

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2011-12 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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December 8, 2010**

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**FY 2011-12 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

DEPARTMENT OF HUMAN SERVICES

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

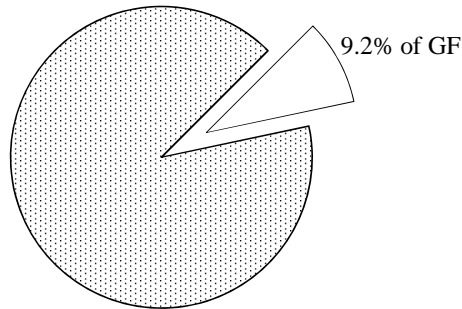
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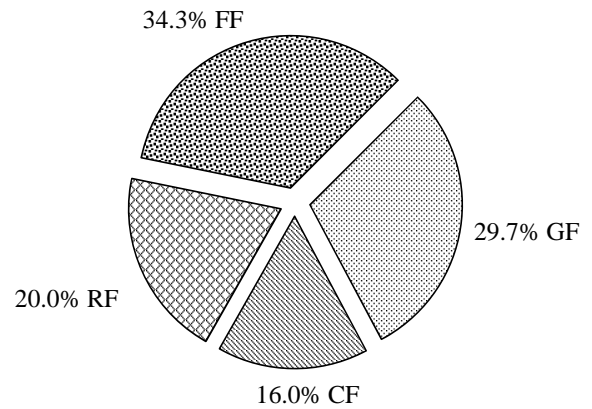
**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services**

GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

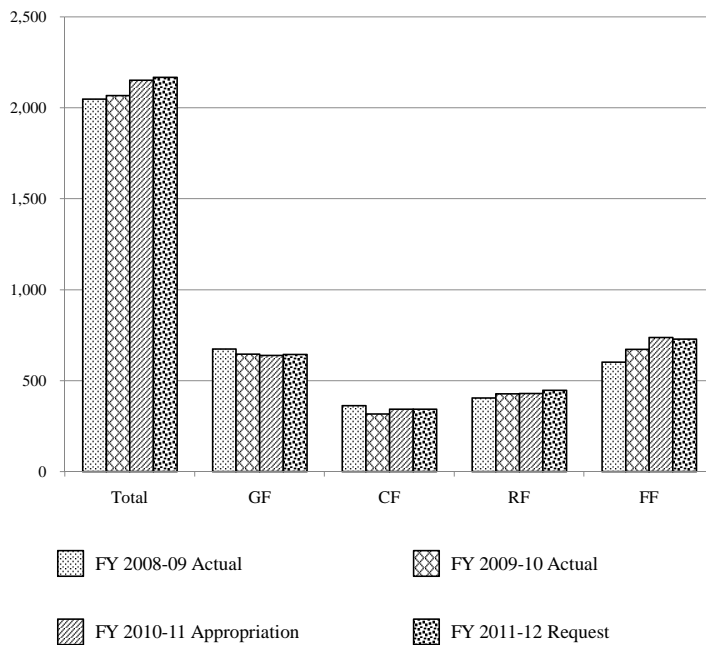


Department Funding Sources

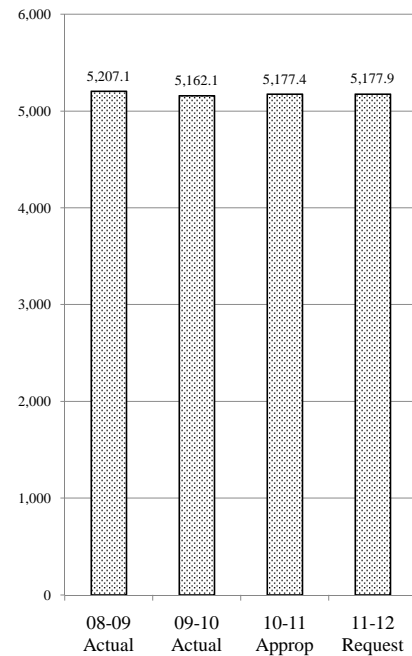


Note: If General Fund appropriated to the Department of Health Care Policy and Financing for human services programs were included in the graph above, the Department of Human Services' share of the total state General Fund would rise to 11.4%.

Budget History
(Millions of Dollars)

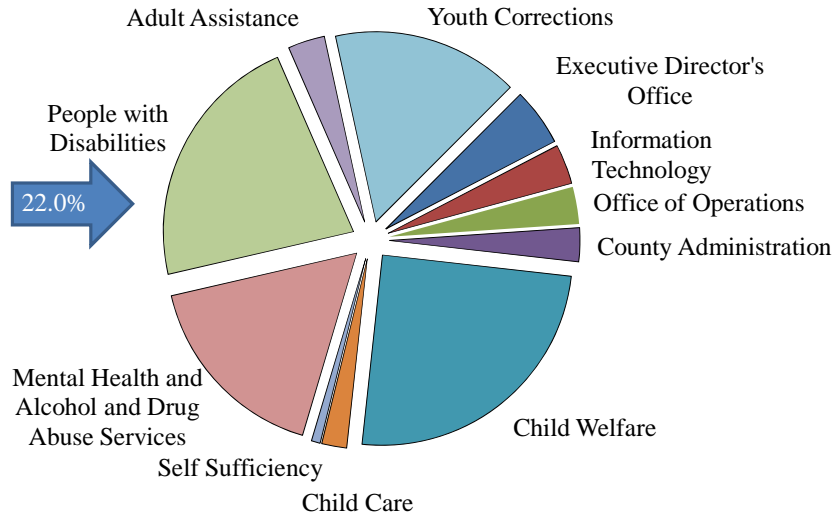


FTE History



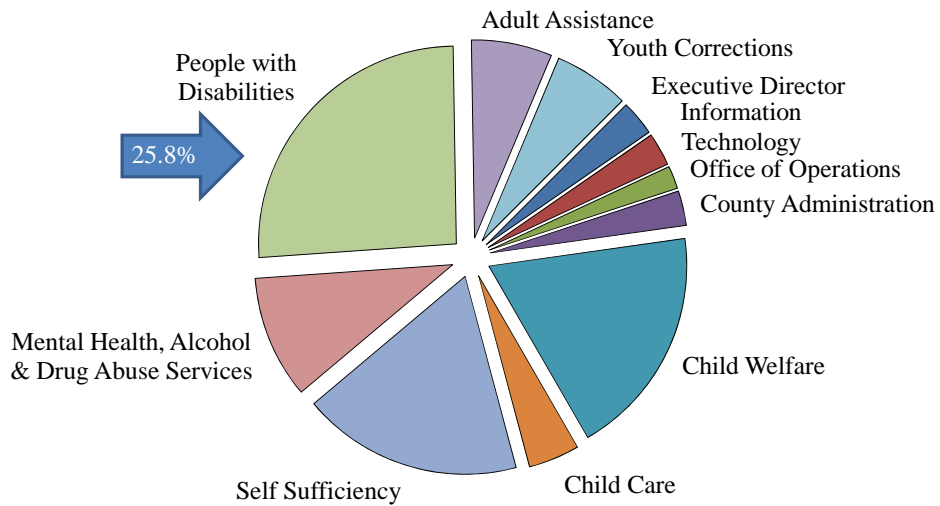
Unless otherwise noted, all charts are based on the FY 2010-11 appropriation.

**Distribution of Net General Fund by Division*
FY 2010-11 Appropriation \$797.2 million**

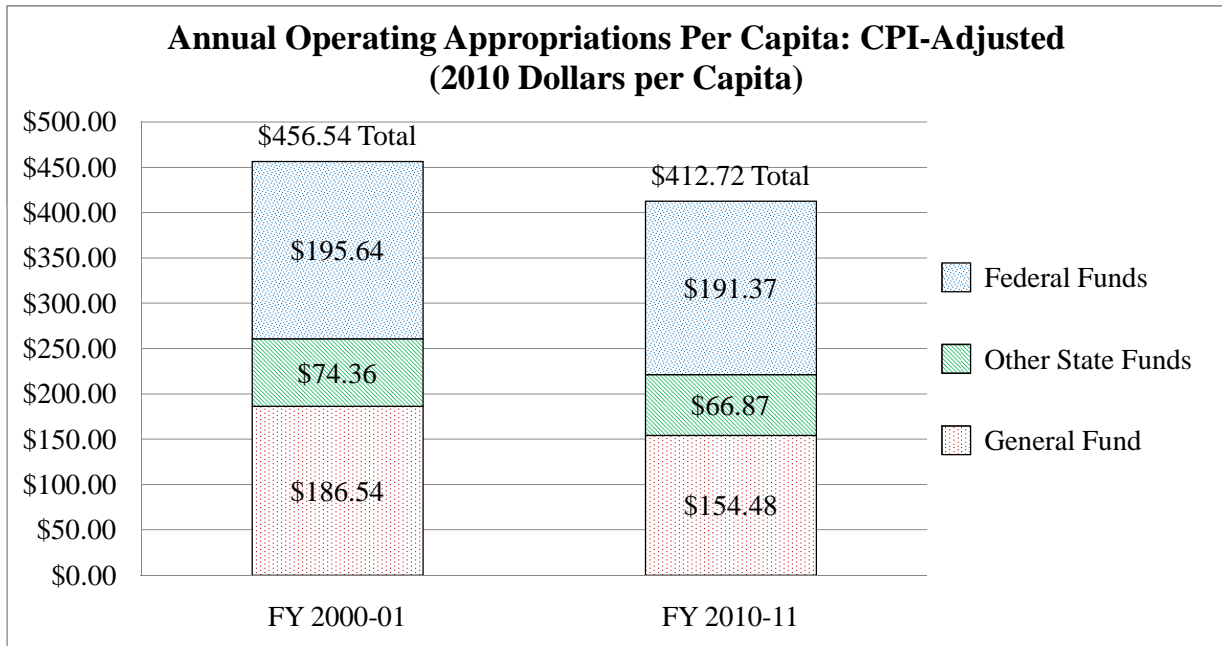
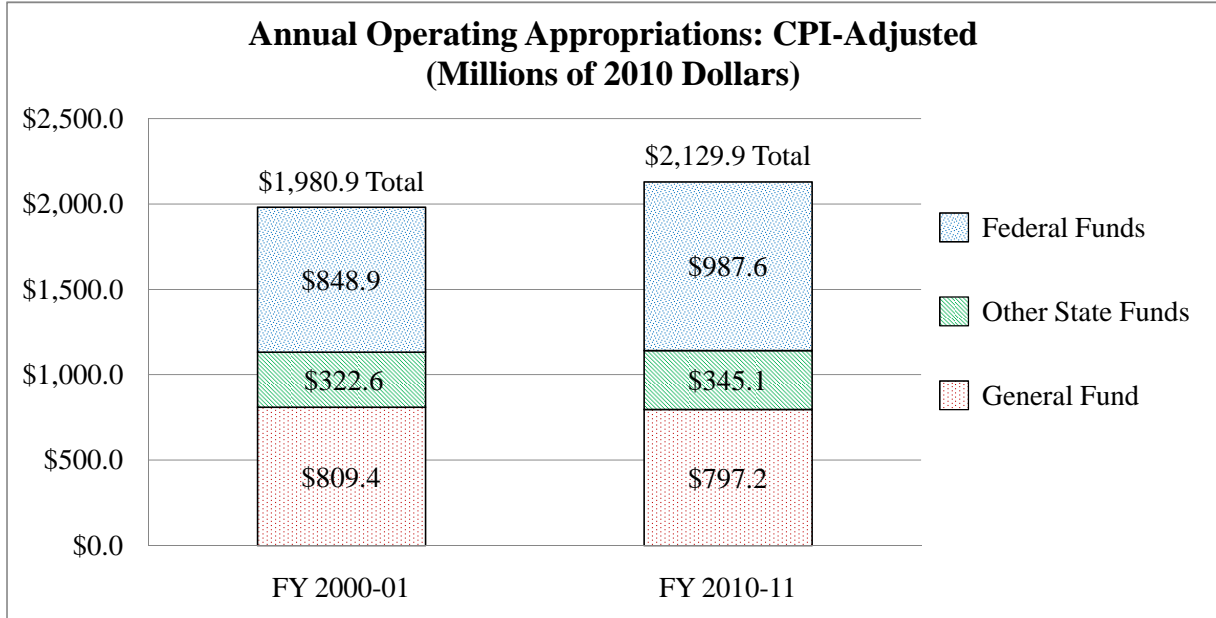


*Net General Fund includes General Fund appropriated to the Department of Human Services and General Fund appropriated to the Department of Health Care Policy and Financing for human services programs.

**Distribution of Total Funds by Division
FY 2010-11 Appropriation \$2,153.1 million**



**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Human Services
 COMPARISON OF FY 2000-01 AND FY 2010-11 APPROPRIATIONS**

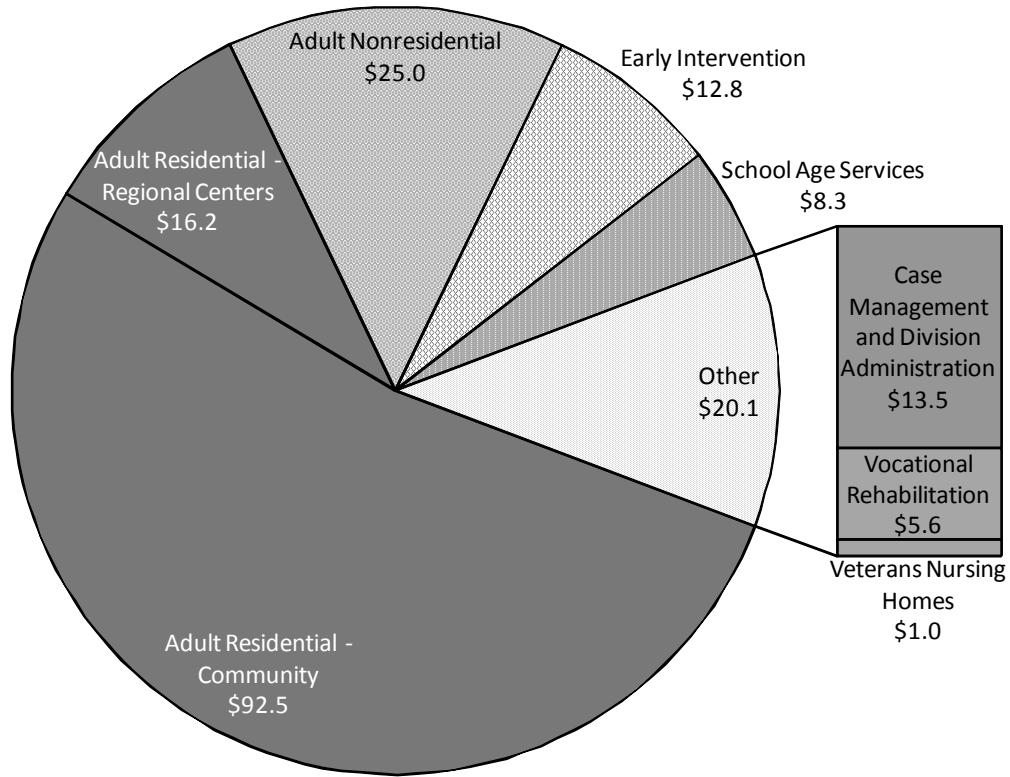


NOTES: (1) All appropriations above *exclude* duplicate appropriations (i.e., these appropriations exclude reappropriated funds for FY 2010-11 and, for FY 2000-01, exclude amounts that would have been classified as reappropriated funds). For this department, the majority of reappropriated funds are for transfers from the Department of Health Care Policy and Financing. In this chart, these amounts are shown as General Fund and federal funds in the Department of Human Services, based on how the funds are initially appropriated in the Department of Health Care policy and Financing, and are excluded from the Department of Health Care Policy and Financing appropriation. Other duplicate appropriations in the Department of Human Services are entirely excluded from the chart. This includes transfers from the Department of Education to support vocational rehabilitation programs, transfers from the Department of Corrections for facility support services on the Department of Human Services' Pueblo campus, and funds transferred within the Department of Human Services for administrative support services, among other items.

(2) For the purpose of providing comparable figures, FY 2000-01 appropriations are adjusted to reflect changes in the Denver-Boulder-Greeley consumer price index (CPI) from 2000 to 2010. Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, the CPI is projected to increase 21.9 percent over this period.

(3) In the per capita chart, above, appropriations are divided by the Colorado population (for 2000 and 2010, respectively). Based on the Legislative Council Staff September 2010 Economic and Revenue Forecast, Colorado population is projected to increase by 18.9 percent over this period.

Disabilities General Fund



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

DIVISION OVERVIEW

Key Responsibilities

- Oversees community-based programs for persons with developmental disabilities and the 20 non-profit Community Centered Boards (CCBs) that coordinate services locally;
- Operates three regional centers that provide institutional and community-based programs for persons with developmental disabilities;
- Administers vocational rehabilitation programs; and
- Manages State and Veterans Nursing Homes.

Factors Driving the Budget

The majority of funds for this division are spent on residential and support services for people with developmental disabilities (\$168.4 million of the \$175.0 million net General Fund for the division). The Division also oversees mostly federally-funded vocational rehabilitation programs for people with disabilities of any type, not just developmental disabilities, and federally-funded veterans nursing homes.

Medicaid waivers

Services for people with developmental disabilities are paid for largely through waivers from the federal Medicaid program. Funding services through Medicaid reduces the General Fund cost due to the matching federal funds, typically equal to 50 percent of the total. Unlike the standard Medicaid program, which serves all people who meet the eligibility criteria, the waivers for services for people with developmental disabilities allow the state to limit the total number of program participants.

Early Intervention 0-3

The Division's role in providing services for people with developmental disabilities changes with the life cycle. From birth to age 3 the Division provides early intervention services, using a combination of General Fund, private insurance dollars, and federal funds. Statutes require private insurance plans to contribute to the Early Intervention Services Trust Fund when a child is identified as having a developmental disability, but this only applies to policies originated in Colorado, which are estimated to represent 30 percent of policies in the state. Other private insurance plans may or may not pay for Early Intervention Services based on the particular policy. Federal funds are from Part C of the Individuals with Disabilities Education Act and are intended to improve outreach and service coordination. The Division uses the money for public education, particularly of health and social services professionals, to better identify children who could benefit from the Early Intervention program, and for direct services.

School Age Children

School age children with developmental disabilities receive services through school districts and the Division's responsibility is limited to supplemental services. For a relatively small number of children with very acute needs, the Children's Extensive Support program supplements school district funding with Medicaid. For a broader population the Family Support Services grant program provides General Fund for short duration services and equipment such as respite care and home modifications. Family Support Services grants are not restricted to families with school-age children, but the vast majority (77 percent in FY 2009-10) of grants go to families with school-age or younger children. School district services are funded through the Department of Education and are not part of the Division's budget.

Adults

The majority of residential services for adults are delivered by private providers through the Adult Comprehensive Services program. These services are coordinated by 20 non-profit Community Centered Boards (CCBs) that are responsible for needs assessments, case management, maintaining wait lists, and similar organizational functions, as directed by the Division. In many cases the CCBs are also major private providers of residential services in the region, but not always.

In addition to residential services through private providers, the Division offers residential services in three state-operated regional centers located in Pueblo, Grand Junction, and Wheat Ridge. The role of the regional centers has changed over time from being the primary source of services for the general population to focusing on a small number of people with very high needs, such as those with a dual mental health diagnosis, violent or sex offense history, or medically fragile condition.

The Supported Living Services program provides nonresidential services to people living with a family caregiver or, in some cases, on their own. All these services are coordinated by the CCBs and delivered by private providers. Examples of services include hygiene and homemaking needs, employment, financial management, adaptive technology, therapy, transportation, and 24-hour emergency assistance.

Waiting Lists

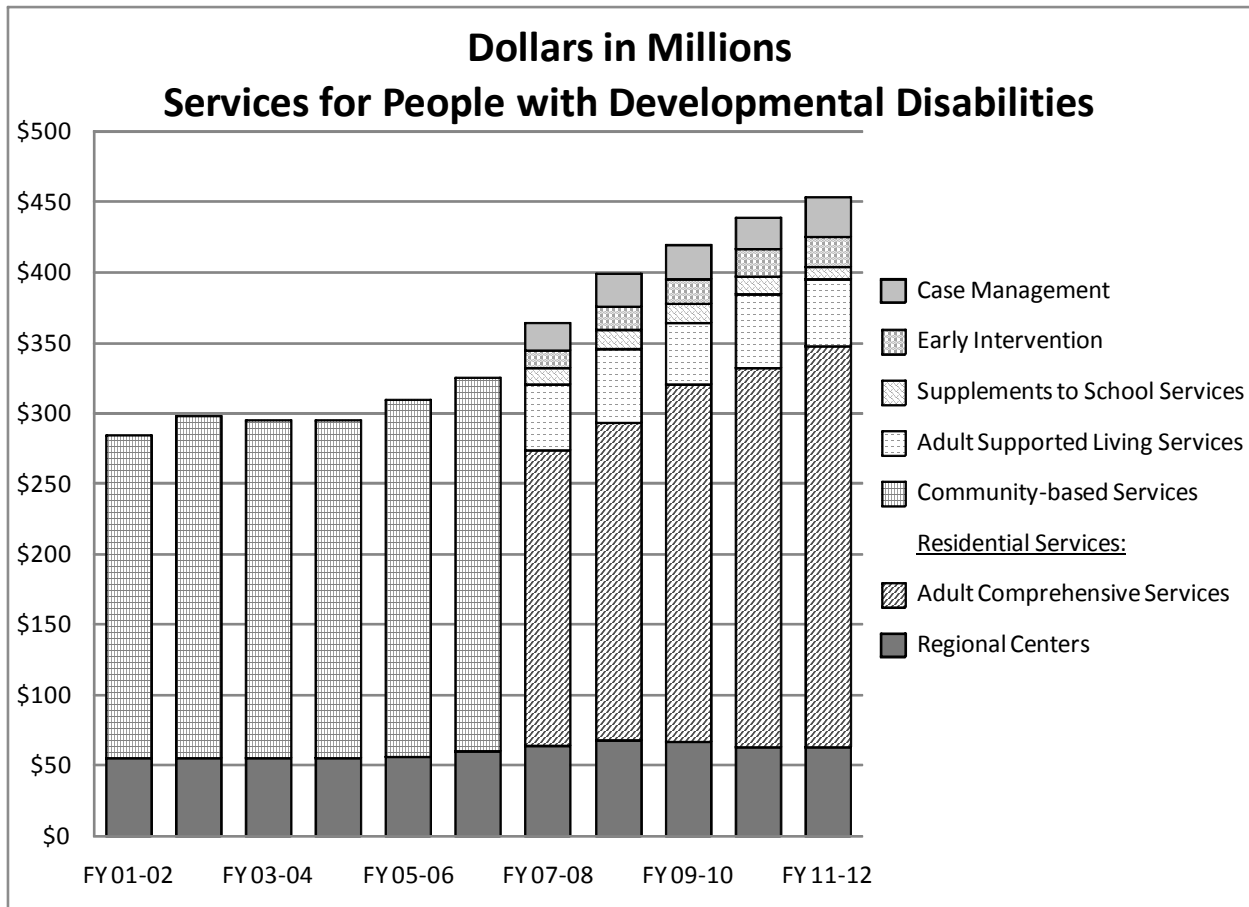
The demand for state-funded services has grown significantly over time, reflecting the aging of family members who care for persons with disabilities, state population growth, and longer life spans for people with disabilities. The average of people in Adult Comprehensive Services in 2010 was 44.6 compared to 42.1 in 2000. The mean age at death for persons with mental retardation in 1993 was 66 years compared to 59 years in 1970 and 47 years in 1930. Combined with budgetary caps on program participation these demographic pressures have resulted in waiting lists for services.

Services for People with Developmental Disabilities					
Service	FY 2010-11 Appropriation	Number Served		Avg. Cost per Number Served	Waiting List June 2010*
Early Intervention	\$23,634,461				
Outreach & Coordination - FF	\$1,068,179				
Direct Services - estimate	\$22,566,282	10,739	annual unduplicated	\$2,101	N.A.
General Fund - appropriation	12,798,328				
Private Insurance - estimate	2,422,957				
Federal Funds - estimate	7,344,997				
School Age Children					
Children's Extensive Support - Medicaid	\$6,576,446	393	full-year participants	\$16,734	291
Family Support Services - GF	\$6,219,699	4,583	annual unduplicated average last 3 years	\$1,357	4,679
Adult					
Residential					
Adult Comprehensive Services - GF/Medicaid	\$269,004,046	4,287	full-year participants	\$62,749	1,595
Regional Centers - Medicaid**	\$63,071,794	300	full-year participants	\$210,239	N.A.
Nonresidential					
Supported Living Services - GF/Medicaid	\$52,317,915	3,955	full-year participants	\$13,230	1,600
Case Management - GF/Medicaid	\$22,370,389			N.A.	N.A.

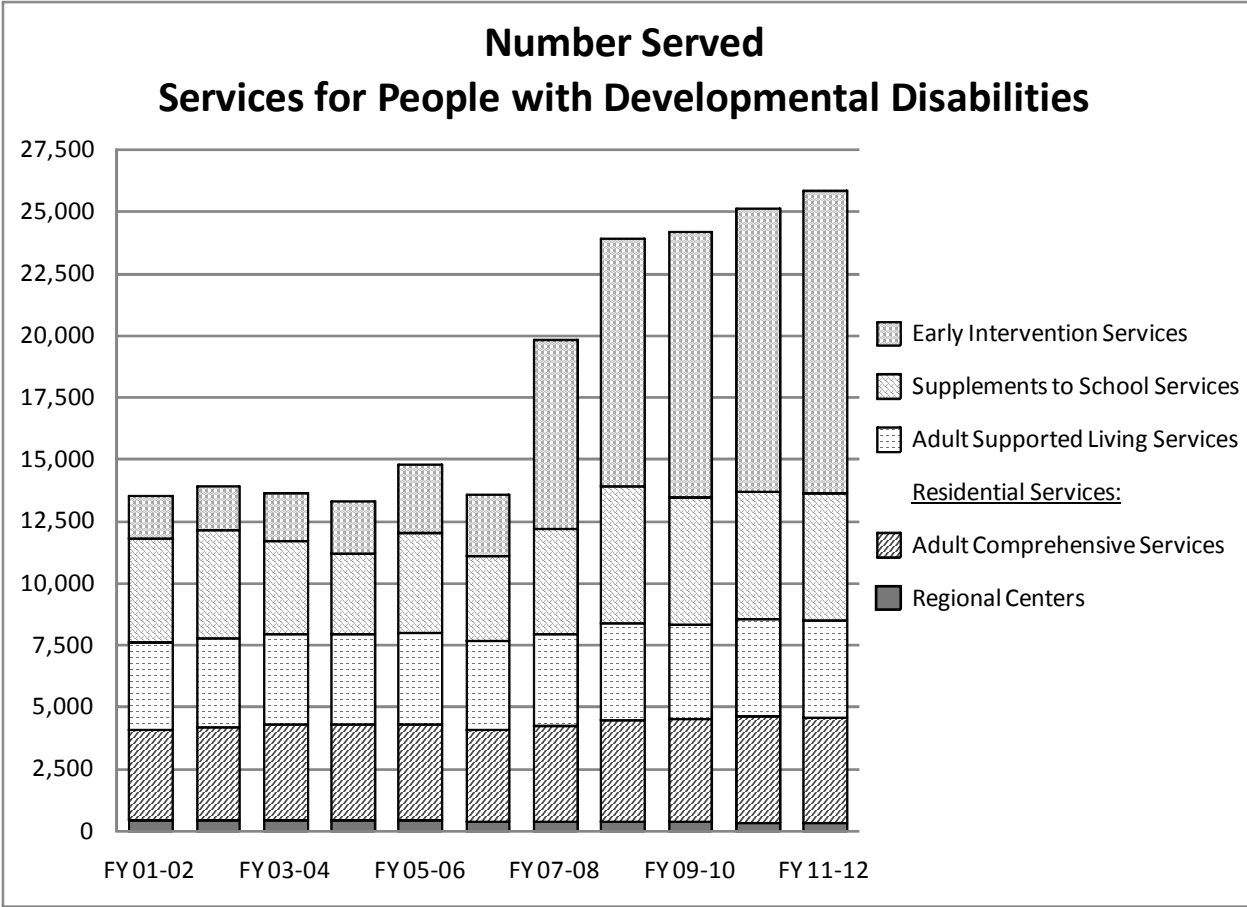
* People requesting services within two years.

** Includes estimated indirect costs appropriated in the Office of Operations, Office of Information Technology, and Executive Director's Office.

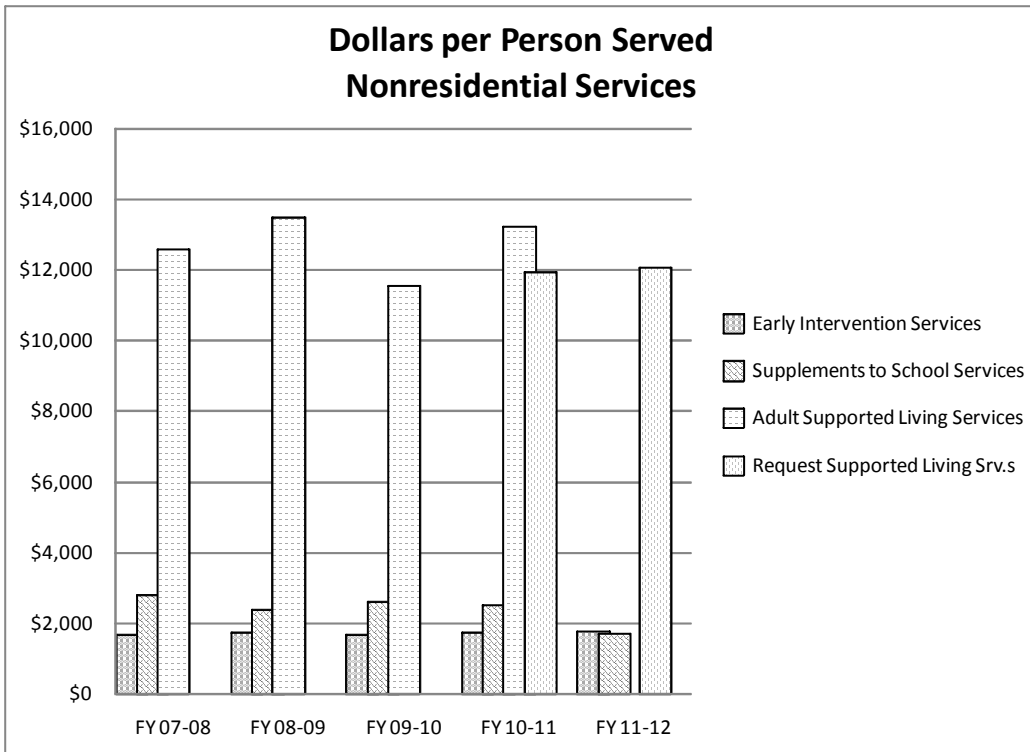
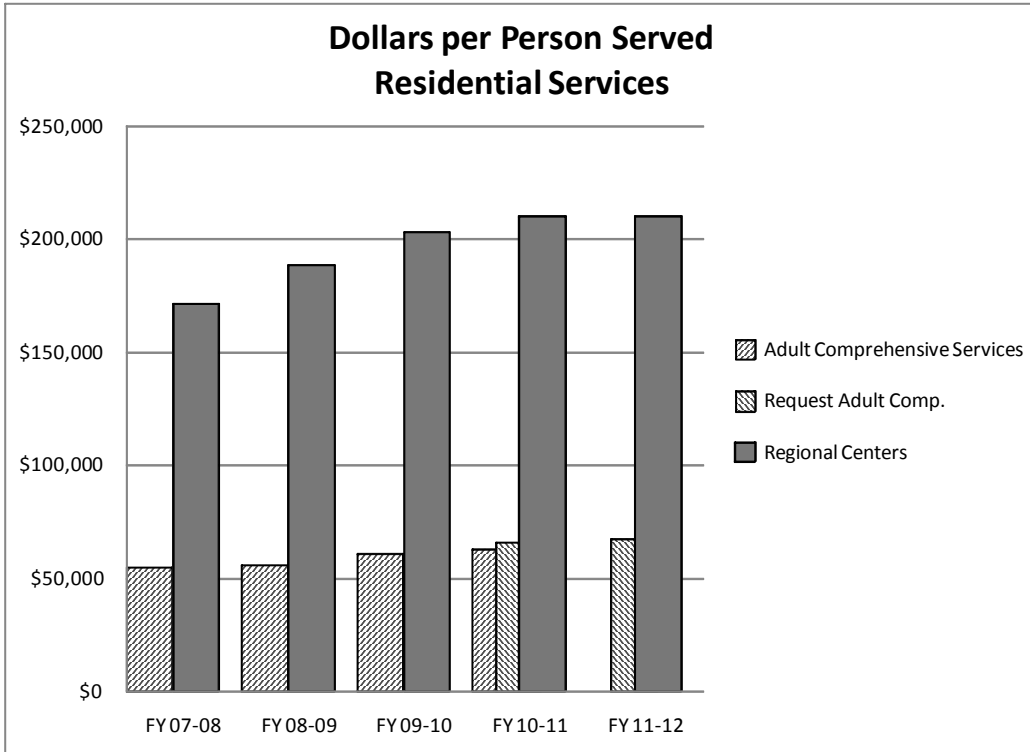
The next table charts significant increases in actual expenditures, the FY 2010-11 appropriation, and the Governor's FY 2011-12 request for services for people with developmental disabilities. Due to changes in the appropriation format and the accounting for services for people with developmental disabilities, funding for all community-based services is lumped together prior to FY 2007-08. Community-based services are appropriated in a single subsection of the Long Bill called "Program Costs" and the Department has authority to move money between line items within the Program Costs subsection.



The next table shows that the significant increases in funding for residential placements have resulted in relatively smaller increases in the number of people served in residential settings, due to the high cost per residential placement. The number served through programs that supplement school services varies significantly from year to year based on local decisions about whether to make many small grants or fewer large grants through the Family Support Services program. The significant increase in people served through Early Intervention, shown in the table below, is attributable in part to changes in reporting habits of CCBs. When lead agency responsibility for Part C funds was transferred from the Department of Education to the Department of Human Services, and new insurance coverage for early intervention was mandated through S.B. 07-004 and H.B. 09-1237, the Department required CCBs to report data on all children served, not just children served with state funds. The Department also attributes the increase in part to improved identification of children with developmental delays, due to better training of physicians and to screening of child welfare recipients, and increased funds from the federal American Recovery and Reinvestment Act and the state General Fund.



In addition to changes in the population served there have been changes to the dollars spent per person served that help explain the increase in funding over time. Not all of the changes in the dollars spent per person served have been intentional. For example, for FY 2009-10 and FY 2010-11 the General Assembly reduced community provider rates by 2.5 percent and 2.0 percent respectively, but expenditures per person for Adult Comprehensive Services continued to rise due to locally performed reevaluations of the needs of the population.



The significant difference in cost per person served at the state-operated Regional Centers versus the community-based Adult Comprehensive Services is due in part to included medical services that are not part of the daily rate for Adult Comprehensive Services (for Adult Comprehensive Services these costs are covered through the Medicaid State Plan rather, than the daily rate). Other factors include a higher average acuity of the residents, staff compensation, and legacy facilities.

Current Regional Center Breakdown of Census by Primary Clinical Need				
	Grand Junction	Wheat Ridge	Pueblo	All Regional Centers
Sex Offender	8	30	0	38
Behavioral/Psychiatric	50	40	20	110
High Medical Needs	25	44	14	83
Long Term 1-to-1	11	9	7	27
Other	8	1	33	42
Total Census	102	124	74	300
% age of Individuals who are Hardest to Serve	92.2%	99.2%	55.4%	86.0%

Mean score on Supports Intensity Scale	
	National Percentile
Regional Centers	70th
Community placements	50th

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

DECISION ITEM PRIORITY LIST

Note: This table includes all Department of Human Services decision items. However, the full decision item text is shown only for those decision items that affect the sections of the budget covered in this presentation. In some cases, only a portion of the total decision item amount shown will apply to the budget sections addressed in this packet.

Decision Item	GF	CF	RF	FF	Total	Net GF*	FTE
1 Additional Funding for Electronic Benefits Transfer Service (EBTS)	\$185,194	\$185,194	\$0	\$270,422	\$640,810	\$185,194	0.0
2 Additional Funding for Food Assistance Administration	2,357,640	0	0	2,357,640	4,715,280	2,357,640	0.0
3 Reallocation of Resources and Funding Increase for Emergency Placements in Community Services for People with Developmental Disabilities Program Costs Services for People with Disabilities. To address projected overexpenditures in adult comprehensive services and case management, the Department proposes eliminating 50 residential placements paid for with General Fund, converting 16 residential placements paid for with General Fund to placements paid for with Medicaid, and transferring money from non-residential supported living service and family support services. <i>Statutory authority: Section 27-10.5-104, 106, C.R.S.</i>	(6,129,032)	0	13,594,096	0	7,465,064	668,016	0.0
4 Services for People with Disabilities - New Funding Developmental Disabilities Services Services for People with Disabilities. The request would fund: <ul style="list-style-type: none"> • 66 adult comprehensive services placements for people with developmental disabilities who are currently in the Child Welfare system but will turn 21 during the fiscal year and require residential services; • 35 supported living services placements for people currently receiving children's extensive support services who will turn 18 during the fiscal year and require nonresidential services; • 630 early intervention service placements for projected new referrals of infants and toddlers; • 60 emergency placements for a projected 30 people needing residential services and 30 people needing nonresidential services; and • Case management for the above populations. <i>Statutory authority: Section 27-10.5-104, 703, C.R.S.</i>	3,648,368	0	5,030,723	0	8,679,091	6,163,730	0.0

Decision Item	GF	CF	RF	FF	Total	Net GF*	FTE
5 Transfer of Sol Vista Youth Services Center FTE to the Division of Youth Corrections	0	0	(548,765)	0	(548,765)	0	0.0
Total	\$62,170	\$185,194	\$18,076,054	\$2,628,062	\$20,951,480	\$9,374,580	0.0
Total for Items in this Packet	(\$2,480,664)	\$0	\$18,624,819	\$0	\$16,144,155	\$6,831,746	0.0

* 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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BASE REDUCTION ITEM PRIORITY LIST

Reduction Item	GF	CF	RF	FF	Total	Net GF*	FTE
1 Purchase of Contract Placements Line Item Appropriation Reduction	(\$9,197,473)	\$0	\$5,733	(\$3,682)	(\$9,195,422)	(\$9,194,607)	0.0
2 Convert Contractual Services to FTE in the Telecommunications Equipment Distribution Program Executive Directors Office/Services for People with Disabilities. The request would eliminate a private contract for outreach and demonstrations regarding the Telecommunications Equipment Distribution Program and replace it with 0.5 FTE state employees. <i>Statutory authority: Section 26-21-106, C.R.S.</i>	0	0	(23,919)	0	(23,919)	0	0.5
3 Eliminate County Tax Base Relief Appropriation	(2,700,688)	0	0	0	(2,700,688)	(2,700,688)	0.0
Total	(\$11,898,161)	\$0	(\$18,186)	(\$3,682)	(\$11,920,029)	(\$11,895,295)	0.5
Total for Items in this Packet	\$0	\$0	(\$23,919)	\$0	(\$23,919)	\$0	0.5

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Department of Human Services
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NON PRIORITIZED CHANGE LIST

Base Reduction Item	GF	CF	RF	FF	Total	Net GF*	FTE
NP-1 2% Across the Board Personal Services Reduction (HCPF Impact to DHS) Office of Information Technology Services. This request is for a 2.0 percent personal services reduction as described under NP-4; however, the amount shown reflects solely the portion of the reduction associated with adjustments in the Department of Health Care Policy and Financing. <i>Statutory authority: Sections 24-37-301 and 34-37-304 (d), C.R.S..</i>	(2,813)	0	(4,256)	(2,228)	(9,297)	(4,941)	0.0
NP-2 HCPF BRI-2 Medicaid Fee-For-Service Payment Delay Various. The Department of Health Care Policy and Financing proposes to implement a permanent three-week delay in the payment of fee-for-service Medicaid claims. The amount shown is the impact on Department of Human Services Medicaid-funded programs. <i>Statutory authority: Section 25.5-4-401, C.R.S. (requires statutory change to implement request)..</i>	0	0	(325,593)	0	(325,593)	(159,471)	0.0
NP-3 HCPF CHP+ Program Reductions Office of Information Technology Services. This non-prioritized decision item requests a reduction in CHP+ program expenditures in the Department of Health Care Policy and Financing and subsequent modifications to the Colorado Benefits Management System (CBMS). This decision item will be considered in a separate staff briefing. <i>Statutory authority: 25.5-8-105, C.R.S.</i>	9,955	1,880	15,184	13,333	40,352	17,485	0.0
NP-4 2% Across the Board Personal Services Reduction (DHS Impact) Various. The proposal is for a one-time 2.0 percent reduction to the General Fund portion of all personal services appropriations. The reduction is to be achieved through vacancies or alternative personal services actions departments feel are necessary to implement the reduction. <i>Statutory authority: Sections 24-37-301 and 34-37-304 (d), C.R.S..</i>	(1,171,795)	0	(316,239)	(336,666)	(1,824,700)	(1,325,718)	0.0
NP-5 HCPF - CBMS Compliance with Low Income Subsidy and Disability Determination Services Federal Requirements Office of Information Technology Services. This non-prioritized decision item requests an increase in funding for the Colorado Benefits Management System (CBMS) to implement changes to meet the federal application processing limit for the determination of client qualification for the low income Medical Savings Programs. This decision item will be considered in a separate staff briefing. <i>Statutory authority: 25.5-4-105 and 25.5-5-503, C.R.S.</i>	0	0	214,920	0	214,920	107,460	0.0

Base Reduction Item	GF	CF	RF	FF	Total	Net GF*	FTE
NP-7	(3,034,793)	(205,236)	(1,196,670)	(824,860)	(5,261,559)	(3,555,727)	0.0
Statewide PERA adjustment							
Various. The request is for a continuation of S.B. 10-146, which decreased the State's PERA contribution rate by 2.5 percent of staff salaries and increased the employee contribution by a corresponding 2.5 percent. <i>Statutory authority: Section 24-51-401 (1.7) (a), C.R.S. (requires modification to implement request).</i>							
NP-8	2,143	151	11,144	2,287	15,725	7,517	0.0
Annual Fleet Vehicle Replacement							
Office of Operations. This is the annual statewide request for vehicle replacements. The request is to replace only vehicles that must be replaced for critical health, life and safety concerns. <i>Statutory authority: Section 24-30-1117 through 1118, C.R.S..</i>							
NP-9	10,115	188	407	8,607	19,317	10,261	0.0
Printing of Statewide Warrants and Mainframe Documents							
Office of Information Technology Services. This non-prioritized decision item requests additional funds associated with the transfer of reproduction and printing services from the Governor's Office of Information Technology to the Department of Personnel and Administration. This decision item will be considered in a separate staff briefing. <i>Statutory authority: Sections 24-30-1101 and 24-30-1102 (4), C.R.S.</i>							
NP-10	(438,817)	(556)	(109,381)	(25,343)	(574,097)	(491,642)	0.0
Pro-Rated Benefits							
Executive Director's Office. The request is for an ongoing change to the Health, Life and Dental coverage policy for part-time employees. The State proposes to now only cover a pro-rated portion of these benefits, based on the number of hours each employee works. <i>Statutory authority: Sections 24-50-604 (3), 24-50-603 (7), and 24-50-604 (1), C.R.S. (requires modification to implement request).</i>							
Total	(\$4,626,005)	(\$203,573)	(\$1,710,484)	(\$1,164,870)	(\$7,704,932)	(\$5,394,776)	0.0
Total for Items in this Packet	(\$4,626,005)	(\$203,573)	(\$1,710,484)	(\$1,164,870)	(\$7,704,932)	(\$5,394,776)	0.0

* 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 2010-11 appropriation and its FY 2011-12 request for the portion of the Department of Human Services addressed in this briefing packet. 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.

Total Requested Change, FY 2010-11 to FY 2011-12 (millions of dollars)

Category	GF	CF	RF	FF	Total	Net GF	FTE
FY 2010-11 Appropriation	\$39.9	\$87.7	\$363.0	\$65.2	\$555.8	\$175.0	1,896.2
FY 2011-12 Request	37.3	87.8	381.9	61.7	568.7	222.3	1,896.2
Increase / (Decrease)	(\$2.6)	\$0.1	\$18.9	(\$3.5)	\$12.9	\$47.3	0.0
Percentage Change	-6.5%	0.1%	5.2%	-5.4%	2.3%	27.0%	0.0%

The following table highlights the individual changes contained in the Department's FY 2011-12 budget request, as compared with the FY 2010-11 appropriation, for the portion of the Department covered in this briefing packet. For additional detail, see the numbers pages in Appendix A.

Requested Changes, FY 2010-11 to FY 2011-12

Category	GF	CF	RF	FF	Total	Net GF	FTE
Administration							
PERA adjustments and PS reduction	(\$4,492)	\$1,826	(\$51,925)	\$0	(\$54,591)	(\$30,455)	0.0
Subtotal	(\$4,492)	\$1,826	(\$51,925)	\$0	(\$54,591)	(\$30,455)	0.0
Program Costs							
Leap year	\$4,522	\$84,380	\$765,155	\$0	\$854,057	\$387,100	0.0
Medicaid match	0	0	0	0	0	34,961,696	0.0
DI#3 Reallocation for overexpenditure	(6,129,032)	0	13,594,096	0	7,465,064	668,016	
DI #4 New resources	3,648,368	0	5,030,723	0	8,679,091	6,163,730	
Medicaid payment delay	0	0	(239,127)	0	(239,127)	(119,564)	0.0

Category	GF	CF	RF	FF	Total	Net GF	FTE
Subtotal	(\$2,476,142)	\$84,380	\$19,150,847	\$0	\$16,759,085	\$42,060,978	0.0
Other Community Programs							
PERA adjustments and PS reduction	\$0	\$0	\$0	\$266	\$266	\$0	0.0
ARRA funds for Early Intervention	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,363,466)</u>	<u>(1,363,466)</u>	<u>0</u>	<u>0.0</u>
Subtotal	\$0	\$0	\$0	(\$1,363,200)	(\$1,363,200)	\$0	0.0
Regional Centers							
PERA adjustments and PS reduction	(\$1,760)	\$0	(\$58,825)	\$0	(\$60,585)	(\$24,355)	0.0
Medicaid match	0	0	0	0	0	5,427,574	0.0
Medicaid payment delay	<u>0</u>	<u>0</u>	<u>(85,167)</u>	<u>0</u>	<u>(85,167)</u>	<u>(42,584)</u>	<u>0.0</u>
Subtotal	(\$1,760)	\$0	(\$143,992)	\$0	(\$145,752)	\$5,360,635	0.0
Vocational Rehabilitation							
PERA adjustments and PS reduction	(\$61,670)	(\$1,315)	(\$90)	(\$230,795)	(\$293,870)	(\$61,670)	0.0
ARRA funds for Voc Rehab	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,887,490)</u>	<u>(1,887,490)</u>	<u>0</u>	<u>0.0</u>
Subtotal	(\$61,670)	(\$1,315)	(\$90)	(\$2,118,285)	(\$2,181,360)	(\$61,670)	0.0
Nursing Homes							
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Total Change	(\$2,544,064)	\$84,891	\$18,954,840	(\$3,481,485)	\$13,014,182	\$47,329,488	0.0

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Services for People with Disabilities, and related administrative functions)**

BRIEFING ISSUE

ISSUE: Significant Actions Taken from FY 2007-08 to FY 2010-11 to Balance the Budget

If General Fund appropriations to the Department of Health Care Policy and Financing that are transferred to the Department of Human Services are included, the General Fund appropriation to the Department of Human Services decreased by \$43.2 million (5.1 percent) from FY 2007-08 to FY 2010-11. However, total appropriations to the Department of Human Services have increased since FY 2007-08, based primarily on federal funds increases. Since the most recent economic downturn started in 2008, increases for caseloads have been limited, provider rates have declined, beds in state facilities have been closed, and staff compensation has been restricted. However, federal funds increases, including federal funds temporarily available under the American Recovery and Reinvestment Act, have offset General Fund reductions and helped to limit the depth of cuts.

SUMMARY:

- ❑ Overall funding for services for people with developmental disabilities increased during the time frame, primarily due to funding for new placements.
- ❑ The net General Fund decreased and a small amount of this was due reductions in community provider rates of 4.5 percent, but the majority was due to changes in the required state match for Medicaid funds as a result of the federal American Recovery and Reinvestment Act (ARRA), which reduced General Fund appropriations by slightly more than \$40 million in FY 2009-10 and continuing into FY 2010-11.

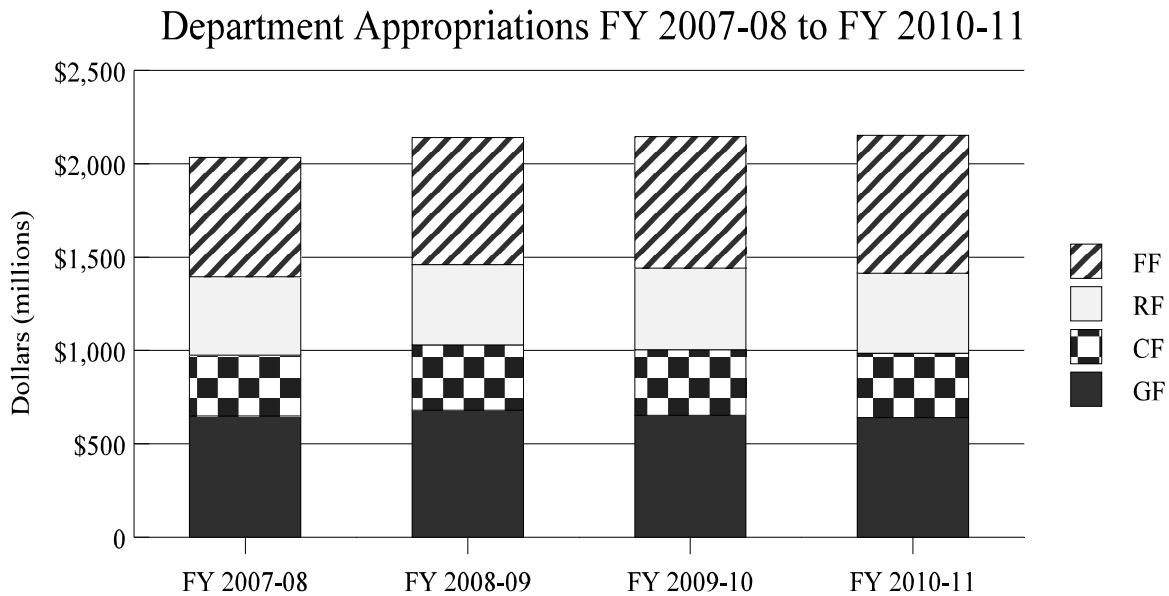
DISCUSSION:

FY 2007-08 to FY 2010-11, total appropriations to the Department of Human Services increased by approximately 5.9 percent (\$119 million). Most of this increase (\$99 million) was provided through federal funds, including technical adjustments to show \$44 million in federal funds not previously reflected in the Long Bill. If these technical adjustments are excluded, appropriations to the Department increased by 3.7 percent (\$75 million), including \$55 million federal funds. The Department appropriation also increased by \$19 million cash funds (primarily local and client share amounts) and \$11 million reappropriated funds (primarily Medicaid funds).

These increases were partially offset by a decrease of \$10 million General Fund. If General Fund amounts transferred from the Department of Health Care Policy and Financing are included, appropriations to the Department of Human Services that originate as General Fund decreased by \$43 million (5.1 percent). This General Fund decrease was largely attributable to a temporary

increase to the Federal Medicaid Assistance Percentage (FMAP), which offset General Fund otherwise required in FY 2010-11.

Appropriations to the Department of Human Services for FY 2007-08 through FY 2010-11 are illustrated in the bar chart and detailed in the table below. As illustrated in the bar chart, General Fund and total appropriations increased in FY 2008-09. Since then, General Fund appropriations have declined while total appropriations have increased just 0.6 percent in the three years (\$13.2 million) from FY 2008-09 to FY 2010-11. "Net" General Fund (shown in the table but not the chart) includes General Fund appropriated directly to the Department of Human Services *and* the General Fund portion of Medicaid funds that support Human Services programs.



Department of Human Services Appropriations FY 2007-08 to FY 2010-11						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	"Net" General Fund /a
FY 2007-08 /b	\$2,033,711,435	\$649,483,006	325,981,045	\$418,626,692	\$639,620,692	\$840,401,436
FY 2008-09	2,139,923,470	680,013,238	350,103,548	429,630,630	680,176,054	877,648,618
FY 2009-10	2,144,727,107	651,948,502	351,463,783	438,101,302	703,213,520	811,376,049
FY 2010-11 /c	2,153,111,241	639,803,262	344,632,848	429,957,794	738,717,337	797,219,689
Increase/(Decrease)/d	\$119,399,806	(\$9,679,744)	\$18,651,803	\$11,331,102	\$99,096,645	(\$43,181,747)
Percent Change /d	5.9%	(1.5)%	5.7%	2.7%	15.5%	(5.1)%

a/ "Net" General Fund includes General Fund appropriated directly to the Department of Human Services (DHS) and the General Fund portion of Medicaid funds appropriated to Department of Health Care Policy and Financing and transferred to DHS.

b/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09. Source: Page 200 of the FY 2008-09 Appropriations Report, plus 2009 legislation affecting FY 2007-08 appropriations (S.B. 09-189).

c/ The FY 2010-11 federal funds appropriation includes the addition of \$35,279,032 for county child care and child welfare TANF reserves and \$9,044,825 for federal refugee services that were not previously reflected in the Long Bill. If these adjustments are excluded, federal funding grew by 8.6 percent and total funding by 3.7 percent between FY 2007-08 and FY 2010-11.
d/ Increase/(Decrease) and Percent Change compare FY 2007-08 and FY 2010-11.

Overall funding trends reflect:

- ❑ Increases in FY 2008-09 and FY 2009-10 related to caseload growth (for developmental disability placements, child welfare services, and mental health services), and increases in General Fund appropriations to cover fixed facility costs when alternative sources are not available (such as for the mental health institutes).
- ❑ Efforts to offset caseload and General Fund cost increases in FY 2009-10 and FY 2010-11 by reducing provider reimbursements and closing units in institutional facilities (the mental health institutes and regional centers for people with developmental disabilities).
- ❑ Use of cash and federal funds to temporarily refinance General Fund (most notable in child welfare and developmental disability services) or to temporarily enhance spending (most notable in self-sufficiency programs). Funding available under ARRA reduced the General Fund portion of child welfare appropriations and the General Fund portion of Medicaid funds transferred from the Department of Health Care Policy and Financing for Human Services programs. It also provided large, temporary increases in funding for child care, subsidized employment, and housing supports.

Overview of Human Services Budget Changes by Division

The table below summarizes the changes in Department funding by division and General Fund, including direct General Fund appropriations and the General Fund portion of Medicaid funds transferred from the Department of Health Care Policy and Financing ("net" General Fund). The balance of this briefing issue addresses the adjustments to Services for People with Disabilities. Other Human Services areas will be covered in subsequent briefing presentations.

Department of Human Services Comparison FY 2007-08 and FY 2010-11 Appropriations by Division						
		TOTAL Funds		Net General Fund*		
EDO, Information	FY 07-08	153,417,331		85,739,984		
Technology & Operations	FY 10-11	<u>159,958,813</u>		<u>91,613,923</u>		
		6,541,482	4.3%	5,873,939	6.9%	
County Administration	FY 07-08	58,881,878		27,297,260		
	FY 10-11	<u>61,422,230</u>		<u>22,524,068</u>		
		2,540,352	4.3%	(4,773,192)	-17.5%	
Child Welfare	FY 07-08	408,493,131		219,899,357		
	FY 10-11	<u>406,734,684</u>		<u>199,011,248</u>		
		(1,758,447)	-0.4%	(20,888,109)	-9.5%	
Child Care & Self Sufficiency	FY 07-08	423,722,638		25,560,192		
	FY 10-11	<u>478,280,811</u>		<u>23,110,649</u>		
		54,558,173	12.9%	(2,449,543)	-9.6%	

Department of Human Services Comparison FY 2007-08 and FY 2010-11 Appropriations by Division						
		TOTAL Funds		Net General Fund*		
Mental Health & Alcohol and Drug Abuse	FY 07-08	215,864,570		128,258,786		
	FY 10-11	<u>215,936,670</u>		<u>133,745,018</u>		
		72,100	0.0%	5,486,232	4.3%	
Disabilities	FY 07-08	504,033,792		200,358,201		
	FY 10-11	<u>555,822,985</u>		<u>175,573,711</u>		
		51,789,193	10.3%	(24,784,490)	-12.4%	
Adult Assistance	FY 07-08	137,907,305		25,827,076		
	FY 10-11	<u>142,110,411</u>		<u>24,778,748</u>		
		4,203,106	3.0%	(1,048,328)	-4.1%	
Youth Corrections	FY 07-08	131,390,790		127,460,580		
	FY 10-11	<u>132,844,637</u>		<u>126,862,324</u>		
		1,453,847	1.1%	(598,256)	-0.5%	
Department Total	FY 07-08	2,033,711,435		840,401,436		
	FY 10-11	<u>2,153,111,241</u>		<u>797,219,689</u>		
		119,399,806	5.9%	(43,181,747)	-5.1%	

Services for People with Disabilities

Services for People with Disabilities Appropriation FY 2007-08 to FY 2010-11						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Net General Fund
FY 2007-08 /a	\$504,033,792	\$44,115,357	\$78,679,418	\$323,395,794	\$57,843,223	\$200,358,201
FY 2008-09	516,249,691	37,845,207	77,175,541	350,065,775	51,163,168	206,764,518
FY 2009-10	554,064,624	38,137,706	86,412,165	366,711,323	62,803,430	175,741,474
FY 2010-11	555,822,985	39,882,497	87,727,807	362,987,333	65,225,348	175,573,711
Increase/ (Decrease) /b	\$51,789,193	(\$4,232,860)	\$9,048,389	\$39,591,539	\$7,382,125	(\$24,784,490)
Percent Change /b	10.3%	(9.6)%	11.5%	12.2%	12.8%	(12.4)%

a/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09.

b/ Increase/(Decrease) and Percent Change compare FY 2007-08 and FY 2010-11.

Major Budget Balancing Actions from FY 2007-08 to FY 2010-11

1. In FY 2009-10 and FY 2010-11 the General Assembly implemented provider rate decreases to services for people with disabilities of 2.5 percent and 2.0 percent respectively (total of 4.5 percent), generating approximately \$7.6 million net General Fund savings.
2. These decreases were more than offset by the cost of new placements funded by the General Assembly, which totaled approximately \$36 million during the time frame.
3. Changes in the required state match for Medicaid funds as a result of the federal American Recovery and Reinvestment Act (ARRA) reduced General Fund appropriations by slightly more than \$40 million in FY 2009-10 and continuing into FY 2010-11.

4. The Department closed the 32-bed skilled nursing facility at the Grand Junction Regional Center and transferred the population to community placements, but the net savings were minimal due to the high cost of placing this particular population in the community, and the need to maintain centralized and therapeutic staff at the Grand Junction regional center to continue serving the remaining population.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Human Services
(Services for People with Disabilities, and related administrative functions)

BRIEFING ISSUE

ISSUE: Projected net overexpenditure of the appropriation for community-based services

Discusses the Department's projected net overexpenditure of the appropriation for community-based services in FY 2010-11 and future years, and the Department's proposal for addressing the projected overexpenditure.

RECOMMENDATION:

- Staff recommends asking the Department to adjust rates for Adult Comprehensive Services for FY 2011-12 to fit the distribution of assessed needs of the population, based on the Supports Intensity Scale, and live within the appropriation.
- Staff recommends a balance between reductions in the Supported Living Services program, based on underutilization of the appropriation, and asking the Department to increase reimbursement rates, people served, and/or service limits to ensure that the program does not continue to underutilization the appropriation in FY 2011-12.
- Staff recommends that the JBC reduce the Family Support Services program by \$4.1 million General Fund to help address the state budget shortfall.

SUMMARY:

- The Department projects to overexpend the base level funding for community-based services by \$12.3 million in FY 2010-11 and beyond.
- The overexpenditure of Adult Comprehensive Services is attributable to a large number of reevaluations of the needs of clients, but it is hard to believe that the statewide needs skewed higher overnight. Based on the new distribution of scores on the Supports Intensity Scale (SIS), the reimbursement rates associated with different SIS scores are out of alignment with the appropriated funding.
- The overexpenditure of Adult Comprehensive Services is partially offset by an underutilization of Supported Living Services but there is a net increase and providers benefit from this. Service recipients get little benefit from an increase in Adult Comprehensive Services, since they are already receiving "comprehensive" care. The underutilization of Supported Living Services negatively impacts some service recipients who must make do with less.

- ❑ To address the projected overexpenditure, the Department recommends reducing Family Support Services, among other things. Staff agrees that Family Support Services should be a lower priority than the Department's other community-based programs and among the first places the General Assembly should make reductions in this Division, if necessary to balance the budget.

DISCUSSION:

The Department's Decision Item #3 requests moving funds between line items to address projected overexpenditures in Adult Comprehensive Services and Case Management, but the changes will result in fewer people served and lower quality services. This is particularly troubling because staff believes the overexpenditures are a function of the rate setting methodology used by the Department, rather than reflective of an actual increase in needs. To pay for the projected overexpenditures, the Department proposes reducing the number of people served in residential settings by 50 from the appropriated level, reducing the value of Family Support Services grants by more than 65 percent per recipient, and implementing a community provider rate decrease in Supported Living Services. Also, the Department's request assumes that the Medicaid appropriation for Supported Living Services will continue to be underutilized by 11 percent, essentially making this reduction in services permanent.

Estimated Overexpenditure

The table below summarizes the estimated overexpenditures and underutilization of the appropriation by program. For a summary of the Department's proposal to address the projected overexpenditure, see the table on page __. The FY 2009-10 over/(under) expenditures are before the two-week delay in Medicaid payments implemented by the Governor. The payment delay reduced the FY 2009-10 overexpenditure by \$4.7 million from the amounts shown in the table below and pushed those costs into FY 2010-11. Decision item #3 does not include an adjustment for the payment delay, because the Governor's request proposes a three-week delay in FY 2011-12.

Medicaid Services for People with Developmental Disabilities				
Program	FY 2009-10		FY 2010-11	
	Actual Over/(Under) Expenditure	Percent	Projected Over/(Under) Expenditure	Percent
Adult Comprehensive Services	19,310,304	8.1%	11,779,390	5.0%
Supported Living Services	(6,866,944)	-13.6%	(4,892,032)	-11.0%
Children's Extensive Support	676,803	10.0%	(62,654)	-1.0%
Case Management	<u>391,574</u>	2.1%	<u>5,433,360</u>	29.4%
TOTAL	13,511,737	4.4%	12,258,064	3.9%

Staff has not fully analyzed the Department's method for projecting the FY 2010-11 over/(under) expenditures, since the projections are likely to change with new data between now and figure setting, but the Department's budget request indicates that the differences from the FY 2009-10 actual experience are attributable to adjustments for provider rate reductions, changes in the assessed

needs of clients, and changes implemented by the Department in service plan authorization limits for different needs levels, among other things.

The overexpenditures of the Adult Comprehensive Services and Case Management programs and the underutilization of the Supported Living Services appropriations are related to the Department's shift from block funding to fee-for-service payments. Prior to FY 2006-07 the state funded services for people with developmental disabilities through block allocations to Community Centered Boards (CCBs) who would then distribute the funds to providers. The CCBs were expected to serve a minimum number of people based on the appropriated funds. If the CCBs had excess funds due to turnover vacancies, underutilization of services (e.g. a client that didn't want/need the full number of available respite care hours), or favorable contract rates with providers, the CCBs had flexibility to use those funds to serve more people and/or enhance services for existing clients.

Federal reviews of this payment structure starting in 2003 raised concerns about the audit trail for how funding was used, and the equity of the distribution of funding relative to recipient needs. The federal government required Colorado and other states to change to a payment system based on medical necessity and reimbursement for each actual service provided. The Department implemented this reimbursement system for residential Adult Comprehensive Services in January 2008, and for nonresidential Supported Living Services and Children's Extensive Support Services in FY 2009-10. The plan the Department negotiated with the federal government calls for statewide, standardized fee rates for different services and caps on funding per person based on the person's score on the statewide, standardized Supports Intensity Scale (SIS).

Reassessments of needs

While the state retains control over the number of people served, the caps on services per person are based on the needs assessment conducted using the SIS, and so if SIS scores are higher than expected it drives an increase in costs. From July 2008 to October 2010 there were 909 reassessments of SIS scores. Of these, 790 resulted in an increase in the SIS score, or 87 percent. The table below estimates the fiscal impact of the change in SIS scores from what the Department had budgeted.

Projected SIS Scores for Support Level/ Rate Setting FY 2008-09				Actual SIS Scores After Reassessments				Projected Change Due to Reassessments				
SIS	Enrol	Residential	Day Habilitation	SIS	Enrol	Residential	Day Habilitation	SIS	Enrol	Residential	Day Habilitation	Total Increase
1	203	\$4,523,140	\$259,971	1	17	\$378,785	\$21,771	1	-186	(\$4,144,355)	(\$238,200)	(\$4,382,556)
2	360	\$12,539,966	\$694,366	2	146	\$5,085,653	\$281,604	2	-214	(\$7,454,313)	(\$412,762)	(\$7,867,076)
3	144	\$6,076,905	\$339,582	3	223	\$9,410,763	\$525,880	3	79	\$3,333,858	\$186,298	\$3,520,156
4	86	\$4,390,856	\$231,733	4	180	\$9,190,163	\$485,022	4	94	\$4,799,307	\$253,289	\$5,052,596
5	100	\$5,806,242	\$326,117	5	182	\$10,567,360	\$593,534	5	82	\$4,761,118	\$267,416	\$5,028,535
6	16	\$1,151,448	\$59,728	6	161	\$11,586,450	\$601,014	6	145	\$10,435,002	\$541,286	\$10,976,288
	909	\$34,488,558	\$1,911,497		909	\$46,219,175	\$2,508,825		0	\$11,730,617	\$597,327	\$12,327,944

The Department developed the rates that correspond to different SIS scores with the goal that the transition from block funding to fee-for-service payments be cost neutral. The Department had independent analysis of what it should cost to serve people with different SIS scores, but that analysis would have cost more than the Division was already spending, and so the Division had to adjust these theoretical rates downward to match current practice and standards of care, and the

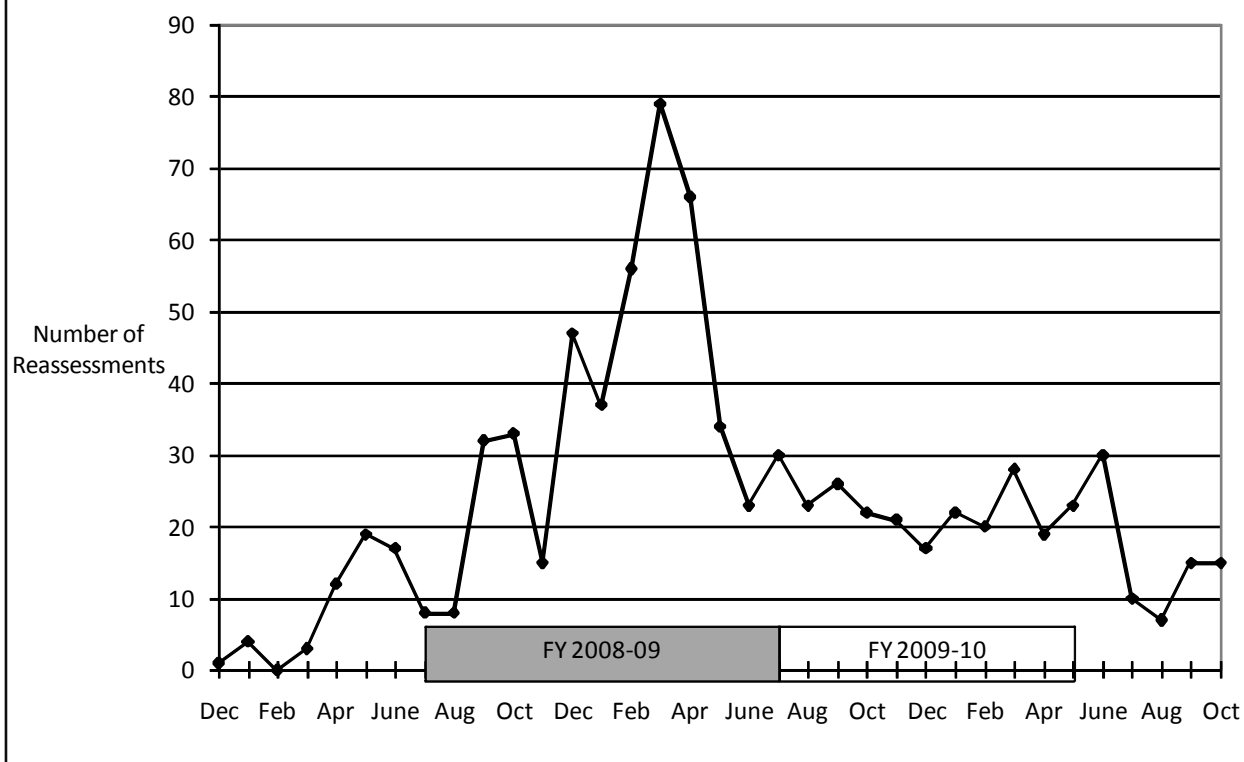
available funding. Had the Division known what the SIS scores would be after reevaluations, it would have needed to adjust the rates further to fit the existing appropriation.

The total funding prior to the transition to fee-for-service payments may or may not have been optimal for the number of people served in the Adult Comprehensive Services program, but providers made due, and absent a change in the overall needs of the population, there is no reason to think that providers require more to continue providing the same level of service. In fact, in FY 2009-10 and FY 2010-11 the General Assembly attempted to reduce provider rates statewide by 2.5 percent and 2.0 percent respectively to address the budget shortfall. Whether wisely or not, the General Assembly concluded that providers could manage with less, but in the case of Adult Comprehensive Services this objective was defeated by the reevaluations of the SIS scores.

Staff does not know why so many SIS scores changed, but it seems highly unlikely that the needs of the population increased dramatically in such a short time frame. Staff speculates that most of the service recipients remain at a need level plateau for a relatively long period of time, until age or a medical complication changes their status. Perhaps there was inconsistent training and application of the SIS tool that only came to light when dollars were attached to the outcome. It is possible that there are flaws in the SIS tool, or that people were trying to game the system, but staff does not have any data to support such conclusions and is not attempting to imply any lack of scientific rigor or fiscal misconduct.

In November 2010 the Department put a moratorium on SIS reevaluations and is currently in the process of analyzing data collected to this point to see if changes to the SIS evaluation process are warranted. Prior to this moratorium, in July 2010, the Division began requiring people to submit justification for approval by the Department prior to conducting any SIS reevaluation. Although the Department has yet to deny any requests, this extra administrative step reduced the number of reevaluations per month by half. The Department also conducted additional training to address known issues since the implementation of the SIS and set up new procedures to allow temporary increases in funding for episodic behaviors without requiring a SIS reevaluation. The Department reports that the current distribution of SIS scores in Colorado, after the reevaluations that have been done so far, is consistent with the experience of other states using the assessment tool.

Supports Intensity Scale Reassessments Adult Comprehensive Services



Some providers argue that over time the average assessed needs of the population are skewing higher due to limited state funding restricting new placements to "emergencies," but the data for FY 2009-10 does not support this conclusion. It might seem logical that "emergencies" involve people with higher needs, but in reality "emergencies" are related more to the circumstances of the caregivers than the needs of the person with developmental disabilities. The death, aging, or loss of a job by a caregiver might result in the need for an emergency placement, independent of the level of need of the person with a developmental disability. Staff speculates that a significant number of emergency placements involve a person whom a family member was able to care for at home specifically because their needs were relatively low, until a change in the caregiver's economic conditions or physical health created an emergency.

SIS	FY 09-10 Terminations	Percent	FY 09-10 New Enrollments	Percent	Estimated Cost of Changes in Need for 318 Placements that Turned Over
1	35	11.0%	70	13.6%	\$459,029
2	56	17.6%	98	19.0%	\$294,220
3	55	17.3%	71	13.8%	(\$857,729)
4	50	15.7%	93	18.0%	\$647,651
5	64	20.1%	98	19.0%	(\$383,308)
6	51	16.0%	81	15.7%	(\$146,577)
7	7	2.2%	5	1.0%	(\$700,349)
	318	100.0%	516	100.0%	(\$687,063)

Underutilization of Supported Living Services

To some extent the increase in Adult Comprehensive Services is offset by a decrease in Supported Living Services. While the Department underestimated SIS scores for the Adult Comprehensive Services population, it overestimated billings for Supported Living Services. The rates for Supported Living Services were also intended to result in no change from the year prior to implementation of the fee-for-service payments. The underutilization of the Supported Living Services appropriation is important because anecdotally there is significant overlap between providers of Adult Comprehensive Services and Supported Living Services. The Alliance, an association of service providers, surveyed its membership and 20 of the 22 respondents indicated they serve both populations.

The standardization of Supported Living Services rates and service limits statewide resulted in some people being able to purchase more services and some people less, and changes in the types and quantities of services people could purchase. Not all people authorized to purchase more services in the new fee-for-service system have taken advantage and maximized expenditures, resulting in underutilization of the appropriation. Some people may be having difficulty finding providers able and willing to deliver services at the statewide standardized rates. Also, providers report that billing the maximum for some services is difficult, or even unrealistic, due to travel time, vacations, and other non-billable hours. The Department has responded to these last two criticisms and changed some of the Supported Living Services rates, but has moved at a deliberate pace, for fear that the current underutilization is due to growing pains associated with the new billing system, and that as providers and service recipients adapt to the new funding environment billings will increase.

It is important to note that while the underutilization of Supported Living Services is significant relative to the appropriation, it is less in total dollars than the overexpenditure of Adult Comprehensive Services. Furthermore, providers have the option to reduce expenditures for Supported Living Services, if they aren't earning enough from state reimbursements, because the providers are not responsible for round the clock care as they are with people in the Adult Comprehensive Services program. As noted above, staff does not believe the overexpenditure of Adult Comprehensive Services is associated with any increase in provider costs. Many providers

probably come out ahead in the balance between Adult Comprehensive Services and Supported Living Services, both in terms of total revenue and operating costs relative to revenue.

Some recipients of Supported Living Services are having to cope with less. It is also true that some are spending less and getting the same or more services and some are authorized to spend more but are choosing not to do so, because they don't need or want the services. But, some fraction of the population is being negatively impacted by the reduction in expenditures.

On the other hand, people in the Adult Comprehensive Services program are not getting any more services for the increase in expenditures. Providers are already responsible for all aspects of 24-hour care (thus the term "Comprehensive" in the title). If there is any benefit to the clients it is indirect, based on the increased ability of providers to hire and retain staff.

To the extent that the underutilization of the Supported Living Services appropriation is because the funds are just not necessary to serve the current population, then staff recommends that the savings should be used to address the budget deficit, or to expand Supported Living Services to more people on the wait lists, or increase service authorization limits, rather than to provide an artificial and unnecessary boost to Adult Comprehensive Services.

Case Management

The last significant piece of the Department's projected over/(under) expenditure is Case Management. Staff is unsure what to make of the Department's projection, since it does not seem to be supported by FY 2009-10 actual expenditures. There have been significant increases in the reported population eligible for Early Intervention services, and this population is eligible for case management. However, much of the increase in the Early Intervention population is merely a change in reporting to capture children served with private insurance and federal funds. The actual caseload increase is less. In FY 2009-10 most CCBs were unable to bill enough hours for case management for people in the Adult Comprehensive Services, Supported Living Services, and Children's Extensive Support programs to earn the amount appropriated for this population.

Department's plan to address the overexpenditure

In order to fund the projected net Medicaid overexpenditures in FY 2010-11 of \$12,258,064 the Department proposes reducing the number of people served in residential settings by 50 from the appropriated level, converting 16 state-funded residential placements to Medicaid-funded placements, reducing the value of Family Support Services grants by more than 65 percent per recipient, and implementing a community provider rate decrease in state-funded Supported Living Services. The table below summarizes the request.

Program	FY 2010-11 Approp	Components of Decision Item #3					Percent
		Over/(Under) Expenditures	Service Reductions	New Placements	Net Change		
Adult Comprehensive Services Placements	4,287.0	--	(66.0)	16.0	(50.0)	-1.2%	
Adult Comprehensive Services Dollars	269,004,046	11,779,390	(1,650,459)	1,301,264	11,430,195	4.2%	
General Fund	1,650,459	0	(1,650,459)	0	(1,650,459)	-100.0%	
CF - client cash	30,798,715	0	0	0	0	0.0%	
RF - Medicaid	236,554,872	11,779,390	0	1,301,264	13,080,654	5.5%	
<i>GF</i>	118,277,436	5,889,695	0	650,632	6,540,327	5.5%	
<i>FF</i>	118,277,436	5,889,695	0	650,632	6,540,327	5.5%	
Adult Supported Living Services	<u>52,317,915</u>	<u>(4,892,032)</u>	<u>(358,872)</u>	<u>0</u>	<u>(5,250,904)</u>	-10.0%	
General Fund	7,974,941	0	(358,872)		(358,872)	-4.5%	
RF - Medicaid	44,342,974	(4,892,032)	0		(4,892,032)	-11.0%	
<i>GF</i>	22,171,487	(2,446,016)	0		(2,446,016)	-11.0%	
<i>FF</i>	22,171,487	(2,446,016)	0		(2,446,016)	-11.0%	
Family Support Services							
General Fund	6,219,699	0	(4,050,590)	0	(4,050,590)	-65.1%	
Children's Extensive Support Services							
RF - Medicaid	6,576,446	(62,654)	0	0	(62,654)	-1.0%	
<i>GF</i>	2,887,834	(31,327)			(31,327)	-1.1%	
<i>CF - Health Care Expansion Fund</i>	400,389	0			0	0.0%	
<i>FF</i>	3,288,223	(31,327)			(31,327)	-1.0%	
Case Management and Quality Assurance	<u>22,370,389</u>	<u>5,433,360</u>	<u>(69,111)</u>	<u>34,768</u>	<u>5,399,017</u>	24.1%	
General Fund	3,888,010	0	(69,111)	0	(69,111)	-1.8%	
RF - Medicaid	18,482,379	5,433,360	0	34,768	5,468,128	29.6%	
<i>GF</i>	9,214,572	2,716,680	0	17,384	2,734,064	29.7%	
<i>CF - Health Care Expansion Fund</i>	26,618	0	0	0	0	0.0%	
<i>FF</i>	9,241,190	2,716,680	0	17,384	2,734,064	29.6%	
Subtotal	<u>356,488,495</u>	<u>12,258,064</u>	<u>(6,129,032)</u>	<u>1,336,032</u>	<u>7,465,064</u>	2.1%	
General Fund	19,733,109	0	(6,129,032)	0	(6,129,032)	-31.1%	
CF - client cash	30,798,715	0	0	0	0	0.0%	
RF - Medicaid	305,956,671	12,258,064	0	1,336,032	13,594,096	4.4%	
<i>GF</i>	152,551,329	6,129,032	0	668,016	6,797,048	4.5%	
<i>CF - Health Care Expansion Fund</i>	427,007	0	0	0	0	0.0%	
<i>FF</i>	152,978,336	6,129,032	0	668,016	6,797,048	4.4%	
<i>Net General Fund</i>	172,284,438	6,129,032	(6,129,032)	668,016	668,016	0.4%	

The conversion of 16 state-funded Adult Comprehensive Services to Medicaid-funded services saves General Fund and increases the overall funding available to serve these individuals. The Department has already implemented this change.

Family Support Services

The Department's request explains the proposed reduction in Family Support Services stating, "This program is not means tested and the only criteria besides having a developmental disability is the child must be living with their family." This is not entirely fair, since local boards responsible for prioritizing funding must also follow the "Most in Need" criteria established by the Department to allocate funds that are insufficient to serve everyone requesting services. Because funding for Family Support Services is insufficient for all applicants, the Most in Need criteria arguably has the effect of an eligibility standard, albeit a floating standard based on total available funds and subjective analysis by the reviewers. The Most in Need criteria prioritizes families for funding based on the acuity of the child, disruptive behavior of the child, the composition/stability/capacity of the family and social networks to care for the child, and family access to other resources such as insurance and income.

Still, staff agrees with the Department's conclusion that, "Due to the availability of other supports from the family . . . this population is less vulnerable than those who require out of home placement in Medicaid waiver programs." **If the General Assembly needs to reduce funding for services for people with developmental disabilities to address the statewide budget shortfall, the Family Support Services program would be a reasonable place to start.** The support provided through this program may have an impact on the long-term need for residential placements, resulting in avoided costs in the future, but the connection is difficult to quantify or prove.

However, staff would advise against reducing this program to fund what appears to staff to be an artificial inflation in Adult Comprehensive Services expenditures, based on a lack of alignment between the rates paid by the Department and the SIS scores of the population to keep the program cost neutral.

Adjusting rates going forward

For FY 2010-11 there are few alternatives to accepting the Department's proposal, due to the time required to adjust rates for services. But, for FY 2011-12 the Department could adjust rates for Adult Comprehensive Services to match the distribution of SIS scores and stay within the appropriation. This would allow the General Assembly to take the funds from the projected underutilization of Supported Living Services and the proposed reduction in Family Support Services to address the budget deficit. Or, the General Assembly could choose to keep the money in the programs where it originally intended the money be spent. The Department could increase reimbursement rates, or service limits, or people served (with legislative approval), or all three to prevent Supported Living Services from continuing to underexpend the appropriation.

With regard to Supported Living Services, staff would recommend keeping some portion of the money in the program and increasing reimbursement rates. Like the overexpenditure of Adult Comprehensive Services, staff believes the underutilization of Supported Living Services is a product of forecast errors by the Department in developing the rates. In this case the forecast errors were related to the projected units of service billed, rather than the SIS scores.

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	Actual	Actual	Appropriation	Request	

DEPARTMENT OF HUMAN SERVICES
EXECUTIVE DIRECTOR: Karen Beye

(9) SERVICES FOR PEOPLE WITH DISABILITIES

Primary functions: Administers community-based and institutional services for people with developmental disabilities, provides vocational rehabilitation services, and administers the Homelake Domiciliary and veterans nursing homes.

(A) Community Services for People with Developmental Disabilities

Primary functions: Funding for 20 Community Centered Boards (CCBs), and contracting service agencies, to: (1) deliver community-based residential and supported living services for adults with developmental disabilities; and (2) deliver early intervention, family support services, and children's extensive support services for children with developmental disabilities and delays. Also, funds associated case management by CCBs and state administration and oversight. Medicaid revenue is the primary source of reappropriated funds; local and client payments to CCBs are reflected as cash funds.

(1) Administration

Personal Services	2,639,111	2,852,792	2,944,833	2,890,242
FTE	<u>32.8</u>	<u>35.0</u>	<u>36.0</u>	<u>36.0</u>
General Fund	273,646	195,175	229,210	224,718
CF - private ins. Early Intervention Services Trust Func	33,000	40,765	79,704	81,530
RF - Medicaid	2,332,465	2,616,852	2,635,919	2,583,994
GF	1,166,233	1,308,426	1,317,960	1,291,997
FF	1,166,233	1,308,426	1,317,960	1,291,997
Operating Expenses	<u>151,295</u>	<u>144,399</u>	<u>143,019</u>	<u>143,019</u>
CF - private ins. Early Intervention Services Trust Func	0	6,178	7,128	7,128
RF - Medicaid	151,295	138,221	135,891	135,891
GF	75,648	69,111	67,946	67,946
FF	75,648	69,111	67,946	67,946

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	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
Community and Contract Management System	<u>137,480</u>	<u>106,644</u>	<u>137,480</u>	<u>137,480</u>	
General Fund	41,244	36,194	41,244	41,244	
RF - Medicaid	96,236	70,450	96,236	96,236	
<i>GF</i>	<i>48,118</i>	<i>35,225</i>	<i>48,118</i>	<i>48,118</i>	
<i>FF</i>	<i>48,118</i>	<i>35,225</i>	<i>48,118</i>	<i>48,118</i>	
Medicaid Waiver Transition Costs					
RF - Medicaid	79,028	92,293	79,663	79,663	
<i>GF</i>	<i>39,514</i>	<i>46,147</i>	<i>39,832</i>	<i>39,832</i>	
<i>FF</i>	<i>39,514</i>	<i>46,147</i>	<i>39,832</i>	<i>39,832</i>	
Subtotal - (1) Administration	3,006,914	3,196,128	3,304,995	3,250,404	-1.7%
FTE	<u>32.8</u>	<u>35.0</u>	<u>36.0</u>	<u>36.0</u>	<u>0.0</u>
General Fund	314,890	231,369	270,454	265,962	-1.7%
CF - private ins. Early Intervention Services Trust Func	33,000	46,943	86,832	88,658	2.1%
RF - Medicaid	2,659,024	2,917,816	2,947,709	2,895,784	-1.8%
<i>GF</i>	<i>1,329,512</i>	<i>1,458,908</i>	<i>1,473,855</i>	<i>1,447,893</i>	<i>-1.8%</i>
<i>FF</i>	<i>1,329,512</i>	<i>1,458,908</i>	<i>1,473,855</i>	<i>1,447,893</i>	<i>-1.8%</i>
<i>Net General Fund</i>	<i>1,644,402</i>	<i>1,690,277</i>	<i>1,744,309</i>	<i>1,713,855</i>	<i>-1.7%</i>
(2) Program Costs					
Adult Comprehensive Services	<u>248,063,888</u>	<u>286,235,602</u>	<u>269,004,046</u>	<u>284,973,154</u>	
General Fund	693,077	1,550,603	1,650,459	4,522	
CF - client cash	28,340,125	30,405,852	30,798,715	30,883,095	
RF - Medicaid	219,030,686	254,279,147	236,554,872	254,085,537	
<i>GF</i>	<i>109,515,343</i>	<i>97,668,620</i>	<i>90,860,726</i>	<i>127,042,769</i>	
<i>FF</i>	<i>109,515,343</i>	<i>156,610,527</i>	<i>145,694,146</i>	<i>127,042,769</i>	
Adult Supported Living Services	<u>53,934,755</u>	<u>44,974,958</u>	<u>52,317,915</u>	<u>47,753,275</u>	

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	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
General Fund	7,543,037	7,575,159	7,974,941	7,616,069	
RF - Medicaid	46,391,718	37,399,799	44,342,974	40,137,206	
<i>GF</i>	23,195,859	14,365,263	17,032,136	20,068,603	
<i>FF</i>	23,195,859	23,034,536	27,310,838	20,068,603	
Early Intervention Services					
General Fund	11,062,198	11,098,328	12,798,328	16,446,696	
Family Support Services					
General Fund	2,629,871	6,416,610	6,219,699	2,169,109	
Children's Extensive Support Services					
RF - Medicaid	6,913,410	7,158,025	6,576,446	6,513,792	
<i>GF</i>	2,960,322	2,338,218	2,125,624	2,737,353	
<i>CF - Health Care Expansion Fund</i>	496,383	411,179	400,389	519,543	
<i>FF</i>	3,456,705	4,408,628	4,050,433	3,256,896	
Case Management and Quality Assurance	<u>18,114,887</u>	<u>21,501,608</u>	<u>22,370,389</u>	<u>28,189,882</u>	
General Fund	3,021,894	2,979,204	3,888,010	3,818,899	
RF - Medicaid	15,092,993	18,522,404	18,482,379	24,370,983	
<i>GF</i>	6,462,821	7,330,617	7,444,072	12,150,954	
<i>CF - Health Care Expansion Fund</i>	1,083,676	130,559	26,618	34,538	
<i>FF</i>	7,546,496	11,061,228	11,011,689	12,185,492	
Special Purpose	<u>993,624</u>	<u>731,416</u>	<u>879,572</u>	<u>879,572</u>	
General Fund	503,523	463,554	360,844	360,844	
RF - Division of Voc. Rehab.	457,599	241,141	481,488	481,488	
RF - Medicaid	32,502	26,721	37,240	37,240	
<i>GF</i>	16,251	13,361	18,620	18,620	
<i>FF</i>	16,251	13,361	18,620	18,620	

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	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
Subtotal - (2) Program Costs	<u>341,712,633</u>	<u>378,116,547</u>	<u>370,166,395</u>	<u>386,925,480</u>	4.5%
General Fund	25,453,600	30,083,458	32,892,281	30,416,139	-7.5%
CF - client cash	28,340,125	30,405,852	30,798,715	30,883,095	0.3%
RF - Division of Voc. Rehab.	457,599	241,141	481,488	481,488	0.0%
RF - Medicaid	287,461,309	317,386,096	305,993,911	325,144,758	6.3%
<i>GF</i>	<i>142,150,596</i>	<i>121,716,079</i>	<i>117,481,179</i>	<i>162,018,298</i>	<i>37.9%</i>
<i>CF - Health Care Expansion Fund</i>	<i>1,580,059</i>	<i>541,738</i>	<i>427,007</i>	<i>554,081</i>	<i>29.8%</i>
<i>FF</i>	<i>143,730,654</i>	<i>195,128,279</i>	<i>188,085,725</i>	<i>162,572,379</i>	<i>-13.6%</i>
<i>Net General Fund</i>	<i>167,604,196</i>	<i>151,799,537</i>	<i>150,373,460</i>	<i>192,434,437</i>	<i>28.0%</i>
(3) Other Community Programs					
Federal Special Education Grant for Infants, Toddlers and Their Families (Part C)					
Federal Funds	9,275,752	11,613,767	8,663,047	7,299,847	
FTE	6.4	5.6	6.5	6.5	
Custodial Funds for Early Intervention Services					
CF - private insurance	3,968,001	7,565,363	7,769,177	7,769,177	
Preventive Dental Hygiene					
General Fund	<u>64,337</u>	<u>60,621</u>	<u>63,051</u>	<u>63,051</u>	
CF - local contributions	60,621	60,621	59,409	59,409	
	3,716	0	3,642	3,642	
Subtotal - (3) Other Community Programs	<u>13,308,090</u>	<u>19,239,751</u>	<u>16,495,275</u>	<u>15,132,075</u>	-8.3%
FTE	<u>6.4</u>	<u>5.6</u>	<u>6.5</u>	<u>6.5</u>	<u>0.0</u>
General Fund	60,621	60,621	59,409	59,409	0.0%
CF - private insurance	3,968,001	7,565,363	7,769,177	7,769,177	0.0%
CF - local contributions	3,716	0	3,642	3,642	0.0%

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	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
Federal Funds	9,275,752	11,613,767	8,663,047	7,299,847	-15.7%
<i>Net General Fund</i>	<i>60,621</i>	<i>60,621</i>	<i>59,409</i>	<i>59,409</i>	<i>0.0%</i>

Subtotal - (A) Community Services for People with Developmental Disabilities	358,027,637	400,552,426	389,966,665	405,307,959	3.9%
FTE	<u>39.2</u>	<u>40.6</u>	<u>42.5</u>	<u>42.5</u>	<u>0.0</u>
General Fund	25,829,111	30,375,448	33,222,144	30,741,510	-7.5%
Cash Funds	32,344,842	38,018,158	38,658,366	38,744,572	0.2%
Reappropriated Funds	290,577,932	320,545,053	309,423,108	328,522,030	6.2%
Federal Funds	9,275,752	11,613,767	8,663,047	7,299,847	-15.7%
<i>Net General Fund</i>	<i>169,309,219</i>	<i>153,550,435</i>	<i>152,177,177</i>	<i>194,207,701</i>	<i>27.6%</i>

(B) Regional Centers for People with Developmental Disabilities

Primary functions: operates three regional centers that house and provide therapeutic and other services to individuals with developmental disabilities. Reappropriated funds amounts reflect Medicaid revenue. Cash amounts primarily reflect consumer payments for room and board.

(1) Medicaid-funded Services

Personal Services	44,266,975	45,792,701	44,388,779	44,244,787
FTE	<u>909.3</u>	<u>881.0</u>	<u>927.1</u>	<u>927.1</u>
CF - Client Cash	3,474,704	2,753,528	2,060,389	2,060,389
RF - Medicaid	40,792,271	43,039,173	42,328,390	42,184,398
<i>GF</i>	<i>20,396,136</i>	<i>16,531,346</i>	<i>16,258,335</i>	<i>21,092,199</i>
<i>FF</i>	<i>20,396,136</i>	<i>26,507,827</i>	<i>26,070,055</i>	<i>21,092,199</i>
Operating Expenses				
RF - Medicaid	2,450,988	2,228,933	2,439,458	2,439,458
<i>GF</i>	<i>1,225,494</i>	<i>856,133</i>	<i>936,996</i>	<i>1,219,729</i>

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	Actual	Actual	Appropriation	Request	Change Requests
<i>FF</i>	1,225,494	1,372,800	1,502,462	1,219,729	
Capital Outlay - Patient Needs					
RF - Medicaid	80,080	236,317	72,126	72,126	
<i>GF</i>	40,040	90,769	27,704	36,063	
<i>FF</i>	40,040	145,548	44,422	36,063	
Leased Space					
RF - Medicaid	189,377	49,043	42,820	42,820	
<i>GF</i>	94,689	18,837	16,447	21,410	
<i>FF</i>	94,689	30,206	26,373	21,410	
Resident Incentive Allowance					
RF - Medicaid	137,550	107,323	138,176	138,176	
<i>GF</i>	68,775	41,223	53,073	69,088	
<i>FF</i>	68,775	66,100	85,103	69,088	
Purchase of Services					
RF - Medicaid	261,601	206,123	0	0	
<i>GF</i>	130,801	79,172	0	0	
<i>FF</i>	130,801	126,951	0	0	
Provider Fee					
RF - Medicaid	N.A.	N.A.	1,867,655	1,867,655	
<i>GF</i>			717,366	933,828	
<i>FF</i>			1,150,289	933,828	
<i>Application of Provider Fee to Offset General Fund at Health Care Policy and Financing</i>					
<i>GF</i>	N.A.	N.A.	(1,867,655)	(1,867,655)	

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	Actual	Actual	Appropriation	Request	Change Requests
Subtotal - (1) Medicaid-funded Services	47,386,571	48,620,440	48,949,014	48,805,022	-0.3%
FTE	<u>909.3</u>	<u>881.0</u>	<u>927.1</u>	<u>927.1</u>	<u>0.0</u>
CF - Client Cash	3,474,704	2,753,528	2,060,389	2,060,389	0.0%
RF - Medicaid	43,911,867	45,866,912	46,888,625	46,744,633	-0.3%
<i>GF</i>	21,955,934	17,617,481	16,142,266	21,504,662	33.2%
<i>Provider Fee</i>	0	0	1,867,655	1,867,655	0.0%
<i>FF</i>	21,955,934	28,249,431	28,878,704	23,372,317	
<i>Net General Fund</i>	21,955,934	17,617,481	16,142,266	21,504,662	33.2%
(2) Other Program Costs					
General Fund Physician Services					
General Fund	153,133	85,352	86,089	84,329	
FTE	0.4	0.5	0.5	0.5	
ICF/MR Adaptations					
General Fund	236,128	0	0	0	
Subtotal - (2) Other Program Costs					
General Fund	389,261	85,352	86,089	84,329	-2.0%
FTE	0.4	0.5	0.5	0.5	0.0
Subtotal - (B) Regional Centers	47,775,832	48,705,792	49,035,103	48,889,351	-0.3%
FTE	<u>909.7</u>	<u>881.5</u>	<u>927.6</u>	<u>927.6</u>	<u>0.0</u>
General Fund	389,261	85,352	86,089	84,329	-2.0%
Cash Funds	3,474,704	2,753,528	2,060,389	2,060,389	0.0%
Reappropriated Funds	43,911,867	45,866,912	46,888,625	46,744,633	-0.3%
<i>Net General Fund</i>	22,345,195	17,702,833	16,228,355	21,588,991	33.0%

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	Actual	Actual	Appropriation	Request	Change Requests
Subtotal - (C) Work Therapy Program					
<i>(Primary functions: Provide sheltered work opportunities to residents of state operated regional centers and the Mental Health Institute at Fort Logan. Cash amounts reflect payments from private businesses and government agencies for work completed.)</i>					
Program Costs	348,922	394,606	467,116	467,116	0.0%
FTE	<u>0.2</u>	<u>1.3</u>	<u>1.5</u>	<u>1.5</u>	<u>0.0</u>
CF - sales/services	348,922	389,007	467,116	467,116	0.0%
RF - sales/services	0	5,599	0	0	
(D) Division of Vocational Rehabilitation					
<i>(Primary functions: provides the services and equipment necessary to help individuals with disabilities secure and/or retain employment. Funds Independent Living Centers to provide assisted living and advocacy services to persons with disabilities. Cash and reappropriated funds amounts reflect payments from collaborating agencies, such as school districts, for vocational services.)</i>					
Rehabilitation Programs - General Fund Match	18,791,445	19,337,236	19,406,937	19,116,153	
FTE	<u>212.2</u>	<u>208.0</u>	<u>225.7</u>	<u>225.7</u>	
General Fund	4,003,175	4,129,396	4,130,530	4,068,860	
Federal Funds	14,788,270	15,207,840	15,276,407	15,047,293	
Rehabilitation Programs - Local Funds Match	19,144,470	14,298,516	31,432,400	31,431,887	
FTE	<u>10.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
CF - local communities	1,031,787	0	34,735	34,716	
RF - schools and state agencies	3,276,251	3,054,637	6,675,600	6,675,510	
Federal Funds	14,836,432	11,243,879	24,722,065	24,721,661	
American Reinvestment and Recovery Act - Vocational Rehabilitation Funding					
Federal Funds	n/a	3,463,571	1,826,761	0	
Business Enterprise Program for People who are Blind	451,065	456,355	1,191,520	1,189,898	

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	Actual	Actual	Appropriation	Request	Change Requests
FTE	<u>5.0</u>	<u>4.4</u>	<u>6.0</u>	<u>6.0</u>	
CF - sales/services	96,079	97,204	253,079	252,734	
Federal Funds	354,986	359,151	938,441	937,164	
Business Enterprise Program - Program Operated Stands and Operator Benefits					
	<u>241,168</u>	<u>260,833</u>	<u>429,000</u>	<u>429,000</u>	
CF - sales/services	125,718	121,916	429,000	429,000	
RF - sales/services	0	0	0	0	
Federal Funds	115,450	138,917	0	0	
Independent Living Centers and State Independent Living Council					
	<u>1,818,648</u>	<u>1,841,642</u>	<u>1,844,160</u>	<u>1,783,431</u>	
General Fund	1,487,351	1,487,351	1,457,604	1,457,604	
CF - independent living grantees	44,902	0	29,621	29,621	
RF - independent living grantees	0	0	0	0	
Federal Funds	286,395	354,291	356,935	296,206	
Older Blind Grants	<u>450,710</u>	<u>487,943</u>	<u>698,789</u>	<u>698,789</u>	
CF - recipient match	45,000	0	45,000	45,000	
Federal Funds	405,710	487,943	653,789	653,789	
Traumatic Brain Injury Trust Fund					
CF - surcharges for certain driving violations	2,391,227	3,508,724	3,296,652	3,295,701	
FTE	1.1	0.0	1.5	1.5	
Federal Social Security Administration Reimbursement					
Federal Funds	535,967	167,884	813,741	813,741	
Study of Employment of Persons with Developmental Disabilities (S.B. 08-004)					
General Fund	0	0	0	0	

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

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
FTE	0.0	0.0	0.0	0.0	
Subtotal - (D) Vocational Rehabilitation	43,824,700	43,822,704	60,939,960	58,758,600	-3.6%
FTE	<u>228.3</u>	<u>230.4</u>	<u>251.2</u>	<u>251.2</u>	<u>0.0</u>
General Fund	5,490,526	5,616,747	5,588,134	5,526,464	-1.1%
Cash Funds	3,734,713	3,727,844	4,088,087	4,086,772	0.0%
Reappropriated Funds	3,276,251	3,054,637	6,675,600	6,675,510	0.0%
Federal Funds	31,323,210	31,423,476	44,588,139	42,469,854	-4.8%
<i>Net General Fund</i>	<i>5,490,526</i>	<i>5,616,747</i>	<i>5,588,134</i>	<i>5,526,464</i>	<i>-1.1%</i>

(E) Homelake Domiciliary and State and Veterans Nursing Homes

Primary Functions: Operation and management of the six state and veterans nursing homes and Homelake Domiciliary. Cash Funds (formerly Cash Funds Exempt) reflect client fees. Cash funds and federal funds are for information only. The nursing homes are enterprises and have continuous spending authority.

Homelake Domiciliary State Subsidy					
General Fund	186,120	186,130	186,130	186,130	
Nursing Home Consulting Services					
General Fund	304,502	0	0	0	
Nursing Home Indirect Cost Subsidy					
General Fund	800,000	800,000	800,000	800,000	
Program Costs	51,857,702	51,201,267	54,428,011	54,428,011	
FTE	<u>644.0</u>	<u>673.4</u>	<u>673.4</u>	<u>673.4</u>	
CF - client cash	41,423,892	38,522,033	42,453,849	42,453,849	
RF - client cash	78	0	0	0	
Federal Funds	10,433,732	12,679,234	11,974,162	11,974,162	

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	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
Subtotal - (E) Homelake Domiciliary and State and Veterans Nursing Homes					
	53,148,324	52,187,397	55,414,141	55,414,141	0.0%
FTE	<u>644.0</u>	<u>673.4</u>	<u>673.4</u>	<u>673.4</u>	<u>0.0</u>
General Fund	1,290,622	986,130	986,130	986,130	0.0%
CF - client cash	41,423,892	38,522,033	42,453,849	42,453,849	0.0%
RF - client cash	78	0	0	0	
Federal Funds	10,433,732	12,679,234	11,974,162	11,974,162	0.0%
<i>Net General Fund</i>	<i>1,290,622</i>	<i>986,130</i>	<i>986,130</i>	<i>986,130</i>	<i>0.0%</i>
(9) TOTAL - SERVICES FOR PEOPLE WITH DISABILITIES					
	503,125,415	545,662,925	555,822,985	568,837,167	2.3%
FTE	<u>1,821.4</u>	<u>1,827.2</u>	<u>1,896.2</u>	<u>1,896.2</u>	<u>0.0</u>
General Fund	32,999,520	37,063,677	39,882,497	37,338,433	-6.4%
Cash Funds	81,327,073	83,410,570	87,727,807	87,812,698	0.1%
Reappropriated Funds	337,766,128	369,472,201	362,987,333	381,942,173	5.2%
Federal Funds	51,032,694	55,716,477	65,225,348	61,743,863	-5.3%
<i>Net General Fund</i>	<i>198,435,561</i>	<i>177,856,145</i>	<i>174,979,796</i>	<i>222,309,286</i>	<i>27.0%</i>
(1) EXECUTIVE DIRECTOR'S OFFICE					
(B) Special Purpose					
Developmental Disabilities Council					
Federal Funds	990,742	819,674	875,525	875,792	
FTE	4.4	4.0	6.0	6.0	
Colorado Commission for the Deaf and Hard of Hearing					
FTE	<u>2.7</u>	<u>2.6</u>	<u>5.8</u>	<u>6.3</u>	
General Fund	131,079	131,429	127,809	124,882	

FY 2010-11 Joint Budget Committee Staff Briefing
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	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	
	Actual	Actual	Appropriation	Request	Change Requests
Cash Funds	87	0	0	0	
RF - Deaf and Hard of Hearing Cash Fund	639,459	719,065	910,190	884,872	
Colorado Commission for Individuals who are Blind or Visually Impaired					
RF - Deaf and Hard of Hearing Cash Fund	51,121	97,212	112,067	111,002	
FTE	0.1	0.6	1.0	1.0	

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Department of Human Services
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APPENDIX B: SUMMARY OF MAJOR LEGISLATION

S.B. 09-133: Increases surcharges on traffic violations and applies moneys collected to the Traumatic Brain Injury Trust Fund. Provides an increase in the appropriation to the Department of Human Services, for FY 2009-10, of \$730,525 cash funds from the Traumatic Brain Injury Trust Fund.

S.B. 09-144: Modifies and expands programs administered by the Colorado Commission for the Deaf and Hard of Hearing. This includes: creating the position of system navigator specialist to promote public awareness and provide technical assistance; clarifying the Commission's role in arranging services and accommodation for the deaf and hard of hearing in the state court system; and establishing a grant program to address the needs of the deaf and hard of hearing community. Provides an increase in the FY 2009-10 appropriation from the Disabled Telephone Users Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund of \$135,189. Further appropriates this amount to the Department of Human Services, along with 1.6 FTE, as reappropriated funds.

H.B. 09-1237: Modifies the statutes that provide for the system that coordinates payments between state and federal funds and private health insurance plans for early intervention services for children from birth to three years of age with developmental delays. Changes to the system include the following:

- requires that a child's private insurance carrier pay for services prior to the use of public funds;
- requires insurance plans to pay the coverage limit into the Early Intervention Services Trust Fund for each eligible child covered;
- allows the Division for Developmental Disabilities to increase coverage limits equal to an increase by the General Assembly to the annual appropriated rate to serve one child;
- clarifies that the coverage limit does not apply for post-surgical rehabilitation services; and
- prohibits an insurer from terminating coverage or refusing to deliver services as a result of a child accessing benefits for early intervention services.

Provides an appropriation to the Department of Human Services, for FY 2009-10, of \$46,943 cash funds and 1.0 FTE and also reflects, for informational purposes, the expectation that an additional \$3,514,057 cash funds custodial funds will be received by the Department of Human Services from insurance providers for the provision of early intervention services.

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APPENDIX C: UPDATE OF FY 2010-11
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

Long Bill Footnotes

- 23 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.

- 24 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 all adults with developmental disabilities receiving Medicaid or State funding shall be offered all available day services, including supported employment, facility and community based activities, and pre-vocational services. Medicaid waivers for services for people with developmental disabilities shall be amended as soon as possible to include pre-vocational services as a program option. The waiver amendments shall indicate that the progress towards community employment of individuals receiving pre-vocational services will be reviewed every five years. If the review indicates, and the consumer and guardian agree, that a move to community employment is appropriate, then that change may be made. This does not preclude the individual continuing in pre-vocational services until a community job can be secured. Medicaid guidelines do not require, nor shall the waiver amendment include, a limit on the time an individual may receive pre-vocational services. Further, the Department shall provide non-integrated work services for consumers who are currently enrolled, or who choose to enroll, in programs offering facility-based work until the waivers for the provision of pre-vocational services are approved. The Department shall report back to the Joint Budget Committee and the Health and Human Services of the House and Senate by September 2010 on the status of the waiver amendments to include pre-vocational services, the pre-vocational rate, and any transition issues.

Comment: The Governor did not veto the footnote, because it was written as an expression of legislative intent, but did argue in his veto letter that the footnote attempts to administer the appropriation in violation of the separation of powers. The Governor noted that footnote details the content of amendments to the Medicaid waivers, how/when individuals receiving pre-vocational services are reviewed, continued provision of pre-vocational services post review, continued provision of non-integrated work services for currently enrolled

individuals, and the provision of a report. He instructed the Department to, "consider the General Assembly's suggestions." The Department intends to submit the requested report, but in January rather than the September deadline in the footnote.

- 25 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

- 31. Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs, Early Intervention Services for 2,176 General Fund resources --** 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.

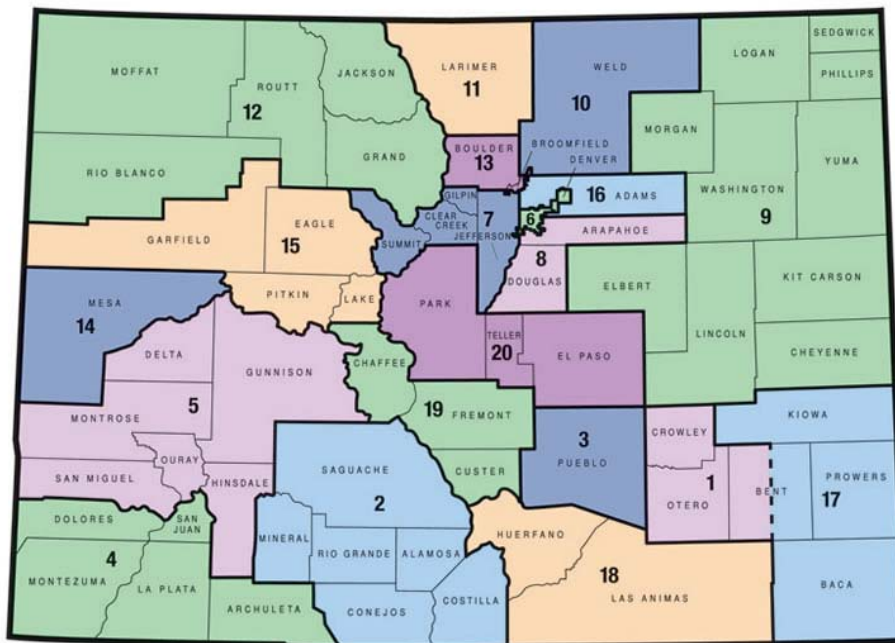
Comment: The Department has not implemented any cost containment strategies expected to result in a decrease in the number of people eligible for early intervention services.

- 32. 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.

Comment: The required match rate for federal funds in the Rehabilitation Programs -- Local Funds Match line item is 21.3 percent. In some years the Division receives more in local funds than the minimum required to match the available federal funds. The excess is rolled forward and used to match federal funds for direct services in the next year. In FY 2009-10 the Division received \$1,628,664 local funds in excess of the necessary match for federal funds.

The primary source of local funds for vocational rehabilitation programs is school districts participating in the School-to-Work Alliance Program (SWAP). These school districts "over-match" and pay 50 percent of program costs, rather than 21.3 percent. The Department

uses the over-match to pay for services beyond the school districts. Without this over-match, the Department would have insufficient General Fund to draw down all available federal funds and would need to further curtail services to eligible applicants.



Community Centered Boards

- | | |
|--|---|
| <p>(1) Arkansas Valley Community Center
1500 San Juan Avenue
La Junta, CO 81050
(719) 384-8741</p> <p>(2) Blue Peaks Developmental Services
703 Fourth Street
Alamosa, CO 81101
(719) 589-5135</p> <p>(3) Colorado Bluesky Enterprises
115 West 2nd Street
Pueblo, CO 81003
(719) 546-0572</p> <p>(4) Community Connections
281 Sawyer Drive, #200
Durango, CO 81301
(970) 259-2464</p> <p>(5) Community Options
336 South 10th Street
Montrose, CO 81402
(970) 249-1412</p> <p>(6) Denver Options
9900 E. Iliff Ave.
Denver, CO 80231
(303) 636-5600</p> <p>(7) Developmental Disabilities Resource Center
11177 W. 8th Avenue
Lakewood, CO 80215
(303) 233-3363</p> <p>(8) Developmental Pathways
325 Inverness Drive South
Englewood, CO 80112
(303) 360-6600</p> <p>(9) Eastern Colorado Services
617 South 10th Ave.
Sterling, CO 80751
(970) 522-7121</p> <p>(10) Envision
1050 37th Street
Evans, CO 80620
(970) 339-5360</p> | <p>(11) Foothills Gateway
301 Skyway Drive
Fort Collins, CO 80525
(970) 226-2345</p> <p>(12) Horizons Specialized Services
405 Oak
Steamboat Springs, CO 80477
(970) 879-4466</p> <p>(13) Imagine!
1400 Dixon Avenue
Lafayette, CO 80026
(303) 665-7789</p> <p>(14) Mesa Developmental Services
950 Grand Avenue
Grand Junction, CO 81502
(970) 243-3702</p> <p>(15) Mountain Valley Developmental Services
700 Mount Sopris Drive
Glenwood Springs, CO 81602
(970) 945-2306</p> <p>(16) North Metro Community Services
1001 West 124th Ave.
Westminster, CO 80234
(303) 252-7199 or (303) 457-1001</p> <p>(17) Southeastern Developmental Services
1111 South Fourth Street
Lamar, CO 81052
(719) 336-3244</p> <p>(18) Southern Colorado Developmental Services
1205 Congress Drive
Trinidad, CO 81082
(719) 846-4409</p> <p>(19) Starpoint
700 South 8th Street
Canon City, CO 81215
(719) 275-1616</p> <p>(20) The Resource Exchange
418 South Weber
Colorado Springs, CO 80903
(719) 380-1100</p> |
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