

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



**FY 2006-07 SUPPLEMENTAL:
DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Services**

**PRIORITIZED AND NON-PRIORITIZED
REQUESTS**

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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DEPARTMENT OF HUMAN SERVICES
Mental Health and Alcohol and Drug Abuse Division (Only)
FY 2006-07 SUPPLEMENTAL RECOMMENDATION
JBC WORKING DOCUMENT - SUBJECT TO CHANGE

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	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
DEPARTMENT OF HUMAN SERVICES					
Mental Health and Alcohol and Drug Abuse Services					
Executive Director - Karen Beye					
Previously Approved 1331 Supplemental 1-F - Transfer Goebel MCF to HCPF [REVISED]					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(B) Mental Health Community Programs					
(1) Mental Health Services for the Medically Indigent					
Services for 9,225 Indigent Mentally Ill Clients	<u>22,590,843</u>	<u>28,742,467</u>	<u>0</u>	<u>870,000</u>	<u>29,612,467</u>
General Fund	16,821,195	22,759,259	0	870,000	23,629,259
Cash Funds Exempt	0	0	0	0	0
Federal Funds	5,769,648	5,983,208	0	0	5,983,208
(2) Goebel Lawsuit					
Goebel Lawsuit Settlement	18,482,831	19,051,716	(11,405,081)	(12,275,081)	6,776,635
FTE	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>
General Fund	6,432,224	6,614,726	870,000	0	6,614,726
Cash Funds Exempt (Medicaid and Voc Rehab)	12,050,607	12,436,990	(12,275,081)	(12,275,081)	161,909
<i>For Information Only:</i>					0
Medicaid Cash Funds	11,888,698	12,275,081	(12,275,081)	(12,275,081)	0
Medicaid - GF Therein	5,944,349	6,137,541	(6,137,541)	(6,137,541)	0
Net General Fund	12,376,573	12,752,267	(5,267,541)	(6,137,541)	6,614,726

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #1-F	41,073,674	47,794,183	(11,405,081)	(11,405,081)	36,389,102
FTE	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>
General Fund	23,253,419	29,373,985	870,000	870,000	30,243,985
Cash Funds Exempt	12,050,607	12,436,990	(12,275,081)	(12,275,081)	161,909
Federal Funds	5,769,648	5,983,208	0	0	5,983,208
<i>Medicaid Cash Funds</i>	<i>11,888,698</i>	<i>12,275,081</i>	<i>(12,275,081)</i>	<i>(12,275,081)</i>	<i>0</i>
<i>Net General Fund</i>	<i>29,197,768</i>	<i>35,511,526</i>	<i>(5,267,541)</i>	<i>(5,267,541)</i>	<i>30,243,985</i>
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Previously Approved 1331 Supplemental 1-G - Mental Health TRCCF and PRTF Program Implementation [REVISED]					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(B) Mental Health Community Programs					
(3) Other					
Residential Treatment for Youth					
(H.B. 99-1116)	<u>650,530</u>	<u>784,666</u>	<u>392,297</u>	<u>289,047</u>	<u>1,073,713</u>
General Fund	49,342	206,500	522,899	419,649	626,149
CFE (Medicaid, Including Tobacco Match)	510,799	487,777	(261,205)	(261,205)	226,572
CFE (Direct Tobacco)	90,389	90,389	130,603	130,603	220,992
<i>For Information Only:</i>					
<i>Medicaid Cash Funds</i>	<i>510,799</i>	<i>487,777</i>	<i>(261,205)</i>	<i>(261,205)</i>	<i>226,572</i>
<i>Medicaid - General Fund therein</i>	<i>46,371</i>	<i>34,278</i>	<i>0</i>	<i>0</i>	<i>34,278</i>
<i>Medicaid - Tobacco</i>			<i>(130,603)</i>	<i>(130,603)</i>	
<i>Net General Fund</i>	<i>95,713</i>	<i>240,778</i>	<i>522,899</i>	<i>419,649</i>	<i>660,427</i>

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
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Previously Approved 1331 Supplemental 1-J - 20-Bed Competency Restoration Unit at CMHIP					
(1) EXECUTIVE DIRECTOR'S OFFICE, (3) OFFICE OF OPERATIONS, (4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
VARIOUS [See Narrative for Additional Detail]	N.A.	N.A.	1,681,918	1,681,918	N.A.
FTE			<u>20.5</u>	<u>20.5</u>	
General Fund			1,681,918	1,681,918	
Cash Funds			0	0	
Cash Funds Exempt			0	0	
Federal Funds			0	0	
<i>For Information Only:</i>					
Medicaid Cash Funds			0	0	
Medicaid - General Fund portion			0	0	
Net General Fund			1,681,918	1,681,918	

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #8 - Restoration of Persistent Drunk Driver Spending Authority					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(D) Alcohol and Drug Abuse Division					
(1) Administration					
Personal Services	1,900,449	1,872,809	24,987	24,987	1,897,796
FTE	<u>24.9</u>	<u>28.0</u>	<u>0.0</u>	<u>0.0</u>	<u>28.0</u>
General Fund	0	51,545	0	0	51,545
Cash Funds	37,140	37,805	24,987	24,987	62,792
Cash Funds Exempt (Medicaid)	14,213	53,136	0	0	53,136
Cash Funds Exempt (Other Funds)	410,557	305,351	0	0	305,351
Federal Funds	1,438,539	1,424,972	0	0	1,424,972
<i><u>For Informational Purposes</u></i>					
Medicaid Cash Funds	14,213	53,136	0	0	53,136
Medicaid - General Fund therein	7,107	26,567	0	0	26,567
Net General Fund	7,107	78,112	0	0	78,112
Operating Expenses	<u>140,453</u>	<u>189,902</u>	<u>5,888</u>	5,888	<u>195,790</u>
Cash Funds	37,810	11,788	5,888	5,888	17,676
Cash Funds Exempt (Medicaid)	0	0	0	0	0
Cash Funds Exempt (Other Funds)	30,436	155,774	0	0	155,774
Federal Funds	72,207	22,340	0	0	22,340
<i><u>For Informational Purposes</u></i>					
Medicaid Cash Funds	0	952	0	0	952
Medicaid - General Fund therein	0	477	0	0	477
Net General Fund	0	477	0	0	477

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
(2) Community Programs					
(b) Prevention and Intervention					
Persistent Drunk Driver Programs	<u>475,057</u>	<u>486,041</u>	<u>27,180</u>	<u>27,180</u>	<u>513,221</u>
Cash Funds	475,057	466,041	27,180	27,180	493,221
Cash Funds Exempt	0	20,000			20,000
Total for Supplemental #8	2,515,959	2,548,752	58,055	58,055	2,606,807
FTE	<u>24.9</u>	<u>28.0</u>	<u>0.0</u>	<u>0.0</u>	<u>28.0</u>
General Fund	0	51,545	0	0	51,545
Cash Funds	550,007	515,634	58,055	58,055	573,689
Cash Funds Exempt	455,206	534,261	0	0	534,261
Federal Funds	1,510,746	1,447,312	0	0	1,447,312
<i>Medicaid Cash Funds</i>	14,213	54,088	0	0	54,088
<i>Net General Fund</i>	7,107	78,589	0	0	78,589
Supplemental #14 - Mental Health Institute RTC Funding Correction					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(C) Mental Health Institutes					
Mental Health Institutes	80,382,676	83,211,459	0	0	<u>83,211,459</u>
FTE	<u>1,147.5</u>	<u>1,195.2</u>	<u>0.0</u>	<u>0.0</u>	1,195
General Fund	Fund splits	62,086,515	0	0	62,086,515
Cash Funds	not available	3,506,414	518,384	518,384	4,024,798
Cash Funds Exempt		17,618,530	(518,384)	(518,384)	17,100,146
<i>Medicaid Cash Funds</i>		4,946,108	(677,770)	(677,770)	4,268,338
<i>Medicaid - General Fund portion</i>		2,473,054	(338,885)	(338,885)	2,134,169
<i>Net General Fund</i>		64,559,569	(338,885)	(338,885)	64,220,684

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #T-3 - Alcohol and Drug Driving Safety Program Adjustment					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(D) Alcohol and Drug Abuse Division					
(1) Administration					
Personal Services	1,900,449	1,872,809	0	0	1,872,809
FTE	<u>24.9</u>	<u>28.0</u>	<u>0.0</u>	<u>0.0</u>	<u>28.0</u>
General Fund	0	51,545	0	0	51,545
Cash Funds	37,140	37,805	0	0	37,805
Cash Funds Exempt (Medicaid)	14,213	53,136	0	0	53,136
Cash Funds Exempt (Other Funds)	410,557	305,351	143,774	143,774	449,125
Federal Funds	1,438,539	1,424,972	(143,774)	(143,774)	1,281,198
<i><u>For Informational Purposes</u></i>					
Medicaid Cash Funds	14,213	53,136	0	0	53,136
Medicaid - General Fund portion	7,107	26,567	0	0	26,567
Net General Fund	7,107	78,112	0	0	78,112
Operating Expenses	<u>140,453</u>	<u>189,902</u>	<u>0</u>	<u>0</u>	<u>189,902</u>
Cash Funds	37,810	11,788	0	0	11,788
Cash Funds Exempt (Medicaid)	0	0	0	0	0
Cash Funds Exempt (Other Funds)	30,436	155,774	(143,774)	(143,774)	12,000
Federal Funds	72,207	22,340	143,774	143,774	166,114
<i><u>For Informational Purposes</u></i>					
Medicaid Cash Funds	0	952	0	0	952
Medicaid - General Fund portion	0	477	0	0	477
Net General Fund	0	477	0	0	477

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #T-3	2,040,902	2,062,711	0	0	2,062,711
FTE	<u>24.9</u>	<u>28.0</u>	<u>0.0</u>	<u>0.0</u>	<u>28.0</u>
General Fund	0	51,545	0	0	51,545
Cash Funds	74,950	49,593	0	0	49,593
Cash Funds Exempt	455,206	514,261	0	0	514,261
Federal Funds	1,510,746	1,447,312	0	0	1,447,312
<i>Medicaid Cash Funds</i>	<i>14,213</i>	<i>54,088</i>	<i>0</i>	<i>0</i>	<i>54,088</i>
<i>Net General Fund</i>	<i>7,107</i>	<i>78,589</i>	<i>0</i>	<i>0</i>	<i>78,589</i>
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Supplemental #T-4 -Mental Health Community Program Goebel Lawsuit Settlement					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(A) Administration					
Personal Services	1,310,149	1,510,054	178,424	178,424	1,688,478
FTE	<u>16.3</u>	<u>16.6</u>	<u>2.0</u>	<u>2.0</u>	<u>18.6</u>
General Fund	259,325	424,366	178,424	178,424	602,790
Cash Funds Exempt	371,845	389,205	0	0	389,205
Federal Funds	678,979	696,483	0	0	696,483
<i>For Informational Purposes</i>					0
<i>Medicaid Cash Funds</i>	<i>299,003</i>	<i>296,077</i>	<i>0</i>	<i>0</i>	<i>296,077</i>
<i>Medicaid - General Fund therein</i>	<i>149,501</i>	<i>148,040</i>	<i>0</i>	<i>0</i>	<i>148,040</i>
<i>Net General Fund</i>	<i>408,826</i>	<i>572,406</i>	<i>178,424</i>	<i>178,424</i>	<i>750,830</i>

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Operating Expenses	<u>80,465</u>	<u>33,690</u>	<u>500</u>	<u>500</u>	<u>34,190</u>
General Fund	20,431	20,431	500	500	20,931
Cash Funds Exempt	11,274	11,274	0	0	11,274
Federal Funds	48,760	1,985	0	0	1,985
<i><u>For Informational Purposes</u></i>					
Medicaid Cash Funds	0	11,274	0	0	11,274
Medicaid - General Fund therein	0	5,636	0	0	5,636
Net General Fund	20,431	26,067	500	500	26,567
(B) Mental Health Community Programs					
(1) Mental Health Services for the Medically Indigent					
Services for 9,225 Indigent Mentally Ill Clients	<u>22,590,843</u>	<u>28,742,467</u>	<u>6,597,711</u>	<u>6,597,711</u>	<u>35,340,178</u>
General Fund	16,821,195	22,759,259	6,435,802	6,435,802	29,195,061
Cash Funds Exempt	0	0	161,909	161,909	161,909
Federal Funds	5,769,648	5,983,208	0	0	5,983,208
(2) Goebel Lawsuit					
Goebel Lawsuit Settlement	18,482,831	19,051,716	(6,776,635)	(6,776,635)	12,275,081
FTE	<u>2.0</u>	<u>2.0</u>	<u>(2.0)</u>	<u>(2.0)</u>	<u>0.0</u>
General Fund	6,432,224	6,614,726	(6,614,726)	(6,614,726)	0
Cash Funds Exempt (Medicaid and Voc Rehab)	12,050,607	12,436,990	(161,909)	(161,909)	12,275,081
<i><u>For Informational Purposes</u></i>					
Medicaid Cash Funds	11,888,698	12,275,081	0	0	12,275,081
Medicaid - GF Therein	5,944,349	6,137,541	0	0	0
Net General Fund	12,376,573	12,752,267	(6,614,726)	(6,614,726)	6,137,541

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #T-4	42,464,288	49,337,927	0	0	49,337,927
FTE	<u>18.3</u>	<u>18.6</u>	<u>0.0</u>	<u>0.0</u>	<u>18.6</u>
General Fund	23,533,175	29,818,782	0	0	29,818,782
Cash Funds	0	0	0	0	0
Cash Funds Exempt	12,433,726	12,837,469	0	0	12,837,469
Federal Funds	6,497,387	6,681,676	0	0	6,681,676
<i>Medicaid Cash Funds</i>	<i>12,187,701</i>	<i>12,582,432</i>	<i>0</i>	<i>0</i>	<i>12,582,432</i>
<i>Net General Fund</i>	<i>29,627,025</i>	<i>36,109,999</i>	<i>0</i>	<i>0</i>	<i>36,109,999</i>
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Supplemental #T-5 - Transfer 2.0 FTE from DMH to ADAD					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(A) Administration					
Personal Services	1,310,149	1,510,054	(121,202)	(121,202)	1,388,852
FTE	<u>16.3</u>	<u>16.6</u>	<u>(2.0)</u>	<u>(2.0)</u>	<u>14.6</u>
General Fund	259,325	424,366	0	0	424,366
Cash Funds Exempt	371,845	389,205	0	0	389,205
Federal Funds	678,979	696,483	(121,202)	(121,202)	575,281
<i>For Informational Purposes</i>					
<i>Medicaid Cash Funds</i>	<i>299,003</i>	<i>296,077</i>	<i>0</i>	<i>0</i>	<i>296,077</i>
<i>Medicaid - General Fund therein</i>	<i>149,501</i>	<i>148,040</i>	<i>0</i>	<i>0</i>	<i>148,040</i>
<i>Net General Fund</i>	<i>408,826</i>	<i>572,406</i>	<i>0</i>	<i>0</i>	<i>572,406</i>

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
(D) Alcohol and Drug Abuse Division					
(1) Administration					
Personal Services	1,900,449	1,872,809	121,202	121,202	1,994,011
FTE	<u>24.9</u>	<u>28.0</u>	<u>2.0</u>	<u>2.0</u>	<u>30.0</u>
General Fund	0	51,545	0	0	51,545
Cash Funds	37,140	37,805	0	0	37,805
Cash Funds Exempt (Medicaid)	14,213	53,136	0	0	53,136
Cash Funds Exempt (Other Funds)	410,557	305,351	0	0	305,351
Federal Funds	1,438,539	1,424,972	121,202	121,202	1,546,174
<i>For Informational Purposes</i>					
Medicaid Cash Funds	14,213	53,136	0	0	53,136
Medicaid - General Fund portion	7,107	26,567	0	0	26,567
Net General Fund	7,107	78,112	0	0	78,112
Total for Supplemental #T-5	3,210,598	3,382,863	0	0	3,382,863
FTE	<u>41.2</u>	<u>44.6</u>	<u>0.0</u>	<u>0.0</u>	<u>44.6</u>
General Fund	259,325	475,911	0	0	475,911
Cash Funds	37,140	37,805	0	0	37,805
Cash Funds Exempt	796,615	747,692	0	0	747,692
Federal Funds	2,117,518	2,121,455	0	0	2,121,455
Medicaid Cash Funds	313,216	349,213	0	0	349,213
Net General Fund	415,933	650,518	0	0	650,518

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Supplemental #T-6 - Update Federal Funds and FTE Spending Authority					
(4) MENTAL HEALTH AND ALCOHOL AND DRUG ABUSE SERVICES					
(A) Administration					
Federal Programs and Grants	2,785,294	1,688,497	785,416	785,416	2,473,913
FTE	<u>7.4</u>	<u>7.0</u>	<u>4.0</u>	<u>4.0</u>	11.0
General Fund	0	0	0	0	0
Federal Funds	2,785,294	1,688,497	785,416	785,416	2,473,913
Supportive Housing and Homelessness	16,785,235	15,656,900	4,548,176	4,548,176	20,205,076
FTE	<u>13.5</u>	<u>13.5</u>	<u>6.5</u>	<u>6.5</u>	20.0
Cash Funds	500	0	0	0	0
Cash Funds Exempt	132,105	0	0	0	0
Federal Funds	16,652,630	15,656,900	4,548,176	4,548,176	20,205,076
(D) Alcohol and Drug Abuse Division					
(1) Administration					
Other Federal Grants - FF	225,706	126,500	330,883	330,883	457,383
FTE	3.1	0.0	0.0	0.0	0.0
(2) Community Programs					
Federal Grants	<u>1,291,556</u>	<u>921,291</u>	<u>4,142,138</u>	<u>4,142,138</u>	<u>5,063,429</u>
FTE	0.0	0.0	0.0	0.0	0
Cash Funds Exempt (Transfer from Public Safe	0	195,500	0.0	0	195,500
Federal Funds	1,291,556	725,791	4,142,138	4,142,138	4,867,929

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Supplemental #T-6	21,087,791	18,393,188	9,806,613	9,806,613	28,199,801
FTE	<u>24.0</u>	<u>20.5</u>	<u>10.5</u>	<u>10.5</u>	<u>31.0</u>
General Fund	0	0	0	0	0
Cash Funds	500	0	0	0	0
Cash Funds Exempt	132,105	195,500	0	0	195,500
Federal Funds	<i>20,955,186</i>	<i>18,197,688</i>	<i>9,806,613</i>	9,806,613	28,004,301

DEPARTMENT OF HUMAN SERVICES					
Mental Health and Alcohol and Drug Abuse Services ONLY					
TOTALS - ALL line items in this section	190,146,205	189,297,920	533,802	430,552	189,728,472
FTE	<u>1,264.0</u>	<u>1,320.7</u>	<u>31.0</u>	<u>31.0</u>	<u>1,351.7</u>
General Fund	100,068,485	112,231,097	3,074,817	2,971,567	115,202,664
Cash Funds	6,577,202	7,108,280	576,439	576,439	7,684,719
Cash Funds Exempt	34,204,282	23,014,972	(12,924,067)	(12,924,067)	10,090,905
Federal Funds	49,296,236	46,943,571	9,806,613	9,806,613	56,750,184
<i>Medicaid Cash Funds</i>	<i>17,553,265</i>	<i>6,415,586</i>	<i>(13,214,056)</i>	<i>(13,214,056)</i>	<i>(6,798,470)</i>
<i>Net General Fund</i>	<i>108,636,089</i>	<i>115,376,281</i>	<i>(3,401,609)</i>	<i>(3,504,859)</i>	<i>111,871,422</i>
<i>Statewide General Fund impact INCLUDING adjustments to all of HCPF</i>			<i>2,300,932</i>	<i>2,197,682</i>	

Key:

"N.A." = Not Applicable

"Net General Fund" = Sum of General Fund appropriated to the Department of Human Services and the General Fund portion of Medicaid Cash Funds appropriated to the Department of Health Care Policy and Financing.

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
FY 2006-07 Adjustments Associated with
Human Services Supplementals Above

Previously Approved 1331 Supplemental 1-F - Transfer Goebel MCF to HCPF [REVISED]

(3) Medicaid Mental-health Community Programs

(1) Mental Health Capitation Payments for

410,343 Estimated Medicaid Eligible Clients	<u>164,839,222</u>	<u>178,184,177</u>	<u>11,405,081</u>	<u>11,405,081</u>	<u>189,589,258</u>
General Fund	82,328,858	86,935,767	5,702,541	5,702,541	92,638,308
Cash Funds	0	0	0	0	0
Cash Funds Exempt	85,498	2,153,241	0	0	2,153,241
Federal Funds	82,424,866	89,095,169	5,702,540	5,702,540	94,797,709

(6) Department of Human Services Medicaid-Funded Programs

(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding

Goebel Lawsuit Settlement	<u>11,888,698</u>	<u>12,275,081</u>	<u>(12,275,081)</u>	<u>(12,275,081)</u>	0
General Fund	5,944,349	6,137,541	(6,137,541)	(6,137,541)	0
Cash Funds			0	0	0
Cash Funds Exempt			0	0	0
Federal Funds	5,944,349	6,137,540	(6,137,540)	(6,137,540)	0

	FY 2005-06	FY 2006-07	Fiscal Year 2006-07 Supplemental		
	Actual	Appropriation	Requested Change	Recommended Change	New Total with Recommendation
Total for Previously Approved Supp. 1-F	<u>176,727,920</u>	<u>190,459,258</u>	<u>(870,000)</u>	<u>(870,000)</u>	<u>189,589,258</u>
FTE					
General Fund	88,273,207	93,073,308	(435,000)	(435,000)	92,638,308
Cash Funds	0	0	0	0	0
Cash Funds Exempt	85,498	2,153,241	0	0	2,153,241
Federal Funds	88,369,215	95,232,709	(435,000)	(435,000)	94,797,709
<hr/>					
Previously Approved 1331 Supplemental 1-G - Mental Health TRCCF and PRTF Program Implementation/HCPF NP-S8					
(6) Department of Human Services Medicaid-Funded Programs					
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding					
Residential Treatment for Youth (HB 99-1116)	<u>510,799</u>	<u>487,777</u>	<u>(261,205)</u>	<u>(261,205)</u>	226,572
General Fund	46,371	34,278	0	0	34,278
Cash Funds	0	0	0	0	0
Cash Funds Exempt	209,029	209,611	(130,603)	(130,603)	79,008
Federal Funds	255,399	243,888	(130,602)	(130,602)	113,286
<hr/>					
Supplemental #14 - Mental Health Institute RTC Funding Correction/ HCPF NP-S10					
(6) Department of Human Services Medicaid-Funded Programs					
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding					
Mental Health Institutes	<u>3,911,062</u>	<u>4,946,108</u>	<u>(677,770)</u>	<u>(677,770)</u>	4,268,338
General Fund	1,955,531	2,473,054	(338,885)	(338,885)	2,134,169
Cash Funds	0	0	0	0	0
Cash Funds Exempt	0	0	0	0	0
Federal Funds	1,955,531	2,473,054	(338,885)	(338,885)	2,134,169

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JBC WORKING DOCUMENT - SUBJECT TO CHANGE

**Previously Approved 1331 Supplemental 1-F (09/20/06) - Transfer Goebel Medicaid to HCPF -
 UPDATED (NEW) FIGURES**

Department of Human Services			
	Previously Approved	Revised Request	Current Staff Recommendation
Total	(\$12,275,081)	(\$11,405,081)	(\$11,405,081)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	870,000	870,000
Cash Funds Exempt	(12,275,081)	(12,275,081)	(12,275,081)
<i>Medicaid Cash Funds *</i>	<i>(12,275,081)</i>	<i>(12,275,081)</i>	<i>(12,275,081)</i>

Department of Health Care Policy and Financing			
	Previously Approved	Revised Request	Current Staff Recommendation
Total	\$0	(\$870,000)	(\$870,000)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	(435,000)	(435,000)
Federal Funds	0	(435,000)	(435,000)

Combined Statewide Request and Recommendation - DHS & HCPF			
	Previously Approved	Revised Request	Current Staff Recommendation
Total	(\$12,275,081)	(\$12,275,081)	(\$12,275,081)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	435,000	435,000
Cash Funds Exempt	(12,275,081)	(12,275,081)	(12,275,081)
Federal Funds	0	(435,000)	(435,000)

*This represents appropriation of Medicaid funds that are transferred to the Department of Human Services, rather than the overall appropriation of Medicaid funds in the Department of Health Care Policy and Financing (HCPF) that are related to the request. The overall impact on HCPF is shown in the HCPF table.

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Department Request: On September 20, 2006, the JBC approved the Department request to transfer the Medicaid funds appropriated to the Department of Human Services for the Goebel mental health program to the Department of Health Care Policy and Financing capitation (Medicaid managed care) line item. This transfer was necessitated by CMS regulations on actuarial certification.

The Joint Budget Committee may recall that in June 2006, the Department of Health Care Policy provided information to the Joint Budget Committee regarding the status of the Goebel Medicaid funding. This was presented subsequent to the dismissal with prejudice of the Goebel court settlement in March 2006. The Department's information indicated that The Centers for Medicare and Medicaid Services (CMS) relayed to the Department of Health Care Policy and Financing that effective July 1, 2006, all Goebel payments must be actuarially certified as specified in 42 CFR 438(c). Additionally, the Department of Health Care Policy and Financing relayed that their contract actuary, PricewaterhouseCoopers, indicated that this payment would need to be included in the payment to Access Behavioral Care (the Denver BHO). The JBC approved the sum which was requested. *The net General Fund impact of the original action was \$0, since General Fund was simply moved from one line item in the HCPF budget to another .*

The Department's January 1, 2007 request reflected no change to the amounts approved. However, **on January 19, 2007, the Departments of Human Services and Health Care Policy and Financing submitted a revision** that requests an increase in the appropriation to the Department of Human Services by \$870,000 General Fund and a reduction in the appropriation to Health Care Policy and Financing of \$870,000, including \$435,000 General Fund. Thus, **the net statewide General Fund impact of the request is \$435,000.**

Departments' REVISED Request				
	Total	General Fund	Cash Funds Exempt	Federal Funds
<u>Human Services</u>				
Indigent Mentally Ill	\$0	\$0	\$0	\$0
Goebel Lawsuit Settlement	(11,405,081)	870,000	(12,275,081)	0
<u>Health Care Policy and Financing</u>				
Mental Health Capitation Payments	11,405,081	5,702,541	0	5,702,540
DHS - Goebel Lawsuit Settlement	(12,275,081)	(6,137,541)	0	(6,137,540)
Statewide TOTAL	(12,275,081)	435,000	(12,275,081)	(435,000)

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The Department indicates that, at the time of the September 2006 supplemental action, the Department of Health Care Policy and Financing had estimated that the cost of all services provided to the Medicaid-eligible Goebel population would be reimbursable under the existing Medicaid Capitation Program. However, not all of the services previously provided to the Goebel population are reimbursable under capitation. Specifically, some of the intensive integrated services cannot be billed through Medicaid. Therefore, the Department of Human Services is requesting \$870,000 General Fund in FY 2006-07 and \$435,000 General Fund in FY 2007-08 to continue these services to this Medicaid-eligible population.

As compared to base appropriations for FY 2006-07, the two departments are estimated an \$870,000 funding difference to Colorado Access, the primary provider of services to this population. The Division of Mental Health contracts with the Mental Health Corporation of Denver (MHCD) for services provided to the non-Medicaid eligible portion of this population and Colorado Access subcontracts to MHCD to provide services for the Medicaid eligible portion of this population. The Department of Human Services indicates that it is committed to ensuring that the full array and level of services provided to the former Goebel population (both non-Medicaid eligible and Medicaid eligible) remains the same, which requires the requested backfill.

The request also indicates that the two departments look forward to having a complete year's worth of data to examine what additional work needs to be done to continue the level of care that had been provided to this population. The departments are looking forward to increasing the flexibility of service delivery. These efficiencies are not expected to reduce costs associated with the program, but hopefully will allow more individuals to be served.

Notably, the FY 2007-08 budget amendments associated with the request (corrected from HCPF, based on communication with the two departments on Monday, January 22) reflects an ongoing \$435,000 General Fund appropriation in DHS. There is no associated adjustment in HCPF (based on their correction), so the net General Fund cost in FY 2007-08 would continue to be \$435,000, although the "hold harmless" amount provided to the Mental Health Corporation of Denver would be halved.

Staff Recommendation: Staff recommends the request, except that staff reflects the proposed General Fund appropriation in the Department of Human Services in the Mental Health Services for the Indigent line item, rather than in the Goebel Lawsuit Settlement line item.

Goebel Background: The Goebel Lawsuit Settlement required services for 1,600 indigent, severely mentally ill individuals located in northwest Denver. The case combined two class actions asserting that residents of northwest Denver with chronic mental illness are being denied appropriate services. In February 1994, the State settled the Goebel class action with an agreement that committed that State to additional expenditures of \$7 million per year and redirection of \$6.7 million of State funds for the mentally ill to specifically serve the Goebel class. However, the state appropriated a cumulative \$187.7 million (\$129.1 million net General Fund) for the Goebel court settlement from FY 1994-95 to FY 2005-06. In recent years, over \$19 million per

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year has been appropriated related to the case. The Goebel Lawsuit Settlement was dismissed with prejudice in March 2006.

Staff does not believe there is any ongoing legal liability for the state related to maintaining service levels for the 1,600 Goebel slots, although staff generally agrees with the Department's intention to maintain funding levels. The case was dismissed with prejudice. Further, the Goebel claims against the state were based on a piece of the mental health statutes that were interpreted as providing a state entitlement to mental health services. After the Goebel suit was filed, the relevant portion of statute was modified to clarify that rights to services were subject to available appropriations.

Basis for Staff Recommendation: Prior to the January 19, 2007 submission, the various supplementals included in this request would have entirely eliminated the funding in this line item by shifting amounts to other line items. *Even if funding remains targeted to the former lawsuit settlement population, there is no reason to maintain this in a separate line item.*

Staff does expect that there may be substantial efficiencies associated with the conclusion of the lawsuit. As has been discussed in staff briefing documents, the Department of Human Services has been slow to adjust its contract with the Mental Health Corporation of Denver and its thinking about services to reflect the reality that the Goebel Lawsuit Settlement is concluded. Despite the conclusion of the lawsuit, the State's contract with the Mental Health Corporation of Denver (MHCD) has continued to be based on specific client days and hours. Staff anticipates that modifying some of the detailed provisions of the Department of Human Services' contract with the Mental Health Corporation of Denver for the "formerly-Goebel" population will yield savings. *However:*

- As reflected in the request, a significant portion of the year was completed before it became clear that some costs transferred to the Medicaid program pursuant to the September 2006 supplemental were not Medicaid eligible. Any associated cuts would therefore need to be compressed at the end of the year.

Department of Human Services contracts with the Mental Health Corporation of Denver reflected no change in expectations, measurements or operating controls for the first half of the year. The Mental Health Corporation of Denver has indicated that, if it needs to absorb the \$870,000 in the final three to six months of the year, it will close two six-bed residential homes and terminate its contract for the High Intensity Treatment Team (HITT), which provides services to 100 clients.

- Staff learned on January 22, 2006, that the Mental Health Corporation of Denver will be absorbing one-time reductions related to the program in FY 2006-07 even if the \$870,000 supplemental is approved.

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As the Committee is aware, Medicaid amounts formerly paid on a fee-for-service basis to the Mental Health Corporation of Denver for the Goebel population were built into Medicaid capitation rates for the Denver area effective July 1. The rate adjustment was based on historic encounter and eligibility information. Colorado Access (the capitation contractor) has agreed to pass on all funding received based on the rate increases (primarily an incremental adjustment to Aid to the Needy Disabled (AND) capitated payments) to the Mental Health Corporation of Denver. The Department of Health Care Policy and Financing would expect this funding to be relatively stable, because the AND population has remained stable. *However, even if calculations were perfect, the shift from a fee-for-service payment system for Goebel to a capitated system is nonetheless expected to have a fiscal impact in FY 2006-07 of over \$400,000 related to Medicaid retroactivity payments.*

The reason for this is that, under the capitation model, any given month's receipts include a combination of payments for persons who are Medicaid eligible in that month *and* retroactivity payments for persons who are deemed eligible back to their date of application for Medicaid. Thus, a July payment includes payments for July, as well as smaller payments associated with retroactive eligibility for April, May, June and earlier months. The Goebel rate adjustment began July 1, 2006. Thus, Goebel Medicaid payments for July included ONLY July payments and not retroactivity payments for prior months, so total receipts for Goebel in July were lower than they can be expected to be in the future.

The Department of Health Care Policy and Financing examined per member per month payments to the Denver Behavioral Health Organization for FY 2005-06 and isolated the portion of the payments related to prior year retroactivity. It determined that 3.57 percent of total payments in FY 2005-06 were associated with payments for eligibility in FY 2004-05 or an earlier year. Extrapolating from this, it can be anticipated that overall FY 2006-07 Medicaid payments to MHCD for the Goebel population will be over \$400,000 less in FY 2006-07 than would be predicted solely by the Goebel rate adjustment. This is based on the Goebel annual estimated Medicaid payment of \$11,405,081 (includes the \$870,000 Medicaid reduction in the current request) X 3.57 percent = \$407,161. The Mental Health Corporation of Denver has reported that its monthly receipts for the first half of the year would project a shortfall of \$500,000 to \$600,000 on top of the \$870,000 reflected in the supplemental. While the MHCD shortfall should decline as the months pass, it is reasonable to anticipate a shortfall for FY 2006-07.

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	Staff Recommendation			
	Total	General Fund	Cash Funds Exempt	Federal Funds
<u>Human Services</u>				
Indigent Mentally Ill	\$870,000	\$870,000	\$0	\$0
Goebel Lawsuit Settlement	(12,275,081)	0	(12,275,081)	0
<u>Health Care Policy and Financing</u>				
Mental Health Capitation Payments	11,405,081	5,702,541	0	5,702,540
DHS - Goebel Lawsuit Settlement	<u>(12,275,081)</u>	<u>(6,137,541)</u>	<u>0</u>	<u>(6,137,540)</u>
Statewide TOTAL	(12,275,081)	435,000	(12,275,081)	(435,000)

Previously Approved 1331 Supplemental 1-G - Increase Funding/Refinance the H.B. 99-1116 Mental Health Treatment for Children Act - UPDATED (NEW) FIGURES

	Previously Approved	Revised Request	Current Staff Recommendation
Total	<u>\$0</u>	<u>\$392,297</u>	<u>\$289,047</u>
General Fund	196,848	522,899	419,649
Cash Funds Exempt - Medicaid Transfer	(393,696)	(261,205)	(261,205)
Cash Funds Exempt - Tobacco Direct	196,848	130,603	130,603
<i>Medicaid Cash Funds</i>	<i>(393,696)</i>	<i>(261,205)</i>	<i>(261,205)</i>
<i>Medicaid General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Medicaid Tobacco</i>	<i>(196,848)</i>	<i>(130,603)</i>	<i>(130,603)</i>
<i>Net General Fund</i>	<i>196,848</i>	<i>522,899</i>	<i>419,649</i>

Description of Supplemental: This supplemental request builds upon the JBC's 09/20/06 approval of the "1331" for this purpose. This supplemental, however, is different (greater) than the "1331"

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approved by the JBC.¹ (An increase was considered highly likely in September when it was discussed.) The following table shows the difference between the "1331" already approved and the revised January 1 FY 2006-07 request:

	Previously Approved	Revised Request	Difference (Change to "1331")
Total	<u>\$0</u>	<u>\$392,297</u>	<u>\$392,297</u>
General Fund	196,848	522,899	326,051
Cash Funds Exempt - Medicaid Transfer	(393,696)	(261,205)	132,491
Cash Funds Exempt - Tobacco Direct	196,848	130,603	(66,245)
<i>Medicaid Cash Funds</i>	<i>(393,696)</i>	<i>(261,205)</i>	<i>132,491</i>
<i>Medicaid General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Medicaid Tobacco</i>	<i>(196,848)</i>	<i>(130,603)</i>	<i>66,245</i>
<i>Net General Fund</i>	<i>196,848</i>	<i>522,899</i>	<i>326,051</i>
<i>Net Tobacco (Statewide)</i>	<i>0</i>	<i>0</i>	<i>0</i>

Description of Supplemental: This January 2007 FY 2006-07 supplemental request follows the "1331" approval authorized on September 20, 2006. This updated request is made based on the Department's projection of a shortfall to occur in this budget area. The shortfall is primarily attributable to the loss of Medicaid federal funds allowable for the Residential Treatment Center (RTC) Program. The Department's request indicates that without the additional funding, the program will need to limit entry/participation in the program.

The financing change decreases the tobacco funds which match the federal Medicaid dollars *at the Department of Health Care Policy and Financing* for transfer to the Department of Human Services by \$103,602 and commensurately decreases the federal funds at the Department of Health Care Policy and Financing by \$103,603. The budget for the Department of Human Services is then increased by the \$103,603

¹ As indicated in the JBC staff write up from September 20, 2006: "The request indicates that the "Department is monitoring expenditures, new admissions and overall utilization for the program and will revise the supplemental in January 2007 if necessary". The request does not assume any new clients are admitted to the program for the year - and only reflects those clients already enrolled as of July 1, 2006. Thus, it would appear that the JBC may have an additional supplemental request for this program later in the year."

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tobacco funds directly (this sum is currently at the Department of Health Care Policy and Financing for the Medicaid match). In addition, the financing change is augmented with General Fund.

Additionally, unlike the September 2006 "1331", the Department's request does not use any of the existing \$206,500 General Fund which was appropriated by the General Assembly for transitional (post-residential) services. The request was structured this way because of the discussion that the JBC had in September where there was concern about using this funding source for this purpose. However, this sum reportedly is General Fund that the program would not otherwise expend this year. This request uses this sum of the \$206,500 instead toward offsetting the core residential program (non-transitional) costs.

The following two performance measures are associated with this request:

- Increase the percentage of children and families reporting agreement with access survey items from the Youth Services Survey for Families (projected at 73 percent for FY 2007); and,
- Increase the percentage of children with serious emotional disturbances who are living in a family-like setting (projected at 93.0 percent for FY 2007).

Staff Recommendation: Staff's recommendation is to partially fund the request. Staff's recommendation is higher than the "1331" and lower than the current FY 2006-07 request in the amount of \$103,250 General Fund. This General Fund figure is equal to one-half of the \$206,500 General Fund transitional dollars that are in the Long Bill. (The original "1331" used a portion of this sum (\$91,254) toward off-setting this request. As of this point in the year, the Department does not anticipate using this sum. It did not reduce it in its request, however, in an effort to adhere to the JBC's intent in its September 2006 action to not use this.) While staff does recommend using one-half of this sum to offset the cost of the FY 2006-07 supplemental, this should not have an affect on the FY 2007-08 budget and it is hoped that transitional (and diversion) activities can be accommodated in this sum.

The following table compares the current staff recommendation to the original "1331" authorized in September:

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	Previously Approved	Current Staff Recommendation	Difference
Total	\$0	\$289,047	\$289,047
General Fund	196,848	419,649	222,801
Cash Funds Exempt - Medicaid Transfer	(393,696)	(261,205)	132,491
Cash Funds Exempt - Tobacco Direct	196,848	130,603	(66,245)
<i>Medicaid Cash Funds</i>	<i>(393,696)</i>	<i>(261,205)</i>	<i>132,491</i>
<i>Medicaid General Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Medicaid Tobacco</i>	<i>(196,848)</i>	<i>(130,603)</i>	<i>66,245</i>
<i>Net General Fund</i>	<i>196,848</i>	<i>419,649</i>	<i>222,801</i>

Previously Approved 1331 Supplemental 1-J (12/15/06) - Reopen 20 Bed Unit at the Mental Health Institute at Pueblo (for Competency & Restoration)

	Previously Approved	Current Staff Recommendation
Total	\$1,681,918	\$1,681,918
FTE	<u>20.5</u>	<u>20.5</u>
General Fund	1,681,918	1,681,918

Description of Supplemental: This supplemental was approved by the JBC on December 15, 2006. The amount of the supplemental is unchanged.

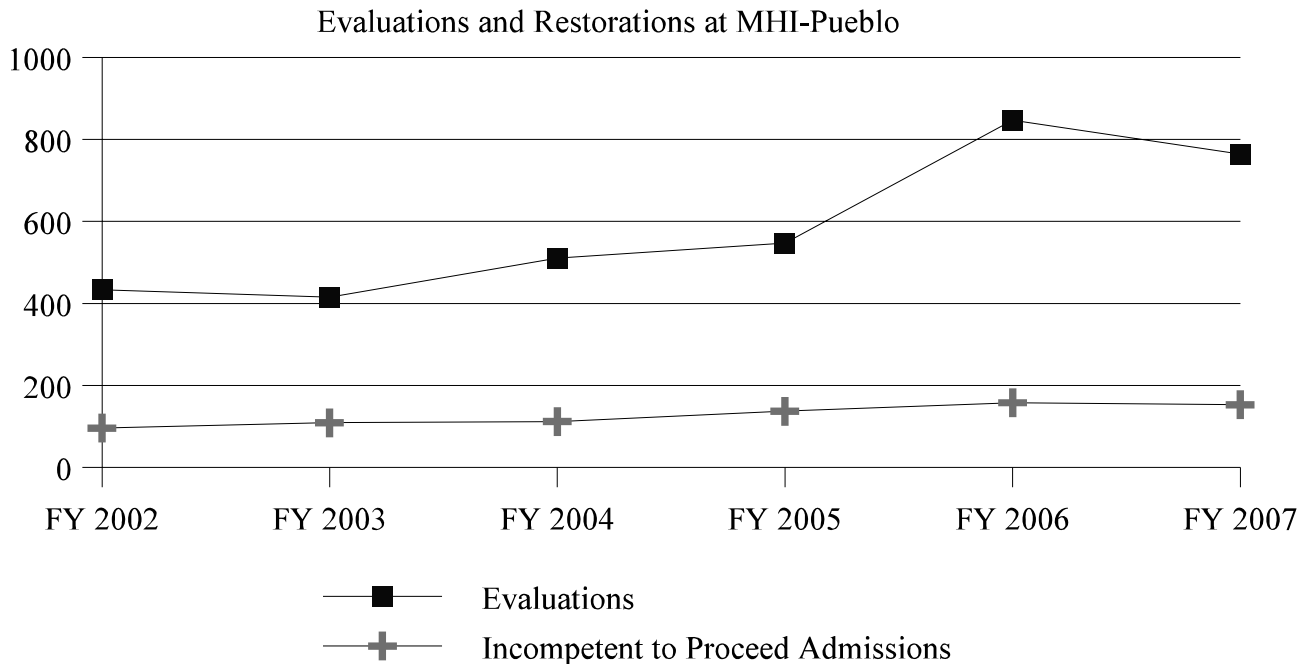
This supplemental is for \$1,681,918 General Fund and 20.5 FTE for FY 2006-07 for the Mental Health Institute at Pueblo (MHI-Pueblo). This request annualizes (funds a full year) to \$3,456,502 General Fund and 49.1 FTE in FY 2007-08.

The request was requested in November and approved on December 15, 2006, as an emergency because the existing backlog of competency and evaluations for people who are in jail has continued to increase. The funding provides for the reopened of a 20-bed inpatient, medium-security unit at Pueblo. The 20 bed unit will do competency evaluations and restorations in order to eliminate the current backlog of waiting patients within

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one year. Because the unit was closed by the hospital only two years ago, the request indicated that no new capital construction dollars would be necessary to renovate/update the unit.

The Department indicates that the waiting list for inpatient competency evaluations has grown from 30 to 81 people waiting in jail to be admitted. As discussed numerous times last year this wait represents a substantial legal liability to the state. This fall, the MHI-Pueblo Superintendent was served by the Denver District Court with a contempt of court citation regarding failure to admit a patient in a timely manner per court order. The case is proceeding as one of punitive contempt because the wait list problem has still not been resolved by the Department. The table on the next page illustrates the increase in the evaluations and the restorations (admissions based on incompetent to proceed) since FY 2001-02.



The FY 2006-07 (FY 2007) estimate is based on data from July 1 through October 25th data. Please note, the Department indicates that while the data projected shows a decrease from the prior year of 6.0 percent of evaluations and a decrease of 3.0 percent in incompetent to proceed admissions, that last year at this time the data was also showing a decrease. Thus, the Department indicates that the potential decline reflected in the data may not be indicative of the actual experience come year end.

The Department indicates that these increases have resulted in a waiting list for admission to the Mental

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Health Institute at Pueblo. The Department indicates that recently an individual still on the waiting list was released from jail on bond and committed suicide. Others on the list continue to present "local jurisdictions with the risks of attempted suicide and acts of violence against others."

The Department indicates that the forensics unit has limited capacity to respond to the increase, due to the terms of the Neiberger lawsuit. The Neiberger lawsuit settlement agreement put limits on the forensics census and the minimum staff-to-patient ratios. The Neiberger lawsuit settlement agreement required the Department to "reduce the census in maximum-security from 80 to 72 patients, and in medium-security from 88 to 80 patients (Settlement Item 5.B.5)".

- The Department's request indicates that the increasing waiting list poses an increasing risk of serious legal liabilities for the Department resulting from delayed admissions, as well as legal costs. The Department cites the legal costs associated with the Neiberger lawsuit (\$1,720,436) as part of its justification for funding this request. In FY 2004-05, the MHI-Pueblo Superintendent received a contempt of court citation; however, this was later dropped.
- On September 19, 2006, the MHI-Pueblo Superintendent was served by the Denver District Court with an Order to Show Cause (contempt of court citation) regarding failure to admit a patient in a timely manner per court order.
- At the October 19, 2006, hearing the judge asked the public defender and District Attorney to make arrangements to proceed with the case as one of punitive contempt on the basis that although the individual named had already been admitted to MHI-Pueblo, the wait list problem still was "not resolved and will continue unless conditions change substantially." (Department is quoted herein).

The Department indicates in its submission that this ruling "appears to be a foreshadowing of a larger-scale legal action." The October letter from the District Court Judge Hoffman referenced the following:

- "widespread problem with CMHIP failing to comply";
- that "defendant's constitutional rights get trampled"; and
- "the likelihood of more contempt citations; the assertion that the "State simply has no right to hold these defendants in a forensic setting except pursuant to the limitations of our orders" and the importance of a concrete solution. The performance measure associated with the November 21, 2006 emergency request is the following:

Measure	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Target	FY 2008 Target	FY 2009 Target
Increase MHI forensic patient satisfaction with the care and treatment they receive by 5% annually	3.04	3.45	3.55	3.73	3.91	4.11

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Please note, this performance measure target is equal to the target submitted on November 1, 2006, without this \$3.5 million General Fund request.

In its 1331 request submitted in November and discussed in December, the Department considered three alternatives to address this backlog issue. These alternatives are:

- **Alternative One.** Fund this "1331" supplemental and budget amendment request to fund a 20-bed unit at MHI-Pueblo. The cost of this request is \$1,681,918 General Fund and 20.5 FTE for FY 2006-07 and \$3,456,502 General Fund and 49.1 FTE for FY 2007-08. This alternative reduces the 81 person waiting list for services within one year of operation. This alternative was recommended by the Department and approved by the JBC on December 15, 2006.
- **Alternative Two.** Fund the opening of a 10-bed unit at MHI-Pueblo. Cost is \$2,377,386 General Fund and 28.9 FTE in FY 2007-08. This alternative eliminates the waiting list by about half (leaving a 40-person wait). This alternative was not recommended by the Department.
- **Alternative Three.** Do not fund this request. This alternative was not recommended by the Department.

The table below reflects the previously approved changes by line item.

Department of Human Services - Supplemental 1-J Adjustment to FY 2006-07 Appropriations by Line Item			
	Total	General Fund	FTE
Department of Human Services			
Executive Director's Office, General Administration, Health, Life, and Dental	\$ 91,269	\$ 91,269	0.0
Executive Director's Office, General Administration, Short-term Disability	941	941	0.0
Executive Director's Office, General Administration, S.B. 04-257 Amortization Equalization Disbursement	6,248	6,248	0.0
Executive Director's Office, General Administration, Shift Differential	49,831	49,831	0.0
Office of Operations, Administration, Personal Services	17,679	17,679	0.6
Office of Operations, Administration, Operating Expenses	10,383	10,383	0.0
Office of Operations, Administration, Utilities	9,392	9,392	0.0

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Department of Human Services - Supplemental 1-J Adjustment to FY 2006-07 Appropriations by Line Item			
	Total	General Fund	FTE
Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, Mental Health Institutes	1,436,292	1,436,292	19.9
Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, General Hospital	59,883	59,883	0.0
TOTAL	\$ 1,681,918	\$ 1,681,918	20.5

Supplemental # 8 - Restoration of Persistent Drunk Driving Funding

	Request	Recommendation
Total	\$58,055	\$58,055
General Fund	0	0
Cash Funds	58,055	58,055
Cash Funds Exempt	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff believes that this request meets the supplemental criteria of new data. The new data is the payback of the PDD cash fund.	

Department Request: The Department requests \$58,055 cash funds from the Persistent Drunk Driving Cash Fund to pay for the following activities:

Purpose of Request	Requested Amount
Increase funding for the media program which has been very successful in selected communities known for their high rate of repeat DUI offenders	\$20,000
Restore funding for DUI curriculum training and printed materials for training. Reduced in FY 2006-07 efficiency item request by Department.	8,055

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Purpose of Request	Requested Amount
Fund enhancements to the existing multi-agency web-based treatment monitoring system	30,000
Total Request	\$58,055

House Bill 02-1391 (transfers of cash funds to the General Fund) transferred \$500,000 from the Persistent Drunk Driving (PDD) Cash Fund to the General Fund. Section 24-75-217, C.R.S. provided for its repayment and the PDD Cash Fund was repaid during the 2006 legislative session. This replenishment of the program was made possible by the revenues retained through the passage of Referendum C by the voters. The replenishing of the Fund was reported in the OSPB December 2005 forecast. .

Staff Recommendation: Staff recommends the request. The funding is available and this supplemental request allows it to be restored for purposes which are consistent with statutory goals.

Supplemental # 14 - Mental Health Institute RTC Funding Correction

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
General Fund	0	0
Cash Funds	518,384	518,384
Cash Funds Exempt	(518,384)	(518,384)
Federal Funds	0	0
<i>Medicaid Cash Funds</i>	<i>(677,700)</i>	<i>(677,700)</i>
<i>Medicaid GF</i>	<i>(338,885)</i>	<i>(338,885)</i>
<i>Net General Fund</i>	<i>(338,885)</i>	<i>(338,885)</i>

Note: table corrected 1/31/07 to match numbers pages

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department agree that this request represents new data, one of the Committee's supplemental criteria.	

Department Request: The Department requests a total funds change of \$0 -- but within that figure is a financing adjustment of dollars. This refinancing reflects the status of the Mountain Star Residential Treatment Center (RTC) at the Mental Health Institute Fort Logan campus. This status reflects that the Mountain Star (former RTC) will operate as a Therapeutic Residential Child Care Facility (TRCCF). Last

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year during figure setting, it was not yet determined how the former RTC would operate (Psychiatric Residential Treatment Facility or TRCCF or a hybrid thereof) and thus no funding changes were made at that time.

- Based on the TRCCF guidelines reported by the Department, it is therefore estimated in this request that Mountain Star will generate additional cash revenue of \$518,494 from county departments of Social Services and \$159,276 from the Division of Youth Corrections (DYC).
- This increase is offset by a corresponding decrease of \$677,770 cash funds exempt in Medicaid funding. (NOTE: The \$677,770 cash funds exempt Medicaid savings is offset by the DYC cash funds exempt \$159,276 increase. Together, these total a decrease of \$518,494 cash funds exempt.)

Staff Recommendation: Staff recommends that the Committee approve the request for a total funds change of \$0, within which is a cash funds increase of \$518,494 from county departments of Social Services and a \$518,494 cash funds exempt decrease. \$159,276 from the Division of Youth Corrections (DYC). The final reconciliation of the mental health institute revenues is anticipated to be received from the Department on February 15th; however, since this item is a known savings it can be taken at this time to relieve budget pressure.

Supplemental #T-3 - Alcohol and Drug Driving Safety Program Adjustment

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
Cash Funds	0	0
Cash Funds Exempt	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
Staff and the Department agree that this represents a correction to a technical error that has been in the appropriation for two years.	

Department Request: The Department requests \$0 total funds to transfer funding from one line item to another. In FY 2005-06, the funding for ADAD's administrative area was broken out into financed line items (as contrasted with line items that are "bottom line" financed/funded). When this was done, the incorrect financing was used. The request is budget neutral as indicated in the following table:

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	FY 2006-07 Approp.	FY 2006-07 Suppl. Request	Total with Supplemental Request
Administration			
Personal Services	1,872,809	0	1,872,809
General Fund	51,545	0	51,545
Cash Funds	37,805	0	37,805
Cash Funds Exempt	358,487	143,774	502,261
Federal Funds (Block Grant)	1,424,972	(143,774)	1,281,198
Operating Expenses	189,902	0	189,902
General Fund	0	0	0
Cash Funds	11,788	0	11,788
Cash Funds Exempt	155,774	(143,774)	12,000
Federal Funds (Block Grant)	22,340	143,774	166,114
Total (Personal Services & Operating)	2,062,711	0	2,062,711
General Fund	51,545	0	51,545
Cash Funds	49,593	0	49,593
Cash Funds Exempt	514,261	0	514,261
Federal Funds (Block Grant)	1,447,312	0	1,447,312

Staff Recommendation: Staff recommends that the Committee approve this request to correct the appropriation.

Supplemental # T-4 - Transfer Goebel Program into other line items

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
General Fund	0	0
Cash Funds	0	0
Cash Funds Exempt	0	0

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Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	YES
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Staff and the Department concur that this supplemental is a technical adjustment that is based on new data (the dismissal of the Goebel court settlement).

Department Request: The Department's request has no total departmental or statewide total funds impact - it is expenditure neutral. The request seeks a transfer of moneys within line items associated with the Goebel court settlement. The request takes the funds which remain in the Goebel court settlement line item, after the "1331" FY 2006-07 supplemental change and transfers these to two areas: Mental Health Administration (Personal Services and Operating) and Mental Health Services for the Indigent.

Staff Recommendation: Staff recommends that the Committee approve the request. This request is consistent with JBC staff's FY 2007-08 Mental Health recommendation in the Goebel issue briefing. The Department's administrative oversight for mental health is stressed and the transfer of the staff to support its oversight efforts will help. The program costs are supporting clients who are needing mental health services in Denver.

Background

On March 31, 2006, the Goebel court settlement was "dismissed with prejudice". The court found that "the so-called State Defendants, have satisfied all their obligations under the parties' Settlement Agreement, as clarified by my various post-settlement Orders".

The FY 2006-07 budget had the appropriations for Goebel all consolidated in the Department of Human Services. The Medicaid mental health portion for clients has been moved to HCPF pursuant to a "1331" that the JBC approved on September 20, 2006.

This transfer of Medicaid mental health moneys out of this line item left a line item still entitled "Goebel Lawsuit Settlement". There are two problems with this. First, the majority of this funding has been removed with the Medicaid transfer so it is an inaccurate portrayal of the Goebel Lawsuit Settlement moneys. Secondly, there is no Goebel Lawsuit Settlement, so the moneys should be reorganized to meld into the mental health budget. Specifically, staff recommends that the mental health program dollars be integrated into the Mental Health Services for the Indigent line item - still maintained for Denver - but no longer tied to a non-existent court settlement.

At the FY 2007-08 briefing, staff recommended the following changes be considered:

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- Transfer the Goebel General Fund for Denver clients from the "Goebel" line item to the Indigent line item. The intent of this transfer would be to still provide necessary moneys to serve mentally ill Denver clients but to also reflect that the lawsuit settlement dismissal.
- 2.0 FTE still are funded at DHS to work on the Goebel lawsuit settlement. These FTE are no longer necessary. However, given the Division's administrative needs, staff recommends that these FTE be transferred to the Division's administrative line item to help offset Division of Mental Health workload

These two changes are the basis of this FY 2006-07 supplemental request and the recommendation.

Supplemental # T-5 - Transfer 2.0 FTE from Mental Health to ADAD

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
FTE	0.0	0.0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**
 [An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]

Staff and the Department agree that the FY 2006-07 supplemental seeks to correct a technical error that has been in the appropriation for many years now.

Department Request: The Department requests to transfer funding (no departmental or statewide fiscal impact) in order to correct a technical error in the appropriation. This technical error involves ADAD staff which are apparently incorrectly in the Mental Health administration appropriation. Specifically, the request seeks to transfer \$121,202 federal funds Personal Services and 2.0 FTE in from Mental Health Administration to the Alcohol and Drug Abuse Division (ADAD) Administration.

Staff Recommendation: Staff recommends that the Committee approve the request. Interestingly, this issue arose this fall when JBC staff, in an effort to reconcile the Mental Health Division's FTE issues, requested a position by position job description. When the Department submitted it, staff saw that 2.0 of the 16.6 "Mental Health" administration FTE were doing solely ADAD duties, not mental health duties. Upon discussing this quandary with the Department, staff learned that this was a technical error in the appropriation that went back to FY 2001-02 budget/line item changes which were made. Compounding this finding was the fact that a great deal of FTE justification and reconciliation discussed occurred last year on this very issue between the Department and JBC staff, but this issue did not come to light at that time. Since the Director of the Division

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was not aware that this problem existed, it is categorized as "new data" under the JBC's supplemental criteria.

Supplemental # T-6 - Update Federal Funds and FTE

	Request	Recommendation
Total	<u>\$9,806,613</u>	<u>\$9,806,613</u>
FTE	10.5	10.5
Federal Funds	9,806,613	9,806,613

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?	YES
[An emergency or act of God / a technical error in the appropriation / new data / an unforeseen contingency]	
Staff and the Department concur that this increase in federal funds for the state represents new data.	

Department Request: The Department requests to reflect \$9,806,613 federal funds and an associated 10.5 FTE for three programs which are receiving more federal funds than was reflected in the FY 2006-07 Long Bill. This increase includes:

- \$4,548,176 federal funds and 6.5 FTE for Supportive Housing and Homeless Program line item;
- \$785,416 federal funds and 4.0 FTE in the Federal Programs and Grants line item; and,
- \$330,883 federal funds for the Other Federal Grants line item.

These increases represent a variety of additional federal grants that the state is receiving.

Staff Recommendation: Staff recommends that the Committee approve the request to reflect the federal funds that the Division is receiving. Its inclusion in the budget will provide greater information about the funding for the Division.