

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2012-13

**DEPARTMENT OF HEALTH CARE POLICY
AND FINANCING**

(Medicaid Mental Health Community Programs)

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

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TABLE OF CONTENTS

	Narrative Page	Numbers Page
Prioritized Supplementals in Department-Assigned Order		
Supplemental #2 – Medicaid Mental Health Community Programs	1	A-1
Appendices		
Appendix A: Number Pages		
Appendix B: FY 2012-13 Mental Health Capitation Payments Calculations		

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #2 MEDICAID MENTAL HEALTH COMMUNITY PROGRAMS

	Request	Placeholder Recommendation
Total	<u>(\$908,540)</u>	<u>(\$908,540)</u>
General Fund	(1,704,833)	(1,704,833)
Cash Funds	1,176,414	1,176,414
Federal Funds	(380,121)	(380,121)

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 the result of data that was not available when the original appropriation was made.	

Department Request: The Department of Health Care Policy and Financing requests a decrease of \$908,540 total funds (including a decrease of \$1,704,833 General Fund) over the current FY 2012-13 appropriation of \$316.7 million total funds (including \$144.8 million General Fund) for the provision of mental health services to clients enrolled in Medicaid.

Staff Recommendation: Staff's recommendation is pending. **It is recommended that supplemental adjustments for the Medicaid Mental Health Community Programs division be made in the Long Bill Supplemental Add-on** (a section of the annual budget bill that amends the current year appropriation). However, **staff recommends that the Department's request for a decrease of \$908,540 total funds (including a decrease of \$1,704,833 General Fund) for FY 2012-13 is used as placeholder value.** Please note that staff does not anticipate presenting major changes to the placeholder recommendation for FY 2012-13 during the Long Bill (and Add-on) figure setting process outside of technical adjustments based on additional months of actual data.

Staff Analysis: The current FY 2012-13 appropriation is \$316.7 million total funds (including \$144.8 million General Fund) for the provision of services to a caseload of 664,441. The Department estimates that the current FY 2012-13 appropriation can be decreased by \$0.9 million total funds (including \$1.7 million General Fund) and still meet projected expenditures. The primary driver of the requested decrease is a caseload decrease of 1.0 percent over the appropriated caseload. Smaller fluctuations appear in the request due to date of death retractions and recoupment of payments for clients later deemed ineligible for Medicaid. *See Appendix B for staff's detailed calculations for the FY 2012-13 requested appropriation.*

JBC Staff Supplemental Recommendations: FY 2012-13
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The table below outlines the current FY 2012-13 appropriation compared to the projected FY 2012-13 appropriation request by aid category, as well as by capitation and fee-for-service payment categories.

FY 2012-13 Medicaid Mental Health Community Programs Budget Overview						
Cost Item	FY 2012-13 Appropriation		FY 2012-13 Projection		Difference	
	Caseload	Appropriation	Caseload	Appropriation	Caseload	Appropriation
Capitation Payments						
Aid Categories						
Adults 65 and Older (Elderly)	40,820	\$6,734,583	40,364	\$6,647,593	(456)	(\$86,990)
Low Income Adults (Adults)	153,880	44,169,121	152,840	43,754,714	(1,040)	(414,407)
Adults without Dependent Children (Adults)	10,000	9,443,024	10,000	13,481,055	0	4,038,031
Breast and Cervical Cancer Program (Adults)	679	195,362	621	178,530	(58)	(16,832)
Disabled Individuals Through 64 (Disabled)	73,254	135,666,988	72,197	132,555,546	(1,057)	(3,111,442)
Eligible Children (Children)	367,649	79,281,854	363,786	79,518,692	(3,863)	236,838
Foster Care (Children)	<u>18,159</u>	<u>37,736,831</u>	<u>17,994</u>	<u>37,270,633</u>	<u>(165)</u>	<u>(466,198)</u>
Aid Categories Subtotal	664,441	\$313,227,763	657,802	\$313,406,763	(6,639)	\$179,000
Adjustments						
Recoupments	n/a	(\$1,672,249)	n/a	(\$1,240,550)	n/a	\$431,699
Date of Death Retractions	n/a	(562,802)	n/a	(595,623)	n/a	(32,821)
Reconciliations	<u>n/a</u>	<u>1,588,000</u>	<u>n/a</u>	<u>0</u>	<u>n/a</u>	<u>(1,588,000)</u>
Adjustments Total	n/a	(\$647,051)	n/a	(\$1,836,173)	n/a	(\$1,189,122)
Capitation Payments Total	664,441	\$312,580,712	657,802	\$311,570,590	(6,639)	(\$1,010,122)
Fee-For-Service						
Inpatient	n/a	\$678,379	n/a	\$694,994	n/a	\$16,615
Outpatient	n/a	3,288,417	n/a	3,368,955	n/a	80,538
Physician	<u>n/a</u>	<u>180,832</u>	<u>n/a</u>	<u>185,261</u>	<u>n/a</u>	<u>4,429</u>
Fee-For-Service Total	n/a	\$4,147,628	n/a	\$4,249,210	n/a	\$101,582
Total Mental Health Community Programs	664,441	\$316,728,340	657,802	\$315,819,800	(6,639)	(\$908,540)
Incremental Percentage Change					-1.0%	-0.3%

Traditionally, supplemental adjustments for the Medicaid Mental Health Community Programs division are made in the Long Bill Supplemental Add-on (a section of the annual budget bill that amends the current year appropriation). This allows time for staff to compile additional months of expenditure data than are available at this time to formulate an accurate appropriation recommendation. For budget balancing purposes, staff recommends that the Committee use the Department's request for a decrease of \$908,540 total funds (including a decrease of \$1,704,833 General Fund) over the current FY 2012-13 appropriation as a placeholder value.

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

Appendix A: Number Pages

	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2012-13 Requested Change	FY 2012-13 Placeholder	FY 2012-13 Total w/ Placeholder
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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

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
 Medicaid Mental Health Fee for Service Payments	 <u>3,894,039</u>	 <u>4,147,628</u>	 <u>101,582</u>	 <u>101,582</u>	 <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

Total for Supplemental #2 - Medicaid Mental Health Programs	277,270,653	316,728,340	(908,540)	(908,540)	315,819,800
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
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
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	FY 2011-12 Actual	FY 2012-13 Appropriation	FY 2012-13 Requested Change	FY 2012-13 Placeholder	FY 2012-13 Total w/ Placeholder
Totals Excluding Pending Items					
HEALTH CARE POLICY AND FINANCING					
TOTALS for ALL Departmental line items	5,137,020,090	5,561,158,114	(908,540)	(908,540)	5,560,249,574
<i>FTE</i>	<u>293.4</u>	<u>326.2</u>	<u>0.0</u>	<u>0.0</u>	<u>326.2</u>
General Fund	1,316,337,983	1,544,471,251	(1,704,833)	(1,704,833)	1,542,766,418
General Fund Exempt	373,954,851	312,644,224	0	0	312,644,224
Cash Funds	875,991,975	925,374,919	1,176,414	1,176,414	926,551,333
Reappropriated Funds	7,557,386	8,170,248	0	0	8,170,248
Federal Funds	2,563,177,895	2,770,497,472	(380,121)	(380,121)	2,770,117,351

*JBC Staff Supplemental Recommendations: FY 2012-13
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Appendix B: FY 2012-13 Mental Health Capitation Payments Calculations

Estimated PM/PM Rate - Q1/2	\$13.53	\$149.99	\$23.53	\$109.87	\$17.80	\$174.33	\$23.53
Estimated PM/PM Rate - Q3/4	\$13.93	\$158.51	\$24.37	\$114.96	\$18.71	\$170.80	\$24.37

FY 2012-13 Caseload by 6 Months	Adults 65 and Older	Disabled Through 64	Low Income Adults	Adults w/o Dep. Children	Eligible Children	Foster Care	BCCP	Forecast
First 6 Months	40,160	70,844	149,045	10,000	356,122	17,997	614	644,782
Second 6 Months	40,566	73,550	156,634	10,000	371,450	17,991	629	670,820
Full Year	40,363	72,197	152,840	10,000	363,786	17,994	622	657,801

FY 2012-13 Estimated Need Calculations	Adults 65 and Older	Disabled Through 64	Low Income Adults	Adults w/o Dep. Children	Eligible Children	Foster Care	BCCP	Total
First 6 Months								
Average Monthly Caseload	40,160	70,844	149,045	10,000	356,122	17,997	614	644,782
PM/PM Rate X Caseload Average	\$3,260,189	\$63,755,349	\$21,042,173	\$6,592,200	\$38,033,830	\$18,824,502	\$86,685	\$151,594,927
Second 6 Months								
Average Monthly Caseload	40,566	75,042	156,634	10,000	371,450	17,991	629	672,312
PM/PM Rate X Caseload Average	\$3,390,506	\$71,369,445	\$22,903,023	\$6,897,600	\$41,698,977	\$18,437,177	\$91,972	\$164,788,700
Estimated Need	\$6,650,695	\$135,124,794	\$43,945,197	\$13,489,800	\$79,732,807	\$37,261,679	\$178,657	\$316,383,628

FY 2012-13 Estimated Claims Paid	Adults 65 and Older	Disabled Through 64	Low Income Adults	Adults w/o Dep. Children	Eligible Children	Foster Care	BCCP	Total
First 6 Months								
Claims Paid in Current Period	\$3,194,659	\$59,821,644	\$20,034,253	\$6,460,356	\$36,805,337	\$18,641,904	\$85,749	\$145,043,902
Claims from Prior Periods	\$65,173	\$3,275,841	\$918,593	\$129,207	\$1,142,714	\$187,702	\$868	\$5,720,098
Second 6 Months								
Claims Paid in Current Period	\$3,322,357	\$65,634,519	\$21,805,968	\$6,759,648	\$40,352,100	\$18,258,336	\$90,979	\$156,223,907
Claims from Prior Periods	\$65,404	\$3,823,542	\$995,900	\$131,844	\$1,218,541	\$182,691	\$934	\$6,418,856
Total Claims Paid in FY 2012-13	\$6,647,593	\$132,555,546	\$43,754,714	\$13,481,055	\$79,518,692	\$37,270,633	\$178,530	\$313,406,763

FY 2012-13 Est. Date of Death Retractions	Adults 65 and Older	Disabled Through 64	Low Income Adults	Adults w/o Dep. Children	Eligible Children	Foster Care	BCCP	Total
12 Months	(\$108,718)	(\$448,801)	(\$9,537)	(\$9,537)	(\$5,471)	(\$12,897)	(\$662)	(\$595,623)

FY 2012-13 Pre-adjusted Request	Adults 65 and Older	Disabled Through 64	Low Income Adults	Adults w/o Dep. Children	Eligible Children	Foster Care	BCCP	Total
12 Months	\$6,538,875	\$132,106,745	\$43,745,177	\$13,471,518	\$79,513,221	\$37,257,736	\$177,868	\$312,811,140

FY 2012-13 Recoupment Adjustments	Total
12 Months	(\$1,240,550)

FY 2012-13 Total Requested Appropriation	Total
12 Months	\$311,570,590