



Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff

FY 2016-17 Budget Briefing Summary

Department of Health Care Policy and Financing

Executive Director's Office, Medical Services Premiums, Indigent Care Programs, and Other Medical Programs

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The Department's FY 2015-16 appropriation represents 33.6 percent of statewide operating appropriations and 26.1 percent of statewide General Fund appropriations.

FY 2015-16 Appropriation and FY 2016-17 Request

Department of Health Care Policy and Financing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$8,873,331,056	\$2,506,252,972	\$1,024,522,841	\$6,110,549	\$5,336,444,694	413.7
Other legislation	<u>17,123,341</u>	<u>827,638</u>	<u>7,324,383</u>	<u>1,695,000</u>	<u>7,276,320</u>	<u>7.5</u>
TOTAL	\$8,890,454,397	\$2,507,080,610	\$1,031,847,224	\$7,805,549	\$5,343,721,014	421.2
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$8,890,454,397	2,507,080,610	\$1,031,847,224	\$7,805,549	\$5,343,721,014	421.2
R1 Medical Services Premiums						
Services	207,501,363	132,879,795	32,852,420	0	41,769,148	0.0
Booster Payments/Financing	<u>(147,220,545)</u>	<u>8,822,624</u>	<u>(63,834,743)</u>	<u>0</u>	<u>(92,208,426)</u>	<u>0.0</u>
Subtotal - R1	60,280,818	141,702,419	(30,982,323)	0	(50,439,278)	0.0
R2 Behavioral Health Programs	13,430,867	(3,793,986)	7,447,782	0	9,777,071	0.0
R3 Children's Basic Health Plan	(17,605,016)	(25,277)	(11,208,331)	0	(6,371,408)	0.0
R4 Medicare Modernization Act	16,865,498	16,865,498	0	0	0	0.0
R5 Office of Community Living	11,910,323	6,969,260	0	0	4,941,063	0.0
R7 County administration funding	7,105,769	0	0	0	7,105,769	0.0
R9 Old Age Pension State Medical Program	(3,939,225)	0	(3,939,225)	0	0	0.0
R11 Federal match rate	0	103,915	0	8,930	(112,845)	0.0
R12 Provider rates	(35,753,121)	(12,886,073)	(945,958)	0	(21,921,090)	0.0
NP CO Benefits Management System	11,363,637	3,618,325	1,590,106	0	6,155,206	0.0
NP Cervical cancer eligibility	291,528	0	107,119	0	184,409	0.0
NP Administrative law judges	40,765	15,840	4,543	0	20,382	0.0
NP Secure Colorado	13,851	6,884	42	0	6,925	0.0
Annualize prior year budget decisions	16,682,905	9,534,693	1,689,762	(847,793)	6,306,243	3.3

Department of Health Care Policy and Financing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize HB 15-1186 children with autism	8,426,145	8,463,025	(4,331,637)	0	4,294,757	0.0
Annualize primary care rate bump	(85,234,565)	(34,860,937)	0	0	(50,373,628)	0.0
Indirect cost adjustment	59,489	(59,489)	46,187	60,710	12,081	0.0
Centrally appropriated line items	(815,378)	(500,483)	73,441	32,011	(420,347)	0.0
Human Services programs	<u>(419,560)</u>	<u>413,389</u>	<u>(74,625)</u>	<u>0</u>	<u>(758,324)</u>	<u>0.0</u>
TOTAL	\$8,893,159,127	\$2,642,647,613	\$991,324,107	\$7,059,407	\$5,252,128,000	424.5
Legislation to restrict revenue from the Hospital Provider Fee by \$100 million	0	0	0	0	0	0.0
Placeholder for potential increase in Medicare premiums paid by Medicaid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,893,159,127	\$2,642,647,613	\$991,324,107	\$7,059,407	\$5,252,128,000	424.5
Increase/(Decrease)	\$2,704,730	\$135,567,003	(\$40,523,117)	(\$746,142)	(\$91,593,014)	3.3
Percentage Change	0.0%	5.4%	(3.9%)	(9.6%)	(1.7%)	0.8%

Summary of Issues Presented to the Joint Budget Committee

Forecast Trends: This issue brief provides a brief overview of forecast trends in enrollment and expenditures for Medical Service Premiums, the Children's Basic Health Plan, and the Medicare Modernization Act State Contribution Payment.

Hospital Provider Fee: This issue brief discusses how the Hospital Provider Fee works, the Governor's request to reduce revenue from the fee by \$100 million, and the effect if the fee were designated as a TABOR enterprise.

Federal Approval Process for Changes to Medicaid: This issue brief describes the federal approval process for changes to Medicaid in order to shed light on recent delays the Department has experienced in implementing new policies of the General Fund. It also provides an update on the implementation status of new policies approved by the General Assembly.

Provider Rate Review: This issue brief provides a status update on the provider rate review process created by S.B. 15-228 and discusses how that process relates to the Governor's FY 2016-17 request.

Primary Care Rates: This issue brief discusses the sunset of a policy that increased Medicaid primary care rates to the equivalent Medicare rate beginning in January 1, 2013 that is scheduled to expire at the end of FY 2015-16.

Optional Eligibility and Benefits: This issue brief provides a list of the eligibility criteria and benefits Colorado has implemented that are optional for participation in Medicaid and provides rough cost estimates for each.

For More Information

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To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2015-16/hcpbrf1.pdf