

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2008-09
AND FY 2007-08**

**DEPARTMENT OF
HEALTH CARE POLICY AND FINANCING**

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

**Prepared By:
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January 29, 2009**

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MEMORANDUM

TO: Joint Budget Committee

FROM: Melodie Beck

SUBJECT: Federal Stimulus Package -- FMAP Increase

DATE: January 29, 2009

Yesterday the U.S. House of Representatives passed the American Recovery and Reinvestment Act. As the Committee is aware, the legislation contains a temporary increase to the Federal Participation Rate (FMAP) for the Medicaid program. The FMAP increase will be from October 2008 through December 2010 (3 quarters in FY 2008-09, 4 quarters in FY 2009-10, and 2 quarters in FY 2010-11). States will only qualify for the FMAP increase if they maintain the same eligibility requirements for Medicaid that were in place on July 1, 2008. The FMAP has two components:

- (1) A guaranteed 4.9 percentage point increase for each State.
- (2) An additional increase based on the state's growth in unemployment since the beginning of the economic downturn.

For today's presentation, staff is showing the impact of the 4.9 percentage point increase for the Medical Services Premiums line item and for the Mental Health Capitation line item. Staff does not address Supplemental #29 that OSPB submitted on January 27, 2009. Staff will address the FMAP increase for all of the Medicaid program line items during figure setting (for both FY 2008-09 and FY 2009-10). At that time, staff believes that the American Recovery Reinvestment Act will have passed and staff will be able to determine the full amount of the FMAP increase that Colorado will receive (in case it is greater than the 4.9 percentage point increase).

During figure setting, the Committee can also decide how to show the FMAP increase in the Appropriation Bill. The last time the state received a temporary increase to the FMAP (in FY 2002-03 and FY 2003-04), the Committee decided not to address the appropriations in the Long Bill to reflect this. Instead, the Long Bill (M) notation was used to reduce the General Fund spending as the increased federal revenue was received. This was done so that 6.0 percent appropriation limit base for the General Fund was not impacted when the FMAP increase went away. For purposes of showing that the budget was balanced, the extra federal revenue was added as a special line item on the JBC Staff General Fund Overview. The Committee can decide how they want to handle this issue in March after staff has completed all recommendations to the Committee. Staff recommends against changing every line item in the supplemental bills that will be introduced next week to show the potential impact of the increased FMAP.

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
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SUMMARY TABLE 1: Summary of FY 2008-09 Supplementals and Budget Balancing							
		Department		JBC Staff			
Dept / Staff Priority	Issue	GF Impact	TF Impact	GF Impact	TF Impact	GF Difference	Needs Statutory Change
Department Prioritized Supplementals							
S-1	Medical Services Premiums Base*	\$30,263,531	\$103,340,095	\$69,724,397	\$139,459,675	\$39,460,866	No
S-2	Medicaid Mental Health Programs Base	\$1,117,947	\$4,114,356	\$2,232,635	\$7,748,639	\$1,114,688	No
S-3	Children's Basic Health Plan Base	\$0	(\$25,195,736)	\$0	(\$25,514,270)	\$0	No
S-4	MMA State Contribution Adjustment	\$776,991	\$776,991	\$955,878	\$955,878	\$178,887	No
S-5	Release of FY 2007-08 Expenditures	\$0	\$0	\$0	\$0	\$0	No
S-6	Supplemental Medicare Insurance Benefit and MMA State Contribution Payment Financing	(\$2,097,825)	(\$2,097,825)	\$3,176,846	\$3,176,846	\$5,274,671	No
S-7	Adjust Prior Year Fund Splits	\$481,579	\$0	\$1,190,645	\$1,210,857	\$709,066	No
S-8	Additional Medicaid Reimbursement to Denver Health	\$0	\$6,060,298	\$0	\$6,060,298	\$0	No
S-9	Intentionally Left Blank	\$0	\$0	\$0	\$0	\$0	n/a
S-10	Intentionally Left Blank	\$0	\$0	\$0	\$0	\$0	n.a
S-11	Nursing Facility Audits	\$0	\$144,600	\$0	\$144,600	\$0	No
S-12	Reallocation of the Health Care Services Fund	\$0	\$0	\$0	\$0	\$0	No

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Dept / Staff Priority	Issue	GF Impact	TF Impact	GF Impact	TF Impact	GF Difference	Needs Statutory Change
S-13	Federal Funding for the Rural and Public Hospitals Payment & Reorganization	\$0	\$3,286,155	\$0	\$3,286,155	\$0	No
S-14	Eliminate Colorado Cares Fund	\$6,655	(\$3,918,036)	\$6,655	(\$3,918,036)	\$0	Yes
S-15	Reduce Funding for Administrative Case Management	(\$1,188,892)	(\$2,377,785)	(\$1,188,892)	(\$2,377,784)	\$0	No
S-16	Revised Implementation for SB 06-145	\$0	(\$5,205,696)	\$0	(\$5,205,696)	\$0	No
S-17	No Supplemental was submitted with this #	\$0	\$0	\$0	\$0	\$0	n/a
S-18	Suspend Additional CBHP Outreach	(\$1,023,483)	(\$6,248,298)	\$0	(\$600,000)	\$1,023,483	No
S-19	Intentionally Left Blank	\$0	\$0	\$0	\$0	\$0	n/a
S-20	Delay Managed Care Payments	(\$15,332,958)	(\$31,774,594)	\$0	\$0	\$15,332,958	No
S-21	Reduce Pediatric Speciality Hospital Fund	(\$2,000,000)	(\$4,000,000)	(\$2,000,000)	(\$4,000,000)	\$0	No
S-22	Postpone Implementing SB 08-006	(\$118,703)	(\$392,587)	(\$118,703)	(\$392,587)	\$0	No
S-23	Delay CHP+ Expansion to 225% FPL	\$0	(\$3,151,166)	\$0	(\$3,151,166)	\$0	Yes
S-24	Adjust Outpatient Hospital Cost to Charge Ratio	(\$1,113,942)	(\$2,308,430)	(\$1,113,942)	(\$2,308,430)	\$0	No
S-25	Provider Rate Reductions	(\$7,140,170)	(\$16,173,331)	(\$7,077,841)	(\$15,397,639)	\$62,329	No

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SUMMARY TABLE 1: Summary of FY 2008-09 Supplementals and Budget Balancing							
		Department		JBC Staff			
Dept / Staff Priority	Issue	GF Impact	TF Impact	GF Impact	TF Impact	GF Difference	Needs Statutory Change
S-26	Hiring Freeze Reduction	(\$608,199)	(\$1,316,397)	(\$608,199)	(\$1,316,397)	\$0	No
S-27	Reduction - Operating	(\$112,628)	(\$225,256)	(\$112,628)	(\$225,256)	\$0	No
S-28	SMIB & MMA State Payment (Staff included in #6)	(\$1,553,011)	(\$1,553,011)	\$0	\$0	\$1,553,011	No
TOTAL PRIORITIZED SUPPLEMENTALS		\$356,892	\$11,784,347	\$65,066,851	\$97,635,687	\$64,709,959	N/A
JBC Staff Recommended Supplemental Adjustments Not Requested by Department							
JS-1	Reduce CBMS Medical Assistance Project	\$0	\$0	(\$1,789,243)	(\$3,739,000)	(\$1,789,243)	No
JS-2 / S-25	Transfer \$2.0 million from the Prevention, Early Detection, and Treatment Fund to the Department to Offset \$2.0 million General Fund	\$0	\$0	(\$2,000,000)	\$0	(\$2,000,000)	Yes
Non-Prioritized Supplementals (These items are discussed in other staff packet)							
TOTAL ALL SUPPLEMENTALS In this Packet that Need Committee Action		\$356,892	\$11,784,347	\$61,277,608	\$93,896,687	\$60,920,716	0

*Note the total funds does not assume that the Appropriation for H.B. 08-1114 is appropriated until after April 1, 2009 per the appropriation clause in the bill.

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SUMMARY TABLE 2: Proposed General Fund Revenue Impacts For FY 2008-09 Only					
		Department	JBC Staff		
Dept / Staff Priority	Issue	GF Impact	GF Impact	GF Difference	Needs Statutory Change
Department / OSPB Prioritized Revenue Impacts					
OSPB #13	Transfer from Children's Basic Health Plan Trust into the General Fund	\$4,270,540	\$0	(\$4,270,540)	Yes
JBC-1	Transfer from Breast and Cervical Cancer Prevention and Treatment Fund into the General Fund	\$0	\$6,000,000	\$6,000,000	Yes
JBC -2	Transfer from Colorado Health Care Services Fund to the General Fund	\$0	\$500,000	\$500,000	Yes
JBC Staff Recommended Fund Transfer or Options Not Included by the Department					
JBC - 3	Eliminate the CBHP Trust Fund Account -- Transfer the Funding into the CBHP Trust Fund -- Revenue Neutral	\$0	\$0	\$0	Yes
JBC - 4	Set the Autism Treatment Fund at \$1.0 million -- No General Fund Impact	\$0	\$0	\$0	Yes
JBC - 5	Reduce the distribution to the Tier II Comprehensive Primary and Preventative Care Grant Program by \$1.5 million and transfer to the General Fund	\$0	\$1,500,000	\$1,500,000	Yes
	Total Increase to General Fund Revenues Recommended	\$4,270,540	\$8,000,000	\$3,729,460	N/A

Prioritized Supplementals

Supplemental Request, Department Priority:

#1, #6, #7, #8, #18, #20, #24, #25, #26, & #28

ALL Medical Services Premiums Adjustments

SOME PROVISIONS MAY REQUIRE LEGISLATION

All Supplementals Impacting the Medical Services Premiums			
Line Item*	Request	Recommendation	Difference
Total	\$80,590,664	\$133,566,636	\$52,975,972
General Fund	17,653,599	65,907,623	48,254,024
Cash Funds	23,125,305	1,293,294	(21,832,011)
Reappropriated Funds	(908,806)	41,194	950,000
Federal Funds	40,720,566	66,324,525	25,603,959

*This supplemental adjustment is a placeholder recommendation. This recommendation, including all of its components, may be updated after the Department submits their final base request on February 15th. Staff also presents two alternatives to the recommendation contained in the table above (the alternatives are viable & can be adopted today).

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a <u>technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.</u>]	YES
JBC staff and the Department agree that all the supplemental requests and recommendation made in this write-up are appropriate given the current budget situation.	

NOTE ON FORMAT: Several of the Department's requested and staff's recommended supplemental adjustments impact the Medical Services Premiums line item. In order to provide a comprehensive discussion related to the Medical Services Premiums line item (Medicaid acute care and long-term care services), staff has incorporated all supplemental adjustments into one narrative discussion. This format is similar to how staff presents recommendations to the Medical Services Premiums line item during figure setting. Later prioritized supplemental requests and recommendations that impact the Medical Services Premiums line item, as well as *other* line items, will refer the reader back to *this Supplemental Issue* for the Medical Services Premiums line item's impacts (The MSP line item will not be discussed more than once in the narrative section of this packet. However, the number pages will continue to show the MSP impact in the priority number requested or recommended).

CAUTIONARY NOTE: *For several issues, staff presents alternative forecasts or recommendations from the Department's estimates. For the current fiscal year, staff attempts through her methodologies, to incorporate as much actual expenditure data as possible. Therefore, some of the incremental changes that the Department has requested may already be part of staff's base forecast (based on current expenditure trends). Therefore, if the Committee approves staff recommendation on base issues, it may or may not be appropriate to accept the Department's incremental changes elsewhere as requested (i.e. the Committee could be double counting the same issue). Where this is the case, staff will indicate so that there is no confusion during voting on issues.*

Medical Services Premiums Summary

Following are four tables that provide a summary of the FY 2008-09 Medical Services Premiums (MSP) supplemental issues.

Table 1: Table 1 compares the Department's total FY 2008-09 MSP request with staff's Recommendation. Please note that the Department's request does not reflect the Department's updated caseload or cost information. Rather, the base request is from the Department's November 1st budget request. The Department will send updated information in February. Staff's recommendation is based on caseload and cost information through December 2008. Staff will update, if needed, her base recommendation after receiving the Department's updated information in February. However, for planning purposes, staff recommends that her base recommendation be included in the 1st Round Supplemental Bills.

Table 1 shows that staff's base recommendation is \$36.1 total funds million higher than the Department's November 1 base recommendation. After all supplemental issues are considered, staff's recommendation is \$53.0 million total funds (\$48.3 million General Fund) higher than the Department's request. **Staff's total recommendation reflects a 5.75 percent increase over the current appropriation.**

Table 2: Table 2 shows staff's recommendation and two alternative recommendations. The 1st alternative changes the fund splits between the General Fund and the Health Care Expansion Fund for the Legal Immigrant population based on the Department's request. The 2nd alternative contains this fund split and also increases the rate reductions for acute care and community long-term care providers based on the Department's FY 2009-10 rate plan. Alternative 1 lowers staff's recommended General Fund increase by \$7.9 million and Alternative 2 lowers staff's recommended General Fund increase by \$10.6 million (\$7.9 from alt #1 and \$2.5 million from deeper provider rate cuts).

Table 3: Table 3 shows the impact of a proposed 4.9 percent increase to the FMAP for three quarters in FY 2008-09 (an annualized impact of 3.675 percent increase). For all three staff recommendations, the General Fund savings is approximately \$86.0 million. Please note, staff's recommended General Fund increase over the current General Fund appropriation is \$65.9 million (alternative #1 is \$58.0 million and alternative #2 is \$55.3 million). Therefore, the majority of the FMAP increase would help offset this growth, but will not have much of an impact in solving the rest of the State budget problems.

Table 4: Table 4 shows Department requests that staff does not recommend at this time. The General Fund savings from these issues total \$8.8 million. The main reason for holding off on some of these requests is due to waiting for federal approval of waivers and the possibility savings may not happen in FY 2008-09. These issues can be reexamined in March and April 2009.

Following these summary tables is a detailed explanation of each supplemental issue impacting the Medical Services Premiums line item.

Table 1: FY 2008-09 Medical Services Premiums Supplemental

	Department Request	Staff Recommendation	Difference Staff-Dept
SUPPLEMENTAL ISSUES			
FY 2008-09 Current Appropriation	\$2,322,097,599	\$2,322,097,599	0
S-1: New Base Estimates	103,340,095	139,459,675	36,119,580
S-25: Revised Cost Estimate for Medicare Premiums	(2,038,900)	0	2,038,900
FY 2008-09 NEW BASE ESTIMATE	\$2,423,398,794	\$2,461,557,274	\$38,158,480
S-6 & S-28: Repay Federal Disallowance	3,176,846	3,176,846	0
S-7: Consumer Directed Care Federal Funds	0	pending	0
S-8: Additional Medicaid Reimbursement to Denver Health	6,060,298	6,060,298	0
S-18: Suspend CBHP Additional Outreach	(1,856,040)	0	1,856,040
S-20: Delay Managed Care Payments	(14,102,731)	0	14,102,731
S-24: Adjust Outpatient Hospital Cost to Charge Ratio	(2,308,430)	(2,308,430)	0
S-25: Provider Rate Reductions (Excluding base item above)	(11,180,474)	(12,321,753)	(1,141,279)
S-26: Hiring Freeze Reduction	(500,000)	(500,000)	0
FY 2008-09 Revised Appropriation	\$2,402,688,263	\$2,455,664,235	52,975,972
Fund Splits			
General Fund	745,976,079	794,230,103	48,254,024
General Fund Exempt	343,900,000	343,900,000	0
Cash Funds			
-- Certified Funds	18,180,399	18,180,399	0
-- Health Care Expansion Fund	77,629,505	65,862,628	(11,766,877)
-- Nursing Facility Fund	9,907,870	0	(9,907,870)
-- Breast and Cervical Cancer Treatment Fund	1,903,980	1,903,980	0
-- Autism Treatment Fund	784,875	627,611	(157,264)
Reappropriated Funds			
-- Transfer from DPHE	1,859,192	2,809,192	950,000
Federal Funds	1,202,546,363	1,228,150,322	25,603,959
FY 2008-09 Revised Appropriation	\$2,402,688,263	\$2,455,664,235	\$52,975,972
Increase from FY 2008-09 Original Appropriation	\$80,590,664	\$133,566,636	\$52,975,972
Percent Increase	3.47%	5.75%	
Amount GF Exempt from 6.0% Limit	\$0	\$0	\$0

Table 2: FY 2008-09 MSP Supplemental Alternatives

	Staff's Original Recommendation	Staff Alt #1	Staff Alt #2
	From Table 1	HCE LI Splits	HCE LI Splits & Greater Provider Rate Cuts
SUPPLEMENTAL ISSUES			
FY 2008-09 Current Appropriation	\$2,322,097,599	\$2,322,097,599	2,322,097,599
S-1: New Base Estimates	139,459,675	139,459,675	139,459,675
FY 2008-09 NEW BASE ESTIMATE	\$2,461,557,274	\$2,461,557,274	\$2,461,557,274
All Supplementals Except Provider Rate Cuts	6,428,714	6,428,714	6,428,714
Provider Rate Cuts	(12,321,753)	(12,321,753)	(18,442,209)
FY 2008-09 Revised Appropriation	\$2,455,664,235	\$2,455,664,235	2,449,543,779
Fund Splits			
General Fund	794,230,103	786,348,533	783,594,328
General Fund Exempt	343,900,000	343,900,000	343,900,000
Cash Funds			
-- Certified Funds	18,180,399	18,180,399	18,180,399
-- Health Care Expansion Fund	65,862,628	73,744,198	73,438,175
-- Nursing Facility Fund	0	0	0
-- Breast and Cervical Cancer Treatment Fund	1,903,980	1,903,980	1,903,980
-- Autism Treatment Fund	627,611	627,611	627,611
Reappropriated Funds			0
-- Transfer from DPHE	2,809,192	2,809,192	2,809,192
Federal Funds	1,228,150,322	1,228,150,322	1,225,090,094
FY 2008-09 Revised Appropriation	\$2,455,664,235	\$2,455,664,235	\$2,449,543,779
Increase from FY 2008-09 Original Appropriation	\$133,566,636	\$133,566,636	\$127,446,180
Percent Increase	5.75%	5.75%	5.19%
Alternative 1: Funds all of the Legal Immigrant costs from the Health Care Expansion Fund. This saves \$7.9 million GF and increases the Health Care Expansion Fund by \$7.9 million from staff original recommendation.			
Alternative 2: Contains the same fund splits as Alternative 1 but also increases the provider rate cuts to 4.33% for most acute care providers and 2.25% for HCBS providers beginning April 1, 2009. This brings forward the Department's proposed rate cuts for FY 2009-10 into FY 2008-09. This alternative saves \$10.6 million GF from staff's original recommendation.			

Table 3: Impact of Proposed FMAP Change

	Staff Rec. From Table 1	Staff Rec w/ FMAP Change	Difference
Fund Splits -- Staff Recommendation			
General Fund / GFE	1,138,130,103	1,052,062,796	(86,067,307)
Cash Funds	86,574,618	84,125,936	(2,448,682)
Reappropriated Funds	2,809,192	2,809,192	0
Federal Funds	<u>1,228,150,322</u>	<u>1,316,909,708</u>	<u>88,759,386</u>
Total Funds	2,455,664,235	2,455,907,632	243,397
Fund Splits -- Staff Alternative #1 Recommendation			
General Fund / GFE	1,130,248,533	1,044,470,874	(85,777,659)
Cash Funds	94,456,188	91,717,858	(2,738,330)
Reappropriated Funds	2,809,192	2,809,192	0
Federal Funds	<u>1,228,150,322</u>	<u>1,316,909,708</u>	<u>88,759,386</u>
Total Funds	2,455,664,235	2,455,907,632	243,397
Fund Splits -- Staff Alternative #2 Recommendation			
General Fund / GFE	1,127,494,328	1,041,923,234	(85,571,094)
Cash Funds	94,150,165	91,434,787	(2,715,378)
Reappropriated Funds	2,809,192	2,809,192	0
Federal Funds	<u>1,225,090,094</u>	<u>1,313,619,963</u>	<u>88,529,869</u>
Total Funds	2,449,543,779	2,449,787,176	243,397
<p>The FMAP recommendation is higher by \$243,396 in all three proposals because staff assumes that the state funds for disease management and certified funds would stay the same and the state would draw down additional federal funds, rather than reducing those appropriations.</p>			

**Table 4: Department Proposals Not Recommended But Viable
Enough to Keep on an Option List**

Proposals Not Recommended At This Time	General Fund	Total Funds
1. Consumer Directed Care Federal Funds	(\$709,066)	\$0
2. Nursing Facility Provider Rate Decrease 1% (may not be viable in FY 08-09)	(1,052,423)	(2,104,846)
3. Delay Managed Care Payments	(7,051,366)	(14,102,731)
4. General Fund savings from H.B. 08-1114	(3,980,710)	0
4. February 15th caseload and fund split adjustments	<u>unknown</u>	<u>unknown</u>
Total	(\$8,812,855)	(\$16,207,577)

Department Priority #1: Base Calculations to the Medical Services Premiums line item

Base Calculations to Medical Services Premiums line item	Request*	Recommendation	Difference
Total	<u>\$103,340,095</u>	<u>\$139,459,675</u>	<u>\$36,119,580</u>
General Fund	30,263,531	69,724,397	39,460,866
Cash Funds	20,353,409	(1,165,438)	(21,518,847)
Reappropriated Funds	41,194	41,194	0
Federal Funds	52,681,961	70,859,522	18,177,561

*Note Department's request assumes an appropriation for H.B. 08-1114. The appropriation clause for H.B. 08-1114 is conditional on a waiver being approved by CMS. The appropriation clause is not effective until April 1, 2009. Therefore, staff compares the Department's request to the actual effective current appropriation as of January 2009. This information in this table does not match the Department's submitted supplemental schedules.

Department Request: The Department's request is based on the information that was submitted to the Committee on November 1, 2008. At that time, the Department forecasted a *preliminary* FY 2008-09 Medical Services Premiums line item supplemental need of \$103.3 million total funds (4.5 percent). Of this amount, \$30.3 million is from the General Fund (a 2.8 percent increase to General Fund). The Department's November 2008 supplemental forecast was based on a Medicaid caseload of 421,651 clients during FY 2008-09. This is an increase of 40,261 clients (10.6 percent) from the current FY 2008-09 appropriated Medicaid caseload of 381,390 clients. The Department's November forecast also included updated cost estimates.

The Department's request also contains two financing changes:

- (1) a \$4.0 million decrease to the General Fund due to provisions in H.B. 08-1114 which limit the growth of the General Fund for nursing facilities. This General Fund cap is contingent on CMS approving the nursing facility provider fee waiver. The Committee may not know if this a viable refinance until the Conference Committee on the Long Bill in April 2009.
- (2) a \$7.9 million General Fund decrease from refinancing all the State match costs for legal immigrants onto the Health Care Expansion Fund. This increases costs assigned to the Health Care Expansion Fund for this population from \$6.2 million to \$14.1 million.

The Department will be resubmitting this supplemental on February 15th with updated information.

Staff's Recommendation: Staff recommends a FY 2008-09 Medical Services Premiums line item *base* supplemental of \$139.5 million total funds (6.0 percent increase). Of this amount, \$69.7 million is from the General Fund (a 6.5 percent increase to General Fund). Staff's recommendation is based on caseload and expenditure data through December 2008. If needed, staff will update her recommendation after seeing the Department's February 15th request. However, at this time staff does not anticipate major changes to her recommendation (perhaps, fine tuning). Staff recommends

that this forecast be included in the supplemental bill introduced in February. This is a departure from previous years when staff recommended only a "placeholder" recommendation in January that was not included in the 1st round supplementals bills.

Medicaid Caseload Forecast

The current FY 2008-09 Medicaid caseload assumed an average monthly Medicaid caseload of 381,390 clients (381,189 from last year's Long Bill and 201 from S.B. 07-002 which expanded foster care eligibility). Of this amount, staff estimated that 341,336 clients would receive their state funding primarily through the traditional funding sources (General Fund, Breast and Cervical Cancer Treatment, Autism Fund, etc.) and that 40,054 clients would receive their State matching funding from the Health Care Expansion Fund (Amendment 35 tobacco tax revenues -- which has limited uses pursuant to the State Constitution).

Based on caseload data through December 2008, staff forecasts that the average monthly Medicaid caseload for FY 2008-09 will be 431,414 clients (an increase of 50,023 or 13.1 percent from the *current* FY 2008-09 appropriation -- it is only a 10.1 percent increase from the rebased FY 2007-08 actual). Of this amount, staff estimates that approximately 47,055 clients will be eligible to receive their State match from or partially from the Health Care Expansion Fund (an increase of 17.5 percent) and that 384,359 clients will be traditional Medicaid clients (an increase of 12.6 percent). Table 1 below reflects the caseload estimate that staff used to establish her recommended supplemental amount.

Table 1: Staff's FY 2008-09 SUPPLEMENTAL Caseload Recommendation						
January 2009 Caseload Forecast (uses data through December 2008)	Traditional Medicaid	State Match Can Come from the Health Care Expansion Fund		Total Recommended January Forecast FY 08-09	Year to Date AVG Through Dec 08	Current App. Caseload for FY 08-09
		Legal Immigrants	All Other Expansions			
SSI 65+	36,671	812	0	37,483	37,321	36,278
SSI 60-64	6,252	116	0	6,368	6,347	6,216
Partial Dual Eligibles	15,172	0	0	15,172	14,909	15,068
SSI Disabled	49,828	700	735	51,263	51,001	50,123
Low-Income Adults	41,853	676	5,799	48,328	46,503	41,667
Expansion Low-Income Adults	0	0	12,514	12,514	11,725	9,629
Baby-Care Adults	6,662	260	0	6,922	6,996	6,028
B & C Cancer Program	218	0	83	301	285	301
Eligible Children	207,221	856	22,953	231,030	224,607	193,484

Table 1: Staff's FY 2008-09 SUPPLEMENTAL Caseload Recommendation

January 2009 Caseload Forecast (uses data through December 2008)	Traditional Medicaid	State Match Can Come from the Health Care Expansion Fund		Total Recommended January Forecast FY 08-09	Year to Date AVG Through Dec 08	Current App. Caseload for FY 08-09
		Legal Immigrants	All Other Expansions			
Foster Care Children	16,452	92	1,459	18,003	17,827	18,858
Non-Citizens	4,030	0	0	4,030	4,037	3,738
Total	384,359	3,512	43,543	431,414	421,558	381,390

Please note, that the December caseload was 429,783 clients. The chart above shows the average monthly caseload from July through December. The trend on Medicaid caseload has continued to increase each month in FY 2008-09. Staff's forecasts an FY 2008-09 ending caseload of 449,364 clients for June 2009.

Additional information and charts regarding staff's Medicaid caseload forecast can be found in Appendix B of this document.

Cost-Per-Client Forecasts

The caseload forecast is just half of the Medicaid picture. The other half of the Medicaid forecast is the average cost- per-client estimate -- i.e. how many services are the clients using and what are the costs of those services? Currently, the FY 2008-09 total fund appropriation for the MSP line item is \$2,322,097,599. Of this amount, \$2,307,943,437 was appropriated to provide actual client care and services (medical services, insurance assistance and administrative services to Medicaid clients). The remaining \$14.2 million represents the amount for bottom-of-the-line financing. Bottom-of-the-line financing are mechanisms the Department uses to save General Fund appropriations by maximizing the allowable federal upper payment limits (UPL).

Based on the current caseload and expenditure trends, staff is currently estimating that the Medical Services Premiums line item will expend \$2,444,946,872 in FY 2008-09. This estimate is \$137.0 million higher than the current appropriation for medical services. Staff estimates (based on the Department's November request) that \$16.6 million in certified funds can be used to offset General Fund appropriations through UPL financing. This is an increase of \$2.4 million over the current appropriation. Thus, staff's total recommended increase to the Medical Services Premiums line item is \$139.4 million higher than the current appropriation. Table 2 below shows staff's January estimated breakdown of expenditures by service area (please note, staff may revise these estimates based on the Department's February request and expenditure data through February 2009 if significant differences occur between the two forecasts).

Table 2: Comparison of Current FY 2008-09 Appropriation with Staff's January FY 2008-09 Forecast			
	Current Appropriation Estimate	Staff's New Expenditure Estimate	Difference (Staff Est. - Current App.)
Acute Care Services	\$1,357,120,561	\$1,484,095,393	\$126,974,832
Community Care Services	251,120,985	271,521,818	20,400,833
Long-Term Care Services	570,666,065	562,544,686	(8,121,379)
Insurance Premiums	95,491,972	95,177,806	(314,166)
Administrative Services*	33,543,854	31,607,169	(1,936,685)
Bottom-Line Financing	\$14,154,162	\$16,610,401	\$2,456,239
Total	\$2,322,097,599	\$2,461,557,273	\$139,459,674
General Fund & General Fund Exempt	\$1,072,222,480	\$1,141,946,877	\$69,724,397
CF - Certified Funds	13,842,626	15,150,250	1,307,624
CF - Nursing Facility Cash Fund*	0	0	0
CF - Breast and Cervical Cancer Treatment Fund	1,800,529	1,903,980	103,451
CF - Health Care Expansion Fund	69,405,126	66,434,045	(2,971,081)
CF - Autism Fund	233,043	627,611	394,568
RF - Transfer from DPHE for BCCTP	767,998	809,192	41,194
RF - Transfer from DPHE for Disease Management	2,000,000	2,000,000	0
Federal Funds*	1,161,825,797	1,232,685,319	70,859,522
Total	\$2,322,097,599	\$2,461,557,274	\$139,459,675

*Appropriations from this fund are not available until April 1, 2009.

Staff estimates the following when comparing the revised FY 2008-09 estimate to the original FY 2008-09 appropriation:

- ✓ The additional 50,024 Medicaid clients are resulting in an increase in costs of \$163.6 million.
- ✓ The favorable case mix of a better risk pool has decreased the per-capita-cost for many of the aid categories and results in savings of \$26.6 million from original cost-per-client estimates.

These impacts are shown in Table 3 on the next page.

Table 3: Analysis of Cost Drivers for Supplemental Increase

Aid Category	Caseload Change	<u>Net</u> Cost Per Client Change	Cost Associated with Higher Caseload Estimate	Cost Associated with Change to Per Client Cost	Compounding Effect	Total Costs
SSI 65+	1,205	(\$686.64)	\$24,989,728	(\$24,909,878)	(\$827,401)	(\$747,551)
SSI 60-64	152	\$795.47	\$2,502,993	\$4,944,655	\$120,911	\$7,568,559
SSI Disabled	1,140	\$1,104.88	\$14,727,885	\$55,379,957	\$1,259,563	\$71,367,405
Low-Income Adults	6,661	(\$163.80)	\$30,721,547	(\$6,824,970)	(\$1,091,072)	\$22,805,505
Expansion Low-Income Adults	2,885	(\$900.60)	\$7,680,608	(\$8,671,854)	(\$2,598,231)	(\$3,589,477)
Baby Care Adults	894	(\$1,029.62)	\$8,695,202	(\$6,206,537)	(\$920,480)	\$1,568,185
Children	37,546	(\$158.89)	\$73,098,668	(\$30,742,578)	(\$5,965,684)	\$36,390,406
Foster Children	(855)	\$20.48	(\$3,172,758)	\$386,264	(\$17,510)	(\$2,804,004)
B&C Cancer Treatment Patients	0	(\$1,570.30)	\$0	(\$472,661)	\$0	(\$472,661)
Partial Dual Eligibles	104	(\$70.33)	\$144,738	(\$1,059,769)	(\$7,314)	(\$922,345)
Non-citizens (emergency care)	292	\$396.81	\$4,240,256	\$1,483,285	\$115,874	\$5,839,415
Total	50,024	n/a	\$163,628,867	(\$16,694,086)	(\$9,931,345)	\$137,003,436
Change in Bottom of the Line Financing						\$2,456,239
Total FY 2008-09 MSP Staff Recommended Base Increase over Original FY 2008-09 Appropriation						\$139,459,675

Additional information and calculations for the Medical Services Premiums base cost calculations can be found in Appendix C of this document.

Staff's Recommendation on Two Department Financing Issues

1. **Offset of \$4.0 million General Fund from Nursing Cash Fund:** At this time staff does *not* recommend the \$4.0 million offset to the General Fund for capping nursing facility costs at 3.0 percent growth based on the passage of H.B. 08-1114. This cap will only go into effect if CMS approves the nursing facility provider fee waiver by April 1, 2009. As of yet, this waiver has not been approved. If this waiver is approved between now and April 1, 2009, staff will recommend that this issue be included during the CONFERENCE COMMITTEE on the Long

Bill. Because of the state's revenue situation, staff does not recommend any revenue offsets until the State is certain that CMS will approve the issue.

2. **Refinance of Legal Immigrants Full Costs onto Health Care Expansion Fund:** The Department requests that all State costs for the Legal Immigrants be financed with the Health Care Expansion Fund instead partially with HCE Fund and General Fund. In December, staff included a briefing issue that shows HCE Fund having a deficit of \$37.1 million by FY 2011-12 (two budget years away). Because of this forecasted deficit, staff did not include the refinance of the total costs for legal immigrants into her base recommendation. *However, this is a viable alternative to staff's recommendation given the current budget situation (and she even recommends it as long as the Committee understands the ramifications of this action).* There are three events that change some of staff's perspective on this issue from briefing:

- a) Right now, staff shows lower per-capita-costs for most of the populations funded from the HCE Fund. This has lowered staff's HCE Fund recommendation by \$2.9 million from the current appropriation.
- b) The possibility of a federal FMAP could reduce HCE Fund expenditures by approximately 3.675 percent in FY 2008-09, 4.9 percent in FY 2009-10, and 2.4 percent in FY 2010-11 (based on current House bill). Because there will be less expenditures from the funds during this year, this may lessen (not eliminate) the deficit in FY 2011-12.
- c) Given the current revenue situation, the State has to reduce as much General Fund as possible in FY 2008-09. This is a way to use more HCE Fund without needing an emergency resolution with a two third vote.

If the Committee chooses this alternative, it reduces staff's General Fund recommendation for this supplemental by \$7.9 million. Table 4 below shows staff's revised fund splits if the Committee adopts Alternative Recommendation #1.

Table 4: Alternative Recommendation #1 -- Fund All Legal Immigrant Costs with HCE Fund			
	Staff Recommendation	Staff Alternative #1 Recommendation	Difference
General Fund & General Fund Exempt	\$1,141,946,877	\$1,134,065,307	(\$7,881,570)
CF - Certified Funds	15,150,250	15,150,250	0
CF - Nursing Facility Cash Fund*	0	0	0
CF - Breast and Cervical Cancer Treatment Fund	1,903,980	1,903,980	0
CF - Health Care Expansion Fund	66,434,045	74,315,615	7,881,570
CF - Autism Fund	627,611	627,611	0
RF - Transfer from DPHE for BCCTP	809,192	809,192	0

Table 4: Alternative Recommendation #1 -- Fund All Legal Immigrant Costs with HCE Fund

	Staff Recommendation	Staff Alternative #1 Recommendation	Difference
RF - Transfer from DPHE for Disease Management	2,000,000	2,000,000	0
Federal Funds*	1,232,685,319	1,232,685,319	0
Total	\$2,461,557,274	\$2,461,557,274	\$0

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. Accept the Department's Request -- (understanding that this an outdated forecast and will be revised in February but using it for a "placeholder" for now).
2. Accept Staff's Recommendation (to be included in the 1st round supplemental bill with the understanding that this issue may be re-opened in March).
3. Accept Staff's Alternative Recommendation (to be included in the 1st round supplemental bill with the understanding that this issue may be re-opened in March).
4. Accept Staff's Recommendation or Staff's Alternative Recommendation but also include it the Department's General Fund reduction due to capping nursing facility General Fund expenditures at 3.0 percent pursuant to H.B. 08-1114. This motion could be risky if CMS does not approve the waiver before April 1, 2009. This motion would need to amend the appropriation clause for H.B. 08-1114 which is a conditional clause and is not effective until April 1, 2009.

Do not vote for Department's Request with Staff's Alternative #1 Recommendation. The Department's request already includes the financing of the Legal Immigrants with HCE Fund.

Department Priority #25: Relating to Revised Cost Estimate for Medicare Premiums (all other items in #25 are discussed later)

MSP Changes for Medicare Premium Lower Costs	Request	Recommendation	Difference
<u>Total</u>	<u>(\$2,038,900)</u>	<u>\$0</u>	<u>\$2,038,900</u>
General Fund	(1,223,340)	0	1,223,340
Federal Funds	(815,560)	0	815,560

Department Request: The Department requests a total fund reduction of \$2.0 million due to lower Medicare premiums than the estimate that was included in the original FY 2008-09 estimate.

Staff Recommendation: Staff's recommendation for the base calculations captures the lower Medicare premium costs in the year-to-date expenditure trend data. Adding this issue on top of staff trend forecast would double count the reduction. Therefore, staff does not recommend this issue as an incremental budget change as the Department has requested.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. If the Committee voted for the Department's base budget request in Priority #1, then the Committee can vote this issue without double counting the reduction twice since this issue was not originally calculated in the Department's November 1 request.
2. If the Committee voted for Staff Recommendation or Staff Alternative Recommendation #1 for Priority #1, then the Committee should not vote for this reduction. Staff's expenditure trend data is already capturing the lower premium costs. Therefore, voting for this issue separately would double count the reduction.

Department Priority #6 & #28: Supplemental Medicare Insurance Benefit (SMIB) Federal Overdraw

MSP	Request	Recommendation	Difference
Total	\$3,176,846	\$3,176,846	\$0
General Fund	3,176,846	3,176,846	0

Department Request: The Department's request \$3.2 million General Fund increase to reimburse the federal government for an overdraw of federal funds related to the Supplemental Medicare Insurance Benefit (SMIB) program between FY 2003-04 and FY 2006-07.

Staff Recommendation: Staff recommends the Department's request.

As the Committee is aware, in FY 2007-08 the Department realized that there were accounting and reporting errors associated with the Supplemental Medicare Insurance Benefit (SMIB) program. Due to these errors, the Department was improperly drawing down federal funds that exceeded the available federal match for these programs. In April 2008, the Department repaid the federal government for \$3.3 million of this overdraw that had occurred during FY 2007-08. This payment was made within the Department's FY 2007-08 appropriation authority and was not brought to the Committee as a budget action. However, the Department did not have the appropriation authority in FY 2007-08 to repay the federal government for the errors that occurred between FY 2003-04 through FY 2006-07. Initially, the Department estimated that the amount owed for these fiscal years was \$4.7 million. Because this amount would need additional expenditure authority, the Department decided to delay

payment to CMS until FY 2008-09. This gave the Department time to audit the amount owed and to submit the proper supplemental action to the Committee. On November 25, 2008, the Centers for Medicare and Medicaid Services (CMS) issued a disallowance of \$4.7 million related to this issue. At the time the Department submitted their initial supplemental request for this item, the Department and the State Auditor's Office were still reviewing the amount of the federal disallowance. Since that time, the Department and Auditor have finished their review. Based on this review, the Department now estimates that the amount overdrawn for prior fiscal years was \$3.2 million (the State Auditor's estimate will be released in February -- however, it is staff understanding that the Department and the Auditor are basically in agreement on the amount). Therefore, staff recommends a supplemental appropriation of \$3.2 million for this issue. Staff recommends that this amount be contained in a separate identifiable line item in the Medical Services Premiums division and provided with roll forward authority into FY 2009-10 in the event that the negotiations with CMS are not completed before the end of the fiscal year.

Department Priority #7: Consumer Directed Attendant Support Services Federal Funds for Prior Year

MSP	Request	Recommendation	Difference
<u>Total</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund	(709,066)	0	709,066
Federal Funds	709,066	0	(709,066)

Department Request: The Department requests a \$709,066 increase to their federal fund appropriation to reflect a retroactive payment for the Consumer Directed Attendant Support Services. The Department requests a \$709,066 decrease the General Fund appropriation due to this increase in available federal funding.

Staff Recommendation: Staff's recommendation on this issue is pending and will be addressed in March. At the time staff wrote this recommendation, the Department had not yet received approval from CMS for the federal waiver and therefore, as not yet been reimbursed the \$709,066 in past year claims.

Analysis

The Consumer Directed Attendant Support Services allows clients and authorized representatives to direct their delivery of the support services including personal care, homemaker, and health maintenance activities. The Department's request is for retroactive federal match for clients who received consumer directed support services in FY 2007-08 paid at 100% General Fund. The Department submitted the wavier for these services in FY 2007-08 (October 2007). If the Centers of Medicare and Medicaid Services (CMS) approves the waiver, then the Department may receive federal match for the FY 2007-08 expenses. If approved by CMS, the additional federal revenue

received in this fiscal year for the FY 2007-08 expenditures can be used to offset General Fund by \$709,066 in FY 2008-09.

At this time, staff recommends pending this issue until March when final adjustments are made to the Medical Services Premiums line item. At the time staff wrote this recommendation, the Department had not yet received approval from CMS for the federal waiver. If the Department receives approval of the federal waiver, then staff will recommend that this supplemental request be included in the final Medical Services Premiums line item supplemental. If approval from CMS is not received by the time the Conference Committee on the Long Bill is complete, then staff would recommend that the recognition of this federal revenue be included in FY 2009-10 assumptions rather than in FY 2008-09 assumptions. If federal approval is received after April 2009, then the Committee could address the issue in a later supplemental or a June 1331 supplemental to make sure the revenue is recognized in the fiscal year in which it is received. However, recognizing the revenue before it is received may be problematic in an economic climate of decreasing State revenues (e.g. in FY 2002-03 the Department shut down payments from the MMIS system for two weeks because budget cut assumptions didn't materialize as estimated and there was not enough state revenue to pay the claims. Therefore, staff recommends caution in recognizing revenues from CMS until notification has been received by the Department that these retroactive payments are approved.). **Again, this issue will be revisited by staff when she recommends another Medical Services Premiums supplemental adjustment in March.**

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. If the Committee may vote for this issue independently of all other supplemental issues and not worry about double counting reductions.
2. The Committee may accept the Department's request with the understanding that this revenue has not yet been received by the State and may not occur in FY 2008-09. Staff is being cautious on this issue. The Committee may not want to.

Department Priority #8: Additional Reimbursement for Denver Health

MSP	Request	Recommendation	Difference
<u>Total</u>	<u>\$6,060,298</u>	<u>\$6,060,298</u>	<u>\$0</u>
Cash Funds	3,030,149	3,030,149	0
Federal Funds	3,030,149	3,030,149	0

Department Request: The Department requests an increase of \$6.1 million in order to provide supplemental payments to Denver Health Medical Center for hospital-based physician and other professional services provided to Medicaid clients. Of this amount, \$3.0 million is from certified

funds from Denver Health and \$3.0 million is from federal funds. There is no General Fund impact from this request.

Staff Recommendation: Staff recommends the Department's request.

Background

The Department's proposal would provide supplemental payments for services provided by physicians and other health professionals in an inpatient or outpatient setting. The State match for these supplemental payments is from the certification of public expenses at Denver Health Medical Center. Denver Health will then receive the federal share of the payments.

Back in September 2005, the Department submitted a State Plan Amendment (Transmittal #05-017) to the Centers for Medicare and Medicaid Services (CMS) for these supplemental payments. This State Plan Amendment was not approved and has been in an inactive status since August 2006. However, in recent years, CMS has approved other states' reimbursement plans similar to Colorado's proposal. The Department's staff has been meeting with the CMS Regional Office to modify the State Plan Amendment to conform to the guidelines and requirements issued by CMS and to closely model the language in the approved California plan. Based on these modifications, the Department believes that the State Plan Amendment will be approved during FY 2008-09.

Because this issue will not impact the General Fund, staff recommends the Department's request. If for some reason, the State Plan Amendment is not approved in FY 2008-09, then the added expenditure authority will revert. However, this situation would not create an adverse impact to the State's budget (however, Denver Health could experience an adverse action if they count on the revenue and then the revenue does not materialize).

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. This supplemental issue is independent of all other issues and can be voted on without impacting other decisions.

Department Priority #18: Suspend CBHP Additional Outreach

MSP	Request	Recommendation	Difference
Total	(\$1,856,040)	\$0	\$1,856,040
General Fund	(928,020)	0	928,020
Federal Funds	(928,020)	0	928,020

This supplemental request also impacts the Medicaid Mental Health Capitation Line Items and the CBHP Line Items. See those sections for additional impacts.

Department Request: The Department request has four components that impact three different programs:

- 1) A \$600,000 total fund reduction (\$230,430 from the Children's Basic Health Plan Trust Fund) to eliminate the unspent funding from the additional \$1.4 million the Committee approved last year for increased outreach and marketing activities for the CBHP program. This item is discussed in the CBHP program line items section of this narrative.
- 2) A \$1.9 million total fund reduction (\$928,020 General Fund) due to lower Medicaid caseload forecasts resulting for suspending the additional outreach for the Children's Basic Health Plan in January 2009. The Department estimates suspending outreach will reduce the Medicaid children's caseload by 1,000 clients. This reduction is to the Medical Services Premiums line item and is discussed in this section of the narrative.
- 3) A \$190,926 total fund reduction (\$95,463 General Fund) to the Medicaid Mental Health Capitation Program due the lower Medicaid caseload discussed above. This reduction is discussed in the Medicaid Mental Health Capitation Program.
- 4) A \$3,601,332 total fund reduction (\$1,274,053 CBHP Trust Fund) to reduce the CBHP children's caseload estimate by 2,000 clients due to reduced marketing and outreach activities. This item is discussed in the CBHP program line items section of this narrative.

Staff Recommendation: Staff recommends only item number 1 above (see the CBHP section for detail). Staff does not recommend the impacts contained in items 2 through 4 above. The caseload issues are handled in the base caseload forecasts and staff does not recommend incremental changes from suspending additional outreach and marketing. Therefore, staff recommends no changes to the Medical Services Premiums calculations for this issue.

Background

For FY 2008-09 staff and the Department had originally recommended a Medicaid children's caseload of approximately 200,000 clients. However, due to actions that the Committee took, a total Medicaid children's caseload of only 193,484 was funded. In staff's opinion, the additional caseload impact to the Medicaid caseload from additional CBHP outreach was never funded in the original base. Therefore, it can not be incrementally taken out of the base (that would be double counting a budget reduction -- one that was not funded in the original base and then reducing it again).

The State Auditor's report in June 2008, noted that the Department could not effectively evaluate how much impact marketing and outreach campaigns had on CBHP children enrollment. At this time, staff has no reliable data to determine caseload impacts from different marketing and outreach strategies. Therefore, staff is not adjusting her base caseload forecast for this issue at this time. However, staff will continue to monitor her recommended caseload forecast in Supplemental #1 to see if any slow down in the trend is happening due to decreasing the additional outreach activities.. Staff will update the Committee in March on this issue if she starts to notice a downward trend.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. If the Committee adopts the Department's request, the Committee should ask staff to make the adjustment to her revised caseload forecast for Children contained in Supplemental #1 (this is only if the Committee adopts the suspension of the outreach moneys contained in Supplemental #3 -- which staff is recommending). The Committee would be voting to lower staff's children caseload estimate in Supplemental #1 from 231,030 clients to 230,030 clients (the current # of Medicaid clients as of December 2008 is 230,447). The Committee would be supporting the concept that there will be lower growth for the remainder of the year. This is not staff's forecast at this time.

2. If the Committee adopted the Department's request for Supplemental #1, the Committee should not adopt this issue. The Department's children's caseload forecast is outdated and is only for 225,209 clients. Lowering this estimate by 1,000 would be 224,209 clients which is lower than the December 2008 caseload by 6,238 clients and from the YTD average of 224,607 by 398 clients. Adopting this issue with the Department's original forecast would not properly fund actual current caseload.

Department Priority #20: Delay Managed Care Payments

MSP	Request	Recommendation	Difference
<u>Total</u>	<u>(\$14,102,731)</u>	<u>\$0</u>	<u>\$14,102,731</u>
General Fund	(7,051,366)	0	7,051,366
Cash Fund - HCE Fund	(141,293)	0	141,293
Federal Funds	(6,910,072)	0	6,910,072

This supplemental request also impacts the Medicaid Mental Health Capitation Line Items. See that section for additional impacts.

Department Request: The Department requests shifting the payment date for managed care programs from the midpoint of the current month to the first payment date of the following month. This shift of payment timing would result in a one time savings of \$14.1 million total funds (\$7.1 million General Fund) in the Medical Services Premiums line item and \$17.7 million total funds (\$8.3 million General Fund) in the Medicaid Mental Health Capitation Program.

Staff Recommendation: At this time staff does not recommend payment delay as an official policy of the State. However, staff recommends that this issue be kept on an "option" list to be revisited in March. By March, the Committee will know at that time if the Federal Stimulus Package has passed with an increase to the FMAP and whether those funds could be used so that this issue is unnecessary.

Staff would note that by delaying Committee action on this issue, the delay in payment may not be available for FY 2008-09. It is staff's understanding from the Department that this significant system

changes that would need to be made in order to delay the payments as proposed. The Department requests at least 4 to 5 month leeway in order to have enough time to finish any system changes involved. Therefore, if the Committee does not approved this request now, but wants to approve it later, the Committee must be mindful that this action would most likely move the savings into FY 2009-10 instead of FY 2008-09.

To reiterate, staff does **not** recommend this issue, but the Committee could put this on an option list most likely for FY 2009-10.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. The Committee could adopt the Department's request but ask staff to recalculate the potential savings based on rate cuts that may be adopted that impact managed care organization in other areas of this packet.
2. The Committee could adopt Staff's recommendation.

Department Priority #24: Adjust Outpatient Hospital Cost To Charge Ratio

MSP	Request	Recommendation	Difference
<u>Total</u>	<u>(\$2,308,430)</u>	<u>(\$2,696,860)</u>	<u>(\$388,430)</u>
General Fund	(1,113,942)	(1,113,942)	0
Cash Fund - HCE Fund	(40,218)	(40,218)	0
Federal Funds	(1,154,270)	(1,542,700)	(388,430)

Department Request: The Department requests a savings of \$2.3 million total funds (\$1.1 million General Fund) by reducing their cost-to-charge ratio that Department uses to pay out-patient hospital claims.

Staff Recommendation: Staff recommends the Department's request.

Background

Outpatient hospitals are currently paid at 72 percent of costs; however, actual costs are not known for several years, until after the hospital is audited. To ensure that hospitals receive accurate and timely payments, claims paid are adjusted using a "cost-to-charge" ratio that adjusts billed charges to approximate costs using historical data. Currently, the Department is updating their cost-to-charge ratios based on more current data from CMS. In most cases, the Department is finding that current ratio used by the Department is higher than most recent ratios from CMS. This means that the Department may be overpaying for outpatient hospitals now and then recouping those payments several years from now after the costs have been audited. By resetting the ratio, the Department would

reduce its current year expenditure, but would decrease the amount of recoupments the State receives in out years. The Department estimates a target implementation date back to January 1, 2009 for this action.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. This issue can be voted on independently from other budget reductions contained in this packet.

Department Priority #25: Provider Rate Cuts

Some Issues on the Department's List Require Statutory Change
 Staff's Recommendation Contains One Statutory Change Option

The table below does not show the impact for revised costs for Medicare Premiums. Staff discussed this issue above in base calculations. The Number Pages contain the amounts for this issue as requested.

MSP	Request	Recommendation	Difference
<u>Total</u>	<u>(\$11,180,474)</u>	<u>(\$12,321,753)</u>	<u>(\$1,141,279)</u>
General Fund	(4,511,044)	(5,629,678)	(1,118,634)
Cash Fund	(76,742)	(531,199)	(454,457)
Reappropriated Funds	(950,000)	0	950,000
Federal Funds	(5,642,688)	(6,160,876)	(518,188)

Department Request: The Department requests a reduction of \$11.2 million total funds (\$4.5 million General Fund) for provider rate reductions. The Department's plan assumes that most of the rate reductions that impact the Medical Services Premiums line item will be effective February 2009. The amount of rate reductions by providers varies. The Department's request includes a 1.0 percent rate cut for nursing facilities. The Department's rate reduction also includes a decrease to the disease management program. Both of these reductions require legislation. All other rate reductions could be done by the Department through rule or budget actions. The Department's rate reductions are discussed in the analysis section below.

Staff's Recommendation: Staff recommends a reduction of \$12.3 million total funds (\$5.6 million General Fund) for provider rate reductions. Staff's recommendation is based on 2.5 percent rate reduction for most acute care providers and a 1.5 percent rate reduction for Home and Community Based Waiver Service Providers for April through June 2009. Staff's does not recommend the nursing facility rate reduction for FY 2008-09 (not because staff is opposed to the concept but because it is unlikely the savings would be achieved in FY 2008-09). Staff's recommendation is based on an April 2009 implementation date for most of the rates discussed unless otherwise noted.

Staff's Alternative #2 Recommendation: Staff's alternative #2 recommendation for Medical Services Premiums is a higher rate reduction than rate reduction presented above. Under this alternative, staff recommends a 4.33 percent rate reduction for most acute care providers and a 2.25 percent rate reduction for Home and Community Based Waiver Clients. Staff anticipates that these rate reductions would be implemented April 2009 through FY 2009-10. This alternative moves the Department's proposed rate reductions for FY 2009-10 (which begin on July 1, 2009) to April 2009. This means that there would be one rate reduction instead multiple rate reductions over the next six months. **THIS IS A VIABLE ALTERNATIVE RECOMMENDATION.** This rate plan increases total fund savings by \$6.1 million total funds (\$2.8 million General Fund) over the rate plan in staff's original recommendation.

Please note: In order to provide proper notice to providers and make necessary system changes to implement rate reductions, staff recommends providing the Department with at least six weeks before an implementation date. Therefore, staff recommends that the Committee act on the provider rate increase today. If the Committee adopts a different common policy for HCBS providers, then staff will update this request. However, staff asks permission to deviate from any common policy on all other provider classes (acute care rates are not generally included in common policy decisions but have received targeted rate increases in the past). Staff recommends that the Committee adopt one of the alternatives presented today.

Analysis:

The Committee will not be able to balance the State Budget without budget reductions to the Department. For FY 2008-09, provider rate reductions will be one of the only ways to guarantee savings. Other adjustments are difficult for the following reasons:

- (1) Changes in benefits may need statutory changes and State plan amendments. By the time these changes make it through the process, there will be little time in the fiscal year to achieve savings. Benefit changes or scope of service changes would be better to implement for FY 2009-10 savings.
- (2) Eligibility reductions will be unlikely due to the requirements in the current Federal Stimulus package that current eligibility not be changed.
- (3) Most of the increase in the FMAP will be used to offset the current accelerated growth in the Medicaid caseload. The increase in the FMAP will not be enough to eliminate the need to make reductions in HCPF.
- (4) The FMAP is temporary. The current bill in the U.S. House of Representatives would allow the FMAP increase through December 2010 (half of FY 2010-11). When the FMAP change is entirely eliminated in FY 2011-12, the State will also be facing approximately a \$30 to \$50 million deficit in the Health Care Expansion Fund.

- (5) Even if the Committee adopts the Department's requests to delay payments in FY 2008-09 (which staff does not recommend), the Committee will most likely need to enact provider rate cuts in FY 2009-10. Delaying provider payments (in two of the Department's proposals) are only one-time savings and the Committee will need to have additional savings in FY 2009-10. Therefore, without having seen the Department's plan for FY 2009-10, staff believes that additional or steeper rate cuts will be proposed for FY 2009-10 than the rate cuts that the Department proposed for FY 2008-09.

The following table shows the Department's Request, Staff Recommendation, and Staff's Alternative Recommendation.

Table 1: Provider Rate Reductions Recommended (Total Funds)						
Provider	Department Request (February 2009)		Staff Recommendation (April 2009)*		Staff Alt. Recommendation (April 2009)*	
Targeted Physician Codes Above 100% Medicare	n/a	(1,697,782)	n/a	(1,697,782)	n/a	(1,697,782)
Pharmacy Rates	n/a	(3,192,897)	n/a	(3,192,897)	n/a	(3,192,897)
Nursing Facility	1.00%	(2,104,845)	n/a	see discussion	n/a	see discussion
Cease Disease Management	n/a	(1,900,000)	n/a	0	n/a	0
Skilled Home Health	1.50%	(1,161,593)	2.50%	(1,276,840)	4.33%	(2,211,487)
Acute Care Providers	0.25%	(1,099,515)	2.50%	(5,220,904)	4.33%	(9,906,857)
Home and Community Care Providers	0.00%	0	1.50%	(790,259)	2.20%	(1,185,388)
Single Entry Point Agencies	0.25%	(23,842)	2.50%	(143,071)	4.33%	(247,799)
TOTAL		(11,180,474)		(12,321,753)		(18,442,210)

* Unless otherwise noted.

Targeted Physician Codes Above 100% Medicare: Staff recommends the Department's request to reduce any physician codes that are currently above the Medicare upper payment limit (UPL). While most codes are below the Medicare UPL, the Department has identified some codes where the Medicare rate in recent years was cut but a corresponding decrease was not made to the State's Medicaid Rate. Staff recommends the Department's estimate of \$1.7 million savings for this issue. Staff's recommendation assumes the Department's implementation schedule for these rate reductions.

Pharmacy Rates: Staff recommends the Department's request to reduce pharmacy rates. The Department's request is to reduce pharmacy rates to AWP minus 14.5 percent for brand name and AWP minus 45.0 percent for generic medication. Currently, the State reimburses pharmacies at AWP

minus 13.5 percent for brand name and AWP minus 35.0 percent for generic medication. This reimbursement was adopted in October 2002 has not changed since. Staff has included in the attached appendixes how this rate reduction would compare to other states pharmacy reimbursement. Staff would note that it appears this rate reduction would make Colorado one of the lowest states for pharmacy reimbursement (would be somewhat similar to Connecticut but still lower).

Nursing Facility Rate Reduction (THIS ISSUE REQUIRES STATUTORY CHANGES): The Department proposed a 1.0 rate reduction on nursing facilities. However, the Department did not submit information to staff on how this 1.0 rate reduction would be achieved. As the Committee is aware, the nursing facility rate reimbursement formulas are in statute. Rates are based on cost reports and are subject to upper limit caps. House Bill 08-1114 rewrote the rate structures contingent on federal approval of a new provider fee. This bill is anticipated to be effective in April 2009.

While staff is not opposed to a change to the nursing home facility reimbursements in order to achieve some savings, staff is doubtful that a consensus bill could be achieved in time for savings to be realized in FY 2008-09. Therefore, staff does not recommend this issue for FY 2008-09 as presented by the Department. Staff would note that the Department has submitted steeper rate reduction to the nursing facilities in FY 2009-10. Staff will continue work with the Department to determine a methodology that would achieve the Department's targeted savings from this provider class.

As the Committee is aware, H.B. 08-1114 caps the General Fund growth for nursing facility costs at 3.0 percent growth. The Department anticipates saving about \$4.0 million General Fund in FY 2008-09 due to this issue (if the waiver is approved by April 2009). If the waiver is approved in time, staff will update her General Fund estimate as stated earlier.

Average nursing home reimbursement per diem are included in appendixes of this document.

Cease Disease Management Programs (THIS ISSUE REQUIRES STATUTORY CHANGES): The Department recommends ceasing their disease management programs for the second half of FY 2008-09. The Department's disease management programs are funded with a transfer from the Department of Public Health and Environment's Prevention, Early Detection, and Treatment Fund. Last year, the Committee sponsored S.B. 08-118 to transfer \$2.0 million annually through FY 2012-13 to fund the Department's disease management programs. The Department's request would eliminate approximately \$1.0 million of the \$2.0 million transferred from DPHE to the Department. *The Department requests this because OSPB wants to transfer \$4.9 million from the Prevention, Early Detection, and Treatment Fund into the General Fund. This transfer would require the General Assembly to pass a resolution with a two thirds voting declaring a fiscal emergency. {OSPB withdrew this request on January 27th}.*

Staff does *not* recommend this request. The Department's disease management programs draw down federal funds and are designed to reduce medical costs for the Department. In addition, in last year's bill, the language states:

" For fiscal year 2008-09, and each fiscal year thereafter until and including fiscal year 2012-13, of the moneys in the prevention, early detection, and treatment fund, two million dollars shall be transferred to the department of health care policy and financing for medicaid disease management and treatment programs, authorized by section 25.5-5-316, C.R.S., that address cancer, heart disease, and lung disease or the risk factors associated with such diseases." {emphasis added}.

When the Committee carried the bill last year, the Committee specifically added the words "treatment programs" to the statute. The Constitution allows these funds to be appropriated "for the prevention, early detection, and treatment of cancer and cardiovascular and pulmonary diseases.". Therefore, the Department can use the funds that are transferred to them for their disease management programs or for treatment of cancer, heart disease, or lung disease for clients enrolled in their disease management programs. Staff anticipated that when the Committee ran this bill last year, that any funding not needed for the disease management programs would be used for treatment costs (i.e. the whole \$2.0 million would be used annually by the Department -- they shouldn't revert any of this funding).

Rather, than doing the transfer that the OSPB has recommended to the Committee {which has now been withdrawn}, the Committee could consider increasing the amount of the transfer to HCPF. This recommendation has these advantages:

- (1) It would allow this money to draw down a federal match.
- (2) It could offset current General Fund expenditures for "treatment" of cancer, heart disease, or lung disease. Therefore, General Fund expenditures for clients enrolled in the Department's disease management programs for prescription drugs or other medical treatments could be offset by this fund.
- (3) Increasing the amount of the transfer requires legislation, but it does not require a resolution or two third vote.

Skilled Home Health: The Department requests a 1.5 percent reduction to skilled home health rates, hospice rates, and private duty nursing rates. This would eliminate the rate increase that these rates received in July 2008. Staff recommends a 2.5 percent reduction to these rates beginning in April 2009. Staff's alternative recommendation is to move the Department's proposed rate reductions for FY 2009-10 up to April 2009. The rate reduction that the Department requests for this provider class in FY 2009-10 is 4.33 percent.

Acute Care Providers and Single Entry Point Agencies: The Department requests a 0.25 percent rate reduction for physician services, emergency transportation, non-emergency transportation, dental services, inpatient hospitals, outpatient hospitals, laboratory and x-ray services, and single entry point agencies. Staff recommends a 2.5 percent rate reduction for these providers beginning in April 2009. Staff's alternative recommendation is to move the Department's proposed rate reductions for these provider groups (adding durable medical equipment to the list) for FY 2009-10 up to April 2009. The rate reduction that the Department proposes for FY 2009-10 is 4.33 percent.

Home and Community Care Providers: The Department's request does not address this provider group in FY 2008-09. Staff recommends a 1.5 percent reduction to home and community services waiver providers beginning April 2009. This reverses the rate increase that these service providers received in July 2008. As an alternative to staff's recommendation, staff recommends the Department's rate reduction for FY 2009-10 be implemented in April 2009. The Department requests a 2.17 percent rate reduction to this provider class in FY 2009-10 -- staff's recommendation is a for similar amount at 2.25 percent.

Single Entry Point Agencies: (included in the Acute Care Provider discussion).

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. The Committee can vote for the Department's request. If the Committee makes this motion, staff asks that the Committee include in the motion that staff may update the rate reduction estimates based staff's base recommendation (if the Committee adopted Staff's recommendation for Supplemental #1). Because staff has a higher base, all the Department's reduction estimates would increase slightly than the amount indicated in the Department's request..
 2. The Committee can adopt either Staff recommendation or Staff's alternative Recommendation. (Staff's alternative recommendation will result in fewer administrative costs in that rate reduction notices and system changes will only have to be done once).
 3. If the Committee wants to increase the transfer from the Prevention, Early Detection, and Treatment Fund to the Department, then the Committee needs to make a motion for staff to begin having the bill drafted. Please note that staff believes that any amount transferred could help to offset any General Fund for "treatment" costs for cancer and heart disease (up to a reasonable amount). Staff recommends that for FY 2008-09 and FY 2009-10 the Committee consider increasing the transfer to the Department from the PEDT Fund to \$4.0 million. This will can offset \$2.0 million in General Fund costs in FY 2008-09 and \$2.0 million of General Fund costs in FY 2009-10. Staff's recommendation is similar to the original request from OSPB to transfer \$4.0 million from this Fund into the General Fund (this OSPB request was withdrawn on January 27th).
-

Department Priority #26: Hiring Freeze (Impact to MSP)

MSP	Request	Recommendation	Difference
Total	(\$500,000)	(\$500,000)	\$0
General Fund	(250,000)	(250,000)	0
Federal Funds	(250,000)	(250,000)	0

This issue also impact other items in the Department's budget. For other line item impacts see the write-up Supplemental #26 contained later in this packet.

Department Request: The Department requests a \$500,000 total fund reduction (\$250,000 General Fund) to reverse the provider rate increase that the Committee approved last year for the Prenatal Plus program. When the Governor ordered the hiring freeze last September, the Department had not yet implemented this provider rate increase. Therefore, the Department did not implement this increase and the funding will now revert unless the appropriation is adjusted to reflect that this rate increase was not implemented.

Staff Recommendation: Staff recommends the Department's request.

Background

The Prenatal Plus program is a program administered in partnership with the Department of Public Health Environment to identify and provide services to women at high risk of pre-term (low-birth weight) births. The program enhances prenatal programs to assist women with nutritional and social services assistance, including discouraging the use of tobacco, alcohol and illicit drugs. Based on a study by the two Departments, an analysis showed that on average providers were being reimbursed at 45 percent of the cost of the program. Last year, the Committee approved a \$500,000 increase to bring rates up to approximately covering 69 percent of the provider costs. Because this rate increase had not yet been implemented in September when the revenue forecasts for the State started to decline, the Department delayed implementing the rate increase.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. This issue can be voted on independently from other budget reductions contained in this packet.

**Supplemental Request, Department Priority #2, #18, #20, #25
ALL Mental Health Community Programs Adjustments**

Summary -- All Medicaid Mental Health Division Issues			
	Request	Recommendation	Difference
Total	<u>(\$16,869,058)</u>	<u>\$5,506,086</u>	\$22,375,144
General Fund	(9,248,228)	1,201,139	10,449,367
Cash Funds	313,434	1,550,712	1,237,278
Reappropriated Funds	443	125	(318)
Federal Funds	(7,934,707)	2,754,110	10,688,817

*This supplemental adjustment is a placeholder recommendation. This recommendation, including all of its components, may be updated after the Department submits their final base request on February 15th.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; <u>data that was not available when the original appropriation was made; or an unforeseen contingency.</u>]	YES
JBC staff and the Department agree that all the supplemental requests and recommendation made in this write-up are appropriate given the current budget situation.	

NOTE ON FORMAT:

Four of the Department's requested and staff's recommended supplemental adjustments impact the Medicaid Mental Health Capitation Payments. In order to provide a comprehensive discussion related to the Medicaid Mental Health Capitation Payments, staff has incorporated all supplemental adjustments into one narrative discussion. This format is similar to how staff presents recommendations the Mental Health Capitation Payments line item during figure setting. Later prioritized supplemental requests and recommendations that impact the Mental Health Capitation Payments line item, as well as *other* line items, will refer the reader back to ***this Supplemental Issue*** for the Mental Health Capitation Payments line item's impacts (The MH Capitation line item will not be discussed more than once in the narrative section of this packet. However, the number pages will continue to show the MH Capitation impact in the priority number requested or recommended).

Mental Health Summary

Following are three tables that provide a summary of the FY 2008-09 Mental Health supplemental issues.

Table 1: Table 1 compares the Department's total FY 2008-09 MH request with Staff's Recommendation and an alternative to Staff's recommendation. Please note that the Department's request does not reflect the Department's updated caseload or cost information. Rather, the base request is from the Department's November 1st budget

request. The Department will send updated information in February. Staff's recommendation is based on caseload and cost information through December 2008. Staff will update, if needed, her base recommendation after receiving the Department's updated information in February. However, for planning purposes, staff recommends that her base recommendation be included in the 1st Round Supplemental Bills.

Table 1 shows that staff's base recommendation is \$3.6 million total funds higher than the Department's November 1 base recommendation. After all supplemental issues are considered, staff's recommendation is \$21.4 million total funds (\$9.4 million General Fund) higher than the Department's request. **Staff's total recommendation reflects a 2.63 percent increase over current appropriation.**

Staff's also includes an alternative recommendation. The alternative recommendation changes the fund splits between the General Fund and the Health Care Expansion Fund for the Legal Immigrant population based on the Department's request. This alternative saves the General Fund \$309,164 from staff's recommendation and increases the Health Care Expansion Fund appropriation by \$309,164. The total fund impact is the same as staff's original recommendation.

Table 2: Table 2 shows the impact of a proposed 4.9 percent increase to the FMAP for three quarters in FY 2008-09 (an annualized impact of 3.675 percent increase annualized). For both of staff recommendations (staff recommendation or alternative recommendation), the General Fund savings is approximately \$7.2 million and cash fund savings are approximately \$600,000. Please note, staff's recommended General Fund increase over the current General Fund appropriation is \$2.2 million. Therefore, the FMAP would help offset approximately \$5.0 million in General Fund savings not related to the increase in caseload above the current appropriation.

Table 3: Table 3 shows the Department requests that staff does not recommend at this time but that the Committee may still want to consider as an option at balancing. This table includes only those items that are viable with staff's other recommendations. The General Fund savings from these issues total \$8.3 million. This issue could be reexamined in March or April 2009. However, considering this option later could push this issue into a FY 2009-10 savings instead of a FY 2008-09 savings issue due to the lead time needed to make the necessary system changes.

Following these summary tables is an explanation of each supplemental impacting the Medicaid Mental Health Community Programs Division.

Table 1: FY 2008-09 Medicaid Mental Health Supplemental

	Department Request	Staff Recommendation	Staff Alternative #1 HCE Splits LI
SUPPLEMENTAL ISSUES			
FY 2008-09 Current Appropriation	\$209,385,156	\$209,385,156	209,385,156
S-2: New Base Estimates for MH Capitation Payments	4,262,471	7,896,754	7,896,754
S-2: New Base Estimates for MH Fee-For-Services Pmts	(148,115)	(148,115)	(148,115)
FY 2008-09 NEW BASE ESTIMATE	\$213,499,512	\$217,133,795	\$217,133,795
S-18: Suspend CBHP Additional Outreach	(190,926)	0	0
S-20: Delay Managed Care Payments	(17,671,863)	0	0
S-25: Provider Rate Reductions	(2,120,624)	(2,242,553)	(2,242,553)
FY 2008-09 Revised Appropriation	\$193,516,099	\$214,891,242	214,891,242
Fund Splits			
General Fund	89,450,624	98,899,991	98,590,827
Cash Funds			
-- Health Care Expansion Fund	7,214,418	8,450,827	8,759,991
-- Breast and Cervical Cancer Treatment Fund	17,788	18,859	18,859
-- Autism Treatment Fund	57,423	57,221	57,221
Reappropriated Funds			
-- Transfer from DPHE	7,648	7,330	7,330
Federal Funds	96,768,198	107,457,014	107,457,014
FY 2008-09 Revised Appropriation	\$193,516,099	\$214,891,242	\$214,891,242
Increase from FY 2008-09 Original Appropriation	(\$15,869,057)	\$5,506,086	\$5,506,086
Percent Increase	-7.58%	2.63%	2.63%
Amount Exempt from 6.0% Limit	\$0	\$0	\$0

Staff Alternative #1: Funds the Department's request for Legal Immigrants. This alternative reduces staff's General Fund recommendation by \$309,164 and increases the Health Care Expansion Fund by \$309,164.

Table 2: Impact of Proposed FMAP Change

	Staff Rec.	Staff Rec w/ FMAP Change	Difference
Fund Splits -- Staff Recommendation			
General Fund	98,899,991	91,652,533	(7,247,458)
Cash Funds	8,526,907	7,905,771	(621,136)
Reappropriated Funds	7,330	7,330	0
Federal Funds	<u>107,457,014</u>	<u>115,325,608</u>	<u>7,868,594</u>
Total Funds	214,891,242	214,891,242	(0)
Fund Splits -- Staff Alternative #1 Recommendation			
General Fund	98,590,827	91,369,070	(7,221,757)
Cash Funds	8,836,071	8,189,234	(646,837)
Reappropriated Funds	7,330	7,330	0
Federal Funds	<u>107,457,014</u>	<u>115,325,608</u>	<u>7,868,594</u>
Total Funds	214,891,242	214,891,242	(0)

**Table 3: Department Proposals Not Recommended But Viable
Enough to Keep on an Option List**

Proposals Not Recommended At This Time	General Fund	Total Funds
S-20: Delay Manage Care Payment	(8,281,593)	(17,671,863)
Total	(\$8,281,593)	(\$17,671,863)

Department Priority #2: Base Calculations to the Medicaid Mental Health Community Programs Division

Base Calculations to Medicaid Mental Health Community Programs Division	Request	Recommendation	Difference
<u>Total</u>	<u>\$4,114,356</u>	<u>\$7,748,639</u>	<u>\$3,634,283</u>
General Fund	1,117,947	2,232,635	1,114,688
Cash Funds	938,214	1,640,296	702,082
Reappropriated Funds	443	202	(241)
Federal Funds	2,057,752	3,875,506	1,817,754

*Includes both the Medicaid Mental Health Capitation and Medicaid Mental Health Fee for Services Line Items.

Department Request: The Department's request has the following components:

- (1) A total fund increase of \$4.2 million total funds (\$1.2 million General Fund) to fund an increase to the Mental Health Capitation Payment line item based on new Medicaid caseload and cost estimates.
- (2) A total fund decrease of \$148,115 total funds (\$74,057 General Fund) based on current anticipated expenditures in the Mental Health fee-for-service line item.

The Department's request is based on the information that was submitted to the Committee on November 1, 2008. The Department will updating this information on February 15, 2009, when they submit their final Medicaid caseload and cost estimates to the Committee for FY 2008-09.

Staff Recommendation: Staff's recommendation has the following components:

- (1) A total fund increase of \$7.9 million total funds (\$2.3 million General Fund) to fund the increase to the Mental Health Capitation Payment line item based on staff's new Medicaid caseload forecast. Staff uses the per capita cost estimates for each aid category based on the Department's November 1, 2008 request. Staff may need to update this recommendation based on new information in February.
- (2) Staff recommends the Department's request for the reduction to the Mental Health fee-for-service line item. Actual expenditures through December for these services was \$754,692. If current expenditures patterns hold through the remainder of the year, staff estimates that total expenditures from the line item will be approximately \$1.41 million. This is approximately \$176,000 lower than the current appropriation. Based on this reasonableness test, staff recommends the Department's request.

Analysis:

Table 1 shows the reasons for the anticipated supplemental request for the Medicaid Mental Health Division for FY 2008-09.

Table 1: Mental Health Division FY 2008-09 Estimated Expenditures Detail					
Item	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Current FY 2008-09 Appropriation	\$209,385,156	\$97,698,852	\$6,976,195	\$7,205	\$104,702,904
<i>Staff's Recommended Supplemental (Based on January calculations)</i>					
Caseload and per-capita cost updated estimates for the MH capitation program	7,896,754	2,306,692	1,640,296	202	3,949,564

Table 1: Mental Health Division FY 2008-09 Estimated Expenditures Detail

Item	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Medicaid Mental Health Fee-for-Service Payments	(148,115)	(74,057)	0	0	(74,058)
Staff's New FY 2008-09 Estimate	\$217,133,795	\$99,931,487	\$8,616,491	\$7,407	\$108,578,410
(Decrease)/Increase from current FY 2008-09 appropriation	\$7,748,639	\$2,232,635	\$1,640,296	\$202	\$3,875,506

Caseload and per-capita cost updated estimates for the MH capitation program: Staff's recommendation indicates a total fund supplemental of \$7.9 million for the MH capitation line item. This estimate is based on staff's new Medicaid caseload projections for FY 2008-09 and adjustments to the estimated per-capita cost for each aid category as shown on Table 2 below.

Table 2: FY 2008-09 Appropriation Compared to Staff's FY 2008-09 Expenditure Estimate

Eligible MH Medicaid Caseload	Current Caseload Appropriation	Estimated Per Capita Rate	Cost Estimate	New Caseload Projection	Estimated Weighted Capitation Rate	New Cost Estimate	Cost Difference
SSI 65+	36,278	\$166.03	\$6,023,333	37,483	\$163.98	\$6,146,592	\$123,259
Disabled Individuals	56,339	\$1,538.40	\$86,671,749	57,631	\$1,531.28	\$88,249,400	\$1,577,651
Non-Disabled Adults	57,324	\$257.98	\$14,788,334	67,764	\$254.07	\$17,217,119	\$2,428,785
Breast and Cervical Cancer Treatment Patients (BCCP)	301	\$228.72	\$68,845	301	\$254.99	\$76,752	\$7,907
Children	193,484	\$192.69	\$37,281,930	231,030	\$190.93	\$44,109,576	\$6,827,646
Foster Children	<u>18,657</u>	<u>\$3,374.91</u>	<u>\$62,965,695</u>	<u>18,093</u>	<u>\$3,310.52</u>	<u>\$59,897,201</u>	<u>(\$3,068,494)</u>
Total	362,383	n/a	\$207,799,887	412,302	523.15205844	\$215,696,640	\$7,896,753

*Dollar off due to rounding errors.

As Table 3 shows, staff forecasts an increase of 49,919 (13.8 percent) in the overall Medicaid caseload *eligible* for mental health services (partial dual eligibles and non-citizens are ineligible for Medicaid mental health services). Staff's per-capita costs are based on the Department's estimated per capita in their November 1st budget request. In November, the Department had adjusted most per-capita cost

estimates downward based on the FY 2007-08 actual costs. Based on all of these adjustments, the new estimate for FY 2008-09 is \$7.9 million higher than the current appropriation. Staff's recommendation also adjusts the fund splits for the capitation programs as shown in Table 3 below. Staff also has an alternative fund split estimate if the Committee chooses to adopt the Department's fund split calculation for the Legal Immigrant population.

Table 3: FY 2008-09 Fund Splits for Mental Health Capitation Program					
	Current FY 2008-09 App.	Staff Rec FY 2008-09 Estimate	Difference (Staff Rec - Cur App)	Staff Alt. Rec FY 2008-09	Difference (Alternative Est - Cur App)
General Fund	\$96,906,217	\$99,212,909	\$2,306,692	\$98,903,745	\$1,997,528
CF -- Health Care Expansion Fund	\$6,959,304	\$8,539,612	\$1,580,308	\$8,848,776	\$1,889,472
CF -- BCCTP Program	\$16,891	\$19,456	\$2,565	\$19,456	\$2,565
CF -- Autism Fund	\$0	\$57,423	\$57,423	\$57,423	\$57,423
RF -- DPHE Transfer for BCCTP Program	\$7,205	\$7,407	\$202	\$7,407	\$202
<u>Federal Funds</u>	<u>\$103,910,269</u>	<u>\$107,859,833</u>	<u>\$3,949,564</u>	<u>\$107,859,833</u>	<u>\$3,949,564</u>
Total Funds	\$207,799,886	\$215,696,640	\$7,896,754	\$215,696,640	\$7,896,754

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. Accept the Department's Request -- (understanding that this an outdated forecast and will be revised in February but using it for a "placeholder" for now).
2. Accept Staff's Recommendation (to be included in the 1st round supplemental bill with the understanding that this issue may be re-opened in March).
3. Accept Staff's Alternative Recommendation (to be included in the 1st round supplemental bill with the understanding that this issue may be re-opened in March).

Do not vote for Department's Request with Staff's Alternative #1 Recommendation. The Department's request already includes the financing of the Legal Immigrants with HCE Fund.

Department Priority #18: Suspend CBHP Additional Outreach

Mental Health Division	Request	Recommendation	Difference
Total	(\$190,926)	\$0	\$190,926
General Fund	(95,463)	0	95,463
Federal Funds	(95,463)	0	95,463

This supplemental request also impacts the Medical Services Premiums line item and the CBHP Line Items. See those sections for additional impacts.

Department Request: As discussed in the Medical Services Premiums section earlier, the Department request has four components that impact three different programs:

- 1) A \$600,000 total fund reduction (\$230,430 from the Children's Basic Health Plan Trust Fund) to eliminate the unspent funding from the additional \$1.4 million the Committee approved last year for increased outreach and marketing activities for the CBHP program. This item is discussed in the CBHP program line items section of this narrative.
- 2) A \$1.9 million total fund reduction (\$928,020 General Fund) due to lower Medicaid caseload forecasts resulting for suspending the additional outreach for the Children's Basic Health Plan in January 2009. The Department estimates suspending outreach will reduce the Medicaid children's caseload by 1,000 clients. This reduction is to the Medical Services Premiums line item and is discussed in this section of the narrative.
- 3) A \$190,926 total fund reduction (\$95,463 General Fund) to the Medicaid Mental Health Capitation Program due the lower Medicaid caseload discussed above. This reduction is discussed in the Medicaid Mental Health Capitation Program.
- 4) A \$3,601,332 total fund reduction (\$1,274,053 CBHP Trust Fund) to reduce the CBHP children's caseload estimate by 2,000 clients due to reduced marketing and outreach activities. This item is discussed in the CBHP program line items section of this narrative.

Staff Recommendation: Staff recommends only item number 1 above (see the CBHP section for detail). Staff does not recommend the impacts contained in items 2 through 4 above. The caseload issues are handled in the base caseload forecasts and staff does not recommend incremental changes to caseload forecast from suspending *additional* outreach and marketing. Therefore, staff recommends no changes to the Mental Health Capitation calculations for this issue.

Background

Background for the Medicaid impacts from this issue are found in the Medical Services Premiums section for this supplemental issue.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. If the Committee adopts the Department's request, the Committee should ask staff to make the adjustment to her revised caseload forecast for Children contained in Supplemental #2 (this is only if the Committee adopts the suspension of the outreach moneys contained in Supplemental #3 -- which staff is recommending). The Committee would be voting to lower staff's children caseload estimate in Supplemental #2 from 231,030 clients to 230,030 clients (the current # of Medicaid clients as of December 2008 is 230,447). The Committee would be supporting the concept that there will be much lower growth for the remainder of the year. This is not staff's forecast at this time.
2. If the Committee adopted the Department's request for Supplemental #2, the Committee should not adopt this issue. The Department's children's caseload forecast is outdated and is only for 225,209 clients. Lowering this estimate by 1,000 would be 224,209 clients which is lower than the December 2008 caseload by 6,238 clients and from the YTD average of 224,607 by 398 clients. Adopting this issue with the Department's original forecast would not properly fund actual current caseload.
3. The Department's motion on this issue should be consistent with the motion the Committee made when this issue was discussed in the Medical Services Premiums line item section.

Department Priority #20: Delay Managed Care Payments

Medicaid Mental Health Capitation Program	Request	Recommendation	Difference
Total	(\$14,102,731)	\$0	\$14,102,731
General Fund	(7,051,366)	0	7,051,366
Cash Fund - HCE Fund	(141,293)	0	141,293
Federal Funds	(6,910,072)	0	6,910,072

This supplemental request also impacts the Medical Services Premiums line item. See that section for additional impacts.

Department Request: The Department requests shifting the payment date for managed care programs from the midpoint of the current month to the first payment date of the following month. This shift of payment timing would result in a one time savings of \$14.1 million total funds (\$7.1 million General Fund) in the Medical Services Premiums line item and \$17.7 million total funds (\$8.3 million General Fund) in the Medicaid Mental Health Capitation Program.

Staff Recommendation: At this time staff does not recommend payment delay as an official policy of the State. However, staff recommends that this issue be kept on an "option" list to be revisited in March. By March, the Committee will know at that time if the Federal Stimulus Package has passed with an increase to the FMAP and whether those funds could be used so that this issue is unnecessary.

Staff would note that by delaying Committee action on this issue, the delay in payment may not be available for FY 2008-09. It is staff's understanding from the Department that this significant system changes that would need to be made in order to delay the payments as proposed. The Department requests at least 4 to 5 months in order to have enough time to finish any system changes involved. Therefore, if the Committee does not approve this request now, but wants to approve it later, the Committee must be mindful that this action would most likely move the savings into FY 2009-10 instead of FY 2008-09.

To reiterate, staff does **not** recommend this issue, but the Committee could put this on an option list most likely for FY 2009-10.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. The Committee could adopt the Department's request but ask staff to recalculate the potential savings based on rate cuts that may be adopted that impact managed care organization in other areas of this packet.
2. The Committee could adopt Staff's recommendation.
3. The Committee's action on this issue would work best if it is consistent with the Committee's action on this issue as it impacts the Medical Services Premiums line item.

Department Priority #25: Provider Rate Cuts

MSP	Request	Recommendation	Difference
<u>Total</u>	<u>(\$2,120,624)</u>	<u>(\$2,242,553)</u>	<u>(\$121,929)</u>
General Fund	(989,119)	(1,031,496)	(42,377)
Cash Funds	(71,193)	(89,584)	(18,391)
Reappropriated Funds	0	(77)	(77)
Federal Funds	(1,060,312)	(1,121,396)	(61,084)

Department Request: The Department requests approximately a 2.0 percent rate reduction to Behavioral Health capitation rates from January through June 2009. The BHO capitation rates are set on a calendar year basis. Therefore, new rates became effective on January 1, 2009. Pursuant to federal rules, managed care rates must be actuarially sound. When the actuary sets rates, the actuary establishes a lower and upper limit. Typically, the Department sets the rate in the mid-range. However, the actuary report for rates beginning in January 2009, had lower rates for several aid categories. In some circumstances, the Department decided to set the rate at above the mid-range due to the amount of the reduction from the prior year. The Department's request would reset these rates to the median of the sound actuarial range.

Staff Recommendation: Staff recommends the Department's request. Staff's calculations are slightly higher than the Department's because staff has a higher base from which to apply the 2.0 percent (based on her caseload and expenditure forecast). Please note that these estimates will be adjusted after staff completes her final analysis based on the Department's February 15th request.

**Supplemental Request, Department Priority #3, #18, #23
 ALL Children's Basic Health Plan CHANGES
 SOME COMPONENTS REQUIRE STATUTORY CHANGES**

Summary -- Children's Basic Health Plan Program Impacts			
	Request	Recommendation	Difference
Total	<u>(\$32,548,234)</u>	<u>(\$29,265,436)</u>	<u>\$3,282,798</u>
Cash Funds	(11,808,958)	(10,545,357)	1,263,601
Reappropriated Funds	298,937	(9,145)	(308,082)
Federal Funds	(21,038,213)	(18,710,934)	2,327,279

*This supplemental adjustment is a placeholder recommendation. This recommendation, including all of its components, may be updated after the Department submits their final base request on February 15th.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; <u>data that was not available when the original appropriation was made; or an unforeseen contingency.</u>]	YES
JBC staff and the Department agree that all the supplemental requests and recommendation made in this write-up are appropriate given the current budget situation.	

NOTE ON FORMAT:

Three of the Department's requested and staff's recommended supplemental adjustments impact the Children's Basic Health Plan. In order to provide a comprehensive discussion related to the Children's Basic Health Plan, staff has incorporated all supplemental adjustments into one narrative discussion. This format is similar to how staff presents recommendations the Children's Basic Health program during figure setting. Later prioritized supplemental requests and recommendations that impact the Children's Basic Health Plan line items, as well as *other* line items, will refer the reader back to ***this Supplemental Issue*** for the Children's Basic Health Plan line item's impacts (The Children Basic Health Plan line items will not be discussed more than once in the narrative section of this packet. However, the number pages will continue to show the Children Basic Health Plan line item impacts in the priority number requested or recommended).

Children's Basic Health Plan Summary

The Children's Basic Health Plan has negative supplementals related to the following issues:

- (1) The original FY 2008-09 caseload and cost forecasts (made last March) overstated growth in the program. As discussed during briefing, new rules regarding the citizenship requirements under the Deficit Reduction Action caused the program to experience negative growth during calendar year 2008. This supplemental issue does not represent a "cut" to the program. This is a technical supplemental to rebase the appropriation based on more accurate and current information.
- (2) The Department asks to suspend additional outreach for the program in order to slow growth in the program.
- (3) The Department asks to change the date requirement for adding children and adult pregnant women up to 225 percent of the federal poverty level. Last year the General Assembly approved S.B. 08-160 which allows the Department to enroll clients up to 250 percent FPL subject to the availability of appropriations. However, S.B. 08-160 required to the Department to add children up to 225 percent FPL by April 2009 and for adult pregnant women up to 225 percent FPL by October 2009. The Department's proposal would change the statute requiring the Department to increase eligibility up to 225 percent FPL by date certain. However, the statute would still retain the provision that allows the Department to increase eligibility to 250 percent of FPL if funding becomes available.

The CBHP program will not be impacted by the increase to the federal match rate. The FMAP increase applies to Medicaid programs only. As such, eligibility changes to the CBHP program will not impact the ability of the State to qualify for the additional FMAP assistance.

While the current appropriations for the CBHP program are cash funded, the CBHP program receives General Fund subsidies through appropriations into the CBHP Trust Fund. Last Session, in order to fund the Governor's Building Block proposal to increase CBHP eligibility to 225 percent FPL, the General Assembly appropriated \$5.6 million into the CBHP Trust Fund in FY 2007-08. This appropriation sat in reserve to be used in FY 2008-09 and FY 2009-10 to fund the initial costs of expanding eligibility. As part of the OSPB request, a total of \$4.3 million is transferred from the CBHP Trust Fund into the General Fund in FY 2008-09. This transfer is only available if the program's eligibility increase is repealed.

Department Priority #3: Base Calculations for Children's Basic Health Plan Program

Base Calculations to Children's Basic Health Plan Program All			
Line Items	Request*	Recommendation	Difference
Total	<u>(\$25,195,736)</u>	<u>(\$25,514,270)</u>	<u>(\$318,534)</u>
Cash Funds	(9,209,276)	(9,209,276)	0
Reappropriated Funds	318,534	0	(318,534)
Federal Funds	(16,304,994)	(16,304,994)	0

Department Request: The Department's request reflects the calculations that the Department submitted in November 2008 for the Children's Basic Health Plan program and was discussed at during the staff briefing in December. The Department will be submitting a new forecast on February 15, 2009. The Department's November 2008 calculations showed the following:

- ✓ A decrease in the forecasted number of eligible children from the appropriated 77,152 to 66,757 clients (a decrease 10,395 clients or 13.4 percent).
- ✓ A decrease in the forecasted number of eligible pregnant women caseload from the appropriated 2,021 to 1,847 (a decrease of 174 clients or 8.6 percent).
- ✓ The Department also updated per capita costs based on the most current actuary review and costs.

Staff Recommendation: Staff recommends the Department's request with technical changes. Staff's recommendation may be revisited after staff receives the Department's updated February 15th request. Staff's initial analysis of the CBHP actual expenditure and caseload trends through December 2008 indicate that the CBHP program lines may have a larger negative supplemental than is currently recommended. Therefore, staff is confident that the CBHP program will have sufficient funding with the negative supplemental that staff is currently recommending (i.e. if staff changes her recommendation in March, it will most likely be a larger negative). However, staff will continue to monitor expenditures through February before recommending a larger negative supplemental. Because this supplemental does not *directly* impact General Fund, additional expenditure authority in these line items would not create unintended budget problems.

Staff's technical difference with the Department's request is to eliminate the appropriation of enrollment fees into the CBHP Trust Fund. Per statute, the Department can deposit these fees into the CBHP Trust Fund. Appropriations in the Long Bill should reflect expenditure authority, not revenue collections. In addition, by showing these revenues as an appropriation into the CBHP Trust Fund, these revenues are then shown as reappropriated fund appropriations in the CBHP program line items. This is a needless double-counting of appropriations. Therefore, staff recommends eliminating this former practice. (Please note, enrollment fees will continue to be tracked because they can not be matched with federal

funds and are therefore, important in other budget calculations. There will be no loss of information from this action).

Analysis: Following is the impact of staff's recommendation by line item.

Children's Basic Health Plan Trust Fund

Table 1: Children's Basic Trust Fund Recommendation			
CBHP Trust Fund	Current Appropriation	Staff Recommended Change	New Appropriation
H.B. 08-1375 Cash Funds App.	\$375,717	(\$375,717)	\$0
S.B. 08-160 Cash Funds App.	<u>\$30,328</u>	<u>\$0</u>	<u>\$30,328</u>
Total	\$406,045	(\$375,717)	\$30,328

*Staff doesn't recommend any change to S.B. 08-160 appropriation because a later supplemental will address this issue.

Children's Basic Health Plan Premiums and Dental Costs

Staff's recommended change to the CBHP Premiums line item is based on the Department's caseload and cost-per-client assumptions presented in November. Table 2 below shows the fund split calculations and Table 3 shows the cost assumptions.

Table 2: Children's Basic Health Plan Premium and Dental Costs			
CBHP Trust Fund	Current Appropriation	Staff Recommended Change	New Appropriation
Health Care Expansion Fund	\$29,827,366	(\$9,461,147)	\$20,366,219
CBHP Trust Fund	\$28,516,083	(\$665,473)	\$27,850,610
CBHP Trust Account	\$233,303	\$1,293,061	\$1,526,364
CO Immunization	\$171,251	\$0	\$171,251
CBHP Reappropriated*	\$30,328	\$0	\$30,328
Federal Funds	<u>\$108,411,685</u>	<u>(\$16,304,994)</u>	<u>\$92,106,691</u>
Total	\$167,190,016	(\$25,138,553)	\$142,051,463

*Staff doesn't recommend any change to the S.B. 08-160 appropriation because a later supplemental will address this issue.

Table 3: FY 2008-09 Children's Basic Health Medical and Dental Costs

	Caseload < FY 2003-04 CBHP Trust Fund	Caseload > FY 03-04 & < 185% FPL HCE Fund	Expansion to 200% FPL HCE Fund	Expansion 200% - 205% FPL CBHP Acct	Expansion 205% - 225% FPL CBHP Trust Fund	Total
Children	41,786	17,443	4,040	1,738	1,750	66,757
Medical Costs/Client	\$1,635.35	\$1,635.35	\$1,635.35	\$1,635.35	\$1,635.35	
Dental Costs/Client	\$160.09	\$160.09	\$160.09	\$160.09	\$160.09	
Expenditures	\$75,024,256	\$31,317,860	\$7,253,578	\$3,120,475	\$3,142,020	\$119,858,188
Adult Pregnant Women	101	1467	175	104	0	
Medical Costs/Client	\$12,015.85	\$12,015.85	\$12,015.85	\$12,015.85	\$12,015.85	
Expenditures	\$1,213,601	\$17,627,252	\$2,102,774	\$1,249,648	\$0	\$22,193,275
Total CBHP Medical and Dental Costs						
Total Expenditures	\$76,237,857	\$48,945,112	\$9,356,351	\$4,370,123	\$3,142,020	\$142,051,463
--CBHP Trust Fund Fees	\$218,367	\$91,155	\$21,112	\$9,083	\$9,145	\$348,862
--CBHP State Match	\$26,606,821	\$17,098,885	\$3,267,334	\$1,526,364	\$1,096,506	\$49,595,910
--CBHP Federal Match	\$49,412,668	\$31,755,072	\$6,067,906	\$2,834,676	\$2,036,369	\$92,106,691

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

The Committee can adopt either the Department of staff recommendation since both are the same. This supplemental issue is independent of other issues. Please note, this supplemental issue will be updated in March based on the Department revised February request.

Department Priority #18: Suspend CBHP Additional Outreach

All CBHP Program Lines	Request	Recommendation	Difference
Total	(\$4,190,880)	(\$600,000)	\$3,590,880
Cash Funds	(1,483,579)	(230,430)	1,253,149
Reappropriated Funds	(10,452)	0	10,452
Federal Funds	(2,696,849)	(369,570)	2,327,279

This supplemental request also impacts the Medical Services Premiums line item and Medicaid Mental Health Community Programs Division line items. See those sections for additional impacts.

Department Request: As discussed in the Medical Services Premiums section earlier, the Department request has four components that impact three different programs:

- 1) A \$600,000 total fund reduction (\$230,430 from the Children's Basic Health Plan Trust Fund) to eliminate the unspent funding from the additional \$1.4 million the Committee approved last year for increased outreach and marketing activities for the CBHP program.
- 2) A \$1.9 million total fund reduction (\$928,020 General Fund) due to lower Medicaid caseload forecasts resulting for suspending the additional outreach for the Children's Basic Health Plan in January 2009. The Department estimates suspending outreach will reduce the Medicaid children's caseload by 1,000 clients. This reduction is to the Medical Services Premiums line item section of the narrative.
- 3) A \$190,926 total fund reduction (\$95,463 General Fund) to the Medicaid Mental Health Capitation Program due the lower Medicaid caseload discussed above. This reduction is discussed in the Medicaid Mental Health Capitation Program section of the narrative.
- 4) A \$3,601,332 total fund reduction (\$1,274,053 Cash Fund) to reduce the CBHP children's caseload estimate by 2,000 clients due to reduced marketing and outreach activities.

Staff Recommendation: Staff recommends only item number 1 above. Staff does not recommend the impacts contained in items 2 through 4 above. The caseload issues are handled in the base caseload forecasts and staff does not recommend incremental changes from suspending additional outreach and marketing. Therefore, staff recommends no changes to CBHP caseload forecasts separate from those contained in priority issue #3.

Background

Last year the Committee approved \$1.4 million in additional outreach and marketing efforts for the Children's Basic Health Plan. This was part of the Governor's health care initiative to find and enroll children who are already eligible for public health care programs. The Department had originally assumed a caseload impact of 8,000 children from these efforts. However, based on staff's recommendation, the Committee only funded an increase of 5,358 children. Staff recommended this

lower estimate due to the program beginning to get closer to its saturation point and therefore, staff anticipated a diminishing return on marketing efforts. At the level staff recommended, the program would maintain the high monthly growth rate that the program experienced in FY 2006-07 and FY 2007-08. Last year, without a change to the program, both the staff's and Department's base caseload forecasts assumed that this growth rate was not sustainable into the future.

As the Committee is aware, from July 2007 through January 2008, the CBHP children's caseload was averaging 1,060 client per month increases in the traditional caseload (i.e. <185% FPL). However, in February 2008, this trend reversed. From February to June 2008, the caseload averaged a 93 client decrease per month. Staff believes that this decline in the caseload was partly due to the Department's final rule related to the Deficit Reduction Act of 2005. The new Department rules require citizenship and identification requirement for the children in the CBHP program similar to the requirements for children in the Medicaid program. Thus, despite the increased outreach/marketing effort, the CBHP Program's traditional children's caseload was lower in October 2008 than it was in January 2008 (October is after the back-to-school outreach activities). However, since that time caseload has begun to increase again (as the redetermination under the new rule have been completed, the impact is now showing natural growth that could be anticipated from the worsening economy).

In June 2008, the State Auditor's Office released an audit on the CBHP program. In the audit report, the Auditor noted: "*the Department has not evaluated the extent to which Maximus is meeting its contract requirements to increase the number of individuals enrolled in the program. As a result, it is difficult for the Department to ensure that the investment in marketing and outreach has been cost-effective, as required by statute. The Auditor noted that while the Department believes Maximus' marketing and outreach efforts have been successful (i.e. the Department attributed the increase of about 13,000 children in CBHP between 2006 to 2007 to "extensive marketing and outreach"), the Department currently has no mechanism to prove these assertions.*"

Because staff has no methodology to determine a caseload impact from suspending the outreach campaign, staff does not recommend any caseload impact associated with this issue. All of staff's caseload impacts are found in Supplemental #3 of this write-up. If later data begins to show a trend, staff will revisit this issue.

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. The Committee could adopt staff's recommendation to reduce only the appropriations for the outreach/marketing contract.
2. If the Committee adopts the Department's request, the Committee should ask staff to make the adjustment to her revised caseload forecast for Children's Basic Health Plan contained in Supplemental #3.
3. If the Committee adopted the Department's request for Supplemental #3, then the Committee should not adopt this issue. The Department's Supplemental #3 caseload forecast has not been

updated to show possible increases. Therefore, the Committee could be under funding the CBHP Program if both are adopted.

Department Priority #23: Delay CHP+ Expansion to 225% FPL

This Request Requires Statutory Change

All CBHP Program Lines	Request	Recommendation	Difference
Total	(\$3,151,166)	(\$3,151,166)	\$0
Cash Funds	(1,105,651)	(1,105,651)	0
Reappropriated Funds	(9,145)	(9,145)	0
Federal Funds	(2,036,370)	(2,036,370)	0

Department Request: This program would delay the planned increase to the CBHP eligibility from 205 percent of federal poverty level (FPL) to 225 percent FPL for children and pregnant women pending available appropriations. This action results in \$3.1 million total funds savings in FY 2008-09, \$9.9 million total fund savings in FY 2009-10, and \$17.5 million total fund savings in FY 2010-11. Because the Children's Basic Health Plan Trust Fund has General Fund appropriations, the Department estimates that delaying this eligibility increase will allow for a CBHP Trust Fund Balance transfer of \$4.3 million into the General Fund in FY 2008-09.

Staff Recommendation: Staff recommends the Department's request. It is staff's understanding that the Department has asked Senator Boyd to introduce this legislation. Staff recommends that this bill be included the JBC Budget Balancing package. If this bill is not introduced soon, staff recommends that the Committee introduce it. The following table shows staff's estimated impact to the CBHP Trust Fund with this action.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Dept. Estimate
Beginning Balance	\$4,411,882	\$7,776,123	\$9,231,076
General App.	11,243,215	5,564,404	0
Tobacco Settlement Transfer	19,214,822	22,851,718	24,837,640
Other Revenue	610,607	910,096	928,612
HCE Fund State Match Earnings	9,557,980	15,005,337	20,366,219
Supplemental Tobacco Tax Revenue	0	480,157	1,526,324
Colorado Immunization fund	0	90,795	171,251
Federal Match Earnings	<u>65,616,702</u>	<u>76,574,384</u>	<u>90,070,322</u>
SUBTOTAL REVENUE	\$110,655,208	\$129,253,014	\$147,131,444

Table 1: CBHP Trust Fund Anticipated Revenues and Expenditure Needs -- Without S.B. 08-160

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Dept. Estimate
State Match for Trust Caseload	\$27,704,403	\$27,871,265	\$27,850,610
State Match for Expansion Caseload	9,557,980	15,005,337	20,366,219
Supplemental Tobacco Tax Account & Immunization Fund	0	570,952	1,697,575
Federal Match	<u>65,616,702</u>	<u>76,574,384</u>	<u>90,070,322</u>
SUBTOTAL EXPENDITURES	\$102,879,085	\$120,021,938	\$139,984,726
REMAINING BALANCE	\$7,776,123	\$9,231,076	\$7,146,718

Based on the expenditures forecasted in supplement issue #3 of this packet and updated Tobacco Settlement revenue estimates, staff estimates that the ending balance in the CBHP Trust Fund would be \$7.1 million at the end of FY 2008-09.

**Supplemental Request, Department Priority #4 and #6 as amended by #28
ALL Medicaid Modernization Act State Contribution Payment Supplemental Adjustments**

Total ALL MMA Requests	Request	Recommendation	Difference
Total	<u>(\$6,050,691)</u>	<u>\$955,878</u>	<u>\$7,006,569</u>
General Fund	(6,050,691)	955,878	7,006,569

*This supplemental adjustment is a placeholder recommendation. This recommendation, including all of its components, may be updated after the Department submits their final base request on February 15th.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; <u>data that was not available when the original appropriation was made</u> ; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of <i>data that was not available when the original appropriation was made</i> and that it reflects updated information based on the rates the Federal Government are charging and Medicaid caseload estimates.	

NOTE ON FORMAT:

Two of the Department's requested and staff's recommended supplemental adjustments impact the Medicare Modernization Act (MMA) State Contribution Payment line item. In order to provide a comprehensive discussion related to the MMA State Contribution Payment, staff has incorporated all supplemental adjustments into one narrative discussion. This format is similar to how staff presents

recommendations the MMA State Contribution Payment during figure setting. However, the number pages will continue to show the Children Basic Health Plan line item impacts in the priority number requested or recommended).

Department Priority #4 -- MMA State Contribution Payment BASE Adjustment

	Request	Recommendation	Difference
Total	<u>\$776,991</u>	<u>\$955,878</u>	<u>\$178,887</u>
General Fund	776,991	955,878	178,887

*This supplemental adjustment is a placeholder recommendation. This recommendation, including all of its components, may be updated after the Department submits their final base request on February 15th.

Department Request: The Department request a \$776,991 General Fund increase as a placeholder increase to the MMA State Contribution Payment. The Department will submit new information based on updated Medicaid caseload forecasts on February 15, 2009.

Staff Recommendation: Staff recommends a \$955,878 General Fund increase based on current caseload estimates and the increase to the per capita estimate calculated by the Centers for Medicare and Medicaid Services (CMS). Staff's recommendation is the same amount that staff presented to the JBC as a possible supplemental need for this program on December 3, 2008. Staff will update this recommendation if needed after receiving the Department's February 15th supplemental request.

Analysis

Prior to the passage of the Medicare Part D benefit in the Medicare Modernization Act (MMA), the states paid the prescription drug costs for dual eligible clients (i.e. those clients eligible for both Medicare and Medicaid). With the passage of Medicare Part D, all Medicare clients had to receive their prescription drug benefits from the Medicare program (for drugs covered under Part D). However, the MMA required that states continue to contribute to the costs of this program in what is known as the MMA State Contribution Payment. The MMA State Contribution Payment is calculated each year as follows:

Base Amount: The MMA law requires that the net weighted average monthly per capita expenditure for the dual eligible's in the year 2003 is the state's base maintenance effort amount.

Yearly Obligation: The base amount is increased by a health expenditure factor (e.g. the per capita expenditure will be adjusted annually for national prescription care cost growth). This per capita cost will then be multiplied by the number of dual eligibles for the month (e.g. caseload x cost). The maintenance of effort will then be multiplied by the state contribution percentage. Initially, states were responsible for 90 percent of the costs. This percentage will phase-down to 75 percent of the costs by 2015.

The current FY 2008-09 appropriation assumed an average dual eligible caseload of 55,091 clients during the first seven months at a per capita cost of \$120.03 per month and a caseload of 55,237 during

the last five months of the fiscal year at a per capita cost of \$125.16 per month. Based on these assumptions, the total current FY 2008-09 appropriation is \$81.2 million General Fund.

In October, the Centers for Medicare and Medicaid Services (CMS) forwarded information that the 2009 per capita estimate would be \$128.62. With this new 2009 per capita rate, staff estimates that the MMA payment will increase by approximately \$1.0 million for FY 2008-09. These calculations are shown in Table 1 below.

Table 1: FY 2008-09 MMA State Contribution Calculations			
	FY 2008-09 Current Appropriation	FY 2008-09 Revised JBC Staff Est..	Difference
Payments from July through December of Fiscal Year			
Monthly Per Capita Cost multiplied by the Phase down	\$120.03	\$120.03	\$0.00
Average Monthly Enrollment (1 st Seven Months of FY) for Dual Eligibles	55,091	55,091	0
Total payments for the first seven months of Fiscal year	\$46,588,158	\$46,588,158	\$0
Payments from January through June of Fiscal Year			
Per Capita Cost multiplied by the Phase down	\$125.16	\$128.62	\$3.46
Average Monthly Enrollment (Last Five Months of FY) for Dual Eligibles	55,237	55,237	0
Total payments for the last five months of Fiscal Year	\$34,567,037	\$35,522,915	\$955,878
TOTAL MMA State Contribution Payment Estimate	\$81,155,195	\$82,111,073	\$955,878

For Information Purposes Only -- Motions that will not result in double counting budget actions twice:

1. The MMA State Contribution Payment is partly dependent on the Medicaid caseload forecasts. If the Committee voted to accept the Department's Medicaid caseload forecast in Supplemental #1, then the Committee should vote for the Department's request here in order to be consistent. Staff would note that the Department's request at this time does not contain updated information.

Department Priority #6 & #28:
MMA State Contribution Payment Delay

	Request	Recommendation	Difference
Total	(\$6,827,682)	\$0	\$6,827,682
General Fund	(6,827,682)	0	6,827,682

Department Request: The Department request a \$6.8 General Fund decrease to shift the May 2009 Medicare Modernization Act (MMA) State Contribution Payment to July 2009.

Staff Recommendation: Staff does *not* recommend the Department's request to delay payment of the May 2009 MMA State Contribution Payment until July 2009. Delaying the payment will result in only 11 payments being made in FY 2008-09, instead 12 payments. If the delay for paying the May bill is *not* made permanent, then in FY 2009-10 there would be 13 payments. If the delay is made permanent (which is the Department's request), then there would 12 payments in FY 2009-10.

Analysis

The MMA State Contribution Payment is on the cash basis of accounting (S.B. 07-133 sponsored by the JBC moved this program to cash accounting). In FY 2006-07, when the program was moved cash accounting, the Department made only 11 payments in that fiscal year (the June payment that is billed in July was recognized for accounting purposes as a July expenses rather than a June expense). However, this was a one-time savings and the Department made 12 payments in FY 2007-08 and is currently appropriated to make all 12 payments in FY 2008-09.

The Federal Regulations for the State Contribution Payment are found in CFR Title 42 Section 423.910. Paragraph (2) of this sections states: *"Payments for the phased down State contribution begins in January 2006, and are made on a **monthly** basis for each subsequent month. State payment must be made in a manner specified by CMS that is similar to the manner in which State payments are made under the State Buy-In Program, except that all payments must be deposited into the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust Fund. The policy on collection of the Phased-down State contribution payment is the same as the policy that governs collection of Part A and Part B Medicare premiums for the State Buy-in."* (emphasis added).

The Department's request would delay paying the May bill, which is received in June, until July in order to book the expense in a different fiscal year under cash accounting. It is staff's understanding, that the Department frequently pays this payment two to four weeks after it is received. For example, the April caseload bill is received in the middle of May and is frequently not paid until June. However, the May caseload bill is received in the middle of June (around the 12th to 15th) but the Department makes sure they pay the amount before the end of the fiscal year because their appropriation currently assumes 12 months of payments.

At this time staff does *not* recommend payment delay as an official policy of the State. However, staff recommends that this issue be kept on an "option" list to be revisited in March if need be. Please note, in March the Committee will be in a better position to determine if they want to accept this strategy of delaying Medicaid payments. The Committee will know at that time if the Federal Stimulus Package has passed and on whether these one-time savings from payment delay are needed in FY 2008-09 or FY 2009-10.

**Supplemental Request, Department Priority #5
FY 2007-08 Medicaid Programs Over expenditures**

This supplemental request is discussed on page 82 of this packet with other issues that impact FY 2007-08 appropriations.

**Supplemental Request, Department Priority #6 as amended by #28
Supplemental Medicare Insurance Benefit and MMA State Contribution Payment Financing**

This supplemental request is discussed in the Medical Services Premiums section and in the Medicare Modernization Act State Contribution Payment section of this write-up.

**Supplemental Request, Department Priority #7
Adjustments to Prior Year Fund Splits**

	Request	Recommendation	Difference
Total	<u>\$1,418,132</u>	<u>\$1,210,857</u>	<u>(\$207,275)</u>
General Fund	1,190,645	1,190,645	0
Cash Funds - Breast and Cervical Cancer Treatment and Prevention Fund	20,212	20,212	0
Federal Funds	207,275	0	(207,275)

* Does not include the MSP line item impact. See issue #1 for MSP line item impact.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is related to technical issues associated with calculating the proper fund splits for appropriations throughout the Department's programs.	

Department Request: The Department's request corrects fund splits used for several appropriations. The net impact of correcting the fund split issues is an increase to the General Fund appropriation of \$481,579, an increase to cash funds of \$20,212, and a decrease of \$501,791 in federal funds. The Department's request has a net total fund impact of zero. Specifically, the Department's request would do the following:

- (a) Increase the cash fund appropriation for the Breast and Cervical Cancer Treatment Program's administrative costs by \$20,212 and decrease the General Fund appropriation by \$20,212.

- (b) Increase the federal fund appropriation for the Medical Services Premiums line item to reflect a retroactive payment for the Consumer Directed Attendant Support Services by \$709,066 and decrease the General Fund appropriation by \$709,066 (not shown in summary table).
- (c) Increase the General Fund appropriation for various Department of Human Services division programs by \$1,210,857 and decrease the federal fund appropriation by \$1,210,857 in order to correct a federal disallowance.

Staff Recommendation: Staff recommends the Department's request for item (a) above. Issue (b) above is discussed in staff's write-up on Medical Services Premiums. Staff recommends the General Fund appropriation for item (c) above but does not recommend the decrease to the federal funds appropriation requested in item (c). Staff's recommendation is an increase of \$1,190,645 General Fund and \$20,212 cash funds.

Analysis

- (a) *Breast and Cervical Cancer Treatment and Prevention Fund:* Last year, the Committee sponsored H.B. 08-1373 which allowed the Breast and Cervical Cancer Treatment and Prevention Fund (BCCTP Fund) to pay 100% of the State match in FY 2008-09 for the costs of the original program (this program receives funding from the Prevention, Early Detection, and Treatment Fund). Prior to the passage of H.B. 08-1373, in FY 2008-09, 100% of the state match for this program would have come from the General Fund. The appropriation clause for H.B. 08-1373 made the fund split adjustments to the Medical Services Premiums line item and to the Mental Health Capitation Payments line item. However, the appropriation clause did not change the funding split for the administrative costs associated with 1.0 FTE for this program.

Staff recommends the Department's request to allocate the state match for the administrative costs associated with the Breast and Cervical Cancer Treatment and Prevention Program to the BCCTP Fund instead of the General Fund as currently appropriated. This recommendation reduces the General Fund appropriations for personal services by \$19,879 and for operating expenses by \$333. Correspondingly, this recommendation increases the cash funds appropriation from the BCCTP Fund for personal services by \$19,879 and for operating expenses by \$333. The total fund net change from this recommendation is zero. Staff's recommendation will amend the appropriation clause for H.B. 08-1373.

- (b) *Consumer Directed Attendant Support Services:* This issue is discussed in Staff's write-up on Medical Services Premiums.
- (c) *Adjustments to DHS-Medicaid Funded Programs* The federal government reimburses skilled staff at a 75 percent federal rate if the staff provide services related to their profession (i.e. a nurse employed by the Department who is performing nursing services may be reimbursed at a 75 percent match rather than the normal 50 percent match for administrative services). In FY 2006-07 and FY 2007-08, the Department's accounting staff billed the federal government at the enhanced match rate for certain personnel employed in the Developmentally Disabled waiver

programs. This was done internally at the Department. There was *never* a budget action to appropriate these positions at a lower General Fund rate and the appropriation assumed a 50 percent match rate for these positions. In fact, because the General Fund was appropriated at the 50 percent match rate but the Department's accounting staff had billed at the 75 percent match rate, there were General Fund reversions in FY 2006-07 and FY 2007-08 from the impacted line items.

The CMS noticed that the federal administrative costs for these waiver programs had increased unexpectedly. In a June 2008 letter to the Department, CMS requested that Department explain why these services were now being billed at the 75 percent match rate. After receiving the letter from CMS, the Department realized that using the enhanced match rate had been done in error. In October 2008, CMS sent instructions to the Department to repay the \$1.2 million in overdrawn federal funds.

Staff recommends creating a separate line item in Department's DHS-Medicaid Funded Program Division to reflect the payment of the overdrawn federal funds. Staff does not recommend the Department's requested adjustment to reduce federal funds for this issue. This part of the Department's request was done in error. Staff has discussed this issue with the Department. The Department agrees that the federal funds should not be reduced for the impacted line items as they requested. The current appropriation is appropriated using the correct match rates. This issue is similar to a disallowance and has a General Fund impact only.

**Supplemental Request, Department Priority #8
Additional Medicaid Reimbursement to Denver Health Medical Center for Services Provided by
Hospital-based Physicians and Other Practitioners**

This supplemental request is discussed in the Medical Services Premiums section of this write-up.

**Supplemental Request, Department Priority #9
This supplemental was not submitted on January 2, 2009 and was left intentionally blank.**

**Supplemental Request, Department Priority #10
This supplemental was not submitted on January 2, 2009 and was left intentionally blank.**

**Supplemental Request, Department Priority #11
Nursing Facility Audits to Implement HB 08-1114**

	Request	Recommendation*
Total	<u>\$0</u>	<u>\$72,300</u>
General Fund	0	0
Federal Funds	0	72,300

*If CMS does not approve waiver by April 1, 2009.

	Request	Recommendation*
Total	<u>\$144,600</u>	<u>\$144,600</u>
Cash Funds -- Nursing		
Facility Cash Fund	72,300	72,300
Federal Funds	72,300	72,300

* If CMS approves waiver by April 1, 2009.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency of the need for additional audit of nursing home cost reports for rate setting purposes under HB 08-1114.	

Department Request: The Department requests \$144,600 total funds, including \$72,300, in cash funds and \$72,300 in federal funds, to re-audit nursing facility cost reports for rate setting purposes under H.B. 08-1114.

Staff Recommendation: Staff recommends the Department's request with technical differences. Staff recommends that the appropriation be available to the Department immediately. Therefore, staff recommends an appropriation of \$144,600 total funds to the Department. Of this amount, \$72,300 is from the General Fund and \$72,300 is from federal funds. Staff recommends reducing the General Fund Appropriation into the Controlled Maintenance Trust Fund by \$72,300. If the waiver is approved, these appropriations are reversed with an alternative appropriation clause. The alternative appropriation clause appropriates \$72,300 cash funds (from the Nursing Facility Cash Fund) and \$72,300 federal funds. Staff's recommendation is based on the current format of the appropriations clauses contained in H.B. 08-1114. Staff's recommendation amends the appropriation clause in H.B. 08-1114.

Background

During the 2008 legislative session, H.B. 08-1114 was enacted which made significant changes to nursing facility reimbursement methodology. However, the reimbursement increases were contingent on the Centers for Medicare and Medicaid Services (CMS) approving a nursing facility provider fee waiver program. Because the costs of H.B. 08-1114 were contingent on federal approval, there were two

alternate appropriation clauses included in H.B. 08-1114. The first appropriation clause provided appropriations to the Department for the administrative costs associated with submitting the state waiver costs. This clause included \$119,968 General Fund and \$119,968 federal funds. However, the General Fund impact was offset by a decrease of \$119,968 to the General Fund Controlled Maintenance Trust Fund appropriation. The second appropriation clause provided appropriations based on the waiver being approved by April 1st. Once the waiver is approved, the Department will be able to assess the fees and the Nursing Facility Cash Fund will be able to backfill the initial General Fund expenditures (i.e. the General Fund appropriations are repealed and the Nursing Facility Cash Fund is used instead as long as the waiver is approved) and to reimburse the nursing homes at the higher reimbursement rate. The alternative appropriation clause provides an appropriation of \$6,054,621 cash funds from the Nursing Facility Cash Fund and \$6,054,621 from federal funds.

The Department is requesting one-time funding to re-audit nursing facility costs reports for rate setting purposes in accordance with H.B. 08-1114. Originally, the Department assumed that the nursing facility audits could be timed in such a way as to not require additional costs. However, because the waiver has not yet been approved, nursing facility audits under the current rate setting methodology began in October (in order to ensure that appropriate rates are established in the event H.B. 08-1114 is not approved by April 1). Once the Department receives federal approval, the nursing facilities will need to be re-audited in order to set rates in accordance with the new methodology. The Department estimates this cost at \$144,600 total funds (\$72,300 cash funds from the Nursing Facility Cash Fund and \$72,300 from federal funds).

The Department states in their request, that if they were to receive approval after April 1, 2009, the Department assumes there would not be sufficient time remaining in FY 2008-09 to begin reimbursing the nursing facility providers back to July 1, 2008, at the new rate and collecting their provider fee. Therefore, the Department would not begin to retroactively pay the new reimbursement rates or begin collecting the fee until FY 2009-10. In this case, the Department would revert the \$144,600 in spending authority and would require a future budget action to obtain spending authority for FY 2009-10.

House Bill 08-1114 requires that the cost reports used to set the different reimbursement rates be the cost reports files by the state department during the period ending December 31 of the prior year following implementation the bill. In order to implement the rate increases and therefore the provider fees, staff recommends that the funding for the additional audits be provided immediately. Initially, this appropriation will need to receive its State match from the General Fund. If the federal waiver is approved before April 1, 2009, then this State expense will switch from the General Fund to cash funds from the Nursing Facility Cash Fund.

If the audit contract waits until after April to begin auditing, then there may not be enough time to establish the reimbursement rates and therefore, begin collecting the provider fee before the end of the fiscal year. If the audits are completed before the fiscal year, then reimbursement can be established and the provider fee collected. Because the reimbursement rates must be based on the cost reports from December 2008, even if the waiver is not approved until after April 1, 2009, these audits could be helped to establish the rates in effect in FY 2009-10.

Staff would remind the Committee that H.B. 08-1114 contains a cap on General Fund expenditures for nursing homes at 3.0 percent growth. If the audits assist the Department in getting the reimbursement rates established, then the cap can go into affect and General Fund savings will be released. The exact amount of General Fund savings estimated for FY 2008-09 and FY 2009-10 will be available when staff presents her figure setting estimates in March 2009.

**Supplemental Request, Department Priority #12
Reallocation of the Health Care Services Fund**

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; <u>data that was not available when the original appropriation was made</u> ; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of new data that was not considered at the time the original appropriation was made.	

Department Request: The Department requests that \$738,000 total funds be transferred from the Health Care Services Fund Programs line item into the Children's Hospital, Clinic-Based Indigent Care line item to reflect a reallocation of the Health Care Services Fund administered by the Department. The net impact of this request is zero and it does not impact the General Fund.

Staff Recommendation: Staff recommends the Department's request.

Background

The Health Care Services Fund was created during the 2006 legislative session in S.B. 06-044. This fund receives an annual appropriation of \$15.0 million General Fund through FY 2009-10. Eighteen percent of this appropriation, or \$2.7 million, is allocated to Denver Health Medical Center; the remaining \$12.3 million is allocated to community health clinics and primary care clinics in amounts determined based on prior client utilization data as specified by Department rule beginning with the allocation in FY 2007-08.

In FY 2007-08, the Medical Services Board directed the Department to allocate the funding to community health clinics and primary care clinics in the same percentages used for FY 2006-07 (which was set in S.B. 08-044). However, the Department was directed to Board instructed the Department to research prior utilization data so that future year allocations could be adjusted according to the intent of the statute. This information was not available at the time the FY 2008-09 appropriation was

established. Therefore, the FY 2008-09 appropriation continued the same allocation that had been in place since FY 2006-07 -- i.e. that 82 percent of the funding remaining after the Denver Health allocation (\$10,086,000) was appropriated for community health clinics and the remaining 18 percent (\$2,214,000) was appropriated to primary care clinics.

Based on the Department's analysis of the utilization data, the Department believes that approximately 88 percent of the funding should be allocated to community health clinics and that 12 percent of the funding should be allocated to primary care clinics. However, in order to minimize the initial reduction in FY 2008-09 to the primary care clinics, the Medical Services Board's rule would allocate 85 percent of the funding to the community health clinics (\$10,455,000 instead of the \$10,086,000 appropriated) and 15 percent to the primary care clinics (\$1,845,000 instead of the \$2,214,000 appropriated). In FY 2009-10, the Board's rule would allocate 88 percent to the community health clinics (\$10,824,000) and 12 percent to the primary care clinics (\$1,476,000).

Based on the new allocation plan, the Department requests that a total of \$738,000 (\$369,000 from the Health Care Services Fund and \$369,000 federal match) be transferred from the Health Care Services Fund Programs line item into the Children's Hospital, Clinic-Based Indigent Care line item. The Department's request is consistent with state law and staff recommends the transfer.

**Supplemental Request, Department Priority #13
Federal Funding for the Rural and Public Hospitals Payment and Reorganization of the Indigent Care Program**

	Request	Recommendation
Total	<u>\$3,286,155</u>	<u>\$3,286,155</u>
Federal Funds	3,286,155	3,286,155

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a <u>technical correction in calculating the original appropriation</u> ; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of a technical correction in that the primary and preventive grant program will be able to draw down some federal match when the current appropriation assumed that it could not.	

Department Request: The Department request \$3.3 million in federal spending authority to reflect the availability of federal match for the Comprehensive Primary and Preventive Care Fund that is distributed to rural and public hospitals. The Department also requests that this funding be divided into a separate line item apart from the Comprehensive Primary and Preventive Care Fund amounts that are ineligible for federal match.

Staff Recommendation: Staff recommends the Department's request.

Background

The Comprehensive Primary and Preventive Care Grants Program (CPPCG Program) receives 3.0 percent of the Tier I Tobacco Funding. This funding is designed to increase access to primary care services for indigent clients through awarding capital improvement and staffing grants to primary care clinics. In addition, the CPPCG Program receives 8.5 percent of the Tier 2 distribution of the Master Settlement Account. This funding is must be distributed evenly between Rural Hospitals (with 60 or less beds) and other public hospitals.

The Department requests a technical adjustment to reflect that federal financial participation will be available for the Tier 2 distribution. On September 30, 2008, the Department submitted two State Plan Amendments (08-016 and 08-017) in order to draw federal matching Medicaid funds for the Tier 2 rural and public hospitals distributions. Staff recommends the Department's request to appropriate the expenditure authority for these federal funds. Staff also recommends the Department's request to create a new line item for the Tier I distribution separate from the non-match able Tier I program distribution.

NOTE: Staff has an alternative recommendation on this supplemental issue found in the JBC Initiated Supplemental Adjustments section of this packet. However, staff's alternative recommendation requires statutory change. Because staff's recommendation requires a statutory change, staff recommends that the Committee adopt this supplemental and then make any appropriation adjustments in the appropriation clause to the special bill staff is recommending.

**Supplemental Request, Department Priority #14
Eliminate Colorado Cares Fund
THIS SUPPLEMENTAL REQUIRES STATUTORY CHANGE**

	Request	Recommendation
Total	<u>\$6,654</u>	<u>\$6,654</u>
FTE	(3.8)	(3.8)
General Fund	6,655	6,655
Cash Funds	(3,931,345)	(3,931,345)
Federal Funds	6,654	6,654

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; <u>data that was not available when the original appropriation was made</u> ; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department requests a total fund reduction of \$3.9 million in FY 2008-09 based on changes to the Colorado Cares Prescription Drug Program. The Department also requests that the Colorado Cares Prescription Drug Program Cash Fund be eliminated. **The Department's request requires statutory changes.**

Staff Recommendation: Staff recommends the Department's request. It is staff's understanding that the Department has asked Senator Boyd to carry the necessary legislation to implement this supplemental request. Staff recommends that the JBC include this bill in the budget package so that the small General Fund appropriation \$6,654 be included in the JBC balancing actions.

Background

Senate Bill 07-001 created the Colorado Cares Rx Program. The bill requires that the Department create mechanism by which uninsured or under insured Coloradans can purchase lower-cost generic prescription drugs. To be eligible for the program, applicants must have income that does not exceed 300 percent of the Federal Poverty Level and must pay a registration fee up to \$20.00. Enrollees would then receive a program care that would allow them to purchase lower priced generic prescriptions at participating pharmacies.

Senate Bill 07-001 assumed that the Department would collect approximately \$4.0 million from the registration fee and would need approximately 4.0 FTE manage the program. These fees were to be collected into the Colorado Cares Rx Program Cash Fund. The Department began implementing the bill in March 2007 but ran into several difficulties:

- 1) The Department's ability to negotiate prices of drugs with manufacturers was hampered due to the fact that the Department would not be the entity directly purchasing the drugs; and
- 2) If the Department was able to negotiate with some manufacturers the discount, the discount would be relatively small.

In trying to address these issues, the Department contracted with Rx Outreach, a subsidiary of Express Scripts, to implement the Colorado Cares Rx Program through their mail-order program. Because this program already exists and all aspects of the administration of the program will be handled by Rx Outreach, the Department does not have any administrative costs or the need to collect any administrative fees. Rather, the Department provides information about this program through press releases, and outreach activities to counties, rural health centers, school-based health centers and various newsletters and bulletins.

Based on the actual implementation of the program, the Department requests statutory changes to eliminate the Colorado Cares Rx Program Cash Fund and to change the Department's responsibilities. Senator Boyd has agreed to carry this legislation for the Department. Any appropriation adjustments will therefore be contained in the appropriation for the legislation and not in the supplemental bill.

**Supplemental Request, Department Priority #15
Reduce Funding for Administrative Case Management**

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	<u>(\$2,377,784)</u>	<u>(\$2,377,784)</u>
General Fund	(1,188,892)	(1,188,892)
Federal Funds	(1,188,892)	(1,188,892)

Department of Human Services		
	Request	Recommendation
Total	<u>\$1,188,892</u>	<u>\$1,188,892</u>
General Fund	1,188,892	1,188,892

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; <u>data that was not available when the original appropriation was made</u> ; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.	

Department Request: The Department requests that \$1.2 million in General Fund be transferred from the Administrative Case Management line item in the Department's budget to the Division of Child Welfare in the Department of Human Services budget. When transferred to the Division of Child Welfare, this funding will lose its federal match of \$1.2 million. The Department requests this transfer based on direction from the Centers of Medicare and Medicaid Services (CMS) that activities performed as a component of the overall foster care program do not qualify as case management services eligible for federal match.

Staff Recommendation: Staff recommends the Department's request.

Background

Currently, the Department pays for administrative case management for the following activities:

- 1) completing or assisting in the Medicaid eligibility process for a child and/or their family; and
- 2) collecting information or updating health needs of a child (Child's Health Passport) which includes gathering information to complete the Colorado Assessment Continuum (CAC) for the child and family.

In July 2008, the Centers for Medicare and Medicaid Services (CMS) released guidance to the states regarding the proposed rules and moratorium regarding case management services. This directive stated:

*"In general, section 6052 of the Deficit Reduction Act of 2005 and CMS guidance issued prior to December 4, 2007, through State Medicaid Director letters, Associate Regional Administrators' letters, the State Medicaid Manual and other issuances, **is in effect**. States continue to be at risk for all claims submitted that are not in compliance with these policies. State Plan Amendments (SPAs) that do not comply with section 1902(a) of the Act are subject to disapproval. CMS is committed to continuing to work with States by providing technical assistance to ensure full compliance with current statute, regulation, and policy."* {emphasis added}.

Passed directives from CMS (dating back 2001) included:

*"Medicaid case management services **do not** include payment for the provision of direct services (medical, educational, or social) to which the Medicaid eligible individual has been referred. For example, if a child has been referred to a State foster care program, activities performed by the foster care case worker that relate directly to the provision of foster care services cannot be covered as case management. Since these activities are a component of the overall foster care service to which the child has been referred, the activities **do not** qualify as case management."* {emphasis added}.

Based on these directives from CMS, the Department believes that it can continue to pay for administrative case management services to help foster children apply for Medicaid. However, the administrative costs associated with updating the health needs of the child are a program requirement of the Child Welfare program and not the Medicaid program. Therefore, the Department believes that this activity can not qualify for federal match to claim it would put the State at risk of a federal disallowance.

The Department's request is based on random moment sample statistics for FY 2007-08. This study found that 18.5 percent of the administrative case management activities were for assisting clients with their Medicaid application and the other 81.5 percent was related to gathering health background on the child for the Foster Care Program. The Department's request reduces the amount of federal funding for the program by 81.5 percent but maintains the full General Fund appropriation.

**Supplemental Request, Department Priority #16
Revised Implementation of SB 06-145 Local Government Provider Fee**

	Request	Recommendation
Total	<u>(\$5,205,696)</u>	<u>(\$5,205,696)</u>
Cash Funds	(2,602,848)	(2,602,848)
Federal Funds	(2,602,848)	(2,602,848)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency -- the Centers of Medicare and Medicaid Services delaying the approval of the S.B. 06-145 Local Government Provider Fee State Plan Amendments -- that was unknown at the time the original appropriation was made.	

Department Request: The Department requests that the appropriations for SB 06-145 Inpatient and Outpatient Provider Fee line item be eliminated for FY 2008-09. At this time, the Department does not anticipate that the Centers of Medicare and Medicaid Services (CMS) will approve the necessary State Plan Amendments necessary to implement the local government provider fee in time to expend funding in FY 2008-09.

Staff Recommendation: Staff recommends the Department's request.

Background

In 2006, the General Assembly passed S.B. 06-145 which authorized local government to assess a fee on the revenues of private hospitals within their jurisdiction. The monies collected from the fee were to be supplemented with federal Medicaid funds, subject to the available upper payment limit (UPL), and redistributed to private hospitals based on their unreimbursed costs of treating Medicaid and Colorado Indigent Care Program clients.

In 2007, the City of Brighton expressed interest in assessing this fee. The Department submitted State Plan Amendments (Transmittal Number 06-013 and 06-014) to allow for the fees to be charged. Last year, the Committee added appropriations for both FY 2007-08 and FY 2008-09 on the assumption that these State Plan Amendments would be approved. As of January 2009, CMS has not approved the State Plan Amendments. The Department reverted the FY 2007-08 appropriations and now requests that the FY 2008-09 appropriation be eliminated because it is unlikely that the Department will receive approval on the State Plan Amendments before the end of FY 2008-09.

**Supplemental Request, Department Priority #17
Not Submitted**

**Supplemental Request, Department Priority #18
Suspend CBHP Outreach Efforts**

This supplemental request is discussed in the Medical Services Premiums, Medicaid Mental Health Capitation Payments, and Children's Basic Health Plan sections of this supplemental narrative.

Supplemental Request, Department Priority #19
The Department did not submit supplementals with this priority number

Supplemental Request, Department Priority #20
Delay Managed Care Payments

This supplemental request is discussed in the Medical Services Premiums and Medicaid Mental Health Capitation Payments sections of this supplemental narrative.

Supplemental Request, Department Priority #21
Reduce Pediatric Speciality Hospital Fund

	Request	Recommendation
Total	<u>(\$4,000,000)</u>	<u>(\$4,000,000)</u>
General Fund	(2,000,000)	(2,000,000)
Federal Funds	(2,000,000)	(2,000,000)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency -- an appropriation adjustment needed to balance the current fiscal year budget.	

Department Request: The Department's proposal request is for a reduction of \$4,000,000 total funds (\$2,000,000 General Fund) to the Pediatric Speciality Hospital line item. The Department's reduction will fund this line item at the same level of funding that was appropriated in FY 2007-08.

Staff Recommendation: Staff recommends the Department's request.

Background

The Pediatric Speciality Hospital Fund is financed using the federal Upper Payment Limit and exists to provide supplemental payments to the Children's Hospital based on the providing services to a large number of Medicaid and indigent care clients. Last year, the Committee decided to increase this line item by \$4.0 million over the FY 2007-08 appropriation. This decision was a Committee action, it was not recommended by staff or requested by the Department. At the time the Committee added this additional funding above the FY 2007-08 appropriation, the revenue forecast and Medicaid and CBHP caseload forecasts would support the additional General Fund supplemental payments. However, at this time, the General Fund can no longer support this appropriation and staff recommends that the appropriation for this line item be reduced to the FY 2007-08 appropriation.

{Please note that the Department's request indicates greater reductions for this line item in FY 2009-10. Staff will address that issue during figure setting. Support of this supplemental item does not necessary indicate a recommendation for the FY 2009-10 reductions also}.

**Supplemental Request, Department Priority #22
Postpone Implementation of S.B. 08-006**

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	<u>(\$392,587)</u>	<u>(\$392,587)</u>
General Fund	(118,703)	(118,703)
Cash Fund	(5,629)	(5,629)
Federal Funds	(268,255)	(268,255)

Department of Human Services		
	Request	Recommendation
Total	<u>\$0</u>	<u>(\$271,080)</u>
General Fund	0	(42,546)
Cash Fund	0	(21,754)
Reappropriated Funds	0	(94,092)
Federal Funds	0	(112,688)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency -- an appropriation adjustment needed to balance the current fiscal year budget.	

Department Request: The Department requests to postpone implementation of S.B. 08-006. Senate Bill was recommended by the Legislative Oversight Committee for the Continuing Examination of the Treatment of Persons with Mental Illness who are Involved in the Criminal and Juvenile Justice Systems. The bill specifies that persons who are eligible for Medicaid just prior to their confinement in a jail, juvenile commitment facility, Department of Corrections facility, or Department of Human Services facility shall have their Medicaid benefits suspended, rather than terminated, during the period of their confinement. The bill also clarifies that juveniles retain Medicaid eligibility when held in a facility operated by or under contract with the Division of Youth Corrections or Department of Human Services if care within that facility qualifies for federal financial participation.

Senate Bill 08-006 contains the following appropriations for FY 2008-09:

Department of Human Services	<u>\$271,080</u>
General Fund	42,546
Cash Funds - Old Age Pension	21,754
Reappropriated Funds - Transfer from DHCPF (includes \$44,079 in General Fund, \$5,629 in cash funds, and \$44,384 in Federal Funds)	94,092
Federal Funds	112,688
Department of Health Care Policy and Financing (includes transfers to DHS as shown above)	<u>\$392,587</u>
General Fund	118,703
Cash Funds - Children's Basic Health Plan	5,142
Reappropriated Cash Funds - Old Age Pension	487
Federal Funds	268,255

Staff Recommendation: Staff recommends the Department's request with a technical difference. Staff's recommendation also removes the Department of Human Service's Appropriation Clause for S.B. 08-006 CBMS changes due to the delay implementation (this was an oversight on the Department's request).

Currently, the Department is working with the Centers of Medicare and Medicaid Services (CMS) on how to implement this bill. Because of the number of questions that the Department has had to answer from CMS, it is unlikely that the implementation of this bill will occur as originally assumed in the fiscal note. Therefore, the system costs will not be needed in FY 2008-09.

At this time, staff recommends eliminating the current appropriation clause in S.B. 08-006. However, staff is not recommending any statutory changes with this action. Therefore, if implementation is possible in FY 2009-10, these system costs may be needed to be appropriated in FY 2009-10. If after further review from CMS, it appears unlikely that the State could implement this bill, then staff would recommend statutory changes to eliminate this requirement from statute. However, this decision does not need to be made at this time.

Supplemental Request, Department Priority #23
Delay CHP+ Expansion to 225% FPL

This supplemental request is discussed in the Children's Basic Health Plan section of this supplemental narrative.

**Supplemental Request, Department Priority #24
Adjust Outpatient Hospital Cost to Charge Ratio**

This supplemental request is discussed in the Medical Services Premiums section of this supplemental narrative.

**Supplemental Request, Department Priority #25
Provider Rate Reductions**

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	<u>(\$833,334)</u>	<u>(\$833,334)</u>
General Fund	(416,667)	(416,667)
Federal Funds	(416,667)	(416,667)

This table does not show the provider rate decreases for the Medical Services Premiums or the Medicaid Mental Health Capitation program line items. The provider rate decreases that impact those line items are shown in Medical Services Premiums and Medicaid Mental Health Capitation program line items.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency -- an appropriation adjustment needed to balance the current fiscal year budget.	

Department Request: The Department requests a \$833,333 total fund (\$416,667) decrease to the County Administration line item. This reduction represents a 3.1 percent decrease to the county administration line item.

Staff Recommendation: Staff recommends the Department's request.

Background

In FY 2008-09, the Long Bill appropriation for county administration was based on continuation funding of \$23.8 million total funds. In H.B. 08-1250 (a JBC bill), the county administration line item was increased by \$3.4 million total funds (a 14.3 percent increase). Staff's recommendation would reduce the \$3.4 million total fund increase to a \$2.6 million increase (11.0 percent increase) in FY 2008-09 over the FY 2007-08 appropriation.

Please note: There may be a possibility to certify additional county funds based on actual county expenditures. As the Committee is aware, Medicaid caseload is increasing and has an associated workload increase for the counties. Currently, the state certifies \$4.8 million in local funds spent on eligibility activities in order to draw down the Medicaid match. Staff will explore if is possible to certify

additional funds at the counties to draw down additional federal funds in order to lessen the impact of this recommendation to counties.

**Supplemental Request, Department Priority #26
Hiring Freeze Reduction**

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	<u>(\$816,397)</u>	<u>(\$816,397)</u>
General Fund	(358,199)	(336,249)
Cash Funds (Gift, Grants, & Donations)	0	(21,950)
Federal Funds	(458,198)	(458,198)

*Does not include Medical Services Premiums Line Item Impact.
See Issue #1 for MSP line item impact.

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency -- an appropriation adjustment needed to balance the current fiscal year budget.	

Department Request: The Department requests a total fund decrease of \$816,397 (\$358,199 General Fund) to meet their saving obligations under the Governor's hiring freeze. Rather than reduce the Department's personal services line item, the Department has requested reductions to other line items (including a decrease to Medical Services Premiums line item that was discussed in issue #1 but not included in the summary table for this issue). Specifically, the Department requests the following changes:

- (a) A total fund decrease of \$716,397 (\$333,199 General Fund) to the Department's General Professional Services and Special Projects line item. Prior to last year, these projects were funded in the Department's personal line item. This line item funds a variety of the Department's contracted professional services.
- (b) A total fund decrease of \$100,000 (\$25,000 General Fund) to the Department's Contracts for Special Eligibility Determination line item.
- (c) A total fund decrease of \$500,000 (\$250,000) to the Department's Medical Services Premiums line item. This issue was discussed in the Medical Services Premiums line item section of this packet. Please see that section for a discussion off the Department's request and staff's recommendation.

Staff Recommendation: Staff recommends the Department's request. The Department's request and staff recommendation adjusts appropriations for the following projects.

Project	General Fund	Cash Funds	Federal Funds	Total Funds
<i>EDO, General Administration, General Professional Services & Special Projects line item</i>				
1. H.B. 08-1072: Delay Actuary Study	(\$27,500)	\$0	(\$27,500)	(\$55,000)
2. S.B. 08-217: Reduce Centennial Cares Choice Actuary Study Appropriation	(\$128,000)	(\$21,950)	(\$149,950)	(\$299,900)
3. Delay PACE Study	(\$74,000)	\$0	(\$74,000)	(\$148,000)
4. Mental Health Rate Study -- unexpended amount	(\$10,000)	\$0	(\$10,000)	(\$20,000)
5. Medical Director -- half year contract	(\$25,000)	\$0	(\$75,000)	(\$100,000)
6. Other Base Resource Reduction	<u>(\$46,749)</u>	<u>\$0</u>	<u>(\$46,749)</u>	<u>(\$93,498)</u>
Subtotal GP Services & Special Projects	(\$311,249)	(\$21,950)	(\$383,199)	(\$716,398)
<i>EDO, Eligibility Determinations & Client Services, Contracts for Special Eligibility Determinations</i>				
7. Cost Savings based on utilization change	(\$25,000)		(\$75,000)	(\$100,000)
Subtotal Eligibility Determination & Client Services	(\$25,000)		(\$75,000)	(\$100,000)
TOTAL EDO REDUCTIONS	(\$336,249)	(\$21,950)	(\$458,199)	(\$816,398)

- H.B. 08-1072 Delay Actuary Study:** This bill was recommended by the Interim Committee on Long-term Health Care Services and Supports for Persons with Developmental Disabilities. It establishes a Medicaid Buy-in Program for people with disabilities who earn too much to qualify for Medicaid and for those whose medical condition improves while participating in the program. The initial fiscal impact for the bill was related to the costs for an actuarial study that must be completed before January 1, 2010. The Department has delayed contracting for this study. Because there is a statutory date of January 1, 2010 to complete the study, staff recommends repealing the current appropriation clause in H.B. 08-1072. The study can be funded in FY 2009-10 in order to meet the statutory deadline. If the Committee does not want to fund the study in FY 2009-10, then the Committee will need to run legislation to repeal H.B. 08-1072 or at least change the statutory date for the completion of the actuary review. That is not staff's recommendation at this time. Below is staff's recommended change to H.B. 08-1072 appropriation clause.

~~"SECTION 3. Appropriation. In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, for allocation to the executive director's office, general professionals services and special projects, for the~~

fiscal year beginning July 1, 2008, the sum of twenty-seven thousand five hundred dollars (\$27,500), or so much thereof as may be necessary, for the implementation of this act. In addition to said appropriation, the general assembly anticipates that, for the fiscal year beginning July 1, 2008, the department of health care policy and financing will receive the sum of twenty-seven thousand five hundred dollars (\$27,500) in federal funds for the implementation of this act. Although the federal funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds in developing state appropriation amounts."

2. **S.B. 08-217--Reduce Centennial Cares Choice Actuary Study Appropriation:** The bill required the Department of Health Care Policy and Financing, in coordination with the Division of Insurance and a panel of experts, to prepare a request for information from health insurance carriers and other interested parties. Carriers are requested to provide information regarding the design of a new health insurance product, known as a value benefit plan (VBP), to be offered in the individual market. As part of the fiscal impact for this bill, the Department was appropriated \$382,400 for contract services to help evaluate the costs of VBP plans. The Department's estimated costs were based partly on the costs the Department's existing actuary contracts for other rate setting issues. However, when the Department contracted with an actuary to analyze the VBP proposals, the actual contract costs were much lower than anticipated. Therefore, the Department anticipates reverting a total of \$299,900 total funds from S.B. 08-217's appropriation clause. Below is staff's recommended change to H.B. 08-1072 appropriation clause.

"SECTION 2. Appropriation -- adjustment to the 2008 long bill. (1) In addition to any other appropriation, there is hereby appropriated, to the department of health care policy and financing, for allocation to the executive director's office, general professional services and special projects, for the fiscal year beginning July 1, 2008, the sum of ~~one hundred ninety-one thousand two hundred dollars (\$191,200)~~, or so much thereof as may be necessary, for the implementation of this act. ~~Of said sum, one hundred twenty-eight thousand seven hundred dollars (\$128,700) shall be from the general fund and sixty-two thousand five hundred dollars (\$62,500)~~ FORTY-ONE THOUSAND TWO HUNDRED FIFTY DOLLARS (\$41,250) CASH FUNDS, OR SO MUCH THEREOF AS MAY BE NECESSARY, FOR THE IMPLEMENTATION OF THIS ACT. SAID SUM shall be cash funds from gifts, grants, and donations. In addition to said appropriation, the general assembly anticipates that the department of health care policy and financing will receive ~~one hundred ninety-one thousand two hundred dollars (\$191,200)~~ FORTY-ONE THOUSAND TWO HUNDRED FIFTY DOLLARS (\$41,250) federal funds in the fiscal year beginning July 1, 2008, for the implementation of this act. Although the federal funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds in developing state appropriation amounts.

(2) In addition to any other appropriation, there is hereby appropriated, to the department of regulatory agencies, division of insurance, for the fiscal year beginning July 1, 2008, the sum of twenty-nine thousand five hundred dollars (\$29,500) cash funds, or so much thereof as may be necessary, for the implementation of this act. Said sum, shall be from

the division of insurance cash fund created in section 10-1-103 (3), Colorado Revised Statutes.

~~(3) For the implementation of this act, the general fund appropriation to the controlled maintenance trust fund made in section 23 of the annual general appropriation act, for the fiscal year beginning July 1, 2008, shall be decreased by one hundred twenty-eight thousand seven hundred dollars (\$128,700)."~~

3. **Delay PACE Study:** Last year, the JBC recommended \$150,000 to study the rate methodology setting process for the Program for All Inclusive Care for the Elderly (PACE). Due to the budget situation, staff recommends that the Department's Long Bill appropriation be reduced by \$148,000 total funds, the amount not spent to date on this project.
4. **Mental Health Rate Study:** Last year the Committee provided \$250,000 total funds to the Department to contract for a Mental Health Rate Study. Based on the contract for the study, the Department anticipates only spending \$230,000 of the appropriation. Therefore, staff recommends that \$20,000 (\$10,000 General Fund) be reduced from the Department's current appropriation in the Long Bill.
5. **Medical Director Contract:** Last year the JBC approved \$200,000 for the Medical Director Consortium for a contract with University Physicians Incorporated to provide clinical and policy assistance to the Department on medical issues. Staff recommends the Department's request eliminate \$100,000 from this contract based on it being funded for only one-half a year.
6. **Other Base Resource Reduction:** The Department has delayed some contracts for on-going projects that are funded with base resources. Staff recommends the Department's request to reduce their appropriation by \$93,498 total funds (\$46,749 General Fund) for these issues.
7. **Cost Savings based on utilization change:** The Department anticipates that they will revert \$100,000 total funds (\$25,000 General Fund) from their Contracts for Special Eligibility Determinations line item due to one-time savings. Staff recommends the Department's request.

**Supplemental Request, Department Priority #27
Hiring Freeze Reduction**

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	<u>(\$225,256)</u>	<u>(\$225,256)</u>
General Fund	(112,628)	(112,628)
Federal Funds	(112,628)	(112,628)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff and the Department agree that this request is the result of an unforeseen contingency -- an appropriation adjustment needed to balance the current fiscal year budget.	

Department Request: The Department requests a \$225,256 total funds (\$112,628 General Fund) decrease to their operating expenses line item from postponing some of the remodeling costs for the Department's 1570 Grant Street location.

Staff Recommendation: Staff recommends the Department's request.

Last year, the JBC funded the Department \$301,160 total funds (\$150,580 General Fund) to remodel and purchase necessary equipment to remodel the Department's 1570 Grant Street location. Staff recommended reduction of \$225,256 total funds (\$112,628 General Fund) represents the portion of this appropriation that has not yet been spent for this project.

**Supplemental Request, Department Priority #28
Supplemental Medicare Insurance Benefit and MMA State Contribution Payment Financing**

This supplemental request was a correction to supplemental #6. This item is discussed in the Medical Services Premiums and Medicare Modernization Act State Contribution Payment sections of this supplemental narrative.

Joint Budget Committee Staff Recommended Supplemental

**JBC Staff Supplemental Recommendation #1
Reduce Funding for CBMS Medical Assistance Project**

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	\$0	(\$3,739,000)
General Fund	0	(1,789,243)
Federal Funds	0	(1,949,757)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical correction in calculating the original appropriation; data that was not available when the original appropriation was made; or an <u>unforeseen contingency</u> .]	YES
JBC staff recommends this adjustment in order to help balance the current fiscal year budget.	

Department Request: The Department does not request this item.

Staff Recommendation: Staff recommends a total fund decrease of \$3.7 million (\$1.8 million General Fund) from the Department's current appropriation of \$5.3 million for the Colorado Benefits Management System Medical Assistance Project. Staff's recommendation realigns the appropriation to spread the project's costs over three years (FY 2008-09, FY 2009-10, and FY 2010-11). Staff has discussed this recommendation with the Department staff and received their input on the amount of the reduction.

Background

Last year, the Committee approved \$5.3 million total funds for the CBMS Medical Assistance Project. This funding is to develop a new user interface for the CBMS system so that Medical eligibility determinations could be done in a more timely and easy manner (i.e. without having to go through all of the public assistance screens). The appropriation that the Committee adopted last year was one half of the amount that the Department originally requested for FY 2008-09.

As the Committee is aware, a new CBMS vendor was selected last year during the reprocurement process. In order to meet the time frame to complete the transition to the new vendor by April 2009, the Department's staff resources have been mainly devoted this project. Therefore, the Department has not yet spent most of the funding for the CBMS Medial Assistance Project line item. While the Department staff believes that they could use the full appropriation by the end of the fiscal year, given the current budget situation, the Department has provided staff with a three-year plan for this project.

Non Prioritized Requests with Action Taken In Other Department Write-Ups

The Committee has already or will take action on the following supplementals when making decisions in other Departments that receive Medicaid funding. No further action is needed from the Committee. Staff presents these issues for informational purposes only. The table below shows the Department's request (not staff recommendation). Staff will update based on the Committee's action for these issues.

Non-Prioritized Supplemental Issues	General Fund	Total Fund
1331-1 CBMS Refinance (Michael Cain)	\$406,512	\$867,750
JBC Staff Supplemental - CBMS Fund Type Correction (Michael Cain)	0	0
JBC Staff Supplemental - Reduction to CBMS Realignment Project (Michael Cain)	0	0
DNP-1: DPHE-Survey & Certification Adjustment (Steve Allen)	58,116	0
DNP-2: Left intentionally blank	0	0
DNP-3: DHS-Regional Center Staffing (Amanda Bickel)	431,297	862,564
DNP-4: DHS-Technical (Caroline Smith)	(1)	0

Non-Prioritized Supplemental Issues	General Fund	Total Fund
DNP-5: DHS-CBMS Federal Reallocation (MichaelCain)	0	974,393
DNP-6-8: Left Intentionally Blank	0	0
DNP-9: DHS-CBMS Refinancing (MichaelCain)	0	933,301
DNP-10: DHS-Child Welfare Block Grant (Amanda Bickel)	(129,670)	(259,341)
DNP-11: DHS-Fee-for-Services vs Bundled Billing (Amanda Bickel)	(2,647,460)	(5,294,920)
DNP-12: DHS-Vacancy Savings (Amanda & Michael)	(834,181)	(1,668,362)
DNP-13: DHS DD Services FY 2007-08 Roll Forward (Amanda Bickel)	(2,528,874)	(5,057,748)
DNP-14: DHS New Resource Under utilization (Amanda Bickel)	(1,664,995)	(3,329,990)
DNP-15: DHS-Hiring Freeze (Amanda & Michael)	(74,536)	(149,071)
DNP-16: DHS-Regional Center Staffing High Need Clients (Amanda)	(431,297)	(862,594)
DNP-17-18: Not Submitted	0	0
DNP-19: DPHE-Hiring Freeze (Steve Allen)	(1,907)	(6,361)
DNP-20: DHS-Provider Rate Reduction (Amanda Bickel)	<u>(783,362)</u>	<u>(1,566,723)</u>
Total Non-Prioritized or Other Adjustment Not Included in Staff's recommendation in this packet	(\$8,200,358)	(\$14,557,102)

Staff also recommends the funding adjustment to the programs within the Department that receive Tobacco Master Settlement allocations based on the memo Steve Allen presented on January 20, 2009.

Statewide Common Policy Supplemental Requests

Staff Recommendation: Neither the Department nor OSPB has submitted statewide supplemental requests, but these requests may be received in the near future. If requests are submitted, they will be presented to the Committee by the Common Policy analyst. **Staff asks permission to include the corresponding appropriations in the Department's supplemental bill if the Committee**

Cash Fund Transfers

Department Requested Transfer, OSPB #13
Transfer from Children's Basic Health Plan Trust Fund
Statutory Change Required

FY 2008-09	Request	Recommendation
Transfer from Children's Basic Health Plan to General Fund	\$4,270,540	pending

Staff Analysis: The Children's Basic Health Plan Trust Fund can only be used for operations and services for the Children's Basic Health Plan Program. The CBHP Trust Fund's unspent balance remains in the Fund. The main sources of revenues for the CBHP Trust Fund include transfers from the Tobacco Master Settlement Fund, General Fund appropriations, enrollment fees, and interest earnings. The caseload supported from the CBHP Fund are: (1) children and adult pregnant women under 185% FPL up to the caseload funded in FY 2003-04; and (2) children and adult pregnant women from 205% FPL to 225% FPL (beginning in FY 2008-09 and FY 2009-10 pursuant to S.B. 08-160).

OSPB requests this transfer based on the Department's supplemental request to repeal the date requirements in S.B. 08-160 to increase eligibility up to 225% FPL. If this legislation is not passed, then according to the information the Department submitted in November, the CBHP Trust Fund would have a deficit of \$4.3 million by FY 2009-10.

The transfer proposed by OSPB is only viable if the eligibility increase in S.B. 08-160 is postponed. Even with the delay of the eligibility increase, this is transfer will create a future General Fund need. The revenues into this fund are fixed (i.e. Tobacco Settlement Funds for the most part) while the costs from the fund increase by medical inflation each year (caseload is fairly stable since it is capped at the FY 2003-04 enrollment or the new enrollment under S.B. 08-160 which the Department asks to repeal).

At this time, staff can not do a complete analysis of the future year impacts of this transfer request. The Department is still developing cost estimates for FY 2009-10. The Department will submit these cost estimates on February 15, 2009. After staff has an opportunity to review the Department's revised estimates, staff will make a recommendation on this fund transfer. At this time, staff believes that the fund transfer may be better to help balance FY 2009-10 rather than FY 2008-09.

JBC Staff Initiated Transfer Recommendation
Transfer from Breast and Cervical Cancer Treatment Fund (OSPB #12 for FY 2009-10)
Statutory Change Required

FY 2008-09	Recommendation
Transfer from Breast and Cervical Cancer Treatment Fund to General Fund	(\$6,000,000)

Staff Analysis: The Breast and Cervical Cancer Treatment Fund is used to fund or partially fund Medicaid services for women under the age of 65 who are diagnosed with breast or cervical cancer and who do not have health insurance.

OSPB originally requested a \$6.0 million transfer for FY 2008-09. However, on January 27th, OSPB changed their request to recommend that this transfer occur in FY 2009-10 instead of FY 2008-09.

Staff recommends this transfer for FY 2008-09 (mainly because she is pending the CBHP Trust Fund transfer until updated information is submitted on the CBHP forecast). There is sufficient fund balance for the transfer that the OSPB requested. Staff would note that last year, the Committee sponsored H.B.

08-1373 to increase the percentage to 100% of the state program costs funded through this fund in FY 2007-08 and FY 2008-09 (it goes back to 50% for FY 2009-10). However, the Department did not implement H.B. 08-1373 last year and the unused revenues built up some of the fund balance for FY 2008-09.

Breast and Cervical Cancer Treatment and Prevention Fund				
Staff Recommendation				
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
	Actual	Estimate	Estimate	Estimate
Beginning FY Balance	\$8,445,560	\$10,269,298	\$3,247,530	\$3,202,293
Projected Revenues	2,463,160	1,300,000	1,300,000	1,300,000
Expenditures	(639,422)	(2,321,768)	(1,345,237)	(1,345,237)
Ending FY Balance without transfer	\$10,269,298	\$9,247,530	\$3,202,293	\$3,157,056
Recommended Transfer	0	(6,000,000)	0	0
Ending FY Balance after transfer	\$10,269,298	\$3,247,530	\$3,202,293	\$3,157,056

JBC Staff Initiated Transfer Recommendation
Transfer from Colorado Health Care Services Fund
Statutory Change Required

FY 2008-09	Recommendation
Transfer from Colorado Health Care Services Fund to General Fund	(\$500,000)

Staff Analysis: The Colorado Health Care Services Fund was created in 2006 through S.B. 06-044. The source of revenue for the fund is an annual appropriation of \$15.0 million from the General Fund and the fund's interest earnings. The annual General Fund appropriation expires in FY 2010-11. The purpose of the fund is to allocate funding to primary care providers (both hospital and clinic providers) in order to reduce uncompensated care for the uninsured and to reduce the reliance on emergency care for primary care services.

Staff recommends that \$500,000 from this fund be transferred to General Fund. Staff's recommendation will not impact the current year or next year's appropriation.

Colorado Health Care Services Fund				
Staff Recommendation				
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
	Actual	Estimate	Estimate	Estimate
Beginning FY Balance	\$516,000	\$538,400	\$60,154	\$81,939

Colorado Health Care Services Fund Staff Recommendation				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Projected Revenues	15,022,400	15,021,754	15,021,785	815
Expenditures	<u>(15,000,000)</u>	<u>(15,000,000)</u>	<u>(15,000,000)</u>	<u>0</u>
Ending FY Balance without transfer	\$538,400	\$560,154	\$81,939	\$82,754
Recommended Transfer	<u>0</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>
Ending FY Balance after transfer	\$538,400	\$60,154	\$81,939	\$82,754

**JBC Staff Initiated Transfer Recommendation -- TOBACCO SETTLEMENT PROGRAMS
Change Allocation of Tobacco Settlement Funds to These Programs in FY 2008-09 & FY 2009-10
Statutory Change Required**

Staff recommends the following statutory changes to the Tobacco Settlement Programs in her area.

1. **Eliminate the Children's Basic Health Plan Trust Fund Account:** Increase the percentage that the Children's Basic Health Plan Trust receives to include both its current allocation and the allocation to the CBHP Trust Fund Account. (This is revenue neutral - staff recommends this change to eliminate unnecessary complications and administrative burden). There is no change in eligibility recommended. The population from 200% to 205% will be paid from the CBHP Trust Fund.
 2. **Set the transfer to the Autism Treatment Fund at \$1.0 million annually beginning in FY 2009-10.** This Autism Treatment program will begin using this full amount beginning in FY 2009-10. There is no need for Steve to go through the extra complications every year of waiting for staff's Medicaid forecast before the staff can find out the allocations available to the Tier II programs. Setting this transfer at a fix amount will avoid unnecessary complications.
 3. **Reduce the distribution to the Tier II Comprehensive Primary and Preventative Care Grant program by \$1.5 million in FY 2008-09 and FY 2009-10 (current distribution is approximately \$3.0 million).** Transfer the \$1.5 million in savings to the General Fund. Beginning in FY 2008-09, this funding will qualify for federal match under the Medicaid program. Therefore, the providers will still receive the \$3.0 million that they received last year from this allocation.
-

Other Balancing Options

These options are presented without staff recommendation in order to maximize the Committee's choices. The Committee may wish to consider these options now or in the future.

Numbering does not indicate priority.

Options with <i>Appropriation</i> Impacts	GF	CF	RF	FF	Total
1	(3,750,000)	0	0	(3,750,000)	(7,500,000)
<p>Reduce Appropriation to the Health Care Services Fund (Requires Statutory Change)</p> <p>Currently the Health Care Services Fund receives an annual appropriation of \$15.0 million. Staff's recommendation would reduce this appropriation by the last quarter distribution (25 percent). A statutory change would be required (the \$15.0 million allocation is set in statute). The Committee could take the full \$15.0 million in FY 2009-10 (or any percentage that the Committee wanted to). The first time any providers received distributions from this funding was in FY 2006-07.</p>					
2	(750,000)			(750,000)	(1,500,000)
<p>Reduce Appropriations to the Children's Hospital Clinic Program</p> <p>This program receives a \$3.1 million General Fund appropriation every year. This program reimburses clinics that participate in the indigent care program. The estimate that staff indicates is the funding for the last quarter of FY 2008-09. No statutory change would be necessary.</p>					
3	(154,167)			(154,167)	(308,334)
<p>Eliminate Outpatient Substance Abuse (Requires Statutory Change)</p> <p>Outpatient Substance Abuse treatment is a fairly new optional Medicaid benefit (added in 2005). This item would require a statutory change. Staff assumes that only one month of savings could be achieved</p>					
4	(7,051,366)			(14,102,731)	(21,154,097)
<p>Delay Managed Care Payments</p> <p>This issue is requested by the Department but is not recommended my staff at this time. This issue is discussed in the Medical Services Premiums and in the Medicaid Mental Health section of this briefing. If the Committee decides to do this option, to achieve savings in FY 2008-09 the Department would need to be making system changes by March.</p>					

Options with Revenue Impacts	GF	CF	RF	FF	Total	FTE
1	5,000,000	(5,000,000)			0	
<p>Transfer Interest Earnings from Amendment 35 Funds</p> <p>Staff is waiting for a legal opinion on this issue. This issue would transfer the interest earnings from the Amendment 35 Tobacco Tax Funds into the General Fund for FY 2008-09 and FY 2009-10. The estimate provided above is a rough estimate.</p>						
2	4,270,540	(4,270,540)			0	
<p>Transfer Funding from CBHP Trust Fund</p> <p>This option was discussed in the Fund Transfer Section. Staff recommended pending this issue until after staff receives updated expenditure forecasts from the Department for the CBHP program.</p>						
3	2,000,000	(2,000,000)			0	
<p>Transfer Funding for the Supplemental Old Age Pension Fund</p> <p>This option was proposed by OSPB and then withdrawn. This option would lower provider rates to the Old Age Pension program in order to guarantee this savings.</p>						
4	7,750,000	(7,750,000)			0	
<p>Transfer Funding from Primary Care Fund to General Fund</p> <p>If the federal stimulus bill passes with a 100% federally funded Medicaid program for the unemployed and uninsured up to 200% of poverty, pass a resolution to transfer 1/4 of the Primary Care Fund in FY 2008-09 to the General Fund (this resolution would require a 2/3 vote).</p>						

FY 2007-08 Supplemental Issues

Supplemental Request, Department Priority #5: Release FY 2007-08 Overexpenditures

Department of Health Care Policy and Financing		
	Request	Recommendation
Total	<u>\$25,720,415</u>	<u>\$25,720,415</u>
General Fund	25,720,415	25,720,415

Department Request: The Department request the release of restrictions on their FY 2008-09 appropriations based on the Department's FY 2007-08 overexpenditures.

Staff Recommendation: Staff recommends the Department's request.

Background

In order to close the state books each fiscal year, the State Controller may authorize departments to over-expend their appropriations within certain limits if approved by the Governor (Section 24-75-109, C.R.S.). Because of the entitlement nature of the Medicaid program, the Medicaid line items are provided with **unlimited** over-expenditure authority as long as the over-expenditure are consistent with the statutory provisions of the Medicaid program. Therefore, most of the Department's line items are allowed unlimited over-expenditure authority.

Whenever an over-expenditure occurs, the State Controller is instructed to "*restrict, in an amount equal to said over-expenditure, the corresponding items or items of appropriation that are made in the general appropriation act for the fiscal year following the fiscal year for which the overexpenditure that is allowed occurs.*" The restriction on the current year appropriation is lifted if the General Assembly approves a supplemental for the prior year over-expenditure during the next Legislative Session. This restriction allows the JBC to review the reasons for over-expenditures and to decide if the over-expenditure could have been avoided with better management of the appropriation or if the over-expenditure occurred as a result of an unforeseen event or forecast error.

The statute also provides that an appropriation for an over-expenditure in the Medicaid program not be counted against the six percent appropriation limit for the General Fund (Section 24-75-109 (5), C.R.S.). Typically, when an over-expenditure in the Medicaid program occurs, the General Assembly passes an "after the fiscal year end close supplemental" for the previous year in order to lift the restriction against the current year appropriation. The "after the fiscal year end close supplemental" is not counted against the previous year's six percent limit (since the appropriation is provided after the books are closed). However, the current year's six percent limit (in this case FY 2008-09) is adjusted upward by the amount of the over-expenditure plus six percent.

Department FY 2007-08 General Fund Over-expenditure

For FY 2007-08, HCPF had line items where the General Fund was over-expended and other line items where General Fund reverted. Table 1 on the following page shows the General Fund over-expenditures and reversions summarized at the Department's division level. Table 1 below shows the Department's over-expenditures in FY 2007-08.

Table 1: Department Over-Expenditures and Reversions -- General Fund Only					
Division	Over-expenditure (under-forecasted)	Reversion (over-forecasted)	Net Total	% of Final Spending Authority	
Executive Director's Office	\$0	\$666,521	\$666,521	2.03%	
Medical Services					
Premiums	(\$23,119,872)	\$0	(\$23,119,872)	-2.27%	
Mental Health Programs	(\$2,347,326)	\$124,768	(\$2,222,558)	-2.40%	
Indigent Care Programs ¹	\$0	\$8,315	\$8,315	0.02%	
Other Medical Services	\$0	\$30	\$30	0.00%	
<u>DHS-Administered Programs</u>	<u>(\$253,217)</u>	<u>\$5,661,363</u>	<u>\$5,408,146</u>	<u>3.00%</u>	
Total HCPF	(\$25,720,415)	\$6,460,997	(\$19,259,418)	-1.33%	
Roll forward Authority			<u>\$271,968</u>		
Total Net Spending over Total Appropriations (Controller's Report)			(\$18,987,450)		

Staff recommends that the Committee include the following appropriations in the Supplemental Bill.

"SECTION X. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of health care policy and financing, for the fiscal year beginning July 1, 2007, the sum of twenty-three million one hundred nineteen thousand eight hundred seventy-two dollars (\$23,119,872), or so much thereof as may be necessary for the payment of overexpenditures of line item appropriations contained in Part V (2) of section 2 of chapter 466, Session Laws of Colorado 2007, as amended by section 1 of chapter 455 and by section 10 of chapter 474, Session laws of Colorado 2008. In accordance with section 24-75-109 (4) (a), Colorado Revised Statutes, all restrictions on funds for medical services premiums, department of health care policy and financing, for the 2007-08 fiscal year, shall be released.

SECTION X. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of health care policy and financing, for the fiscal year beginning July 1, 2007, the sum of two million three hundred forty-seven thousand three hundred twenty-six dollars (\$2,347,326), or so much thereof as may be necessary for the payment of overexpenditures of line item appropriations contained in Part V (3) of

section 2 of chapter 466, Session Laws of Colorado 2007, as amended by section 1 of chapter 455 and by section 10 of chapter 474, Session Laws of Colorado 2008. In accordance with section 24-75-109 (4) (a), Colorado Revised Statutes, all restrictions on funds for medicaid mental health community programs, department of health care policy and financing, for the 2007-08 fiscal year, shall be released.

SECTION X. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of health care policy and financing, for the fiscal year beginning July 1, 2007, the sum of two hundred fifty-three thousand two hundred seventeen dollars (\$253,217), or so much thereof as may be necessary for the payment of overexpenditures of line item appropriations contained in Part V (6) of section 2 of chapter 466, Session Laws of Colorado 2007, as amended by section 1 of chapter 455 and by section 10 of chapter 474, Session Laws of Colorado 2008. In accordance with section 24-75-109 (4) (2) Colorado Revised Statutes, all restrictions on funds for department of human services medicaid-funded programs, mental health and alcohol and drug abuse services-medicare funding, department of health care policy and financing, for the 2007-08 fiscal year, shall be released."

**Supplemental Request, Previously Approved 1331 Supplemental
FY 2007-08 Appropriation for MMA State Contribution Payment**

Department of Health Care Policy and Financing Medicare Modernization Act of 2003 State Contribution Payment	
FY 2007-08	Recommendation
Total	<u>(\$744,208)</u>
General Fund	(744,208)

General Fund Appropriation into Controlled Maintenance Trust Fund	
FY 2007-08	Recommendation
Total	<u>\$326,990</u>
General Fund	326,990

For Information Purposes Only: The Committee approved this supplemental in June 2008.

In June 2008, the Committee approved a negative supplemental for the Medicare Modernization Act State Contribution Payment based on the actual amount of expenditures through June 2008. At that time the appropriation Committee also instructed staff to make a General Fund appropriation into the Controlled Maintenance Trust Fund in the amount of the General Fund reduction taken from all Committee approved actions on June 20, 2008. In the Committee's June 23, 2008 letter the Controller, the Committee authorized the Controller to increase the General Fund appropriation into the Controlled Maintenance Trust Fund by \$1,071,198 in FY 2007-08. This action was authorized in order to maintain

statewide General Fund appropriations at the 6.0 percent limit. However, this letter overstated the General Fund actions taken on June 20, 2008. The JBC staff corrected this amount in a letter sent to the Controller on September 22, 2008. The increase to the General Fund appropriations into the Controlled Maintenance Trust Fund for FY 2007-08 should have been \$326,990.

**Supplemental Request, Previously Approved 1331 Supplemental
FY 2007-08 Appropriation for Medical Services Premiums Line Item
Closure of Grand Oaks Care Center**

FY 2007-08	Recommendation
Total	<u>\$466,523</u>
Cash Funds	466,523

For Information Purposes Only: The Committee approved this supplemental in June 2008.

This supplemental was associated with the costs of relocating Medicaid clients from the Grand Oaks nursing facility located in Lakewood to other appropriate facilities. The Grand Oaks nursing facility lost their provider agreement for Medicare and Medicaid clients due to health and safety issues. Under federal law (Title XIX of the Social Security Act, Section 1819 (h) (4)), the Department was obligated to ensure the safe and orderly transfer of these clients to appropriate facilities. The appropriation was from the Nursing Home Penalty Cash Fund

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
Executive Director - Joan Henneberry					
Supplemental #1 - Medical Services Premiums Base Adjustments					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>103,340,095</u>	<u>139,459,675</u>	<u>2,461,557,274</u>
General Fund	714,806,487	703,222,480	30,263,531	69,724,397	772,946,877
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	20,353,409	(1,165,438)	84,115,886
CFE/Reappropriated Funds	72,252,413	2,767,998	41,194	41,194	2,809,192
Federal Funds	1,122,725,905	1,161,825,797	52,681,961	70,859,522	1,232,685,319
*Staff's recommendation is a placeholder recommendation and may change based on the Department's February 15th Supplemental Request. However, unlike past years, staff recommends that this issue be included in the 1st round supplemental bill.					
*Note Staff does not include the conditional clause for H.B. 08-1114 in the current appropriation or in her staff recommendation. The Department includes the impact from H.B. 08-1114 in their numbers. If H.B. 08-1114 is implemented in April, then the Department's supplemental is only \$91.5 million instead of the \$103.3 million indicated above.					
Supplemental #2 - Medicaid Community Mental Health Programs Base Adjustments					
<i>Medicaid Mental Health Community Programs</i>					
<i>(A) Mental Health Capitation Payments</i>	<u>196,011,033</u>	<u>207,799,886</u>	<u>4,262,471</u>	<u>7,896,754</u>	<u>215,696,640</u>
General Fund	94,172,151	96,906,217	1,192,004	2,306,692	99,212,909
Cash Funds	0	6,976,195	938,214	1,640,296	8,616,491
CFE/Reappropriated Funds	4,311,729	7,205	443	202	7,407
Federal Funds	97,527,153	103,910,269	2,131,810	3,949,564	107,859,833

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>Medicaid Mental Health Community Programs</i>					
<i>(B) Other Medicaid Mental Health Payments</i>					
<i>Medicaid Mental Health Fee for Services</i>					
<i>Payments</i>	<u>1,335,736</u>	<u>1,585,270</u>	<u>(148,115)</u>	<u>(148,115)</u>	1,437,155
General Fund	667,868	792,635	(74,057)	(74,057)	718,578
Federal Funds	667,868	792,635	(74,058)	(74,058)	718,577
Total for Supplemental #2	<u>197,346,769</u>	<u>209,385,156</u>	<u>4,114,356</u>	<u>7,748,639</u>	<u>217,133,795</u>
General Fund	94,840,019	97,698,852	1,117,947	2,232,635	99,931,487
Cash Funds	0	6,976,195	938,214	1,640,296	8,616,491
CFE/Reappropriated Funds	4,311,729	7,205	443	202	7,407
Federal Funds	98,195,021	104,702,904	2,057,752	3,875,506	108,578,410
*Staff's recommendation is a placeholder recommendation and may change based on the Department's February 15th Supplemental Request. However, unlike past years, staff recommends that this issue be included in the 1st round supplemental bill.					
Supplemental #3 - Children's Basic Health Plan					
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Trust Fund</i>	<u>6,671,262</u>	<u>406,045</u>	<u>(57,183)</u>	<u>(375,717)</u>	<u>30,328</u>
General Fund	4,736,447	0	0	0	0
Cash Funds	283,367	406,045	(57,183)	(375,717)	30,328
CFE/Reappropriated Funds	1,651,448	0	0	0	0

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Premium Costs</i>	<u>104,684,790</u>	<u>154,739,207</u>	<u>(23,374,872)</u>	<u>(23,374,872)</u>	<u>131,364,335</u>
Cash Funds	0	54,390,220	(8,534,805)	(8,216,271)	46,173,949
CFE/Reappropriated Funds	36,823,865	30,328	318,534	0	30,328
Federal Funds	67,860,925	100,318,659	(15,158,601)	(15,158,601)	85,160,058
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Dental Benefit</i>					
<i>Costs</i>	<u>8,715,754</u>	<u>12,450,809</u>	<u>(1,763,681)</u>	<u>(1,763,681)</u>	<u>10,687,128</u>
Cash Funds	0	4,357,783	(617,288)	(617,288)	3,740,495
CFE/Reappropriated Funds	3,050,514	0	0	0	0
Federal Funds	5,665,240	8,093,026	(1,146,393)	(1,146,393)	6,946,633
Total for Supplemental #3	<u>120,071,806</u>	<u>167,596,061</u>	<u>(25,195,736)</u>	<u>(25,514,270)</u>	<u>142,081,791</u>
General Fund	4,736,447	0	0	0	0
Cash Funds	283,367	59,154,048	(9,209,276)	(9,209,276)	49,944,772
CFE/Reappropriated Funds	41,525,827	30,328	318,534	0	30,328
Federal Funds	73,526,165	108,411,685	(16,304,994)	(16,304,994)	92,106,691
*Staff's recommendation is a placeholder recommendation and may change based on the Department's February 15th Supplemental Request. However, unlike past years, staff recommends that this issue be included in the 1st round supplemental bill.					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #4 - MMA State Contribution Payment					
<i>Other Medical Services</i>					
<i>Medicare Modernization Act State</i>					
<i>Contribution Payment</i>	<u>71,350,801</u>	<u>81,155,195</u>	<u>776,991</u>	<u>955,878</u>	<u>82,111,073</u>
General Fund	71,350,801	81,155,195	776,991	955,878	82,111,073
*Staff's recommendation is a placeholder recommendation and may change based on the Department's February 15th Supplemental Request. However, unlike past years, staff recommends that this issue be included in the 1st round supplemental bill.					
Supplemental #5 -- Release of FY 2007-08 Overexpenditures -- See Attached FY 2007-08 Number Pages					
Supplemental #6 - Supplemental Medicare Insurance Benefit & MMA State Contribution Payment Financing					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>3,176,846</u>	<u>3,176,846</u>	<u>2,325,274,445</u>
General Fund	714,806,487	703,222,480	3,176,846	3,176,846	706,399,326
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	0	0	85,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	0	0	1,161,825,797
<i>Other Medical Services</i>					
<i>MMA State Contribution Payment</i>	<u>71,350,801</u>	<u>81,155,195</u>	<u>(6,827,682)</u>	<u>0</u>	<u>81,155,195</u>
General Fund	71,350,801	81,155,195	(6,827,682)	0	81,155,195

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #6	<u>2,308,635,606</u>	<u>2,403,252,794</u>	<u>(3,650,836)</u>	<u>3,176,846</u>	<u>2,406,429,640</u>
General Fund	786,157,288	784,377,675	(3,650,836)	3,176,846	787,554,521
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	0	0	85,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	0	0	1,161,825,797
Supplemental #7 -- Adjustment to Prior Year Fund Splits					
<i>Executive Director's Office</i>					
<i>General Administration</i>					
<i>Personal Services</i>	<u>20,382,113</u>	<u>19,251,491</u>	<u>0</u>	<u>0</u>	<u>19,251,491</u>
FTE	243.8	272.7	0.0	0.0	272.7
General Fund	8,021,372	7,994,379	(19,879)	(19,879)	7,974,500
Cash Funds	0	731,501	19,879	19,879	751,380
CFE/Reappropriated Funds	2,328,843	1,557,401	0	0	1,557,401
Federal Funds	10,031,898	8,968,210	0	0	8,968,210
<i>Executive Director's Office</i>					
<i>General Administration</i>					
<i>Operating Expenses</i>	<u>980,465</u>	<u>1,833,478</u>	<u>0</u>	<u>0</u>	<u>1,833,478</u>
General Fund	469,925	882,945	(333)	(333)	882,612
Cash Funds	0	23,307	333	333	23,640
CFE/Reappropriated Funds	24,209	13,377	0	0	13,377
Federal Funds	486,331	913,849	0	0	913,849

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	0	0	<u>2,322,097,599</u>
General Fund	714,806,487	703,222,480	(709,066)	0	703,222,480
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	0	0	85,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	709,066	0	1,161,825,797
<i>DHS Medicaid-Funded Programs</i>					
<i>Division of Child Welfare - Medicaid Funding</i>					
<i>Child Welfare Services</i>	<u>13,778,035</u>	<u>18,773,007</u>	0	0	<u>18,773,007</u>
General Fund	6,889,018	9,386,504	31,789	0	9,386,504
Federal Funds	6,889,017	9,386,503	(31,789)	0	9,386,503
<i>DHS Medicaid-Funded Programs</i>					
<i>Services to People with Disabilities, Community Services for DD</i>					
<i>Program Costs</i>	<u>262,895,206</u>	<u>300,903,609</u>	0	0	<u>300,903,609</u>
General Fund	130,322,250	149,835,764	1,140,253	0	149,835,764
Cash Funds	0	583,199	0	0	583,199
CFE/Reappropriated Funds	517,583	0	0	0	0
Federal Funds	132,055,373	150,484,646	(1,140,253)	0	150,484,646

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>DHS Medicaid-Funded Programs</i>					
<i>Services to People with Disabilities, Community Services for DD</i>					
<i>Regional Centers</i>	<u>44,884,700</u>	<u>46,137,930</u>	<u>0</u>	<u>0</u>	<u>46,137,930</u>
General Fund	21,602,305	22,089,464	38,815	0	22,089,464
CFE/Reappropriated Funds	821,668	979,501	0	0	979,501
Federal Funds	22,460,727	23,068,965	(38,815)	0	23,068,965
<i>DHS Medicaid-Funded Programs</i>					
<i>Other Contractual Services</i>					
<i>Federal Disallowance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,210,857</u>	<u>1,210,857</u>
General Fund	0	0	0	1,210,857	1,210,857
Total for Supplemental #7	<u>2,580,205,324</u>	<u>2,708,997,114</u>	<u>0</u>	<u>1,210,857</u>	<u>2,710,207,971</u>
FTE	243.8	272.7	0.0	0.0	272.7
General Fund	882,111,357	893,411,536	481,579	1,190,645	894,602,181
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	86,619,331	20,212	20,212	86,639,543
CFE/Reappropriated Funds	75,944,716	5,318,277	0	0	5,318,277
Federal Funds	1,294,649,251	1,354,647,970	(501,791)	0	1,354,647,970

*JBC Staff recommendation has a pending item -- that may be included in the March 2009 Supplemental Adjustments if federal waiver is approved.

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #8 -- Additional Medicaid Reimbursement to DH Medical Center					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>6,060,298</u>	<u>6,060,298</u>	<u>2,328,157,897</u>
General Fund	714,806,487	703,222,480	0	0	703,222,480
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	3,030,149	3,030,149	88,311,473
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	3,030,149	3,030,149	1,164,855,946
Supplemental #9 -- Left Intentionally Blank					
Supplemental #10 -- Left Intentionally Blank					
Supplemental #11 -- Nursing Facility Audits to Implement HB 08-1114					
<i>Exectuive Director's Office</i>					
<i>Provider Audits and Services</i>					
<i>Professional Audit Contracts</i>	<u>0</u>	<u>1,708,700</u>	<u>144,600</u>	<u>144,600</u>	<u>1,853,300</u>
General Fund	0	854,350	0	72,300	926,650
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	72,300	0	0
CFE/Reappropriated Funds	0	0	0	0	0
Federal Funds	0	854,350	72,300	72,300	926,650
<i>Reduce Controlled Maintenance Trust Fund</i>					
General Fund	0	321,561	0	(72,300)	249,261

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #12 -- Reallocation of the Health Care Services Fund					
<i>Indigent Care Program</i>					
<i>CH, Clinic-Based Indigent Care</i>	<u>26,291,760</u>	<u>26,291,760</u>	<u>738,000</u>	<u>738,000</u>	<u>27,029,760</u>
General Fund	3,059,880	3,059,880	0	0	3,059,880
CFE/Reappropriated Funds	10,086,000	10,086,000	369,000	369,000	10,455,000
Federal Funds	13,145,880	13,145,880	369,000	369,000	13,514,880
<i>Indigent Care Program</i>					
<i>Health Care Services Fund Program</i>	<u>11,053,421</u>	<u>9,828,000</u>	<u>(738,000)</u>	<u>(738,000)</u>	<u>9,090,000</u>
CFE/Reappropriated Funds	4,914,000	4,914,000	(369,000)	(369,000)	4,545,000
Federal Funds	6,139,421	4,914,000	(369,000)	(369,000)	4,545,000
Total for Supplemental #12	<u>37,345,181</u>	<u>36,119,760</u>	<u>0</u>	<u>0</u>	<u>36,119,760</u>
General Fund	3,059,880	3,059,880	0	0	3,059,880
Cash Funds Exempt	15,000,000	15,000,000	0	0	15,000,000
Federal Funds	19,285,301	18,059,880	0	0	18,059,880

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #13 -- Adjust Cash Flow for Integrated Care Delivery Model					
<i>Indigent Care Program</i>					
<i>Comprehensive Primary and Preventative</i>					
<i>Grants Program</i>	<u>4,130,465</u>	<u>6,459,236</u>	<u>(3,286,155)</u>	<u>(3,286,155)</u>	<u>3,173,081</u>
Cash Funds	0	6,459,236	(3,286,155)	(3,286,155)	3,173,081
CFE/Reappropriated Funds	4,130,465	0	0	0	0
<i>Indigent Care Program</i>					
<i>Comprehensive Primary and Preventative</i>					
<i>Care Rural & Public Hospitals Payment</i>	<u>0</u>	<u>0</u>	<u>6,572,310</u>	<u>6,572,310</u>	<u>6,572,310</u>
Cash Funds	0	0	3,286,155	3,286,155	3,286,155
Federal Funds	0	0	3,286,155	3,286,155	3,286,155
Total for Supplemental #13	<u>4,130,465</u>	<u>6,459,236</u>	<u>3,286,155</u>	<u>3,286,155</u>	<u>9,745,391</u>
Cash Funds	0	6,459,236	0	0	6,459,236
CFE/Reappropriated Funds	4,130,465	0	0	0	0
Federal Funds	0	0	3,286,155	3,286,155	3,286,155

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #14 -- Eliminate Colorado Cares Program					
TOTAL -- Several Line Items	<u>52,811,679</u>	<u>74,911,863</u>	<u>(3,918,036)</u>	<u>(3,918,036)</u>	<u>70,993,827</u>
FTE	243.8	272.7	(3.8)	(3.8)	268.9
General Fund	17,966,563	22,737,685	6,655	6,655	22,744,340
General Fund Exempt	0	0	0	0	0
Cash Funds	0	10,372,487	(3,931,345)	(3,931,345)	6,441,142
CFE/Reappropriated Funds	8,602,336	1,680,237	0	0	1,680,237
Federal Funds	26,242,780	40,121,454	6,654	6,654	40,128,108
Supplemental #15 -- Reduce Funding for Administrative Case Management (See Also Human Services Number Pages)					
<i>Executive Director's Office</i>					
<i>(D) Eligibility Determinations & Client Services</i>					
<i>Administrative Case Management</i>	<u>3,714,209</u>	<u>2,917,528</u>	<u>(2,377,785)</u>	<u>(2,377,784)</u>	<u>539,744</u>
General Fund	1,857,105	1,458,764	(1,188,892)	(1,188,892)	269,872
Federal Funds	1,857,104	1,458,764	(1,188,893)	(1,188,892)	269,872
<i>See also DHS Number Pages for Impact to Department of Human Services.</i>					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #16 -- Revised Implementation of SB 06-145 Local Government Provider Fee					
<i>Indigent Care Program</i>					
<i>S.B. 06-145 Inpatient Provider Fee</i>	<u>0</u>	<u>2,154,322</u>	<u>(2,154,322)</u>	<u>(2,154,322)</u>	<u>0</u>
Cash Funds	0	1,077,161	(1,077,161)	(1,077,161)	0
Federal Funds	0	1,077,161	(1,077,161)	(1,077,161)	0
<i>Indigent Care Program</i>					
<i>S.B. 06-145 Outpatient Provider Fee</i>	<u>0</u>	<u>3,051,374</u>	<u>(3,051,374)</u>	<u>(3,051,374)</u>	<u>0</u>
Cash Funds	0	1,525,687	(1,525,687)	(1,525,687)	0
Federal Funds	0	1,525,687	(1,525,687)	(1,525,687)	0
Total for Supplemental #16	<u>0</u>	<u>5,205,696</u>	<u>(5,205,696)</u>	<u>(5,205,696)</u>	<u>0</u>
Cash Funds	0	2,602,848	(2,602,848)	(2,602,848)	0
Federal Funds	0	2,602,848	(2,602,848)	(2,602,848)	0
Supplemental #17 -- Left Blank					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #18 -- Suspend Outreach Efforts					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>(1,856,040)</u>	<u>0</u>	<u>2,322,097,599</u>
General Fund	714,806,487	703,222,480	(928,020)	0	703,222,480
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	0	0	85,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	(928,020)	0	1,161,825,797
<i>Medicaid Mental Health Community Programs</i>					
<i>(A) Mental Health Capitation Payments</i>	<u>196,011,033</u>	<u>207,799,886</u>	<u>(190,926)</u>	<u>0</u>	<u>207,799,886</u>
General Fund	94,172,151	96,906,217	(95,463)	0	96,906,217
Cash Funds	0	6,976,195	0	0	6,976,195
CFE/Reappropriated Funds	4,311,729	7,205	0	0	7,205
Federal Funds	97,527,153	103,910,269	(95,463)	0	103,910,269
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Trust Fund</i>	<u>6,671,262</u>	<u>406,045</u>	<u>(10,452)</u>	<u>0</u>	<u>406,045</u>
General Fund	4,736,447	0	0	0	0
Cash Funds	283,367	406,045	(10,452)	0	406,045
CFE/Reappropriated Funds	1,651,448	0	0	0	0
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Administration</i>	<u>5,514,804</u>	<u>154,739,207</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>154,139,207</u>
Cash Funds	0	54,390,220	(230,430)	(230,430)	54,159,790
CFE/Reappropriated Funds	2,466,584	30,328	0	0	30,328
Federal Funds	3,048,220	100,318,659	(369,570)	(369,570)	99,949,089

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Premium Costs</i>	<u>104,684,790</u>	<u>154,739,207</u>	<u>(3,270,700)</u>	0	<u>154,739,207</u>
Cash Funds	0	54,390,220	(1,141,086)	0	54,390,220
CFE/Reappropriated Funds	36,823,865	30,328	(10,452)	0	30,328
Federal Funds	67,860,925	100,318,659	(2,119,162)	0	100,318,659
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Dental Benefit</i>					
<i>Costs</i>	<u>8,715,754</u>	<u>12,450,809</u>	<u>(320,180)</u>	0	<u>12,450,809</u>
Cash Funds	0	4,357,783	(112,063)	0	4,357,783
CFE/Reappropriated Funds	3,050,514	0	0	0	0
Federal Funds	5,665,240	8,093,026	(208,117)	0	8,093,026
Total for Supplemental #18	<u>2,558,882,448</u>	<u>2,852,232,753</u>	<u>(6,248,298)</u>	<u>(600,000)</u>	<u>2,851,632,753</u>
General Fund	813,715,085	800,128,697	(1,023,483)	0	800,128,697
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	283,367	205,801,787	(1,494,031)	(230,430)	205,571,357
CFE/Reappropriated Funds	120,556,553	2,835,859	(10,452)	0	2,835,859
Federal Funds	1,296,827,443	1,474,466,410	(3,720,332)	(369,570)	1,474,096,840

*Please note that all staff recommendations for caseload changes for the Medicaid Program are contained in Supplemental #1 & #2.
All staff recommendations for caseload changes for the Children's Basic Health Plan are contained in Supplemental #3.

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #19 -- Left Intentionally Blank.					
Supplemental #20 -- Delay Managed Care Payments					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>(14,102,731)</u>	0	<u>2,322,097,599</u>
General Fund	714,806,487	703,222,480	(7,051,366)	0	703,222,480
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	(141,293)	0	85,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	(6,910,072)	0	1,161,825,797
<i>Medicaid Mental Health Community Programs</i>					
<i>(A) Mental Health Capitation Payments</i>	<u>196,011,033</u>	<u>207,799,886</u>	<u>(17,671,864)</u>	0	<u>207,799,886</u>
General Fund	94,172,151	96,906,217	(8,281,593)	0	96,906,217
Cash Funds	0	6,976,195	(553,587)	0	6,976,195
CFE/Reappropriated Funds	4,311,729	7,205	0	0	7,205
Federal Funds	97,527,153	103,910,269	(8,836,684)	0	103,910,269
Total for Supplemental #20	<u>2,433,295,838</u>	<u>2,529,897,485</u>	<u>(31,774,595)</u>	0	<u>2,529,897,485</u>
General Fund	808,978,638	800,128,697	(15,332,959)	0	800,128,697
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	92,257,519	(694,880)	0	92,257,519
CFE/Reappropriated Funds	76,564,142	2,775,203	0	0	2,775,203
Federal Funds	1,220,253,058	1,265,736,066	(15,746,756)	0	1,265,736,066

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #21 -- Reduce Pediatric Specialty Hospital Fund					
<i>Indigent Care Program</i>					
<i>Pediatric Specialty Hospital</i>					
General Fund	8,439,487	12,865,212	(4,000,000)	(4,000,000)	8,865,212
Cash Funds	3,551,000	5,551,000	(2,000,000)	(2,000,000)	3,551,000
CFE/Reappropriated Funds	0	386,606	0	0	386,606
Federal Funds	664,586	495,000	0	0	495,000
	4,223,901	6,432,606	(2,000,000)	(2,000,000)	4,432,606
Supplemental #22 -- Postpone Implementation of S.B. 08-006					
<i>Executive Director's Office</i>					
<i>Information Technology Contracts & Projects</i>					
<i>Information Technology Contracts</i>					
General Fund	0	24,094,147	(298,495)	(298,495)	23,795,652
Cash Funds	0	5,499,078	(74,624)	(74,624)	5,424,454
CFE/Reappropriated Funds	0	1,881,903	0	0	1,881,903
Federal Funds	0	100,328	0	0	100,328
	0	16,612,838	(223,871)	(223,871)	16,388,967
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Office of Information</i>					
<i>CBMS</i>					
General Fund	8,716,020	8,129,122	(94,092)	(94,092)	8,035,030
Cash Funds	3,951,370	3,790,698	(44,079)	(44,079)	3,746,619
CFE/Reappropriated Funds	0	26,490	(5,629)	(5,629)	20,861
Federal Funds	586,457	477,358	0	0	477,358
	4,178,193	3,834,576	(44,384)	(44,384)	3,790,192

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #22	<u>8,716,020</u>	<u>32,223,269</u>	<u>(392,587)</u>	<u>(392,587)</u>	<u>31,830,682</u>
General Fund	3,951,370	9,289,776	(118,703)	(118,703)	9,171,073
Cash Funds	0	1,908,393	(5,629)	(5,629)	1,902,764
CFE/Reappropriated Funds	586,457	577,686	0	0	577,686
Federal Funds	4,178,193	20,447,414	(268,255)	(268,255)	20,179,159
Supplemental #23 -- Delay Implementation of CBHP Expansion to 225%					
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Trust Fund</i>	<u>6,671,262</u>	<u>406,045</u>	<u>(9,145)</u>	<u>(9,145)</u>	<u>396,900</u>
General Fund	4,736,447	0	0	0	0
Cash Funds	283,367	406,045	(9,145)	(9,145)	396,900
CFE/Reappropriated Funds	1,651,448	0	0	0	0
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Premium Costs</i>	<u>104,684,790</u>	<u>154,739,207</u>	<u>(2,861,863)</u>	<u>(2,861,863)</u>	<u>151,877,344</u>
Cash Funds	0	54,390,220	(998,451)	(998,451)	53,391,769
CFE/Reappropriated Funds	36,823,865	30,328	(9,145)	(9,145)	21,183
Federal Funds	67,860,925	100,318,659	(1,854,267)	(1,854,267)	98,464,392
<i>Indigent Care Program</i>					
<i>Children's Basic Health Plan Dental Benefit</i>					
<i>Costs</i>	<u>8,715,754</u>	<u>12,450,809</u>	<u>(280,158)</u>	<u>(280,158)</u>	<u>12,170,651</u>
Cash Funds	0	4,357,783	(98,055)	(98,055)	4,259,728
CFE/Reappropriated Funds	3,050,514	0	0	0	0
Federal Funds	5,665,240	8,093,026	(182,103)	(182,103)	7,910,923

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #23	<u>120,071,806</u>	<u>167,596,061</u>	<u>(3,151,166)</u>	<u>(3,151,166)</u>	<u>164,444,895</u>
General Fund	4,736,447	0	0	0	0
Cash Funds	283,367	59,154,048	(1,105,651)	(1,105,651)	58,048,397
CFE/Reappropriated Funds	41,525,827	30,328	(9,145)	(9,145)	21,183
Federal Funds	73,526,165	108,411,685	(2,036,370)	(2,036,370)	106,375,315
Supplemental #24 -- Adjust Outpatient Hospital Cost to Charge Ratio					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>(2,308,430)</u>	<u>(2,308,430)</u>	<u>2,319,789,169</u>
General Fund	714,806,487	703,222,480	(1,113,942)	(1,113,942)	702,108,538
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	(40,218)	(40,218)	85,241,106
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	(1,154,270)	(1,154,270)	1,160,671,527
Supplemental #25 -- Provider Rate Reductions					
<i>Executive Director's Office</i>					
<i>Eligibility Determinations and Client Services</i>					
<i>County Administration</i>	<u>31,449,101</u>	<u>27,203,133</u>	<u>(833,333)</u>	<u>(833,333)</u>	<u>26,369,800</u>
General Fund	9,475,266	8,248,943	(416,667)	(416,667)	7,832,276
Cash Funds	0	5,452,981	0	0	5,452,981
CFE/Reappropriated Funds	6,249,284	0	0	0	0
Federal Funds	15,724,551	13,501,209	(416,666)	(416,666)	13,084,543

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>(13,219,374)</u>	<u>(12,321,753)</u>	<u>2,309,775,846</u>
General Fund	714,806,487	703,222,480	(5,734,384)	(5,629,678)	697,592,802
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	(76,742)	(531,199)	84,750,125
CFE/Reappropriated Funds	72,252,413	2,767,998	(950,000)	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	(6,458,248)	(6,160,876)	1,155,664,921
<i>Medicaid Mental Health Community Programs</i>					
<i>(A) Mental Health Capitation Payments</i>	<u>196,011,033</u>	<u>207,799,886</u>	<u>(2,120,624)</u>	<u>(2,242,553)</u>	<u>205,557,333</u>
General Fund	94,172,151	96,906,217	(989,119)	(1,031,496)	95,874,721
Cash Funds	0	6,976,195	(71,193)	(89,584)	6,886,611
CFE/Reappropriated Funds	4,311,729	7,205	0	(77)	7,128
Federal Funds	97,527,153	103,910,269	(1,060,312)	(1,121,396)	102,788,873
Total for Supplemental #25	<u>2,464,744,939</u>	<u>2,557,100,618</u>	<u>(16,173,331)</u>	<u>(15,397,639)</u>	<u>2,541,702,979</u>
General Fund	818,453,904	808,377,640	(7,140,170)	(7,077,841)	801,299,799
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	97,710,500	(147,935)	(620,783)	97,089,717
CFE/Reappropriated Funds	82,813,426	2,775,203	(950,000)	(77)	2,775,126
Federal Funds	1,235,977,609	1,279,237,275	(7,935,226)	(7,698,938)	1,271,538,337

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #26 -- Hiring Freeze Reduction					
<i>Executive Director's Office</i>					
<i>General Administration</i>					
<i>General Professional Services & Special Prj.</i>	0	2,443,584	(716,397)	(716,397)	1,727,187
General Fund	0	1,099,292	(333,199)	(333,199)	766,093
Cash Funds	0	62,500	0	0	62,500
Federal Funds	0	1,281,792	(383,198)	(383,198)	898,594
 <i>Executive Director's Office</i>					
<i>Eligibility Determinations and Client Services</i>					
<i>Contracts for Special Eligibility</i>					
<i>Determinations</i>	0	2,410,994	(100,000)	(100,000)	2,310,994
General Fund	0	913,610	(25,000)	(25,000)	888,610
Cash Funds	0	30,854	0	0	30,854
Federal Funds	0	1,466,530	(75,000)	(75,000)	1,391,530
 <i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>2,321,597,599</u>
General Fund	714,806,487	703,222,480	(250,000)	(250,000)	702,972,480
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	0	0	85,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	(250,000)	(250,000)	1,161,575,797

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #26	<u>2,237,284,805</u>	<u>2,326,952,177</u>	<u>(1,316,397)</u>	<u>(1,316,397)</u>	<u>2,325,635,780</u>
General Fund	714,806,487	705,235,382	(608,199)	(608,199)	704,627,183
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,374,678	0	0	85,374,678
CFE/Reappropriated Funds	72,252,413	2,767,998	0	0	2,767,998
Federal Funds	1,122,725,905	1,164,574,119	(708,198)	(708,198)	1,163,865,921
Supplemental #27 -- Reduction -- Operating Expenses					
<i>Executive Director's Office</i>					
<i>General Administration</i>					
<i>Operating Expenses</i>	<u>980,465</u>	<u>1,833,478</u>	<u>(225,256)</u>	<u>(225,256)</u>	<u>1,608,222</u>
General Fund	469,925	882,945	(112,628)	(112,628)	770,317
Cash Funds	0	23,307	0	0	23,307
CFE/Reappropriated Funds	24,209	13,377	0	0	13,377
Federal Funds	486,331	913,849	(112,628)	(112,628)	801,221
Supplemental #28 - Supplemental Medicare Insurance Benefit and MMA State Contribution Payment					
This supplemental has been combined into Supplemental #6 -- since this was a correction to supplemental #6.					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
SUBTOTAL HCPF Prioritized Supplemental Requests FY 2008-09					
SUBTOTAL -- Department Prioritized Supplemental Request	<u>3,520,564,455</u>	<u>3,354,838,408</u>	<u>11,784,346</u>	<u>97,635,687</u>	<u>3,452,474,095</u>
FTE	243.8	272.7	(3.8)	(3.8)	268.9
General Fund	1,136,295,940	957,759,906	356,891	65,139,151	1,022,899,057
General Fund Exempt	327,990,885	369,495,000	0	0	369,495,000
Cash Funds	1,014,757	371,145,530	5,182,471	(14,220,961)	356,924,569
CFE/Reappropriated Funds	344,818,432	24,071,299	(609,426)	32,174	24,103,473
Federal Funds	1,710,444,441	1,632,366,673	6,854,410	46,685,323	1,679,051,996
<i>Reduce Controlled Maintenance Trust Fund</i>					
General Fund	0	321,561	0	(72,300)	249,261
Total General Fund Impact			356,891	65,066,851	

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Non-prioritized Supplementals -- Staff Initiated Supplemental					
JBC Staff - S #1 -- Reduce CBMS Medical Assistance Project					
<i>Executive Director's Office</i>					
<i>Information Technology Contracts & Projects</i>					
<i>CBMS Medical Assistance Project</i>	<u>0</u>	<u>5,300,000</u>	<u>0</u>	<u>(3,739,000)</u>	<u>1,561,000</u>
General Fund	0	2,536,236	0	(1,789,243)	746,993
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
CFE/Reappropriated Funds	0	0	0	0	0
Federal Funds	0	2,763,764	0	(1,949,757)	814,007
<hr/>					
JBC Staff - S #2 -- Refinance Treatment Costs with PEDT Fund					
<i>Medical Services Premiums</i>					
<i>Medical Services Premiums</i>	<u>2,237,284,805</u>	<u>2,322,097,599</u>	<u>103,340,095</u>	<u>0</u>	<u>2,322,097,599</u>
General Fund	714,806,487	703,222,480	30,263,531	(2,000,000)	701,222,480
General Fund Exempt	327,500,000	369,000,000	0	0	369,000,000
Cash Funds	0	85,281,324	20,353,409	2,000,000	87,281,324
CFE/Reappropriated Funds	72,252,413	2,767,998	41,194	0	2,767,998
Federal Funds	1,122,725,905	1,161,825,797	52,681,961	0	1,161,825,797

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Non-prioritized Supplementals -- With Pending Action or Action Recorded in Separate JBC Staff Write-up					
Subtotal for Supplemental Shown Only (Does not Break-Out By Line Item. For Line Item Break-out See Other JBC Staff Write-ups)					
1331 Supplemental #1 -- CBMS New Vendor Transition -- Approved September 22, 2008 -- Revised January 27th					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>(B) Office of Information Technology Services - Medicaid Funding</i>					
<i>Colorado Benefits Management System</i>	<u>8,716,020</u>	<u>8,129,122</u>	<u>867,750</u>	<u>867,750</u>	<u>8,996,872</u>
General Fund	3,951,370	3,790,698	406,512	0	3,790,698
General Fund Exempt	0	0	0	0	0
Cash Funds	0	26,353	47,425	458,425	484,778
CFE/Reappropriated Funds	586,457	477,495	4,488	0	477,495
Federal Funds	4,178,193	3,834,576	409,325	409,325	4,243,901
<hr/>					
JBC Staff Initiated Supplementals to CBMS (in the JBC Staff presentation on January 27th, several other CBMS issues were present)					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>(B) Office of Information Technology Services - Medicaid Funding</i>					
<i>Colorado Benefits Management System</i>	<u>8,716,020</u>	<u>8,129,122</u>	<u>0</u>	<u>0</u>	<u>8,129,122</u>
General Fund	3,951,370	3,790,698	0	pending	3,790,698
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	26,353	0	pending	26,353
CFE/Reappropriated Funds	586,457	477,495	0	pending	477,495
Federal Funds	4,178,193	3,834,576	0	pending	3,834,576

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental NP#1 -- DPHE - Adjustment of Medicaid Funding for CDPHE Survey & Certification					
<i>Executive Director's Office</i>					
<i>(B) Transfers to Other Departments</i>					
<i>Transfer to DPHE for Survey & Certification</i>	<u>4,052,138</u>	<u>4,932,027</u>	0	pending	<u>4,932,027</u>
General Fund	1,040,488	1,300,605	58,116	pending	1,300,605
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	0	pending	0
CFE/Reappropriated Funds	0	0	0	pending	0
Federal Funds	3,011,650	3,631,422	(58,116)	pending	3,631,422
Supplemental NP#2 -- Not Submitted					
Supplemental NP#3 -- DHS - Regional Center Staffing High Needs Clients					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Multiple line items</i>	<u>47,754,099</u>	<u>60,564,648</u>	<u>862,594</u>	pending	<u>60,564,648</u>
General Fund	23,037,005	29,230,595	431,297	pending	29,230,595
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	0	pending	0
CFE/Reappropriated Funds	821,668	979,889	0	pending	979,889
Federal Funds	23,895,426	30,354,164	431,297	pending	30,354,164

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental NP #4 -- DHS - Technical Supplemental					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Multiple line items</i>	<u>1,973,464</u>	<u>1,458,122</u>	<u>0</u>	<u>pending</u>	<u>1,458,122</u>
General Fund	962,976	704,947	(1)	pending	704,947
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	24,114	pending	0
CFE/Reappropriated Funds	23,757	0	0	pending	0
Federal Funds	986,731	753,175	(24,113)	pending	753,175
Supplemental NP #5 -- DHS - CBMS Federal Reallocation					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>(B) Office of Information Technology Services - Medicaid Funding</i>					
<i>CBMS Federal Reallocation</i>	<u>823,628</u>	<u>0</u>	<u>974,393</u>	<u>pending</u>	<u>0</u>
General Fund	0	0	0	pending	0
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	0	pending	0
CFE/Reappropriated Funds	0	0	0	pending	0
Federal Funds	823,628	0	974,393	pending	0
Supplemental NP #6 through NP #8 -- Not Submitted					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental NP #9 - DHS - CBMS Refinancing					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Multiple line items</i>	<u>8,766,262</u>	<u>8,180,840</u>	<u>933,301</u>	pending	<u>8,180,840</u>
General Fund	3,974,141	3,814,926	0	pending	3,814,926
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	26,490	218,619	pending	26,490
CFE/Reappropriated Funds	589,595	480,452	0	pending	480,452
Federal Funds	4,202,526	3,858,972	714,682	pending	3,858,972
Supplemental NP #10 - DHS - Child Welfare					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Child Welfare Services</i>	<u>13,778,035</u>	<u>18,773,007</u>	<u>(259,341)</u>	pending	<u>18,773,007</u>
General Fund	6,889,018	9,386,504	(129,670)	pending	9,386,504
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	0	pending	0
CFE/Reappropriated Funds	0	0	0	pending	0
Federal Funds	6,889,017	9,386,503	(129,671)	pending	9,386,503
Supplemental NP #11 - DHS - Fee For Services versus Bundled Billing					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>DD Program Costs</i>	<u>262,895,206</u>	<u>300,903,609</u>	<u>(5,294,920)</u>	pending	<u>300,903,609</u>
General Fund	130,322,250	149,835,764	(2,647,460)	pending	149,835,764
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	583,199	0	pending	583,199
CFE/Reappropriated Funds	517,583	0	0	pending	0
Federal Funds	132,055,373	150,484,646	(2,647,460)	pending	150,484,646

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental NP #12 - DHS - Vacancy Savings due to Systematic Client Turnover					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>DD Program Costs</i>	<u>262,895,206</u>	<u>300,903,609</u>	<u>(1,668,362)</u>	pending	<u>300,903,609</u>
General Fund	130,322,250	149,835,764	(834,181)	pending	149,835,764
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	583,199	0	pending	583,199
CFE/Reappropriated Funds	517,583	0	0	pending	0
Federal Funds	132,055,373	150,484,646	(834,181)	pending	150,484,646
Supplemental NP #13 - DHS - DD FY 2007-08 Roll Forward					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>DD Program Costs</i>	<u>262,895,206</u>	<u>300,903,609</u>	<u>(5,057,748)</u>	pending	<u>300,903,609</u>
General Fund	130,322,250	149,835,764	(2,528,874)	pending	149,835,764
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	583,199	0	pending	583,199
CFE/Reappropriated Funds	517,583	0	0	pending	0
Federal Funds	132,055,373	150,484,646	(2,528,874)	pending	150,484,646
Supplemental NP #14 - DHS - New Resource Underutilization					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>DD Program Costs</i>	<u>262,895,206</u>	<u>300,903,609</u>	<u>(3,329,990)</u>	pending	<u>300,903,609</u>
General Fund	130,322,250	149,835,764	(1,664,995)	pending	149,835,764
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	583,199	0	pending	583,199
CFE/Reappropriated Funds	517,583	0	0	pending	0
Federal Funds	132,055,373	150,484,646	(1,664,995)	pending	150,484,646

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental NP #15 - DHS - Hiring Freeze Savings					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Multiple Line Items</i>	<u>5,738,692</u>	<u>17,333,756</u>	<u>(149,071)</u>	pending	<u>17,333,756</u>
General Fund	2,869,347	8,594,650	(74,536)	pending	8,594,650
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	0	pending	0
CFE/Reappropriated Funds	0	388	0	pending	388
Federal Funds	2,869,345	8,738,718	(74,535)	pending	8,738,718
Supplemental NP #16 - DHS - Regional Center Staffing High Need Clients					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Multiple Line Items</i>	<u>47,754,099</u>	<u>60,564,648</u>	<u>(862,594)</u>	pending	<u>60,564,648</u>
General Fund	23,037,005	29,230,595	(431,297)	pending	29,230,595
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	0	0	pending	0
CFE/Reappropriated Funds	821,668	979,889	0	pending	979,889
Federal Funds	23,895,426	30,354,164	(431,297)	pending	30,354,164
Supplemental NP #17 through NP #18 -- Not Submitted					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental NP #19 - DPHE - Hiring Freeze Savings					
<i>Executive Director's Office</i>					
<i>Transfers to Other Departments</i>					
<i>DPHE Facility for Survey & Certification</i>	4,052,138	4,932,027	(6,361)	(6,361)	4,932,027
General Fund	1,040,488	1,300,605	(1,907)	(1,907)	1,298,698
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
CFE/Reappropriated Funds	0	0	0	0	0
Federal Funds	3,011,650	3,631,422	(4,454)	(4,454)	3,626,968
Supplemental NP #20 - DHS - Provider Rate Reduction					
<i>Department of Human Services Medicaid-Funded Programs</i>					
<i>Multiple Line Items</i>	278,657,463	322,561,889	(1,566,723)	pending	322,561,889
General Fund	138,203,379	160,664,905	(783,362)	pending	160,664,905
General Fund Exempt	0	0	0	pending	0
Cash Funds	0	583,199	0	pending	583,199
CFE/Reappropriated Funds	517,583	0	0	pending	0
Federal Funds	139,936,501	161,313,785	(783,361)	pending	161,313,785

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
SUBTOTAL Non-Prioritized Supplemental Requests with Pending Action or Action Recorded In Separate JBC Staff Packet					
SUBTOTAL -- Non-Prioritized Supplemental Requests with Pending Action or Action Recorded in Separate Staff Doc.	<u>3,520,564,455</u>	<u>3,354,838,408</u>	<u>(15,424,822)</u>	pending	<u>3,354,838,408</u>
General Fund	1,136,295,940	957,759,906	(8,606,870)	pending	957,759,906
General Fund Exempt	327,990,885	369,495,000	0	pending	369,495,000
Cash Funds	1,014,757	371,145,530	242,733	pending	371,145,530
CFE/Reappropriated Funds	344,818,432	24,071,299	0	pending	24,071,299
Federal Funds	1,710,444,441	1,632,366,673	(7,060,685)	pending	1,632,366,673
Non-prioritized Supplementals -- COMMON POLICY / CENTRALIZED APPROPRIATED LINE ITEMS ONLY					
(As of January 20th -- staff was not aware of the impacts for any common policy supplemental requests).					

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
TOTAL FY 2008-09 Supplemental Requests					
Department Totals	<u>3,520,564,455</u>	<u>3,354,838,408</u>	<u>(2,772,726)</u>	<u>93,824,387</u>	<u>3,448,662,795</u>
FTE	243.8	272.7	(3.8)	(3.8)	268.9
General Fund	1,136,295,940	957,759,906	(7,843,467)	61,277,608	1,019,037,514
General Fund Exempt	327,990,885	369,495,000	0	0	369,495,000
Cash Funds	1,014,757	371,145,530	5,472,629	(12,220,961)	358,924,569
CFE/Reappropriated Funds	344,818,432	24,071,299	(604,938)	32,174	24,103,473
Federal Funds	1,710,444,441	1,632,366,673	203,050	44,735,566	1,677,102,239

*JBC Staff Recommendation contains only those recommendations contained in this packet to be part of the 1st round supplemental bill or special bills. The totals do not include recommendations that are contained in other JBC staff supplemental write-ups unless otherwise noted.

	FY 2007-08	FY 2008-09	Fiscal Year 2008-09 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF HUMAN SERVICES					
Executive Director - Karen L. Beye					
HCPF Supplemental #15 (DHS NP-HCPF-2) - Reduce Funding for Administrative Case Management					
<i>Division of Child Welfare</i>					
Child Welfare Services	<u>337,446,740</u>	<u>351,124,654</u>	<u>580,299</u>	<u>580,299</u>	<u>351,704,953</u>
General Fund	168,846,941	179,710,637	580,299	580,299	180,290,936
General Fund Exempt	0	0	0	0	0
Cash Funds	0	57,588,959	0	0	57,588,959
CFE/Reappropriated Funds	75,949,417	18,773,007	0	0	18,773,007
Federal Funds	92,650,382	95,052,051	0	0	95,052,051
<i>Division of Child Welfare</i>					
Family and Children's Program	<u>46,094,857</u>	<u>45,081,257</u>	<u>608,593</u>	<u>608,593</u>	<u>45,689,850</u>
General Fund	38,896,453	37,774,876	608,593	608,593	38,383,469
General Fund Exempt	0	0	0	0	0
Cash Funds	0	5,213,955	0	0	5,213,955
CFE/Reappropriated Funds	5,136,901	0	0	0	0
Federal Funds	2,061,503	2,092,426	0	0	2,092,426
Total for Supplemental #15	<u>383,541,597</u>	<u>396,205,911</u>	<u>1,188,892</u>	<u>1,188,892</u>	<u>397,394,803</u>
General Fund	207,743,394	217,485,513	1,188,892	1,188,892	218,674,405
General Fund Exempt	0	0	0	0	0
Cash Funds	0	62,802,914	0	0	62,802,914
Cash Funds Exempt	81,086,318	18,773,007	0	0	18,773,007
Federal Funds	94,711,885	97,144,477	0	0	97,144,477

HCPF Supplemental #22 - Delay Implementation of S.B. 08-006

Office of Information Technology Services

CBMS	<u>24,646,499</u>	<u>23,312,145</u>	<u>0</u>	<u>(271,080)</u>	<u>23,041,065</u>
FTE	43.4	47.1	0.0	0.0	47.1
General Fund	3,878,767	3,641,922	0	(42,546)	3,599,376
Cash Funds	1,951,276	1,887,716	0	(21,754)	1,865,962
CFE/Reappropriated Funds	8,521,201	8,091,647	0	(94,092)	7,997,555
Federal Funds	10,295,255	9,690,860	0	(112,688)	9,578,172
					0

Does not include supplementals related to requests from the Department of Human Services	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
Joan Henneberry -- Director

Emergency Supplemental # 1 - Close Grand Oaks Care Center (Nursing Facility)

Medical Services Premiums

Medical Services Premiums	<u>2,061,396,808</u>	<u>2,199,430,240</u>	<u>466,523</u>	<u>466,523</u>	<u>2,199,896,763</u>
General Fund	633,377,714	693,147,345	0	0	693,147,345
General Fund Exempt	343,100,000	327,500,000	0	0	327,500,000
Cash Funds	0	0	466,523	466,523	466,523
Cash Funds Exempt	48,860,206	76,548,470	0	0	76,548,470
Federal Funds	1,036,058,888	1,102,234,425	0	0	1,102,234,425

Total for Supplemental #1

<i>Indigent Care Program -- Multiple Line Items</i>	<u>2,061,396,808</u>	<u>2,199,430,240</u>	<u>466,523</u>	<u>466,523</u>	<u>2,199,896,763</u>
General Fund	633,377,714	693,147,345	0	0	693,147,345
General Fund Exempt	343,100,000	327,500,000	0	0	327,500,000
Cash Funds	0	0	466,523	466,523	466,523
Cash Funds Exempt	48,860,206	76,548,470	0	0	76,548,470
Federal Funds	1,036,058,888	1,102,234,425	0	0	1,102,234,425

Emergency Supplemental # 2 - Adjust Medicare Modernization Act State Contribution Payment

Other Medical Services

Medicare Modernization Act State Contribution

Payment	<u>72,494,301</u>	<u>72,095,010</u>	<u>(554,908)</u>	<u>(744,208)</u>	<u>71,350,802</u>
General Fund	72,494,301	72,095,010	(554,908)	(744,208)	71,350,802

Total for Supplemental #2

<i>Other Medical Services</i>	<u>72,494,301</u>	<u>72,095,010</u>	<u>(554,908)</u>	<u>(744,208)</u>	<u>71,350,802</u>
General Fund	72,494,301	72,095,010	(554,908)	(744,208)	71,350,802

Does not include supplementals related to requests from the Department of Human Services	FY 2006-07	FY 2007-08	Fiscal Year 2007-08 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Totals -- FY 2007-08					
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING					
TOTALS for ALL Departmental line items	3,258,509,821	3,338,839,093	466,523	(277,685)	3,338,561,408
FTE	<u>213.4</u>	<u>231.8</u>	<u>0.0</u>	<u>0.0</u>	<u>231.8</u>
General Fund	1,004,214,799	1,036,844,134	(554,908)	(744,208)	1,036,099,926
General Fund Exempt	361,611,470	343,616,036	0	0	343,616,036
Cash Funds	741,183	684,480	466,523	466,523	1,151,003
Cash Funds Exempt	334,001,337	356,470,768	0	0	356,470,768
Federal Funds	1,557,941,032	1,601,223,675	0	0	1,601,223,675
Appropriate General Fund Into the Controlled Maintenance Trust Fund to Maintain 6.0 Percent Appropriation Limit					
Totals -- FY 2007-08					
CONTROLLED MAINTENANCE TRUST FUND	N/A	N/A	<u>554,908</u>	<u>326,990</u>	
General Fund			554,908	326,990	

**JBC Staff January Supplemental
10 Year History and Staff Recommendation for FY 2008-09**

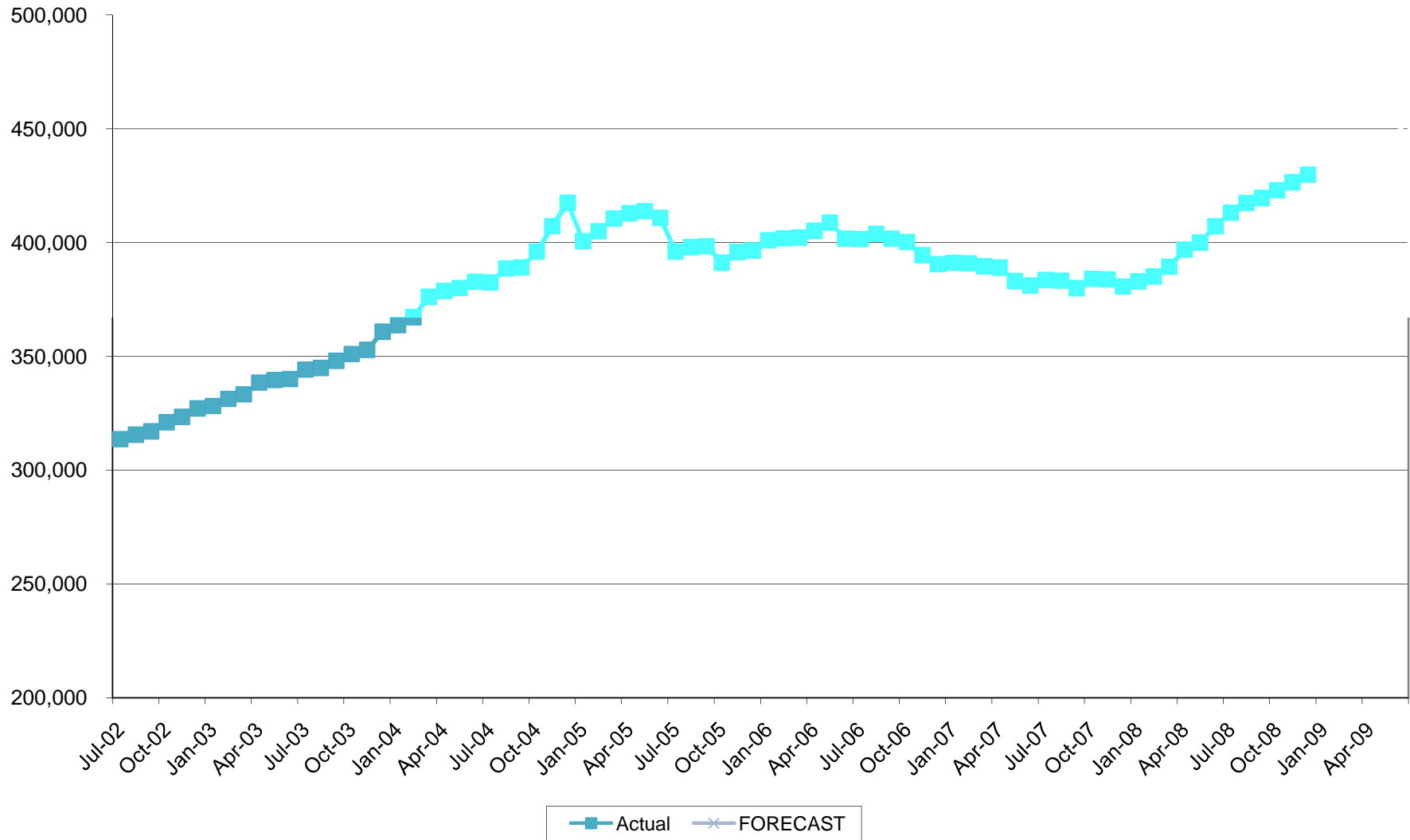
Nonretroactive Medicaid Caseload

	SSI 65	SSI 60-64	QMB/ SLIMB	SSI Disabled	Low Income Adults	Expansion Adults	Baby Care Adults	BCCTP	Eligible Children	Foster Care	Non- Citizens	Total
FY 95-96	31,321	4,261	3,937	44,736	36,690	0	7,223	0	113,439	8,376	4,100	254,083
FY 96-97	32,080	4,429	4,316	46,090	33,250	0	5,476	0	110,586	8,261	4,610	249,098
% Change from Previous Year	2.42%	3.94%	9.63%	3.03%	-9.38%	n/a	-24.19%	n/a	-2.52%	-1.37%	12.44%	-1.96%
FY 97-98	32,664	4,496	4,560	46,003	27,179	0	4,295	0	103,912	10,453	5,032	238,594
% Change from Previous Year	1.82%	1.51%	5.65%	-0.19%	-18.26%	n/a	-21.57%	n/a	-6.04%	26.53%	9.15%	-4.22%
FY 98-99	33,007	4,909	6,104	46,310	22,852	0	5,017	0	102,074	11,526	5,799	237,598
% Change from Previous Year	1.05%	9.19%	33.86%	0.67%	-15.92%	n/a	16.81%	n/a	-1.77%	10.26%	15.24%	-0.42%
FY 99-00	33,135	5,092	7,597	46,386	23,515	0	6,174	0	109,816	12,474	9,065	253,254
% Change from Previous Year	0.39%	3.73%	24.46%	0.16%	2.90%	n/a	23.06%	n/a	7.58%	8.22%	56.32%	6.59%
FY 00-01	33,649	5,157	8,157	46,046	27,081	0	6,561	0	123,221	13,076	12,451	275,399
% Change from Previous Year	1.55%	1.28%	7.37%	-0.73%	15.16%	n/a	6.27%	n/a	12.21%	4.83%	37.35%	8.74%
FY 01-02	33,916	5,184	8,428	46,349	33,347	0	7,131	0	143,909	13,121	4,028	295,413
% Change from Previous Year	0.79%	0.52%	3.32%	0.66%	23.14%	n/a	8.69%	n/a	16.79%	0.34%	-67.65%	7.27%
FY 02-03	34,485	5,456	8,949	46,378	40,021	0	7,579	46	166,537	13,843	4,101	327,395
% Change from Previous Year	1.68%	5.25%	6.18%	0.06%	20.01%	n/a	6.28%	n/a	15.72%	5.50%	1.81%	10.83%
FY 03-04	34,149	5,528	9,787	46,565	46,754	0	8,203	103	192,048	14,790	4,604	362,531
% Change from Previous Year	-0.97%	1.32%	9.36%	0.40%	16.82%	n/a	8.23%	n/a	15.32%	6.84%	12.27%	10.73%
FY 04-05	35,615	6,103	9,572	47,626	56,453	0	6,110	86	220,592	15,669	4,976	402,802
% Change from Previous Year	4.29%	10.40%	-2.20%	2.28%	20.74%	n/a	-25.52%	n/a	14.86%	5.94%	8.08%	11.11%
FY 05-06	36,219	6,048	11,012	47,565	57,747	0	5,050	188	213,600	16,311	5,959	399,705
% Change from Previous Year	1.70%	-0.90%	15.04%	-0.13%	2.29%	n/a	-17.35%	n/a	-3.17%	4.10%	19.75%	-0.77%
FY 06-07	35,977	6,042	12,818	48,567	51,361	4,974	5,123	230	206,170	16,601	5,214	393,077
% Change from Previous Year	-0.67%	-0.10%	16.40%	2.11%	-11.06%	n/a	1.45%	n/a	-3.48%	1.78%	-12.50%	-1.66%
FY 07-08 ACTUAL	36,063	6,116	14,130	49,662	44,234	8,627	6,108	270	201,800	17,014	4,044	388,068
% Change from Previous Year	0.24%	1.22%	10.24%	2.25%	-13.88%	n/a	19.23%	n/a	-2.12%	2.49%	-22.44%	-1.27%
FY 2007-08 REBASE	36,284	6,146	14,214	49,933	44,555	8,918	6,288	270	204,022	17,141	4,191	391,962
% Change from Previous Year	0.85%	1.72%	10.89%	2.81%	-13.25%	79.29%	22.74%	17.39%	-1.04%	3.25%	-19.62%	-0.28%
FY 08-09 Current Appropriation	36,278	6,216	15,068	50,123	41,667	9,629	6,028	301	193,484	18,858	3,738	381,390
% Change from Previous ACTUAL	0.60%	1.64%	6.64%	0.93%	-5.80%	n/a	-1.31%	n/a	-4.12%	10.84%	-7.57%	-1.72%
FY 08-09 Rebase/New Forecast	37,483	6,368	15,172	51,263	48,328	12,514	6,922	301	231,030	18,003	4,030	431,413
% Change from Previous Rebase	3.31%	3.61%	6.74%	2.66%	8.47%	40.32%	10.08%	11.48%	13.24%	5.03%	-3.84%	10.07%

JBC Staff Caseload Forecast January 2009
BASE FORECAST WITHOUT ANY POLICY ADJUSTMENTS

	SSI 65	SSI 60-64	Partial Dual Eligibles	SSI Disabled	Low Income Adults	Expansion Low-Income Adults	Baby Care Adults	BCCTP	Children	Foster Children	Non- Citizens	Total
FY 2005-06 ACTUAL	36,219	6,048	11,012	47,565	57,747	0	5,050	188	213,600	16,311	5,959	399,699
FY 2006-07 ACTUAL	35,977	6,042	12,818	48,567	51,361	4,974	5,123	230	206,170	16,601	5,214	393,077
FY 2007-08 Final Appropriation	35,790	6,098	14,086	49,565	43,972	8,567	5,895	271	198,500	16,940	3,972	383,656
FY 2007-08 ACTUAL	36,063	6,116	14,130	49,662	44,234	8,627	6,108	270	201,800	17,014	4,044	388,068
FY 2007-08 REBASE	36,284	6,146	14,214	49,933	44,555	8,918	6,288	270	204,022	17,141	4,191	391,961
Current FY 2008-09 Appropriation												
Traditional Medicaid	35,466	6,100	15,068	48,688	35,645	0	5,768	218	173,338	17,307	3,738	341,336
Legal Immigrants	812	116	0	700	676	0	260	0	856	92	0	3,512
Expansion Medicaid	0	0	0	735	5,346	9,629	0	83	19,290	1,459	0	36,542
TOTAL CASELOAD	36,278	6,216	15,068	50,123	41,667	9,629	6,028	301	193,484	18,858	3,738	381,390
Staff March 08 Rec.	36,028	6,201	15,055	50,111	43,091	10,527	6,510	301	200,169	18,351	3,968	390,312
Revised FY 2008-09 (JBC Staff January Estimate)												
Traditional Medicaid	36,671	6,252	15,172	49,828	41,853	0	6,662	200	207,221	16,452	4,030	384,340
Legal Immigrants	812	116	0	700	676	0	260	0	856	92	0	3,512
Amendment 35 Expansion	0	0	0	735	5,799	12,514	0	101	22,953	1,459	0	43,561
TOTAL CASELOAD	37,483	6,368	15,172	51,263	48,328	12,514	6,922	301	231,030	18,003	4,030	431,413
% Growth from rebase	3.30%	3.60%	6.74%	2.66%	8.47%	40.32%	10.09%	11.62%	13.24%	5.03%	-3.84%	10.07%
YTD AVERAGE	37,321	6,347	14,909	51,001	46,503	11,725	6,996	285	224,607	17,827	4,037	421,558
Department 11/01/09 Forecast												
TOTAL CASELOAD	37,155	6,257	15,202	50,582	45,161	11,950	7,353	285	225,209	17,968	4,529	421,651
Staff - Department Forecast												
Total Caseload	166	111	(30)	681	3,167	564	(431)	16	5,821	35	(499)	9,762

Medicaid Total Caseload And Forecast for Remainder of FY 2008-09



Caseload and Cost History -- JBC Document

Total Caseload and Cost History by Aid Category

	SSI 65	SSI 60-64	QMB/SLIMB	SSI Disabled	Low Income Adults	BC Adults	BCCTP	Exp. Adults	Eligible Children	Foster Care	Non-Citizens	Total
Medicaid Caseload												
FY 95-96	31,321	4,261	3,937	44,736	36,690	7,223	0	0	113,439	8,376	4,100	254,083
FY 96-97	32,080	4,429	4,316	46,090	33,250	5,476	0	0	110,586	9,261	4,610	250,098
FY 97-98	32,664	4,496	4,560	46,003	27,179	4,295	0	0	103,912	10,453	5,032	238,594
FY 98-99	33,007	4,909	6,104	46,310	22,852	5,017	0	0	102,074	11,526	5,799	237,598
FY 99-00	33,135	5,092	7,597	46,386	23,515	6,174	0	0	109,816	12,474	9,065	253,254
FY 00-01	33,649	5,157	8,157	46,046	27,081	6,561	0	0	123,221	13,076	12,451	275,399
FY 01-02	33,916	5,184	8,428	46,349	33,347	7,131	0	0	143,909	13,121	4,028	295,413
FY 02-03 original history	34,485	5,456	8,949	46,378	40,021	7,579	46	0	166,537	13,843	4,101	327,395
FY 03-04 original history	34,149	5,528	9,787	46,565	46,754	8,203	103	0	192,048	14,790	4,604	362,531
FY 04-05 original history	35,615	6,103	9,572	47,626	56,453	6,110	86	0	220,592	15,669	4,976	402,802
FY 05-06 original history	36,219	6,048	11,012	47,565	57,754	5,050	188	0	213,600	16,311	5,959	399,705
FY 06-07 original history	35,977	6,042	12,818	48,567	51,361	5,123	230	4,974	206,170	16,601	5,214	393,077
FY 07-08 original history	36,044	6,116	14,130	49,662	44,234	6,108	270	8,627	201,800	17,014	4,044	388,049
FY 08-09 Cur App.	36,278	6,216	15,068	50,123	41,667	6,028	301	9,629	193,484	18,858	3,738	381,390
FY 08-09 Staff Forecast	37,483	6,368	15,172	51,263	48,328	6,922	301	12,514	231,030	18,003	4,030	431,414

Acute Care Services

FY 95-96	\$65,490,832	\$20,813,888	\$1,498,645	\$215,076,923	\$95,568,690	\$42,767,829	\$0	\$0	\$142,105,656	\$20,002,990	\$13,792,970	\$617,118,423
FY 96-97	\$86,555,911	\$23,425,875	\$1,768,008	\$258,031,934	\$105,465,599	\$37,543,774	\$0	\$0	\$136,318,983	\$21,784,915	\$17,851,756	\$688,746,755
FY 97-98	\$90,855,859	\$24,711,381	\$1,405,971	\$258,958,421	\$82,369,107	\$28,942,845	\$0	\$0	\$142,788,816	\$22,102,057	\$18,549,901	\$670,684,358
FY 98-99	\$99,611,066	\$31,780,339	\$1,429,623	\$275,661,117	\$71,396,513	\$31,462,780	\$0	\$0	\$149,529,580	\$22,448,268	\$20,732,564	\$704,051,850
FY 99-00	\$109,773,578	\$36,614,227	\$1,899,206	\$316,945,087	\$80,784,239	\$33,518,472	\$0	\$0	\$169,546,536	\$27,431,418	\$29,667,057	\$806,179,820
FY 00-01	\$126,369,794	\$38,727,163	\$2,302,841	\$345,853,758	\$88,491,965	\$31,496,405	\$0	\$0	\$192,833,114	\$30,660,294	\$36,924,837	\$893,660,171
FY 01-02	\$131,835,670	\$37,856,289	\$2,145,037	\$349,368,303	\$104,039,520	\$33,937,796	\$0	\$0	\$220,491,735	\$33,156,728	\$39,367,016	\$952,198,094
FY 02-03	\$127,969,752	\$39,813,094	\$1,897,397	\$385,226,750	\$139,553,510	\$42,510,204	\$1,428,780	\$0	\$227,550,173	\$34,701,970	\$48,724,102	\$1,049,375,732
FY 03-04	\$135,135,551	\$46,255,115	\$2,089,094	\$414,667,649	\$182,959,373	\$63,256,861	\$2,668,858	\$0	\$231,893,695	\$41,981,745	\$55,128,970	\$1,176,036,911
FY 04-05	\$144,236,013	\$46,693,685	\$1,893,876	\$397,728,916	\$183,416,905	\$38,545,344	\$2,490,150	\$0	\$289,270,930	\$42,142,755	\$44,696,253	\$1,191,114,827
FY 05-06	\$119,353,131	\$45,562,871	\$2,068,100	\$395,096,174	\$194,256,325	\$39,291,425	\$6,809,762	\$0	\$304,607,787	\$44,535,020	\$55,307,090	\$1,206,887,685
FY 06-07	\$83,069,760	\$44,002,744	\$2,845,609	\$382,381,966	\$197,984,589	\$47,585,089	\$5,712,309	\$7,353,407	\$327,049,562	\$49,389,806	\$55,988,997	\$1,203,363,838
FY 07-08	\$91,090,497	\$50,360,206	\$3,330,605	\$449,938,999	\$188,767,403	\$53,476,246	\$7,089,560	\$18,945,426	\$360,437,875	\$58,933,895	\$53,633,575	\$1,336,004,287
FY 08-09 Cur App.	\$84,621,888	\$49,402,642	\$3,057,108	\$436,083,148	\$189,261,673	\$52,701,784	\$6,743,169	\$18,358,869	\$336,271,614	\$57,154,571	\$52,483,288	\$1,286,139,754
FY 08-09 Staff Forecast	\$100,690,468	\$54,736,089	\$3,036,079	\$493,146,387	\$213,449,411	\$59,957,893	\$6,831,853	\$21,935,266	\$409,174,946	\$61,016,506	\$60,120,497	\$1,484,095,393

Caseload and Cost History -- JBC Document

Total Caseload and Cost History by Aid Category

	SSI 65	SSI 60-64	QMB/SLIMB	SSI Disabled	Low Income Adults	BC Adults	BCCTP	Exp. Adults	Eligible Children	Foster Care	Non-Citizens	Total
Community Based Long-Term Care												
FY 95-96	\$23,914,044	\$2,421,317	\$28,593	\$15,693,871	\$169,696	\$0	\$0	\$0	\$13,802	\$2,051	\$0	\$42,243,374
FY 96-97	\$33,196,634	\$2,819,452	\$17,406	\$19,888,727	\$7,414	\$0	\$0	\$0	\$132,517	\$444,840	\$0	\$56,506,990
FY 97-98	\$37,156,766	\$3,246,682	\$21,537	\$23,055,275	\$15,700	\$14,436	\$0	\$0	\$135,551	\$649,676	\$0	\$64,295,623
FY 98-99	\$46,152,127	\$4,563,159	\$47,186	\$30,523,406	\$47,389	\$68	\$0	\$0	\$79,498	\$871,837	\$0	\$82,284,670
FY 99-00	\$59,932,681	\$5,511,069	\$115	\$29,301,508	\$29,479	\$0	\$0	\$0	\$21,258	\$21,723	\$0	\$94,817,833
FY 00-01	\$61,569,418	\$9,013,673	\$217	\$39,811,298	\$163,996	\$0	\$0	\$0	\$679,864	\$43,938	\$0	\$111,282,404
FY 01-02	\$85,928,541	\$7,399,415	\$44	\$42,961,368	\$84,265	\$0	\$0	\$0	\$21,694	\$36,905	\$0	\$136,432,232
FY 02-03	\$78,719,107	\$7,549,034	\$0	\$56,806,389	\$70,931	\$109	\$0	\$0	\$389,329	\$2,854,975	\$0	\$146,389,874
FY 03-04	\$85,726,658	\$8,298,496	\$1	\$61,272,991	\$167,620	\$0	\$0	\$0	\$213,385	\$3,044,165	\$0	\$158,723,316
FY 04-05	\$86,505,276	\$8,689,937	\$224	\$61,264,884	\$126,591	\$2,461	\$0	\$0	\$689,933	\$3,665,603	\$0	\$160,944,909
FY 05-06	\$95,295,727	\$12,130,404	\$41,208	\$71,302,410	\$150,551	\$0	\$0	\$0	\$529,206	\$4,121,260	\$0	\$183,570,766
FY 06-07	\$112,939,443	\$14,106,731	\$395,653	\$82,896,656	\$88,469	\$0	\$0	\$5,134	\$704,094	\$3,990,308	\$0	\$215,126,488
FY 07-08	\$124,223,596	\$16,355,186	\$920,663	\$94,673,894	\$113,310	\$0	\$0	\$8,054	\$590,675	\$4,856,637	\$0	\$241,742,015
FY 08-09	Cur app.	\$122,825,124	\$15,710,032	\$1,235,622	\$91,401,268	\$137,033	\$0	\$0	\$771,105	\$4,561,401	\$0	\$236,641,585
FY 08-09	Staff Forecast	\$132,242,006	\$18,247,374	\$322,484	\$114,625,126	\$48,630	\$0	\$0	\$300,302	\$5,735,896	\$0	\$271,521,818

Long Term Care and Insurance

FY 95-96	\$265,378,874	\$10,954,225	\$4,496,634	\$48,395,635	\$895,294	\$333,694	\$0	\$0	\$1,136,055	\$179,036	\$104,233	\$331,873,680
FY 96-97	\$314,390,400	\$10,909,968	\$4,778,071	\$52,329,969	\$110,037	\$5,162	\$0	\$0	\$18,773	\$121,330	\$2,331	\$382,666,041
FY 97-98	\$301,838,995	\$10,146,682	\$4,743,369	\$50,362,296	\$886,773	\$275,566	\$0	\$0	\$1,328,171	\$229,016	\$180,144	\$369,991,012
FY 98-99	\$316,477,042	\$11,814,875	\$4,743,222	\$53,765,594	\$785,668	\$328,015	\$0	\$0	\$1,516,010	\$250,598	\$215,866	\$389,896,890
FY 99-00	\$332,816,267	\$12,277,622	\$5,069,564	\$57,069,162	\$90,884	\$12,253	\$0	\$0	\$48,750	\$29,080	\$8,866	\$407,422,448
FY 00-01	\$331,336,749	\$12,824,839	\$5,523,571	\$61,708,777	\$102,744	\$7,417	\$0	\$0	\$41,469	\$41,752	\$5,514	\$411,592,832
FY 01-02	\$357,382,766	\$15,509,568	\$5,972,427	\$69,135,778	\$104,381	\$9,031	\$0	\$0	\$43,497	\$11,168	\$5,747	\$448,174,363
FY 02-03	\$362,124,520	\$16,815,129	\$6,037,874	\$70,719,059	\$121,987	\$11,580	\$0	\$0	\$55,287	\$9,301	\$10,530	\$455,905,267
FY 03-04	\$398,213,039	\$20,698,583	\$7,379,512	\$80,411,131	\$147,275	\$17,982	\$0	\$0	\$85,666	\$14,361	\$11,145	\$506,978,694
FY 04-05	\$404,700,124	\$24,095,846	\$9,029,704	\$81,341,062	\$202,034	\$15,329	\$0	\$0	\$73,026	\$12,242	\$9,501	\$519,478,868
FY 05-06	\$444,232,144	\$27,813,673	\$11,243,514	\$86,190,316	\$150,982	\$13,231	\$0	\$0	\$64,840	\$10,566	\$8,200	\$569,727,466
FY 06-07	\$466,369,276	\$29,974,318	\$13,749,798	\$96,639,946	\$148,220	\$3,133	\$0	\$0	\$9,795	\$651	\$0	\$606,895,137
FY 07-08	\$477,728,345	\$31,702,410	\$14,585,646	\$97,405,044	\$152,125	\$2,208	\$0	\$0	\$16,916	\$1,188	\$0	\$621,593,882
FY 08-09	Cur app.	\$486,944,368	\$31,352,984	\$14,315,091	\$100,339,477	\$154,731	\$3,785	\$0	\$11,833	\$786	\$0	\$633,123,055
FY 08-09	Staff Forecast	\$506,458,391	\$34,858,110	\$16,561,761	\$99,548,759	\$274,951	\$2,231	\$0	\$17,090	\$1,200	\$0	\$657,722,492

Caseload and Cost History -- JBC Document

Total Caseload and Cost History by Aid Category

	SSI 65	SSI 60-64	QMB/SLIMB	SSI Disabled	Low Income Adults	BC Adults	BCCTP	Exp. Adults	Eligible Children	Foster Care	Non-Citizens	Total
Service Management												
FY 04-05	\$15,149,728	\$1,042,839	\$788	\$4,685,739	\$170,842	\$24,807	\$421	\$0	\$572,844	\$90,444	\$8,512	\$21,746,964
FY 05-06	\$14,047,680	\$977,580	\$10,538	\$3,204,518	\$669,383	\$91,107	\$637	\$0	\$2,993,587	\$215,129	\$0	\$22,210,159
FY 06-07	\$15,044,147	\$1,061,392	\$33,778	\$3,437,617	\$595,410	\$100,020	\$2,053	\$1,000	\$2,533,150	\$243,385	\$0	\$23,051,952
FY 07-08	\$11,426,962	\$1,911,023	\$119,709	\$10,362,388	\$811,755	\$173,270	\$12,812	\$66,075	\$2,520,637	\$292,667	\$0	\$27,697,298
FY 08-09 Cur app.	\$18,632,679	\$1,382,802	\$41,701	\$4,895,723	\$1,049,834	\$185,311	\$14,257	\$995	\$3,238,276	\$360,984	\$0	\$29,802,563
FY 08-09 Staff Forecast	\$12,207,948	\$2,086,241	\$127,576	\$11,596,050	\$1,207,079	\$237,455	\$21,988	\$110,124	\$3,591,511	\$421,197	\$0	\$31,607,169

Total Expenditures (DOES NOT INCLUDE BOTTOM OF THE LINE FINANCING -- ONLY SERVICE COSTS)

FY 95-96	\$354,783,750	\$34,189,430	\$6,023,872	\$279,166,429	\$96,633,680	\$43,101,523	\$0	\$0	\$143,255,513	\$20,184,077	\$13,897,203	\$991,235,477
FY 96-97	\$434,142,945	\$37,155,295	\$6,563,485	\$330,250,630	\$105,583,050	\$37,548,936	\$0	\$0	\$136,470,273	\$22,351,085	\$17,854,087	\$1,127,919,786
FY 97-98	\$429,851,620	\$38,104,745	\$6,170,877	\$332,375,992	\$83,271,580	\$29,232,847	\$0	\$0	\$144,252,538	\$22,980,749	\$18,730,045	\$1,104,970,993
FY 98-99	\$462,240,235	\$48,158,373	\$6,220,031	\$359,950,117	\$72,229,570	\$31,790,863	\$0	\$0	\$151,125,088	\$23,570,703	\$20,948,430	\$1,176,233,410
FY 99-00	\$502,522,526	\$54,402,918	\$6,968,885	\$403,315,757	\$80,904,602	\$33,530,725	\$0	\$0	\$169,616,544	\$27,482,221	\$29,675,923	\$1,308,420,101
FY 00-01	\$519,275,961	\$60,565,675	\$7,826,629	\$447,373,833	\$88,758,705	\$31,503,822	\$0	\$0	\$193,554,447	\$30,745,984	\$36,930,351	\$1,416,535,407
FY 01-02	\$575,146,977	\$60,765,272	\$8,117,508	\$461,465,449	\$104,228,166	\$33,946,827	\$0	\$0	\$220,556,926	\$33,204,801	\$39,372,763	\$1,536,804,689
FY 02-03	\$568,813,379	\$64,177,257	\$7,935,271	\$512,752,198	\$139,746,428	\$42,521,893	\$1,428,780	\$0	\$227,994,789	\$37,566,246	\$48,734,632	\$1,651,670,873
FY 03-04	\$619,075,248	\$75,252,194	\$9,468,607	\$556,351,771	\$183,274,268	\$63,274,843	\$2,668,858	\$0	\$232,192,746	\$45,040,271	\$55,140,115	\$1,841,738,921
FY 04-05	\$650,591,141	\$80,522,307	\$10,924,592	\$545,020,601	\$183,916,372	\$38,587,941	\$2,490,571	\$0	\$290,606,733	\$45,911,044	\$44,714,266	\$1,893,285,568
FY 05-06	\$672,928,682	\$86,484,528	\$13,363,360	\$555,793,418	\$195,227,241	\$39,395,763	\$6,810,399	\$0	\$308,195,420	\$48,881,975	\$55,315,290	\$1,982,396,076
FY 06-07	\$677,422,626	\$89,145,185	\$17,024,838	\$565,356,185	\$198,816,688	\$47,688,242	\$5,714,362	\$7,359,541	\$330,296,601	\$53,624,150	\$55,988,997	\$2,048,437,415
FY 07-08	\$713,685,423	\$99,979,399	\$18,686,068	\$655,314,758	\$189,847,199	\$53,653,301	\$7,102,372	\$19,019,555	\$363,561,020	\$64,083,985	\$53,633,575	\$2,238,566,655
FY 08-09 Current App	\$713,024,059	\$97,848,459	\$18,649,521	\$632,719,616	\$190,603,272	\$52,890,881	\$6,757,426	\$18,359,864	\$340,292,829	\$62,077,742	\$52,483,288	\$2,185,706,956
FY 08-09 Staff Forecast	\$751,598,812	\$109,927,814	\$20,047,900	\$718,916,321	\$214,980,070	\$60,197,578	\$6,853,841	\$22,045,390	\$413,083,850	\$67,174,799	\$60,120,497	\$2,444,946,872

Cost Per Client (without bottom line financing -- service costs only)

FY 95-96	\$11,327.34	\$8,023.80	\$1,530.07	\$6,240.31	\$2,633.79	\$5,967.26	\$0.00	\$0.00	\$1,262.84	\$2,409.75	\$3,389.56	\$3,901.23
FY 96-97	\$13,533.13	\$8,389.09	\$1,520.73	\$7,165.34	\$3,175.43	\$6,857.00	\$0.00	\$0.00	\$1,234.06	\$2,413.46	\$3,872.90	\$4,509.91
FY 97-98	\$13,159.80	\$8,475.25	\$1,353.26	\$7,225.09	\$3,063.82	\$6,806.25	\$0.00	\$0.00	\$1,388.22	\$2,198.48	\$3,722.19	\$4,631.18
FY 98-99	\$14,004.31	\$9,810.22	\$1,019.01	\$7,772.62	\$3,160.75	\$6,336.63	\$0.00	\$0.00	\$1,480.54	\$2,045.00	\$3,612.42	\$4,950.52
FY 99-00	\$15,165.91	\$10,684.00	\$917.32	\$8,694.77	\$3,440.55	\$5,430.96	\$0.00	\$0.00	\$1,544.55	\$2,203.16	\$3,273.68	\$5,166.43
FY 00-01	\$15,432.14	\$11,744.36	\$959.50	\$9,715.80	\$3,277.53	\$4,801.68	\$0.00	\$0.00	\$1,570.79	\$2,351.33	\$2,966.06	\$5,143.57
FY 01-02	\$16,957.98	\$11,721.70	\$963.16	\$9,956.32	\$3,125.56	\$4,760.46	\$0.00	\$0.00	\$1,532.61	\$2,530.66	\$9,774.77	\$5,202.22
FY 02-03	\$16,494.52	\$11,762.69	\$886.72	\$11,055.94	\$3,491.83	\$5,610.49	\$31,060.43	\$0.00	\$1,369.03	\$2,713.74	\$11,883.60	\$5,044.89
FY 03-04	\$18,128.65	\$13,612.91	\$967.47	\$11,947.85	\$3,919.97	\$7,713.62	\$25,911.24	\$0.00	\$1,209.03	\$3,045.32	\$11,976.57	\$5,080.22
FY 04-05	\$18,267.34	\$13,193.89	\$1,141.31	\$11,443.76	\$3,257.87	\$6,315.54	\$28,960.13	\$0.00	\$1,317.39	\$2,930.06	\$8,985.99	\$4,700.29
FY 05-06	\$18,579.44	\$14,299.69	\$1,213.53	\$11,684.92	\$3,380.32	\$7,801.14	\$36,225.53	\$0.00	\$1,442.86	\$2,996.87	\$9,282.65	\$4,959.65
FY 06-07	\$18,829.33	\$14,754.25	\$1,328.20	\$11,640.75	\$3,870.97	\$9,308.66	\$24,845.05	\$1,479.60	\$1,602.06	\$3,230.18	\$10,738.20	\$5,211.29
FY 07-08	\$19,800.39	\$16,347.19	\$1,322.44	\$13,195.50	\$4,291.88	\$8,784.10	\$26,305.08	\$2,204.65	\$1,801.59	\$3,766.54	\$13,262.51	\$5,768.77
FY 08-09 Current App.	\$19,654.45	\$15,741.39	\$1,237.69	\$12,623.34	\$4,574.44	\$8,774.20	\$22,449.92	\$1,906.73	\$1,758.76	\$3,291.85	\$14,040.47	\$5,730.90
FY 08-09 Staff Forecast	\$20,051.73	\$17,262.53	\$1,321.37	\$14,024.08	\$4,448.35	\$8,696.56	\$22,770.24	\$1,761.66	\$1,788.01	\$3,731.31	\$14,918.24	\$5,667.29

JBC Staff FY 2008-09 Supplemental Document

	SSI 65 >	SSI 60 to 64	Partial Dual Eligibles	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	Noncitizens	TOTAL MEDICAID
FY 2007-08 Appropriation -- 2007 Session & 2008 Session -- History of APPROPRIATIONS & ACTUALS												
Caseload Forecast Appropriations												
FINAL FY 2007-08 Forecast	35,790	6,098	14,086	49,565	43,972	5,895	271	8,567	198,500	16,940	3,972	383,656
Actual FY 2007-08 Caseload	36,063	6,116	14,130	49,662	44,234	6,108	270	8,627	201,800	17,014	4,044	388,068
Difference	(273)	(18)	(44)	(97)	(262)	(213)	1	(60)	(3,300)	(74)	(72)	(4,412)
% Error	-0.76%	-0.30%	-0.31%	-0.20%	-0.60%	-3.61%	0.37%	-0.70%	-1.66%	-0.44%	-1.81%	-1.15%
Appropriation by Bill Source												
SB 07-239 -- Long Bill	730,737,943	99,834,628	16,999,041	604,734,235	172,642,107	47,270,186	7,096,877	25,530,366	331,956,019	60,417,309	46,967,141	2,144,185,852
SB 07-02	0	0	0	0	0	0	0	0	0	3,900,859	0	3,900,859
HB 07-1021	(132,176)	(33,929)	(69)	(275,464)	(65,470)	(2,903)	(6)	0	(69,466)	(45,198)	(122)	(624,803)
HB 07-1183	322,229	19,681	277	54,820	(9)	0	0	0	2	0	0	397,000
SB 08-230	(160,176)	(21,883)	(3,726)	(132,556)	(37,843)	(10,362)	(1,556)	(5,596)	(72,764)	(13,243)	(10,295)	(470,000)
HB 08-1285 (1st Supplemental)	2,288,431	1,036,118	245	3,161,300	223,426	21,570	0	0	508,622	202,468	5,103	7,447,284
HB 08-1373	0	0	0	0	0	0	0	0	0	0	0	0
HB 08-1375 (2nd Supplemental)	(19,721,712)	(2,511,304)	1,658,982	28,717,653	20,433,386	6,458,858	(335,831)	(7,090,861)	11,230,385	(2,140,725)	7,425,217	44,124,048
TOTAL FY 2007-08 FINAL APPROPRIATION	713,334,540	98,323,311	18,654,750	636,259,988	193,195,597	53,737,349	6,759,485	18,433,909	343,552,797	62,321,470	54,387,044	2,198,960,240
Emergency 1331 June Supplemental	466,523	0	0	0	0	0	0	0	0	0	0	466,523
DHS Accounting Adjustments	0	0	0	0	0	0	0	0	0	0	3,976	3,976
Final Expenditure Authority -- Before OE Sup.	713,801,063	98,323,311	18,654,750	636,259,988	193,195,597	53,737,349	6,759,485	18,433,909	343,552,797	62,321,470	54,391,020	2,199,430,739
FINAL APPROPRIATION BY SERVICE AREA AND BOTTOM OF THE LINE FINANCING												
ACUTE CARE SERVICES	84,621,888	49,402,642	3,057,108	436,083,148	189,261,673	52,701,784	6,743,169	18,358,869	336,271,614	57,154,571	52,483,288	1,286,139,754
COMMUNITY LONG-TERM CARE SERVICES	122,825,124	15,710,032	1,235,622	91,401,268	137,033	0	0	0	771,105	4,561,401	0	236,641,585
NURSING HOME CLASS 1	397,439,340	24,969,969	982,565	71,180,531	1,649	0	0	0	0	0	0	494,574,055
NURSING HOME CLASS 2	108,305	28,244	36,465	2,145,089	0	0	0	0	0	0	0	2,318,103
PACE	43,445,202	3,650,637	0	2,076,660	0	0	0	0	0	0	0	49,172,499
SPECIALIZED MEDICARE INSURANCE BENEFIT	45,949,350	2,679,501	13,296,061	24,085,994	150,657	0	0	0	0	0	0	86,161,563
HEALTH INSURANCE BENEFIT	2,171	24,632	0	851,201	2,426	3,785	0	0	11,833	786	0	896,835
SINGLE ENTRY POINTS	17,910,245	1,163,303	41,701	3,109,160	151	130	0	0	406	27	0	22,225,122
DISEASE MANAGEMENT	219,801	117,851	0	1,017,624	533,731	100,088	14,257	0	837,120	138,623	0	2,979,095
ASO PLAN ADMINISTRATION	502,633	101,648	0	768,939	515,953	85,094	0	995	2,400,750	222,334	0	4,598,346
Subtotal for Services w/o Bottom of Line Financing	713,024,059	97,848,459	18,649,521	632,719,616	190,603,272	52,890,881	6,757,426	18,359,864	340,292,829	62,077,742	52,483,288	2,185,706,956
BOTTOM LINE FINANCING FINAL ESTIMATE	777,004	474,851	5,229	3,540,373	2,592,325	846,469	2,058	74,045	3,259,968	243,729	1,907,732	13,723,783
FINAL APPROPRIATION BY SERVICE AREA & BLF	713,801,063	98,323,310	18,654,750	636,259,989	193,195,597	53,737,350	6,759,484	18,433,909	343,552,797	62,321,471	54,391,020	2,199,430,739
ACTUAL FY 2007-08 EXPENDITURES BY SERVICE AREA												
ACUTE CARE SERVICES ESTIMATE	91,090,497	50,360,206	3,330,605	449,938,999	188,767,403	53,476,246	7,089,560	18,945,426	360,437,875	58,933,895	53,633,575	1,336,004,287
COMMUNITY BASED SERVICES	124,223,596	16,355,186	920,663	94,673,894	113,310	0	0	8,054	590,675	4,856,637	0	241,742,015
NURSING HOME CLASS 1	389,399,454	25,395,243	1,814,628	69,952,848	6,325	0	0	0	0	0	0	486,568,498
NURSING HOME CLASS 2	74,970	191,024	45,248	1,924,394	0	0	0	0	0	0	0	2,235,636
PACE	44,272,143	3,549,809	0	1,596,903	0	0	0	0	0	0	0	49,418,855
SPECIALIZED MEDICARE INSURANCE BENEFIT	43,978,504	2,564,572	12,725,770	23,052,905	144,195	0	0	0	0	0	0	82,465,946
HEALTH INSURANCE BENEFIT	3,274	1,762	0	877,994	1,605	0	2,208	0	16,916	1,188	0	904,947
SINGLE ENTRY POINTS	10,894,815	1,743,587	119,709	8,992,484	2,602	0	0	0	1,301	2,602	0	21,757,100
DISEASE MANAGEMENT	165,996	92,931	0	833,086	378,473	87,964	12,812	0	645,653	113,811	0	2,330,726
ASO PLAN ADMINISTRATION	366,151	74,505	0	536,818	430,680	85,306	0	66,075	1,873,683	176,254	0	3,609,472
Subtotal for Services	704,469,400	100,328,825	18,956,623	652,380,325	189,844,593	53,649,516	7,104,580	19,019,555	363,566,103	64,084,387	53,633,575	2,227,037,482
Percent Difference from Forecast	-1.20%	2.53%	1.65%	3.11%	-0.40%	1.43%	5.14%	0.00%	6.84%	3.23%	2.19%	1.89%
BOTTOM LINE FINANCING ESTIMATE	\$3,241,493	\$461,646	\$87,226	\$3,001,814	\$873,537	\$246,859	\$32,690	\$87,515	\$1,672,886	\$294,873	\$246,786	\$10,247,323
TOTAL EXPENDITURES (Service Area & BLF)	707,710,893	100,790,471	19,043,849	655,382,139	190,718,130	53,896,375	7,137,270	19,107,070	365,238,989	64,379,260	53,880,361	2,237,284,805
Difference from Appropriation	(6,090,171)	2,467,160	389,099	19,122,150	(2,477,467)	159,025	377,786	673,161	21,686,192	2,057,789	(510,659)	37,854,066
% Difference	-0.85%	2.51%	2.09%	3.01%	-1.28%	0.30%	5.59%	3.63%	6.31%	3.30%	-0.94%	1.72%
Original Total Cost Per Client (excluding UPL)	\$19,922.44	\$16,045.99	\$1,323.98	\$12,765.45	\$4,334.65	\$8,972.16	\$24,935.15	\$2,143.09	\$1,714.32	\$3,664.57	\$13,213.32	
Final Cost Per Client (excluding UPL)	\$19,534.41	\$16,404.32	\$1,341.59	\$13,136.41	\$4,291.83	\$8,783.48	\$26,313.26	\$2,204.65	\$1,801.62	\$3,766.57	\$13,262.51	
Percent error	1.95%	-2.23%	-1.33%	-2.91%	0.99%	2.10%	-5.53%	-2.87%	-5.09%	-2.78%	-0.37%	
Cost Associated with Caseload Change	5,438,826	288,828	58,255	1,238,249	1,135,679	1,911,070	(24,935)	128,585	5,657,261	271,178	951,359	17,054,354
Cost Associated with Cost Change	(13,887,553)	2,185,088	248,072	18,386,478	(1,883,137)	(1,112,246)	373,467	527,412	17,327,942	1,727,919	24,088,827	
Compounding Change	(105,932)	6,450	775	35,983	(11,220)	(40,188)	(1,378)	3,694	288,072	7,548		187,345
Total Change	(8,554,659)	2,480,366	307,102	19,660,709	(758,679)	758,635	347,154	659,691	23,273,274	2,006,645	1,150,287	41,330,526
UPL Change	2,464,489	(13,205)	81,997	(538,559)	(1,718,788)	(599,610)	30,632	13,470	(1,587,082)	51,144	(1,660,946)	(3,476,460)
	(6,090,171)	2,467,160	389,099	19,122,150	(2,477,467)	159,025	377,786	673,161	21,686,192	2,057,789	(510,659)	37,854,066

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	SSI 65 >	SSI 60 to 64	Partial Dual Eligibles	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	Noncitizens	TOTAL MEDICAID
FY 2008-09 Appropriation -- 2008 Session												
Joint Budget Committee Action on March 18, 2008 -- Department's Base Calculations then Adjust for Other Actions that JBC took from March 11th through March 18th.												
CASELOAD FORECAST (Department Feb Forecast)												
Caseload Forecast	36,278	6,216	15,068	50,058	41,667	6,028	301	9,629	192,948	18,657	3,738	380,588
Department's Feb FY 2008-09 Service Cost Estimates -- BASE COSTS												
ACUTE CARE SERVICES ESTIMATE	84,899,576	49,956,710	3,367,715	430,689,138	185,946,544	57,113,307	7,338,647	25,476,289	353,308,665	62,281,757	53,862,914	1,314,241,262
Non-Emergency Transportation (was transferred in FY 2007-08)	2,288,431	1,036,118	245	3,161,300	223,426	21,570	0	0	508,622	202,468	2,084	7,444,265
COMMUNITY BASED SERVICES	128,019,862	15,651,639	1,241,380	94,745,193	75,258	0	0	10,245	727,227	4,823,370	0	245,294,174
LONG TERM SERVICES	459,021,680	29,906,727	1,043,777	77,557,266	1,687	0	0	0	0	0	0	567,531,137
INSURANCE	50,025,602	2,952,369	15,255,999	27,083,267	156,624	4,179	0	0	13,064	868	0	95,491,972
SERVICE MANAGEMENT	19,616,412	1,439,110	45,138	4,650,919	713,126	145,901	4,827	0	2,641,678	286,743	0	29,543,854
TOTAL MEDICAL COSTS	743,871,563	100,942,673	20,954,254	637,887,083	187,116,665	57,284,957	7,343,474	25,486,534	357,199,256	67,595,206	53,864,998	2,259,546,664
BOTTOM OF THE LINE FINANCING (Not Spread)	0	0	0	0	0	0	0	0	0	0	0	14,154,162
TOTAL PREMIUM	743,871,563	100,942,673	20,954,254	637,887,083	187,116,665	57,284,957	7,343,474	25,486,534	357,199,256	67,595,206	53,864,998	2,259,546,664
BOTTOM OF THE LINE FINANCING SPREAD	593,965	480,062	0	3,593,407	2,766,470	906,264	0	72,411	3,440,935	239,214	2,061,433	14,154,162
TOTAL PREMIUM BEFORE DECISION ITEMS	744,465,528	101,422,735	20,954,254	641,480,491	189,883,135	58,191,221	7,343,474	25,558,945	360,640,191	67,834,421	55,926,431	2,273,700,826
Decision Item Decisions (JBC voted to take Staff Recommendations on these caseload impacts)												
Caseload for Decision Item #3a	0	0	0	0	0	0	0	0	536	0	0	536
Caseload for Centralized Eligibility (reversed on March 18, 2008)	0	0	0	0	0	0	0	0	0	0	0	0
Amanda DD Caseload Impact	0	0	0	65	0	0	0	0	0	0	0	65
Total Caseload with Decision Item Impacts (Dept Base & Staff DI)	36,278	6,216	15,068	50,123	41,667	6,028	301	9,629	193,484	18,657	3,738	381,189
Decision Items (Other Than Base Adjustments -- DI #1 and Technical Adj.)												
DI #3A CBHP Child Outreach (estimate acute care impact only)	0	0	0	0	0	0	0	0	981,108	0	0	981,108
DI #6 / BA1A & JBC Action Provider Rate Increase												
-- Building Blocks -- Medical Home Rate Increases	0	0	0	0	0	0	0	0	3,305,400	0	0	3,305,400
-- Increase to E&M Codes	182,983	351,565	190	2,300,702	2,789,189	645,279	0	87,605	4,426,018	489,622	476,849	11,750,000
-- Increase Dental Rates (see Below)	159,494	39,667	0	703,740	645,215	57,755	0	36,635	9,185,357	1,050,470	1,956	11,880,289
-- Increase to Substance Abuse Rates	12,932	22,678	1	204,586	197,575	19,259	0	9,099	250,444	25,556	7,868	750,000
-- Increase for Radiology	37,080	63,298	10	449,036	837,836	170,789	(12)	32,401	502,404	129,019	28,140	2,250,000
-- Increase for Vision Benefits	7,786	14,960	8	97,902	118,689	27,459	0	3,728	188,341	20,835	20,291	500,000
-- Increase for Prenatal Plus	0	0	0	0	0	500,000	0	0	0	0	0	500,000
-- Increase to Hospitals	2,456,793	306,866	8,607	1,803,267	1,924	0	0	112	15,316	86,802	(0)	4,679,688
-- Impact to HMO Rates	130,204	69,874	0	578,521	241,053	14,373	0	10,939	371,444	8,776	0	1,425,185
-- Increase PACE Rates to 100%	2,574,612	216,341	0	123,065	0	0	0	0	0	0	0	2,914,018
-- DI #12 Increase HMO Rates to 100% (adj Sup #12)	77,031	41,339	0	342,262	142,611	8,503	0	6,472	219,752	5,192	0	843,162
DRA Estimated Savings (conservative approach -- based on April 2009)	(34,346)	(53,911)	(1)	(467,666)	(153,116)	(6,732)	(6)	(8,439)	(175,310)	(100,232)	(241)	(1,000,000)
Increase Retail Pharmacy Rates to \$5.60 (Implement April 2009)	34,346	53,911	1	467,666	153,116	6,732	6	8,439	175,310	100,232	241	1,000,000
Common Policy -- Home and Community 1.5% Increase	2,794,410	349,037	9,789	2,051,075	2,189	0	0	127	17,421	98,730	(0)	5,322,778
Non-Provider Rate Increase Decision Items												
BRI #2 & BA #3 Implement Preferred Drug List	(33,057)	(51,887)	(1)	(450,108)	(147,367)	(6,479)	(6)	(8,123)	(168,728)	(96,469)	(232)	(962,456)
BA #4 / S#13 Adj./BA1A -- Adj Cash Flow	358,863	192,585	0	1,594,495	664,379	39,615	0	30,150	1,023,757	24,188	0	3,928,032
BA #7/ Regional Center ICF/MR	(48,345)	(29,716)	(622)	(223,412)	(0)	(0)	(42)	(0)	(8)	(0)	(0)	(302,145)
DD -- Amanda Caseload Staff	0	0	0	806,178	0	0	0	0	0	0	0	806,178
BA #9 -- Cost Avoidances	(267,496)	(141,695)	(9,163)	(1,231,323)	(637,538)	(153,231)	(18,394)	(23,679)	(1,053,145)	(159,042)	(180,292)	(3,875,000)
NP - BA #5 / NP S #8 adj. (incremental)	0	0	0	0	0	0	0	0	0	0	0	0
BA #12 -- Pharmaceuticals	(2,552)	(4,006)	(0)	(34,751)	(11,378)	(500)	(0)	(627)	(13,027)	(7,448)	(18)	(74,308)
Per Vote on March 18th -- no caseload impact for centralized eligibility	0	0	0	0	0	0	0	0	0	0	0	0
Disease Management	276,125	146,266	9,459	1,271,044	658,104	158,174	18,988	24,443	1,087,118	164,172	186,108	4,000,000
Adjustment -- something is off by \$4,205	0	0	0	0	0	0	0	0	0	0	0	4,205
TOTAL IMPACT FOR DECISION ITEMS	8,716,864	1,587,171	18,278	10,386,278	5,502,481	1,480,994	575	209,241	20,338,979	1,840,397	544,876	50,626,134
TOTAL JBC VOTED ON PREMIUMS	753,182,393	103,009,906	20,972,532	651,866,768	195,385,616	59,672,215	7,344,049	25,768,186	380,979,170	69,674,817	56,471,307	2,324,326,960
-- Amount in S.B. 08-118 (Disease Management)	(276,125)	(146,266)	(9,459)	(1,271,044)	(658,104)	(158,174)	(18,988)	(24,443)	(1,087,118)	(164,172)	(186,108)	(4,000,000)
-- Amount in H.B. 08 - 1374 PACE Rate Increase	(2,574,612)	(216,341)	0	(123,065)	0	0	0	0	0	0	0	(2,914,018)
-- Amount in H.B. 08 - 1373 Breast & Cervical Cancer Bill	0	0	0	0	0	0	0	0	0	0	0	0
AMOUNT FOR LONG BILL (08-1375)	750,331,656	102,647,300	20,963,073	650,472,659	194,727,512	59,514,042	7,325,061	25,743,743	379,892,052	69,510,645	56,285,198	2,317,412,942
Caseload for Long Bill	36,278	6,216	15,068	50,123	41,667	6,028	301	9,629	193,484	18,657	3,738	381,189
Per Capita Costs	\$20,682.83	\$16,513.40	\$1,391.23	\$12,977.53	\$4,673.42	\$9,872.93	\$24,335.75	\$2,673.56	\$1,963.43	\$3,725.71	\$15,057.57	

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	SSI 65 >	SSI 60 to 64	Partial Dual Eligibles	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	Noncitizens	TOTAL MEDICAID
FY 2008-09 Appropriation -- 2008 Session Continued												
FY 2008-09 Impacts -- From Special Bills												
Special Legislation												
S.B. 08-09	(18,041)	(10,616)	(716)	(91,520)	(39,513)	(12,136)	(1,559)	(5,414)	(75,077)	(13,235)	(11,446)	(279,272)
S.B. 08-99	0	0	0	0	0	0	0	0	0	692,121	0	692,121
S.B. 08-118	276,125	146,266	9,459	1,271,044	658,104	158,174	18,988	24,443	1,087,118	164,172	186,108	4,000,000
S.B. 08-230	(147,632)	(86,870)	(5,856)	(748,927)	(323,343)	(99,315)	(12,761)	(44,301)	(614,370)	(108,302)	(93,662)	(2,285,340)
S.B. 08-1114	0	0	0	0	0	0	0	0	0	0	0	0
S.B. 08-1373	0	0	0	0	0	0	0	0	0	0	0	0
S.B. 08-1374	2,535,544	165,199	5,766	428,411	9	0	0	0	0	0	0	3,134,928
S.B. 08-1407	(17,945)	(10,559)	(712)	(91,031)	(39,302)	(12,072)	(1,551)	(5,385)	(74,676)	(13,164)	(11,385)	(277,780)
S.B. 08-1409	(19,380)	(11,404)	(769)	(98,313)	(42,446)	(13,037)	(1,675)	(5,815)	(80,649)	(14,217)	(12,295)	(300,000)
Total Cost	752,940,327	102,839,316	20,970,245	651,142,323	194,941,022	59,535,655	7,326,502	25,707,271	380,134,398	70,218,021	56,342,519	2,322,097,599
Caseload Impact -- Long Bill												
S.B. 08-99	36,278	6,216	15,068	50,123	41,667	6,028	301	9,629	193,484	18,657	3,738	381,189
Total Caseload	36,278	6,216	15,068	50,123	41,667	6,028	301	9,629	193,484	18,858	3,738	381,390
Original FY 2008-09 Appropriation By Service Category -- ALL Bills												
Acute Care Services	90,105,072	51,778,624	3,359,560	439,178,975	190,567,554	58,321,138	7,302,687	25,600,087	372,206,955	64,604,931	54,094,977	1,357,120,561
Community Long Term Care Services	130,765,927	15,970,960	1,250,547	97,379,034	77,447	0	0	10,330	744,648	4,922,092	(0)	251,120,985
Long Term Care	461,557,224	30,071,926	1,049,543	77,985,677	1,696	0	0	0	0	0	0	570,666,065
Insurance	50,025,602	2,952,369	15,255,999	27,083,267	156,624	4,179	0	0	13,064	868	0	95,491,972
Service Management	19,892,537	1,585,376	54,597	5,921,963	1,371,230	304,075	23,815	24,443	3,728,796	450,915	186,108	33,543,854
Total Services	752,346,362	102,359,254	20,970,245	647,548,915	192,174,551	58,629,392	7,326,502	25,634,860	376,693,463	69,978,807	54,281,086	2,307,943,437
Bottom of the Line Financing	593,965	480,062	0	3,593,407	2,766,470	906,264	0	72,411	3,440,935	239,214	2,061,433	14,154,162
Total Premiums	752,940,327	102,839,316	20,970,245	651,142,323	194,941,022	59,535,655	7,326,502	25,707,271	380,134,398	70,218,021	56,342,519	2,322,097,599
Per Capitas (Service Costs Only)	\$20,738.36	\$16,467.06	\$1,391.71	\$12,919.20	\$4,612.15	\$9,726.18	\$24,340.54	\$2,662.26	\$1,946.90	\$3,710.83	\$14,521.42	

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	SSI 65 >	SSI 60 to 64	Partial Dual Eligibles	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	Noncitizens	TOTAL MEDICAID
<i>FY 2008-09 Department Revised Request--NOV 1, 2008-- With January 2009 Supplementals</i>												
Original Caseload (not rebased)	36,278	6,216	15,068	50,123	41,667	6,028	301	9,629	193,484	18,858	3,738	381,390
New Caseload Estimate (Rebased & Growth)	<u>37,155</u>	<u>6,257</u>	<u>15,202</u>	<u>50,582</u>	<u>45,161</u>	<u>7,353</u>	<u>285</u>	<u>11,950</u>	<u>225,209</u>	<u>17,968</u>	<u>4,529</u>	<u>421,651</u>
Difference	877	41	134	459	3,494	1,325	(16)	2,321	31,725	(890)	791	40,261
	2.42%	0.66%	0.89%	0.92%	8.39%	21.98%	-5.32%	24.10%	16.40%	-4.72%	21.16%	10.56%
Acute Care Services	96,986,194	53,024,073	3,779,874	468,413,709	199,004,489	56,204,713	7,751,918	29,518,147	413,551,843	68,783,238	56,981,050	1,453,999,248
Community Long Term Care Services	131,324,044	17,409,994	497,202	104,125,871	115,301	0	0	10,798	554,847	5,477,758	0	259,515,815
Long Term Care	456,467,934	30,713,567	1,929,751	76,294,989	6,567	0	0	0	0	0	0	565,412,808
Insurance	50,604,950	2,935,729	15,292,775	27,213,692	166,005	2,450	0	0	18,768	1,318	0	96,235,687
Service Management	12,808,221	2,212,913	131,715	12,385,260	1,370,908	299,158	27,533	86,491	3,870,972	470,564	0	33,663,735
Total Services	748,191,343	106,296,276	21,631,317	688,433,521	200,663,270	56,506,321	7,779,451	29,615,436	417,996,430	74,732,878	56,981,050	2,408,827,293
Bottom of the Line Financing	<u>5,159,257</u>	<u>732,981</u>	<u>149,162</u>	<u>4,747,188</u>	<u>1,383,701</u>	<u>389,647</u>	<u>53,644</u>	<u>204,217</u>	<u>2,882,352</u>	<u>515,331</u>	<u>392,921</u>	<u>16,610,401</u>
Total Premiums	753,350,600	107,029,257	21,780,479	693,180,709	202,046,971	56,895,968	7,833,095	29,819,653	420,878,782	75,248,209	57,373,971	2,425,437,694
Service Cost Per Client	\$20,137.03	\$16,988.38	\$1,422.93	\$13,610.25	\$4,443.29	\$7,684.80	\$27,296.32	\$2,478.28	\$1,856.04	\$4,159.22	\$12,581.38	
Total Cost (including BLF)	\$20,275.89	\$2,880.62	\$586.21	\$18,656.46	\$5,437.95	\$1,531.31	\$210.82	\$802.57	\$11,327.65	\$2,025.25	\$1,544.18	
Department's NOV BASE SUPPLEMENTAL CALCULATION	\$410,273	\$4,189,941	\$810,234	\$42,038,386	\$7,105,949	(\$2,639,687)	\$506,593	\$4,112,382	\$40,744,384	\$5,030,188	\$1,031,452	\$103,340,095
Supplemental #6 & #28 -- Repayment of Fed Disallowance	1,694,189	98,795	490,236	888,070	5,555	0	0	0	0	0	0	3,176,846
Supplemental #7 -- Consumer Directed Care Federal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental #8 -- Additional Medicaid Reimbursement to DH	235,879	218,672	27	1,660,249	1,043,627	438,051	0	64,693	1,467,707	124,796	806,597	6,060,298
Supplemental #18 -- Suspend Outreach Efforts	0	0	0	0	0	0	0	0	(1,856,040)	0	0	(1,856,040)
Supplemental #20 -- Delay Managed Care Payments	(1,289,875)	(740,495)	0	(6,142,360)	(1,705,656)	(124,457)	0	(211,425)	(3,767,920)	(120,543)	0	(14,102,731)
Supplemental #24 -- Adjust Outpatient Hospital Cost to Charge	(40,410)	(64,303)	(4)	(644,896)	(531,267)	(70,900)	0	(71,264)	(781,354)	(81,458)	(22,573)	(2,308,430)
Supplemental #25 -- Provider Rate Reductions	(901,314)	(498,300)	(32,955)	(4,452,016)	(1,867,799)	(529,132)	(70,149)	(187,459)	(3,566,428)	(583,134)	(530,689)	(13,219,374)
Supplemental #26 -- Hiring Freeze Reduction	(158,163)	(22,525)	(4,256)	(146,468)	(42,623)	(12,046)	(1,595)	(4,270)	(81,626)	(14,388)	(12,041)	(500,000)
Department's JANUARY FY 2008-09 MSP EXPENDITURE REQUEST	752,890,906	106,021,102	22,233,526	684,343,289	198,948,808	56,597,484	7,761,351	29,409,927	412,293,121	74,573,482	57,615,266	2,402,688,263

JBC Staff FY 2008-09 Supplemental Document

	SSI 65 >	SSI 60 to 64	Partial Dual Eligibles	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	Noncitizens	TOTAL MEDICAID
JBC STAFF RECOMMENDATION -- JANUARY SUPPLEMENTALS												
Current LONG BILL APPROPRIATION	750,331,656	102,647,300	20,963,073	650,472,659	194,727,512	59,514,042	7,325,061	25,743,743	379,892,052	69,510,645	56,285,198	2,317,412,942
TOTAL CURRENT APPROPRIATION (2008 SESSION ALL BILLS)	752,940,327	102,839,316	20,970,245	651,142,323	194,941,022	59,535,655	7,326,502	25,707,271	380,134,398	70,218,021	56,342,519	2,322,097,599
Staff's FY 2008-09 Caseload Forecast (January 2009)	37,483	6,368	15,172	51,263	48,328	6,922	301	12,514	231,030	18,003	4,030	431,414
STAFF'S BASE FORECAST -- PER CAPITAS												
Acute Care Services	\$2,686.30	\$8,595.49	\$200.11	\$9,619.93	\$4,416.68	\$8,661.93	\$22,697.19	\$1,752.86	\$1,771.09	\$3,389.24	\$14,918.24	
Community Care Services	\$3,528.05	\$2,865.48	\$21.26	\$2,236.02	\$1.01	\$0.00	\$0.00	\$0.00	\$1.30	\$318.61	\$0.00	
Long Term Care	\$12,173.52	\$5,014.85	\$122.37	\$1,411.36	\$2.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Premium Payments	\$1,338.16	\$459.10	\$969.23	\$530.57	\$3.55	\$0.32	\$0.00	\$0.00	\$0.07	\$0.07	\$0.00	
Service Management	\$325.69	\$327.61	\$8.41	\$226.21	\$24.98	\$34.30	\$73.05	\$8.80	\$15.55	\$23.40	\$0.00	
TOTAL PER CAPITAS FOR MEDICAL/ LONG TERM CARE SERVICES	\$20,051.73	\$17,262.53	\$1,321.37	\$14,024.08	\$4,448.35	\$8,696.56	\$22,770.24	\$1,761.66	\$1,788.01	\$3,731.31	\$14,918.24	
BASE FORECAST												
Acute Care Services	100,690,468	54,736,089	3,036,079	493,146,387	213,449,411	59,957,893	6,831,853	21,935,266	409,174,946	61,016,506	60,120,497	1,484,095,393
Community Care Services	132,242,006	18,247,374	322,484	114,625,126	48,630	0	0	0	300,302	5,735,896	0	271,521,818
Long Term Care	456,300,058	31,934,584	1,856,548	72,350,328	103,168	0	0	0	0	0	0	562,544,686
Premium Payments	50,158,333	2,923,526	14,705,213	27,198,431	171,783	2,231	0	0	17,090	1,200	0	95,177,806
Service Management	12,207,948	2,086,241	127,576	11,596,050	1,207,079	237,455	21,988	110,124	3,591,511	421,197	0	31,607,169
TOTAL BASE PREMIUMS -- SERVICE COSTS	751,598,812	109,927,814	20,047,900	718,916,321	214,980,070	60,197,578	6,853,841	22,045,390	413,083,850	67,174,799	60,120,497	2,444,946,872
Bottom Line Financing	5,159,257	732,981	149,162	4,747,188	1,383,701	389,647	53,644	204,217	2,882,352	515,331	392,921	16,610,401
TOTAL BASE PREMIUMS -- JANUARY RECOMMENDATION	756,758,069	110,660,795	20,197,062	723,663,509	216,363,771	60,587,225	6,907,485	22,249,607	415,966,202	67,690,130	60,513,418	2,461,557,273
Total Recommended Supplementals (not including base adj)	(1,070,779)	(376,648)	(12,849)	(3,343,122)	(1,293,874)	(80,923)	(1,614)	(184,915)	(2,399,539)	(649,914)	344,291	(9,069,886)
TOTAL FY 2008-09 RECOMMENDED	755,687,290	110,284,147	20,184,212	720,320,387	215,069,898	60,506,302	6,905,871	22,064,692	413,566,663	67,040,217	60,857,709	2,452,487,388
Analysis of Cost Drivers												
Increase in Caseload	1,205	152	104	1,140	6,661	894	0	2,885	37,546	(855)	292	50,024
Increase in Per Capita (Service Costs Only)	(\$686.64)	\$795.47	(\$70.33)	\$1,104.88	(\$163.80)	(\$1,029.62)	(\$1,570.30)	(\$900.60)	(\$158.89)	\$20.48	\$396.81	
Cost Associated with Caseload Increase	24,989,728	2,502,993	144,738	14,727,885	30,721,547	8,695,202	0	7,680,608	73,098,668	(3,172,758)	4,240,256	163,628,866
Costs Associated with Per Capita Increases	(24,909,878)	4,944,655	(1,059,769)	55,379,957	(6,824,970)	(6,206,537)	(472,661)	(8,671,854)	(30,742,578)	386,264	1,483,286	(16,694,085)
Compounding Impact (new caseload * new cost)	(827,400)	120,912	(7,315)	1,259,564	(1,091,058)	(920,478)	0	(2,598,224)	(5,965,703)	(17,513)	115,869	(9,931,345)
Total Cost Increase for Base Service Issue	(747,549)	7,568,560	(922,346)	71,367,406	22,805,519	1,568,187	(472,661)	(3,589,471)	36,390,387	(2,804,007)	5,839,411	137,003,436
Supplemental Issues												
Supplemental #1 -- Base Recommendation (incremental cost)	3,817,743	7,821,479	(773,184)	72,521,187	21,422,750	1,051,570	(419,017)	(3,457,665)	35,831,804	(2,527,891)	4,170,899	139,459,675
Supplemental #6 & #28 -- Repayment of Fed Disallowance	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental #7 -- Consumer Directed Care Federal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental #8 -- Additional Medicaid Reimbursement to DH	235,879	218,672	27	1,660,249	1,043,627	438,051	0	64,693	1,467,707	124,796	806,597	6,060,298
Supplemental #18 -- Suspend Outreach Efforts	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental #20 -- Delay Managed Care Payments	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental #24 -- Adjust Outpatient Hospital Cost to Charge	(40,410)	(64,303)	(4)	(644,896)	(531,267)	(70,900)	0	(71,264)	(781,354)	(81,458)	(22,573)	(2,308,430)
Supplemental #25 -- Provider Rate Reductions												0
Reduce Selected Physician Codes Below 100% Medicare	(30,896)	(52,239)	(3)	(349,536)	(355,032)	(112,232)	0	(27,811)	(633,205)	(71,338)	(65,488)	(1,697,782)
Cease Disease Management Programs	0	0	0	0	0	0	0	0	0	0	0	0
Revised Cost for Medicare Premiums	0	0	0	0	0	0	0	0	0	0	0	0
Reduce Pharmacy Reimbursement	(100,401)	(171,065)	(1)	(1,506,046)	(438,407)	(24,869)	(19)	(63,375)	(576,588)	(311,101)	(1,024)	(3,192,897)
Reduce 1.5 percent skilled home health	0	0	0	0	0	0	0	0	0	0	0	0
Reduce 1.5 percent private duty nursing	0	0	0	0	0	0	0	0	0	0	0	0
Reduce 1.5 hospice	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 1.0 percent for nursing facilities	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 physician services	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 emergency transportation	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 non-emergency transportation	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 dental services	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 inpatient hospitals	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 outpatient hospitals	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 laboratory and x-ray services	0	0	0	0	0	0	0	0	0	0	0	0
Rate Reduction 0.25 single entry points	0	0	0	0	0	0	0	0	0	0	50.00	0
Supplemental #26 -- Hiring Freeze Reduction (Prenatal Plus)	(158,163)	(22,525)	(4,256)	(146,468)	(42,623)	(12,046)	(1,595)	(4,270)	(81,626)	(14,388)	(12,041)	(500,000)

JBC Staff FY 2008-09 Supplemental Document

	SSI 65 >	SSI 60 to 64	Partial Dual Eligibles	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	Noncitizens	TOTAL MEDICAID
JBC Staff Recommendations -- Rate Reductions												
Reverse DRA Estimated Savings	34,346	53,911	1	467,666	153,116	6,732	6	8,439	175,310	100,232	241	1,000,000
Reverse Retail Pharmacy Rates to \$5.60 (Implement April 2009)	(34,346)	(53,911)	(1)	(467,666)	(153,116)	(6,732)	(6)	(8,439)	(175,310)	(100,232)	(241)	(1,000,000)
Rate Reduction -- 2.5 % Inpatient (April 2009)	(86,620)	(80,302)	(10)	(609,682)	(383,244)	(160,862)	0	(23,757)	(538,975)	(45,828)	(296,201)	(2,225,480)
Rate Reduction -- 1.5 % HCBS (April 2009)	(406,089)	(53,465)	(3,010)	(309,491)	(370)	0	0	(26)	(1,931)	(15,876)	0	(790,259)
Rate Reduction -- 2.5% Home Health (April 2009)	(158,023)	(41,580)	(2,927)	(607,384)	(3,428)	(258)	0	(198)	(22,196)	(60,916)	(17)	(896,927)
Rate Reduction -- 2.5% Private Duty Nursing (April 2009)	(2,133)	(1,407)	(68)	(94,329)	0	0	0	0	(3,403)	(32,828)	0	(134,168)
Rate Reduction -- 2.5% Hospice	(188,354)	(15,988)	(1,803)	(38,375)	(527)	0	0	(51)	(647)	0	0	(245,745)
Rate Reduction -- 2.5 % Dental (April 2009)	(5,830)	(1,441)	(2)	(26,045)	(21,561)	(2,111)	0	(2,616)	(355,792)	(38,257)	(124)	(453,779)
Rate Reduction -- 2.5% Outpatient (from 72% to 69.5%) (April 2009)	(15,957)	(25,391)	(2)	(254,649)	(209,781)	(27,996)	0	(28,140)	(308,532)	(32,165)	(8,913)	(911,526)
Rate Reduction -- 2.5% Single Entry Point (April 2009)	(71,642)	(11,466)	(787)	(59,133)	(17)	0	0	0	(9)	(17)	0	(143,071)
Rate Reduction -- 2.5% Physician Services	(25,067)	(42,383)	(2)	(283,587)	(288,046)	(91,057)	0	(22,564)	(513,735)	(57,879)	(53,132)	(1,377,452)
Rate Reduction -- 2.5 % Emergency Transportation	(511)	(1,392)	0	(10,548)	(6,084)	(1,009)	0	(561)	(8,661)	(1,099)	(715)	(30,519)
Rate Reduction -- 2.5% Non-Emergency Transportation	(13,515)	(5,770)	0	(27,936)	(2,018)	(174)	0	(51)	(5,100)	(709)	(17)	(55,291)
Rate Reduction -- 2.5% Laboratory and X-Ray Services	(3,046)	(4,603)	(1)	(35,267)	(55,094)	(15,460)	0	(4,983)	(35,494)	(10,850)	(2,061)	(166,859)

Total Supplemental Issues -- JBC STAFF REC -- JANUARY 09	2,746,963	7,444,831	(786,033)	69,178,065	20,128,876	970,647	(420,631)	(3,642,579)	33,432,265	(3,177,804)	4,515,190	130,389,789
CURRENT APPROPRIATION	752,940,327	102,839,316	20,970,245	651,142,323	194,941,022	59,535,655	7,326,502	25,707,271	380,134,398	70,218,021	56,342,519	2,322,097,599
TOTAL FY 2008-09 APPROPRIATION RECOMMENDED	755,687,290	110,284,147	20,184,212	720,320,387	215,069,898	60,506,302	6,905,871	22,064,692	413,566,663	67,040,217	60,857,709	2,452,487,388
ADD FEDERAL DISALLOWANCE (not spread total only)	0	0	0	0	0	0	0	0	0	0	0	3,176,846
Subtract Special Legislation (if negative it is added)												
S.B. 08-09	18,041	10,616	716	91,520	39,513	12,136	1,559	5,414	75,077	13,235	11,446	279,272
S.B. 08-99	0	0	0	0	0	0	0	0	0	(692,121)	0	(692,121)
S.B. 08-118	(276,125)	(146,266)	(9,459)	(1,271,044)	(658,104)	(158,174)	(18,988)	(24,443)	(1,087,118)	(164,172)	(186,108)	(4,000,000)
S.B. 08-230	147,632	86,870	5,856	748,927	323,343	99,315	12,761	44,301	614,370	108,302	93,662	2,285,340
S.B. 08-1114	0	0	0	0	0	0	0	0	0	0	0	0
S.B. 08-1373	0	0	0	0	0	0	0	0	0	0	0	0
S.B. 08-1374	(2,535,544)	(165,199)	(5,766)	(428,411)	(9)	0	0	0	0	0	0	(3,134,928)
S.B. 08-1407	17,945	10,559	712	91,031	39,302	12,072	1,551	5,385	74,676	13,164	11,385	277,780
S.B. 08-1409	19,380	11,404	769	98,313	42,446	13,037	1,675	5,815	80,649	14,217	12,295	300,000
TOTAL PREMIUM AMOUNT FOR SUPPLEMENTAL BILL	753,078,619	110,092,130	20,177,040	719,650,724	214,856,388	60,484,688	6,904,430	22,101,163	413,324,317	66,332,841	60,800,389	2,450,979,577
CURRENT LONG BILL AMOUNT	750,331,656	102,647,300	20,963,073	650,472,659	194,727,512	59,514,042	7,325,061	25,743,743	379,892,052	69,510,645	56,285,198	2,317,412,942
CHECK SUPPLEMENTAL BILL	2,746,963	7,444,831	(786,033)	69,178,065	20,128,876	970,647	(420,631)	(3,642,579)	33,432,265	(3,177,804)	4,515,190	133,566,635
HARD ENTER (TO AVOID ROUNDING ISSUES)	2,724,200	7,439,206	(786,039)	69,076,376	20,044,693	962,405	(420,631)	(3,652,795)	32,043,137	(3,327,171)	4,514,707	131,794,934
Staff's new caseload forecast	37,483	6,368	15,172	51,263	48,328	6,922	301	12,514	231,030	18,003	4,030	431,414
Per capitas needed in the LONG BILL SUPPLEMENTAL (not true per capita)	\$20,091.20	\$17,288.34	\$1,329.89	\$14,038.40	\$4,445.80	\$8,738.04	\$22,938.31	\$1,766.12	\$1,789.05	\$3,684.54	\$15,086.95	\$5,681.27

JBC STAFF RECOMMENDATION -- JANUARY SUPPLEMENTALS Continued

Final FY 2008-09 JBC Staff Recommendation by Service Category

Acute Care Services	100,287,907	54,441,767	3,028,897	490,304,592	212,156,452	59,876,969	6,830,239	21,750,428	406,781,396	60,415,315	60,464,788	1,476,338,751
Community Care Services	131,645,430	18,176,513	317,603	114,182,931	47,733	0	0	(78)	294,322	5,687,191	0	270,351,646
Long Term Care	456,300,058	31,934,584	1,856,548	72,350,328	103,168	0	0	0	0	0	0	562,544,686
Premium Payments	50,158,333	2,923,526	14,705,213	27,198,431	171,783	2,231	0	0	17,090	1,200	0	95,177,806
Service Management	12,136,306	2,074,776	126,789	11,536,917	1,207,061	237,455	21,988	110,124	3,591,503	421,180	0	31,464,098
TOTAL BASE PREMIUMS -- SERVICE COSTS	750,528,033	109,551,166	20,035,050	715,573,199	213,686,197	60,116,655	6,852,227	21,860,475	410,684,311	66,524,886	60,464,788	2,435,876,987
Bottom Line Financing	5,159,257	732,981	149,162	4,747,188	1,383,701	389,647	53,644	204,217	2,882,352	515,331	392,921	16,610,401
TOTAL PREMIUMS with ALL JANUARY SUPPLEMENTALS	755,687,290	110,284,147	20,184,212	720,320,387	215,069,898	60,506,302	6,905,871	22,064,692	413,566,663	67,040,217	60,857,709	2,452,487,388
ADD NEW LINE ITEM FOR FEDERAL DISALLOWANCE (NOT SPREAD)	0	0	0	0	0	0	0	0	0	0	0	3,176,846
TOTAL MEDICAL SERVICES PREMIUMS FY 2008-09	755,687,290	110,284,147	20,184,212	720,320,387	215,069,898	60,506,302	6,905,871	22,064,692	413,566,663	67,040,217	60,857,709	2,455,664,234

Additional Rate Cut Option

Additional Savings if most rates moved to 5.1 decrease in April/2.5 HCBS	(\$574,093)	(\$311,649)	(\$17,339)	(\$2,806,723)	(\$1,214,479)	(\$342,763)	(\$39,099)	(\$124,509)	(\$2,328,599)	(\$345,844)	(\$346,128)	(8,451,225)
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Staff's FY 2008-09 -- Fund Split Estimates (JAN SUPPLEMENTAL)

	Cash Funds							Re-App.			
	General Fund	General Fund Exempt	Certified Funds	Gifts, Grants, Donations	Health Care Expansion Fund	Nursing Facility Fund	Breast & Cervical Cancer Fund	Autism Fund	Transfer from DPHE	Federal Funds	TOTAL FUNDS
Acute Care Services											
Base Acute	\$729,749,927	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$729,749,927	\$1,459,499,854
Expansion Acute Offset	(\$62,746,356)	\$0	\$0	\$0	\$62,746,356	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Family Planning	\$1,065,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,586,071	\$10,651,191
Estimated Prenatal State-Only Program Costs	\$3,573,662	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,423,498	\$4,997,160
Estimated Breast and Cervical Cancer Program (BCCP)	\$0	\$0	\$0	\$0	\$0	\$0	\$1,903,980	\$0	\$809,192	\$5,038,746	\$7,751,918
Estimated Indian Health Service (IHS) (Advisory Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,195,270	\$1,195,270
Acute Care Services Sub-Total	\$671,642,353	\$0	\$0	\$0	\$62,746,356	\$0	\$1,903,980	\$0	\$809,192	\$746,993,512	\$1,484,095,393
Community Based Long Term Care Services											\$0
Base Community Based Long Term Care	\$135,133,298	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$135,133,298	\$270,266,596
Children with Autism Waiver Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$627,611	\$0	\$627,611	\$1,255,222
Expansion Community Offset	(\$2,407,918)	\$0	\$0	\$0	\$2,407,918	\$0	\$0	\$0	\$0	\$0	\$0
Community Based Long Term Care Sub-Total	\$132,725,380	\$0	\$0	\$0	\$2,407,918	\$0	\$0	\$627,611	\$0	\$135,760,909	\$271,521,818
Long Term Care and Insurance											
Base Long Term Care & Insurance	\$281,729,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$281,729,475	\$563,458,950
Nursing Facility Provider Fees & General Fund Cap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Specialized Medicare Insurance Beneficiaries (SMIB)	\$56,558,125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,705,417	\$94,263,542
Expansion LTC Offset	(\$956,811)	\$0	\$0	\$0	\$956,811	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Care and Insurance Sub-total	\$337,330,789	\$0	\$0	\$0	\$956,811	\$0	\$0	\$0	\$0	\$319,434,892	\$657,722,492
Service Management											
Base Service Management	\$2,357,922	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,357,921	\$4,715,843
Single Entry Point	\$11,903,489	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,987,836	\$22,891,326
Tobacco Tax Funded Disease Management Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$4,000,000
Expansion Service Management Offset	(\$322,960)	\$0	\$0	\$0	\$322,960	\$0	\$0	\$0	\$0	\$0	\$0
Service Management Sub-total	\$13,938,451	\$0	\$0	\$0	\$322,960	\$0	\$0	\$0	\$2,000,000	\$15,345,757	\$31,607,169
FY 08-09 Estimate of Total Expenditures for Medical Services to Clients	\$1,155,636,974	\$0	\$0	\$0	\$66,434,045	\$0	\$1,903,980	\$627,611	\$2,809,192	\$1,217,535,070	\$2,444,946,872
Impact of Upper Payment Limit Financing (Estimated)	(\$13,690,097)	\$0	\$13,690,099	\$0	\$0	\$0	\$0	\$0	\$0	\$13,690,097	\$13,690,099
Denver Health Outstationing	\$0	\$0	\$1,460,151	\$0	\$0	\$0	\$0	\$0	\$0	\$1,460,151	\$2,920,302
Referendum C Funding	(\$343,900,000)	\$343,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Projected FY 08-09 Expenditures	\$798,046,877	\$343,900,000	\$15,150,250	\$0	\$66,434,045	\$0	\$1,903,980	\$627,611	\$2,809,192	\$1,232,685,318	\$2,461,557,273
Additional Supplementals											
Supplemental #6 & #28--Repayment of Fed Disallowance	\$3,176,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,176,846
Supplemental #7--Consumer Directed Care FF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplemental #8--Additional Reimbursement to DH	\$0	\$0	\$3,030,149	\$0	\$0	\$0	\$0	\$0	\$0	\$3,030,149	\$6,060,298
Supplemental #18--Suspend Outreach Efforts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplemental #20--Delay Managed Care Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplemental #24--Adjust Outpatient Hospital Cost/ Charge	(\$1,113,942)	\$0	\$0	\$0	(\$40,218)	\$0	\$0	\$0	\$0	(\$1,154,270)	(\$2,308,430)
Supplemental #25--See Below -- Different Plan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
--Reduce Selected Physician Codes Below 100%	(\$848,891)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$848,891)	(\$1,697,782)
--Reduce Pharmacy Reimbursement	(\$1,436,804)	\$0	\$0	\$0	(\$159,645)	\$0	\$0	\$0	\$0	(\$1,596,448)	(\$3,192,897)
Supplemental #26--Hiring Freeze Reduction	(\$250,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$250,000)	(\$500,000)
Staff Provider Rate Cut Recommendations											
Reverse DRA Pharmacy Estimated Savings	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$1,000,000
Reverse Retail Pharmacy Rates to \$5.60 (Footnote #11)	(\$500,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$500,000)	(\$1,000,000)
Rate Reduction -- 2.5% Inpatient (April 2009)	(\$1,001,466)	\$0	\$0	\$0	(\$111,274)	\$0	\$0	\$0	\$0	(\$1,112,740)	(\$2,225,480)
Rate Reduction -- 1.5 % HCBS (April 2009)	(\$355,617)	\$0	\$0	\$0	(\$39,513)	\$0	\$0	\$0	\$0	(\$395,130)	(\$790,259)
Rate Reduction -- 2.5% Home Health (April 2009)	(\$403,617)	\$0	\$0	\$0	(\$44,846)	\$0	\$0	\$0	\$0	(\$448,463)	(\$896,927)
Rate Reduction -- 2.5% Private Duty Nursing (April 2009)	(\$60,376)	\$0	\$0	\$0	(\$6,708)	\$0	\$0	\$0	\$0	(\$67,084)	(\$134,168)
Rate Reduction -- 2.5% Hospice	(\$110,585)	\$0	\$0	\$0	(\$12,287)	\$0	\$0	\$0	\$0	(\$122,873)	(\$245,745)
Rate Reduction -- 2.5 % Dental (April 2009)	(\$204,200)	\$0	\$0	\$0	(\$22,689)	\$0	\$0	\$0	\$0	(\$226,889)	(\$453,779)
Rate Reduction -- 2.5% Outpatient (April 2009)	(\$410,187)	\$0	\$0	\$0	(\$45,576)	\$0	\$0	\$0	\$0	(\$455,763)	(\$911,526)
Rate Reduction -- 2.5% Single Entry Point (April 2009)	(\$64,382)	\$0	\$0	\$0	(\$7,154)	\$0	\$0	\$0	\$0	(\$71,535)	(\$143,071)
Rate Reduction -- 2.5% Physician Services	(\$619,854)	\$0	\$0	\$0	(\$68,873)	\$0	\$0	\$0	\$0	(\$688,726)	(\$1,377,452)
Rate Reduction -- 2.5 % Emergency Transportation	(\$13,733)	\$0	\$0	\$0	(\$1,526)	\$0	\$0	\$0	\$0	(\$15,259)	(\$30,519)
Rate Reduction -- 2.5% Non-Emergency Transportation	(\$24,881)	\$0	\$0	\$0	(\$2,765)	\$0	\$0	\$0	\$0	(\$27,645)	(\$55,291)
Rate Reduction -- 2.5% Laboratory and X-Ray Services	(\$75,086)	\$0	\$0	\$0	(\$8,343)	\$0	\$0	\$0	\$0	(\$83,429)	(\$166,859)
TOTAL FY 2008-09 JBC STAFF REC. EXPENDITURES	\$794,230,103	\$343,900,000	\$18,180,399	\$0	\$65,862,628	\$0	\$1,903,980	\$627,611	\$2,809,192	\$1,228,150,322	\$2,455,664,235

Staff's FY 2008-09 -- Fund Split Estimates (JAN SUPPLEMENTAL)

	Cash Funds							Re-App.			TOTAL FUNDS
	General Fund	General Fund Exempt	Certified Funds	Gifts, Grants, Donations	Health Care Expansion Fund	Nursing Facility Fund	Breast & Cervical Cancer Fund	Autism Fund	Transfer from DPHE	Federal Funds	
Hard Enter	794,230,103	343,900,000	18,180,399	0	65,862,628	0	1,903,980	627,611	2,809,192	1,228,150,322	2,455,664,235
Subtract Current Appropriation	728,322,480	343,900,000	13,842,626	0	69,405,126	0	1,800,529	233,043	2,767,998	1,161,825,797	2,322,097,599
STAFF'S RECOMMENDED ADJUSTMENTS	65,907,623	0	4,337,773	0	(3,542,498)	0	103,451	394,568	41,194	66,324,525	133,566,636
Staff's Second Scenario											
Use Department Legal Immigrant Fund Splits	\$786,348,533	343,900,000	18,180,399	0	\$73,744,198	0	1,903,980	627,611	2,809,192	1,228,150,322	\$2,455,664,235
Subtract Current Appropriation	728,322,480	343,900,000	13,842,626	0	69,405,126	0	1,800,529	233,043	2,767,998	1,161,825,797	2,322,097,599
STAFF'S RECOMMENDATION 2ND SCENARIO	58,026,053	0	4,337,773	0	4,339,072	0	103,451	394,568	41,194	66,324,525	133,566,636
Staff's Third Scenario											
Use Depart LI Fund Splits & FY 2009-10 Rate Plan in April	\$782,545,482	\$343,900,000	\$18,180,399	\$0	\$73,321,637	\$0	\$1,903,980	\$627,611	\$2,809,192	\$1,223,924,709	\$2,447,213,010
Subtract Current Appropriation	728,322,480	343,900,000	13,842,626	0	69,405,126	0	1,800,529	233,043	2,767,998	1,161,825,797	2,322,097,599
STAFF'S RECOMMENDATION 3RD SCENARIO	54,223,002	0	4,337,773	0	3,916,511	0	103,451	394,568	41,194	62,098,912	125,115,411

JBC Staff FY 2008-09 Supplemental Document -- Mental Health CAPITATION PAYMENT

	SSI 65 >	SSI 60 to 64	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	TOTAL MEDICAID
Current FY 2008-09 Appropriation -- 2008 Session										
Long Bill Appropriation Caseload	36,278	6,216	50,123	41,667	6,028	301	9,629	193,484	18,657	362,383
Special Bill Caseload Impacts	0	0	0	0	0	0	0	0	201	201
Total Funded Caseload	36,278	6,216	50,123	41,667	6,028	301	9,629	193,484	18,858	362,584
Estimated Per Capita										
Long Bill Amount	6,038,110	9,586,004	77,297,184	10,775,920	1,558,961	68,998	2,490,252	37,377,239	62,370,538	207,563,207
Minus Recoupment Estimate	(14,545)	(23,092)	(186,202)	(25,958)	(3,755)	(166)	(5,999)	(90,038)	(150,245)	(500,000)
TOTAL LONG BILL (H.B. 08-1375) AMOUNT	6,023,565	9,562,913	77,110,983	10,749,961	1,555,206	68,832	2,484,253	37,287,201	62,220,293	207,063,207
Impact from S.B. 08-02	0	0	0	0	0	0	0	0	736,679	736,679
TOTAL FY 2008-09 APPROPRIATION AFTER 2008 SESSION	6,023,565	9,562,913	77,110,983	10,749,961	1,555,206	68,832	2,484,253	37,287,201	62,956,972	207,799,886
Department Nov 1 FY 2008-09 Appropriation Recalculation										
Caseload Impact	37,155	6,257	50,582	45,161	7,353	285	11,950	225,209	17,968	401,920
Estimated Expenditure (Exhibit CC)	6,092,805	9,581,241	77,455,383	11,474,269	1,868,211	72,672	3,036,193	42,998,197	59,483,386	212,062,357
Estimated Per Capita	\$163.98	\$1,531.28	\$1,531.28	\$254.07	\$254.07	\$254.99	\$254.07	\$190.93	\$3,310.52	
Estimate July - Dec 08	\$13.78	\$127.10	\$127.10	\$21.09	\$21.09	\$21.09	\$21.09	\$15.89	\$276.94	
Estimate Jan - Jun 09	\$13.95	\$130.98	\$130.98	\$21.64	\$21.64	\$21.64	\$21.64	\$16.13	\$277.45	
Staff's FY 2008-09 January Supplemental Recommendation										
Traditional Medicaid	36,671	6,252	49,828	41,853	6,662	218	0	207,221	16,542	365,247
Legal Immigrants	812	116	700	676	260	0	0	856	92	3,512
Expansion Medicaid	0	0	735	5,799	0	83	12,514	22,953	1,459	43,543
TOTAL ESTIMATED CASELOAD	37,483	6,368	51,263	48,328	6,922	301	12,514	231,030	18,093	412,302
Estimated Per Capita (before changes)	\$163.98	\$1,531.28	\$1,531.28	\$254.07	\$254.07	\$254.99	\$254.07	\$190.93	\$3,310.52	
Cost for Traditional	6,013,437	9,573,585	76,300,795	10,633,789	1,692,646	55,588	0	39,563,825	54,762,587	198,596,252
Cost for Legal Immigrants (estimate)	133,155	177,629	1,071,898	171,755	66,059	0	0	163,432	304,568	2,088,496
Cost for Expansion Medicaid	0	0	1,125,493	1,473,379	0	21,164	3,179,491	4,382,319	4,830,046	15,011,892
	6,146,592	9,751,213	78,498,187	12,278,923	1,758,705	76,752	3,179,491	44,109,576	59,897,201	215,696,640
Fund Splits										
General Fund	3,006,719	4,786,792	38,092,975	5,316,895	846,323	0	0	19,781,912	27,381,294	99,212,909
Health Care Expansion Fund	66,577	88,814	1,098,696	822,567	33,030	0	1,589,746	2,272,876	2,567,307	8,539,612
Autism Fund (Department Request)	0	0	57,423	0	0	0	0	0	0	57,423
Breast and Cervical Cancer Treatment Fund	0	0	0	0	0	19,456	0	0	0	19,456
Transfer from DPHE for BCCT Program	0	0	0	0	0	7,407	0	0	0	7,407
Federal Funds	3,073,296	4,875,607	39,249,094	6,139,462	879,353	49,889	1,589,746	22,054,788	29,948,600	107,859,833
TOTAL FUNDS	6,146,592	9,751,213	78,498,187	12,278,923	1,758,705	76,752	3,179,491	44,109,576	59,897,201	215,696,640
Impact of FMAP Change (.03675)										
	0.46325									
Fund Splits										
General Fund	2,785,725	4,434,963	35,288,920	4,926,103	784,118	0	0	18,327,942	25,368,769	91,916,540
Health Care Expansion Fund	61,684	82,287	1,017,942	762,108	30,602	0	1,472,899	2,105,819	2,378,610	7,911,951
Autism Fund (Department Request)	0	0	57,423	0	0	0	0	0	0	57,423
Breast and Cervical Cancer Treatment Fund	0	0	0	0	0	19,456	0	0	0	19,456
Transfer from DPHE for BCCT Program	0	0	0	0	0	7,407	0	0	0	7,407
Federal Funds	3,299,183	5,233,964	42,133,902	6,590,712	943,985	49,889	1,706,592	23,675,815	32,149,822	115,783,864
TOTAL FUNDS	6,146,592	9,751,213	78,498,187	12,278,923	1,758,705	76,752	3,179,491	44,109,576	59,897,201	215,696,640

JBC Staff FY 2008-09 Supplemental Document -- Mental Health CAPITATION PAYMENT

	SSI 65 >	SSI 60 to 64	SSI Disabled	Adults	Baby Care Adults	BC Cancer Adults	Expansion Adults	Children	Foster Children	TOTAL MEDICAID
Staff's Alternative #1 Recommendation -- Department's Legal Immigrant Spread & Number										
Traditional Medicaid	37,002	6,286	49,875	41,587	6,835	218	0	205,357	16,416	363,576
Legal Immigrants	481	82	653	942	87	0	0	2,720	218	5,183
Expansion Medicaid	0	0	735	5,799	0	83	12,514	22,953	1,459	43,543
TOTAL ESTIMATED CASELOAD	37,483	6,368	51,263	48,328	6,922	301	12,514	231,030	18,093	412,302
Estimated Per Capita (before changes)	\$163.98	\$1,531.28	\$1,531.28	\$254.07	\$254.07	\$254.99	\$254.07	\$190.93	\$3,310.52	
Cost for Traditional	6,067,716	9,625,648	76,372,766	10,566,206	1,736,601	55,588	0	39,207,939	54,345,462	197,977,925
Cost for Legal Immigrants (estimate)	78,876	125,565	999,928	239,338	22,105	0	0	519,318	721,693	2,706,823
Cost for Expansion Medicaid	0	0	1,125,493	1,473,379	0	21,164	3,179,491	4,382,319	4,830,046	15,011,892
	6,146,592	9,751,213	78,498,187	12,278,923	1,758,705	76,752	3,179,491	44,109,576	59,897,201	215,696,640
Fund Splits										
General Fund	3,033,858	4,812,824	38,128,960	5,283,103	868,300	0	0	19,603,970	27,172,731	98,903,745
Health Care Expansion Fund	39,438	62,783	1,062,711	856,359	11,052	0	1,589,746	2,450,818	2,775,869	8,848,776
Autism Fund (Department Request)	0	0	57,423	0	0	0	0	0	0	57,423
Breast and Cervical Cancer Treatment Fund	0	0	0	0	0	19,456	0	0	0	19,456
Transfer from DPHE for BCCT Program	0	0	0	0	0	7,407	0	0	0	7,407
Federal Funds	3,073,296	4,875,607	39,249,094	6,139,462	879,353	49,889	1,589,746	22,054,788	29,948,600	107,859,833
TOTAL FUNDS	6,146,592	9,751,213	78,498,187	12,278,923	1,758,705	76,752	3,179,491	44,109,576	59,897,201	215,696,640
	0.53675	0.46325								
Fund Splits with FMAP Change										
General Fund	2,810,869	4,459,082	35,322,261	4,894,795	804,480	0	0	18,163,078	25,175,535	91,630,100
Health Care Expansion Fund	36,539	58,168	984,602	793,416	10,240	0	1,472,899	2,270,683	2,571,843	8,198,391
Autism Fund (Department Request)	0	0	57,423	0	0	0	0	0	0	57,423
Breast and Cervical Cancer Treatment Fund	0	0	0	0	0	19,456	0	0	0	19,456
Transfer from DPHE for BCCT Program	0	0	0	0	0	7,407	0	0	0	7,407
Federal Funds	3,299,183	5,233,964	42,133,902	6,590,712	943,985	49,889	1,706,592	23,675,815	32,149,822	115,783,864
TOTAL FUNDS	6,146,592	9,751,213	78,498,187	12,278,923	1,758,705	76,752	3,179,491	44,109,576	59,897,201	215,696,640