

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING**

**DEPARTMENT OF HEALTH CARE POLICY AND  
FINANCING**

**(Medicaid Behavioral Health Community Programs Only)**

**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 of Health Care Policy and Financing (HCPF) 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 largest program administered by HCPF is the Medicaid program, which serves people with low income and people needing long-term care. The Department also performs functions related to improving the health care delivery system. This Joint Budget Committee staff budget briefing document concerns behavioral health services that are provided through the Medicaid program.

Behavioral health services include both mental health and substance use disorder services. Most behavioral health services are provided to Medicaid-eligible clients through a statewide managed care or "capitated" program. The Department contracts with five regional entities, known as behavioral health organizations or BHOs, to provide or arrange for medically necessary behavioral health services to Medicaid-eligible clients. Each BHO receives a pre-determined monthly amount for each client who is eligible for Medicaid behavioral health services. In addition to funding for capitation payments to BHOs, a separate appropriation covers fee-for-service payments for behavioral health services provided to clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by BHO contracts.

Finally, the HCPF budget includes appropriations of General Fund and federal Medicaid funds that are transferred to the Department of Human Services for behavioral health programs administered by that department. Please note that these recommendations are excluded from the following "Summary of Staff Recommendations" table, and are instead summarized at the beginning of the narrative concerning this section of the budget.

### SUMMARY OF STAFF RECOMMENDATIONS – HCPF PROGRAMS

<b>Behavioral Health Community Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$654,139,950	\$190,886,935	\$9,111,432	\$0	\$454,141,583	0.0
Other legislation	295,672	144,850	0	0	150,822	0.0
HB 16-1240 (Supplemental)	(46,143,264)	(16,974,835)	(278,601)	0	(28,889,828)	0.0
Recommended Long Bill Supplemental	<u>9,926,583</u>	<u>(3,920,143)</u>	<u>1,434,121</u>	<u>0</u>	<u>12,412,605</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$618,218,941</b>	<b>\$170,136,807</b>	<b>\$10,266,952</b>	<b>\$0</b>	<b>\$437,815,182</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Behavioral Health Community Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$618,218,941	\$170,136,807	\$10,266,952	\$0	\$437,815,182	0.0
R2 Behavioral health programs	39,961,790	11,072,068	(588,979)	0	29,478,701	0.0
R11/BA16 Standard federal match	0	1,283,670	115,012	0	(1,398,682)	0.0
ACA "Newly eligible" federal match	0	0	6,828,015	0	(6,828,015)	0.0
NP Cervical cancer eligibility	16,512	0	5,732	0	10,780	0.0
Annualize HB 15-1186 children with autism	450,399	220,650	0	0	229,749	0.0
Annualize prior year budget decisions	<u>3,969,688</u>	<u>914,489</u>	<u>6,283</u>	<u>0</u>	<u>3,048,916</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$662,617,330</b>	<b>\$183,627,684</b>	<b>\$16,633,015</b>	<b>\$0</b>	<b>\$462,356,631</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$44,398,389	\$13,490,877	\$6,366,063	\$0	\$24,541,449	0.0
Percentage Change	7.2%	7.9%	62.0%	n/a	5.6%	n/a
<b>FY 2016-17 Executive Request:</b>	<b>\$672,215,756</b>	<b>\$189,224,098</b>	<b>\$16,597,986</b>	<b>\$0</b>	<b>\$466,393,672</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$9,598,426	\$5,596,414	(\$35,029)	\$0	\$4,037,041	0.0

## Description of Incremental Changes

### FY 2015-16

**Long Bill supplemental:** The recommendation includes a \$9.9 million increase in existing FY 2015-16 appropriations (including a decrease of \$3.9 million General Fund) based on the Department's February 2016 caseload and expenditure forecast.

### FY 2016-17

**R2 Behavioral health programs:** The recommendation includes an increase of \$40.0 million total funds (including an increase of \$11.1 million General Fund) for projected caseload and expenditure changes in both the managed care and fee-for-service Medicaid behavioral health programs.

**R11/BA16 Standard federal match:** The recommendation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

**ACA "Newly eligible" federal match:** The recommendation reflects the impact of the decrease in the match rate for services to adults defined as "newly eligible" pursuant to the federal Affordable Care Act (ACA). This match rate will decrease from 100.0 percent in SFY 2015-16 to 97.5 percent in SFY 2016-17.

**NP Cervical cancer eligibility:** The recommendation includes an increase of \$16,512 (including \$5,732 cash funds from the Breast and Cervical Cancer Prevention and Treatment Fund and \$10,780 federal funds) to reflect the additional treatment costs anticipated to result from the approval of the Department of Public Health and Environment's request (R4) to expand the eligibility of women being screened for cervical cancer to include women ages 21 to 39.

**Annualize HB 15-1186 children with autism:** The recommendation includes the requested increase of \$450,399 (including \$220,650 General Fund) to reflect the second year impact of expanding services for children with autism. Staff considers this item as pending, and requests permission to adjust this amount based on any action taken by the Committee on this issue when it considers the budget request for Medical Services Premiums (scheduled for March 15).

**Annualize prior year budget decisions:** The recommendation includes an increase of \$3,969,688 (including \$914,489 General Fund) related to prior year budget decisions, including the following adjustments:

- *FY 2015-16 R6 CHP+ Enrollment – increase of \$3,942,077 (including \$364,154 General Fund and \$3,577,923 federal funds).* The request reflects the second-year impact of changes to the CHP+ enrollment policies
- *FY 2015-16 R12 Provider rate increase – increase of \$27,611 (including \$6,658 General Fund, \$329 cash funds, and \$20,624 federal funds).* The request reflects the impact of the 1.7 percent rate increase approved for FY 2015-16 for providers that receive payments through the behavioral health fee-for-service program.
- *FY 2015-16 BA17 FMAP adjustment – net change of \$0, including an increase of \$543,677 General Fund and \$5,954 cash funds, offset by a reduction of \$549,631 federal funds.* The request includes a fund source adjustment to reflect the full-year impact of the change in the federal Medicaid assistance percentage (FMAP) for FY 2015-16.

### **Major Differences from the Request**

*FY 2015-16:* The Department recently provided an updated caseload and expenditure forecast for both FY 2015-16 and FY 2016-17 that incorporates data through December 2015. Due to significant changes reflected in the February forecast, staff has included a recommendation to increase FY 2015-16 appropriations by \$9.9 million (including a reduction of \$3.9 million General Fund) based on the February forecast. This second mid-year adjustment would be included as a separate section within the FY 2016-17 Long Bill.

*FY 2016-17:* Overall, staff's recommendations for FY 2016-17 are \$9,598,426 lower than the request (including General Fund recommendations that are \$5,596,414 lower than the request). There are two differences between the recommendation and the request:

- Based on the February caseload and expenditure forecast, staff's recommendation for Medicaid Behavioral Health Community Programs is \$9,685,758 lower than the request due to lower projected caseload and expenditures. The recommendation represents an increase of \$44,398,389 (7.2 percent) compared to the adjusted FY 2015-16 appropriation. The recommended increase includes \$24,541,449 federal funds, \$13,490,877 General Fund, and \$6,366,063 cash funds.

- Consistent with Committee policy, staff's recommendations do not reflect any adjustments related to changes in provider rates. The Department's request was based on a 1.0 percent provider rate decrease. This difference causes staff's recommendation to be \$87,332 higher than the request.

## **DECISION ITEMS AFFECTING MULTIPLE DIVISIONS**

### **➔ R11/BA16 Standard Federal Match Rate**

AND

### **➔ ACA "Newly eligible" Federal Match Rate**

*Request:* The Department's request includes several incremental changes to adjust fund sources to reflect changes in the federal match rate for the Medicaid program. For FY 2016-17, this includes two types of changes.

First, Colorado's federal medical assistance percentage (FMAP) will change as a result of a decrease in the ratio of estimated per capita income in Colorado compared to the national average. Federal law provides for match rates ranging from 50 percent to 83 percent. For Colorado, the standard FMAP will decrease from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17. [Please note that administrative costs are typically reimbursed with a 50.0 percent federal match rate, which remains unchanged for FY 2016-17.]

Second, in addition to a change in the standard match rate, there will be changes in the match rate for services to adults defined as "newly eligible" pursuant to the federal Affordable Care Act (ACA). The federal match rate for the newly eligible population will decrease from 100.0 percent to 95.0 percent beginning in CY 2017. This match rate will continue to decrease each subsequent calendar year until each reaches 90.0 percent in CY 2020. For SFY 2016-17, the average match rate for the newly eligible population will be 97.5 percent.

*Recommendation:* Staff's recommendations reflect the new federal match rates for FY 2016-17, consistent with the Department's request. However, the JBC staff recommendation presents the incremental funding changes attributable to the federal match rate changes differently than the format used by the Department in its budget submittals. Specifically, the Department has included a portion of the impact of the federal match rate change within the forecast-related decision item (R2). Staff has removed any fund source changes attributable to a match rate change from the forecast-related decision item, and instead reflected these amounts together with other match rate-related changes. In addition, staff has elected to separately identify the incremental changes related to the reduction in the federal match rate for the newly eligible population. The following table summarizes the incremental fund source changes recommended in this packet.

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Impact of Federal Match Rate Changes on Behavioral Health-related Line Items</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>
<b>R11/BA16 Standard Federal Match Rate:</b>				
HCPF Behavioral Health Community Programs	\$0	\$1,283,670	\$115,012	(\$1,398,682)
DHS Medicaid-funded Programs	<u>0</u>	<u>49,663</u>	<u>0</u>	<u>(49,663)</u>
Subtotal	0	1,333,333	115,012	(1,448,345)
<b>ACA "Newly eligible" Federal Match Rate:</b>				
HCPF Behavioral Health Community Programs	0	0	6,828,015	(6,828,015)
				-
<b>TOTAL</b>	<b>\$0</b>	<b>\$1,333,333</b>	<b>\$6,943,027</b>	<b>(\$8,276,360)</b>



### **(3) Behavioral Health Community Programs**

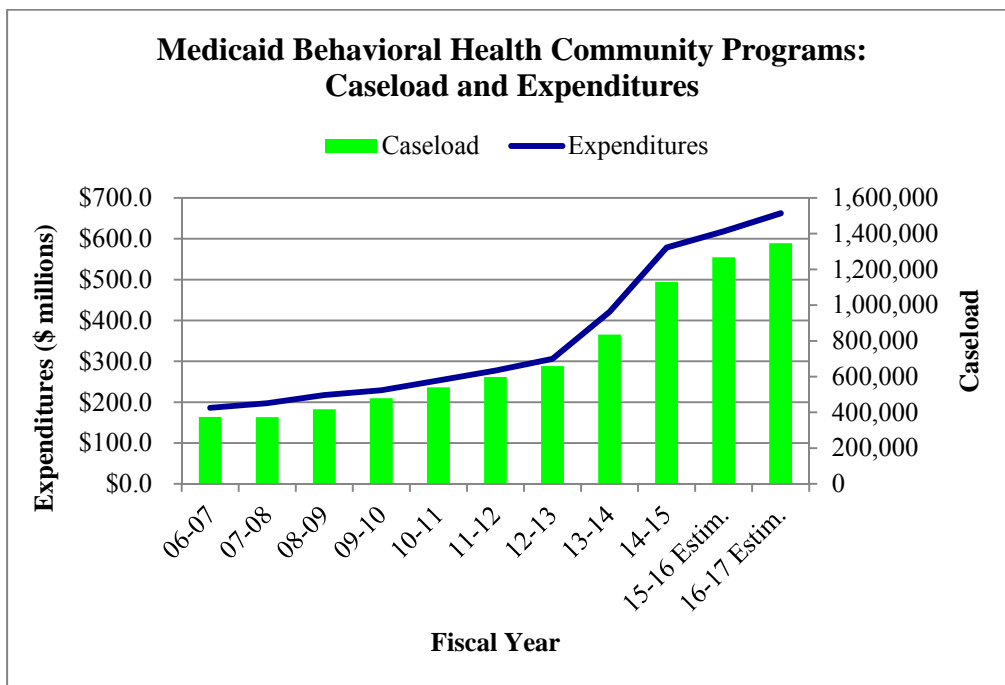
This section of the Department's budget provides funding for the purchase of behavioral health services from five regional behavioral health organizations (BHOs), which manage mental health and substance use disorder services for eligible Medicaid clients in a capitated, risk-based model. This section also includes funding for fee-for-service payments for behavioral health services provided to clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contracts.

#### **DECISION ITEMS – BEHAVIORAL HEALTH COMMUNITY PROGRAMS**

##### **➔ R2 Behavioral Health Programs**

*Request:* The Department's November 1, 2015, budget request included a decision item to add \$13.4 million total funds (including a decrease of \$3.8 million General Fund) to cover projected caseload and expenditure changes in both the managed care and fee-for-service Medicaid behavioral health programs. This incremental increase was the difference between the original FY 2015-16 appropriation and the Department's expenditure projections based on data through June 2015, less any incremental changes attributed to prior year legislation and budget decisions.

*Recommendation:* In order to provide context for the staff recommendations, the following table presents that most recent caseload and expenditure forecast data for FY 2015-16 and FY 2016-17 along with historical data. Specific recommendations for each fiscal year follow.



*FY 2015-16:* The Committee has already taken action to adjust FY 2015-16 appropriations based on the Department's November 2015 caseload and expenditure forecast. The Department recently provided an updated forecast for both FY 2015-16 and FY 2016-17 that incorporates data through December 2015. Due to significant changes reflected in the February 2016 forecast, staff recommends a further adjustment to FY 2015-16 appropriations and staff recommends significantly lower appropriations than requested for FY 2016-17. Specifically, staff recommends increasing FY 2015-16 appropriations by a total of \$9,926,583, including \$9,843,922 for capitation payments and \$82,661 for fee-for-service payments. With respect to fund sources, the recommendation includes a \$3,920,143 reduction in General Fund appropriations, offset by increases in the appropriations from cash funds (\$1,434,121) and federal funds (\$12,412,605).

*FY 2016-17:* For FY 2016-17, staff recommends adding \$40.0 million total funds (including an increase of \$11.1 million General Fund). This incremental change is calculated based on the adjusted FY 2015-16 appropriation recommended above. Thus, this change is not directly comparable to the Department's incremental request for R2. This recommendation is also not directly comparable to the request in terms of fund sources. As noted at the beginning of this packet (see the discussion concerning R11/BA6 and federal match rate changes), the JBC staff recommendation presents the incremental funding changes attributable to the federal match rate changes differently than the format used by the Department in its budget submittals. Specifically, the Department has included a portion of the impact of the federal match rate change within the forecast-related decision item (R2). Staff has removed any fund source changes attributable to a match rate change from the forecast-related decision item, and has instead reflected these amounts together with other match rate-related changes. Thus, the staff recommendation for R2 identifies the incremental changes due to changes in enrollment, rates, and utilization, excluding any changes due to federal match rate changes.

*Analysis:*

FY 2015-16

The table on the following page provides a comparison of the FY 2015-16 caseload and expenditure estimates in the Department's November 2015 and February 2016 forecasts. *See Appendix B for the detailed caseload and rate data that underlies the Department's revised capitation payment estimates for FY 2015-16.*

*JBC Staff Figure Setting: FY 2016-17*  
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<b>FY 2015-16 Medicaid Behavioral Health Community Programs Budget Overview</b>						
<b>Description</b>	<b>FY 2015-16 Amended Appropriation</b>		<b>FY 2015-16 FEB Estimate</b>		<b>Change Due to Revision</b>	
	<b>Caseload</b>	<b>Funding</b>	<b>Caseload</b>	<b>Funding</b>	<b>Caseload</b>	<b>Funding</b>
<b>Capitation Payments</b>						
<u>Eligibility Categories</u>						
Adults age 65+ (to SSI)	42,218	\$7,547,824	42,235	\$8,159,736	17	\$611,912
Adults:						
Parents/ Caretakers (to 68% FPL) and Pregnant Adults (to 200% FPL)	198,210	61,823,610	185,766	60,186,123	(12,444)	(1,637,487)
Parents/ Caretakers (69% to 138% FPL)*	82,897	21,251,172	85,399	39,254,634	2,502	18,003,462
Adults without Dependent Children (to 138% FPL)*	293,091	219,403,218	317,851	218,790,234	24,760	(612,984)
Breast and Cervical Cancer Program (to 250% FPL)	283	88,005	293	96,993	10	8,988
Individuals With Disabilities to age 64 (to 450% FPL)	84,791	135,824,683	86,050	136,795,370	1,259	970,687
Children (to 147% FPL)	534,231	127,960,239	530,671	128,412,597	(3,560)	452,358
Individuals In/ Formerly In Foster Care (up to age 26)	<u>19,923</u>	<u>44,190,178</u>	<u>19,796</u>	<u>39,797,355</u>	<u>(127)</u>	<u>(4,392,823)</u>
Subtotal	1,255,644	618,088,929	1,268,061	631,493,042	12,417	13,404,113
<u>Adjustments:</u>						
Date of death retractions		(1,241,762)		(1,241,762)		0
Adults without dependent children risk corridor reconciliation 1/		(20,613,732)		(33,651,114)		(13,037,382)
Parents/ Caretakers (69% to 138% FPL) systems issue 2/		<u>3,700,000</u>		<u>13,177,191</u>		<u>9,477,191</u>
<b>Capitation Payments Total</b>	<b>1,255,644</b>	<b>\$599,933,435</b>	<b>1,268,061</b>	<b>\$609,777,357</b>	<b>12,417</b>	<b>\$9,843,922</b>
<b>Fee for Service</b>						
Inpatient		\$1,152,541		\$1,163,938		\$11,397
Outpatient		\$7,132,690		7,203,225		70,535
Physician		<u>73,692</u>		<u>74,421</u>		<u>729</u>
<b>Fee for Service Total</b>		<b>\$8,358,923</b>		<b>\$8,441,584</b>		<b>\$82,661</b>
<b>Total Behavioral Health Community Programs</b>	<b>1,255,644</b>	<b>\$608,292,358</b>	<b>1,268,061</b>	<b>\$618,218,941</b>	<b>12,417</b>	<b>\$9,926,583</b>
<b>Incremental Percentage Change</b>					<b>1.0%</b>	<b>1.6%</b>

\* These are new eligibility categories authorized by S.B. 13-200.

1/ Due to the uncertainty of the cost of serving this population, the Department placed a "risk corridor" on the associated capitation rates, thereby splitting the risk of not setting an accurate rate between the Department and the behavioral health organizations (BHOs). The Department has determined that rates were initially set higher than BHOs' actual costs. The Department expects to recoup \$18.9 million for payments made from January through June 2014, and another \$14.7 million for payments made from July 2014 through June 2015 (a total of \$33.7 million).

2/ This adjustment reflects a systems issue that has caused some individuals in the Parents/ Caretakers (69% to 138% FPL) category to be paid at the higher Adults Without Dependent Children category rate. These incorrect payments will be recouped in FY 2016-17.

The most recent forecast reflects a *caseload* that is 12,417 (1.0 percent) higher than projected last November. Primarily, the most recent forecast indicates that the number of low income adults newly eligible for Medicaid continues to grow faster than anticipated (including the Parents/Caretakers from 69% to 138% of the federal poverty level, and the Adults Without Dependent Children eligibility categories). While the number of low income adults who are eligible for Medicaid under the traditional category (Parents/ Caretakers to 68% FPL and Pregnant Adults to 200% FPL) is still expected to increase compared to FY 2014-15, the Department is now expecting a smaller rate of growth.

The most recent forecast reflects *expenditures* that are \$9.9 million (1.6 percent) higher than projected last November. Primarily, the increase in expenditures is driven by caseload increases. However, the February forecast also includes some bottom-line adjustments related to two sets of rate reconciliations that mitigate the overall increase in capitation expenditures:

- Due to the uncertainty of the cost of serving the Adults Without Dependent Children population, the Department placed a "risk corridor" on the associated capitation rates, thereby splitting the risk of not setting an accurate rate between the Department and the BHOs. The Department has determined that rates were initially set higher than BHOs' actual costs. The Department expects to recoup \$18.9 million for payments made from January through June 2014, and another \$14.7 million for payments made from July 2014 through June 2015.
- The Department has identified a systems issue that has caused some individuals in the Parents/ Caretakers (69% to 138% FPL) eligibility category to be paid at the higher Adults Without Dependent Children category rate. The Department plans to recoup these payments in FY 2016-17 (an estimated \$13.2 million).

#### FY 2016-17

Overall, staff recommends increasing appropriations by a total of \$44.4 million for FY 2016-17, including \$13.5 million General Fund, \$6.4 million cash funds, and \$24.5 million federal funds. The most recent forecast reflects a projected *caseload* increase of 79,025 (6.2 percent). The forecast projects continued strong (but slowing) growth in the adult expansion populations, as well as the traditional low income adult and children categories. The most recent FY 2016-17 forecast also reflects a \$4 (0.9 percent) increase in the average per-member-per-month rate paid for all eligibility categories. The following three tables provide a comparison of the Department's most recent Medicaid enrollment and expenditures forecasts for FY 2015-16 and FY 2016-17, by eligibility category.

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Behavioral Health Capitation Program: Enrollment</b>				
Category	FY 15-16 Revised	FY 16-17 Recomm.	Difference	Percent
Children to 147% FPL	530,671	558,771	28,100	5.3%
Adults w/out Dependent Children to 138% FPL	317,851	345,496	27,645	8.7%
Parents / Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	185,766	201,678	15,912	8.6%
Parents / Caretakers 69% to 138% FPL	85,399	90,649	5,250	6.1%
Individuals with Disabilities to age 64 (to 450% FPL)	86,050	87,647	1,597	1.9%
Adults age 65+ (to SSI)	42,235	42,831	596	1.4%
Foster Care to 26 years	19,796	19,806	10	0.1%
Breast & Cervical Cancer to 250% FPL	293	208	(85)	-29.0%
<b>TOTAL</b>	<b>1,268,061</b>	<b>1,347,086</b>	<b>79,025</b>	<b>6.2%</b>

<b>Behavioral Health Capitation Program: Annual Expenditures</b>				
Category	FY 15-16 Revised	FY 16-17 Recomm.	Difference	Percent
Children to 147% FPL	\$128,412,597	\$140,363,874	\$11,951,277	9.3%
Adults w/out Dependent Children to 138% FPL	218,790,234	247,583,714	28,793,480	13.2%
Parents / Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	60,186,123	68,322,042	8,135,919	13.5%
Parents / Caretakers 69% to 138% FPL	39,254,634	22,363,544	(16,891,090)	-43.0%
Individuals with Disabilities to age 64 (to 450% FPL)	136,795,370	142,275,072	5,479,702	4.0%
Adults age 65+ (to SSI)	8,159,736	8,289,655	129,919	1.6%
Foster Care to 26 years	39,797,355	41,746,583	1,949,228	4.9%
Breast & Cervical Cancer to 250% FPL	96,993	68,021	(28,972)	-29.9%
Rate reconciliations	(20,473,923)	(16,244,889)	4,229,034	-20.7%
Date of death retractions	(1,241,762)	(1,117,587)	124,175	-10.0%
<b>TOTAL</b>	<b>\$609,777,357</b>	<b>\$653,650,029</b>	<b>\$43,872,672</b>	<b>7.2%</b>

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Behavioral Health Capitation Program: Annual Per Capita Expenditures</b>				
Category	FY 15-16 Revised	FY 16-17 Recomm.	Difference	Percent
Children to 147% FPL	\$242	\$251	\$9	3.8%
Adults w/out Dependent Children to 138% FPL	688	717	28	4.1%
Parents / Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	324	339	15	4.6%
Parents / Caretakers to 138% FPL a/ Individuals with Disabilities to age 64 (to 450% FPL)	460	247	(213)	-46.3%
Adults age 65+ (to SSI)	1,590	1,623	34	2.1%
Foster Care to 26 years	193	194	0	0.2%
Breast & Cervical Cancer to 250% FPL	2,010	2,108	97	4.8%
<b>TOTAL</b>	<b>\$481</b>	<b>\$485</b>	<b>\$4</b>	<b>0.9%</b>

a/ This reduction in per capita expenditures reflects a recoupment that is expected to occur in FY 2016-17 for payments made to BHOs in FY 2015-16 using an inappropriately high rate.

**➔ R12 Provider Rates**

*Request:* The Department's request includes a reduction of \$87,332 for a 1.0 percent decrease in provider rates.

*Recommendation:* Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates.

Please note that the common policy for provider rate changes only applies to the "Behavioral Health Fee-for-service Payments" line item appropriation. This line item appropriation reimburses the following types of community providers for the provision of mental health and substance use disorder treatment services to Medicaid clients:

- Medical hospitals
- Private psychiatric hospitals
- Community mental health centers
- Federally qualified health centers
- Local independent behavioral health treatment providers (physician offices and clinics)
- School-based health centers
- Rural health centers
- Residential child care facilities
- Psychiatric residential treatment facilities

The common policy does not apply to the "Behavioral Health Capitation Payments" line item because rates paid to behavioral health organizations are determined using a different methodology. Similar to other managed care rates, this methodology is designed to satisfy state and federal requirements for actuarial soundness.

**➔ NP Cervical Cancer Eligibility**

*Request:* The Department of Public Health and Environment and the Department of Health Care Policy and Financing propose expanding the age of women eligible for cervical cancer screenings through the Breast and Cervical Cancer Program from the current 40 to 64 years old to 21 to 64 years old.

*Recommendation:* Consistent with Committee action taken February 23, 2016, staff's recommendation includes the additional behavioral health funding associated with expanding eligibility for this program.

**LINE ITEM DETAIL – BEHAVIORAL HEALTH COMMUNITY PROGRAMS**

**Behavioral Health Capitation Payments**

This line item supports the provision of most behavioral health services to Medicaid clients. Behavioral health services, which include both mental health and substance use-related services, are provided to Medicaid clients through a statewide managed care or "capitated" program. The Department contracts with regional entities, known as behavioral health organizations (BHOs), to provide or arrange for behavioral health services for clients within their geographic region who are eligible for and enrolled in the Medicaid program. In order to receive services through a BHO, a client must have a covered diagnosis and receive a covered service or procedure<sup>1</sup> that is medically necessary. *Services that are provided by BHOs to Medicaid clients* are listed below.

Covered State Plan Services

- \*inpatient psychiatric hospital services
- outpatient services, including:
  - physician services (including psychiatric care)
  - rehabilitative services (including: individual, group, and family behavioral health therapy; behavioral health assessment; pharmacologic management; day treatment; and emergency/crisis services)
- targeted case management
- school-based behavioral health services
- drug screening and monitoring
- detoxification services
- medication-assisted treatment

Covered 1915 (b) (3) Waiver Alternative Services

- vocational services
- assertive community treatment

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<sup>1</sup> BHOs offer all Medicaid State Plan mental health services plus services approved through the Department's federal 1915 (b) (3) waiver.

- intensive case management
- clubhouse and drop-in center services
- recovery services
- \*residential services (24-hour care provided in a non-hospital, non-nursing home setting; excludes room and board)
- prevention/early intervention services
- respite care

Those services noted with an asterisk (\*) are not covered for a client for whom the primary diagnosis is a substance use disorder (SUD). However, the Department does cover service costs during the assessment period of the client's hospitalization even if the primary diagnosis is ultimately determined to be a SUD.

Each BHO receives a pre-determined monthly amount for each Medicaid client who is eligible for behavioral health services within its geographic area. The "per-member-per-month" rates paid to BHOs are unique for each Medicaid eligibility category in each geographic region. These rates are adjusted annually based on historical rate experience and data concerning client service utilization. Currently, the state is divided into five geographic regions for the provision of behavioral health services to the following *Medicaid eligibility categories*<sup>2</sup>:

- Adults age 65 and older;
- Children and adults with disabilities under age 65;
- Parents and caretakers;
- Pregnant adults;
- Adults without dependent children;
- Children;
- Children and young adults in or formerly in foster care (through age 26); and
- Adults served through the Breast and Cervical Cancer Treatment and Prevention Program.

Two Medicaid populations that are eligible for certain medical benefits are not eligible for behavioral health services through the Medicaid program: (1) Non-citizens; and (2) Partial dual-eligible individuals (*i.e.*, individuals who are eligible for both Medicare and Medicaid benefits, but for whom the Medicaid benefit is limited to payment of Medicare premiums and co-insurance payments). In addition, the following Medicaid-eligible clients are excluded from enrollment in a BHO:

- Individuals enrolled in a Program of All-inclusive Care for the Elderly (PACE Program).
- Children and youth in the custody of the Department of Human Services' Division of Child Welfare or Division of Youth Corrections who are placed in a psychiatric residential treatment facility (PRTF) of a residential child care facility (RCCF).

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<sup>2</sup> The Department recently renamed certain eligibility categories to be more consistent with terminology used in other states and to more accurately estimate expenditures by fund source. The term "MAGI" refers to the new federal Modified Adjusted Gross Income standard that states are required to use when determining income for purposes of Medicaid eligibility.



- Certain individuals receiving treatment at the Colorado Mental Health Institutes<sup>3</sup>.
- Individuals with intellectual and developmental disabilities (IDD) who:
  - (a) receive IDD services through an intermediate care facility for individuals with intellectual disabilities;
  - (b) receive IDD services through a regional center "waiver bed"; or
  - (c) reside in the state regional centers and associated satellite residences for more than 90 days.

Finally, a Medicaid client may request and receive an individual exemption if BHO enrollment is not in their best clinical interest [pursuant to 10 CCR 2505-10, Section 8.212.2]<sup>4</sup>. For these individuals, expenditures related to behavioral health care are covered through the Behavioral Health Fee-for-service Payments line item appropriation in HCPF (described below).

Every five years the Department uses a competitive bid process to award BHO contracts for each region. The existing contracts went into effect July 1, 2014. Capitation rates are adjusted every six months based on historical rate experience and recent encounter data (*i.e.*, statewide average costs by diagnosis category). *Capitated behavioral health program expenditures* are affected by caseload changes, rate changes, and changes to the Medicaid State Plan or waiver program that affect the diagnoses, services, and procedures that are covered for Medicaid clients. Caseload changes include changes in Medicaid eligibility, as well as demographic and economic changes that affect the number of individuals eligible within each category. The State's share of expenditures is also affected by changes in the federal match rate for various eligibility categories.

*Statutory Authority:* Articles 4, 5, and 6 of Title 25.5 [Colorado Medical Assistance Act]; Section 25.5-5-411, C.R.S. [Medicaid community mental health services]; Section 25.5-5-415, C.R.S. [Medicaid payment reform and innovation pilot program]

*Request:*

FY 2015-16: The Department submitted a request to change the FY 2015-16 appropriation as required in January 2016. The Committee acted on that request in January.

FY 2016-17: The Department requests \$663.6 million (including \$187.4 million General Fund) for FY 2016-17 based on its November 2015 caseload and expenditure forecast.

*Recommendation:*

FY 2015-16: Staff recommends increasing the existing FY 2015-16 appropriation by \$9.8 million total funds (including a decrease of \$3.8 million General Fund) based on the Department's February 2016 caseload and expenditure forecast.

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<sup>3</sup> This includes individuals, ages 21 through 64, who receive inpatient treatment at one of the Institutes, as well as patients who are: (1) ordered by a criminal court to be evaluated for competency to stand trial; (2) found by a criminal court to be incompetent to proceed to trial; or (3) found by a criminal court to be not guilty by reason of insanity.

<sup>4</sup> There are generally fewer than 25 Medicaid clients exempted under this State rule.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

FY 2016-17: Staff recommends appropriating \$653.7 million for FY 2016-17 (including \$181.9 million General Fund) based on the Department's February 2016 caseload and expenditure forecast.

The following table details recent expenditure and caseload trends for this line item, along with staff's recommendations for FY 2015-16 and FY 2016-17 based on the Department's February 2016 submittal.

<b>Medicaid Behavioral Health Capitation Payments</b>						
	FY 2013-14	FY 2014-15	FY 2015-16		FY 2016-17	
	Actual	Actual 1/	Amended Appropriation	FEB 2016 Estimate	Nov. 1, 2015 Request 2/	FEB 2016 Estimate
<b>Capitation Payments</b>	<b>\$415,933,333</b>	<b>\$565,420,239</b>	<b>\$599,933,435</b>	<b>\$609,777,357</b>	<b>\$663,569,890</b>	<b>\$653,650,029</b>
Annual Dollar Change	\$114,630,287	\$149,486,906	\$34,513,196	\$44,357,118	\$53,792,533	\$43,872,672
Annual Dollar % Change	38.0%	35.9%	6.1%	7.8%	8.8%	7.2%
<b>Caseload (eligible clients)</b>	<b>835,098</b>	<b>1,130,439</b>	<b>1,255,644</b>	<b>1,268,061</b>	<b>1,311,920</b>	<b>1,347,086</b>
Annual Caseload Change	175,994	295,341	125,205	137,622	43,859	79,025
Annual Caseload % Change	26.7%	35.4%	11.1%	12.2%	3.5%	6.2%
<b>Expenditures per capita</b>	<b>\$498</b>	<b>\$500</b>	<b>\$478</b>	<b>\$481</b>	<b>\$506</b>	<b>\$485</b>

1/ The "Capitation Payments" figure for FY 2014-15 excludes \$4,540,153 expended by BHOs' for school-based substance abuse prevention and intervention programs pursuant to S.B. 14-215.

2/ The "Capitation Payments" figure for FY 2016-17 includes 54 cases and \$16,512 for the projected impact of the Department of Public Health and Environment's request to expand eligibility for cervical cancer services.

The staff recommendations for this line item are detailed in the following table. In addition, Appendices B and C detail the caseload and rate data that underlie the Department's February 2016 forecast for FY 2015-16 and FY 2016-17.

<b>Behavioral Health Community Programs, Behavioral Health Capitation Payments</b>					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
<b>FY 2015-16 Appropriation</b>					
SB 15-234 (Long Bill)	\$645,729,591	\$188,201,251	\$8,967,481	\$448,560,859	0.0
Other legislation	295,672	144,850	0	150,822	0.0
HB 16-1240 (Supplemental)	(46,091,828)	(16,053,804)	(242,677)	(29,795,347)	0.0
Recommended Long Bill Supplemental	<u>9,843,922</u>	<u>(3,785,502)</u>	<u>1,425,827</u>	<u>12,203,597</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$609,777,357</b>	<b>\$168,506,795</b>	<b>\$10,150,631</b>	<b>\$431,119,931</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$609,777,357	\$168,506,795	\$10,150,631	\$431,119,931	0.0
R2 Behavioral health programs	39,463,684	11,040,786	(596,189)	29,019,087	0.0
R11/BA16 Standard federal match	0	1,274,797	114,750	(1,389,547)	0.0
ACA "Newly eligible" federal match	0	0	6,702,385	(6,702,385)	0.0

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Behavioral Health Community Programs, Behavioral Health Capitation Payments</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
NP Cervical cancer eligibility	16,512	0	5,732	10,780	0.0
Annualize HB 15-1186 children with autism	450,399	220,650	0	229,749	0.0
Annualize prior year budget decisions	<u>3,942,077</u>	<u>906,376</u>	<u>5,871</u>	<u>3,029,830</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$653,650,029</b>	<b>\$181,949,404</b>	<b>\$16,383,180</b>	<b>\$455,317,445</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$43,872,672	\$13,442,609	\$6,232,549	\$24,197,514	0.0
Percentage Change	7.2%	8.0%	61.4%	5.6%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$663,569,890</b>	<b>\$187,387,452</b>	<b>\$16,372,107</b>	<b>\$459,810,331</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$9,919,861	\$5,438,048	(\$11,073)	\$4,492,886	0.0

**School-based Early Intervention and Prevention**

Senate Bill 14-215 appropriated a total of \$4,363,807 (including \$2,000,000 General Fund and \$2,363,807 federal Medicaid funds) for FY 2014-15 for school-based prevention and intervention substance use disorder services to be provided by behavioral health organizations (BHOs). The act also directed the State Treasurer to transfer \$2,130,000 from the MTCF to the General Fund to offset this General Fund appropriation (including \$130,000 to account for the statutorily-required 6.5 percent General Fund reserve).

Prior to the passage of S.B. 14-215, BHO providers were offering prevention-oriented behavioral health services in 402 schools, as authorized under the Department's federal 1915 (b) (3) waiver. The Department indicates that the federal Centers for Medicare and Medicaid Services (CMS) do not allow a state to make a "supplemental payment" to a BHO. However, a state is allowed to pay an "add-on" rate as long as it is within the actuarially certified capitation rate range for the relevant BHO and eligibility type. Thus, in order to administer the additional funding that was provided through S.B. 14-215, the Department established "add-on" per-member-per-month rates for each BHO for two relevant eligibility categories (Children, and Children and youth in or formerly in foster care). The Department required BHOs to use the additional funds to expand programs into additional schools that were previously without these services.

This funding was not continued in FY 2015-16, and there has not been a request to reinstate funding for FY 2016-17.

*Statutory Authority:* Articles 4, 5, and 6 of Title 25.5 [Colorado Medical Assistance Act]; Section 25.5-5-411 [Medicaid community mental health services]

**Behavioral Health Fee-for-service Payments**

This line item supports "fee-for-service" payments for: (1) the provision of behavioral health services that are not covered by the BHO contract to BHO-enrolled clients; and (2) the provision of behavioral health services to Medicaid clients who are not enrolled in a BHO.

- *Services Not Covered by BHO Contract.* This line item covers behavioral health expenditures for Medicaid clients who have a diagnosis that is not covered by the BHO contract (e.g., autism spectrum disorder, developmental disability, dementia, etc.).
- *Clients Not Enrolled in BHO.* This line item also covers behavioral health expenditures for Medicaid clients who have received an individual exemption from BHO enrollment. In addition, to the extent that partial dual-eligible individuals receive mental health services under their Medicare benefits package, this line item covers that portion of expenditures that would have been the responsibility of the client.

The fee-for-service program covers all Medicaid State Plan mental health and substance use disorder services<sup>5</sup>.

*Statutory Authority:* Articles 4, 5, and 6 of Title 25.5 [Colorado Medical Assistance Act]

*Request:*

FY 2015-16: The Department submitted a request to change the FY 2015-16 appropriation as required in January 2016. The Committee acted on that request in January.

FY 2016-17: The Department requests \$8.6 million (including \$1.8 million General Fund) for FY 2016-17 based on its November 2015 caseload and expenditure forecast.

*Recommendation:*

FY 2015-16: Staff recommends increasing the existing FY 2015-16 appropriation by \$82,661 total funds (including a reduction of \$134,641 General Fund) based on the Department's February 2016 caseload and expenditure forecast.

FY 2016-17: Staff recommends appropriating \$9.0 million for FY 2016-17 (including \$1.7 million General Fund) based on the Department's February 2016 caseload and expenditure forecast.

The following table details recent expenditure and caseload trends for this line item, along with staff's recommendations for FY 2015-16 and FY 2016-17 based on the Department's February 2016 submittal.

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<sup>5</sup> The fee-for-service program does not, however, cover services approved through the Department's federal 1915 (b) (3) waiver.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Medicaid Behavioral Health Fee-for-service Payments</b>						
	FY 2013-14	FY 2014-15	FY 2015-16 1/		FY 2016-17 2/	
	Actual	Actual	Amended Appropriation	FEB 2016 Estimate	Nov. 1, 2015 Request	FEB 2016 Estimate
Inpatient Services	\$1,277,088	\$1,037,617	\$1,152,541	\$1,163,938	\$1,192,106	\$1,236,425
Outpatient Services	3,956,128	6,421,463	7,132,690	7,203,225	7,377,538	7,651,820
Physician Services	63,135	66,344	73,692	74,421	76,222	79,056
Accounting Adjustment 3/	(516)	0	n/a	n/a	n/a	n/a
<b>Total Fee-for-Service Funding</b>	<b>\$5,295,835</b>	<b>\$7,525,424</b>	<b>\$8,358,923</b>	<b>\$8,441,584</b>	<b>\$8,645,866</b>	<b>\$8,967,301</b>
Annual Dollar Change	\$726,637	\$2,229,589	\$833,499	\$916,160	\$204,282	\$525,717
Annual Dollar % Change	15.9%	42.1%	11.1%	12.2%	2.4%	6.2%

1/ These amounts include \$140,586 for a community provider rate increase, pro rated across each expenditure category based on the Department's base expenditure estimates for FY 2015-16.

2/ The request includes a reduction of \$87,332 for Medicaid provider rate reductions (R12). These amounts have been pro rated across each expenditure category based on the Department's base expenditure estimates for FY 2016-17.

3/ The Department overlays MMIS data onto CORE data to approximate expenditures by eligibility category. In some instances, this overlay process results in totals which do not match actual expenditures. This adjustment ensures that total actual expenditures are

The staff recommendations for this line item are detailed in the following table.

<b>Behavioral Health Community Programs, Behavioral Health Fee-for-service Payments</b>						
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$8,410,359	\$2,685,684	\$143,951	\$5,580,724	0.0	
HB 16-1240 (Supplemental)	(51,436)	(921,031)	(35,924)	905,519	0.0	
<u>Recommended Long Bill Supplemental</u>	<u>82,661</u>	<u>(134,641)</u>	<u>8,294</u>	<u>209,008</u>	<u>0.0</u>	
<b>TOTAL</b>	<b>\$8,441,584</b>	<b>\$1,630,012</b>	<b>\$116,321</b>	<b>\$6,695,251</b>	<b>0.0</b>	
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$8,441,584	\$1,630,012	\$116,321	\$6,695,251	0.0	
R2 Behavioral health programs	498,106	31,282	7,210	459,614	0.0	
R11/BA16 Standard federal match	0	8,873	262	(9,135)	0.0	
ACA "Newly eligible" federal match	0	0	125,630	(125,630)	0.0	
R12 Provider rates	0	0	0	0	0.0	
Annualize prior year budget decisions	<u>27,611</u>	<u>8,113</u>	<u>412</u>	<u>19,086</u>	<u>0.0</u>	
<b>TOTAL</b>	<b>\$8,967,301</b>	<b>\$1,678,280</b>	<b>\$249,835</b>	<b>\$7,039,186</b>	<b>0.0</b>	
<b>Increase/(Decrease)</b>	\$525,717	\$48,268	\$133,514	\$343,935	0.0	
Percentage Change	6.2%	3.0%	114.8%	5.1%	0.0%	
<b>FY 2016-17 Executive Request:</b>	<b>\$8,645,866</b>	<b>\$1,836,646</b>	<b>\$225,879</b>	<b>\$6,583,341</b>	<b>0.0</b>	
Request Above/(Below) Recommendation	(\$321,435)	\$158,366	(\$23,956)	(\$455,845)	0.0	

**School-based Substance Abuse Prevention and Intervention Grant Program**

Senate Bill 14-215 created the School-based Substance Abuse Prevention and Intervention Program in HCPF. This is a competitive grant program for schools and community-based organizations to provide school-based prevention and intervention programs for youth (ages 12 to 19), primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse. The grant program is subject to available appropriations. The grant award must be used to deliver programs and strategies to at-risk youth, regardless of the youths' eligibility for Colorado's medical assistance program. Further, a grant award must be used to implement evidence-based programs and strategies that are designed to achieve the following outcomes:

- An increase in the perceived risk of harm associated with marijuana use, prescription drug misuse, and underage alcohol use among youth;
- A decrease in the rates of youth marijuana use, alcohol use, and prescription drug misuse;
- A delay in the age of first use of marijuana, alcohol, or prescription drug misuse;
- A decrease in the rates of youth who have ever used marijuana or alcohol or misused prescription drugs in their lifetime; and
- A decrease in the number of drug- and alcohol-related violations on school property, suspensions, and expulsions reported by schools.

The act appropriated \$2,000,000 General Fund for FY 2014-15 for the new grant program. The act also directed the State Treasurer to transfer \$2,130,000 from the MTCF to the General Fund to offset this General Fund appropriation (including \$130,000 to account for the statutorily-required 6.5 percent General Fund reserve).

The Department awarded grants totaling \$868,656 to schools, school districts, and community-based organizations.

*Statutory Authority:* Section 25.5-1-206, C.R.S.

*Request:* The funding for this program was not continued in FY 2015-16, and there has not been a request to reinstate funding for FY 2016-17.

**Contract Reprocurement**

This line item provided a one-time appropriation to ensure that the transition to the new behavioral health organization (BHO) contracts on July 1, 2014, did not affect service delivery for Medicaid clients.

*Statutory Authority:* Articles 4, 5, and 6 of Title 25.5 [Colorado Medical Assistance Act]; Section 25.5-5-411 [Medicaid community mental health services]

## (7) Department of Human Services Medicaid-funded Programs

This division reflects the amount of Medicaid funds appropriated for programs administered by the Department of Human Services that are covered in this document

### SUMMARY OF STAFF RECOMMENDATIONS – DHS PROGRAMS

<b>Department of Human Services Medicaid-funded Programs Behavioral Health Services - Medicaid Funding</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
SB 15-234 (Long Bill)	\$8,139,680	\$4,005,537	\$0	\$0	\$4,134,143	0.0
HB 16-1240 (Supplemental)	<u>693,980</u>	<u>344,795</u>	<u>0</u>	<u>0</u>	<u>349,185</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,833,660</b>	<b>\$4,350,332</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,483,328</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$8,833,660	\$4,350,332	\$0	\$0	\$4,483,328	0.0
R11/BA16 Standard federal match	0	49,663	0	0	(49,663)	0.0
BA11 Technical adjustments	0	0	0	0	0	0.0
NPBA5 HUM Mental health institute revenue adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>\$8,833,660</b>	<b>\$4,399,995</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,433,665</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	\$49,663	\$0	\$0	(\$49,663)	0.0
Percentage Change	0.0%	1.1%	n/a	n/a	(1.1%)	n/a
<b>FY 2016-17 Executive Request</b>						
Request Above/(Below) Recommendation	\$494,090	\$246,056	\$0	\$0	\$248,034	0.0

### Description of Incremental Changes

**R11/BA16 Standard federal match:** The recommendation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

### **Major Differences from the Request**

Staff's recommendation for behavioral health-related line items is \$494,090 lower than the request for two reasons:

- The Department requested adjustments to appropriations of Medicaid funds that support the mental health institutes based on updated institute revenue estimates. Consistent with Committee action on a corresponding supplemental request, staff's recommendation reflects a portion of the requested adjustments in the HCPF line item for the Department of Human Services' Office of Operations. As this line item is not reflected in this packet, it makes it appear that staff's recommendation is \$506,020 lower than the request.
- Consistent with Committee policy, staff's recommendations do not reflect any adjustments related to changes in provider rates. The Department's request was based on a 1.0 percent provider rate decrease. This difference causes staff's recommendation to be \$11,930 higher than the request.

### **DECISION ITEMS – DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS**

#### **➔ BA11 Technical Adjustments**

*Request:* The Department requested an adjustment to the General Fund and federal fund shares of the FY 2015-16 appropriation for the Department of Human Services' "Community Behavioral Health Administration". Specifically, to correctly reflect a 50.0 percent federal share for administrative funding, the Department requested a \$3,287 increase in the General Fund share offset by a decrease of the same amount in federal funds. The Department requests continuation of this adjustment for FY 2016-17.

*Recommendation:* Consistent with the Committee's action on the associated supplemental request (S11), staff recommends approving the request to continue the adjustment for FY 2016-17.

#### **➔ NPBA5 HUM Mental Health Institute Revenue Adjustments**

*Request:* The Department requests adjustments to appropriations of Medicaid funds that support the mental health institutes based on updated institute revenue estimates. This request is associated with a request submitted by the Department of Human Services (BA4). Both departments submitted the same request as a mid-year adjustment for FY 2015-16, with continuation of the requested adjustments for FY 2016-17 (with minor changes based on the applicable Medicaid federal match rate).

*Recommendation:* Staff's recommendation is consistent with Committee action on the associated supplemental request for FY 2015-16, with minor fund source adjustments based on the applicable federal Medicaid matching rate for FY 2016-17. As detailed in the following table, staff recommends continuing to reflect adjustments to two line items appropriations to HCPF



(rather than one, as requested) to more accurately reflect the proposed allocation of Medicaid revenues within the DHS budget. Staff at DHS are aware of and support these changes.

Department of Health Care Policy and Financing	FY 2016-17 Request	FY 2016-17 Recommendation
<b>(7) Department of Human Services Medicaid-funded Programs</b>		
<b>Total: (C) Office of Operations – Medicaid Funding</b>	<b><u>\$0</u></b>	<b><u>\$506,020</u></b>
General Fund	0	251,998
Federal Funds	0	254,022
<b>Total: (F) Behavioral Health Services – Medicaid Funding, Mental Health Institutes</b>		
	<b><u>\$1,200,000</u></b>	<b><u>\$693,980</u></b>
General Fund	597,600	345,602
Federal Funds	602,400	348,378
<b>Total: HCPF</b>		
	<b><u>\$1,200,000</u></b>	<b><u>\$1,200,000</u></b>
General Fund	597,600	597,600
Federal Funds	602,400	602,400

## **LINE ITEM DETAIL – DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS**

### **(F) Behavioral Health Services – Medicaid Funding**

#### **Community Behavioral Health Administration**

This line item reflects the amount of Medicaid funds appropriated for the personal services and operating expenses for the Office of Behavioral Health.

*Statutory Authority:* Section 26-1-201, C.R.S. [Programs administered and services provided by DHS]; Section 27-60-101, *et seq.*, C.R.S. [Behavioral health crisis response system]; Section 27-66-101, *et seq.*, C.R.S. [Community mental health services]; Section 27-80-101, *et seq.*, C.R.S. [Alcohol and drug abuse – programs and services]; Section 27-81-101, *et seq.*, C.R.S. [Alcohol abuse, education, prevention, and treatment]; Section 27-82-101, *et seq.*, C.R.S. [Drug abuse prevention, education, and treatment]

*Request:* The Department requests continuation of the current appropriation of \$416,056 total funds (including \$208,028 is General Fund). The recommended fund sources are based on the applicable 50/5- federal match rate for administrative functions.

*Recommendation:* Staff recommends approving the request.

**Mental Health Treatment Services for Youth (H.B. 99-1116)**

This line item reflects the amount of Medicaid funds appropriated for the Child Mental Health Treatment Act, which provides funding for mental health treatment services for children without the need for county department of human services involvement, when a dependency and neglect action is neither appropriate nor warranted.

*Statutory Authority:* Section 25.5-5-307, C.R.S. [Child mental health treatment and family support program]; Section 27-67-101 *et seq.*, C.R.S. [Child Mental Health Treatment Act]

*Request:* The Department requests \$122,388 total funds (including \$60,949 General Fund). The request includes a reduction of \$1,236 for a 1.0 percent provider rate reduction.

*Recommendation:* Staff recommends continuation of the existing appropriation of \$123,624 total funds. The recommended fund sources are based on a reduction in the federal share of funding (from 50.79 percent to 50.20 percent). Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider.

**High Risk Pregnant Women Program**

This line item reflects the amount of Medicaid funds appropriated for the "Special Connections" program for pregnant women who are eligible for Medicaid and who have alcohol and/or drug abuse problems. This program, which is administered by the Department of Human Services, helps women have healthier pregnancies and healthier babies by providing case management, individual and group counseling, health education, and residential treatment during pregnancy and up to one year after delivery. This program was developed to: deliver a healthy baby; reduce or stop the substance using behavior of the pregnant woman during and after the pregnancy; promote and assure a safe child-rearing environment for the newborn and other children; and maintain the family unit. The Department of Human Services contracts with several providers to operate Special Connections Programs.

*Statutory Authority:* Section 25.5-5-309 through 312, C.R.S.

*Request:* The Department requests \$1,589,306 total funds (including \$791,474 General Fund). The request includes a reduction of \$16,000 for a 1.0 percent provider rate reduction.

*Recommendation:* Staff recommends continuation of the existing appropriation of \$1,600,000 total funds. The recommended fund sources are based on a reduction in the federal share of funding (from 50.79 percent to 50.20 percent). Consistent with the Committee's common policy, staff's recommendation excludes the proposed 1.0 percent reduction in provider rates. The request also includes an increase of \$5,306 to "annualize" the rate increases that were approved for FY 2015-16.

*Analysis:* For FY 2015-16, the General Assembly approved a proposal to increase provider rates for this program, including: (a) a \$13.98 (91.3 percent) increase in the outpatient group rate; (b) a \$31.26 (20.0 percent) increase in the per diem rate; plus (c) an overall rate increase of 1.7

percent. The federal Centers for Medicare and Medicaid Services (CMS) has not yet approved the State Plan Amendment (Clinical Services SPA) that would allow the Department to implement the increase. The Department submitted the Amendment on June 3, 2015. When CMS does approve the rate, the Department will be able to implement it retroactively back to July 1, 2015. The request, and the recommended funding for FY 2016-17, assumes that these rate increases will be implemented at some point in FY 2015-16 and then be continued in FY 2016-17.

Given that actual program expenditures continue to fall well below the appropriation, staff's recommendation does not reflect the requested adjustment to "annualize" the rate increases that were approved for FY 2015-16 (an increase of \$5,306). The Department of Human Services estimated that the number of women served through this program could increase by five to ten percent if the proposed rate increases were approved. The existing appropriation of \$1.6 million was based on this estimate plus an additional cushion in the event that additional women could be served. In the absence of any data concerning the actual impact of the approved rate increases, staff recommends continuing the appropriation at this level for FY 2016-17.

The following table provides a recent history of appropriations, expenditures, and some data about the number of women served.

<b>Special Connections Program</b>				
<b>Description</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Appropriation	\$1,999,146	\$1,429,133	\$1,464,861	\$1,600,000
Actual Expenditures	1,052,271	1,138,015	969,806	
Expenditures Over/ (Under) Appropriation	(946,875)	(291,118)	(495,055)	
Number of Women Served				
Outpatient		170	138	
Residential		<u>95</u>	<u>103</u>	
Total		265	241	311
<i>Annual percent change</i>			-9.1%	29.2%
Average cost per woman served		\$4,294	\$4,024	\$5,138
<i>Annual percent change</i>			-6.3%	27.7%

**Mental Health Institutes**

This line item reflects the amount of Medicaid funds appropriated for the Colorado Mental Health Institute at Pueblo. Medicaid funds support personal services, operating expenses, and

pharmaceutical expenses associated with inpatient psychiatric services for individuals under the age of 21 and those over the age of 65.

*Statutory Authority:* Section 25.5-5-202 (1) (a), (i), and (j), C.R.S.

*Request:* The Department requests \$7,200,000 total funds (including \$3,585,600 General Fund).

*Recommendation:* Staff recommends continuation of the existing appropriation of \$6,693,980 total funds. The recommended fund sources are based on a reduction in the federal share of funding (from 50.79 percent to 50.20 percent). This line item is impacted by a budget amendment submitted by the Department of Human Services (DHS BA4) concerning mental health institute revenue adjustments.

The staff recommendation for the affected line items in both the Department of Human Services and the Department of Health Care Policy and Financing are consistent with the action taken by the Committee on a corresponding supplemental request for FY 2015-16 (DHS S7). Staff's recommendation for this HCPF line item is \$506,020 lower than the request because staff recommends reflecting this amount in a second line items appropriation to HCPF (for the Office of Operations) to more accurately reflect the proposed allocation of Medicaid revenues within the DHS budget. Staff at DHS are aware of and support staff's recommendation.

## **Long Bill Footnotes and Requests for Information**

### **LONG BILL FOOTNOTES**

Staff recommends **discontinuing** the following footnote:

~~17 — Department of Health Care Policy and Financing, Department of Human Services Medicaid-funded Programs, Behavioral Health Services — Medicaid Funding, High Risk Pregnant Women Program — This appropriation is intended to include sufficient funding for the Department of Health Care Policy and Financing to implement the following provider rate increases for this program: (a) a \$13.98 (91.3 percent) increase in the outpatient group rate; (b) a \$31.26 (20.0 percent) increase in the per diem rate; plus (c) an overall rate increase of 1.7 percent.~~

**Comment:** This footnote was included in FY 2015-16 to identify the specific rate increases for which funding was provided. The Department indicated that the above rate increases have not yet been implemented. The federal Centers for Medicare and Medicaid Services (CMS) has not yet approved the State Plan Amendment (Clinical Services SPA) that would allow the Department to implement the increase. The Department submitted the Amendment on June 3, 2015. The Department does not currently have an estimated approval date from CMS. When CMS does approve the rate, we will be able to implement it retroactively back to July 1, 2015. The request, and the recommended funding for FY 2016-17, assumes that these rate increases will be implemented at some point in FY 2015-16 and then be continued in FY 2016-17.

*Update as of February 24:* The state plan amendment (SPA) for these rate increases has not yet been approved. It is one component of a clinic services SPA that the Department submitted on 6/3/15. The Department recently learned that it needed to submit Upper Payment Limit demonstrations as a prerequisite for the approval of any related SPA, including this one. The Department is working with CMS to complete all of the requirements for this SPA in order to get approval as soon as possible.

## **REQUESTS FOR INFORMATION**

Staff recommends **discontinuing** the following request for information:

3. ~~Department of Health Care Policy and Financing, Behavioral Health Community Programs; and Department of Human Services, Behavioral Health Services — The Department of Human Services is requested to work with the Department of Health Care Policy and Financing and any other relevant state agencies to provide a report to the Joint Budget Committee by November 1, 2015, concerning substance use disorder (SUD) treatment and prevention services for adolescents and pregnant women. The report is requested to include the following information: (a) a brief description of each state program that provides SUD prevention or treatment services for adolescents or pregnant women; (b) actual expenditures for SUD prevention or treatment services for adolescents and pregnant women in FY 2014-15, by program and fund source; and (c) information indicating whether there is a need for additional state funding to meet the SUD prevention and treatment needs of adolescents or pregnant women.~~

**Comment:** Senate Bill 14-215 included an appropriation of \$1,500,000 cash funds from the Marijuana Tax Cash Fund for the provision of substance use disorder treatment services for adolescents and pregnant women. The General Assembly subsequently clarified that this appropriation could be used for prevention services and intensive wrap around services (in addition to treatment services), and authorized the Department to spend any funds that remain available in FY 2015-16. No additional funding was provided for these services in FY 2015-16. This request for information was intended to inform the General Assembly's decision about whether to reinstate the appropriation for these services for FY 2016-17.

*JBC Staff Staff Figure Setting - FY 2016-17*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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<p><b>DEPARTMENT OF HEALTH CARE POLICY AND FINANCING</b>  <b>Sue Birch, Executive Director</b></p>
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**(3) BEHAVIORAL HEALTH COMMUNITY PROGRAMS**

This section provides for behavioral health services through the purchase of services from five regional behavioral health organizations (BHOs), which manage mental health and substance use disorder services for eligible Medicaid recipients in a capitated, risk-based model. This section also contains funding for Medicaid behavioral health fee-for-service programs for those services not covered within the capitation contracts and rates. The funding for this section is primarily from the General Fund and federal Medicaid funds. Cash fund sources include the Hospital Provider Fee Cash Fund and the Breast and Cervical Cancer Prevention and Treatment Fund.

Behavioral Health Capitation Payments	<u>415,933,333</u>	<u>565,420,239</u>	<u>609,777,357</u>	<u>663,569,890</u>	<u>653,650,029</u> *
General Fund	151,532,141	173,415,971	168,506,795	187,387,452	181,949,404
Cash Funds	12,402,378	5,333,335	10,150,631	16,372,107	16,383,180
Federal Funds	251,998,814	386,670,933	431,119,931	459,810,331	455,317,445
School-based Prevention and Intervention					
Substance Use Disorder Services	<u>0</u>	<u>4,540,153</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	2,132,374	0	0	0
Cash Funds	0	0	0	0	0
Federal Funds	0	2,407,779	0	0	0
Behavioral Health Fee-for-service Payments	<u>5,295,835</u>	<u>7,525,423</u>	<u>8,441,584</u>	<u>8,645,866</u>	<u>8,967,301</u> *
General Fund	2,475,020	2,946,662	1,630,012	1,836,646	1,678,280
Cash Funds	6,385	20,963	116,321	225,879	249,835
Federal Funds	2,814,430	4,557,798	6,695,251	6,583,341	7,039,186
School-based Substance Abuse Prevention and					
Intervention Grant Program	<u>0</u>	<u>795,909</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	795,909	0	0	0

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (3) Behavioral Health Community</b>					
<b>Programs</b>	421,229,168	578,281,724	618,218,941	672,215,756	662,617,330
<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	154,007,161	179,290,916	170,136,807	189,224,098	183,627,684
Cash Funds	12,408,763	5,354,298	10,266,952	16,597,986	16,633,015
Federal Funds	254,813,244	393,636,510	437,815,182	466,393,672	462,356,631
<b>TOTAL - Department of Health Care Policy and</b>					
<b>Financing</b>	421,229,168	578,281,724	618,218,941	672,215,756	662,617,330
<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	154,007,161	179,290,916	170,136,807	189,224,098	183,627,684
Cash Funds	12,408,763	5,354,298	10,266,952	16,597,986	16,633,015
Federal Funds	254,813,244	393,636,510	437,815,182	466,393,672	462,356,631

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**  
**Sue Birch, Executive Director**

**(7) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS**

This section reflects the Medicaid funding used by the Department of Human Services. The Medicaid dollars appropriated to that Department are first appropriated in this section and then transferred to the Department of Human Services. See the Department of Human Services for additional details about the line items contained in this division

**(F) Behavioral Health Services - Medicaid Funding**

Community Behavioral Health Administration	<u>318,262</u>	<u>323,369</u>	<u>416,056</u>	<u>416,056</u>	<u>416,056</u> *
General Fund	159,131	161,684	208,028	208,028	208,028
Federal Funds	159,131	161,685	208,028	208,028	208,028
Mental Health Treatment Services for Youth (H.B. 99-1116)	<u>20,624</u>	<u>8,677</u>	<u>123,624</u>	<u>122,388</u>	<u>123,624</u> *
General Fund	10,312	4,284	60,836	60,949	61,565
Federal Funds	10,312	4,393	62,788	61,439	62,059
High Risk Pregnant Women Program	<u>1,138,015</u>	<u>969,806</u>	<u>1,600,000</u>	<u>1,589,306</u>	<u>1,600,000</u> *
General Fund	569,008	478,103	787,360	791,474	796,800
Federal Funds	569,007	491,703	812,640	797,832	803,200
Mental Health Institutes	<u>1,050,942</u>	<u>6,077,240</u>	<u>6,693,980</u>	<u>7,200,000</u>	<u>6,693,980</u> *
General Fund	516,910	2,795,085	3,294,108	3,585,600	3,333,602
Federal Funds	534,032	3,282,155	3,399,872	3,614,400	3,360,378

<b>SUBTOTAL - (F) Behavioral Health Services - Medicaid Funding</b>	2,527,843	7,379,092	8,833,660	9,327,750	8,833,660
<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	1,255,361	3,439,156	4,350,332	4,646,051	4,399,995
Federal Funds	1,272,482	3,939,936	4,483,328	4,681,699	4,433,665



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

## Appendix B: FY 2015-16 Behavioral Health Capitation Payments Calculation

Description	Eligibility Category								Total
	Individuals With Disabilities up Adults Age 65+ (to SSI)	Parents/ Caretakers (to 68% FPL); Pregnant Adults (to 200% FPL)	Parents/ Caretakers (69% to 138% FPL)*	Adults without Dependent Children (to 138% FPL)*	Children (to 147% FPL)	Individuals In/ Formerly In Foster Care (up to age 26)	Breast and Cervical Cancer Program (to 250% FPL)		
<b>Estimated Weighted Capitation Rate (per member, per month):</b>									
First 6 months	\$15.75	\$129.17	\$24.95	\$56.55	\$58.40	\$19.40	\$171.00	\$28.84	
Second 6 months	\$16.73	\$132.71	\$28.82	\$19.28	\$55.37	\$20.64	\$162.74	\$28.82	
<b>Estimated Monthly Caseload:</b>									
First 6 months	42,100	87,389	182,746	83,081	301,794	520,961	19,792	308	1,238,171
Second 6 months	42,358	84,710	188,785	87,716	333,908	540,379	19,800	277	1,297,933
Full year	42,229	86,051	185,767	85,399	317,851	530,670	19,796	293	1,268,054
<b>Total Capitated Payments (per member, per month rate X monthly caseload):</b>									
First 6 months	\$3,978,450	\$67,728,223	\$27,357,076	\$28,189,383	\$105,748,618	\$60,639,860	\$20,306,592	\$53,296	\$314,001,499
Second 6 months	<u>4,251,896</u>	<u>67,451,185</u>	<u>32,644,702</u>	<u>10,146,987</u>	<u>110,930,916</u>	<u>66,920,535</u>	<u>19,333,512</u>	<u>47,899</u>	<u>311,727,632</u>
Full year	\$8,230,346	\$135,179,407	\$60,001,778	\$38,336,370	\$216,679,533	\$127,560,396	\$39,640,104	\$101,195	\$625,729,130
<b>Estimated Expenditures:</b>									
<u>First 6 months</u>									
Claims paid in current period	\$3,858,570	\$68,338,535	\$27,200,754	\$28,404,306	\$106,544,242	\$61,030,294	\$20,370,502	\$49,083	\$315,796,286
Claims from prior periods	27,126	720,028	234,205	322,679	762,071	276,947	61,519	0	2,404,575
<u>Second 6 months</u>									
Claims paid in current period	4,229,084	67,167,890	32,491,272	10,062,767	110,320,686	66,693,005	19,306,445	47,894	310,319,043
Claims from prior periods	<u>44,956</u>	<u>568,917</u>	<u>259,892</u>	<u>464,882</u>	<u>1,163,235</u>	<u>412,351</u>	<u>58,889</u>	<u>16</u>	<u>2,973,138</u>
Total Estimated Expenditures	\$8,159,736	\$136,795,370	\$60,186,123	\$39,254,634	\$218,790,234	\$128,412,597	\$39,797,355	\$96,993	\$631,493,042
Estimated date of death retractions	(192,935)	(690,805)	(32,332)	(14,439)	(255,630)	(14,439)	(39,737)	(1,445)	(1,241,762)
<b>Subtotal: Expenditures including date of death retractions</b>	<b>\$7,966,801</b>	<b>\$136,104,565</b>	<b>\$60,153,791</b>	<b>\$39,240,195</b>	<b>\$218,534,604</b>	<b>\$128,398,158</b>	<b>\$39,757,618</b>	<b>\$95,548</b>	<b>\$630,251,280</b>
<b>Adjustments:</b>									
Adults without dependent children risk corridor reconciliation									(\$33,651,114)
Adults without dependent children rate reconciliation									<u>13,177,191</u>
<b>Total Revised Estimate of Behavioral Health Capitation Payments</b>									<b>\$609,777,357</b>

\* These are new eligibility categories authorized by S.B. 13-200.

The above data reflects the Department's most recent caseload and expenditure forecast for Behavioral Health Capitation Payments.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

## Appendix C: FY 2016-17 Behavioral Health Capitation Payments Calculation

Description	Eligibility Category								Total
	Adults Age 65+ (to SSI)	Individuals With Disabilities up to age 64 (to 450% FPL)	Parents/ Caretakers (to 68% FPL); Pregnant Adults (to 200% FPL)	Parents/ Caretakers (69% to 138% FPL)*	Adults without Dependent Children (to 138% FPL)*	Children (to 147% FPL)	Individuals In/ Formerly In Foster Care (up to age 26)	Breast and Cervical Cancer Program (to 250% FPL)	
<b>Estimated Weighted Capitation Rate (per member, per month):</b>									
First 6 months	\$15.94	\$133.24	\$27.78	\$20.17	\$58.75	\$20.63	\$172.88	\$27.78	
Second 6 months	\$16.13	\$136.21	\$28.42	\$20.64	\$60.10	\$21.10	\$177.92	\$28.42	
<b>Estimated Monthly Caseload:</b>									
First 6 months	42,530	86,184	198,831	89,336	344,125	554,091	19,746	224	1,335,067
Second 6 months	43,131	89,110	204,525	91,961	346,867	563,450	19,866	83	1,358,993
Full year	42,831	87,647	201,678	90,649	345,496	558,771	19,806	154	1,347,030
<b>Total Capitated Payments (per member, per month rate X monthly caseload):</b>									
First 6 months	\$4,067,569	\$68,898,937	\$34,479,673	\$83,011,342	\$83,011,342	\$47,997,113	\$20,482,131	\$37,336	\$341,985,443
Second 6 months	<u>4,174,218</u>	<u>72,826,039</u>	<u>35,735,607</u>	<u>83,011,342</u>	<u>83,011,342</u>	<u>52,985,405</u>	<u>20,339,379</u>	<u>14,153</u>	<u>352,097,485</u>
Full year	\$8,241,787	\$141,724,976	\$70,215,280	\$166,022,684	\$166,022,684	\$100,982,518	\$40,821,510	\$51,489	\$694,082,928
<b>Estimated Expenditures:</b>									
<u>First 6 months</u>									
Claims paid in current period	\$4,044,791	\$68,609,561	\$32,985,388	\$10,721,708	\$120,636,891	\$68,352,194	\$20,453,456	\$37,332	\$325,841,321
Claims from prior periods	48,058	566,590	310,125	168,440	1,220,239	455,060	56,067	14	2,824,593
<u>Second 6 months</u>									
Claims paid in current period	4,150,842	72,520,170	34,711,688	11,293,926	124,392,239	71,090,239	21,177,662	14,152	339,350,918
Claims from prior periods	<u>45,964</u>	<u>578,751</u>	<u>314,841</u>	<u>179,470</u>	<u>1,334,345</u>	<u>466,381</u>	<u>59,398</u>	<u>11</u>	<u>2,979,161</u>
Total Estimated Expenditures	\$8,289,655	\$142,275,072	\$68,322,042	\$22,363,544	\$247,583,714	\$140,363,874	\$41,746,583	\$51,509	\$670,995,993
Estimated date of death retractions	(173,642)	(621,725)	(29,099)	(12,995)	(230,067)	(12,995)	(35,763)	(1,301)	(1,117,587)
<b>Subtotal: Expenditures including date of death retractions</b>	<b>\$8,116,013</b>	<b>\$141,653,347</b>	<b>\$68,292,943</b>	<b>\$22,350,549</b>	<b>\$247,353,647</b>	<b>\$140,350,879</b>	<b>\$41,710,820</b>	<b>\$50,208</b>	<b>\$669,878,406</b>
<b>Decision Items:</b>									
Adults without dependent children risk corridor reconciliation									(13,177,191)
Adjustment for children placed in incorrect eligibility categories									(3,067,698)
NP5 (DPHE R4) Cervical cancer eligibility expansion									<u>16,512</u>
<b>Total Request</b>									<b>\$653,650,029</b>

\* These are new eligibility categories authorized by S.B. 13-200.

The above data reflects the Department's most recent caseload and expenditure forecast for Behavioral Health Capitation Payments.