



Colorado General Assembly
Joint Budget Committee

JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Department of Health Care Policy and Financing
Office of Community Living

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs, the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The Department's FY 2022-23 appropriation represents approximately 36.2 percent of statewide operating appropriations and 29.4 percent of statewide General Fund appropriations.

SUMMARY: FY 2022-23 APPROPRIATION & FY 2023-24 REQUEST

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
H.B. 22-1329 (Long Bill)	976,168,307	463,584,702	36,456,851	0	476,126,754	39.5
TOTAL	\$976,168,307	\$463,584,702	\$36,456,851	\$0	\$476,126,754	39.5
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$976,168,307	463,584,702	\$36,456,851	\$0	\$476,126,754	39.5
R5 Office of Community Living	29,857,884	14,353,416	(37,375)	0	15,541,843	0.0
R7 Targeted provider rates	26,931,008	7,573,818	5,891,693	0	13,465,497	0.0
R7 Provider rates	1,921,104	979,318	34,607	0	907,179	0.0
R10 Children with complex needs	3,538,858	0	1,769,429	0	1,769,429	0.0
R13 Case management redesign	2,956,309	0	1,478,155	0	1,478,154	0.0
Annualize prior year budget actions	11,766,231	33,682,808	(27,798,140)	0	5,881,563	0.0
TOTAL	\$1,053,139,701	\$520,174,062	\$17,795,220	\$0	\$515,170,419	39.5
INCREASE/(DECREASE)	\$76,971,394	\$56,589,360	(\$18,661,631)	\$0	\$39,043,665	0.0
Percentage Change	7.9%	12.2%	(51.2%)	0.0%	8.2%	0.0%

DESCRIPTION OF INCREMENTAL CHANGES

R5 OFFICE OF COMMUNITY LIVING: The request includes an increase of \$29.9 million total funds, including \$14.4 million General Fund, for caseload adjustments to maintain zero waitlists for the Home and Community Based Services Supported Living Services, Children's Extensive Services, and Children's Habilitation Residential Program waivers for individuals with intellectual and developmental disabilities, and fund 411 transition enrollments onto the Comprehensive waiver.

R7 TARGETED PROVIDER RATES: The request includes an increase of \$26.9 million total funds, including \$7.6 million General Fund, for a targeted rate increase for direct care workers providing HCBS services. During the 2022 Legislative Session a \$15 per hour base wage was implemented. This request would raise the base wage to \$15.75 in non-Denver counties, and \$17.29 in Denver (to comply with the recent increase in Denver's minimum wage).

R7 PROVIDER RATES: The request includes an increase of \$1.9 million total funds, including \$1.0 million General Fund, for a 0.5 percent common policy provider rate adjustment.

R10 CHILDREN WITH COMPLEX NEEDS: The Department requests \$3.5 million total funds in the Office of Community Living to: (1) create a department team for children with complex and co-occurring needs; (2) move certain payments for Autism Spectrum Disorder from fee-for-service to the managed care behavioral health program; and (3) expand skilled and therapeutic respite care for children with high physical and behavioral health needs. The Department proposes using federal funds made available through the American Rescue Plan Act to expand Home and Community Based Services through December 2024.

R13 CASE MANAGEMENT REDESIGN: The request includes a net increase of \$3.6 million total funds, including \$168,000 General Fund in FY 2023-24, annualizing to \$9.0 million total funds including \$2.0 million General Fund in FY 2024-25 and \$9.0 million total funds including \$4.0 million General Fund in FY 2025-26 and beyond. The request seeks to: (1) Provide onetime costs for Community Centered Board and Single Entry Point closeout reviews, (2) increase rates and expand reimbursable activities for case management. (3) Provide Case Management training and learning management system licenses, and (4) Provide resources for the new Care/Case Management tool.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes adjustments for out-year impacts of prior year legislation and budget actions.

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 R10 Provider rates	\$60,238,749	\$30,116,661	\$4,265	\$0	\$30,117,823	0.0
FY 2021-22 667 IDD enrollments	6,455,911	3,227,956	0	0	3,227,955	0.0
SB 21-039 Elimination of subminimum wage	471,421	235,710	1	0	235,710	0.0
FY 2022-23 R9 OCL program enhancements	280,038	140,018	0	0	140,020	0.0
FY 2022-23 BA10 HCBS ARPA spending authority	(55,602,668)	0	(27,801,334)	0	(27,801,334)	0.0
FY 2021-22 R6 Remote supports for HCBS programs	(77,220)	(37,537)	(1,072)	0	(38,611)	0.0
TOTAL	\$11,766,231	\$33,682,808	(\$27,798,140)	\$0	\$5,881,563	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

R5 OFFICE OF COMMUNITY LIVING CASELOAD: The Department of Health Care Policy and Financing submits an annual budget request for adjustments in appropriations that fund services to individuals with intellectual and developmental disabilities. Budget requests are based on projected caseload and the associated costs for the Home and Community Based Services Comprehensive, Supported Living Services, Children’s Extensive Services, and Children’s Habilitation Residential Program waivers as well as for Targeted Case Management.

R13 CASE MANAGEMENT REDESIGN: The Department requests \$3.6 million total funds, including \$168,000 General Fund in FY 2023-24, to support case management rate increases, continuous system enhancements to the Care/Case Management Tool, case management training resources, and financial closeout reviews for existing entities. The request annualizes to \$9.0 million total funds, including \$2.1 million General Fund in FY 2024-25 and \$9.0 million total funds, including \$4.0 million General Fund in FY 2025-26 and ongoing.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2022.