

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2012-13**

**DEPARTMENT OF HEALTH CARE POLICY AND  
FINANCING**

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

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

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## Prioritized Supplemental Requests

### SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITIES:

**#1 MEDICAL SERVICES PREMIUMS**

**#2 MEDICAID MENTAL HEALTH COMMUNITY PROGRAMS**

**#3 CHILDREN'S BASIC HEALTH PLAN MEDICAL AND DENTAL**

**#4 MEDICARE MODERNIZATION ACT OF 2003 STATE CONTRIBUTION PAYMENT**

|               | Request                    | Recommendation        |
|---------------|----------------------------|-----------------------|
| <b>Total</b>  | <b><u>\$38,692,084</u></b> | <b><u>Pending</u></b> |
| General Fund  | (222,680)                  |                       |
| Cash Funds    | 14,676,696                 |                       |
| Federal Funds | 24,238,068                 |                       |

|                                                                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.] | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available with the original appropriation was made</b> . Specifically, new information is available regarding the caseload and expenditures for the Medicaid entitlement program.                          |            |

**Department Request:** The Department's first four supplemental requests are for caseload-driven expenditures by entitlement programs, based on the Department's preliminary forecast submitted with the November 1 budget request. The Department will be submitting a revised supplemental request for the Medicaid forecast on or before February 15, 2013. The Department is projecting lower expenditures than the appropriation for Medical Service Premiums and Mental Health Community Programs, but higher expenditures than the appropriation for the Children's Basic Health Plan and the Medicare Modernization Act of 2003 State Contribution Payment. The net impact is an additional \$38.7 million total funds, including a decrease of \$222,680 General Fund.

| Caseload-driven Supplementals |                                                               |                     |                    |                     |                     |
|-------------------------------|---------------------------------------------------------------|---------------------|--------------------|---------------------|---------------------|
| Priority                      | Request                                                       | Total               | General Fund       | Cash Funds          | Federal Funds       |
| 1                             | Medical Services Premiums                                     | \$11,542,295        | (\$6,288,700)      | \$12,587,928        | \$5,243,067         |
| 2                             | Medicaid Mental Health Community Programs                     | (908,540)           | (1,704,833)        | 1,176,414           | (380,121)           |
| 3                             | Children's Basic Health Plan Medical and Dental               | 15,361,657          | 4,708,298          | 912,354             | 9,741,005           |
| 4                             | Medicare Modernization Act of 2003 State Contribution Payment | 12,696,672          | 3,062,555          |                     | 9,634,117           |
| <b>TOTAL</b>                  |                                                               | <b>\$38,692,084</b> | <b>(\$222,680)</b> | <b>\$14,676,696</b> | <b>\$24,238,068</b> |

**Staff Recommendation:** The staff recommendation is pending. Staff recommends waiting for the February update to the Department's caseload and expenditure forecast, and then making

caseload-driven appropriation adjustments in the Long Bill Supplemental Add-on (a section of the annual budget bill that amends the current year appropriation). This is consistent with the JBC's practice in prior years. In prior years the JBC has used a placeholder for budget planning purposes until the February forecast update is available, but staff does not believe that is necessary this year, given the small net magnitude of the General Fund change.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #5  
IMPROVE AND MODERNIZE COLORADO BENEFITS MANAGEMENT SYSTEM**

This request will be discussed during the presentation of the JBC staff supplemental recommendations for the Department of Human Services, Office of Information Technology Services.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #6  
MEDICAID MANAGEMENT INFORMATION SYSTEM OPERATING RULES COMPLIANCE**

|               | Request                   | Recommendation            |
|---------------|---------------------------|---------------------------|
| <b>Total</b>  | <b><u>\$1,993,873</u></b> | <b><u>\$1,993,873</u></b> |
| General Fund  | 279,308                   | 279,308                   |
| Cash Funds    | 44,962                    | 44,962                    |
| Federal Funds | 1,669,603                 | 1,669,603                 |

|                                                                                                                                                                                                                                                                                                                                      |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.]                                | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available with the original appropriation was made</b> . The Department did not receive federal guidance on implementation of the new standards until March 21, 2012 and a cost estimate from the Department's vendor until October 2012. |            |

**Department Request:** The Department requests funding to comply with new federal requirements contained in the Affordable Care Act (ACA) for the electronic exchange of health care information. Examples of the new requirements include system response times of 20 seconds or less, the addition of acknowledgements that let the sender of information know that the data was successfully received, the creation of uniform guidebooks available to all users, and 86 percent system availability or up-time. The Department did not receive federal guidance on the specific required changes until March 21, 2012, and then received an estimate from the Department's vendor of the cost to implement the changes in October of 2012.

Pursuant to the ACA, if Colorado is not in compliance with the updated system requirements by April 1, 2014, fines of \$1 per day per covered person will be assessed, up to \$20 per year per person, for a potential liability of approximately \$16.8 million, based on current enrollment projections, if Colorado reached the maximum fine for noncompliance.

There are two contingencies that might result in the Department spending less than the request. First, the Department is working with other states that use the same vendor to see if there is a less expensive alternative. Second, the Department has requested permission from the federal Centers for Medicare and Medicaid Services (CMS) to delay compliance until the scheduled replacement of the Medicaid Management Information System (MMIS) occurs July 1, 2016 (see R-5). However, based on initial discussions with CMS, the Department is pessimistic that CMS will have the authority or will to grant a delay, since the deadlines are in statute. Due to the potential magnitude of the penalties for noncompliance, the Department is requesting funding now, and will continue to pursue less expensive alternatives.

The fund sources for the request are based on the following assumptions:

- 97 percent of the costs will be attributable to Medicaid and 3 percent to the Children's Basic Health Program (CHP+);
- Federal financial participation for Medicaid will be 90 percent for design, development, and implementation costs, and 75 percent for software licenses and ongoing operating costs;
- Federal financial participation for CHP+ will be 65 percent; and,
- The state share of costs will come from the General Fund for Medicaid and the Children's Basic Health Plan Trust Fund for CHP+, except that a portion will be allocated to the Hospital Provider Fee based on total enrollment

**Staff Recommendation:** Staff recommends approval of the request. The majority of the cost will be covered by federal funds, and the penalty for noncompliance is potentially significant.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #7  
SERVER UPGRADE AND SHARE POINT ASSESSEMENT**

|               | Request                | Recommendation         |
|---------------|------------------------|------------------------|
| <b>Total</b>  | <b><u>\$85,980</u></b> | <b><u>\$85,980</u></b> |
| General Fund  | 42,990                 | 42,990                 |
| Federal Funds | 42,990                 | 42,990                 |

|                                                                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.] | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available when the original appropriation was made.</b> The request is in response to a security assessment by the Office of Information Technology that was completed October 2, 2012.                    |            |

**Department Request:** The Department requests funding for a new virtual server environment to replace physical servers that are aging and approaching storage capacity limits. In addition, the Department proposes upgrading from SharePoint 2007 to SharePoint 2010 with Electronic Protected Health Information. The upgrade was recommended by an Office of Information Technology (OIT) security assessment that found the Department was not in compliance with 35 percent of the National Institute of Standards and Technology's security controls and operational standards for managing high risk information technology systems. The age and storage capacity issues with the old servers are preventing the Department from implementing the software upgrade. The Department indicates a virtual server environment is less expensive and more efficient than replacing and expanding the capacity of the old servers.

**Staff Recommendation:** Staff recommends approval of the request. The virtual server environment is both the best practice option recommended by OIT and the lowest cost option, and the software upgrade is recommended by OIT to preserve the security of the sensitive data maintained by the Department.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #8  
MEDICAID MANAGEMENT INFORMATION SYSTEM TECHNICAL  
ADJUSTMENTS**

|               | <b>Request</b>            | <b>Recommendation</b>     |
|---------------|---------------------------|---------------------------|
| <b>Total</b>  | <b><u>(\$612,453)</u></b> | <b><u>(\$612,453)</u></b> |
| General Fund  | (97,722)                  | (97,722)                  |
| Cash Funds    | 31,752                    | 31,752                    |
| Federal Funds | (546,483)                 | (546,483)                 |

|                                                                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.] | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available when the original appropriation was made.</b>                                                                                                                                                    |            |

**Department Request:** The Department requests adjustments to the funding for two short-term programming projects for the Medicaid Management Information System (MMIS): compliance with the Health Insurance Portability and Accountability Act (HIPAA); and development of an alternative benefit from the standard Medicaid package for Adults without

Dependent Children. These two projects previously received funding, but the Department has revised estimates of the costs and the timing of expenditures. For the HIPAA compliance, the Department proposes shifting costs from FY 2012-13 to FY 2013-14 to align with revised federal implementation deadlines. Also, the Department has identified ongoing maintenance costs associated with this project that were not previously estimated. For the AwDC benefits project, the Department increased cost estimates.

**Staff Recommendation:** Staff recommends approval of the request. The changes to the HIPAA compliance project align with the new federal deadlines. The changes to the AwDC project are the result of new estimates from the vendor, and the source of funds for the state match is the Hospital Provider Fee.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #9  
INCREASE IN PASRR LEVEL II & STATUS CHANGE EVALUATION  
RATES**

|               | Request                 | Recommendation          |
|---------------|-------------------------|-------------------------|
| <b>Total</b>  | <b><u>\$181,883</u></b> | <b><u>\$181,883</u></b> |
| General Fund  | 45,471                  | 45,471                  |
| Federal Funds | 136,412                 | 136,412                 |

|                                                                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.] | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available when the original appropriation was made.</b>                                                                                                                                                    |            |

**Department Request:** The Department requests funding for an increase in Preadmission Screening and Resident Review (PASRR) level II evaluations, and to increase reimbursement rates for the providers conducting the PASRR level II evaluations. The PASRR is a federally mandated evaluation given to potential nursing facility patients to ensure that people receive appropriate treatment in the appropriate setting for the appropriate amount of time. If the level I PASSR identifies potential mental health or intellectual disability service needs a level II evaluation must be performed.

In FY 2011-12 the number of PASRR level II screenings increased 7.59 percent for full screenings, 34.48 percent for partial screenings, and 10.57 percent for phone screenings. The Department saw significant increases in FY 2010-11 as well, and indicates that the increases are commensurate with increases in nursing home utilization.

To comply with federal criteria, the Department is enhancing PASRR level II screenings. The enhancements are aimed at identifying clients with behavioral health issues that may put them or others at risk, and at identifying clients whose needs could be met with short-duration stays

followed by community services. The old PASRR level II evaluation could be performed by a mental health professional with a bachelor's degree, but the enhanced evaluation requires a master's degree. Also, while the old evaluation took approximately 3.5 hours, the new evaluation requires approximately 6 hours.

**Staff Recommendation:** Staff recommends that the Committee approve the request. These are federally required screenings and there have been increases in both the volume and scope of the screenings.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #10  
LEASED SPACE RENT INCREASE AND TRUE-UP**

|               | Request                  | Recommendation           |
|---------------|--------------------------|--------------------------|
| <b>Total</b>  | <b><u>(\$21,170)</u></b> | <b><u>(\$21,170)</u></b> |
| General Fund  | 38,615                   | 38,615                   |
| Cash Funds    | (49,200)                 | (49,200)                 |
| Federal Funds | (10,585)                 | (10,585)                 |

| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.]                                                                            | <b>YES</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| The Department did not identify which JBC supplemental criteria this request meets, but staff would attribute it to data that was not available when the original appropriation was made. The Department received notice of the rate increase in December 2011, but did not complete a thorough review of the rates for appropriateness and federal compliance until April 2012. |            |

**Department Request:** The Department requests funding for an increase in leased space rates at 225 E 16<sup>th</sup> Avenue, Denver, from \$16.77 to \$21.00 per square foot as of July 2012. At the same time, the Department requests a decrease in funding to account for an overestimate in H.B. 09-1293 of leased space costs for staff implementing the Hospital Provider Fee. The net impact is a decrease of \$21,170 total funds, but an increase of \$38,615 General Fund.

**Staff Recommendation:** Staff recommends approval of the request. This trues up the appropriation to the actual leased space costs for the Department.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #11  
REFINANCE SAVE PROGRAM WITH FEDERAL FUNDS**

This request will be discussed during the presentation of the JBC staff supplemental recommendations for the Department of Human Services, Office of Self Sufficiency,

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #12  
PUBLIC SCHOOL HEALTH SERVICES TRUE-UP**

|                                            | <b>Request</b>             | <b>Recommendation</b>      |
|--------------------------------------------|----------------------------|----------------------------|
| <b>Total</b>                               | <b><u>\$22,054,160</u></b> | <b><u>\$22,054,160</u></b> |
| Cash Funds – Certified Public Expenditures | 9,639,859                  | 9,639,859                  |
| Federal Funds                              | 12,414,301                 | 12,414,301                 |

| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.]                                                       | <b>YES</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| JBC staff and the Department agree that this request is the result of <b>data that was not available when the original appropriation was made</b> . The Department did not get final reconciliation figures for FY 2010-11 activities until April of 2012. Those final reconciliation figures resulted in higher projections for FY 2011-12 and FY 2012-13. |            |

**Department Request:** The Department requests an increase for Public School Health Services based on increases in the Medicaid eligible population and the amount of time school health services spend on Medicaid-eligible activities. Certain health services provided by school districts are eligible for Medicaid reimbursement. To claim the reimbursement, school districts and the Department must complete a lengthy process to identify the eligible services and certify the public expenditures by the school district as the state match for the federal Medicaid funds. Some of the data points for that process are not available and finalized until the spring of the following year. The Department pays a portion of the funds prospectively and then conducts a reconciliation at the end of the year. Because of the difficulty in projecting expenditures and the fact that the state matching funds come from certified public expenditures by school districts, rather than the General Fund, the Department also requests that the funds be noted as "informational only" in appropriation bills to prevent the need for supplemental true-ups in future years.

**Staff Recommendation:** Staff recommends approval of the requested dollar change to more closely reflect projected local school district certified public expenditures, but staff does not recommend at this time the change to show the money as "informational only," because there is no statutory or footnote authorization for the funds to be informational only. However, staff is not sure why the certified public expenditures are getting entered in the state accounting system and how the State Controller can restrict these local funds for an "overexpenditure." It does not appear that an "informational only" designation should be necessary, but staff is waiting for more clarification from the State Controller's Office. Staff is sympathetic to the Department's argument for more flexibility with these funds. If the State Controller can provide a good explanation for why these funds need to be entered and controlled in the state accounting system, then staff will explore adding a footnote to the FY 2013-14 Long Bill to provide additional flexibility to the Department to prevent a future supplemental request.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #13  
RESTORE ICF/IID PROVIDER FEE**

This request will be discussed during the presentation of the JBC staff supplemental recommendations for the Department of Human Services, Services for People with Developmental Disabilities.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #14  
COLORADO CHOICE TRANSITIONS FOR HCBS-DD WAIVER  
CLIENTS**

This request will be discussed during the presentation of the JBC staff supplemental recommendations for the Department of Human Services, Services for People with Developmental Disabilities.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #15  
FEDERALLY MANDATED CHP+ PPS PAYMENTS TRUE-UP**

|                            | Request                   | Recommendation            |
|----------------------------|---------------------------|---------------------------|
| <b>Total</b>               | <b><u>\$9,020,710</u></b> | <b><u>\$9,020,710</u></b> |
| General Fund               | 2,795,899                 | 2,795,899                 |
| CF – Hospital Provider Fee | 361,350                   | 361,350                   |
| Federal Funds              | 5,863,461                 | 5,863,461                 |

|                                                                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.] | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available when the original appropriation was made</b> . Initial estimates of the retroactive payments due contained errors that were not discovered and rectified until after the budget cycle.           |            |

**Department Request:** The Department owes federally qualified health centers (FQHCs) and Rural Health Centers (RHCs) retroactive reimbursements to October 1, 2009 for certain services where the state's Children's Basic Health Plan (CHP+) rates were below minimum levels required by federal statute. The rates fell below the federal minimums during a period when the Department was trying to negotiate an alternative payment mechanism for the FQHCs and RHCs that included incentive payments based on health outcomes. However, the incentive-based alternative payment mechanism was abandoned for this particular population due to concerns about the administrative costs for the FQHCs and RHCs relative to the size of the CHP+ population they served. When the alternative payment mechanism was abandoned, the Department intended to revert to the federal minimum payments. The Department calculated

that some reimbursement rates were below the federal minimums and some rates were above, and the net result of reverting to the minimums would be budget neutral. Thus, the Department did not request any increase in funding for FY 2012-13. The Department did request and receive a supplemental appropriation for back payments from October 1, 2009 through FY 2011-12, because the Department could not retroactively reduce those rates that were above the federal minimums in prior years. Subsequent to last year's budget submission, the Department discovered that the initial actuarial analysis of the minimum rates according to the federal formula contained several errors resulting in two problems: 1) last year's supplemental estimate of back payments for October 1, 2009 through FY 2011-12 was too low; and 2) there is a net increase in costs for FY 2012-13 to comply with the federal minimum rates.

Beginning in FY 2013-14 the Department intends to pay FQHCs and RHCs for CHP+ clients according to the alternative payment mechanism used for Medicaid clients. This will eliminate the formulation of different rates for Medicaid and CHP+ clients. Also, the Medicaid alternative payment mechanism takes into account changes in the scope of services furnished by a provider. The Department indicates that it does not yet know the impact on FY 2013-14 of using the Medicaid alternative payment mechanism to determine the FQHC and RHC rates for CHP+ clients.

**Staff Recommendation:** Staff recommends the request. The additional funding is necessary to comply with federal statute. However, staff has concerns that this is the second time the Department has made an error in estimating the funding required to comply with the federal minimum reimbursement rates. The first time the Department did not anticipate the administrative burden of implementing performance-based funding and the resistance from FQHCs and RHCs. The second time the Department's actuary did not fully follow the Department's instructions for identifying CHP+ encounters, resulting in a calculation error that was compounded by incomplete and inconsistent information from providers, none of which the Department identified prior to last year's supplemental request, due to a lack of time to thoroughly analyze the actuary's work. The Department did not submit a request for funding in FY 2013-14, and was noncommittal about whether a budget amendment would be submitted with the February 15 forecast update, indicating that rates for CHP+ providers are not usually set until March. However, given the errors to date in figuring out what is necessary to comply with the federal requirements, staff believes that the Department should prioritize estimating the net impact of the rate changes for FY 2013-14 and submitting a budget amendment to avoid the need for another supplemental on this same topic next year.

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**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #16  
NURSING FACILITY APPEALS**

|                            | <b>Request</b>          | <b>Recommendation</b>     |
|----------------------------|-------------------------|---------------------------|
| <b>Total</b>               | <b><u>\$506,922</u></b> | <b><u>\$9,020,710</u></b> |
| General Fund               | 253,461                 | 0                         |
| CF – Hospital Provider Fee | 0                       | 0                         |
| Federal Funds              | 253,461                 | 0                         |

|                                                                                                                                                                                                                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b><br>[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.] | <b>YES</b> |
| JBC staff and the Department agree that this request is the result of <b>data that was not available when the original appropriation was made.</b> Unexpected nursing facility appeals of the fair rental allowance for capital-related assets resulted in settlement agreements.                     |            |

**Department Request:** The Department requests additional General Fund for settlement agreements with 31 nursing facilities that appealed the Department's calculation of the fair rental allowance for capital-related assets, which is a component of the statutory nursing facility per diem rate formula. The settlement agreements are related to reimbursements in FY 2011-12.

**Staff Recommendation:** Staff does not recommend the request. Section 25.5-6-202, C.R.S. limits changes in the General Fund share of the aggregate statewide average of the per diem rate to 3.0 percent annual growth. This payment would be in excess of the 3.0 percent. Perhaps a legal argument could be made that a settlement payment is not part of the "aggregate statewide average of the per diem rate," but staff believes it would not be consistent with the intent of the statute. Had the fair rental allowance been calculated correctly initially, it would have raised the reimbursement rates for the 31 affected nursing facilities and reduced the rates for other nursing facilities to keep the aggregate average per diem within the 3.0 percent limit.

Instead, staff recommends a statutory change that would allow the Department to account for successful appeals through an adjustment to supplemental payments from the Nursing Facility Provider Fee in the subsequent fiscal year. This could be attached to the bill the JBC is already running to extend a FY 2011-12 nursing provider rate adjustment and prevent a level shift increase in rates. Although the Department requested General Fund for the supplemental, the Department has been working with potential sponsors on a clean-up bill for the nursing facility rates that would include, among other things, a statutory change to allow supplemental payments financed with the nursing facility fee to be used to address appeals in the future. The staff recommendation would make the statutory change the Department proposes retroactive to the appeals addressed in the supplemental request.

## Non-prioritized Supplemental Requests

### PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL #1 H.B. 12-1281 DEPARTMENTAL DIFFERENCES RECONCILIATION

|               | Previously Approved     |
|---------------|-------------------------|
| <b>Total</b>  | <b><u>\$169,954</u></b> |
| FTE           | 0.9                     |
| General Fund  | 84,977                  |
| Federal Funds | 84,977                  |

**Summary:** The JBC approved the Department's request for additional funding to implement H.B. 12-1281 Medicaid Payment Reform Pilot Program (Young and Gerou/Steadman and Roberts). The bill created a process for contractors to propose new Medicaid reimbursement methods. The Department of Health Care Policy and Financing must review the proposals and select projects to pilot by July 1, 2013.

The bill provided \$213,079, including \$106,540 General Fund, and 0.8 FTE in FY 2012-13 to evaluate four payment projects, consistent with the Legislative Council Staff Revised Fiscal Note dated April 24, 2012. The Fiscal Note indicated that the 0.8 FTE would annualize to 1.0 FTE in FY 2013-14. In addition, the Fiscal Note projected an increase in administrative costs in FY 2013-14, but noted that the amount was dependent on the specific projects selected for the pilot program. Also, based on provisions in the bill requiring cost neutrality, the Fiscal Note assumed that the FY 2013-14 increases in administrative costs would be offset by decreases in medical service expenditures.

The Department requested additional funds based on conversations with two providers who indicated they plan to submit approximately four proposals each. The Fiscal Note assumed the Department would evaluate a total of four proposals. In addition, the Department provided an estimate of FY 2013-14 administrative expenditures, but no estimate of potentially offsetting changes in medical service expenditures.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include this supplemental in the Departments' supplemental bill.

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**PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL #2  
PUBLIC SCHOOL HEALTH SERVICES OVEREXPENDITURE**

| <b>FY 2011-12</b>                          | <b>Previously Approved</b> |
|--------------------------------------------|----------------------------|
| <b>Total</b>                               | <b><u>\$15,486,243</u></b> |
| Cash Funds – Certified Public Expenditures | 4,766,682                  |
| Federal Funds                              | 10,719,561                 |

**Summary:** The JBC approved the Department's request for additional spending authority **IN FY 2011-12** for an increase in certified public expenditures by local school health services that are eligible for federal matching funds. The increase can be attributed to reconciliation payments for services provided in FY 2010-11, when there was an enhanced federal match rate. There were increases in both the Medicaid eligible population and the amount of time school health services spent on Medicaid-eligible activities. No General Fund is involved in the request.

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include this supplemental in the Departments' supplemental bill.

**DEPARTMENT OF HUMAN SERVICES SUPPLEMENTALS WITH  
IMPACTS ON THE DEPARTMENT OF HEALTH CARE POLICY AND  
FINANCING**

| <b>Department of Human Services Supplementals</b>                                       |                    |                     |                      |
|-----------------------------------------------------------------------------------------|--------------------|---------------------|----------------------|
| <b>Request</b>                                                                          | <b>Total</b>       | <b>General Fund</b> | <b>Federal Funds</b> |
| Colorado Mental Health Institutes Revenue Adjustment                                    | (\$547,028)        | (\$273,514)         | (\$273,514)          |
| Leased Space for the Division of Developmental Disabilities and the State Unit on Aging | 68,068             | 34,034              | 34,034               |
| FY 2012-13 Technical Changes for Developmental Disabilities Programs                    | -                  | -                   | -                    |
| <b>TOTAL</b>                                                                            | <b>(\$478,960)</b> | <b>(\$239,480)</b>  | <b>(\$239,480)</b>   |

These supplemental requests will be discussed during the presentation of the JBC staff supplemental recommendations for the Department of Human Services.

## Statewide Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

| Department's Portion of Statewide Supplemental Request    | Total           | General Fund    | Cash Funds | Reapprop. Funds | Federal Funds   | FTE        |
|-----------------------------------------------------------|-----------------|-----------------|------------|-----------------|-----------------|------------|
| Liability Premiums Technical True-up                      | \$39,397        | \$19,699        | \$0        | \$0             | \$19,698        | 0.0        |
| <b>Department's Total Statewide Supplemental Requests</b> | <b>\$39,396</b> | <b>\$19,698</b> | <b>\$0</b> | <b>\$0</b>      | <b>\$19,698</b> | <b>0.0</b> |

**Staff Recommendation:** This amount represents the Department's share of the *Liability Premiums Technical True-up* interim 1331 supplemental that was approved by the Committee on Friday, Jan. 4, 2013. **Staff recommends that this adjustment be included in the Department's supplemental bill.**

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**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

|  | <b>FY 2011-12<br/>Actual</b> | <b>FY 2012-13<br/>Appropriation</b> | <b>FY 2012-13<br/>Requested Change</b> | <b>FY 2012-13<br/>Rec'd Change</b> | <b>FY 2012-13 Total<br/>W/ Rec'd Change</b> |
|--|------------------------------|-------------------------------------|----------------------------------------|------------------------------------|---------------------------------------------|
|--|------------------------------|-------------------------------------|----------------------------------------|------------------------------------|---------------------------------------------|

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

**S1-Medical Service Premiums**

**MEDICAL SERVICES PREMIUMS**

Medical and Long-Term Care Services for Medicaid

|                      |                      |                      |                   |                   |                      |
|----------------------|----------------------|----------------------|-------------------|-------------------|----------------------|
| Eligible Individuals | <u>3,642,032,762</u> | <u>3,985,613,386</u> | <u>11,542,295</u> | <u>11,542,295</u> | <u>3,997,155,681</u> |
| General Fund         | 833,239,176          | 1,050,603,677        | (6,288,700)       | (6,288,700)       | 1,044,314,977        |
| General Fund Exempt  | 373,508,751          | 312,202,624          | 0                 | 0                 | 312,202,624          |
| Cash Funds           | 629,762,743          | 651,181,857          | 12,587,928        | 12,587,928        | 663,769,785          |
| Reappropriated Funds | 6,445,828            | 3,215,340            | 0                 | 0                 | 3,215,340            |
| Federal Funds        | 1,799,076,264        | 1,968,409,888        | 5,243,067         | 5,243,067         | 1,973,652,955        |

|                                              |                      |                      |                   |                   |                      |
|----------------------------------------------|----------------------|----------------------|-------------------|-------------------|----------------------|
| <b>Total for S1-Medical Service Premiums</b> | <u>3,642,032,762</u> | <u>3,985,613,386</u> | <u>11,542,295</u> | <u>11,542,295</u> | <u>3,997,155,681</u> |
| <i>FTE</i>                                   | <u>0.0</u>           | <u>0.0</u>           | <u>0.0</u>        | <u>0.0</u>        | <u>0.0</u>           |
| General Fund                                 | 833,239,176          | 1,050,603,677        | (6,288,700)       | (6,288,700)       | 1,044,314,977        |
| General Fund Exempt                          | 373,508,751          | 312,202,624          | 0                 | 0                 | 312,202,624          |
| Cash Funds                                   | 629,762,743          | 651,181,857          | 12,587,928        | 12,587,928        | 663,769,785          |
| Reappropriated Funds                         | 6,445,828            | 3,215,340            | 0                 | 0                 | 3,215,340            |
| Federal Funds                                | 1,799,076,264        | 1,968,409,888        | 5,243,067         | 5,243,067         | 1,973,652,955        |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|

**Supplemental #2 - Medicaid Mental Health Programs**

**(3) MEDICAID MENTAL HEALTH COMMUNITY PROGRAMS**

|                                                     |                      |                      |                    |                    |                      |
|-----------------------------------------------------|----------------------|----------------------|--------------------|--------------------|----------------------|
| Mental Health Capitation for Medicaid Clients       | <u>273,376,614</u>   | <u>312,580,712</u>   | <u>(1,010,122)</u> | <u>(1,010,122)</u> | <u>311,570,590</u>   |
| General Fund                                        | 131,782,602          | 142,712,972          | (1,755,623)        | (1,755,623)        | 140,957,349          |
| Cash Funds                                          | 5,791,948            | 13,648,932           | 1,176,414          | 1,176,414          | 14,825,346           |
| Reappropriated Funds                                | 25,046               | 0                    | 0                  | 0                  | 0                    |
| Federal Funds                                       | 135,777,018          | 156,218,808          | (430,913)          | (430,913)          | 155,787,895          |
| <br>Medicaid Mental Health Fee for Service Payments | <br><u>3,894,039</u> | <br><u>4,147,628</u> | <br><u>101,582</u> | <br><u>101,582</u> | <br><u>4,249,210</u> |
| General Fund                                        | 1,917,565            | 2,073,815            | 50,790             | 50,790             | 2,124,605            |
| Federal Funds                                       | 1,976,474            | 2,073,813            | 50,792             | 50,792             | 2,124,605            |

|                                                                    |             |             |             |             |             |
|--------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total for Supplemental #2 - Medicaid Mental Health Programs</b> | 277,270,653 | 316,728,340 | (908,540)   | (908,540)   | 315,819,800 |
| <i>FTE</i>                                                         | <u>0.0</u>  | <u>0.0</u>  | <u>0.0</u>  | <u>0.0</u>  | <u>0.0</u>  |
| General Fund                                                       | 133,700,167 | 144,786,787 | (1,704,833) | (1,704,833) | 143,081,954 |
| Cash Funds                                                         | 5,791,948   | 13,648,932  | 1,176,414   | 1,176,414   | 14,825,346  |
| Reappropriated Funds                                               | 25,046      | 0           | 0           | 0           | 0           |
| Federal Funds                                                      | 137,753,492 | 158,292,621 | (380,121)   | (380,121)   | 157,912,500 |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|

**S3-Childrens Basic Health Plan Medical and Dental Costs**

**INDIGENT CARE PROGRAM**

Children's Basic Health Plan Medical and Dental

|                      |                    |                    |                   |                   |                    |
|----------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| Costs                | <u>182,454,122</u> | <u>182,543,053</u> | <u>15,361,657</u> | <u>15,361,657</u> | <u>197,904,710</u> |
| General Fund         | 29,413,207         | 21,787,355         | 4,708,298         | 4,708,298         | 26,495,653         |
| General Fund Exempt  | 446,100            | 441,600            | 0                 | 0                 | 441,600            |
| Cash Funds           | 35,148,096         | 42,220,291         | 912,354           | 912,354           | 43,132,645         |
| Reappropriated Funds | 0                  | 0                  | 0                 | 0                 | 0                  |
| Federal Funds        | 117,446,719        | 118,093,807        | 9,741,005         | 9,741,005         | 127,834,812        |

|                                                                          |             |             |            |            |             |
|--------------------------------------------------------------------------|-------------|-------------|------------|------------|-------------|
| <b>Total for S3-Childrens Basic Health Plan Medical and Dental Costs</b> | 182,454,122 | 182,543,053 | 15,361,657 | 15,361,657 | 197,904,710 |
| <i>FTE</i>                                                               | <u>0.0</u>  | <u>0.0</u>  | <u>0.0</u> | <u>0.0</u> | <u>0.0</u>  |
| General Fund                                                             | 29,413,207  | 21,787,355  | 4,708,298  | 4,708,298  | 26,495,653  |
| General Fund Exempt                                                      | 446,100     | 441,600     | 0          | 0          | 441,600     |
| Cash Funds                                                               | 35,148,096  | 42,220,291  | 912,354    | 912,354    | 43,132,645  |
| Reappropriated Funds                                                     | 0           | 0           | 0          | 0          | 0           |
| Federal Funds                                                            | 117,446,719 | 118,093,807 | 9,741,005  | 9,741,005  | 127,834,812 |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
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**S4-Medicare Modernization Act State Contribution Payment**

**OTHER MEDICAL SERVICES**

Medicare Modernization Act State Contribution

|               |                   |                   |                   |                   |                    |
|---------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Payment       | <u>93,582,494</u> | <u>90,656,176</u> | <u>12,696,672</u> | <u>12,696,672</u> | <u>103,352,848</u> |
| General Fund  | 62,939,212        | 50,609,286        | 3,062,555         | 3,062,555         | 53,671,841         |
| Federal Funds | 30,643,282        | 40,046,890        | 9,634,117         | 9,634,117         | 49,681,007         |

|                                                                           |            |            |            |            |             |
|---------------------------------------------------------------------------|------------|------------|------------|------------|-------------|
| <b>Total for S4-Medicare Modernization Act State Contribution Payment</b> | 93,582,494 | 90,656,176 | 12,696,672 | 12,696,672 | 103,352,848 |
| <i>FTE</i>                                                                | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u>  |
| General Fund                                                              | 62,939,212 | 50,609,286 | 3,062,555  | 3,062,555  | 53,671,841  |
| Federal Funds                                                             | 30,643,282 | 40,046,890 | 9,634,117  | 9,634,117  | 49,681,007  |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|

**S6-Medicaid Management Information System Operating Rules Compliance**

**EXECUTIVE DIRECTOR'S OFFICE**

**Information Technology Contracts and Projects**

|                                  |                   |                   |                  |                  |                   |
|----------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Information Technology Contracts | <u>29,272,031</u> | <u>31,899,317</u> | <u>1,993,873</u> | <u>1,993,873</u> | <u>33,893,190</u> |
| General Fund                     | 6,054,212         | 6,379,650         | 279,308          | 279,308          | 6,658,958         |
| Cash Funds                       | 1,269,332         | 1,566,666         | 44,962           | 44,962           | 1,611,628         |
| Reappropriated Funds             | 92,163            | 100,328           | 0                | 0                | 100,328           |
| Federal Funds                    | 21,856,324        | 23,852,673        | 1,669,603        | 1,669,603        | 25,522,276        |

|                                                                                       |            |            |            |            |            |
|---------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Total for S6-Medicaid Management Information System Operating Rules Compliance</b> | 29,272,031 | 31,899,317 | 1,993,873  | 1,993,873  | 33,893,190 |
| <i>FTE</i>                                                                            | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund                                                                          | 6,054,212  | 6,379,650  | 279,308    | 279,308    | 6,658,958  |
| Cash Funds                                                                            | 1,269,332  | 1,566,666  | 44,962     | 44,962     | 1,611,628  |
| Reappropriated Funds                                                                  | 92,163     | 100,328    | 0          | 0          | 100,328    |
| Federal Funds                                                                         | 21,856,324 | 23,852,673 | 1,669,603  | 1,669,603  | 25,522,276 |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                               | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|---------------------------------------------------------------|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
| <b>S7-Server Upgrade and Share Point Assessment</b>           |                      |                             |                                |                            |                                     |
| <b>EXECUTIVE DIRECTOR'S OFFICE</b>                            |                      |                             |                                |                            |                                     |
| <b>General Administration</b>                                 |                      |                             |                                |                            |                                     |
| General Professional Services and Special Projects            | 3,971,819            | 5,940,552                   | 85,980                         | 85,980                     | 6,026,532                           |
| General Fund                                                  | 1,094,416            | 1,312,418                   | 42,990                         | 42,990                     | 1,355,408                           |
| Cash Funds                                                    | 449,206              | 437,500                     | 0                              | 0                          | 437,500                             |
| Federal Funds                                                 | 2,428,197            | 4,190,634                   | 42,990                         | 42,990                     | 4,233,624                           |
| <b>Total for S7-Server Upgrade and Share Point Assessment</b> | 3,971,819            | 5,940,552                   | 85,980                         | 85,980                     | 6,026,532                           |
| <i>FTE</i>                                                    | <u>0.0</u>           | <u>0.0</u>                  | <u>0.0</u>                     | <u>0.0</u>                 | <u>0.0</u>                          |
| General Fund                                                  | 1,094,416            | 1,312,418                   | 42,990                         | 42,990                     | 1,355,408                           |
| Cash Funds                                                    | 449,206              | 437,500                     | 0                              | 0                          | 437,500                             |
| Federal Funds                                                 | 2,428,197            | 4,190,634                   | 42,990                         | 42,990                     | 4,233,624                           |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|

**S8-Medicaid Management Information System Technical Adjustments**

**EXECUTIVE DIRECTOR'S OFFICE**

**Information Technology Contracts and Projects**

|                                  |                   |                   |                  |                  |                   |
|----------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Information Technology Contracts | <u>29,272,031</u> | <u>31,899,317</u> | <u>(612,453)</u> | <u>(612,453)</u> | <u>31,286,864</u> |
| General Fund                     | 6,054,212         | 6,379,650         | (97,722)         | (97,722)         | 6,281,928         |
| Cash Funds                       | 1,269,332         | 1,566,666         | 31,752           | 31,752           | 1,598,418         |
| Reappropriated Funds             | 92,163            | 100,328           | 0                | 0                | 100,328           |
| Federal Funds                    | 21,856,324        | 23,852,673        | (546,483)        | (546,483)        | 23,306,190        |

|                                                                                  |            |            |            |            |            |
|----------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Total for S8-Medicaid Management Information System Technical Adjustments</b> | 29,272,031 | 31,899,317 | (612,453)  | (612,453)  | 31,286,864 |
| <i>FTE</i>                                                                       | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund                                                                     | 6,054,212  | 6,379,650  | (97,722)   | (97,722)   | 6,281,928  |
| Cash Funds                                                                       | 1,269,332  | 1,566,666  | 31,752     | 31,752     | 1,598,418  |
| Reappropriated Funds                                                             | 92,163     | 100,328    | 0          | 0          | 100,328    |
| Federal Funds                                                                    | 21,856,324 | 23,852,673 | (546,483)  | (546,483)  | 23,306,190 |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
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**S9-Increase in PASSR Level II and Status Change Evaluation Rates**

**EXECUTIVE DIRECTOR'S OFFICE**

**Eligibility Determinations and Client Services**

|                                                  |                  |                  |                |                |                  |
|--------------------------------------------------|------------------|------------------|----------------|----------------|------------------|
| Contracts for Special Eligibility Determinations | <u>3,509,989</u> | <u>7,761,238</u> | <u>181,883</u> | <u>181,883</u> | <u>7,943,121</u> |
| General Fund                                     | 828,091          | 828,091          | 45,471         | 45,471         | 873,562          |
| Cash Funds                                       | 661,117          | 2,806,268        | 0              | 0              | 2,806,268        |
| Federal Funds                                    | 2,020,781        | 4,126,879        | 136,412        | 136,412        | 4,263,291        |

|                                                                                       |            |            |            |            |            |
|---------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| <b>Total for S9-Increase in PASSR Level II and<br/>Status Change Evaluation Rates</b> | 3,509,989  | 7,761,238  | 181,883    | 181,883    | 7,943,121  |
| <i>FTE</i>                                                                            | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund                                                                          | 828,091    | 828,091    | 45,471     | 45,471     | 873,562    |
| Cash Funds                                                                            | 661,117    | 2,806,268  | 0          | 0          | 2,806,268  |
| Federal Funds                                                                         | 2,020,781  | 4,126,879  | 136,412    | 136,412    | 4,263,291  |

***JBC Staff Supplemental Recommendations - FY 2012-13***  
***Staff Working Document - Does Not Represent Committee Decision***

|                                                             | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|-------------------------------------------------------------|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
| <b>S10-Leased Space Rent Increase and True-up</b>           |                      |                             |                                |                            |                                     |
| <b>EXECUTIVE DIRECTOR'S OFFICE</b>                          |                      |                             |                                |                            |                                     |
| <b>General Administration</b>                               |                      |                             |                                |                            |                                     |
| Leased Space                                                | 628,141              | 696,564                     | (21,170)                       | (21,170)                   | 675,394                             |
| General Fund                                                | 197,846              | 197,119                     | 38,615                         | 38,615                     | 235,734                             |
| Cash Funds                                                  | 116,224              | 151,164                     | (49,200)                       | (49,200)                   | 101,964                             |
| Federal Funds                                               | 314,071              | 348,281                     | (10,585)                       | (10,585)                   | 337,696                             |
| <b>Total for S10-Leased Space Rent Increase and True-up</b> | 628,141              | 696,564                     | (21,170)                       | (21,170)                   | 675,394                             |
| <i>FTE</i>                                                  | 0.0                  | 0.0                         | 0.0                            | 0.0                        | 0.0                                 |
| General Fund                                                | 197,846              | 197,119                     | 38,615                         | 38,615                     | 235,734                             |
| Cash Funds                                                  | 116,224              | 151,164                     | (49,200)                       | (49,200)                   | 101,964                             |
| Federal Funds                                               | 314,071              | 348,281                     | (10,585)                       | (10,585)                   | 337,696                             |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                            | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|------------------------------------------------------------|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
| <b>S12-Public School Health Services True-up</b>           |                      |                             |                                |                            |                                     |
| <b>OTHER MEDICAL SERVICES</b>                              |                      |                             |                                |                            |                                     |
| Public School Health Services Contract                     |                      |                             |                                |                            |                                     |
| Administration                                             | <u>824,064</u>       | <u>1,138,549</u>            | <u>1,200,476</u>               | <u>1,200,476</u>           | <u>2,339,025</u>                    |
| Federal Funds                                              | 824,064              | 1,138,549                   | 1,200,476                      | 1,200,476                  | 2,339,025                           |
| Public School Health Services                              | <u>44,781,920</u>    | <u>30,446,344</u>           | <u>20,853,684</u>              | <u>20,853,684</u>          | <u>51,300,028</u>                   |
| General Fund                                               | (2,091,950)          | 0                           | 0                              | 0                          | 0                                   |
| Cash Funds                                                 | 22,390,960           | 16,010,155                  | 9,639,859                      | 9,639,859                  | 25,650,014                          |
| Federal Funds                                              | 24,482,910           | 14,436,189                  | 11,213,825                     | 11,213,825                 | 25,650,014                          |
| <b>Total for S12-Public School Health Services True-up</b> | 45,605,984           | 31,584,893                  | 22,054,160                     | 22,054,160                 | 53,639,053                          |
| <i>FTE</i>                                                 | <u>0.0</u>           | <u>0.0</u>                  | <u>0.0</u>                     | <u>0.0</u>                 | <u>0.0</u>                          |
| General Fund                                               | (2,091,950)          | 0                           | 0                              | 0                          | 0                                   |
| Cash Funds                                                 | 22,390,960           | 16,010,155                  | 9,639,859                      | 9,639,859                  | 25,650,014                          |
| Federal Funds                                              | 25,306,974           | 15,574,738                  | 12,414,301                     | 12,414,301                 | 27,989,039                          |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|

**S15-Federally Mandated CHP+ PPS Payments True-up**

**INDIGENT CARE PROGRAM**

Children's Basic Health Plan Medical and Dental

|                     |                    |                    |                  |                  |                    |
|---------------------|--------------------|--------------------|------------------|------------------|--------------------|
| Costs               | <u>182,454,122</u> | <u>182,543,053</u> | <u>9,020,710</u> | <u>9,020,710</u> | <u>191,563,763</u> |
| General Fund        | 29,413,207         | 21,787,355         | 2,795,899        | 2,795,899        | 24,583,254         |
| General Fund Exempt | 446,100            | 441,600            | 0                | 0                | 441,600            |
| Cash Funds          | 35,148,096         | 42,220,291         | 361,350          | 361,350          | 42,581,641         |
| Federal Funds       | 117,446,719        | 118,093,807        | 5,863,461        | 5,863,461        | 123,957,268        |

|                                                                   |             |             |            |            |             |
|-------------------------------------------------------------------|-------------|-------------|------------|------------|-------------|
| <b>Total for S15-Federally Mandated CHP+ PPS Payments True-up</b> | 182,454,122 | 182,543,053 | 9,020,710  | 9,020,710  | 191,563,763 |
| <i>FTE</i>                                                        | <u>0.0</u>  | <u>0.0</u>  | <u>0.0</u> | <u>0.0</u> | <u>0.0</u>  |
| General Fund                                                      | 29,413,207  | 21,787,355  | 2,795,899  | 2,795,899  | 24,583,254  |
| General Fund Exempt                                               | 446,100     | 441,600     | 0          | 0          | 441,600     |
| Cash Funds                                                        | 35,148,096  | 42,220,291  | 361,350    | 361,350    | 42,581,641  |
| Federal Funds                                                     | 117,446,719 | 118,093,807 | 5,863,461  | 5,863,461  | 123,957,268 |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                                  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--------------------------------------------------|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
| <b>S16-Nursing Facility Appeals</b>              |                      |                             |                                |                            |                                     |
| <b>MEDICAL SERVICES PREMIUMS</b>                 |                      |                             |                                |                            |                                     |
| Medical and Long-Term Care Services for Medicaid |                      |                             |                                |                            |                                     |
| Eligible Individuals                             | <u>3,642,032,762</u> | <u>3,985,613,386</u>        | <u>506,922</u>                 | <u>0</u>                   | <u>3,985,613,386</u>                |
| General Fund                                     | 833,239,176          | 1,050,603,677               | 253,461                        | 0                          | 1,050,603,677                       |
| General Fund Exempt                              | 373,508,751          | 312,202,624                 | 0                              | 0                          | 312,202,624                         |
| Cash Funds                                       | 629,762,743          | 651,181,857                 | 0                              | 0                          | 651,181,857                         |
| Reappropriated Funds                             | 6,445,828            | 3,215,340                   | 0                              | 0                          | 3,215,340                           |
| Federal Funds                                    | 1,799,076,264        | 1,968,409,888               | 253,461                        | 0                          | 1,968,409,888                       |
| <b>Total for S16-Nursing Facility Appeals</b>    | 3,642,032,762        | 3,985,613,386               | 506,922                        | 0                          | 3,985,613,386                       |
| <i>FTE</i>                                       | <u>0.0</u>           | <u>0.0</u>                  | <u>0.0</u>                     | <u>0.0</u>                 | <u>0.0</u>                          |
| General Fund                                     | 833,239,176          | 1,050,603,677               | 253,461                        | 0                          | 1,050,603,677                       |
| General Fund Exempt                              | 373,508,751          | 312,202,624                 | 0                              | 0                          | 312,202,624                         |
| Cash Funds                                       | 629,762,743          | 651,181,857                 | 0                              | 0                          | 651,181,857                         |
| Reappropriated Funds                             | 6,445,828            | 3,215,340                   | 0                              | 0                          | 3,215,340                           |
| Federal Funds                                    | 1,799,076,264        | 1,968,409,888               | 253,461                        | 0                          | 1,968,409,888                       |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|  | FY 2011-12<br>Actual | FY 2012-13<br>Appropriation | FY 2012-13<br>Requested Change | FY 2012-13<br>Rec'd Change | FY 2012-13 Total<br>W/ Rec'd Change |
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|
|--|----------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------------|

**Previously approved Interim Supplemental - HB12-1281 Departmental Differences Reconciliation**

**EXECUTIVE DIRECTOR'S OFFICE**

**General Administration**

|                                                    |                         |                         |                   |                   |                         |
|----------------------------------------------------|-------------------------|-------------------------|-------------------|-------------------|-------------------------|
| Personal Services                                  | <u>20,609,604 293.4</u> | <u>22,593,922 326.2</u> | <u>64,782 0.9</u> | <u>64,782 0.9</u> | <u>22,658,704 327.1</u> |
| General Fund                                       | 7,727,247               | 7,971,021               | 32,391            | 32,391            | 8,003,412               |
| Cash Funds                                         | 1,371,016               | 2,038,599               | 0                 | 0                 | 2,038,599               |
| Reappropriated Funds                               | 448,289                 | 1,176,645               | 0                 | 0                 | 1,176,645               |
| Federal Funds                                      | 11,063,052              | 11,407,657              | 32,391            | 32,391            | 11,440,048              |
| Operating Expenses                                 | <u>1,503,581</u>        | <u>1,625,353</u>        | <u>15,172</u>     | <u>15,172</u>     | <u>1,640,525</u>        |
| General Fund                                       | 677,693                 | 715,356                 | 7,586             | 7,586             | 722,942                 |
| Cash Funds                                         | 71,657                  | 53,049                  | 0                 | 0                 | 53,049                  |
| Reappropriated Funds                               | 0                       | 78,257                  | 0                 | 0                 | 78,257                  |
| Federal Funds                                      | 754,231                 | 778,691                 | 7,586             | 7,586             | 786,277                 |
| General Professional Services and Special Projects | <u>3,971,819</u>        | <u>5,940,552</u>        | <u>90,000</u>     | <u>90,000</u>     | <u>6,030,552</u>        |
| General Fund                                       | 1,094,416               | 1,312,418               | 45,000            | 45,000            | 1,357,418               |
| Cash Funds                                         | 449,206                 | 437,500                 | 0                 | 0                 | 437,500                 |
| Federal Funds                                      | 2,428,197               | 4,190,634               | 45,000            | 45,000            | 4,235,634               |

|                                                                                                               |              |              |            |            |              |
|---------------------------------------------------------------------------------------------------------------|--------------|--------------|------------|------------|--------------|
| <b>Total for Previously approved Interim Supplemental - HB12-1281 Departmental Differences Reconciliation</b> | 26,085,004   | 30,159,827   | 169,954    | 169,954    | 30,329,781   |
| <i>FTE</i>                                                                                                    | <u>293.4</u> | <u>326.2</u> | <u>0.9</u> | <u>0.9</u> | <u>327.1</u> |
| General Fund                                                                                                  | 9,499,356    | 9,998,795    | 84,977     | 84,977     | 10,083,772   |
| Cash Funds                                                                                                    | 1,891,879    | 2,529,148    | 0          | 0          | 2,529,148    |
| Reappropriated Funds                                                                                          | 448,289      | 1,254,902    | 0          | 0          | 1,254,902    |
| Federal Funds                                                                                                 | 14,245,480   | 16,376,982   | 84,977     | 84,977     | 16,461,959   |

**JBC Staff Supplemental Recommendations - FY 2012-13**  
**Staff Working Document - Does Not Represent Committee Decision**

|                                               | <b>FY 2011-12<br/>Actual</b> | <b>FY 2012-13<br/>Appropriation</b> | <b>FY 2012-13<br/>Requested Change</b> | <b>FY 2012-13<br/>Rec'd Change</b> | <b>FY 2012-13 Total<br/>W/ Rec'd Change</b> |
|-----------------------------------------------|------------------------------|-------------------------------------|----------------------------------------|------------------------------------|---------------------------------------------|
| <b>Totals Excluding Pending Items</b>         |                              |                                     |                                        |                                    |                                             |
| <b>HEALTH CARE POLICY AND FINANCING</b>       |                              |                                     |                                        |                                    |                                             |
| <b>TOTALS for ALL Departmental line items</b> | 5,137,020,090                | 5,561,158,114                       | 72,071,943                             | 71,565,021                         | 5,632,723,135                               |
| <i>FTE</i>                                    | <u>293.4</u>                 | <u>326.2</u>                        | <u>0.9</u>                             | <u>0.9</u>                         | <u>327.1</u>                                |
| General Fund                                  | 1,316,337,983                | 1,544,471,251                       | 3,220,319                              | 2,966,858                          | 1,547,438,109                               |
| General Fund Exempt                           | 373,954,851                  | 312,644,224                         | 0                                      | 0                                  | 312,644,224                                 |
| Cash Funds                                    | 875,991,975                  | 925,374,919                         | 24,705,419                             | 24,705,419                         | 950,080,338                                 |
| Reappropriated Funds                          | 7,557,386                    | 8,170,248                           | 0                                      | 0                                  | 8,170,248                                   |
| Federal Funds                                 | 2,563,177,895                | 2,770,497,472                       | 44,146,205                             | 43,892,744                         | 2,814,390,216                               |