

Joint Budget Committee Staff FY 2025-26 Budget Briefing Summary

Health Care Policy and Financing

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. The Department’s FY 2024-25 appropriation represents approximately 36.6 percent of statewide operating appropriations and 32.0 percent of statewide General Fund appropriation

This summary only pertains to the Office of Community Living.

Summary of Request

Department of Health Care Policy and Financing: Office of Community Living						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
H.B. 24-1430 (Long Bill)	\$1,208,767,765	\$603,850,478	\$12,247,014	\$0	\$592,670,273	39.5
Other legislation	1,110,104	555,052	\$0	\$0	555,052	0.0
Total	\$1,209,877,869	\$604,405,530	\$12,247,014	\$0	\$593,225,325	39.5
FY 2025-26 Requested Appropriation						
FY 2024-25 Appropriation	\$1,209,877,869	\$604,405,530	\$12,247,014	\$0	\$593,225,325	39.5
R5 OCL caseload	95,262,068	38,115,413	11,214,952	0	45,931,703	0.0
R7 County administration & CBMS ¹	38,246,175	4,137,117	5,199,974	2,155,070	26,754,014	15.7
R11 OCL benefits ¹	1,354,223	478,573	0	0	875,650	2.0
Annualize prior year budget actions	15,488,417	8,392,848	-864,670	0	7,960,239	0.0
Community First Choice	0	-1,477,443	0	0	1,477,443	0.0
Total	\$1,360,228,752	\$654,052,038	\$27,797,270	\$2,155,070	\$676,224,374	57.2
Increase/-Decrease	\$150,350,883	\$49,646,508	\$15,550,256	\$2,155,070	\$82,999,049	17.7
Percentage Change	12.4%	8.2%	127.0%	n/a	14.0%	44.8%

¹ The amounts shown in this table represent the department-wide impact of these requests.

R5 Office of Community Living (OCL) caseload: The Department requests an increase of \$95.3 million total funds, including \$38.1 million General Fund, in FY 2025-26 to fund forecasted caseload growth for the Medicaid funded waiver programs that provide services and supports for individuals with intellectual and developmental disabilities and their families. The request includes:

- an increase of \$45.3 million total funds, including \$22.5 million General Fund, for Adult Comprehensive (DD) waiver services;

- an increase of \$8.1 million total funds, including a decrease of \$3.1 million General Fund, for Supportive Living Services (SLS) waiver services;
- an increase of \$30.6 million total funds, including \$15.6 million General Fund, for Children’s Extensive Support (CES) waiver services;
- an increase of \$4.5 million total funds, including \$2.3 million General Fund, for Children’s Habilitation Residential Program (CHRP) waiver services.

The request annualizes to \$114.4 million total funds, including \$47.9 million General Fund, in FY 2026-27. The request also anticipates a supplemental adjustment for FY 2024-25 of an increase of \$43.5 million total funds, including \$9.3 million General Fund.

R7 County administration and Colorado Benefits Management System (CBMS): The Department requests an increase of \$38.2 million total funds, including \$4.1 million General Fund, and 15.7 FTE (representing 17 new positions) in FY 2025-26 for additional resources for the Department’s County Escalations Resolution Unit, additional resources and funding for the implementation of recommendations resulting from the studies authorized by S.B. 22-235, and for additional resources and funding for improvements and pool hours for the Colorado Benefits Management System. The request annualizes to \$29.6 million total funds, including \$3.8 million General Fund, in FY 2026-27. This request will cost \$28.4 million total funds, including \$3.9 million General Fund, in FY 2027-28 and ongoing.

Impacts in other agencies

This request includes a non-prioritized request in the Department of Human Services for \$2.1 million total funds, including \$1.0 million General Fund, in FY 2025-26 associated with the CBMS upgrades and improvements. In FY 2026-27 and ongoing, the cost of this request in would be \$0.4 million total funds, including \$0.2 million General Fund.

R11 Office of Community Living benefits [requires legislation]: The Department requests an increase of \$1.4 million total funds, including \$0.5 million General Fund, to introduce a group respite rate for the Children’s Habilitation Residential Program waiver; expand the eligibility criteria for the Hospital Backup Unit program; offer a higher, tiered rate for Alternative Care Facilities; extend the Complementary and Integrated Health Services waiver, which requires legislation; and restructure the rates for the Supported Employment Program. The Department anticipates that the FY 2026-27 fiscal impact of this request will be a reduction of \$1.1 million total funds, including \$0.6 million General Fund, and the FY 2027-28 (and ongoing) fiscal impact will be a reduction of \$2.1 million total funds, including \$1.1 million General Fund.

Annualize prior year budget actions: The request includes a net increase of \$15.5 million total funds, including \$8.4 million General Fund, for the out-year cost of prior year budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 23-24 BA7 Community-based access to svcs	\$7,339,202	\$3,434,692	\$0	\$0	\$3,904,510	0.0
FY 24-25 R6 Provider rates	5,185,146	2,591,408	20,044	0	2,573,694	0.0
FY 24-25 New DD waiver enroll	4,245,606	2,122,802	0	0	2,122,804	0.0
HB 24-1038 High acuity crisis for children	1,850,174	925,087	0	0	925,087	0.0
FY 24-25 BA8 Community-based access svcs	782,985	391,493	0	0	391,492	0.0

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 22-1114 Transport svcs waiver clients	360,000	180,000	0	0	180,000	0.0
FY 23-24 R10 Children complex needs	0	884,714	-884,714	0	0	0.0
FY 24-25 Care & case management stabilization	-4,199,696	-2,099,848	0	0	-2,099,848	0.0
HB 23-1197 Stakeholder oversight host homes	-75,000	-37,500	0	0	-37,500	0.0
Total	\$15,488,417	\$8,392,848	-\$864,670	\$0	\$7,960,239	0.0

Community First Choice: The Department requests a change in fund sources to reflect the higher match rate for long-term services and supports under Community First Choice. The request saves \$1.5 million General Fund in the Office of Community Living and \$49.2 million General Fund department-wide. The General Assembly approved Community First Choice to move selected long-term services and supports from federal waivers that serve defined populations to the State Plan that serves all members. The Department will still use assessments to determine service needs. States that implement Community First Choice receive an additional federal match of six percentage points for the services.

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Budget Reduction Options: The Executive budget request includes reductions of \$837,083 General Fund for the Department of Health Care Policy and Financing, Office of Community Living, representing less than 0.1 percent of the Department’s General Fund appropriations. This issue brief reviews these proposals and additional options identified by staff.

R5 Office of Community Living Caseload: The Department of Health Care Policy and Financing submits an annual budget request for adjustments in appropriations that fund services to individuals with intellectual and developmental disabilities. Budget requests are based on projected caseload and the associated costs for the Home- and Community-Based Services for the Adult Comprehensive (DD), Supported Living Services (SLS), Children’s Extensive Services (CES), and Children’s Habilitation Residential Program (CHRP) waivers.

S.B. 22-235 Update and Review: This issue brief provides an overview of the results of the required assessments, reporting, and development of a funding model for public and medical assistance programs in the Department of Health Care Policy (HCPF) and the Department of Human Services (DHS), as directed by S.B. 22-235 (County Administration of Public Assistance Programs).

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.