatient hospital services from \$6 to \$8, the maximum amount permitted by federal regulation.

**LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284**

Senate Bill 21-284 states that a program or practice is “theory-informed” if it “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.” The Department identified this portion of the budget request as theory-informed.

In a 1996 study of the effect of copayments on emergency department use, researchers found that the introduction of a small copayment in an HMO plan was associated with a decline of approximately 15 percent in the use of the department, primarily “among patients with conditions considered likely

not to present an emergency.”<sup>4</sup> On the contrary, however, a 2010 study based on Medicaid Medical Expenditure Panel Surveys from 2001 through 2006, determined that requiring copayments for non-emergency visits did not decrease emergency department use by Medicaid enrollees.<sup>5</sup> Both studies suggested that the research was limited and that additional research in this area.

Given that research is available related to the effect of copayments on emergency department use for non-emergent needs, JBC staff believes this portion of the Department’s budget request is evidence-informed pursuant to S.B. 21-284 (Evidence-based Evaluations for Budget). The results of the research however, do not support the Department’s premise that the increased copayment will reduce the use of emergency departments by members with non-emergent needs. JBC staff recommends approval of the Department’s request and suggests that an evaluation of the impact of the increased copayments on Colorado’s Medicaid members be performed.

### **PERSONAL NEEDS ALLOWANCE**

Currently only Medicaid members on the Brain Injury (BI), Community Mental Health Supports (CMHS), and Elderly Blind and Disabled (EBD) waivers are obligated to pay a cost share of their services. Personal needs allowances are used by members to purchase non-covered medical items, clothing, toiletries, entertainment, technology, snacks, and other items. These allowances vary from \$84.00 to a maximum of \$152.00 for Medicaid members on the BI, CMHS, and EBD waivers, however members report that the allowance is insufficient for them to cover the cost of basic needs.

The Department requests an increase of \$1,937,115 total funds in FY 2022-23 in order to raise the personal needs allowance maximum from \$152.00 per month to \$383.33 per month. The Department estimates the changes in the allowance based on the number of members currently receiving the maximum allowance and the proposed change to the allowance. The increase in costs is associated with reimbursing the difference in the rate between the current and proposed allowance maximum for an Alternate Care Facility. This amount was previously paid by the member. The Department assumes that the requested adjustment will be effective July 1, 2022. JBC staff recommends approval of the Department’s request.

### **LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284**

Senate Bill 21-284 states that a program or practice is “theory-informed” if it “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures.” The Department identified this portion of the budget request as theory-informed.

Supporting the Department’s premise that personal needs allowances have not kept pace with increasing costs, the National Long-Term Care Ombudsman Resource Center stated in a 2009 report regarding personal needs allowances for nursing home residents that the allowances “have lost their ability to meet the needs of residents of nursing homes, as their purchasing power has declined over time.”<sup>6</sup> The report further states that states have played an important role in improving the adequacy of personal needs allowances.

<sup>4</sup> <https://www.nejm.org/doi/full/10.1056/NEJM199603073341006>

<sup>5</sup> <https://www.healthaffairs.org/doi/epdf/10.1377/hlthaff.2009.0906>

<sup>6</sup> <https://ltombudsman.org/uploads/files/support/brief-pna-mar-2009.pdf>

While JBC staff was able to find research related to Medicaid income allowances and personal needs allowances for residents of long-term care facilities, she was not able to find any research or data related to personal needs allowances specifically for members of HBCS waivers. As a result, staff agrees that, pursuant to S.B. 21-284 (Evidence-based Evaluations for Budget), this portion of the Department’s R10 budget request is theory-informed.

→ DEPARTMENT OF CORRECTIONS – LONG-TERM CARE PRIVATE NURSING HOME  
[STAFF INITIATED]

DEPARTMENT REQUEST

The request for funding to guarantee 10 beds in a privately run nursing facility for elderly and indigent parolees was included in the Department of Corrections (DOC) budget request. The FY 2022-23 request included an increase of \$702,187 total funds, including \$168,575 General Fund, in the DOC budget. JBC staff analyst for the Department of Corrections presented an alternative to the DOC request. That alternative is reflected in the following discussion.

JBC STAFF RECOMMENDATION

Staff recommends an appropriation in the Department of Health Care Policy and Financing’s budget of \$938,820 total funds, including \$405,208 General Fund, for nursing home services for Medicaid eligible parolees.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FY 2022-23 APPROPRIATIONS FOR THE DEPARTMENT OF CORRECTIONS R3 BUDGET REQUEST						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS <sup>1</sup>	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
(2) Medical Services Premiums	\$936,029	\$403,813	\$64,201	\$0	\$468,015	0.0
(3) Behavioral Health Community Programs	2,791	1,395	0	0	1,396	0.0
TOTAL FY 2022-23 APPROPRIATION, HCPF	\$938,820	\$405,208	\$64,201	\$0	\$469,411	0.0

<sup>1</sup>From the Medicaid Nursing Facility Cash Fund created in Section 25.5-6-203 (2)(a), C.R.S.

ANALYSIS

The Department of Health Care Policy and Financing is the single Medicaid agency for the State of Colorado. When another department in the state submits a budget request for programs or services that involve Medicaid, the Department’s practice is to submit a non-prioritized budget request identifying the Medicaid General Fund and federal funds appropriation. Because incarcerated individuals are not eligible for Medicaid, the Department of Corrections (DOC) has not been in a position to request funding related to a Medicaid service. As a result, the DOC was unaware that they needed to work with the Department.

Services provided in a nursing home are directly billed to the Department, therefore the JBC analyst for the DOC worked with both departments to determine the best method for reflecting funding for long-term care for parolees and recommended that the appropriation for the nursing home services be made in the Department’s budget. The projected Medicaid costs for the parolees include nursing facility costs, nursing facility supplemental payments, physical health costs, and behavioral health costs. The Joint Budget Committee approved JBC staff recommendation concerning the DOC R3

budget request. Staff will reflect Committee action in the Department of Health Care Policy and Financing’s section of the Long Bill.

#### BACKGROUND INFORMATION (FROM THE DEPARTMENT OF CORRECTIONS STAFF FIGURE SETTING DOCUMENT)

The impetus for the request is an increasing number of inmates over the age of 50. Per the request, this population within the DOC grew by more than eight times the rate of the general population between 2000 and 2019. The population over 50 currently makes up 24.0 percent of the total inmate population (14.0 percent 50-59, 9.0 percent over 60). These older inmates are key driver of the medical budget, making up over 60.0 percent of the cost of external medical services despite making up about 30.0 percent of the raw number of medical claims.

A problem identified by the Department is that some prospective parolees with significant health care needs can be, and have been, denied release into the community because there is nowhere for them to go. This happens when the Parole Board tentatively approves an inmate’s parole application and “tables” it until certain conditions are met, like obtaining an adequate housing or treatment plan. However, the request notes that many family members can be unwilling or unable to care for these prospective parolees and many nursing facilities will not accept them either. When this happens, the inmate remains in the DOC’s custody and the DOC must provide costly health care services until it can release the inmate to parole.

## PROVIDER RATES

### → R9 OFFICE OF COMMUNITY LIVING ENHANCEMENTS (RATES)

#### DEPARTMENT REQUEST

The Department requests \$2,452,715 total funds, including \$1,872,153 General Fund, to increase rates and expand benefits for individuals enrolled in the Home- and Community-based Services waivers, increase provider bed capacity, and create additional opportunities for care in the community. The R9 budget request include funding for:

- The expansion of Home Delivered Meals;
- Maintenance of the current funding and enrollment levels of state-only programs for people with intellectual and developmental disabilities;
- An increase in the rate for the Transitional Living Program;
- Creation of a negotiated rate for the Supported Living Program;
- Alignment of the rates for long-term care case management activities; and
- Alignment of service limits and rates between Children’s Habilitation Residential Program (CHRP) waiver and other HCBS waivers.

This analysis will consider the: increased rates for the Transitional Living Program, negotiated rate for the Supported Living Program, rates for long-term care case management activities, and alignment of service limits and rates between the CHRP waiver and other HCBS waivers. The FY 2022-23 funding requested for these items is \$1,420,724 total funds, including \$710,363 General Fund, comprised of:

- A net reduction \$215,634 total funds, including \$107,817 General Fund, for high acuity brain injury waiver members;
- An increase of \$1,379,791 total funds, including \$689,896 General Fund, for case management quality performance initiatives; and
- A net increase of \$256,567 total funds, including \$128,284 General Fund, for service and supports for children with complex needs.

**JBC STAFF RECOMMENDATION**

JBC staff recommends approval of the Department’s request. The recommendation annualizes to an increase of \$1,686,070 total funds, including \$843,036 General Fund, in FY 2023-24.

**BACKGROUND INFORMATION**

The Department of Health Care Policy and Financing, Office of Community Living manages ten Medicaid long-term services and supports waivers – four for individuals with intellectual and developmental disabilities (IDD) and six for individuals without IDD:

- **IDD Waivers –**
  - Adult Comprehensive Services;
  - Supported Living Services;
  - Children’s Extensive Services; and
  - Children’s Habilitation Residential Program.
- **Non-IDD Waivers –**
  - Elderly, Blind, and Disabled (EBD);
  - Community Mental Health Supports (CMHS);
  - Children’s Home and Community-based Services (CHCBS);
  - Brain Injury (BI);
  - Children with Life Limiting Illness (CLLI); and
  - Spinal Cord Injury (SCI).

In addition, the Department manages programs that provide services to individuals with IDD who do not qualify for Medicaid, including:

- State Supported Living Services; and
- Family Support Services Program.

In addition to the Department’s R10 Provider Rates request to apply targeted provider rate adjustments or a common policy provider rate adjustment, rate increases are requested in the Department’s FY 2022-23 R9 Office of Community Living Enhancements budget request. These rate increases are identified in the following table:

R9 OFFICE OF COMMUNITY LIVING PROGRAM ENHANCEMENTS					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Brain Injury Waiver (high acuity members)					
Transitional Living Program (change in rate methodology)	41.6 percent increase	\$208,321	\$104,161	\$0	\$104,160
Supported Living Program (newly negotiated rate)	new tier, 20 percent above tier 6 - \$538.38	(264,159)	(132,080)	0	(132,079)
<b>SUBTOTAL BRAIN INJURY WAIVER</b>		<b>(\$55,838)</b>	<b>(\$27,919)</b>	<b>\$0</b>	<b>(\$27,919)</b>

R9 OFFICE OF COMMUNITY LIVING PROGRAM ENHANCEMENTS					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Case Management					
Rate alignment	various increases	\$839,791	\$419,896	\$0	\$419,895
Children with Complex Needs					
Respite and residential rates (alignment)	various increases	\$222,811	\$111,405	\$0	\$111,406
<b>TOTAL PROVIDER RATE ADJUSTMENTS</b>		<b>\$1,006,764</b>	<b>\$503,382</b>	<b>\$0</b>	<b>\$503,382</b>

*BRAIN INJURY WAIVER*

Individuals enrolled in the Brain Injury Waiver program receive additional home- and community-based services in order to live in their communities. Eligibility is limited to individuals 16 years or older with a brain injury that occurred prior to the 65<sup>th</sup> birthday and who in need of long-term services that might otherwise be provided in a nursing home or hospital. The highest rates available to providers for two programs that serve individuals with high acuity brain injuries are insufficient to ensure the necessary capacity to serve members who need these services.

Transitional Living Program

The Transitional Living Program (TLP) is available through the Brain Injury waiver and offers intensive services in an assisted living setting for recently injured people with high acuity brain injuries. It is designed to help members transition back into the community post-injury. It is available within 18 months after the first brain injury or three months after the second brain injury with a hospital stay. The Department reports that the program is successful in reducing hospital readmissions, however the number of utilizers is significantly limited due to provider capacity issues. The TLP has five tiers of rates, however the rate for high acuity brain injuries is not sufficient to encourage increased community capacity. The Department is requesting funding to increase the average daily rate for TLP from \$463.58 to \$656.47.

TRANSITIONAL LIVING PROGRAM (TLP) RATE ADJUSTMENT			
ITEM	FY 2022-23	FY 2023-24	FY 2024-25
ESTIMATED COST TO INCREASE RATE FOR TRANSITIONAL LIVING PROGRAM			
Maximum Number of Patients	6	6	6
Estimated Utilization in Days	180	180	180
Current Average Daily Rate for TLP	\$463.58	\$463.58	\$463.58
New Proposed Daily Rate	\$656.47	\$656.47	\$656.47
Difference	\$192.89	\$192.89	\$192.89
<b>TOTAL COST OF TLP RATE INCREASE</b>	<b>\$208,321</b>	<b>\$208,321</b>	<b>\$208,321</b>
ESTIMATED SAVINGS FROM TLP RATE INCREASE			
Average Per Utilizer Inpatient Cost	(\$159,796)	(\$159,796)	(\$159,796)
<b>TOTAL IMPACT</b>	<b>\$48,525</b>	<b>\$48,525</b>	<b>\$48,525</b>

Supported Living Program

The Supported Living Program (SLP) is available through the Brain Injury waiver and is a specialized assisted living service for people with high acuity brain injuries. It includes 24-hour oversight, assessment, training and supervision of self-care, medication management, behavioral management, and cognitive supports. The SLP has six tiers of rates, however the rates for high acuity brain injuries is not sufficient to increase access to care for members. The Department is requesting funding to create a negotiated daily rate of \$538.38 for high acuity utilizers in this program in order to increase the number of members who are able to receive care in the community as opposed to in a hospital.

NEGOTIATED RATE FOR SUPPORTED LIVING PROGRAM (SLP) SERVICE			
ITEM	FY 2022-23	FY 2023-24	FY 2024-25
ESTIMATED COST OF SLP LEVEL 7 RATE			
Number of Utilizers	2	5	7
Estimated Negotiated SLP Daily Rate	\$538.38	\$538.38	\$538.38
Estimated Number of Days	139	277	277
ESTIMATED COST OF LEVEL 7 SLP UTILIZATION	\$149,670	\$745,656	\$1,043,919
ESTIMATED SAVINGS FROM SLP LEVEL 7 RATE			
Average Cost Per Client for Alternative Care	\$206,914.70	\$206,915	\$206,915
ESTIMATED COST OF ALTERNATIVE CARE	\$413,829	\$1,034,574	\$1,448,403
<b>TOTAL IMPACT</b>	<b>(\$264,159)</b>	<b>(\$288,918)</b>	<b>(\$404,484)</b>

*CHILDREN’S HABILITATION RESIDENTIAL PROGRAM*

The Children’s Habilitation Residential Program (CHRP) provides services and supports for children and youth who have an intellectual or developmental disability and very high needs. Pursuant to H.B. 18-1328 (Redesign Residential Child Health Care Waiver), administration of the CHRP waiver was transferred to the Department in FY 2018-19 and expanded in order to allow children or youth who are not in the custody of child welfare agencies to enroll in the waiver. Members of the waiver can access residential supports if they require out-of-home placement. Options for placement include foster homes, group homes, and Residential Child Care Facilities, but do not include host home residential care. While many residential service providers offer both foster home and host home care to members, the reimbursement rates for the services are not aligned. Foster home rates across all support levels are lower than those for host homes.

The Department is requesting funding to align respite reimbursement rates for CHRP placements with similar services provided through the Children’s Extensive Services (CES) waiver. Currently, respite limits for the CES waiver are 1,880 units plus 30 days in a service plan year. CHRP respite limits are 28 days in a calendar year. Whereas a CES “day” is equal to 10 or more hours, a CHRP day is calculated as any amount of time spent in one day. The Department reports that families have chosen to enroll their children in the CES waiver because of the amount of respite units/days provided even though the CHRP waiver may be better suited to the child’s needs.

In addition, the Department requests funding to increase CHRP reimbursement rates for foster home and group home care to align with the rates paid for host home and group residential care on the Comprehensive waiver. Rate adjustments include:

- Increases of approximately 17 percent for each of the six levels of CHRP foster home rates to align with Individual Residential Services and Supports/Host Home rates; and
- Increases for each of the six levels of CHRP group home rates to align with Group Residential Services and Supports:
  - Level 1 – 42.0 percent (from \$84.32 to \$119.74);
  - Level 2 – 29.9 percent (from \$111.00 to \$144.23);
  - Level 3 – 24.8 percent (from \$160.76 to \$163.20);
  - Level 4 – 17.0 percent (from \$154.46 to \$186.20);
  - Level 5 – 19.5 percent (from \$170.64 to \$203.95); and
  - Level 6 – 17.7 percent (from \$201.22 to \$236.90).



Host homes and foster homes are residential settings available to individuals with IDD. Host homes are typically single-family homes with up to three adults in the home who are receiving residential services and supports. There is no difference between the services and supports provided in foster homes and host homes. In both foster homes and host homes, the primary caregiver resides in the home and provides support, and both settings provide members services that meet their needs in a personal home.

SUMMARY OF HCBS-CHRP UNIT AND RATE ALIGNMENT INITIATIVES			
ITEM	FY 2022-23	FY 2023-24	FY 2024-25
Align Foster Home Rates	\$304,729	\$304,729	304,729
Align Group Home Rates	137,128	137,128	137,128
Align Respite Rates	3,765	3,765	3,765
Implementation (per year)	50%	100%	100%
TOTAL ESTIMATED ANNUAL IMPACT	\$222,811	\$445,622	445,622

*CASE MANAGEMENT*

Case management is provided to members enrolled in an HCBS waiver and includes facilitation of the member’s enrollment in a program that meets their level of care requirements; locating, coordinating, and monitoring needed HCBS waiver services; and coordinating with non-waiver resources, including medical, social, and educational resources. Of the 49 case management agencies (CMAs), 24 are Single Entry Points (SEPs), 20 are Community Centered Boards (CCBs), and 5 are private agencies. Case management rates vary between SEPs and CCBs across activities. The Department is requesting funding to align rates for case management training, appeals, and ongoing monitoring. The rate adjustments include:

- An increase of 0.4 percent in the CCB Training rate (from \$602.79 to \$605.39);
- An increase of 44.6 percent in the CCB Appeals rate (from 343.02 to \$496.08);
- An increase of 62.7 percent in the SEP Appeals Hearing rate (from \$281.65 to \$458.15); and
- An increase of 17.1 percent in the SEP Monitoring rate (from \$83.45 to \$97.74).

FY 2022-23 ESTIMATED IMPACT OF ALIGNING SINGLE ENTRY POINT (SEP) AND COMMUNITY-CENTERED BOARD (CCB) RATES FOR CASE MANAGEMENT ACTIVITIES

ITEM	TRAINING DELIVERABLE	CREATION OF THE PACKET (APPEAL)	ATTENDANCE AT APPEAL HEARING	MONITORING	TOTAL
Proposed Rate	\$605.39	\$496.08	\$458.16	\$97.74	n/a
Current CCB Rate	\$602.79	\$343.02	\$458.16	\$97.74	n/a
Difference Between Proposed Rate and Current CCB Rate	\$2.60	\$153.06	\$0	\$0	n/a
Current SEP Rate	\$605.39	\$496.08	\$281.65	\$83.45	n/a
Difference Between Proposed Rate and Current SEP Rate	\$0	\$0	\$176.51	\$14.29	n/a
Estimated CCB Utilization	40	16	5	48,905	48,966
Estimated SEP Utilization	48	49	74	57,675	57,846
FISCAL IMPACT	\$104	\$2,449	\$13,062	\$824,176	\$839,791

In addition to the fiscal impact identified above, the Department requests an additional \$540,000 to purchase 12,000 surveys at a cost of \$45 each to sample the case management agencies to measure the performance and quality of services provided by CCB and SEP case managers.

## LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

Senate Bill 21-284 defines a “theory-informed program or practice” as one that “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measure.” The Department has identified the targeted rate portion of this request as theory-informed. In an October 2019, health bulletin entitled “Increased Medicaid reimbursement Rates Expand Access to Care,”<sup>7</sup> however, the Nation Bureau of Economic Research found that

*...for every \$10 increase in Medicaid reimbursement per visit, parents were 0.5 percentage points more likely to report no difficulty finding a provider for their Medicaid-insured children, a 25 percent change relative to the mean. Similarly, adult recipients were less likely to report being told that a physician was not accepting new patients or did not accept their insurance coverage.*

The researchers studied the variation in the magnitude of reimbursement rate change resulting from the reduction in geographic dispersion in reimbursement after a 2013 mandate required that Medicaid reimbursement rates for certain primary care services to match Medicare rates. The report also indicates that the increase in access

*...translated into a rise in health care utilization and improved health outcomes. Each \$10 increase in Medicaid reimbursement per visit generated a 0.3 percentage point, or 1.4 percent, increase in the probability that a Medicaid recipient reported a doctor visit in the past two weeks and a 0.6 percentage point, or 1.1 percent, increase in the probability that a recipient reported very good or excellent health. In addition, the same \$10 increase in payment per visit reduced reported school absences among primary school-aged Medicaid recipients by 14 percent, a finding that the researchers corroborate using administrative data from the National Assessment of Educational Progress.*

Finally, the researchers found little evidence that Medicaid reimbursement changes had any offsetting impact on privately insured individuals.

As defined in S.B. 21-284, an evidence-informed program or practice is defined as one that “reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” While JBC staff was unable to perform an exhaustive literature review, she believes that documentation does exist that supports labeling this budget request as “evidence-informed.”

## → R10 PROVIDER RATE ADJUSTMENTS

### DEPARTMENT REQUEST

The Department requests an increase of \$104,434,828 total funds, including \$41,327,629 General Fund, for targeted rate adjustments for certain providers and a common policy provider rate increase of 0.5 percent for the remaining providers. In addition, the request includes funding to continue the

<sup>7</sup> <https://www.nber.org/bh/increased-medicaid-reimbursement-rates-expand-access-care>

hourly minimum wage increase up to \$15 for home- and community-based services (HCBS) providers previously approved in the American Rescue Plan Act (ARPA) HCBS Spending Plan.

R10 PROVIDER RATE ADJUSTMENTS – FY 2022-23 DEPARTMENT REQUEST					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Across the board rate adjustment	0.5 percent increase	\$32,230,602	\$11,432,806	\$1,499,074	\$19,298,722
Targeted rate increases					
Durable medical equipment	Rebalancing (between 80 and 100 percent)	\$1,596,720	\$798,360	\$0	\$798,360
Massage therapy	34.5 percent increase	27,293	13,647	0	13,646
Non-emergent medical transport	Increase rates below 60.8 percent up to 60.8 percent	22,816,821	7,393,642	4,014,769	11,408,410
Emergency medical transport	Increase rates below 50 percent up to 50 percent	8,298,520	1,948,546	453,943	5,896,031
Non-medical transport	Increase rates below 70 percent up to 70 percent	3,046,513	1,523,256	0	1,523,257
Speech therapy	Increase rates below 70 percent up to 70 percent	1,134,728	567,364	0	567,364
Home- and community-based services	Maintain \$15/hr wage through remainder of FY 2022-23	33,373,436	16,686,725	0	16,686,711
SUBTOTAL TARGETED RATE INCREASES		\$70,294,031	\$28,931,540	\$4,468,712	\$36,893,779
Changes to member contributions					
Changes to copayments	Increase fr \$6 to \$8	(\$26,920)	(\$5,275)	(\$1,637)	(\$20,008)
Personal needs allowance	Increase fr \$152.00 to \$383.33	1,937,115	968,558	0	968,557
SUBTOTAL CHANGES TO MEMBER CONTRIBUTIONS		\$1,910,195	\$963,283	(\$1,637)	\$948,549
<b>TOTAL DEPARTMENT REQUEST</b>		<b>\$104,434,828</b>	<b>\$41,327,629</b>	<b>\$5,966,149</b>	<b>\$57,141,050</b>

**JBC STAFF RECOMMENDATION**

JBC staff recommendation is provided in the table below. The Joint Budget Committee previously approved a 2.0 percent across the board community provider rate increase. JBC staff requests permission to reflect future committee action related to community provider rates in the Department’s section of the Long Bill. If the Committee approves staff recommendation concerning Physical and Occupational Therapy rates, the across the board rate adjustment will apply to these services. Staff requests permission to adjust the amount reflected in the table below to account for this.

FY 2022-23 JBC STAFF RECOMMENDATION R10 PROVIDER RATE ADJUSTMENTS					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Across the board rate adjustment	2.0 percent increase	\$128,922,402	\$45,731,229	\$5,996,297	\$77,194,876
Targeted rate increases					
Durable medical equipment	Rebalancing (between 80 and 100 percent)	\$1,596,720	\$798,360	\$0	\$798,360
Massage therapy	34.5 percent increase	27,293	13,647	0	13,646
Non-emergent medical transport	Increase rates below 70 percent up to 70 percent	29,724,365	9,631,987	5,230,197	14,862,181

FY 2022-23 JBC STAFF RECOMMENDATION R10 PROVIDER RATE ADJUSTMENTS					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Emergency medical transport	Increase rates below 70 percent up to 70 percent	22,385,308	5,256,215	1,224,514	15,904,579
Non-medical transport	Increase rates below 80 percent up to 80 percent	5,049,816	2,524,908	0	2,524,908
Speech therapy	Increase rates below 80 percent up to 80 percent	2,514,912	1,257,456	0	1,257,456
Outpatient physical/occupational therapy	Increase rates below 80 percent up to 80 percent	4,404,513	2,202,256	0	2,202,257
Home- and community-based services	Maintain \$15/hr wage through remainder of FY 2022-23	33,373,436	16,686,725	0	16,686,711
SUBTOTAL TARGETED RATE INCREASES		\$99,076,363	\$38,371,554	\$6,454,711	\$54,250,098
Changes to member contributions					
Changes to copayments	Increase fr \$6 to \$8	(\$26,920)	(\$5,275)	(\$1,637)	(\$20,008)
Personal needs allowance	Increase fr \$152.00 to \$383.33	1,937,115	968,558	0	968,557
SUBTOTAL CHANGES TO MEMBER CONTRIBUTIONS		\$1,910,195	\$963,283	(\$1,637)	\$948,549
<b>TOTAL JBC STAFF RECOMMENDATION</b>		<b>\$229,908,960</b>	<b>\$85,066,066</b>	<b>\$12,449,371</b>	<b>\$132,393,523</b>

JBC STAFF RECOMMENDATION R10 PROVIDER RATE ADJUSTMENTS FY 2023-24 FISCAL IMPACT (ANNUALIZATION)					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Across the board rate adjustment	2.0 percent increase	\$143,643,425	\$51,585,853	\$5,948,229	\$86,109,343
Targeted rate increases					
Durable medical equipment	Rebalancing (between 80 and 100 percent)	\$1,729,780	\$864,890	\$0	\$864,890
Massage therapy	34.5 percent increase	65,503	32,752	0	32,751
Non-emergent medical transport	Increase rates below 70 percent up to 70 percent	33,763,564	10,940,863	5,940,920	16,881,781
Emergency medical transport	Increase rates below 70 percent up to 70 percent	25,427,213	5,970,474	1,390,912	18,065,827
Non-medical transport	Increase rates below 80 percent up to 80 percent	5,810,081	2,905,040	0	2,905,041
Speech therapy	Increase rates below 80 percent up to 80 percent	2,856,659	1,428,329	0	1,428,330
Outpatient physical/occupational therapy	Increase rates below 80 percent up to 80 percent	5,002,911	2,501,455	0	2,501,456
Home- and community-based services	Maintain \$15/hr wage through remainder of FY 2022-23	159,841,194	79,920,605	0	79,920,589
SUBTOTAL TARGETED RATE INCREASES		\$234,496,905	\$104,564,408	\$7,331,832	\$122,600,665
Changes to member contributions					
Changes to copayments	Increase fr \$6 to \$8	(\$29,368)	(\$5,755)	(\$1,786)	(\$21,827)
Personal needs allowance	Increase fr \$152.00 to \$383.33	4,649,076	2,324,538	0	2,324,538

JBC STAFF RECOMMENDATION R10 PROVIDER RATE ADJUSTMENTS FY 2023-24 FISCAL IMPACT (ANNUALIZATION)					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
SUBTOTAL CHANGES TO MEMBER CONTRIBUTIONS		\$4,619,708	\$2,318,783	(\$1,786)	\$2,302,711
<b>TOTAL JBC STAFF RECOMMENDATION</b>		<b>\$382,760,038</b>	<b>\$158,469,044</b>	<b>\$13,278,275</b>	<b>\$211,012,719</b>

**BACKGROUND INFORMATION**

In the 2015 legislative session, the JBC sponsored S.B. 15-228 (Medicaid Provider Rate Review) to assist the legislature in evaluating rate change proposals. As Medicaid became an increasingly important payer for medical services, complaints concerning the insufficiency of reimbursement rates were often shared with JBC members. The process established by S.B. 15-228 was intended to address these issues by providing data to support rate setting decisions, and by establishing formal procedures for the Department to engage with providers regarding rate setting priorities. While the process has resulted in some improvements concerning rate setting, balancing the budget on an annual basis continues to be a limiting factor in the development of provider rate requests.

Concurrent with the passage of S.B. 15-228, the federal government issued new rules requiring states to conduct periodic rate reviews. The federal rules require states to review certain rates at least once every three years. There is some overlap between the rate reviews required by federal regulation and those required by S.B. 15-228. The federal rules emphasize analysis of regional variations in access, so the Department has incorporated a discussion of regional access in the S.B. 15-228 process. Significantly, the federal rules require an analysis of the expected effect on member access to services prior to any reduction in Medicaid rates.

**PROVIDER RATE REVIEW PROCESS UNDER S.B. 15-228**

Statute directs the Department and the Medicaid Provider Rate Review Advisory Committee (MPRRAC) to assess whether payments are sufficient to allow for provider retention and client access and to support appropriate reimbursement of high-value services. To do this the Department makes comparisons to benchmark rates, analyzes claims data for access issues, and solicits stakeholder feedback.

The Department's reports emphasize that there are a number of limitations to claims-based analysis of access to consider before drawing conclusions. First, factors other than rates may influence observed access issues, such as the administrative burden of participation in Medicaid, client characteristics and behaviors, provider outreach efforts, and provider scheduling practices. Second, rates may not be optimal when there are no observed access issues. For example, rates can drive over utilization or underutilization of services in a manner inconsistent with best practices. Third, claims data alone does not reveal potentially important information such as the number of providers accepting new clients, the supply of providers not participating in Medicaid, appointment wait times, the level of care provided compared to the level of need, or the portion of payments passed on to employee wages. For these reasons, the Department encourages looking at the claims-based analysis of access in context of the other information available, including the benchmark comparisons and stakeholder input.

The Department just completed Year 1 of the Second Five Year Review Cycle. This review included rates for:

- Emergency Medical Transportation (EMT);
- Non-Emergent Medical Transportation (NEMT);
- Home and Community-Based Services (HCBS) Waivers; and
- Targeted Case Management (TCM).

The Department submitted the Medicaid Provider Rate Review Recommendation Report to the JBC on June 15, 2021. The report contains analyses, rate comparisons, and sufficiency assessments for the sets of services identified above. Recommendations are summarized in the report submitted November 9, 2021. The Recommendation Report can be found here: [Rate Review Reports | Colorado Department of Health Care Policy & Financing](#)

### R10 PROVIDER RATE ADJUSTMENTS

In developing its FY 2022-23 R10 Provider Rate Adjustments budget request, the Department considered the recommendations from the provider rate review process created by S.B. 15-228.

The Department requests several adjustments to provider rates, including an across-the-board increase of 0.5 percent for most providers and targeted rate adjustments for others. For most services, the request is based on the assumption that the requested rate adjustments will be effective July 1, 2022. The table below summarizes the dollar changes requested in the Department's FY 2022-23 R10 Provider Rate Adjustments budget request.

R10 PROVIDER RATE ADJUSTMENTS – DEPARTMENT REQUEST					
RATE	CHANGE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Across the board rate adjustment	0.5 percent increase	\$32,230,602	\$11,432,806	\$1,499,074	\$19,298,722
Targeted rate increases					
Durable medical equipment	Rebalancing (between 80 and 100 percent)	\$1,596,720	\$798,360	\$0	\$798,360
Massage therapy	34.5 percent increase	27,293	13,647	0	13,646
Non-emergent medical transport	Increase rates below 60.8 percent up to 60.8 percent	22,816,821	7,393,642	4,014,769	11,408,410
Emergency medical transport	Increase rates below 50 percent up to 50 percent	8,298,520	1,948,546	453,943	5,896,031
Non-medical transport	Increase rates below 70 percent up to 70 percent	3,046,513	1,523,256	0	1,523,257
Speech therapy	Increase rates below 70 percent up to 70 percent	1,134,728	567,364	0	567,364
Home- and community-based services	Maintain \$15/hr wage through remainder of FY 2022-23	33,373,436	16,686,725	0	16,686,711
SUBTOTAL TARGETED RATE INCREASES		\$70,294,031	\$28,931,540	\$4,468,712	\$36,893,779
Changes to member contributions					
Changes to copayments	Increase fr \$6 to \$8	(\$26,920)	(\$5,275)	(\$1,637)	(\$20,008)
Personal needs allowance	Increase fr \$152.00 to \$383.33	1,937,115	968,558	0	968,557
SUBTOTAL CHANGES TO MEMBER CONTRIBUTIONS		\$1,910,195	\$963,283	(\$1,637)	\$948,549
<b>TOTAL DEPARTMENT REQUEST</b>		<b>\$104,434,828</b>	<b>\$41,327,629</b>	<b>\$5,966,149</b>	<b>\$57,141,050</b>

**ACROSS THE BOARD RATE ADJUSTMENT**

The Department requests a 0.5 percent increase in provider rates for those providers for which targeted rate increases are not requested, with the exception of the home- and community-based services (HCBS) providers receiving increases to raise direct support professional wages to \$15 per hour. Because the wage increases are implemented as part of the American Rescue Plan Act (ARPA) HCBS Spending Plan and will go into effect on January 1, 2022, both the targeted rate increase and the common policy provider rate increase is requested for the eligible HCBS providers.

The Governor's FY 2022-23 budget request includes a 1.0 percent provider rate increase for most community providers, however, the Department of Health Care Policy and Financing adjusts the common policy provider rate downward to make funding available to cover targeted rate increases. The Department requests \$32.2 million total funds, including \$11.4 million General Fund, to increase rates for most providers by 0.5 percent. The amount is calculated based on 11 months in order to account for the cash basis accounting of claims processing.

Independent of its decision concerning requests for targeted rate adjustments, the JBC typically applies the common policy provider rate adjustment across all departments. As of the writing of this document, the JBC has approved a 2.0 percent common policy provider rate increase. The fiscal impact of the approved increase is provided below.

JOINT BUDGET COMMITTEE APPROVED 2.0 PERCENT COMMON POLICY PROVIDER RATE ADJUSTMENT					
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
EXECUTIVE DIRECTOR'S OFFICE, ELIGIBILITY DETERMINATIONS AND CLIENT SERVICES					
County Administration	\$1,761,851	\$251,812	\$428,471	\$0	\$1,081,568
MEDICAL SERVICES PREMIUMS					
Medical and Long-Term Care Services for Medicaid Eligible Individuals	110,429,768	37,130,746	5,395,549	0	67,903,473
BEHAVIORAL HEALTH COMMUNITY PROGRAMS					
Behavioral Health Fee-for-service Payments	273,270	60,708	17,829	0	194,733
OFFICE OF COMMUNITY LIVING					
Adult Comprehensive Waiver Services	11,896,970	5,927,956	20,528	0	5,948,486
Adult Supported Living Waiver Services	1,417,730	601,179	107,686	0	708,865
Children's Extensive Support Services	714,586	357,293	0	0	357,293
Children's Habilitation Residential Program	224,553	112,276	0	0	112,277
Case Management for People with IDD	1,822,123	907,708	26,234	0	888,181
Family Support Services Program	146,170	146,170	0	0	0
State Supported Living Services	190,220	190,220	0	0	0
State Supported Living Services Case Management	43,832	43,832	0	0	0
Preventive Dental Hygiene	1,329	1,329	0	0	0
SUBTOTAL, OFFICE OF COMMUNITY LIVING	\$16,457,513	\$8,287,963	\$154,448	\$0	\$8,015,102
<b>TOTAL ADJUSTMENT APPROVED BY JBC</b>	<b>\$128,922,402</b>	<b>\$45,731,229</b>	<b>\$5,996,297</b>	<b>\$0</b>	<b>\$77,194,876</b>

**PROVIDERS EXEMPT FROM ACROSS-THE-BOARD RATE INCREASES**

Across-the-board rate adjustments are given to most Medicaid providers, with the exception of:

- A portion of the expenditure related to non-medical emergency transportation services as services are rendered under a fixed price contract;

- Dental administrative payments, as payment rates were agreed upon during a competitively procured contract process;
- Pharmaceutical reimbursements, as they are based on a methodology that reflects the actual costs of purchasing and dispensing medications;
- Rural health clinics, as rates are based on actual costs or the Medicare upper payment limit;
- Physical health managed care programs, as rates are negotiated within the parameters of their respective rate setting methodology;
- Medicaid and CHP risk-based physical health managed care programs and regional accountable entities, as rates are set in accordance with federal regulation and actuarial standards which do not generally permit general provider rate increases; and
- Services receiving targeted rate adjustments.

### **TARGETED RATE ADJUSTMENTS**

The 2021 Medicaid Provider Rate Review Recommendation Report made the following recommendations.

#### *DURABLE MEDICAL EQUIPMENT*

Analysis of Durable Medical Equipment (DME) services identified rates that fell below 80 percent of the Medicare benchmark for some services and above 100 percent of the benchmark for others. The Department's request includes an increase of rates up to 80 percent for those falling below the 80 percent benchmark, and to reduce rates down to 100 percent for those that are above the 100 percent benchmark. The Department requests \$1.6 million total funds, including \$0.8 million General Fund, to rebalance DME rates. **JBC staff recommends approval of the Department's request.**

#### *MASSAGE THERAPY*

The Department requests funding to increase massage therapy rates for the Spinal Cord Injury (SCI) waiver and the Children with Life Limiting Illness (CLLI) waiver to align them with Supported Living Services (SLS) waiver rates. The Department requests \$27,293 total funds, including \$13,646 General Fund, to increase massage therapy rates for the SCI waiver by 34.5 percent (from \$14.20 to \$19.10). **JBC staff recommends approval of the Department's request.**

#### *GROUND AMBULANCE*

Ground ambulance services transport patients with traumatic or medical conditions or patients for whom the need for specialty care, emergency, or non-emergency medical care is anticipated either at the patient location or during transport. Depending upon the location in the State, these services may be provided by a publicly supported ambulance service or fire department, a private company, or a hospital. Based on a recently conducted survey by the Emergency Medical Services Association, ambulance services may be paid less than 30 percent of the cost of providing services. Based on information received from providers in Eagle, Delta, Woodland, and Durango, payers have reimbursed ambulance services at the following rates:

- Private insurance – 52 percent;
- Medicare – 23 percent;
- Medicaid – 8 percent; and
- Uninsured private pay – 7 percent.



As a result of the low reimbursement received by providers, some counties have worked on establishing mill levies to make up the difference. Some county residents, such as those in Moffat County, have recently voted down mill levy initiatives.

Non-emergent medical transport

According to the 2020 MPRRAC analysis, average rates for Non-emergent Medical Transportation (NEMT) services are estimated at 37.51 percent of the benchmark, with individual rates falling within the range of 27.06 and 134.51 percent. The Department recommends increasing rates up to 80.0 percent of the benchmark and monitoring the rates in the future. The Department requests \$22.8 million total funds, including \$7.4 million General Fund, to increase NEMT rates that are currently below 60.8 percent of the benchmark up to 60.8 percent of the benchmark in order to move the rates closer to the target of 80.0 percent. The following table provides the cost of raising NEMT rates to 70.0 percent and 80.0 percent of the benchmark.

ESTIMATED IMPACT OF INCREASING NEMT RATES				
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
FY 2022-23 Impact				
70% of Benchmark	\$29,724,365	\$9,631,987	\$5,230,197	\$14,862,181
80% of Benchmark	37,260,357	12,073,976	6,556,204	18,630,177
FY 2023-24 Impact				
70% of Benchmark	33,763,564	10,940,863	5,940,920	16,881,781
80% of Benchmark	42,323,611	13,714,690	7,447,116	21,161,805

**JBC staff recommends that non-emergent medical transport rates be increased at least up to 70.0 percent of the benchmark.** The fiscal impact of this increase is \$29,724,365 total funds, including \$9,631,987 General Fund, in FY 2022-23. The difference between the Department’s request and staff recommendation is \$6,907,544 total funds, including \$2,238,345 General Fund.

Emergency medical transport

Based on the 2020 MPRRAC analysis, average rates for Emergency Medical Transportation (EMT) services are estimated to be 40.92 percent of the benchmark with individual rates for services falling within the range of 29.44 and 99.51 percent of the benchmark. The report indicates that the current rates may not be sufficient to provide high value services. The Department recommends increasing rates up to 80.0 percent of the benchmark. The Department requests \$8.3 million total funds, including \$1.9 million General Fund, to increase rates that are currently below 50.0 percent of the benchmark up to 50.0 percent of the benchmark in order to move the rates closer to the target of 80.0 percent. The following table provides the cost of raising EMT rates to 60.0 percent, 70.0 percent, and 80.0 percent of the benchmark.

ESTIMATED IMPACT OF INCREASING EMT RATES				
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
FY 2022-23 Impact				
60% of Benchmark	\$15,268,641	\$3,585,176	\$835,220	\$10,848,245
70% of Benchmark	22,385,308	5,256,215	1,224,514	15,904,579
80% of Benchmark	29,793,568	6,995,722	1,629,758	21,168,088
FY 2023-24 Impact				

ESTIMATED IMPACT OF INCREASING EMT RATES				
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
60% of Benchmark	17,343,474	4,072,360	948,718	12,322,396
70% of Benchmark	25,427,213	5,970,474	1,390,912	18,065,827
80% of Benchmark	33,842,170	7,946,360	1,851,225	24,044,585

**JBC staff recommends that emergency medical transport rates be increased at least up to 70.0 percent of the benchmark.** The fiscal impact of this increase is \$22,385,308 total funds, including \$5,256,215 General Fund, in FY 2022-23. The difference between the Department's request and staff recommendation is \$14,086,788 total funds, including \$3,307,669 General Fund.

#### Non-medical transportation

Non-medical Transportation (NMT) average rates are estimated to be 86.98 percent of the benchmark with individual rates for services falling within the range of 56.21 and 265.80 percent of the benchmark. The Department recommends an investigation of rate disparities for services across waivers in order to improve rate equity. The Department requests \$3.0 million total funds, including \$1.5 million General Fund, to increase NMT rates that are below 70.0 percent of the benchmark up to 70.0 percent of the benchmark in order to create equity for non-medical transportation services across waivers. The following table provides the cost of raising NMT rates to 80.0 percent of the benchmark.

ESTIMATED IMPACT OF INCREASING NMT RATES				
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
FY 2022-23 Impact				
80% of Benchmark	\$5,049,816	\$2,524,908	0	\$2,524,908
FY 2023-24 Impact				
80% of Benchmark	5,810,081	2,905,040	0	2,905,041

**JBC staff recommends that non-medical transport rates be increased to 80.0 percent of the benchmark.** The fiscal impact of this increase is \$5,049,816 total funds, including \$2,524,908 General Fund, in FY 2022-23. The difference between the Department's request and staff recommendation is \$2,003,303 total funds, including \$1,001,652 General Fund.

#### *SPEECH THERAPY*

According to the MPRRAC analysis, Speech Therapy (ST) rates are estimated to be 73.51 percent of the benchmark with individual rates for services falling within the range of 16.82 and 107.2 percent of the benchmarks. Providers indicate that rates are insufficient to offer competitive wages, retain specialized providers, and cover overhead costs. The Department recommends increasing rates below 70.0 percent of the benchmark up to 70.0 percent. The Department requests \$1.1 million total funds, including \$0.6 million General Fund, to increase the rates for speech therapy services that are below 70.0 percent of the benchmark up to 70.0 percent of the benchmark in order to move rates closer to the 80.0 percent target. The following table provides the cost of raising ST rates to 80.0 percent of the benchmark.

ESTIMATED IMPACT OF INCREASING SPEECH THERAPY RATES				
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
FY 2022-23 Impact				
80% of Benchmark	\$2,514,912	\$1,257,456	\$0	\$1,257,456
FY 2023-24 Impact				
80% of Benchmark	2,856,659	1,428,329	0	1,428,330

**JBC staff recommends that speech therapy rates be increased to 80.0 percent of the benchmark.** The fiscal impact of this increase is \$2,514,912 total funds, including \$1,257,456 General Fund, in FY 2022-23. The difference between the Department’s request and staff recommendation is \$1,380,184 total funds, including \$690,092 General Fund.

*HOME- AND COMMUNITY-BASED SERVICES*

Home- and community-based services allow individuals to receive essential care and remain in a community setting. As a part of the ARPA Spending Plan approved by the JBC and the Centers for Medicare and Medicaid Services (CMS) in September 2021, the Department increased rates for certain HCBS services with a required wage pass through for providers to pay at least \$15 per hour base wage for frontline staff providing direct hands-on care. Increases under the spending plan are effective from January 1, 2022 through April 15, 2023 for targeted services, including:

- Adult day;
- Alternative care facility;
- Consumer-direct attendant support services (CDASS);
- Community connector;
- Day habilitation;
- Homemaker;
- In-home support services (IHSS);
- Mentorship;
- Personal care;
- Prevocational services;
- Residential habilitation;
- Respite care;
- Supported community connections; and
- Supportive living program.

The Department’s budget request includes \$33,373,436 million, including \$16,686,725 million General Fund, to continue the \$15 wage pass through from April 16 through June 30, 2023. This request annualizes to \$159,841,194 million total funds, including \$79,920,605 General Fund in FY 2023-24.

**JBC staff recommends approval of the Department’s request.**

PROJECTED COSTS OF INCREASING RATES TO REFLECT \$15/HOUR MINIMUM WAGE						
SERVICE	WAIVER	FY 2021-22 EXPENDITURE (PROJ.)	WAGE PASS THROUGH 04/16/2023 – 06/30/2023		WAGE PASS THROUGH 07/01/2023 – 06/30/2024	
Adult Day Services	SCI, EBD, CMHS, BI	\$24,999,805	24.21%	\$1,263,699	24.21%	\$6,052,453
Alternative Care Facility	EBD, CMHS	81,453,386	33.75%	5,739,778	33.75%	27,490,518
Community Connector	CES, CHRP	6,949,910	6.95%	100,850	6.95%	483,019

PROJECTED COSTS OF INCREASING RATES TO REFLECT \$15/HOUR MINIMUM WAGE						
SERVICE	WAIVER	FY 2021-22 EXPENDITURE (PROJ.)	WAGE PASS THROUGH 04/16/2023 – 06/30/2023		WAGE PASS THROUGH 07/01/2023 – 06/30/2024	
Consumer Directed Attendant Support Services (CDASS) - Denver	SCI, EBD, CMHS, BI, SLS	10,823,520	0.95%	21,378	0.95%	102,390
Consumer Directed Attendant Support Services (CDASS) - Outside Denver	SCI, EBD, CMHS, BI, SLS	167,782,418	12.63%	4,424,478	12.63%	21,190,919
Day Habilitation	SLS, DD	134,682,908	14.29%	4,018,435	14.29%	19,246,188
Homemaker - Denver	SCI, CES, EBD, CMHS, BI, SLS	7,163,249	0.00%	0	0.00%	0
Homemaker - Outside Denver	SCI, CES, EBD, CMHS, BI, SLS	40,244,087	11.99%	1,007,473	11.99%	4,825,266
In-Home Support Services - Denver	SCI, CHCBS, EBD	36,546,397	3.92%	299,118	3.92%	1,432,619
In-Home Support Services - Outside Denver	SCI, CHCBS, EBD	178,812,451	9.71%	3,625,177	9.71%	17,362,689
Mentorship	SLS	1,780,637	5.81%	21,600	5.81%	103,455
Non Medical Transportation	SCI, EBD, CMHS, BI, SLS, DD	48,695,683	0.00%	0	0.00%	0
Personal Care - Denver	EBD, SCI, BI, CMHS, SLS	59,612,194	0.00%	0	0.00%	0
Personal Care - Outside Denver	EBD, SCI, BI, CMHS, SLS	131,759,216	11.99%	3,298,469	11.99%	15,797,930
Prevocational Services	SLS, DD	4,430,145	18.62%	172,230	18.62%	824,893
Residential Habilitation - Denver	DD	29,616,528	0.00%	0	0.00%	0
Residential Habilitation - Outside Denver	DD	422,544,201	9.01%	7,948,939	9.01%	38,071,233
Respite Care	CES, SCI, EBD, CMHS, BI, SLS, CHRP, CLLI	24,172,167	11.24%	567,276	11.24%	2,716,952
Supported Community Connections	CHRP, SLS	10,039,609	0.00%	0	0.00%	0
Supported Living Programs	BI	26,861,524	6.00%	336,507	6.00%	1,611,691
Supported Employment	SLS, DD	36,283,776	6.97%	528,029	6.97%	2,528,979
<b>TOTAL</b>		<b>\$1,485,253,811</b>		<b>\$33,373,436</b>		<b>\$159,841,194</b>

*OUTPATIENT PHYSICAL AND OCCUPATIONAL THERAPY [STAFF INFLATED]*

In the 2020 Medicaid Provider Rate Review Advisory Committee (MPRRAC) Report, Physical and Occupational (PT/OT) average payment rates were identified as being 86.41 percent of the benchmark, with a range of 28.06 to 793.16 percent of the benchmark. While stakeholder feedback indicates that low rates discourage providers from accepting Medicaid patients, the Department reports that claims data reflect increasing participation rate of therapists and that claims data do not indicate a decreasing utilization trend. These data were not reported by region.

The MPRRAC Report analyzed the drive time to access services and found that 97.33 percent of the total utilizers of PT/OT services in FY 2018-19 resided 30 minutes or less from a provider, with the

majority of the service locations present on the Front Range between Fort Collins and Pueblo.<sup>8</sup> The report does not provide information concerning access to services for programs that require in-home visits by therapists.

The Recommendation Report states that the Department recommended rebalancing PT/OT rates and planned to “evaluate individual services that were identified to be below 80.0 percent of the benchmark and above 100.0 percent of the benchmark to identify which services would benefit from an immediate rate change.”<sup>9</sup> Neither the FY 2021-22 nor the FY 2022-23 Governor’s budget request included target rate adjustments for PT/OT rates. JBC staff is concerned about:

- The potential competitive workforce challenges that may result when a disparity exists between outpatient PT/OT rates and home health PT/OT rates; and
- The impact of low reimbursement rates on outcomes of children in need of Early Intervention services.

Providers report that outpatient rates are not sufficient for small businesses with high ratios of Medicaid clients to continue to operate, as the salaries that must be paid to therapists in order to keep employees is now much higher than revenue can support. The billing structure and rates for home health providers result in higher revenue and allowing these agencies to pay higher salaries. As a result, outpatient providers report losing therapists to home health agencies because they cannot compete with the salaries. A specific area of concern reported by outpatient providers is the use of home health therapist to serve Early Intervention clients because the purpose for each type of service differs – home health is intended to prevent a return to the hospital, while Early Intervention outpatient therapies are intended to support the achievement of developmental milestones that will positively impact the child’s educational success in the future.

The following table identifies the cost of raising all PT/OT rates that are below 60.0 percent, 70.0 percent, or 80.0 percent of the benchmark. It does not include the rebalancing of rates above 100.0 percent of the benchmark.

ESTIMATED IMPACT OF INCREASING OUTPATIENT PT/OT RATES				
ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
FY 2022-23 Impact				
60% of Benchmark	\$2,075,044	\$1,037,522	\$0	\$1,037,522
70% of Benchmark	3,105,147	1,552,573	0	1,552,574
80% of Benchmark	4,404,513	2,202,256	0	2,202,257
FY 2023-24 Impact				
60% of Benchmark	2,356,960	1,178,480	0	1,178,480
70% of Benchmark	3,527,013	1,763,507	0	1,763,506
80% of Benchmark	5,002,911	2,501,455	0	2,501,456

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<https://hcpf.colorado.gov/sites/hcpf/files/2020%20Medicaid%20Provider%20Rate%20Review%20Analysis%20Report.pdf>

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[https://hcpf.colorado.gov/sites/hcpf/files/HCPF%202020%20MPRR%20Recommendation%20Report\\_final\\_nov6.20.pdf](https://hcpf.colorado.gov/sites/hcpf/files/HCPF%202020%20MPRR%20Recommendation%20Report_final_nov6.20.pdf)

**JBC staff recommends that physical and occupational therapy rates falling below 80.0 percent of the benchmark be increased to 80.0 percent of the benchmark.** The fiscal impact of this increase is \$4,404,513 total funds, including \$2,202,256 General Fund, in FY 2022-23. PT and OT providers are included in the common policy provider rate increase discussed above. If the Committee approves staff recommendation, the common policy provider rate increase will not be applied to these services. Staff requests permission to reflect the appropriate reduction in the common policy provider rate adjustment.

#### LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

Senate Bill 21-284 defines a “theory-informed program or practice” as one that “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measure.” The Department has identified this request as theory-informed. In an October 2019, health bulletin entitled “Increased Medicaid reimbursement Rates Expand Access to Care,”<sup>10</sup> however, the National Bureau of Economic Research found that

*...for every \$10 increase in Medicaid reimbursement per visit, parents were 0.5 percentage points more likely to report no difficulty finding a provider for their Medicaid-insured children, a 25 percent change relative to the mean. Similarly, adult recipients were less likely to report being told that a physician was not accepting new patients or did not accept their insurance coverage.*

The researchers studied the variation in the magnitude of reimbursement rate change resulting from the reduction in geographic dispersion in reimbursement after a 2013 mandate required that Medicaid reimbursement rates for certain primary care services to match Medicare rates. The report also indicates that the increase in access

*...translated into a rise in health care utilization and improved health outcomes. Each \$10 increase in Medicaid reimbursement per visit generated a 0.3 percentage point, or 1.4 percent, increase in the probability that a Medicaid recipient reported a doctor visit in the past two weeks and a 0.6 percentage point, or 1.1 percent, increase in the probability that a recipient reported very good or excellent health. In addition, the same \$10 increase in payment per visit reduced reported school absences among primary school-aged Medicaid recipients by 14 percent, a finding that the researchers corroborate using administrative data from the National Assessment of Educational Progress.*

Finally, the researchers found little evidence that Medicaid reimbursement changes had any offsetting impact on privately insured individuals.

As defined in S.B. 21-284, an evidence-informed program or practice is defined as one that “reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” While JBC staff was unable to perform an exhaustive literature review, she believes that documentation does exist that supports labeling this budget request as “evidence-informed.”

<sup>10</sup> <https://www.nber.org/bh/increased-medicaid-reimbursement-rates-expand-access-care>

→ BA7 INCREASE BASE WAGE FOR NURSING HOMES [REQUIRES LEGISLATION]

DEPARTMENT REQUEST

The Department requests \$4,779,253 total funds, including \$2,389,627 General Fund, to pay nursing homes an annual supplemental payment to be used to increase the base wage for nursing home employees earning less than \$15 per hour up to that hourly rate. Implementation of the base wage increase requires legislation to amend the language in H.B. 19-1210 to include nursing homes outside the City and County of Denver and adjacent areas.

JBC STAFF RECOMMENDATION

Staff recommends approval of the Department’s request, including the proposed legislation.

BA7 INCREASE BASE WAGE FOR NURSING HOMES, FY 2022-23			
LINE ITEM	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS
Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$4,779,253	\$2,389,627	\$2,389,626

BA7 INCREASE BASE WAGE FOR NURSING HOMES FY 2023-24 FISCAL IMPACT (ANNUALIZATION)			
LINE ITEM	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS
Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$1,707,390	\$853,695	\$853,695

BACKGROUND INFORMATION

House Bill 19-1210 (Local Government Minimum Wage) changed statute to allow local governments to establish a minimum wage law for individuals working within the local government’s jurisdiction. The bill requires the Department of Labor and Employment to notify the Department of Health Care Policy and Financing when a local government changes the local minimum wage. If a local government increases its minimum wage, the General Assembly is required to provide funding for supplemental payments to nursing facility providers.

ANALYSIS

The Department requests \$4,779,253 total funds, including \$2,389,627 General Fund, to pay nursing homes an annual supplemental payment for the purpose of increasing the minimum wage for nursing home employees up to \$15 per hour. Section 25.5-6-201 (15.5)(a), C.R.S., limits provider payments made for the purpose of increasing nursing home employee wages to those facilities that are “within the jurisdiction of a local government that has increased its local minimum wage above the statewide minimum.” As a result, current statute would only allow for the increase of nursing home staff hourly rates up to \$15 to occur in the City and County of Denver or adjacent localities, only.

**AMERICAN RESCUE PLAN ACT HOME- AND COMMUNITY-BASED SERVICES SPENDING PLAN**

Home- and community-based services (HCBS) allow individuals to receive essential care and remain in a community setting. As a part of the American Rescue Plan Act (ARPA) HCBS Spending Plan approved by the JBC and the Centers for Medicare and Medicaid Services (CMS) in September 2021, the Department increased rates for certain HCBS services with a required wage pass through for providers to pay at least \$15 per hour base wage for frontline staff providing direct hands-on care.

Increases under the spending plan are effective from January 1, 2022 through April 15, 2023 for targeted services, including:

- Adult day;
- Alternative care facility;
- Consumer-direct attendant support services (CDASS);
- Community connector;
- Day habilitation;
- Homemaker;
- In-home support services (IHSS);
- Mentorship;
- Personal care;
- Prevocational services;
- Residential habilitation;
- Respite care;
- Supported community connections; and
- Supportive living program.

Nursing home services are not eligible for enhanced federal funding under Section 9817 of ARPA or for reinvestment under the HCBS Spending Plan, nor is there a base wage requirement for nursing homes other than the option for local governments to establish their own minimum wage.

**NURSING HOME CAPACITY**

Throughout the COVID-19 pandemic, nursing facilities reported staffing challenges, higher numbers of deaths, and reduced census. In addition, with the aggressive expansion and recruitment of direct support staff by staffing agencies, nursing homes have been unable to offer competitive salaries for some employees. In response to this challenge, the JBC sponsored H.B. 22-1247 (Additional Requirements Nursing Facility Funding) that provides up to \$27.0 million total funds, including \$17.0 million General Fund, in supplemental or incentive payments to eligible nursing facilities. Unlike this budget request, the payments defined in the H.B. 22-1247 are one-time and not specifically targeted to those employees making under \$15 per hour.

BASE WAGE SUPPLEMENTAL PAYMENT TO NURSING FACILITIES						
FY 2022-23						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
Supplemental Payment, Nursing Homes	\$8,719,921	0.0	\$4,359,961	\$0	\$0	\$4,359,960
Cost of HB 19-1210 Local Minimum Wage Payment, already appropriated	(\$3,940,668)	0.0	(\$1,970,334)	\$0	\$0	(\$1,970,334)
FY 2022-23 Fiscal Impact	\$4,779,253	0.0	\$2,389,627	\$0	\$0	\$2,389,626

Because payments to nursing facilities are prescribed in statute, legislation is required to allow payments to be made to the facilities, and to ensure that payments specifically for the purpose of raising the minimum wage to \$15 in nursing facilities can be done across the state.

The JBC previously approved budget requests to raise the minimum wage paid to both state employees (based on the Colorado WINS partnership agreement) and HCBS direct support professionals (as part of the ARPA HCBS Spending Plan). Without raising the hourly rate of nursing facility employees to



\$15 per hour, a wage disparity will be created amongst service providers. **JBC staff recommends approval of the Department’s request. Staff recommends that the JBC consider sponsoring the necessary legislation to implement the pay adjustment.**

#### LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

Senate Bill 21-284 defines a “theory-informed program or practice” as one that “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measure.” The Department has identified this request as theory-informed. In an examination of whether or not higher earnings for frontline nursing home workers affect the quality of employee output and subsequently patient outcomes, the researcher found that “higher wages for workers translates to better service quality, measured by improved safety, better health, and reduced mortality for nursing home residents.”<sup>11</sup> The author further reports that “cost savings from pressure sore treatment alone offset between 20 and 50 percent of the increase in staff costs” suggesting that wage increases for nursing assistants may fully pay for themselves if the “value of increased longevity for nursing home residents is [assigned a value of] at least \$21,000.”<sup>12</sup>

As defined in S.B. 21-284, an evidence-informed program or practice is defined as one that “reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” While JBC staff was unable to perform an exhaustive literature review, she believes that documentation does exist that supports labeling this budget request as “evidence-informed.”

## ADMINISTRATION AND OTHER

### → R7 UTILIZATION MANAGEMENT

#### DEPARTMENT REQUEST

The Department requests a net reduction of \$3,011,223 total funds, including a decrease of \$1,512,985 General Fund, for costs and cost savings associated with utilization management measures in the Medicaid program. The request includes:

- An increase of \$3,650,175 total funds, including \$398,837 General Fund, for the expansion of medical necessity reviews and prior authorization requests for physician administered drugs, the modernization of the prior authorization review program, and the modernization of the nurse advice line; and
- A decrease of \$6,661,398 total funds, including \$1,911,822 General Fund, for the projected benefit savings resulting from improvements in the review process.

<sup>11</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3830657](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3830657), pg 30.

<sup>12</sup> Ibid.

## JBC STAFF RECOMMENDATION

JBC staff recommends approval of the Department's request. The recommendation annualizes to a reduction of \$2,999,155 total funds, including a reduction of \$1,515,550 General Fund, in FY 2023-24.

## ANALYSIS

### UTILIZATION MANAGEMENT

The Department's utilization management program is responsible for ensuring quality, cost-effective health care delivery and member well-being through the appropriate utilization of services. The program utilizes prior authorization requests (PARs) or pre-approval of select services, benefits, equipment, and supplies for the fee-for-service (FFS) population in the State. It is administered by a nationally-accredited, federally-designated quality improvement organization, which employs licensed clinical reviewers (e.g., nurses, pharmacists, and physicians) to evaluate each PAR for medical necessity or medical appropriateness, and compliance with established rules, regulations, and policy.

To ensure certain services meet medical necessity guidelines and are within Medicaid's policies, the Department's utilization management vendor performs medical necessity reviews, including PARs and retrospective reviews, inpatient hospital admission and continued stay reviews, and prior authorizations of select physician administered drugs. The goals of the program are to improve the health outcomes of Medicaid members and serve as a cost containment measure that ensures appropriate utilization and eliminates duplicative and unnecessary services while allowing providers to easily track the status of their PARs through a web portal.

The Department requests funding to expand utilization management by compensating the Department's contractor for expanding medical necessity reviews for outpatient medical services and physician administered drugs (PADs) newly-identified as high-risk for fraud, overutilization, or not routinely considered medically necessary. This funding will also be used to modernize the program by expanding and improving data sharing and reporting capabilities to help identify potential health inequities and disparities within the PAR program.

### NURSE ADVICE LINE

The Nurse Advice Line is a free 24-hour phone line, available 365 days a year, with the primary purpose of triaging callers to the right level of care through use of evidence-based triage guidelines and to help members with questions about managing medical conditions and connecting members to providers, community resources, and Regional Accountable Entity (RAE) care coordinators.

The center is currently operated by shared health information aides, registered nurses (RNs), and health information aides and uses the Schmitt-Thompson Nurse Telephone Triage Guidelines. When a Medicaid member calls the line, they reach a health information aide who identifies the reason for the call, gathers demographics and assists with non-symptomatic inquiries (such as community resource information). Licensed RNs trained extensively on guidelines and protocols assist callers with medical questions and evaluate symptoms utilizing their nursing expertise as well as pediatric and adult clinical decision support tools to triage callers to the right level of care at the right time. RNs provide resources and education materials to callers via secure email as appropriate.

Prior to the start of FY 2020-21, the Centers for Medicare and Medicaid Services (CMS) informed the Department that the Nurse Advice Line did not qualify for federal matching funds. The Department has held multiple discussions with CMS to defend the position that a match of at least 50% is appropriate and federally allowable under section 1903(a)(7) of the Social Security Act for activities “as found necessary... for the proper and efficient administration of the state plan.” CMS’ current position remains that the services are not allowable as a Medicaid cost, however recent discussions with CMS reflect a significant softening of their stance and the Department is now anticipating federal fund approval some time in FY 2021-22.

The Department is requesting funding to modernize the Nurse Advice Line technology to facilitate increased member usage and the application of cost-effective interventions and services in real-time. Additional modernization components include robust collection and establishing interconnectivity between Department partners and systems for communicating recommendations of treatment for health and wellness and disease management programs, including behavioral health resources. This component will utilize existing appropriations for the programs and will only be implemented if federal matching funds are received.

### REQUEST

The Department requests funding to hire contractors to:

- Add a scope of work that includes data sharing and care coordination services with the RAEs and case management agencies (CMAs);
- Identify triggers for at-risk populations to allow for quick identification and referrals to RAE and CMA programs to ensure appropriate follow up care;
- Modernize data and systems between the Department and the utilization management vendor for improved data analytics and data sharing between the program, RAEs, and CMAs, including reporting that identifies potential inequities of provider submissions as defined by the department’s equity, diversity, and inclusion (EDI) team;
- Complete an annual review and analysis of the current utilization management program using industry experts to make recommendations on modifications to the PAR program to identify potential health inequities and disparities, improve data sharing and care coordination, and to increase cost efficiency and efficacy and cost savings; and
- Assess the CMS Interoperability Rule which requires industry expertise to evaluate readiness to implement and to help estimate a potential need for future resources.

SUMMARY BY INITIATIVE						
FY 2022-23						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
EXPANSION OF MEDICAL NECESSITY REVIEWS						
Estimated Cost	\$1,291,279	0.0	\$217,419	\$105,401	\$0	\$968,459
Projected Savings	(3,717,698)	0.0	(1,066,980)	(227,895)	0	(2,422,823)
SUBTOTAL	(\$2,426,419)	0.0	(\$849,561)	(\$122,494)	\$0	(\$1,454,364)
EXPANSION OF PRIOR AUTHORIZATION REQUEST REQUIREMENT - PHYSICIAN ADMINISTERED DRUGS						
Estimated Cost	\$540,000	0.0	\$69,078	\$65,922	\$0	\$405,000
Projected Savings	(1,272,262)	0.0	(365,139)	(77,990)	0	(829,133)
SUBTOTAL	(\$732,262)	0.0	(\$296,061)	(\$12,068)	\$0	(\$424,133)
UTILIZATION MANAGEMENT PROGRAM MODERNIZATION						
Estimated Cost	\$333,600	0.0	\$112,340	\$54,460	\$0	\$166,800
NURSE ADVICE LINE MODERNIZATION						

SUMMARY BY INITIATIVE FY 2022-23						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
Estimated Cost	\$1,485,296	0.0	\$0	\$299,120	\$0	\$1,186,176
Projected Savings	(1,671,438)	0.0	(479,703)	(102,459)	0	(1,089,276)
SUBTOTAL	(\$186,142)	0.0	(\$479,703)	\$196,661	\$0	\$96,900
TOTAL REQUEST	(\$3,011,223)	0.0	(\$1,512,985)	\$116,559	\$0	(\$1,614,797)

### LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

Senate Bill 21-284 (Evidence-based evaluation for budget) defines a “theory-informed” program or practice as one that “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification of a theory of change, or equivalent measures.” The Department identifies both utilization management and the Nurse Advice Line as theory-informed. JBC staff was unable to find any data or evaluations related to nurse advice lines, therefore identifies this portion of the Department’s request as opinion-based.

Utilization management, however, has been evaluated and there is research surrounding its use and the effects it has on health care. Thomas M. Wickizer and Daniel Lessler share these insights:

*Utilization management, which has become one of the most widely used cost-containment approaches, has engendered debate and controversy. Physicians have been outspoken critics of utilization management because it has limited their clinical autonomy and has contributed to an intolerable administrative burden. Insurance carriers, managed care plans, and third-party payers have defended the use of utilization management as an imperfect—but necessary—practice that is needed to reduce consumption of unnecessary or inappropriate health care services.<sup>13</sup>*

In their article “Utilization Management: Issues, Effects, and Future Prospects,” Wickizer and Lessler discuss some concerning aspects related to more traditional utilization management, however acknowledge the potential value if exercised in the context of quality improvement and outcome management.<sup>14</sup>

While JBC staff was unable to perform an exhaustive literature review, data-driven research on utilization management is available, therefore staff would label this portion of the Department’s request theory-informed.

## → R15 ALL-PAYER CLAIMS DATABASE SCHOLARSHIPS

### DEPARTMENT REQUEST

The Department requests an increase of \$200,000 General Fund to partially restore funding for the All-Payer Claims Database Scholarship Program. The funding was eliminated in FY 2020-21 as part of budget balancing reductions.

<sup>13</sup> <https://www.annualreviews.org/doi/pdf/10.1146/annurev.publhealth.23.100901.140529>

<sup>14</sup> Ibid.

## JBC STAFF RECOMMENDATION

Staff recommends an increase of \$1,209,655 General Fund to restore funding that was cut during the FY 2020-21 budget balancing process. The funding will restore the Center for Improving Health Care operating budget and the full amount designated for the All-payer Claims Database Scholarship Program.

## BACKGROUND INFORMATION

The All-payer Claims Database (APCD) is a comprehensive database of health care claims across all Colorado health insurance carriers, including Medicaid, Medicare, and commercial payers. The APCD is administered by the Center for Improving Health Care (CIVHC). The APCD Scholarship Program is a grant program providing grants for up to 80 percent of the cost of licensing data and reports and providing interested parties access to the APCD data, allowing researchers to perform analysis and to inform decision-makers. In practice, the grants fund the APCD operations and staff salaries.

Criteria for awarding grants was developed by the APCD Advisory Committee and the grants are administered by the Department. Grants are provided to state and local governments, academic institutions, researchers, healthcare providers, nonprofit organizations, other interested parties to help offset the cost of licensing data and reports from the APCD for health care research. Between FY 2017-18 and FY 2019-20, nearly \$1.5 million in grant funds were awarded for 65 different research projects, with nearly half of the funding going to nonprofit entities and the remainder going to academics, researchers, governmental entities, and physician practices. Past scholarship fund projects include:

- Data critical in implementing effective Employer Purchasing Alliances including Peak Health Alliance to help address the high cost of care in rural areas of Colorado;
- A study of Cost Savings from Medically Tailored Meals for the Chronically Ill;
- A study of Emergency Department Utilization by the Colorado Children's Health Care Access Program;
- County-level health care cost analyses including Garfield, Lake, and Chafee counties;
- A study of the Incidence of Cancer Rates in the Rocky Flats Region; and
- Multiple legislative requests to support legislative-related discussions.

During the FY 2020-21 budget cycle, the budget for the APCD was reduced by \$1,209,655 General Fund as part of budget balancing actions. Of this amount, \$500,000 was specifically to eliminate the grant program; the remaining \$709,655 was a 25.0 percent reduction in the state funded portion of the CIVHC operating budget. The funding was not restored in FY 2021-22.

## ANALYSIS

The Department requests an increase of \$200,000 General Fund to restore 16.5 percent of the General Fund that was cut for budget balancing purposes from the All-payer Claims Database (APCD) line item in FY 2020-21. Funding for this initiative was first appropriated for the APCD in FY 2018-19. Appropriations were increased to \$4.9 million in FY 2019-20. The Department reports that, except for its first year, there have not been reversions in this line item, and that over the six years the scholarship program has been in place, 129 projects totaling \$2.0 million have been funded. In addition, legislative data requests have been made to support the following pieces of legislation:

APCD LEGISLATIVE DATA REQUESTS		
YEAR	BILL NUMBER	NAME
2018	SB 18-266	Controlling Medicaid Costs
2019	HB 19-1174	Out-of-network Health Care Services
2019	HB 19-1168	State Innovation Waiver Reinsurance Program
2019	HB 19-1233	Investments in Primary Care To Reduce Health Costs
2019	SB 19-005	Import Prescription Drugs from Canada
2019	HB 19-1004	Proposal for Affordable Health Coverage Option
2020	SB 20-107	Drug Production Costs Transparency Analysis Report
2020	HB 20-1160	Drug Price Transparency Insurance Premium Reductions
2020	N/A	Adverse Reactions to Vaccinations
2020	N/A	21.94 Kidney Disease
2020	N/A	21.108 Colon Cancer
2021	SB 21-175	Prescription Drug Affordability Review Board
2021	HB 21-1232	Standardized Health Benefit Plan Colorado Option

The FY 2022-23 budget request for the APCD line item is \$4.0 million total funds, including \$3.2 million General Fund. Of this amount, \$3.8 million is used to cover operating costs of the APCD; \$1.7 million is eligible for a federal Medicaid match of 50.0 percent. The APCD does not currently earn enough revenue through licensing data or other sources to be self-sustaining, so the Department’s appropriation of General Fund is critical to its ongoing operations and to continue building a comprehensive source of data on health care costs across all payers. Data analysis performed by staff of CIVHC include:

- Understanding Colorado cost trends through the production of an annual report to monitor trends for different services and identifies services driving costs;
- Understanding provider opioid prescriber patterns to identify best practice providers;
- Reviewing vision claims and comparing Medicaid costs to commercial costs for targeted services to investigate fraud, waste, and abuse;
- Comparing cost and utilization data across Medicaid, Medicare Advantage, and commercial insurers; and
- Understanding how commercial payers are utilizing Alternative Payment Methodologies (APMs).

Staffing resources required by CIVHC in order to gather, analyze, and report on requested projects vary depending upon the project type:

- Data Sets
  - Standard or De-Identified Data Sets – these are already developed, off the shelf data sets tailored to specific user groups. Low resource.
  - Custom Limited Data Sets - custom datasets are created per customer request. These can be de-identified or contain elements of protected health information as allowable by law. Resource needs vary dramatically based on individual request and the kinds of data integration required.
- Reports & Analytics
  - Standard Reports – developed reports with limited customization. Low resource.
  - Custom Reports – custom analytics developed per customer request. Resource needs vary dramatically based on the analytics being requested.

REQUIRED RESOURCES	
TASK	STAFF
Application, data use agreement, data element dictionary review	Health data consultants, account manager, health data analysts, APCD project manager
Feasibility and scoping	Health data analysts, APCD program manager
Compliance review	Data privacy and compliance officer
Methodology development and documentation	Health data analysts
Custom report development	Health data analysts, report analyst
Quality check or extract or report	Data quality analysts
Final preparation for delivery	APCD project manager
Project management	APCD project manager
Technical assistance	Health data analysts

The product types that are produced by using APCD data can include standard or custom data sets and reports, with production times for standard data sets and reports ranging from 10-20 or 10-15 hours, respectively; and production times for custom data sets and reports ranging from 20-125 or 20-300 hours, respectively.

#### LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284

The Department identified this budget request as theory-informed, because there are identified measurable outputs and an identified theory of change. Pursuant to S.B. 21-284, the definition of a theory-informed program or practice “reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification of a theory of change, or equivalent measures.”

The question of whether or not this budget request should be identified as meeting a level of evidence depends upon the answers to two questions:

- 1) How does one define “theory of change?” and
- 2) Is the use of data to support evidence in and of itself an evidence-based practice?

#### DEFINING “THEORY OF CHANGE”

As JBC staff has worked to implement the provisions of S.B. 21-284, differing opinions in certain premises have been identified, the most concerning of which is the assumed definition of “theory of change.” In its annual budget instructions to state departments, the Office of State Planning and Budgeting (OSPB) identifies the “theory of change” as an outline of “the intended link between a program’s activities and how this will lead to progress towards the program’s objective” and explains that it “begins by identifying the intended objective and then works backward to map the necessary inputs and activities to achieve that objective.” On the other hand, JBC staff uses the definition provided by the United Nations (UN) Development Group which states that “a theory of change is a method that explains how a given intervention, or set of interventions, is expected to lead to specific outcomes, drawing on a causal analysis based on available evidence.”<sup>15</sup>

JBC staff does not agree that the information provided to executive branch departments concerning the theory of change is a definition, but believes that it is rather a planning process through which the department would develop a logic model for project implementation. Because “theory of change” is not defined in S.B. 21-284, however, each branch was left to develop its own definition. A further challenge lies in the fact that “theory of change” is included in the statutory definition of “theory-

<sup>15</sup> <https://unsdg.un.org/sites/default/files/UNDG-UNDAF-Companion-Pieces-7-Theory-of-Change.pdf>, pg. 4.

informed program or practice.” The OSPB posits that, under its definition, a “theory of change” does not require data; but the fact that the phrase is embedded in the “theory-informed” definition in the bill, implies that quantitative data is an essential component of the supporting information. For without quantitative data, the program or practice would be “opinion-based” at best.

JBC staff will work with the OSPB to reach an agreement concerning the use of “theory of change.” Staff suggests two options:

- Establish a definition in the State of Colorado that describes a “theory of change” as a more foundational plan for implementation of a program or practice and remove the language from the statutory definition of “theory-informed program or practice.” This will require legislation and will also require a modification of the cross-walk between the OSPB steps for building evidence as reflected in its “evidence continuum,” specifically removing Step 1 from the link between the continuum and any definition in statute. JBC staff does not recommend this option.
- Establish a definition for “theory of change” that aligns with its use by the UN, modify the cross-walk between the OSPB continuum and statutory definitions by removing Step 1 of the continuum from any crosswalk, and relabel the logic model process required of each department. JBC staff recommends this approach and recommends that the definition be codified in statute.

Because JBC staff generally evaluates executive branch budget requests in the context of the second option, staff does not believe that this budget request can be labeled “evidence-informed” purely on the basis of the identification of a “theory of change.”

#### **USE OF DATA AS AN EVIDENCE-BASED PRACTICE**

In his Oxford Review brief entitled “What’s the Difference Between Data and Evidence? Evidence Based Practice,” Dr. David Wilkinson is clear in pointing out that “One of the cornerstones of evidence-based practice is understanding the difference between data and evidence. When people in an organisation understand this distinction between data and evidence, we tend to find evidence-based practice not only starts to become real, but also it enables people to make better decisions and judgements, and you may be surprised to find that people also become much more adaptable and flexible as well.”<sup>16</sup> The key, however, is that “data” and “evidence” are not the same thing. Assuming that “data” in and of itself is “evidence” implies that the data construct is correct, that everything about it is both “valid” and “reliable”, and that it is directly equivalent with “fact.” While data has no meaning without context, “evidence” only exists when there is an argument for or against something (a hypothesis). In these cases, data can be used to support or discount the hypothesis.<sup>17</sup>

JBC staff would argue that, within the context of evidence-based decisions concerning the budget, the importance of this decision item and the requested funding is specifically related to the access to the data and the subsequent use of it to support or discount hypotheses related to fundable (or not-so-fundable) healthcare-related programs or practices in the State of Colorado. Staff believes that assigning a level of evidence to this decision item is “not applicable” pursuant to S.B. 21-284, but that the value of the data analysis made available through CIVHC cannot be discounted. As a matter of fact, staff would argue that it is more valuable with the enactment of S.B. 21-284 and that data and the associated analysis might better inform JBC staff analyses of health related budget requests in the future were funding made available for that purpose.

<sup>16</sup> <https://oxford-review.com/data-v-evidence/#dataevidence>.

<sup>17</sup> Ibid.



Given the importance of data in supporting the implementation of S.B. 21-284, JBC staff recommends full restoration of funding that was cut during FY 2020-21 budget balancing.

→ BA9 eCONSULT PROGRAM IMPLEMENTATION

DEPARTMENT REQUEST

During the FY 2021-22 supplemental process, the Department requested a decrease of \$150,000 total funds, including \$49,500 General Fund and \$25,500 cash funds from the Healthcare Affordability and Sustainability Fee Cash Fund, to account for changes in federal policy concerning the implementation of the eConsult program. The FY 2022-23 adjustment is an increase of \$221,516 total funds, including \$76,774 General Fund and \$111,195 cash funds, relative to the Department’s supplemental bill (H.B. 22-1173).

JBC STAFF RECOMMENDATION

Staff recommends approval of the Department’s request. The JBC previously approved the Department’s supplemental budget request.

BACKGROUND INFORMATION

The eConsult program is intended to allow a patient’s primary care provider (PCP) to consult a specialist for the diagnosis and/or management of the patient’s health, without the patient having to meet with the specialist face-to-face. The Department planned on directly reimbursing specialists for consultations with PCPs, however, the Centers for Medicare and Medicaid Services (CMS) has not authorized this policy and informed the Department that physician-to-physician consultation is not a distinct medical service that qualifies as medical assistance under 1905(a) of the Social Security Act. As a result, it is not coverable under the Medicaid State Plan. The Department is working with CMS to develop a new reimbursement methodology, requiring an adjustment to funding identified in the Department’s original request. The Department expects a September 1, 2022 implementation date of the changes and requests the following:

- A true-up concerning the federal financial participation rate to reflect the administrative match rate for specialist reimbursements as opposed to a service rate;
- A shift of quality and clinical review funds from FY 2021-22 and FY 2022-23 to FY 2022-23 and FY 2023-24; and
- An extension of term-limited FTE through FY 2023-24.

The FY 2021-22 fiscal impact of the budget request is reflected below.

IMPLEMENT ECONSULT PROGRAM FUNDING ADJUSTMENT FY 2021-22						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Department Staff & Quality Review						
Extension of Term-Limited FTE	\$0	0.0	\$0	\$0	\$0	\$0
True up of Timing for Clinical Review	(150,000)	0.0	(49,500)	(25,500)	0	(75,000)
<b>Subtotal Department Staff &amp; Quality Review</b>	<b>(\$150,000)</b>	<b>0.0</b>	<b>(\$49,500)</b>	<b>(\$25,500)</b>	<b>\$0</b>	<b>(\$75,000)</b>
Service Impacts						
Change in FMAP on Specialist Reimbursements	0	0.0	0	0	0	0
<b>Subtotal Service Impacts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>

IMPLEMENT ECONSULT PROGRAM FUNDING ADJUSTMENT FY 2021-22						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
TOTAL FY 2021-22 REQUEST	(\$150,000)	0.0	(\$49,500)	(\$25,500)	\$0	(\$75,000)

IMPLEMENT ECONSULT PROGRAM FUNDING ADJUSTMENT FY 2022-23						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Department Staff & Quality Review						
Extension of Term-Limited FTE	\$71,517	0.0	\$23,600	\$12,158	\$0	\$35,759
True up of Timing for Clinical Review	0	0.0	0	0	0	0
<b>Subtotal Department Staff &amp; Quality Review</b>	<b>\$71,517</b>	<b>0.0</b>	<b>\$23,600</b>	<b>\$12,158</b>	<b>\$0</b>	<b>\$35,759</b>
Service Impacts						
Change in FMAP on Specialist Reimbursements	0	0.0	3,674	73,537	0	(77,211)
<b>Subtotal Service Impacts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,674</b>	<b>\$73,537</b>	<b>\$0</b>	<b>(77,211)</b>
TOTAL FY 2022-23 REQUEST	\$71,517	0.0	\$27,274	\$85,695	\$0	(\$41,452)

**FEDERAL FINANCIAL PARTICIPATION RATE**

The Department accounted for the delay in program implementation in its November 2021 forecast, therefore, the adjustment related to services is captured in the S1 Medical Services Premiums adjustment discussed previously. The Department originally estimated the federal financial participation rate for specialist reimbursement under the assumption that specialists could be reimbursed directly by the Department. If allowed to do so, the reimbursement rate would have been specific to the eligibility for each member service, and would, therefore, result in a blended rate between 50 and 90 percent. Because CMS determined that since the specialists will not have direct contact with the patient, the consultation does not qualify for direct reimbursement and only qualifies for the 50 percent administrative cost reimbursement rate. The Department’s FY 2022-23 budget amendment includes an adjustment to the match rate.

**ADMINISTRATIVE RESOURCES**

In order for the Department to claim the enhanced federal financial participation rate for the development and maintenance of the eConsult program, the request for proposals and the vendor contract must be reviewed by CMS. The review process has resulted in a delay in the implementation of the program and the Department has shifted the implementation date from January 1, 2022 to September 1, 2022. The Department no longer requires funds for quality and clinical reviews in FY 2021-22. The Department requests a shift of funding appropriated for these purposes forward one year.

As a result of the delayed implementation date, the Department requires an extension of the program’s term-limited Project Coordinator and Business Analyst FTE positions through FY 2023-24. Funding for the Project Coordinator FTE was approved through FY 2021-22 and funding for the Business Analyst was approved through FY 2022-23. While the Department began development of the program on July 1, 2021 as expected, the Department indicates that the Project Coordinator and Business Analyst are necessary to oversee the complete implementation of the program and monitor its functionality throughout implementation.

## → BA10 HCBS ARPA SPENDING AUTHORITY [INCLUDES LONG BILL ADD-ON]

### DEPARTMENT REQUEST

#### FY 2021-22

During the FY 2021-22 supplemental process, the Department requested \$179.0 million total funds, including \$86.7 million cash funds from the Home- and Community-based Services Improvement Fund consisting of funds originating as General Fund, and 53.5 FTE for the implementation of the American Rescue Plan Act Home- and Community-based Services (HCBS) Spending Plan approved by the Centers for Medicare and Medicaid Services (CMS) and the Joint Budget Committee (JBC) in September 2021. This request included roll-forward spending authority for funds through March 31, 2024.

As of February 1, 2022, the Department updated its projections to reflect: the extension of the federal public health emergency through April 15, 2022, including the enhanced 6.2 percent federal match authorized under the Families First Coronavirus Response Act; and the amount of state funds eligible for reinvestment due to the 10.0 percent enhanced HCBS match through March 31, 2022, authorized under the American Rescue Plan Act (ARPA). As a result of the update and based on the actual April 1, through September 30, 2021 expenditures, the Department identified \$6.4 million that can be reinvested in eligible HCBS spending plan initiatives. Finally, the Department has utilized \$383,000 above the amount identified in its FY 2021-22 S10 supplemental budget request.

For FY 2021-22, the Department requests an increase of \$10,407,411 total funds, including \$3,001,430 cash funds from the HCBS Improvement Fund and \$7,405,981 federal Medicaid funds. The Department requests roll-forward spending authority for these additional funds.

#### FY 2022-23

The Department's BA10 request includes a FY 2022-23 increase of \$72,458,817 total funds, including \$66,742,803 cash funds and \$5,716,014 federal funds, and a decrease of 3.4 FTE relative to the Department's supplemental bill (H.B. 22-1173).

Based on the updated projections, the Department requests an additional FY 2022-23 increase of \$6,116,670 total funds, including \$3,683,335 cash funds and \$2,433,335 federal funds. Relative to the Department's supplemental bill, the FY 2022-23 increase totals \$78,575,487 total funds, including \$70,426,138 cash funds and \$8,149,349. The Department requests roll-forward spending authority through March 31, 2024.

### JBC STAFF RECOMMENDATION

JBC staff recommends approval of the Department's request, including FY 2021-22 adjustments, FY 2022-23 appropriations, and roll-forward authority for both fiscal years. The JBC previously approved the Department's supplemental budget request. Line item adjustments for both fiscal years are provided below.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
BA10 AMERICAN RESCUE PLAN ACT HOME- AND COMMUNITY-BASED SERVICES SPENDING PLAN					
FY 2021-22 LONG BILL ADD-ON ADJUSTMENT					
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION					
Personal Services	(\$1,059,605)	\$0	(\$529,803)	\$0	(\$529,802)
Health, Life, and Dental	(136,604)	0	(68,302)	0	(68,302)
Short-term Disability	(1,430)	0	(714)	0	(716)
S.B. 04-257 Amortization Equalization Disbursement	(44,676)	0	(22,338)	0	(22,338)
S.B. 06-235 Supplemental Amortization Equalization Disbursement	(44,676)	0	(22,338)	0	(22,338)
Operating Expenses	(115,695)	0	(57,848)	0	(57,847)
Leased Space	(65,037)	0	(32,518)	0	(32,519)
General Professional Services and Special Projects	2,517,162	0	1,258,581	0	1,258,581
<b>SUBTOTAL, EDO, GENERAL ADMINISTRATION</b>	<b>\$1,049,439</b>	<b>\$0</b>	<b>\$524,720</b>	<b>\$0</b>	<b>\$524,719</b>
EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY CONTRACTS AND PROJECTS					
Medicaid Management Information System Maintenance and Projects	\$749,000	\$0	\$374,500	\$0	\$374,500
MEDICAL SERVICES PREMIUMS					
Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$3,937,984	\$0	\$540,938	\$0	\$3,397,046
OFFICE OF COMMUNITY LIVING					
Adult Comprehensive Waiver Services	\$3,228,007	\$0	\$650,207	\$0	\$2,577,800
Adult Supported Living Waiver Services	394,162	0	29,767	0	364,395
Children's Extensive Support Services	127,034	0	(32,702)	0	159,736
Children's Habilitation Residential Program	64	0	(38)	0	102
Case Management for People with IDD	0	0	(7,682)	0	7,682
<b>SUBTOTAL, OFFICE OF COMMUNITY LIVING</b>	<b>\$3,749,267</b>	<b>\$0</b>	<b>\$639,552</b>	<b>\$0</b>	<b>\$3,109,715</b>
OTHER MEDICAL SERVICES					
ARPA HCBS State-only Funds	\$921,719	\$0	\$921,719	\$0	\$0
<b>TOTAL FY 2021-22, LONG BILL ADD-ON</b>	<b>\$10,407,409</b>	<b>\$0</b>	<b>\$3,001,429</b>	<b>\$0</b>	<b>7,405,980</b>

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
BA10 AMERICAN RESCUE PLAN ACT HOME- AND COMMUNITY-BASED SERVICES SPENDING PLAN						
FY 2022-23 ADJUSTMENT RELATIVE TO H.B. 22-1173 (SUPPLEMENTAL BILL) AND LONG BILL ADD-ON						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
EXECUTIVE DIRECTOR'S OFFICE, GENERAL ADMINISTRATION						
Personal Services	\$1,874,687	\$0	\$937,344	\$0	\$937,343	(3.4)
Health, Life, Dental	255,004	0	127,501	0	127,503	0.0
Short-Term Disability	2,655	0	1,327	0	1,328	0.0
Amortization Equalization Disbursement	83,064	0	41,532	0	41,532	0.0
Supplemental Amortization Equalization Disbursement	83,064	0	41,532	0	41,532	0.0
Operating Expenses	(115,451)	0	(57,725)	0	(57,726)	0.0
Leased Space	175,861	0	87,930	0	87,931	0.0
General Professional Services	11,426,273	0	5,713,137	0	5,713,136	0.0
<b>SUBTOTAL, EDO, GENERAL ADMINISTRATION</b>	<b>\$13,785,157</b>	<b>\$0</b>	<b>\$6,892,578</b>	<b>\$0</b>	<b>\$6,892,579</b>	<b>(3.4)</b>
EXECUTIVE DIRECTOR'S OFFICE, INFORMATION TECHNOLOGY CONTRACTS AND PROJECTS						
Medicaid Management Information Systems Maintenance and Projects	\$3,561,911	\$0	\$1,780,956	\$0	\$1,780,955	0.0

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
BA10 AMERICAN RESCUE PLAN ACT HOME- AND COMMUNITY-BASED SERVICES SPENDING PLAN						
FY 2022-23 ADJUSTMENT RELATIVE TO H.B. 22-1173 (SUPPLEMENTAL BILL) AND LONG BILL ADD-ON						
LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
<b>MEDICAL SERVICES PREMIUMS</b>						
Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$12,221,467	\$0	\$12,705,306	\$0	(\$483,839)	0.0
<b>OFFICE OF COMMUNITY LIVING, MEDICAID PROGRAMS</b>						
Adult Comprehensive Services	\$1,083,793	\$0	\$4,725,595	0	(\$3,641,802)	0.0
Adult Supported Living Services	(1,609,354)	0	(571)	0	(1,608,783)	0.0
Children's Extensive Support	(3,410,849)	0	(1,196,343)	0	(2,214,506)	0.0
Children's Habilitation Residential Program	(2,923)	0	(1,078)	0	(1,845)	0.0
Case Management	132,014	0	111,402	0	20,612	0.0
<b>SUBTOTAL, OFFICE OF COMMUNITY LIVING</b>	<b>(\$3,807,319)</b>	<b>\$0</b>	<b>\$3,639,005</b>	<b>\$0</b>	<b>(\$7,446,324)</b>	<b>0.0</b>
<b>OTHER MEDICAL SERVICES</b>						
ARPA HCBS State-only Programs	\$42,406,863	0	\$42,406,863	0	0	0.0
<b>TOTAL FY 2022-23 LONG BILL ADJUSTMENT</b>	<b>\$68,168,079</b>	<b>\$0</b>	<b>\$67,424,708</b>	<b>\$0</b>	<b>\$743,371</b>	<b>(3.4)</b>

In addition, JBC staff recommends that the additional \$23,786,434 General Fund savings anticipated to be realized above the amount identified in S.B. 21-286 (American Rescue Plan Act Home- and Community-based Services) be transferred into the HCBS Improvement Cash Fund in FY 2021-22 as opposed to FY 2022-23.

## BACKGROUND INFORMATION

### *S.B. 21-286 AND JOINT BUDGET COMMITTEE RESPONSIBILITIES*

Senate Bill 21-286 (American Rescue Plan Act Home- and Community-based Services) directs the Department of Health Care Policy and Financing to develop a spending plan for using the enhanced, one-time ten percent federal matching funds received pursuant to the "American Rescue Plan Act of 2021" to enhance, expand, and strengthen Medicaid-eligible home- and community-based services for older adults and people with disabilities. Money from the federal act may be used for home- and community-based services, as defined in the federal act, including home health-care services, personal care services, PACE services, waiver services, case management services, and rehabilitative services.

### *S.B. 21-286 SPENDING PLAN*

Section 9817 of the American Rescue Plan Act (ARPA) increases the federal medical assistance percentage (FMAP) for Medicaid Home and Community-based Services (HCBS) spending by 10 percentage points from April 1, 2021 through March 31, 2022. States have until March 31, 2024 to spend the funds. Colorado's HCBS refers to all services eligible for the enhanced FMAP authorized in Section 9817, including:

- 1915 (c) Home and Community-Based Waiver Programs
- Home Health Care
- Personal Care Services
- Self-Directed Personal Care Services
- Case Management
- Rehabilitative Services, including Behavioral Health Services
- Private Duty Nursing

- Alternative Benefit Plans
- Program for All Inclusive Care for the Elderly (PACE)

To implement the spending plan, S.B. 21-286 transferred \$260.7 million from the General Fund to the Home- and Community-based Services (HCBS) Improvement Fund and \$19,830,918 from the Healthcare Affordability and Sustainability (HAS) Fee Cash Fund into the ARPA HCBS Account in the HAS Fee Cash Fund. As of February 28, 2022, the savings due to the enhanced match is greater than the amount transferred, requiring the remaining amount to be transferred to the fund as well. **The Department reports that the General Fund savings is now anticipated to be \$284,516,533, requiring an addition \$23,786,434 General Fund to be transferred to the HCBS Improvement Fund. This obligation will need to be reflected in the General Fund overview. JBC staff recommends that the funds be transferred in FY 2021-22 when there is excess General Fund to cover it.**

As a result of the increased federal match for eligible services and the one-time opportunity to compound the federal match through March 31, 2022, the implementation of the Department’s spending plan requires spending authority across three state fiscal years (FY 2021-22 through FY 2023-24) totaling \$512.3 million total funds, including \$266.7 million from the HCBS Improvement Fund, \$20.7 million from the ARPA HCBS Account in the HAS Fee Cash Fund, and \$224.9 million federal funds

The Department identified eight categories of initiatives that are intended to: “supercharge existing initiatives, support the COVID-19 response and recovery, foster innovation and long-term transformative change, and increase quality and good fiscal stewardship.” The categories and associated funding are identified in the following table:

AMERICAN RESCUE PLAN ACT SPENDING PLAN S.B. 21-286					
PROJECT AREA	TOTAL FUNDS	FTE	SFY 2021-22	SFY 2022-23	SFY 2023-24
Strengthen the Workforce & Enhance Rural Sustainability	\$261,818,206	5.8	\$114,806,552	\$139,978,050	\$7,033,604
Improve Crisis & Acute Services	17,220,077	3.0	658,780	9,192,169	7,369,129
Improve Access to HCBS for Underserved Populations	56,525,872	5.5	6,924,288	25,650,174	23,951,410
Support Post-COVID Recovery and HCBS Innovation	63,509,043	9.5	20,554,509	27,769,936	15,184,598
Strengthen Case Management Redesign	10,675,745	4.0	3,669,922	4,125,314	2,880,509
Invest in Tools & Technology	78,608,869	10.0	25,656,462	34,381,484	18,570,923
Expand Emergency Preparedness	8,471,750	0.0	4,248,375	4,223,375	0
Enhance Quality Outcomes	6,481,726	7.3	1,833,171	3,032,615	1,615,941
Department Administrative Overhead	8,949,321	13.5	1,393,816	3,851,986	3,703,519
<b>TOTAL</b>	<b>\$512,260,609</b>	<b>58.5</b>	<b>\$179,745,873</b>	<b>\$252,205,103</b>	<b>\$80,309,633</b>

The cost of spending plan implementation and funding eligible for a federal match are identified below.

AMERICAN RESCUE PLAN ACT SPENDING PLAN SUMMARY BY FUND SOURCE					
ITEM	TOTAL FUNDS	FTE	SFY 2021-22	SFY 2022-23	SFY 2023-24
<b>Total Admin Cost</b>	<b>\$142,427,189</b>	<b>54.5</b>	<b>\$46,914,819</b>	<b>\$62,936,576</b>	<b>\$32,575,792</b>

AMERICAN RESCUE PLAN ACT SPENDING PLAN SUMMARY BY FUND SOURCE					
ITEM	TOTAL FUNDS	FTE	SFY 2021-22	SFY 2022-23	SFY 2023-24
ARPA Cash Fund	\$71,213,594		\$23,457,409	\$31,468,288	\$16,287,896
Federal Funds	\$71,213,595		\$23,457,410	\$31,468,289	\$16,287,896
FMAP	50.00%		50.00%	50.00%	50.00%
<b>Services Total Impact</b>	<b>\$255,165,173</b>	<b>0.0</b>	<b>\$119,570,077</b>	<b>\$133,928,969</b>	<b>\$1,666,667</b>
ARPA Cash Fund	\$118,108,754		\$50,310,937	\$66,964,484	\$833,333
Federal Funds	\$137,056,960		\$69,259,141	\$66,964,485	\$833,334
FMAP	53.71%		57.92%	50.00%	50.00%
<b>State Only Impact</b>	<b>\$114,667,706</b>	<b>4.0</b>	<b>\$13,260,976</b>	<b>\$55,339,558</b>	<b>\$46,067,172</b>
ARPA Cash Fund	\$114,667,706		\$13,260,976	\$55,339,558	\$46,067,172
Federal Funds	\$0		\$0	\$0	\$0
FMAP	0.00%		0.00%	0.00%	0.00%
<b>Total Funds</b>	<b>\$512,260,609</b>	<b>58.5</b>	<b>\$179,745,873</b>	<b>\$252,205,103</b>	<b>\$80,309,631</b>
<b>Total ARPA Cash Fund</b>	<b>\$303,990,054</b>		<b>\$87,029,322</b>	<b>\$153,772,330</b>	<b>\$63,188,401</b>
<b>Total Federal Funds</b>	<b>\$208,270,556</b>		<b>\$92,716,551</b>	<b>\$98,432,774</b>	<b>\$17,121,230</b>
Total Funds - Appropriated through SB 21-286	\$2,273,882	5.0	\$757,686	\$758,098	\$758,098
ARPA Cash Fund - Appropriated through SB 21-286	\$1,136,941		\$378,843	\$379,049	\$379,049
Federal Funds - Appropriated through SB 21-286	\$1,136,941		\$378,843	\$379,049	\$379,049
<b>Incremental Total Funds</b>	<b>\$509,986,725</b>	<b>53.5</b>	<b>\$178,988,187</b>	<b>\$251,447,005</b>	<b>\$79,551,533</b>
<b>Incremental Cash Funds</b>	<b>\$302,853,112</b>		<b>\$86,650,479</b>	<b>\$153,393,281</b>	<b>\$62,809,352</b>
<b>Incremental Federal Funds</b>	<b>\$207,133,613</b>		<b>\$92,337,708</b>	<b>\$98,053,724</b>	<b>\$16,742,181</b>

*SPENDING AUTHORITY*

Senate Bill 21-286 authorized the Department to make expenditures identified in the approved spending plan, however the temporary spending authority resulting from approval of the plan expired when the required FY 2021-22 supplemental appropriation bill is enacted. Spending authority for FY 2022-23 and beyond will be requested through the regular budget process and provided in the Long Appropriations Bill. Commencing November 1, 2021, and quarterly thereafter, the bill requires the Department to submit to the JBC expenditure reports concerning the use of the money received pursuant to the federal act. Statutory provisions of S.B. 21-286 are repealed effective July 1, 2025.

In addition to the projected expenditures identified above, as of February 1, 2022, the Department identified additional revenue that will increase the funding available to implement the spending plan.

QUARTER	PREVIOUSLY PROJECTED SAVINGS	TOTAL SAVINGS IDENTIFIED TO DATE	DIFFERENCE IN SAVINGS
SFY 2021 Q4	\$71,641,808	\$76,934,521	\$5,292,713
SFY 2022 Q1	\$77,576,976	78,672,137	1,095,161
Total Savings	\$149,218,784	\$155,606,658	\$6,387,874
Previously Unallocated Savings			382,681
Total Increase in State Funds Available			\$6,770,555

The additional funding will be allocated to the following spending plan initiatives across three fiscal years.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING REQUESTED SPENDING PLAN ADJUSTMENT ABOVE S10/BA10			
Requested Changes	Total Funds	Cash Funds	Federal Funds
FY 2021-22	\$10,407,411	\$3,001,430	\$7,405,981
FY 2022-23	6,116,670	3,683,335	2,433,335
FY 2023-24	171,580	85,790	85,789
<b>Total</b>	<b>\$16,695,661</b>	<b>\$6,770,555</b>	<b>\$9,925,105</b>

PROJECT NAME	REASON FOR ADJUSTMENT	AMOUNT
1.01. Increase Payments to Providers & Workers	To align with the fiscal year and contract timelines, the 2.11% rate increase for Case Management Agencies will be extended to June 30, 2023 (from March 31, 2023).	\$475,963
1.01 Increase Payments to Providers & Workers	The 2.11% rate increase for HCBS providers will be extended to July 31, 2022 (from March 31, 2022).	10,249,669
1.05. Establish a Training Fund	To further support training for the HCBS workforce, additional funds were added to offer further training opportunities for behavioral health workers focused on skill building, upskilling and peer supports.	1,000,000
1.06. Career Pathways	The original budget projected that this project and spending would not begin until July 2022. The work is planned to begin sooner, so additional funds were added to account for that.	170,000
3.06. Expand the Behavioral Health Safety Net	As the scope of work was further developed, the proposed budget exceeded initial projections, requiring additional funds. Additionally, the scope of the project was expanded to include helping Community Mental Health Centers (CMHCs) to improve their financial reporting to include more information to support analysis of cost and efficiency.	350,000
4.04. Alternative Care Facility Tiered Rates & Benefits	The scope of this project was expanded to include tiered rates analysis for two additional setting types, Qualified Residential Treatment Programs (QRTPs) and Residential Child Care Facility Programs (RCCFs).	300,000
4.07. New Systems of Care	An additional component was added to the original project scope to include mapping core competencies for Regional Accountable Entities (RAEs) to improve care for the LTSS population and better coordinate activities between RAEs and Case Management Agencies (CMAs).	250,000
5.01. Case Management Capacity Building	During the project team's research of the cost for devices which have the functionality needed for the new case management system, the projected budget exceeded projections, requiring additional funds.	500,000
5.03. Case Management Rates	As the scope of work for this project was further developed, the proposed budget exceeded initial projections, requiring additional funds.	100,000
6.06 HCBS Provider Digital Transformation	An additional component was added to this project, prioritizing the technology needs of County Departments of Human Services and Single-Entry Points, who make eligibility determinations. Funds will focus on ensuring cybersecurity measures are in place to protect member information.	3,486,008
6.08. Care & Case Management System Investments	Additional funds will be used to expand the scope of work to enhance the care and case management system to allow for automation of Consumer Directed Attendant Support Services (CDASS) prior authorization request revisions. Funds will also be used to build an interface between the interchange system and the Financial Management Services (FMS) vendor portals to allow real-time updates for the vendors.	700,000
Department Administrative Overhead Costs	To ensure appropriate monitoring and oversight of our ARPA efforts, the Department has added funds to support a contractor who will perform ongoing monitoring of our ARPA initiatives for compliance.	620,974
Adjustments to Full Time Employee Costs	The Department updated estimates on FTE costs based on revised expectations on hiring dates.	(1,506,953)
<b>TOTAL PROPOSED CHANGES</b>		<b>\$16,695,661</b>

The Department requests roll-forward spending authority throughout implementation of the plan.



→ BA13 CONNECT FOR HEALTH COLORADO

DEPARTMENT REQUEST

During the FY 2021-22 supplemental process, the Department requested an increase of \$2,266,230 total funds, including \$1,546,809 cash funds from certified public expenditures. This request included a FY 2022-23 adjustment to align federal funds with current costs. The FY 2022-23 adjustment is a decrease of \$2,266,230 total funds, including \$1,004,323 cash funds and \$1,261,907 federal funds, relative to the Department’s supplemental bill (H.B. 22-1173).

JBC STAFF RECOMMENDATION

JBC staff recommends approval of the Department’s request. The JBC previously approved the Department’s supplemental budget request.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING BA13 CONNECT FOR HEALTH COLORADO						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
FY 2021-22 Supplemental adjustment (H.B. 22-1173)	\$2,266,230	\$0	\$0	\$1,546,809	\$0	\$719,421
FY 2022-23 match rate adjustment	0	0.0	0	542,486	0	(542,486)
NET FY 2022-23 LONG BILL ADJUSTMENT	(\$2,266,230)	0.0	\$0	(\$1,004,323)	\$0	(\$1,261,907)
FY 2023-24 adjustment (annualization)	\$0	0.0	\$0	\$569,610	\$0	(\$569,610)
FY 2024-25 adjustment (annualization)	\$532,136	0	\$0	\$807,475	\$0	(\$275,339)

BACKGROUND INFORMATION

Connect for Health Colorado assists individuals, families, and small employers across Colorado with applying for health insurance and enrolling in qualified health plans. Eligibility determination for Medicaid and the Child Health Plan Plus (CHP+) supports Connect for Health operations because in order to be eligible for financial assistance through it, federal law requires that a person be determined to be ineligible for Medicaid or CHP+. Under an agreement approved by the General Assembly in FY 2016-17, when Connect for Health spends local tax revenues on administrative costs related to eligibility determinations for Medicaid and the Children's Basic Health Plan (CHP+) the Department certifies these public expenditures to draw federal matching funds. The federal funds are then distributed to Connect for Health. No state General Fund is spent, because the state match for the federal Medicaid dollars comes from the local tax revenue collected by Connect for Health.

Certifying public expenditures to the federal government is an administratively intensive process that requires significant funds documentation and a random moment time study to allocate customer service center staff time attributable to Medicaid and CHP+. There is typically a delay of several quarters between when costs are incurred and when the reconciliation process is complete to certify the expenditures and make the payments of federal funds. The amount that can be certified as public expenditures depends on the total spending and the allocation of time by Connect for Health, rather than on decisions by the Department. The appropriation is based on the Department's estimate of certified public expenditures by Connect for Health.

FY 2019-20 Connect for Health costs were higher than anticipated, resulting in insufficient spending authority in FY 2021-22. The increase in costs results from the move of certain functions from the customer service center to the medical assistance site. This move resulted in a change in the methodology for calculating costs for those functions as customer service center site functions are

calculated based on random moment sampling and the medical assistance site costs are based on a county eligibility determinations performed. The FY 2021-22 request was due to the fact that the Department used FY 2020-21 spending authority to cover FY 2019-20 costs and using FY 2021-22 spending authority to cover extra FY 2020-21 expenditures. In addition to the increased costs, the shift of these functions from the customer service center to the medical assistance site means that the federal financial participation match rate has to be adjusted from 75 percent to 50 percent, requiring a net zero fund type adjustment in FY 2022-23.

CONNECT FOR HEALTH COLORADO SPENDING AUTHORITY VERSUS COSTS			
DESCRIPTION	TOTAL FUNDS	CASH FUNDS	FEDERAL FUNDS
FY 2018-19			
Spending Authority	\$5,144,208	\$1,790,457	\$3,353,751
Actual Costs	8,338,841	3,281,157	5,057,684
Federal Funds Left in Payable	424,376	0	424,376
Spending Authority Surplus/(Shortfall)	(\$3,619,009)	(\$1,490,700)	(\$2,128,309)
FY 2019-20			
Spending Authority	\$5,144,208	\$1,790,457	\$3,353,751
Actual Costs	10,025,010	4,478,201	5,546,809
Federal Funds Left in Payable	354,134	0	354,134
Spending Authority Surplus/(Shortfall)	(\$5,234,936)	(\$2,687,744)	(\$2,547,192)
FY 2020-21			
Spending Authority	\$15,999,780	\$6,762,934	\$9,236,846
Estimated Costs	8,093,537	3,614,646	4,478,891
Estimated Federal Funds Left in Payable	1,318,528	0	1,318,528
Spending Authority Surplus/(Shortfall)	\$6,587,715	\$3,148,288	\$3,439,427
FY 2021-22			
Spending Authority	\$9,653,251	\$3,798,350	\$5,854,901
FY 2021-22 Estimated Costs	9,653,251	4,315,003	5,338,248
Spending Authority Surplus/(Shortfall)	\$0	(\$516,653)	\$516,653
FY 2022-23			
Expected Spending Authority	\$10,135,914	\$3,988,268	\$6,147,646
Estimated Costs	10,135,914	4,530,754	5,605,160
Spending Authority Surplus/(Shortfall)	\$0	(\$542,486)	\$542,486

The FY 2022-23 adjustment relative to the Department’s supplemental bill (H.B. 22-1173) is provided below.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING BA13 CONNECT FOR HEALTH COLORADO						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS
FY 2021-22 Supplemental adjustment (H.B. 22-1173)	\$2,266,230	0.0	\$0	\$1,546,809	\$0	\$719,421
FY 2022-23 match rate adjustment	0	0.0	0	542,486	0	(542,486)
NET FY 2022-23 LONG BILL ADJUSTMENT	(\$2,266,230)	0.0	\$0	(\$1,004,323)	\$0	(\$1,261,907)

**→ BA14 CENTRALIZED ELIGIBILITY VENDOR**

**DEPARTMENT REQUEST**

During the FY 2021-22 supplemental process, the Department requested an increase of \$1,392,822 total funds, including \$675,562 cash funds from the Healthcare Affordability and Sustainability Fee and Children’s Basic Health Plan cash funds. This request included a similar adjustment for FY 2022-23 and ongoing to reimburse the Department’s centralized eligibility vendor for eligibility and

enrollment services provided to applicants and clients eligible for Medicaid and the Child Health Plan Plus. The FY 2022-23 adjustment is a decrease of \$274,695 total funds, including \$129,917 cash funds and \$144,778 federal funds, relative to the Department’s supplemental bill (H.B. 22-1173)

**JBC STAFF RECOMMENDATION**

JBC staff recommends approval of the Department’s request. The JBC previously approved the Department’s supplemental budget request.

**BACKGROUND INFORMATION**

The vendor provides centralized eligibility and enrollment services to applicants and clients eligible for Medicaid and the Child Health Plan Plus (CHP+). Services include a customer service center, eligibility determination and case maintenance for Medicaid Buy-in programs, administration of Medicaid Buy-In premium payments and CHP+ enrollment fees, and resolution of eligibility-related disputes. The Centers for Medicare and Medicaid Services (CMS) required the Department to change the vendor’s cost allocation methodology and increase the indirect cost rate from 10 to 33 percent of the vendor’s total direct costs. This indirect cost rate is determined by CMS and not by the Department.

The centralized eligibility vendor is reimbursed according to a cost allocation methodology approved by CMS in the department’s Public Assistance Cost Allocation Plan (PACAP) pursuant to 42 CFR 433.34. The methodology requires the vendor to report the direct cost of providing services including salaries, benefits, supplies, and travel. The direct cost is then inflated by an indirect cost rate to account for overhead and general administrative expenses. Finally, the total of the direct and indirect costs is split into a state and federal share of costs using a federal financial participation (FFP) rate. The FFP rate is determined by an ongoing random moment time study conducted on vendor staff to estimate time spent on different activities. Some activities are eligible for a 75 percent enhanced Medicaid administration FFP rate such as reviewing applications and processing eligibility determinations; some are eligible for a 50 percent standard Medicaid administration FFP rate such as staff training and general administration; and some are eligible for a variable CHP+ FFP rate such as processing manual enrollment and disenrollment for CHP+.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING BA14 CENTRALIZED ELIGIBILITY VENDOR RATE CHANGE						
ITEM	TOTAL FUNDS	FTE	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Centralized Eligibility Vendor - FY 2021-22 Adjustment						
H.B. 22-1173 (SUPPLEMENTAL BILL)	\$1,392,822	0.0	\$0	\$675,562	\$0	\$717,260
Centralized Eligibility Vendor - Estimated Annual Cost Increase for FY 2022-23 and Ongoing						
Medicaid Share	\$1,028,677	0.0	\$0	\$514,338	\$0	\$514,339
CHP+ Share	89,450	0.0	0	31,307	0	58,143
TOTAL FY 2022-23 REQUEST	\$1,118,127	0.0	\$0	\$545,645	\$0	572,482
NET FY 2022-23 LONG BILL ADJUSTMENT	(\$274,695)	0.0	\$0	(\$129,917)	\$0	(\$144,778)

**→ BA15 MOVE RX IMPORTATION FUNDING FROM OIT TO GPS****DEPARTMENT REQUEST**

The Department requests a change in the line item into which the information technology appropriation for the Drug Importation Program is reflected. The Department requests a decrease of \$296,160 General Fund in the Payments to OIT line item and a corresponding increase in the General Professional Services line item in FY 2022-23 and ongoing.

**JBC STAFF RECOMMENDATION**

JBC Staff recommends approval of the Department's FY 2022-23 request. The JBC previously approved the adjustment in the FY 2021-22 department supplemental bill. Staff requests permission to reflect Committee action in the reappropriated funds spending authority in the Office of Information Technology supplemental bill.

**BACKGROUND INFORMATION**

The Federal Food Drug and Cosmetic Act Section 804 permits importation and reimportation of prescription drugs from Canada by a pharmacist or wholesaler, provided the drugs meet certain minimum standards, will pose no additional risk to the public's health and safety, and results in a significant reduction in costs to consumers. Senate Bill 19-005 (Import Prescription Drugs from Canada) created the Drug Importation Program. The fiscal note for the bill reflected the need for a FY 2020-21 appropriation of \$296,160 General Fund to the Department of Health Care Policy and Financing for modifications to information systems in order to capture data related to the program. The initial appropriation was made in the Payments to OIT line item and corresponding reappropriated funds appropriation was reflected in the Governor's Office of Information Technology (OIT).

The fiscal note for S.B. 19-005 indicates that the Department will work with OIT to design data systems needed to support the drug importation program, including data collection, fee tracking, connectivity with contracted wholesalers, and other functions. During the information technology invitation-to-negotiate phase, the Department determined that the current contractor has the infrastructure and pharmacy experience necessary to develop and implement the data collection, fee tracking, and connectivity deliverables of the project and would therefore be better suited than the OIT to assist with the implementation of the program. This request will allow all Drug Importation Program deliverables to be integrated into one contract, improving efficiency in design, development, and implementation. The request will reduce the need for OIT support and coordination of deliverables between multiple contractors, streamlining contract management without disrupting the program implementation timeline.

**→ BA17/S17 REMOVE CUSOM CLINICAL REVENUE FUNDING [INCLUDES LONG BILL ADD-ON]****DEPARTMENT REQUEST**

The Department requests a FY 2021-22 and ongoing reduction of \$26.2 million total funds, including \$11.5 million cash funds from an intergovernmental transfer of clinical revenue from the University of Colorado School of Medicine. The request to create this transfer was initiated by the University

and approved during FY 2021-22 comeback presentations by the Office of State Planning and Budgeting.

### JBC STAFF RECOMMENDATION

The Department's request eliminates funding for Medical Diversity Scholarships and the support for the Aurora Community Health Commons. Both of these are identified by JBC staff as evidence-informed policies or practices. Staff considered the merits of each initiative through that lens and believes there is value in funding both of them, however, at this time staff recommends a refinance of the cash funds used for the Medical Diversity Scholarships with General Fund in FY 2021-22 and FY 2022-23, including:

- FY 2021-22 appropriation: \$3,500,000 total funds, including \$1,533,000 General Fund and \$1,967,000 federal funds;
- FY 2022-23 annualization: \$3,500,000 total funds, including \$1,750,000 General Fund and \$1,750,000 federal funds.

JBC staff recommends reconsideration of the funding during the FY 2023-24 budget cycle.

In addition, JBC staff recommends approval of the Department's request for a reduction of \$153,064 total funds and 2.0 FTE.

### BACKGROUND INFORMATION

During the 2021 legislation session, the University School of Medicine proposed using federal matching funds for new programs that would expand access to health care. Through a State Plan amendment that was approved by the Centers for Medicare and Medicaid Services (CMS), additional federal funds are able to be captured under a program only available to public medical schools. Capturing the federal funds requires the School of Medicine to make a payment to the State of Colorado. Because these funds are used to pay for Medicaid eligible activities, programs, and services, the Department makes a payment to the School of Medicine equal to the initial payment made to the State plus the federal matching funds.

The initial School of Medicine investment of \$11.5 million would be returned to the School's operating budget and the \$14.7 million of matching federal funds would be used to create new programs to improve access to health care. The FY 2021-22 and FY 2022-23 appropriation to the Medical Services Premiums line item includes \$26,229,678 total funds, including \$11,488,599 cash funds from the School of Medicine and \$14,741,079 federal Medicaid funds. At the time of the request, the School of Medicine proposed that the funding be time limited, because the initiative would increase TABOR revenue to the state.

### ANALYSIS

The School of Medicine proposal included five components:

- Aurora Community Health Commons – A one-time investment of \$11.2 million to support the development of the Commons in order to expand access to primary and specialty care, address community needs, develop and implement evaluation methods to inform health equity change, and provide inter-professional training;
- Education – A \$10.5 million investment over four years (\$3.5 million per year) to provide full or half tuition scholarships to improve medical student diversity; and additional funding to

implement an undergraduate health sciences curriculum and to fund a Longitudinally Integrated Clerkship at Salud Family Health Centers.

- Community Wealth Building and Workforce Development – Implementation of training programs for dental assistants, doulas, pharmacy technicians, community health workers, and administrative support, and to provide scholarships for the Medical Assistant Advancement Program;
- Community Engagement and Outreach, including social determinants of health; and
- Telehealth.

Of the five components, the \$14.7 million in federal funds was allocated to the one-time investment in the Aurora Community Health Commons and the Medical Student Diversity Scholarships. The four-year scholarships have been awarded for the entrants in the current academic year. The School of Medicine will honor these awards, however additional four-year scholarships will not be awarded in the next academic year. Because the School of Medicine will cover the cost of these awards over the next four years, the School will be required to reduce expenditures in other areas, including work that is being done in the area of unhoused and jail-to-community transitions. The School of Medicine anticipates a delay in the development of the Aurora Wellness Community and is concerned about the negative impact those residents who currently do not have access to primary health care.

### **TABOR**

During the December 2021 Legislative Council Staff economic forecast, it was reported that “the ongoing economic and jobs recovery from the COVID-19 recession will increase General Fund revenue collections by a projected 11.7 percent above year-ago levels. Based on the enacted budget and before adjustments for any supplemental appropriations, the General Fund is projected to end the year with a 28.4 percent reserve, \$1.85 billion above the required 13.4 percent reserve. Revenue subject to TABOR is expected to exceed the Referendum C cap by \$1.9 billion.” The \$11.5 million cash funds transferred from the School of Medicine represents 0.6 percent of this amount.

### **DEPARTMENT FTE**

The initial appropriation included approximately \$150,000 total funds for 2.0 temporary FTE, responsible for calculating School of Medicine performance metrics, validating data, measuring provider enrollment and member access, holding the School of Medicine accountable to Department goals, supporting community collaboration efforts and access to care work, and providing program-level support such as meeting and site visit coordination, reporting, and deliverable tracking. The Department’s request includes a reduction in the FY 2022-23 appropriation and a reduction of 2.0 FTE. The Department included in its FY 2022-23 R12 budget request an increase in funding for 2.0 permanent positions through reappropriated General Fund from the Department of Higher Education.

### **LEVEL OF EVIDENCE PURSUANT TO S.B. 21-284**

The Department did not assign a level of evidence to this budget request, however S.B. 21-284 (Evidence-based Evaluations for Budget) does allow for discussions concerning reductions in funding to be evaluated within the context of evidence.

### **AURORA COMMUNITY HEALTH COMMONS**

JBC staff believes that the concept of the Aurora Community Health Commons combines the tenants of both “community-based care” and “integrated care.” In the conference paper prepared for the

International Journal for Quality in Health Care by T. Plonchg and N. S. Klazinga, entitled “Community-based integrated care: myth or must?”, the authors states that “combination of these concepts promotes integration of public health functions, medical care functions, and social services on a local or regional level.”<sup>18</sup> In describing community-based care, Plonchg, et. al., argue that

*Community-based care features a health system that is based upon and driven by community health needs. Moreover, it is tailored to the health beliefs, preferences, and societal values of that community and assures a certain level of ‘community participation’. It is assumed that such a community approach maximizes health outcomes in two way. Firstly, taking the health needs, beliefs, and values of the community as the starting point will result in locally or regionally organized health services that are the most beneficial (given the available resources) for the health status of that community. Secondly, it will enhance the engagement and compliance of communities with their own health care systems.*<sup>19</sup>

The authors describe integrated care as “methods and types of organization that aim to reduce fragmentation in health care delivery by increasing co-ordination and continuity of care between difference institutions.”<sup>20</sup> Finally, the authors posit that distinct rationales exist within the three decision-making categories that influence the complexity of health care systems, including patient care, organizational context, and financing and policy. The differences between how these three categories are approached “can often result in ambiguity of goals, conflicting interests between decision makes, bureaucracy, poor information transfer, and limited use of the available scientific knowledge.”<sup>21</sup> Most importantly, T. Plonchg, et. al., identify community-based integrated care as a promising approach to successfully confronting issues related to increased complexity of health care systems. Complexity that results from the three categories’ differing rationales when addressing cultures, disciplines, and traditions influencing the delivery of health care services.<sup>22</sup>

Senate Bill 21-284 defines an evidence-informed program or practice as one that “reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” While JBC staff did not perform an exhaustive literature review, she believes that implementation of a community-based integrated care model such as the Aurora Community Health Commons qualifies as evidence-informed pursuant to S.B. 21-284.

### **MEDICAL STUDENT DIVERSITY SCHOLARSHIPS**

In their paper entitled “Increasing Racial and Ethnic Diversity Among Physicians: An Intervention to Address Health Disparities?” Raynard Kington, etl. al., reviewed and synthesized the scientific evidence concerning the potential impact of increasing the racial and ethnic diversity of U.S. physicians on racial and ethnic differences in health outcomes. They states that “Strong, compelling evidence suggests that minority physicians are indeed more likely to provide precisely those services that may be most likely to reduce racial and ethnic health disparities, namely primary care services for underserved poor and minority populations.”<sup>23</sup> The authors contend that “the strength of that

<sup>18</sup> Plonchg, T. and N. S. Klazinga, “Community-based integrated care: myth or must?” International Journal for Quality in Health Care 2002; Volume 14, Number 2, pg 91-101.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Kington, Raynard, Diana Tisnado, David M. Carlisle, “Increasing Racial and Ethnic Diversity Among Physicians: An Intervention to Address Health Disparities?”

evidence alone is sufficient to support continued efforts to increase the numbers of physicians from underrepresented minority groups.”

Senate Bill 21-284 defines an evidence-informed program or practice as one that “reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure.” While JBC staff did not perform an exhaustive literature review, she believes that Medical Student Diversity Scholarships qualify as evidence-informed pursuant to S.B. 21-284.

### JBC STAFF CONSIDERATIONS

JBC staff recognizes the challenges associated with increased State revenue and the associated TABOR obligations and offers the following options for consideration:

- The first option would be to approve the Department’s request for both FY 2021-22 and FY 2022-23 based on the understanding that the CU School of Medicine understood the TABOR implications and that when a TABOR refund was imminent, the opportunity to draw down the federal funds would cease. Given that the opportunity ceased at least one year earlier than anticipated, the School of Medicine will be placed at a disadvantage, whereby the four-year scholarship funding will need to be covered with School of Medicine funding alone, the funding to implement a community-based integrated care model will be eliminated, and other programs will experience a reduction in resources.
- The second option is to deny the Department’s request in its entirety for both fiscal years, in which case \$11,488,599 will be counted as State revenue for the purposes of TABOR.
- A third option is to fund the scholarships, but not the amount allocated for the Aurora Community Health Commons. This would provide \$3.5 million total funds, including \$1,533,000 cash funds and \$1,967,000 federal matching funds in FY 2021-22 and \$1,750,000 cash funds and \$1,750,000 federal funds in FY 2022-23 (based on the assumption that the federal public health emergency enhanced match will end June 30, 2022). This would reduce the TABOR impact, but not eliminate it.
- A fourth option is to refinance the CU School of Medicine cash funds with General Fund for the scholarship funds, only, or for both the scholarships and the Commons. This will increase the General Fund expenditures for FY 2021-22 and FY 2022-23 but reduce the TABOR impact.

The options for funding this fourth option are:

- Only refinance the Scholarships with General Fund and eliminate the funding for the Commons:
  - FY 2021-22 appropriation: \$3,500,000 total funds, including \$1,533,000 General Fund and \$1,967,000 federal funds
  - FY 2022-23 annualization: \$3,500,000 total funds, including \$1,750,000 General Fund and \$1,750,000 federal funds
- Refinance both the Scholarships and the Commons with General Fund:
  - FY 2021-22 appropriation: \$26,229,678 total funds, including \$11,488,599 General Fund and \$14,741,079 federal funds
  - FY 2022-23 appropriation: \$3,500,000 total funds, including \$1,750,000 General Fund and \$1,750,000 federal funds

Both the Scholarships and the Commons have been identified by JBC staff as evidence-informed policies or practices. Staff considered the merits of each initiative through that lens and believes there



is value in funding both of them, however, at this time staff recommends a refinance of the cash funds used for the Medical Diversity Scholarships with General Fund in FY 2021-22 and FY 2022-23.

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## NON-PRIORITIZED BUDGET REQUESTS

### → NP3 CSEAP RESOURCE

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$4,680 total funds, including \$2,003 General Fund, for CSEAP services. The prioritized budget request was presented during the Department of Personnel figure setting on February 23, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NP4 PAID FAMILY MEDICAL LEAVE ACT FUNDING

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$138,348 total funds, including \$68,596 General Fund, for temporary staff to cover positions held by employees utilizing the paid family and medical leave benefit. The prioritized budget request was presented during the Total Compensation figure setting on January 28, 2022. Committee action is currently pending.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NP5 ANNUAL FLEET VEHICLE REQUEST

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$7,542 total funds, including \$3,771 General Fund, for fleet vehicle use. The prioritized budget request was presented during the Department of Personnel figure setting on February 23, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NP6 OIT REQUEST PACKAGE

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$48,745 total funds, including \$22,589 General Fund, for Payments to OIT. The prioritized budget request will be presented during the Office of the Governor figure setting on March 1, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NP8 EQUITY OFFICERS

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$216,966 total funds and 2.0 FTE for equity officers requested in the Department of Personnel's (Personnel) prioritized budget request. The prioritized budget request was presented during the Personnel figure setting on February 23, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NPBA1 CBMS ADMINISTRATION ALLOCATION

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$3,477,278 total funds, including \$738,945 General Fund, for administrative costs related to the Colorado Benefits Management System prioritized budget request in the Department of Human Services (DHS). The prioritized budget request was presented during the DHS figure setting on February 23, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NPBA3 COWINS PARTNERSHIP AGREEMENT

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 increase of \$564,979 total funds, including \$280,251 General Fund, for the health, life, and dental adjustment and shift differential and on-call pay funding for the implementation of the Colorado WINS Partnership Agreement. The prioritized budget request was presented during Total Compensation figure setting on January 28, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

### → NPBA4 SAVINGS FROM NURSING FACILITY TRANSITIONS

#### DEPARTMENT REQUEST

The Department's budget request includes a FY 2022-23 reduction of \$3,396,132 total funds, including \$1,698,066 General Fund, for savings from nursing facility transitions. The prioritized budget request was considered during the figure setting presentation for the Department of Local Affairs on February 25, 2022.

#### JBC STAFF RECOMMENDATION

JBC staff requests permission to reflect Committee action concerning the prioritized budget request in the Department's section of the Long Bill.

## (1) EXECUTIVE DIRECTOR'S OFFICE

Line item detail for the Executive Director's Office will be included in the Department of Health Care Policy and Financing figure setting document dated March 9, 2022.

## (2) MEDICAL SERVICES PREMIUMS

Line item detail for Medical Services Premiums will be included in the Department of Health Care Policy and Financing figure setting document dated March 9, 2022.

**(4) OFFICE OF COMMUNITY LIVING**

The Office houses the Division for Intellectual and Developmental Disabilities (IDD) and is responsible for the following functions related to the provision of services by community-based providers to individuals with intellectual and developmental disabilities:

- Administration of four Medicaid waivers for individuals with developmental disabilities;
- Establishment of service reimbursement rates;
- Ensuring compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with community-centered boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

OFFICE OF COMMUNITY LIVING					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>					
S.B. 21-205 (Long Bill)	\$834,240,034	\$340,224,884	\$9,255,237	\$484,759,913	37.5
H.B. 22-1173 (Supplemental Bill)	44,509,474	(22,115,708)	41,362,032	25,263,150	0.0
Long Bill Supplemental	(19,219,212)	(31,817,126)	1,194,726	11,403,188	0.0
<b>TOTAL</b>	<b>\$859,530,296</b>	<b>\$286,292,050</b>	<b>\$51,811,995</b>	<b>\$521,426,251</b>	<b>37.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>					
FY 2021-22 Appropriation	\$859,530,296	\$286,292,050	\$51,811,995	\$521,426,251	37.5
Targeted provider rate adjustments	19,517,431	9,758,720	0	9,758,711	0.0
BA10 HCBS ARPA spending authority	(3,807,319)	0	3,639,005	(7,446,324)	0.0
R5 Office of Community Living	58,545,049	88,872,514	(17,301,874)	(13,025,591)	0.0
R9 OCL program enhancements	1,328,532	1,310,062	0	18,470	0.0
R10 Provide rates	16,457,513	8,287,963	154,448	8,015,102	0.0
Annualize prior year budget actions	23,327,620	13,623,893	(1,845,457)	11,549,184	2.0
Federal match for HCBS	0	54,803,640	0	(54,803,640)	0.0
<b>TOTAL</b>	<b>\$974,899,122</b>	<b>\$462,948,842</b>	<b>\$36,458,117</b>	<b>\$475,492,163</b>	<b>39.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$115,368,826</b>	<b>\$176,656,792</b>	<b>(\$15,353,878)</b>	<b>(\$45,934,088)</b>	<b>2.0</b>
Percentage Change	13.4%	61.7%	(29.6%)	(8.8%)	5.3%
<b>FY 2022-23 EXECUTIVE REQUEST</b>					
Request Above/(Below) Recommendation	(\$1,951,829)	(\$21,330)	(\$1,114,826)	(\$815,673)	0.0

**LINE ITEM DETAIL****(A) DIVISION OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES****(1) ADMINISTRATIVE COSTS****PERSONAL SERVICES**

The Personal Services line item funds the Department's expenditures for FTE and temporary staff who work in the Division of Intellectual and Developmental Disabilities. It was created as a part of H.B. 13-1314 (Transfer Developmental Disabilities to HCPF), which transferred the administration of long-term services for persons with intellectual and developmental disabilities to the Department.

Allocated POTS for the FTE, including salary survey; merit pay; health, life, dental; short-term disability; and amortization and supplemental amortization equalization disbursements are paid through the Executive Director’s Office General Administration POTS appropriations.

*STATUTORY AUTHORITY:* Section 25.5-10-101, C.R.S.

*REQUEST:* The Department requests an appropriation of \$3,469,613 total funds, including \$1,858,480 General Fund and \$1,611,133 federal funds, and 39.5 FTE.

*RECOMMENDATION:* Staff recommends approval of the Department’s request.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$3,469,613	\$1,603,367	\$255,113	\$0	\$1,611,133	37.5
<b>TOTAL</b>	<b>\$3,469,613</b>	<b>\$1,603,367</b>	<b>\$255,113</b>	<b>\$0</b>	<b>\$1,611,133</b>	<b>37.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,469,613	\$1,603,367	\$255,113	\$0	\$1,611,133	37.5
Annualize prior year budget actions	0	255,113	(255,113)	0	0	2.0
<b>TOTAL</b>	<b>\$3,469,613</b>	<b>\$1,858,480</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,611,133</b>	<b>39.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$255,113</b>	<b>(\$255,113)</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
Percentage Change	0.0%	15.9%	(100.0%)	0.0%	0.0%	5.3%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$3,469,613</b>	<b>\$1,858,480</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,611,133</b>	<b>39.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**OPERATING EXPENSES**

The Operating Expenses line item provides for most of the non-personal services costs of the office, including telephones, computers, office furniture, and employees supplies. It supports a number of annual costs such as in- and out-of-state travel, records storage, postage costs, and subscriptions to federal publications.

*STATUTORY AUTHORITY:* Section 25.5-10-101, C.R.S.

*REQUEST:* The Department requests an appropriation of \$281,510 total funds, including \$164,636 General Fund and \$116,874 federal funds.

*RECOMMENDATION:* Staff recommends approval of the Department’s request.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$281,510	\$112,261	\$52,375	\$0	\$116,874	0.0

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$281,510</b>	<b>\$112,261</b>	<b>\$52,375</b>	<b>\$0</b>	<b>\$116,874</b>	<b>0.0</b>
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$281,510	\$112,261	\$52,375	\$0	\$116,874	0.0
Annualize prior year budget actions	0	52,375	(52,375)	0	0	0.0
<b>TOTAL</b>	<b>\$281,510</b>	<b>\$164,636</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,874</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$52,375</b>	<b>(\$52,375)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	46.7%	(100.0%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$281,510</b>	<b>\$164,636</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,874</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**COMMUNITY AND CONTRACT MANAGEMENT SYSTEM**

This line item funds licensing, reporting functions, and some limited information technology support for the Community and Contract Management System (CCMS) that is used to track client demographics and waiting list information and to bill for services for people with intellectual and developmental disabilities. CCMS is used for the purpose of authorizing and billing for services for state funded programs, including the Family Support Services Program and State Supported Living Services.

*STATUTORY AUTHORITY:* Section 25.5-10-204, C.R.S.

*REQUEST:* The Department requests an appropriation of \$137,480 total funds, including \$89,362 General Fund and \$48,118 federal funds.

*RECOMMENDATION:* Staff recommends approval of the Department’s request.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, COMMUNITY AND CONTRACT MANAGEMENT SYSTEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$137,480	\$89,362	\$0	\$0	\$48,118	0.0
<b>TOTAL</b>	<b>\$137,480</b>	<b>\$89,362</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,118</b>	<b>0.0</b>
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$137,480	\$89,362	\$0	\$0	\$48,118	0.0
<b>TOTAL</b>	<b>\$137,480</b>	<b>\$89,362</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,118</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$137,480</b>	<b>\$89,362</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,118</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0



**SUPPORT LEVEL ADMINISTRATION**

The funding in this line item is used to pay for the ongoing costs associated with the administration of support level determination, including the Supports Intensity Scale (SIS), a tool that is used to determine the needs and authorize funding for individuals with developmental disabilities receiving Home- and Community-based Waiver Services through the Supported Living Services or Comprehensive waiver. In addition, to the SIS, two external factors, including *danger to self* and *community safety risk*, are considered when determining an individual’s support level.

*STATUTORY AUTHORITY:* Section 25.5-10-204, C.R.S.

*REQUEST:* The Department requests an appropriation of \$59,317 total funds, including \$29,403 General Fund, \$255 cash funds, and \$29,659 federal funds.

*RECOMMENDATION:* Staff recommends approval of the Department’s request.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, SUPPORT LEVEL ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$59,984	\$29,658	\$255	\$0	\$30,071	0.0
<b>TOTAL</b>	<b>\$59,984</b>	<b>\$29,658</b>	<b>\$255</b>	<b>\$0</b>	<b>\$30,071</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$59,984	\$29,658	\$255	\$0	\$30,071	0.0
Annualize prior year budget actions	(667)	(255)	0	0	(412)	0.0
<b>TOTAL</b>	<b>\$59,317</b>	<b>\$29,403</b>	<b>\$255</b>	<b>\$0</b>	<b>\$29,659</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$667)</b>	<b>(\$255)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$412)</b>	<b>0.0</b>
Percentage Change	(1.1%)	(0.9%)	0.0%	0.0%	(1.4%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$59,317</b>	<b>\$29,403</b>	<b>\$255</b>	<b>\$0</b>	<b>\$29,659</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**(2) MEDICAID PROGRAMS**

**ADULT COMPREHENSIVE WAIVER SERVICES**

This line item funds the costs of the adult Comprehensive Home and Community Based Services Waiver. Through this waiver, services are provided to individuals who require extensive supports to live safely in the community including day habilitation, prevocational services, residential habilitation, supported employment, dental and vision services, behavioral services, non-medical transportation, and specialized medical equipment and supplies.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$705,889,097 total funds, including \$329,890,806 General Fund, \$23,053,742 cash funds, and \$352,944,549 federal funds.

*RECOMMENDATION*

**FY 2021-22:** Staff recommends an appropriation of \$615,641,738 total funds, including \$188,425,770 General Fund, \$36,878,059 cash funds, \$390,337,909 federal funds.

**FY 2022-23:** Staff recommends an appropriation of \$712,616,363 total funds, including \$332,701,018 General Fund, \$23,607,163 cash funds, and \$356,308,182 federal funds.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, ADULT COMPREHENSIVE WAIVER SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$587,780,599	\$235,212,336	\$800,001	\$0	\$351,768,262	0.0
H.B. 22-1173 (Supplemental Bill)	\$36,752,053	(\$24,286,648)	\$35,427,851	\$0	\$25,610,850	0.0
Long Bill Supplemental	(8,890,914)	(22,499,918)	650,207	0	12,958,797	0.0
<b>TOTAL</b>	<b>\$615,641,738</b>	<b>\$188,425,770</b>	<b>\$36,878,059</b>	<b>\$0</b>	<b>\$390,337,909</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$615,641,738	\$188,425,770	\$36,878,059	\$0	\$390,337,909	0.0
R5 Office of Community Living	46,963,478	79,501,124	(18,301,030)	0	(14,236,616)	0.0
Annualize prior year budget actions	22,408,066	11,878,244	284,011	0	10,245,811	0.0
Targeted provider rate adjustments	14,634,056	7,317,029	0	0	7,317,027	0.0
R10 Provider rates	11,896,970	5,927,956	20,528	0	5,948,486	0.0
BA10 HCBS ARPA spending authority	1,083,793	0	4,725,595	0	(3,641,802)	0.0
Federal match for HCBS	0	39,656,764	0	0	(39,656,764)	0.0
R9 OCL Program enhancements	(11,738)	(5,869)	0	0	(5,869)	0.0
<b>TOTAL</b>	<b>\$712,616,363</b>	<b>\$332,701,018</b>	<b>\$23,607,163</b>	<b>\$0</b>	<b>\$356,308,182</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$96,974,625</b>	<b>\$144,275,248</b>	<b>(\$13,270,896)</b>	<b>\$0</b>	<b>(\$34,029,727)</b>	<b>0.0</b>
Percentage Change	15.8%	76.6%	(36.0%)	0.0%	(8.7%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$6,727,266)	(\$2,810,212)	(\$553,421)	\$0	(\$3,363,633)	0.0

**ADULT SUPPORTED LIVING WAIVER SERVICES**

This line item funds the costs of adult supported living services provided through the Home- and Community-based Services Supported Living Services waiver. This waiver provides supported living services in the home or community to persons with intellectual and developmental disabilities. Services include: day habilitation, homemaker, personal care, respite, supported employment, dental and vision services, assistive technology, behavioral services, home accessibility adaptation, mentorship, non-medical transportation, personal emergency response systems, professional therapeutic services, specialized medical equipment and supplies, and vehicle modification. These waiver services are intended to be flexible and individualized based on the needs of each individual and may help avoid or delay the individual's need for services through the comprehensive waiver.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$87,130,257 total funds, including \$34,360,140 General Fund, \$9,204,991 cash funds, and \$43,565,126 federal funds.

*RECOMMENDATION*

**FY 2021-22:** Staff recommends an appropriation of \$75,215,684 total funds, including \$19,279,569 General Fund, \$8,374,658 cash funds, and \$47,561,457 federal funds.

**FY 2022-23:** Staff recommends an appropriation of \$80,658,077 total funds, including \$30,977,592 General Fund, \$9,351,449 cash funds, and \$9,351,449 federal funds.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, ADULT SUPPORTED LIVING WAIVER SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$76,430,552	\$25,813,807	\$4,967,873	\$0	\$45,648,872	0.0
H.B. 22-1173 (Supplemental Bill)	\$7,505,733	(\$505,782)	\$3,010,105	\$0	\$5,001,410	0.0
Long Bill Supplemental	(8,720,601)	(6,028,456)	396,680	0	(3,088,825)	0.0
<b>TOTAL</b>	<b>\$75,215,684</b>	<b>\$19,279,569</b>	<b>\$8,374,658</b>	<b>\$0</b>	<b>\$47,561,457</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$75,215,684	\$19,279,569	\$8,374,658	\$0	\$47,561,457	0.0
Targeted provider rate adjustments	3,276,995	1,638,500	0	0	1,638,495	0.0
Annualize prior year budget actions	2,332,376	1,126,128	14,709	0	1,191,539	0.0
R10 Provide rates	1,417,730	601,179	107,686	0	708,865	0.0
R9 OCL Program enhancements	14,924	7,462	0	0	7,462	0.0
R5 Office of Community Living	9,722	3,236,005	854,967	0	(4,081,250)	0.0
Federal match for HCBS	0	5,088,749	0	0	(5,088,749)	0.0
BA10 HCBS ARPA spending authority	(1,609,354)	0	(571)	0	(1,608,783)	0.0
<b>TOTAL</b>	<b>\$80,658,077</b>	<b>\$30,977,592</b>	<b>\$9,351,449</b>	<b>\$0</b>	<b>\$9,351,449</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,442,393</b>	<b>\$11,698,023</b>	<b>\$976,791</b>	<b>\$0</b>	<b>(\$7,232,421)</b>	<b>0.0</b>
Percentage Change	7.2%	60.7%	11.7%	0.0%	(15.2%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below)						
Recommendation	\$6,472,180	\$3,382,548	(\$146,458)	\$0	\$3,236,090	0.0

**CHILDREN'S EXTENSIVE SUPPORT SERVICES**

This line item funds the costs of children's extensive support services waiver which provides services to families and their children with developmental disabilities whose behavior and/or medical condition require constant supervision, and who are at high risk of out-of-home placements. The services provided through this waiver enable the child to remain in the family home and include: homemaker services, respite, vision care, adapted and therapeutic recreation equipment, equipment and supplies, vehicle modifications, and parent education.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$41,311,840 total funds, including \$19,713,688 General Fund, \$942,233 cash funds, and \$20,655,919 federal funds.

*RECOMMENDATIONS:*

**FY 2021-22:** Staff recommends an appropriation of \$42,289,059 total funds, including \$13,413,358 General Fund, \$2,159,748, and \$26,715,953 federal funds.

**FY 2022-23:** Staff recommends an appropriation of \$42,487,893 total funds, including \$20,280,542 General Fund, \$963,405 cash funds, and \$21,243,946 federal funds.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, CHILDREN'S EXTENSIVE SUPPORT SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$36,844,096	\$14,596,925	\$0	\$0	\$22,247,171	0.0
H.B. 22-1173 (Supplemental Bill)	\$4,695,918	(\$283,146)	\$2,192,450	\$0	\$2,786,614	0.0
Long Bill Supplemental	\$749,045	(\$900,421)	(\$32,702)	\$0	\$1,682,168	0.0
<b>TOTAL</b>	<b>\$42,289,059</b>	<b>\$13,413,358</b>	<b>\$2,159,748</b>	<b>\$0</b>	<b>\$26,715,953</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$42,289,059	\$13,413,358	\$2,159,748	\$0	\$26,715,953	0.0
R5 Office of Community Living	2,232,016	3,469,630	0	0	(1,237,614)	0.0
R10 Provide rates	714,586	357,293	0	0	357,293	0.0
Targeted provider rate adjustments	541,963	270,982	0	0	270,981	0.0
Annualize prior year budget actions	121,118	86,322	0	0	34,796	0.0
Federal match for HCBS	0	2,682,957	0	0	(2,682,957)	0.0
BA10 HCBS ARPA spending authority	(3,410,849)	0	(1,196,343)	0	(2,214,506)	0.0
<b>TOTAL</b>	<b>\$42,487,893</b>	<b>\$20,280,542</b>	<b>\$963,405</b>	<b>\$0</b>	<b>\$21,243,946</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$198,834</b>	<b>\$6,867,184</b>	<b>(\$1,196,343)</b>	<b>\$0</b>	<b>(\$5,472,007)</b>	<b>0.0</b>
Percentage Change	0.5%	51.2%	(55.4%)	0.0%	(20.5%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$1,176,053)	(\$566,854)	(\$21,172)	\$0	(\$588,027)	0.0

**CHILDREN'S HABILITATION RESIDENTIAL PROGRAM**

This line item funds residential services and supports for children and youth from birth to 21 years of age. Services include: self-advocacy training, independent living training, cognitive services, communication services, counseling and therapeutic services, personal care services, emergency assistance training, community connection training, travel services, supervision services, and respite services.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$12,478,908 total funds, including \$6,238,917 General Fund, \$537 cash funds, and \$6,239,454 federal funds.

*RECOMMENDATIONS:*

**FY 2021-22:** Staff recommends an appropriation of \$9,861,691 total funds, including \$3,578,335 General Fund, \$1,626 cash funds, and \$6,281,730 federal funds.

**FY 2022-23:** Staff recommends an appropriation of \$12,047,333 total funds, including \$6,023,119 General Fund, \$548 cash funds, and \$6,023,666 federal funds.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, CHILDREN'S HABILITATION RESIDENTIAL PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$9,328,155	\$3,964,700	\$0	\$0	\$5,363,455	0.0
H.B. 22-1173 (Supplemental Bill)	\$2,409,022	\$658,190	\$1,664	\$0	\$1,749,168	0.0
Long Bill Supplemental	(1,875,486)	(1,044,555)	(38)	0	(830,893)	0.0
<b>TOTAL</b>	<b>\$9,861,691</b>	<b>\$3,578,335</b>	<b>\$1,626</b>	<b>\$0</b>	<b>\$6,281,730</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$9,861,691	\$3,578,335	\$1,626	\$0	\$6,281,730	0.0
R5 Office of Community Living	1,705,842	1,786,695	0	0	(80,853)	0.0
Targeted provider rate adjustments	224,626	112,313	0	0	112,313	0.0
R10 Provide rates	224,553	112,276	0	0	112,277	0.0
R9 OCL Program enhancements	33,756	16,879	0	0	16,877	0.0
Federal match for HCBS	0	410,204	0	0	(410,204)	0.0
BA10 HCBS ARPA spending authority	(2,923)	0	(1,078)	0	(1,845)	0.0
Annualize prior year budget actions	(212)	6,417	0	0	(6,629)	0.0
<b>TOTAL</b>	<b>\$12,047,333</b>	<b>\$6,023,119</b>	<b>\$548</b>	<b>\$0</b>	<b>\$6,023,666</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,185,642</b>	<b>\$2,444,784</b>	<b>(\$1,078)</b>	<b>\$0</b>	<b>(\$258,064)</b>	<b>0.0</b>
Percentage Change	22.2%	68.3%	(66.3%)	0.0%	(4.1%)	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$431,575	\$215,798	(\$11)	\$0	\$215,788	0.0

**CASE MANAGEMENT FOR PEOPLE WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES**

This line item funds 20 Community Centered Boards (CCBs) and 24 Single Entry Points (SEPs) that administer the supports intensity scale and provide case management, utilization review, and quality assurance. Case management is provided for the four Home- and Community-based Services waivers. Services are delivered through community providers and two state-operated regional centers. Targeted case management refers to case management services funded with Medicaid reappropriated funds that are billed fee-for-service rates.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$101,421,557 total funds, including \$49,814,366 General Fund, \$2,141,533 cash funds, and \$49,465,658 federal funds.

*RECOMMENDATIONS:*

**FY 2021-22:** Staff recommends an appropriation of \$91,299,100 total funds, including \$40,427,537 General Fund, \$2,148,557 cash funds, and \$48,723,006 federal funds.

**FY 2022-23:** Staff recommends an appropriation of \$102,087,659 total funds, including \$49,770,813 General Fund, \$2,535,297 cash funds, and \$49,781,549 federal funds.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, CASE MANAGEMENT FOR PEOPLE WITH IDD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$98,633,608	\$39,394,621	\$1,313,030	\$0	\$57,925,957	0.0
H.B. 22-1173 (Supplemental Bill)	(6,853,252)	2,376,692	654,948	0	(9,884,892)	0.0
Long Bill Supplemental	(481,256)	(1,343,776)	180,579	0	681,941	0.0
<b>TOTAL</b>	<b>\$91,299,100</b>	<b>\$40,427,537</b>	<b>\$2,148,557</b>	<b>\$0</b>	<b>\$48,723,006</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$91,299,100	\$40,427,537	\$2,148,557	\$0	\$48,723,006	0.0
R5 Office of Community Living	7,633,991	804,046	219,203	0	6,610,742	0.0
R10 Provide rates	1,822,123	907,708	26,234	0	888,181	0.0
Targeted provider rate adjustments	839,791	419,896	0	0	419,895	0.0
Annualize prior year budget actions	360,640	246,660	29,901	0	84,079	0.0
BA10 HCBS ARPA spending authority	132,014	0	111,402	0	20,612	0.0
Federal match for HCBS	0	6,964,966	0	0	(6,964,966)	0.0
R9 OCL Program enhancements	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$102,087,659</b>	<b>\$49,770,813</b>	<b>\$2,535,297</b>	<b>\$0</b>	<b>\$49,781,549</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,788,559</b>	<b>\$9,343,276</b>	<b>\$386,740</b>	<b>\$0</b>	<b>\$1,058,543</b>	<b>0.0</b>
Percentage Change	11.8%	23.1%	18.0%	0.0%	2.2%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$666,102)	\$43,553	(\$393,764)	\$0	(\$315,891)	0.0

(3) STATE-ONLY PROGRAMS

FAMILY SUPPORT SERVICES

The Family Support Services line item provides financial support for families who have children, including adult children, with developmental disabilities or delays with costs that are beyond those normally experienced by other families. The intent of this funding is to provide supports that help reduce the likelihood of out-of-home placements. Services include: medical and dental expenses, additional insurance expenses, respite care and child care, special equipment, home or vehicle modifications or repairs, family counseling and support groups, recreation and leisure needs, transportation, and homemaker services.

*STATUTORY AUTHORITY:* Section 25.5-10-303 (1), C.R.S.

*REQUEST:* The Department requests an appropriation of \$7,716,215 General Fund.

*RECOMMENDATION:*

**FY 2021-22:** Staff recommends an appropriation of \$7,679,672 total funds, including \$7,233,496 General Fund and \$446,176 cash funds.

**FY 2022-23:** Staff recommends an appropriation of \$7,825,842 General Fund.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, FAMILY SUPPORT SERVICES PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$7,679,672	\$7,308,510	\$371,162	\$0	\$0	0.0
H.B. 22-1173 (Supplemental Bill)	\$0	(\$75,014)	\$75,014	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$7,679,672</b>	<b>\$7,233,496</b>	<b>\$446,176</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$7,679,672	\$7,233,496	\$446,176	\$0	\$0	0.0
R9 OCL Program enhancements	371,162	371,162	0	0	0	0.0
R10 Provide rates	146,170	146,170	0	0	0	0.0
R5 Office of Community Living	0	75,014	(75,014)	0	0	0.0
Annualize prior year budget actions	(371,162)	0	(371,162)	0	0	0.0
<b>TOTAL</b>	<b>\$7,825,842</b>	<b>\$7,825,842</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$146,170</b>	<b>\$592,346</b>	<b>(\$446,176)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.9%	8.2%	(100.0%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$7,716,215</b>	<b>\$7,716,215</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$109,627)	(\$109,627)	\$0	\$0	\$0	0.0

**STATE SUPPORTED LIVING SERVICES**

This line item funds the costs of adult supported living services for individuals who do not qualify for Medicaid. The program provides supported living services in the home or community to persons with intellectual and developmental disabilities, including: day habilitation, homemaker, personal care, respite, supported employment, dental and vision services, assistive technology, behavioral services, home accessibility adaptation, mentorship, non-medical transportation, personal emergency response systems, professional therapeutic services, specialized medical equipment and supplies, and vehicle modification.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$10,195,314 General Fund.

*RECOMMENDATION:* Staff recommends an appropriation of \$10,337,979 General Fund.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, STATE SUPPORTED LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$10,174,870	\$9,538,139	\$636,731	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$10,174,870</b>	<b>\$9,538,139</b>	<b>\$636,731</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$10,174,870	\$9,538,139	\$636,731	\$0	\$0	0.0
R9 OCL Program enhancements	636,731	636,731	0	0	0	0.0
R10 Provide rates	190,220	190,220	0	0	0	0.0
Annualize prior year budget actions	(663,842)	(27,111)	(636,731)	0	0	0.0
<b>TOTAL</b>	<b>\$10,337,979</b>	<b>\$10,337,979</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, STATE SUPPORTED LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>\$163,109</b>	<b>\$799,840</b>	<b>(\$636,731)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.6%	8.4%	(100.0%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$10,195,314</b>	<b>\$10,195,314</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below)						
Recommendation	(\$142,665)	(\$142,665)	\$0	\$0	\$0	0.0

**STATE SUPPORTED LIVING SERVICES CASE MANAGEMENT**

This line item funds 20 Community Centered Boards (CCBs) and 24 Single Entry Points (SEPs) that administer the supports intensity scale and provide case management, utilization review, and quality assurance. Case management is provided for the State Supported Living Services delivery option, the State Supported Family Support Services Program, and the Family Support Loan Fund. Services are delivered through community providers and two state-operated regional centers. Targeted case management refers to case management services funded with Medicaid reappropriated funds that are billed fee-for-service rates.

*STATUTORY AUTHORITY:* Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

*REQUEST:* The Department requests an appropriation of \$2,486,235 General Fund.

*RECOMMENDATIONS:* Staff recommends an appropriation of \$2,519,109 General Fund.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, STATE SUPPORTED LIVING SERVICES CASE MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$2,475,277	\$2,191,580	\$283,697	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$2,475,277</b>	<b>\$2,191,580</b>	<b>\$283,697</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,475,277	\$2,191,580	\$283,697	\$0	\$0	0.0
R9 OCL Program enhancements	283,697	283,697	0	0	0	0.0
R10 Provide rates	43,832	43,832	0	0	0	0.0
Annualize prior year budget actions	(283,697)	0	(283,697)	0	0	0.0
<b>TOTAL</b>	<b>\$2,519,109</b>	<b>\$2,519,109</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$43,832</b>	<b>\$327,529</b>	<b>(\$283,697)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.8%	14.9%	(100.0%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,486,235</b>	<b>\$2,486,235</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below)						
Recommendation	(\$32,874)	(\$32,874)	\$0	\$0	\$0	0.0

**PREVENTIVE DENTAL HYGIENE**

This line item provides funding for the Preventive Dental Hygiene Program administered by a contract with the Colorado Foundation of Dentistry for the Handicapped. The program is designed to improve



oral hygiene in persons with developmental disabilities in order to prevent dental disease. Funding also supports outreach services to match individuals needing care with dentists willing to provide pro-bono dental care. Medicaid eligible children may receive dental screening through the federal Early and Periodic, Screening, Diagnosis and Treatment Program; however Colorado does not offer adult dental care through Medicaid.

*STATUTORY AUTHORITY:* Section 25.5-10-220, C.R.S.

*REQUEST:* The Department requests an appropriation of \$66,792 General Fund.

*RECOMMENDATION:* Staff recommends an appropriation of \$67,789.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, PREVENTIVE DENTAL HYGIENE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$66,460	\$66,460	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$66,460</b>	<b>\$66,460</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$66,460	\$66,460	\$0	\$0	\$0	0.0
R10 Provide rates	1,329	1,329	0	0	0	0.0
<b>TOTAL</b>	<b>\$67,789</b>	<b>\$67,789</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,329</b>	<b>\$1,329</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$66,792</b>	<b>\$66,792</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$997)	(\$997)	\$0	\$0	\$0	0.0

**SUPPORTED EMPLOYMENT PROVIDER AND CERTIFICATION REIMBURSEMENT**

This line item is part of the supported employment three-year pilot program and funds the reimbursement of certification costs for supported employment providers required by S.B 18-145 (Implement Employment First Recommendations).

*STATUTORY AUTHORITY:* Section 8-84-106, C.R.S.

*REQUEST:* The Department requests an appropriation of \$303,158 General Fund.

*RECOMMENDATION:* Staff recommends approval of the Department’s request.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, SUPPORTED EMPLOYMENT PROVIDER AND CERTIFICATION REIMBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
S.B. 21-205 (Long Bill)	\$303,158	\$303,158	\$0	\$0	\$0	0.0

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, SUPPORTED EMPLOYMENT PROVIDER AND CERTIFICATION  
REIMBURSEMENT

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$303,158</b>	<b>\$303,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$303,158	\$303,158	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$303,158</b>	<b>\$303,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$303,158</b>	<b>\$303,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SUPPORTED EMPLOYMENT PILOT PROGRAM

This line item funds a three year pilot program that makes incentive and value-based payments to supported employment providers for individuals with intellectual and developmental disabilities, based on employment outcomes, such as whether or not a person is able to maintain employment over time. The pilot is a three-year initiative and includes data and evaluation requirements.

*STATUTORY AUTHORITY:* Section 8-84-106, C.R.S.

*REQUEST:* The Department requests elimination of the funding for this program as the term of the pilot has expired.

*RECOMMENDATION:* Staff recommends approval of the Department’s request.

OFFICE OF COMMUNITY LIVING, DIVISION FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES, SUPPORTED EMPLOYMENT PILOT PROGRAM

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
S.B. 21-205 (Long Bill)	\$575,000	\$0	\$575,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$575,000</b>	<b>\$0</b>	<b>\$575,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2022-23 RECOMMENDED APPROPRIATION						
FY 2021-22 Appropriation	\$575,000	\$0	\$575,000	\$0	\$0	0.0
Annualize prior year budget actions	(575,000)	0	(575,000)	0	0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$575,000)</b>	<b>\$0</b>	<b>(\$575,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### LONG BILL FOOTNOTES

Long Bill footnotes will be included in the Department of Health Care Policy and Financing figure setting document dated March 9, 2022.

### REQUESTS FOR INFORMATION

Staff recommends **CONTINUING** the following requests for information:

#### REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 4 Department of Health Care Policy and Financing, Executive Director's Office and Department of Higher Education, Governing Boards, Regents of the University of Colorado -- Based on agreements between the University of Colorado and the Department of Health Care Policy and Financing regarding the use of Anschutz Medical Campus Funds as the State contribution to the Upper Payment Limit, the General Assembly anticipates various public benefits. The General Assembly further anticipates that any increases to funding available for this program will lead to commensurate increases in public benefits. The University of Colorado and the Department of Health Care Policy and Financing are requested to submit a report to the Joint Budget Committee about the program and these benefits by October 1 each fiscal year.

Comment: This is an ongoing financial arrangement.

#### DEPARTMENT OF HEALTHCARE POLICY AND FINANCING

- 1 Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums, behavioral health capitation, and the intellectual and developmental disabilities line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report. The Department is also requested to include in the report the number of applications and the number of approvals for new intermediate care facilities for individuals with intellectual disabilities, including the number of beds and the cost of those beds.

Comment: This is an on-going monthly report that provides useful information on the status of enrollment and expenditures.

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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<p><b>DEPARTMENT OF HEALTH CARE POLICY AND FINANCING</b>  <b>Kim Bimestefer, Executive Director</b></p>
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**(1) EXECUTIVE DIRECTOR'S OFFICE**

Primary functions: Provides all of the administrative, audit and oversight functions for the Department.

**(A) General Administration**

Personal Services	<u>37,379,178</u>	<u>47,513,817</u>	<u>47,891,038</u>	<u>56,858,576</u>	<u>56,811,034</u> *
FTE	0.0	573.0	610.4	679.3	679.3
General Fund	12,514,723	15,160,759	17,965,940	20,719,614	20,719,614
Cash Funds	3,568,550	3,931,315	5,135,084	6,347,055	6,323,284
Reappropriated Funds	1,802,959	1,543,625	1,892,340	2,284,747	2,284,747
Federal Funds	19,492,946	26,878,118	22,897,674	27,507,160	27,483,389
Health, Life, and Dental	<u>4,790,328</u>	<u>5,264,801</u>	<u>7,071,991</u>	<u>9,574,417</u>	<u>9,574,417</u> *
General Fund	1,700,447	1,342,322	2,642,297	3,659,819	3,659,819
Cash Funds	421,237	548,313	660,834	876,518	876,517
Reappropriated Funds	126,088	138,532	166,554	243,378	243,378
Federal Funds	2,542,556	3,235,634	3,602,306	4,794,702	4,794,703
Short-term Disability	<u>66,598</u>	<u>72,366</u>	<u>104,617</u>	<u>97,191</u>	<u>97,191</u> *
General Fund	24,002	26,778	50,803	36,677	36,677
Cash Funds	5,301	5,695	10,843	8,533	8,533
Reappropriated Funds	2,206	1,607	3,300	2,232	2,232
Federal Funds	35,089	38,286	39,671	49,749	49,749

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
S.B. 04-257 Amortization Equalization Disbursement	<u>1,984,802</u>	<u>2,188,905</u>	<u>2,428,087</u>	<u>3,038,316</u>	<u>3,038,316</u> *
General Fund	722,807	810,157	924,349	1,146,264	1,146,264
Cash Funds	159,398	172,037	211,103	267,758	267,758
Reappropriated Funds	46,310	48,635	52,920	69,769	69,769
Federal Funds	1,056,287	1,158,076	1,239,715	1,554,525	1,554,525
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>1,984,802</u>	<u>2,188,905</u>	<u>2,428,087</u>	<u>3,038,317</u>	<u>3,038,317</u> *
General Fund	722,807	810,157	924,349	1,146,264	1,146,264
Cash Funds	159,398	172,037	211,103	267,758	267,758
Reappropriated Funds	46,310	48,635	52,920	69,769	69,769
Federal Funds	1,056,287	1,158,076	1,239,715	1,554,526	1,554,526
PERA Direct Distribution	<u>1,010,190</u>	<u>0</u>	<u>1,077,009</u>	<u>1,117,582</u>	<u>1,117,582</u>
General Fund	402,910	0	401,537	451,764	451,764
Cash Funds	81,734	0	83,411	72,811	72,811
Reappropriated Funds	20,451	0	24,889	21,079	21,079
Federal Funds	505,095	0	567,172	571,928	571,928
Salary Survey	<u>1,305,312</u>	<u>0</u>	<u>1,273,930</u>	<u>1,739,584</u>	<u>1,739,584</u>
General Fund	478,526	0	474,954	701,453	701,453
Cash Funds	104,700	0	98,663	117,370	117,370
Reappropriated Funds	26,282	0	29,439	32,730	32,730
Federal Funds	695,804	0	670,874	888,031	888,031

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Paid Family Medical Leave Initiative	0	0	0	<u>119,081</u>	<u>119,081</u>
General Fund	0	0	0	48,017	48,017
Cash Funds	0	0	0	8,034	8,034
Reappropriated Funds	0	0	0	2,240	2,240
Federal Funds	0	0	0	60,790	60,790
Paid Family Medical Leave Funding	0	0	0	<u>5,978</u>	<u>5,978</u> *
General Fund	0	0	0	2,411	2,411
Cash Funds	0	0	0	403	403
Reappropriated Funds	0	0	0	112	112
Federal Funds	0	0	0	3,052	3,052
Worker's Compensation	<u>110,040</u>	<u>128,527</u>	<u>160,589</u>	<u>138,687</u>	<u>194,996</u>
General Fund	45,610	53,287	64,559	53,874	88,614
Cash Funds	9,410	10,976	14,502	12,823	16,622
Reappropriated Funds	0	0	976	5,644	6,497
Federal Funds	55,020	64,264	80,552	66,346	83,263
Operating Expenses	<u>2,199,237</u>	<u>1,788,412</u>	<u>2,932,588</u>	<u>3,078,533</u>	<u>3,076,533</u> *
General Fund	855,772	862,725	1,209,995	1,232,220	1,232,220
Cash Funds	243,961	221,951	330,224	272,549	271,549
Reappropriated Funds	13,297	13,297	13,297	59,604	59,604
Federal Funds	1,086,207	690,439	1,379,072	1,514,160	1,513,160
Legal Services	<u>1,620,684</u>	<u>1,251,687</u>	<u>1,172,759</u>	<u>961,138</u>	<u>961,138</u>
General Fund	547,919	398,303	384,389	373,797	373,797
Cash Funds	262,423	222,539	206,798	95,239	95,239
Reappropriated Funds	0	0	0	21,337	21,337
Federal Funds	810,342	630,845	581,572	470,765	470,765

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Administrative Law Judge Services	<u>663,321</u>	<u>735,806</u>	<u>807,180</u>	<u>856,571</u>	<u>890,065</u>
General Fund	274,932	305,065	330,159	333,532	284,141
Cash Funds	56,728	62,838	70,687	79,076	79,076
Reappropriated Funds	0	0	2,172	34,800	117,685
Federal Funds	331,661	367,903	404,162	409,163	409,163
Payment to Risk Management and Property Funds	<u>121,414</u>	<u>110,332</u>	<u>173,686</u>	<u>387,377</u>	<u>296,991</u> *
General Fund	50,326	45,744	68,018	151,486	106,853
Cash Funds	10,381	9,422	16,390	35,654	35,654
Reappropriated Funds	0	0	1,928	15,603	15,603
Federal Funds	60,707	55,166	87,350	184,634	138,881
Leased Space	<u>2,570,069</u>	<u>2,559,590</u>	<u>2,952,312</u>	<u>3,720,156</u>	<u>3,753,156</u> *
General Fund	1,062,201	1,051,765	1,157,045	1,384,818	1,384,818
Cash Funds	222,833	228,030	319,112	419,004	435,504
Reappropriated Funds	0	0	0	31,842	31,842
Federal Funds	1,285,035	1,279,795	1,476,155	1,884,492	1,900,992
Capitol Complex Leased Space	<u>547,755</u>	<u>591,064</u>	<u>651,086</u>	<u>624,977</u>	<u>703,227</u>
General Fund	227,031	245,055	266,157	243,123	285,936
Cash Funds	46,846	50,477	57,078	57,730	66,238
Reappropriated Funds	0	0	1,828	25,407	26,700
Federal Funds	273,878	295,532	326,023	298,717	324,353
Payments to OIT	<u>8,368,127</u>	<u>8,298,082</u>	<u>8,174,764</u>	<u>8,257,832</u>	<u>8,257,832</u> *
General Fund	3,263,023	3,218,758	3,158,218	3,214,408	3,214,408
Cash Funds	893,637	930,283	910,893	864,015	864,015
Reappropriated Funds	0	0	0	2,621	2,621
Federal Funds	4,211,467	4,149,041	4,105,653	4,176,788	4,176,788

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
CORE Operations	<u>139,608</u>	<u>184,939</u>	<u>112,780</u>	<u>166,418</u>	<u>169,033</u>
General Fund	61,598	81,743	56,303	65,127	65,526
Cash Funds	11,940	15,794	5,835	15,313	15,313
Reappropriated Funds	0	0	0	6,740	6,740
Federal Funds	66,070	87,402	50,642	79,238	81,454
General Professional Services and Special Projects	<u>13,757,424</u>	<u>8,992,784</u>	<u>54,144,719</u>	<u>75,412,142</u>	<u>76,408,974</u> *
General Fund	3,843,924	2,368,910	7,036,750	12,468,413	12,468,413
Cash Funds	2,113,981	1,227,887	19,796,575	24,971,882	25,470,299
Reappropriated Funds	150,000	150,000	150,000	81,000	81,000
Federal Funds	7,649,519	5,245,987	27,161,394	37,890,847	38,389,262
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

\* Indicates a decision item



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
<b>SUBTOTAL - (A) General Administration</b>	78,618,889	81,870,017	133,557,222	169,192,873	170,253,445
<i>FTE</i>	<u>0.0</u>	<u>573.0</u>	<u>610.4</u>	<u>679.3</u>	<u>679.3</u>
General Fund	26,798,558	26,781,528	37,115,822	47,433,081	47,417,009
Cash Funds	8,372,458	7,809,594	28,139,135	34,789,525	35,291,977
Reappropriated Funds	2,233,903	1,944,331	2,392,563	3,010,654	3,095,685
Federal Funds	41,213,970	45,334,564	65,909,702	83,959,613	84,448,774

**(B) Transfers to Other Departments**

Public School Health Services Administration,

Education	<u>140,162</u>	<u>120,652</u>	<u>193,926</u>	<u>191,731</u>	<u>191,731</u> *
General Fund	70,081	60,326	96,962	95,865	95,865
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	70,081	60,326	96,964	95,866	95,866
Early Intervention, Early Childhood	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,047,702</u>	<u>8,047,702</u> *
General Fund	0	0	0	4,023,851	4,023,851
Federal Funds	0	0	0	4,023,851	4,023,851
Nurse Home Visitor Program, Human Services	<u>102,831</u>	<u>173,642</u>	<u>3,010,000</u>	<u>3,010,000</u>	<u>3,010,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	49,186	67,019	1,505,000	1,505,000	1,505,000
Federal Funds	53,645	106,623	1,505,000	1,505,000	1,505,000

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Host Home Regulation, Local Affairs	<u>49,400</u>	<u>118,747</u>	<u>133,445</u>	<u>133,445</u>	<u>133,445</u>
General Fund	24,700	59,373	66,722	66,722	66,722
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	24,700	59,374	66,723	66,723	66,723
Home Modifications Benefit Administration and Housing Assistance Payments, Local Affairs	<u>280,396</u>	<u>265,698</u>	<u>296,989</u>	<u>296,989</u>	<u>296,989</u>
General Fund	140,198	132,849	148,495	148,495	148,495
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	140,198	132,849	148,494	148,494	148,494
Facility Survey and Certification, Public Health and Environment	<u>7,237,925</u>	<u>6,930,318</u>	<u>8,507,461</u>	<u>8,651,460</u>	<u>8,651,460</u> *
General Fund	2,442,578	2,346,574	3,163,819	3,218,674	3,218,674
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	4,795,347	4,583,744	5,343,642	5,432,786	5,432,786
Prenatal Statistical Information, Public Health and Environment	<u>5,888</u>	<u>5,888</u>	<u>5,887</u>	<u>5,887</u>	<u>5,887</u>
General Fund	2,944	2,944	2,944	2,944	2,944
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,944	2,944	2,943	2,943	2,943

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Nurse Aide Certification, Regulatory Agencies	<u>324,041</u>	<u>324,040</u>	<u>324,041</u>	<u>324,041</u>	<u>324,041</u>
General Fund	147,369	147,369	147,369	147,369	147,369
Cash Funds	0	0	0	0	0
Reappropriated Funds	14,652	14,651	14,652	14,652	14,652
Federal Funds	162,020	162,020	162,020	162,020	162,020
Reviews, Regulatory Agencies	<u>0</u>	<u>0</u>	<u>3,750</u>	<u>3,750</u>	<u>3,750</u>
General Fund	0	0	1,875	1,875	1,875
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,875	1,875	1,875
Local Public Health Agencies, Public Health and Environment	<u>367,730</u>	<u>364,052</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	367,730	364,052	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Regulation of Medicaid Transportation Providers, Regulatory Agencies	<u>66,890</u>	<u>41,540</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	33,445	20,770	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	33,445	20,770	0	0	0

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (B) Transfers to Other</b>					
<b>Departments</b>	8,575,263	8,344,577	12,475,499	20,665,005	20,665,005
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	3,229,045	3,134,257	3,628,186	7,705,795	7,705,795
Cash Funds	0	0	0	0	0
Reappropriated Funds	63,838	81,670	1,519,652	1,519,652	1,519,652
Federal Funds	5,282,380	5,128,650	7,327,661	11,439,558	11,439,558

**(C) Information Technology Contracts and Projects**

Medicaid Management Information System					
Maintenance and Projects	<u>32,757,020</u>	<u>15,864,583</u>	<u>105,185,374</u>	<u>56,359,553</u>	<u>57,207,553</u> *
General Fund	1,801,183	0	16,660,075	4,373,052	4,373,052
Cash Funds	3,658,287	2,098,574	12,426,408	11,376,614	11,800,614
Reappropriated Funds	0	12,204	12,204	12,204	12,204
Federal Funds	27,297,550	13,753,805	76,086,687	40,597,683	41,021,683
Colorado Benefits Management Systems, Operating and Contract Expenses	<u>43,623,654</u>	<u>41,210,186</u>	<u>49,129,319</u>	<u>46,105,443</u>	<u>46,105,443</u> *
General Fund	6,258,519	4,984,722	11,230,398	8,941,968	8,941,968
Cash Funds	4,514,038	4,562,697	5,561,441	5,544,368	5,544,368
Reappropriated Funds	1,717	473	1,637	1,654	1,654
Federal Funds	32,849,380	31,662,294	32,335,843	31,617,453	31,617,453

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Colorado Benefits Management Systems, Health Care and Economic Security Staff Development Center	<u>1,885,054</u>	<u>1,633,016</u>	<u>2,005,074</u>	<u>2,005,074</u>	<u>2,005,074</u>
General Fund	631,097	536,552	634,715	634,715	634,715
Cash Funds	297,506	279,590	354,194	354,194	354,194
Reappropriated Funds	53	20	73	73	73
Federal Funds	956,398	816,854	1,016,092	1,016,092	1,016,092
Office of eHealth Innovations Operations	<u>1,937,375</u>	<u>6,556,066</u>	<u>6,465,845</u>	<u>6,465,845</u>	<u>6,465,845</u>
FTE	0.1	0.1	3.0	3.0	3.0
General Fund	530,213	660,675	3,372,367	3,372,367	3,372,367
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,407,162	5,895,391	3,093,478	3,093,478	3,093,478
All-Payer Claims Database	<u>5,272,339</u>	<u>3,938,816</u>	<u>3,795,498</u>	<u>3,995,498</u>	<u>5,005,153</u> *
General Fund	4,036,463	2,962,231	2,962,231	3,162,231	4,171,886
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,235,876	976,585	833,267	833,267	833,267
Health Information Exchange Maintenance and Projects	<u>6,937,231</u>	<u>8,901,743</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	799,003	981,083	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	6,138,228	7,920,660	0	0	0

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Connect for Health Colorado Systems	490,760	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	122,690	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	368,070	0	0	0	0
State Innovation Model Operations	134,436	0	0	0	0
FTE	0.6	0.0	0.0	0.0	0.0
General Fund	134,436	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (C) Information Technology</b>					
<b>Contracts and Projects</b>	93,037,869	78,104,410	166,581,110	114,931,413	116,789,068
FTE	0.7	0.1	3.0	3.0	3.0
General Fund	14,190,914	10,125,263	34,859,786	20,484,333	21,493,988
Cash Funds	8,592,521	6,940,861	18,342,043	17,275,176	17,699,176
Reappropriated Funds	1,770	12,697	13,914	13,931	13,931
Federal Funds	70,252,664	61,025,589	113,365,367	77,157,973	77,581,973

**(D) Eligibility Determinations and Client Services**

Medical Identification Cards	179,560	218,898	0	35,115	35,115
General Fund	56,252	74,470	0	24,812	24,812
Cash Funds	32,351	34,561	0	171	171
Reappropriated Funds	17	0	0	0	0
Federal Funds	90,940	109,867	0	10,132	10,132

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Contracts for Special Eligibility Determinations	<u>2,904,179</u>	<u>2,932,388</u>	<u>5,890,755</u>	<u>12,039,555</u>	<u>12,039,555</u>
General Fund	900,608	856,390	1,129,071	1,129,071	1,129,071
Cash Funds	429,464	232,019	1,269,068	4,343,468	4,343,468
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,574,107	1,843,979	3,492,616	6,567,016	6,567,016
County Administration	<u>78,231,835</u>	<u>76,847,916</u>	<u>100,437,692</u>	<u>117,268,705</u>	<u>123,622,889</u> *
General Fund	12,590,592	12,476,154	15,275,553	18,728,152	20,061,678
Cash Funds	15,314,460	14,975,853	22,963,975	26,486,557	27,113,119
Reappropriated Funds	0	0	0	0	0
Federal Funds	50,326,783	49,395,909	62,198,164	72,053,996	76,448,092
Medical Assistance Sites	<u>795,537</u>	<u>843,705</u>	<u>1,531,968</u>	<u>1,531,968</u>	<u>1,531,968</u>
General Fund	0	0	0	0	0
Cash Funds	362,558	402,384	402,984	402,984	402,984
Reappropriated Funds	0	0	0	0	0
Federal Funds	432,979	441,321	1,128,984	1,128,984	1,128,984
Administrative Case Management	<u>688,588</u>	<u>729,944</u>	<u>869,744</u>	<u>869,744</u>	<u>869,744</u>
General Fund	344,294	364,972	434,872	434,872	434,872
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	344,294	364,972	434,872	434,872	434,872
Customer Outreach	<u>5,401,245</u>	<u>2,520,295</u>	<u>3,461,071</u>	<u>3,486,071</u>	<u>3,486,071</u>
General Fund	2,363,978	936,784	1,393,915	1,406,415	1,406,415
Cash Funds	336,621	323,363	336,621	336,621	336,621
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,700,646	1,260,148	1,730,535	1,743,035	1,743,035

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Centralized Eligibility Vendor Contract Project	<u>5,161,409</u>	<u>4,845,249</u>	<u>6,332,292</u>	<u>6,122,400</u>	<u>6,122,400</u> *
General Fund	0	0	0	0	0
Cash Funds	1,668,272	1,541,955	2,384,666	2,279,719	2,279,719
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,493,137	3,303,294	3,947,626	3,842,681	3,842,681
Connect for Health Colorado Eligibility Determination	<u>4,327,277</u>	<u>15,945,067</u>	<u>11,919,481</u>	<u>10,135,914</u>	<u>10,135,914</u> *
General Fund	0	0	0	0	0
Cash Funds	1,667,767	6,762,934	5,345,159	4,530,754	4,530,754
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,659,510	9,182,133	6,574,322	5,605,160	5,605,160
Eligibility Overflow Processing Center	<u>0</u>	<u>0</u>	<u>1,853,731</u>	<u>1,904,677</u>	<u>1,904,677</u>
General Fund	0	0	277,689	285,320	285,320
Cash Funds	0	0	185,744	190,849	190,849
Federal Funds	0	0	1,390,298	1,428,508	1,428,508
Returned Mail Processing	<u>0</u>	<u>818,170</u>	<u>3,298,808</u>	<u>3,298,808</u>	<u>3,298,808</u>
General Fund	0	240,653	985,808	985,808	985,808
Cash Funds	0	50,124	244,919	244,919	244,919
Reappropriated Funds	0	23,329	111,942	111,942	111,942
Federal Funds	0	504,064	1,956,139	1,956,139	1,956,139
Work Number Verification	<u>0</u>	<u>21,516</u>	<u>3,305,114</u>	<u>3,305,114</u>	<u>3,305,114</u>
General Fund	0	7,085	1,089,815	1,089,815	1,089,815
Cash Funds	0	3,548	545,013	545,013	545,013
Federal Funds	0	10,883	1,670,286	1,670,286	1,670,286

\* Indicates a decision item



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (D) Eligibility Determinations and</b>					
<b>Client Services</b>	97,689,630	105,723,148	138,900,656	159,998,071	166,352,255
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	16,255,724	14,956,508	20,586,723	24,084,265	25,417,791
Cash Funds	19,811,493	24,326,741	33,678,149	39,361,055	39,987,617
Reappropriated Funds	17	23,329	111,942	111,942	111,942
Federal Funds	61,622,396	66,416,570	84,523,842	96,440,809	100,834,905

**(E) Utilization and Quality Review Contracts**

Professional Service Contracts	<u>15,186,368</u>	<u>14,826,120</u>	<u>23,504,074</u>	<u>26,961,574</u>	<u>26,961,574</u> *
General Fund	4,671,282	7,299,182	6,803,020	7,236,040	7,236,040
Cash Funds	1,018,383	857,869	1,503,937	2,032,069	2,032,069
Reappropriated Funds	0	0	0	0	0
Federal Funds	9,496,703	6,669,069	15,197,117	17,693,465	17,693,465

<b>SUBTOTAL - (E) Utilization and Quality</b>					
<b>Review Contracts</b>	15,186,368	14,826,120	23,504,074	26,961,574	26,961,574
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,671,282	7,299,182	6,803,020	7,236,040	7,236,040
Cash Funds	1,018,383	857,869	1,503,937	2,032,069	2,032,069
Reappropriated Funds	0	0	0	0	0
Federal Funds	9,496,703	6,669,069	15,197,117	17,693,465	17,693,465

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(F) Provider Audits and Services</b>					
Professional Audit Contracts	<u>3,335,540</u>	<u>3,148,703</u>	<u>4,972,382</u>	<u>4,655,865</u>	<u>4,655,865</u> *
General Fund	1,264,086	1,361,059	1,809,280	1,816,102	1,816,102
Cash Funds	526,429	281,124	597,463	582,801	582,801
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,545,025	1,506,520	2,565,639	2,256,962	2,256,962
<b>SUBTOTAL - (F) Provider Audits and Services</b>	3,335,540	3,148,703	4,972,382	4,655,865	4,655,865
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,264,086	1,361,059	1,809,280	1,816,102	1,816,102
Cash Funds	526,429	281,124	597,463	582,801	582,801
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,545,025	1,506,520	2,565,639	2,256,962	2,256,962

**(G) Recoveries and Recoupment Contract Costs**

Estate Recovery	<u>921,410</u>	<u>843,618</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
General Fund	0	0	0	0	0
Cash Funds	460,705	421,809	350,000	350,000	350,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	460,705	421,809	350,000	350,000	350,000
Third-Party Liability Cost Avoidance Contract	<u>0</u>	<u>7,134,460</u>	<u>16,787,286</u>	<u>17,248,905</u>	<u>17,248,905</u>
General Fund	0	2,523,513	5,539,804	5,692,139	5,692,139
Cash Funds	0	1,043,717	2,853,839	2,932,314	2,932,314
Federal Funds	0	3,567,230	8,393,643	8,624,452	8,624,452

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (G) Recoveries and Recoupment</b>					
<b>Contract Costs</b>	921,410	7,978,078	17,487,286	17,948,905	17,948,905
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	2,523,513	5,539,804	5,692,139	5,692,139
Cash Funds	460,705	1,465,526	3,203,839	3,282,314	3,282,314
Reappropriated Funds	0	0	0	0	0
Federal Funds	460,705	3,989,039	8,743,643	8,974,452	8,974,452
<b>(H) Indirect Cost Assessment</b>					
Indirect Cost Assessment	<u>907,971</u>	<u>855,070</u>	<u>890,057</u>	<u>790,162</u>	<u>790,162</u>
General Fund	0	0	0	0	0
Cash Funds	304,937	364,495	270,035	274,461	274,461
Reappropriated Funds	112,343	0	106,490	121,263	121,263
Federal Funds	490,691	490,575	513,532	394,438	394,438
<b>SUBTOTAL - (H) Indirect Cost Assessment</b>					
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	304,937	364,495	270,035	274,461	274,461
Reappropriated Funds	112,343	0	106,490	121,263	121,263
Federal Funds	490,691	490,575	513,532	394,438	394,438
<b>TOTAL - (I) Executive Director's Office</b>					
<i>FTE</i>	<u>0.7</u>	<u>573.1</u>	<u>613.4</u>	<u>682.3</u>	<u>682.3</u>
General Fund	66,409,609	66,181,310	110,342,621	114,451,755	116,778,864
Cash Funds	39,086,926	42,046,210	85,734,601	97,597,401	99,150,415
Reappropriated Funds	2,411,871	2,062,027	4,144,561	4,777,442	4,862,473
Federal Funds	190,364,534	190,560,576	298,146,503	298,317,270	303,624,527

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

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	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
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\* Indicates a decision item

3-March-2022

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(2) MEDICAL SERVICES PREMIUMS**

Primary functions: Provides acute care medical and long-term care services to individuals eligible for Medicaid.

Medical and Long-Term Care Services for Medicaid

Eligible Individuals	<u>8,099,261,570</u>	<u>8,876,769,374</u>	<u>10,011,961,570</u>	<u>10,107,952,379</u>	<u>10,447,997,342</u> *
General Fund	1,645,024,128	1,944,486,087	1,287,852,184	1,966,685,470	2,027,759,795
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	933,323,923	1,282,521,053	1,238,763,801	1,214,041,986	1,252,128,684
Reappropriated Funds	88,963,623	40,766,832	82,705,627	87,549,267	81,846,313
Federal Funds	4,908,626,563	5,608,995,402	6,537,355,759	5,974,391,457	6,220,978,351

<b>TOTAL - (2) Medical Services Premiums</b>	8,099,261,570	8,876,769,374	10,011,961,570	10,107,952,379	10,447,997,342
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,645,024,128	1,944,486,087	1,287,852,184	1,966,685,470	2,027,759,795
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	933,323,923	1,282,521,053	1,238,763,801	1,214,041,986	1,252,128,684
Reappropriated Funds	88,963,623	40,766,832	82,705,627	87,549,267	81,846,313
Federal Funds	4,908,626,563	5,608,995,402	6,537,355,759	5,974,391,457	6,220,978,351

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(4) OFFICE OF COMMUNITY LIVING</b>					
<b>(A) Division for Individuals with Intellectual and Developmental Disabilities</b>					
<b>(i) Administrative Costs</b>					
Personal Services	<u>3,598,584</u>	<u>3,407,396</u>	<u>3,469,613</u>	<u>3,469,613</u>	<u>3,469,613</u>
FTE	39.7	34.7	37.5	39.5	39.5
General Fund	1,678,414	1,539,405	1,603,367	1,858,480	1,858,480
Cash Funds	247,286	255,113	255,113	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,672,884	1,612,878	1,611,133	1,611,133	1,611,133
Operating Expenses	<u>206,231</u>	<u>160,560</u>	<u>281,510</u>	<u>281,510</u>	<u>281,510</u>
General Fund	120,089	112,261	112,261	164,636	164,636
Cash Funds	31,766	0	52,375	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	54,376	48,299	116,874	116,874	116,874
Community and Contract Management System	<u>61,583</u>	<u>61,582</u>	<u>137,480</u>	<u>137,480</u>	<u>137,480</u>
General Fund	30,792	30,791	89,362	89,362	89,362
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	30,791	30,791	48,118	48,118	48,118
Support Level Administration	<u>39,520</u>	<u>49,266</u>	<u>59,984</u>	<u>59,317</u>	<u>59,317</u>
General Fund	19,504	24,633	29,658	29,403	29,403
Cash Funds	255	0	255	255	255
Reappropriated Funds	0	0	0	0	0
Federal Funds	19,761	24,633	30,071	29,659	29,659

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Cross-System Response Pilot Program Services	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (i) Administrative Costs</b>	3,905,918	3,678,804	3,948,587	3,947,920	3,947,920
<i>FTE</i>	39.7	34.7	37.5	39.5	39.5
General Fund	1,848,799	1,707,090	1,834,648	2,141,881	2,141,881
Cash Funds	279,307	255,113	307,743	255	255
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,777,812	1,716,601	1,806,196	1,805,784	1,805,784

**Medicaid Programs**

Adult Comprehensive Waiver Services	0	<u>503,845,540</u>	<u>615,641,738</u>	<u>705,889,097</u>	<u>712,616,363</u> *
General Fund	0	208,587,557	188,425,770	329,890,806	332,701,018
Cash Funds	0	800,001	36,878,059	23,053,742	23,607,163
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	294,457,982	390,337,909	352,944,549	356,308,182
Adult Supported Living Waiver Services	0	<u>65,883,070</u>	<u>75,215,684</u>	<u>87,130,257</u>	<u>80,658,077</u> *
General Fund	0	24,941,566	19,279,569	34,360,140	30,977,592
Cash Funds	0	4,090,144	8,374,658	9,204,991	9,351,449
Federal Funds	0	36,851,360	47,561,457	43,565,126	40,329,036
Children's Extensive Support Services	0	<u>32,668,165</u>	<u>42,289,059</u>	<u>41,311,840</u>	<u>42,487,893</u> *
General Fund	0	14,105,642	13,413,358	19,713,688	20,280,542
Cash Funds	0	0	2,159,748	942,233	963,405
Federal Funds	0	18,562,523	26,715,953	20,655,919	21,243,946

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Children's Habilitation Residential Program	0	4,229,118	9,861,691	12,478,908	12,047,333 *
General Fund	0	1,708,771	3,578,335	6,238,917	6,023,119
Cash Funds	0	0	1,626	537	548
Federal Funds	0	2,520,347	6,281,730	6,239,454	6,023,666
Case Management for People with IDD	0	0	91,299,100	101,421,557	102,087,659 *
General Fund	0	0	40,427,537	49,814,366	49,770,813
Cash Funds	0	0	2,148,557	2,141,533	2,535,297
Federal Funds	0	0	48,723,006	49,465,658	49,781,549
Eligibility Determination and Waiting List Management	0	1,597,270	0	0	0
General Fund	0	1,301,521	0	0	0
Federal Funds	0	295,749	0	0	0
Case Management Services	0	32,871,410	0	0	0
General Fund	0	14,019,555	0	0	0
Cash Funds	0	187,939	0	0	0
Federal Funds	0	18,663,916	0	0	0
Home and Community Based Services for People with Intellectual and Developmental Disabilities	0	0	0	0	0
General Fund	0	0	0	0	0
<b>SUBTOTAL - Medicaid Programs</b>	0	641,094,573	834,307,272	948,231,659	949,897,325
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	0	264,664,612	265,124,569	440,017,917	439,753,084
Cash Funds	0	5,078,084	49,562,648	35,343,036	36,457,862
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	371,351,877	519,620,055	472,870,706	473,686,379

\* Indicates a decision item



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>State-only Programs</b>					
Family Support Services Program	<u>0</u>	<u>8,636,298</u>	<u>7,679,672</u>	<u>7,716,215</u>	<u>7,825,842</u> *
General Fund	0	8,636,298	7,233,496	7,716,215	7,825,842
Cash Funds	0	0	446,176	0	0
Federal Funds	0	0	0	0	0
State Supported Living Services	<u>0</u>	<u>5,539,938</u>	<u>10,174,870</u>	<u>10,195,314</u>	<u>10,337,979</u> *
General Fund	0	5,422,133	9,538,139	10,195,314	10,337,979
Cash Funds	0	117,805	636,731	0	0
State Supported Living Services Case Management	<u>0</u>	<u>3,703,361</u>	<u>2,475,277</u>	<u>2,486,235</u>	<u>2,519,109</u> *
General Fund	0	3,430,432	2,191,580	2,486,235	2,519,109
Cash Funds	0	272,929	283,697	0	0
Preventive Dental Hygiene	<u>0</u>	<u>64,894</u>	<u>66,460</u>	<u>66,792</u>	<u>67,789</u> *
General Fund	0	64,894	66,460	66,792	67,789
Supported Employment Provider and Certification					
Reimbursement	<u>0</u>	<u>157,100</u>	<u>303,158</u>	<u>303,158</u>	<u>303,158</u>
General Fund	0	157,100	303,158	303,158	303,158
Supported Employment Pilot Program	<u>0</u>	<u>153,814</u>	<u>575,000</u>	<u>0</u>	<u>0</u>
Cash Funds	0	153,814	575,000	0	0
Eligibility Determination and Waiting List					
Management	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
State-only Programs for People with Intellectual and Developmental Disabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
<b>SUBTOTAL - State-only Programs</b>	0	18,255,405	21,274,437	20,767,714	21,053,877
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	17,710,857	19,332,833	20,767,714	21,053,877
Cash Funds	0	544,548	1,941,604	0	0
Federal Funds	0	0	0	0	0

**(ii) Program Costs**

Adult Comprehensive Services	<u>496,790,698</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	230,677,046	0	0	0
Cash Funds	3,210,918	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	262,902,734	0	0	0
Adult Supported Living Services	<u>76,670,765</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	39,632,931	0	0	0
Cash Funds	1,401,213	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	35,636,621	0	0	0
Children's Extensive Support Services	<u>28,592,203</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	13,479,265	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	15,112,938	0	0	0

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Children's Habilitation Residential Program	<u>1,691,596</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	780,189	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	911,407	0	0	0	0
Case Management	<u>38,403,508</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	19,112,233	0	0	0	0
Cash Funds	452,347	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	18,838,928	0	0	0	0
Family Support Services	<u>9,189,615</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	7,499,881	0	0	0	0
Cash Funds	1,689,734	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Preventive Dental Hygiene	<u>53,445</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	53,445	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Eligibility Determination and Waiting List					
Management	<u>2,956,670</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	2,956,670	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Supported Employment Provider and Certification					
Reimbursement	<u>179,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	179,700	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Supported Employment Pilot Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>SUBTOTAL - (ii) Program Costs</b>	654,528,200	0	0	0	0
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	314,371,360	0	0	0	0
Cash Funds	6,754,212	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	333,402,628	0	0	0	0

\* Indicates a decision item

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
<b>TOTAL - (4) Office of Community Living</b>	658,434,118	663,028,782	859,530,296	972,947,293	974,899,122
<i>FTE</i>	<u>39.7</u>	<u>34.7</u>	<u>37.5</u>	<u>39.5</u>	<u>39.5</u>
General Fund	316,220,159	284,082,559	286,292,050	462,927,512	462,948,842
Cash Funds	7,033,519	5,877,745	51,811,995	35,343,291	36,458,117
Reappropriated Funds	0	0	0	0	0
Federal Funds	335,180,440	373,068,478	521,426,251	474,676,490	475,492,163
<b>TOTAL - Department of Health Care Policy and Financing</b>	9,055,968,628	9,840,648,279	11,369,860,152	11,596,043,540	11,947,312,743
<i>FTE</i>	<u>40.4</u>	<u>607.8</u>	<u>650.9</u>	<u>721.8</u>	<u>721.8</u>
General Fund	2,027,653,896	2,294,749,956	1,684,486,855	2,544,064,737	2,607,487,501
General Fund Exempt	523,323,333	0	865,284,199	865,284,199	865,284,199
Cash Funds	979,444,368	1,330,445,008	1,376,310,397	1,346,982,678	1,387,737,216
Reappropriated Funds	91,375,494	42,828,859	86,850,188	92,326,709	86,708,786
Federal Funds	5,434,171,537	6,172,624,456	7,356,928,513	6,747,385,217	7,000,095,041

\* Indicates a decision item