COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE

FY 2012-13 STAFF BUDGET BRIEFING

DEPARTMENT OF HUMAN SERVICES

(Services for People with Disabilities, and related administrative functions)

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

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FY 2012-13 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE

DEPARTMENT OF HUMAN SERVICES
(Services for People with Disabilities, and related administrative functions)

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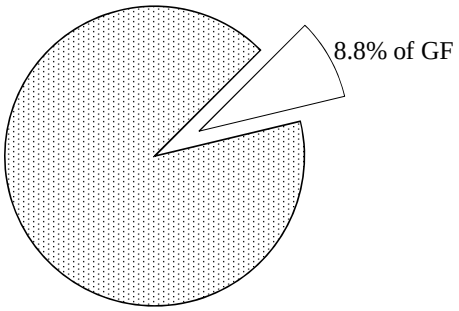
Department of Human Services

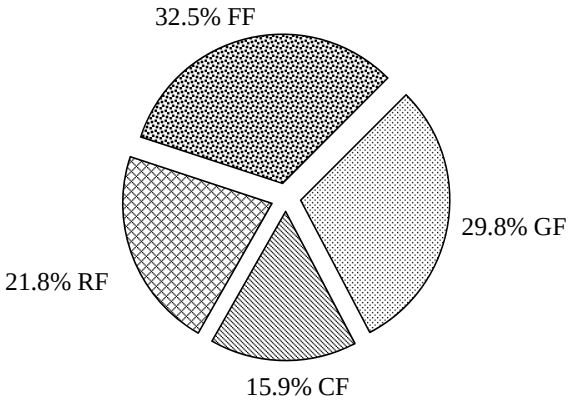
GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

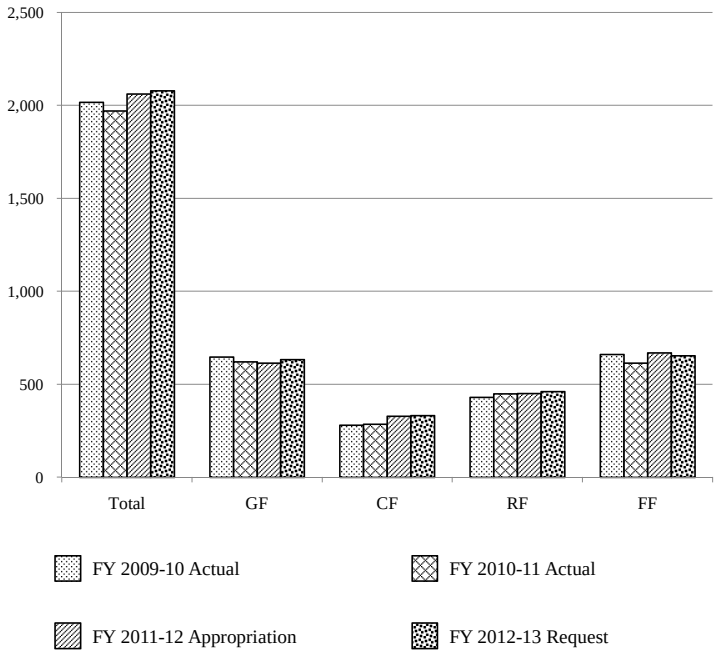


Note: If General Fund appropriated to the Department of Health Care Policy and Financing for human services programs were included in the graph above, the Department of Human Services' share of the total state General Fund would rise to 11.8%.

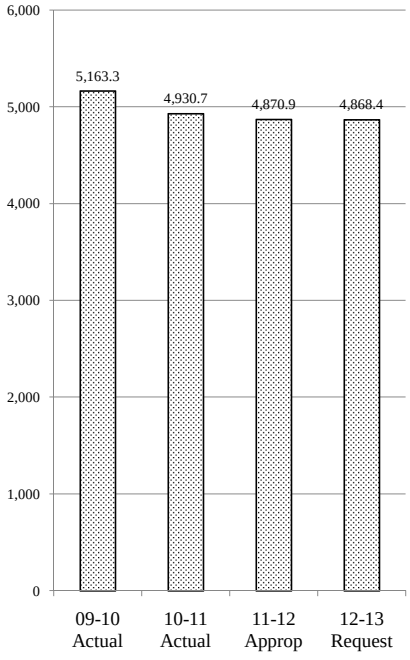
Department Funding Sources



Budget History
(Millions of Dollars)

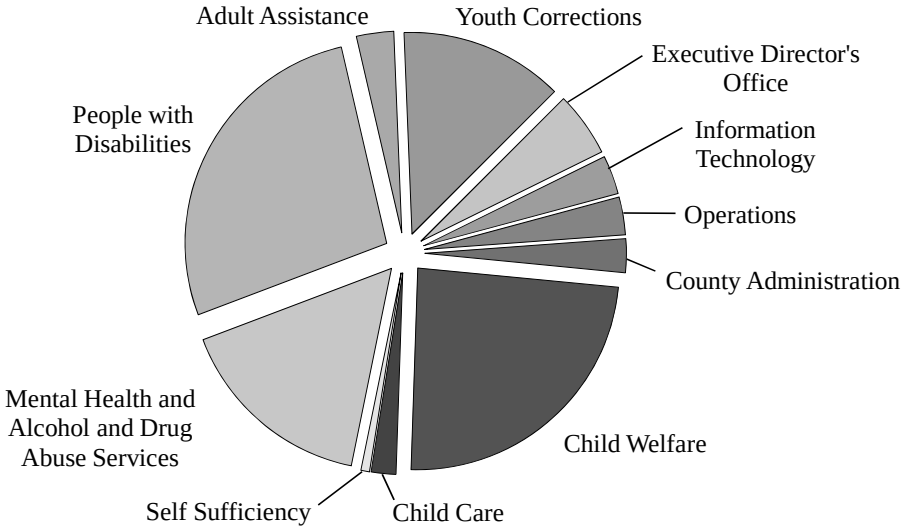


FTE History



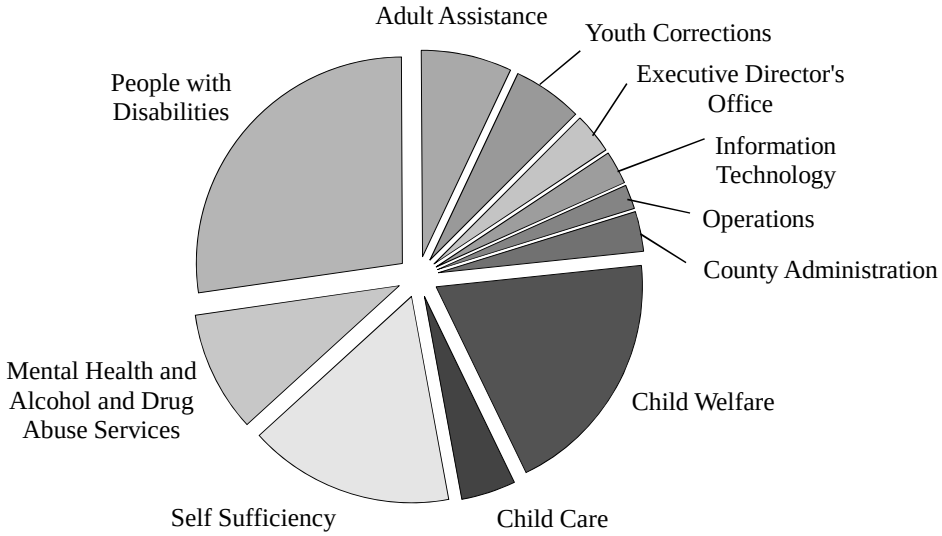
Unless otherwise noted, all charts are based on the FY 2011-12 appropriation.

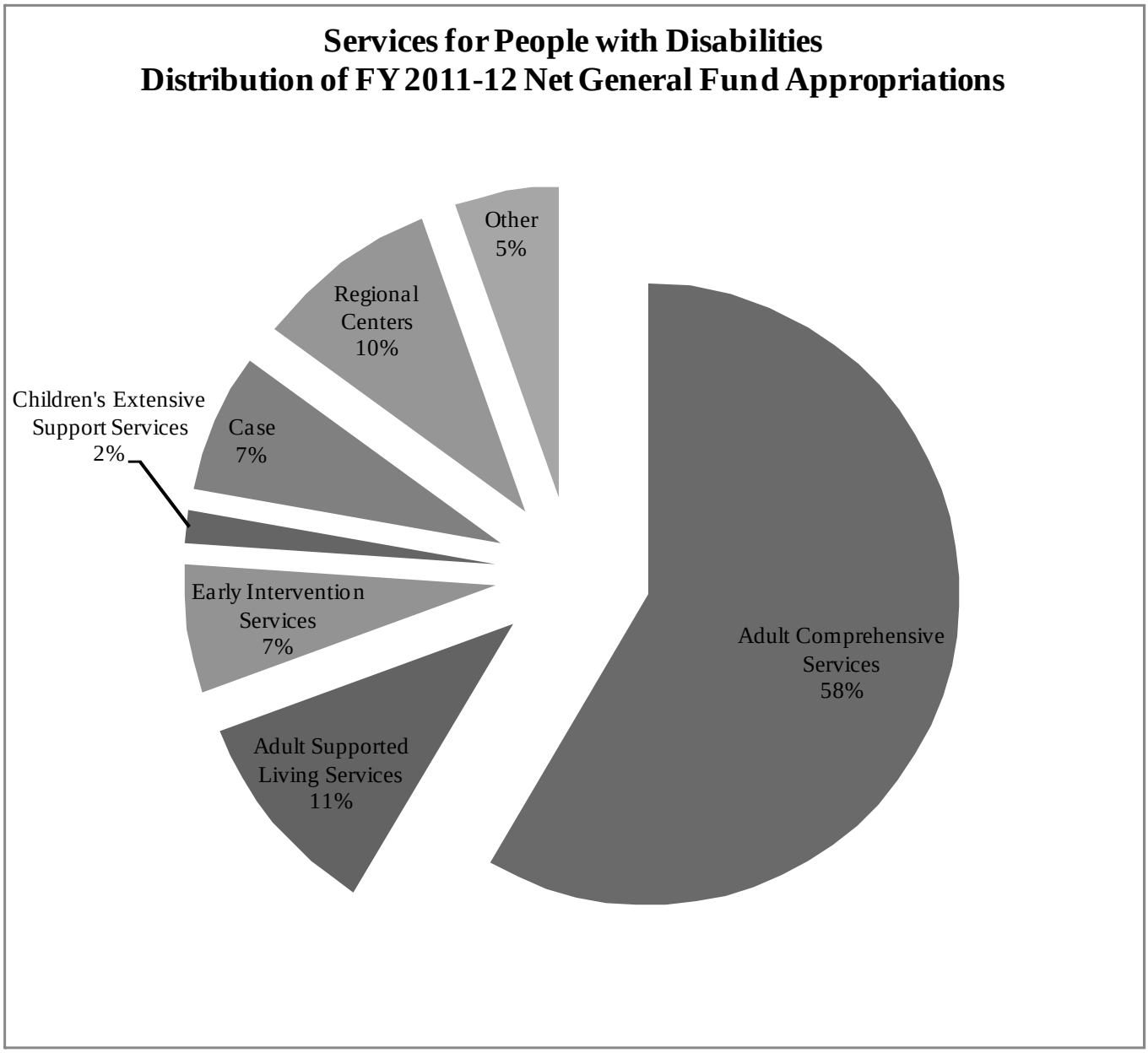
Distribution of Net General Fund* by Division
FY 2011-12 Appropriation = $827.5 million



*Net General Fund includes General Fund appropriated to the Department of Human Services and General Fund appropriated to the Department of Health Care Policy and Financing for human services programs.

Distribution of Total Funds by Division
FY 2011-12 Appropriation = $2.1 billion




Services for People with Disabilities
Distribution of FY 2011-12 Net General Fund Appropriations
Other
5%
Regional
Centers
10%
Children's Extensive
Support Services
2%
Case
7%
Early Intervention
Services
7%
Adult Supported
Living Services
11%
Adult Comprehensive
Services
58%

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Department of Human Services
(Services for People with Disabilities, and related administrative functions)

DIVISION OVERVIEW

Key Responsibilities

Executive Director's Office - Special Purpose subdivision

Developmental Disabilities Council

The Council is responsible for providing coordination, planning, and advice on the best direction for developmental disabilities services.

Colorado Commission for the Deaf and Hard of Hearing

This Commission has three primary responsibilities : (1) ensure persons who hearing impaired have access to general government services, (2) distribute assistive telecommunications equipment to persons who are hearing impaired, and (3) ensure the availability of legal interpreters for individuals who are hearing impaired and interacting with the courts.

Colorado Commission for Individuals Who Are Blind or Visually Impaired

This Commission is responsible for ensuring individuals who are blind or visually impaired have access to the following: vocational rehabilitation services, the business enterprise program, independent living centers. The Commission is also responsible for the development and administration of new programs that expand the provision of services to individuals who are blind or visually impaired.

Division of Services for People With Disabilities

Community and Home Based Services

The Division administers the financial aspects of the medicaid waiver programs for people with developmental disabilities. Community Center Boards (CCBs) provide the actual services, are regulated by the Division, and designated as the entry point into the developmental disabilities system.

Regional Centers

The Division is responsible for the staffing, operation, and provision of services at each of the three state-operated regional centers in Wheat Ridge, Grand Junction, and Pueblo.

Vocational Rehabilitation Programs

The Division administers these programs, which assist eligible individuals with disabilities in becoming a member of the workforce and are able to develop the skills needed to live independently.

State Veterans Nursing Homes

The Division manages and operates four state veterans nursing homes and one domiciliary (assisted living facility) located throughout the State.

Factors Driving the Budget

Community and Home-Based Services Waivers

Services for people with developmental disabilities are long-term (typically for the individual's life time), and different from the standard medical services funded through Medicaid because Colorado negotiates with the federal government for these three specific waiver programs for people with development disabilities. This enables Colorado to provide selective services to individuals with developmental disabilities for longer durations than would be possible under the standard Medicaid program. Colorado's three waiver programs for individuals with development disabilities are:

1. Adult Comprehensive Services
   These are residential services, and the associated support services, for adults who require intensive, around the clock care.

2. Support-Living Services
   These services are for adults who do not require residential care, and live independently or with family members. Supported living services are intended to provide support to the individual which enables them to continue to live in the community.

3. Children's Extensive Support Services
   These support services are for families with a child (or children) who requires a high level of daily supervision. These services enables the family to keep the child (children) in the family home.

The majority of the Division's funding is for these waiver programs. The following three tables provide information on the historical funding, number of placements, and average cost per placement for each of the waiver programs. Appropriated placements (abbreviated as Approp. Placements in the table) are the number of full-time placements the General Assembly has provided funding for (similar to how an FTE does not necessarily equal one employee). This number does not equal the number of unduplicated adults/children served by each waiver program.

Adult Comprehensive Waiver Expenditures, Placements, and Average Cost per Placement						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request
Waiver Cost	$202,902,597	$252,339,448	$255,829,750	$304,569,950	$294,416,214	$300,556,696
Number of Approp. Placements	3,872	3,872	4,230	4,287	4,333	4,426
Average Cost per Placement	52,403	65,170	60,480	71,045	67,947	67,907

Supported Living Services Waiver Expenditures, Placements, and Average Cost per Placement						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request
Waiver Cost	46,431,137	53,934,755	44,974,958	45,391,603	41,530,106	42,469,990
Number of Approp. Placements	3,584	3,584	3,940	3,955	3,990	4,070
Average Cost per Placement	12,955	15,049	11,415	11,477	10,409	10,435

Children's Extensive Support Waiver Expenditures, Placements, and Average Cost per Placement						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request
Waiver Cost	5,756,235	6,913,410	7,158,025	7,956,073	7,873,966	7,873,966
Number of Approp. Placements	395	395	393	393	393	393
Average Cost per Placement	14,573	17,502	18,214	20,244	20,036	20,036

Population As A Cost Driver of Waiver Programs

There are two aspects to Colorado's population, when combined with improvements in the quality of care, are driving an increase in demand for, and cost of, waiver programs. The first aspect is the continued growth in Colorado's general population, which is increasing the number of individuals eligible for waiver services, thus increasing the size of the waiting list. The second aspect is the aging of Colorado's Baby Boomer population. This population tends to represent a large portion of the care givers for population of adult children with developmental disabilities either receiving no waiver services, or services through the supported-living waiver . As these parents/care givers age, the need for more comprehensive care for these adult children increases. This need is driving an increase in the demand for supported living services, and/or residential services.

Overtime the quality of services and care provided to individuals with developmental disabilities has improved, allowing these individuals to live longer. The increase life-span of adults with developmental disabilities is increasing the cost of waiver service, and limiting the number of placements that open each year. The combination of this factor, and the changes in Colorado's population, has led to a continued increase in the demand for, and cost of, waiver services.

Region Centers

Regional Centers are state administered institutions and group homes that provide comprehensive, 24-hour care to high needs individuals with developmental disabilities. The Department is working through a progress that is examining the current role, and the possible future role of Regional Centers. An in depth discussion of the cost factors of Regional Centers is done in the second issue.

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DECISION ITEM PRIORITY LIST

This table includes all the Department of Human Services decisions items. Only decision items that affect the sections of the budget discussed in this presentation are shown. For Decision Item #6, only a portion of the total decision item applies to the budget sections addressed in this packet.

	Decision Item	GF	CF	RF	FF	Total	Net GF*	FTE
1		$0	$0	$4,877,540	$0	$4,877,540	$2,438,770	0.0
	New Funding - Developmental Disabilities Services **(9) Services for People With Disabilities (A) Community Services for People with Developmental Disabilities.** The Department is requesting an increase of $4,877,540 reappropriated funds ($2,438,770 net General Fund) for an additional 96 community placements for individuals aging out of either the Children's Extensive Support Services or foster care, and an additional 77 placements for emergency and/or at risk individuals with development disabilities not currently receiving community-based services or requiring additional services to due the loss a care giver. *Statutory authority: Section 27-10.5-104, C.R.S.*							
2		75,000	0	0	0	75,000	75,000	0.0
	Electronic Health Record and Pharmacy System Feasibility Study at the Mental Health Institutes							
3		0	(889,547)	0	(5,392,975)	(6,282,522)	0	(1.0)
	TANF Long-Term Reserve Solvency							
4		(10,080)	0	0	10,080	0	(10,080)	0.0
	Title III Older Americans Act Matching Requirement and General Fund Savings							
5		0	0	96,798	0	96,798	0	0.2
	Legal Auxiliary Services **(1) Executive Director's Office (B) Special Purpose.** The Department requests an increase of $96,798 reappropriated funds from the Disabled Telephone Users Fund in the Department of Regulatory Agencies and 0.2 FTE, for increased legal auxiliary services provided to the State Court System for individuals who are deaf or hard of hearing. *Statutory authority: Section 40-17-104, C.R.S.*							

Decision Item	GF	CF	RF	FF	Total	Net GF*	FTE
6	(3,619)	0	0	(13,374)	(16,993)	(3,619)	0.0
Division of Vocational Rehabilitation Leased Vehicles **(3) Office of Operations and (9) Services for People with Disabilities (D) Division of Vocational Rehabilitation.** The Department requests an increase of $16,416 total funds to the vehicle lease payments line item, in the Office of Operations, for the lease of four additional vehicles. This increase is offset by a reduction of $33,409 to the Division of Vocational Rehabilitation because Division staff will use the leased vehicles and no longer be reimbursed for personal vehicle mileage. *Statutory authority: Section 26-8-101 through 106, C.R.S.*							
7	0	39,566	0	(39,566)	0	0	0.0
Low-Income Telephone Assistance Program Integrity							
8	0	554,596	0	0	554,596	0	0.0
Buildings and Grounds Cash Fund Adjustment							
9	(365,260)	0	0	0	(365,260)	(365,260)	0.0
Refinance Child Support Enforcement Programs General Fund Appropriations with Cash Funds							
10	(817,511)	0	0	817,511	0	(817,511)	0.0
Child Care Assistance Program General Fund Refinance							
NP-1	31,316	1,158	16,158	7,378	56,010	38,890	0.0
Statewide Vehicle Replacement							
NP-2	303,065	43,576	464,126	446,833	1,257,600	533,772	0.0
CBMS Electronic Document Management System							
NP-3	0	0	14,040	0	14,040	0	0.0
Hospital Provider Fee Administrative True-up							
Total	**($787,089)**	**($250,651)**	**$5,468,662**	**($4,164,113)**	**$266,809**	**$1,889,962**	**(0.8)**

* These amounts are shown for informational purposes only. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations are General Fund. Net General Fund equals the direct GF appropriation shown, plus the GF portion of the HCPF transfer.

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OVERVIEW OF NUMBERS PAGES

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2011-12 appropriation and its FY 2012-13 request. A large portion of the Department's reappropriated funds are Medicaid-related transfers from the Department of Health Care Policy and Financing (HCPF). Roughly half of the corresponding HCPF appropriations originate as General Fund in HCPF. Net General Fund equals the direct GF appropriation shown, plus the GF portion of the HCPF transfer.

Summary of Changes FY 2011-12 to FY 2012-13 Department of Human Services							
Category	**GF**	**CF**	**RF**	**FF**	**Total**	**Net GF**	**FTE**
FY 2011-12 Approp.	$614.7	$328.0	$449.8	$669.0	$2,061.5	$827.5	4,870.9
FY 2012-13 Request	633.5	331.7	461.0	653.7	2,079.9	851.1	4,868.4
Increase / (Decrease)	$18.8	$3.7	$11.2	($15.3)	$0.0	$23.6	(2.5)
Percentage Change	3.1%	1.1%	2.5%	(2.3)%	0.0%	2.9%	(0.1)%

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2011-12 appropriation and its FY 2012-13 request for the portion of the Department of Human Services addressed in this briefing packet.

Summary of Changes FY 2011-12 to FY 2012-13 Services for People with Disabilities Only							
Category	**GF**	**CF**	**RF**	**FF**	**Total**	**Net GF**	**FTE**
FY 2011-12 Approp.	$36.9	$74.2	$386.0	$64.7	$561.8	$224.9	1,701.1
FY 2012-13 Request	37.0	74.2	394.6	65.0	570.8	229.2	1,701.3
Increase / (Decrease)	$0.1	$0.0	$8.6	$0.3	$0.0	$4.3	0.2
Percentage Change	0.3%	0.0%	2.2%	0.5%	0.0%	1.9%	0.0%

Requested Changes For Services for People with Disabilities Only
FY 2011-12 to FY 2012-13 (millions of dollars)

The following table highlights the individual changes contained in the Department's FY 2012-13 budget request, as compared with the FY 2011-12 appropriation, for the portion of the Department covered in this briefing packet. For additional detail, see the numbers pages in Appendix A.

Category	GF	CF	RF	FF	Total	Net GF	FTE
Changes Impacting Multiple Line Items							
Annualize S.B. 11-076: PERA Contribution Rates	$70,976	$4,744	$904,310	$249,164	$1,229,194	519,424	0.0
Annualize FY 2010-11 5% operating reduction	16,589	0	138,402	71,930	226,921	85,790	0.0
Subtotal - Changes Impacting Multiple Line Items	*87,565*	*4,744*	*1,042,712*	*321,094*	*1,456,115*	*605,214*	*0.0*
(1) (B) Special Purpose							
DI-5 Legal Auxiliary Services	0	0	96,798	0	96,798	0	0.2
Administration							
No major changes.	0	0	0	0	0	0	0.0
Program Costs							
Adult Comprehensive Services							
Annualize funding for additional Adult Comprehensive placements added in FY 2011-12	0	0	2,932,845	0	2,932,845	1,466,423	0.0
Reverse FY 2011-12 leap year adjustment	0	0	(707,335)	0	(707,335)	(353,667)	0.0
DI-1 Funding for new Adult Comprehensive Placements in FY 2012-13	0	0	3,914,972	0	3,914,972	1,957,486	0.0
Support Living Services							
DI-1 Funding for new Supported Living Services placements in FY 2012-13	0	0	758,940	0	758,940	379,470	0.0
Annualize funding for new SLS placements added in FY 2011-12	0	0	180,944	0	180,944	90,472	0.0

Category	GF	CF	RF	FF	Total	Net GF	FTE
Case Management							
DI-1: Case Management Funding for new Adult Comp. and SLS placements	0	0	203,628	0	203,628	101,814	0.0
Annualize funding for new case management placements added in FY 2011-12	0	0	134,217	0	134,217	67,109	0.0
Subtotal - Program Costs	*$0*	*$0*	*$7,418,211*	*$0*	*$7,418,211*	*$3,709,107*	*0.0*
Other Community Programs							
No major changes.	$0	$0	$0	$0	$0	$0	0.0
Regional Centers							
No major changes.	0	0	0	0	0	0	0.0
Vocational Rehabilitation							
DI-6: Leased Vehicles	(7,116)	0	0	(26,293)	(33,409)	(61,670)	0.0
State Veterans Nursing Homes							
No major changes.	0	0	0	0	0	0	0.0
Total Change	**$80,449**	**$4,744**	**$8,557,721**	**$294,801**	**$8,937,715**	**$4,252,651**	**0.2**

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Department of Human Services
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BRIEFING ISSUE

ISSUE #1: Performance-based Goals and the Department's FY 2012-13 Budget Request

This issue brief summarizes the Department of Human Services report on its performance relative to its strategic plan and discusses how the FY 2012-13 budget request advances the Department's performance-based goals. Pursuant to the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act (H.B. 10-1119), the full strategic plan for the Department of Human Services can be accessed from the Office of State Planning and Budgeting web site.

The issue brief assumes that the performance-based goals are appropriate for the Department. Pursuant to the SMART Government Act legislative committees of reference are responsible for reviewing the strategic plans and recommending changes to the departments. The issue brief also assumes that the performance measures are reasonable for the performance-based goals. Pursuant to the SMART Government Act the State Auditor periodically assesses the integrity, accuracy, and validity of the reported performance measures. Please note that the Department's full strategic plan includes five overarching highest priority objectives and performance measures and additional division-specific objectives and performance measures. This issue brief only deals with one of the overarching objectives. The remaining four overarching objectives have been/will be evaluated in separate issue briefs.

DISCUSSION:

Performance-based Goals and Measures

The Department's five top priority objectives are:

1. To improve the lives of the families we serve by helping them to achieve economic security. *(This goal and related performance measures was covered as part of a separate issue brief.)*

2. To assure Colorado's children and youth have the opportunity to thrive in safe, nurturing and stable families in their communities. *(This goal and related performance measures was covered as part of a separate issue brief.)*

3. To assist the elderly and people with developmental disabilities to reach their maximum potential through increased independence, productivity and integration within the community.

Objective #1: The Colorado Department of Human Services (CDHS) rules specify that supported employment is the primary option for all persons receiving Day Habilitation Services and Supports. Supported employment is employment in a variety of settings in which the

participants interact with non-disabled individuals other than those providing services to them to the same extent that individuals employed in comparable positions would interact. CDHS provides annual training sessions to the Community Centered Boards (CCBs) and provider agencies to improve understanding of roles and responsibilities, as well as the applicable rules and procedures for referral between systems for services. CDHS holds quarterly meetings with the Denver Metro area supported employment providers and, any others who wish to attend, to review employment activities, successes, and challenges. The meetings facilitate support among the agencies and share successful methods and strategies for securing and maintaining supported employment.

Performance Measure for Objective #1:

Of the adults with developmental disabilities in the community enrolled in day services, increase the percentage that have supported employment.

Informational Note - there are four type of day services:

Day Habilitation Services and Support are designed to foster the acquisition of skills, appropriate behavior, greater independence, and personal choice in a non-residential setting (i.e. a setting that is not the participants private residence).

Specialized Habilitation services focus on enabling the participant to attain their maximum functional level, or to be supported in such a manner to gain increased levels of self-sufficiency. These services are generally provided in non-integrated settings, like a program site.

Supported Community Connection works to enable the participant to access typical activities and functions of community life, like community education or training, and/or retirement and volunteer activities. These activities occur in a variety of settings in which the participant interacts with non-disabled individuals (who are not the provider).

Supported Employment Services provide intensive, ongoing supports which enable participants to engage in competitive employment at or above the minimum wage. Services include: assessment and identification of vocation interests and capabilities, development of job skills, and assistance in locating a job.

Percent of Adults with Developmental Disabilities Enrolled in Day Services				
Year	**Benchmark**	**Actual**	**Unduplicated Clients with Supported Employment**	**Total Unduplicated Clients in Day Services**
FY 2006-07	30.9%	29.0%	1615[A]	5,561
FY 2007-08	31.9%	27.0%	1516[A]	5,623
FY 2008-09	33.0%	23.8%	1401[A]	5,899
FY 2009-10	28.0%	21.5%	1344[A]	6,271
FY 2010-11	30.0%	24.3%	1729[B]	7,112

Percent of Adults with Developmental Disabilities Enrolled in Day Services				
Year	Benchmark	Actual	Unduplicated Clients with Supported Employment	Total Unduplicated Clients in Day Services
FY 2011-12 Appropriation	23.2%	n/a	n/a	n/a
FY 2012-13 Request	25.2%	n/a	n/a	n/a

[A] FY 2006-07 to FY 2009-10 data based on information from the "DDD Funded Supported Employment Work Data" report.

[B] Data for FY 2010-11 from MMIS for HCBS-DD and SLS clients, and from CCMS for State SLS clients.

a. How is the Department measuring the specific goal/objective?

The Department compares the total number of adults employed in the community to the number of adults with developmental disabilities receiving Day Habilitation Services.

b. Is the Department meeting its objective, and if not, why?

Based on the percentages in the above table, no the Department did not meet the objective. During FY 2008-09 to FY 2010-11, the inability of the Department to meet the objective was partially attributable to the declining economy and employment opportunities. Not only were more individuals with developmental disabilities unable to secure employment, a large percentage of the overall workforce was unable to secure employment. In response to the economic and workforce conditions, the Department adjusted the performance measure benchmark downward for FY 2011-12 and FY 2012-13.

c. How does the budget request advance the performance-based goal?

For FY 2012-13 the Department has requested additional funding for 179 new community based placements. Based on the average percent of current individuals receiving community based services who are enrolled in day services, (93.5 percent of adult comprehensive clients, and 87.0 percent of supported living clients), a total of 157 of the new placements (87 adult comprehensive clients, and 70 supported living clients) will likely receive some type of Day Services.

Objective #2

Young children will have the enhanced capacity to improve their competencies and talents. As outcome data becomes available, the professionals providing early intervention services adjust their intervention methods and strategies according to each child's individual level of progress. The Colorado Department of Human Services (CDHS) develops new training programs to improve local providers' understanding of how outcome data for each child can be used to help achieve individual development goals.

Performance Measure for Objective #2:

Maintain or increase the percentage of infants and toddlers participating in early intervention services who improve their acquisition and use of knowledge and skills (motor, cognition, speech, language, behavioral, etc.)

Percent of Infants and Toddlers Receiving Early Intervention Services who Improve Their Acquisition and Use of Knowledge and Skills		
Year	**Benchmark**	**Actual**
FY 2008-09	97.0%	97.0%
FY 2009-10	97.0%	96.0%
FY 2010-11 Actual	97.0%	98.0%
FY 2011-12 Appropriation	97.0%	n/a
FY 2012-13 Request	97.0%	n/a

a. How is the Department measuring the specific goal/objective?

Each child's knowledge and skill level is evaluated upon enrolling in Early Intervention Services (E.I. Services) and placed at a percent of what is appropriate for his or her age. Every six months, the child is reevaluated and the data is compared to the previous assessment to determine what growth the child has made.

b. Is the Department meeting its objective, and if not, why?

Yes. The Department is able to work with providers to ensure that based on the assessment comparisons, the provider is making the appropriate adjustments to the child's intervention methods.

c. How does the budget request advance the performance-based goal?

For FY 2012-13 budget request keeps the E.I. Services funding level constant. The sixth issue brief discusses the Department's annual report on E.I. Services which indicates that after December 2011, when American Recovery and Reinvestment Act funds expire, there will be insufficient funds for E.I. Services.

4. To promote quality and effective behavioral health practices to strengthen the health, resiliency and recovery of Coloradans. *(This goal and related performance measures will be covered as part of a separate issue brief.)*

5. To develop and implement efficiency measure that maximize the resources of the Department and its partners. *(This goal and related performance measures was covered as part of a separate issue brief.)*

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BRIEFING ISSUE

ISSUE #2: Cost of Regional Center Services verses Community Based Services

The average cost of a Regional Center bed is $209,027 per year. The average cost of similar services provided in a community based setting is $147,044 less per year at $61,983 per year. There are pros and cons to providing services in Regional Centers verses in the community, and the Department is currently evaluating the role Regional Centers should play in the provision of services to people with developmental disabilities.

SUMMARY:

- ❑ Services in community based settings by non-state providers are on average $147,044 less per year, than similar services provided in state-run Regional Centers.

- ❑ Decisions made by the General Assembly when setting the FY 2009-10 Regional Center budget increased the average cost per bed at Regional Centers. Additionally, Regional Center staff are state employees subject to the state personnel system, which prevent the capture, if a Regional Center bed is empty, of any associated employee vacancy savings.

- ❑ The Department is in the process of evaluating the current and future role of Regional Centers in the provision of services to people with development disabilities.

DISCUSSION:

Average Cost per client at Regional Centers

Bed Composition of Regional Centers

Each of the three regional centers has a unique combination of institutional beds and group home beds. The following table shows the composition of beds at each regional center since FY 2008-09.

Summary of Bed Count at Each Regional Center - by License Type				
	FY 2008-09	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**
Wheat Ridge Regional Center				
Institution Beds	113	66	121	122
Group Home Beds	29	58	0	0
Wheat Ridge Total Beds	142	123	121	122

Summary of Bed Count at Each Regional Center - by License Type				
	FY 2008-09	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**
Grand Junction Regional Center				
Institutional Beds	44	41	39	40
Group Home Beds	74	70	63	62
Skilled Nursing Beds	32	25	0	0
Grand Junction Total	150	136	102	102
Pueblo				
Group Home Beds	73	73	72	74
Totals All Regional Centers				
Institutional Beds	157	107	160	162
Group Home Beds	176	201	135	136
Skilled Nursing Beds	32	25	0	0
Total All Beds All Centers	**365**	**333**	**295**	**298**

The notable change to the bed composition at the Wheat Ridge and Grand Junction Regional Centers from FY 2009-10 to FY 2010-11 was due to the following factors:

1. The Wheat Ridge Regional Center converted all the beds to institutional licensed beds because of the high level of needs of the majority of residents.
2. The Grand Junction Regional Center, closed the Skilled Nursing Facility, and transitioned these residents to community placements.

Average Cost by Regional Center Bed Type

All residents served at Regional Centers have the highest level of basic support, medical, and behavioral needs. The following table outlines the average cost per Regional Center bed type. The skilled nursing beds that were in Grand Junction were licensed as Institutional beds. ICF/ID is the medicaid licensing type for institutional beds; and HCBS-DD is the medicaid licensing type for group home beds.

Average Cost per Placement at Regional Centers			
	FY 2008-09 Actual	**FY 2009-10 Actual**	**FY 2010-11 Actual**
Wheat Ridge			
ICF/ID	235,766	257,705	n/a
HCBS-DD	187,905	178,191	n/a
Combined Average	197,680	215,362	217,760

Average Cost per Placement at Regional Centers			
	FY 2008-09 Actual	**FY 2009-10 Actual**	**FY 2010-11 Actual**
Grand Junction			
ICF/ID	$213,205	$226,479	n/a
HCBS-DD	$157,295	$164,278	n/a
Combined Average	$185,653	$194,658	$244,624
Pueblo			
HCBS-DD	$164,175	$174,479	$164,697
Average for All Regional Centers			
ICF/ID	**$224,486**	**$242,092**	**n/a**
HCBS-DD	**$169,792**	**$172,316**	**n/a**
Combined Average (Wheat Ridge and Grand Junction Only)	**$191,667**	**$205,010**	**$231,192**

The General Assembly made two decisions when setting the FY 2009-10 budget for Regional Centers, which resulted in increased funding and FTE for Regional Centers and a reduction in the number of beds. Appropriation to Regional Centers was increased by $323,491 General Fund and 10.0 FTE. The two decisions made by the General Assembly were to:

1. Increase the number of Regional Center FTE by 10.0 FTE in FY 2009-10; and
2. Reduce bed capacity starting in FY 2008-09 and continuing through FY 2010-11 (see the table on the following page for details on the bed capacity reduction).

The three primary reasons driving these changes were:

- Inadequate staffing associated with a more severe client population. There was an unexpected increase in the number of persons requiring one-to-one or greater supervision beginning in spring 2007.

- Federally-imposed changes to the Medicaid waiver program historically used to license 301 of the regional center beds. Due to these changes, all bed at the Wheat Ridge Regional Center were converted to institutional licensing (ICF/ID), and resulted in an increase in staff.

- Recommendations of the Regional Center Work Group. Among other recommendations, the work group agreed the regional centers' first priority should be to care for those already in their care, and recommended steps to reduce regional center capacity, as outlined in the following table.

Regional Center Work Group Bed Capacity and Additional Staff Recommendations		
	Bed Capacity	**Additional Staff if Bed Capacity Unchanged**
FY 2007-08 Capacity	403	248.5 FTE
By the End of FY 2008-09 (year 1) - reduce by 52 beds	351	139.9 FTE
By the End of FY 2009-10 (year 2) - reduce an additional 22 beds	329	93.0 FTE
By the end of 2010-11 (year 3) - reduce by 22 more beds	307	47.7 FTE

Other Factors Driving the Cost of Regional Center Beds

Even without the changes discussed above, the average cost of Regional Center beds has always been higher than community-based placements. A primary reason for this, is the fact that Regional Center employees are state employees covered by the state personnel system. This means that even if Regional Centers were to be downsized, the employees could not be released. Also if beds are vacant, there is no associated employee vacancy savings. A second reason for the higher cost of Regional Center beds is the medicaid licensing type for the beds. This resulted in the group home beds operated by the Wheat Ridge Regional Center to be institutional licensed beds, but the group homes beds operated by the Pueblo Regional Center to be licensed as community based group home beds are (HCBS-DD).

Average Cost for a Adult Comprehensive Community Placement

The following table compares the average cost of the adult comprehensive waiver (HCBS-DD) in FY 2007-08 to the average cost in FY 2010-11. One of the main reasons for the increase in waiver costs was the transition from a block grant payment model to a fee-for-service model that occurred during FY 2008-09. Under the block-grant model, CCBs were given a set amount of funds and required to provide services to a certain number of people. When the model was changed to a fee-for service, CCBs were funded based on the number of units of service and the average cost per placement increased as individuals modified their service plans to maximum their allowable number of units. The next issue provides greater details on the fee-for-service model. The increase in the average cost for a community place is not due to provider rate increases, which were actually reduced in FY 2009-10 and FY 2010-11.

Average Cost of Adult Comprehensive Waiver			
	Total Amount	**No. of Placements**	**Avg. Cost per Placement**
FY 2007-08	$210,199,036	3,806	$55,228
FY 2010-11	$261,877,181	4,225	$61,983
Difference	*$51,678,145*	*419*	*$6,754*

The following table compares the FY 2010-11 average cost of an adult comprehensive waiver to the FY 2010-11 average cost of a Regional Center bed (an average of all three Regional Centers).

Comparison of Average Cost of Adult Comprehensive Waiver to Average Regional Center Bed Cost			
	HCBS-DD Average	**Regional Center Average***	**Difference (HCBS-DD higher if positive)**
FY 2010-11	$61,983	209,027	$147,044

* This number includes both HCBS-DD average costs and the ICF/ID average costs

Evaluation of the Current and Future Role of Regional Centers

The Department is currently in process of evaluating the current and future role Regional Centers should play in the provision of services to individuals with developmental disabilities. This process was highlighted in the Department's FY 2012-13 budget request.

1. De-Institutionalization: The Regional Centers continue to place individuals into community-based service systems, as evidenced by the movement of 29 individuals from the Grand Junction Regional Center's Skilled Nursing Facility to community residential providers in FY 2009-10. Currently, there are 312 individuals receiving service in the three state-operated Regional Centers and plans are in the development stage to secure community placement for 100 of these individuals within the next three years. This de-institutionalization is consistent with Colorado's Olmstead Plan in providing services for people with disabilities in integrated community settings. Further de-institutionalization efforts may also help Colorado secure federal funding for the expansion of community-based services through the Patient Protection and Affordability Act of 2010.

2. Right-Sizing: The Department is in the process of evaluating the demand within the Developmental Disabilities system for the need for the high level of care provided by the Regional Centers. At present, there is a wait list for the Regional Centers of 58 individuals. Of the 58 persons on the wait list 23 have a history of sex offenses, 12 individuals are in need of short term treatment and stabilization because of their mental health needs, 21 individuals have challenging behavioral needs and 2 have complex medical needs. While there is a wait list for Regional Center services, there is also a list of individuals who could be served in the community. The Department is looking at administrative changes to resolve these issues and to right-size the Regional Centers in order to provide better services to the community.

In addition to these two notes in the FY 2012-13 budget request, the Department is working with providers, clients, and stakeholders to ensure that the evaluation of Regional Centers is an open and thorough process as evidenced in the following email excerpt.

"We are looking to develop a proposal that will strengthen community living opportunities for individuals with developmental disabilities; and provide temporary, intensive support for individuals who may require a more structured setting. The foal of the new model will be to provide targeted services for a necessary period of time, and then to transition the individual back to the community. In addition, the Department hopes to create a sustainable, best-practice model for state-operated facilities."

Regional Centers 101

What Regional Centers Are

Regional Centers are state operated institutional facilities for individuals with developmental disabilities. Regional Centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. There are two types of services provided at Regional Centers:

1. Residential and support services in large congregate settings; and
2. Group homes which serve four to six individuals in a community setting;

The following table shows the distribution of group homes. Note that the number of group homes may not match the number of licensing types on page 16 because all the Wheat Ridge group homes, starting in FY 2010-11 are licensed under the institutional medicaid license, while all the Pueblo group homes are licensed under the community comprehensive services license.

Number of State Run Group Homes by City			
	Wheat Ridge	**Grand Junction**	**Pueblo**
Number of Group Homes	14	10	11
General Location of Group Homes	West Denver ranging from Lakewood to Westminister	South, Central and North Grand Junction	Pueblo West

Who is Served at Regional Centers

The majority of individuals served by Regional Centers have multiple handicapping conditions, such as maladaptive behaviors, or severe and/or chronic medical conditions that require specialized and intensive levels of services. Regional Centers tend to serve individuals when there is not an appropriate community placement.

Admission Criteria

In order to determine if services provided at a Regional Center is appropriate an individual, the following three admission criteria is used:

(1) Individuals who have extremely high needs requiring very specialized professional medical support services;
(2) Individuals who have extremely high needs due to challenging behaviors; and
(3) Individuals who pose significant community safety risks to others and require a secure setting.

The table below shows the current allocation of regional center beds by primary clinical need.

FY 2011-12 Allocation of Regional Center Beds By Primary Clinical Need				
	Grand Junction	Wheat Ridge	Pueblo	All Regional Centers
Behavioral/Psychiatric needs - only	50	27	20	97
Co-occurring with Behavioral/Psychiatric Needs				
Sex Offender	8	30	0	38
High Medical Needs	25	44	14	83
Long Term 1-to-1	11	9	7	27
Subtotal - Co-occurring with Behavioral/Psychiatric Needs	44	83	21	148
Other	8	14	33	55
Total Census	102	124	74	300

Funding Mechanisms for Regional Centers

Institutions are licensed as Intermediate Care Facilities for those with Intellectual Disabilities (ICF/ID). For individuals at these institutions, medicaid pays a daily rate based on the actual costs. Pueblo and Grand Junction group homes are operated under Community and Home Based waivers, similar to the private providers funded by the adult comprehensive waiver, and medicaid pays a daily rate for these individuals based on the individuals Supports Intensity Scale rating.

Community and Home Based Services 101

What Community Centered Boards Are

Community and Home Based Services (CHBS) are coordinated by nonprofit Community Centered Boards (CCBs). CCBs have been designated by the Executive Director of the Department to serve as the point of entry for individuals entering the developmental disabilities (DD) system. As the point of entry, CCBs are responsible for determining an individual's eligibility for services, providing case management, and coordinating services in their specific region. There are 20 CCBs, each with a distinct geographic service area. See Appendix F for a map of the location and service area of each CCB.

Who Provides Community Based Services

Service providers who contract with the CCB in their service area tend to be the primary service provider for individuals on CHBS waivers. These providers have negotiated service payment levels with the CCB, and bill the CCB for service reimbursement. Private providers, who bill their services directly to the Department of Health Care Policy and Financing, also provide CHBS services, current there are 143 private providers.

Types of Individuals Who Receive CHBS

There are three groups of people who receive services through the CCBs:

1. Two groups of children eligible for the Child Extensive Services waiver:
   a. Children under the age of 18 years old, who reside in a family homes; and
   b. Children, under the age of 21 years old, who are in the Child Welfare system.

2. Adults who do not require institutional care, and reside in a family member's home or group home, but require support services are eligible for the Supported Living Services waiver.

3. Adults who require around the clock care and reside in a group home, are eligible for the Comprehensive Services Waiver.

The Supports Intensity Scale (SIS) is a standardized assessment tool used to identify and measure the levels of services the individual requires. The SIS score is then used to determine the amount of services that are needed by that individual. Additional discussion of the SIS is provided in the next issue.

Types of services

The following table provides a brief overview of some of the types of services eligible individuals receive under the three waivers.

Waiver Services		
Children's Extensive Support	**Supported Living Services**	**Adult Comprehensive Services**
Respite care	Respite care	Residential services
Behavioral services	Behavioral services	Behavioral services
Environmental modifications	Environmental modifications	Supported employment services
Vision services	Vision services	Day habilitation
Assistive technology services	Day habilitation services	
Specialized medical equipment		

Funding Mechanisms for CHBS Waivers

The majority of waiver services are funded with a 50/50 split between General Fund and federal medicaid funds. These funds are initially appropriated in the Department of Health Care Policy and Financing and then reappropriated to the Department of Human Services.

Pros and Cons of Regional Centers and Community Based Services

Based on the discussions around the role of Regional Centers in the provision of services to people with developmental disabilities, the pros and cons of each type of service environment (regional centers and community based group homes) are discussed below.

Pros of Regional Centers

- Provide 24-hour care, 365 days a year;
- There are multiple care givers on staff, so if one care giver is ill there is another available to provide care;
- Care providers receive respite care;
- Care is provided for individuals who are not appropriate for community placement (multiple high needs individuals, and sex-offenders).
- Regional Centers, when appropriate, are secure facilities ensure both client safety and community safety.

Cons of Regional Centers

- High average cost per bed;
- There are only three locations which means individuals may not be served in their home community;
- Individuals served in Regional Centers are high needs, difficult clients, which can lead to significant staff turnover and/or burn out; and
- Regional Center staff is subject to the state personnel system which makes it difficult to capture staff vacancy savings if beds are empty.

Pros and Cons of Community and Home Based Services

Pros of Community and Home Based Services

- The individuals are served in their local community;
- Low average cost per placement; and
- Individuals and their families can develop the service plan to meet their needs.

Cons of Community and Home Based Services

- Service providers can opt to not serve individuals if the fees allowable under the waiver fee-for-service levels are too low;
- If a family member or provider becomes ill and too old to care for the individual there is no immediate back-up plan;
- Sometimes care givers do not receive adequate respite care; and
- Burden on family finances can be high, where small changes in the waiver amounts can drastically impact the family's situation.

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BRIEFING ISSUE

ISSUE #3: Fee-for-Service Model for Community and Home Based Waivers

Under the fee-for-service funding model for the three community and home based waiver programs administered by the Department, an individual with development disabilities who is eligible for waiver services is evaluated and assigned a Supports Intensity Scale score. This score corresponds to a Spending Plan Authorization Limit which is the maximum dollar amount the individual will receive through the waiver for services.

SUMMARY:

- ❑ Each individual receiving services through one of the three community and home-based waiver programs for people with developmental disabilities are assigned a score, based on the evaluating using the Supports Intensity Scale. This score enables the provider to determine the level of support services required by the individual.

- ❑ Each Supports Intensity Scale score (scores range from one to six) corresponds to Spending Plan Authorization Limit levels. This Limit is the the maximum an individual with that SIS score can receive for on-going waiver services.

DISCUSSION:

Waivers Discussed in this Issue
The waiver programs for people with developmental disabilities discussed in this issue are:

- HCBS-DD (also called Adult Comprehensive Services): This waiver program is for adult comprehensive services which provide eligible individuals with residential services and an array of related support services.

- HCBS-SLS (also called Supported Living Services): This waiver program is for adults who do not require residential services, who live independently or with family, and require some levels of basic, medical and/or behavorial support services.

- HCBS-CES (also called Children's Extensive Support Services): This waiver program is for families with a child (or children) who require a high level supervision and support services to enable the child (children) to remain in the home.

Old Model

Prior to FY 2006-07, funding for waiver services was through block allocations to Community Center Boards (CCBs). CCBs were responsible for providing services to a minimum number of individuals, and any remaining funds were spent by CCBs on providing services to additional individuals and/or enhanced services for existing clients. Remaining funds were due to client turnover, underutilization of services (e.g. a client did not want/need the full number of available respite care hours), or favorable contract rates with the providers.

What Caused the Change to Fee-for-Service

During FY 2003-04, the federal Centers for Medicare and Medicaid Services (CMS) reviewed these three waiver programs, and identified two concerns: the lack of an audit trail for how funding distributed to CCBs was being used, and the equity of the distribution of funding relative to an individual's needs. CMS conditionally renewed Colorado's waivers on September 24, 2004 with two conditions: (1) Colorado had to implement steps to increase financial oversight and accountability for the program, and (2) waiver service costs had to be "unbundle". The following table provides a timeline of the changes implemented by the Department to meet these conditions.

Time of the Transition from Block-Grant Funding to Fee-for-Service Funding		
Waiver	**Date**	**Implemented Change**
HCBS-DD	April 2006	Waiver Steering Committee formed.
HCBS-DD	July 2006	HCBS-DD Medicaid providers were allowed to submit claims directly to Medicaid, at their option, verses claiming only through a CCB. Six level tier system implemented for interim rates (based on historical used) for HCBS-DD residential and day services.
All	Sept. 2006	Contract with Human Services Research Institute/Navigant (HSRI) to develop a rate setting methodology.
HCBS-DD and HCBS-SLS	Sept. 2006	HSRI reviews assessment instruments, and recommends the Support Intensity Scale be used to assess participant needs and be tied to rate levels.
HCBS-DD	Nov. 2006	SIS assessments for HCBS-DD participants begins.
All	Jan.- Dec. 2007	Continuation of developmental processes that began in 2006.
HCBS-SLS	Nov. 2007	SIS assessments for HCBS-SLS participants begins.
HCBS-DD	January 2008	Stakeholder Rates Committee formed.
HCBS-DD	April 2008	Submitted HCBS-DD waiver amendments to CMS to address compliance issues.
HCBS-DD	May 2008	First hold harmless payment for HCBS-DD changes made to providers.
HCBS-DD	Dec. 2008	Support Level dispute process begins for HCBS-DD clients. CMS approves HCBS-DD waiver amendments.
HCBS-DD	January 2009	Implemented HCBS-DD waiver amendments for service definition changes, Support Levels, and standardized rates.

Time of the Transition from Block-Grant Funding to Fee-for-Service Funding		
Waiver	**Date**	**Implemented Change**
HCBS-SLS and HCBS-CES	Jan. 2009	HCBS-SLS and HCBS-CED Rates Committee formed.
All	April 2009	Submitted waiver renewal applications for all waivers.
HCBS-SLS	June 2009	Support Level dispute process issued for HCBS-SLS.
All	June 2009	CMS approves all waiver renewals.
All	December 2009	CDHS/DDD submits draft amendments to HCPF to: • Changes the HCBS-SLS Service Plan Authorization Limits (SPAL); • Remove transportation, dental, vision services from SPAL; • Change to a six level SPAL; and • Revise the dental, transportation, and respite service definitions..
All	March 2010	Implementation of December 2009 changes after CMS approval.

How the Fee-for Service Model Works

Step 1 - Determine the Supports Intensity Scale Score

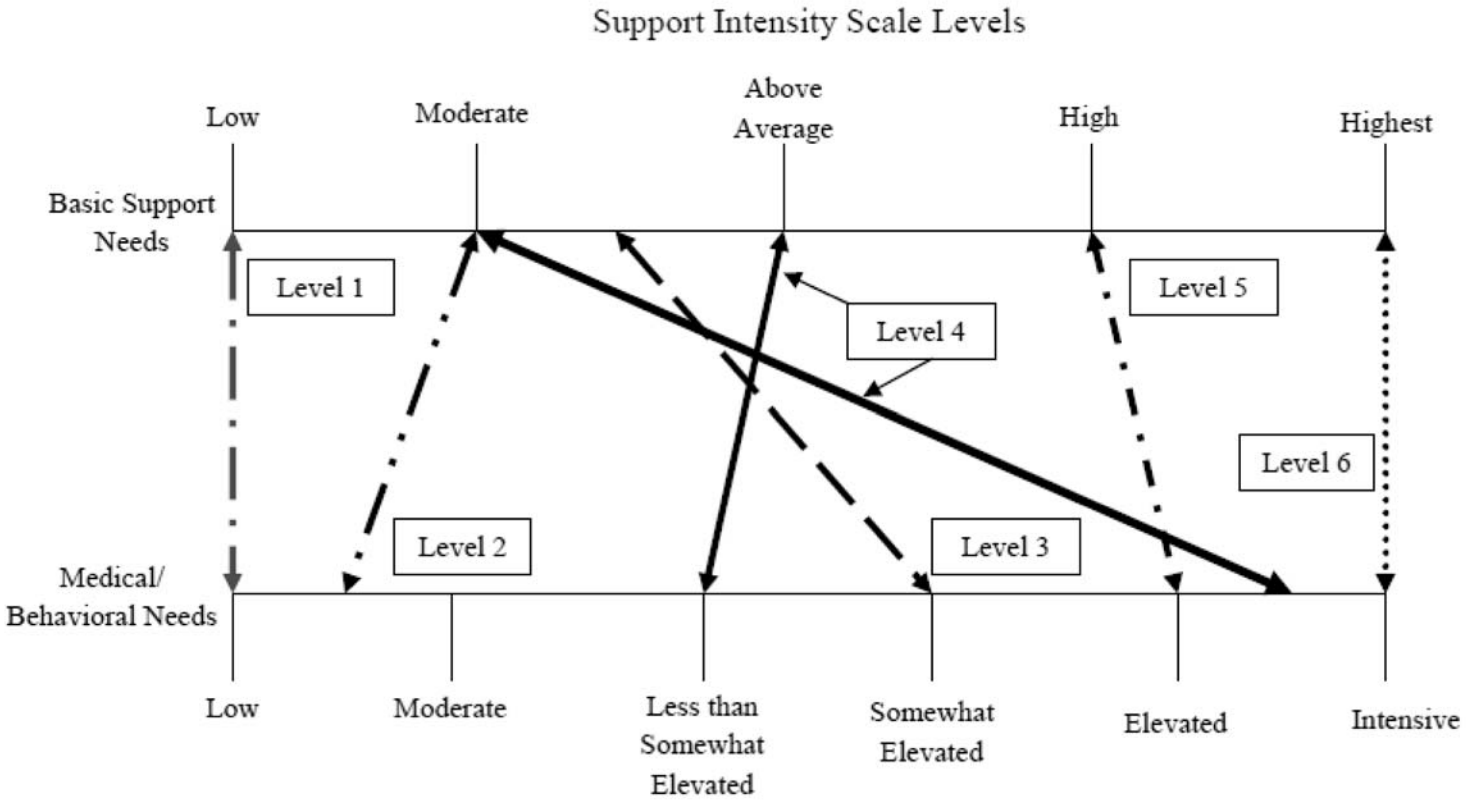
Each person eligible for waiver services is evaluated using the Supports Intensity Scale (SIS). SIS uses a structured interview process to identify and measure the practical support requirements (basic needs, behavorial and medical) of the person. The SIS score takes into account if the person is a public safety risk. There are six SIS scores, which are shown in the graphic on the next page.

Step 2 - Determine the Service Plan Authorization Limit

Each SIS score is tied to one of the six Service Plan Authorization Limits (SPALs). Each SPAL identifies the maximum dollar amount available to a person with the corresponding SIS score for all ongoing services. The SPAL ensures that higher needs individuals are able to access higher funding amounts as compared to lower needs individuals. Ongoing services include all services except intermittent services like: transportation, dental services, vision services, assistive technology, and environmental modifications. The table on the following page, after the graphic, shows the maximum SPAL amount for each level. Note the seven SPAL level is for individuals who require more intenstive care than individuals with a SIS score of six. All individuals at the Regional Centers have a SPAL limit of seven.

Step3 - Determine the Individual's Maximum Allowable Amount of Support Service Units

Each support service (residental services, day services, behavorial services, etc) are broken down into units. For most services, one unit of service is equal to fifteen minutes. For residental services, one unit is one day. Two other services, job placement and non-medical transportation are billed on dollar amount and mileage respectively. Each service has a maximum number of units the individual can utilize depending on the SIS score. Appendix G includes the services rates, effective January 6, 2012 for the adult comprehensive services waiver.



SIS Scores and the Corresponding SPAL Amount		
SIS Score	**SPAL Level**	**Maximum SPAL**
SIS Level 1	Authorization Limit 1	$12,193
SIS Level 2	Authorization Limit 2	$13,367
SIS Level 3	Authorization Limit 3	$15,038
SIS Level 4	Authorization Limit 4	$17,296
SIS Level 5	Authorization Limit 5	$20,818
SIS Level 6	Authorization Limit 6	$27,366
SIS Level above 6	Authorization Limit 7	$35,000

Issues with the Fee for Service Model

The old model of block grants to CCBs enabled the CCBs to manage their waiver funds with the knowledge of what services their clients required, the number of clients they had to serve, and how much funding they would receive. The old model of block grants, not only provided the CCBs with a knowledge of their funding, it enabled the Department and General Assembly to budget this section of the Long Bill with a relatively reliable knowledge of what the fiscal year expenditures would be.

The change to the fee-for-service model has not only impacted the ability of the Department and General Assembly to accurately budget for waiver expenditures, but also eliminated the flexibility the CCBs had to provide adequate services to exisiting and new clients. The following are examples of the issues with the current fee-for-service structure.

Overexpenditure and Cost Containment Strategies

During FY 2010-11, which was the final year of the transition to fee-for-service model, the Department had an overexpenditure of $35,024,709 total funds ($14,090,680 net General Fund). This was primarily due to an overexpenditure of adult comprehensive services because the fee-for-service rates did not match the distribution of needs across SIS scores. The overexpenditure in adult comprehensive services was slightly offset by an underexpenditure in the waiver costs for supported-living services. The problem of aligning the fee-for-service levels with SIS scores continued into FY 2011-12, when the Department was required to implement $15,655,510 total funds ($8,278,320 net General Fund) in cost containment strategies for these waiver problems, or experience a $15.7 million dollar overexpenditure in FY 2011-12.

Providing a Maximum Only

The SPALs provide individuals with a maximum dollar amount, which the case manager then translates into service units. There is no incentive for a case manager to not to utilize the maximum dollar amount, even if the client doesn't need all the services. Therefore the Department is finding that without an incentive to not spend the maximum, case managers are working to spend the client's maximum SPAL. This is not a problem with case managers, but with the current structure. Without an incentive or some type of system to ensure that an individual receives the services they need, without providing more services than they need just because the SPAL allows for it, it will be difficult to control the costs of these waiver programs. The following table outlines how fewer individuals are receiving more service units. Note the increase in costs is not due to provider rate increase because in FY 2010-11 the Department issued a 2.0 percent provider rate reduction. Staff recommends the Committee discuss with the Department at the hearing what options there are to develop a fee structure that ensures individuals are receiving the services they need, but are not receiving extra services just because.

Comparison of Waiver Expenditures and Clients Serviced, FY 2007-08 to FY 2010-11									
	HCBS-DD			HCBS-SLS			HCBS-CES		
	FY 2007-08 Actual	FY 2010-11 Actual	Percent Change	FY 2007-08 Actual	FY 2010-11 Actual	Percent Change	FY 2007-08 Actual	FY 2010-11 Actual	Percent Change
Unduplicated Client Count	3,936	4,335	10.1%	3,070	3,241	5.6%	433	423	(2.3)%
Total Expenditures	$210,199,039	$261,877,181	24.6%	$39,665,568	$34,939,869	(11.9)%	$5,897,406	$7,354,183	24.7%
Approp. Enrollments	3,806	4,225	11.0%	2,892	3,263	12.8%	395	393	(0.5)%
Cost per Unduplicated Client	$53,404	$60,410	13.1%	$12,920	$10,781	(16.6)%	$13,620	$17,386	27.7%
Cost per approp. enrollment	$55,228	$61,983	12.2%	$13,716	$10,710	(21.9)%	$14,930	$18,713	25.3%

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BRIEFING ISSUE

ISSUE #4: Request for New Community Placements and the Waiting List for Developmental Disability Services

For FY 2012-13, the Department has requested an increase of $4.9 million ($2.4 net General Fund) for 173 new community placements. This request is for placements for children aging out of the Children's Extensive Support waiver and foster care, and for emergency adult placements. This request does not directly work to reduce the size of the waiting list for developmental disability services. Staff estimated the cost to fund the entire waiting list in FY 2012-13 would be $143.3 million ($71.7 net General Fund).

SUMMARY:

- For FY 2012-13 the Department requests an increase of $4.9 million ($2.4 million net General Fund) for an additional 173 adult community placements (93 placements for adult comprehensive services and 80 supported living services placements).

- The current unduplicated waiting list for adult services (both comprehensive and supported living) is 2,216 individuals. The unduplicated waiting list for children and family support services is 5,638.

- The estimated total cost to fund placements for all individuals on the waiting list, in FY 2012-13, is $143.3 million ($71.7 million net General Fund). To fund placements for high risk adults only, estimated cost would be $42.3 million (21.2 million net General Fund) in FY 2012-13.

DISCUSSION:

Please refer to Appendix E, for definitions of terms and acronyms used in this issue. The Department has requested additional funding for 173 new community placements. The following table shows who the requested placements will serve. This information is from the Department's decision item, and the placements are listed in order of Department priority.

Summary of Department's FY 2012-13 Decision Item #1		
Waiver Type	**Service Area**	**Number of Placements**
HCBS-DD	Youth transitioning out of foster care	46
HCBS-SLS	Youth aging out of HCBS-CES waiver	50

Summary of Department's FY 2012-13 Decision Item #1		
Waiver Type	**Service Area**	**Number of Placements**
HCBS-DD	Emergency enrollments for individuals who need immediate residential care	47
HCBS-SLS	Individuals in high-risk situations currently on the SLS waiting list	30
Total		**173**

Explanation of Service Areas

Youth Transition out of Foster Care

Youth, in foster care, are eligible to receive HCBS-CES services until they turn 21-years-old. Once they reach 21- years-old they are transitioned out of foster care, and no longer eligible for HCBS-CES services. There are 46 youth who will age out of foster care and off the HCBS-CES waiver in FY 2012-13, and the Department is requesting funding so the youth can continue to receive services through the HCBS-DD waiver.

Youth aging out of HCBS-CES waiver

For FY 2012-13 the Department has identified 50 children, younger than eighteen that are receiving services under the HCBS-CES waiver, who will turn eighteen during FY 2012-13 and no longer be eligible for this waiver program. The Department is requesting funding through the HCBS-SLS waiver so these children are able to continue to receive services.

Emergency enrollments for individuals who need immediate residential care

Emergency enrollments for individuals who need immediate residential care through the HCBS-DD waiver, are for individuals currently receiving HCBS-SLS services, or not receiving any state funded services. Emergency enrollments occur when a care-giver becomes sick, deceased, unemployed, or otherwise incapable of continuing to provide for a person with developmental disabilities, and that person needs immediate community based residential services. An emergency enrollment can also be caused when there is abuse by a care provider or maladaptive behavior by a care recipient or a change in medical status.

Individuals in high-risk situations currently on HCBS-SLS waiting list

These placements are for individuals whose care giver is aging/ailing and unable to provide the level of care the individual needs (this is becoming more common has the population ages, and baby-boomer parents are less able to care for their developmentally disabled child). These individuals are not currently receiving any waiver services.

History of Funding for Community and Home Based Services Placements

The following table provides an overview of the appropriation for the three waiver programs since FY 2008-09. The appropriation for each waiver program is broken out into a base appropriation plus additional funding for new slots.

Funding for Community and Home Based Services FY 2008-09 through FY 2012-13 Request					
	FY 2008-09 Approp.	**FY 2009-10 Approp.**	**FY 2010-11 Approp.**	**FY 2011-12 Approp.**	**FY 2012-13 Request**
HCBS - DD Approp.					
Base appropriation	$227,120,076	$266,922,760	$269,004,046	$291,483,369	$296,641,724
New funding	11,846,832	2,329,468	0	2,932,845	3,914,972
Total HCBS-DD Approp.	$238,966,908	$269,252,228	$269,004,046	$294,416,214	$300,556,696
HCBS-DD Placements					
Current placements	3,567	3,872	4,287	4,237	4,333
New placements	305	57	0	96	93
Total HCBS-DD Placements	3,872	3,929	4,287	4,333	4,426
HCBS - SLS Approp.					
Base appropriation	$46,421,452	$53,048,678	$52,317,915	$41,349,162	$41,711,050
New funding	2,089,643	252,489	0	180,944	758,940
Total HCBS-DD Approp.	$48,511,095	$53,301,167	$52,317,915	$41,530,106	$42,469,990
HCBS-SLS Placements					
Current placements	3,356	3,911	3,955	3,955	3,990
New placements	228	29	0	35	80
Total HCBS-SLS Placements	3,584	3,940	3,955	3,990	4,070
HCBS - CES Approp.					
Current placements	$6,375,329	$6,753,676	$6,576,446	$7,873,966	$7,873,966
New placements	0	0	0	0	0
Total HCBS-CES Approp.	6,375,329	6,753,676	6,576,446	7,873,966	7,873,966
HCBS-CES Placements					
Current placements	395	393	393	393	393
New placements	0	0	0	0	0
Total HCBS-CES Placements	395	393	393	393	393
Total Appropriation	**$293,853,332**	**$329,307,071**	**$327,898,407**	**$343,820,286**	**$350,900,652**
Total Placements	**7,851**	**8,262**	**8,635**	**8,716**	**8,889**

Waitlist for Development Disability Services

Waiver services are not subject to the standard Medicaid program service and duration limits, and allow Colorado to limit the number of waiver program participants, resulting in a waiting list for waiver services. The problem Colorado has faced when trying to get a handle on the waiting list, is the lack of funds for new placements. The requests over the past couple of fiscal years, for additional placements, have not gone to reducing the waiting listing. New placements have been for children aging out of foster care who require comprehensive services, and for emergency placements for adults needing residential or supported living services. The following table summarizes the size of the waiting list as of September 30, 2011.

Summary of the September 30, 2011 Service for People with Disabilities Waiting List				
	Request Enrollment Date for Waiver Services			
	ASAA*	**FY 2011-12**	**FY 2012-13**	**High Risk Individuals**
Adult Services Waiting List				
Not Currently Receiving Any Services - Only accept HCBS-DD	157	33	29	89
Not Currently Receiving Any Services - Accept HCBS-DD or HCBS-SLS	856	76	127	270
Currently in HCBS-SLS, waiting for HCBS-DD	466	4	3	158
Total Count for HCBS-DD	1,479	113	159	517
Total Count for SLS	408	27	30	134
Total Unduplicated Adult Services (HCBS-DD and HCBS-SLS)	**1,887**	**140**	**189**	**604**
Children and Family Support Services				
Waiting for HCBS-CES	389	0	0	
Waiting for Family Support Services	5,224	15	10	
Unduplicated HCBS-CES and Family Support Services	**5,613**	**15**	**10**	

Estimated Cost of Funding the Waiting List

The following table shows staff's estimation of the cost to fund placements for all individuals on the waiting list, and the cost to fund placements only for high risk adults. Staff used the following assumptions in the calculations:

- ASAA placements placed January 1, 2012 and funded for half of FY 2011-12;
- FY 2011-12 placements placed on January 1, 2012 and funded for half of FY 2011-12;
- FY 2012-13 placements placed on June 1, 2012 and funded for all of FY 2012-13;
- Average cost per placement is based on the numbers provided in the decision item;
- High Risk individuals would be placed January 1, 2012 and funded for half of FY 2011-12.

Staff Estimation of Cost to Fund All of the Waitlist and High Risk Individuals Only							
	Cost per placement	**FY 2011-12 Number of Placements**	**Total FY 2011-12 Cost (A/2*B)**	**Annualized FY 2012-13 Cost (C *2)**	**FY 2012-13 Number of new Placements**	**FY 2012-13 Cost of new placements**	**Total FY 2012-13 Cost for all placements (D+F)**
	A	B	C	D	E	F	G
All Placements for Adult Services							
Total Waiting List for HCBS-DD	$77,193	1,592	$61,445,628	$122,891,256	159	$12,273,687	$135,164,943
Total Wanting List for HCBS-SLS	$17,514	435	$3,809,295	$7,618,590	30	$525,420	$8,144,010
Total for all Adult Services			**$65,254,923**	**$130,509,846**	**189**	**$12,799,107**	**$143,308,953**
Adult Placements for High Risk Individuals							
HCBS-DD High Risk	$77,193	517	$19,954,391	$39,908,782	0	$39,908,782	$39,908,782
HCBS-SLS High Risk	$17,514	134	$1,173,438	$2,346,876	0	$2,346,876	$2,346,876
Total for all High Risk Placements		**651**	**$21,127,829**	**$42,255,658**	**0**	**$42,255,658**	**$42,255,658**
All Placements for Children's Extensive Services Waiver							
Total Waiting list for HCBS-CES	**$20,036**	**389**	**$3,897,002**	**$7,794,004**	**0**	**$0**	**$7,794,004**

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BRIEFING ISSUE

ISSUE #5: Performance Audit of the State Veterans Nursing Home

The August 2011 performance audit of the State Veterans Nursing Homes indicated the Department need to take certain steps to ensure the continued financial solvency of the Homes. Due to the funding nature of the Homes, it is possible for a profitable Home to subsidize a non-profitable Home.

SUMMARY:

- ❏ The current method utilized by the Department to establish resident census goals are not tied to ensuring the financial solvency of each State Veterans Nursing Home.
- ❏ All Homes are funded from one cash fund, which allows for the subsidization of Homes unable to generate sufficient revenue, to cover expenses by the excess revenue from other Homes.
- ❏ It is unclear how the work in accounting and marketing by outside contractors differs from the work in these two areas by state employees.

RECOMMENDATION:
Staff recommends the Homelake Domiciliary and State and Veterans Nursing Homes subdivision in the Services for People with Disabilities Division be restructured to include program cost line items for each Home. See the table on page 39 for staff's recommendation.

DISCUSSION:
The table on the following page provides the recommendations made in the August 2011 performance audit of the State Veterans and Nursing Homes. Based on discussions with audit staff, the Department response of partially agree indicates that there were certain parts of the recommendation the Department did not agree with. For informational purposes, the net operating expenses of each Home is provided in the table on this page.

Net Operating Expenses by Home FY 2007-08 to FY 2010-11					
Home	**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**Total**
Fitzsimons	($250,945)	($278,237)	$877,200	$1,096,983	$1,445,001
Florence	(240,768)	(162,135)	495,105	810,873	903,075
Rifle	196,595	314,917	553,431	516,342	1,581,285
Homelake	(344,404)	(1,416,740)	(961,492)	(71,953)	(2,794,589)
Total	**($639,522)**	**($1,542,195)**	**$964,244**	**$2,352,245**	**$1,134,772**

State Auditor's Recommendations On the State Veterans Nursing Home Made in the August 2011 Audit			
	Recommendation	**Department Response**	**Implementation Date**
1	Ensure the Division of State and Veterans Nursing Homes (the Division) incorporates adequate resident census goals into its oversight activities of the financial performance of the Colorado State Veterans Nursing Homes (the Homes) which should include: (a) working with the Homes to identify the break-even point for each Home and establishing census goals that are set high enough above each Home's breakeven-point to provide for sustainability; (b) incorporating the census goals into marketing strategies; (c) monitoring the goals regularly and adjusting, as necessary; (d) evaluating and adjusting staffing levels, as appropriate.	(a) Partially Agree (b) Partially Agree (c) Agree (d) Agree	(a) Implemented and Ongoing (b) Implemented and Ongoing (c) Implemented and Ongoing (d) Implemented and Ongoing
2	Ensure the Division incorporates the resident mix into any census goals established for the Homes, including: (a) working with the Homes to determine the optimal resident mix at each Home; and (b) requiring staff to monitor actual resident mix on a regular basis and update census goal calculations to reflect the differences in resident mix, as necessary. The resident mix should also be incorporated into any marketing strategies used for the Homes.	(a) Agree (b) Partially Agree	(a) Implemented and Ongoing (b) Implemented and Ongoing
3	Ensure the Division evaluates, and restructures if warranted, the current organizational framework of the accounting and marketing functions needed to manage the Homes, including: (a) ensuring staff have clearly defined roles that are not redundant or duplicative; (b) ensuring outside consulting are not merely duplicative; (c) ensuring outside consulting services are regularly evaluated for accountability, cost and quality of the services provided; and (d) evaluating whether functions across the Homes could or should be consolidated or centralized; and (e) ensuring staff are trained on the organizational framework once it is put into place.	Agree	(a) November 2011 (b) October 2011 (c) October 2011 (d) May 2012 (e) May 2012
4	Establish and implement written rules or other guidance that define the Department's expectations regarding the Division's role and authority in monitoring the financial performance and solvency of the Homes, which should include clear direction on responsibilities in setting financial goals, such as those related to resident census and mix.	Partially Agree	Implemented and Ongoing

State Auditor's Recommendations On the State Veterans Nursing Home Made in the August 2011 Audit			
5	Revise performance evaluations for the Division Director and Home Administrators to ensure the evaluations adequately reflect their unique responsibilities regarding the solvency of the Homes. The Department should: (a) establish evaluations measures that adequately evaluate and weigh staff performance related to maintaining solvency and include measures that are based on resident census and mix goals discussed in recommendations one and two; and (b) separate solvency measures from nonfinancial measures in evaluation scores.	(a) Partially Agree (b) Agree	November 2011
6	Improve the timeliness and effectiveness of its oversight of the State Veterans Nursing Homes' financial performance by: (a) identifying reporting needs not currently available through the Department's version of the Matrix Achieve system; (b) evaluating whether software upgrades will address those needs identified in part a; and (c) implementing new software, if warranted.	Agree	(a) November 2011 (c) March 2012 (c) July 2012, as fiscally feasible
7	Maintain complete documentation demonstrating it has conducted appropriate due diligence in any instances in which the Department is responsible for the sale of state-owned real property.	Agree	Implemented and Ongoing

Discussion of Audit Recommendations 1 through 4

Based on the first four recommendations in the audit report, the conclusions staff has drawn from the recommendations, and the Department's responses to the recommendations, staff recommends the following reorganization starting in the FY 2012-13 Long Bill. This reorganization will enable the General Assembly to clearly identify the cost of each home, provide transparency to the public, and give the Department the direction it needs to budget the revenues and establish appropriate population census levels for each home. The four reasons for staff's recommendation are discussed below.

Summary of Staff Recommended Changes to the Long Bill Resulting from Audit Recommendations	
FY 2011-12 Long Bill Structure of (9) (E)	**JBC Staff Recommended Change to the FY 2012-13 Long Bill Structure for (9) (E)**
(9) (E) Homelake Domiciliary and State and Veterans Nursing Home	(9) (E) Homelake Domiciliary and State and Veterans Nursing Home
Homelake Domiciliary State Subsidy	Homelake Domiciliary State Subsidy
Nursing Home Indirect Costs Subsidy	~~Nursing Home Indirect Costs Subsidy~~
Program Costs	~~Program Costs~~
	FITZSIMONS STATE VETERANS NURSING HOME - PROGRAM COSTS
	FLORENCE STATE VETERANS NURSING HOME - PROGRAM COSTS
	HOMELAKE STATE VETERANS NURSING HOME - PROGRAM COSTS
	WALSENBERG STATE VETERANS NURSING HOME - PROGRAM COSTS

1. The Division already establishes the fiscal year budget for each Home.

The second audit recommendation state the Division should work with Homes to determine the Home's optimal resident mix to ensure financial solvency. Part of the Department's response included the fact that the Division establishes the fiscal year budget for each Home. Since the Division already sets the budget for each Home, including this information in the Long Bill will provide additional transparency to the General Assembly, the public, and not require additional work on the part of the Division. Including each Home's budget in the Long Bill could help to ensure reason #2 is not a regular occurrence.

2. Overexpenditure of one Home is covered by the Excess in Another Home

Since the expenditures for all the Homes is paid out of one cash fund, it is not surprising the audit staff found the following to be true, "if one or more Homes incur losses, the revenue generated by the other Homes must be taken out of the Central Fund for State Nursing Homes to cover those losses". What is occurring, and seems to be acceptable to the Division, based on the response the Division provided to audit staff, is that revenue from one Home is being used to subsidize another Home. While this might be acceptable to the Department, it is not acceptable to staff, and should not be acceptable to the General Assembly.

2. The work of state FTE may overlap the work of contractors

The audit report identified the following three problems with the accounting and marketing funcations performed by state staff as compared to contractors:

1. Comprehensive accounting and marketing policies and practices have not been established to ensure consistency amount staff responsible for these two functions. Previous state auditor financial audits have identified a number of errors and missions in the accounting functions.

2. Staff at the Homes for accounting functions appears arbitrary. The following table outlines the audit findings, which lead the report to conclude that there was no correlation between the number of accounting FTE and number of residents.

Accounting FTE as Compared to the Number of Residents and Total Home FTE				
Home	**Accounting FTE**	**Resident Number**	**Accounting FTE as Percent of Total FTE**	**Ratio of Accounting to Residents**
Fitzsimons	6.0	180	2.4%	1:30
Florence	6.0	112	4.1%	1:19
Rifle	5.0	121	4.1%	1:20

3. The Outside Consultant Duplicates the Work of State Employees. Each Home has at least 1.0 marketing FTE, but each Home also utilizes an outside consultant to provide marketing functions along side the FTE. It was indicated to audit staff that the role of the outside consultant did not differ from the role of the FTE.

From FY 2006-07 to FY 2010-11 approximately $2.1 million paid for outside contractor's, $325,000 or 15.0 percent was for accounting and marketing services. It was unclear to audit staff how the contractor's role was different from the state employees role. This ability to spend $325,000 on what appears to be duplicative services indicates a need for additional transparency and control over the budget for each Home.

4. The Division does not tie population census target levels to financial viability.

Staff is concerned, as outlined in the first audit recommendation that the Division's lack of identification of resident census levels that would enable the financially solvency of the Home, is an indication that the Division views the budget for each Home has independent of the actual costs of the Home. Staff's concern, about the Division's apparent lack of concern about the difference between the actual costs and the budget, is perpetuated by the Division's willingness to use excess revenue from one Home to subsidize another Home. This concern was again reenforced when the Department responded to the recommendation with the fact that, "Home-specific census target is based on historical census levels, population trends, and geographic location, among other factors." It is unclear if the census target also includes the operational cost of the Home. The Department continues to say that the census target "is not the target that is regularly monitored to ensure financial viability." It is concerning to staff that the Division is not monitoring the target number of residents who are served by the home when determining if the home is financially solvent.

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BRIEFING ISSUE

ISSUE #6: Long-term Funding for Early Intervention Services

The annual report of early intervention services indicated that due to the expiration of federal stimulus dollars, compounded by the lack of new funding, there will be insufficient funds for early intervention services which may result in a waiting list for these services. The creation of a waiting list would place Colorado out of compliance with Federal Part C requirements, which could jeopardize federal funds for early intervention services..

SUMMARY:

- ❑ Early Intervention Services received $5.6 million dollars in American Recovery and Reinvestment Act fund, which provided a temporarily fix to the long-term need for additional funds for these services.

- ❑ Based on the requirements of Federal Part C, Colorado is required to serve all eligible infants and toddlers through these services. The creation of a waiting list will cause Colorado to be out of compliance with these requirements.

RECOMMENDATION:

Staff recommends the Department address during the hearing what viable sources of funding for early intervention services are available and what measures are being taken to ensure that services are provided to all infants and toddlers.

DISCUSSION:

Funding Needs as Identified in the Annual Report

One of the conclusions on page 6 of the FY 2010-11 annual report on early intervention services identified a significant funding problem starting in FY 2011-12.

> The distribution of ARRA funds under PART C of IDEA has temporarily helped to stave off the need for additional funding for E.I. services. Between October 2009 and December 2011, seventy-six percent ($5,560,482) of the ARRA funds were disbursed to the CCBs for E.I. services and service coordination, with the remaining funds going toward early intervention personnel development and long term infrastructure activities. Without the ARRA funds, these children would have been on a waiting which is not allowable under Part C grant assurance provided to the Office of Special Education Programs (OSEP). The ARRA funds end December 2011, which means that without new funding sources, some eligible infants

and toddlers will be placed on a waiting list and Colorado will be out of compliance with Federal Part C requirements."

What Early Intervention Services Are

Early intervention services are services provided to infant and toddlers (birth to age two), who have a developmental delay or disability. The goal of these services is to provide children who have a developmental delay or disability to be able to develop skills in the following areas: cognition, communication, physical development, motor development, and emotional development that will enable them to become closer in development with other children their age.

E.I. services are provided in community-based settings by Community Center Boards (CCBs) who are contracted by the Department for these services. CCBs are responsible for the intake, eligibility determination, service plan development, arrangement and delivery of services, and period evaluation of the child.

Requirements of Part C of IDEA

The reasoning behind the passage of Part C of the Individuals with Disabilities Education Act (IDEA), initially in 1986 and renewed in 2004, was to provide funding to states for:

- The development of services for infants and toddlers with developmental disabilities/delays;
- Work to provide ways for states to limit the long-term special education costs for children with developmental disabilities/delays who did not receive early intervention services;
- Create programs that are knowledgeable in how to assist children with development disabilities/delays with the development of skills need to eventually live independently and minimize the child's chances of institutionalization; and
- Provide families with increased support services to enable families to care for their child (children) with a developmental disability /delay.

Each state has the choice of whether or not to participate in Part C. Currently all states participate in Part C. One of the primary requirements of participation is the assurance by each state that early intervention services will be available to every eligible infant and toddler (ages birth to 2 years). Eligibility is based on the state's definition of developmental disability/delay.

Funding Sources for E.I. Services

Pursuant to Section 27-10.5-706, C.R.S. E.I. services must utilize a coordinated system of payment. This means that the Department has development a hierarchy for payment, in order to identify sources other than state and federal funds that can be utilized for the services. The following table shows, in order of priority, the funding hierarchy for E.I. services. The amount of federal Part C of IDEA funds are based on the population of children ages birth to 2 years in the general population.

Payment Hierarchy For Early Intervention Services	
Order	**Type**
1	Private pay
2	Private health insurance
3	Medicaid/Title XIX funding and Child Health Plan Plus
4	Child Welfare and TANF
5	State General Funded E.I. Services and other state and federal funds
6	Other Local Funds
7	ARRA funds and Part C of IDEA funds

Consequences of non-compliance with Part C of IDEA

Based on staff's understanding, non-compliance with Part C of IDEA by the creation of a waiting list will result in a possible loss of federal funds. This possible loss of federal funds compounded with the inadequate state funding, will only result in a continued decline in the number of children that can be served by early intervention services. Staff recommends that the Committee discuss with the Department at the hearing the following items:

1. Funding required to serve all eligible children;
2. Funding sources other than state funds that can be used to fund E.I. services; and
3. Immediate and long-term consequences of not providing E.I. services to all eligible children.

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BRIEFING ISSUE

Note: Amanda Bickel, JBC Staff, contributed to this issue brief.

ISSUE #7: Proposed Transfer of Various Programs from the Department of Human Services to the Department of Health Care Policy and Financing

The General Assembly requested the Departments of Health Care Policy and Financing and Human Services provide recommendations regarding whether the three waiver programs for people with developmental disabilities administered by the Department of Human Services should be transferred to the Department of Health Care Policy and Financing. The Departments submitted a report on November 3, 2011 proposing that by July 1, 2012, with the passage of a bill during the 2012 session, the administration of these waiver programs for people with developmental disabilities and various other programs should be transferred to the Department of Health Care Policy and Financing.

SUMMARY:

- ❏ In response to a JBC Request for Information, the Departments of Human Services and Health Care Policy and Financing have submitted a proposal for moving developmental disability Medicaid waiver programs, the Children's Habilitation Residential Program (CHRP) Medicaid waiver, and several assistance programs for older adults to the Department of Health Care Policy and Financing.

- ❏ The Departments have indicated that they would like the JBC to sponsor a bill to shift the programs from one department to the other effective July 1, 2012.

- ❏ The Departments' plans reflect conducting further analysis and working with stakeholders on how affected programs would be changed concurrent with proposed legislative action during the 2012 legislative session.

RECOMMENDATION:

Staff recommends that the Committee request the Departments to work out the details of proposed program moves and system changes over the course of the next nine months. If the Committee supports the changes once the plans have been clarified, the Committee should sponsor related legislation during the 2013 legislative session. Alternatively, the Committee could consider sponsoring legislation to make some of the requested statutory changes in 2012 (for changes with fewer question-marks) or could support more comprehensive 2012 legislation carried by other members.

DISCUSSION:

The Request for Information, Governor's Direction, and Departments' Response

The request for information sent to the Departments of Health Care Policy and Financing (HCPF) and Human Services (DHS) in conjunction with the FY 2011-12 Long Bill, order this request as the top priority for requests affecting multiple Departments.

> **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities --** The General Assembly requests that the departments work together with Community Centered Boards and submit a report to the Joint Budget Committee, the House Health and Environment Committee, and the Senate Health and Human Services Committee by November 1, 2011 with recommendations regarding whether the administration and funding for services for people with developmental disabilities should be transferred from the Department of Human Services to the Department of Health Care Policy and Financing. The report should discuss pros and cons associated with such a move and any potential savings. In preparing the recommendations the departments should solicit input from stakeholders.

The Office of the Governor directed HCPF and DHS to comply with the above request, with the following modifications:

> Both departments affected by this request for information will actively investigate means of increasing the efficiency and effectiveness with which services are delivered to the developmentally disabled. However, the report requested here subjectively limits the possible outcomes of such and investigation. Therefore, the departments, have been directed to cooperate in efforts to improve efficiencies in the delivery of services to the developmentally disabled, and to inform the Joint Budget Committee and General Assembly in writing as these efforts progress. Should the departments determine that a need for change in administration of these programs exists, those changes will be sought through the normal legislative and budget process.

The report ultimately submitted by the Departments proposes the transfer of developmental disability waiver programs to the Department of Health Care Policy and Financing, and proposes the transfer of the developmental disabilities waiver programs, the Old Age Programs, and the Children's Habilitation Residential Programs (CHRP) now in the Department of Human Services to the Department of Health Care Policy and Financing. Note the programs proposed (Old Age and CHRP) were not mention in the original RFI.

Why the Old Age Programs and CHRP Are Included In the Report

The transfer of the Old Age Programs and CHRP were not a part of the request for information sent to the Departments by the General Assembly. The reason these programs were being included in the proposed transfer was a result of the larger process HCPF and DHS are under taking to assess all twelve of Colorado's medicaid waiver programs, and propose a more stream-line, stakeholder

friendly process of apply, receiving and bill for waiver services. This process was highlighted in the report submitted to the JBC in response to multiple department RFI #6, which states:

> **Department of Health Care Policy and Financing, Executive Director's Office; and the Department of Human Services, Services for People with Disabilities --** The departments (HCPF and DHS) are requested to keep the House Health and Environment Committee, the Senate Health and Human Services Committee, and the Joint Budget informed on activities of the working group charged with exploring options for how to implement the home and community based waiver programs, and to provide a progress report by November 1, 2011.

The assessment of the twelve waiver programs includes:

- assessment of overall programmatic structure, quality and controls of each of the existing waivers;
- examination of service delivery systems in other states;
- include the involvement of CMS, Colorado providers, consumers and advocates.

The goals of the assessment include:

- reduction in the fragmentation and increased consistency of waiver program operations and administration;
- consistent application of rate changes, and payment methodologies;
- standardized waiver development and management; and
- standardized policies and procedures for all waivers.

In contrast to what the Department's have indicated to staff the report in response to RFI #6 indicated that July 2012 is the target date for a high-level outline of what the initial steps will be to develop a new model of service delivery for the medicaid waivers.

The following table provided in the report to RFI #! outlines the timeline set forth in the report for the transfer of all three programs:

Organizational Approach Timeline		
Step	**Description**	**Dates**
1	Hold community forums.	Nov. 2011-July 2012
2	Identify the advantages and disadvantages of moving DDD waivers to HCPF.	Dec. 2011 - March 2012
3	Analyze organization structure and staffing.	Nov. 2011 - July 2012
4	Assess the need for legislation.	Nov. 2011-March 2012
5	Implement re-organization.	July 2012

Analysis of Changes

The report indicates that both departments are conducting ongoing financial and utilization analysis to understand the net impact of changes to the waivers and variability in client usage and allocation of services. Additionally the report indicates that an analysis of the case management structure is currently underway and recommendations will be developed for a more cohesive, consistent, quality, and streamlined approach to case management.

Programs Impacted by the Proposed Transfer

Developmental Disabilities Waiver Programs

The following are the three Home and Community Based Services (HCBS) waiver programs that would be moved and the associated targeted case management services for individuals under one of these waiver programs. The three waiver programs are:

- Children's Extensive Supports (HCBS-CES) serve children birth to age 17 who receive services in their home, are at high risk of out-of-home placement and require constant line of sight supervision.
- HCBS waiver for individuals with Developmental Disabilities (HCBS-DD) provide residential services for adults who require extensive services and do not have the sources to meet those needs in a non-residential setting.
- Supported Living Services waiver (HCBS-SLS) provides support for adults who can live independently or at home with extensive support provided by family or other sources in lieu of residential care.
- Target Case Management (TCM) provides individualized service planning and coordination for individuals served by one of the three waivers.

Children's Habilitation Residential Program

The response indicates that the Departments propose to move the Children's Habilitation Residential Program (CHRP) Medicaid waiver program from DHS to HCPF. This program provides assistance to children and youth, age birth through twenty years of age in out-of-home care who have been determined to have a developmental disability. Like other developmental disability Medicaid waiver programs, this waiver serves as an alternative to placement in an Intermediate Care Facility for the Mentally Retarded (ICF/MR). However, unlike other developmental disability waiver programs, this waiver is managed by county departments of Human Services and serves children who are in the custody of county departments because their parents are unable or unwilling to care for them.

During FY 2010-11, $5.3 million of the county capped child welfare block allocation was allocated for the CHRP program, but $6.0 million of the total county block allocation was expended for CHRP. Counties may choose to direct more or less of their overall block allocation to CHRP expenditures, depending upon the needs of the foster care population that is eligible for CHRP. Based on a staff examination of this issue several years ago, it appears that many children with

developmental disabilities who are in county custody are served in foster homes that are not part of the CHRP program.[1]

Staff previously identified concerns about utilization of the CHRP program by counties and thus recognizes structural changes may be appropriate.[2] However, if this program is moved to the Department of Health Care Policy and Financing, issues that will need to be addressed will include:

1. How much associated funding will be moved from county child welfare block allocations to the Department of Health Care Policy and Financing?
2. Who will determine which children with developmental disabilities will be enrolled in CHRP, as opposed to other kinds of foster-care placements (assuming not all are enrolled)?
3. What will be the relationship between counties and the Department of Health Care Policy and Financing in financial and programmatic oversight of CHRP and other services for children with developmental disabilities who are in county custody?

Programs for Older Adults

The Departments' response and subsequent communication also indicates that they propose to move a portion of the Human Services Adult Assistance budget to HCPF. Staff's understanding is that the proposal in its current form includes moving all programs included in the "Community Services for the Elderly" section. This includes federal dollars that flow to the state's Area Agencies on Aging (AAAs) for meals on wheels and other assistive services. Staff assumes this would also include nearly $10 million of state General Fund (including Older Coloradans Cash Fund) dollars used to support the AAAs, although this has not been explicitly discussed. **It should be noted that these are not Medicaid programs.** In addition, it is possible--although by no means certain--that the General Fund Home Care Allowance Program, which was moved to the Department of Human Services from HCPF just a few years ago, would be moved back to HCPF. Thus far, due to considerable uncertainty about what programs would be moved or how the movement might change the programs' structure, the implications of a move are uncertain.

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[1] In response to staff questions, the Department reported that of the 73 children aging out of foster care FY 2008-09 who were to be transitioned into adult developmental disability residential placements, only 24, or about one-third, were being transitioned from the CHRP waiver to the adult program.

[2] In FY 2007-08, $11.8 million was allocated for CHRP. This figure was reduced over several years, with the General Fund portion of these dollars shifted to other child welfare allocations, due to low utilization. Colorado was previously authorized by federal authorities to access 299 "slots" (full time placements for children) under the CHRP waiver. In FY 2001-02, the waiver's peak, 280 of these slots were filled. However, as of October 2, 2008 only 112 of these slots were in use. When the waiver was renewed in FY 2009-10, the total number of slots was reduced. The program appears to be capped at 180 unduplicated youth for FY 2011-12.

JBC Staff Observations and Concerns

JBC staff greatly appreciate that the departments have begun to seriously examine whether some programs might be more effectively managed by HCPF in response to the JBC's request. Staff is concerned, however, that the proposals submitted thus far reflect moving programs from one department to the other before key details have been worked out. Staff is particularly concerned about the lack of detail given that the Departments have expressed interest in having the JBC sponsor the bill to move programs.

Programmatic and Funding Questions:

- The report indicates that both departments are conducting ongoing financial and utilization analysis for developmental disability programs to understand the net impact of changes to the waivers and variability in client usage and allocation of services. This is a broad statement which indicates that changes to the waivers are not totally understood and that the departments are not sure of the impacts to the clients and how services are allocated. These are basic principles the departments should know, and it seems when dealing with this population the impact of changes on clients and what services they can access should be known before the changes are made. Additionally the report indicates that an analysis of the case management structure is currently underway and recommendations will be developed for a more cohesive, consistent, quality, and streamlined approach to case management, but the specific recommendations for changing the case management structure are not yet part of the proposal.

- The Departments have not thus far been able explain how the transfer of the CHRP program from DHS to HCPF would be operationalized, given that CHRP funding is currently embedded in county child welfare block allocations. As noted above, staff believes the management of services for children with developmental disabilities who are in county custody should be reviewed and that changes may be appropriate. However, there are still many questions about the implications of the proposed move from both a financial and programmatic perspective, and it is difficult to imagine that these details will be easier to work out after CHRP is moved to HCPF.

- The report indicates that the Departments propose to move various adult assistance programs to HCPF, but staff has had difficulty obtaining a clear response on whether certain programs would be moved. Through December 11, staff had received conflicting responses to the question of whether the Home Care Allowance Program would be moved. Similarly, the Departments had discussed moving the "State Unit on Aging" but had has not been clear whether or not this would incorporate funding from the Older Coloradans Cash Fund (which originates as General Fund), even though this funding is distributed via the same channels and for the same purposes as the federal funds the Departments clearly propose to move.

Stakeholder Positions: A fact sheet that was distributed in November, associated with a community forum on the proposed changes, indicated that the Departments had begun actively discussing the changes in August 2011. The community of stakeholders was only informed about the proposed changes in November 2011, and staff's understanding is that stakeholders were *not* included in

discussions about the moves prior to the submission of the RFI response or the subsequent community forum. *Staff is not aware of any active community opposition to the proposals to move programs from one department to another, but the stakeholder community is clearly as uncertain as JBC staff about what the implications of the proposed changes would be.*

Timing: The Departments have indicated that their intent is to conduct community forums with stakeholders now and to work out details of changes over the course of the next several months so that changes are ready to implement in July 2012, *i.e.*, the process of working out details would be conducted *concurrent* with legislative initiatives to transfer programs and funding from one Department to another. Clearly, many programmatic changes would be issues that could be addressed administratively rather than statutorily. Nonetheless, *the General Assembly and JBC will need to decide whether they would like to see more details and have a better understanding of programmatic implications before statutory and funding changes are implemented.*

Committee Options: Staff believes the Committee may wish to consider the following options.

1. Sponsor a bill to move all programs requested by the Department. Staff does not recommend this option at this time. Staff is concerned that this bill could demand significant amounts of Committee time because of the many question -marks about what programs would be moved and the implications of the move. Further, in the immediate term, the bill offers no budget savings, although the Departments do believe there would be long-term savings associated with consolidation of long-term care programs in HCPF

2. Sponsor a bill (or submit a follow-up RFI) requiring the departments to work-out details and submit and more detailed plan in the fall for legislative action in 2013. The General Assembly could run a bill to create a task force that would make recommendations to the Executive and Legislative branches related to the proposed changes or could leave the follow-up process in the hands of the Executive, which would then submit more detailed recommendations. *This is the option staff would recommend based on the information currently available.*

3. Sponsor a bill to transfer some programs. The Committee could agree to sponsor a bill moving some programs in 2012 (e.g. the developmental disability waiver programs in the Services for People with Disabilities section) while waiting for further information (and the 2013 session) before agreeing to sponsor a bill moving other programs. Given that the JBC specifically requested the Departments to look at moving the developmental disability waiver programs, this would be a reasonable option. However, staff remains concerned that even for the developmental disability waiver programs, there are many outstanding questions.

4. Support a bill sponsored by another member. If the Committee supports the Executive proposal to pursue system changes as quickly as possible in 2012, staff believes that the chairs/members of the committees of reference that oversee Health and Human Services programs may be in a better position to vet the proposals during the 2012 session and negotiate details if there are any disagreements about what programs should be moved.

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DEPARTMENT OF HUMAN SERVICES **Executive Director: Reggie Bicha**					
(1) Executive Director's Office					
(B) Special Purpose					
This subdivision contains three line items related to services for people with developmental disabilities.					
Developmental Disabilities Council	819,674	709,160	870,272	876,951	
FTE	4.0	4.0	6.0	6.0	
Personal Services	305,214	296,124	355,790	362,469	
Reapprop. Funds	305,214	296,124	355,790	362,469	
Operating Expenses	514,460	413,036	514,482	514,482	
Reapprop. Funds	514,460	413,036	514,482	514,482	
Colorado Commission for the Deaf and Hard of Hearing	850,494	1,059,230	998,466	1,102,853	DI-5
FTE	2.6	5.5	6.3	6.5	
Personal Services	585,384	806,144	674,429	777,544	
General Fund	131,429	149,637	124,688	125,819	
Reapprop. Funds	453,955	656,507	549,741	651,725	
Operating Expenses	265,110	253,086	324,037	325,309	
General Fund	0	0	0	1,272	
Reapprop. Funds	265,110	253,086	324,037	324,037	
Colorado Comm. for Individuals Who					

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Are Blind or Visually Impaired	91,812	88,392	111,002	112,067	
FTE	0.6	0.9	1.0	1.0	
Personal Services	68,748	67,037	69,256	70,321	
Reapprop. Funds	68,748	67,037	69,256	70,321	
Operating Expenses	23,064	21,355	41,746	41,746	
Reapprop. Funds	23,064	21,355	41,746	41,746	
					Request vs. Appropriation
(1) (B) Special Purpose -					
Developmental Disabilities Lines Only	**942,306**	**1,147,622**	**1,109,468**	**1,214,920**	***9.5%***
FTE	**3.2**	**6.4**	**7.3**	**7.5**	***2.7%***
General Fund	131,429	149,637	124,688	127,091	*1.9%*
Reapprop. Funds	810,877	997,985	984,780	1,087,829	*10.5%*

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(9) Services for People With Disabilities					
(A) Community Services for People with Developmental Disabilities					
This subdivision provides funding for the 20 Community Center Boards (CCBs), and contracting services agencies for the provision of three types of services: (1) delievery of community-based residental and supported living services for adults with developmental disabilities; (2) delievery of early intervention, family support, and children's extensive support services for children with developmental disabilities and delays; (3) CCBs case management and state adminsitration and oversight. Medicaid funds reappropriated funds are the primary source of funds.					
(1) Administration					
Personal Services	3,067,014	2,962,366	2,874,401	2,930,754	
FTE	33.6	32.8	36.0	36.0	
General Fund	195,175	140,340	223,542	229,245	
Cash Funds	0	79,293	80,307	80,307	
Reapprop. Funds - Medicaid	2,871,839	2,742,733	2,570,552	2,621,202	
GF	*1,435,920*	*1,371,367*	*1,285,276*	*1,310,601*	
FF	*1,435,919*	*1,371,366*	*1,285,276*	*1,310,601*	
Operating Expenses	138,221	136,808	143,019	155,651	
Cash Funds	0	917	7,128	7,128	
Reapprop. Funds - Medicaid	138,221	135,891	135,891	148,523	
GF	*69,111*	*67,946*	*67,946*	*74,262*	
FF	*69,110*	*67,945*	*67,945*	*74,261*	
Community and Contract Management System	106,644	130,633	137,480	137,480	
General Fund	36,194	37,850	41,244	41,244	
Reapprop. Funds - Medicaid	70,450	92,783	96,236	96,236	
GF	*35,225*	*46,392*	*48,118*	*48,118*	
FF	*35,225*	*46,391*	*48,118*	*48,118*	

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Medicaid Waiver Transition Costs					
Reapprop. Funds - Medicaid	92,293	79,663	70,000	70,000	
GF	*46,147*	*39,831*	*35,000*	*35,000*	
FF	*46,146*	*39,832*	*35,000*	*35,000*	
					Request vs. Appropriation
(9) (A) (1) Administration	**3,404,172**	**3,309,470**	**3,224,900**	**3,293,885**	***2.1%***
FTE	**33.6**	**0.0**	**36.0**	**36.0**	***0.0%***
General Fund	231,369	178,190	264,786	270,489	*2.2%*
Cash Funds	0	80,210	87,435	87,435	*0.0%*
Reapprop. Funds - Medicaid	3,172,803	3,051,070	2,872,679	2,935,961	*2.2%*
	1,586,403	*1,525,536*	*1,436,340*	*1,467,981*	*2.2%*
	1,586,400	*1,525,534*	*1,436,339*	*1,467,980*	*2.2%*
Net General Fund	1,817,772	1,703,726	1,701,126	1,738,470	*2.2%*
(9) (A) (2) Program Costs					
Adult Comprehensive Services for					
4,333.0 Medicaid Reources	255,829,750	304,569,950	294,416,214	300,556,696	
General Fund	1,550,603	387,156	0	0	
Cash Funds	0	30,798,715	30,798,715	30,798,715	
Reapprop. Funds - Medicaid	254,279,147	273,384,079	263,617,499	269,757,981	DI-1
GF	*127,139,574*	*108,957,177*	*131,808,749*	*134,878,991*	
FF	*127,139,573*	*164,426,902*	*131,808,750*	*134,878,990*	

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Adult Supported Living Services for 692 General Fund					
and 3,297.5 Medicaid Resources	44,974,958	45,391,603	41,530,106	42,469,990	
General Fund	7,575,159	7,812,106	7,616,069	7,616,069	
Reapprop. Funds - Medicaid	37,399,799	37,579,497	33,914,037	34,853,921	DI-1
GF	*18,699,900*	*15,490,269*	*16,957,019*	*17,426,961*	
FF	*18,699,899*	*22,089,228*	*16,957,018*	*17,426,960*	
Early Interventions Services	11,098,328	12,440,977	14,960,930	14,960,930	
General Fund	11,098,328	12,440,977	14,960,930	14,960,930	
Family Support Services	6,416,610	3,070,206	2,169,079	2,169,079	
General Fund	6,416,610	3,070,206	2,169,079	2,169,079	
Children's Extensive Support Services for					
393 Medicaid Resources					
Reapprop. Funds - Medicaid	7,158,025	7,956,079	7,873,966	7,873,966	
GF	*3,579,012*	*3,279,493*	*3,936,982*	*3,936,982*	
CF	*0*	*0*	*0*	*0*	
FF	*3,579,013*	*4,676,586*	*3,936,984*	*3,936,984*	
Case Management for 3647 General Fund and					
8441.5 Medicaid Resources	21,501,608	25,216,667	27,557,018	27,930,863	
General Fund	2,979,204	3,541,232	4,768,210	4,768,210	
Reapprop. Funds - Medicaid	18,522,404	21,675,435	22,788,808	23,162,653	
GF	*9,261,202*	*8,934,614*	*11,394,404*	*11,563,327*	
FF	*9,261,202*	*12,740,821*	*11,394,404*	*11,599,326*	

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Special Purpose	490,275	898,614	879,572	879,572	
General Fund	463,554	879,184	360,844	360,844	
Reapprop. Funds	0	0	481,488	481,488	
Reapprop. Funds - Medicaid	26,721	19,430	37,240	37,240	
GF	*13,261*	*8,009*	*18,620*	*18,620*	
FF	*13,460*	*11,421*	*18,620*	*18,620*	
					Request vs. Appropriation
(9) (A) (2) Program Costs	**347,469,554**	**399,544,096**	**389,386,885**	**396,841,096**	***1.9%***
General Fund	30,083,458	28,130,861	29,875,132	29,875,132	*0.0%*
Cash Funds	0	30,798,715	30,798,715	30,798,715	*0.0%*
Reapprop. Funds	0	0	481,488	481,488	*0.0%*
Reapprop. Funds - Medicaid	317,386,096	340,614,520	328,231,550	335,685,761	*2.3%*
GF	*158,692,949*	*136,669,562*	*164,115,774*	*167,824,881*	*2.3%*
CF	*0*	*0*	*0*	*0*	*n/a*
FF	*158,693,147*	*203,944,958*	*164,115,776*	*167,860,880*	*2.3%*
Net General Fund	188,776,407	164,800,423	193,990,906	197,700,013	*1.9%*
(9) (A) (3) Other Community Programs					
Federal Special Education Grant for Infants, Toddlers, and Their Families (Part C)	11,661,848	8,113,726	7,850,192	7,850,192	
FTE	5.6	6.2	6.5	6.5	
Personal Services	463,420	576,885	550,000	550,000	
Federal Funds	463,420	576,885	550,000	550,000	
Operating Expenses	11,198,428	7,536,841	7,300,192	7,300,192	
Federal Funds	11,198,428	7,536,841	7,300,192	7,300,192	

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Custodial Funds for Early Intervention Services	7,565,363	6,053,908	3,421,443	3,421,443	
Cash Funds	7,565,363	6,053,908	3,421,443	3,421,443	
Preventive Dental Hygiene	60,621	59,409	63,051	63,051	
General Fund	60,621	59,409	59,409	59,409	
Cash Funds	0	0	3,642	3,642	
					Request vs. Appropriation
(9) (A) (3) Other Community Programs	**19,287,832**	**14,227,043**	**11,334,686**	**11,334,686**	***0.0%***
FTE	**5.6**	**6.2**	**6.5**	**6.5**	***0.0%***
General Fund	60,621	59,409	59,409	59,409	*0.0%*
Cash Funds	7,565,363	6,053,908	3,425,085	3,425,085	*0.0%*
Federal Funds	11,661,848	8,113,726	7,850,192	7,850,192	*0.0%*
					Request vs. Appropriation
(9) (A) Administration	**370,161,558**	**417,080,609**	**403,946,471**	**411,469,667**	***1.9%***
FTE	**39.2**	**6.2**	**42.5**	**42.5**	***0.0%***
General Fund	30,375,448	28,368,460	30,199,327	30,205,030	*0.0%*
Cash Funds	7,565,363	36,932,833	34,311,235	34,311,235	*0.0%*
Reapprop. Funds	0	0	481,488	481,488	*0.0%*
Reapprop. Funds - Medicaid	320,558,899	343,665,590	331,104,229	338,621,722	*2.3%*
GF	*160,279,352*	*138,195,098*	*165,552,114*	*169,292,862*	*2.3%*
FF	*160,279,547*	*205,470,492*	*165,552,115*	*169,328,860*	*2.3%*
Federal Funds	11,661,848	8,113,726	7,850,192	7,850,192	*0.0%*
Net General Fund	190,654,800	166,563,558	195,751,441	199,497,892	*1.9%*

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
(9) (B) Regional Centers for People with Developmental Disabilities					
This subdivision provides funding for the state operation of three regional centers that house and provide services to individuals with developmental disabilities. The primary source of funding is reappropriated medicaid funds, cash funds are from consumer payments for room and boarc					
(1) Medicaid-funded Services					
Personal Services	53,179,604	46,469,786	44,329,954	45,176,199	
FTE	881.0	831.9	887.1	887.1	
Cash Funds	2,753,528	2,762,259	2,060,389	2,060,389	
Reapprop. Funds - Medicaid	50,426,076	43,707,527	42,269,565	43,115,810	
GF	*16,183,412*	*18,142,989*	*20,200,955*	*20,624,078*	
FF	*34,242,664*	*25,564,538*	*22,068,610*	*22,491,732*	
Operating Expenses					
Reapprop. Funds - Medicaid	2,228,933	2,396,866	2,439,458	2,565,228	
GF	*1,114,467*	*981,277*	*1,219,729*	*1,282,614*	
FF	*1,114,466*	*1,415,589*	*1,219,729*	*1,282,614*	
Capital Outlay - Patient Needs					
Reapprop. Funds - Medicaid	236,317	71,981	72,126	72,126	
GF	*118,159*	*29,469*	*36,063*	*36,063*	
FF	*118,158*	*42,512*	*36,063*	*36,063*	
Leased Space					
Reapprop. Funds - Medicaid	49,043	38,746	42,820	42,820	
GF	*24,522*	*15,863*	*21,410*	*21,410*	
FF	*24,521*	*22,883*	*21,410*	*21,410*	

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
Resident Incentive Allowance					
Reapprop. Funds - Medicaid	107,323	135,451	138,176	138,176	
GF	*53,662*	*55,454*	*69,088*	*69,088*	
FF	*53,661*	*79,997*	*69,088*	*69,088*	
Purchase of Services					
Reapprop. Funds - Medicaid	206,123	n/a	n/a	n/a	
GF	*103,062*				
FF	*103,061*				
Provider Fee					
Reapprop. Funds - Medicaid	0	1,867,655	1,867,656	1,867,656	
GF	*0*	*752,479*	*933,828*	*933,828*	
FF	*0*	*1,115,176*	*933,828*	*933,828*	
					Request vs. Appropriation
(9) (B) (1) Regional Centers for People with Developmental Disabilities	**56,007,343**	**50,980,485**	**48,890,190**	**49,862,205**	***2.0%***
FTE	**881.0**	**831.9**	**887.1**	**887.1**	***0.0%***
Cash Funds	2,753,528	2,762,259	2,060,389	2,060,389	*0.0%*
Reapprop. Funds - Medicaid	53,253,815	48,218,226	46,829,801	47,801,816	*2.1%*
GF	*17,597,284*	*19,977,531*	*22,481,073*	*22,967,081*	*2.2%*
FF	*35,656,531*	*28,240,695*	*24,348,728*	*24,834,735*	*2.0%*
(9) (B) (2) Other Program Costs					
General Fund Physician Services	87,966	88,368	83,889	85,809	
FTE	0.5	0.5	0.5	0.5	
General Fund	87,966	88,368	83,889	85,809	

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
					Request vs. Appropriation
(9) (B) Regional Centers	**56,095,309**	**51,068,853**	**48,974,079**	**49,948,014**	***2.0%***
FTE	**881.5**	**832.4**	**887.6**	**887.6**	***0.0%***
General Fund	87,966	88,368	83,889	85,809	*2.3%*
Cash Funds	2,753,528	2,762,259	2,060,389	2,060,389	*0.0%*
Reapprop. Funds - Medicaid	53,253,815	48,218,226	46,829,801	47,801,816	*2.1%*
GF	*17,597,284*	*19,977,531*	*22,481,073*	*22,967,081*	*2.2%*
FF	*35,656,531*	*28,240,695*	*24,348,728*	*24,834,735*	*2.0%*
Net General Fund	17,685,250	20,065,899	22,564,962	23,052,890	*2.2%*

(9) (C) Work Therapy Program

This subdivision provides sheltered work opportunities to residents of state operated regional centers and the Mental Health Institute at Fort Logan. Cash funds are from payments from private businesses and agencies for work completed.

Program Costs	395,184	359,964	467,116	467,116	
FTE	1.3	1.3	1.5	1.5	
Personal Services					
Cash Funds	212,958	170,148	95,195	95,195	
Operating Expenses	182,226	189,816	371,921	371,921	
Cash Funds	176,627	189,816	371,921	371,921	
Reapprop. Funds	5,599	0	0	0	

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
(9) (D) Division of Vocational Rehabilitation					
This subdivision provides ther services and equipment necessary to help individuals with disablities secure and/or retain employment. Funding is provided for the Independent Living Centers to provide assisted licing and advocacy services to persons with disabilities. Cash and reappropriated funds reflect payments from collaborating agencies, asuch as school districts.					
Rehabilitation Programs - General Fund Match	20,986,000	20,866,903	19,061,165	19,408,378	
FTE	208.0	221.1	212.7	212.7	
Personal Services	12,733,070	13,133,370	13,499,569	13,792,944	
General Fund	2,712,440	2,797,713	2,875,722	2,937,944	
Federal Funds	10,020,630	10,335,657	10,623,847	10,855,000	
Operating Expenses	8,252,930	7,733,533	5,561,596	5,615,434	
General Fund	1,743,772	1,632,693	1,181,473	1,189,674	
Federal Funds	6,509,158	6,100,840	4,380,123	4,425,760	
Rehabilitation Programs - Local Funds Match	14,360,667	23,970,152	31,164,938	31,171,483	
FTE	9.5	5.2	11.0	11.0	
Personal Services	651,026	359,649	749,227	755,772	
Cash Funds	0	0	10,207	10,437	
Reapprop. Funds	163,336	90,232	187,974	189,138	
Federal Funds	487,690	269,417	551,046	556,197	
Operating Expenses	13,709,641	23,610,503	30,415,711	30,415,711	
Cash Funds	0	0	24,210	24,210	
Reapprop. Funds	2,902,766	5,003,363	6,430,746	6,430,746	
Federal Funds	10,806,875	18,607,140	23,960,755	23,960,755	

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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
American Recovery and Reinvestment Act -					
Vocational Rehabilitation Funding	3,463,571	3,027,239	n/a	n/a	
Federal Funds	3,463,571	3,027,239			
Business Enterprsie Program					
for People Who Are Blind	498,118	689,235	1,174,360	1,182,213	
FTE	4.4	4.7	6.0	6.0	
Personal Services	294,483	316,378	423,360	431,213	
Cash Funds	28,613	30,739	41,135	42,807	
Federal Funds	265,870	285,639	382,225	388,406	
Operating Expenses	203,635	372,857	751,000	751,000	
Cash Funds	77,486	116,923	208,300	208,300	
Federal Funds	126,149	255,934	542,700	542,700	
Business Enterprise Program -					
Program Operated Stands, Repair					
Costs, and Operator Benefits	260,833	127,062	429,000	429,000	
Cash Funds	121,916	127,062	429,000	429,000	
Federal Funds	138,917	0	0	0	
Independent Living Centers & State					
Independent Living Council	1,841,642	2,003,419	1,783,431	1,783,431	
General Fund	1,487,351	1,457,604	1,457,604	1,457,604	
Cash Funds	0	0	29,621	29,621	
Federal Funds	354,291	545,815	296,206	296,206	
Older Blind Grants	487,943	675,680	450,000	450,000	

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	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
Cash Funds	0	0	45,000	45,000	
Federal Funds	487,943	675,680	405,000	405,000	
Traumatic Brain Injury Trust Fund	3,508,724	3,293,797	3,293,103	3,295,945	
FTE	1.5	1.6	1.5	1.5	
Personal Services	170,621	126,142	70,196	73,038	
Cash Funds	170,621	126,142	70,196	73,038	
Operating Expenses	3,338,103	3,167,655	3,222,907	3,222,907	
Cash Funds	3,338,103	3,167,655	3,222,907	3,222,907	
Federal Social Security Reimbursements	167,884	1,103,224	813,741	813,741	
Federal Funds	167,884	1,103,224	813,741	813,741	
					Request vs. Appropriation
(9) (D) Division of Vocational Rehabilitation	**45,575,382**	**55,756,711**	**58,169,738**	**58,534,191**	***0.6%***
FTE	**223.4**	**232.6**	**231.2**	**231.2**	***0.0%***
General Fund	5,943,563	5,888,010	5,514,799	5,585,222	*1.3%*
Cash Funds	3,736,739	3,568,521	4,080,576	4,085,320	*0.1%*
Reapprop. Funds	3,066,102	5,093,595	6,618,720	6,619,884	*0.0%*
Federal Funds	32,828,978	41,206,585	41,955,643	42,243,765	*0.7%*

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Request	Change Requests
(9) (E) Homelake Domiciliary and State and Veterans Nursing Homes					
This subdivision manages and operates the five state and veterans nursing homes and the Homelake Domiciliary. Cash funds are from clients and reflected for informational purposes, as are federal funds. The state veterans nursing homes are enterprises and have continuous spending authority.					
Homelake Domiciliary State Subsidy	186,130	186,130	186,130	186,130	
General Fund	186,130	186,130	186,130	186,130	
Nursing Home Indirect Costs	800,000	800,000	800,000	800,000	
General Fund	800,000	800,000	800,000	800,000	
Program Costs	54,428,011	54,428,011	48,119,017	48,119,017	
FTE	673.4	673.4	531.0	531.0	
Cash Funds	42,453,849	42,453,849	33,258,217	33,258,217	
Federal Funds	11,974,162	11,974,162	14,860,800	14,860,800	
					Request vs. Appropriation
(9) (E) Homelake Domiciliary and State Veterans Nursing Homes	**55,414,141**	**55,414,141**	**49,105,147**	**49,105,147**	***0.0%***
FTE	**673.4**	**673.4**	**531.0**	**531.0**	***0.0%***
General Fund	986,130	986,130	986,130	986,130	*0.0%*
Cash Funds	42,453,849	42,453,849	33,258,217	33,258,217	*0.0%*
Federal Funds	11,974,162	11,974,162	14,860,800	14,860,800	*0.0%*

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					Request vs. Appropriation
(9) Services for People with Disabilities	**527,641,574**	**579,680,278**	**560,662,551**	**569,524,135**	***1.6%***
FTE	**1,818.8**	**1,745.9**	**1,693.8**	**1,693.8**	***0.0%***
General Fund	37,393,107	35,330,968	36,784,145	36,862,191	*0.2%*
Cash Funds	56,899,064	86,077,426	74,177,533	74,182,277	*0.0%*
Reapprop. Funds	3,071,701	5,093,595	7,100,208	7,101,372	*0.0%*
Reapprop. Funds - Medicaid	373,812,714	391,883,816	377,934,030	386,423,538	*2.2%*
GF	*177,876,636*	*158,172,629*	*188,033,187*	*192,259,943*	*2.2%*
FF	*195,936,078*	*233,711,187*	*189,900,843*	*194,163,595*	*2.2%*
Federal Funds	56,464,988	61,294,473	64,666,635	64,954,757	*0.4%*
Net General Fund	215,269,743	193,503,597	224,817,332	229,122,134	*1.9%*

					Request vs. Appropration
Total for All Line Items	**528,583,880**	**580,827,900**	**561,772,019**	**570,739,055**	**1.6%**
FTE	**1,822.0**	**1,752.3**	**1,701.1**	**1,701.3**	**0.0%**
General Fund	37,524,536	35,480,605	36,908,833	36,989,282	**0.2%**
Cash Funds	56,899,064	86,077,426	74,177,533	74,182,277	**0.0%**
Reapprop. Funds	3,882,578	6,091,580	8,084,988	8,189,201	**1.3%**
Reapprop. Funds - Medicaid	373,812,714	391,883,816	377,934,030	386,423,538	**2.2%**
GF	*177,876,636*	*158,172,629*	*188,033,187*	*192,259,943*	**2.2%**
FF	*195,936,078*	*233,711,187*	*189,900,843*	*194,163,595*	**2.2%**
Federal Funds	56,464,988	61,294,473	64,666,635	64,954,757	**0.4%**
Net General Fund	215,401,172	193,653,234	224,942,020	229,249,225	**1.9%**

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APPENDIX B: SUMMARY OF MAJOR LEGISLATION

S.B. 11-076 (Steadman/Becker) PERA Contribution Rates: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year.

S.B. 11-209 (Hodge/Gerou) Long Appropriations Bill: General appropriations act for FY 2011-12. Also includes supplemental adjustments to modify FY 2010-11 appropriations to the Department of Human Services.

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APPENDIX C: UPDATE OF FY 2011-12 LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Long Bill Footnotes

27 Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs -- It is the intent of the General Assembly that expenditures for these services be recorded only against the Long Bill group total for Program Costs.

Comment: Provides the Department with flexibility to move funds between line items in the Program Costs section of the budget.

28 Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Other Community Programs, Preventive Dental Hygiene -- The purpose of this appropriation is to assist the Colorado Foundation of Dentistry in providing special dental services for persons with developmental disabilities.

Comment: Explains the purpose of the appropriation. The Department is in compliance, using the money to assist the Colorado Foundation of Dentistry.

Requests for Information

Multiple Department Requests

5. **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities --** The General Assembly requests that the departments work together with Community Centered Boards and submit a report to the Joint Budget Committee, the House Health and Environment Committee, and the Senate Health and Human Services Committee by November 1, 2011 with recommendations regarding whether the administration and funding for services for people with developmental disabilities should be transferred from the Department of Human Services to the Department of Health Care Policy and Financing. The report should discuss pros and cons associated with such a move and any potential savings. In preparing the recommendations the departments should solicit input from stakeholders.

Department Response: The response to this request is the subject of the second issue in this document. Based on the response, the Department of Human Services and Department of Health Care Policy and Financing are working on legislation for the

2012 session to move the waiver programs for people with developmental disabilities, certain Old Age programs, and the Children's Habilitation Residential Program from the Department of Human Services to Department of Health Care Policy and Financing. A copy of the response is provided at the end of this document.

5. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2011 information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2010-11 The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2011-12.

   Department Response: The Department included the requested information as part of the November 1, 2012 budget request. For the department sections discussed in this packet there were no federal grants or private donations and associated FTE received in FY 2010-11, not included in the appropriations.

6. **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities --** The departments are requested to keep the House Health and Environment Committee, the Senate Health and Human Services Committee, and the Joint Budget Committee informed on activities of the working group charged with exploring options for how to implement the home and community based waiver programs, and to provide a progress report by November 1, 2011.

   Comment: The following is a summary of the Departments response. The Departments are working on a project to assess the overall programmatic structure, quality, and controls of each of the existing waivers, examine service delivery systems in other states, and involve the federal Center for Medicare and Medicaid Services and Colorado's providers, consumers and advocates as partners in the design of this system. The report indicated that the overall components of the project include the following three components:

   1. Hold Community Forums. Gather stakeholder and community input on outcomes and benefits they would like to see out of a realigned waiver system. November 2011-July 2012).

   2. Fiscal and Programmatic Analysis. Conduct fiscal and programmatic analysis fo existing waivers. Determine methods for Colorado to streamline existing waivers and keep expenditures at current levels. (November 2011 - July 2012).

   3. Identification of Alternative Models of Service Delivery. Conduct extensive nation-wide search of best practice and analyze the advantages and disadvantages of implementation. Determine how Colorado could establish an organizational structure

that simplifies service delivery for consumers, honors the unique aspects of local provider networks, enhances consumer choice, creates incentives for best practice and maximizes resources to reduce waiting lists for services (November 2011- November 2012).

The report concludes with the stated expectation that the three departments hope tp have a high-level outline of the initial steps required to modify the massive long-term care system into a new model of service delivery.

Department of Human Services, Services for People with Disabilities Requests Only

1. **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs, Early Intervention Services --** The Department is requested to notify the Joint Budget Committee before implementing any cost containment strategy expected to result in a decrease in the number of people eligible for early intervention services. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.

   Department Response: As of December 9, 2011 the Department has not made any notifications to the Joint Budget Committee of any possible cost containment strategies to implemented.

15. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation, Rehabilitation Programs -- Local Funds Match** – The Department is requested to provide a report to the Joint Budget Committee, by November 1 of each year, that details deferred cash and reappropriated funds revenue on its books as of the close of the preceding fiscal year.

   Department Response: The following is the Department's response to this request that was submitted on November 1, 2011.

   Division of Vocational Rehabilitation (DAR) Funding
   The required match for federal funds in the Rehabilitation Programs - Local Funds Match line item is obtained from local sources including school districts participating in the School-to-Work Alliance Program (SWAP), local governments and other state entities providing vocational rehabilitation services to individuals with disabilities, and other donations. Funds received in excess of the required 21.3% non-federal match are used to support other core vocational Rehabilitation services including assessments and diagnostic testing, personal and work adjustment training, vocational and academic training, job seeking skills and job placement.

Division of Vocation Rehabilitation Deferred Revenue

In recent year DAR developed local match fund sources in excess of the 21.3% federal match rate. The amount of funds provided by local sources over the match rate is used for other core DAR programs and services. The amount remaining on DAR's books as of the close of FY 2010-11 for deferred cash and reappropriated funds was $1,434,705. These funds will be spent on direct case services expenditures for DAR consumers.

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APPENDIX D: State Auditor's Office Recommendations Not Entirely Implemented

November 30, 2011

Dear Joint Budget Committee Members:

I am writing to inform you that the Office of the State Auditor has updated information regarding the implementation status of outstanding audit recommendations. When I met with you in early November, our financial auditors were still conducting their audit work, including determining the implementation status of prior recommendations, for the Fiscal Year 2011 annual financial audit of state agencies. At that time, I provided you recommendation information based on the most current test work that had been completed. Now that we are finalizing our audit work, we have determined that some agencies have implemented recommendations that previously had been reported to you as still outstanding. We are pleased that these agencies have taken action to demonstrate their accountability to the people of Colorado.

The attached reports will provide you the most current information regarding audit recommendations that remain outstanding. I have also provided these updated reports to the executive directors. The agencies that have made the most progress in implementing these recommendations include the Department of Health Care Policy and Financing and the Department of Human Services. I do not anticipate there being any more changes to these reports.

Please contact me if you have questions. I appreciate your support of our mission to promote efficient, effective, and transparent government.

Dianne E. Ray, CPA
State Auditor
Office of the State Auditor
200 East 14th Avenue
Denver, CO 80203-221

The following pages are the implementation status of outstanding audit recommendations as of November, 30, 2011, for the Department of Human Services only.

Office of the State Auditor Recommendations
Financial Recommendations Not Entirely Implemented As of Fiscal Year Ending June 30, 2010

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by: (c) instituting periodic secondary reviews of all leases of State-owned property, to ensure that they are current, documented on the approved Office of the State Architect lease agreement, clearly describe the property to be rented, and are properly authorized.	11c	Deficiency in Internal Control	Not Implemented	March 2011	11c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	The Division of Facilities Management should address statutory compliance issues and strengthen controls over the rental of state-owned surplus facilities by: (d) renegotiating any leases found after review to be inadequately documented, authorized, expired, or out of compliance.	11d	Deficiency in Internal Control	Partially Implemented	March 2011	11d	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (a) developing a procedure by which to reconcile the County Financial Management System (CFMS) and COFRS data each month.	13b	Significant Deficiency	Not Implemented	June 2012	13a	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (b) assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process.	13c	Significant Deficiency	Not Implemented	June 2012	13b	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by: (c) reconciling the CFMS and COFRS accounts of the reimbursement due the counties at the end of Fiscal Year 2009 and making the necessary adjustments.	13a	Significant Deficiency	Not Implemented	June 2012	13c	Significant Deficiency	N/A	Agree - original implementation date is June 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve controls over financial reporting for Medicare Part D revenue and receivables at the Fort Logan and Pueblo Mental Health Institutes by ensuring monthly and fiscal year-end reconciliations are performed on the Part D revenue and related accounts receivable balances in COFRS to billings from the pharmacy subsystem, and making adjustments as appropriate.	15	Significant Deficiency	Partially Implemented	January 2011	14	Significant Deficiency	N/A	Agree - original implementation date is June 2010								
Department of Human Services	Improve controls over financial reporting of revenue and receivables at the Fitzsimons, Florence, Rifle, and Trinidad nursing homes operated by the Department by implementing and formally documenting a reconciliation process in which monthly and fiscal year-end reconciliations are performed on revenue and related accounts receivable balances in COFRS to amounts recorded in the Achieve-Matrix system, and making adjustments as appropriate.	18	Deficiency in Internal Control	Not Implemented	November 2010	15	Deficiency in Internal Control	N/A	Agree - original implementation date is February 2010								
Department of Human Services	Improve controls over the payroll process by ensuring that time sheets are certified within the timeframes specified in Department policy and are maintained and available for review.	14d	Significant Deficiency	Not Implemented	March 2011	16	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (a) performing routine and comprehensive reconciliations among the Colorado Benefits Management System (CBMS), CFMS, the State's Electronic Benefits Transfer service provider, and COFRS to ensure that financial information is accurately and completely recorded.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19a	Significant Deficiency	Deferred	June 2010	8a	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (b) ensuring that all reconciliations are reviewed by knowledgeable personnel not involved in preparing the reconciliations.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19b	Significant Deficiency	Deferred	June 2010	8b	Significant Deficiency	N/A	Agree - original implementation date is June 2010				
Department of Human Services	Establish adequate controls over benefit authorization and issuance data for the cash programs by: (c) making any necessary adjustments in a timely manner to the appropriate systems.	21	Deficiency in Internal Control	Partially Implemented	September 2012	19c	Significant Deficiency	Deferred	June 2010	8c	Significant Deficiency	N/A	Agree - original implementation date is June 2010				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Continue to work with the counties to ensure that applications for SNAP/Food Assistance benefits are processed within federal and state requirements.	101	Deficiency in Internal Control	Partially Implemented	September 2012	101	Significant Deficiency	N/A	Implemented and ongoing								
Department of Human Services	Continue to work with the county departments of human/social services to ensure the accuracy of eligibility determinations and benefit payments for the Temporary Aid for Needy Families/Colorado Works (TANF) program by monitoring and reviewing counties' case file documentation and data entry.	98	Deficiency in Internal Control	Partially Implemented	Ongoing	102	Deficiency in Internal Control	N/A	Implemented and ongoing								
Department of Human Services	Improve controls over the Child Support Enforcement program by: (c) ensuring that counties enforce medical support obligations by using the National Medical Support Notice, where appropriate.	97	Significant Deficiency	Partially Implemented	June 2011	103c	Significant Deficiency	N/A	Agree - implemented								
Department of Human Services	Strengthen controls over the reporting process for the federal Social Services Block Grant by: (b) ensuring that reports are reviewed by a supervisor prior to being submitted.	102	Deficiency in Internal Control	Partially Implemented	No implementation date provided	104b	Significant Deficiency	N/A	Agree - original implementation date is June 2009								
Department of Human Services	Ensure through continued monitoring and training that the counties are obtaining and maintaining in the case files all the documents required to demonstrate families' eligibility for Child Care and Development Program Cluster subsidies under the Colorado Child Care Assistance Program.	81	Significant Deficiency	Not Implemented	January 2011	107	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009 with full implementation by November 2010								
Department of Human Services	Improve the review of the Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (a) providing guidance to the counties on how to select samples of providers' attendance sheets for review.	84	Significant Deficiency	Partially Implemented	March 2011	111a	Significant Deficiency	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve controls over the preparation of the Exhibit K and supporting documentation by: (b) ensuring adequate supervisory review of the Exhibit K and supporting documentation.	101	Significant Deficiency	Partially Implemented	September 2011	113b	Significant Deficiency	N/A	Agree - original implementation date is September 2010								
Department of Human Services	Improve controls over the preparation of the Exhibit K and supporting documentation by: (c) continuing to provide training to staff who prepare the Exhibit K and the supporting documentation.	101	Significant Deficiency	Partially Implemented	September 2011	113c	Significant Deficiency	N/A	Agree - original implementation date is September 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Improve internal controls over purchasing cards by: (a) continuing to train approving officials and cardholders on their responsibilities to ensure compliance with Department policy and imposing consequences for policy violations.	16	Significant Deficiency	Partially Implemented	December 2011	120a	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (b) updating all written purchasing card policies to indicate that recurring, automatic charges and payments are prohibited purchases, clearly communicating this requirement to all card holders, and ensuring that all established automatic payments currently being processed are identified and deactivated by the cardholders.	16	Significant Deficiency	Partially Implemented	June 2011	120b	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (c) utilizing the automated violation tracking system's reporting function to monitor the results of the Department's internal purchasing card audits and ensuring the actions taken by approving authorities in response to cardholder violations are adequate.	16	Significant Deficiency	Partially Implemented	June 2011	120c	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (d) ensuring purchasing card accounts are closed in a timely manner upon employee termination.	16	Significant Deficiency	Partially Implemented	June 2011	120d	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve internal controls over purchasing cards by: (e) coding all procurement card purchases accurately in COFRS.	16	Significant Deficiency	Partially Implemented	June 2011	120e	Significant Deficiency	N/A	Agree - original implementation date is April 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (b) promptly removing user access for terminated employees and strengthening procedures to ensure that employee termination notifications are initiated and acted upon in a timely manner.	125b	Deficiency in Internal Control	Not Implemented	December 2010	125b	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								
Department of Human Services	Improve general computer controls over Trails and the Child Care Automated Tracking System (CHATS) by: (c) requiring supervisors to annually verify the accuracy and relevance of user access for the employees they supervise.	125c	Deficiency in Internal Control	Not Implemented	December 2010	125c	Deficiency in Internal Control	N/A	Agree - original implementation date is May 2010								

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	The Division for Developmental Disabilities should improve controls to ensure service plan documentation is sufficient to support the service request and subsequent payments. Specifically, the Department should work with the Department of Health Care Policy and Financing to: (c) eliminate duplicate data entry of service requests in the CCMS and BUS systems by automatically populating the service request in CCMS from the service plan information contained in the BUS system.	126c	Deficiency in Internal Control	Not Implemented	2012	126c	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2009								
Department of Human Services	The Division for Developmental Disabilities should improve its processes for reviewing service requests to ensure that an adequate basis exists for its approval and denial decisions and that clients are treated equitably. Specifically, the Department should: (b) implement an automated mechanism to track data on the number of reviews conducted, the number of and reasons for denials and reductions in service, and the number of service requests that are re-submitted and re-reviewed.	128b	Deficiency in Internal Control	Not Implemented	No implementation date provided	128b	Deficiency in Internal Control	N/A	Agency to re-evaluate resources annually; no implementation date provided								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (a) develop and issue a comprehensive, written policy and procedures manual for CCBs and update the manual on a routine basis.	132a	Deficiency in Internal Control	Not Implemented	June 2011	132a	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	The Division for Developmental Disabilities should establish mechanisms for monitoring the implementation and operation of appropriate fiscal controls to ensure accountability for services and payments. Specifically, the Department should: (b) provide training on the policy and procedures manual to the CCBs.	132b	Deficiency in Internal Control	Not Implemented	June 2011	132b	Deficiency in Internal Control	N/A	Agree - original implementation date is December 2009								
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (a) ensuring that eligibility is determined in a timely manner and vendors are contacted when required.	92	Significant Deficiency	Partially Implemented	September 2010	135a	Significant Deficiency	Deferred	September 2009	89a	Significant Deficiency	N/A	Agree - original implementation date is September 2009				

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (b) ensuring that required documentation is obtained to support LEAP eligibility, benefit determination, and Estimated Home Heating Cost changes by performing a periodic review of case files.	92	Significant Deficiency	Partially Implemented	September 2010	135b	Significant Deficiency	Deferred	September 2009	89b	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Strengthen controls over the Low Income Energy Assistance Program (LEAP) program by: (c) strengthening supervisory review process over data entry by instituting an effective supervisory review process.	92	Significant Deficiency	Partially Implemented	September 2010	135c	Significant Deficiency	Deferred	September 2009	89c	Significant Deficiency	N/A	Agree - original implementation date is September 2009				
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by: (c) improving its monitoring of the counties' CCCAP operations by revising its county case file review process to include developing a risk-based approach that reviews those counties that manage larger CCCAP caseloads and determines why counties make errors.	83	Significant Deficiency	Not Implemented	March 2011	137c	Significant Deficiency	Deferred	July 2009	96	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Ensure that county departments of human/social services properly authorize child care for Colorado Child Care Assistance Program (CCCAP) participants by: (d) requiring that counties submit corrective action plans to address problems identified in part "c" and following up on these plans as appropriate.	83	Significant Deficiency	Not Implemented	March 2011	137d	Significant Deficiency	Deferred	July 2009	96	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve the review of Colorado Child Care Assistance Program provider attendance records by county departments of human/social services by: (a) verifying that counties are conducting the reviews in accordance with Department regulations during the Department's monitoring reviews.	84	Significant Deficiency	Partially Implemented	March 2011	138a	Significant Deficiency	Deferred	July 2009	98a	Significant Deficiency	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve information for evaluating county administrative and case management costs in the child welfare allocation model by: (a) working with counties to identify and evaluate options for using or modifying existing systems to improve cost information.	88	Significant Deficiency	Partially Implemented	July 2012	140a	Significant Deficiency	Deferred	October 2009	103a	Significant Deficiency	Deferred	October 2009	103a	Significant Deficiency	N/A	Agree - original implementation date is October 2009

Agency	Recommendation	Statewide Single Audit, Fiscal Year Ending June 30, 2010 Current Recommendation or Disposition of Prior Recommendation				Statewide Single Audit, Fiscal Year Ending June 30, 2009 Report # 1994				Statewide Single Audit, Fiscal Year Ending June 30, 2008 Report # 1970				Statewide Single Audit, Fiscal Year Ending June 30, 2007 Report # 1901			
		Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition	Rec Number	Finding Classification	Implementation Status	Implementation Date or Disposition
Department of Human Services	Strengthen controls over the Colorado Electronic Benefits Transfer (EBT) system by: (e) performing periodic reviews of EBT users, in conjunction with the counties, to ensure terminated users are identified and access levels for current employees remain appropriate.	16e	Deficiency in Internal Control	Not Implemented	August 2010	16e	Deficiency in Internal Control	Not Implemented	April 2010	16e	Deficiency in Internal Control	N/A	Agree - original implementation date is October 2010				
Department of Human Services	Improve the accuracy and completeness of eligibility determinations for the Colorado Child Care Assistance Program (CCCAP) made by county departments of human/social services by: (d) strengthening the Department's and counties' monitoring and supervisory review systems as outlined in Recommendation No. 97 in the 2008 report.	94d	Deficiency in Internal Control	Not Implemented	December 2010	94d	Deficiency in Internal Control	Deferred	July 2009	94d	Deficiency in Internal Control	N/A	Agree - original implementation date is July 2009				
Department of Human Services	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by: (a) analyzing the foster care rates being paid to providers, including county-certified providers, against provider costs and benchmark information on a periodic (e.g., annual) basis to determine if the rates being paid by county departments of human/social services are reasonable.	101a	Deficiency in Internal Control	Partially Implemented	September 2010	101a	Deficiency in Internal Control	Partially Implemented	March 2010	101a	Significant Deficiency	Deferred	July 2008	101a	Significant Deficiency	N/A	Partially agree - original implementation date is July 2008
Department of Human Services	Improve accountability for child welfare expenditures and foster care rates to ensure funds are used cost-effectively by: (d) identifying and considering implementing alternative rate-setting methodologies that rely on objective cost data, such as benchmarks on child care and administrative costs, to pay for foster care services.	101d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	101d	Deficiency in Internal Control	Partially Implemented	The agency did not provide a revised implementation date	101d	Significant Deficiency	Deferred	December 2008	101d	Significant Deficiency	N/A	Partially agree - original implementation date is December 2008

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Services for People with Disabilities, and related administrative functions)

APPENDIX E: Explanation of Terms and Acronyms Used In This Document

CCBs: Community Center Boards

There are twenty CCBs through out Colorado that serve as the entry point into the developmental disabilities system.

CHBS: Community and Home-Based Services

These are the medicaid waiver category of the three waiver programs for individuals with developmental disabilities.

CHBS - DD: Community and Home-Based Services - Developmental Disabilities

This is a specific medicaid waiver program for adults with developmental disabilities who require comprehensive residential care and associated support services. This waiver program is also called Adult Comprehensive Services.

CHBS - SLS: Community and Home-Based Services - Supported Living Services

This is a specific medicaid waiver program for adults with developmental disabilities who live independently or in with family, who require basic support, medical and behavioral support services. This waiver program does not provide residential services.

CHBS - CES: Community and Home-Based Services - Children's Extensive Support

This specific medicaid waiver program is for families who have a child/children who require intensive support services to remain in the family home.

DHS: Department of Human Services

HCPF: Department of Health Care Policy and Financing

Regional Centers:

These are the three state operated facilities (both institutions and group homes) located in Wheat Ridge, Grand Junction, and Pueblo.

SIS: Supports Intensity Scale

This is the assessment tool used for all individuals receiving services through one of the medicaid waiver programs to determine the individual's level of basic support needs, and the level of medical and behavioral support needs.

SPAL: Spending Plan Authorization Limit

Each SPAL is tied to a score on the Supports Intensity Scale. The SPAL is the maximum medicaid dollar amount an individual will receive for support services.

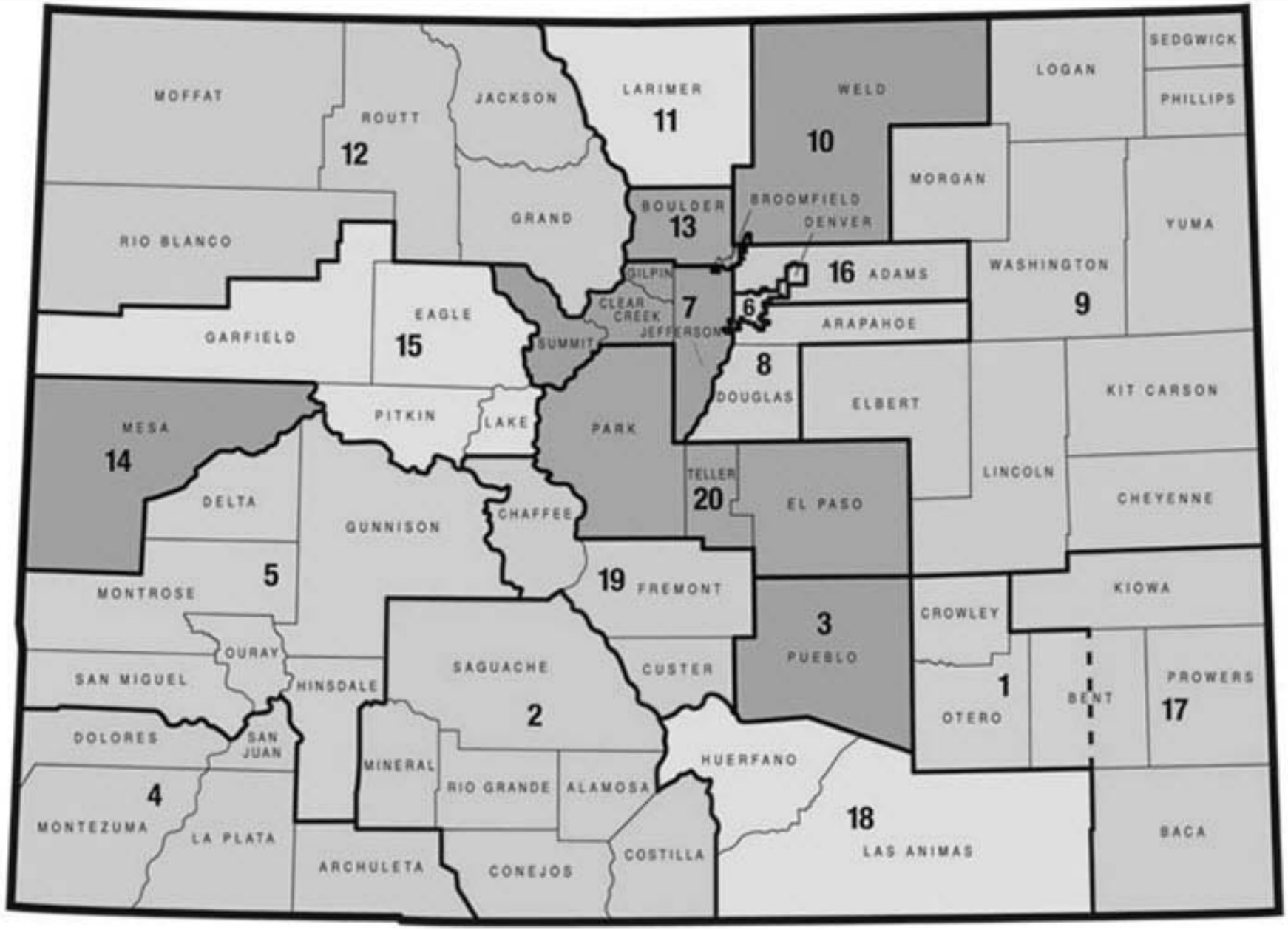
RFI: Request for Information

An RFI is a request sent to the Department's in connection with the FY 2011-12 Long Bill, asking the Department to provide the Joint Budget Committee, and in some cases additional committees of reference with a report on the information contained in the request.

Waivers:

Waivers are the programs Colorado has negotiated with the federal government for, that enable Colorado to provide selective services for extended periods of time to a limited number of individuals.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Appendix F: Location and Service Area of Community Center Boards
This information was provided by Alliance Colorado



FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Human Services (Services for People With Disabilities, and related administrative functions)
Appendix G: Comprehensive Waiver Fee-for-Service Levels

HCBS-DD Service Rates Effective January 6, 2012

Description	Procedure Code	Modifiers	Support Level (Individual, Group)	Unit Designation	Unit Rate	Update Eff Jan 2012	Service Limitations or Comments
Residential Services							
Group Home	T2016	U3, HQ	Level 1	Day	$ 81.42		
Group Home	T2016	U3, 22, HQ	Level 2	Day	$ 107.17		
Group Home	T2016	U3, TF, HQ	Level 3	Day	$ 126.25		
Group Home	T2016	U3, TF, 22, HQ	Level 4	Day	$ 149.15		
Group Home	T2016	U3, TG, HQ	Level 5	Day	$ 164.76		
Group Home	T2016	U3, TG, 22, HQ	Level 6	Day	$ 194.96		
Group Home	T2016	U3, SC, HQ	Level 7	Day			Individual DDD approved rate.
Personal Care Alternative	T2016	U3	Level 1	Day	$ 59.86		
Personal Care Alternative	T2016	U3, 22	Level 2	Day	$ 96.73		
Personal Care Alternative	T2016	U3, TF	Level 3	Day	$ 118.18		
Personal Care Alternative	T2016	U3, TF, 22	Level 4	Day	$ 143.88		
Personal Care Alternative	T2016	U3, TG	Level 5	Day	$ 165.34		
Personal Care Alternative	T2016	U3, TG, 22	Level 6	Day	$ 207.79		
Personal Care Alternative	T2016	U3, SC	Level 7	Day			Individual DDD approved rate.
Host Home	T2016	U3, TT	Level 1	Day	$ 55.52		
Host Home	T2016	U3, 22, TT	Level 2	Day	$ 89.70		
Host Home	T2016	U3, TF, TT	Level 3	Day	$ 109.59		
Host Home	T2016	U3, TF, 22, TT	Level 4	Day	$ 133.44		
Host Home	T2016	U3, TG, TT	Level 5	Day	$ 153.33		
Host Home	T2016	U3, TG, 22, TT	Level 6	Day	$ 192.72		
Host Home	T2016	U3, SC, TT	Level 7	Day			Individual DDD approved rate.
Day Habilitation Services						X	Maximum combined units of Specialized Habilitation, Supported Community Connections and Prevocational Services are Limited to 4,800 Units per Service Plan year.
Specialized Habilitation	T2021	U3, HQ	Level 1	15 Minutes	$ 2.18	X	Maximum 4,800 units - See Above
Specialized Habilitation	T2021	U3, 22, HQ	Level 2	15 Minutes	$ 2.39	X	Maximum 4,800 units - See Above
Specialized Habilitation	T2021	U3, TF, HQ	Level 3	15 Minutes	$ 2.66	X	Maximum 4,800 units - See Above
Specialized Habilitation	T2021	U3, TF, 22, HQ	Level 4	15 Minutes	$ 3.13	X	Maximum 4,800 units - See Above
Specialized Habilitation	T2021	U3, TG, HQ	Level 5	15 Minutes	$ 3.88	X	Maximum 4,800 units - See Above
Specialized Habilitation	T2021	U3, TG, 22, HQ	Level 6	15 Minutes	$ 5.58	X	Maximum 4,800 units - See Above
Specialized Habilitation	T2021	U3, SC, HQ	Level 7	15 Minutes	$ 8.78	X	Maximum 4,800 units - See Above
Supported Community Connections	T2021	U3	Level 1	15 Minutes	$ 2.65	X	Maximum 4,800 units - See Above

HCBS-DD Service Rates Effective January 6, 2012

Description	Procedure Code	Modifiers	Support Level (Individual, Group)	Unit Designation	Unit Rate	Update Eff Jan 2012	Service Limitations or Comments
Supported Community Connections	T2021	U3, 22	Level 2	15 Minutes	$ 2.90	X	Maximum 4,800 units - See Above
Supported Community Connections	T2021	U3, TF	Level 3	15 Minutes	$ 3.26	X	Maximum 4,800 units - See Above
Supported Community Connections	T2021	U3, TF, 22	Level 4	15 Minutes	$ 3.75	X	Maximum 4,800 units - See Above
Supported Community Connections	T2021	U3, TG	Level 5	15 Minutes	$ 4.52	X	Maximum 4,800 units - See Above
Supported Community Connections	T2021	U3, TG, 22	Level 6	15 Minutes	$ 5.94	X	Maximum 4,800 units - See Above
Supported Community Connections	T2021	U3, SC	Level 7	15 Minutes	$ 8.78	X	Maximum 4,800 units - See Above
Prevocational Services						X	Maximum combined units of Specialized Habilitation, Supported Community Connections and Prevocational Services are Limited to 4,800 Units per Service Plan year.
Prevocational Services	T2015	U3, HQ	Level 1	15 Minutes	$ 2.18	X	Maximum 4,800 units - See Above
Prevocational Services	T2015	U3, 22, HQ	Level 2	15 Minutes	$ 2.39	X	Maximum 4,800 units - See Above
Prevocational Services	T2015	U3, TF, HQ	Level 3	15 Minutes	$ 2.66	X	Maximum 4,800 units - See Above
Prevocational Services	T2015	U3, TF, 22, HQ	Level 4	15 Minutes	$ 3.13	X	Maximum 4,800 units - See Above
Prevocational Services	T2015	U3, TG, HQ	Level 5	15 Minutes	$ 3.88	X	Maximum 4,800 units - See Above
Prevocational Services	T2015	U3, TG, 22, HQ	Level 6	15 Minutes	$ 5.58	X	Maximum 4,800 units - See Above
Supported Employment						X	The maximum Supported Employment units per Service Plan year are limited to 7,112 minus the combined total units for Specialized Habilitation, Supported Community Connections and Prevocational Services, which are limited to a maximum of 4,800.
Supported Employment	T2019	U3, SC	Individual - All Levels	15 Minutes	$ 12.01	X	Maximum 7,112 units - See Above
Supported Employment	T2019	U3, HQ	Group - Level 1	15 Minutes	$ 2.92	X	Maximum 7,112 units - See Above
Supported Employment	T2019	U3, 22, HQ	Group - Level 2	15 Minutes	$ 3.19	X	Maximum 7,112 units - See Above
Supported Employment	T2019	U3, TF, HQ	Group - Level 3	15 Minutes	$ 3.56	X	Maximum 7,112 units - See Above
Supported Employment	T2019	U3, TF, 22, HQ	Group - Level 4	15 Minutes	$ 4.11	X	Maximum 7,112 units - See Above
Supported Employment	T2019	U3, TG, HQ	Group - Level 5	15 Minutes	$ 4.91	X	Maximum 7,112 units - See Above
Supported Employment	T2019	U3, TG, 22, HQ	Group - Level 6	15 Minutes	$ 6.40	X	Maximum 7,112 units - See Above
Job Development	H2023	U3	Individual, Levels 1-2	15 Minutes	$ 12.01		Maximum 80 units, must not be otherwise available through the Division of Vocational Rehabilitation (DVR). Maximum units do not start over with a new Service Plan year and are paid to find a successful job for the individual.
Job Development	H2023	U3, 22	Individual, Levels 3-4	15 Minutes	$ 12.01		Maximum 100 units, must not be otherwise available through DVR. Maximum units do not start over with a new Service Plan year and are paid to find a successful job for the individual.

HCBS-DD Service Rates Effective January 6, 2012

Description	Procedure Code	Modifiers	Support Level (Individual, Group)	Unit Designation	Unit Rate	Update Eff Jan 2012	Service Limitations or Comments
Job Development	H2023	U3, TF	Individual, Levels 5-6	15 Minutes	$ 12.01		Maximum 120 units, must not be otherwise available through DVR. Maximum units do not start over with a Service Plan year and are paid to find a successful job for the individual.
Job Development	H2023	U3, HQ	Group - All Levels 1-6	15 Minutes	$ 3.83		Maximum 100 units, must not be otherwise available through DVR. Maximum units do not start over with a Service Plan year and are paid to find a successful job for the individual.
Job Placement	T2038	U3	Individual - All Levels 1-6	DOLLAR	$ 1.00		Maximum 1,000 units (i.e., $1,000), must not be otherwise available through DVR. Maximum units do not start over with a Service Plan year and are paid to find a successful job for the individual.
Job Placement	T2038	U3, HQ	Group - All Levels 1-6	DOLLAR	$ 1.00		Maximum 400 units (i.e., $400), must not be otherwise available through DVR. Maximum units do not start over with a Service Plan year and are paid to find a successful job for the individual.
Non-Medical Transportation							
To/From Day Program							Maximum of 508 trips (all mileage bands) per Service Plan year.
To/From Day Program	T2003	U3	Mileage Band 1	TRIP	$ 5.34		0 to 10 Miles, 2 trips/day
To/From Day Program	T2003	U3, 22	Mileage Band 2	TRIP	$ 11.19		11 to 20 Miles, 2 trips/day
To/From Day Program	T2003	U3, TF	Mileage Band 3	TRIP	$ 17.04		21 and Up Miles, 2 trips/day
Other (public conveyance)	T2025	U3	Individual	DOLLAR	$ 1.00		A dollar per unit for the cost of a bus pass or other public conveyance may only be used when it is more cost effective than or equivalent to the applicable mileage band.
Behavioral Services							
Line Services	H2019	U3	Individual	15 Minutes	$ 6.12	X	Maximum of 960 units per Service Plan year. Applies for new enrollments, any amendment to this service in a current Service Plan or at the Continued Stay Review (CSR). Line Services may continue in accordance with existing Service Plans until any of the above apply.
Lead Therapist	H2019	U3, TF, 22	Individual	15 Minutes	$ 29.34	X	Service is not available for new enrollments, at the time of an amendment to this service in the current Service Plan or at the CSR.
Senior Therapist	H2019	U3, TF	Individual	15 Minutes	$ 23.16	X	Service is not available for new enrollments, at the time of an amendment to this service in the current Service Plan or at the CSR.
Plan Specialist	H2019	U3, 22	Individual	15 Minutes	$ 11.60	X	Service is not available for new enrollments, at the time of an amendment to this service in the current Service Plan or at the CSR.
Behavioral Consultation 1/1/2012	H2019	U3, 22, TG	Individual	15 Minutes	$ 23.00	X	Maximum of 80 units per Service Plan year.
Behavioral Counseling 1/1/2012	H2019	U3, TF, TG	Individual	15 Minutes	$ 23.00	X	Maximum of 208 units combined Individual and Group, per Service Plan year.

HCBS-DD Service Rates Effective January 6, 2012

Description	Procedure Code	Modifiers	Support Level (Individual, Group)	Unit Designation	Unit Rate	Update Eff Jan 2012	Service Limitations or Comments
Behavioral Counseling 1/1/2012	H2019	U3, TF, HQ	Group	15 Minutes	$ 7.75	X	Maximum of 208 units combined Individual and Group, per Service Plan year.
Behavioral Plan Assessment	T2024	U3	Individual	DOLLAR	$ 1.00		For existing Service Plans, assessments may continue until any amendment to this service in a current Service Plan or at the CSR. Assessments for these existing Service Plans are billed $1 per unit.
Behavioral Plan Assessment 1/1/2012	T2024	U3, 22	Individual	15 Minutes	$ 23.00	X	Applies to new enrollments, any amendment to this service in a current Service Plan or at the CSR. Maximum of 40 units per Service Plan year.
Specialized Medical Equipment and Supplies							
Disposable	T2028	U3	Individual	DOLLAR	$ 1.00		Services may be authorized by a CCB up to the DDD pre-established thresholds, beyond which DDD prior authorization is required.
Equipment	T2029	U3	Individual	DOLLAR	$ 1.00		Services may be authorized by a CCB up to the DDD pre-established thresholds, beyond which DDD prior authorization is required.
Dental Services							
Basic	D2999	U3	Individual	DOLLAR	$ 1.00	X	$2,000 limitation without prior authorization from DDD. Diagnostic & Treatment are combined into a single billing service code.
Major	D2999	U3, 22	Individual	DOLLAR	$ 1.00	X	$10,000 limitation for major services for the life of the waiver period beginning July 1, 2009 through June 30, 2014.
Vision Services	V2799	U3	Individual	DOLLAR	$ 1.00		Services may be authorized by a CCB up to the DDD pre-established thresholds, beyond which DDD prior authorization is required.

X = denotes a change effective 1/1/2012

STATE OF COLORADO

Colorado Department Health Care Policy and Financing
Susan E. Birch, MBA, BSN, RN, Executive Director

Colorado Department of Human Services
Reggie Bicha, Executive Director

John W. Hickenlooper
Governor

November 3, 2011

The Honorable Mary Hodge, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Hodge:

Please note that the Joint Budget Committee requested that the Department submit a total of 11 different requests for information on November 1. These reports are in addition to the Department's FY 2012-13 Budget Request, which is also due on November 1. Due to the volume of information due concurrently, the Department has not been able to submit all reports simultaneously. The Department hopes to work with the Joint Budget Committee in future years to alleviate some of the issues caused by the concurrent deadlines.

This letter is in response to the Legislative Request for Information affecting multiple departments number 1 which states:

Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities -- The General Assembly requests that the departments work together with Community Centered Boards and submit a report to the Joint Budget Committee, the House Health and Environment Committee, and the Senate Health and Human Services Committee by November 1, 2011 with recommendations regarding whether the administration and funding for services for people with developmental disabilities should be transferred from the Department of Human Services to the Department of Health Care Policy and Financing. The report should discuss pros and cons associated with such a move and any potential savings. In preparing the recommendations the departments should solicit input from stakeholders.

The Office of the Governor has directed the departments to comply with modifications:

Both departments affected by this request for information will actively investigate means of increasing the efficiency and effectiveness with which services are delivered to the developmentally disabled. However, the report requested here subjectively limits the possible outcomes of such an investigation. Therefore, the departments have been directed to cooperate in efforts to improve efficiencies in the delivery of services to the developmentally disabled, and to inform the Joint Budget Committee and General Assembly in writing as these efforts progress. Should the departments determine that a need for change in administration of these programs exists, those changes will be sought through the normal legislative and budget processes.

The attached report includes the information requested under the referenced Legislative Request for Information. Questions regarding the attached report can be addressed to Joscelyn Gay, Director, Office of Long Term Care, Colorado Department of Human Services, 303-866-2806 or to Suzanne Brennan, Medicaid Director, Colorado Department of Health Care Policy and Financing, 303-866-5929.

Sincerely,

Susan E. Birch, MBA, BSN, RN
Executive Director

Reggie Bicha
Executive Director

Cc: Representative Cheri Gerou, Vice-Chairman, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
Senator Kent Lambert, Joint Budget Committee
Representative Jon Becker, Joint Budget Committee
Representative Mark Ferrandino, Joint Budget Committee
Senator Brandon Shaffer, President of the Senate
Senator John Morse, Senate Majority Leader
Senator Mike Kopp, Senate Minority Leader
Representative Frank McNulty, Speaker of the House
Representative Amy Stephens, House Majority Leader
Representative Sal Pace, House Minority Leader
John Ziegler, Staff Director, JBC
Eric Kurtz, JBC Analyst
Lorez Meinhold, Deputy Policy Director, Governor's Office
Henry Sobanet, Director, Office of State Planning and Budgeting
Erick Scheminske, Deputy Director, Office of State Planning and Budgeting
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Phil Kalin, Center for Improving Value in Health Care (CIVHC) Director
Carrie Cortiglio, Legislative Liaison
Joanne Zahora, Public Information Officer
HCPF Budget Library, HCPF Budget Division

Colorado Department of Human Services
Colorado Department of Health Care Policy and Financing

Response to Legislative Request for Information #1
Regarding Services for People with Developmental Disabilities
November 1, 2011

Introduction

The Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (CDHS) respectfully submit this response to the Joint Budget Committee's Legislative Request for Information regarding services for people with developmental disabilities. The request for information originally focused on assessing the advantages and disadvantages of transferring administration of these programs from the Department of Human Services to the Department of Health Care Policy and Financing. Subsequent to the JBC request, Governor Hickenlooper requested that both departments collaboratively investigate means of increasing the efficiency and effectiveness with which services are delivered to people with developmental disabilities.

This response includes the following information:

- Overview of the programs;
- Program Cost & Enrollment Information;
- Description of Program Changes over past 5 years which have impacted expenditures; and
- Action Plan for Increasing the Efficiency and Effectiveness of the Programs.

CDHS and HCPF greatly appreciate the General Assembly's and Governor's interest in these programs and their request that we look for programmatic and organizational approaches that can ensure every dollar spent is used appropriately and with the best interests of the clients and taxpayers in mind.

Overview of Programs that Serve Individuals with Developmental Disabilities

The Colorado Department of Human Services (CDHS), through an interagency agreement with the Department of Health Care Policy and Financing (HCPF) operates three Medicaid waiver programs which provide Home and Community Based Services (HCBS) for individuals with developmental disabilities. These programs are projected to serve approximately 7,880 individuals as indicated in the Long Bill. The Home and Community Based Services provided through these waiver programs allow people to remain at home and in the community rather than in institutions. This makes a positive difference in the quality of life for the clients enrolled in the waiver programs, and also avoids or delays the use of costly institutional services. Therefore, both departments are committed to finding ways to overcome the administrative and cost containment challenges of these programs. Following is a description and the caseload for each wavier as appropriated in the Long Bill.

1. The Children's Extensive Supports (HCBS-CES) waiver serves 393 children, birth through age 17, who have significant medical and/or behavioral needs, are at high risk of out-of-home placement and who require almost constant line of sight supervision.

2. The HCBS waiver for individuals with Developmental Disabilities (HCBS-DD) provides residential services for 4,225 adults who require extensive supports to live safely in the community, including access to 24-hour supervision, and who do not have other sources for meeting those needs.

3. The HCBS Supported Living Services waiver (HCBS-SLS) provides support services for 3,262 adults who can live independently with limited supports or who, if they need extensive support, are getting that support from other sources, such as their family, to enable them to live in their own homes or in family homes and avoid or delay more costly comprehensive services.

CDHS also provides Targeted Case Management (TCM) services for people participating in the waiver programs through the interagency agreement with HCPF. TCM provides individualized service planning and coordination for individuals enrolled in the three HCBS waivers operated by CDHS. Although TCM is technically not a "waiver service," and is included in the Medicaid State Plan, only those clients participating in a waiver program are eligible for it. The only exception to this is children who are enrolled in the Early Intervention services administered by the CDHS, to assist them in accessing necessary services and supports to meet their needs.

Program Costs and Enrollments in the Past Five Years

Over the past several years, expenditures for these waiver programs have increased more rapidly than the number of clients enrolled in them. In the past five years (FY 2006-07 to FY 2010-11):

- Expenditures increased 45.1% from $232.7 million to $337.6 million.
- Enrollments increased 11.1% from 7,000 clients to 7,880 clients. (Note that the FY 2006-07 Long Bill did not include client counts. For this reason, this number does not appear in Table 1.)
- Average per capita costs increased 15.9% from $39,735 to $46,049.

The history of DDD Medicaid Program Expenditures across a five-year period from FY 2006-07 through FY 2010-11 is shown in Tables A.1 and A.2 of Appendix A. Overall expenditure growth versus caseload growth is illustrated in Figure A.1 in Appendix A. Per-capita caseload growth is illustrated in Figure A.2 in Appendix A. The increase in expenditures relative to caseload is particularly evident in the HCBS-DD waiver, where caseload increased by 25.9% over the five year period while expenditures increased by 53.1%. Overall expenditure versus caseload growth is illustrated in Figure A.1 in Appendix A.

Total expenditures are a product of four specific components. These include reimbursement rates, average units of service consumed by clients, the number of clients, and distribution of support needs across the waiver population. Initial indications are that caseload increases do not account for the bulk of the increase in expenditures and that rates have not increased significantly (or, may have actually decreased). The departments are currently looking into

service utilization in terms of the number of units used. The Department of Human Services has already taken action to address changes in the support needs for waiver clients. However, the departments are conducting additional research to determine if additional changes should be implemented. The assessment and analysis is an ongoing high priority. Both departments continue to analyze the relevant data to identify areas that will produce significant efficiencies with the least disruption to clients. The departments anticipate that results of this analysis will be ready by mid-December and will be shared with the JBC at that time.

Program Changes that Impacted Expenditures

Over the past several years, CDHS and HCPF made a number of changes to these programs that impacted per capita expenses and overall program expenses. Below, we highlight two of the more significant changes. In Appendix B, a matrix illustrates all the relevant program changes that have been made over the last four years.

1. ***Change in reimbursement methodology***
   Originally, the Department gave funds to the Community Centered Boards (CCBs) as a "block" of funding for the CCBs to manage at the local level. In a November 2004 audit report, the Centers for Medicare and Medicaid Services (CMS) required that payment be changed to fee-for-service so that expenditures could be tied to the specific services provided for a specific client. The change to this reimbursement methodology eliminated many controls on service utilization and is likely the primary reason for increased expenditures. Because this change was rolled out over several fiscal years and required a number of rate changes, it is difficult to pinpoint the overall fiscal impact of this change. The departments are in the process of isolating rate changes from individual service utilization data to identify the various factors contributing to expenditure increases. Based on that analysis, we intend to make recommendations for revising policies, procedures, and rules to improve utilization.

2. ***Standardizing rates and client service level assessments***
   In the same audit, CMS found that different provider reimbursement rates were paid for the same services across the state and that there were differences in how a client's needs were determined (and therefore, the level of service the client required). As a result, rates across the state are now standardized, determination of client needs is now standardized, and the definition and reimbursement of many waiver services were changed to be more clearly defined. In particular, the completion of client re-assessments using the new standardized methodology resulted in increased client support levels which increased expenditures.

The departments understand it is imperative to manage services more effectively, thereby decreasing per capita costs without sacrificing quality. Below we outline the steps we are taking to manage and reduce expenditures, improve program operations, and improve the quality of services that clients receive.

Action Plan for Improving Program Efficiency and Effectiveness

CDHS and HCPF are actively working together to implement a number of items to improve the efficiency and effectiveness of the DD waiver programs. These items include both programmatic and organizational approaches.

Programmatic Approaches:

1. ***Implement service limits***

   CDHS and HCPF are implementing the following changes that will result in reduced expenditures in FY 2011-12 and subsequent years. These changes represent actions that the departments are undertaking in order to reduce projected expenditures for DD programs and bring them in line with the amount of funds appropriated through the FY 2011-12 Long Bill. Because of this, these changes do not represent savings that can be immediately captured in the state budget process. The changes to be implemented in FY 2011-12, upon CMS approval of the relevant Medicaid HCBS waiver amendments, are summarized below:

Service Area	Action Taken	FY 2011-12 estimated expenditure reduction:	FY 2012-13 estimated expenditure reduction:
Behavioral Health	Limit the number of units of Behavioral Services for assessments, consultation and counseling.	($250,000)	($1,500,000)
Dental Services	Limit Dental Services to $2,000 per individual plan year for preventative and basic services and $10,000 per five-year waiver period for major services	($155,000)	($267,000)
Day Rehabilitation Services	Limit the number of units of Day Habilitation services to 4,800 per year	($303,000)	($1,900,000)
Support Level Audits	Audit the Support Levels as assigned to clients identified as a community safety risk	($2,200,000)	N/A
Targeted Case management	Limit the number of units available for TCM services or reduce the rate per unit	($1,100,000)	($1,600,000)
Total Estimated reduction		**($4,008,000)**	**($5,267,000)**

The departments are pursuing other changes such as implementing thresholds on some services and requiring providers to obtain prior approval for service delivery to a client over the threshold.

2. ***Assess the Supports Intensity Scale and Audit Targeted Case Management***
As stated above, the CDHS/DDD has completed an audit of the Support Intensity Scale (SIS) assessments and the development of Support Levels for individuals meeting Public Safety Risk criteria. These adjustments will result in expenditure reductions of $2.2 million for FY 2011-12. The CDHS/DDD is continuing this audit and will verify that each client is accurately assessed through the Supports Intensity Scale. In addition, the CDHS/DDD is conducting a quality assurance audit of Targeted Case Management services to ensure the appropriate use and delivery of these services for clients.

3. ***Implement enhanced SEP/CCB training***
We are in the process of assessing SEP and CCB training needs and developing enhanced training which will be delivered beginning in the second half of this year. This training will increase the consistency and appropriateness of Service Plans and functional assessments of clients. (In process now – 12 months).

4. ***Consolidate waiver programs***
Colorado's waiver programs have become so fragmented, that it is difficult for clients to navigate the system and for the agencies to adequately manage the waivers for programmatic and fiscal integrity. HCPF and CDHS are embarking upon an effort to assess all of the Medicaid waiver programs and determine how to structure the programs in order to better serve clients, reduce administrative overhead, and improve program operations. This includes an examination of managed care waivers and other health care reform models such as the Accountable Care Collaborative, as a means of providing the right services to consumers, within a comprehensive cost containment structure. This effort will include significant stakeholder and client input. (Planning has begun and recommendations will be made within 6 to 9 months.)

5. ***Assess overall programmatic structure, quality, and controls***
The departments are analyzing the current case management structure and will be developing recommendations for a more cohesive, consistent, quality, and streamlined approach. We intend to continue to strengthen quality assessment, auditing, fraud identification and remediation functions to ensure that the program and the SEP/CCB structure is operating consistently and according to CMS and state regulations. We are conducting ongoing financial and utilization analysis to understand the net impact of changes to the waivers and variability in client usage and allocation of services.

Organizational Approach: Combining DDD and HCPF

CDHS and HCPF are working together to create recommendations and a plan for combining the Division of Developmental Disabilities with HCPF. This includes an examination of the Children's Residential Habilitation Program (CHRP) and other Long Term Care programs, including the state's aging programs, for relocation to HCPF. The Departments believe program and fiscal integrity of the waivers can be improved by combining the Division of Developmental Disabilities and potentially other Long Term Care programs with HCPF and more effectively leveraging staff expertise. Combining DDD within HCPF could result in the following benefits: reduced fragmentation and increased consistency of program operations and administration;

consistent application of rate changes; coordination and standardization of waiver development and management; consistency in payment methodologies; greater consistency in stakeholder communications; and standardized policies and procedures. Below, we outline the work involved in accomplishing this and estimated timelines for completion.

1. ***Hold Community Forums***
   Gather stakeholder and community input on outcomes and benefits they would like to see out of a combined department and programs (November 2011-July 2012).

2. ***Identify the Advantages and Disadvantages of combining DDD and HCPF***
   Staff will develop an assessment of the advantages and disadvantages of combining DDD and HCPF and include this information in subsequent updates to the Governor's office and Legislature (December 2011 – March 2012).

3. ***Analyze Organizational Structure & staffing***
   Review HCPF Long Term Care Benefits Division and CDHS/DDD organizational charts and staffing. Analyze functions and skills sets to determine how to best combine the groups and deploy individuals to provide fiscal and programmatic oversight of the waivers. Create an implementation plan to align both organizations and create a cohesive organization structure (November 2011 – July 2012).

4. ***Assess the Need for legislation***
   As part of the organizational and programmatic assessments described above, the departments will also evaluate the timing and implementation of such a move through legislation. Implementation of such a change will require careful consideration to ensure continuity of care for clients and providers within the system. The departments are very interested in such a move being successful and so, at this point, additional planning and stakeholder input is needed (November 2011 – March 2012).

5. ***Implement re-organization***
   HCPF and CDHS will begin combining DDD staff and functions within HCPF. This will of course depend upon receiving the appropriate approvals and direction from the Legislature (Target Date: July 2012).

Guiding Principles

The departments will use the principles outlined below to guide this project:

- Ensure that appropriate and necessary services are provided to clients.
- Ensure that services are provided safely, in a timely manner and with respect and dignity.
- Strengthen consumer choice in service provision.
- Incentivize best practice in service delivery.
- Incentivize less restrictive settings for service delivery.
- Ensure that taxpayer dollars are used efficiently and effectively.

- Involve all stakeholders in the design and development of this project, including individuals receiving services and their families, service providers, advocates, the Legislature and the Governor's Office.

Reporting to the General Assembly

The plan described above contains many components of varying size and complexity, from setting limits for individual services within the waivers to a review of overall system structure and design. The Departments will provide periodic updates on the efforts described above to the General Assembly, through the Joint Budget Committee. Similarly, as analysis of the causes of over-expenditures progress, the Departments will provide as much detail as is available describing the exact causes of the over expenditures and plans for cost containment within the developmental disabilities service system. The Departments understand the over expenditures of the past year cannot continue and require full attention and remediation. The Departments are committed to bringing expenditures in line with the FY 2011-12 appropriations and establishing sufficient controls to ensure improved program integrity in the developmental disabilities system. In addition, the Departments are committed to assessing the most effective organizational and programmatic structure to ensure that clients are receiving quality services in the most cost effective manner.

Appendix A: Expenditures and Caseload Growth

Table A.1

DDD Medicaid Expenditure History										
Home and Community Based Services (HCBS) Medicaid Waiver Program	**FY 2006-07**	**FY 2007-08**	**% Increase Over Prior Year**	**FY 2008-09**	**% Increase Over Prior Year**	**FY 2009-10**	**% Increase Over Prior Year**	**FY 2010-11**	**% Increase Over Prior Year**	**Total % Increase 5 Years (4 Years LB Enrollments)**
HCBS-CES (Children's Extensive Support)	$5,138,049	$5,756,215	12.03%	$6,750,695	17.28%	$6,956,802	3.05%	$7,811,219	12.28%	52.03%
HCBS-DD (Persons with Developmental	$176,759,715	$208,102,462	17.73%	$224,745,841	8.00%	$252,576,457	12.38%	$271,701,338	7.57%	53.71%
HCBS-SLS (Supported Living Services)	$36,154,054	$39,029,490	7.95%	$45,210,324	15.84%	$36,132,497	-20.08%	$36,416,459	0.79%	0.73%
Targeted Case Management (TCM) *	$14,643,636	$14,792,644	1.02%	$16,848,624	13.90%	$18,522,404	9.93%	$21,675,435	17.02%	48.02%
Total	**$232,695,454**	**$267,680,811**	**15.03%**	**$293,555,484**	**9.67%**	**$314,188,159**	**7.03%**	**$337,604,451**	**7.45%**	**45.08%**
** TCM expenditures do not include Quality Assurance or Utilization Review (QA/UR) billings which are approximately $2.9 million per year.*										
Long Bill Appropriated Enrollments										
HCBS-CES	N/A	395.0	N/A	393.0	-0.51%	393.0	0.00%	393.0	0.00%	-0.51%
HCBS-DD	N/A	3,806.0	N/A	3,982.5	4.64%	4,166.8	4.63%	4,225.0	1.40%	11.01%
HCBS-SLS	N/A	2,892.0	N/A	3,119.5	7.87%	3,248.0	4.12%	3,262.5	0.45%	12.81%
Total	**N/A**	**7,093.0**	**N/A**	**7,495.0**	**5.67%**	**7,807.8**	**4.17%**	**7,880.5**	**0.93%**	**11.10%**

Assumptions

For FY 2006-07 to FY 2007-08 reflect new interim rates. Expenditures were affected by delays in the billings and new enrollments.

In FY 2008-09, DDD received 490 HCBS-DD and HCBS-SLS new appropriated enrollments.

In FY 2009-10 and FY 2010-11, DDD had rate reductions plus payment delays, so other factors influenced utilization in addition to the general increase in expenditures.

The Long Bill enrollment numbers to be served were not allocated by program in FY 2006-07.

Table A.2

Per-capita Expenditure History										
Home and Community Based Services (HCBS) Medicaid Waiver Program	**FY 2006-07**	**FY 2007-08**	**% Increase Over Prior Year**	**FY 2008-09**	**% Increase Over Prior Year**	**FY 2009-10**	**% Increase Over Prior Year**	**FY 2010-11**	**% Increase Over Prior Year**	**Total % Increase 5 Years (4 Years LB Enrollments)**
HCBS-CES (Children's Extensive Support)	$17,779	$19,788	11.30%	$20,594	4.07%	$21,419	4.00%	$21,831	1.93%	22.79%
HCBS-DD (Persons with Developmental Disabilities)	$53,933	$59,246	9.85%	$59,959	1.20%	$63,517	5.93%	$65,862	3.69%	22.12%
HCBS-SLS (Supported Living Services)	$15,789	$17,068	8.10%	$19,086	11.82%	$13,765	-27.88%	$12,785	-7.12%	-19.02%
Targeted Case Management	$2,501	$2,429	-2.86%	$2,614	7.63%	$2,674	2.29%	$2,957	10.56%	18.24%
Overall Average Per Capita	**$39,735**	**$43,953**	**10.62%**	**$45,548**	**3.63%**	**$45,362**	**-0.41%**	**$46,049**	**1.52%**	**15.89%**
"FTE" Average Annual Enrollments[1]										
HCBS-CES	289.0	290.9	0.66%	327.8	12.68%	324.8	-0.92%	357.8	10.16%	23.81%
HCBS-DD	3,277.4	3,512.5	7.17%	3,748.3	6.71%	3,976.5	6.09%	4,125.3	3.74%	25.87%
HCBS-SLS	2,289.8	2,286.7	-0.14%	2,368.8	3.59%	2,625.0	10.82%	2,848.3	8.51%	24.39%
Total	**5,856.2**	**6,090.1**	**3.99%**	**6,444.9**	**5.83%**	**6,926.3**	**7.47%**	**7,331.4**	**5.85%**	**25.19%**

Footnotes

1) If comparing the "Long Bill Appropriated Enrollments" from the first table to "FTE Average Annual Enrollments" from the second, the "FTE Average Annual Enrollments" is consistently lower. This is largely the result of periods of vacancy due to systematic client turnover.

Assumptions

A client receiving any service in a given month is considered to have received service for the entire month.

The per-capita calculations in Table 2 divide the total expenditure by waiver in Table 1 by the average annual client count in Table 2.

Average annual client count is based upon an average of actual monthly unduplicated client counts in the fiscal year.

Per-capita Targeted Case Management is currently calculated based upon the total number of "FTE Average Annual Enrollments".

Average Annual Client Count is based upon Payment Date of Service from MMIS data through HCPF reports

Figure A.1

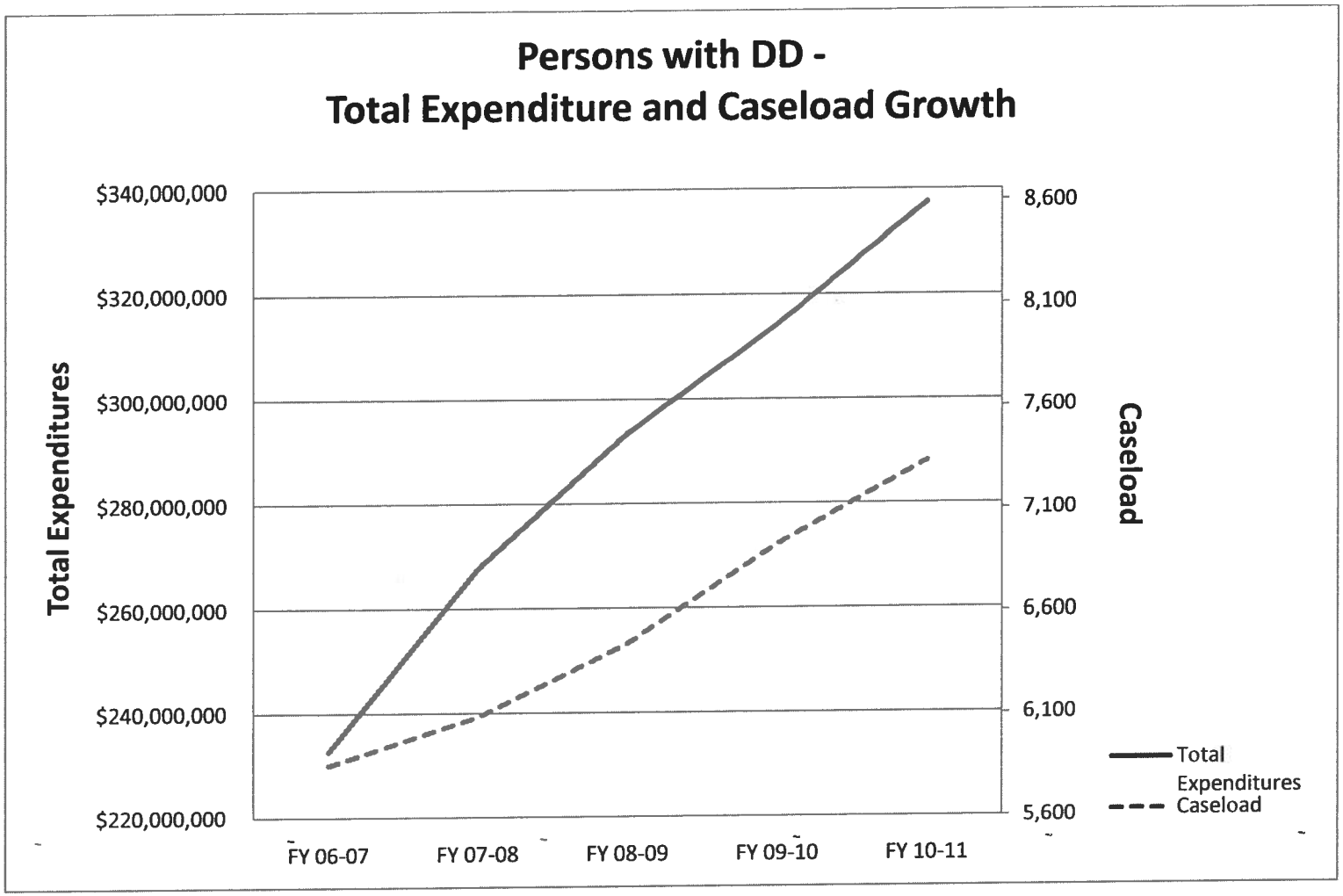
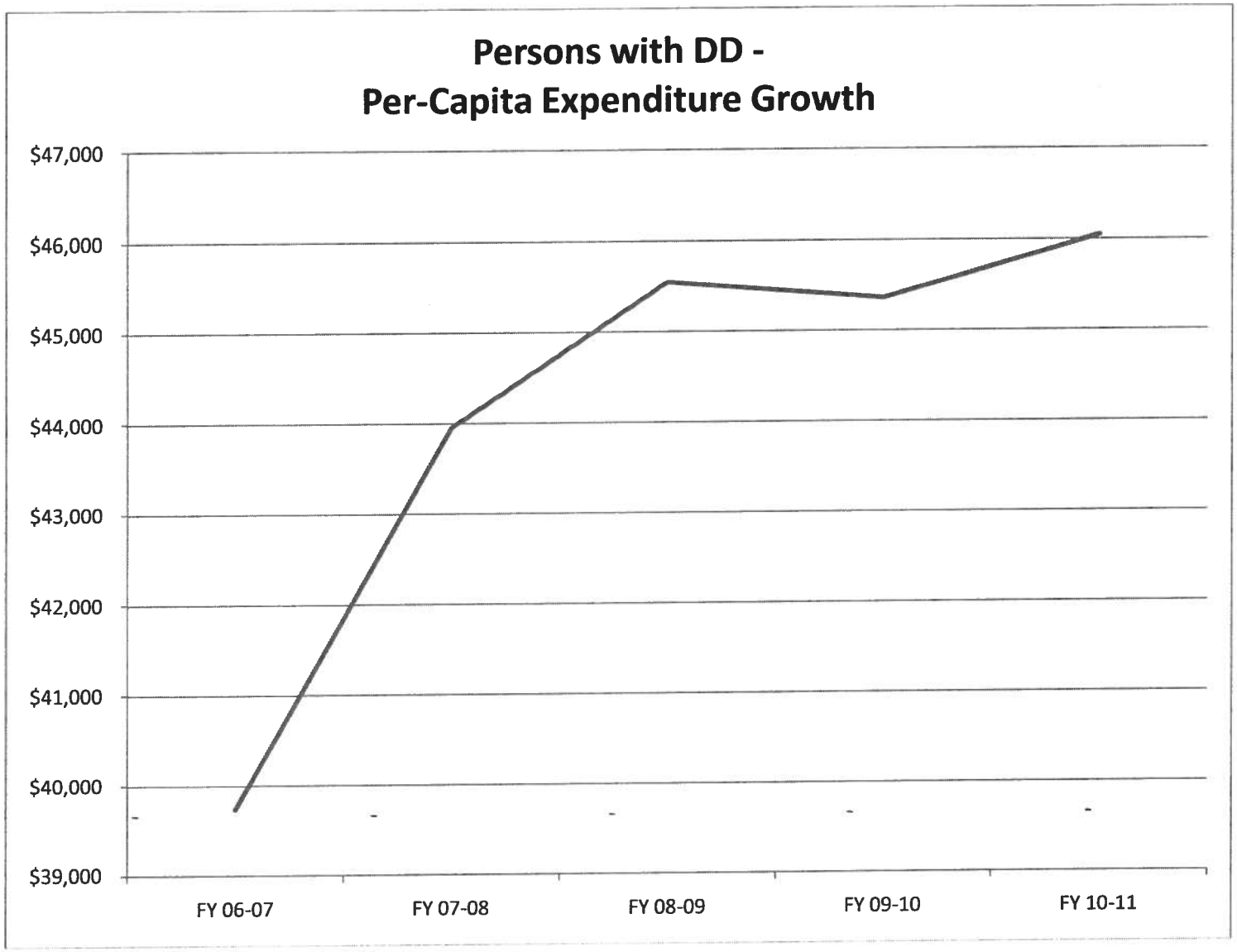

Persons with DD -
Total Expenditure and Caseload Growth
Total Expenditures
$340,000,000
$320,000,000
$300,000,000
$280,000,000
$260,000,000
$240,000,000
$220,000,000
8,600
8,100
7,600
7,100
6,600
6,100
5,600
Caseload
FY 06-07
FY 07-08
FY 08-09
FY 09-10
FY 10-11
Total Expenditures
Caseload

Figure A.2


Persons with DD -
Per-Capita Expenditure Growth
$47,000
$46,000
$45,000
$44,000
$43,000
$42,000
$41,000
$40,000
$39,000
FY 06-07
FY 07-08
FY 08-09
FY 09-10
FY 10-11

Appendix B: Program Changes by Fiscal Year

	SFY 2007-08	SFY 2008-09	SFY 2009-10	SFY 2010-11
Enrollment	• Annualize 180 new enrollments from FY 2006-07. • Add 102 new enrollments as a result of an approved decision item.	• Annualize 102 new enrollments from FY 2007-08. • Add 490 new enrollments as a result of an approved decision item.	• Annualize 490 new enrollments from FY 2008-09. • Add 66 new enrollments.	• Annualize 66 new enrollments from FY 2009-10.
Changes in Reimbursement Methodology	• Implemented temporary interim fee-for-service rates while new rates were developed, resulting in some delays in provider billings and reimbursement.	• January 1, 2009 – Implemented new fee-for-service rates to replace the interim rates, resulting in some claims submission delays while providers adjusted to new process. • The new fee-for-service system caused a change in the process by which new clients were enrolled, and some of these enrollments were delayed as a result.	• July 1, 2009 – Implemented new statewide fee-for-service rates for provider reimbursement in HCBS-SLS and HCBS-CES.	
Changes in Client Service Level Assessment		• January 1, 2009 – Support Levels implemented for clients in HCBS-DD • Supports Intensity Scale (SIS) re-assessments completed resulting in higher Support Levels for 247 clients.	• July 1, 2009 – New Support Levels implemented for clients in HCBS-SLS. • February 1, 2010 – Supports Intensity Scale re-assessments were completed, resulting in increased client Support Levels.	• July 1, 2010 – Implemented a new procedure for Supports Intensity Scale assessments which requires CDHS approval before completion.
Rate Changes			• October 1, 2009 – Implementation of a 2.5% rate reduction.	• July 1, 2010 – Implementation of a 2% rate reduction.

	SFY 2007-08	SFY 2008-09	SFY 2009-10	SFY 2010-11
Benefit Changes			• New service definitions implemented. • Implemented Service Plan Authorization Limits in HCBS-SLS, which removed some services and created a change in per capita expenditures. • Changed Targeted Case Management (TCM) billing to 15 minute increment.	• July 1, 2010 – Implementation of a 2% reduction in Service Plan Authorization Limits.
Other Changes	Leap year adjustment.		• Two-week payment delay deferred $2,591,966 in expenditures to FY 2010-11. • CDHS began to directly manage vacancies in the HCBS-DD Medicaid waiver in October 2009 which resulted in filling vacancies more quickly.	• Addition of $2,591,966 in expenditures due to 2-week delay in payments in FY 2009-10. • Vacancies filled faster due to direct management of allocations by CDHS for emergencies. • One large provider made a one-month catch-up in billings resulting in a one-time increase in expenditures.