

CHAPTER 346

APPROPRIATIONS

SENATE BILL 99-179

BY SENATORS Lacy, Owen, and Tanner;
also REPRESENTATIVES Tool, Berry, and Saliman.

AN ACT

**CONCERNING A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF HEALTH CARE POLICY
AND FINANCE.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part V of section 2 of chapter 336, Session Laws of Colorado 1998,
is amended to read:

Section 2. **Appropriation.**

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

 APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

PART V

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

(1) EXECUTIVE DIRECTOR'S OFFICE³⁵

Personal Services (21.4 FTE)	1,290,826		505,921(M)		15,000 ^a	769,905
Colorado Benefits Management System (CBMS) (3.7 FTE)	228,178		114,089(M)			114,089
Health, Life, and Dental	287,709		143,854(M)			143,855
Short-term Disability	11,617		5,808(M)			5,809
Salary Survey and Anniversary Increases	479,722		239,861(M)			239,861
Workers' Compensation	83,700		41,850(M)			41,850
Operating Expenses	187,590		123,792(M)			63,798

Legal Services and Third Party Recovery Legal Services for 7,605 8,987 hours	373,482 441,352	132,696(M) 173,481(M)	54,045^b 53,382 ^b	186,741 214,489
Administrative Law Judge Services for 2,317 hours	198,104 201,752	99,052(M) 100,876(M)		99,052 100,876
Computer Systems Costs	321,886	128,472(M)	32,471 ^c	160,943
Payment to Risk Management and Property Funds	32,900	16,450(M)		16,450
Capitol Complex Leased Space	264,398 234,192	132,199(M) 117,096(M)		132,199 117,096
S.B. 97-147 Disabilities Work Incentive Contract	51,971	25,985(M)		25,986
Transfer to the Department of Human Services for Related Administration	283,666	141,833(M)		141,833
Tobacco Litigation Discovery Costs	600,000 <u>600,000</u>		600,000^d 600,000 ^d	
		4,695,749		
		4,137,061		

^a This amount shall be from the Cooperative Health Care Agreements Fund.

^b This amount shall be from third party recoveries.

^c This amount shall be from the Old Age Pension Fund.

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

~~*This amount shall be from litigants in State of Colorado Ex Rel. Norton v. R.J. Reynolds Tobacco Company et al., Case No. 97 CV3432 (Denver District Court).~~

(2) MEDICAL PROGRAMS ADMINISTRATION

Personal Services	6,771,173 (122.9 FTE)	3,151,397(M)			3,619,776
Operating Expenses	704,664	342,109(M)			362,555
Medicaid Management Information System Contract	10,992,675	2,763,667(M)		146,867 ^a	8,082,141
Medicaid Management Information System Transition, Final Phase/ System Certification	6,288,988	1,024,350(M)			5,264,638
Medicaid Authorization Cards	883,414	441,707(M)			441,707
Department of Public Health and Environment Facility Survey and Certification	3,427,894	942,661(M)			2,485,233

Contractual Utilization Review ³⁶	3,797,808	949,452(M)		2,848,356
S.B. 97-05 External Quality Review	250,000	62,500(M)		187,500
Early and Periodic Screening, Diagnosis, and Treatment Program	2,796,033	1,398,016(M)		1,398,017
Nursing Facility Audits	801,434	400,717(M)		400,717
	818,834	409,417(M)		409,417
Hospital Audits	117,978	58,989(M)		58,989
	143,518	71,759(M)		71,759
Nursing Home Preadmission and Resident Assessments	1,161,582	290,396(M)		871,186
Nurse Aide Certification	227,821	101,066(M)	12,844(T) ^b	113,911
Nursing Home Quality Assessments	27,726	6,932(M)		20,794
Estate Recovery	500,000		500,000 250,000 ^c	250,000
Single Entry Point Administration	60,000	30,000(M)		30,000
Single Entry Point Audits	66,848	33,424(M)		33,424
Phone Triage/Advice	315,000	78,750(M)		236,250
Single Entry Point Deinstitutionalization Pilot ³⁷	70,000	34,411(M)		35,589
S.B. 97-05 Enrollment Broker	871,299	435,649(M)		435,650

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			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
S.B. 97-120 Transitional Plus Administration	419,200		204,555(M)				214,645
Dental Incentive and Education Initiative	<u>150,000</u>		125,000(M)				25,000
		40,701,537					
		40,744,477					

^a This amount shall be from the Old Age Pension Health and Medical Care Fund pursuant to Section 26-2-117, C.R.S.

^b This amount shall be from the Department of Regulatory Agencies.

^c This amount shall be from estate recoveries.

(3) MEDICAL SERVICES PREMIUMS⁸

38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50

Services for 34,115 Old
Age Pensioners (OAP-A)
at an average cost of
\$13,954.27 476,049,935

Services for 4,832 Old Age Pensioners (OAP-B) at an average cost of \$8,662.88	41,859,038
Services for 3,248 Old Age Pension State Medical Program clients at an average cost of \$3,033.60	9,853,133
Services for 52,718 Recipients of Aid to the Needy Disabled - Supplemental Security Income at an average cost of \$5,985.60	315,548,857
Services for 144 Recipients of Aid to the Blind at an average cost of \$2,987.82	430,246
Services for 31,674 Adult Clients Eligible Under the 7/16/96 Aid to Families with Dependent Children Program at an average cost of \$2,603.62	82,466,943

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\$	\$	\$	\$	\$	\$	\$
Services for 112,367 Child Clients Eligible Under the 7/16/96 Aid to Families with Dependent Children Program at an average cost of \$1,181.79	132,794,384					
Services for 12,054 Foster Children at an average cost of \$1,596.75	19,247,218					
Services for 4,891 Baby Care Program Adults at an average cost of \$5,961.72	29,158,768					
Services for 5,834 Baby Care Program Children at an average cost of \$1,299.64	7,582,115					

Services for 4,973 Qualified Medicare Beneficiaries (QMBs) at an average cost of \$1,413.77	7,030,681				
Services for 7,734 Non-Citizens at an Average Cost of \$2,576.51	19,926,723				
Services for 2,342 Colorado Works Clients at an Average Cost of \$1,849.76	<u>4,332,141</u>	1,146,280,182	560,673,825(M)	9,853,133 ^a	575,753,224

^a This amount shall be from the Old Age Pension Health and Medical Care Fund pursuant to Section 26-2-117, C.R.S.

(4) INDIGENT CARE PROGRAM

Program Administration	271,137	271,137 (3.0 FTE)		
Denver Indigent Care Specialty and Outstate Programs ⁴⁷	9,682,775	4,761,989(M)		4,920,786
	20,109,577	12,218,067(M)		7,891,510
	17,359,848	10,851,656(M)		6,508,192
University Hospital Disproportionate Share Payments to Hospitals ⁴⁷	10,727,750	5,275,907(M)		5,451,843
	138,845,614	54,335,892(M)	16,049,200*	68,460,522
	<u>189,603,909</u>		41,511,079 ^a	93,756,938

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
	179,636,853					
	227,645,419					

^a This amount represents public funds certified as representing expenditures incurred by Denver Health and The University Hospital which are eligible for federal financial participation under Medicaid Disproportionate Share Payments to Hospitals.

(5) OTHER MEDICAL SERVICES

Home Care Allowance for
5,651 Recipients at an
average monthly cost of
~~\$235.51~~^a \$229.82^b

15,970,370

15,419,882

550,488(L)

15,584,554

14,805,326

779,228(L)

Adult Foster Care for ~~265~~
202 Recipients at an
average monthly cost of
~~\$213.05~~ \$214.86

677,499

643,374

34,125(L)

520,821

494,780

26,041(L)

Primary Care Physician Program Market Rate Reimbursement ⁴⁸	1,800,000	889,380(M)		910,620
High Risk Pregnant Women Program	213,208	104,856(M)		108,352
H.B. 92-1208 Immunizations	108,239	53,232(M)		55,007
	124,573	61,265(M)		63,308
Poison Control	1,148,034	1,148,034		
University of Colorado Family Medicine Residency Training Programs	2,055,411	1,010,851(M)		1,044,560
Enhanced Prenatal Care Training and Technical Assistance	63,454	15,863(M)		47,591
S.B. 97-101 Public School Health Services	17,756,038		8,774,238 ^a	8,981,800
H.B. 97-1304 PAYMENT TO THE Children's Basic Health Plan ⁴⁹⁻⁵⁰ PLAN TRUST FUND ⁵¹	25,305,167	4,857,597	3,650,000 ^b	16,797,570
	8,495,222	4,845,222		
H.B. 97-1304 CHILDREN'S BASIC HEALTH PLAN ^{51a}	25,292,792		8,495,222 ^c	16,797,570
Essential Community Provider Grants Program	114,051	114,051		

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\$	\$	\$	\$	\$	\$	\$
S.B. 97-120 Transitional Plus Program Costs	<u>282,386</u>	138,877(M)				143,509
	65,493,857					
	73,450,544					

^a This amount represents funds certified as representing expenditures incurred by school districts which are eligible for federal financial participation under Medicaid.

^b Of this amount, \$650,000 shall be from a donation from The University Hospital, and \$3,000,000 shall be from donations from other private sources.

^c THIS AMOUNT SHALL BE FROM THE CHILDREN'S BASIC HEALTH PLAN TRUST FUND AUTHORIZED IN SECTION 26-19-105, C.R.S.

**(6) DEPARTMENT OF HUMAN SERVICES
PROGRAMS**

Transfer to the Department of Human Services ⁴⁹	398,888,747	194,890,470(M)				203,998,277
	397,292,455	194,103,511(M)		18,264 ^a		203,170,680

^a THIS AMOUNT SHALL BE FROM THE OLD AGE PENSION FUND.

TOTALS PART V

**(HEALTH CARE
POLICY AND
FINANCING)^{4, 5}**

\$1,835,696,925	\$871,550,894	\$11,201,516 ^a	\$29,070,895 ^b	\$923,873,620
<u>\$1,889,550,138</u>	<u>\$868,679,008</u>	<u>\$10,369,117^a</u>	<u>\$63,248,652^b</u>	<u>\$947,253,361</u>

^a Of this amount, \$10,000,000 is included as information for purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution. As this amount is continuously appropriated by a constitutional provision, it is not subject to the limitation of General Fund appropriations as set forth in Section 24-75-201.1, C.R.S.

^b Of this amount, ~~\$584,613~~ \$805,269 contains an (L) notation, and \$12,844 contains a (T) notation.

FOOTNOTES -- The following statements are referenced to the numbered footnotes throughout section 2.

4 (Governor lined through this provision. See L. 98, p. 2193.)

5 All Departments, Totals -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Each principal department of the state shall produce its rules and regulations in an electronic format that is suitable for public access through electronic means. Such rules and regulations in such format shall be submitted to the Office of Legislative Legal Services for publishing on the Internet. It is the intent of the General Assembly that this be done within existing resources.

8 (Governor lined through this provision. See L. 98, p. 2193.)

35 Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit an accounting of all line items by actual expenditure. Actual expenditure is defined as final expenditure, including post-closing payments. The Department is requested to submit this information to the Joint Budget Committee by January 1, 1999.

36 Department of Health Care Policy and Financing, Medical Programs Administration, Contractual Utilization Review --

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Contained within this appropriation is \$49,373 (\$12,343 General Fund and \$37,030 federal funds) which is to be used for costs related to the expansion of the Model 200 Home and Community Based Services program. It is the intent of the General Assembly that this particular sum be restricted by the Department pending a finding by the Joint Budget Committee that the Department has provided the following information: (1) options and recommendations for the implementation of a premium buy-in or co-payment system for the Model 200 Home and Community Based Services program, including recommendations on specific income categories and medical expense thresholds; (2) an analysis of feasibility, time lines, cost estimates, and program cost changes associated with such a premium buy-in or co-payment system; and (3) the statutory changes necessary to require that private insurance cover these services. The Department is furthermore requested to work with the Department of Regulatory Agencies to determine if there is a way to coordinate the services for the provision of insurance offered by the Colorado Uninsurable Health Insurance Program (CUHIP) to the population served by the Model 200 Home and Community Based Services program. The Department is requested to report this information to the Joint Budget Committee by no later than June 1, 1998.

- 37 Department of Health Care Policy and Financing, Medical Programs Administration, Single Entry Point Deinstitutionalization Pilot -- The Department is requested to report on the results of the Single Entry Point Deinstitutionalization Pilot. The report should include the following information: (1) the number of clients deinstitutionalized; (2) the necessary acute and community expenditures related to the deinstitutionalization; (3) the level of need of the individuals deinstitutionalized; (4) recommendations for further deinstitutionalization projects, if any; (5) recommendations on any changes to the initial screening tools based on the success of the deinstitutionalization of clients meeting such screens; and (6) recommendations on changing the ways clients are placed into nursing facility services through the single entry points and alternative means. This report is requested to be provided to the Joint Budget

Committee in the Department's budget submission for FY 1999-2000.

- 38 Department of Health Care Policy and Financing, Medical Services Premiums -- Contained within this appropriation is \$2,442,298 (\$1,189,184 General Fund and \$1,253,114 federal funds) which is associated with the expansion of the Model 200 Home and Community Based Services program. It is the intent of the General Assembly that this particular sum be restricted by the Department pending a finding by the Joint Budget Committee that the Department has provided the following information: (1) options and recommendations for the implementation of a premium buy-in or co-payment system for the Model 200 Home and Community Based Services program, including recommendations on specific income categories and medical expense thresholds; (2) an analysis of feasibility, time lines, cost estimates, and program cost changes associated with such a premium buy-in or co-payment system; and (3) the statutory changes necessary to require that private insurance cover these services. The Department is furthermore requested to work with the Department of Regulatory Agencies to determine if there is a way to coordinate the services for the provision of insurance offered by the Colorado Uninsurable Health Insurance Program (CUHIP) to the population served by the Model 200 Home and Community Based Services program. The Department is requested to report this information to the Joint Budget Committee by no later than June 1, 1998.
- 39 Department of Health Care Policy and Financing, Medical Services Premiums -- It is the intent of the General Assembly that the Colorado Works program caseload, cost per client, and total expenditures be requested, tracked, and reported separately from other caseload categories.
- 40 Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to: (1) survey providers to determine how the base increase for Medical Services, Home and Community Based Services for the Elderly, Blind, and Disabled (HCBS-EBD) Personal Care and Homemaker Services was used; and (2) report on the associated decrease in staff turnover resulting from the increase in funding and on the utilization changes resulting. The Department is requested to report this information to the Joint Budget Committee no later than January 1, 1999.
- 41 Department of Health Care Policy and Financing, Medical Services Premiums -- It is the intent of the General Assembly to track the costs of providing services under Section 26-4-302 (1)(f), C.R.S. Accordingly, the Department is requested to (1) provide an estimate of the costs for FY 1997-98; (2) provide an estimate of the anticipated changes in the second year of implementation; and (3) provide estimates of savings in other Medicaid areas attributable to funding of this program.

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This report is requested to be submitted to the Joint Budget Committee by December 1, 1998.

- 42 Department of Health Care Policy and Financing, Medical Services Premiums -- It is the intent of the General Assembly that expenditures for these services shall be recorded only against the Long Bill group total for Medical Services.
- 43 Department of Health Care Policy and Financing, Medical Services Premiums -- The General Assembly has determined that the average appropriated rates provide sufficient funds to pay reasonable and adequate compensation to efficient and economical providers. The Department should take actions to ensure that the average appropriated rates are not exceeded.
- 44 Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to report on the growth in the home health program. The Department is requested to report on the specific reasons for the increase in client utilization of this service and its corresponding budget increase and to recommend program modifications, eligibility options and recommendations, and pricing adjustments. The Department is also requested to also quantify the impact in savings to hospitalization and nursing facility utilization based on the utilization of the home health program. The Department is also requested to report on any changes in the program which are occurring as a result of the actions taken by the federal government. This report is requested to be submitted to the Joint Budget Committee no later than October 15, 1998.
- 45 Department of Health Care Policy and Financing, Medical Services Premiums -- It is the intent of the General Assembly that the appropriation provided to increase the reimbursement rates for dental providers in the Medicaid program should in no way imply increased funding in future years. To this end, the Department is requested to prioritize and rejustify any

change in the reimbursement rate for dental providers for FY 1999-2000. The Department is requested to research and report on its recommended reimbursement rate which will combine the goals of program efficiency with access to care. The Department is requested to seek input from the Colorado Dental Association in determining a reimbursement rate to increase utilization and service coverage statewide within these expressed goals. Specifically, the Department is to work with the Colorado Dental Association in reviewing the American Dental Association mean as appropriately applied to Colorado. The Department is also requested to report on the impact of the increase in funding for dental reimbursement. This report should include information on changes in the number of dental providers statewide, especially the change in previously undeserved areas, and changes in utilization by Medicaid eligibles statewide and in previously undeserved areas, with associated fiscal impact and related projections. A preliminary report is requested to the Joint Budget Committee by January 15, 1999, with a final report to be submitted by June 30, 1999.

- 46 Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to report its recommendations, if any, for changing the appropriation and program methodology for funding disproportionate share within the Medical Services premium categorical payments. This report is requested to be submitted to the Joint Budget Committee by September 1, 1998.
- 47 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Specialty and Outstate Programs; and Disproportionate Share Payments to Hospitals -- It is the intent of the General Assembly that the federal cap on disproportionate share payments added in the 1997 Budget Reconciliation Act not be exceeded through state appropriations. The Department is requested to track all disproportionate share expenditures and estimates and report this information in its November 1, 1998 budget submission, as well as in any FY 1998-99 supplemental and FY 1999-2000 budget submission affecting these three areas, by state and federal fiscal year. The Department is also requested to report on its recommendations for prioritizing the available disproportionate share once the state estimate of federal matching funds reflected in the annual appropriations bills equals the federal cap.
- 48 Department of Health Care Policy and Financing, Medical Services Premiums; and Other Medical Services, Primary Care Physician Program Market Rate Reimbursement -- The Department is requested to provide a report on the Primary Care Physician Incentive Program. The Department should include in its report the following: delineation on the number of primary care physicians within Health Maintenance Organizations and in the Primary Care Physician program; delineation on the total allocation per primary care physician for Health Maintenance Organizations and the Primary Care Physician

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program estimated for FY 1997-98 by physician; and the estimated and derivation of the "lower-of" calculation for both FY 1997-98, FY 1998-99 and FY 1999-2000. Finally, the Department should include in its report its recommendations on programmatic or statutory changes, if any, to the Primary Care Physician program. This report is requested to be submitted to the Joint Budget Committee by September 1, 1998.

- 49 Department of Health Care Policy and Financing, Medical Services Premiums; and Department of Human Services Programs, Transfer to the Department of Human Services -- It is the intent of the General Assembly that the Department of Health Care Policy and Financing coordinate its efforts with the Department of Human Services to track the transferred Mental Health premium expenditures. The Department is requested to include in its November 1, 1998 budget submission a report on this coordination and a delineation of FY 1998-99 expenditures in this area.
- 50 Department of Health Care Policy and Financing, Medical Services Premiums; and Department of Public Health and Environment, Family and Community Health Services Division, Family Planning, Purchase of Services -- The departments are requested to provide a report to the Joint Budget Committee by November 1, 1998, outlining the progress made in reducing the rate of low birth-weight babies as a result of the enhanced prenatal program appropriation. The report shall provide information on the number of participants, reasons for participation levels, and recommendations for changing participation levels given current program criteria. The report shall also delineate, by fiscal year, the total, General Fund, and federal fund savings achieved as a result of the FY 1997-98 program appropriation and recommendations for further programmatic and funding changes based on the findings.
- 51 Department of Health Care Policy and Financing, Other Medical Services, ~~H.B. 97-1304~~ PAYMENT TO THE Children's Basic

Health Plan TRUST FUND -- Of this sum, \$1,343,999 represents the increased Medicaid managed care savings, \$1,013,598 represents program consolidation, and \$2,191,286 represents additional program savings as per Section 26-19-105(3) and (4), C.R.S. The \$650,000 General Fund for program consolidation requested by the Department of Health Care Policy and Financing, and noted in their October 1, 1998 savings report, is reflected instead as cash funds exempt donations.

51a Department of Health Care Policy and Financing, Other Medical Services, H.B. 97-1304 Children's Basic Health Plan -- This appropriation assumes that ten percent for program administration is matched by Title XXI federal funds, assumes an average cost per child of \$720 per year, and thus assumes an estimated annual caseload of 31,631 children. The Department is requested to report quarterly to the Joint Budget Committee, beginning October 1, 1998, on the program's projected administrative costs, and the federally reimbursable administration ratio as a percent of the total program, and on the program's estimated caseload.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 10, 1999