

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2016-17 STAFF FIGURE SETTING

**DEPARTMENT OF HEALTH CARE POLICY AND
FINANCING**

(Office of Community Living)

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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March 17, 2016**

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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

This Joint Budget Committee staff figure setting document covers the Office of Community Living, Division for Individuals with Intellectual and Development Disabilities. The Division 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 three 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 Center Boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

SUMMARY OF STAFF RECOMMENDATIONS

Office of Community Living						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$519,375,817	\$249,867,197	\$32,911,034	\$0	\$236,597,586	30.5
Other legislation	5,566,695	0	2,483,347	1,695,000	1,388,348	2.7
HB 16-1240 (Supplemental)	(14,834,944)	(7,288,014)	0	0	(7,546,930)	1.0
Recommended Long Bill Supplemental	<u>1,352,218</u>	<u>47,847</u>	<u>0</u>	<u>0</u>	<u>1,304,371</u>	<u>0.0</u>
TOTAL	\$511,459,786	\$242,627,030	\$35,394,381	\$1,695,000	\$231,743,375	34.2
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$511,459,786	\$242,627,030	\$35,394,381	\$1,695,000	\$231,743,375	34.2
R5 Office of Community Living	28,434,677	13,572,461	0	0	14,862,216	0.0
R11/BA16 Standard federal match	0	2,850,735	0	0	(2,850,735)	0.0
R12 Provider rates	0	0	0	0	0	0.0
Remove client cash funds	(31,301,682)	0	(31,301,682)	0	0	0.0
Annualize prior year budget decisions	<u>(1,894,712)</u>	<u>1,601,994</u>	<u>(2,246,575)</u>	<u>(850,000)</u>	<u>(400,131)</u>	<u>0.3</u>
TOTAL	\$506,698,069	\$260,652,220	\$1,846,124	\$845,000	\$243,354,725	34.5
Increase/(Decrease)	(\$4,761,717)	\$18,025,190	(\$33,548,257)	(\$850,000)	\$11,611,350	0.3
Percentage Change	(0.9%)	7.4%	(94.8%)	(50.1%)	5.0%	0.9%
FY 2016-17 Executive Request:	\$530,410,118	\$256,901,751	\$33,576,776	\$845,000	\$239,086,591	33.5
Request Above/(Below) Recommendation	\$23,712,049	(\$3,750,469)	\$31,730,652	\$0	(\$4,268,134)	(1.0)

Description of Incremental Changes

FY 2015-16

Long Bill supplemental: The recommendation includes an increase of \$1,352,218 total funds, of which \$47,847 is General Fund and \$1,304,371 is federal funds based on the Department's February 2016 caseload and expenditure forecast for the Office of Community Living.

FY 2016-17

R5 Office of Community Living: The recommendation increase an increase of \$28,434,677 total funds, of which \$13,572,461 is General Fund for projected caseload and expenditure changes in the three intellectual and developmental disability waivers and targeted case management.

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.

R12 Provider rates: The recommendation, in accordance with Committee policy, does not include a change for the community provider rate.

Remove client cash funds: The recommendation includes a reduction of \$31,301,682 cash funds appropriated for informational purposes to the Comprehensive Waiver and the Preventive Dental Hygiene. The Department does not collect funding from the client sources and the appropriation is left over from when there was a 5.0 percent local funds requirement.

Annualize prior year budget decisions: The recommendation includes a reduction of \$1,894,712 total funds, including an increase of \$1,601,994 General Fund related to prior year budget decisions and legislation. The following table summarizes the changes.

Summary of Changes in Annualize Prior Year Budget Actions					
		General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Annualize CDASS expansion to SLS waiver	\$2,168,204	\$1,070,163	\$0	\$0	\$1,098,041
Annualize FY 15-16 provider rate	267,636	127,588	16,366	0	123,682
Annualize salary survey and merit pay	51,839	25,647	0	0	26,192
Annualize FY 15-16 FMAP adjustment	0	378,596	0	0	(378,596)
Annualize H.B. 15-1318 (Consolidate IDD Waivers)	(1,940,404)	0	(670,954)	0	(1,269,450)
Annualize waiver management funds	(1,586,987)	0	(1,586,987)	0	0
Annualize H.B. 15-1368 (Cross System Pilot)	(855,000)	0	(5,000)	(850,000)	0
Total	(\$1,894,712)	\$1,601,994	(\$2,246,575)	(\$850,000)	(\$400,131)

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 \$1,352,218 total funds, of which \$47,847 is General Fund and \$1,304,371 is federal funds 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 \$23,712,049 total funds, including \$3,750,469 General Fund more and \$31,730,652 cash funds lower than the request. There are three differences between the recommendation and the request:

- Based on the February caseload and expenditure forecast, staff's recommendation is \$16,524,354 higher than the November caseload and expenditure request due to an overall higher than originally projected caseload and expenditures. The recommendation for caseload and expenditure adjustments represents an increase of \$28,434,677 total funds (5.6 percent) compared to the adjusted FY 2015-16 appropriation. The recommended increase includes \$13,572,461 General Fund and \$14,862,216 federal funds.
- The recommendation includes a reduction of \$31,301,682 client cash funds because they are no longer required to be appropriated in the Long Bill and the Department does not collect the data to build the appropriation.
- 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 \$5,289,992 total funds, including \$2,567,440 General Fund higher than the request.

(4) Office of Community Living

The Office of Community Living which houses the Division for Individuals with Intellectual and Developmental Disabilities (Division) oversees home- and community-based services for individual with intellectual and developmental disability. The Division 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 three 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 Center Boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

Funding for the Office is primarily General Fund and federal Medicaid funds.

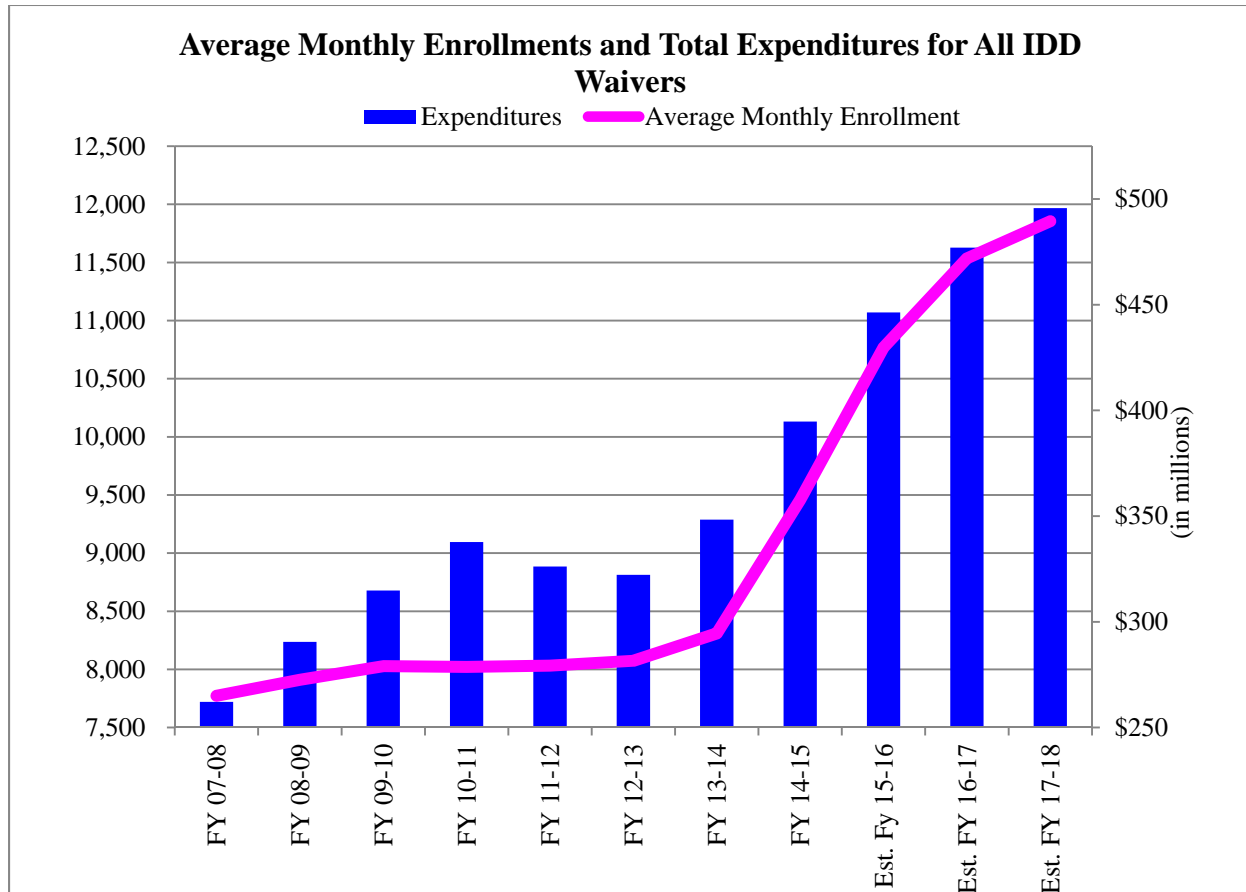
Office of Community Living						
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Recommended Long Bill Supplemental	<u>1,352,218</u>	<u>47,847</u>	<u>0</u>	<u>0</u>	<u>1,304,371</u>	<u>0.0</u>
TOTAL	\$511,459,786	\$242,627,030	\$35,394,381	\$1,695,000	\$231,743,375	34.2
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R5 Office of Community Living	28,434,677	13,572,461	0	0	14,862,216	0.0
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R12 Provider rates	0	0	0	0	0	0.0
Remove client cash funds	(31,301,682)	0	(31,301,682)	0	0	0.0
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DECISION ITEMS - OFFICE OF COMMUNITY LIVING

➔ R5/BA5 Office of Community Living Cost and Caseload Adjustments

Request: The Department's November 1, 2015, budget request included a decision item to add \$11,910,123 total funds, including \$6,969,260 General Fund, to cover projected caseload and expenditure changes in the three Medicaid home- and community-based waivers for individuals with intellectual and developmental disabilities, as well as targeted case management costs. This incremental increase was the difference between the 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 the 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 Recommendation: 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. Specifically, staff recommends increasing FY 2015-16 appropriations by a total of \$1,352,218 total funds, including:

- An increase of \$5,396,654 total funds for the Comprehensive Services waivers;
- An increase of \$2,746,523 for the Children's Extensive Support Services waiver; and
- A reduction of \$6,761,037 for the Supported Living Services waiver.

With respect to fund sources, the recommendation includes a \$47,847 General Fund increase and a \$1,304,371 federal funds increase.

FY 2016-17 Recommendation: For FY 2016-17, staff recommends adding \$28,434,677 total funds, including \$13,572,461 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 R5 Office of Community Living Caseload Adjustment. 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), 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 (R5). 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 R5 identifies the incremental changes due to changes in enrollment, rates, and utilization, excluding any changes due to federal match rate changes.

Analysis:

Enrollment Numbers

There are three ways to identify how many individuals are served through each waiver: maximum enrollment, average monthly enrollment, and full program equivalent.

- The maximum enrollment figure represents the total number of people that can be served in a given year (i.e. even if the funding existed to serve more individuals than the maximum enrollment number, the Department could not do so without coming to the General Assembly.)
- The average monthly enrollment number represents how many people are receiving services for the year based on an average of how many people are receiving services each month.
- The full program equivalent (FPE) reflects the number of enrollments for which 365 days of services was provided. One FPE is equal to 365 days of services, but it does not necessarily equal one individual (similar to how one FTE equals 2,080 hours but may not equal one employee).

Maximum Enrollment

The new enrollments requested through R5 reflect changes to the maximum enrollment number. Since the policy of the State is to not have a cap on the Supported Living and Children's Extensive Support Services waivers, there is no maximum enrollment number for these waivers. The maximum enrollment changes for the Comprehensive Services waiver built into in R5 caseload projections is 141 comprehensive enrollments for:

- 14 enrollments for the Colorado Choice Transitions Program;
- 40 enrollments for individuals in emergency situations;
- 55 enrollments for foster care transitions; and
- 32 enrollments for children's extensive support services transitions.

Average Monthly Enrollments

This figure is used to calculate the caseload figures as well as the appropriation because it represents the actual number of individuals receiving services in a given month and year. This figure is always less than the maximum enrollment number for the Comprehensive Services waiver.

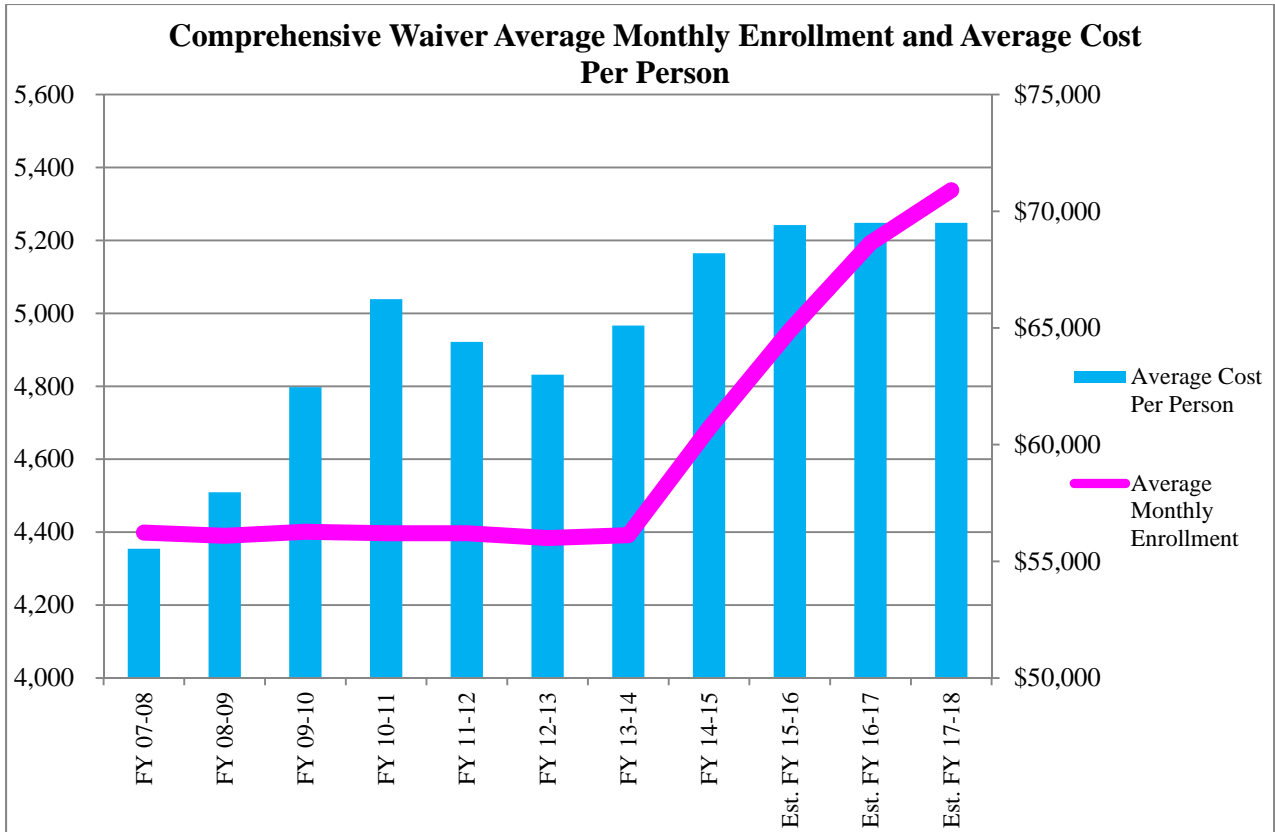
Full Program Equivalent (FPE)

This figure is calculated as a percentage, called the FPE Factor, of the average monthly enrollment figure in order to determine what the average annual or monthly cost of services is for each waiver. The percentage is called the FPE Factor. The closer the FPE Factor is to 100.0 percent the more individuals are using 365 days of services.

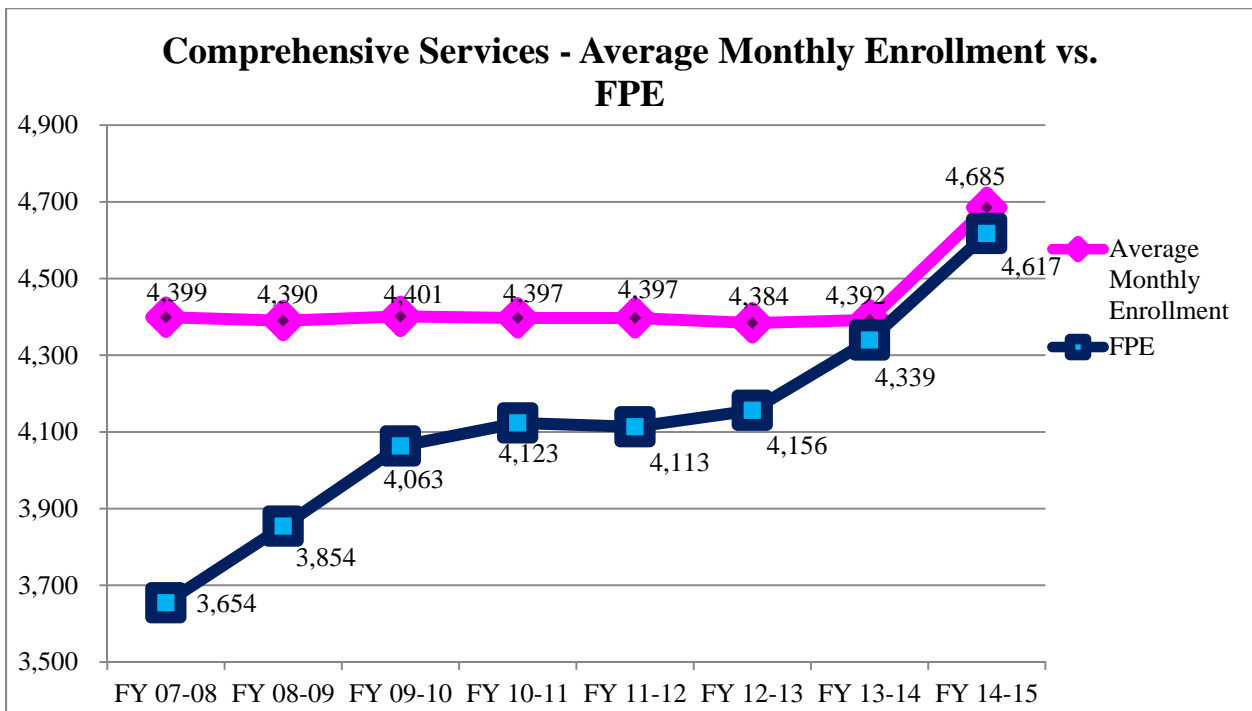
Explanation of Changes by Waiver and Targeted Case Management

Adult Comprehensive Services (Comp Services)

For FY 2015-16 staff recommends an increase of \$5,396,654 total funds, of which \$2,655,694 is General Fund for caseload and expenditures adjustments. For FY 2016-17 staff recommends an increase of \$17,986,503 total funds, of which \$8,592,403 is General Fund for caseload and expenditures adjustments. The following graph shows for the Comprehensive Waiver the average month enrollment and average per person cost of services.



The following graph provides an overview of the number of FPE compared to the average monthly enrollment for the Comprehensive Services waiver since FY 2007-08.



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

Historically there has been disconnect between the number of FPE and the average monthly enrollment. Since the administration of the Comprehensive Waiver was transferred to the Department, the FPE number has been much closer to the average monthly enrollment indicating the Department is allocating vacant enrollments in a timely manner.

Comprehensive Services FY 2015-16 Adjustment

Comprehensive Services Waiver Adjustments FY 2015-16				
	FY 2015-16 Long Bill	FY 2015-16 Supplemental	February 2016 Forecast	Change (Feb. 2016- Supplemental)
Average Month Enrollment	5,021	4,953	4,932	(21)
FPE Factor	98.79%	98.55%	98.55%	0.00%
Cost Per FPE	\$66,947	\$69,407	\$70,813	\$1,406
Total	\$332,075,616	\$338,787,579	\$344,184,129	\$5,396,550

Based on the February 15th caseload adjustment the Comprehensive Waiver requires \$5,396,654 total funds more than the supplemental adjustment that has already been approved. The increase is due to a lower average monthly enrollment rate which is offset by a higher per FPE cost. The lower average monthly enrollment is because the pace of enrollment from July to December was slower than predicted in the supplemental which lowered the average monthly enrollment rate for the whole fiscal year. The Department's enrollment projection is based on a faster pace of enrollment in the last six months of the fiscal year.

The cost per FPE is higher due to increased client utilization of high cost services, particularly Individual Residential Services and Supports (IRSS) in the first six months of FY 2015-16. Individual residential services and supports are generally provided to no more than two persons receiving services per setting although three person settings are allowed under certain circumstances. Staff is recommending a Long Bill add-on to reflect the changes to FY 2015-16 in order to ensure the appropriation is adequate for the projected enrollment and cost services.

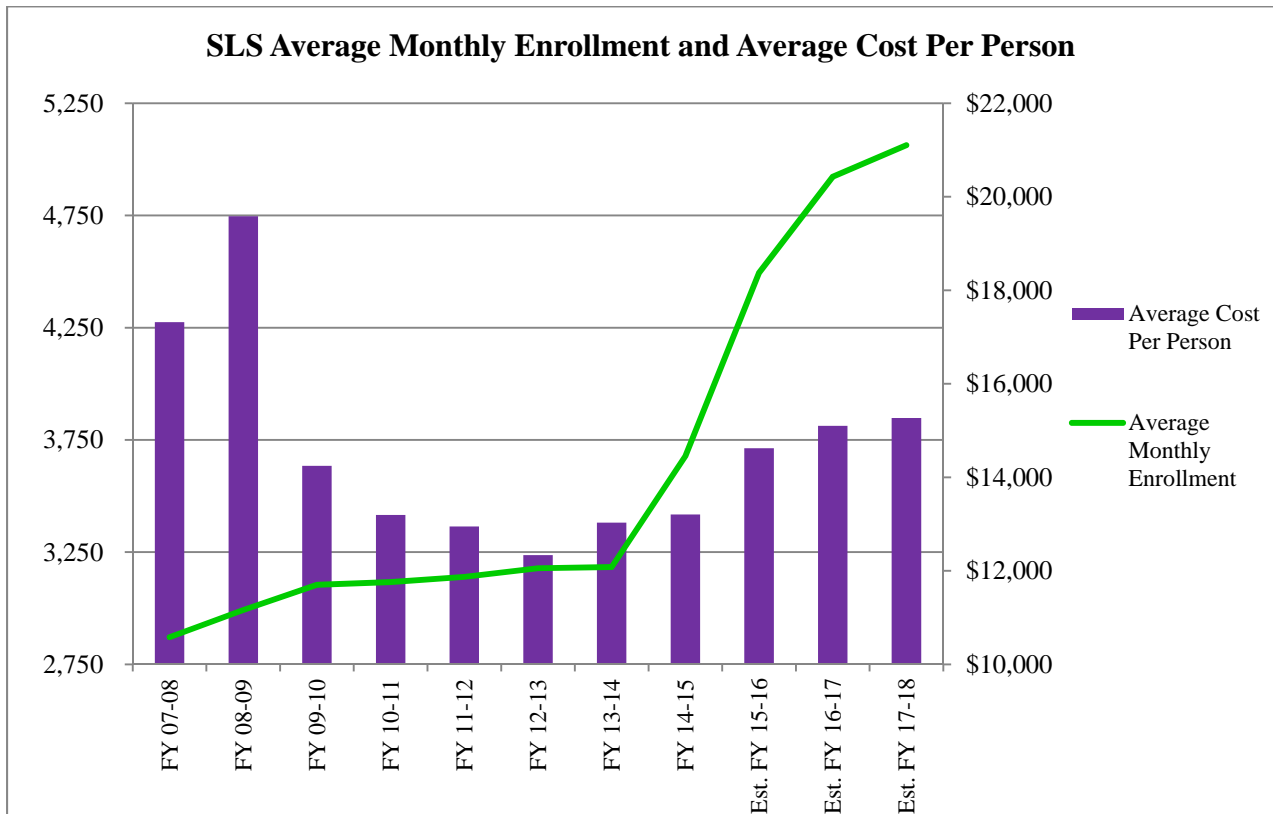
Comprehensive Services FY 2016-17 Adjustment From November Request

Comprehensive Services Waiver Adjustments FY 2016-17			
	November 2015 Forecast	February 2016 Forecast	Change
Average Monthly Enrollment	5,193	5,185	(8)
FPE Factor	98.55%	98.55%	0.00%
Cost Per FPE	\$69,504	\$70,912	\$1,408
Total	\$355,700,981	\$362,346,432	\$6,645,451

The FY 2016-17 caseload and expenditure adjustment based on the February 2016 caseload data is primarily driven by the increased cost of services. The cost per FPE is the same as FY 2015-16 higher cost per FPE which has increased due to client utilization of high cost services, particularly Individual Residential Services and Supports (IRSS) in the first six months of FY 2015-16.

Supported Living Services (SLS)

In FY 2014-15 the General Assembly approved sufficient funding to serve all individuals waiting for services through the Supported Living Services waiver. As shown in the following graph, this has caused the average monthly enrollment to increase significantly each year since FY 2013-14.



The most significant growth in average monthly enrollments for the Supported Living Services waiver occurred in FY 2015-16 which was the second year all eligible individuals were served.

SLS Average Monthly Enrollment		
Fiscal Year	Average Monthly Enrollment	Change from Prior Year
FY 2007-08	2,871	n/a
FY 2008-09	2,992	121
FY 2009-10	3,104	112
FY 2010-11	3,116	12
FY 2011-12	3,140	24
FY 2012-13	3,178	38
FY 2013-14	3,183	5
FY 2014-15	3,678	495
Est. FY 2015-16	4,494	816
Est. FY 2016-17	4,923	429
Est. FY 2017-18	5,063	140

Supported Living Services FY 2015-16 Adjustment

The following table summarizes what is driving the caseload changes in FY 2015-16 for the Supported Living Services waiver. The FY 2015-16 February case load adjustment was for a reduction of \$6,762,317 total funds. This change from the supplemental caseload adjustments is due to a lower average monthly enrollment and a lower per FPE cost. The lower average monthly enrollment is due to adjusting expectations for how many individuals are seeking Supported Living Services. Fewer clients enrolled in Supported Living Services in the first six months of the fiscal year than was projected in the supplemental. The supplemental forecast assumed clients coming off of the waitlist would enroll at a linear pace until all clients were enrolled. However, many previously waitlisted clients enrolled quickly after the cap was removed which led to a sharp increase, and now the remaining previously waitlisted clients are enrolling at a slower pace.

The average cost per person has been rising since FY 2012-13 as shown in the graph above. The forecast included continued growth in the cost per-person. The reduction in the projected average cost for FY 2015-16 is due to a slower increase rate than was predicted in the supplemental forecast, based on actual data for the first six months of FY 2015-16. The following table summarizes the case load and expenditure changes for FY 2015-16 Long Bill appropriation through the February 2016 caseload adjustments. Staff is recommending a Long Bill add-on to reflect the changes to FY 2015-16 appropriation so the appropriation reflects a realistic estimate of the number of individuals who will be served and the cost to serve them. Over appropriating funds for the Supported Living Services waiver does not mean additional individuals will be served since, based on the caseload data to date, all individuals waiting for services are receiving services or in process of being enrolled to receive those services.

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

Supported Living Services Waiver Adjustments FY 2015-16				
	FY 2015-16 Long Bill	FY 2015-16 Supplemental	February 2016 Forecast	Change (Feb. 2016- Supplemental)
Average Monthly Enrollment	4,526	4,494	4,314	(180)
FPE Factor	94.89%	93.92%	91.54%	(2.38%)
Cost Per FPE	\$15,568	\$14,622	\$13,915	(\$706)
Total	\$66,860,824	\$61,714,292	\$54,952,454	(\$6,761,839)

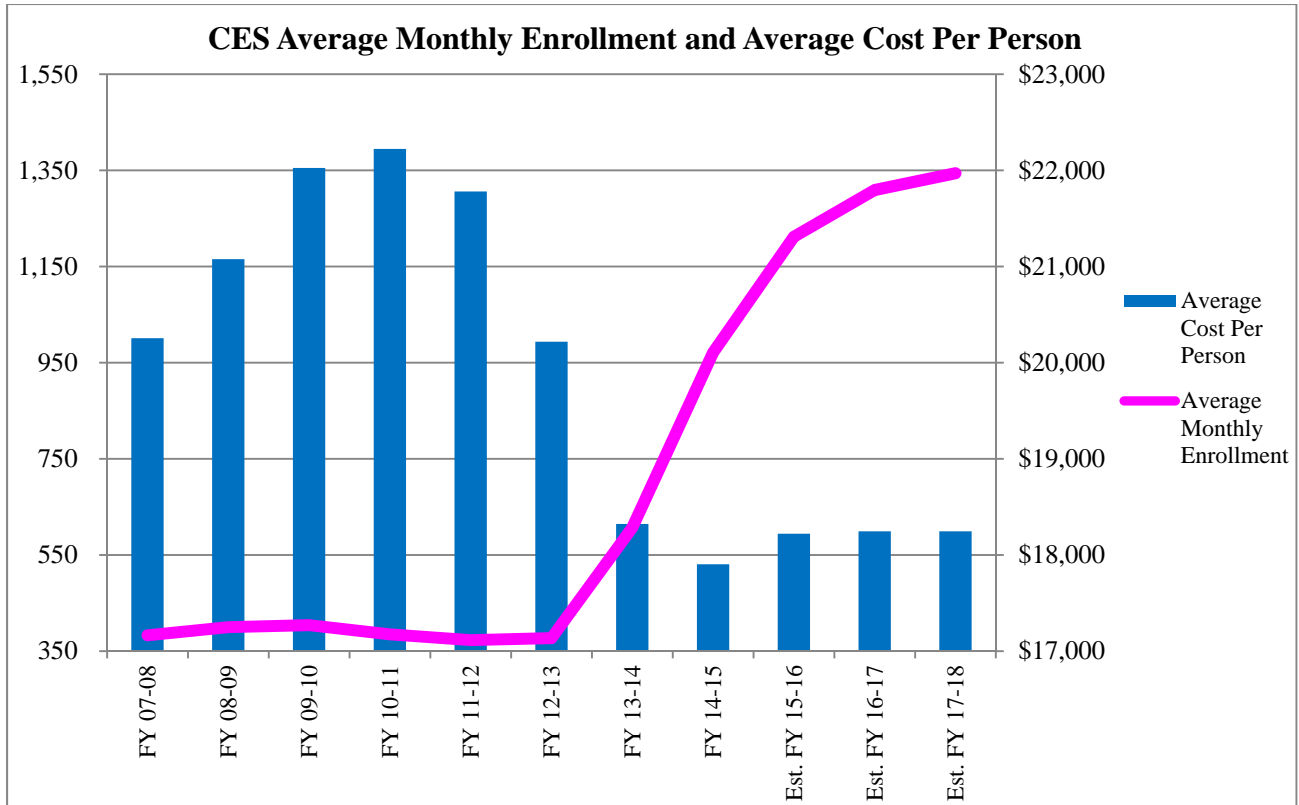
FY 2016-17 Changes from November 2015 Request

The FY 2016-17 adjustment based on the February 2016 caseload data is primarily driven by a reduction in the average monthly enrollment, and a slight reduction in the average cost of services. The reduction in the average monthly enrollment is due to fewer individuals receiving services than projected in November 2015. This is partially a result of the lower enrollment numbers in FY 2015-16 which carry forward as the starting point for FY 2016-17. The reduction in the average cost of services is due to individuals not receiving services because they are unable to obtain a provider. There are a number of reasons a provider may not be available including low reimbursement rates for which the provider is not financially able to provide the services, or a lack of providers for that specific service.

Supported Living Services Waiver Adjustments FY 2016-17			
	November 2016 Request	February 2016 Forecast	Change
Average Monthly Enrollment	4,923	4,636	(287)
FPE Factor	94.72%	92.56%	(2.16%)
Cost Per FPE	\$15,102	\$14,393	(\$709)
Total	\$70,420,171	\$61,761,668	(\$8,658,503)

Children's Extensive Support Services

In FY 2013-14 the General Assembly approved sufficient funding to serve all individuals waiting for services through the Children's Extensive Support Services waiver. The average monthly enrollment to increase significantly each year since FY 2012-13 as shown below.



The most significant growth in average monthly enrollments for the Children's Extensive Support Services waiver occurred in FY 2014-15 which was the second year of serving all eligible individuals.

CES Average Monthly Enrollment		
Fiscal Year	Average Monthly Enrollment	Change from Prior Year
FY 2007-08	383	n/a
FY 2008-09	400	17
FY 2009-10	404	4
FY 2010-11	385	(19)
FY 2011-12	373	(12)
FY 2012-13	377	4
FY 2013-14	607	230
FY 2014-15	971	364
Est. FY 2015-16	1,212	241
Est. FY 2016-17	1,309	97
Est. FY 2017-18	1,344	35

Children's Extensive Support Services FY 2015-16 Adjustment

The following table summarizes caseload changes in FY 2015-16 for the Children's Extensive Support Services waiver. The FY 2015-16 February caseload adjustment would be an increase of \$3,221,887 total funds. This change from the supplemental caseload adjustments is due to an increase of 179 average monthly enrollments and a slight reduction in the cost per FPE. The increase in the average monthly enrollment is due to the policy of providing sufficient funding for all children who are eligible for Children's Extensive Support services.

Children's Extensive Support Services Waiver Adjustments FY 2015-16				
	FY 2015-16 Long Bill	FY 2015-16 Supplemental	February 2016 Forecast	Change (Feb. 2016- Supplemental)
Average Monthly Enrollment	1,278	1,212	1,391	179
FPE Factor	92.04%	89.65%	89.65%	0.00%
Cost Per FPE	\$18,843	\$18,221	\$18,079	(\$142)
Total	\$22,165,043	\$19,798,195	\$22,544,937	\$2,746,742

FY 2016-17 Changes from November 2015 Request

The FY 2016-17 adjustment based on the February 2016 caseload data is primarily driven by an increase in the average monthly enrollment, and a slight reduction in the average cost of services. The increase in the average monthly case load is due to additional children who are eligible for Children's Extensive Support Services accessing those services.

Children's Extensive Support Services Waiver Adjustments FY 2016-17			
	November 2015 Request	February 2016 Forecast	Change
Average Monthly Enrollment	1,309	1,579	270
FPE Factor	92.04%	92.04%	0.00%
Cost Per FPE	\$18,247	\$18,104	(\$142)
Total	\$21,983,485	\$26,310,826	\$4,327,341

Targeted Case Management

Targeted case management funding is directly impacted by the average monthly enrollment numbers for the three waivers. The changes for FY 2015-16 reflect a slight reduction in the average monthly enrollments, which is equal to the sum of the changes in the average monthly enrollment in the three waivers. The increase in the cost per FPE is due to individuals utilizing more case management services than initially projected. Case management services include service planning and eligibility reviews.

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

Targeted Case Management Adjustments FY 2015-16				
	FY 2015-16 Long Bill	FY 2015-16 Supplemental	February 2016 Forecast	Change (Feb. 2016 - Supplemental)
Average Monthly Enrollment	10,951	10,769	10,751	(18)
FPE Factor	94.57%	82.60%	82.60%	0.00%
Cost Per FPE	\$2,370	\$2,635	\$2,780	\$144
Total	\$24,541,054	\$23,442,839	\$24,686,429	\$1,243,590

The changes for FY 2016-17 reflect a slight reduction in the average monthly enrollments which is equal to the sum of the changes in the average monthly enrollment in the three waivers. The increase in the cost per FPE is due to individuals utilizing more case management services than was initially projected. Case management services include service planning and eligibility reviews.

Targeted Case Management Adjustments FY 2016-17			
	November 2015 Request	February 2016 Forecast	Change
Average Monthly Enrollment	11,535	11,513	(22)
FPE Factor	82.60%	82.60%	0.00%
Cost Per FPE	\$2,639	\$2,796	\$157
Total	\$25,145,488	\$26,586,856	\$1,441,367

➔ BA2 Home- and Community-Based Services Waiver Setting Rule Implementation

Request: The Department requests an increase of \$1,179,660 total funds, including \$589,832 General Fund and 1.0 FTE. The request has three components:

- A net zero change for roll forward authority for \$422,475 total funds appropriated in FY 2015-16 for work related to the federal Centers for Medicare and Medicaid (CMS) Final Settings Rule and person-centered planning;
- An increase of \$77,790 total funds, of which \$38,895 is General Fund and 1.0 FTE for administration and oversight of the contractor hours and the implementation of the State Transition Plan; and
- An increase of \$1,101,870 total funds, of which \$550,935 is General Fund and \$589,828 is federal funds for 8,162 contractor hours to implement the requirements of the federal CMS Final Settings Rule.

Recommendation: Staff recommends roll forward authority for the \$422,475 total funds appropriated in FY 2015-16.

Staff does not recommend the request for \$77,790 total funds and 1.0 FTE for the Department of Health Care Policy and Financing.

Instead of the Department request for 8,162 contractor hours, staff recommends \$1,030,294 total funds, of which \$303,156 is General Fund for:

- An appropriation to the Department of Health Care Policy and Financing of \$179,550 total funds for 1,330 contractor hours which does not include the hours for site surveys;
- An appropriation of \$425,372 total funds to the Department of Health Care Policy and Financing which will be reappropriated to the Department of Public Health and Environment; and
- An appropriation to the Department of Public Health and Environment in the amount of \$425,372 reappropriated funds and 5.4 FTE.

Staff requests permission to adjust the fund sources in the Department of Health Care Policy and Financing if the federal match rate is different than the 50/50 match rate staff used to calculate the appropriation. The following table summarizes the recommendation and how it compares to the request.

JBC Staff Figure Setting: FY 2016-17
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Summary of BA8 Waiver Settings Rule Implementation			
	Request	Recommendation	Difference from Request
Department of Health Care Policy and Financing (HCPF)			
Personal Services	\$59,143	\$0	(\$59,143)
Centrally appropriated items	13,089	0	(13,089)
Operating	5,558	0	(5,558)
General Professional Services and Special Projects	1,101,870	179,550	(922,320)
Hours	8,162	1,330	(6,832)
Transfer to Department of Public Health and Environment for Facility Survey and Certification	<u>0</u>	<u>426,762</u>	<u>426,762</u>
<i>HCPF Subtotal</i>	<i>1,192,749</i>	<i>606,312</i>	<i>(573,348)</i>
Department of Public Health and Environment (DPHE)			
Vehicle Lease Payments	0	1,040	1,040
Home and Community Survey	0	424,332	424,332
FTE	<u>0.0</u>	<u>5.4</u>	<u>5.4</u>
<i>DPHE Subtotal</i>	<i>0</i>	<i>425,372</i>	<i>425,372</i>
Total	\$1,192,749	\$1,031,684	(\$161,065)
General Fund	\$589,832	\$303,156	(\$286,676)
Reappropriated Funds	\$0	\$425,372	\$425,372
Federal Funds	\$602,917	\$303,156	(\$299,761)

Analysis:

Background - CMS Final Rule¹

The Centers for Medicare and Medicaid Services (CMS) Final Rule became effective March 17, 2014 and is the driver of the Department's request. The rule requires:

- A transition plan for how Colorado will comply with the settings requirements for all the home- and community-based waivers currently available;
- Colorado must be fully compliant with the settings requirements by March 17, 2019; and
- For Colorado's home- and community-based waivers settings must have all of the following qualities defined at §441.301(c) (4) and §441.710 respectively, and such other qualities as the Secretary determines to be appropriate, based on the needs of the individual as indicated in their person-centered service plan.

¹ The information is from the following two documents which were presented to the Regional Center Task Force in 2015. <http://regionalcentersforum.weebly.com/uploads/2/4/8/8/24880735/requirements-for-home-and-community-settings.pdf> and http://regionalcentersforum.weebly.com/uploads/2/4/8/8/24880735/settings_brief.pdf

For currently approved waivers, Colorado must evaluate the existing settings and, if there are settings that do not fully meet the final rule home and community-based settings definition, work with CMS to develop a plan to bring their program into compliance. The Statewide Transition Plan (STP) is the CMS-required document that sets out the actions necessary to bring HCBS settings within a given state into compliance with the settings requirements.

Requirements for Home and Community-Based Settings

The following are the requirements for settings in which home and community-based services are provided.

- The setting is integrated in, and supports full community access for individuals receiving waiver services, including opportunities to seek employment and work in competitive integrated settings, engage in community life, control personal resources, and receive services in the community, to the same degree of access as individuals not receiving waiver services.
- The setting is selected by the individual from among setting options including non-disability specific settings and an option for a private unit in a residential setting. The setting options are identified and documented in the person-centered service plan and are based on the individual's needs, preferences, and, for residential settings, resources available for room and board.
- Ensures an individual's rights of privacy, dignity and respect, and freedom from coercion and restraint.
- Optimizes, but does not regiment, individual initiative, autonomy, and independence in making life choices, including but not limited to daily activities, physical environment, and with whom to interact.
- Facilitates individual choice regarding services and supports, and who provides them.
- In a provider-owned or controlled residential setting, in addition to the qualities specified above, the following additional conditions must be met:
 1. The unit or dwelling is a specific physical place that can be owned, rented, or occupied under a legally enforceable agreement by the individual receiving services, and the individual has, at a minimum, the same responsibilities and protections from eviction that tenants have under the landlord/tenant law of the State, county, city, or other designated entity. For settings in which landlord tenant laws do not apply, the State must ensure that a lease, residency agreement or other form of written agreement will be in place for each HCBS participant, and that the document provides protections that address eviction processes and appeals comparable to those provided under the jurisdiction's landlord tenant law.

2. Each individual has privacy in their sleeping or living unit:
 - Units have entrance doors lockable by the individual, with only appropriate staff having keys to doors.
 - Individuals sharing units have a choice of roommates in that setting.
 - Individuals have the freedom to furnish and decorate their sleeping or living units within the lease or other agreement.
3. Individuals have the freedom and support to control their own schedules and activities, and have access to food at any time.
4. Individuals are able to have visitors of their choosing at any time.
5. The setting is physically accessible to the individual.
6. Any modification of the additional conditions specified in items 1 through 4 above must be supported by a specific assessed need and justified in the person-centered service plan. The following requirements must be documented in the person-centered service plan:
 - Identify a specific and individualized assessed need.
 - Document the positive interventions and supports used prior to any modifications to the person-centered service plan.
 - Document less intrusive methods of meeting the need that have been tried but did not work.
 - Include a clear description of the condition that is directly proportionate to the specific assessed need.
 - Include regular collection and review of data to measure the ongoing effectiveness of the modification.
 - Include established time limits for periodic reviews to determine if the modification is still necessary or can be terminated.
 - Include the informed consent of the individual.
 - Include an assurance that interventions and supports will cause no harm to the individual.

The following facilities are not classified as home and community-based and not subject to the settings requirements:

- Nursing Facilities;
- Institutions for Mental Disease;
- Intermediate Care Facilities for Individuals with Intellectual Disabilities;
- Hospitals; and
- Other locations that have qualities of an institutional setting, as determined by the Secretary.

The following types of settings are presumed in the rule to have the effect of isolating individuals and therefore would not meet the requirements of the rule:

- The setting is designed specifically for people with disabilities, or for people with a certain type of disability;
- Individuals in the setting are primarily or exclusively people with disabilities and the staff;
- The setting is designed to provide multiple types of services/activities on-site such as housing, day services, medical, behavioral and therapeutic services, and/or social and recreational activities;
- People have limited, if any, interaction with the broader community; and
- The setting uses/authorizes interventions/restrictions used in institutional settings or deemed unacceptable in Medicaid institutional settings (e.g., seclusion).

Some examples of settings which have characterizes which are presumed to isolate individuals include group homes on the grounds of a private Intermediate Care Facility, numerous group homes co-located on a single site or in close proximity, such as multiple units on the same street.

The Problem

The Department submitted its original Statewide Transition Plan to CMS in mid-November 2014 and received initial feedback from CMS on July 30, 2015, with further guidance coming on October 14, 2015. In response to these comments and guidance, the Department has developed a revised Statewide Transition Plan which was submitted to CMS in mid-November 2015.

In its recent guidance, CMS increased the total number of site visits the Department is required to conduct. In the original submission of the Statewide Transition Plan the Department had planned to focus site visits on providers whose self-assessments indicated probable noncompliance with the rule to maximize funding and outcomes. Previously, the Department had planned to conduct a statistically representative sample that yielded a 90.0 percent confidence level of compliance that ranged from the lowest to the highest levels of compliance, which resulted in approximately 200 site visits. However, CMS indicated through guidance released on October 14, 2015 that it would not accept the Department's originally planned approach. CMS is now requiring that verification visits be conducted on a statistically representative sample of all providers, which means the Department has to increase the number of site visits by about 300 percent to 854 site visits.

Department Request for FY 2015-16 Roll Forward

In FY 2015-16 the Department received \$619,113 total funds to hire contractors to analyze the Community Living Advisory Group recommendations, compliance with the Final Rule, and the Community Living Plan. Additionally the Department was tasked with developing an action plan for each of these initiatives based on contractor guidance. The FY 2015-16 request also included 1.0 FTE, but was denied by the Committee. The following table summarizes the funds added in FY 2014-15 and FY 2015-16 for these purposes.

Summary of Funding Already Appropriated for Final Rule Analysis and Implementation			
	FY 2014-15 Appropriations	FY 2015-16 Appropriations	Total
HCBS Settings Rule	\$148,500	\$351,675	\$500,175
Person-centered Planning	63,300	70,800	\$134,100
Conflict-free case management	25,000	100,000	\$125,000
Meeting expenses	0	6,638	\$6,638
Community Living Plan	30,000	90,000	\$120,000
Total	\$266,800	\$619,113	\$885,913

The Department's FY 2016-17 request includes a request for roll forward authority for all the costs appropriated in FY 2015-16 except the \$6,638 for meeting expenses. The Department indicated it will utilize all of the funding, but because of the late guidance from CMS, which increased the number of required site visits and delayed the federal approval of the STP, the Department has not been able to procure timely contractor assistance. Due to the delay, the Department anticipates that the entirety of current FY 2015-16 spending authority allocated for final settings rule and person-centered planning compliance would not be spent and requests roll-forward authority for any unspent money. **Staff recommends roll forward authority for \$422,475 for work related to the final settings rule and person-centered planning.** The Department will use these funds to:

- Finalize the survey to collect continual input from thousands of individuals that receive HCBS services and their families regarding settings in which such services are provided.
- Analyze survey data in order to inform the Department’s categorization and handling of the 1,167 HCBS providers in Colorado to ensure and maintain compliance with the CMS final setting rule.

Department Request for Contractor Hours

The Department's FY 2016-17 request for 8,162 contractor hours to work on the implementation of the settings requirements is broken down in the following table.

JBC Staff Figure Setting: FY 2016-17
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Summary of Contract Hours Request			
Activity	FY 2016-17	FY 2017-18	Assumptions
Collection and analysis of individual/family surveys	800	800	Based on similar contracts
Site surveys	6,832	3,475	845 visits taking an average of 8 hours
Training and technical assistance to sites	200	200	Based on current vendor estimates
Stakeholder communication and workshops	30	30	Based on similar projects
Analysis and waiver rules updates	300	200	Based on current vendor estimates
Total Contract Hours	8,162	4,705	

Specifically the contract hours will be used for:

- Continuing collection and analysis of individual and family surveys to ensure that individuals who are receiving services are included in the decision making processes regarding where they will live and ensuring that every setting facilitates individual choice regarding services and supports;
- Conducting 854 on-site visits in FY 2016-17 to assess whether providers are complying with the new requirements and to develop remedial strategies including Provider Transition Plans (PTPs) for providers who do not meet requirements of the HCBS rule. Provider compliance assessments need to be completed by January 1, 2017, while initial PTP development needs to be completed by May 1, 2017. In FY 2017-18 and ongoing 695 hours will be required to monitor provider compliance with the rule requirements and Provider Transition Plans;
- Providing multiple trainings on new requirements to case managers, providers, and other state agency staff through November 1, 2018;
- Analyzing all relevant state statutes, regulations, waivers, and other authorities for consistency with HCBS rule, drafting proposed changes, and implementing such changes through public notice and comment procedures as applicable. This work would need to be completed by March 15, 2019; and
- Facilitating 10 stakeholder workgroups to gather feedback on STP compliance issues and successes, and identification of new areas of training and technical assistance. Two of the stakeholder workgroups will be in person, while the remaining eight would be done virtually. The contractor(s) would then be required to provide summary reports from the stakeholder workgroups in order to implement stakeholder feedback into the STP. This work would need to be completed prior to March 15, 2019.

Recommendation on the Contract Hours Request

The Department of Health Care Policy and Financing contracts with the Department of Public Health and Environment for completion of site surveys and licensure for identified provider types for the Home and Community Based Services (HCBS) waivers that are administered by the Department of Health Care Policy and Financing. However the request includes funding for

contractors. The primary difference between the Department request and staff recommendation is that funding to the Department of Public Health and Environment would be used to hire surveyors to perform the site visits and not contractors. Since the Department of Public Health and Environment is the agency with the expertise and knowledge for conducting surveys, staff inquired why there was not an increase for surveyors instead of the contractors. The response was that, due to the timing of the CMS response and communication between the Departments, it was decided a contractor would be the quickest way to address the immediate demand for surveys. While contractors may be timely, they are incredibly expensive. The site visits will be on-going and will be added to the survey work currently done by the Department of Public Health and Environment. Additionally, allowing the Department of Public Health and Environment to conduct the surveys from the beginning ensures a layer of consistency between what providers have come to expect from surveys and what they will experience with these new surveys. The following table compares the cost to hire surveyors verse contract out.

Contract vs Hire for Surveys		
	FY 2016-17	FY 2017-18
Contract surveys	\$922,320	\$469,125
Hire surveyors	426,762	411,416
Difference	(\$495,558)	(\$57,709)

Staff talked with both Departments to determine if there was opposition to the recommendation to have the Department of Public Health and Environment conduct the surveys. Neither Department voiced objection to the recommendation. The following table summarizes how staff calculated how many surveyors will be needed by the Department of Public Health and Environment.

Total Surveyors Needed for Final Settings Rule Surveys		
	FY 2016-17	FY 2017-18
	854 Surveys	659 Surveys
Survey preparation time	1.4 hours	1.4 hours
Survey time	8 hours	8 hours
Travel time	1.6 hours	1.6 hours
Total time for 1 Survey	<u>11 hours</u>	<u>11 hours</u>
Total time for all surveys	9,394 hours	7,645 hours
Non-survey Time (includes sick leave, annual leave, holidays, meetings, and required training)	352 hours	352 hours
Survey time of 1.0 FTE	1,728 hours	1,728 hours
Number of FTE needed	5.4 FET	4.4 FTE

The following table summarizes the calculations used to determine the cost of the new surveyors in the Department of Public Health and Environment. Note the FTE in the Department of Public Health and Environment is separate from the 1.0 FTE requested by the Department of Health Care Policy and Financing.

Summary of Surveyor Costs	
	Cost
Personal Services	\$338,953
FTE	5.4
One-time Operating	25,396
On-going Operating	5,130
Training and Travel	54,853
Vehicles	<u>1,040</u>
Total	\$425,372

Department Request for 1.0 FTE

The Department of Health Care Policy and Financing is requesting 1.0 FTE as part of BA8. This FTE is separate from the staff recommended FTE for the Department of Public Health and Environment. The FTE requested by the Department of Health Care Policy and Financing would be responsible for:

- Management of contractors who would be assisting the Department with implementation of the STP;
- Conducting on-site visits across the state with contractor assistance;
- Convening three different Benefits Collaborative covering the following topics: Residential Settings, Non-Residential Settings (day services) and person centered planning;
- Managing the State Transition Plan and tracking provider compliance with rule and their individual transition plans;
- Conducting provider trainings covering topics such as; residential settings, rights suspensions, leases and community integration;
- Implementing any waiver changes that are necessary; and
- Providing on-going support and technical assistance to providers.

Staff does not recommend an additional 1.0 FTE for three reasons: (1) the Department has reverted FTE and spending authority in both personal services line items in FY 2014-15, which indicates they have sufficient FTE and spending authority to absorb the workload, (2) the FTE requested for similar purposes last year was denied, and (3) the number of contract hours the FTE is required to monitor would be between 530 to 1,330 hours.

The Department requested an FTE for very similar purposes in last year's budget amendment. The FY 2015-16 request stated the FTE was needed "to act as a contractor liaison for the evaluation of compliance with HCBS final rule regarding HCBS settings, and to ensure that compliance is maintained for all waivers over time." The FTE was not recommended or

approved by the Committee during the supplemental process last year in part because the Department already has personnel experience in managing contracts. The justification for last year's request and this request was that the Department does not have the capacity to absorb the workload associated with the requirements of the final settings rule. Based on information provided in the Department's November budget request, the following table summarizes the FTE and dollar revisions in both of the Department's personal services line items. Since the Department has reverted personal services dollars, staff is not recommending additional funds be approved for this request.

Summary of Dollar and FTE Personal Services Reversions		
	FY 2013-14 Actual	FY 2014-15 Actual
Executive Director's Office		
Total Funds	\$292,304	\$585,425
FTE	5.6	29.0
Office of Community Living		
Total Funds	\$748,965	\$268,793
FTE	0.2	2.9

The second reason staff is not recommending an FTE for the Department of Health Care Policy and Financing is that the number of contract hours the FTE would be required to monitor, based on the staff recommendation to have the Department of Public Health and Environment conduct the site surveys would only be 1,330 hours as compared to the request for 8,162 hours. Additionally the Department's request indicates they are completing an interagency agreement with the Department of Public Health and Environment for the 800 hours for individual and family surveys. Therefore if all hours for site surveys and individual and family surveys are done by the Department of Public Health and Environment, the Department of Health Care Policy and Financing would only have 530 hours contract hours they have to monitor.

➔ R11/BA16 Standard 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. 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.]

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

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decision item (R5). Staff has removed any fund source changes attributable to a match rate change from the forecast-related decision item, and instead reflected these amounts separately. The following table summarizes the incremental fund source changes recommended in this packet.

FMAP Adjustments for the Office of Community Living			
Line Item	Total Funds	General Fund	Federal Funds
Comprehensive Services	\$0	\$774,717	(\$774,717)
Supported Living Services	0	153,376	(153,376)
Children's Extensive Support Services	0	47,880	(47,880)
Case Management	0	54,767	(54,767)
Total	\$0	\$1,030,740	(\$1,030,740)

➔ R12 Provider Rates

Request: The Department's request includes a reduction of \$5,289,992 total funds, of which \$2,567,440 is General Fund for a 1.0 percent decrease in community provider rates. The request is based on the caseload and expenditure projections in the November request and does not include any subsequent adjustments to caseload and expenditures.

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

Analysis: For the Committee's reference the following table summarizes the FY 2016-17 recommendations for each of the line items in the Office of Community Living which is subject to provider rate changes.

Line Items Subject to Provider Rate Adjustments in Office of Community Living		
Line Item	FY 2016-17 Recommendation	
	Total Funds	General Fund
Comprehensive Services	\$362,346,433	\$180,448,523
Supported Living Services	69,681,391	38,677,034
Children's Extensive Support Services	26,310,826	13,102,791
Case Management	32,255,501	16,605,002
Family Support Services	6,960,460	6,960,460
Preventive Dental Hygiene	66,988	63,311
Eligibility Determination and Waiting List Management	3,121,194	3,100,556
Total	\$500,742,793	\$258,957,677



Staff Initiated - Potential Legislation #9 New ICF/IID Facility Reporting

Request: The Department did not request the legislation.

Recommendation: Staff recommends the Committee kill potential legislation #9 and add a request to the Department's existing monthly caseload request for information. The additional request would be the inclusion of the number of new Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) applications and approvals.

Analysis: Potential legislation #9 would require the Department to provide a summary of the applications and approvals for new ICF/IID licensures that will serve individuals with intellectual and developmental disabilities. Included in the description for potential legislation #9 is information on the estimated cost of those new ICF/IID beds, the number of clients they will serve, the justification for the new ICF/IID beds. The Department indicated in their December 22, 2016 hearing responses that they would be willing to provide this information without a statutory mandate. Additionally the Department does not have authority to approve or deny an ICF/IID provider. The Department must enroll all providers that successfully meet federal requirements for participation as determined by the Department of Public Health and Environment survey and the Centers for Medicare and Medicaid Services certification process.

The Department of Health Care Policy and Financing provided the following information on the process of adding ICF's. The Department of Public Health and Environment's role is limited to the certification and recommendation of providers to the Department of Health Care Policy and Financing. The Department of Public Health and Environment does not conduct any financial analysis when making recommendations to the Department of Health Care Policy and Financing. The Departments would be able to report that a provider has requested an ICF/IID survey, but the Departments would not be able to slow the process in order to allow the General Assembly to make funding decisions which would impact applications.

LINE ITEM DETAIL – OFFICE OF COMMUNITY LIVING

(1) Division of Intellectual and Developmental Disabilities

(A) Administration

Personal Services

This line item will fund the staff responsible for administration of the intellectual and developmental disability waiver programs.

Statutory Authority: Section 25.5-10-101, C.R.S.

Request: The Department requests an appropriation of \$3,009,219 total funds, of which \$1,431,598 is General Fund and 33.5 FTE. The request includes the following changes from the FY 2015-16 appropriation:

- An increase for the annualization of FY 2015-16 salary survey and merit pay; and
- An increase of \$22,204 total funds and 0.3 FTE for the second year costs of H.B. 15-1318 (Consolidate Intellectual and Developmental Disabilities Waivers).

Recommendation: Staff recommends an appropriation of \$3,009,219 total funds of which \$1,431,598 is General Fund and 34.5 FTE. The recommendation does not include a reduction based on historical reversions of the line because if there are vacancies the Department should use these for the work of implementation of the home settings rule and if the vacancies continue for another year, staff will revisit the issue during FY 2017-18 figure setting. The recommendation is calculated in accordance with Committee policy and outlined in the following table.

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
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$2,648,939	\$1,405,951	\$38,730	\$0	\$1,204,258	30.5
Other legislation	441,668	0	220,834	0	220,834	2.7
HB 16-1240 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$3,090,607	\$1,405,951	\$259,564	\$0	\$1,425,092	34.2
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$3,090,607	\$1,405,951	\$259,564	\$0	\$1,425,092	34.2
Annualize prior year budget decisions	<u>(81,388)</u>	<u>25,647</u>	<u>(104,866)</u>	<u>75,000</u>	<u>(77,169)</u>	<u>0.3</u>
TOTAL	\$3,009,219	\$1,431,598	\$154,698	\$75,000	\$1,347,923	34.5

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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
Increase/(Decrease)	(\$81,388)	\$25,647	(\$104,866)	\$75,000	(\$77,169)	0.3
Percentage Change	(2.6%)	1.8%	(40.4%)	0.0%	(5.4%)	0.9%
FY 2016-17 Executive Request:	\$3,009,219	\$1,431,598	\$154,698	\$75,000	\$1,347,923	33.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(1.0)

Operating Expenses

This line item pays for operating expenses of the Division.

Statutory Authority: Section 25.5-10-101, C.R.S.

Request: The Department requests an appropriation of \$1,064,886 total funds, of which \$144,899 is General Fund. The request includes the following changes from the FY 2015-16 appropriation:

- A reduction of \$1,964,113 total funds for the second year costs of H.B. 15-1318 (Consolidate Intellectual and Developmental Disabilities Waivers); and
- A reduction of \$850,000 reappropriated funds for the second year costs of H.B. 15-1368 (Cross-system Response Pilot Intellectual and Developmental Disabilities).

Recommendation: Staff recommends the Department's request for an appropriation of \$1,064,886 total funds, of which \$144,899 is General Fund. The recommendation is calculated in accordance with Committee policy and outlined in the following table.

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
FY 2015-16 Appropriation						
Other legislation	\$1,735,027	\$0	\$567,513	\$0	\$1,167,514	0.0
SB 15-234 (Long Bill)	<u>292,036</u>	<u>144,899</u>	<u>0</u>	<u>0</u>	<u>147,137</u>	<u>0.0</u>
TOTAL	\$2,027,063	\$144,899	\$567,513	\$0	\$1,314,651	0.0
FY 2016-17 Recommended Appropriation						
FY 2015-16 Appropriation	\$2,027,063	\$144,899	\$567,513	\$0	\$1,314,651	0.0
Annualize prior year budget decisions	<u>(962,177)</u>	<u>0</u>	<u>(566,088)</u>	<u>770,000</u>	<u>(1,166,089)</u>	<u>0.0</u>
TOTAL	\$1,064,886	\$144,899	\$1,425	\$770,000	\$148,562	0.0
Increase/(Decrease)	(\$962,177)	\$0	(\$566,088)	\$770,000	(\$1,166,089)	0.0
Percentage Change	(47.5%)	0.0%	(99.7%)	0.0%	(88.7%)	0.0%

*JBC Staff Figure Setting: FY 2016-17
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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
FY 2016-17 Executive Request:	\$1,064,886	\$144,899	\$1,425	\$770,000	\$148,562	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Community and Contract Management System

This line item funds the maintenance and development upgrades of the Community Contract and Management System (CCMS) which does the following:

- Tracks financial information relating to the developmental disabilities waivers including: contracts, payments, and program information;
- Collects information on the general demographics of individuals seeking services and the waiting list; and
- Transmits financial information to the Medicaid Management Information System (MMIS) for Medicaid reimbursement to providers.

Statutory Authority: Section 25.5-10-204, C.R.S.

Request: The Department requests an appropriation of \$137,480 total funds, of which \$89,362 is General Fund. The request does not include any changes from the FY 2015-16 appropriation.

Recommendation: Staff recommends the Department's request for an appropriation of \$137,480 total funds, of which \$89,362 is General Fund based on historical expenditures from the line.

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 which is used to determine the needs and authorized funding for individuals with developmental disabilities receiving waiver services.

Statutory Authority: Section 25.5-10-204, C.R.S.

Request: The Department requests an appropriation of \$57,368 total funds, of which \$28,684 is General Fund. The request does not include any changes from the FY 2015-16 appropriation.

Recommendation: Staff recommends the Department's request for an appropriation of \$57,368 total funds, of which \$28,684 is General Fund based on historical expenditures from the line.

Appropriation to the Behavioral Health Crisis Pilot Program Fund

This line transfers money from the Intellectual and Developmental Disabilities Services Cash Fund into the Cross-System Response for Behavioral Health Crises Fund. The program will support collaborative approaches to provide a cross-system response to behavioral health crises for individuals with intellectual and developmental disabilities and a mental health or behavioral disorder.

Statutory Authority: Section 25.5-6-412 (7), C.R.S.

Request: The Department requests an appropriation of \$845,000 cash funds. The request includes a reduction of \$850,000 cash funds for the second year costs of H.B. 15-1368 (Cross-system Response Pilot Intellectual and Developmental Disabilities).

Recommendation: Staff recommends an appropriation of \$1,690,000 cash funds based on the second and third year costs of H.B. 15-1368. Since the intent was that the pilot program created in H.B. 15-1368 would be entirely funded from the IDD waiver General Fund reversions created to the IDD Services Cash Fund, staff is recommending because there is available funds in the IDD Services Cash Fund the transfer of the final two years be appropriated while there is available funds for this purpose. The recommendation is calculated in accordance with Committee policy and outlined in the following table.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Cross-system Response for behavioral Health Crises Pilot Program					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2015-16 Appropriation					
Other legislation	\$3,390,000	\$0	\$1,695,000	\$1,695,000	0.0
SB 15-234 (Long Bill)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,390,000	\$0	\$1,695,000	\$1,695,000	0.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$3,390,000	\$0	\$1,695,000	\$1,695,000	0.0
Annualize prior year budget decisions	<u>(1,700,000)</u>	<u>0</u>	<u>(5,000)</u>	<u>(1,695,000)</u>	<u>0.0</u>
TOTAL	\$1,690,000		\$1,690,000	\$0	0.0
Increase/(Decrease)	(\$1,700,000)	\$0	(\$5,000)	(\$1,695,000)	0.0
Percentage Change	(50.1%)	0.0%	(0.3%)	(100.0%)	0.0%
FY 2016-17 Executive Request:	\$845,000	\$0	\$845,000	\$0	0.0
Request Above/(Below) Recommendation	(\$845,000)		(\$845,000)	\$0	0.0

(B) Program Costs

Adult Comprehensive Services

This line item funds the costs of adult comprehensive service waivers. Adult comprehensive services are provided to individuals who require extensive supports to live safely in the community including: residential services in community based settings, day services, and transportation.

Statutory Authority: Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

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. The Department submitted an informational caseload adjustment on February 15, 2016.

FY 2016-17: The Department requests an appropriation of \$383,128,894 total funds, of which \$175,367,647 is General Fund based on its November 2015 caseload and expenditure forecast.

Recommendations:

FY 2015-16: Staff recommends increasing the FY 2015-16 appropriation by \$5,396,654 total funds, of which \$2,655,694 is a General Fund increase based on the Department's February 2015 caseload and expenditure forecast.

FY 2016-17: Staff recommends an appropriation of \$362,346,433 total funds, of which \$180,448,523 is General Fund. The recommendation includes the following changes from the FY 2015-16 appropriation as amended by the FY 2015-16 recommended Long Bill supplemental:

- An increase of \$17,986,503 total funds, of which \$8,592,403 is General Fund for R5 Office of Community Living Caseload Adjustment;
- An increase of \$192,167 total funds for the annualization of prior year budget decisions;
- A reduction of \$31,298,005 client cash funds that were historically appropriated to comply with a no longer existing requirement for a 5.0 percent local funds match; when the requirement was removed the funds were not removed from the Long Bill;
- No change for the community provider rate change; and
- A net zero adjust for the FMAP change including an increase of \$2,137,844 General Fund.

The recommendations for FY 2015-16 and FY 2016-17 are calculated in accordance with Committee policy and outlined in the table below.

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

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Adult Comprehensive Services					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	\$368,974,132	\$166,178,488	\$31,281,613	\$171,514,031	0.0
HB 16-1240 (Supplemental)	1,094,982	538,854	0	556,128	0.0
Recommended Long Bill Supplemental	<u>5,396,654</u>	<u>2,655,694</u>	<u>0</u>	<u>2,740,960</u>	<u>0.0</u>
TOTAL	\$375,465,768	\$169,373,036	\$31,281,613	\$174,811,119	0.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$375,465,768	\$169,373,036	\$31,281,613	\$174,811,119	0.0
R5 Office of Community Living	17,986,503	8,592,403	0	9,394,100	0.0
Annualize prior year budget decisions	192,167	345,240	16,393	(169,466)	0.0
R12 Provider rates	0	0	0	0	0.0
R11/BA16 Standard federal match	0	2,137,844	0	(2,137,844)	0.0
Remove client cash funds	<u>(31,298,005)</u>	<u>0</u>	<u>(31,298,005)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$362,346,433	\$180,448,523	\$1	\$181,897,909	0.0
Increase/(Decrease)	(\$13,119,335)	\$11,075,487	(\$31,281,612)	\$7,086,790	0.0
Percentage Change	(3.5%)	6.5%	(100.0%)	4.1%	0.0%
FY 2016-17 Executive Request:	\$383,128,894	\$175,367,647	\$30,985,026	\$176,776,221	0.0
Request Above/(Below) Recommendation	\$20,782,461	(\$5,080,876)	\$30,985,025	(\$5,121,688)	0.0

Adult Supported Living Services

This line item funds the costs of adult supported living services waiver which provides support services to adults with disabilities who are either living independently, or with support from family or friends. Services provided through this waiver are flexible and individualized based on the needs of each individual and intended to avoid or delay the individual's need for services through the comprehensive waiver. Services provided through this waiver include: personal assistance for daily care and/or homemaking needs, home modification, day services including employment, professional therapies, and transportation services.

Statutory Authority: Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

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. The Department submitted an informational caseload adjustment on February 15, 2016.

FY 2016-17: The Department requests an appropriation of \$77,110,862 total funds, of which \$42,113,413 is General Fund based on its November 2015 caseload and expenditure forecast.

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

Recommendations:

FY 2015-16: Staff recommends reducing the FY 2015-16 appropriation by \$6,761,037 total funds, of which \$3,327,106 is a General Fund increase based on the Department's February 2015 caseload and expenditure forecast.

FY 2016-17: Staff recommends an appropriation of \$69,681,391 total funds, of which \$38,677,034 is General Fund. The recommendation includes the following changes from the FY 2015-16 appropriation as amended by the FY 2015-16 recommended Long Bill supplemental:

- An increase of \$4,562,786 total funds, of which \$2,203,329 is General Fund for R5 Office of Community Living Caseload Adjustment;
- An increase of \$2,246,428 total funds for the annualization of prior year budget decisions, including \$2,168,204 total funds for the second year cost of implementing Consumer Directed Attended Support Services;
- No change for the community provider rate change; and
- A net zero adjust for the FMAP change including an increase of \$364,394 General Fund.

The recommendations for FY 2015-16 and FY 2016-17 are calculated in accordance with Committee policy and outlined in the table below.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Adult Supported Living Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$78,378,376	\$42,592,426	\$35,785,950	0.0
HB 16-1240 (Supplemental)	(8,745,162)	(4,303,494)	(4,441,668)	0.0
Recommended Long Bill Supplemental	<u>(6,761,037)</u>	<u>(3,327,106)</u>	<u>(3,433,931)</u>	<u>0.0</u>
TOTAL	\$62,872,177	\$34,961,826	\$27,910,351	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$62,872,177	\$34,961,826	\$27,910,351	0.0
R5 Office of Community Living	4,562,786	2,203,329	2,359,457	0.0
Annualize prior year budget decisions	2,246,428	1,147,485	1,098,943	0.0
R11/BA16 Standard federal match	0	364,394	(364,394)	0.0
R12 Provider rates	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$69,681,391	\$38,677,034	\$31,004,357	0.0
Increase/(Decrease)	\$6,809,214	\$3,715,208	\$3,094,006	0.0
Percentage Change	10.8%	10.6%	11.1%	0.0%
FY 2016-17 Executive Request:				
Request Above/(Below) Recommendation	\$7,429,471	\$3,436,379	\$3,993,092	0.0

Children's Extensive Support Services

This line item funds the costs of children's extensive support services waiver which provides services to children and their families with developmental disabilities whose behavior and/or medical condition require constant supervision, and 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: personal assistance, behavioral services, environmental modifications, respite care, and assistive technology.

Statutory Authority: Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

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. The Department submitted an informational caseload adjustment on February 15, 2016.

FY 2016-17: The Department requests an appropriation of \$21,763,585 total funds, of which \$10,790,385 is General Fund based on its November 2015 caseload and expenditure forecast.

Recommendations:

FY 2015-16: Staff recommends increasing the FY 2015-16 appropriation by \$2,746,523 total funds, of which \$1,351,563 is a General Fund increase based on the Department's February 2015 caseload and expenditure forecast.

FY 2016-17: Staff recommends an appropriation of \$26,310,826 total funds, of which \$13,102,791 is General Fund. The recommendation includes the following changes from the FY 2015-16 appropriation as amended by the FY 2015-16 recommended Long Bill supplemental:

- An increase of \$3,764,988 total funds, of which \$1,834,662 is General Fund for R5 Office of Community Living Caseload Adjustment;
- An increase of \$901 total funds for the annualization of prior year budget decisions;
- No change for the community provider rate change; and
- A net zero adjust for the FMAP change including an increase of \$155,234 General Fund.

The recommendations for FY 2015-16 and FY 2016-17 are calculated in accordance with Committee policy and outlined in the table below.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Children's Extensive Support Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$22,574,419	\$11,108,871	\$11,465,548	0.0
HB 16-1240 (Supplemental)	(2,776,005)	(1,366,071)	(1,409,934)	0.0
Recommended Long Bill Supplemental	<u>2,746,523</u>	<u>1,351,563</u>	<u>1,394,960</u>	<u>0.0</u>
TOTAL	\$22,544,937	\$11,094,363	\$11,450,574	0.0

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

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Children's Extensive Support Services				
	Total Funds	General Fund	Federal Funds	FTE
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$22,544,937	\$11,094,363	\$11,450,574	0.0
R5 Office of Community Living	3,764,988	1,834,662	1,930,326	0.0
Annualize prior year budget decisions	901	18,532	(17,631)	0.0
R12 Provider rates	0	0	0	0.0
R11/BA16 Standard federal match	<u>0</u>	<u>155,234</u>	<u>(155,234)</u>	<u>0.0</u>
TOTAL	\$26,310,826	\$13,102,791	\$13,208,035	0.0
Increase/(Decrease)	\$3,765,889	\$2,008,428	\$1,757,461	0.0
Percentage Change	16.7%	18.1%	15.3%	0.0%
FY 2016-17 Executive Request:	\$21,763,585	\$10,838,265	\$10,925,320	0.0
Request Above/(Below) Recommendation	(\$4,547,241)	(\$2,264,526)	(\$2,282,715)	0.0

Case Management

This line item funds the cost of coordinating an individual's Medicaid waiver services (called cash management). Since Community Centered Boards (CCBs) are designated as the single point of entry, they provide case management services which include planning and coordination of services based on the individual's needs and SPAL. Target case management refers to case management services funded with Medicaid reappropriated funds.

Statutory Authority: Sections 25.5-6-401 through 412 and 25.5-10-206, C.R.S.

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. The Department submitted an informational caseload adjustment on February 15, 2016.

FY 2016-17: The Department requests an appropriation of \$31,658,682 total funds, of which \$16,810,033 is General Fund based on its November 2015 caseload and expenditure forecast.

Recommendations:

FY 2015-16: Staff recommends reducing the FY 2015-16 appropriation by \$29,922 total funds, of which \$632,304 is a reduction of General Fund and \$602,382 is an increase of federal funds based on the Department's February 2015 caseload and expenditure forecast.

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

FY 2016-17: Staff recommends an appropriation of \$32,255,501 total funds, of which \$16,605,002 is General Fund. The recommendation includes the following changes from the FY 2015-16 appropriation as amended by the FY 2015-16 recommended Long Bill supplement:

- An increase of \$2,120,400 total funds, of which \$942,067 is General Fund for R5 Office of Community Living Caseload Adjustment;
- A reduction of \$4,003 total funds for the annualization of prior year budget decisions;
- No change for the community provider rate change; and
- A net zero adjust for the FMAP change including an increase of \$193,263 General Fund.

The recommendations for FY 2015-16 and FY 2016-17 are calculated in accordance with Committee policy and outlined in the table below.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Case Management				
	Total Funds	General Fund	Federal Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$34,577,785	\$18,194,562	\$16,383,223	0.0
HB 16-1240 (Supplemental)	(4,408,759)	(2,157,303)	(2,251,456)	0.0
Recommended Long Bill Supplemental	<u>(29,922)</u>	<u>(632,304)</u>	<u>602,382</u>	<u>0.0</u>
TOTAL	\$30,139,104	\$15,404,955	\$14,734,149	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$30,139,104	\$15,404,955	\$14,734,149	0.0
R5 Office of Community Living	2,120,400	942,067	1,178,333	0.0
R11/BA16 Standard federal match	0	193,263	(193,263)	0.0
R12 Provider rates	0	0	0	0.0
Annualize prior year budget decisions	<u>(4,003)</u>	<u>64,717</u>	<u>(68,720)</u>	<u>0.0</u>
TOTAL	\$32,255,501	\$16,605,002	\$15,650,499	0.0
Increase/(Decrease)	\$2,116,397	\$1,200,047	\$916,350	0.0
Percentage Change	7.0%	7.8%	6.2%	0.0%
FY 2016-17 Executive Request:	\$31,658,682	\$16,864,800	\$14,793,882	0.0
Request Above/(Below) Recommendation	(\$596,819)	\$259,798	(\$856,617)	0.0

Family Support Services

This line item funds family support services which are used to assist families with the additional costs associated with have a child with a developmental disability, and provide supports which reduce the likelihood of out-of-home placements. Services include: respite care, counseling, physical and speech therapies, transportation, assistive technology, and environmental modifications.

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

Statutory Authority: Section 25.5-10-303 (1), C.R.S.

Request: The Department requests an appropriation of \$6,890,855 General Fund. The request includes the following changes from the FY 2014-15 appropriation:

- A reduction of \$69,605 for R12 Community provider rate; and
- An increase of \$256 General Fund for annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$6,960,460 General Fund. The difference from the request is that the recommendation does not include the reduction for the community provider rate. The recommendation is calculated in accordance with Committee policy and outlined in the table below.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Family Support Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	\$6,960,204	\$6,960,204	\$0	0.0
TOTAL	\$6,960,204	\$6,960,204	\$0	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$6,960,204	\$6,960,204	\$0	0.0
Annualize prior year budget decisions	256	256	0	0.0
R12 Provider rates	0	0	0	0.0
TOTAL	\$6,960,460	\$6,960,460	\$0	0.0
Increase/(Decrease)	\$256	\$256	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:	\$6,890,855	\$6,890,855	\$0	0.0
Request Above/(Below) Recommendation	(\$69,605)	(\$69,605)	\$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 the oral hygiene skills in order to prevent dental disease for persons with developmental disabilities, and provides referrals to dentist for special treatments. For individuals who have no funds available for dental services the Program connects these individuals with dentists who are will to provide services at no charge. The Program exists due to Colorado's decision to not include dental care for adults in the Medicaid program. Medicaid eligible children may receive dental screening through the federal Early and Periodic, Screening, Diagnosis and Treatment Program.

Statutory Authority: Section 25.5-10-220, C.R.S.

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

Request: The Department requests an appropriation of \$66,318 total funds, of which \$62,678 is General Fund. The request includes the following changes from the FY 2015-16 appropriation:

- A reduction of \$670 total funds for the 1.0 community provider rate reduction; and
- A reduction of \$24 for the annualization of prior year budget actions.

Recommendation: Staff recommends an appropriation of \$63,311 General Fund. The recommendation includes the following differences from the request:

- No community provider rate reduction; and
- A reduction of \$3,677 client cash funds that were historically appropriated to comply with a no longer existing requirement for a 5.0 percent local funds match; when the requirement was removed the funds were not removed from the Long Bill.

The recommendation is calculated in accordance with Committee policy and outlined in the following table.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Preventive Dental Hygiene				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$67,012</u>	<u>\$63,308</u>	<u>\$3,704</u>	<u>0.0</u>
TOTAL	\$67,012	\$63,308	\$3,704	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$67,012	\$63,308	\$3,704	0.0
R12 Provider rates	0	0	0	0.0
Remove client cash funds	(3,677)	0	(3,677)	0.0
Annualize prior year budget decisions	<u>(24)</u>	<u>3</u>	<u>(27)</u>	<u>0.0</u>
TOTAL	\$63,311	\$63,311	\$0	0.0
Increase/(Decrease)	(\$3,701)	\$3	\$0	0.0
Percentage Change	(5.5%)	0.0%	(100.0%)	0.0%
FY 2016-17 Executive Request:				
Request Above/(Below) Recommendation	\$3,007	(\$633)	\$3,640	0.0

Eligibility Determination and Waiting List Management

This line item funds statutory required functions of the CCBs which are not eligible for Medicaid reimbursement, including: Medicaid and DD waiver eligibility determinations for individuals seeking services, managing the waiting list for their catchment area, and provision of emergency services for individuals on the waiting list in emergency situations.

Statutory Authority: Section 25.5-10-209, C.R.S.

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

Request: The Department requests an appropriation of \$3,089,982 total funds, of which \$3,069,550 is General Fund. The request includes the following change from the FY 2015-16 appropriation:

- A reduction of \$31,212 total funds for the requested 1.0 percent provider rate increase;
- An increase of \$115 total funds to annualize prior year budget actions.

Recommendation: Staff recommends an appropriation of \$3,121,194 total funds, of which \$3,100,556 is General Fund. The difference from the request is that the recommendation does not include the reduction for the community provide rate. The recommendation is calculated in accordance with Committee policy and outlined in the table below.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Eligibility Determination and Waiting List Management					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					
SB 15-234 (Long Bill)	\$3,121,079	\$3,100,442	\$0	\$20,637	0.0
TOTAL	\$3,121,079	\$3,100,442	\$0	\$20,637	0.0
FY 2016-17 Recommended Appropriation					
FY 2015-16 Appropriation	\$3,121,079	\$3,100,442	\$0	\$20,637	0.0
Annualize prior year budget decisions	115	114	0	1	0.0
R12 Provider rates	0	0	0	0	0.0
TOTAL	\$3,121,194	\$3,100,556	\$0	\$20,638	0.0
Increase/(Decrease)	\$115	\$114	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2016-17 Executive Request:	\$3,089,982	\$3,069,550	\$0	\$20,432	0.0
Request Above/(Below) Recommendation	(\$31,212)	(\$31,006)	\$0	(\$206)	0.0

Waiver Enrollment

This line item funded the costs associated with enrolling individuals into the SLS and CES waivers. These are one time funds recommended for FY 2014-15 and FY 2015-16 to offset the costs incurred by the CCBs for the enrollment costs associated with the large number of new enrollments funded by the General Assembly to eliminate the waiting lists for the CES and SLS waivers.

Statutory Authority: Section 25.5-10-207.5, C.R.S.

Request: The Department requested an appropriation of \$1,586,987 cash funds from IDD Services Cash Fund. The request does not include any changes from the FY 2015-16 appropriation.

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

Recommendation: Staff recommends no appropriation for this line because the purpose of the funds was one-time for only FY 2014-15 and FY 2015-16. These funds for one-time because there was a short term enrollment bump related to elimination of the waiting lists for the Supported Living Services and Children's Extensive Support Services waivers. The Department is in agreement that the line should be set at zero for FY 2016-17. The recommendation is calculated in accordance with Committee policy and outlined in the following table.

Office of Community Living, Division for Individuals with Intellectual and Developmental Disabilities, Waiver Enrollment				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Appropriation				
SB 15-234 (Long Bill)	<u>\$1,586,987</u>	<u>\$0</u>	<u>\$1,586,987</u>	<u>0.0</u>
TOTAL	\$1,586,987	\$0	\$1,586,987	0.0
FY 2016-17 Recommended Appropriation				
FY 2015-16 Appropriation	\$1,586,987	\$0	\$1,586,987	0.0
Annualize prior year budget decisions	<u>(1,586,987)</u>	<u>0</u>	<u>(1,586,987)</u>	<u>0.0</u>
TOTAL	\$0		\$0	0.0
Increase/(Decrease)	(\$1,586,987)	\$0	(\$1,586,987)	0.0
Percentage Change	(100.0%)	0.0%	(100.0%)	0.0%
FY 2016-17 Executive Request:	\$1,586,987	\$0	\$1,586,987	0.0
Request Above/(Below) Recommendation	\$1,586,987		\$1,586,987	0.0

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends **continuing** the following footnotes, with modifications in struck type and small caps:

1. Department of Health Care Policy and Financing, Office of Community Living, Division for Intellectual and Developmental Disabilities, Program Costs -- It is the intent of the General Assembly that expenditures for these services be recorded only against the Long Bill group total for Program Costs.

Comment: Waiver costs vary from individual to individual and it is important to provide the Division with the ability to effectively manage the funds without requiring numerous emergency and regular supplemental requests. The footnote means the line item appropriations within the Program Costs subdivision are shown for informational purposes because the Department had the authority to transfer funds between these line items. Expenditures are limited by the total for the subsection, rather than totals for individual line items within the subsection.

2. Department of Health Care Policy and Financing, Office of Community Living, Division for Intellectual and Developmental Disabilities, Program Costs, Preventive Dental Hygiene -- It is the intent of the General Assembly that this appropriation be used to provide special dental services for persons with developmental disabilities.

Comment: This footnote clearly express the General Assembly's intended use of the funds appropriated to the Preventive Dental Hygiene line item.

REQUESTS FOR INFORMATION

Staff recommends **continuing** the following requests for information, with modifications in struck type and small caps:

1. Department of Health Care Policy and Financing, Office of Community Living -- The Department is requested to provide by November 1, ~~2015~~, 2016, a written report detailing ~~how the Department will implement~~ THE CONTINUED IMPLEMENTATION OF THE recommendations made by the Community Living Advisory Group, Colorado's Community Living Plan developed to comply with the United States Supreme Court's ruling in *Olmstead v. L.C.*, 527 U.S. 14 581 (1999), and the final federal rule setting forth requirements for home- and community-based services, 79 FR 2947. The report shall include: ~~a~~ AN UPDATE ON the detailed project plan which includes the timeline for implementing the recommendations and requirements, an explanation of any recommendations or requirements not included in the plan, and an explanation of how outcome measures will be tracked in the future to better understand how changes impact clients. The Department is also requested to provide a financial analysis of the costs of

implementing recommendations. ~~for FY 2016-17 and FY 2017-18.~~ Additionally the report shall include a description of any ~~FY 2016-17~~ FY 2017-18 budget requests that align with the plan.

Comment: The Department's November 2015 response provided the Committee with good information regarding the Department's work on recommendations made by the Community Living Advisory Group, Colorado's Community Living Plan, and the final settings rule. The Department's response indicate the work was on going which is part of the reason staff recommends the request for information be continued so the Committee can remain informed on the progress of recommendation implementation. The Department was not able to complete the financial analysis by November 2015 and the Committee has expressed interest in receiving this information, therefore staff is recommending the request for information continue.

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

2. Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities -- The Department is requested to submit the following information to the Joint Budget Committee by November 1, 2015: how moneys appropriated for the community capacity increase have been and will be used by community centered boards and service providers, the feasibility of implementing a tiered incentivized system for the intellectual and developmental disabilities waivers, and the cost of such a system.

Comment: Staff recommends discontinuing this request for information because no funds for capacity increases was appropriated in FY 2015-16 and no funds for this purpose are recommended for FY 2016-17.

3. Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities – The Department is request to submit a report to the Joint Budget Committee by November 1, 2015 regarding the status of the distribution of the full program equivalents for the developmental disabilities waivers. The report is requested to include any current or possible future issues which would prevent the distribution of the total number of enrollments noted in the FY 2015-16 Long Bill.

Comment: Staff recommends this request for information be discontinued because the Department submits midyear caseload and expenditure adjustments in February which reflect caseload and expenditure data through December. The February caseload adjustments are more informative in terms of identifying any issues with the distribution of full program equivalents than the information provided through this request for information.

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

(4) OFFICE OF COMMUNITY LIVING

(A) Division for Individuals with Intellectual and Developmental Disabilities

(i) Administrative Costs

Personal Services	<u>517,386</u>	<u>2,598,056</u>	<u>3,090,607</u>	<u>3,009,219</u>	<u>3,009,219</u>
FTE	0.0	30.5	34.2	33.5	34.5
General Fund	250,167	1,241,132	1,405,951	1,431,598	1,431,598
Cash Funds	0	0	259,564	154,698	154,698
Reappropriated Funds	0	0	0	75,000	75,000
Federal Funds	267,219	1,356,924	1,425,092	1,347,923	1,347,923
Operating Expenses	<u>57,981</u>	<u>250,603</u>	<u>2,027,063</u>	<u>1,064,886</u>	<u>1,064,886</u>
General Fund	28,991	126,325	144,899	144,899	144,899
Cash Funds	0	0	567,513	1,425	1,425
Reappropriated Funds	0	0	0	770,000	770,000
Federal Funds	28,990	124,278	1,314,651	148,562	148,562
Community and Contract Management System	<u>54,700</u>	<u>106,864</u>	<u>137,480</u>	<u>137,480</u>	<u>137,480</u>
General Fund	36,851	68,839	89,362	89,362	89,362
Federal Funds	17,849	38,025	48,118	48,118	48,118
Support Level Administration	<u>32,490</u>	<u>39,498</u>	<u>57,368</u>	<u>57,368</u>	<u>57,368</u>
General Fund	16,245	19,749	28,684	28,684	28,684
Federal Funds	16,245	19,749	28,684	28,684	28,684

JBC Staff Staff Figure Setting - FY 2016-17
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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Cross-system Response for behavioral Health					
Crises Pilot Program	<u>0</u>	<u>0</u>	<u>3,390,000</u>	<u>845,000</u>	<u>1,690,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	1,695,000	845,000	1,690,000
Reappropriated Funds	0	0	1,695,000	0	0
SUBTOTAL - (i) Administrative Costs	662,557	2,995,021	8,702,518	5,113,953	5,958,953
FTE	<u>0.0</u>	<u>30.5</u>	<u>34.2</u>	<u>33.5</u>	<u>34.5</u>
General Fund	332,254	1,456,045	1,668,896	1,694,543	1,694,543
Cash Funds	0	0	2,522,077	1,001,123	1,846,123
Reappropriated Funds	0	0	1,695,000	845,000	845,000
Federal Funds	330,303	1,538,976	2,816,545	1,573,287	1,573,287
(ii) Program Costs					
Adult Comprehensive Services	<u>0</u>	<u>316,670,767</u>	<u>375,465,768</u>	<u>383,128,894</u>	<u>362,346,433</u> *
General Fund	0	156,848,877	169,373,036	175,367,647	180,448,523
Cash Funds	0	1	31,281,613	30,985,026	1
Federal Funds	0	159,821,889	174,811,119	176,776,221	181,897,909
Adult Supported Living Services	<u>1,976,615</u>	<u>56,136,806</u>	<u>62,872,177</u>	<u>77,110,862</u>	<u>69,681,391</u> *
General Fund	1,976,615	33,457,241	34,961,826	42,113,413	38,677,034
Federal Funds	0	22,679,565	27,910,351	34,997,449	31,004,357
Children's Extensive Support Services	<u>0</u>	<u>15,985,596</u>	<u>22,544,937</u>	<u>21,763,585</u>	<u>26,310,826</u> *
General Fund	0	8,389,564	11,094,363	10,838,265	13,102,791
Federal Funds	0	7,596,032	11,450,574	10,925,320	13,208,035

JBC Staff Staff Figure Setting - FY 2016-17
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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Case Management	<u>734,516</u>	<u>26,970,379</u>	<u>30,139,104</u>	<u>31,658,682</u>	<u>32,255,501</u> *
General Fund	734,516	14,302,452	15,404,955	16,864,800	16,605,002
Federal Funds	0	12,667,927	14,734,149	14,793,882	15,650,499
Family Support Services	<u>838,100</u>	<u>7,828,718</u>	<u>6,960,204</u>	<u>6,890,855</u>	<u>6,960,460</u> *
General Fund	838,100	6,828,718	6,960,204	6,890,855	6,960,460
Cash Funds	0	1,000,000	0	0	0
Federal Funds	0	0	0	0	0
Preventive Dental Hygiene	<u>30,892</u>	<u>0</u>	<u>67,012</u>	<u>66,318</u>	<u>63,311</u> *
General Fund	30,892	0	63,308	62,678	63,311
Cash Funds	0	0	3,704	3,640	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Eligibility Determination and Waiting List					
Management	<u>81,661</u>	<u>3,001,454</u>	<u>3,121,079</u>	<u>3,089,982</u>	<u>3,121,194</u> *
General Fund	81,661	2,986,287	3,100,442	3,069,550	3,100,556
Cash Funds	0	0	0	0	0
Federal Funds	0	15,167	20,637	20,432	20,638
Waiver Enrollment	<u>0</u>	<u>1,633,428</u>	<u>1,586,987</u>	<u>1,586,987</u>	<u>0</u>
Cash Funds	0	1,633,428	1,586,987	1,586,987	0
SUBTOTAL - (ii) Program Costs	3,661,784	428,227,148	502,757,268	525,296,165	500,739,116
<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	3,661,784	222,813,139	240,958,134	255,207,208	258,957,677
Cash Funds	0	2,633,429	32,872,304	32,575,653	1
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	202,780,580	228,926,830	237,513,304	241,781,438

JBC Staff Staff Figure Setting - FY 2016-17
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	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
TOTAL - (4) Office of Community Living	4,324,341	431,222,169	511,459,786	530,410,118	506,698,069
<i>FTE</i>	<u>0.0</u>	<u>30.5</u>	<u>34.2</u>	<u>33.5</u>	<u>34.5</u>
General Fund	3,994,038	224,269,184	242,627,030	256,901,751	260,652,220
Cash Funds	0	2,633,429	35,394,381	33,576,776	1,846,124
Reappropriated Funds	0	0	1,695,000	845,000	845,000
Federal Funds	330,303	204,319,556	231,743,375	239,086,591	243,354,725
TOTAL - Department of Health Care Policy and Financing	4,324,341	431,222,169	511,459,786	530,410,118	506,698,069
<i>FTE</i>	<u>0.0</u>	<u>30.5</u>	<u>34.2</u>	<u>33.5</u>	<u>34.5</u>
General Fund	3,994,038	224,269,184	242,627,030	256,901,751	260,652,220
Cash Funds	0	2,633,429	35,394,381	33,576,776	1,846,124
Reappropriated Funds	0	0	1,695,000	845,000	845,000
Federal Funds	330,303	204,319,556	231,743,375	239,086,591	243,354,725