

# Joint Budget Committee



## Supplemental Budget Requests FY 2024-25 and FY 2023-24

### Department of Health Care Policy and Financing

(All divisions except Behavioral Health and the Office of  
Community Living)

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

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# Overview of Department

The Department helps pay health and long-term care costs for low-income and vulnerable people. Federal matching funds assist with these costs. In return for the federal funds, the Department must follow federal rules for program eligibility, benefits, and other features. Major programs administered by the Department include:

- **Medicaid** -- serves people with low income and people needing long-term care
- **Children's Basic Health Plan** -- provides low-cost insurance for children and pregnant women with income slightly higher than Medicaid allows
- **Old Age Pension Health and Medical Program** that serves elderly people with low income who qualify for a state pension but do not qualify for Medicaid or Medicare

The Department also performs functions related to improving the health care delivery system, including advising the General Assembly and the Governor, administering grants such as the Primary Care and Preventive Care Grant Program, and housing the Commission on Family Medicine Residency Training Programs.

## Summary of Staff Recommendations

### FY 2023-24 Description of Incremental Changes

**S15 FY 2023-24 Overexpenditure:** The Department requests releasing restrictions on the FY 2024-25 appropriations imposed by the State Controller due to over-expenditures in prior years. The restrictions total \$223.7 million total funds, including \$153.8 million General Fund. Because of the entitlement nature of the Medicaid program, statute (Section 24-75-109, C.R.S.) allows the Department to overexpend Medicaid line items, except administrative line items, as long as the overexpenditures are consistent with the statutory purposes of the Medicaid program. However, the State Controller restricts the current fiscal year's appropriation until the General Assembly approves a supplemental for the prior year overexpenditures. The FY 2023-24 overexpenditures already occurred and have been accounted for in the General Fund Overview as an accounting adjustment.

# FY 2024-25 Summary

## Department of Health Care Policy and Financing: Recommended Changes for FY 2024-25

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2024-25 Appropriation</b>						
FY 2024-25 Appropriation	\$15,960,548,064	\$4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
Current FY 2024-25 Appropriation	\$15,960,548,064	\$4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
<b>Recommended Changes</b>						
Current FY 2024-25 Appropriation	\$15,960,548,064	4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
S1 Medical Services Premiums	150,904,277	55,921,277	71,026,444	-716,036	24,672,592	0.0
S1b Health benefits for children lacking access due to immigration status	13,935,138	13,935,138	0	0	0	0.0
S2 Behavioral Health <sup>1</sup>	93,619,593	12,606,480	15,141,040	0	65,872,073	0.0
S3 Children's Basic Health Plan	7,500,237	1,232,180	1,392,903	0	4,875,154	0.0
S4 Medicare Modernization Act	-2,903,642	-2,903,642	0	0	0	0.0
S5 Office of Community Living <sup>1</sup>	43,499,748	9,259,492	12,418,583	0	21,821,673	0.0
S6 OCL Benefits <sup>1</sup>	73,134	36,567	0	0	36,567	1.0
S8 Technical adjustments	2,867,149	-2,558,268	192,541	416,192	4,816,684	0.0
S9 DOJ Settlement <sup>1</sup>	6,843,818	-170,036	0	0	7,013,854	4.4
S10 Youth system of care <sup>1</sup>	33,205	16,602	0	0	16,603	0.2
S11 ARPA HCBS Adjustments	26,725,550	0	13,263,386	0	13,462,164	0.0
S12 Med transport reviews	2,236,155	670,846	447,231	0	1,118,078	0.0
S13 Public School Health Services	17,641,168	0	8,832,830	0	8,808,338	0.0
S14 All-Payer Claims Database	4,283,567	360,178	0	0	3,923,389	0.0
NP OIT Real time billing	650,416	-46,187	60,664	285,370	350,569	0.0
NP Risk management	22,615	10,960	347	0	11,308	0.0
NP Annual fleet supplemental	-3,946	-1,973	0	0	-1,973	0.0
Recommended FY 2024-25 Appropriation	\$16,328,476,246	\$5,076,604,587	\$1,913,641,866	\$137,592,164	\$9,200,637,629	850.1
Recommended Increase/-Decrease	\$367,928,182	\$88,369,614	\$122,775,969	-\$14,474	\$156,797,073	5.6
Percentage Change	2.3%	1.8%	6.9%	0.0%	1.7%	0.7%
FY 2024-25 Executive Request	\$16,324,683,151	\$5,076,604,587	\$1,913,641,866	\$137,592,164	\$9,196,844,534	850.1
Staff Rec. Above/-Below Request	\$3,793,095	\$0	\$0	\$0	\$3,793,095	0.0

<sup>1</sup> These amounts reflect the Department's request. See the supplemental presentations for Behavioral Health and the Office of Community Living for the staff recommendation.

# FY 2024-25 Description of Incremental Changes

**S1 Medical Services Premiums:** The Department requests and staff recommends funding for a new projection of enrollment and expenditures under current law and policy for Medical Services Premiums. The request costs \$150.9 million total funds, including \$55.9 million General Fund. The Medical Services Premiums line item pays for physical health care and most long-term services and supports for clients eligible for Medicaid.

**S1b Health benefits for children lacking access due to immigration status:** The Department requests and staff recommends funding for a new projection of enrollment and expenditures under current law and policy for health benefits for children lacking access due to immigration status. The request costs \$13.9 million General Fund. House Bill 22-1289 required the Department to set up a program with benefits that mirror Medicaid and CHP+. The eligibility criteria include children who would otherwise qualify for Medicaid or CHP+ except for their immigration status. There is no federal match.

**S3 Children's Basic Health Plan:** The Department requests and staff recommends funding for a new projection of enrollment and expenditures under current law and policy for the Children's Basic Health Plan. The request costs \$7.5 million total funds, including \$1.2 million General Fund. The Children’s Basic Health Plan, marketed as the Child Health Plan Plus (CHP+), pays for physical and behavioral health services for eligible children and pregnant women and for dental services for children.

**S4 Medicare Modernization Act:** The Department requests and staff recommends funding for a new projection of enrollment and expenditures under current law and policy for the Medicare Modernization Act. The request saves \$2.9 million General Fund. The Medicare Modernization Act line item reimburses the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid.

**S8 Technical adjustments:** The Department requests and staff recommends correcting three technical errors in the appropriation. Correcting the errors increases total funds \$2.9 million, including a net decrease of \$2.6 million General Fund.

S8 Technical adjustments					
	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Salary Survey double reduction	\$834,248	\$358,393	\$49,721	\$3,921	\$422,213
Payments to OIT mismatch	2,032,901	265,906	142,820	412,271	1,211,904
Human Services indirect cost assessment	0	-3,182,567	0	0	3,182,567
<b>Total</b>	<b>\$2,867,149</b>	<b>-\$2,558,268</b>	<b>\$192,541</b>	<b>\$416,192</b>	<b>\$4,816,684</b>

**S11 ARPA HCBS Adjustments:** The Department requests and staff recommends reallocating unspent money from the American Rescue Plan Act (ARPA) Home and Community Based Services (HCBS) to provider rate bonuses so that the Department can spend the money by the federal deadline of March 31, 2025. The net of the positive and negative adjustments increases appropriations by \$26.7 million total funds. The increase is due to not revisiting appropriations prior to FY 2024-25 that underspent, shifting resources from projects that don't receive a federal match to projects that do receive a match, and a true up of appropriations to the total

funds available. In addition to dumping underspent money into provider rates, the supplemental makes small true ups to reflect actual expenditures by project.

**S12 Med transport reviews:** The Department requests and staff recommends more money to review non-emergent medical transportation (NEMT) claims. The request costs \$2.2 million total funds, including \$670,846 General Fund. There are costs in FY 2025-26 and then the funding would end.

**S13 Public School Health Services:** The Department requests and staff recommends additional spending authority based on projected certified public expenditures by school districts and Boards of Cooperative Education Services (BOCES). The request costs \$17.6 million total funds, including \$8.8 million cash funds and \$8.8 million federal funds.

**S14 All-Payer Claims Database:** The Department requests and staff recommends funds to improve security of the All Payer Claims Database (APCD). The request costs \$490,472 total funds, including \$360,178 General Fund. The security improvement costs increase in FY 2025-26 before stabilizing in FY 2026-27 and on-going. In addition to the new funding for security, staff recommends truing up the federal funds to match actual earned revenue.

**Statewide common policy supplemental requests:** The request includes a net increase for non-prioritized requests associated with statewide common policies. The net impact increases total funds \$669,085, including a decrease in General Fund of \$37,200. The increase is associated with adjustments to the Department’s payments for vehicle leases, state property risk management, and to the Office of Information Technology (OIT). The prioritized versions of these requests will be presented during the supplemental presentations for the Department of Personnel (vehicle and state property) and Office of the Governor (OIT). The recommendation is pending Committee action on common policy supplementals.

## Prioritized Supplemental Requests

### S1 Medical Services Premiums

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$150,904,277	55,921,277	\$71,026,444	-\$716,036	\$24,672,592	0.0
Recommendation	150,904,277	55,921,277	71,026,444	-716,036	24,672,592	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

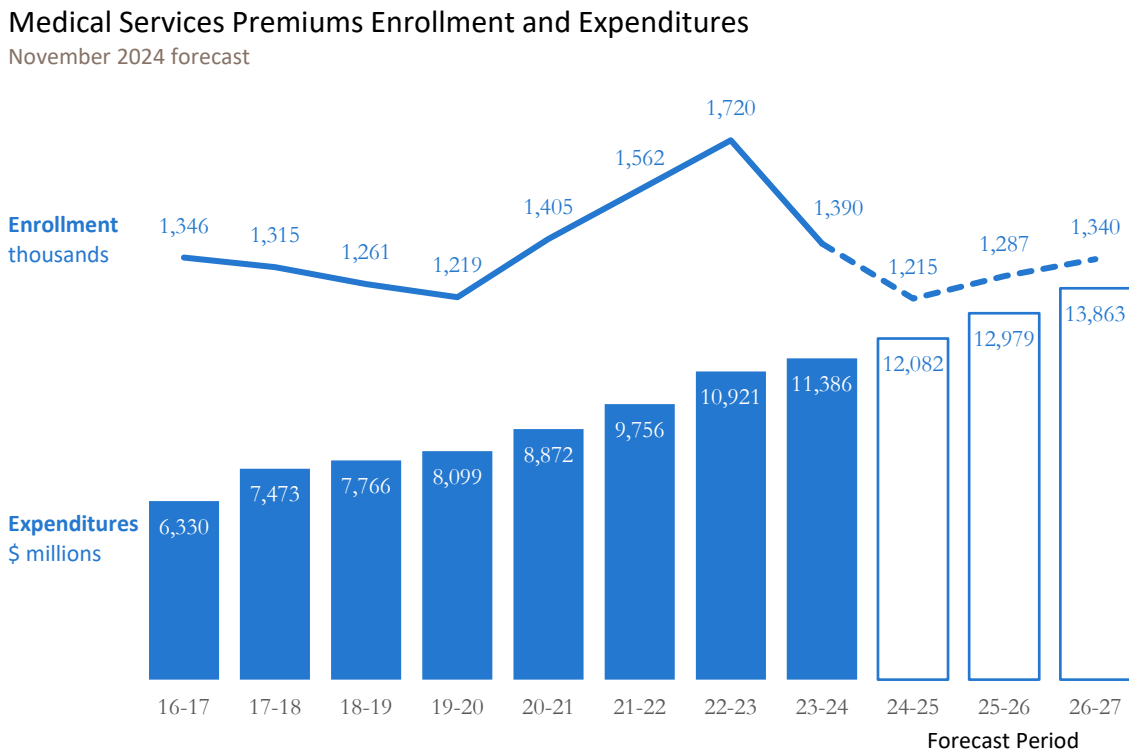
**Explanation:** JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

## Request

The Department requests funding for a new projection of enrollment and expenditures under current law and policy. The request costs \$150.9 million total funds, including \$55.9 million General Fund. The Medical Services Premiums line item pays for physical health care and most long-term services and supports for clients eligible for Medicaid. The forecast used for the original FY 2024-25 appropriation incorporated data through December 2023. This supplemental request incorporates data through June 2024. The Department will submit a new forecast in February that uses data through December 2024. If that February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

In addition to this request, the Office of State Planning and Budgeting included a placeholder of \$41.3 million General Fund in FY 2024-25 for potential changes in the February 2025 forecast. See page 5 of the [Governor's letter](#).

The chart below summarizes the Department's forecast of enrollment and expenditures.



The table below summarizes the major contributors to the change from the FY 2024-25 appropriation to the Department's November 2024 forecast for FY 2024-25. It does not show

differences from FY 2023-24 expenditures. The primary driver for the change in the forecast is higher than expected per capita costs in nearly every eligibility category.

FY 2024-25 Medical Services Premiums Enrollment/Utilization Trends				
Item	Total Funds	General Fund	Other State	Federal Funds
FY 2024-25 Appropriation	\$11,506,136,779	\$3,573,779,779	\$1,441,811,050	\$6,915,765,222
<b>Acute Care</b>				
Enrollment	-124,301,572	-22,003,327	-7,104,414	-95,193,831
Per capita	<u>326,086,358</u>	<u>90,073,700</u>	<u>69,081,102</u>	<u>166,931,556</u>
<i>Subtotal - Acute Care</i>	<i>201,784,786</i>	<i>68,070,373</i>	<i>61,976,688</i>	<i>71,737,725</i>
<b>Long-term Care Programs</b>				
HCBS waivers	-28,131,243	-14,768,527	493,274	-13,855,990
Long-Term Home Health/PDN/Hospice	4,400,834	2,200,417	0	2,200,417
Nursing homes	-9,348,512	-4,729,771	111,988	-4,730,729
PACE	<u>-11,250,104</u>	<u>-5,625,052</u>	<u>0</u>	<u>-5,625,052</u>
<i>Subtotal - Long-term Care Programs</i>	<i>-44,329,025</i>	<i>-22,922,933</i>	<i>605,262</i>	<i>-22,011,354</i>
Medicare & private premiums	3,095,762	15,234,305	0	-12,138,543
Service management	-6,344,322	-1,410,540	-8,642	-4,925,140
Financing	-3,302,923	-3,049,928	7,737,101	-7,990,096
<b>Total</b>	<b>\$12,082,260,328</b>	<b>\$3,629,701,056</b>	<b>\$1,512,121,459</b>	<b>\$6,940,437,814</b>
Increase/-Decrease	150,904,277	55,921,277	70,310,409	24,672,592
Percentage Change	1.3%	1.6%	4.9%	0.4%

## Acute Care

The acute care category includes expenditures for hospitals, primary care, specialty care, and pharmacy, among others.

- **Enrollment:** Overall enrollment is coming in below the assumptions in the appropriation. Changes in enrollment reduce projected total funds \$110 million for the ACA expansion populations, \$54 million for children, and \$25 million for parents and pregnant women. These decreases are partially offset by increases in projected enrollment for elderly, people with disabilities, and non-citizen emergency services.
- **Per capita:** Forecasted expenditures per capita increased in nearly every eligibility category. During the public health emergency, federal policy prohibited the Department from disenrolling people due to a change in income or family status. Enrollment grew rapidly, but the people added used less health services than average, lowering per capita costs. The Department expected per capita costs to increase when the enrollment rules restarted. The actual increase is running higher than the Department expected. The enrollment surge disrupted per capita trends, making it hard to forecast what would happen in FY 2024-25.

## Long-term care programs

The long-term care programs include nursing homes, in-home nursing services, and community supports that help people live at home.



- HCBS waivers: The Department is seeing lower than projected enrollment in the Elderly, Blind, and Disabled waiver and Community Mental Health Supports waiver. Also, the Department decreased the forecast of H.B. 22-1303. Home- and Community-Based Services (HCBS) assist the elderly and people with disabilities with activities of daily living, so that they can live in the community instead of an institutional setting. The services are either non-medical services or routine and repetitive health maintenance services that do not require clinical judgement or assessment. Examples of the services include assistance with bathing, meals, or cleaning.
- Long-term home health/PDN/Hospice: The Department increased the forecast of hospice paid days and slightly increased expected utilization of long-term home health units. Long-term home health and private duty nursing (PDN) pay for skilled nursing and therapy services provided in a home setting. People can potentially receive both HCBS and long-term home health or PDN. The difference between long-term home health and PDN is a matter of degree, with PDN the more intensive service and generally limited to people who are machine-dependent and/or require round-the-clock care. In addition to traditional nursing services, home health includes physical therapy, occupational therapy, and speech therapy.
- Nursing homes: Year-to-date bed days are running lower than the assumptions in the appropriation.
- PACE: The Department had projected aggressive enrollment growth and actual enrollment is coming in somewhat less, but still strong. The Program of All-inclusive Care for the Elderly (PACE) is a managed care program that includes both acute care and long-term care services.

## Medicare & private premiums

The forecast makes an adjustment for actual enrollment to date. For people eligible for both Medicaid and Medicare the Department pays the Medicare premiums. For most of the clients the Department gets a standard 50 percent federal match, but lower and higher income clients get 100 percent and 0 percent federal match rates respectively. In a small number of cases, the Department pays private insurance premiums.

## Service management

The forecast reflects the change in expected enrollment. Service management is primarily administrative payments to the Regional Accountable Entities for the Accountable Care Collaborative on a per enrollee basis.

## Financing

The Department made miscellaneous changes to forecasted financing expenditures. The largest components of the financing category include supplemental payments to hospitals and nursing homes that are financed by provider fees, supplemental payments to public emergency medical transportation providers that are financed by certified public expenditures, and supplemental payments for providers of the University of Colorado School of Medicine and Denver Health that are financed through intergovernmental transfers. The Department retains portions of

these supplemental payments to offset General Fund as a way of recovering administrative costs.

## Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

## S1b Health benefits for children lacking access due to immigration status

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$13,935,138	\$13,935,138	\$0	\$0	\$0	0.0
Recommendation	13,935,138	13,935,138	\$0	\$0	\$0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

## Request

The Department requests funding for a new projection of enrollment and expenditures under current law and policy for health benefits for children lacking access due to immigration status. The request costs \$13.9 million General Fund. House Bill 22-1289 required the Department to set up a program with benefits that mirror Medicaid and CHP+. The eligibility criteria include children who would otherwise qualify for Medicaid or CHP+ except for their immigration status. There is no federal match.

The Department projects that the original Fiscal Note significantly understated the cost. The Department increased enrollment projections based on uptake rates for a similar program in Oregon and enrollment trends to date. In advance of the January 2025 implementation, the Department began passively enrolling people who qualified for emergency services under Medicaid within the last year who would not qualify for standard Medicaid or CHP+ due to immigration status. The Department passively enrolled 7,153 children, compared to 1,344 children assumed in the Fiscal Note. The Department decreased the expected per capita costs compared to the Fiscal Note but not nearly enough to offset the higher projected enrollment.

HB 22-1289 Service Costs for Children		
Item	FY 2024-25	FY 2025-26
Fiscal Note	\$2,102,664	\$4,360,863

HB 22-1289 Service Costs for Children		
Item	FY 2024-25	FY 2025-26
November 2024 Projection	\$16,037,803	\$32,075,606
Difference	\$13,935,139	\$27,714,743

## Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. The program has statutory authority to overexpend the appropriation. This forecast represents what the Department thinks the state will spend for the benefit, whether the JBC approves the supplemental or not. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

This request has no bearing on the balancing option presented by the JBC staff to halt or cap the eligibility expansion. This request is for the projected costs of the program under current law and policy. Any change to the eligibility or benefits would occur in a bill and the bill would include the savings.

If the JBC wants to halt or cap the benefit, there might be marginal value in acting quickly to approve legislation, since this program is ramping up. There are no federal approval procedures or regulations to navigate, because this is a state program. However, the Department will need time for system changes and for noticing program participants. If legislation keeps part of the program, the Department will need time to redesign the benefit and/or eligibility to match the new statutory direction. However, the JBC should not feel pressure to rush to a decision if the Committee is not ready. Changing this benefit would be about long-term and on-going savings. Delaying a decision until figure setting will impact the potential savings on the margins in the first year.

At the hearing the Department suggested there might be other ways to bring down costs for the program than an eligibility cap. The Department specifically mentioned excluding long-term care from the benefit package as a potential way to contain costs. The Department did not provide an estimate of what that would save.

## S3 Children's Basic Health Plan

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$7,500,237	\$1,232,180	\$1,392,903	\$0	\$4,875,154	0.0
Recommendation	7,500,237	1,232,180	1,392,903	0	4,875,154	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

### Request

The Department requests funding for a new projection of enrollment and expenditures under current law and policy for the Children's Basic Health Plan. The request costs \$7.5 million total funds, including \$1.2 million General Fund. The Children's Basic Health Plan, marketed as the Child Health Plan Plus (CHP+), pays for physical and behavioral health services for eligible children and pregnant women and for dental services for children.

The forecast used for the original FY 2024-25 appropriation incorporated trend data through December 2023. The latest forecast used for this supplemental request incorporates data through June 2024. The Department will submit a new forecast in February that uses data through December 2024. If that February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

CHP+ covers children and pregnant women to effectively 265 percent<sup>1</sup> of the federal poverty guidelines, or \$68,423 annually for a family of three. Historically, enrollment in CHP+ has been highly changeable, in part because eligibility for the program is sandwiched between an upper income limit and a lower income limit. Medicaid provides effective coverage for children with income up to 147 percent and pregnant women with income up to 200 percent of the federal poverty guidelines. When Medicaid enrollment decreases CHP+ enrollment sometimes increases, and vice versa, as people transition between the two programs. In addition, CHP+ has experienced frequent adjustments to state and federal eligibility criteria and to administrative procedures for handling eligibility determinations.

The federal match for FY 2024-25 is 65 percent. The federal match rate for CHP+ is derived from the standard match for Medicaid. Federal policies provided a temporary boost to the match rates for federal fiscal years 2015-16 through 2019-20.

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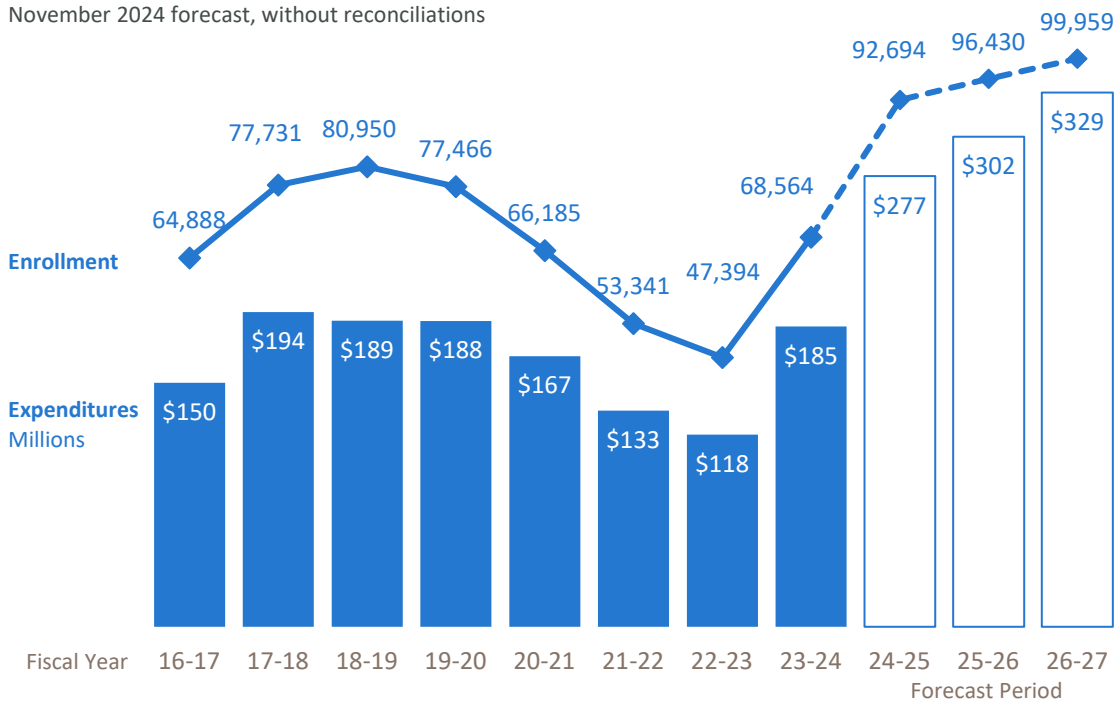
<sup>1</sup> The income limit in statute is 260 percent of the federal poverty guidelines, but federally mandated standard income disregards raise the effective income limit to 265 percent.

The state match for CHP+ comes primarily from the Healthcare Affordability and Sustainability (HAS) Fee, tobacco master settlement agreement revenue deposited in the CHP+ Trust, and the General Fund. The HAS Fee provides the match for people with income from 206 percent to 265 percent of the federal poverty guidelines. CHP+ receives roughly \$15 million a year in revenue from the tobacco master settlement agreement distribution formula that offsets the need for General Fund. House Bill 22-1289 eliminated the CHP+ enrollment fees.

The chart below summarizes the Department's forecast of enrollment and expenditures.

### Children's Basic Health Plan (CHP+) Enrollment and Expenditures

November 2024 forecast, without reconciliations



Compared to the appropriation, the November forecast is up 2.8 percent total funds and General Fund. The increase includes \$2.0 million total funds attributable to higher enrollment expectations and \$5.5 million for increased per capita expenditures. These are changes from the appropriation to the November 2024 forecast for FY 2024-25. They are not the changes from FY 2023-24.

S3 Children's Basic Health Plan				
Item	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2024-25 Appropriation	\$269,980,786	\$43,885,585	\$50,672,690	\$175,422,511
Enrollment	1,962,547	0	686,892	1,275,655
Per capita	5,537,690	1,232,180	706,011	3,599,499
<b>Total</b>	<b>\$277,481,023</b>	<b>\$45,117,765</b>	<b>\$52,065,593</b>	<b>\$180,297,665</b>
Increase/-Decrease	\$7,500,237	1,232,180	1,392,903	4,875,154
Percentage Change	2.8%	2.8%	2.7%	2.8%

## Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

This request has no bearing on the balancing option presented by the JBC staff to reduce the income eligibility range for CHP+ and repurpose the HAS Fee savings. This request is for the projected costs of the CHP+ program under current law and policy. Any change to CHP+ eligibility would occur in a bill and the bill would include the savings. Due to the time required for federal approval, public noticing, contract amendments, rate adjustments, and system changes, the JBC staff assumes any savings from changing CHP+ eligibility would not occur until FY 2025-26.

## S4 Medicare Modernization Act

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$2,903,642	-\$2,903,642	\$0	\$0	\$0	0.0
Recommendation	-2,903,642	-2,903,642	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding actual enrollment and expenditures.

## Request

The Department requests funding for a new projection of enrollment and expenditures under current law and policy for the Medicare Modernization Act. The request saves \$2.9 million General Fund. The Medicare Modernization Act line item reimburses the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. In 2006 Medicare took over responsibility for these drug benefits, but to defray the costs the federal legislation requires states to make an annual payment based on a percentage of what states would have paid for this population in Medicaid, as estimated by a federal formula. This is a state obligation with no federal match, but the federal match rate for Medicaid does impact the calculation of how much the state owes.

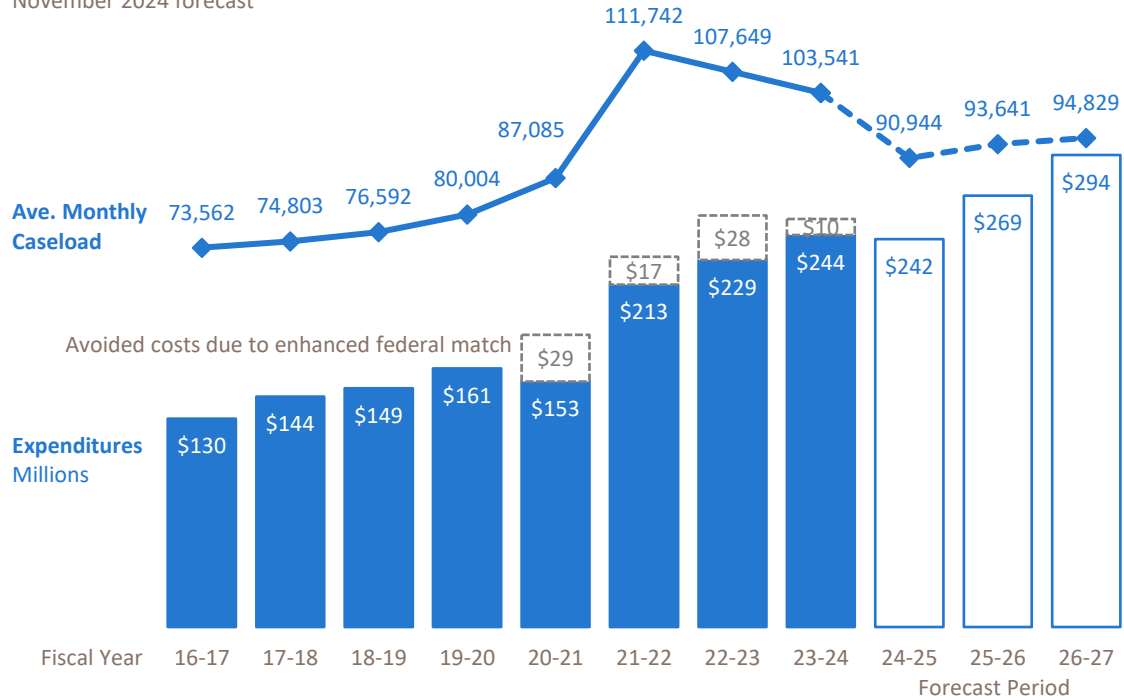
The forecast used for the original FY 2024-25 appropriation incorporated trend data through December 2023. The latest forecast used for this supplemental request incorporates data through June 2024. The Department will submit a new forecast in February that uses data through December 2024. If that February forecast is significantly different than the forecast

used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

The chart below summarizes the Department's forecast of enrollment and expenditures.

### Medicare Modernization Act Caseload and Expenditures

November 2024 forecast



The entire change in the forecast is attributable to a decrease in enrollment expectations. These are changes from the FY 2024-25 appropriation to the Department's November 2024 forecast for FY 2024-25. They are not differences from the FY 2023-24 expenditures.

S4 Medicare Modernization Act		
Item	Total Funds	General Fund
FY 2024-25 Appropriation	\$244,659,612	\$244,659,612
Enrollment	-2,903,642	-2,903,642
Per capita	0	0
<b>Total</b>	<b>\$241,755,970</b>	<b>\$241,755,970</b>
Increase/-Decrease	-\$2,903,642	-2,903,642
Percentage Change	-1.2%	-1.2%

## Recommendation

Staff recommends approval of the request. The new forecast uses more recent data than the forecast used for the original appropriation. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental add-on to the Long Bill.

## S8 Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$2,867,149	-\$2,558,268	\$192,541	\$416,192	\$4,816,684	0.0
Recommendation	2,867,149	-2,558,268	192,541	416,192	4,816,684	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of technical errors in the original appropriation.

## Request

The Department requests correcting three technical errors in the appropriation. Correcting the errors increases total funds \$2.9 million, including a net decrease of \$2.6 million General Fund.

S8 Technical adjustments					
	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Salary Survey double reduction	\$834,248	\$358,393	\$49,721	\$3,921	\$422,213
Payments to OIT mismatch	2,032,901	265,906	142,820	412,271	1,211,904
Human Services indirect cost assessment	0	-3,182,567	0	0	3,182,567
<b>Total</b>	<b>\$2,867,149</b>	<b>-\$2,558,268</b>	<b>\$192,541</b>	<b>\$416,192</b>	<b>\$4,816,684</b>

**Salary Survey double reduction:** The JBC staff erroneously reduced the Salary Survey line item twice to implement a JBC policy. The JBC moved some of the Salary Survey to a new Step Pay line item to improve transparency. The JBC staff initially moved the correct amount to the Step Pay line item, but then reduced the Salary Survey line item a second time by the same amount (with no corresponding increase in the Step Pay line item). Other unrelated changes in the same line item masked the error and neither the JBC staff nor the Department discovered the problem until after the Long Bill was signed. To correct the error and implement the JBC's original intent, the salary survey appropriation needs to be increased by \$834,248 total funds, including \$358,393 General Fund. This would treat the Department consistent with other departments and correctly implement the JBC's compensation common policies.

Potentially, the Department could absorb the shortfall by holding positions vacant. The Department's FY 2024-25 appropriations include \$78.0 million total funds, including \$29.0 million General Fund, for personal services line items. The request is slightly more than 1 percent of the base personal services. However, JBC staff recommends making personal services reductions based on policy rather than technical errors. If the JBC wants to reduce personal services, it should adjust the common policy or target a specific program in the Department. The Department used all of the General Fund appropriated for personal services in FY 2023-24. Forcing the Department to hold positions vacant would impede carrying out programs approved by the General Assembly.



**Payments to OIT mismatch:** The appropriations for the Department to pay the Office of Information Technology (OIT) do not match the amounts approved by the JBC. In FY 2023-24, OIT began calculating the Department's share of expenses in two parts. One part relates to the Department's share of OIT services and the second part represents the share of expenses for the Colorado Benefits Management System (CBMS). The Department serves as the fiscal agent for CBMS. In FY 2023-24, a miscommunication caused the department to request funding for the Department's share of three new OIT initiatives but not the CBMS share. Unrelated delays in CBMS contracts allowed the Department to cover the bill from OIT in FY 2023-24. CBMS program staff did not alert the Department budget staff that there was a problem. That problem then carried forward to FY 2024-25.

Without the requested funding, the Department will not have money to pay OIT. The CBMS share of the OIT initiatives is significant, ranging from 4.0 percent to 21.1 percent of the appropriations for the relevant OIT line items. The three OIT initiatives, approved by the General Assembly, relate to expanded use of the MyColorado mobile app, increasing needs of the IT asset management program that tracks and manages IT assets, and improvements to data management that include creating a state data catalog, reducing security risks, and creating efficiencies.

**Human Services indirect cost assessment:** Based on historic and year-to-date expenditures, the fund sources to pay indirect cost assessments for the Department of Human Services need truing up. The adjustment decreases General Fund by \$3.2 million and increases federal funds by the same amount. Without the adjustment, the Department projects it will revert the General Fund at the end of the fiscal year.

## Recommendation

Staff recommends approval of the request in order to correct technical errors and to more accurately reflect the Medicaid fund sources for the administration of programs operated by the Department of Human Services.

# S11 ARPA HCBS Adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$26,725,550	\$0	\$13,263,386	\$0	\$13,462,164	0.0
Recommendation	26,725,550	0	13,263,386	0	13,462,164	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding program expenditures.

## Request

The Department requests reallocating unspent money from the American Rescue Plan Act (ARPA) Home and Community Based Services (HCBS) to provider rate bonuses so that the Department can spend the money by the federal deadline of March 31, 2025. The net of the positive and negative adjustments increases appropriations by \$26.7 million total funds. The increase is due to not revisiting appropriations prior to FY 2024-25 that underspent, shifting resources from projects that don't receive a federal match to projects that do receive a match, and a true up of appropriations to the total funds available. In addition to dumping underspent money into provider rates, the supplemental makes small true ups to reflect actual expenditures by project.

ARPA provided an additional 10 percentage point federal match for HCBS from April 1, 2021, through March 31, 2022. The bill required states to reinvest the state savings in activities to enhance, expand, or strengthen HCBS. The federal legislation strictly required that the funding supplement and not supplant existing resources.

Colorado put the savings in a Home- and Community-Based Services Improvement Fund and a special ARPA HCBS account of the Healthcare Affordability and Sustainability (HAS) Fee Cash Fund. The money in these funds is subject to annual appropriation, but the General Assembly has provided multiple rounds of rollforward authority to ensure the Department can spend it all.

The Department submits [quarterly reports](#) to the Joint Budget Committee and to the Centers for Medicare and Medicaid Services (CMS) with detailed descriptions of the projects, progress made, and accomplishments. The General Assembly approved 62 projects that got whittled down to 61. Most of the projects are complete and the Department is going through accounting close outs and reconciliations.

All of the project decreases are attributable to contract delays, underspending in contracts, or grants where the recipient could not spend all of the funds in the allocated time. This was an anticipated outcome. The Department has had several discussions with the JBC about

temporary retroactive rate increases to quickly spend the remaining funds at the end of the federal timeframe.

The Department specifically proposes separate provider bonuses for case management agencies and HCBS providers.

For the case management agencies (CMAs), the Department proposes a \$5.0 million bonus. The increase is 17.07 percent on claims submitted from July 2024 through September 2024. The increase is intended to match the percentage increase proposed for FY 2025-26 for county administration in R7. The Department argues that both case management agencies and county administration experienced similar extraordinary workloads related to the unwind of the public health emergency. In addition, the transition to new information technology and conflict free case management disrupted CMA workflow, created backlogs, and increased workload. For technical reasons, the provider bonus is not eligible for a federal match. The CMA services are part of the state plan, rather than a waiver, so the Department has less flexibility to make retroactive changes and still draw federal dollars.

For the HCBS providers, the Department proposes an across the board retroactive increase on services from July 1, 2024, to December 31, 2024, to spend all the remaining ARPA HCBS dollars. The Department is giving providers until February 28, 2025, to submit claims for services within those dates that would receive the bonus payment. The exact percentage increase will depend on the available remaining funds and the services billed. The Department anticipates the percentage increase will fall between 7 and 10 percent. The Department expects to distribute \$37.9 million total funds, with \$19.0 million from the ARPA HCBS funds and \$19.0 million from matching federal funds. Federal approval caps the allowable rate increase at 10 percent. Using some of the remaining funds for a rate increase for the CMAs helps the Department stay under the 10 percent limit for the HCBS providers.

The table below summarizes the budget changes by project. The changes by project do not match the supplemental changes by line item. Some of the underspending relates to funding provided in years prior to FY 2024-25.

Project No.	Project Name	Current Budget		Requested Budget		Difference	
		Total Funds	ARPA HCBS	Total Funds	ARPA HCBS	Total Funds	ARPA HCBS
1.01	Increase Payments to Providers and Workers	\$251,796,763	\$116,897,392	\$278,558,712	\$123,185,774	\$26,761,949	\$6,288,382
1.02	Direct Care Workforce Data Infrastructure	785,643	392,822	894,608	447,304	108,965	54,482
1.03	Standardized Core Curriculum & Specialization	750,000	396,250	732,150	390,900	-17,850	-5,350
1.04	Resource & Job Hub	550,000	550,000	550,000	550,000	0	0
1.05	HCBS Workforce Training Fund	8,150,000	8,150,000	6,520,868	6,520,868	-1,629,132	-1,629,132
1.06	Career Pathways	1,049,643	1,049,643	802,475	802,475	-247,168	-247,168
1.07	Public Awareness Campaign	402,927	402,927	395,718	395,718	-7,209	-7,209
1.08	Home Health Delegation	149,225	74,613	149,225	74,613	0	0
1.09	Workforce Compensation Research	70,000	35,000	70,000	35,000	0	0
1.10	Rural Sustainability & Investments	806,088	403,044	804,088	402,044	-2,000	-1,000
2.01	Behavioral Health Transition Support Grants	14,150,000	14,150,000	12,604,815	12,604,815	-1,545,185	-1,545,185
2.02	Expand Behavioral Health Crisis Teams	1,900,000	1,900,000	1,750,000	1,750,000	-150,000	-150,000
2.03	IMD Exclusion, Risk Mitigation Policy	450,000	225,000	394,736	197,368	-55,264	-27,632
3.01	Equity Study	350,000	175,000	365,000	182,500	15,000	7,500
3.02	Buy-In Analysis	250,000	125,000	149,910	74,955	-100,090	-50,045
3.03	Community Transitions Support	5,345,491	2,827,840	749,489	396,490	-4,596,002	-2,431,350
3.04	HCBS Training for Member & Families	399,216	199,608	375,893	187,947	-23,323	-11,661
3.05	Translation of Case Management Material	375,000	187,500	183,714	91,857	-191,286	-95,643
3.06	Expand Behavioral Health Safety Net	29,844,535	27,922,268	30,129,685	28,064,842	285,150	142,574
3.07	Wrap-Around Services, incl Peer Supports for Complex Needs	19,176,280	18,996,280	18,616,106	18,436,106	-560,174	-560,174
3.08	AI-AN Culturally Responsive Services Capacity Grants	5,000,000	5,000,000	3,000,000	3,000,000	-2,000,000	-2,000,000
4.01	Residential Innovation	1,081,870	1,081,870	1,072,760	1,072,760	-9,110	-9,110
4.02	Promote Single Occupancy	13,108,658	13,108,658	10,698,589	10,698,589	-2,410,069	-2,410,069
4.03	Child & Youth Step-Down Options Program & Provider Recruitment	3,900,000	1,950,000	2,058,515	1,029,258	-1,841,485	-920,742
4.04	Tiered Residential Rates & Benefits	730,185	365,093	730,185	365,093	0	0
4.05	Pilot CAPABLE	3,150,000	3,150,000	3,086,350	3,086,350	-63,650	-63,650
4.06	Supported Employment Pilot Extension	975,000	975,000	807,143	807,143	-167,857	-167,857
4.07	New Systems of Care	8,211,677	8,211,677	6,026,904	6,026,904	-2,184,773	-2,184,773
4.08	Respite Grant Program	1,394,287	1,394,287	1,385,948	1,385,948	-8,339	-8,339
4.09	Respite Rate Enhancement	846,573	289,416	2,796,447	826,974	1,949,874	537,558
4.11	Hospital Community Investment Requirements	300,000	300,000	300,000	300,000	0	0
4.12	Community First Choice	3,578,177	1,372,439	3,151,091	575,546	-427,086	-796,893
5.01	Case Management Capacity Building	11,265,473	5,632,737	15,413,896	7,706,948	4,148,423	2,074,211
5.02	Improve & Expedite Long-Term Care Eligibility Processes	5,400,000	2,700,000	7,576,339	3,788,170	2,176,339	1,088,170
5.03	Case Management Rates	385,215	192,608	385,215	192,608	0	0
5.04	Case & Care Management Best Practices	2,460,000	1,230,000	2,460,000	1,230,000	0	0
5.05	Case Management Agency Training Program	2,229,850	1,714,925	2,254,100	797,050	24,250	-917,875
6.01	Home Health PDN Acuity Tool	4,919,008	2,059,504	4,583,001	1,891,501	-336,007	-168,003
6.03	Member Facing Provider Finder Tool Improvements	204,022	20,402	947,486	94,749	743,464	74,347

Project No.	Project Name	Current Budget		Requested Budget		Difference	
		Total Funds	ARPA HCBS	Total Funds	ARPA HCBS	Total Funds	ARPA HCBS
6.05	Member Tech Literacy	500,000	256,000	500,000	256,000	0	0
6.06	HCBS Provider Digital Transformation & EHR Enhancement	33,350,258	16,675,129	31,089,892	15,544,946	-2,260,366	-1,130,183
6.07	Innovative Tech Integration	150,000	75,000	0	0	-150,000	-75,000
6.08	Care & Case Management System Investments	17,795,876	2,497,938	10,596,955	1,934,366	-7,198,921	-563,572
6.09	Updates to Salesforce Database	500,000	250,000	845,520	422,760	345,520	172,760
6.11	Centers for Excellence Pain Management	475,000	237,500	270,616	135,308	-204,384	-102,192
6.12	Systems Infrastructure for Social Determinants of Health	15,000,000	1,500,000	13,479,518	1,347,952	-1,520,482	-152,048
6.13	Connect CMAs to ADT Data	427,435	213,718	290,493	145,247	-136,942	-68,471
6.14	Data Sharing with the SUA	120,000	60,000	120,000	60,000	0	0
6.15	Improvements - System Communication (Trails)	2,000,000	1,000,000	22,952	11,476	-1,977,048	-988,524
7.02	Member Emergency Preparedness	4,405,250	4,405,250	6,405,250	6,405,250	2,000,000	2,000,000
8.02	Provider Oversight	700,000	350,000	699,030	349,515	-970	-485
8.05	Pay-for-Performance for Home-Health (HH) & Residential HCBS	500,000	250,000	499,965	249,983	-35	-17
8.06	Pay for Performance for PACE & Pace Licensure	1,689,678	844,839	1,789,860	894,930	100,182	50,091
8.07	eConsult to Improve Quality	250,000	125,000	99,000	49,500	-151,000	-75,500
8.08	HCBS Provider Quality Dashboard	815,000	407,500	815,000	407,500	0	0
8.09	Waiver Quality Expansion	864,357	432,179	826,454	413,227	-37,903	-18,952
8.11	EPSDT Benefits Training	750,000	375,000	675,244	337,622	-74,756	-37,378
9.01	Dept Administrative Overhead Costs	8,744,175	4,372,088	9,138,575	4,569,288	394,400	197,200
9.01	Leased Space	915,394	457,697	915,394	457,697	0	0
9.01	Operating Expenses	442,990	221,495	483,160	241,580	40,170	20,085
4.10	Home Mod Budget Enhancements	3,667,162	1,750,000	5,460,741	2,289,769	1,793,579	539,769
8.10	Criminal Justice Partnership	0	0	50,000	25,000	50,000	25,000
Contingency	Contingency Fund - FTE	0	0	0	0	0	0
Contingency	Contingency Fund - GPS	193,215	96,608	0	0	-193,215	-96,608
Contingency	Contingency Fund - MMIS	0	0	0	0	0	0
Contingency	Contingency Fund - Services	0	0	37,908,076	18,954,038	37,908,076	18,954,038
Contingency	Contingency Fund - State-Only	3,000,000	3,000,000	5,000,000	5,000,000	2,000,000	2,000,000
FTE	FTE	17,446,126	10,862,461	17,638,418	9,894,318	192,292	-968,143
	<b>Total</b>	<b>\$520,592,722</b>	<b>\$296,524,205</b>	<b>\$569,151,274</b>	<b>\$310,064,439</b>	<b>\$48,558,552</b>	<b>\$13,540,234</b>

## Recommendation

Staff recommends approval of the request. The ARPA HCBS money can only be used for HCBS and it must supplement, rather than supplant, state funds. The State cannot refinance a previously approved provider rate increase or program enhancement. Temporary retroactive rate increases, or bonuses, provide a way to quickly spend the remaining funds for worthy and allowable causes before the money reverts to the federal government. Trying to use the money for alternative program enhancements at this stage would present logistical timing challenges and risk underspending. A reversion would help the federal budget, but the benefit to taxpayers would be spread across the country, rather than to Colorado.

The Department has discussed using unspent ARPA HCBS money for provider rate increases with the JBC in the past. This request includes a new wrinkle that uses differential rate increases for CMAs and HCBS providers. The higher increase for CMA providers recognizes the extraordinary workload challenges associated with the unwind of the public health emergency, new information technology, and conflict free case management. Also, it helps ensure that the increase for the HCBS providers will not exceed the 10 percent federal cap.

## S12 Med transport reviews

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$2,236,155	\$670,846	\$447,231	\$0	\$1,118,078	0.0
Recommendation	2,236,155	670,846	447,231	0	1,118,078	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that the request results from data that was not available when the original appropriation was made. The new data includes the volume of prepayment reviews and the value of the policy consultation services.

## Request

The Department requests more money to review non-emergent medical transportation (NEMT) claims. The request costs \$2.2 million total funds, including \$670,846 General Fund. There are costs in FY 2025-26 and then the funding would end.

S12 Med transport reviews				
Item	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2024-25</b>				
Claims review backlog	\$1,961,155	\$588,346	\$392,231	\$980,578
Policy consultation	275,000	82,500	55,000	137,500
Transition support for new broker	0	0	0	0
<b>Total - FY 2024-25</b>	<b>\$2,236,155</b>	<b>\$670,846</b>	<b>\$447,231</b>	<b>\$1,118,078</b>
<b>FY 2025-26</b>				
Claims review backlog	\$644,650	\$193,395	\$128,930	\$322,325
Policy consultation	660,000	198,000	132,000	330,000
Transition support for new broker	355,000	106,500	71,000	177,500
<b>Total - FY 2025-26</b>	<b>\$1,659,650</b>	<b>\$497,895</b>	<b>\$331,930</b>	<b>\$829,825</b>
<b>2-year total</b>	<b>\$3,895,805</b>	<b>\$1,168,741</b>	<b>\$779,161</b>	<b>\$1,947,903</b>

**Claims review backlog:** The request would reduce a backlog of claims waiting review. The Department started prepayment reviews for NEMT in FY 2023-24 due to concerns about fraud. The actual claims needing review are more than assumed in the appropriation. Also, the Department wants to continue reviewing claims through FY 2025-26. The current funding runs out in FY 2024-25. The request assumes 19,969 claims reviews in FY 2024-25, including the backlog, and 6,564 claims reviews in FY 2025-26. The funding would allow prepayment reviews within 30 days of new claims.

Without the funding, providers will need to wait longer to get paid and/or the Department will need to reduce the claims reviewed, increasing the potential for fraud.

The need for prepayment reviews will phase out when the Department procures a statewide broker for NEMT. The prepayment reviews are on claims outside of a nine county metro region where the Department has a regional broker for NEMT. In the nine county region, the broker verifies the medical necessity of each trip, verifies the driver and vehicle assigned, and verifies that the claim matches the mileage. Also, the broker conducts post-service satisfaction surveys. The statewide broker will perform these same functions for the rest of the state. These are parts of the broker's responsibilities for coordinating services and developing the provider network.

The General Assembly approved using broker services to cover the entire state in FY 2019-20. The Department hired a statewide broker in 2020 by amending the contract with the nine county broker, rather than issuing a Request for Proposals (RFP). The broker was not able to deliver the services. Several large local providers refused to contract with the broker. There were gaps in service and problems with wait times. The Department had to terminate the contract and then the pandemic hit. Based on the stresses to the healthcare delivery system and the Department's resources, the Department decided to delay reprocurring a statewide broker. Arguably, had the Department successfully procured broker services statewide six years ago, the current fraud schemes the Department is battling would not have worked.

The Department believes expanding from a nine county broker to a statewide broker will not cost any additional funds. Funding for the statewide broker was originally included in the

Medical Services Premiums line item. After the Department terminated the statewide broker contract, the Department didn't spend the money, because there was no statewide broker. The Department stopped building the funding into the forecast for Medical Services Premiums. There is no appropriation in FY 2024-25 for a statewide broker. However, there is funding for the nine county broker. Based on initial feedback from potential bidders, the Department believes the current roughly \$4 million per year the Department spends on the nine county broker will be sufficient to procure a statewide broker. The Department is working on provider incentives within existing funding and procedure changes to avoid a repeat of providers refusing to contract with the broker. The Department is planning for the statewide broker to begin in January 2026.

**Policy consultation:** In addition, the Department wants more advice on ways to improve the NEMT benefit. The prepayment review vendor found many quick fixes to reduce risk and speed payment reviews. For example, the vendor helped the Department:

- populate audit workbooks with relevant rules automatically, eliminating the need to cross reference multiple documents
- design standardized trip logs with information needed to ensure rule compliance and nothing extraneous that would burden providers
- develop a rule that limits multiple transports in one trip to protect the privacy and safety of clients but still allow family members and caregivers to share rides
- identify providers with the highest performance risks

Regarding the last bullet, new information from the vendor caused the Department to cancel a round of bidding for the nine county broker. The vendor identified that a bidder had ownership shares across several states in multiple companies with performance concerns. The Department decided to redesign the bid to get better information on the applicants.

With more consulting time, the Department expects the vendor to perform further risk assessments on providers, help design additional rules, recommend more automations, and document best practices.

**Transition support for new broker:** Finally, the Department wants the vendor to work with the new statewide broker for NEMT on risk mitigation. The Department intends the consulting services to help the statewide broker implement sufficient and efficient procedures to ensure client safety and proper billing.

## Recommendation

Staff recommends approval of the request with modification to move the funding for the NEMT broker into a separate line item for better tracking. The scope and nature of performance issues with the NEMT benefit demonstrate that the Department needs help.

However, this is a request for administration and consulting services, rather than direct services. In light of the budget environment, the JBC could reduce the scope of the funding without undermining everything the Department hopes to accomplish.



The alternative below shows a way to save \$125,748 General Fund relative to the request. The alternative reduces the policy consultation and transition support services by 20 percent. Also, it cuts 3 months off the prepayment claims reviews in FY 2025-26. Once the new statewide broker starts, in January 2026, the need for prepayment claims reviews should diminish. The alternative keeps funding for 3 months of prepayment claims reviews after the statewide broker begins to deal with claims runout, to verify that the procedures of the statewide broker are effective, and to allow the statewide broker to ramp up operations.

Reduction Option				
Item	Total Funds	General Fund	Cash Funds	Federal Funds
<b>FY 2024-25</b>				
Reduce policy consultation 20%	-\$55,000	-\$16,500	-\$11,000	-\$27,500
<b>FY 2025-26</b>				
Reduce claims reviews 3 months	-161,163	-48,348	-32,233	-80,582
Reduce policy consultation 20%	-132,000	-39,600	-26,400	-66,000
Reduce transition support 20%	-71,000	-21,300	-14,200	-35,500
<b>Total - FY 2025-26</b>	<b>-\$364,163</b>	<b>-\$109,248</b>	<b>-\$72,833</b>	<b>-\$182,082</b>
<b>2-year total change</b>	<b>-\$419,163</b>	<b>-\$125,748</b>	<b>-\$83,833</b>	<b>-\$209,582</b>

## S13 Public School Health Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$17,665,668	\$0	\$8,832,830	\$0	\$8,832,838	0.0
Recommendation	17,665,668	0	8,832,830	0	8,832,838	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made. The new data relates to the amount of public expenditures by school districts for Medicaid eligible children.

## Request

The Department requests additional spending authority based on projected certified public expenditures by school districts and Boards of Cooperative Education Services (BOCES). The request costs \$17.6 million total funds, including \$8.8 million cash funds and \$8.8 million federal funds.

Through the School Health Services Program school districts and BOCES identify their expenses in support of Medicaid eligible children. The Department submits them as certified public expenditures to claim federal matching funds. The Department disburses the federal matching funds, less administrative expenses, to the school districts and BOCES. The schools use the

funds to offset their costs of providing services or to expand services for low-income, underinsured, or uninsured children and to improve coordination of care between school districts and health providers.

The Department attributes the increase to expenditure trends returning to pre-pandemic levels.

## Recommendation

Staff recommends approval of the request. The expenses for Public School Health Services are driven by the amount of expenditures by school districts and BOCES that can be claimed for a federal match. The actual local certified public expenditures are not under the direct control of the Department. The availability of data to forecast the expenditures is limited and delayed, so this is a line item that frequently receives mid-year adjustments.

## S14 All-Payer Claims Database

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	490,472	360,178	0	0	130,294	0.0
Recommendation	4,283,567	360,178	0	0	3,923,389	0.0
Staff Recommendation Higher/-Lower than Request	3,793,095	0	0	0	3,793,095	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of new data that was not available when the original appropriation was made regarding the security needs of the APCD and the federal match rates.

## Request

The Department requests funds to improve security of the All Payer Claims Database (APCD). The request costs \$490,472 total funds, including \$360,178 General Fund. The security improvement costs increase in FY 2025-26 before stabilizing in FY 2026-27 and on-going. In addition to the new funding for security, the Department proposes triuing up the federal funds to match actual earned revenue.

The APCD collects information from insurers and makes it available to researchers and public agencies to improve health care, improve health, and reduce costs. Each claim contains information on what services were provided and why, who received and who provided services, when and where services were provided, and how much was charged and paid. Examples of data from the APCD informing policy making can be found in the [annual APCD reports](#).

There are limitations to the data. For example, the APCD can show that a diagnostic test was ordered, but the APCD does not show the results of the test. Despite the name, the APCD lacks information on about 30 percent of insured lives in Colorado. Federal rulings limit the APCD's ability to require self-insured entities under the Employee Retirement Income Security Act (ERISA) to submit data. Some ERISA entities submit data voluntarily. The APCD reports that

changes in federal policy to create a standardized data format for collecting medical, pharmacy, and dental claims, as well as eligibility and provider files, may provide a path for collecting data from more insurers in the future. The APCD lacks information from some federal health insurance programs, including Veterans Administration, TRICARE, Federal Employees Health Benefits, and Indian Health Services. The APCD does not include information on services to uninsured Coloradoans.

A security audit by the Office of Information Technology (OIT) in June 2024 recommended updating the 2016 infrastructure for the APCD to keep pace with security threats. The Department indicates that newer technology would improve processing times, expand analysis options, and create opportunities for integrating the data with other technology, such as the Social Health Information Exchange being developed by the Office eHealth Innovation, as well as address the security concerns.

The OIT audit also recommended network security and compliance improvements. To implement these changes, the contractor operating the APCD proposes hiring additional staff, including a network security officer, regulatory compliance officer, documentation specialist, and compliance audit specialist.

In addition to refreshing the APCD infrastructure and improving network security and compliance procedures, the request proposes truing up the federal funds, beginning in FY 2025-26, to reflect expected revenue. The Centers for Medicare and Medicaid Services (CMS) allows federal matching funds for the share of APCD activities that benefit the Medicaid program. The appropriation includes funding for both activities that do and do not receive a federal match. In recent years, the share of activities receiving a federal match has exceeded the assumptions in the appropriation. Also, the Department received approval for enhanced federal matching funds for certain activities of the APCD of 90 percent for technology development and 75 percent for technology maintenance. As a result, the current appropriation understates the actual federal funds earned by the APCD by \$3.8 million.

State and federal funding represents approximately 90 percent of the APCD operating budget. The APCD receives small private grants and charges researchers for accessing the data. Typical costs for a data set range from \$15,000 to \$50,000. Analytics for custom reports are priced by the hour and can range from less than \$7,500 to more than \$60,000, depending on the amount of work to design the query, scrub the output to protect personal health information, and provide professional analysis to interpret the data.

## Recommendation

Staff recommends approval of the request with modification to true up the federal funds beginning in FY 2024-25. The State Controller already approved federal funds spending authority for FY 2024-25, but truing up the federal funds earlier makes it easier to see the total public support for the APCD and improves transparency.

S14 All Payer Claims Database			
Item	Total Funds	General Fund	Federal Funds
<b>FY 2024-25</b>			

S14 All Payer Claims Database			
Item	Total Funds	General Fund	Federal Funds
Data Management System Reprocurement	\$179,823	\$126,415	\$53,408
Network Security and Compliance	310,649	233,763	76,886
Federal Funds True-Up	3,793,095	0	3,793,095
<b>Total - FY 2024-25</b>	<b>\$4,283,567</b>	<b>\$360,178</b>	<b>\$3,923,389</b>
<b>FY 2025-26</b>			
Data Management System Reprocurement	\$2,792,610	\$1,963,205	\$829,405
Network Security and Compliance	621,298	467,527	153,771
Federal Funds True-Up	3,793,095	0	3,793,095
<b>Total - FY 2025-26</b>	<b>\$7,207,003</b>	<b>\$2,430,732</b>	<b>\$4,776,271</b>
<b>FY 2026-27</b>			
Data Management System Reprocurement	\$1,034,118	\$778,174	\$255,944
Network Security and Compliance	621,298	467,527	153,771
Federal Funds True-Up	3,793,095	0	3,793,095
<b>Total FY 2026-27</b>	<b>\$5,448,511</b>	<b>\$1,245,701</b>	<b>\$4,202,810</b>

Eliminating or reducing funding for the APCD was one of the budget balancing options provided by the JBC staff. The APCD collects data for research and analysis, rather than providing direct services. While APCD analysis has informed several policy decisions and improved cost estimates, it is rare for APCD information to be the only, or even primary, reason for a policy decision. Only about half of the states (22) have an APCD. Colorado could manage without the APCD.

Eliminating the APCD would save \$4,471,011 General Fund. The JBC could consider reducing the General Fund instead of eliminating the program. For example, the total appropriation includes \$500,000 General Fund for a scholarship program to help researchers access the APCD without paying the full fees.

However, if the state continues operating the APCD, then it needs to secure it. The APCD collects sensitive personal information. High federal standards protect the privacy of the data and impose penalties for improper handling. OIT identified significant security risks if the APCD does not update technology on a regular schedule and improve security and compliance procedures.

As an alternative to the staff recommendation, the JBC could consider denying the supplemental and delaying a decision on the security funding until figure setting. This would keep the balancing options of eliminating or reducing the APCD in play. This is probably the best approach if the JBC is unsure whether maintaining the APCD should be a state priority going forward, or if the JBC needs more time to weigh this balancing option versus others. Delaying action would set back the Department's security risk mitigation efforts a few months. However, per the Department's hearing response, the request addresses emerging, rather than present, security needs: "while CIVHC's **security measures for the APCD are sufficient for now** [emphasis added], there is a need for additional key infrastructure positions and capabilities to ensure APCD security into the future."

The Joint Technology Committee has not looked at this request. The Department characterizes it as an operations request, rather than a capital request.

## S15 FY 2023-24 Overexpenditure

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$223,689,786	\$153,801,409	\$69,888,377	\$0	\$0	0.0
Recommendation	223,689,786	153,801,409	69,888,377	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	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 calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made regarding actual expenditures for Medicaid.

### Request

The Department requests releasing restrictions on the FY 2024-25 appropriations imposed by the State Controller due to over-expenditures in prior years. The restrictions total \$223.7 million total funds, including \$153.8 million General Fund. Because of the entitlement nature of the Medicaid program, statute (Section 24-75-109, C.R.S.) allows the Department to overexpend Medicaid line items, except administrative line items, as long as the overexpenditures are consistent with the statutory purposes of the Medicaid program. However, the State Controller restricts the current fiscal year's appropriation until the General Assembly approves a supplemental for the prior year overexpenditures. This restriction allows the JBC an opportunity to review the reasons for overexpenditures and to decide if the overexpenditures could have been avoided with better management of the appropriation or if the overexpenditures occurred as a result of an unforeseen event or forecast error. Mechanically, the release of the restrictions on the FY 2024-25 appropriations is accomplished by amending the FY 2023-24 appropriations.

### Recommendation

Staff recommends releasing the restrictions as requested.

S15 FY 2023-24 Overexpenditure				
Line Item	Total Funds	General Fund	HAS Fee	Primary Care Fund
Medical Services Premiums	\$204,130,646	\$147,622,287	\$56,508,359	\$0
Adult Comprehensive Services	6,179,122	6,179,122	0	0
Adult Supported Living Services	1,266,250	0	1,266,250	0
Case Management for People with Disabilities	460,535	0	460,535	0
Primary Care Fund Program	657,795	0	0	657,795
Safety Net Provider Payments	10,995,438	0	10,995,438	0
<b>Total</b>	<b>\$223,689,786</b>	<b>\$153,801,409</b>	<b>\$69,230,582</b>	<b>\$657,795</b>

It is important to note that the State Controller restricts funds when the Department overspends but not when the Department underspends. After taking into account forecasted lines where the Department underspent the appropriation, the net overexpenditure for services was \$123.8 million in FY 2023-24, rather than the \$153.8 million listed in the table above.

The General Fund overspending in Medical Services Premiums and Adult Comprehensive Services was primarily due to under projecting per capita costs. The Department underestimated the per capita costs for nearly every service line. There was not one particular population or set of services driving the increase in per capita costs. Forecasts depend on prior history to project the future. Major disruptions to the trends, such as COVID and the continuous eligibility policy, introduce more guesswork to the forecast. The major increases in per capita costs that the Department projected were a little less than the actual increases in almost every case.

The Department overspent the appropriations for Adult Supported Living Services and Case Management due to underforecasting enrollment through the buy in program for people with disabilities.

The Department overspent the Primary Care Fund due to higher than expected tobacco tax collections that get deposited in the Primary Care Fund.

The Department overspent the Safety Net Provider Payments because the annual federal allotment from the Disproportionate Share Hospital program was higher than expected. The HAS Fee is used to match the federal funds and maximize the supplemental payments to the hospitals.

The FY 2023-24 overexpenditures already occurred and have been accounted for in the General Fund Overview as an accounting adjustment.

## Statewide Common Policy Supplementals

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk Management	\$22,615	\$10,960	\$347	\$0	\$11,308	0.0
OIT Real time billing	650,416	-46,187	60,664	285,370	350,569	0.0
Annual fleet vehicle true up	-3,946	-1,973	0	0	-1,973	0.0
<b>Total</b>	<b>\$669,085</b>	<b>-\$37,200</b>	<b>\$61,011</b>	<b>\$285,370</b>	<b>\$359,904</b>	<b>0.0</b>

The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

**JBC Staff Supplemental Recommendations - FY 2024-25**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Numbers Pages**

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
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**Department of Health Care Policy and Financing**  
**Kim Bimestefer, Executive Director**

**S1 Medical Services Premiums**

**(2) Medical Services Premiums**

Medical and Long-Term Care Services for Medicaid

Eligible Individuals	<u>11,386,151,835</u>	<u>11,931,356,051</u>	<u>150,904,277</u>	<u>150,904,277</u>	<u>12,082,260,328</u>
General Fund	2,134,324,780	2,326,499,446	55,921,277	55,921,277	2,382,420,723
General Fund Exempt	1,179,901,546	1,247,280,333	0	0	1,247,280,333
Cash Funds	1,314,296,704	1,321,506,284	71,026,444	71,026,444	1,392,532,728
Reappropriated Funds	99,207,497	120,304,766	(716,036)	(716,036)	119,588,730
Federal Funds	6,658,421,308	6,915,765,222	24,672,592	24,672,592	6,940,437,814

**(5) Other Medical Services**

Health Benefits for Colorado Children and Pregnant

Persons	0	<u>2,102,665</u>	<u>13,935,138</u>	<u>13,935,138</u>	<u>16,037,803</u>
General Fund	0	2,102,665	13,935,138	13,935,138	16,037,803

<b>Total for S1 Medical Services Premiums</b>	11,386,151,835	11,933,458,716	164,839,415	164,839,415	12,098,298,131
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	2,134,324,780	2,328,602,111	69,856,415	69,856,415	2,398,458,526
General Fund Exempt	1,179,901,546	1,247,280,333	0	0	1,247,280,333
Cash Funds	1,314,296,704	1,321,506,284	71,026,444	71,026,444	1,392,532,728
Reappropriated Funds	99,207,497	120,304,766	(716,036)	(716,036)	119,588,730
Federal Funds	6,658,421,308	6,915,765,222	24,672,592	24,672,592	6,940,437,814

**JBC Staff Supplemental Recommendations - FY 2024-25**  
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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
<b>S3 Child Health Plan Plus</b>					
<b>(4) Indigent Care Program</b>					
Children's Basic Health Plan Medical and Dental					
Costs	<u>184,933,218 0.0</u>	<u>269,980,786</u>	<u>7,500,237</u>	<u>7,500,237</u>	<u>277,481,023</u>
General Fund	22,640,521	43,594,551	1,232,180	1,232,180	44,826,731
General Fund Exempt	303,203	291,034	0	0	291,034
Cash Funds	40,743,413	50,672,690	1,392,903	1,392,903	52,065,593
Reappropriated Funds	0	0	0	0	0
Federal Funds	121,246,081	175,422,511	4,875,154	4,875,154	180,297,665
<b>Total for S3 Child Health Plan Plus</b>	184,933,218	269,980,786	7,500,237	7,500,237	277,481,023
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	22,640,521	43,594,551	1,232,180	1,232,180	44,826,731
General Fund Exempt	303,203	291,034	0	0	291,034
Cash Funds	40,743,413	50,672,690	1,392,903	1,392,903	52,065,593
Reappropriated Funds	0	0	0	0	0
Federal Funds	121,246,081	175,422,511	4,875,154	4,875,154	180,297,665



**JBC Staff Supplemental Recommendations - FY 2024-25**  
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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
<b>S4 Medicare Modernization Act</b>					
<b>(5) Other Medical Services</b>					
Medicare Modernization Act State Contribution					
Payment	<u>244,361,309 0.0</u>	<u>244,659,612</u>	<u>-2,903,642</u>	<u>-2,903,642</u>	<u>241,755,970</u>
General Fund	244,361,309	244,659,612	(2,903,642)	(2,903,642)	241,755,970
<b>Total for S4 Medicare Modernization Act</b>	244,361,309	244,659,612	(2,903,642)	(2,903,642)	241,755,970
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	244,361,309	244,659,612	(2,903,642)	(2,903,642)	241,755,970

**JBC Staff Supplemental Recommendations - FY 2024-25**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
<b>S8 Technical adjustments</b>					
<b>(1) Executive Director's Office</b>					
<b>(A) General Administration</b>					
Salary Survey	3,665,128	<u>1,900,577</u>	834,248	834,248	2,734,825
General Fund	1,410,514	816,490	358,393	358,393	1,174,883
Cash Funds	269,531	113,274	49,721	49,721	162,995
Reappropriated Funds	53,934	8,932	3,921	3,921	12,853
Federal Funds	1,931,149	961,881	422,213	422,213	1,384,094
<b>(1) Executive Director's Office</b>					
<b>(C) Information Technology Contracts and Projects</b>					
Colorado Benefits Management Systems, Operating and Contract Expenses	<u>61,220,523</u>	<u>75,321,295</u>	<u>2,032,901</u>	<u>2,032,901</u>	<u>77,354,196</u>
General Fund	11,157,074	12,716,371	265,906	265,906	12,982,277
Cash Funds	6,542,630	6,901,184	142,820	142,820	7,044,004
Reappropriated Funds	6,398,330	13,194,450	412,271	412,271	13,606,721
Federal Funds	37,122,489	42,509,290	1,211,904	1,211,904	43,721,194
<b>(1) Transfers to Other State Department Medicaid-Funded Programs</b>					
<b>(C) Human Services</b>					
<b>(VII) Other</b>					
Federal Medicaid Indirect Cost Reimbursement for Human Services Programs	<u>0</u>	<u>500,000</u>	<u>6,365,134</u>	<u>6,365,134</u>	<u>6,865,134</u>
Federal Funds	0	500,000	6,365,134	6,365,134	6,865,134

**JBC Staff Supplemental Recommendations - FY 2024-25**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Department of Human Services Indirect Cost					
Assessment	<u>23,614,388</u>	<u>-6,365,134</u>	<u>-6,365,134</u>	<u>17,249,254</u>	
General Fund	11,807,194	(3,182,567)	(3,182,567)	8,624,627	
Federal Funds	11,807,194	(3,182,567)	(3,182,567)	8,624,627	
<b>Total for S8 Technical adjustments</b>	64,885,651	101,336,260	2,867,149	2,867,149	104,203,409
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	12,567,588	25,340,055	(2,558,268)	(2,558,268)	22,781,787
Cash Funds	6,812,161	7,014,458	192,541	192,541	7,206,999
Reappropriated Funds	6,452,264	13,203,382	416,192	416,192	13,619,574
Federal Funds	39,053,638	55,778,365	4,816,684	4,816,684	60,595,049

**JBC Staff Supplemental Recommendations - FY 2024-25**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
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**S11 ARPA HCBS Adjustments**

**(1) Executive Director's Office**

**(A) General Administration**

Personal Services	<u>80,135,753</u>	<u>74,559,074</u>	<u>-1,284,860</u>	<u>-1,284,860</u>	<u>73,274,214</u>
FTE	805.2	795.8	0.0	0.0	795.8
General Fund	28,314,157	27,137,849	0	0	27,137,849
Cash Funds	7,604,505	8,253,521	(641,719)	(641,719)	7,611,802
Reappropriated Funds	2,070,808	3,153,686	0	0	3,153,686
Federal Funds	42,146,283	36,014,018	(643,141)	(643,141)	35,370,877
Health, Life, and Dental	<u>10,639,237</u>	<u>13,109,391</u>	<u>-197,722</u>	<u>-197,722</u>	<u>12,911,669</u>
General Fund	4,148,063	5,465,466	0	0	5,465,466
Cash Funds	849,729	953,573	(98,861)	(98,861)	854,712
Reappropriated Funds	221,797	59,708	0	0	59,708
Federal Funds	5,419,648	6,630,644	(98,861)	(98,861)	6,531,783
Short-term Disability	<u>100,903</u>	<u>63,638</u>	<u>1,496</u>	<u>1,496</u>	<u>65,134</u>
General Fund	38,739	52,016	0	0	52,016
Cash Funds	8,239	9,094	(876)	(876)	8,218
Reappropriated Funds	1,911	568	0	0	568
Federal Funds	52,014	1,960	2,372	2,372	4,332

**JBC Staff Supplemental Recommendations - FY 2024-25**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Unfunded Liability Amortization Equalization					
Disbursement Payments	<u>0</u>	<u>8,320,007</u>	<u>296,188</u>	<u>296,188</u>	<u>8,616,195</u>
General Fund	0	3,467,483	0	0	3,467,483
Cash Funds	0	605,199	148,090	148,090	753,289
Reappropriated Funds	0	37,888	0	0	37,888
Federal Funds	0	4,209,437	148,098	148,098	4,357,535
Operating Expenses	<u>3,167,767</u>	<u>3,244,093</u>	<u>-1</u>	<u>-1</u>	<u>3,244,092</u>
General Fund	1,429,780	1,302,594	0	0	1,302,594
Cash Funds	341,279	307,043	(1)	(1)	307,042
Reappropriated Funds	13,921	61,415	0	0	61,415
Federal Funds	1,382,787	1,573,041	0	0	1,573,041
Leased Space	<u>2,677,250</u>	<u>3,773,214</u>	<u>0</u>	<u>0</u>	<u>3,773,214</u>
General Fund	1,138,701	1,492,962	0	0	1,492,962
Cash Funds	190,024	357,429	5	5	357,434
Reappropriated Funds	9,900	38,849	0	0	38,849
Federal Funds	1,338,625	1,883,974	(5)	(5)	1,883,969
General Professional Services and Special Projects	<u>46,946,295</u>	<u>39,323,047</u>	<u>798,098</u>	<u>798,098</u>	<u>40,121,145</u>
General Fund	6,874,711	14,318,306	0	0	14,318,306
Cash Funds	7,833,874	3,462,102	39,639	39,639	3,501,741
Reappropriated Funds	15,000	81,000	0	0	81,000
Federal Funds	32,222,710	21,461,639	758,459	758,459	22,220,098

**(1) Executive Director's Office**

**JBC Staff Supplemental Recommendations - FY 2024-25**  
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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
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**(C) Information Technology Contracts and Projects**

Medicaid Management Information System					
Maintenance and Projects	<u>79,066,420</u>	<u>107,008,840</u>	<u>-247,200</u>	<u>-247,200</u>	<u>106,761,640</u>
General Fund	8,677,661	18,031,794	0	0	18,031,794
Cash Funds	4,774,968	9,382,159	(24,720)	(24,720)	9,357,439
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	65,613,791	79,582,683	(222,480)	(222,480)	79,360,203

**(2) Medical Services Premiums**

Medical and Long-Term Care Services for Medicaid					
Eligible Individuals	<u>11,386,151,835</u>	<u>11,931,356,051</u>	<u>12,358,071</u>	<u>12,358,071</u>	<u>11,943,714,122</u>
General Fund	2,134,324,780	2,326,499,446	0	0	2,326,499,446
General Fund Exempt	1,179,901,546	1,247,280,333	0	0	1,247,280,333
Cash Funds	1,314,296,704	1,321,506,284	7,526,065	7,526,065	1,329,032,349
Reappropriated Funds	99,207,497	120,304,766	0	0	120,304,766
Federal Funds	6,658,421,308	6,915,765,222	4,832,006	4,832,006	6,920,597,228

**(4) Office of Community Living**

**(A) Division for Individuals with Intellectual and Developmental Disabilities**

**Medicaid Programs**

Adult Comprehensive Waiver Services	<u>755,547,913</u>	<u>838,089,305</u>	<u>12,915,405</u>	<u>12,915,405</u>	<u>851,004,710</u>
General Fund	369,480,850	417,653,637	0	0	417,653,637
Cash Funds	6,388,274	1,391,032	6,637,303	6,637,303	8,028,335
Federal Funds	379,678,789	419,044,636	6,278,102	6,278,102	425,322,738

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	<b>FY 2023-24 Actual</b>	<b>FY 2024-25 Appropriation</b>	<b>FY 2024-25 Requested Change</b>	<b>FY 2024-25 Rec'd Change</b>	<b>FY 2024-25 Total w/Rec'd Change</b>
Adult Supported Living Waiver Services	<u>90,499,263</u>	<u>98,534,109</u>	<u>4,225,474</u>	<u>4,225,474</u>	<u>102,759,583</u>
General Fund	34,458,327	40,867,183	0	0	40,867,183
Cash Funds	9,486,360	8,399,874	1,140,476	1,140,476	9,540,350
Federal Funds	46,554,576	49,267,052	3,084,998	3,084,998	52,352,050
Children's Extensive Support Services	<u>76,703,034</u>	<u>86,512,303</u>	<u>-1,081,445</u>	<u>-1,081,445</u>	<u>85,430,858</u>
General Fund	37,666,925	42,422,526	0	0	42,422,526
Cash Funds	0	833,626	(616,924)	(616,924)	216,702
Federal Funds	39,036,109	43,256,151	(464,521)	(464,521)	42,791,630
Children's Habilitation Residential Program	<u>14,430,139</u>	<u>18,399,879</u>	<u>-20,026</u>	<u>-20,026</u>	<u>18,379,853</u>
General Fund	7,079,937	9,132,633	0	0	9,132,633
Cash Funds	1,171	67,308	(2,465)	(2,465)	64,843
Federal Funds	7,349,031	9,199,938	(17,561)	(17,561)	9,182,377
Case Management for People with IDD	<u>110,074,949</u>	<u>142,555,236</u>	<u>-195,302</u>	<u>-195,302</u>	<u>142,359,934</u>
General Fund	50,107,475	70,385,569	0	0	70,385,569
Cash Funds	5,020,810	1,554,919	0	0	1,554,919
Federal Funds	54,946,664	70,614,748	(195,302)	(195,302)	70,419,446
<b>(5) Other Medical Services</b>					
ARPA HCBS State-only Funds	<u>21,418,222</u>	<u>842,626 6.2</u>	<u>-842,626</u>	<u>-842,626</u>	<u>0 6.2</u>
Cash Funds	21,418,222	842,626	(842,626)	(842,626)	0

**JBC Staff Supplemental Recommendations - FY 2024-25**  
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<b>Total for S11 ARPA HCBS Adjustments</b>	12,677,558,980	13,365,690,813	26,725,550	26,725,550	13,392,416,363
<i>FTE</i>	<u>805.2</u>	<u>802</u>	<u>0.0</u>	<u>0.0</u>	<u>802</u>
General Fund	2,683,740,106	2,978,229,464	0	0	2,978,229,464
General Fund Exempt	1,179,901,546	1,247,280,333	0	0	1,247,280,333
Cash Funds	1,378,214,159	1,357,925,789	13,263,386	13,263,386	1,371,189,175
Reappropriated Funds	101,540,834	123,750,084	0	0	123,750,084
Federal Funds	7,334,162,335	7,658,505,143	13,462,164	13,462,164	7,671,967,307



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**S12 Med transport reviews**

**(1) Executive Director's Office**

**(A) General Administration**

General Professional Services and Special Projects	46,946,295	39,323,047	2,236,155	2,236,155	41,559,202
General Fund	6,874,711	14,318,306	670,846	670,846	14,989,152
Cash Funds	7,833,874	3,462,102	447,231	447,231	3,909,333
Reappropriated Funds	15,000	81,000	0	0	81,000
Federal Funds	32,222,710	21,461,639	1,118,078	1,118,078	22,579,717

<b>Total for S12 Med transport reviews</b>	46,946,295	39,323,047	2,236,155	2,236,155	41,559,202
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	6,874,711	14,318,306	670,846	670,846	14,989,152
Cash Funds	7,833,874	3,462,102	447,231	447,231	3,909,333
Reappropriated Funds	15,000	81,000	0	0	81,000
Federal Funds	32,222,710	21,461,639	1,118,078	1,118,078	22,579,717

**JBC Staff Supplemental Recommendations - FY 2024-25**  
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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
<b>S13 Public school health services</b>					
<b>(5) Other Medical Services</b>					
Public School Health Services	<u>191,357,388 0.0</u>	<u>202,111,227</u>	<u>17,641,168</u>	<u>17,641,168</u>	<u>219,752,395</u>
Cash Funds	90,710,963	100,427,269	8,832,830	8,832,830	109,260,099
Federal Funds	100,646,425	101,683,958	8,808,338	8,808,338	110,492,296
<b>Total for S13 Public school health services</b>	191,357,388	202,111,227	17,641,168	17,641,168	219,752,395
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	90,710,963	100,427,269	8,832,830	8,832,830	109,260,099
Federal Funds	100,646,425	101,683,958	8,808,338	8,808,338	110,492,296

**JBC Staff Supplemental Recommendations - FY 2024-25**  
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**S14 All-Payer Claims Database**

**(1) Executive Director's Office**

**(C) Information Technology Contracts and Projects**

All-Payer Claims Database	8,249,242	5,435,778	490,472	4,283,567	9,719,345
General Fund	4,354,828	4,471,011	360,178	360,178	4,831,189
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,894,414	964,767	130,294	3,923,389	4,888,156
<b>Total for S14 All-Payer Claims Database</b>	<b>8,249,242</b>	<b>5,435,778</b>	<b>490,472</b>	<b>4,283,567</b>	<b>9,719,345</b>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,354,828	4,471,011	360,178	360,178	4,831,189
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,894,414	964,767	130,294	3,923,389	4,888,156

<b>Totals Excluding Pending Items</b>					
<b>HEALTH CARE POLICY AND FINANCING</b>					
<b>TOTALS for ALL Departmental line items</b>	<b>15,088,867,727</b>	<b>15,960,548,064</b>	<b>219,396,504</b>	<b>223,189,599</b>	<b>16,183,737,663</b>
<i>FTE</i>	<u>844.5</u>	<u>844.5</u>	<u>0.0</u>	<u>0.0</u>	<u>844.5</u>
General Fund	3,369,114,200	3,740,663,606	66,657,709	66,657,709	3,807,321,315
General Fund Exempt	1,180,204,749	1,247,571,367	0	0	1,247,571,367
Cash Funds	1,788,046,452	1,790,865,897	95,155,335	95,155,335	1,886,021,232
Reappropriated Funds	108,720,288	137,606,638	(299,844)	(299,844)	137,306,794
Federal Funds	8,642,782,038	9,043,840,556	57,883,304	61,676,399	9,105,516,955