

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2011-12 STAFF BUDGET BRIEFING

**DEPARTMENT OF HEALTH CARE POLICY AND
FINANCING**

**(Includes information related to the Executive Director's Office, Medical Services
Premiums, Indigent Care Programs, and Other Medical Programs)**

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

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

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

**(Executive Director's Office, Medical Services Premiums, Indigent Care Programs, and
Other Medical Programs)**

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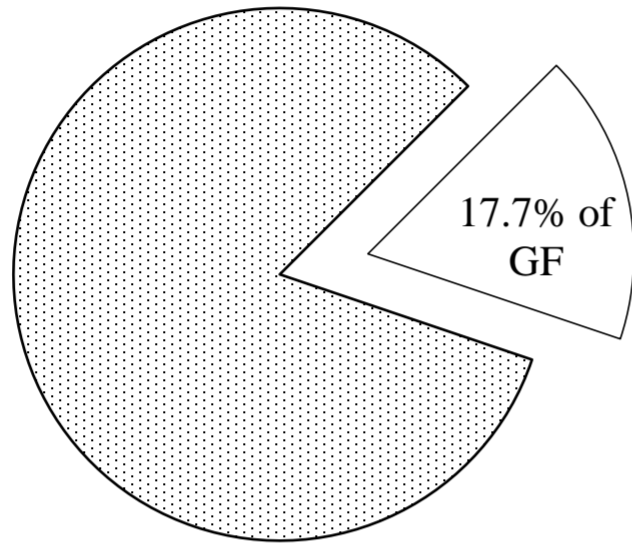
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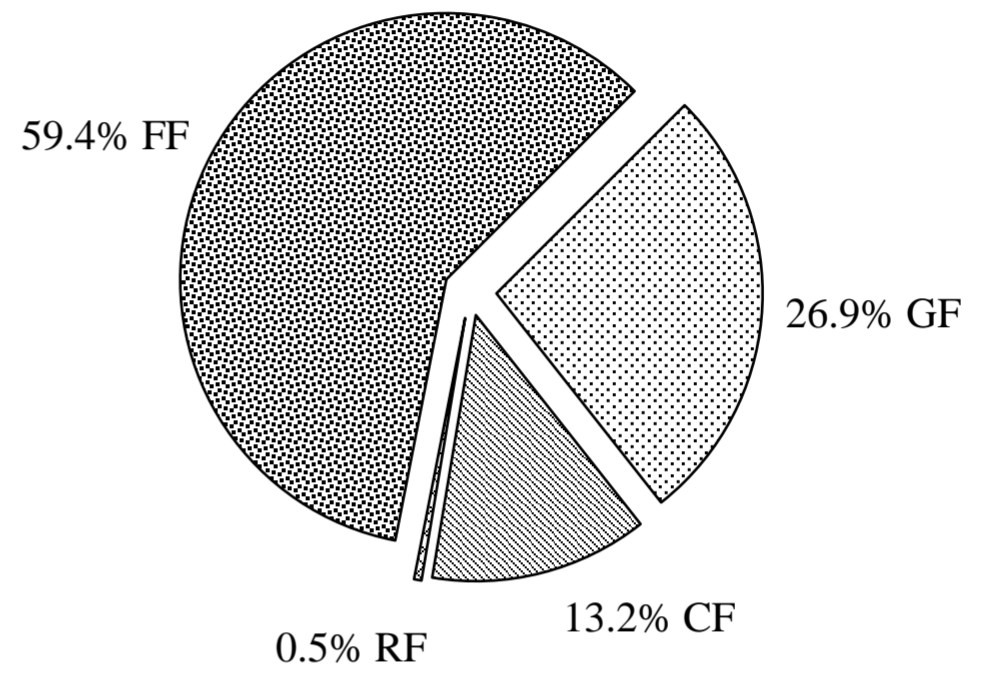
**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing**

GRAPHIC OVERVIEW

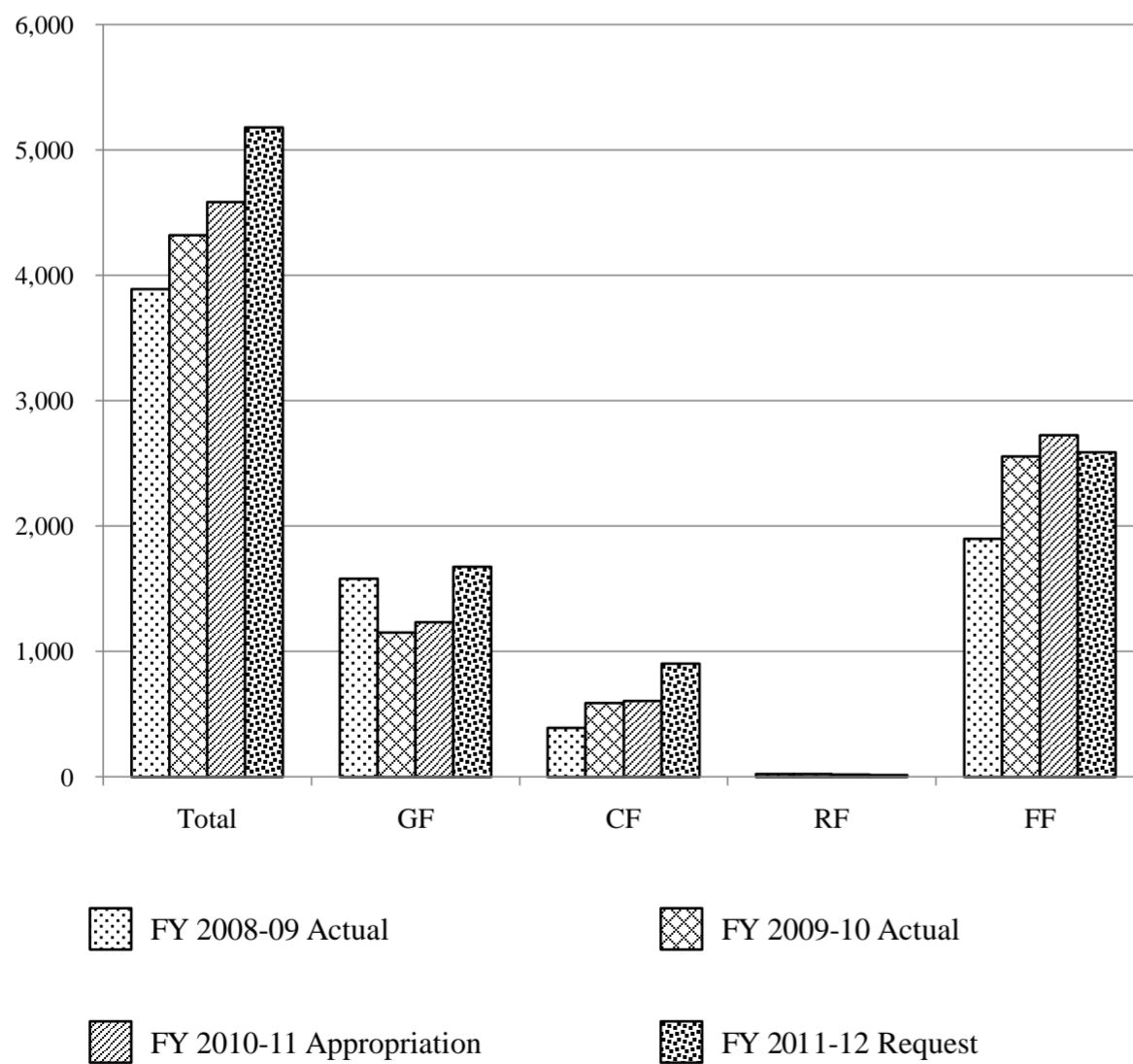
Department's Share of Statewide General Fund



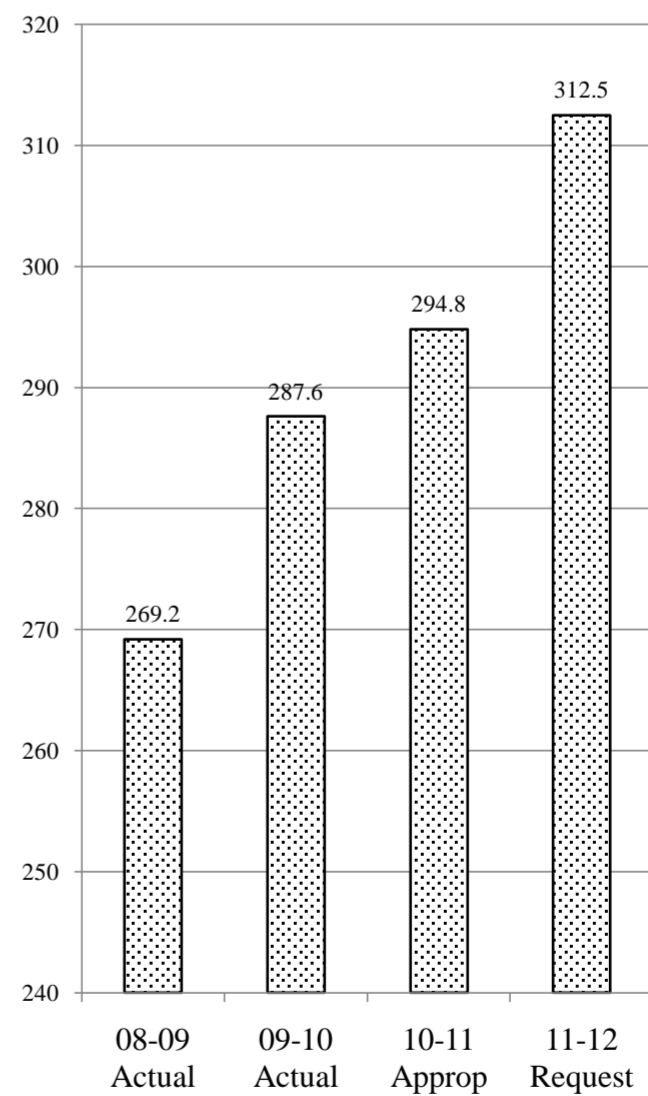
Department Funding Sources



Budget History
(Millions of Dollars)



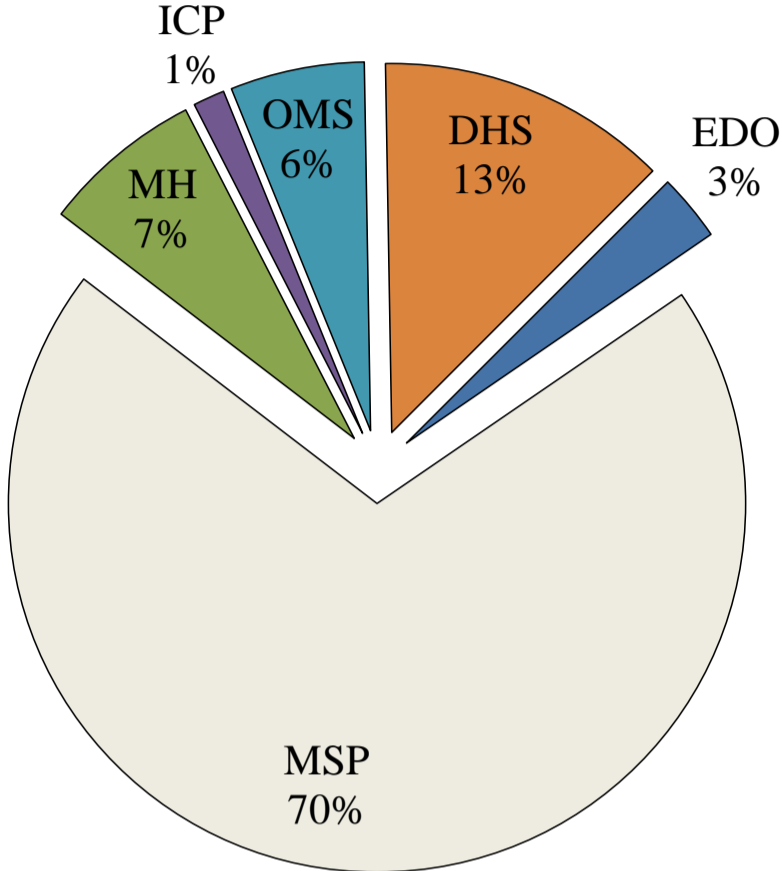
FTE History



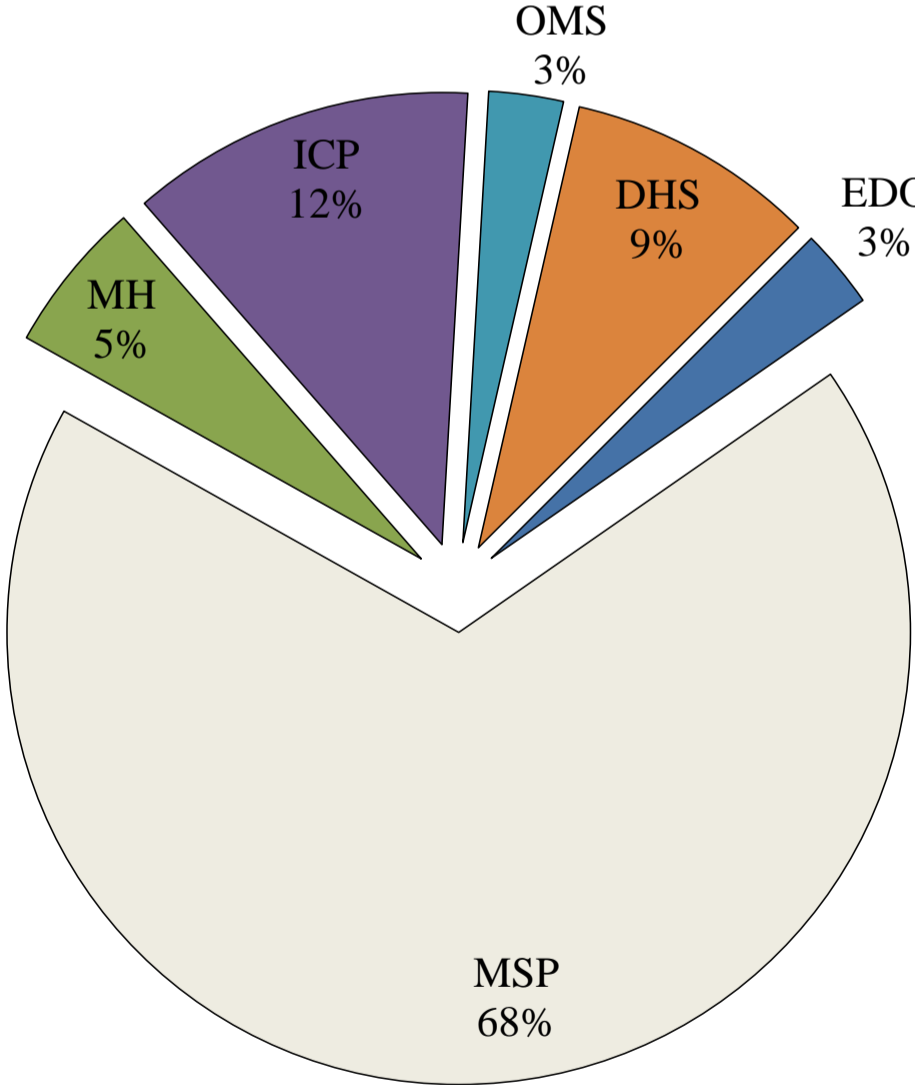
Unless otherwise noted, all charts are based on the FY 2010-11 appropriation.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
GRAPHIC OVERVIEW

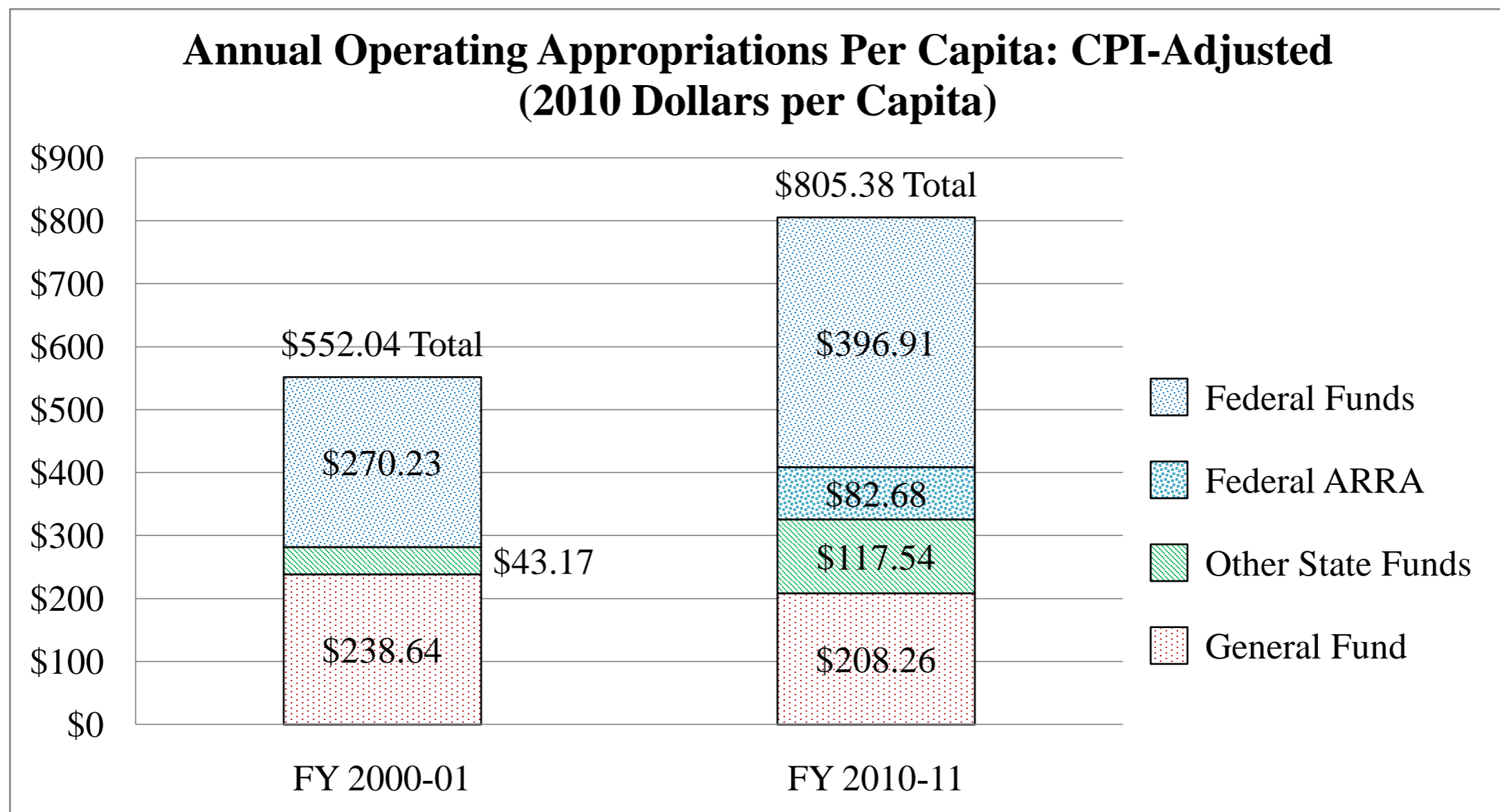
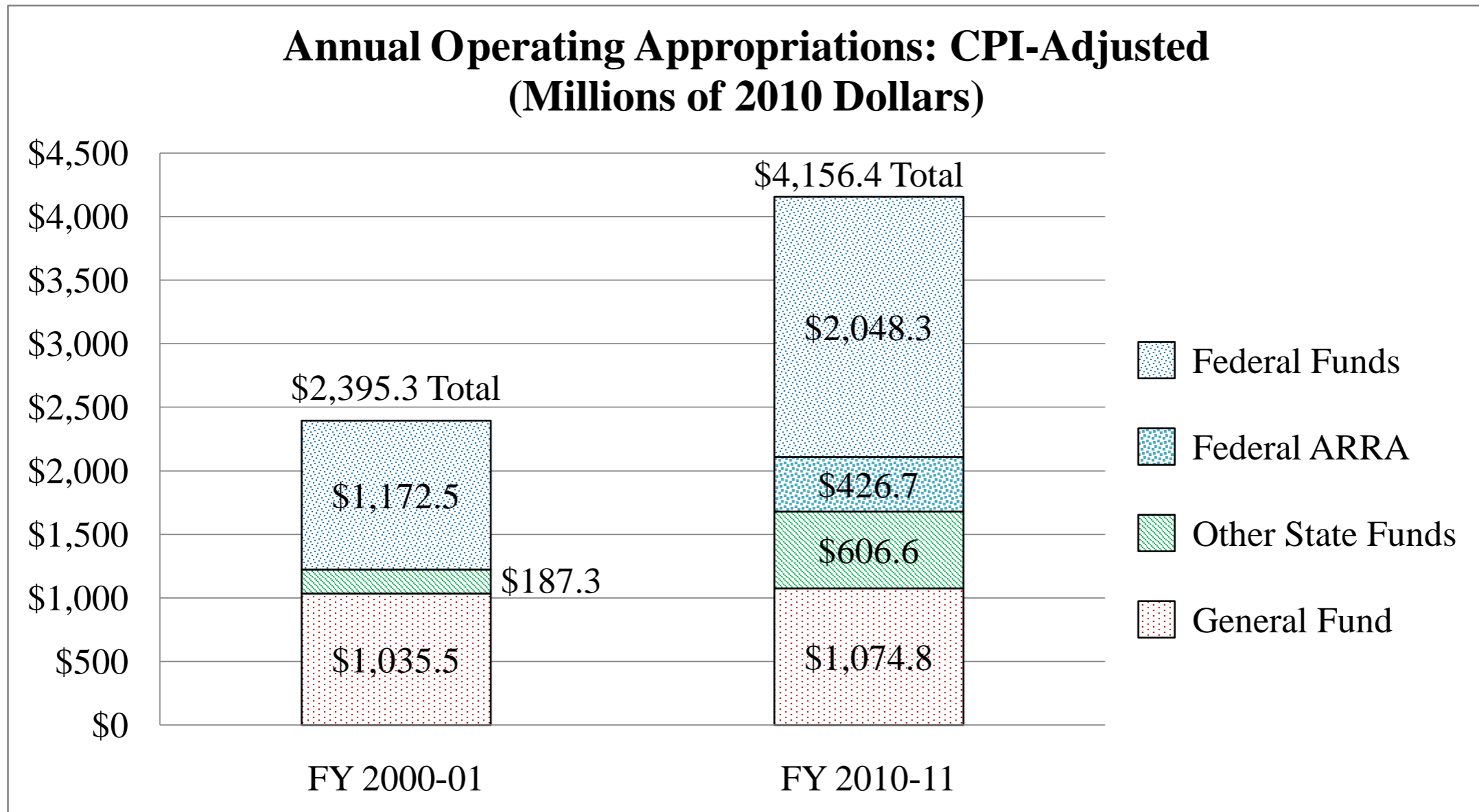
Distribution of General Fund by Division



Distribution of Total Funds by Division



FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
COMPARISON OF FY 2000-01 AND FY 2010-11 APPROPRIATIONS



NOTES: (1) All appropriations above *exclude* duplicate appropriations (i.e., these appropriations exclude reappropriated funds for FY 2010-11 and, for FY 2000-01, exclude amounts that would have been classified as reappropriated funds). Additionally, in this department the appropriations do not reflect the amount of Medicaid funding transferred to the Department of Human. However, the FY 2000-01 appropriation has been adjusted to reflect the Medicaid Mental Health program in order to more accurately compare to the FY 2010-11 appropriation for HCPF administered programs.

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

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

**FY 2010-11 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing**

DEPARTMENT OVERVIEW

Key Responsibilities

- ▶ Administers the State's Medicaid program which provides health care services to 553,407 low-income people in FY 2010-11 (based on current appropriation forecast).
- ▶ Administers the Children's Basic Health Plan, a health insurance program serving 84,793 low-income children and approximately 2,467 adult pregnant women in FY 2010-11 (based on current appropriation forecast).
- ▶ Operates the Colorado Indigent Care Program to offset clinic and hospital provider costs for services to low-income and uninsured clients who are not Medicaid eligible. In FY 2008-09 (last year with data) this program served approximately 194,600 low-income individuals.
- ▶ Administers the Old Age Pension Health and Medical Fund which provides health care to a forecasted 4,500 elderly persons who do not qualify for Medicaid or Medicare in FY 2010-11.
- ▶ Administers the Primary Care Fund and the Comprehensive Primary and Preventive Care Grant Program.
- ▶ Acts as the single-state agency to receive Title XIX (Medicaid) funds from the federal government and therefore, passes these federal funds to other state agencies that have qualifying programs (mainly the Department of Human Services).

Factors Driving the Budget

Funding for this department in FY 2010-11 consists of 59.4 percent federal funds, 26.9 percent General Fund, 13.2 percent cash funds, and 0.5 percent reappropriated funds. Major sources for the cash funds and reappropriated funds include (1) hospital and nursing facility provider fees; (2) the Health Care Expansion Fund (tobacco taxes); (3) the Primary Care Fund (tobacco taxes); (4) the Children's Basic Health Plan Trust Fund (tobacco settlement funds); (5) the Old Age Pension Health and Medical Care Fund and Supplemental Fund; and (6) various other cash funds. Federal Funds are appropriated as matching funds to the Medicaid program (through Title XIX of the Social Security Administration Act) and as matching funds to the Children's Basic Health Plan programs (through Title XXI of the Social Security Administration Act). Some of the most important factors driving the budget are reviewed below.

Factor 1: Medical Services Costs

The Medical Services Costs section provides funding for the health care services of individuals qualifying for the Medicaid program. Health care services include both acute care services (such as physician visits, prescription drugs, and hospital visits) and long-term care services (provided within nursing facilities and community settings). The Department contracts with health care providers through fee-for-service and managed care organizations (MCOs) in order to provide these services to eligible clients. Total costs for the program are driven by the number of clients, the costs of providing health care services, and the utilization of health care services.

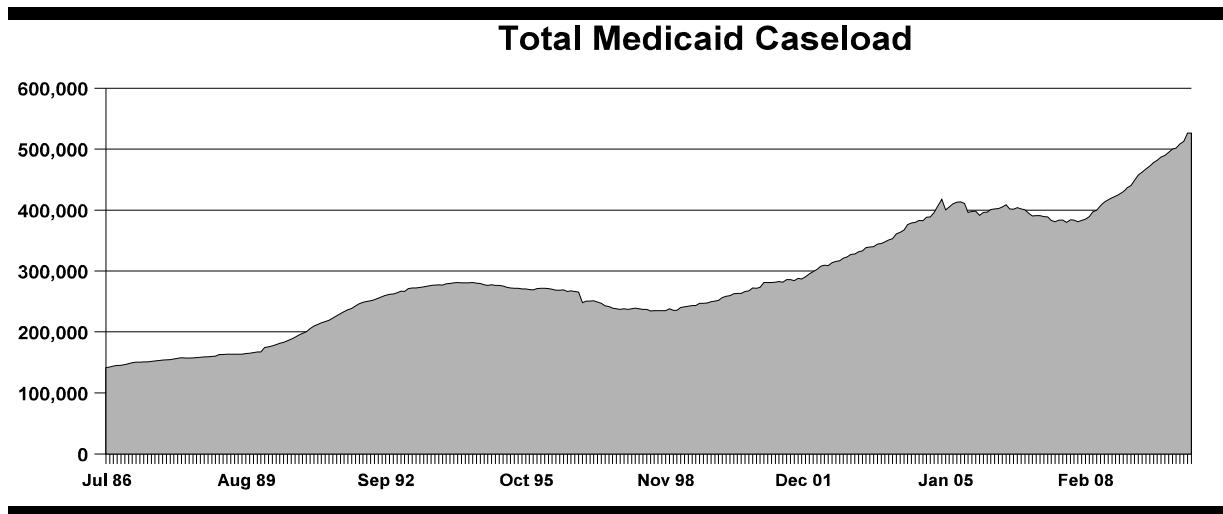
Medicaid Caseload Growth

The following factors affect the number of clients participating in the Medicaid program: (1) general population growth; (2) policy changes at the state and federal level regarding who is eligible for services; and (3) economic cycles. The following table shows the Medicaid caseload history by aid category from FY 2006-07 through the current forecast period for FY 2010-11.

| Medicaid Caseload | FY 2006-07 Actual | FY 2007-08 Actual/1 | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Appropriation |
|---|------------------------------|--------------------------------|------------------------------|------------------------------|-------------------------------------|
| Supplemental Security Income (SSI) Ages 65+ | 35,977 | 36,284 | 37,619 | 38,487 | 38,978 |
| Supplemental Security Income (SSI) Ages 60 - 64 | 6,042 | 6,146 | 6,447 | 7,049 | 7,171 |
| Partial Dual Eligibles | 12,818 | 14,214 | 15,075 | 15,919 | 17,270 |
| Disabled | 48,567 | 49,933 | 51,355 | 53,264 | 54,103 |
| Categorically Eligible Adults | 51,361 | 44,555 | 49,147 | 57,661 | 66,766 |
| Expansion Low-Income Adults | 4,974 | 8,918 | 12,727 | 17,178 | 20,342 |
| Baby Care Adults | 5,123 | 6,288 | 6,976 | 7,830 | 7,256 |
| Breast and Cervical Cancer Treatment | 230 | 270 | 317 | 425 | 473 |
| Low-Income Children | 206,170 | 204,022 | 235,129 | 275,672 | 306,488 |
| Foster Children | 16,601 | 17,141 | 18,033 | 18,381 | 18,890 |
| Non-Citizens | <u>5,214</u> | <u>4,191</u> | <u>3,987</u> | <u>3,693</u> | <u>3,415</u> |
| Total Medicaid Caseload Prior to H.B. 09-1293 | 393,077 | 391,962 | 436,812 | 495,559 | 541,152 |
| H.B. 09-1293 Forecasted Impact | 0 | 0 | 0 | 3,238 | 12,255 |
| Impact of Federal Health Reform (none until FY 2013-14) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Medicaid Caseload with Health Care Reform | 393,077 | 391,962 | 436,812 | 498,797 | 553,407 |
| Annual Percent Change | (1.7)% | (0.3)% | 11.4% | 14.2% | 10.9% |

/1 In FY 2007-08, the Department rebased the monthly reported caseload to include caseload reported through the last day in the calendar month. Data from this point forward is shown under the new methodology.

The following graph provides a historical picture of the growth in the Medicaid program's caseload from FY 1986-87 through FY 2009-10.



The chart shows that there was a major increase in caseload in the early 1990s that coincided with major policy changes passed by Congress to cover additional children and pregnant adults and an economic recession. The caseload then leveled off during the mid-1990s, reflecting the impact of welfare reform and the economic boom during the mid and late 1990s. At the beginning of the 2000s, the caseload experienced high growth rates due to another economic recession. During the mid-2000s, the economic recovery resulted in a slight decline to the caseload. This decline was lessened somewhat by new populations becoming eligible due to the passage of Amendment 35 to the Colorado Constitution. Amendment 35 allowed the General Assembly to expand Medicaid eligibility by: (1) eliminating the Medicaid asset test for low-income adults and children, (2) reinstating Medicaid eligibility for optional Legal Immigrants, (3) expanding low-income categorically eligible adults to 60 percent of the federal poverty level (FPL), (4) adding additional waiver slots for disabled children, and (4) expanding eligibility to young adults who aged out of the foster children system. Through FY 2010-11, these expansions have been fully-funded by the increase in tobacco taxes and corresponding federal match (please note that as of FY 2010-11 no General Fund has been used to support these populations). Due to the increase cost and caseload and a stable to declining revenue source, these populations will require state funding in addition to the tobacco taxes in the future. Finally, during the latter part of this decade the Medicaid caseload expanded again due to the latest economic recession.

In 2009, the General Assembly passed H.B. 09-1293 which increased Medicaid eligibility. Specifically, HB 09-1293 expands Medicaid eligibility as follows:

- (1) Increases eligibility for parents of Medicaid eligible children from 60% FPL to 100% FPL;
- (2) Provides eligibility for childless adults up to 100% FPL;

- (3) Provides Medicaid Buy-In for disabled adults and children up to 450% FPL; and
- (4) Provides 12-month continuous eligibility for Medicaid children.

The caseload impacts of H.B. 09-1293 began in May 2010 and will continue to ramp up through FY 2012-13.

Lastly, health care reform at the federal level (the Accountable Care Act - ACA) will increase Medicaid enrollment for all individuals under 133 percent of the federal poverty level beginning in FY 2013-14.

Medical Cost Increases

In addition to increased costs due to caseload growth, the Medicaid budget also grows as a result of higher medical costs and greater utilization of medical services. The average overall per capita cost for the Medicaid program is influenced by case mix, utilization of services, and the price of those services. Recently, the overall per capita cost for the program has decreased because the caseload growth for the program has mainly been for lower cost clients (children and their parents) rather than in higher cost clients (the elderly and disabled). In addition, recent provider rate reductions have also lowered the per capita costs per client. In FY 2009-10, excluding "bottom of the line payments" (payments made outside the service fee structure), the overall per capita costs for the Medicaid program declined to \$5,116.67 (a decrease of 10.9 percent from the prior year). In FY 2010-11, the current appropriation assumes a per capita cost of \$4,947.54 (3.3 percent decrease). The following table shows the average medical costs per Medicaid client from FY 2006-07 through the forecast period for FY 2010-11.

| SERVICE Cost Only | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual/1 | FY 2010-11 Appropriation |
|---------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|-------------------------------------|
| Medical Service Cost Per Capita | \$5,222.57 | \$5,681.77 | \$5,742.79 | \$5,116.67 | \$4,947.54 |
| Annual Percent Change | 6.0% | 8.8% | 1.1% | (10.9)% | (3.3)% |

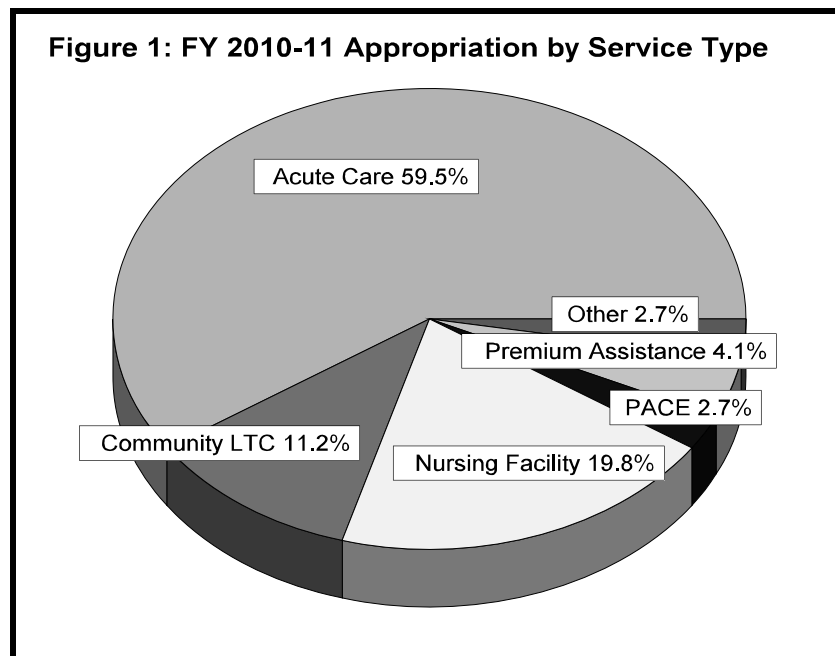
/1 In June 2010, the Department suspended payments to Medicaid providers for two weeks. The actual shown here is the estimate if the two weeks of payments had not been suspended. In FY 2010-11 if all the bottom line financing (supplemental payments) are included the per capita cost would be \$5,614.04.

While the overall average cost per client is \$4,947.54, cost-per-client ranges from \$1,389.88 for partial dual eligibles clients to \$21,062.40 for clients over age 65. The table on the next page compares the FY 2009-10 actual cost-per-client by aid category with current FY 2010-11 appropriated cost-per-client by aid category.

| Medicaid Cost Per Client - By Aid Category | FY 2009-10 Actual | FY 2010-11 Current App. | Percent Change |
|---|------------------------------|------------------------------------|-----------------------|
| Elderly 65+ | \$19,769.35 | \$21,062.40 | 6.54% |
| Disabled 60-64 | 16,244.99 | 17,059.76 | 5.02% |
| Disabled < 64 | 13,686.55 | 14,026.21 | 2.48% |
| Adults -- Categorically Eligible | 3,788.33 | 3,608.60 | (4.74)% |
| Adults -- Categorically Eligible Expansion | 2,198.63 | 2,455.03 | 11.66% |
| Adults -- Pregnant Adults in Baby Care Program | 8,602.92 | 8,728.81 | 1.46% |
| Adults -- Breast and Cervical Cancer Treatment | 21,192.52 | 20,062.36 | (5.33)% |
| Children | 1,715.89 | 1,613.72 | (5.95)% |
| Foster Children | 3,651.33 | 3,644.01 | (0.20)% |
| Partial Dual Eligibles | 1,225.15 | 1,389.88 | 13.45% |
| Emergency Care for Non-Citizens | <u>13,125.32</u> | <u>15,992.34</u> | <u>21.84%</u> |
| Total Medicaid Caseload | \$5,116.67 | \$4,947.54 | (3.31)% |

For the most part, the decrease in per-client-costs projected in FY 2010-11 reflect budget reduction actions in FY 2010-11 as well as risk-adjustment decreases due to larger than normal caseload growth. Because most of the caseload growth is in the lower cost clients (i.e. children and low-income adults) this lowers the overall average cost per Medicaid client.

Lastly, Figure 1 shows the percentage of medical costs spent on the major different service areas estimated for FY 2010-11 (current appropriation).



Factor 2: Medicaid Mental Health Services

Medicaid mental health community services throughout Colorado are delivered through a managed care or "capitated" program. Under capitation, the State pays a regional entity - a Behavioral Health Organization (BHO) - a contracted amount (per member per month) for each Medicaid client eligible for mental health services in the entity's geographic area. The BHO is then required to provide appropriate mental health services to all Medicaid-eligible persons needing such services.

The rate paid to each BHO is based on each class of Medicaid clients eligible for mental health services (e.g., children in foster care, low-income children, elderly, disabled) in each geographic region. Under the capitated mental health system, changes in rates paid, and changes in overall Medicaid eligibility and case-mix (mix of types of clients within the population) are important drivers in overall state appropriations for mental health services. Capitation represents the bulk of the funding for Medicaid mental health community programs.

The following table provides information on the recent expenditures and caseload for Medicaid mental health capitation.

| | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Appropriation |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------------|
| Medicaid Mental Health Capitation Funding /1 | \$184,640,568 | \$196,011,033 | \$215,860,937 | \$223,368,053 | \$247,616,458 |
| Annual Dollar Change | \$7,912,648 | \$11,370,465 | \$19,849,904 | \$7,507,116 | \$24,248,405 |
| Annual Percent Change | 4.5% | 6.2% | 10.1% | 3.5% | 10.9% |
| Individuals Eligible for Medicaid Mental Health Services (Caseload)/2 | 375,046 | 373,557 | 417,750 | 478,577 | 532,722 |
| Annual Caseload Change | (7,508) | (1,489) | 44,193 | 60,827 | 54,145 |
| Annual Percent Change | (2.0)% | (0.4)% | 11.8% | 14.6% | 11.3% |

/1 Does not include the fee-for-service payments.

/2 Not all Medicaid caseload aid categories are eligible for mental health services. The caseload reported in this table does not reflect the Partial Dual Eligible or non-citizen aid categories.

Factor 3: Indigent Care Programs

Safety Net Payments

The Safety Net Provider Payment, the Children's Hospital Clinic Based Indigent Care, and the Pediatric Speciality Hospital line items provide direct or indirect funding to hospitals and clinics that have uncompensated costs from treating approximately 197,600 under-insured or uninsured Coloradans through the Indigent Care Program (caseload is from FY 2008-09, the most recent year data is available). The Indigent Care Program is not an insurance program or an entitlement program. Funding for this program is based on policy decisions at the state and federal levels and is not

directly dependent on the number of individuals served or the cost of the services provided. The majority of the funding for this program is from federal sources. State funds for the program come mainly through General Fund appropriations, certifying public expenditures at hospitals (prior to FY 2009-10), the Hospital Provider Fee Cash Fund (beginning in FY 2009-10), and a Primary Care Fund transfer (beginning in FY 2009-10).

Due to the state revenue shortfall in FY 2009-10, the Safety Net Provider Payment program was reduced by \$26.2 million. This reduction was based on eliminating the entire General Fund appropriation and matching federal funds from this line item. This was the most significant FY 2009-10 budget change (although there were other changes). In FY 2010-11, the statutory funding requirements for General Fund appropriations into the Health Care Services Fund and associated programs expired (S.B. 06-044). This reduced the General Fund appropriations for this program in FY 2010-11 by approximately \$10.5 million. However, H.B. 10-1378 backed filled the programs funded by the Health Care Services Fund with the Primary Care Fund, resulting in an overall increase in total program funding of 1.2 percent.

| | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Appropriation/1 | FY 2009-10 Appropriation | FY 2010-11 Appropriation |
|---|------------------------------|------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| Safety Net Provider Payments | \$279,933,040 | \$296,188,630 | \$304,357,286 | \$277,769,967 | \$277,769,968 |
| Children's Hospital Clinic Based Indigent Care | 6,119,760 | 6,119,760 | 6,119,760 | 6,119,760 | 6,119,760 |
| Pediatric Speciality Hospital | 7,732,072 | 8,439,487 | 12,829,721 | 14,913,994 | 14,821,994 |
| Special Distribution (SB 06-044 or HB 10-1321 & H.B. 10-1378) | <u>14,962,408</u> | <u>31,225,421</u> | <u>30,000,000</u> | <u>27,050,247</u> | <u>31,085,655</u> |
| Total | \$308,747,280 | \$341,973,298 | \$353,306,767 | \$325,853,968 | \$329,797,377 |
| General Fund | 19,500,662 | 34,701,662 | 34,620,412 | 17,773,375 | 7,289,728 |
| Cash Funds & Cash Funds Exempt/ Reappropriated Funds | 142,354,182 | 135,668,119 | 139,831,861 | 125,063,786 | 137,062,097 |
| Federal Funds | 146,892,436 | 171,603,517 | 178,854,494 | 183,016,807 | 185,445,552 |
| Total funding percent change | 3.3% | 10.8% | 3.3% | (7.8)% | 1.2% |

/1 A federal fund offset to the General Fund expenditures in FY 2008-09 distorts the funding allocation for these programs in FY 2008-09. Therefore, to give a better comparison of actual funding provided to the program, this chart uses the FY 2008-09 appropriation rather than the actual expenditure in FY 2008-09.

Primary Care Program

In November 2004, the voters passed Amendment 35 to the Colorado Constitution which increased the taxes on tobacco products in order to expand several health care programs. During the 2005 Legislative Regular Session, the General Assembly passed H.B. 05-1262 to implement the provisions of Amendment 35. Among other provisions, H.B. 05-1262 created the Primary Care Program. This program provides additional funding to qualifying providers with patient caseloads that are at least 50 percent uninsured, indigent, or enrolled in the Medicaid or Children's Basic

Health Plan programs. In FY 2006-07, FY 2007-08, and FY 2008-09 funding for this program was \$32.0 million, \$31.0 million, and \$31.3 million, respectively.

The Colorado Constitution allows the Amendment 35 moneys to be used for other health-related purposes if the General Assembly passes a fiscal emergency resolution by a two-thirds majority vote. Due to the budget situation in FY 2009-10 and FY 2010-11, the General Assembly passed emergency resolutions that allowed funding from this program to be transferred to the General Fund in order to backfill other General Fund needs. The chart below provides a five year history of the funding for this program.

| | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Appropriation | FY 2010-11 Appropriation |
|----------------------|----------------------|----------------------|----------------------|-----------------------------|-----------------------------|
| Primary Care Program | \$31,980,929 | \$30,967,650 | \$30,273,568 | \$12,125,000 | \$0 |

Children's Basic Health Plan

The Children's Basic Health Plan (CBHP) was implemented in 1997 to provide health care insurance to children from families with incomes at or below 185 percent of the federal poverty level (FPL). A 65 percent federal match is available for the program. Since its passage in 1997, a number of expansions to the program have occurred. In FY 2002-03, the program was expanded to include adult pregnant women up to 185 percent FPL. However, due to budget constraints in FY 2003-04, the adult prenatal program was suspended for the entire year and no new enrollment was accepted into the children's program beginning in November 2003. In FY 2004-05, the cap was lifted on the children's caseload and the adult prenatal program was reinstated.

In November 2004 the voters approved Amendment 35 to the Colorado Constitution, which increased the taxes on tobacco products in order to expand several health care programs. During the 2005 legislative session, the General Assembly passed H.B. 05-1262 to implement the provisions of Amendment 35. Among other changes, H.B. 05-1262 increased eligibility for the CBHP for both children and women up to 200 percent of the FPL. During the 2007 legislative session, S.B. 07-097 expanded the program's eligibility to 205 percent FPL for FY 2007-08. During the 2008 legislative session, the program's eligibility was expanded to 225 percent FPL for children beginning in April 2009 and for pregnant women beginning in October 2009. Due to an economic recession, S.B. 09-211 repealed the expansion to 225 percent FPL in FY 2008-09 and FY 2009-10. House Bill 09-1293 provided for the expansion of CBHP to 250 percent FPL beginning in May 2010 using the hospital provider fee program to provide the state match for the program. In 2009, the General Assembly also approved providing CBHP benefits to legal immigrants without the five-year wait residency period, if funding becomes available for this expansion (at this time, funding has not been made available for this population). The following table provides a five-year funding history for the CBHP medical and dental costs.

| | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Appropriation |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------------|
| Medical Services | \$89,657,433 | \$104,684,790 | \$120,809,604 | \$167,729,257 | \$202,521,966 |
| Dental Services | <u>6,834,843</u> | <u>8,715,754</u> | <u>9,876,754</u> | <u>10,765,764</u> | <u>13,878,070</u> |
| Total Service Costs | \$96,492,276 | \$113,400,544 | \$130,686,358 | \$178,495,021 | \$216,400,036 |
| Cash Funds Exempt/Cash Funds | 33,923,185 | 39,874,379 | 46,115,911 | 62,675,659 | 69,209,967 |
| Reappropriated Funds/1 | 0 | 0 | 0 | 0 | 6,856,880 |
| Federal Funds | 62,569,091 | 73,526,165 | 84,570,447 | 115,819,362 | 140,333,189 |
| Total funding percent increase | 35.4% | 17.5% | 15.2% | 36.6% | 21.2% |

/1 Represents General Fund appropriations made into the Children's Basic Health Plan Trust Fund for use in the program line items.

The following table provides a five-year history of the caseload served by the Children's Basic Health Plan.

| | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Appropriation |
|---|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------------|
| Children Caseload | 47,047 | 57,795 | 61,582 | 68,725 | 84,793 |
| Percent Change from prior year | 6.50% | 22.85% | 6.55% | 11.60% | 23.38% |
| Adult Pregnant Women Average Monthly Caseload | 1,170 | 1,570 | 1,665 | 1,561 | 2,467 |
| Percent Change from prior year | (2.82)% | 34.19% | 6.05% | (6.25)% | 58.04% |

Factor 4: Department of Human Services Medicaid-Funded Programs

Many programs administered by the Department of Human Services (DHS) qualify for Medicaid funding. The federal government requires that one state agency receive all federal Medicaid funding. Therefore, the state and federal funding for all DHS programs that qualify for Medicaid funding is first appropriated in the Department of Health Care Policy and Financing and then transferred to the Department of Human Services (as reappropriated funds). A five-year funding history for the DHS Medicaid-funded programs is provided in the table below.

| | FY 2006-07 Actual | FY 2007-08 Actual | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Approp. |
|-----------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|
| Expenditures | \$333,128,748 | \$351,308,449 | \$398,390,163 | \$415,140,344 | \$408,681,819 |
| Annual percent change | (22.4)% | 5.5% | 13.4% | 4.2% | (1.6)% |

For detail regarding the changes in the Department of Human Services Medicaid-Funded programs, please see the Department of Human Services.

Figure 2 below summarizes the eligibility for the Medicaid, CBHP, and CICIP programs for the populations based on federal poverty guidelines. Figure 2a shows how the Medicaid program will change under the Accountable Care Act (ACA - federal health care reform). Figure 3 summarizes the eligibility for the Medicaid Long Term Care Program (Waiver Programs).

Figure 2. Department of Health Care Policy and Financing
Medicaid, Children's Basic Health Plan (CBHP), and Colorado Indigent Care Program (CICIP) Eligibility
(Populations based on Federal Poverty Level -- Non Disabled Populations ONLY)

| Family Income as % of Federal Poverty Level | Annual Income (Family of Three) | Federal Poverty Level | BY 2014 -- Federal Health Care Reform will provide health insurance subsidy payments to qualifying individuals/families with incomes up to 400% FPL | | | | |
|---|---------------------------------|-----------------------|---|---------------------|--|--|--|
| | \$45,775 | 250% | Children's Basic Health Plan (CBHP) Medical and Mental Health Services | | | <i>Current CICIP</i> | |
| \$24,352 | 133% | | | Current CBHP | Current Colorado Indigent Program | | |
| \$18,310 | 100% | | Medicaid Medical & Mental Health Services | | Current Medicaid | H.B. 09-1293 Medicaid Expansion Implemented FY 2011-12 | |
| | | Pregnant Women | 0-5 Years | 6-18 Years | Medicaid Parents | Adults | |
| | | Eligible Ages | | | | | |

*See Figure 3 for Medicaid eligibility for disabled populations.

**Figure 2a. Department of Health Care Policy and Financing
Eligibility AFTER ACA (2014)**

| Family Income as % of Federal Poverty Level | Annual Income (Family of Three) | Federal Poverty Level | |
|--|---------------------------------------|--------------------------|--|
| | | \$73,240 | 400% |
| | \$24,352 | 133% | Medicaid Eligibility -- Physical and Mental Health Services |

*See Figure 3 for Medicaid eligibility for disabled populations.

**Figure 3. Department of Health Care Policy and Financing
Medicaid Eligibility**

(Populations based on Federal Poverty Level -- Disabled and Elderly Populations ONLY)

| Family Income as % of Federal Poverty Level | Annual Income (Individual) | Federal Poverty Level | |
|--|----------------------------------|---|---|
| | \$48,735 | 450% FPL | H.B. 09-1293 Expansion -- Buy-In Program Up to 450% Also could include individuals eligible due to Income Trusts |
| | \$25,992 | 240% FPL (approximately 300% of SSI Payment) | Includes Children and Adults who are SSI Eligible (Supplemental Security Income). Also includes Children and Adults who are at risk of institutional care with incomes up to 300% of the SSI payment (approximately 240% of the federal poverty level). Most individuals in the Long Term Care Waivers or Nursing Facility Care are in this category. |
| \$8,664 | 80% FPL SSI Level | Medicaid Medical & Mental Health Services Long Term Care and Waivers | |
| | | | Children 0-21 Years Adults 18-65 Adults 65 and Older |
| | | | Eligible Ages |

For reference:

| Federal Poverty Guidelines for Annual Income | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Family Size | 100% | 133% | 200% | 250% | 400% |
| 1 | \$10,830 | \$14,404 | \$21,660 | \$27,075 | \$43,320 |
| 2 | \$14,570 | \$19,378 | \$29,140 | \$36,425 | \$58,280 |
| 3 | \$18,310 | \$24,352 | \$36,620 | \$45,775 | \$73,240 |
| 4 | \$22,050 | \$29,327 | \$44,100 | \$55,125 | \$88,200 |
| 5 | \$25,790 | \$34,301 | \$51,580 | \$64,475 | \$103,160 |
| 6 | \$29,530 | \$39,275 | \$59,060 | \$73,825 | \$118,120 |
| 7 | \$33,270 | \$44,249 | \$66,540 | \$83,175 | \$133,080 |
| 8 | \$37,010 | \$49,223 | \$74,020 | \$92,525 | \$148,040 |

The two-year-average median household income for 2008 and 2009 was \$56,230 for Colorado and \$50,974 for the United States (source: U.S. Census Bureau, Current Population Survey, Household Income for States: 2008 and 2009).

Based on the 2000 census and supplemental information, 44.0 percent of Colorado's children live in a family with income below 250 percent of the federal poverty level (Kids Count Data Center).

Review of FY 2010-11 Budget Balancing Actions from the 2010 Legislative Session

| Department of Health Care Policy and Financing | | | | | | |
|---|------------------------|------------------------|----------------------|-----------------------------|------------------------|--------------|
| | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
| FY 2009-10 Final Appropriation (2010 Session): | \$4,320,001,681 | \$1,150,198,522 | \$590,847,026 | \$24,443,505 | \$2,554,512,628 | 287.6 |
| <u>Breakdown of Appropriation Change by Administrative Section</u> | | | | | | |
| Executive Director's Office | 18,865,010 | 1,274,220 | 4,216,234 | 47,866 | 13,326,690 | 7.2 |
| Medical Services Premiums | 177,621,968 | 66,002,950 | (4,085,421) | 3,677,988 | 112,026,451 | 0.0 |
| Medicaid Mental Health Community Programs | 24,223,140 | 7,295,450 | 2,380,070 | 1,213 | 14,546,407 | 0.0 |
| Indigent Care Program | 41,134,943 | (3,681,634) | 14,919,092 | (5,931,810) | 35,829,295 | 0.0 |
| Other Medical Services | 7,812,639 | 13,118,215 | (1,117,467) | (1,171,141) | (3,016,968) | 0.0 |
| Department of Human Services Medicaid-Funded Programs | <u>(5,565,569)</u> | <u>(2,011,120)</u> | <u>(121,321)</u> | <u>(178,315)</u> | <u>(3,254,813)</u> | <u>0.0</u> |
| FY 2010-11 Appropriation (2010 Session): | 4,584,093,812 | 1,232,196,603 | 607,038,213 | 20,889,306 | 2,723,969,690 | 294.8 |
| Increase/(Decrease) | 264,092,131 | 81,998,081 | 16,191,187 | (3,554,199) | 169,457,062 | 7.2 |
| Percentage Change | 6.1% | 7.1% | 2.7% | (14.5)% | 6.6% | 2.5% |

Executive Director's Office: The General Fund increase included: (1) \$1.9 million (\$2.5 million total funds) for necessary system and administrative costs in order to implement cost saving actions or fund technology related issues in the Medicaid program; (2) \$58,752 (\$3.1 million total funds) to consolidate transfers to other Departments into this division; and (3) \$50,000 (\$100,000 total funds) in order to audit the Disproportionate Share Hospital program as required by federal law. The appropriation also increased cash funds by \$6.1 million (\$13.6 million total funds) to annualize the administrative costs associated with implementing H.B. 09-1293 (hospital provider fee bill). Additionally, legislation increased cash funds by \$101,285 (\$202,570 total funds) to implement bills passed during the session unrelated to the budget.

These increases were partially offset with the following decreases: (1) \$180,162 General Fund (\$521,441 total funds) to reduce the state's PERA contribution by 2.5 percent; (2) \$503,708 General Fund (\$79,862 total funds) for changes related to centrally appropriated line items; and (3) \$26,695 (\$53,390 total funds) for a 5.0 percent reduction to operating expenses.

Medical Services Premiums: The General Fund included an increase of \$176.1 million (\$208.4 million total funds) for base caseload and cost increases. The appropriation also increased reappropriated funds by \$190,350 (\$1.9 million total funds) to implement a family planning waiver program for women at or below 200 percent of poverty.

These increases were offset by the following decreases: (1) \$76.9 million General Fund (net zero total fund impact) to refinance General Fund expenses onto other fund sources including the hospital provider fee, tobacco tax funds, and Old Age Pension Supplemental Medical Fund; (2) \$16.2 million General Fund (\$24.1 million total funds) resulting mainly from reducing provider rates; (3) \$1.6 million General Fund (\$3.6 million total funds) for a coordinated payment reform initiative; (4) \$1.2 million General Fund implement utilization reviews, increase the drug classes in the State Maximum Allowable Cost program, and enroll clients into the Accountable Care Collaborative pilot program; and (5) \$382,603 General Fund (\$2.1 million total funds) for various cost saving and transfers in other legislation that passed during the session.

Medicaid Mental Health Program: The General Fund included an increase of \$8.3 million (\$26.4 million total funds) for base caseload and cost increases. This increase was offset by \$1.0 million General Fund (\$2.1 million total funds) for a benefit and service plan reduction for mental health services.

Indigent Care Program: The General Fund included the following increase: \$6.7 million (\$58.2 million total funds) for caseload and cost increases for the Children's Basic Health Plan. This increase was offset by \$10.4 million General Fund (\$17.0 million total funds) from changes to the Health Care Services Fund and Primary Care Fund programs (aid to indigent health care providers).

Other Medical Services: The General Fund included an increase of \$13.2 million for the Medicare Modernization Act (MMA) State Contribution Payment and base program changes. The appropriation also reflected a General Fund decrease of \$58,752 (\$5.4 million total funds) related to transferring programs to other division, eliminating one-time funding, and changes in available revenues for programs.

Department of Human Services Medicaid-Funded Programs: The General Fund was decreased by a total of \$2.0 million (\$5.6 million total funds) for programs administered by the Department of Human Services. The majority of this decrease reflected provider rate reductions and the closure of skilled nursing facility at Grand Junction for the developmentally disabled populations. This division is not part of this budget briefing but was included in the table in order to summarize the entire Department of Health Care Policy and Financing appropriations. Please see the staff briefings for the Department of Human Services for Medicaid funding detail.

During the 2010 Session, the Joint Budget Committee members sponsored six budget bills, in addition to the Long Bill, in order to make the FY 2010-11 budget changes to the Department of Health Care Policy and Financing as summarized above.

Overview of Governor's Early Supplementals for FY 2010-11

Due to changes in federal law and the September 2010 revenue forecast, the Department submitted early supplementals for FY 2010-11 to the Committee. This section of the Department Overview summarizes these supplemental requests. No action is required at this time. Some of the specific issues are discussed in greater detail in the Issue Section of this briefing document.

| Department of Health Care Policy and Financing | | | | | | |
|--|------------------------|-------------------------|-----------------------|---------------------------------|--------------------------|--------------|
| | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
| FY 2010-11 Appropriation (2010 Session): | \$4,584,093,812 | \$1,232,196,603 | \$607,038,213 | \$20,889,306 | \$2,723,969,690 | 294.8 |
| <u>Breakdown of Governor's Proposal by Issue -- Includes Officially Received Supplemental Requests ONLY and Base Issues Contained in November Request (Does Not Represent Final Supplementals)</u> | | | | | | |
| S #1 Base Change-- Medicaid Medical Program | 189,495,298 | (16,769,210) | 96,242,004 | 178,087 | 109,844,417 | 0.0 |
| S #2 Base Change-- Medicaid Mental Health Program | (3,723,584) | (2,110,115) | 719,223 | 1,980 | (2,334,672) | 0.0 |
| S #3 & # 5 Base Change - CBHP Program | 9,755,692 | 686,184 | 3,118,350 | 0 | 5,951,158 | 0.0 |
| S #4 Base Change - MMA Payment | (501,254) | (501,254) | 0 | 0 | 0 | 0.0 |
| ES #1--"ARRA Adjustment" | 687,219 | 67,182,763 | 4,912,625 | 55,816 | (71,463,985) | 0.0 |
| ES #2-- "Fee-for-Service Delay in FY 2010-11" | (58,909,924) | (26,963,336) | (2,587,562) | (74,709) | (29,284,317) | 0.0 |
| ES #3-- "Delay Managed Care Payment" | (54,080,068) | (15,190,409) | (8,148,486) | (1,004) | (30,740,169) | 0.0 |
| NP ES -- EDO Division | (117,293) | (89,168) | 0 | (4,276) | (23,849) | 0.0 |
| NP ES - DHS Division | (156,053) | (62,058) | 0 | 0 | (93,995) | 0.0 |
| NP S#2 -- DHS Division | <u>12,703,408</u> | <u>4,898,250</u> | <u>0</u> | <u>0</u> | <u>7,805,158</u> | <u>0.0</u> |
| FY 2010-11 Revised Appropriation Requested by Department | \$4,679,247,253 | \$1,243,278,250 | \$701,294,367 | \$21,045,200 | \$2,713,629,436 | 294.8 |
| Increase/(Decrease) | \$95,153,441 | \$11,081,647 | \$94,256,154 | \$155,894 | (\$10,340,254) | 0.0 |
| Percentage Change | 2.1% | 0.9% | 15.5% | 0.7% | (0.4)% | 0.0% |

Base Change-- Medicaid Medical Program: This issue indicates the possible Medicaid caseload and base cost supplemental for the Medical Services Premiums line item. This is not an official

supplemental request but represents the base that the Department used when developing their FY 2010-11 request. This issue is discussed in greater detail in Issue #10 of this briefing packet.

Base Change-- Medicaid Mental Health Program: This issue indicates the possible Medicaid caseload and cost supplemental for the Medicaid Mental Health program. This is not an official supplemental request but represents the base that the Department used when developing their FY 2010-11 request. This issue is discussed in greater detail in Issue #10 of this briefing packet.

Base Change-- CBHP Program: This issue indicates the possible Children's Basic Health Plan (CBHP) caseload and cost supplemental. This is not an official supplemental request but represents the base that the Department used when developing their FY 2010-11 request. This issue is discussed in greater detail in Issue #11 of this briefing packet.

Base Change-- MMA Payment: This issue indicates the possible change to the Medicare Modernization Act State Contribution Payment due to caseload and cost assumption changes. This is not an official supplemental request but represents the base that the Department used when developing their FY 2010-11 request.

ES #1--"ARRA Adjustment": This request reflects the estimated adjustment to the Department's appropriations based on the passage of H.R.1586 (Education Jobs and Medicaid Funding Bill). The FY 2010-11 budget passed with the assumption that Congress would extend the full enhanced ARRA FMAP through June 30, 2011. Although H.R. 1586 extended the enhanced FMAP through June 30, 2011, Congress did so at a lesser amount than originally assumed in the current FY 2010-11 appropriation. The Department's current appropriations assumed an enhanced ARRA FMAP of 61.59 percent and the amount ultimately approved under H.R. 1586 was approximately 59.71 percent (a difference of 1.88 percent). The Committee was briefed on this supplemental request in September 2010. However, the Committee took no action on this supplemental at that time based on staff's recommendation to wait to make this adjustment when the final Medicaid forecast is completed in March 2011.

ES #2--"Fee-For-Service Delay in FY 2010-11": In FY 2009-10, the Governor ordered that the Medicaid payments to fee-for-service providers be suspended during the last two weeks of June 2010. Therefore, two weeks of payments that would normally be paid in the prior fiscal year were "rolled over" for payment in FY 2010-11 (these payments were paid in July 2011). However, the current appropriation did not include 54 weeks of payments (it was appropriated for only 52 weeks). The request would make the two week delay permanent and would add an additional week for a total of 3 weeks of payment delay in FY 2010-11 (only 51 weeks would be paid instead of 54 weeks). This supplemental request would require a bill. **A decision regarding this request does not need to be made until March 2011.** This issue is discussed in greater detail in Issue #5 of this briefing packet.

ES #3--"Delay Managed Care Payment": Similar to the issue above, this request would delay the capitation payments for managed care organization in June 2011 until July 2011 (roll over one month

of payments). Therefore, under this proposal only 11 months of payments would be made in FY 2010-11 and 12 months of payments would be made in FY 2011-12. A decision regarding this request does not need to be made until March 2011. This issue is discussed in greater detail in Issue #5 of this briefing packet.

NP ES-- EDO Division: This supplemental request is related to a 1.0 percent personal services reduction that the Department submitted as part of the September 2010 budget balancing actions.

NP ES-- DHS Division: This supplemental request is related to a 1.0 percent personal services reduction that the Department submitted as part of the September 2010 budget balancing actions.

NPS#2 -- DHS Division: This issue relates to the Medicaid impact for a supplemental and decision item in the Department of Human Services to reallocate resources and increase funding for emergency placements in the developmental disability programs. This item is discussed in the Department of Human Services briefings and is shown here only to reflect the total early supplementals requested by the Department.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Department of Health Care Policy and Financing
 (Executive Director's Office, Medical Services Premiums, Medicaid Mental Health
 Community Programs, Indigent Care Programs, and Other Medical Services)**

DECISION ITEM PRIORITY LIST

| Decision Item | GF | CF | RF | FF | Total | FTE |
|---|------------|-------------|----------|-------------|-------------|-----|
| 1 | 12,011,909 | 215,631,736 | 301,747 | 220,641,327 | 448,586,719 | 0.0 |
| <p>Request for FY 2011-12 Medical Services Premiums (Base Caseload & Cost Forecast)</p> <p>Medical Services Premiums. The Department requests an increase of \$448.6 million total funds (\$12.0 million General Fund) related to the baseline forecast for the Medical Services Premiums (Medicaid medical and long-term care services) program. The Department is forecasting a Medicaid caseload of 610,025 clients (an increase of 10.60 percent from FY 2010-11). However, the Department is forecasting that the average per capita cost will be \$5,001.85 (a decrease of \$1.99 percent from FY 2010-11 requested supplemental). This item is discussed in greater detail in issue #10 of this briefing. <i>Statutory authority: Sections 25.5-4 et al, 25.5-5-et al, and 25.5-6 et al C.R.S. (2010).</i></p> | | | | | | |
| 2 | 2,796,419 | 9,251,400 | (12,180) | 10,663,558 | 22,699,197 | 0.0 |
| <p>Request for FY 2011-12 Medicaid Mental Health Community Programs (Base Caseload & Cost Forecast)</p> <p>Medicaid Mental Health Community Programs. The Department requests an increase of \$22.7 million total funds (\$2.8 million General Fund) for the baseline forecast for the Medicaid mental health programs. This item is discussed in greater detail in issue #10 of this briefing and in the Mental Health staff briefing scheduled for December 10, 2010. <i>Statutory authority: Sections 25.5-308, 25.5-5-408, and 25.5-5-411, C.R.S. (2010).</i></p> | | | | | | |
| 3 | 0 | 20,165,441 | 0 | 37,469,683 | 57,635,124 | 0.0 |
| <p>Children's Basic Health Plan Medical Premium and Dental Costs (Base Caseload & Cost Forecast)</p> <p>Indigent Care Programs. The Department requests an increase of \$57.6 million total funds (General Fund impact is in item #5 below) to fund the baseline forecast for the Children Basic Health Plan program. The Department is forecasting that 86,516 children and 3,303 women will be served by this program in FY 2011-12. This is an increase of 14.6 percent from the Department's revised FY 2010-11 caseload forecast. The Department is also forecasting an increase of approximately 4.2 percent in per capita costs. This item is discussed in greater detail in issue #11 of this briefing. <i>Statutory authority: Sections 25.5-8 et al, C.R.S. (2010).</i></p> | | | | | | |

| Decision Item | GF | CF | RF | FF | Total | FTE |
|--|------------|-----------|----|-----------|------------|-----|
| 4 | 2,231,489 | 0 | 0 | 0 | 2,231,489 | 0.0 |
| <p>Medicare Modernization Act State Contribution Payment (Base Caseload & Cost Forecast)</p> <p>Other Medical Programs. The Department requests an increase of \$2.2 million General Fund for the caseload and cost increases forecasted for the Medicare Modernization Act State Contribution payment. <i>Statutory authority: Section 25-5-4-105 and Section 25.5-5-503, C.R.S. (2009) and 42 CFR 423.910 (g).</i></p> | | | | | | |
| 5 | 107,460 | 0 | 0 | 107,460 | 214,920 | 0.0 |
| <p>CBMS Compliance with Low Income Subsidy and Disability Determination Services Federal Requirements</p> <p>DHS Medicaid-Funded Programs (CBMS). The Department requests \$214,920 total funds (\$107,460 General Fund) for development costs for the Colorado Benefits Management System (CBMS). This funding would be used to create two interfaces for data transmitted from the Centers of Medicare and Medicaid Services (CMS). The first interface is to improve the process for assisting low-income Medicare clients determine eligibility for drug subsidy programs under the Medicare Part D program. The second interface would allow CBMS to match Social Security number data related to Supplemental Security Income (SSI) in CBMS with information that is provided by the vendor that performs disability determination. This change is necessary for the Department to keep in compliance with federal regulations regarding Medicaid eligibility for SSI clients. <i>Statutory authority: Sections 25.5-4-105 C.R.S. (2010) and 42 C.F.R. Section 435.135-136 (135) (a).</i></p> | | | | | | |
| 6 | 13,796,996 | 0 | 0 | 0 | 13,796,996 | 0.0 |
| <p>Cash Fund Insolvency Financing</p> <p>Indigent Care Program. The Department requests an appropriation of \$13.8 million General Fund in order to keep the Children's Basic Trust Fund solvent. In addition, the Department request that \$15.0 million be transferred (not appropriated -- this is a revenue issue rather than an appropriation issue) from the General Fund into the Health Care Expansion Fund. This \$15.0 million will be used to help make the Health Care Expansion Fund solvent in FY 2011-12. In addition to the \$15.0 million General Fund, the Department requests that \$26.7 million in <i>anticipated</i> bonus revenue from the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) be deposited into the Health Care Expansion Fund. The Department needs legislation to dedicate these funds to the Health Care Expansion Fund. This issue is discussed in greater detail in issue #6 of this briefing document. <i>Statutory authority: Sections 25.5-1-105 C.R.S. (2010), 24-22-117, C.R.S. (2010) and new legislation is required for a portion of this request.</i></p> | | | | | | |
| 7 | 0 | 7,948,120 | 0 | 7,948,120 | 15,896,240 | 0.0 |
| <p>Maximize Reimbursement for High Volume Medicaid and CICP Hospitals</p> <p>Indigent Care Program. The Department requests an increase of \$15.9 million total funds (\$7.9 million in certified public expenditures) in order to draw down additional federal moneys under the Upper Payment Limit (UPL) methodology. Currently, the state's Medicaid program does not reimbursement hospitals at the upper payment limit (UPL) allowed under federal regulations. Uncompensated costs incurred by public hospitals can therefore, be certified as the state match to draw additional federal reimbursement up to the UPL. The additional federal revenues are then distributed to the hospitals who serve a high volume of Medicaid, indigent, and uninsured clients. This item is discussed in greater detail in issue #7 of this briefing document. <i>Statutory authority: Sections 25.5-3-108 C.R.S. (2010) and 42 CFR Section 433.51.</i></p> | | | | | | |

| Decision Item | GF | CF | RF | FF | Total | FTE |
|---|-------------------|--------------------|----------------|--------------------|--------------------|------------|
| 8 | (779) | 0 | 0 | (778) | (1,557) | 0.0 |
| Prenatal Plus Administration Transfer | | | | | | |
| <p>Multiple Divisions. Both the Department of Health Care Policy and Financing and the Department of Public Health and Environment request that the administration of the Medicaid program known as Prenatal Plus be transferred from DPHE to HCPF starting in FY 2011-12. This request results in a small savings of \$1,577 total funds (\$779 General Fund). This savings is related directly to the statewide non-prioritized 2.0 percent personal services reduction. Without this reduction, this item would have been cost neutral.</p> <p>Currently, HCPF transfers \$119,006 total funds to DPHE to administer a Medicaid only program for pregnant women who are at-risk of delivering a low birth weight infant of five pounds and eight ounces or less at birth. This program provides counseling to the woman regarding her lifestyle, behavioral, and non-medical aspects of her life that are putting her at-risk of delivering a low-birth weight baby. However, the actual costs of medical care and case management of these women is paid through the Medical Services Premiums line item. At this time, HCPF and DPHE request that HCPF be given direct administrative responsibility for this program.</p> <p><i>Statutory authority: Section 25.5-5-309 (1), C.R.S. (2010)</i></p> | | | | | | |
| Total | 30,943,494 | 252,996,697 | 289,567 | 276,829,370 | 561,059,128 | 0.0 |

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums, Indigent Care Programs, and
Other Medical Services)

BASE REDUCTION ITEM PRIORITY LIST

| Base Reduction | GF | CF | RF | FF | Total | FTE |
|---|--------------|-------------|---------|-------------|-------------|-----|
| 1 | (16,325) | 0 | 0 | 87,625 | 71,300 | 0.0 |
| Client Overutilization Program Expansion | | | | | | |
| <p>Executive Director's Office and Medical Services Premiums. The Department requests an increase of \$71,300 total funds (reduction of \$16,325 General Fund) to add 200 clients to their Client Overutilization Program. The Client Overutilization Program identifies misues and overuse of medical services by clients and implements safeguards to prevent these behaviors. Clients assigned to the program are locked into one primary care physician, pharmacy, or managed care organization. While the Department has identified 200 clients that meet the criteria established for this program, only 12 clients are currently in the program. In order to get all of the clients enrolled, the Department needs funding to make system changes to MMIS to ensure that these clients and their associated claims are locked into the selected provider. The costs to the make the system changes are offset by the anticipated savings from monitoring these clients claims more closely. <i>Statutory authority: 42 CFE Section 456.3 and 42 CFE Section 431.54 (e).</i></p> | | | | | | |
| 2 | (3,625,022) | (299,733) | (3,324) | (3,897,394) | (7,825,473) | 0.9 |
| Medicaid Fee-For-Service Payment Delay | | | | | | |
| <p>Multiple Divisions. The Department requests that a permanent three week delay of fee-for-service payments be made in FY 2010-11 (see supplementals). The Department anticipates that June 2011 delayed payments will be less then the June 2012 payments due to caseload and cost increases in FY 2011-12. The difference between the delayed payment amounts (the amount actually paid in FY 2011-12 for June 2011 compared to amount deferred in FY 2012-13 for June 2012) results in a total fund savings of \$7.8 million (\$3.6 million General Fund). This item is discussed in greater detail in issue #5 of this briefing document. <i>Statutory authority: Sections 25.5-5-411, 25.5-4-401, 25.5-4-403, 25.5-4-301, and 25.5-6-206, C.R.S. (2009).</i></p> | | | | | | |
| 3 | (14,010,318) | (4,179,364) | 0 | 11,010,318 | (7,179,364) | 0.0 |
| Indigent Care Program Financing Reductions | | | | | | |
| <p>Medical Services Premiums and Indigent Care Program. Similar to the JBC action last year, the Department requests that \$12.5 million from the Primary Care Fund be used to support Health Care Services Fund Programs (which receives a federal match), \$2.7 million be used for clinics that don't qualify for the Health Care Services Fund Programs, and \$12.5 million be used to offset General Fund in the Medical Services Premiums line item. In addition, the Department requests a \$3.0 million reduction to the Pediatric Specialty Hospital line item (\$1.5 million General Fund). The total General Fund savings from this item is \$14.0 million. This item requires a declaration of a fiscal emergency with a two third vote of the General Assembly and signature of the Governor. This item is discussed in greater detail in issue #7 of this briefing document. <i>Statutory authority: Requires a Referendum and Legislation.</i></p> | | | | | | |

| Base Reduction | GF | CF | RF | FF | Total | FTE |
|--|---------------------|---------------------|----------------|---------------------|---------------------|------------|
| 4 | 7,530 | (3,486,073) | 36 | (6,466,607) | (9,945,114) | 0.0 |
| CBHP Program Reductions | | | | | | |
| <p>Indigent Care Programs and CBMS. The Department is proposing to reduce the Children's Basic Health Plan (CBHP) expenditures through five initiatives: (1) eliminate reinsurance; (2) a three percent HMO reimbursement reduction; (3) out-of-network reimbursement changes; (4) eliminate inpatient coverage for prenatal presumptive eligibility; and (5) eliminate pre-HMO and retroactive enrollment periods. Because the cash fund sources that support the CBHP program are insolvent in FY 2011-12, the cash fund savings will reduce the amount of General Fund needed to subsidize the program. This base reduction item reduced the amount of General Fund requested in decision item #6. This item is discussed in greater detail in issue #8 of this briefing packet. <i>Statutory authority: Section 25.5-8-105, C.R.S. (2010).</i></p> | | | | | | |
| 5 | (14,776,147) | (540,014) | 0 | (15,045,083) | (30,361,244) | 0.0 |
| Medicaid Reductions | | | | | | |
| <p>Multiple Divisions. In order to balance the statewide budget, the Department requests a reduction of \$30.4 million total funds (\$14.8 million General Fund) for various Medicaid cost saving initiatives, including \$12.6 million General to the Medical Services Premiums program and \$2.3 million General Fund to the Medicaid Mental Health program. These changes are offset by an increase of \$147,000 for administrative costs associated with implementing the initiatives. This item is discussed in greater detail in issue #8 of this briefing packet. <i>Statutory authority: Section 25.5-4-401 (1) (a), C.R.S. (2010).</i></p> | | | | | | |
| 6 | (4,295,826) | (1,618,064) | 0 | (6,869,481) | (12,783,371) | 0.0 |
| Medicaid Managed Care Payment Delay | | | | | | |
| <p>Multiple Division. The Department requests a reduction of \$12.8 million total funds (\$4.3 million General Fund) that results from moving managed care service providers from a concurrent payment methodology (services paid for during the month in which they are delivered) to a retrospective payment methodology (services paid for in the month following delivery). The Department proposes that this change be made in FY 2010-11 (see supplementals). The cost savings in this request reflects the additional savings anticipated in FY 2011-12 from making this payment change. This item is discussed in greater detail in issue #5 of this briefing document. <i>Statutory authority: Section 25.5-4-401 (1) (a), Section 25.5-6-202, and 24-22-117, C.R.S. (2009).</i> <i>This issue would require a statutory change regarding the nursing facility rates reductions.</i></p> | | | | | | |
| Total | (36,716,108) | (10,123,248) | (3,288) | (21,180,622) | (68,023,266) | 0.9 |

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums, Medicaid Mental Health
Community Programs, Indigent Care Programs, and Other Medical Services)

NON-PRIORITIZED ITEM LIST

| Non-Prioritized Item List | GF | CF | RF | FF | Total | FTE |
|---|--------------|------------|-----------|-----------|--------------|------------|
| 1 Statewide - 2.0% Across the Board personal Services Reduction | (158,886) | 0 | (9,297) | (2,128) | (170,311) | 0.0 |
| 2 DHS - Reallocation of Resources and Funding Increase for Emergency Placements for People with Developmental Disabilities | 6,797,048 | 0 | 0 | 6,797,048 | 13,594,096 | 0.0 |
| 3 Statewide - Printing of Statewide Warrants and Mainframe Documents | 535 | 0 | 0 | 535 | 1,070 | 0.0 |
| 4 DHS - Services for People with Disabilities - New Funding Developmental Disabilities Services | 5,374 | 0 | 0 | 5,373 | 10,747 | 0.0 |
| 5 DHS - Annual Fleet Vehicle Replacement | 2,617,876 | 0 | 0 | 2,617,873 | 5,235,749 | 0.0 |
| 6 DPHE - 2% Across the Board Personal Services Reduction | (26,578) | 0 | 0 | (48,692) | (75,270) | 0.0 |
| 7 DORA - 2% Across the Board Personal Services Reduction | (868) | 0 | 0 | (868) | (1,736) | 0.0 |
| 8 DPHE - Use Tobacco Tax Revenue to offset General Fund in the Medical Services Premiums Line Item | (21,000,000) | 18,313,649 | 2,686,351 | 0 | 0 | 0.0 |
| 9 DHS - 2% Across the Board Personal Services Reduction | (153,923) | 0 | (3,735) | (157,654) | (315,312) | 0.0 |
| 10 DHS - Reduction to the Purchase of Contract Placements Appropriations | 2,866 | 0 | 0 | 2,867 | 5,733 | 0.0 |

| Non-Prioritized Item List | GF | CF | RF | FF | Total | FTE |
|---|---------------------|-------------------|------------------|------------------|-------------------|------------|
| 11 CDPHE - Pro-Rated Benefits | (184) | 0 | 0 | (191) | (375) | 0.0 |
| 12 CDPHE - Statewide PERA Adjustment | (28,033) | 0 | 0 | (51,781) | (79,814) | 0.0 |
| 13 Pro-Rated Benefits | (2,409) | 0 | 0 | (2,410) | (4,819) | 0.0 |
| 14 Statewide PERA Adjustment | (165,468) | (56,118) | 0 | (285,473) | (507,059) | 0.0 |
| 15 DHS - Statewide PERA Adjustment | (520,934) | 0 | 0 | (519,611) | (1,040,545) | 0.0 |
| 16 DHS - Pro-Rated Benefits | (52,825) | 0 | 0 | (52,824) | (105,649) | 0.0 |
| 17 DHS - NP DHS - Printing of Statewide Warrants and Mainframe Documents | 146 | 0 | 0 | 147 | 293 | 0.0 |
| 18 CDE - Statewide - PERA Adjustment | 0 | 0 | 0 | (1,685) | (1,685) | 0.0 |
| Total | (12,686,263) | 18,257,531 | 2,673,319 | 8,300,526 | 16,545,113 | 0.0 |

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Health Care Policy and Financing
 (Executive Director's Office, Medical Services Premiums, Medicaid Mental Health
 Community Programs, Indigent Care Programs, and Other Medical Services)**

OVERVIEW OF NUMBERS PAGES

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2010-11 appropriation and its FY 2011-12 request.

Table 1: Total Requested Change, FY 2010-11 to FY 2011-12 (millions of dollars)

| Category | GF | CF | RF | FF | Total | FTE |
|---------------------------|-----------|---------|---------|-----------|-----------|-------|
| FY 2010-11 Appropriation* | \$1,232.2 | \$607.0 | \$20.9 | \$2,724.0 | \$4,584.1 | 294.8 |
| FY 2011-12 Request | 1,677.8 | 903.6 | 13.2 | 2,587.6 | 5,182.2 | 312.5 |
| Increase / (Decrease) | \$445.6 | \$296.6 | (\$7.7) | (\$136.4) | \$598.1 | 17.7 |
| Percentage Change | 36.2% | 48.9% | (36.8)% | (5.0)% | 13.0% | 6.0% |

*Current Appropriation. Does not reflect early supplemental items until acted upon.

As shown in Table 1 above, the Department's FY 2011-12 budget request includes a total General Fund increase of \$445.6 million (36.2 percent) from the current FY 2010-11 appropriation. The Department's request includes the following significant General Fund increases: (1) \$423.8 million to backfill the loss of enhanced federal match provided by the American Recovery and Reinvestment Act (ARRA); (2) \$43.2 million to restore one-time cost savings that resulted mainly from refinancing General Fund with other cash funds; and (3) \$37.6 million related to caseload and cost increases for the Medicaid and Children's Basic Health Plan programs.

These increases are partially offset by the following significant reductions: (1) \$28.8 million in various benefit and program reductions to the Medicaid and Indigent Care Program; (2) \$21.0 million to refinance a portion of General Fund with tobacco taxes usually appropriated to the Department of Public Health and Environment; (3) \$7.9 million to annualize payment delays proposed in FY 2010-11; and (4) \$1.3 million various other technical adjustments.

Table 2 summarizes the changes requests contained in the Department's total FY 2011-12 budget request, as compared with the **original** FY 2010-11 appropriation and Table 3 summarizes the Department's request compared to the original FY 2010-11 appropriation as well as to the revised FY 2010-11 as officially requested by the Governor as of December 2010.

Table 2: Total Department Requested Changes, FY 2010-11 to FY 2011-12 (in millions)

| Category | GF | CF | RF | FF | Total | FTE |
|------------------------|----------------|----------------|----------------|------------------|----------------|------------|
| Decision Items | \$30.9 | \$253.0 | \$0.3 | \$276.8 | \$561.0 | 0.0 |
| Base Reduction Items | (36.7) | (10.1) | 0.0 | (21.2) | (68.0) | 0.0 |
| Non-Prioritized Items | (12.8) | 18.3 | 2.7 | 8.2 | 16.4 | 0.0 |
| Technical/Base Changes | 464.2 | 35.4 | (10.7) | (400.4) | 88.5 | 0.0 |
| Total Changes | \$445.6 | \$296.6 | (\$7.7) | (\$136.6) | \$597.9 | 0.0 |

Table 3: Department Overview of FY 2010-11 and FY 2011-12 Budget Request

| Department of Health Care Policy and Financing | GF | CF | RF | FF | Total | FTE |
|---|------------------------|----------------------|---------------------|------------------------|------------------------|--------------|
| 2010 Session FY 2010-11 Appropriation | \$1,232,196,603 | \$607,038,213 | \$20,889,306 | \$2,723,969,690 | \$4,584,093,812 | 294.8 |
| ES #1: FMAP Adjustment | 67,182,763 | 4,912,625 | 55,816 | (71,463,985) | 687,219 | 0.0 |
| ES #2: Fee-for-Service Payment Delay | (26,963,336) | (2,587,562) | (74,709) | (29,284,317) | (58,909,924) | 0.0 |
| ES #3: Managed Care Payment Delay | (15,190,409) | (8,148,486) | (1,004) | (30,740,169) | (54,080,068) | 0.0 |
| NP ES: Personal Service Reduction | (151,226) | 0 | (4,276) | (117,844) | (273,346) | 0.0 |
| S #1-4: Caseload Adjustments | (19,380,579) | 100,079,577 | 178,389 | 113,462,581 | 194,339,968 | 0.0 |
| REVISED FY 2010-11 Appropriation Requested | \$1,237,693,816 | \$701,294,367 | \$21,043,522 | \$2,705,825,956 | \$4,665,857,661 | 294.8 |
| Annualize Prior Year Actions and Common Policies | 102,079,890 | (70,222,728) | (11,062,213) | (30,689,883) | (9,894,934) | 16.8 |
| FMAP Adjustment (including SB 10-169) | \$356,587,634 | \$11,407,633 | \$293,043 | (\$351,411,060) | \$16,877,250 | 0.0 |
| FY 2011-12 Requested BASE | \$1,696,361,340 | \$642,479,272 | \$10,274,352 | \$2,323,725,013 | \$4,672,839,977 | 311.6 |
| Decision Items | 30,943,494 | 252,996,697 | 289,567 | 276,829,369 | 561,059,127 | 0.0 |
| Base Reduction Items | (36,716,108) | (10,123,247) | (3,288) | (21,180,622) | (68,023,265) | 0.9 |
| Non-Prioritized Requests | (12,788,777) | 18,257,531 | 2,682,616 | 8,198,014 | 16,349,384 | 0.0 |
| FY 2011-12 November Budget Req. | \$1,677,799,949 | \$903,610,253 | \$13,243,247 | \$2,587,571,774 | \$5,182,225,223 | 312.5 |
| \$ Change to Original FY 10-11 App. | 445,603,346 | 296,572,040 | (7,646,059) | (136,397,916) | 598,131,411 | 17.7 |
| % Change | 36.2% | 48.9% | (36.6)% | (5.0)% | 13.0% | 6.0% |
| \$ Change to Revised FY 10-11 App. | 440,106,133 | 202,315,886 | (7,800,275) | (118,254,182) | 516,367,562 | 17.7 |
| % Change | 35.6% | 28.8% | (37.1)% | (4.4)% | 11.1% | 6.0% |

The tables on the following pages summarizes the Department's FY 2010-11 budget request by division. For a breakdown of change requests by line item see the Department's number pages in Appendix A. For reconciliation of the Department's request for FY 2010-11 and FY 2011-12 see Appendix AB.

**FY 2011-12 Joint Budget Committee Staff Document
Department of Health Care Policy and Financing**

| Department Request | FY 2010-11 | FY 2010-11 | FY 2010-11 | FY 2011-12 | FY 2011-12 | | FY 2011-12 | |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|---------------------------|--------------|-------------------------------|--------------|
| | Original App. | Revised Proposal | Change to App. | Request | \$ Change to Original APP | % Change | \$ Change to Revised Proposal | % Change |
| Executive Director's | 130,416,158 | 130,378,409 | (37,749) | 135,164,740 | 4,748,582 | 3.6% | 4,786,331 | 3.7% |
| FTE | 294.8 | 294.8 | 0.0 | 312.5 | 17.7 | 6.0% | 17.7 | 6.0% |
| General Fund | 36,179,178 | 36,121,510 | (57,668) | 36,690,635 | 511,457 | 1.4% | 569,125 | 1.6% |
| Cash Funds | 14,873,898 | 14,873,898 | 0 | 16,756,247 | 1,882,349 | 12.7% | 1,882,349 | 12.7% |
| Reappropriated Funds | 1,849,603 | 1,880,272 | 30,669 | 2,085,912 | 236,309 | 12.8% | 205,640 | 10.9% |
| Federal Funds | 77,513,479 | 77,502,729 | (10,750) | 79,631,946 | 2,118,467 | 2.7% | 2,129,217 | 2.7% |
| Medical Services Premiums | 3,106,858,127 | 3,230,825,802 | 123,967,675 | 3,508,354,565 | 401,496,438 | 12.9% | 277,528,763 | 8.6% |
| General Fund & GFE | 862,050,907 | 869,077,703 | 7,026,796 | 1,199,895,717 | 337,844,810 | 39.2% | 330,818,014 | 38.1% |
| Cash Funds | 339,633,220 | 435,629,877 | 95,996,657 | 553,323,413 | 213,690,193 | 62.9% | 117,693,536 | 27.0% |
| Reappropriated Funds | 7,595,243 | 7,772,491 | 177,248 | 6,322,351 | (1,272,892) | -16.8% | (1,450,140) | -18.7% |
| Federal Funds | 1,897,578,757 | 1,918,345,731 | 20,766,974 | 1,748,813,084 | (148,765,673) | -7.8% | (169,532,647) | -8.8% |
| Medicaid Mental Health | 250,582,216 | 226,133,678 | (24,448,538) | 269,634,015 | 19,051,799 | 7.6% | 43,500,337 | 19.2% |
| General Fund | 87,070,304 | 81,281,623 | (5,788,681) | 113,970,165 | 26,899,861 | 30.9% | 32,688,542 | 40.2% |
| Cash Funds | 9,555,600 | 9,665,183 | 109,583 | 20,959,193 | 11,403,593 | 119.3% | 11,294,010 | 116.9% |
| Reappropriated Funds | 12,046 | 13,022 | 976 | 0 | (12,046) | -100.0% | (13,022) | -100.0% |
| Federal Funds | 153,944,266 | 135,173,850 | (18,770,416) | 134,704,657 | (19,239,609) | -12.5% | (469,193) | -0.3% |
| Indigent Care Program | 564,952,398 | 551,024,445 | (13,927,953) | 697,060,088 | 132,107,690 | 23.4% | 146,035,643 | 26.5% |
| General Fund & GFE | 17,148,210 | 14,845,385 | (2,302,825) | 22,436,021 | 5,287,811 | 30.8% | 7,590,636 | 51.1% |
| Cash Funds | 212,051,294 | 210,905,166 | (1,146,128) | 281,219,537 | 69,168,243 | 32.6% | 70,314,371 | 33.3% |
| Reappropriated Funds | 7,303,880 | 7,303,880 | 0 | 422,148 | (6,881,732) | -94.2% | (6,881,732) | -94.2% |
| Federal Funds | 328,449,014 | 317,970,014 | (10,479,000) | 392,982,382 | 64,533,368 | 19.6% | 75,012,368 | 23.6% |
| Other Medical Services | 122,603,094 | 123,207,494 | (241,508) | 143,695,164 | 21,092,070 | 17.2% | 20,487,670 | 16.6% |
| General Fund | 72,331,577 | 73,977,898 | (652,006) | 93,461,843 | 21,130,266 | 29.2% | 19,483,945 | 26.3% |
| Cash Funds | 30,474,490 | 29,752,320 | (2,110,546) | 30,678,822 | 204,332 | 0.7% | 926,502 | 3.1% |
| Reappropriated Funds | 2,235,000 | 2,235,000 | (348,859) | 2,520,000 | 285,000 | 12.8% | 285,000 | 12.8% |
| Federal Funds | 17,562,027 | 17,242,276 | 2,869,903 | 17,034,499 | (527,528) | -3.0% | (207,777) | -1.2% |
| DHS Programs | 408,681,819 | 404,287,833 | (13,050,593) | 428,307,353 | 19,625,534 | 4.8% | 24,019,520 | 5.9% |
| General Fund | 157,416,427 | 162,389,696 | (51,010,742) | 211,345,569 | 53,929,142 | 34.3% | 48,955,873 | 30.1% |
| Cash Funds | 449,711 | 467,441 | (6,113) | 673,040 | 223,329 | 49.7% | 205,599 | 44.0% |
| Reappropriated Funds | 1,893,534 | 1,841,017 | (601,510) | 1,883,539 | (9,995) | -0.5% | 42,522 | 2.3% |
| Federal Funds | 248,922,147 | 239,589,679 | 38,567,772 | 214,405,205 | (34,516,942) | -13.9% | (25,184,474) | -10.5% |
| DEPARTMENT TOTAL | 4,584,093,812 | 4,665,857,661 | 72,261,334 | 5,182,215,925 | 598,122,113 | 13.0% | 516,358,264 | 11.1% |
| FTE | 294.80 | 294.8 | 0.0 | 312.5 | 17.7 | 6.0% | 17.7 | 6.0% |
| General Fund & GFE | 1,232,196,603 | 1,237,693,815 | (52,785,126) | 1,677,799,950 | 445,603,347 | 36.2% | 440,106,135 | 35.6% |
| Cash Funds | 607,038,213 | 701,293,885 | 92,843,453 | 903,610,252 | 296,572,039 | 48.9% | 202,316,367 | 28.8% |
| Reappropriated Funds | 20,889,306 | 21,045,682 | (741,476) | 13,233,950 | (7,655,356) | -36.6% | (7,811,732) | -37.1% |
| Federal Funds | 2,723,969,690 | 2,705,824,279 | 32,944,483 | 2,587,571,773 | (136,397,917) | -5.0% | (118,252,506) | -4.4% |
| General Fund Exempt | 477,000 | | | 422,148 | | | | |

Table 5: Requested Changes for Executive Director's Office, FY 2010-11 to FY 2011-12

| Executive Director's Office | GF | CF | RF | FF | Total | FTE |
|---|---------------------|---------------------|--------------------|---------------------|----------------------|--------------|
| FY 2010-11 Appropriation | \$36,179,178 | \$14,873,898 | \$1,849,603 | \$77,513,479 | \$130,416,158 | 294.8 |
| Submitted Supplementals | (57,668) | 0 | 30,669 | (10,750) | (37,749) | 0.0 |
| Revised FY 2010-11 Appropriation | \$36,121,510 | \$14,873,898 | \$1,880,272 | \$77,502,729 | \$130,378,409 | 294.8 |
| Annualize HB 09-1293 | (7,522) | 1,953,926 | 0 | 532,836 | 2,479,240 | 16.0 |
| Annualize other prior legislation | (36,075) | (68,968) | 0 | (200,055) | (305,098) | 0.8 |
| Annualize prior budget actions and technical base adjustments | 435,420 | (63,320) | 71,737 | 969,482 | 1,413,319 | 0.0 |
| ARRA adjustments | 0 | 0 | 292,204 | (292,204) | 0 | 0.0 |
| Common policy adjustments and centrally appropriated line items | 327,119 | 116,829 | (149,004) | 818,326 | 1,113,270 | 0.0 |
| FY 2011-12 Base Request | \$36,840,452 | \$16,812,365 | \$2,095,209 | \$79,331,114 | \$135,079,140 | 311.6 |
| DI #8: Prenatal Plus transfer | (779) | 0 | 0 | (778) | (1,557) | 0.0 |
| BRI #1: Client overutilization | 51,975 | 0 | 0 | 155,925 | 207,900 | 0.0 |
| BRI #5: Medicaid reductions | 147,250 | 0 | 0 | 441,750 | 589,000 | 0.0 |
| BRI #6: Delay managed care | 31,500 | 0 | 0 | 94,500 | 126,000 | 0.9 |
| Non-Prioritized Items | (379,763) | (56,118) | (9,297) | (390,565) | (835,743) | 0.0 |
| Total FY 2011-12 EDO Request | \$36,690,635 | \$16,756,247 | \$2,085,912 | \$79,631,946 | \$135,164,740 | 312.5 |
| \$ Change from original FY 2010-11 Appropriation | \$511,457 | \$1,882,349 | \$236,309 | \$2,118,467 | \$4,748,582 | 17.7 |
| % Change | 1.4% | 12.7% | 12.8% | 2.7% | 3.6% | 6.0% |
| \$ Change from revised FY 2010-11 Appropriation | \$569,125 | \$1,882,349 | \$205,640 | \$2,129,217 | \$4,786,331 | 17.7 |
| % Change | 1.6% | 12.7% | 10.9% | 2.7% | 3.7% | 6.0% |

Table 6: Requested Changes for Medical Service Premiums, FY 2010-11 to FY 2011-12

| Medical Services Premiums | GF/GFE | CF | RF | FF | Total |
|---|------------------------|----------------------|----------------------|------------------------|------------------------|
| FY 2010-11 Appropriation | \$862,050,906 | \$339,633,220 | \$7,595,243 | \$1,897,578,758 | \$3,106,858,127 |
| ES #1: FMAP adjustment | 53,195,115 | 2,153,476 | 839 | (55,349,430) | 0 |
| ES #2: Fee for service delay | (24,777,839) | (1,865,392) | 0 | (26,930,079) | (53,573,310) |
| ES #3: Managed care delay | (4,621,269) | (533,431) | 0 | (6,799,613) | (11,954,313) |
| S #1: Caseload forecast | (16,769,210) | 96,242,004 | 176,409 | 109,846,095 | 189,495,298 |
| Revised FY 2010-11 Appropriation | \$869,077,703 | \$435,629,877 | \$7,772,491 | \$1,918,345,731 | \$3,230,825,802 |
| Annualize prior legislation | 52,267,040 | (45,570,218) | (4,490,435) | 3,982,951 | 6,189,338 |
| Annualize prior budget actions and technical base adjustments | 40,299,559 | (94,007,688) | 53,036 | (82,080,505) | (135,735,598) |
| ARRA adjustments (with S.B. 10-169) | 279,620,408 | 11,693,832 | (839) | (291,313,401) | 0 |
| FY 2011-12 Base Request | \$1,241,264,710 | \$307,745,803 | \$3,334,253 | \$1,548,934,776 | \$3,101,279,542 |
| DI #1: Caseload forecast | 12,011,909 | 215,631,736 | 301,747 | 220,641,327 | 448,586,719 |
| FY 2011-12 Base & Caseload | \$1,253,276,619 | \$523,377,539 | \$3,636,000 | \$1,769,576,103 | \$3,549,866,261 |
| BRI #1: Client Overutilization | (68,300) | 0 | 0 | (68,300) | (136,600) |
| BRI #2: Fee for service delay | (3,460,953) | (219,065) | 0 | (3,694,351) | (7,374,369) |
| BRI #3: Indigent care refinance | (12,510,318) | 12,510,318 | 0 | 0 | 0 |
| BRI #5: Medicaid reductions | (12,671,299) | (299,401) | 0 | (12,970,707) | (25,941,407) |
| BRI #6: Delay managed care | (3,670,033) | (359,627) | 0 | (4,029,660) | (8,059,320) |
| NP #8: DPHE fund offsets | (21,000,000) | 18,313,649 | 2,686,351 | 0 | 0 |
| Total FY 2011-12 Request | \$1,199,895,716 | \$553,323,413 | \$6,322,351 | \$1,748,813,085 | \$3,508,354,565 |
| \$ Change from original FY 2010-11 Appropriation | \$337,844,810 | \$213,690,193 | (\$1,272,892) | (\$148,765,673) | \$401,496,438 |
| Percent Change | 39.2% | 62.9% | (16.8)% | (7.8)% | 12.9% |
| \$ Change from revised FY 2010-11 Appropriation | \$330,818,013 | \$117,693,536 | (\$1,450,140) | (\$169,532,646) | \$277,528,763 |
| % Change | 38.1% | 27.0% | (18.7)% | (8.8)% | 8.6% |

Table 7: Requested Changes for Medicaid Mental Health, FY 2010-11 to FY 2011-12

| Medicaid Mental Health Community Programs | GF | CF | RF | FF | Total |
|---|----------------------|---------------------|-------------------|-----------------------|----------------------|
| FY 2010-11 Current Appropriation | \$87,070,304 | \$9,555,600 | \$12,046 | \$153,944,266 | \$250,582,216 |
| ES #1: FMAP adjustment | 4,266,730 | 383,395 | 0 | (4,650,125) | 0 |
| ES #2: Fee for service delay | (41,650) | 0 | 0 | (48,599) | (90,249) |
| ES #3: Managed care delay | (7,903,646) | (993,035) | (1,004) | (11,737,020) | (20,634,705) |
| S #1: Caseload forecast | (2,110,115) | 719,223 | 1,980 | (2,334,672) | (3,723,584) |
| Revised FY 2010-11 Appropriation | \$81,281,623 | \$9,665,183 | \$13,022 | \$135,173,850 | \$226,133,678 |
| Annualize prior year budget actions | 10,799,873 | 375,891 | (842) | 16,098,997 | 27,273,919 |
| ARRA adjustments | 22,006,239 | 1,977,412 | 0 | (23,983,651) | 0 |
| FY 2011-12 Base Request | \$114,087,735 | \$12,018,486 | \$12,180 | \$127,289,196 | \$253,407,597 |
| DI #2: Caseload forecast | 2,796,419 | 9,251,400 | (12,180) | 10,663,558 | 22,699,197 |
| FY 2011-12 Base + Caseload | \$116,884,154 | \$21,269,886 | \$0 | \$137,952,754 | \$276,106,794 |
| BRI #2: Fee for service delay | (4,598) | 0 | 0 | (4,597) | (9,195) |
| BRI #5: Medicaid reductions | (2,252,098) | (240,613) | 0 | (2,516,126) | (5,008,837) |
| BRI #6: Delay managed care | (657,293) | (70,080) | 0 | (727,374) | (1,454,747) |
| Total FY 2011-12 Request | \$113,970,165 | \$20,959,193 | \$0 | \$134,704,657 | \$269,634,015 |
| \$ Change from original FY 2010-11 Appropriation | \$26,899,861 | \$11,403,593 | (\$12,046) | (\$19,239,609) | \$19,051,799 |
| Percent Change | 30.9% | 119.3% | (100.0)% | (12.5)% | 7.6% |
| \$ Change from revised FY 2010-11 Appropriation | \$32,688,542 | \$11,294,010 | (\$13,022) | (\$469,193) | \$43,500,337 |
| % Change | 40.2% | 116.9% | (100.0)% | (0.3)% | 19.2% |

Table 8: Requested Changes for Indigent Care Programs, FY 2009-10 to FY 2010-11

| Indigent Care Programs | GF/GFE | CF | RF | FF | Total |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|
| FY 2010-11 Appropriation | \$17,148,210 | \$212,051,294 | \$7,303,880 | \$328,449,014 | \$564,952,398 |
| ES #1: FMAP adjustment | 394,169 | 2,357,542 | 0 | (4,132,122) | (1,380,411) |
| ES #3: Managed care delay | (2,696,994) | (6,622,020) | 0 | (12,298,036) | (21,617,050) |
| S #3: Caseload forecast | 0 | 3,118,350 | 0 | 5,951,158 | <u>9,069,508</u> |
| Revised FY 2010-11 Appropriation | \$14,845,385 | \$210,905,166 | \$7,303,880 | \$317,970,014 | \$551,024,445 |
| Annualize HB 09-1293 | 0 | 38,252,363 | 0 | 38,253,834 | 76,506,197 |
| Annualize other prior legislation | 0 | 16,420,000 | 0 | (19,145,655) | (2,725,655) |
| Annualize prior year budget actions and technical adjustments | (6,739,340) | 11,250,132 | (6,881,732) | 6,452,237 | 4,081,297 |
| ARRA adjustments | 2,032,980 | (2,357,542) | 0 | 1,704,973 | 1,380,411 |
| FY 2011-12 Base Request | \$10,139,025 | \$274,470,119 | \$422,148 | \$345,235,403 | \$630,266,695 |
| DI #3: CBHP caseload forecast | 0 | 20,165,441 | 0 | 37,469,683 | 57,635,124 |
| FY 2011-12 Base + Caseload | \$10,139,025 | \$294,635,560 | \$422,148 | \$382,705,086 | \$687,901,819 |
| DI #6: Cash Fund Solvency | 13,796,996 | 0 | 0 | 0 | 13,796,996 |
| DI #7: Maximize UPL | 0 | 7,948,120 | 0 | 7,948,119 | 15,896,239 |
| BRI #3: Indigent care refinance | (1,500,000) | (16,689,682) | 0 | 11,010,318 | (7,179,364) |
| BRI #4: CBHP Reductions | 0 | (3,486,103) | 0 | (6,474,194) | (9,960,297) |
| BRI #6: Delay managed care | 0 | (1,188,357) | 0 | (2,206,947) | (3,395,304) |
| Total FY 2011-12 Request | \$22,436,021 | \$281,219,538 | \$422,148 | \$392,982,382 | \$697,060,089 |
| \$ Change from original FY 2010-11 Appropriation | \$5,287,811 | \$69,168,244 | (\$6,881,732) | \$64,533,368 | \$132,107,691 |
| Percent Change | 30.8% | 32.6% | (94.2)% | 19.6% | 23.4% |
| \$ Change from revised FY 2010-11 Appropriation | \$7,590,636 | \$70,314,372 | (\$6,881,732) | \$75,012,368 | \$146,035,644 |
| % Change | 51.1% | 33.3% | (94.2)% | 23.6% | 26.5% |

Table 9: Requested Changes for Other Medical Services, FY 2009-10 to FY 2010-11

| Other Medical Services | GF | CF | RF | FF | Total |
|---|---------------------|---------------------|--------------------|---------------------|----------------------|
| FY 2010-11 Appropriation | \$72,331,577 | \$30,474,490 | \$2,235,000 | \$17,562,027 | \$122,603,094 |
| ES #1: FMAP adjustment | 2,147,575 | 0 | 0 | (79,945) | 2,067,630 |
| ES #2: Fee for service delay | 0 | (722,170) | 0 | (239,806) | (961,976) |
| S #4: Caseload forecast | (501,254) | 0 | 0 | 0 | (501,254) |
| Revised FY 2010-11 Appropriation | \$73,977,898 | \$29,752,320 | \$2,235,000 | \$17,242,276 | \$123,207,494 |
| Annualize prior year budget actions and technical adjustments | 1,343,294 | 1,007,170 | 285,000 | 240,194 | 2,875,658 |
| ARRA adjustments | 15,909,162 | 0 | 0 | (412,323) | 15,496,839 |
| FY 2011-12 Base Request | \$91,230,354 | \$30,759,490 | \$2,520,000 | \$17,070,147 | \$141,579,991 |
| DI #4: MMA Caseload forecast | 2,231,489 | 0 | 0 | 0 | 2,231,489 |
| FY 2011-12 Base + Caseload Request | \$93,461,843 | \$30,759,490 | \$2,520,000 | \$17,070,147 | \$143,811,480 |
| BRI #2: Fee for service delay | 0 | (80,668) | 0 | (35,648) | (116,316) |
| Total FY 2011-12 Request | \$93,461,843 | \$30,678,822 | \$2,520,000 | \$17,034,499 | \$143,695,164 |
| \$ Change from original FY 2010-11 Appropriation | \$21,130,266 | \$204,332 | \$285,000 | (\$527,528) | \$21,092,070 |
| % Change | 29.2% | 0.7% | 12.8% | (3.0)% | 17.2% |
| \$ Change from revised FY 2010-11 Appropriation | \$19,483,945 | \$926,502 | \$285,000 | (\$207,777) | \$20,487,670 |
| % Change | 26.3% | 3.1% | 12.8% | (1.2)% | 16.6% |

Table 10: Requested Changes for Department of Human Services, Medicaid-Funded Programs, FY 2009-10 to FY 2010-11

| DHS Medicaid-Funded Programs | GF | CF | RF | FF | Total |
|---|----------------------|------------------|--------------------|-----------------------|----------------------|
| FY 2010-11 Appropriation | \$157,416,427 | \$449,229 | \$1,894,016 | \$248,922,147 | \$408,681,819 |
| ES #1: FMAP adjustment | 7,179,174 | 18,212 | 0 | (7,197,386) | 0 |
| ES #2: Fee for service delay | (2,143,847) | 0 | (52,999) | (2,041,087) | (4,237,933) |
| NP ES #1: Personal Service reduction | (979) | 0 | 0 | (979) | (1,958) |
| NP ES #3: Personal Service reduction | (61,079) | 0 | 0 | (93,016) | (154,095) |
| Revised FY 2010-11 Appropriation | \$162,389,696 | \$467,441 | \$1,841,017 | \$239,589,679 | \$404,287,833 |
| Annualize HB 09-1293 | (295,450) | 114,592 | 0 | (181,176) | (362,034) |
| Annualize other prior legislation | (99,973) | (412) | (482) | (100,740) | (201,607) |
| Annualize prior year budget actions and technical adjustments | 2,168,241 | (2,543) | 50,027 | 2,075,257 | 4,290,982 |
| Common Policy | 1,215,277 | 0 | 0 | 1,191,705 | 2,406,982 |
| ARRA adjustments | 37,018,845 | 93,931 | 0 | (37,112,776) | 0 |
| FY 2011-12 Base Request | \$202,396,636 | \$673,009 | \$1,890,562 | \$205,461,949 | \$410,422,156 |
| Leap Year | 402,428 | 0 | 0 | 402,428 | 804,856 |
| DI #5: CBMS compliance | 107,460 | 0 | 0 | 107,460 | 214,920 |
| BRI #2: Fee for service delay | (159,471) | 0 | (3,324) | (162,798) | (325,593) |
| BRI #4: CBHP reductions | 7,530 | 31 | 36 | 7,587 | 15,184 |
| NP #2 & 4: DD placements and funding | 9,312,410 | 0 | 0 | 9,312,409 | 18,624,819 |
| All other Non-prioritized items | (721,424) | 0 | (3,735) | (723,830) | (1,448,989) |
| Total FY 2011-12 Request | \$211,345,569 | \$673,040 | \$1,883,539 | \$214,405,205 | \$428,307,353 |
| \$ Change from original FY 2010-11 Appropriation | \$53,929,142 | \$223,811 | (\$10,477) | (\$34,516,942) | \$19,625,534 |
| % Change | 34.3% | 49.8% | (0.6)% | (13.9)% | 4.8% |
| \$ Change from revised FY 2010-11 Appropriation | \$48,955,873 | \$205,599 | \$42,522 | (\$25,184,474) | \$24,019,520 |
| % Change | 30.1% | 44.0% | 2.3% | (10.5)% | 5.9% |

**Overview of Proposed and/or Recommended Legislation
FY 2010-11 & FY 2011-12**

| Legislation Issue | GF | CF | RF | FF | Total | FTE |
|---|---------------|---------------|---------------|---------------|---------------|-----|
| FY 2011-12 | see #2 and #3 | see #2 and #3 | see #2 and #3 | see #2 and #3 | see #2 and #3 | 0.0 |
| 1 Emergency Resolution for FY 2011-12 | | | | | | |
| <p>FY 2011-12: Pass a State Fiscal Emergency for FY 2011-12. Staff recommends that the Committee authorize Legal Services to begin drafting this resolution.</p> <p>Staff recommendation: Staff recommends that the JBC sponsor a joint resolution to declare a state fiscal emergency for FY 2010-11. This will allow a portion of the Amendment 35 tobacco-tax revenues to be used in FY 2011-12 to offset General Fund. These revenues must be used for a health-related purpose. The General Assembly and the Governor signed similar resolutions for FY 2009-10 (S.J.R. 09-035) and FY 2010-11 (S.J.R. 10-010). This legislation can be introduced with the March Long Bill package (or earlier -- although it didn't help last year when we introduced it earlier).</p> | | | | | | |
| FY 2011-12 | (21,000,000) | 18,313,649 | 2,686,351 | 0 | 0 | 0.0 |
| 2 Offset General Fund with Additional Amendment 35 Tobacco Tax Funds | | | | | | |
| <p>FY 2011-12: <i>An emergency resolution and a bill is necessary for this FY 2011-12 proposal.</i> Amendment 35 funds can only be used to offset expenditures in the Medicaid or CBHP programs if preceded by a declaration of a State fiscal emergency with a two thirds vote (Colorado Constitution, Article X, Section 21). After the General Assembly passes the emergency resolution, additional legislation is necessary to authorize the transfers.</p> <p>Staff recommendation: Staff recommends that the JBC sponsor this legislation with amounts to be determined (decide the amounts at a later date). Staff shows the Department's request as a placeholder for the Committee at this point. This bill can be introduced in March with the Long Bill package.</p> <p>The Department's request transfers the following amounts: (1) \$14,189,594 from the Tobacco Education Cash Fund; (2) \$4,124,055 from the Prevention, Early Detection and Treatment Fund; and (3) \$2,686,351 from the Health Disparities Cash Fund.</p> <p>For additional information on the program impacts of the Department's proposal, see the staff briefing on the Department of Public Health and Environment.</p> | | | | | | |

| Legislation Issue | GF | CF | RF | FF | Total | FTE |
|--|--------------|--------------|----------|---------------|---------------|-----|
| FY 2011-12 | (12,510,318) | (4,179,364) | 0 | 12,510,318 | (4,179,364) | 0.0 |
| 3 Primary Care Fund Uses | | | | | | |
| <p>FY 2011-12: <i>An emergency resolution and a bill is necessary for this FY 2011-12 proposal.</i> This proposal is similar to HB 10-1378 (a JBC Budget Balancing Bill). This legislation would eliminate the FY 2011-12 Primary Care Fund Program (an Amendment 35 Tobacco Tax program). A portion of Tobacco Taxes that are used for the Primary Care Fund Program are then used to offset General Fund in the Medical Services Premiums and the other portion is used as a supplemental payments or grants to indigent care providers through the Health Care Services Programs (which no longer has funding). The Primary Care Fund Program does not qualify for federal match but the Health Care Services program does. This allows the state to maximize federal matching funds while still saving General Fund.</p> <p>Staff Recommendation: Staff's recommends this legislation. Staff is using the Department's request as a placeholder. However, the Committee may want to target additional General Fund Savings. The maximum amount of General Fund savings could range from \$0 to \$27,740,636. However, if the entire amount of the Primary Care Fund is used to offset General Fund in the Medical Services Premiums, this would eliminate the total amount of funding available for the Indigent Care Providers. This legislation can be introduced with the March 2011 Long Bill package.</p> <p>See issue #7 of this briefing packet for more information on this issue.</p> | | | | | | |
| FY 2010-11 | (70,268,952) | (13,277,561) | (89,395) | (108,603,177) | (192,239,085) | 0.0 |
| FY 2011-12 | (7,920,848) | (1,917,797) | (3,324) | (10,766,875) | (20,608,844) | 0.0 |
| 4 Medicaid Payment Timing | | | | | | |
| <p>FY 2010-11: This legislation would authorize the Department to pay only 51 weeks of payments (instead of 54 weeks -- 52 weeks in FY 2010-11 and 2 weeks from FY 2009-10) in FY 2010-11. This legislation would also authorize the Department to pay only 11 months of capitation payments instead of 12 months in FY 2010-11.</p> <p>FY 2011-12: This legislation would allow for a permanent delay of 3 weeks of payments every fiscal year. The Department anticipates that June 2011 delayed payments will be less then the June 2012 payments due to caseload and cost increases in FY 2011-12. The difference between the delayed payment amounts (the amount actually paid in FY 2011-12 for June 2011 compared to amount deferred in FY 2012-13 for June 2012) results in a total fund savings of \$20.6 million (\$7.9 million General Fund).</p> <p>Staff Recommendation: Staff recommends that the Committee delay making a decision on this issue until the March 2011 supplemental and the figure setting presentation. If the Committee moves forward with this issue, it can be drafted in one bill that covers both fiscal years and introduced with the Long Bill Budget Balancing Package.</p> <p>This item is discussed in greater detail in issue #5 of this briefing document.</p> | | | | | | |

| Legislation Issue | GF | CF | RF | FF | Total | FTE |
|---|--------------|------------|----|----|-----------|-----|
| FY 2011-12 | (866,075) | 0 | 0 | 0 | (866,075) | 0.0 |
| 5 Comprehensive Primary and Preventive Care Grant Program | | | | | | |
| <p>FY 2011-12: This legislation would extend the provisions of HB 10-1323 (JBC Budget Balancing Bill) into FY 2011-12. Under current law, the tobacco settlement moneys normally transferred to the Comprehensive Primary and Preventive Care Grant Program was transferred to the General Fund in FY 2010-11. This proposal would allow this funding to offset General Fund expenditures in the Medical Services Premiums line item in FY 2011-12 (and perhaps future years as well).</p> <p>Staff Recommendation: This is staff's recommendation and is not part of the Department's request.</p> <p>An alternative to staff recommendation would be to transfer this funding to the Health Care Services Fund Program for distribution to the indigent care providers. This is preferable than funding a state-only program when we could use the money in a manner that draws a federal match. This legislation can be introduced with the March 2011 Long Bill package.</p> <p>This recommendation is discussed in greater detail in issue #7 of this briefing document.</p> | | | | | | |
| FY 2011-12 | (50,000,000) | 50,000,000 | 0 | 0 | 0 | 0.0 |
| 6 Use of Hospital Provider Fee to Offset General Fund | | | | | | |
| <p>FY 2011-12: The Department requests that \$50.0 million from the hospital provider fee be used to offset General Fund expenditures in the Medical Services Premiums line item. The Department's official budget request does not seek legislation for this request. However, in subsequent discussions with the Department, the Department agrees that legislation would be required.</p> <p>Staff Recommendation: Staff would recommends the Department's request. This legislation can be introduced with the March 2011 Long Bill package.</p> <p>This recommendation is discussed in greater detail in issue #6 of this briefing document.</p> | | | | | | |

| Legislation Issue | GF | CF | RF | FF | Total | FTE |
|--|--------------|------------|-----------|----|-------------|-----|
| FY 2011-12 | (26,667,400) | 26,667,400 | 0 | 0 | 0 | 0.0 |
| 7 Transfer CHIPRA bonus payments into the Health Care Expansion Fund | | | | | | |
| <p>FY 2011-12: The Department requests that \$26.7 million in anticipated CHIPRA bonus payments be transferred into the Health Care Expansion Fund in order to ensure the solvency of the fund. Legislation would be required in order to deposit the funds received by the Department into the Health Care Expansion Fund. Without legislation, the bonus revenue would flow into the General Fund.</p> <p>Staff Recommendation: The revenues do not need to be transferred to the Health Care Expansion Fund. Therefore, this legislation is optional based on the Committee's desires for any revenue received from the CHIPRA bonus. This issue is discussed in greater detail in issue #6 of this briefing document.</p> | | | | | | |
| FY 2011-12 | (2,272,147) | (422,147) | (422,147) | 0 | (3,116,441) | 0.0 |
| 8 Transfer OAP and Pediatric Specialty Hospital Funds to General Fund | | | | | | |
| <p>FY 2011-12: This proposal amends the distribution of the 3% of the Amendment 35 revenues that are distributed to the state's General Fund, OAP program, and the counties. Currently, this funding is distributed as follows: (1) 10 percent to the Pediatric Specialty Hospital Fund; (2) 10 percent to county public health nursing services; (3) 50 percent to Old Age Pension Supplemental Health Medical Program; and (4) 30 percent for distribution to municipal and county governments. Staff recommends the Committee sponsor legislation to increase the fund balance transfer from the Supplemental Old Age Pension Health and Medical Fund from \$3.0 million in FY 2011-12 to \$4.85 million. Staff also recommends the eliminating the amount of funding distributed to the Pediatric Specialty Hospital Fund and transfers the funds to offset General Fund in the Medical Services Premiums line item.</p> <p>Staff Recommendation: This is staff's recommendation and is not part of the Department's request. This recommendation is discussed in greater detail in issue #7 of this briefing document</p> | | | | | | |
| FY 2011-12 | | | | | 0 | 0.0 |
| 9 Study Committee to Refer Constitutional Changes in 2012 | | | | | | |
| <p>Staff Recommendation: Staff recommends that the Committee sponsor a bill to form a Study Committee to look at the Constitutional provision impacting the Medicaid and Indigent Care Programs that may need to be changed in order to prepare Colorado for full implementation of H.B. 09-1293 and federal health care reform. Specifically, staff recommends the following issues be addressed:</p> <p>(1) the future of the OAP Medical Program; (2) the future of the Primary Care Program (Amendment 35); (3) clean up the requirements for the Health Care Expansion Fund (as it relates to populations it has to serve).</p> <p>The Study Committee could engage the provider and advocate community and therefore, gather support for a legislative referendum that could be referred to the ballot by 2012.</p> | | | | | | |

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

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

From FY 2007-08 to FY 2010-11, total appropriations to the Department of Health Care Policy and Financing increased by over \$1.0 billion. This increase resulted mainly from: (1) caseload growth of 41.2 percent in the Medicaid program and of 31.8 percent in the Children's Basic Health Plan; and (2) the enactment of provider fee reimbursement programs for hospitals and nursing facilities. In order to mitigate the impact of high Medicaid caseload growth during the economic downturn, the United States Congress and the General Assembly enacted several budget actions. The most notable action was Congress passed the American Recovery and Reinvestment Act (ARRA) of 2009. The *total* federal relief provided under ARRA for the Medicaid program was over \$1.0 billion from FY 2008-09 through FY 2010-11. The General Assembly also refinanced General Fund with other cash funds and reduced Medicaid reimbursement rates to balance the budget. As a result of both the federal and state actions, the General Fund appropriation to the Department decreased by \$249.5 million during this period.

SUMMARY:

- The Department's appropriations grew from FY 2007-08 to FY 2010-11 due to the following budget actions:
 - (1) Staff estimates that \$935.0 million total funds (\$919.2 million General Fund) were provided to fund the Department's caseload and base cost requirements. During this time period, the number of clients served increased by 41.2 percent in the Medicaid program and by 47.0 percent in the Children's Basic Health Plan (CBHP) program.
 - (2) An increase of \$356.3 million total funds (including a decrease of \$12.6 million to the General Fund) and 36.6 FTE were provided to enact supplemental payments to hospitals and nursing facilities under the Provider Fee Programs (H.B. 09-1293 and H.B. 08-1114).

- To mitigate the recession's impact on the Department's expenditures, Congress and the General Assembly enacted the following budget actions:
 - (1) Congress enacted the American Recovery and Reinvestment Act (ARRA) to provide temporary relief to the states by increasing the federal rate paid under the Federal Medical Assistance Program (FMAP) for the Medicaid program. This action

provided Colorado with approximately \$1.1 billion in federal relief during the downturn period.

- (2) Staff estimates that the General Assembly reduced the Department's appropriations by \$227.2 million total funds (\$146.4 million General Fund) for cost saving initiatives and all other budget actions. These savings were achieved as follows:
 - (a) A decrease of \$103.4 million total funds (including \$52.6 million General Fund) from provider reimbursement reductions and utilization controls;
 - (b) A decrease \$71.0 million total funds (including \$30.2 million General Fund) from reductions to the Indigent Care Program;
 - (c) A decrease of \$42.8 million total funds (including \$24.3 million General Fund) from other program reductions to the Medicaid program and including delaying the timing of the Medicare Modernization Act State Contribution Payment; and
 - (d) A decrease of \$11.5 million total funds (including \$38.9 million General Fund) from technical and other budget adjustments (such as removing one-time costs from the previous year's budget action or adjustment for over-expenditures in the previous year).
- (3) During this time period the General Assembly refinanced a cumulative \$209.5 million in General Fund with various cash funds. The majority of the cash fund offsets were made possible because the General Assembly declared a state fiscal emergencies in both FY 2008-09 and FY 2009-10 and thereby authorized the use of the Amendment 35 tobacco taxes to offset General Fund (Article X, Section 21, Paragraph 7, Colorado State Constitution).

- Many of the budget balancing actions for this Department were temporary. As a result of the one-time or expiring nature of these actions, the Department's General Fund appropriation request for FY 2011-12 is \$445.6 million or 36.2 percent higher than the current FY 2010-11 appropriation.

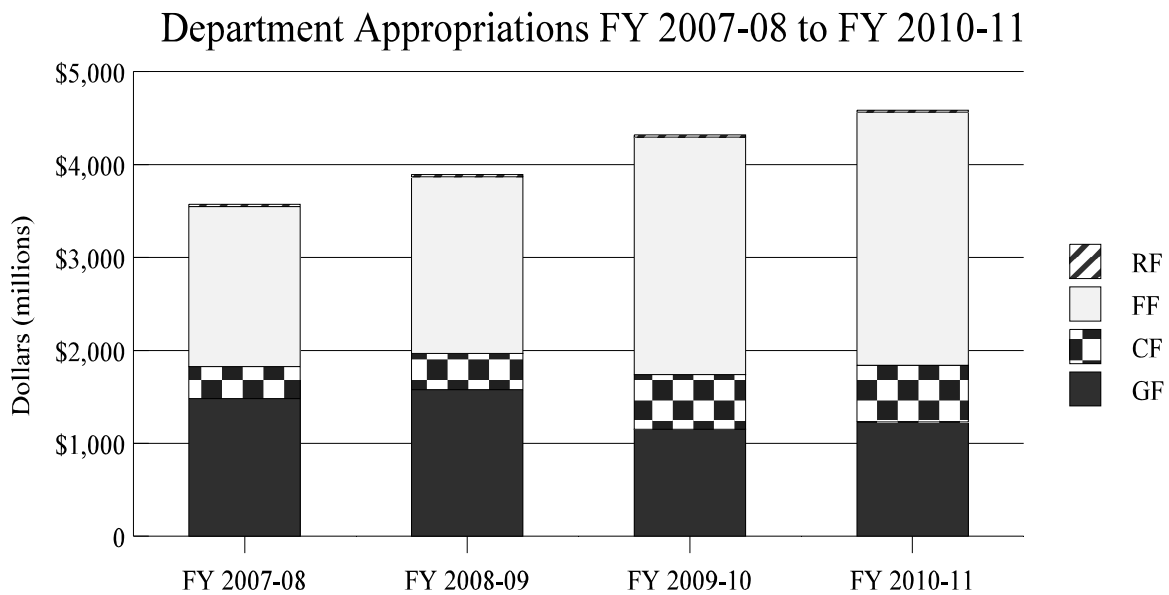
DISCUSSION:

From FY 2007-08 to FY 2010-11, total appropriations to the Department of Health Care Policy and Financing (HCPF) increased by approximately 28.4 percent (\$1.0 billion). The majority of this growth was related to increased caseload and the enactment of provider fee programs for hospitals and nursing facilities. Although total appropriations for the Department grew, this growth was absorbed by federal or cash fund sources. The General Fund appropriation actually fell by approximately 16.8 percent (\$249.5 million) from FY 2007-08 to FY 2010-11 resulting from: (1) offsetting General Fund with federal relief under ARRA; (2) refinancing General Fund expenditures with cash funds; and (3) program reductions, including but not limited to reimbursement reductions

for the Medicaid program. These decreases were partially offset by increased General Fund for caseload and cost growth.

The majority of the cash and federal fund increases can be explained by refinancing General Fund (either from ARRA or state law changes) onto cash and federal funding sources and to caseload growth. In addition, both cash and federal funds grew as a result of the enactment of provider fee programs. Finally, the increase in cash and federal funds were partially offset by program reductions, including but not limited to reimbursement reductions.

Appropriations to the Department of Health Care Policy and Financing for FY 2007-08 through FY 2010-11 are illustrated in the bar chart and detailed in Table 1 below and Table 2 on the next page.



| Table 1: Department of Health Care Policy and Financing Appropriations FY 2007-08 to FY 2010-11 | | | | | |
|--|--------------------|---------------------|-------------------|----------------------|-----------------------------|
| | Total Funds | General Fund | Cash Funds | Federal Funds | Reappropriated Funds |
| FY 2007-08 /1 | \$3,571,189,627 | \$1,481,718,670 | \$343,816,470 | \$1,721,062,814 | \$24,591,673 |
| FY 2008-09 | 3,892,474,674 | 1,579,411,116 | 389,157,525 | 1,900,242,415 | 23,663,618 |
| FY 2009-10 | 4,320,001,681 | 1,150,198,522 | 590,847,026 | 2,554,512,628 | 24,443,505 |
| FY 2010-11 | 4,584,093,812 | 1,232,196,603 | 607,038,213 | 2,723,969,690 | 20,889,306 |
| Increase/(Decrease.) /2 | \$1,012,904,185 | (\$249,522,067) | \$263,221,743 | \$1,002,906,876 | (\$3,702,367) |
| Percent Change /2 | 28.4% | (16.8)% | 76.6% | 58.3% | (15.1)% |

1/ FY 2007-08 Appropriations have been adjusted to reflect the same "cash funds" and "reappropriated funds" format implemented in FY 2008-09. Source: Page 128 of the FY 2008-09 Appropriations Report, plus 2009 legislation affecting FY 2007-08 appropriations (S.B. 09-187 and S.B. 09-259).

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

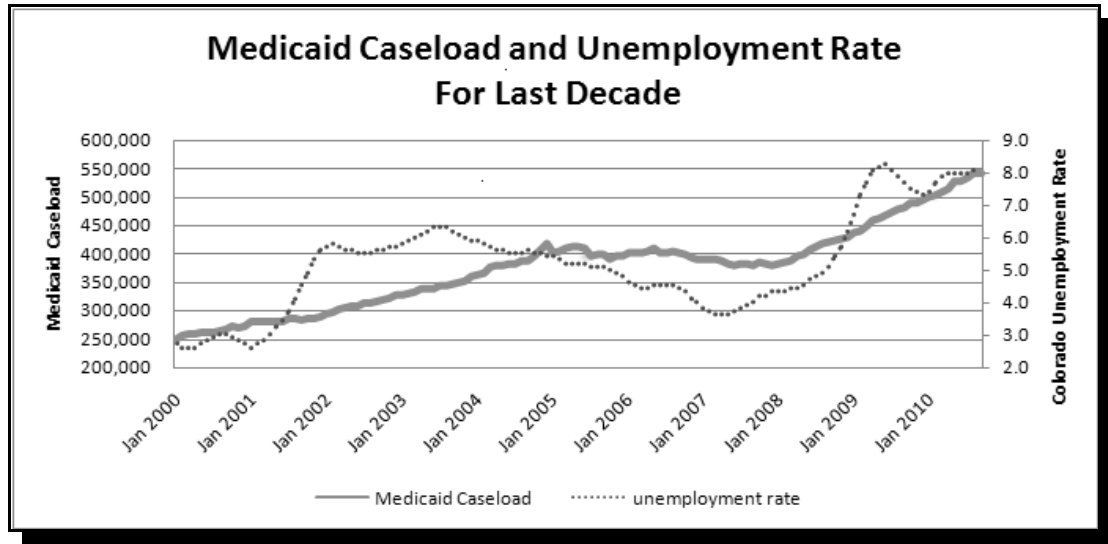
TABLE 2: FY 2010-11 Appropriation Compared to the FY 2007-08 Appropriation By Major Issue Changed

| | FY 2007-08 Appropriation | Caseload & Base Cost Changes | Provider Reimbursement Provider Fee | Changes | Cost Saving Initiatives | Refinances | Other & Technical | ARRA/1 | FY 2010-11 Appropriation | Increase from FY 2007-08 | Percent Change |
|----------------------------------|-----------------------------|---------------------------------|---|-----------------------------|-----------------------------|-----------------|----------------------------|----------------------------|-----------------------------|-----------------------------|----------------------|
| Executive Director's | <u>92,381,471</u> | <u>0</u> | <u>20,813,734</u> | <u>934,843</u> | <u>1,587,124</u> | <u>0</u> | <u>14,698,986</u> | <u>0</u> | <u>130,416,158</u> | <u>38,034,687</u> | <u>41.17%</u> |
| FTE | 257.3 | 0.0 | 36.6 | 0.0 | 23.3 | 0.0 | (22.4) | 0.0 | 294.8 | 37.5 | 14.57% |
| General Fund | 29,693,406 | 0 | 0 | 231,363 | (343,909) | (11,659) | 6,609,977 | 0 | 36,179,178 | 6,485,772 | 21.84% |
| Cash Funds & Reappropriated | 10,577,652 | 0 | 8,828,416 | 3,287 | 59,518 | 11,659 | (2,408,172) | (348,859) | 16,723,501 | 6,145,849 | 58.10% |
| Federal Funds | 52,110,413 | 0 | 11,985,318 | 700,193 | 1,871,515 | 0 | 10,497,181 | 348,859 | 77,513,479 | 25,403,066 | 48.75% |
| Medical Services Premiums | <u>2,222,546,635</u> | <u>693,341,393</u> | <u>330,285,250</u> | <u>(98,535,657)</u> | <u>(21,484,375)</u> | <u>0</u> | <u>(19,295,119)</u> | <u>0</u> | <u>3,106,858,127</u> | <u>884,311,492</u> | <u>39.79%</u> |
| General Fund & GFE | 1,042,304,499 | 738,181,015 | (22,221,693) | (49,353,897) | (10,475,857) | (209,506,390) | (31,609,001) | (595,267,769) | 862,050,907 | (180,253,592) | -17.29% |
| Cash Funds & Reappropriated | 78,242,712 | (61,367,994) | 187,364,318 | (677,692) | (281,751) | 209,506,390 | 4,909,687 | (70,467,207) | 347,228,463 | 268,985,751 | 343.78% |
| Federal Funds | 1,101,999,424 | 16,528,372 | 165,142,625 | (48,504,068) | (10,726,767) | 0 | 7,404,195 | 665,734,976 | 1,897,578,757 | 795,579,333 | 72.19% |
| Medicaid Mental Health | <u>198,163,710</u> | <u>64,120,453</u> | <u>0</u> | <u>(6,597,505)</u> | <u>(2,770,058)</u> | <u>0</u> | <u>(2,334,384)</u> | <u>0</u> | <u>250,582,216</u> | <u>52,418,506</u> | <u>26.45%</u> |
| General Fund | 94,964,787 | 50,456,941 | 0 | (3,014,495) | (1,603,157) | (26,919) | (3,362,273) | (50,344,580) | 87,070,304 | (7,894,483) | -8.31% |
| Cash Funds & Reappropriated | 5,525,441 | 8,205,208 | 0 | (283,784) | 217,589 | 26,919 | 368,339 | (4,492,066) | 9,567,646 | 4,042,205 | 73.16% |
| Federal Funds | 97,673,482 | 5,458,304 | 0 | (3,299,226) | (1,384,490) | 0 | 659,550 | 54,836,646 | 153,944,266 | 56,270,784 | 57.61% |
| Indigent Care Program | <u>533,940,535</u> | <u>79,710,221</u> | <u>4,207,341</u> | <u>1,777,534</u> | <u>(71,023,267)</u> | <u>0</u> | <u>16,340,034</u> | <u>0</u> | <u>564,952,398</u> | <u>31,011,863</u> | <u>5.81%</u> |
| General Fund & GFE | 40,765,266 | 9,192,611 | 0 | 0 | (30,190,482) | 0 | 2,047,819 | (4,667,004) | 17,148,210 | (23,617,056) | -57.93% |
| Cash Funds & Reappropriated | 236,985,936 | 24,783,063 | 2,103,671 | 626,593 | (38,747,087) | 0 | 8,119,886 | (14,516,888) | 219,355,174 | (17,630,762) | -7.44% |
| Federal Funds | 256,189,333 | 45,734,547 | 2,103,670 | 1,150,941 | (2,085,698) | 0 | 6,172,329 | 19,183,892 | 328,449,014 | 72,259,681 | 28.21% |
| Other Medical Services | <u>134,445,545</u> | <u>54,497,917</u> | <u>0</u> | <u>61,056</u> | <u>(5,871,804)</u> | <u>0</u> | <u>(10,195,633)</u> | <u>(50,333,987)</u> | <u>122,603,094</u> | <u>(11,842,451)</u> | <u>-8.81%</u> |
| General Fund | 83,072,282 | 54,990,185 | 0 | 30,528 | (5,871,804) | 0 | (8,571,091) | (51,318,523) | 72,331,577 | (10,740,705) | -12.93% |
| Cash Funds & Reappropriated | 33,306,193 | 348,859 | 0 | 0 | 0 | 0 | (596,703) | (348,859) | 32,709,490 | (596,703) | -1.79% |
| Federal Funds | 18,067,070 | (841,127) | 0 | 30,528 | 0 | 0 | (1,027,839) | 1,333,395 | 17,562,027 | (505,043) | -2.80% |
| DHS Programs | <u>389,711,731</u> | <u>43,284,733</u> | <u>159,003</u> | <u>(1,088,663)</u> | <u>(12,714,446)</u> | <u>0</u> | <u>(10,670,539)</u> | <u>0</u> | <u>408,681,819</u> | <u>18,970,088</u> | <u>4.87%</u> |
| General Fund | 190,918,430 | 66,422,428 | 0 | (533,458) | (6,322,179) | 0 | (4,040,240) | (89,028,554) | 157,416,427 | (33,502,003) | -17.55% |
| Cash Funds & Reappropriated | 3,770,209 | 243,880 | 79,612 | (21,746) | (204,685) | 0 | (1,266,451) | (257,574) | 2,343,245 | (1,426,964) | -37.85% |
| Federal Funds | 195,023,092 | (23,381,575) | 79,391 | (533,459) | (6,187,582) | 0 | (5,363,848) | 89,286,128 | 248,922,147 | 53,899,055 | 27.64% |
| DEPARTMENT TOTAL | <u>3,571,189,627</u> | <u>934,954,717</u> | <u>355,465,328</u> | <u>(103,448,392)</u> | <u>(112,276,826)</u> | <u>0</u> | <u>(11,456,655)</u> | <u>(50,333,987)</u> | <u>4,584,093,812</u> | <u>1,012,904,185</u> | <u>28.36%</u> |
| FTE | 257.3 | 0.0 | 36.6 | 0.0 | 23.3 | 0.0 | 22.4 | 0.0 | 294.8 | 37.5 | 14.57% |
| General Fund & GFE | 1,481,718,670 | 919,243,180 | (22,221,693) | (52,639,959) | (54,807,388) | (209,544,968) | (38,924,809) | (790,626,430) | 1,232,196,603 | (249,522,067) | -16.84% |
| Cash Funds & Reappropriated | 368,408,143 | (27,786,984) | 198,376,017 | (353,342) | (38,956,416) | 209,544,968 | 9,126,586 | (90,431,453) | 627,927,519 | 259,519,376 | 70.44% |
| Federal Funds | 1,721,062,814 | 43,498,521 | 179,311,004 | (50,455,091) | (18,513,022) | 0 | 18,341,568 | 830,723,896 | 2,723,969,690 | 1,002,906,876 | 58.27% |

1/ Excludes the impact of ARRA Funding in FY 2008-09 because it was not appropriated -- other tables in this issue will include the FY 2008-09 ARRA to give the full impact.

Caseload and Base Cost Changes

During the economic down turn, Colorado's unemployment rate went from 4.3 percent (December 2007) to 8.3 percent in June 2009. By December 2009, the rate had fallen to 7.3 percent. However, beginning in January 2010 the rate began to increase again and by September 2010 was back at 8.2 percent. As of September



2010, 102,314 more individuals were unemployed in Colorado than were unemployed in December 2007. During this same time period, Colorado's Medicaid caseload grew from 383,563 clients (December 2007) to 542,008 clients (September 2010) -- an increase of 158,445 clients or 41.3 percent. In addition to the Medicaid caseload, the Children's Basic Health Plan (CBHP) program's appropriated caseload grew from 59,481 clients to 87,260 clients -- an increase of 27,779 clients or 31.8 percent.

In addition, to the caseload growth that resulted from the economic downturn, a portion of the caseload growth can be explained by the expansions of the Medicaid program and CBHP program under H.B. 09-1293. During this time period, the H.B. 09-1293 caseload expansions implemented were Medicaid parents from 60 percent of poverty to 100 percent of poverty and the CBHP program from 205 percent of poverty to 250 percent. However, because these expansion only began in May 2010, their impact was fairly limited in this analysis. Based on appropriations, H.B. 09-1293 increased Medicaid caseload by 12,255 individuals (7.7 percent of the total increase during the time period) and increased CBHP caseload by 6,860 individuals (24.7 percent of the total increase during the time period).

Before policy changes, the total funds needed for the Medicaid program and CBHP program base caseload and cost forecast was a total of \$935.0 million from FY 2007-08 to FY 2010-11 as shown in Table 3 on the next page.

| Table 3: Total Caseload and Base Cost Appropriation Adjustments ¹ | | | | |
|---|--------------------|---------------------|--|----------------------|
| FY 2007-08 to FY 2010-11 | | | | |
| Increase from Prior Year | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds |
| FY 2008-09 ² | 297,425,784 | 127,599,483 | 28,930,738 | 140,895,563 |
| FY 2009-10 Appropriation ³ | 309,566,486 | 148,103,159 | 9,301,868 | 152,161,459 |
| FY 2010-11 Appropriation ⁴ | 327,962,447 | 643,540,538 | (66,019,590) | (249,558,501) |
| Total Growth From FY 2007-08 | \$934,954,717 | \$919,243,180 | (\$27,786,984) | \$43,498,521 |

¹ Includes all caseload increases and base cost forecasts for the Department: (1) Medicaid medical and mental health; (2) Children's Basic Health Plan; and (3) Medicare Modernization Act State Contribution Payment. Also includes initiatives that increased caseload including Building Blocks to Health Care Reform and H.B. 09-1293. FY 2010-11 shows the impact of adjusting for ARRA (so that the full ARRA impact is shown in Table 6).

² Source: FY 2008-09 Appropriation Report pages 134, 141, 144, and 147 adjusted by S.B. 09-187, S.B. 09-259, and H.B. 10-1376 (and staff document's related to FY 2008-09 overexpenditures). These appropriations were not ARRA adjusted in FY 2008-09.

³ Source: FY 2009-10 Appropriation Report pages 135, 142, 144, and 148 adjusted by caseload impacts for H.B. 09-1293 and supplemental adjustments contained in, H.B. 10-1300 and H.B. 10-1376. Represents to the total General Fund need without ARRA adjustments. Does not include CBHP supplemental or over-expenditures as these items have not yet been appropriated.

⁴ Source: Staff work papers to adjust for ARRA impact and the impact of one-time cash refinance issues. Adjusts FY 2010-11 for the one-time ARRA provided in FY 2009-10 in order to fully show the ARRA impacts provided (rather than incremental change) in Table 6.

Provider Fee Programs

During this time period, the General Assembly also established provider fee programs for both nursing facilities and hospitals. Under these programs, a new fee was charged to providers. The new state revenue was then used to draw down matching federal funds to increase reimbursements to Medicaid providers (hospitals and nursing facilities). In the case of the nursing facilities, the fee was also used to cap the growth in the General Fund expenditures from nursing facilities. In the case of the hospital provider fee, the new state revenue was also used to increase Medicaid and CBHP eligibility (the eligibility increases from the hospital provider fee is included in the Table 3 and not in the table below).

Table 4a shows the impact of the Hospital Provider Fee program, Table 4b shows the impact of the Nursing Facility Provider Fee program, and Table 4c shows the total impact of the provider fee programs during this time period.

| Table 4a: Hospital Provider Fee Appropriation Adjustments ¹ | | | | | |
|---|--------------------|---------------------|--|----------------------|------------|
| FY 2008-09 to FY 2010-11 | | | | | |
| | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds | FTE |
| FY 2008-09 | 0 | 0 | 0 | 0 | 0.0 |
| FY 2009-10 Appropriation ² | 323,665,240 | 0 | 160,937,874 | 162,727,366 | 12.0 |

| Table 4a: Hospital Provider Fee Appropriation Adjustments ¹ FY 2008-09 to FY 2010-11 | | | | | |
|--|---------------|-----|---------------|---------------|------|
| FY 2010-11 Appropriation ³ | 13,569,465 | 0 | 6,101,028 | 7,468,437 | 23.3 |
| Total Growth From FY 2007-08 Base | \$337,234,705 | \$0 | \$167,038,902 | \$170,195,803 | 35.3 |

¹ Does not include caseload increases (see caseload issue for impact). Does not reflect ARRA adjustments.

² Source: H.B. 09-1293 appropriation as amended by H.B. 10-1300 and H.B. 10-1323 excluding caseload and ARRA adjustments.

³ Source: H.B. 10-1376 and staff work papers to adjust for ARRA and caseload impacts.

| Table 4b: Nursing Facility Provider Fee Appropriation Adjustments ¹ FY 2008-09 to FY 2010-11 | | | | | |
|--|--------------|----------------|---|---------------|-----|
| Increase from Prior Year | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds | FTE |
| FY 2008-09 ² | 12,109,242 | (3,711,959) | 9,766,580 | 6,054,621 | 1.3 |
| FY 2009-10 Appropriation ² | 6,840,999 | (8,845,768) | 12,216,378 | 3,470,389 | 0.0 |
| FY 2010-11 Appropriation ² | (819,618) | (9,663,966) | 9,254,157 | (409,809) | 0.0 |
| Total Growth From FY 2007-08 Base | \$18,130,623 | (\$22,221,693) | \$31,237,115 | \$9,115,201 | 1.3 |

¹ Does not include ARRA adjustments (see ARRA table). The impacts of HB 10-1324 and HB 10-1379 are included in fund offset table.

² Source: JBC figure setting work papers.

| Table 4c: Total Provider Fee Appropriation Adjustments FY 2007-08 to FY 2010-11 | | | | | |
|--|---------------|----------------|---|---------------|------|
| Increase from Prior Year | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds | FTE |
| FY 2008-09 | 12,109,242 | (3,711,959) | 9,766,580 | 6,054,621 | 1.3 |
| FY 2009-10 Appropriation | 330,606,239 | (8,845,768) | 173,254,252 | 166,197,755 | 12.0 |
| FY 2010-11 Appropriation | 12,749,847 | (9,663,966) | 15,355,185 | 7,058,628 | 23.3 |
| Total Growth From FY 2007-08 Base | \$355,465,328 | (\$22,221,693) | \$198,376,017 | \$179,311,004 | 36.6 |

American Recovery and Reinvestment Act (ARRA) of 2009

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA) which temporarily increased the federal match rate (FMAP) for the Medicaid program. Originally the temporary FMAP increase was from October 2008 through December 2010. However, in August 2010 Congress extended the FMAP assistance through June 2011 (H.R. 1586 -- Education Jobs and Medicaid Funding Bill). The ARRA relief was only available if a state maintained the same

Medicaid eligibility requirements that were in place as of July 1, 2008. However, states could reduce benefits and provider rates during the assistance period.

The FMAP increase did not apply to administrative expenses, any program that already received an enhanced match rates (e.g. the Breast and Cervical Cancer Treatment Program), or to the Children's Basic Health Plan. Additionally, the increased FMAP percentage did not apply to expenditures from increased eligibility standards made by a state during the ARRA time frame (e.g. H.B. 09-1293 eligibility increases received a 50 percent match rate). Table 5 shows the FMAP percentages received by Colorado under ARRA.

| Table 5: FMAP Percentage (Federal Match) | FY 2008-09 Actual | FY 2009-10 Actual | FY 2010-11 Estimate ^{/1} |
|---|--------------------------|--------------------------|--|
| ARRA Federal Match Calculation | 57.2875 | 61.5900 | 59.7075 |
| Without ARRA -- Colorado's FMAP | 50.0000 | 50.0000 | 50.0000 |
| Increase in Federal Assistance | 7.2875 | 11.5900 | 9.7075 |

^{/1} The FY 2010-11 appropriation is currently based on Colorado receiving a 61.59 match rate. However, H.R. 1586 reduced the match rate in the 3rd and 4th quarter of this fiscal year. The percentage shown in this table is the actual estimate based on Congress' action and not the amount contained in the appropriation (which was 61.59).

The federal relief provided in ARRA impacted appropriations as shown in Table 6 below.

| Table 6: ARRA Budget / Appropriation Adjustments FY 2008-09 to FY 2010-11 | | | | | |
|--|--------------------|---------------------|--|----------------------|---|
| Increase from Prior Year | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds | Non-Appropriated Federal Fund Impact ^{/1} |
| FY 2008-09 ^{/2} | 0 | (235,273,471) | (12,470,227) | 247,743,698 | 0 |
| FY 2009-10 | 0 | (359,945,417) | (73,138,578) | 403,975,738 | 29,108,257 |
| FY 2010-11 Appropriation | 0 | (430,681,013) | (17,292,876) | 426,748,159 | 21,225,730 |
| FY 2010-11 (Adjustment for H.R. 1586) | (1,450,510) | 67,101,558 | 4,963,933 | (71,448,371) | (2,067,630) |
| Cumulative Impact | (\$1,450,510) | (\$958,798,343) | (\$97,937,748) | \$1,007,019,224 | \$48,266,357 |
| Total FEDERAL RELIEF Provided Under ARRA | | | | | \$1,055,285,581 |
| Appropriation Impact Excluding and H.R. 1586 Adjustment | (\$50,333,987) | (\$790,626,430) | (\$90,431,454) | \$830,723,897 | \$0 |

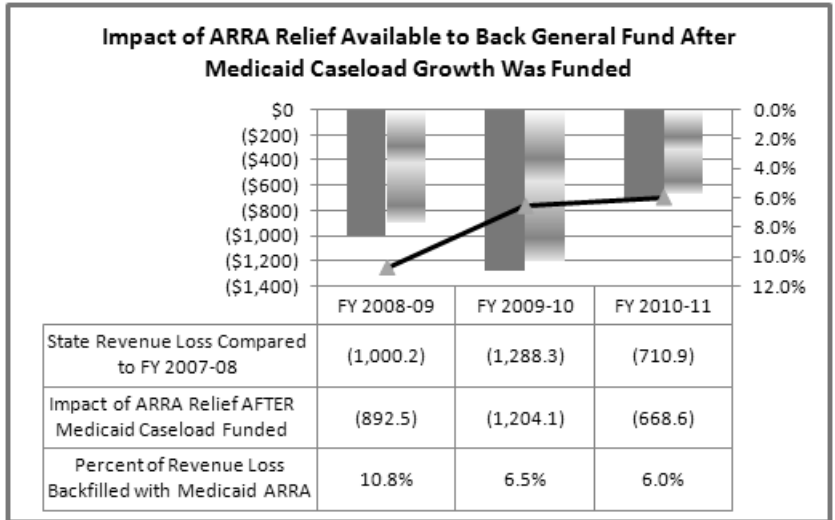
^{/1} Additional federal funds were provided for the Medicare Modernization Act State Contribution payment. Only the state funding for this program is appropriated. However, in order to provide an estimate of the total federal relief received, the federal assistance for the MMA State Contribution Payment program is shown in this table.

^{/2} In FY 2008-09 the ARRA impact was not included in appropriations but was contained as a revenue adjustment on the General Fund overview. With the passage of S.B. 09-228, the six percent limit on General Fund appropriations no longer applied. Therefore, FY 2009-10 and FY 2010-11 appropriations were adjusted to reflect the impact of increased FMAP percentage. In this table the amount that was calculated for the FY 2008-09 appropriation is shown.

In every year noted, the ARRA federal relief more than compensated the state for new caseload and cost growth in the Department's programs. Therefore, the remaining portion of the ARRA relief was used to support the Department's base costs due to the decline in state revenues.

Refinance Onto Cash Funds

In order to balance the budget, the General Assembly offset General Fund appropriations in this Department by using various cash funds. For both FY



2009-10 and FY 2010-11, the General Fund passed a referendum declaring a state fiscal emergency. This allowed the General Assembly to use the Amendment 35 tobacco taxes for a purpose other than those specified in the Colorado Constitution (Article 10, Section 21). In addition, the federal relief provided by ARRA also reduced expenditures from the Department's cash funds. Whenever possible, the savings experienced by the cash funds were transferred to the General Fund. The most notable cases where this happened was in the Hospital Provider Fee program and the Nursing Facility Provider Fee program. However, because of the future insolvency of the Health Care Expansion Fund, that fund was able to retain its ARRA savings. Lastly, other cash funds that support Department programs were used to offset General Fund expenditures if the cash fund had sufficient balances for their programs.

Table 7 below shows the impact of the General Fund offsets from cash funds.

| | Total Funds | General Fund | Cash Funds & Reappropriated Fund | Federal Funds |
|---------------------------------------|-------------|-----------------|----------------------------------|---------------|
| FY 2008-09 ¹ | 0 | (4,817,420) | 4,817,420 | 0 |
| FY 2009-10 Appropriation ² | 0 | (109,250,399) | 109,250,399 | 0 |
| FY 2010-11 Appropriation ³ | 0 | (95,477,149) | 95,477,149 | 0 |
| Total Growth From FY 2007-08 | \$0 | (\$209,544,968) | \$209,544,968 | \$0 |

¹ Impact from S.B. 09-261 (impact from S.B. 09-263 was included in Nursing Facility Provider Fee discussion).

² Impact from S.B. 09-271, S.B. 10-169, H.B. 10-1300, H.B. 10-1320, H.B. 10-1321 and H.B. 10-1324.

³ Impact from S.B. 10-169, H.B. 10-1378, H.B. 10-1379, H.B. 10-1380 and H.B. 10-1381.

Other Budget Reductions and Actions

In order to balance the budget, the General Assembly also had to adjust appropriations to reflect program and reimbursement reductions. In FY 2008-09, the General Assembly initially enacted reimbursement increases to address rate inadequacy for several of the Department's providers (rates varied by provider and were not across the board). However, by FY 2010-11, the Department had reduced provider reimbursement by 5.5 percent for most of the rates controlled by the Department. Reductions to the Medicaid program were also made for some benefits (e.g. the number of adult incontinence products provided monthly were reduced). Staff estimates that the impact of all provider reimbursement and benefit reductions during this time period was \$103.4 million (\$52.6 million General Fund).

In addition to provider reimbursement reductions, the Department also cut programs or initiated other cost saving measures. These actions resulted in reducing appropriations by \$112.3 million total funds (\$54.8 million General Fund) during this time period. The majority of these reductions, \$71.0 million total funds, were to the Indigent Care Programs. During this time period, the Health Care Services Fund expired and all General Fund reimbursement to the Safety Provider Program was eliminated. This reduced General Fund expenditures for the Indigent Care Program by approximately \$30.0 million.

Finally, various other budget actions netted to a decrease of \$11.5 million total funds (\$38.9 million General Fund). These issues include eliminating one-time funding provided in the previous year, transfers between divisions, and other technical adjustments to the appropriation.

Table 8 shows the appropriation adjustments made for provider reimbursement reductions, other cost saving initiatives and other adjustments.

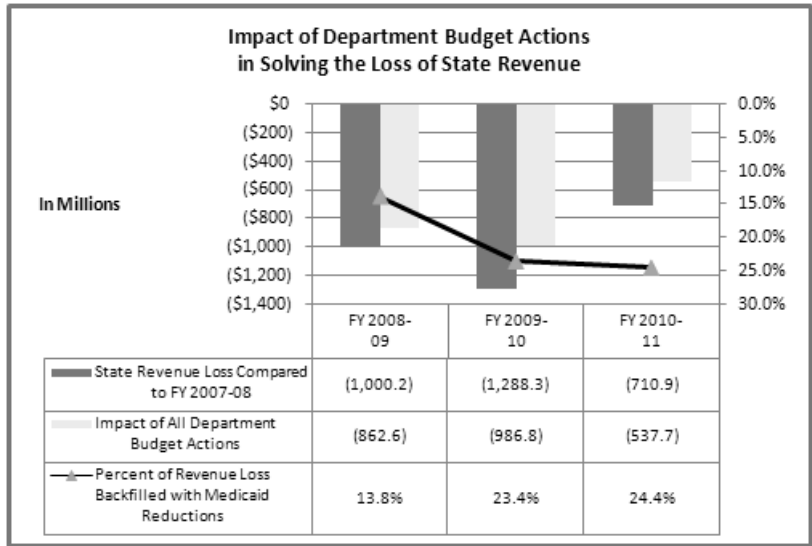
| Table 8: Other Budget Reductions and Actions <i>Appropriation Adjustments</i> ¹ | | | | |
|---|--------------------|---------------------|--|----------------------|
| FY 2008-09 to FY 2010-11 | | | | |
| | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds |
| FY 2008-09 ² | 11,750,021 | (21,377,658) | 898,262 | 32,229,417 |
| FY 2009-10 Appropriation ² | (183,537,461) | (99,274,169) | (16,198,553) | (68,064,739) |
| FY 2010-11 Appropriation ² | (55,394,433) | (25,720,329) | (14,882,881) | (14,791,223) |
| Total Growth From FY 2007-08 Base | (\$227,181,873) | (\$146,372,156) | (\$30,183,172) | (\$50,626,545) |

¹ Does not include ARRA adjustments (see ARRA issue).

² Source: JBC staff setting work papers.

Conclusion

During a time when state revenues were dropping, the Department's budget grew by \$1.0 billion (28.4 percent). However, with the use of ARRA federal relief, cash funds refinancing, and other budget reductions, the Department's General Fund appropriation actually decreased by \$249.5 million (16.8 percent). Staff estimates that the Department's General Fund reductions were able to back fill approximately 13.8 percent, 23.4 percent, and 24.4 percent of the state revenue loss for FY 2008-09, FY 2009-10, and FY 2010-11 respectively. However, many of the Department's General Fund relief came from temporary budget solutions. Staff estimates that the Department will need approximately \$550.1 million General Fund (an increase of 51.2 percent) in FY 2011-12 compared to the current FY 2010-11 appropriation to fund the Departments base cost and to offset the loss of federal ARRA relief and one-time cash offsets before any policy decisions. The Department's request indicates a General Fund increase of \$445.6 million or 36.2 percent higher than the current FY 2010-11 appropriation -- after all of the Department's decision items and policy items are included.



**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

ISSUE: Staff's Five Year **General Fund** Forecast for the Department

Staff's baseline *General Fund* forecast for the Department (excluding the DHS-Medicaid funded programs) assumes increases of 53.4 percent in FY 2011-12, 8.0 percent in FY 2012-13, and 6.5 percent in FY 2013-14.

SUMMARY:

- The current FY 2010-11 General Fund appropriation for this Department contains several one-time General Fund refinancing. The loss of these temporary General Fund reductions will result in extraordinary General Fund growth in FY 2011-12.
- About the time staff forecasts Medicaid caseload and expenditures stabilizing, the Health Care Expansion Fund will have no fund balance left.

DISCUSSION:

Staff Five Year General Fund Forecast

Every year staff provides a five year General Fund expenditure forecast to the JBC Staff Director. This forecast provides a *baseline* estimate of future expenditures based on current law requirements. The JBC Staff Director included these baseline estimates in the General Fund Overviews presented to the Committee in November (although staff has slightly modified her forecast since then). While staff believes the accuracy of the five year forecast is limited (it is hard enough to forecast 6 to 18 months out, let alone 60 months), the forecast does provide some interesting trend information related to current law requirements and past budget actions.

In this year's forecast, staff adjusted the her model to reflect the potential impact of federal health reform beginning in FY 2013-14. Staff incorporated the Department's assumptions for caseload growth for the new H.B. 09-1293 and federal populations. However, other caseload assumptions are based on staff's calculations of past trends.

For the most part, staff trended per capita rates based on four to five year averages of national medical consumer prize indexes (CPI). Per capita costs are both a function of utilization and pricing. Depending on the service category, staff assumed between 2.18 percent to 4.14 percent growth. In some cases this methodology may end up overstating the growth in per capita costs if utilizations rates fall with increased caseloads (most likely the model could overstate acute care or mental health

service costs). In other cases the model may under state possible growth if utilization patterns out pace inflationary pricing (which may be the case in long-term care services). During this time of caseload expansions, there is a greater uncertainty in how to adjust the forecast for per capita cost changes in the out years of the forecast then in past forecasts.

A Note About FY 2010-11

As part of her five year forecast, staff also reforecasts the current FY 2010-11 appropriation. Without any policy initiatives, staff's forecasts indicates a General Fund increase of \$90.2 million. This General Fund need can be explained by:

- (1) An increase of \$67.1 million General Fund due to Congress extending ARRA relief at a lower amount than assumed in the current FY 2010-11 appropriation;
- (2) An increase of \$25.2 million General Fund to pay for the two weeks of payments delayed in FY 2009-10; and
- (3) A decrease of \$2.1 million General Fund for updated caseload and cost assumptions. For the most part, without the impact of lower ARRA relief and the FY 2009-10 payment delay, staff is not anticipating major changes in expenditures for FY 2010-11 than already appropriated.

It is important to note that staff's estimate has major differences with the Department's updated FY 2010-11 request contained in their November budget request. The major differences between the staff forecast and Department's request are discussed issue #10 in this briefing document.

Because a supplemental recommendation has not been made or acted upon by the Committee, the following tables will compare the forecast against the *current* appropriation, not staff's revised estimate. Because the FY 2010-11 base hasn't been adjusted, it makes the next year's budget problem appear actually greater than it will be once the FY 2010-11 base has been adjusted.

Five Year Forecast

Based on the assumptions noted above, staff's **General Fund** forecast for the Department is shown below.

| Department of Health Care Policy and Financing (does not include DHS programs) Table 1 -- General Fund Projected Growth | | | | | | |
|--|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | FY 2010-11 Appropriation | FY 2011-12 Estimate | FY 2012-13 Estimate | FY 2013-14 Estimate | FY 2014-15 Estimate | FY 2015-16 Estimate |
| General Fund* | 1,074,780,176 | 1,648,415,351 | 1,780,057,722 | 1,895,500,060 | 2,017,675,237 | 2,156,638,773 |

Department of Health Care Policy and Financing
(does not include DHS programs)
Table 1 -- General Fund Projected Growth

| | FY 2010-11 Appropriation | FY 2011-12 Estimate | FY 2012-13 Estimate | FY 2013-14 Estimate | FY 2014-15 Estimate | FY 2015-16 Estimate |
|-------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ Increase | / / / / / / / / | 573,635,175 | 131,642,371 | 115,442,338 | 122,175,177 | 138,963,536 |
| % Increase | / / / / / / / / | 53.37% | 7.99% | 6.49% | 6.45% | 6.89% |

Based on current law, staff is forecasting General Fund growth of 53.4 percent for FY 2011-12, 8.0 percent in FY 2012-13, and 6.5 percent in FY 2013-14. These growth rates result from the following:

- ✓ In FY 2011-12 the loss of \$430.6 million in ARRA federal relief and \$95.4 million in cash fund offsets explains the majority of the General Fund growth. Additionally, staff forecasted that \$48.5 million would be needed to back fill the funding available from the Children's Basic Health Plan Trust Fund and from the Health Care Expansion Fund because these funds will be insolvent by FY 2011-12. Caseload growth in this year is forecasted at 6.9 percent. However, the caseload funded by the General Fund is anticipated to grow by only 2.3 percent.
- ✓ In FY 2012-13 approximately 44.2 percent of the General Fund growth (\$58.2 million) is related to the use of General Fund to fill the deficit in the Health Care Expansion Fund. The remaining increase results from per capita cost increases for the clients served. Staff is actually anticipating that the traditional caseload funded by the General Fund will decrease by 1.6 percent. However, overall Medicaid caseload will grow by 10.0 percent due mainly to the expansions under H.B. 09-1293.
- ✓ By FY 2013-14 through FY 2015-16, the growth in the Department's General Fund expenditures will return to more historical percentage patterns of just above 6.0 percent -- albeit at a higher dollar amounts.

It is important to note that the passage of H.B. 09-1293 does not impact staff's General Fund forecast. Because the caseload is funded with provider fees and federal funds, no General Fund is needed for H.B. 09-1293 during this forecast. In addition, the caseload expansions from the Federal Accountable Care Act (ACA) does not increase General Fund expenditures as these caseload will be entirely federally funded during the forecast period (it is not until FY 2016-17 that there will be a state match requirement under ACA). However, it is important to note that ACA does impact the General Fund forecast in a positive way during the forecast period. Beginning in FY 2013-14, staff forecasts that children in the Children Basic Health Plan between 100 percent and 133 percent of poverty will be moved to the Medicaid program. When these children are moved from CBHP to Medicaid, they will receive 100 percent federal funding instead of the 65 percent federal funding through the CBHP program. This will relieve the General Fund burden in the CBHP Trust Fund.

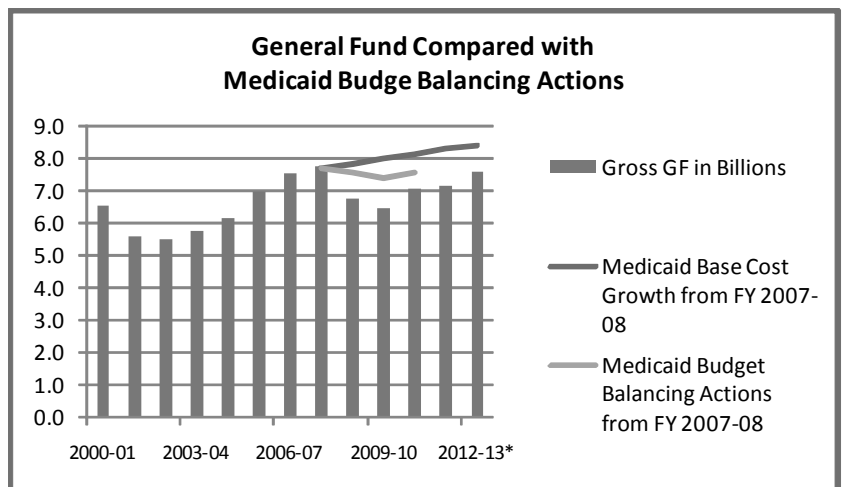
In addition, staff anticipates that beginning in FY 2013-14, children normally eligible for CBHP program will join the exchange plans that their parents join. This will further reduce CBHP caseload in higher income categories and will relieve funding pressure in the Health Care Expansion Fund. Therefore, staff is forecasting that the General Fund subsidy for the Health Care Expansion Fund will decrease in FY 2014-15 by \$11.1 million. There will also be a higher match rate in the CBHP program beginning in 2015 which will relieve pressure on both the CBHP Trust Fund and Health Care Expansion Fund and therefore, will relieve General Fund subsidies.

Table 2 shows staff's estimates for the annual increases in General Fund needed for each division from the *current* FY 2010-11 appropriation. The last column shows the cumulative needs for the Department over the amount appropriated in FY 2010-11. This forecast was based on caseload and expenditure data available through September 2010.

| TABLE 2: Increase over Current FY 2010-11 GF Appropriation and Prior Year (in millions) | | | | | | | | |
|---|---------------------------|------------------------|---------------|------------------------|-----------------------------|----------------|---------|-------------------|
| Year | Medicaid Service Premiums | Medicaid Mental Health | Indigent Care | Other Medical Services | Executive Director's Office | HCEF Back-Fill | Total* | Commutative Total |
| FY 2011-12 | \$475.9 | \$34.4 | \$7.4 | \$23.2 | \$0.0 | \$32.6 | \$573.5 | \$573.5 |
| FY 2012-13 | \$59.7 | \$7.5 | \$1.7 | \$4.4 | \$0.0 | \$58.2 | \$131.5 | \$705.0 |
| FY 2013-14 | \$96.7 | \$11.8 | \$1.6 | \$4.1 | \$0.0 | \$1.2 | \$115.4 | \$820.4 |
| FY 2014-15 | \$117.9 | \$13.3 | (\$2.2) | \$4.2 | \$0.0 | (\$11.1) | \$122.1 | \$942.5 |
| FY 2015-16 | \$119.1 | \$13.0 | (\$14.8) | \$6.8 | \$0.0 | \$14.9 | \$139.0 | \$1,081.5 |

*Excludes DHS Division -- (the DHS administered programs are included in the DHS five year forecast).

The budget requirements for this Department are going to present a budget challenge for the next two years, *at least*. The use of temporary funding solutions has somewhat masked the true General Fund requirements for this Department. As these temporary funding solutions run-out, the real General Fund requirements of the Department appear. Appendix D contains more detail of staff's five year forecast. Staff urges caution in using the numbers in her forecast in that they do not include any of the Department's budget proposals or any law changes. Therefore, this forecast will substantially change once the General Assembly begins to officially act on the Department's budget request.



**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

ISSUE: Review of Colorado Medicaid Program

SUMMARY:

- ❑ The Department serves low-income elderly, disabled, adults and children. While the majority of the clients in the program are children, the majority of expenditures are spent on the elderly and disabled populations.
- ❑ Like any health insurance program, a small percentage of the clients served drive the majority of the expenditures.
- ❑ During the last several years, the state has been implementing several cost containment strategies. These strategies include but are not limited to: (1) provider reimbursement reductions; (2) utilization controls and benefit review; (3) care management; and (4) payment recoveries.

RECOMMENDATIONS:

Staff recommends that the Department update the Committee on the status and results for the following cost containment measures:

- (1) Implementation of the Accountable Care Collaborative;
- (2) Implementation of the Benefits Collaborative;
- (3) Consolidating Utilization Review
- (4) Colorado Regional Integrated Care Collaborative
- (5) Recent Payment Recovery and Fraud detection activities.

DISCUSSION:

Background

The Medicaid program is the second largest source of health care coverage in the United States -- after employer-based coverage. As a "safety-net" health insurance program for the poor, disabled, and elderly, Medicaid provides essential medical and medically related services to the most vulnerable and at-risk populations in society. The current FY 2010-11 appropriation anticipates serving 553,407 Medicaid clients on a monthly basis. This equates to approximately 1 out every 10

persons in Colorado. Specifically, the Colorado Medicaid program provides health insurance coverage for approximately 1 out of every 2.4 births, 1 out of 4 children, and 6 out of 10 persons in nursing home care.

As a health insurance plan for vulnerable populations, Medicaid provides both acute care and long-term care coverage. Medicaid is a means tested program -- an individual must meet certain income criteria and eligibility tests in order to qualify. As an entitlement program, if an individual is eligible for the Medicaid program then the individual is entitled to receive services (i.e. the program's eligibility can not be capped for budgetary reasons).

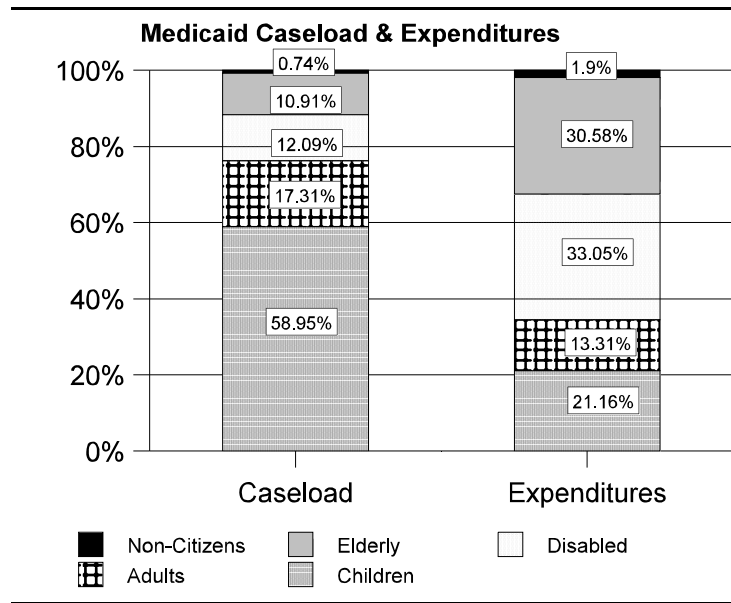
The Medicaid program is funded and administered jointly by the federal government and states. Medicaid at both the federal and state level relies on general taxation (i.e. there is no Medicaid trust fund from dedicated tax revenues -- it is a general taxation program at both the federal and state level). The federal match for the program is based on how the state's per capita income compares to other states. Under this formula, Colorado and eleven other states are viewed as "wealthy" states and receive the minimal federal match of 50 percent (pre-ARRA). Poorer states receive higher match rates based on the per capita rankings up to the federal cap of 83 percent. Prior to ARRA funding, Mississippi was receiving a federal match of 76 percent (the highest in the nation). Following is the match for Colorado's neighboring states: Utah 71.13 percent, Wyoming 50.0 percent, Nebraska 58.44 percent, Kansas 59.05 percent, Oklahoma 64.94 percent, New Mexico 69.78 percent and Arizona 65.85 percent.

Due to Colorado's budget limitations and the fact Colorado receives the lowest federal match rate available under federal law, the state's Medicaid program has been fairly lean. For example, Colorado has never had a general "Medical Needy" program. This program provides Medicaid eligibility for individuals with incomes greater than Medicaid thresholds but with medical expenses that, if "spent down" would make them eligible for program benefits. Of surrounding states this program is offered in Kansas, Nebraska, Oklahoma and Utah. Also some benefits, such as adult coverage for non-emergency dental care, has never been offered in the Colorado Medicaid program (although dental care is provided to children). Therefore, many budget balancing actions that other states have taken (i.e. cutting adult dental benefits) were never an option for Colorado.

Eligibility and Services

For budgeting purposes, the Department's caseload is divided into eleven eligibility categories and five service categories. For the purpose of this discussion, staff is going to combine the eligibility categories into five: (1) Elderly (SSI 65+ and Partial Dual Eligibles); (2) Disabled (SSI 60-64 and SSI Disabled); (3) Adults (Low-Income Adults, Baby Care Adults, Expansion Adults and Breast and Cervical Cancer Treatment clients); (4) Children (Children and Foster Children) and (5) Non-Citizens (includes both legal immigrants that don't qualify based on the five-year bar and undocumented residents -- please note that legal immigrants who have passed the five-year bar and meet other eligibility criteria are included in the other categories).

Medical costs for the different aid categories vary greatly because of the number and type of health services utilized by each aid category. For example, in FY 2009-10 the elderly were only 10.9 percent of the Medicaid caseload but accounted for 30.6 percent of total Medical Service Premiums expenditures. Conversely, in FY 2009-10 children were 59.0 percent of the Medicaid population but accounted for only 21.2 percent of expenditures. The higher cost for the elderly can be explained because the elderly utilize more and higher cost services (such as nursing home and hospital care), while children tend to need mainly primary care (doctor visits).



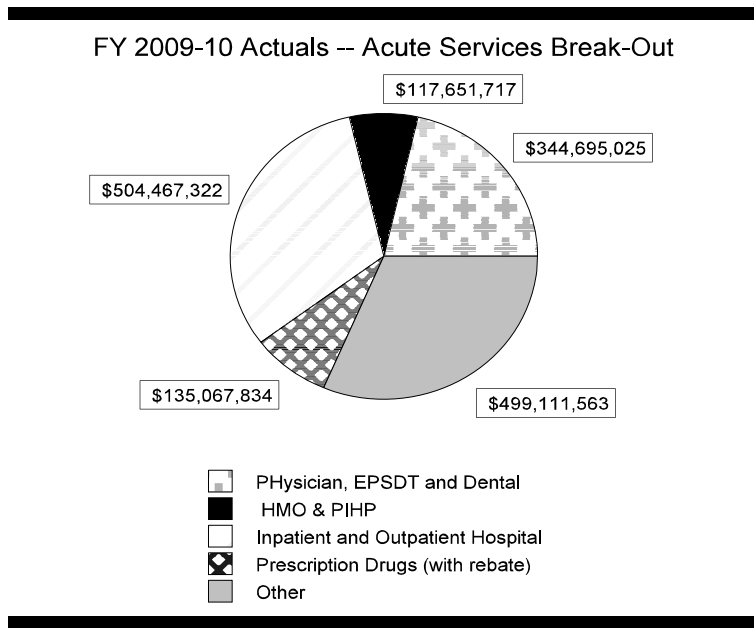
Following is a discussion of the major service costs for the Medicaid Program.

Acute Care Services

Acute Care Services include the following services:

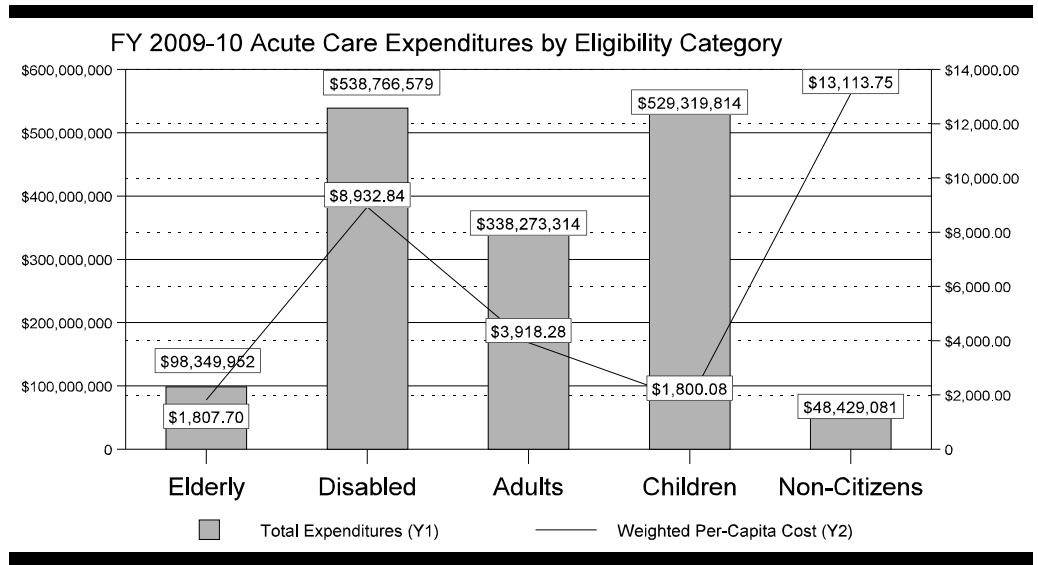
- Physician Services and Early and Periodic Screening, Diagnosis, and Treatment Program;
- Emergency Transportation;
- Non-emergency Transportation;
- Dental Services;
- Family Planning;
- Health Maintenance Organizations (capitations paid for services through HMO);
- Prepaid Inpatient Health Plan Services
- Inpatient and Outpatient Hospital;
- Lab and X-ray;
- Durable Medical Equipment;
- Prescription Drugs and Prescription Drug Rebates;
- Rural Health Clinics and Federally Qualified Health Centers;
- Medicare Coinsurance and Deductible;
- Home Health;
- Breast and Cervical Cancer Treatment Program; and
- Other Services

As the chart shows, the top four categories of spending in acute care services are as follows: (1) hospital payments (32.5 percent); (2) physicians, EPSDT, and dental (22.2 percent); (3) HMO and PIHP capitated payments (10.45 percent); and (4) prescription drugs and rebate (8.7 percent). The remaining services account for the other 26.18 percent in total expenditures. Hospital care is the second highest service expenditure for the entire department surpassed only by nursing facility care.



The disabled aid category has the highest expenditures and second highest cost-per-client for acute care services.

The children categories have the second highest overall costs but the lowest cost-per-client. This reflects the fact that children are almost 60 percent of the entire caseload. The low-income adult categories have the third highest overall costs and the third highest per-client-costs. The adult categories include



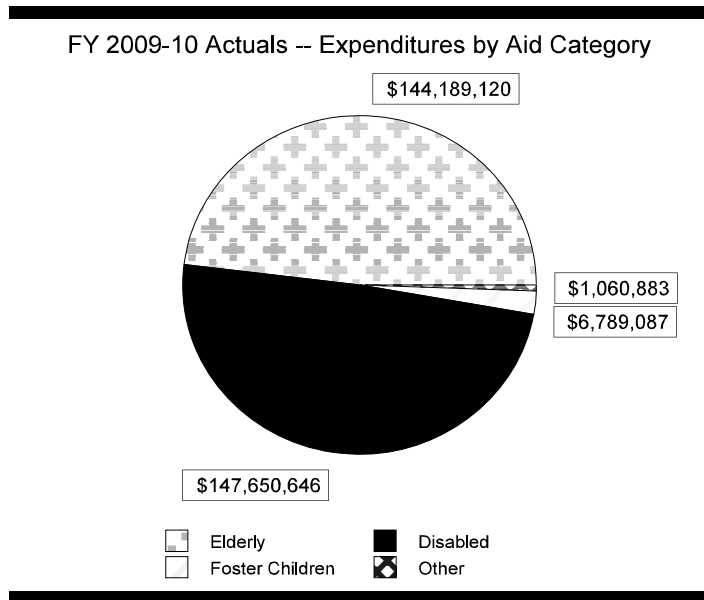
pregnant women which have high hospital and physician costs. The elderly have the fourth highest overall costs and the fourth highest per-client-costs. The acute care costs for the elderly are offset by the fact that Medicare pays for the majority of acute care services for the elderly. Finally, the non-citizens have the lowest overall cost but the highest per-client-costs. This reflects the fact that non-citizens are eligible only for emergency care services and therefore, have high hospitalization costs but lower costs in other service areas.

Community Long-Term Care Services

Community Long-Term Care Services include the following services:

- Community Long-Term Care Waiver programs;
- Private Duty Nursing; and
- Hospice Care.

This service category is mainly utilized by the elderly, disabled, and foster children aid categories: (1) the elderly used 48.1 percent of the services expenditures in FY 2009-10 and had per-client-costs of \$2,650.24; (2) the disabled used 49.27 percent of the service expenditures and had per-client-costs of \$2,448.07; (3) foster children accounted for 2.2 percent of the service costs and had per-client-costs of \$369.35.



Institutional Long-Term Care

Institutional Long-Term Care Services include the following services:

- Class I Nursing Facilities;
- Class II Nursing Facilities; and
- The Program for All-Inclusive Care for the Elderly (PACE).

The 87.6 percent of the expenditures in this aid category are from the Class I Nursing Facilities. The PACE program accounts for 12.2 percent of the expenditures and the Class II nursing facilities account for the remaining 0.2 percent. Similar to community long-term care services, the majority expenditures come from two aid categories: (1) the elderly (85.9 percent); and (2) the disabled (14.0 percent).

| Table 1: FY 2009-10 Actual Institutional Long-Term Care Expenditures | | | | |
|--|---------------|---------------|-------------------|---------------|
| | Elderly | Disabled | Low Income Adults | Total |
| Class I Nursing Facilities | \$393,091,513 | \$102,803,993 | \$5,285 | \$495,900,791 |
| Class II Nursing Facilities | (\$38,446) | \$1,253,792 | \$0 | \$1,215,346 |
| PACE Program | \$61,924,560 | \$7,331,469 | \$0 | \$69,256,029 |

| Table 1: FY 2009-10 Actual Institutional Long-Term Care Expenditures | | | | |
|---|----------------|-----------------|------------------------------|---------------|
| | Elderly | Disabled | Low Income Adults | Total |
| Total | \$454,977,627 | \$111,389,254 | \$5,285 | \$566,372,166 |
| Percent | 80.33% | 19.67% | 0.00% | 100.00% |

As stated earlier, Class I Nursing Facilities is the highest cost service provided in the Medicaid program accounting for 19.4 percent of the total Medical Service premiums line item. On average, the Medicaid daily census in nursing facility care is only about 9,184 clients at any given time (1.8 percent of total Medicaid caseload) -- please note the number of individuals served is higher than caseload. Therefore, approximately 2.0 percent of the Medicaid caseload is using approximately 20.0 percent of the budget. The average Medicaid cost per client in nursing facility care is about \$54,000 on an annual basis.

Supplemental Insurance Care

Supplemental Insurance Care Services include the following services:

- Supplemental Medicare Insurance Benefit and
- Health Insurance Buy-In.

| Table 2: FY 2009-10 Actual | |
|---|------------------|
| Supplemental Medicare Insurance Benefit | \$103,068,590 |
| Medicaid Buy-In Program | <u>1,019,990</u> |
| Total | \$104,088,580 |

The majority of expenditures (99 percent) in this service category are for the Supplemental Medicare Insurance Benefit. The Supplemental Medicare Insurance Benefit consists of two parts: Medicare Part A, the insurance premium for hospital care and Medicare Part B, the insurance premium for Medicare-covered physician and ambulatory care services. Only premiums are paid in this category (co-pays and deductibles for qualifying low-income Medicare recipients are paid in the acute care service category). Because this service category only impacts Medicare recipients, the vast majority of the expenditures occur in the elderly and disabled categories.

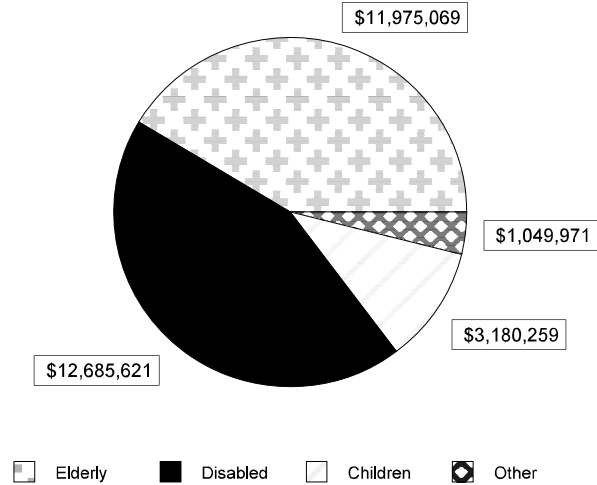
Service Management

Service management costs include the following services:

- Single Entry Points;
- Disease Management; and
- Prepaid Inpatient Health Plans - Administrative Fees.

The expenditures in this category relate to case management services. Single Entry Point payments (gateway to long-term care services) account for 82.0 percent of the expenditures in this service category. Therefore, this service category is mainly utilized by the elderly, disabled, and children aid categories: (1) the elderly used 41.45 percent of the services expenditures in FY 2009-10 and had per-client-costs of \$220.11; (2) the disabled used 43.91 percent of the service expenditures and had per-client-costs of \$210.33; (3) children accounted for 11.01 percent of the service costs and had per-client-costs of \$10.82.

FY 2009-10 Actuals -- Service Management Expenditure



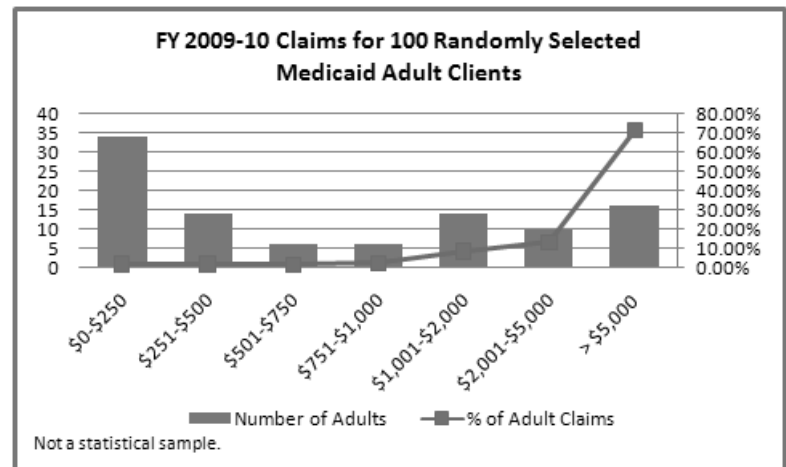
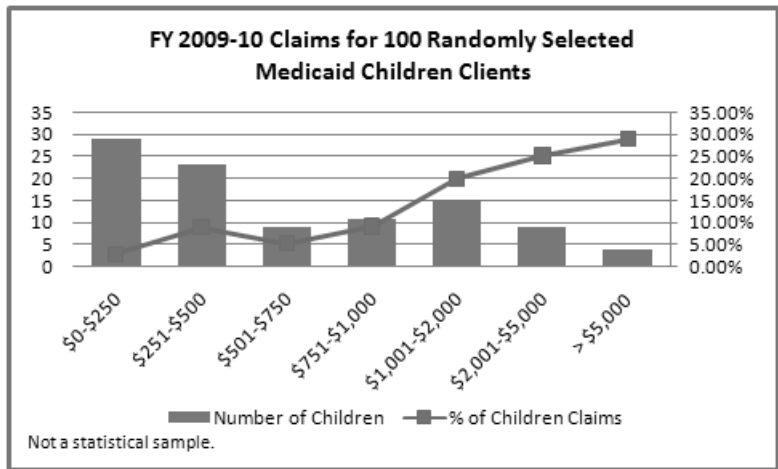
Please note: In addition to the services provided in the Medical Services Premiums line item, the Medicaid program also provides a mental health benefit to all eligible Medicaid clients and long-term care services administered by the Department of Human Services for the developmentally disabled populations. In FY 2009-10, the approximate cost for Medicaid mental health benefit was \$226.0 million and for the Department of Human Services administered programs about \$428.3 million.

The following table summarizes the Department's FY 2009-10 actual expenditures by eligibility and service category.

| Table 3: FY 2009-10 Actual -- Medical Service Premiums ONLY | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|------------------------|
| | Elderly | Disabled | Adults | Children | Non-Citizens | Total |
| Acute Care Services | \$98,349,952 | \$538,766,579 | \$338,273,314 | \$529,319,814 | \$48,429,081 | \$1,553,138,740 |
| Community Long Term Care | 144,189,120 | 147,650,646 | 223,206 | 7,625,485 | 1,279 | 299,689,736 |
| Institutional Long-Term Care | 454,977,627 | 111,389,254 | 5,285 | 0 | 0 | 566,372,166 |
| Supplemental Insurance | 70,874,377 | 33,019,263 | 183,416 | 11,524 | 0 | 104,088,580 |
| Service Management | 11,975,069 | 12,685,621 | 1,008,536 | 3,180,259 | 41,435 | 28,890,920 |
| Total | \$780,366,145 | \$843,511,363 | \$339,693,757 | \$540,137,082 | \$48,471,795 | \$2,552,180,142 |
| Percent | 30.58% | 33.05% | 13.31% | 21.16% | 1.90% | 100.00% |
| Caseload | 54,406 | 60,313 | 86,332 | 294,053 | 3,693 | 498,797 |
| Percent | 10.91% | 12.09% | 17.31% | 58.95% | 0.74% | 100.00% |

Challenges for Public Health Insurance Programs

Like any health insurance program, the majority of program's costs are concentrated on a relatively few clients. As stated early, approximately 2.0 percent of the Medicaid caseload uses nursing facilities which expend approximately 20.0 percent of the Medical Service Premiums costs. For illustration purposes *only*, staff had the Department pull the claims for 100 random clients in the children and low-income adult categories (those populations most similar to the general public). Of the 100 children in this sample (not a statistical sample) 4 clients accounted for 28.8 percent of the costs from claims. Of the 100 adults in this sample (not a statistical sample) 16 clients accounted for 71.2 percent of the costs for claims.



In addition to pulling a sample of adults and children, staff also had the Department pull the claims for the 10 most expensive clients during FY 2009-10 in each aid category (excluding partial dual eligibles). These 100 clients had claims of \$27.8 million or an average of \$278,000 per client. Like any other insurance program, these high cost clients occur in the Medicaid program due to extensive injuries or major illnesses and containing costs for these type of clients is very difficult (i.e. it is hard to control a spinal injury that results from a recent car accident). Thus, most of the strategies for cost control have centered on strategies that provide care coordination (i.e. medical homes to reduce unnecessary ER or hospitalization and case management), utilization control (i.e. transportation broker and reductions to benefits), and pricing control (i.e. reimbursement reductions).

Recent Strategies for Cost Containment

Over the last several years, the state has implemented several strategies for cost containment in the Medicaid program as follows:

- (1) ***Provider reimbursement reductions:*** As stated in issue # 1 of this briefing packet, since the economic downturn the state has reduced most provider reimbursements set

by the Department by approximately 5.5 percent. The Department also implemented payment reforms as follows: (a) consolidated billing practices for Behavioral Health Organizations and Federally Qualified Health Centers to ensure claims billable under the BHO capitation payment are not billed separately through FQHCs; (2) performed additional audits of nursing facilities to ensure proper payment; and (3) hired a contractor to help identify and enroll eligible clients into the Medicare program in order to reduce the Medicaid claims for these individuals.

- (2) Utilization Controls and Benefit Reviews: During the economic downturn the Department pursued initiatives to review current benefits and utilization and to provider greater prior authorization for certain services. As part of these initiatives incontinent products for adults were limited and oxygen use was prior authorized. In addition, the Department increased efforts to implement case management in order to reduce inpatient outlier days and to reduce the number of emergency room visits by clients that should be seen in a primary care setting.
- (3) Care Management: On August 20, 2010 the Department released a request for proposals in order to select seven Regional Care Coordination Organizations (RCCOs) to provider care coordination for physical health services with an emphasis on increasing the availability and services of medical homes for all clients. Providing Medicaid clients with a medical home is anticipated to better manage client's health needs in order to avoid more costly services. The Department also envisions that the RCCOs would coordinate care between different providers, assist in care transitions between hospitals and community care, and serve as a client advocate in navigating between physical health, behavioral health, wavier services, and long-term care. In addition, the Department anticipates that RCCOs would receive performance based contracts established around health outcomes. The initial roll-out for the project is anticipated as a pilot program and will begin FY 2010-11.

In addition to the RCCOs initiative, the Department implemented the Colorado Regional Integrated Care Collaborative (CRICC) program. This program attempts to manage the care of some of the most needy and costly clients in the Medicaid program.

- (4) Increase Efforts for Payment Recovery and Fraud Reduction: Since 2008 the Department's appropriation has contained a line item for fraud detection software in order to help the Department identify fraudulent claims. The Department has also tried to implement additional prior authorization reviews and other measures to reduce unnecessary or improperly billed services. The following table on the next page shows the results of Recovery efforts during the last four years.

Medicaid Integrity Recovery Efforts
Safeguarding Federal and State Dollars Spent on the Colorado Medical Assistance Program

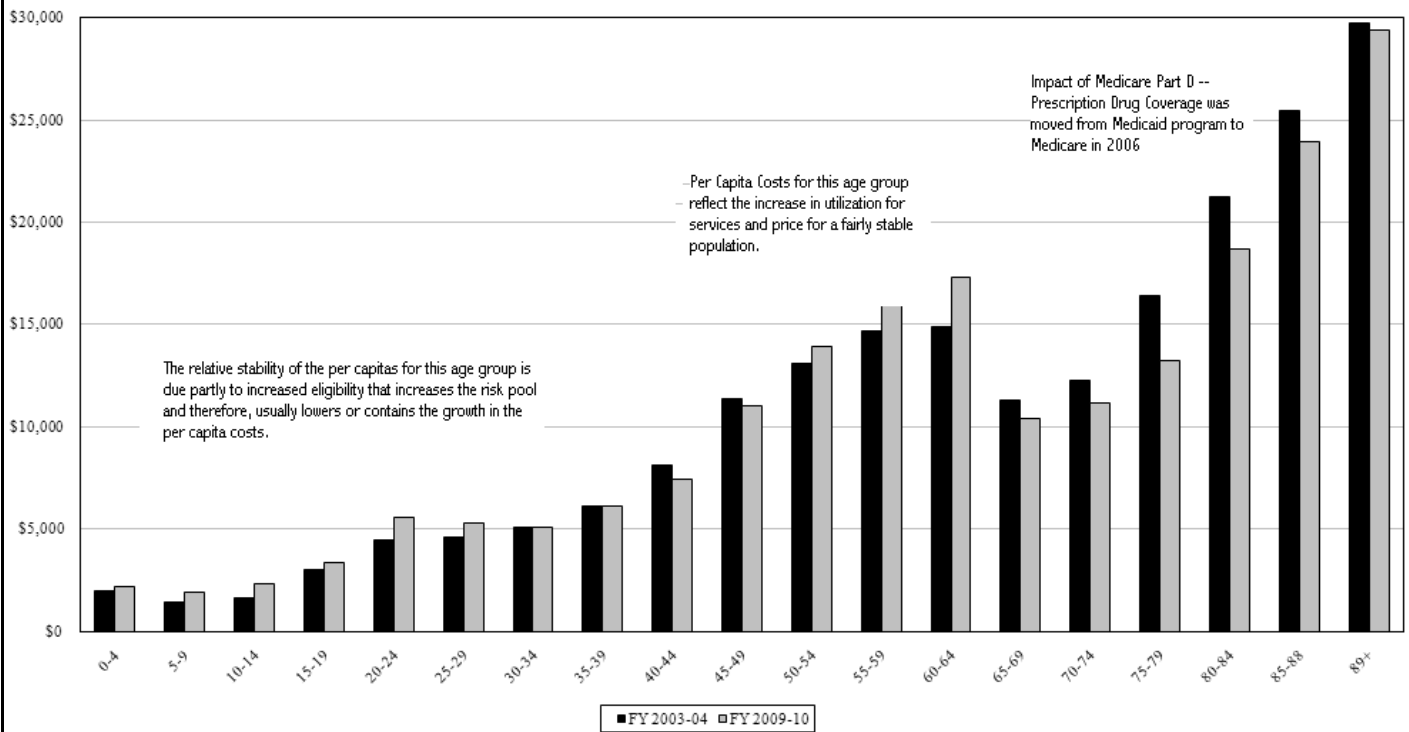
| Type of Recovery | From | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 | Total |
|---|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| CFMS/Client Fraud | CFMS/Client Fraud | \$256,643 | \$267,291 | \$236,051 | \$321,529 | \$1,081,514 |
| Program Integrity | Provider Recoveries | \$8,057,344 | \$7,132,619 | \$7,198,991 | \$2,068,301 | \$24,457,255 |
| Program Integrity | National Fraud Settlements | | | | \$4,153,017 | \$4,153,017 |
| Collections and System Generated AR's | Collections and System Generated | \$9,228,701 | \$12,217,259 | \$7,384,506 | \$12,708,529 | \$41,538,995 |
| Estate, Tort/Casualty, Trusts | Estate Recovery | \$4,656,903 | \$3,349,036 | \$3,555,977 | \$3,682,865 | \$15,244,781 |
| Estate, Tort/Casualty, Trusts | Trusts/Repayment | \$2,049,119 | \$1,801,392 | \$2,675,299 | \$2,800,403 | \$9,326,213 |
| Estate, Tort/Casualty, Trusts | Tort/Casualty | \$3,161,970 | \$3,045,847 | \$3,800,728 | \$4,030,094 | \$14,038,639 |
| Estate, Tort/Casualty, Trusts | Postpayment | \$15,933,332 | \$16,332,211 | \$14,013,844 | \$25,364,405 | \$71,643,792 |
| HMO/Pace Recoveries | HMO/PACE Recoveries | \$2,273,142 | \$1,176,070 | \$2,495,396 | \$1,583,363 | \$7,527,971 |
| Hospital Cost Settlements | Hospital Cost Settlements | \$5,627,054 | \$8,679,512 | \$12,278,039 | \$34,146,385 | \$60,730,990 |
| Mental Health Reconciliation | MH Reconciliations | \$0 | \$0 | \$0 | \$3,252,765 | \$3,252,765 |
| Nursing Facility Recoveries | Nursing Facility Recoveries | \$1,880,150 | \$2,527,840 | \$1,023,966 | \$762,202 | \$6,194,157 |
| TPL/ACS Recoveries | TPL/ACS Recoveries | \$995,094 | \$1,298,538 | \$1,002,000 | \$2,780,176 | \$6,075,808 |
| Total Recoveries | | \$54,119,452 | \$57,827,616 | \$55,664,796 | \$97,654,033 | \$265,265,897 |
| Pharmacy | Pharmacy/Drug Rebates | \$55,465,088 | \$58,644,804 | \$91,818,104 | \$99,538,330 | \$305,466,326 |
| Total Recoveries With Drug Rebates | | \$109,584,541 | \$116,472,420 | \$147,482,900 | \$197,192,363 | \$570,732,224 |

Conclusion

The Medicaid program is a growing program due mainly to the vulnerability and number of clients the program serves. For many years the state has attempted to lower costs for the program by implementing several different strategies. However, despite these measures, the Medicaid program is anticipate to increase at a higher rate than the rest of state government for the following reasons: (1) the number of clients served is increasing faster than general population growth, (2) the aging of the population increases the need for long-term care services; (3) advancements in medical science leads to new treatment options and demands; and (4) health care inflation is higher than general inflation.

The chart on the following compares the per capita costs for the Medical Services Premiums line item from FY 2003-04 to FY 2009-10 by age group.

Comparison of Per Capita Costs by Age Group from FY 2003-04 to FY 2009-10



**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

INFORMATIONAL ISSUE: Review of Budget Reduction Options

SUMMARY:

- The entire Medicaid program is an optional program. However, if Colorado wants to receive approximately \$2.6 billion in federal aid to help address health care needs for some of the state's most vulnerable populations, then the state's Medicaid program must include certain populations and services.
- The federal Accountable Care Act (ACA) makes all of the populations served in Colorado's Medicaid program at the time ACA was enacted *mandatory*.
- Benefit reductions can be difficult to enact and may not yield the expected savings.
- Many of the Department's provider rates are substantially lower than Medicare rates.

DISCUSSION:

Background

States are not required to have Medicaid programs. However, if a state does not participate in the Medicaid program, the state loses the federal matching money. Currently, the Medicaid program receives 51.6 percent of all federal funding provided to the state (more than education, transportation, and other sources combined). In FY 2010-11, this means a total of \$2.7 billion in federal assistance for Colorado residents.

There are three main ways to control the costs of the Medicaid program:

- (1) Restrict eligibility;
- (2) Restrict benefits; and
- (3) Reduce payment.

In order to receive the federal assistance, states must have their state Medicaid plans approved by the Centers of Medicare and Medicaid Services and must have some mandatory populations and services. Following is a discussion of the options available to Colorado to control costs.

Eligibility for the Medicaid Program

Under the Accountable Care Act (ACA) of 2010 (federal health care reform), the state's ability to change eligibility standards is for the most part is prohibited by the following provision.

"Sec 2001. (b) (2) (1): GENERAL REQUIREMENT TO MAINTAIN ELIGIBILITY STANDARDS UNTIL STATE EXCHANGE IS FULLY OPERATIONAL. *Subject to the succeeding paragraphs of this subsection, during the period that begins on the date of enactment of the Patient Protection and Affordable Care Act and ends on the date on which the Secretary determines that an Exchange established by the State under section 1311 of the [PPACA] is fully operational, as a condition for receiving any Federal payments under section 1903 (a) for calendar quarters occurring during such period, a State shall not have in effect eligibility standards, methodologies, or procedures under the State plan under this title or under any waiver of such plan that is in effect during that period, that are more restrictive than the eligibility standards, methodologies, or procedures, respectively, under the plan or waiver that are in effect on the date of enactment of [PPACA].*

(2)CONTINUATION OF ELIGIBILITY STANDARDS FOR CHILDREN UNTIL OCTOBER 1, 2019. *The requirement under paragraph (1) shall continue to apply to a State through September 30, 2019, with respect to the eligibility standards, methodologies, and procedures under the State plan under this title or under any waiver of such plan that are applicable to determining the eligibility for medical assistance of any child who is under 19 years of age (or such higher age as the State may have elected).*

(3) NONAPPLICATION. *During the period that begins on January 1, 1011, and ends on December 31, 2013, the requirement under paragraph (1) shall not apply to a State with respect to nonpregnant, non-disabled adults who are eligible for medical assistance under the State plan or under a waiver of the plan at the option of the State and whose income exceeds 133 percent of the poverty line (as defined in section 20110 (c) (5)) applicable to a family of the size involved if, on or after December 31, 2010, the State certifies to the Secretary that, with respect to the State fiscal year during which the certification is made, the State has a budget deficit, or with respect to the succeeding State fiscal year or the State is projected to have a budget deficit. Upon submission of such a certification to the Secretary, the requirement under paragraph (1) shall not apply to the State with respect to any remaining portion of the period described in the preceding sentence."*

Please note that the H.B. 09-1293 waiver and state plan amendments were approved after the effective date of ACA. Therefore, the new eligibility for HB 09-1293 are not included in this maintenance of effort requirement. However, staff would remind the Committee that HB 09-1293 caseload populations don't impact the General Fund -- only the Hospital Provider Fee. The only savings that the Committee could possibly achieve from eliminating the HB 09-1293 expansions caseloads would be to take the Hospital Provider Fee that went to support those caseload and use it to fund General Fund populations instead. This would require legislation as this is currently

prohibited in the state law. As far as the Health Care Expansion Fund populations (those added in 2005 by Amendment 35 to the State Constitution), under federal law the State is prohibited from changing any of the eligibility levels for those populations.

Eligibility is the number one driver of costs for the Medicaid and Children Basic Health Plan. With the passage of ACA, changing eligibility is off the table as a possible budget solution. In staff's opinion, that is the biggest cost of ACA to the State at this time (staff didn't quantify the cost -- it is an opportunity cost loss).

Medicaid Program Benefits

The Medicaid benefit package is defined by each state based on broad federal guidelines and therefore, there is much variety between the different Medicaid programs regarding not only which services are covered, but also the amount of care provided within specific service categories (i.e. amount, duration, and scope of services).

Each state Medicaid program must cover the "mandatory services" identified in federal law. Following is the list of mandatory services as provided in state law (Section 25.5-5-102, C.R.S):

- ✓ Inpatient hospital services;
- ✓ Outpatient hospital services;
- ✓ Laboratory and X-ray services;
- ✓ Rural health clinic and Federally Qualified Health Center (FQHC) services;
- ✓ Physicians' services, wherever furnished;
- ✓ Nursing facility services;
- ✓ Home health services;
- ✓ Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) for individuals under age 21;
- ✓ Family planning services;
- ✓ Rural Health Centers; and
- ✓ Federal Qualified Health Centers (FQHCs).

In addition to covering "mandated services" states have the discretion to cover additional services -- i.e., "optional services." State may choose among the optional services allowed by federal law. The following is a list of the optional services Colorado has elected to provide (Section 25.5-5-202, C.R.S).

- ✓ Prescribed drugs and some over the counter medications;
- ✓ Clinic services;
- ✓ Optometrists and eyeglasses when necessary after surgery;
- ✓ Prosthetic devices
- ✓ Rehabilitation services as appropriate to community mental health centers;
- ✓ Intermediate care facilities for the mentally retarded;

- ✓ Inpatient psychiatric services for persons under 21 years of age;
- ✓ Inpatient psychiatric services for persons over the age of 65;
- ✓ Case management;
- ✓ Therapies under home health services: speech and audiology; physical; and occupational;
- ✓ Services licensed psychologists;
- ✓ Private duty nursing services;
- ✓ Podiatry services;
- ✓ Hospice care;
- ✓ PACE program;
- ✓ Alcohol and drug counseling for pregnant women;
- ✓ Outpatient substance abuse treatment;
- ✓ Cervical cancer immunization for all females under 21;
- ✓ SBIRT for individuals at risk of substance abuse; and
- ✓ Non-emergency Transportation costs (as an administrative service).

Please note that services to children than to most adults due to the federal regulations under the Early and Periodic Screening, Diagnosis and Treatment program (i.e. children can receive eyeglasses and other services to aid them in their development if deemed medically necessary).

Waiver Programs

- ✓ HCBS for Elderly Blind and Disabled
- ✓ HCBS for Developmentally Disabled
- ✓ HCBS for AIDS patients
- ✓ HCBS for Mental Illness
- ✓ HCBS for Brain Injury
- ✓ HCBS for Children (three different waiver programs)
- ✓ Program for the All-Inclusive Care of the Elderly

Following is the list of optional services that Colorado does not offer:

- ✓ Chiropractors services
- ✓ Medical social workers
- ✓ Optional dental
- ✓ Eyeglasses (except if necessary after surgery)
- ✓ Christian Science Nurses
- ✓ Christian Science Sanatoriums
- ✓ TB-related Services

Based on FY 2005-06 appropriations (the last time this study was done), the Department of Health Care Policy and Financing estimates that \$817.7 million total funds of the Medicaid premiums budget was spent on optional services. Of the optional service expenditures, \$402.9 million or 49.3 percent was spent on SSI clients with incomes up to 300 percent of the SSI benefit. These clients

are elderly or disabled clients at-risk of institutional care. Other optional services, such as the HCBS waiver programs, provide less costly services that allow individuals to stay within community settings instead of institutional care settings such as nursing homes. Generally, because community settings are less expensive than nursing home settings, these programs were enacted to save the state money.

Based on a 2007 study of the Colorado Medicaid program by the Health Management Associates and The Wertz Group following are some comments about Colorado's benefit package:

- (1) For adults the following services are not currently covered: hearing aids and dental care (including dentures); services for chiropractors; and eyeglasses (unless needed after surgery). These restrictions are common across the nation.
- (2) Private duty nursing for adults is covered for up to 16 hours per day. Many states do not offer this benefit for adults.
- (3) Providing services for Instructions for Mental Diseases for 65 and older is not a universal coverage across the nation.
- (4) Podiatry services are provided without no apparent limits beyond medical necessity. Some states have eliminated this benefit, set visit limits, or only cover services for certain conditions such as diabetes.
- (5) Some states have discontinued direct reimbursement to therapists (occupational, physical, speech (for adults) and in some cases psychologists), thereby limiting the benefit to institutional, home health agencies, or community mental health centers.¹

Recent Other State Benefit Changes

Federal relief provided by the American Recovery and Reinvestment Act (ARRA) allowed many states to avoid reducing or restricting benefits during the last few years. Table 1a and Table 1b shows actions that the states have taken in the last two fiscal years to limit benefits. The source of information for these tables is the Kaiser Commission on Medicaid and the Uninsured Survey of all State Medicaid Agencies ("Hoping for Economic Recovery, Preparing for Health Reform: A Look at Medicaid Spending, Coverage and Policy Trends", page 44).

| Table 1a: Recent Benefits Eliminated By States | |
|--|--|
| State | FY 2009-10 |
| AZ | Denture coverage and specified dental services |

¹Items 1 through 5 listed were noted in "An Overview of Medicaid in Colorado", Health Management Associates and The Wertz Group, September 2007.

| Table 1a: Recent Benefits Eliminated By States | |
|---|--|
| State | FY 2009-10 |
| CA | Multiple optional services for non-pregnant, non-institutional adults including acupuncture, dental (with exception), audiology, speech, optometry, podiatry, psychology services and chiropractic services and incontinence creams and washes |
| CN | Over-the-counter drugs (OTCs) except insulin, insulin syringes, and nutritional for tube fed individuals |
| HI | Dental coverage (except emergency services) |
| NH | Chiropractic care benefits |
| NM | Barbaric surgery and adult vision services and appliances |
| OR | Non-medical vision services |
| VA | Disease management program |
| FY 2010-11 | |
| AZ | Most dental care, podiatry services, insulin pumps, percussive vests, bone-anchored hearing aids, cochlear implants, specified transplants, well exams, certain microprocessor-controlled prosthetics, all orthodontics, and non-emergency transportation for childless adults |
| KS | Attendant care provided in the local education agency setting |
| MA | Restorative dental services and dentures |
| NC | Obesity surgery, and maternal outreach worker program services. |

| Table 1b: Recent Benefits Limited | | |
|--|--------------------|----------------------|
| Service Limited | FY 2009-10 | FY 2010-11 |
| Chiropractic services | | MN |
| Dental or denture services | MN, OH, OR, VA, WA | NJ, NM, WA |
| Home Health services | KS | |
| Imaging services | CO, IA, WY | VT |
| Inpatient hospital stays | | MA |
| Medical Supplies or DME | NV, OH WA | CA, NM, VA, (and CO) |
| Mental health services | NV, VA | IN |
| Over-the-counter drugs | NJ, WA | |
| Therapies (OT, PT, or ST) | | AZ, NH, VT, VA |
| Personal care services | MI, NV, NC, WA | DC, NC, WA |
| Physician visits | | CA |
| Podiatry | | NH |

| Table 1b: Recent Benefits Limited | | |
|--|------------|------------|
| Service Limited | FY 2009-10 | FY 2010-11 |
| Targeted case management and Katie Beckett program eligibility | ME | |
| Vision services | NM, WY | |

Final Comment About Benefits

Benefit reductions can be very difficult to implement and can meet with great opposition. For example, in 2003 the General Assembly initially sought to limit non-emergency transportation services to wheel chair transport. This benefit reduction was rejected by the Centers for Medicare and Medicaid Services (CMS) as too restrictive -- even though the benefit is considered "optional". The state ended up changing the plan to making the service an "administrative service" in order to limit the service. However, ultimately the savings from this initiative was a lot less than planned.

Reduce Payments

The table 2 below shows the service categories for the Medical Services Premiums line item and whether the rates for that service are set by federal law or state law.

| Table 2 -- Medicaid Services Rates Set by Federal or State Law | | | | | | | |
|--|--------------|--|----------------------------|------------|-----------------------------|------------|-----------------------|
| Service Required | Rate Set | Service Category | FY 08-09 Actual (millions) | % of Total | FY 09-10* Actual (millions) | % of Total | % increase prior year |
| federal | federal | Rural Health Clinic Services | 7.5 | 0.30% | 8.3 | 0.33% | 10.67% |
| federal | federal | Federal Qualified Health Center Services | 73.1 | 2.91% | 79.0 | 3.10% | 8.07% |
| federal | federal | Indian Health Services | 100% federal | 0.00% | 100% federal | 0.00% | n/a |
| federal | federal rule | Supplemental Medicare Insurance | 93.7 | 3.74% | 103.1 | 4.04% | 10.03% |
| federal | state | Nursing Facilities | 533.1 | 21.25% | 497.1 | 19.48% | (6.75)% |
| federal | rule | Physician/Nurse Practitioner Services/EPSTD/ | 232.9 | 9.28% | 252.1 | 9.88% | 8.24% |
| federal | rule | Hospitals (Inpatient & Outpatient) | 510.5 | 20.35% | 504.5 | 19.77% | (1.18)% |
| federal | rule | Laboratory/ X-ray | 28.4 | 1.13% | 31.4 | 1.23% | 10.56% |
| federal | rule | Emergency Transportation | 4.9 | 0.20% | 5.4 | 0.21% | 10.20% |
| federal | rule | Family Planning | .3 | 0.01% | 0.3 | 0.01% | 0.00% |

| Table 2 -- Medicaid Services Rates Set by Federal or State Law | | | | | | | |
|--|----------|---|----------------------------|---------------|-----------------------------|---------------|-----------------------|
| Service Required | Rate Set | Service Category | FY 08-09 Actual (millions) | % of Total | FY 09-10* Actual (millions) | % of Total | % increase prior year |
| federal | rule | Home Health | 147.3 | 5.87% | 160.4 | 6.28% | 8.89% |
| federal | rule | Dental (Colorado does not provide optional Dental services) | 76.5 | 3.05% | 92.6 | 3.63% | 21.05% |
| state/federal | rule | Hospice | 39.9 | 1.59% | 43.6 | 1.71% | 9.27% |
| state/federal | rule | Prescription Drugs | 141.9 | 5.66% | 135.0 | 5.29% | (4.86)% |
| state/federal | rule | HMOs | 129.0 | 5.14% | 117.7 | 4.61% | (8.76)% |
| state/federal | rule | Non-emergency transportation | 8.7 | 0.35% | 9.2 | 0.36% | 5.75% |
| state | rule | Home and Community-Based Service Waivers | 219.3 | 8.74% | 232.3 | 9.10% | 5.93% |
| state | rule | durable medical equipment | 77.0 | 3.07% | 81.2 | 3.18% | 5.45% |
| state | rule | breast and cervical cancer | 7.0 | 0.28% | 9.0 | 0.35% | 28.57% |
| state | rule | private duty nursing | 21.3 | 0.85% | 23.7 | 0.93% | 11.27% |
| state | rule | single entry points | 23.1 | 0.92% | 23.7 | 0.93% | 2.60% |
| state | rule | PACE** | 61.0 | 2.43% | 69.3 | 2.72% | 13.61% |
| state | rule | Co-insurance | 28.1 | 1.12% | 22.2 | 0.87% | (21.00)% |
| state | rule | Health Insurance Buy-in | .9 | 0.04% | 1.0 | 0.04% | 11.11% |
| state | rule | Prepaid Inpatient Health Plan | 39.9 | 1.59% | 49.8 | 1.95% | 24.81% |
| state/federal | rule | Other | 3.2 | 0.13% | (0.7) | -0.03% | (121.88)% |
| TOTALS | | | 2,508.5 | 100.0% | 2,552.2 | 100.0% | 1.7% |

*The budget request for FY 2010-11 and FY 2011-12 is not shown on this table because acute care services (such as inpatient and outpatient services, physicians, dental, etc.) are not individually forecasted. Rather all acute care services are forecasted together. Therefore, only actuals are shown in the table above. The FY 2009-10 actuals have been adjusted to eliminate the impact of the payment delay.

As the table above shows, most of the Department's rates are set by the state, either in statute (nursing facilities) or by rule. Because the state has more latitude regarding rates and the fact that cutting rates have guaranteed savings, reducing provider rates is the number one means that states use to reduce the Medicaid budget during economic downturns. The Kaiser Commission on Medicaid and the Uninsured Survey of all State Medicaid Agencies (page 33) indicates that in FY 2009-10 39 state reported rate reductions.

Table 3 shows the provider rates reductions the state enacted during FY 2009-10 and FY 2010-11.

Joint Budget Committee - Staff Document

FY 2011-12 Briefing -- PROVIDER RATE REDUCTIONS FOR PREMIUMS for FY 2009-10 and FY 2010-11

| Acute Care Services | Total FY 2009-10 | | FY 2010-11 Rec. Base | Annualized August | Annualized | Base After Prior Rate Cuts | July 1, 2010 Rate | Total FY 2010-11 Rate | |
|---|---------------------|--------------------|---|------------------------|--------------------------|----------------------------|-----------------------------|----------------------------------|---------------------|
| | August 2009 Plan | December 2009 Plan | | 2009 | December 2009 | | Reduction | Reductions | |
| Physician Services & EPSDT | (2,519,365) | (1,216,033) | (3,735,399) | 260,794,634 | (3,359,154) | (2,748,318) | 254,687,162 | (2,546,872) | (8,654,344) |
| Emergency Transportation | (53,167) | (25,662) | (78,829) | 5,682,214 | (70,889) | (58,220) | 5,553,104 | (55,531) | (184,640) |
| Non-emergency Medical Transportation | (93,750) | (45,251) | (139,000) | 10,870,890 | (125,000) | (102,528) | 10,643,362 | (106,434) | (333,961) |
| Dental Services | (827,749) | (399,533) | (1,227,282) | 85,383,629 | (1,103,665) | (902,168) | 83,377,796 | (833,778) | (2,839,611) |
| Family Planning | (3,460) | (1,670) | (5,131) | 2,197,379 | (4,614) | (3,770) | 2,188,995 | (21,890) | (30,274) |
| Health Maintenance Organizations | (1,395,433) | (673,540) | (2,068,973) | 150,010,681 | (1,860,578) | (1,216,406) | 146,933,698 | (1,469,337) | (4,546,321) |
| Inpatient Hospitals | (3,859,822) | (1,863,037) | (5,722,859) | 401,032,927 | (5,146,429) | (4,207,524) | 391,678,973 | (3,916,790) | (13,270,743) |
| Outpatient Hospitals | (1,665,625) | (803,955) | (2,469,579) | 172,179,190 | (2,220,833) | (1,816,006) | 168,142,351 | (1,681,424) | (5,718,263) |
| Lab & X-Ray | (308,067) | (148,696) | (456,764) | 32,771,640 | (410,757) | (335,560) | 32,025,324 | (320,253) | (1,066,570) |
| Durable Medical Equipment | (834,270) | (402,681) | (1,236,951) | 96,094,537 | (1,112,360) | (908,722) | 94,073,455 | (940,735) | (2,961,817) |
| Prescription Drugs | - | - | - | 261,565,747 | (10,210,321) | - | 251,355,426 | - | (10,210,321) |
| Drug Rebate | - | - | - | (102,387,458) | - | - | (102,387,458) | - | - |
| Rural Health Centers | - | - | - | 12,247,099 | - | - | 12,247,099 | - | - |
| Federally Qualified Health Centers | - | - | - | 81,910,762 | (3,995,479) | - | 77,915,283 | - | (3,995,479) |
| Co-Insurance (Title XVIII-Medicare) | (303,717) | (146,597) | (450,314) | 31,445,042 | (404,956) | (331,556) | 30,708,530 | (307,085) | (1,043,598) |
| Breast and Cervical Cancer Treatment Program | (91,922) | (44,369) | (136,291) | 8,434,649 | (122,563) | (66,363) | 8,245,723 | (82,457) | (271,383) |
| Prepaid Inpatient Health Plan Services | (389,872) | (188,181) | (578,053) | 40,079,301 | (519,829) | (339,163) | 39,220,309 | (392,203) | (1,251,195) |
| Other Medical Services | - | - | - | 2,128,011 | - | - | 2,128,011 | (21,280) | (21,280) |
| Home Health | (1,596,008) | (770,352) | (2,366,361) | 164,358,815 | (2,128,011) | (1,738,439) | 160,492,365 | (1,604,924) | (5,471,374) |
| Presumptive Eligibility | - | - | - | - | - | - | - | - | - |
| Subtotal of Acute Care | (13,942,229) | (6,729,557) | (20,671,786) | 1,716,799,690 | (32,795,438) | (14,774,743) | 1,669,229,509 | (14,300,992) | (61,871,173) |
| Community Based Long Term Care Services | August 2009 Plan | December 2009 Plan | Total FY 2009-10 Additional Rate Reductions | Annualized August 2009 | Annualized December 2009 | | July 1, 2010 Rate Reduction | Total FY 2010-11 Rate Reductions | |
| HCBS - Elderly, Blind, and Disabled | (2,160,464) | (1,120,240) | (3,280,704) | 206,035,914 | (2,880,618) | (1,975,018) | 201,180,278 | (2,011,803) | 194,312,838 |
| HCBS - Mental Illness | (281,059) | (145,734) | (426,794) | 26,782,029 | (374,746) | (256,934) | 26,150,349 | (261,503) | 25,257,166 |
| HCBS - Disabled Children | (21,395) | (11,094) | (32,489) | 2,030,057 | (28,527) | (19,559) | 1,981,971 | (19,820) | 1,914,066 |
| HCBS - Persons Living with AIDS | (7,256) | (3,763) | (11,019) | 687,613 | (9,675) | (6,634) | 671,304 | (6,713) | 648,281 |
| HCBS - Consumer Directed Attendant Support | (50,510) | (26,190) | (76,700) | 4,812,909 | (67,346) | (46,174) | 4,699,389 | (46,994) | 4,538,875 |
| HCBS - Brain Injury | (147,248) | (76,351) | (223,599) | 14,045,627 | (196,331) | (134,608) | 13,714,688 | (137,147) | 13,246,603 |
| HCBS - Children with Autism | (15,840) | (8,213) | (24,054) | 1,506,126 | (21,120) | (14,480) | 1,470,526 | (14,705) | 1,420,221 |
| HCBS - Pediatric Hospice | (359) | (186) | (545) | 32,761 | (478) | (327) | 31,956 | (320) | 30,831 |
| Private Duty Nursing | (261,381) | (135,531) | (396,912) | 24,915,675 | (348,508) | (238,946) | 24,328,221 | (243,282) | 23,497,485 |
| Hospice | (122,121) | - | (122,121) | 46,068,888 | (162,828) | - | 45,906,059 | - | 45,743,231 |
| Subtotal of Community Based Long Term Care | (3,067,633) | (1,527,302) | (4,594,935) | 326,917,598 | (4,090,177) | (2,692,680) | 320,134,741 | (2,742,287) | 310,609,597 |
| FY 2008-09 Actuals - Institutional and Managed Care Long Term Care & Insurance Premiums | August 2009 Plan | December 2009 Plan | Total FY 2009-10 Additional Rate Reductions | Annualized August 2009 | Annualized December 2009 | | July 1, 2010 Rate Reduction | Total FY 2010-11 Rate Reductions | |
| Class I Nursing Facilities | (1,907,528) | - | (1,907,528) | 572,719,487 | (8,043,664) | - | 564,675,823 | - | (8,043,664) |
| Class II Nursing Facilities | - | - | - | 2,293,429 | - | - | 2,293,429 | - | - |
| Program of All-Inclusive Care for the Elderly | (647,462) | (190,893) | (838,355) | 78,269,413 | (1,030,760) | (418,628) | 76,820,025 | - | (1,449,388) |
| Subtotal Long Term Care | (2,554,990) | (190,887) | (2,745,877) | 653,282,329 | (9,074,424) | (418,628) | 643,789,277 | - | (9,493,052) |
| Supplemental Medicare Insurance Benefit | - | - | - | 113,523,523 | - | - | 113,523,523 | - | - |
| Health Insurance Buy-In Program | - | - | - | 1,181,982 | - | - | 1,181,982 | - | - |
| Subtotal Insurance | - | - | - | 114,705,505 | - | - | 114,705,505 | - | - |
| Subtotal of Long Term Care and Insurance | (2,554,990) | (190,887) | (2,745,877) | 767,987,834 | (9,074,424) | (418,628) | 758,494,782 | - | (9,493,052) |
| FY 2008-09 Actuals - Administrative Services/Case Management Costs | August 2009 Plan | December 2009 Plan | Total FY 2009-10 Additional Rate Reductions | Annualized August 2009 | Annualized December 2009 | | November Request | Total FY 2010-11 Rate Reductions | |
| Single Entry Points | (271,839) | (119,458) | (391,297) | 25,616,092 | (362,452) | (250,957) | 25,002,683 | (231,079) | (844,488) |
| Disease Management | - | - | - | - | - | - | - | - | - |
| Prepaid Inpatient Health Plan Administration | (62,494) | (25,668) | (88,162) | 6,995,376 | (90,843) | (55,953) | 6,848,580 | - | (146,796) |
| Subtotal of Service Management | (334,333) | (145,126) | (479,459) | 32,611,468 | (453,295) | (306,910) | 31,851,263 | (231,079) | (991,284) |
| TOTAL | (19,899,185) | (8,592,872) | (28,492,057) | 2,844,316,589 | (46,413,334) | (18,192,961) | 2,779,710,294 | (17,274,357) | 238,254,088 |

Final Staff Comment About Provider Rates

As stated earlier, overall the Department's provider rates have been reduced by approximately 5.5 percent since the economic downturn began. Prior to the rate reductions, in several rate codes Medicaid rates were already significantly below Medicare rates. Table 4 below shows how some of the Department's rates compare to comparable Medicare rates. Please note that during the last couple of years, Medicare has also reduced rates and so the 5.5 percent reduction in Medicaid rates do not necessarily translate in a 5.5 percent reduction compared to the Medicare rates.

| Table 4 -- Sample of Medicaid Rates Compared to Medicare Rates | | | | | |
|---|--------------------|--------------|--------------|--------------|--------------------|
| | Fiscal Year | | | | |
| Category | 2007 | 2008 | 2009 | 2010 | Grand Total |
| DME-Supply | 91.2% | 91.1% | 77.0% | 81.4% | 84.8% |
| Evaluation & Mgmt | 73.8% | 91.8% | 87.5% | 80.2% | 83.4% |
| Medicine | 79.6% | 77.9% | 65.5% | 63.1% | 71.2% |
| Pathology & Laboratory | 90.2% | 90.4% | 83.6% | 81.6% | 86.4% |
| PT-OT-ST | 71.8% | 70.8% | 66.8% | 64.3% | 68.4% |
| Radiology | 68.9% | 75.2% | 67.5% | 66.4% | 69.8% |
| Surgery | 53.7% | 54.4% | 51.9% | 54.8% | 53.5% |
| Grand Total | 63.2% | 64.6% | 59.5% | 64.7% | 62.8% |

Conclusion

Due to the fact that eligibility can not be changed, benefit reductions don't always save the funding predicted, and most provider rates are significantly below Medicare or private insurance, the Department's main strategies for reducing the budget in FY 2010-11 are as follows:

- (1) Accounting maneuvers to delay payments into the next fiscal year;
- (2) Offsetting General Fund with other cash funds;
- (3) Program reductions to the Indigent Care Program (where the optional funding is in the Department); and
- (4) Medicaid program reductions when possible.

The following briefing issues will discuss each of these strategies.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

ISSUE: Delay Medicaid Payments

Beginning in FY 2010-11, the Department requests that a permanent three week delay for fee-for-service payments be implemented and that the methodology for paying managed care providers be changed from a concurrent methodology (paying the month service is delivered) to a retrospective payment methodology (services paid for in the month following delivery).

SUMMARY:

- ❑ Under the cash basis of accounting, expenditures are accounted for once the payment is made. Therefore, delaying payments can change the fiscal year in which the expenditure is booked. This budget proposal basically shifts one fiscal year's expenditures into the next fiscal year.
- ❑ During the 2009 Session, the General Assembly approved payment delays for fee-for-service and managed care providers in S.B. 09-265. In the 2010 Session, the General Assembly reversed S.B. 09-265 by enacting H.B. 10-1382. With the appropriations contained in H.B. 10-1382, all anticipated costs for the fee-for-service and managed care programs were fully funded in FY 2009-10. However, the June 2010 revenue forecast came in under the March 2010 revenue forecast. Pursuant to statutory authority, the Governor's Office and State Controller made the decision to suspend all fee-for-service Medicaid payments for the last two weeks of June 2010.
- ❑ Delaying Medicaid payments is not the most efficient payment delay that the State could pursue. When the decision to delay payments was made, it was anticipated that approximately \$38.0 million in General Fund savings would be achieved. However, only approximately \$28.0 million in General Fund savings occurred. This was an estimation error of 26.3 percent.

RECOMMENDATION:

1. Delaying the regular payment cycle for the Department will require legislation for both the permanent three week delay proposed and for the managed care payment methodology change. Staff recommends the Committee wait to make a decision on running any legislation until the Long Bill Budget Balancing Package is introduced in late March. Staff

does *not* recommend further "Medicaid shifts" unless absolutely necessary to balance the statewide budget.

2. The Committee may want to consider amending Section 25-5-4-401 (c), C.R.S. to provide more guidance on when it is appropriate to shut down the MMIS system.
3. If the Committee considers payment delays as one option to balance the statewide budget, then the Committee should consider more efficient payment delays than Medicaid delays.
4. Staff recommends the Committee ask the Department the following questions at their hearing:
 - a) Is the Department aware of any other states that are delaying Medicaid payments as a way to balance their state budget?
 - b) Please explain the difficulties that result in the Department from implementing payment delays, including additional time needed to adjust forecast models. Please explain any difficulties that are experienced by the provider community when payment delays are implemented.
 - c) Does the Department have any concerns regarding federal regulations requiring prompt payment if the Department's proposal is implemented.

DISCUSSION:

Background

In 2003, the Department's Medicaid expenditures (with the exception of administrative expenses and the Indigent Care Program) were statutorily authorized to use the cash basis of accounting. In subsequent years, expenditures for all caseload driven programs in the Department were statutorily authorized to use the cash basis of accounting (including the Children's Basic Health Plan, the Old Age Pension Medical program, and the Medicare State Contribution Payment).

When each of these programs was authorized to use the cash basis of accounting, the State achieved a one-time accounting savings by eliminating the fiscal year end "accrual" for these programs. However, if any of these programs were eliminated, the State would have an outstanding liability to pay for any accrued expenses that were not billed or paid before the end date of the program (i.e. a run-out period exists). Nevertheless, as long as the programs continue to exist, the State's current statutes allow the budget to be balanced without recognizing all of the expenditures that occurred during the time frame of the fiscal year. This is a departure from Generally Accepted Accounting Principles (GAAP) but is legally defensible (see the Legislative Office of Legal Services Memorandum dated January 15, 2003 in Appendix F regarding the legality of the "pay date shift" which is also applicable to this situation).

Under the cash basis of accounting, expenditures are not recognized until paid. Therefore, if a liability remains unpaid during a financial reporting period, it is not recognized. At the end of FY 2002-03, the Department shifted \$46.7 million in Medicaid expenditures into FY 2003-04 by not paying claims for the last payment cycle. During the next fiscal year, the General Assembly had to pay for one week of "extra" expenditure. Additionally, the General Assembly revised the statutes to provide "*[the department] shall not intentionally interrupt the normal provider payment schedule unless notified jointly by the director of the office of state planning and budgeting and the state controller that there is a possibility that adequate cash will not be available to make payments to providers and for other state expenses.*" [Section 25.5-4-401 (1) (c)].

In the 2009 Session, the General Assembly passed S.B. 09-265 which provided notwithstanding Section 25.5-4-401 (1) (c), the Department "*shall delay the last normal provider payment cycle of [FY 2009-10] until after July 1, 2010.*" [Section 25.5-4-401 (1) (d) (2009)]. Senate Bill 09-265 also clarified that the Medicare Modernization Act State Contribution Payment did not have to be paid before the due date required by the federal government and that managed care capitation payments shall not be made before the first day of the month following enrollment of the recipients. The fiscal impact from delaying the last week of payments was estimated at \$43.3 million total funds (\$20.3 million General Fund).

In March 2010, the General Fund revenue forecast recovered sufficiently that the Committee carried a budget balancing bill (H.B. 10-1382) to repeal all of S.B. 09-265 except for the part that allowed the Medicare Modernization Act State Contribution Payment to be delayed. With H.B. 10-1382, all but the MMA State Contribution Payment were fully appropriated.

However, after the General Assembly adjourned, the revenue picture for June began to decline. Based on a preliminary analysis for the June Revenue Forecast, OSPB and the State Controller became concerned that revenues were insufficient to meet budgeted (and mostly already expended) expenditures in FY 2009-10. In order to avoid a deficit situation, on June 7, 2010 the Department was directed to stop Medicaid payments beginning with the billing cycle on June 14, 2010. *In hindsight, the payment delay was not necessary to maintain a 2.0 percent statutory reserve because General Fund revenues ended up being slightly higher than the preliminary June 2010 revenue forecast.* By not paying these expenses in FY 2009-10, the General Fund balance available for expenditure in FY 2010-11 was increased. However, if no other action is provided regarding payment delays, the Department will pay 54 weeks of expenditures in FY 2010-11 instead of the 52 weeks of expenditures currently calculated in the appropriation. By authorizing the delay, a supplemental need of \$79.3 million total funds (\$28.1 million General Fund) was created in FY 2010-11.

Staff Concern

- ✓ During the 2010 Session the General Assembly's intent to avoid payment delays was clearly stated with the passage of H.B. 10-1382. In staff's opinion, the current statutory framework provides the Executive Branch with too much discretionary power. The current statute states

that OSPB and the Controller can make the decision to shut down the Medicaid payment system if " there is a **possibility** that adequate cash will not be available to make payments to providers and for other state expenses." [Section 25.5-4-401 (1) (c)]. Staff believes that the statute needs to be amended to better define the situation when a payment delay is necessary or to clarify that this decision should be a Legislative Decision (which was staff's original recommendation from the 2003 briefing). If ultimately the Committee approves a permanent delay as one of the ways to balance this year's budget, does the Committee want to leave any discretionary power for the Executive branch to make further payment delays?

Please note that staff's concern is consistent with the concern staff posed to Committee in December 2003. The following is a quote from the 2003 staff briefing:

"Staff will remind the Committee that in Section 24-75-109 (1) (a), C.R.S. the Department has broad overexpenditure authority. There is no cap on the amount of the overexpenditure authority granted to the Department. Therefore, current statute allows the Department to over expend the appropriation for the Medical Services Premiums line item. This overexpenditure authority exists because of the "entitlement" nature of the Medicaid program and the difficulty of forecasting the appropriation necessary for the program. Therefore, prohibiting the Department to "roll over" expenditures [stop payments] should not cause any unforeseen budget difficulties to close out a fiscal year. However, leaving the Executive with both tools -- overexpenditure authority and the ability to "roll over" a fiscal year's expenses into the next year -- erodes the General's Assembly authority to set appropriations for the program. Therefore, staff strongly recommends the law change to prohibit any future "roll overs" without the explicit permission of the General Assembly."

- ✓ When the decision was made to delay the Medicaid payments, it was estimated that the delay would "save" approximately \$38.0 million in General Fund (almost \$100 million in total funds would be delayed). This estimate was made based on the average weekly expenditures at the time in the Medical Services Premiums line item. However, the actual savings from the FY 2009-10 payment delay was approximately \$28.1 million General Fund (\$79.3 million total funds). The estimate error for the General Fund savings was 26.3 percent. Predicting the last two to three weeks of expenditures in the Medicaid program is very difficult due to the unpredictability of expenditures on a weekly basis (especially at the end of the fiscal year). In addition, the announcement was made early enough that some providers may have accelerated their own billing practices to avoid the delay period.

Department's FY 2010-11 and FY 2011-12 Request

As stated earlier, the decision to delay Medicaid payment resulted in \$79.3 million of Medicaid payments being delayed from FY 2009-10 into FY 2010-11. In September 2010, the OSPB revenue forecast indicated that the Governor needed to send the Committee a budget balancing plan based on the requirements of Section 24-75-201.5 C.R.S. (a budget plan is necessary if the revenue estimates that general fund expenditures for the fiscal year will result in the use of one-half or more

of the reserve currently required). In the Governor's October 2010 plan, the Governor requested fee-for-service and managed care payment delays in FY 2010-11. The Governor's plan also requests that these payment delays be made permanent. Furthermore, the Department's FY 2011-12 budget request contains additional savings based on these payment delays continuing. Table 1 and Table 2 below shows the impact of the Department's request for both fiscal years.

| Table 1: Department's Estimated Impacts from Payment Delays FY 2010-11 | | | | |
|---|--------------------|---------------------|--|----------------------|
| TOTAL DEPARTMENT IMPACT | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds |
| FY 2010-11 | | | | |
| Fee-For-Service 3 week delay | (58,909,924) | (26,963,336) | (2,662,271) | (29,284,317) |
| Managed Care Payment delay | (54,080,068) | (15,190,409) | (8,149,490) | (30,740,169) |
| Total FY 2010-11 Payment Delay | (\$112,989,992) | (\$42,153,745) | (\$10,811,761) | (\$60,024,486) |

| Table 2: Department's Estimated Impacts from Payment Delays FY 2011-12 | | | | |
|---|--------------------|---------------------|--|----------------------|
| TOTAL DEPARTMENT IMPACT | Total Funds | General Fund | Cash Funds & Reappropriated Funds | Federal Funds |
| FY 2011-12 | | | | |
| Fee-For-Service 3 week delay | (7,825,473) | (3,625,022) | (303,057) | (3,897,394) |
| Managed Care Payment delay | (12,783,371) | (4,295,826) | (1,618,064) | (6,869,481) |
| Total Growth FY 2011-12 Impact from Payment Delay | (\$20,608,844) | (\$7,920,848) | (\$1,921,121) | (\$10,766,875) |

Additional Point to Consider

- ✓ Last year the Executive's budget balancing plan included a four week payment delay. However, in last year's plan, the Executive planned to pay back the delay over the course of four fiscal years. Staff applauded the Executive's plan last year to include a pay back schedule but noted that it might be unrealistic to assume it would be paid back because of other budget pressures would compete for that funding (i.e. while paying back an accounting maneuver satisfies accountants (and budget analysts), it doesn't help solve funding issues for program needs such as provider reimbursement, funding for schools, etc.). This year the plan presented is for a "permanent" delay with no intention to pay the delay back (every year three weeks of claims would be rolled over into the next year). Therefore, this year's plan is a permanent "debt" incorporated into the state budget (very similar to the pay date shift). When the next fiscal crisis occurs, what would be the next plan -- 4 weeks, 5 weeks, 2 months, of payment delay? Payment delays are a slippery slope and bad precedent.

- ✓ Because all claims paid in FY 2010-11 will receive an enhanced match, paying any of the FY 2010-11 claims in FY 2011-12 will result in a higher General Fund obligation for those claims than would otherwise occur if the claim was paid in FY 2010-11.
- ✓ Because Medicaid is a jointly funded program, the state receives only a portion of the revenue benefit from shutting down the MMIS system. In normal years (when extra federal relief is not being provided) shutting down the MMIS system will only save the state 50 cents for every \$1.00 of expenditures. However, for the Medicaid providers, they are floating the whole \$1.00 in their cash flow. While ultimately the payments are made up, for some providers the delay disrupts their ability to pay vendors or employees.
- ✓ Federal regulations at 42 C.F.R. Section 447.45 (d) (2) and (3) require that 90 percent of Medicaid claims be made within 30 days of receipt and 99 percent of claims within 90 days of receipt.
- ✓ Finally, if the Committee is going to consider payment delays as a means to balance the budget, delaying Medicaid claims is not the most efficient option available to the state for the following reasons explained:
 - (1) impacts federal funds as well as state funds;
 - (2) can not be accurately forecasted; and
 - (3) may put the state closer to violating federal rules and regulations.

Delaying all or a portion of the June state aid payment to school districts would be much more efficient for the following reasons:

- (1) the payment is General Fund;
- (2) the payment is made on the 25th of June so the school districts would only delay payroll by 6 days (i.e. teachers would be like state employees and get two pay checks in July instead of their June pay);
- (3) federal rules don't come into play;
- (4) the amount of the payment and amount delayed would be known (little to no forecast error).

If the Committee wanted to delay the June payment to school districts, the General Assembly could pass a bill that targeted the amount of savings wanted and limit to as many or as few school districts as needed (i.e. only districts with x amount of students would be impacted, etc.). Finally, the same argument applies to delaying K-12 payments as Medicaid payments, the delay was made in order to avoid other budget reductions to the program.

Providing the Committee with the school district option does not mean staff is recommending this option. Staff is just trying to give the Committee a point to consider.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

ISSUE: Financing Options to Help Balance the State Budget

SUMMARY:

- Because of the amount of General Fund needed to meet the budget needs for this Department and the difficulty in reducing the program's expenditures, the Department's FY 2011-12 budget request once again contains cash fund offsets to reduce General Fund expenditures as follows:
 1. \$21.0 million from the Amendment 35 Tobacco Tax Fund programs administered by the Department of Public Health and Environment;
 2. \$26.7 million from the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) Bonus Payment; and
 3. \$50.0 million from the Hospital Provider Fee Program.
- Both the Children's Basic Health and Plan Trust Fund and the Health Care Expansion Fund have insufficient revenue to support the populations from the funds.

RECOMMENDATION:

Staff makes the following recommendations:

1. The Committee introduce a resolution declaring a fiscal emergency in FY 2011-12 in order to use Amendment 35 tobacco taxes to offset General Fund in the Medicaid program.
2. Any CHIPRA Bonus Payments received by the State be used to help offset General Fund expenditures in the Department's budget.
3. The Committee introduce legislation to allow the Hospital Provider Fee to be used to help offset General Fund expenditures in the Department's budget.

Staff also recommends that the Department be asked the following questions at their hearing:

1. Please provide the Committee with the Department's recommendation for statutory changes to allow the Hospital Provider Fee to offset General Fund.
2. Please provide the Committee an estimate of the FY 2011-12 Hospital Provider Fee model showing the impact before the \$50.0 million General Fund offset and the impact without, by hospital.

DISCUSSION:

Before any policy considerations, staff estimates that the Department's General Fund increase in FY 2011-12 over the current FY 2010-11 appropriation would be \$550.1 million (a 51.2 percent increase). As discussed in earlier issues, the General Assembly has limited options in making immediate budget reductions that would significantly curb the growth in the Medicaid program for FY 2011-12. Therefore, the Executive branch has once again purposed using several cash funds to curb the growth of the Medicaid program. Following is a discussion of the cash fund offsets.

Amendment 35 Cash Fund Offsets

For the last two fiscal years, the General Assembly has passed an emergency resolution to allow Amendment 35 tobacco taxes to be used to offset General Fund appropriations in the Medicaid program. When the voters passed Amendment 35, the voters approved the use of the Amendment 35 tobacco taxes for such a purpose.

"(7) Notwithstanding any other provision of law, the general assembly may use revenue generated under this section for any health related purpose and to serve populations enrolled in the children's basic health plan and the Colorado medical assistance program at their respective levels of enrollment on the effective date of this section. Such use of revenue must be preceded by a declaration of a state fiscal emergency, which shall be adopted only by a joint resolution, approved by a two-thirds majority vote of the members of both houses of the general assembly and the governor. Such declaration shall apply only to a single fiscal year." (Article X, Section 21, Paragraph 7 of the Colorado State Constitution)

Given the Legislative Council Staff General Fund Revenue Forecast, the loss of the federal ARRA funding, and the growth in the Medicaid caseload, staff recommends that the General Assembly pass a resolution declaring a fiscal emergency in FY 2011-12 so that Amendment 35 tobacco taxes can be used to offset General Fund expenditures.

The Executive requests that \$21.0 million from Department of Public Health and Environment tobacco tax programs be used to offset the General Fund (the request also impacts the Primary Care Fund but the Primary Care Fund impacts are discussed in issue #7 of this briefing packet). Transferring \$21.0 million from these DPHE programs is a 42 percent reduction to the amount of funding these programs would receive without this decision item. However, this requests lowers the

amount of General Fund needed for the Medical Service Premiums line item by \$21.0 million. Therefore, with this request the General Fund base growth (before caseload changes) is lowered from \$379.2 million (a 44.0 percent increase) to \$358.2 million (a 41.6 percent increase). Table 1 and Table 2 below shows the calculations for the Executive's request.

| Table 1: DPHE Tobacco Tax Fund Offsets to General Fund in the Medical Services Premiums Line Item | | | | |
|--|-------------------------------------|------------------------------------|---|-------------------|
| | Health Disparities Cash Fund | Tobacco Education Cash Fund | Prevention, Early Detection and Treatment Fund | Total |
| FY 2010-11 Beginning Balance | 3,665,430 | 2,625,483 | 4,291,879 | 10,582,792 |
| FY 2009-10 Accounts Payable | (993,584) | (1,859,217) | (2,521,319) | (5,374,120) |
| FY 2010-11 Available Cash | 2,671,846 | 766,266 | 1,770,560 | 5,208,672 |
| FY 2010-11 Revenue Forecast | 3,576,000 | 24,200,000 | 24,200,000 | 51,976,000 |
| FY 2010-11 Obligations | (5,712,419) | (23,799,000) | (24,362,355) | (53,873,774) |
| FY 2010-11 Estimated Cash Balance | 535,427 | 1,167,266 | 1,608,205 | 3,310,898 |
| FY 2010-11 Revenue Forecast | 3,576,000 | 23,400,000 | 23,400,000 | 1,413,124 |
| Estimated Grant and Administration Obligations | (1,425,076) | (10,187,297) | (20,584,883) | (49,149,752) |
| ESTIMATED Available for Transfer | 2,686,351 | 14,379,969 | 4,423,322 | 21,489,642 |
| Requested Transfer | (2,686,351) | (14,189,594) | (4,124,055) | (21,000,000) |
| ESTIMATED FY 2011-12 Fund Balance after Transfer | 0 | 190,375 | 299,267 | 489,642 |

| Table 2: Department of Health Care Policy and Financing Impact | | | |
|---|----------------------|-------------------------|----------------------|
| Medical Services Premiums line item | Base Request | Transfer Request | Total Request |
| General Fund | 1,241,264,711 | (21,000,000) | 1,220,264,711 |
| Cash Fund | 307,745,803 | 18,313,649 | 326,059,452 |
| Reappropriated Funds | 3,334,253 | 2,686,351 | 6,020,604 |
| Federal Funds | 1,548,934,775 | 0 | 1,548,934,775 |
| Total Funds | 3,101,279,542 | 0 | 3,101,279,542 |

Please see the Department of Public Health and Environment Public Health Programs staff briefing for more information regarding the impact to the DPHE programs from this transfer.

CHIPRA Bonus Payment

Under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Congress provided federal funding to states for performance bonuses to help support additional number of enrollees in Medicaid and the Children's Basic Health Plan based on a state's outreach and retention activities. In order to qualify for the payments, states must implement five out of eight outreach or retention requirements as set forth in CHIPRA. The Department anticipates that with the submission of their FY 2010-11 state plan amendments that Colorado will qualify for the CHIPRA bonus beginning in FFY 2011. That means that Colorado should receive the CHIPRA bonus by December 2011. Table 3 below shows the requirements that Colorado has to meet in order to qualify for the bonus.

| Table 3: Enrollment and Retention Provisions | | | |
|---|--|-----------------|-------------|
| Provision applies to Title XIX and Title XXI | Description | Medicaid | CBHP |
| 12 Month Continuous Enrollment | Establish a 12-month continuous eligibility period for children under 19. | x | x |
| Elimination of Asset Test | The state has liberalized asset test requirements for determining eligibility of children by either removing asset/resource tests or reducing the documentation requirements for eligibility | x | x |
| Elimination of In-Person Interview | The state has eliminated in-person interview requirements. | x | x |
| Joint Application | The state has established a joint application for renewals and enrollment | x | x |
| Auto Renewal | The state utilizes a renewal form with pre-printed eligibility information that is sent to the guardian with notice that the child's eligibility will be automatically renewed unless other information is provided to the state that affects the child's continued eligibility. | | |
| Presumptive Eligibility | The state has implemented presumptive eligibility for children | x | x |
| Express Lane | The state is implementing the option to utilize express lane agencies | | |
| Premium assistance Subsidy | The state has implemented the option of providing premium assistance subsidies | x | x |

The CHIPRA bonus payment is equal to a percentage of the state's share of the average per capita cost of a Medicaid child, applied to the number of Medicaid children that exceed the enrollment target. The percentage depends on how much enrollment exceeds the enrollment target. A state with enrollment between the target level and 110 percent of the target level (Tier I) would receive a bonus payment equal to 15 percent of the state's share of the average per capita cost of a Medicaid child, multiplied the number of children above the target. The percentage would rise to 62.5 percent of the state's share of the average cost per child for enrollment above 110 percent of the target (Tier II enrollment). Tables 4a, 4b, and 4c shows the Department's calculations of how much CHIPRA bonus Colorado is expected to receive.

| Table 4a: CHIPRA Bonus Caseload Calculations | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| | FFY 2011 FY 2011-12 | FFY 2012 FY 2012-13 | FFY 2013 FY 2013-14 |
| Baseline Enrollment | 261,305 | 272,489 | 284,479 |
| Estimated Child Population Growth Factor | 4.28% | 4.40% | 4.07% |
| Tier I Bonus Target Enrollment Estimate | 272,489 | 284,479 | 296,057 |
| Tier II Bonus Target Enrollment Estimate | 299,738 | 312,927 | 325,663 |
| Projected Enrollment (Department Forecast) | 334,388 | 350,145 | 357,672 |
| Projected Tier I Bonus Enrollment | 27,249 | 28,448 | 29,606 |
| Projected Tier II Bonus Enrollment | 34,650 | 37,218 | 32,009 |

| Table 4b: CHIPRA Bonus Per Capita Calculations | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| | FFY 2011 FY 2011-12 | FFY 2012 FY 2012-13 | FFY 2013 FY 2013-14 |
| Kaiser State health Facts CO Child Medicaid Cost | \$2,071.78 | \$2,133.93 | \$2,197.95 |
| Estimated Increase in National Health Expenditures | 3.00% | 3.00% | 3.00% |
| State FMAP Rate | 50.00% | 50.00% | 50.00% |
| Projected Tier I Bonus Per Capita | \$155.38 | \$160.04 | \$164.85 |
| Projected Tier II Bonus Per Capita | \$647.43 | \$666.85 | \$686.86 |

| Table 4c: CHIPRA Bonus Per Capita Calculations | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| | FFY 2011 FY 2011-12 | FFY 2012 FY 2012-13 | FFY 2013 FY 2013-14 |
| Projected Tier I Bonus Enrollment | 27,249 | 28,448 | 29,606 |
| Projected Tier I Per Capita Bonus | \$155.38 | \$160.04 | \$164.85 |
| Projected Tier I Bonus Payment | \$4,233,950 | \$4,552,818 | \$4,880,549 |
| Projected Tier II Bonus Enrollment | 34,650 | 37,218 | 32,009 |
| Projected Tier II Per Capita Bonus | \$647.43 | \$666.85 | \$686.86 |
| Projected Tier II Bonus Payment | \$22,433,450 | \$24,818,823 | \$21,985,702 |
| Total Bonus Estimate | \$26,667,399 | \$29,371,641 | \$26,866,251 |

The Department requests legislation to direct the revenue received from the CHIPRA bonus to be deposited into the Health Care Expansion Fund. Without legislation, the CHIPRA bonus will flow into the General Fund. Staff does not believe that legislation is necessary -- it is totally up to the Committee on whether or not the Committee wants to deposit the money into Health Care Expansion. Either way, the impact will be the same -- the CHIPRA money will help to relieve General Fund pressures by either depositing more funding directly into the General Fund or by lowering the amount of the General Fund subsidy needed to support the Health Care Expansion Fund populations.

Please note, if the money flows into the General Fund instead of being deposited into the Health Care Expansion Fund, the calculation of the General Fund Reserve will increase. This is because the General Fund Reserve is calculated based on the amount appropriated from the General Fund. Based on a 2.0 percent limit this would increase the General Fund Reserve requirement by \$533,347 in FY 2011-12 (based on a 4.0 percent limit this would increase the General Fund Reserve requirement by \$1,066,696 in FY 2011-12).

Hospital Provider Fee Offset

As part of the Department's base request (decision item #1) for the Medical Services Premiums line item, the Department requests that \$50.0 million from the Hospital Provider Fee be used to offset \$50.0 million of General Fund. Initially, the Department requested this item as a base issue rather than as a policy or decision item. However, in subsequent information forwarded to staff, the Department now agrees that this issue requires legislation. There is no existing statutory authority for the Department to negotiate with the hospital association to provide the State with \$50.0 million from the hospital provider fee to offset General Fund.

Currently, the hospital provider fee can be used for the following purposes:

- "(1) *To maximize the inpatient and outpatient hospital reimbursement to the upper payment limits defined in [federal regulations];*
- (2) *To increase hospital reimbursements under the Colorado indigent care program to 100 percent of the hospital's costs of providing medical care under the program;*
- (3) *To pay quality incentive payments;*
- (4) *To expand eligibility for public medical assistance by:*
 - (a) *Increasing eligibility for parents of children who are eligible for medical assistance or the children's basic health plan to 100 percent of poverty.*
 - (b) *Increasing eligibility for children and pregnant women in the CBHP program to 250 percent of poverty; and*
 - (c) *Providing eligibility under the state medical assistance program for disabled adults and children whose families have income of up to 450 percent of the federal poverty line.*
- (5) *To provide 12 months of continuous eligibility for children enrolled in the Medicaid program.*
- (6) *To pay the administration costs of the program."* [Section 25.5-4-402.3 (4) (b)].

In addition, current law provides that "*the provider fee is to supplement, not supplant, general fund appropriations to support hospital reimbursements as of July 1, 2009.*" [Section 25.5-4-402.3 (5) (a) (I)].

In FY 2009-10 and FY 2010-11, the General Assembly passed S.B. 10-169 which allowed the hospital provider fee to remain at the pre-ARRA rate (because ARRA increased the federal match for the program, the rate would have been reduced under ARRA because less state revenue was needed to fund the hospital provider fee program obligations). Senate Bill 10-169 then allowed the "extra" revenue from the fee to be used to offset approximately \$46.0 million in General Fund (in both fiscal years -- as appropriated). Senate Bill 10-169 was not a JBC bill but the JBC included it's General Fund savings in the budget balancing package. In addition, Senate Bill 10-169 was consistent with bills that the JBC carried in the 2009 session to maximize the benefit under ARRA whenever possible (i.e. let the General Fund and not the cash funds benefit from ARRA -- in addition, S.B. 10-169 helped replace the lost impact of SB 09-264 that occurred when the HB 09-1293 passed).

Staff recommends that the Committee keep the option of using funding from the hospital provider fee on the table to help balance the state budget. There are hard choices needed to

balance the state budget this year. If it becomes necessary to use the hospital provider fee to help balance the budget, it will require legislation and staff recommends that this legislation be introduced as part of the Budget Balancing Package. Staff recommends using the hospital provider fee as part of the budget solution for the following reasons:

- (1) Using an existing revenue source is a better long-term budget option than using "debt financing" from payment delays.
- (2) As stated earlier in the briefing, hospitals are the second highest service cost in the Medicaid program -- following nursing facilities. Currently, the largest portion of the nursing facility provider fee is now used to back fill the 3.0 percent cap on General Fund expenditures for nursing facilities. Using a portion of the hospital provider fee to help back fill the General Fund would be a consistent policy to using a portion of the nursing facility provider fee to back fill the General Fund.

Currently, the Department is working with the Hospital Association on statutory changes to allow for a \$50.0 million Hospital Provider Fee offset to the General Fund in FY 2011-12 and a \$25.0 million offset, plus an inflation factor, in FY 2012-13 and thereafter, to fund Medicaid caseload growth. The Executive does not propose to use any more than the amount in their request because of the impact it has on the "winners" and "losers" under the hospital provider fee distribution model. Staff recommends that the Committee request the following information at the hearing:

1. Please provide the Committee with the Department's recommendation for statutory changes to allow the Hospital Provider Fee to offset General Fund.
2. Please provide the Committee an estimate of the FY 2011-12 Hospital Provider Fee model showing the impact before the \$50.0 million General Fund offset and the impact without by hospital.

Please note: Staff has been recommending since March 2009 (Figure Setting) that a portion of the Hospital Provider Fee be used to help fund Medicaid caseload growth and costs once the Health Care Expansion Fund became insolvent. While the Department's proposal does not solve the entire long-term problem of the Health Care Expansion Fund insolvency program, it does mitigate the problem as discussed below.

Health Care Expansion Fund Insolvency

In the appropriation analysis for H.B. 05-1262, the implementing legislation for Amendment 35 tobacco taxes, staff included the following point to consider:

"This bill expands eligibility under the Medicaid and Children's Basic Health Plan using a revenue source that is not anticipated to increase over time. However, the health care costs and the number of enrollees will increase under these programs over time. While not

anticipated during the first three years of expansion, expenditures for these programs will eventually exceed the available revenue stream. At that point, the programs will begin to spend down the reserve balance in the Health Care Expansion Fund and ultimately, another source of state funding will be necessary to sustain these programs." [Senate Appropriation Analysis for H.B. 05-1262].

As forecasted, beginning in FY 2008-09, total expenditures from the expansion populations began to exceed the revenues into the fund. Because a sizeable fund balance was available in the fund, there was no need to back fill expenditures for the program with another revenue source. Additionally, with the additional FMAP assistance under ARRA, the Health Care Expansion Fund was able to remain solvent for a longer period than would have otherwise occurred. However, based on the Department's request, the Health Care Expansion Fund will be insolvent beginning in FY 2011-12 as shown in the table below.

| Table 5: Health Care Expansion Fund Balance | | | | |
|---|----------------------|----------------------|-----------------------|-----------------------|
| | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 |
| Cash in Beginning Fund Balance | \$119,601,623 | \$79,234,953 | \$38,652,948 | \$0 |
| Revenues | 71,077,627 | 72,586,141 | 67,553,765 | 65,533,878 |
| Projected Expenditures with Department Decision Items | <u>(111,444,297)</u> | <u>(113,168,147)</u> | <u>(147,448,350)</u> | <u>(155,625,238)</u> |
| Ending Fund Balance | \$79,234,953 | \$38,652,947 | (\$41,241,637) | (\$90,091,360) |

Source: Department Budget Request page S-1 -- Tobacco Tax Update. These are Department estimates and do not match staff's five year forecast.

It is important to note that the FY 2011-12 deficit includes the impact of Medicaid payment delays and other reductions. The deficit without these cost saving measures, but including caseload and cost growth, would be \$50.0 million. The reason for the large increase in the deficit between FY 2011-12 and FY 2012-13 is that in FY 2011-12 there was still some fund balance to help mitigate the amount of the deficit while in FY 2012-13 the balance has been totally exhausted. After FY 2012-13, the amount of the deficit will grow at the more historic rate of around 6.0 percent. Staff would predict that after FY 2013-14 the deficit will shrink due to some of the CBHP population becoming eligible for the exchange.

In FY 2011-12, the Department requests using \$26.7 million from the CHIPRA Bonus Revenue and \$15.0 million General Fund to back fill the Health Care Expansion Fund Deficit. In FY 2012-13, the Department requests using \$29.4 million from the CHIPRA Bonus and \$61.0 million General Fund to back fill the deficit.

As stated earlier, staff doesn't think it matters (other than a potential impact to the amount of funding in the statutory reserve) on how to fund this deficit -- the Committee could use General Fund, CHIPRA Bonus, or Hospital Provider Fee or any combination of the three.

Children's Basic Health Plan Trust Fund Insolvency

The Children's Basic Health Plan Trust Fund (CBHP Trust Fund) is funded primarily through Tobacco Master Settlement and General Fund appropriations. The CBHP Trust Fund receives annual allocations from both the Tier I and Tier II Tobacco Master Settlement distributions. Similar to the Amendment 35 Tobacco Taxes, these distributions are stable to declining revenue sources while enrollees and health care costs are anticipated to increase (at least until 2014). Therefore, the amount of General Fund needed for this program is anticipated increase during the short term as shown in Table 6 below.

| Table 6: Children's Basic Health Plan Trust Fund | | | | |
|---|---------------------|---------------------|-----------------------|-----------------------|
| | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 |
| Cash in Beginning Fund Balance | \$6,608,063 | \$599,735 | \$0 | \$0 |
| Revenues | 29,432,155 | 37,628,051 | 27,611,302 | 27,692,709 |
| Projected Expenditures with Department Decision Items | <u>(35,440,483)</u> | <u>(38,913,970)</u> | <u>(41,408,298)</u> | <u>(43,453,050)</u> |
| Ending Fund Balance | \$599,735 | (\$686,184) | (\$13,796,996) | (\$15,760,341) |

Source: Department Budget Request page C.1-1 and page DI-6.3. These are Department estimates and do not match staff's five year forecast.

It is important to note that the expenditures above are adjusted to reflect the cost savings that the Department anticipates from the payment delays and other reductions to the CBHP program. Without these reductions, the deficit would be as follows: (1) \$3.4 million in FY 2010-11; (2) \$15.8 million in FY 2011-12; (3) \$18.1 million in FY 2012-13.

Ending Staff Comment

Based on the fact that two of the Department's cash funds have insufficient balances to meet the expected expenditures from the funds and that both ARRA funding and other cash fund offsets will expire in FY 2011-12, staff believes that Committee will once again have to use tobacco tax and hospital provider fee cash funds to help offset the growth in Medicaid program. While this approach is not a permanent solution to budget problem, it may be part of the solution until a stronger recovery begins to occur.

FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums, Community Programs, Indigent
Care Programs, and Other Medical Services)

BRIEFING ISSUE

ISSUE: Indigent Care Program Requests

The Department's FY 2011-12 budget request includes an increase of \$15.9 million total funds (no General Fund impact) to maximize reimbursements for hospitals providing care to indigent clients. However, the request also reduces funding for other indigent care programs by \$7.2 million total funds (including a \$14.0 million General Fund reduction).

SUMMARY:

- Based on additional room being available under the upper payment limit (UPL), the Department requests that the appropriations for the Safety Net Provider Payments be increased by \$15.9 million. Of this amount, \$7.9 million is certified public expenditures and \$7.9 million in federal funds.
- The Department requests that an emergency resolution be passed so that the Primary Care Fund can be redistributed to the Health Care Services Fund -- similar to H.B. 10-1378 (a JBC Budget Balancing Bill from FY 2010-11).
- The Department also requests a \$3.0 million total fund reduction to the Pediatric Specialty Hospital Line Item based on higher reimbursements to The Children's Hospital under the Hospital Provider Fee program.
- Additional reductions could be made to the amount of funding provided to the Old Age Pension Supplemental Medical Fund and to Comprehensive Primary Care Grant Program.

RECOMMENDATION:

1. Staff recommends the Committee sponsor legislation to extend the Health Care Services Fund to FY 2011-12 by redistributing moneys from the Primary Care Fund. This recommendation will only be possible if the General Assembly first declares a fiscal emergency (as described in issue #6).
2. Staff recommends the Committee sponsor legislation to permanently transfer the tobacco settlement moneys that are distributed to the Comprehensive Primary and Preventative Care Grants Program either into the General Fund or the CBHP Trust Fund.

3. Staff recommends the Committee sponsor legislation to eliminate the Pediatric Specialty Hospital Fund and to transfer that funding to the General Fund or into the CBHP Trust Fund. Staff also recommends additional Long Bill reductions to the Pediatric Specialty Hospital line item.
4. Staff recommends the Committee sponsor legislation to increase the fund balance transfer from the Supplemental Old Age Pension Health and Medical Fund from \$3.0 million in FY 2011-12 to \$4.85 million.

DISCUSSION:

For the purposes of this discussion, staff is including the Old Age Pension Medical Program in the Indigent Care Program (even though it is appropriated in the Other Medical Services section of the Long Bill).

In FY 2011-12, under current law the Indigent Care Program (including the OAP Medical Program) section of the Long Bill will have 13 line items. These line items are divided as follows: (1) six lines items provide grant or program funding to provide health care services to indigent clients who are ineligible for the Medicaid program; (2) four line items are for the Children's Basic Health Plan; and (3) three line items are used to transfer funds from one fund to another fund as required in law (these are administrative appropriations and generally result in double counted appropriations). This issue will discuss the funding needs and requirements for all of the Indigent Care Program line items excluding those line items associated with the Children Basic Health Plan.

Safety Net Provider Payments

The Colorado Indigent Care Program (CICP) provides reimbursement to providers that serve a high volume of Medicaid and indigent uninsured clients. The Safety Net Provider Payment line item distributes funding to partially reimburse hospitals for uncompensated costs incurred from serving Medicaid and other indigent clients. In FY 2009-10, all General Fund support for this program was eliminated. Therefore, the state funding for this program is entirely from certified public funds or from the Hospital Provider Fee. The federal funding for this program is from the federal Disproportionate Share (DSH) program or from the federal Upper Payment Limit (UPL) allowance.

In FY 2011-12, the Department requests that the appropriations for the Safety Net Provider Payments be increased by \$15.9 million. Of this amount, \$7.9 million is certified public expenditures and \$7.9 million is federal funds. Federal law allows states to certify the uncompensated costs at public hospitals as the state match for federal funds. Uncompensated costs at public hospitals can be certified up to the UPL allowance (the maximum reimbursement allowed for the Medicaid program). Because the Department does not currently reimburse providers at the maximum UPL, there is room available to certify additional uncompensated costs at three public hospitals (Denver Health, Memorial Hospital in Colorado Springs, and University Hospital). These certified public

expenditures can then draw down additional federal funding that is distributed to these providers to partially compensate the hospitals for their uncompensated costs.

The Children's Hospital, Clinic Based Indigent Care:

This line item provides \$6.1 million total funds (\$3.1 million General Fund) to clinics that participate in the Colorado Indigent Care Program. At this time, no change in funding is requested or recommended.

Health Care Services Fund and Primary Care Fund:

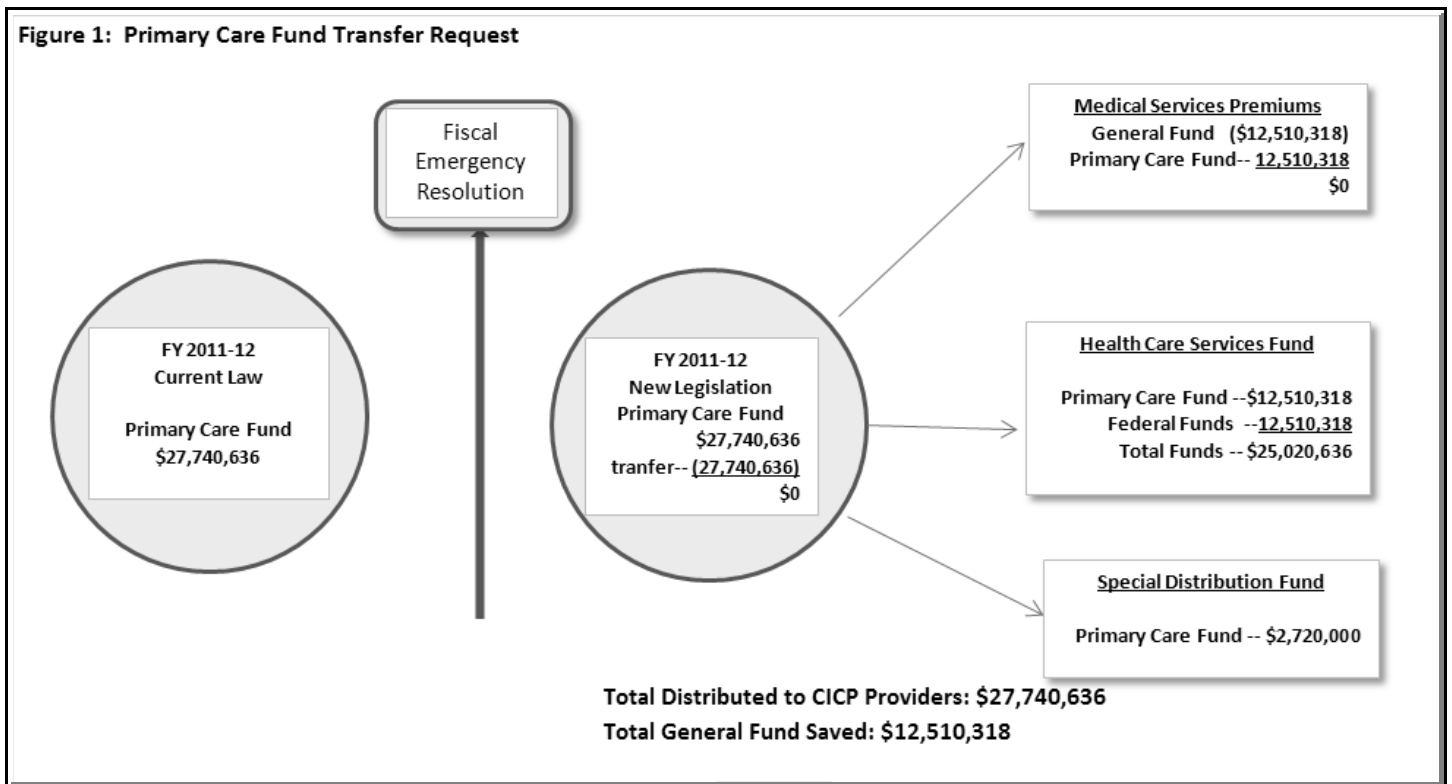
In 2006, the General Assembly created the Health Care Services Fund (S.B. 06-044) to increase grant reimbursements to providers participating in the CICP. The funding for this grant program was distributed as follows: (1) 18 percent to Denver Health; (2) 14.76 percent to primary care clinic operated by hospitals; and (3) 67.24 percent to federally qualified health centers. Funding for this program was limited to \$15 million General Fund annually for five years (during the Referendum C time period). Beginning in FY 2007-08, the Department was able to secure a federal match for the grants using the UPL financing mechanism. This program would have expired in FY 2010-11 if it had not been extended pursuant to H.B. 10-1378 (a JBC budget balancing bill for FY 2010-11). In H.B. 10-1378, the General Fund for the program was eliminated and the state match came from a transfer of Primary Care Fund moneys into the Health Care Services Fund.

The Primary Care Fund receives 19 percent of the Amendment 35 tobacco tax revenues and supports the Primary Care Fund Grant Program. These grants are used to fund primary care provided to indigent clients by qualifying providers. Qualifying providers are defined in the Colorado Constitution as community health centers or providers with patient loads that are 50 percent or more uninsured or medically indigent. The funds are distributed to all eligible qualified providers throughout the State in proportion to the number of uninsured or medically indigent patients served. This program does not qualify for federal match. During the last two fiscal years, a portion of this fund has been transferred to offset General Fund expenditures in the Medical Services Premiums line item (\$17.8 million in FY 2009-10 and \$12.8 million in FY 2010-11). In FY 2010-11, \$11.9 million from this fund was transferred to the Health Care Services Fund in order to maximize the amount of federal funding available to providers (the Health Care Services Fund program qualifies for federal match while the Primary Care Fund doesn't). In addition, a portion of this fund was directed to the Primary Care Grant Special Distribution Fund (\$2.0 million in FY 2009-10 and \$3.5 million in FY 2010-11). This fund mitigated budget reductions to clinics that qualified for the Primary Care Grant Program but not the Health Care Services Program.

In order to use the Primary Care Fund for any purposes other than those provided for in the Colorado Constitution, the General Assembly must pass an annual fiscal emergency resolution. Therefore, the Department is requesting that in FY 2011-12, the General Assembly pass the fiscal emergency resolution. The Department is also requesting the Committee to introduce legislation similar to H.B. 10-1378 in order to do the following:

- (1) transfer \$12.5 million to the Medical Services Premiums line item in order to reduce General Fund expenditures by \$12.5 million;
- (2) transfer \$12.5 million to the Health Care Services Fund in order to draw down \$12.5 million in federal funds; and
- (3) transfer \$2.7 million to the Primary Care Grant Program Special Distribution program to mitigate the losses for clinics that qualify for the Primary Care Grant Program but do not receive as much funding from the Health Care Services Fund.

Figure 1 illustrates the Department's request.



The Department's request is based on staff's recommendation from last session -- maximize federal funds in order to preserve funding for the providers while reducing General Fund expenditures. Under the Department's proposed legislation, the providers will receive the same amount of funding with or without the bill -- \$27.7 million.

Staff Comment: Staff recommends the concept presented in this issue. However, the Committee may want to consider additional General Fund savings -- up to the full amount of the Primary Care Fund (i.e. the full \$27.7 million). Of course, any additional General Fund savings would mean additional reductions to CICP providers (up to the full \$27.7 million). Staff would remind the

Committee that in FY 2011-12 pursuant to H.B. 09-1293 the Department will provide Medicaid eligibility to adults without dependent children up to 100 percent of the federal poverty level (FPL). This is anticipated to provide over \$62.0 million in new funding for indigent adults. In addition, H.B. 09-1293 has already increased the number of children and pregnant women receiving insurance from 205 (FPL) to 250 (FPL). As more of the uninsured are provided coverage through H.B. 09-1293, these grant programs should be phased-out (side note -- staff's not the only one making this point -- Congress will begin phasing out the Disproportionate Share (DSH) program once health coverage is provided through Medicaid or the exchange beginning 2014).

It is important to note that CICIP program covers individuals up to 250 percent of poverty while the expansion under H.B. 09-1293 covers individuals up to 100 percent of poverty (with the exception of children and pregnant women which are covered up to 250 percent). The CICIP providers would argue that any additional reductions would hamper their ability to serve their clients and this funding is needed until at least 2014 when their clients will all be covered under Medicaid or through the insurance exchanges.

Please also note that in order for the Executive to preserve this funding, the Executive has had to request a permanent three week payment delays.

Pediatric Specialty Hospital Funding

Three line items provide additional funding to The Children's Hospital to compensate the hospital for it's high volume of Medicaid and Children's Basic Health Plan clients: (1) Tobacco Tax Cash Fund Transfer to the General Fund (part of the Amendment 35 requirement that a portion of the tobacco tax revenue be transferred to the Pediatric Specialty Hospital (the program line item that actually provides the appropriation -- includes another double count of the previous two line items). The Department requests that the appropriations to the Pediatric Specialty Hospital program be reduced by \$3.0 million. Table 1 below shows the Department's request for these line items.

| Table 1: FY 2011-12 Pediatric Specialty Hospital Request | | | | | |
|---|---|---|---|--------------------------------|----------------------|
| | Tobacco Tax Transfer to General Fund | General Fund Appropriation to Pediatric Specialty Hospital | Pediatric Specialty Hospital | Requested Reduction | Total Request |
| GF | 0 | 0 | 6,656,997 | (1,500,000) | 5,156,997 |
| GFE | 0 | 422,148 | 0 | 0 | 422,148 |
| CF | 422,148 | 0 | 355,359 | 0 | 777,507 |
| RF | 0 | 0 | 422,148 | 0 | 422,148 |
| FF | <u>0</u> | <u>0</u> | <u>7,516,356</u> | <u>(1,500,000)</u> | <u>6,016,356</u> |
| Total Funds | 422,148 | 422,148 | 14,950,860 | (3,000,000) | 12,795,156 |

The Pediatric Specialty Hospital line was created and first funded in FY 2005-06. In addition to the General Fund support, the program also receives a distribution from the Amendment 35 Tobacco Tax pursuant to H.B. 05-1262 and from the Master Tobacco Tax Settlement (\$355,359 in cash funds) pursuant to S.B. 07-97. These tobacco tax and tobacco settlement moneys are deposited into the Pediatric Specialty Hospital Fund. In FY 2009-10, \$2.2 million was transferred from the Medical Services Premium line item to this line item based on a directive from the Centers of Medicare and Medicaid Services (CMS). CMS had determined that payments for two programs operated by The Children's Hospital (Kids Street and Medical Day Treatment) were more properly paid for as a supplemental hospital payments using UPL financing rather than through a fee-for-service payment.

The Hospital Provider Fee program (H.B. 09-1293) provides additional payments to hospitals. Under this program, in FY 2009-10 The Children's Hospital received a net increase of \$12.1 million total funds over what the hospital would have received prior to H.B. 09-1293. In FY 2010-11, the Department's current hospital provider fee model indicates that The Children's Hospital will receive a net increase of \$16.2 million over what the hospital would have received prior to H.B. 09-1293.

| Table 2: The Children's Hospital H.B. 09-1293 Distributions | | |
|--|---------------------|-----------------------------|
| | FY 2009-10 | FY 2010-11* |
| Pre-H.B. 09-1293 CICP Distribution | \$2,854,794 | \$2,854,794 |
| Hospital Provider Fees | 6,331,058 | 9,184,517 |
| Distribution from H.B. 09-1293 | 21,326,078 | 28,241,086 |
| Net Increase to Children's Hospital from H.B. 09-1293 | \$12,140,226 | \$16,201,775 |
| Reduction to Pediatric Specialty Hospital line item | | <u>(\$3,000,000)</u> |
| Total Impact to Children's Hospital | | \$13,201,775 |

* Model has not been approved by CMS as of this briefing date.

Because H.B. 09-1293 mitigates some of the impact of The Children's Hospital of being a high volume Medicaid provider, the Department has requested that \$3.0 million total funds (\$1.5 million General Fund) be reduced from the Pediatric Specialty line item. The Department's request does not require legislation.

Staff comment: Staff recommends the concept of the Department's request. In the 2009 Session, the Committee actually introduced S.B. 09-187 (HCPF FY 2008-09 Supplemental Bill) with a \$4.0 million total fund reduction to this line item. This \$4.0 million reduction was based on eliminating the new funding that had been provided for FY 2008-09 (in the 2008 session) prior to the economic downturn. However, before S.B. 09-187 was enacted this funding was restored by the General Assembly and funding (beyond technical revenue adjustments for tobacco tax and settlement moneys) for this program hasn't been reduced. This is despite the fact that all General Fund was eliminated for the Safety Net Provider Payment (a total of \$30.0 million was reduced to private hospitals receiving payments from that line item).

If the Committee moves forward with reductions to the Pediatric Specialty Hospital line item, staff would like to the Committee to consider a few other items:

- (1) Staff recommends that the Master Tobacco Settlement Fund Tier II distribution be eliminated. Currently, the Children's Basic Health Plan (CBHP) Trust Fund receives 13.5 percent and the Pediatric Specialty Hospital Fund receives 1.0 percent of the Tier II distribution. Staff recommends changing the percentage to Children's Basic Health Plan Trust Fund to 14.5 percent. This would permanently transfer \$355,359 from the Pediatric Specialty Hospital Fund to the CBHP Trust Fund. This action would lower the amount of General Fund needed to subsidize the CBHP Trust Fund and would require legislation.
- (2) Staff would recommend eliminating the transfer of Amendment 35 Tobacco Tax into the Pediatric Hospital Fund. This would eliminate \$422,148 in General Fund Exempt and \$422,148 in Reappropriated Funds. This action would require legislation.
- (3) Staff would then recommend the Department's reductions. As stated earlier, this action doesn't require legislation.

Table 3a through 3c shows the impact of staff's recommendation.

| Table 3a: FY 2011-12 Pediatric Specialty Hospital -- For Committee Consideration | | | |
|---|--|---|---|
| | Staff Recommended Funding After Eliminating Pediatric Specialty Hospital Fund | Department's Requested Reduction | Total Staff Alternative Proposal to Department Request |
| GF | \$6,656,997 | (\$1,500,000) | \$5,156,997 |
| FF | <u>6,656,997</u> | <u>(1,500,000)</u> | <u>5,156,997</u> |
| Total Funds | \$13,313,994 | (\$3,000,000) | \$10,313,994 |

| Table 3b: The Children's Hospital H.B. 09-1293 Distributions | | |
|--|---------------------|-----------------------------|
| | FY 2009-10 | FY 2010-11* |
| Pre-H.B. 09-1293 CICIP Distribution | \$2,854,794 | \$2,854,794 |
| Hospital Provider Fees | 6,331,058 | 9,184,517 |
| Distribution from H.B. 09-1293 | <u>21,326,078</u> | <u>28,241,086</u> |
| Net Increase to Children's Hospital from H.B. 09-1293 | \$12,140,226 | \$16,201,775 |
| Reduction to Pediatric Specialty Hospital line item proposed by staff for consideration | | <u>(\$4,636,866)</u> |
| Total Impact to Children's Hospital | | \$11,564,909 |

* Model has not been approved by CMS as of this briefing date.

| Table 3b: <u>Tier II</u> Distribution to the Children's Basic Health Plan Trust Fund | | | |
|---|--------------------|---------------------------|----------------------|
| | Current Law | Requested Increase | Total Request |
| Percent | 13.5% | 1.0% | 14.5% |
| Funding Provided to CBHP Trust Fund | \$4,797,347 | \$355,359 | \$5,152,706 |

Statutory Change Proposed:

Modify Section 24-22-117 (1) (c) (I) (B) as follows:

"(B) Beginning in fiscal year 2006-07 and for each fiscal year thereafter, of the moneys specified in sub-subparagraph (A) of this subparagraph (I), fifty percent shall be appropriated for the purposes of providing immunizations performed by county or district public health agencies in areas that were served by county public health nursing services prior to July 1, 2008, and fifty percent shall be appropriated to the ~~pediatric specialty hospital fund, created in paragraph (e) of subsection (2) of this section, for purposes of augmenting hospital reimbursement rates for regional pediatric trauma centers as defined in section 25-3.5-703 (4) (f), C.R.S., under the "Colorado Medical Assistance Act", articles 4, 5, and 6 of title 25.5, C.R.S. FOR HEALTH RELATED PURPOSES TO PROVIDE REVENUE FOR THE STATE'S GENERAL FUND.~~" [in the future, there would be letter note indicating the General Fund Exempt amount appropriated pursuant to this section].

Repeal Section 24-22-117 (2) (e) (I) and (II). [these sections create the Pediatric Specialty Fund]

Modify Section 24-75-1104.5 (1.5) (a) (V) (B) as follows:

"(B) For the 2010-11 fiscal year ~~and each fiscal year thereafter~~, the children's basic health plan trust created in section 25.5-8-105, C.R.S., shall receive thirteen and one-half percent of the settlement moneys, which the state treasurer shall transfer thereto.

(C) FOR THE 2011-12 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, THE CHILDREN'S BASIC HEALTH PLAN TRUST CREATED IN SECTION 25.5-8-105, C.R.S., SHALL RECEIVE FOURTEEN AND ONE-HALF PERCENT OF THE SETTLEMENT MONEYS, WHICH THE STATE TREASURER SHALL TRANSFER THERETO."

Repeal Section 24-75-1104.5 (1.5) (a) (X) (A) and (B). [these sections direct Tier II tobacco settlement moneys to the Pediatric Specialty Hospital Fund].

Comprehensive Primary and Preventative Care Grants

This program increases access to primary care for low-income and uninsured individuals by making block grants to clinics that treat relatively high numbers of medically indigent patients. Grants can be used for capital construction and practitioner acquisition. The program is allocated 3 percent of Tier 1 Tobacco Master Settlement funding with an up to \$5.0 million cap. This program does not receive a federal match. During the last two fiscal years, the money from this grant program were

transferred to the General Fund. However, current law allows the funding to come back in FY 2011-12.

Staff recommends that the Committee consider permanently transferring this money into the CBHP Trust Fund to lessen the General Fund subsidy for the CBHP program. Over the next five years the Accountable Care Act (ACA) will distribute over \$11.0 billion nationwide to expand access to primary health care services at community clinics. In October 2010, the Department of Health and Human Services awarded the first \$727 million in grants. Three Colorado clinics received \$18.7 million of these federal grants as follows:

- Metro Community Provider Network, Englewood received \$10.2 million;
- Valley-Wide Health Systems Inc., Alamosa received \$4.6 million; and
- Clinica Campesina Family Health Services, Lafayette received \$3.8 million.

Staff's proposal would increase funding in the CBHP Trust Fund by another \$866,075 and therefore, reduce the General Fund subsidy for the program by a like amount. This is not part of the Executive's request. As a state only program, the CPPC Grants don't receive any federal match. Staff recommends that any state funding that is not maximizing federal funding should be transferred to programs that receive federal match and to save General Fund due to the current budget situation.

Statutory Change Proposed:

Modify Section 24-75-1104.5 (1) (b) (I) (II) (III) to eliminate the requirement that 3.0 percent of the Tier I tobacco settlement moneys go to the comprehensive preventive care grant program.

Modify Section 24-75-1104.5 (1) (c) to increase the amount of Tier I tobacco settlement moneys that can go to the Children's Basic Health Plan from 24.0 percent to 27.0 percent.

Old Age Pension Medical Program

The Old Age Pension Medical Program provides medical services to individuals who qualify for the OAP program but who do not qualify for the Medicaid or Medicare program. The program has three funding sources: (1) \$10.0 million that is annually transferred pursuant to the Colorado State Constitution (Article XXIV, Section 7); (2) \$2.85 million transferred from the Old Age Pension Fund pursuant to Section 39-26-123 (3) (a) (IV) (B), C.R.S.; and (3) 1.5 percent of the Amendment 35 tobacco tax (Colorado State Constitution Article X, Section 21 and Section 24-22-117 (1) (d) (II), C.R.S). In H.B. 10-1380, the General Assembly authorized that \$4.85 million in FY 2010-11 and \$3.0 million in FY 2011-12 be transferred from the Supplemental OAP Health and Medical Care Fund in order to offset General Fund expenditures in the Medicaid program.

Based on the Department's request, the Supplemental OAP Health and Medical Care Fund is anticipated to have a fund balance of \$1.6 million at the end of FY 2011-12 (it is \$2.1 million is the payment delay proposal is approved). This fund balance results even after the impacts of the already

scheduled transfers. Based on the monthly expenditure report, staff believes that the ending fund balance will be larger in FY 2011-12 than indicated in the Department's request (as long as current rates are maintained). Staff anticipates lower expenditures than indicated once Medicaid eligibility is expanded to adults without dependent children. During the last three months (since the 5 year bar was implemented for the OAP program), the OAP Medical program has expended on average \$670,000. If this trend continues for the next 12 months, the program would be on target to spending about \$8.0 million on an annual basis or approximately \$2,535 per enrollee.

Because staff believes that this program may end FY 2010-11 with a higher fund balance than anticipated, staff recommends amending Section 25.5-2-101 (3) (b) (IV) to change the FY 2011-12 Supplemental OAP Health and Medical Fund's offset to the General Fund from \$3.0 million to \$4.0 million. Even if staff is incorrect in her assumptions that the expenditures will be less than Department's request, staff's recommendation would still leave a positive fund balance in the program. Table 4 below shows the impact of staff's recommendation assuming the Department's requested expenditures levels (not the lower amount that staff would happen if rates remain the same).

| Table 4: OAP Medical Program (with Department Estimated Expenditures) | | | | |
|--|--------------------|--------------------|----------------------|--------------------|
| | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 |
| Cash in Beginning Fund Balance | \$5,534,617 | \$4,612,087 | \$2,181,585 | \$649,850 |
| Revenues from Article XXIV | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Supplemental Revenues | 5,077,469 | 5,124,630 | 4,988,265 | 4,947,129 |
| Program Expenditures | (9,999,999) | (12,705,132) | (12,520,000) | (12,520,000) |
| Transfer to Offset General Fund | <u>(6,000,000)</u> | <u>(4,850,000)</u> | <u>(3,000,000)</u> | <u>0</u> |
| Ending Fund Balance (w/o payment delay impact) | \$4,612,087 | \$2,181,585 | \$1,649,850 | \$3,076,979 |
| Staff recommendation | | | (\$1,000,000) | |
| Ending Fund Balance | | | \$649,850 | |

Source: Department Budget Request page P-16 modified to show the impact of the total program.

Statutory Change Proposed:

"Section 25.5-2-101 (3) (b) (IV) Notwithstanding any provision of paragraph (a) of this subsection (3) to the contrary, for fiscal year 2011-12, up to ~~three million~~ FOUR MILLION EIGHT HUNDRED AND FIFTY THOUSAND dollars from the supplemental old age pension health and medical care fund may be used to offset general fund costs for persons sixty-five years of age or older who are served through the state medicaid program."

Concluding Staff Comment

Table 5 summarizes the potential General Fund Savings that could be achieved in the Indigent Care Programs.

| Table 4: Summary of Potential General Fund Savings from the Indigent Care Program | | | | | |
|--|---------------------------|---------------------|---|-----------------------|--|
| | Department Request | | Staff Proposal for Consideration | | Comments |
| | General Fund | Total Fund | General Fund | Total Fund | |
| Safety Net Provider Payments | \$0 | \$15,896,240 | \$0 | \$15,896,240 | Maximize federal funds available under UPL financing |
| Clinic Based Indigent Care | 0 | 0 | 0 | 0 | No change requested or proposed. |
| Health Care Services / Primary Care Fund | (12,510,318) | 0 | (27,740,636) | (27,740,636) | Staff's alternative would consider transferring all of the primary care fund as General Fund offset. This would be used to avoid other budget reductions such as payment delays -- but result in the loss of \$27.7 million to the clinics while the Department's proposal preserves funding for the clinics. (Please remember that the Department estimates \$60.0 million will be spent covering a new eligibility group). |
| Pediatric Specialty Hospital | (1,500,000) | (3,000,000) | (2,318,433) | (4,636,866) | Staff's proposal would transfer the tobacco tax and tobacco settlement distributions to the Pediatric Specialty Fund to the CBHP Trust Fund to lower the amount of the General Fund subsidy for CBHP on a permanent basis and would also do the Department's other proposed reduction. |
| CPPC Grants | 0 | 0 | (866,075) | 0 | Staff recommends transferring the CPPC Grant funding to the CBHP Trust to lessen the General Fund subsidy for CBHP. |
| Old Age Pension | <u>0</u> | <u>0</u> | <u>(1,000,000)</u> | <u>0</u> | Staff recommends that the FY 2011-12 General Fund offset be increased from \$3.0 million to \$4.0 million. |
| Total Funds | (\$14,010,318) | \$12,896,240 | (\$31,925,144) | (\$16,481,262) | |

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Health Care Policy and Financing
 (Executive Director's Office, Medical Services Premiums,
 Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

INFORMATIONAL ISSUE: Other Proposed Program Reductions for FY 2011-12

The Department's FY 2011-12 budget request contains \$40.2 million total funds (an impact to the General Fund of \$18.3 million) in various Medicaid and Children's Basic Health Plan reductions.

SUMMARY:

- ❑ The Department's FY 2011-12 budget request contains a \$31.1 million total fund reduction (\$15.0 million General Fund reduction) to the Medicaid program. After base and caseload increases are considered, the Department's proposed reductions are equal to only a 1.09 percent reduction to the General Fund and 0.81 percent reduction to total funds.
- ❑ The Department's FY 2011-12 budget request contains a \$9.9 million total fund reduction (\$3.5 million cash funds which should reduce General Fund subsidies to the cash funds) to the Children's Basic Health Plan (CBHP) program. After base and caseload increases are considered, the Department's proposed reductions to the CBHP program are equal to a 3.6 percent total fund reduction.

DISCUSSION:

Following are the specific FY 2011-12 budget reductions that the Department has proposed for the Medicaid and CBHP programs.

Medicaid Program Reductions

| Table 1: Summary of Medicaid Program Reductions | | |
|--|--------------------|---|
| Department Request | | Comments |
| General Fund | Total Funds | |
| Pharmacy State Maximum Allowable Cost Expansion | (\$865,263) | (\$1,833,333) |
| | | Under this proposal, the Department would increase the number of drugs included under the Department's State Maximum Allowable Cost (SMAC) prizing program. At this time, the Department is still working through the details of which drugs would be included. Nevertheless, the Department is confident that additional savings will be achieved. |

| Table 1: Summary of Medicaid Program Reductions | | | |
|--|--------------------|-----------------|---|
| Department Request | | Comments | |
| General Fund | Total Funds | | |
| Restrict Adult Oral Nutrition Benefit | (1,519,609) | (3,039,219) | Under this proposal, the Department will restrict oral nutritional supplements to any clients 5 years of age or older who: have malnourishment conditions, have inborn errors in metabolism; and clients who use nutritional supplements through feeding tubes. Under this restriction the Department would pay only for nutrition products that are medically necessary, similar to a policy adopted by Utah and Washington. |
| Reduce Rate for Certain Diabetes Supplies | (397,735) | (842,727) | Under this proposal, the Department will reduce its payment for blood glucose/reagent strips from \$31.80 per box of 50 strips to approximately \$18.00. |
| Reduce Payments for Uncomplicated Cesarean Section Deliveries | (3,138,002) | (6,276,004) | Under this proposal, the Department will reduce the amount that it pays facilities for an uncomplicated cesarean section (C-section) delivery to the same amount that the Department pays for complicated vaginal deliveries. |
| Reduce Payments for Inpatient Renal Dialysis | (1,084,850) | (2,169,701) | Under this proposal, the Department will reduce the amount that it pays for inpatient renal dialysis to better match the actual hospital stay of 1.2 days instead of the 3.2 days currently assumed in the DRG code. |
| Deny Hospital Readmission Within 48 Hours | (1,168,303) | (2,475,418) | Under this proposal, the Department would no longer make a separate payment to hospitals for clients who are readmitted within 48 hours to the same hospital for a related condition. The current policy is to deny payments for readmission within 24 hours. |
| Prior Authorize Certain Radiology Services at Outpatient Hospitals | (317,223) | (672,136) | Under this proposal, the Department would require prior authorization for MRIs, CT scans, PET scans, and SPECT scans. Prior authorization would not be required for emergency circumstances. |

| Table 1: Summary of Medicaid Program Reductions | | | |
|--|---------------------------|--------------------|--|
| | Department Request | | Comments |
| | General Fund | Total Funds | |
| Reduce Rate for Procedure Codes Paid Above 95% of Medicare Rates | (452,230) | (958,192) | Under this proposal, the Department will set procedure code rates at or below 95 percent of the Medicare rate. This item does not impact any rates that are already below 95 percent of the Medicare rate. This item will primarily affect physician services, injectable drugs, and durable medical equipment. |
| Cap Consumer Directed Attendant Support Services Wage Rates | (710,346) | (1,420,692) | Under this proposal, the Department would cap the wage rate that a client enrolled in the Consumer Directed Attendant Support Services program is allowed to pay attendants. In three major categories of services (homemaker, personal care, and health maintenance) the Department found that 12 percent to 21 percent of the wages were set at \$20 per hour or higher. The Department's proposed wage caps would be similar to rates paid for the HCBS-EBD waiver but won't be determined until the Department has received stakeholder input. |
| Reduce FQHC Rates to Remove Unsupported Pharmacy Costs | (448,844) | (951,019) | Under this proposal, the Department would clarify that for FQHCs that do not allow Medicaid clients to use their pharmacies, the pharmacy cost center would be considered a non-allowable cost center and would be removed from their rate calculation. |
| Enforce Limitations on Acute Home Health Services | (565,777) | (1,131,555) | Under this proposal, the Department would add an edit to the MMIS system to require prior authorization for any clients needing acute home health services after a 60 day limit. |
| Client Overutilization Program Expansion | (68,300) | (136,600) | Under this proposal, the Department would enroll an additional 200 clients in the Client Overutilization Program (COUP). Under the COUP program, clients are locked in with one primary care physician, pharmacy, or managed care organization when they have been identified as clients who over utilize medical services. Exceptions are made for emergency care circumstances. |
| Managed Care Impact | (2,003,117) | (4,171,411) | Based on reductions in the fee-for-service program, capitation rates to the Managed Care Organizations are anticipated to be reduced also. However, it was brought to staff's attention that some of the cost savings anticipated, especially in the PACE program, may not occur (i.e. reducing the costs of c-sections shouldn't impact the PACE program because most of the clients are past child bearing age). |

| Table 1: Summary of Medicaid Program Reductions | | | |
|--|---------------------------|-----------------------|--|
| | Department Request | | Comments |
| | General Fund | Total Funds | |
| Reduce Mental Health Capitation Program | (2,252,098) | (5,008,837) | The Department also proposes making permanent the 2.0 percent reduction to Mental Health Capitation Payments that is effective January 1, 2011. This issue will be discussed in the Mental Health Briefing on December 10, 2010. |
| TOTAL Program Reductions | (\$14,991,697) | (\$31,086,844) | |
| Administrative Costs | 199,225 | 649,650 | In order to implement the above reductions, the Department will need funding increases for the MMIS changes and for increased prior authorizations. |
| Total Impact | (\$14,792,472) | (\$30,437,194) | |

Children's Basic Health Plan Reductions

| Table 2: Summary of CBHP Program Reductions | | | |
|--|---------------------------|----------------------|--|
| | Department Request | | Comments |
| | Cash Funds | Total Funds | |
| Eliminate Reinsurance | (\$453,154) | (\$1,294,727) | Under this proposal, the Department would eliminate purchasing reinsurance for the costs incurred by members in the State's self-funded managed care network. Per the Department's analysis, the Department will be able to manage the risk themselves at a lower cost. |
| 3.0 Percent CBHP Reduction to HMO rates | (1,142,950) | (3,265,571) | Under this proposal, the Department would reduce HMO rates for the CBHP program by 3.0 percent. |
| Various Other Changes | (1,890,000) | (5,400,000) | This proposal has three components: (1) non-emergency care provided without prior authorization would no longer be reimbursed from providers out-of-network in the State's Managed Care Network (SMCN); (2) begin HMO enrollment the first day of the month following eligibility determination in order to move more children from the SMCN to the HMO plans; and (3) eliminate coverage of inpatient services as a program benefit for prenatal members during the presumptive eligibility period. |
| Administrative Costs | 31 | 15,184 | |
| Total Impact | (\$3,486,073) | (\$9,945,114) | |

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

ISSUE: FY 2009-10 Medicaid Over Expenditures

In FY 2009-10, the three major Medicaid programs (Medical Service Premiums, Medicaid Mental Health, and the Medicare Modernization Act State Contribution Payment) were over expended by \$18.5 million total funds (a forecast error of 0.58 percent) if the impact of payment delays are excluded.

SUMMARY:

- ❑ Excluding the impact of the payment delay, the *final* FY 2009-10 appropriation for the Medicaid Medical Services Premiums (MSP) line item was over expended by \$18.8 million total funds, a 0.64 percent forecast error. However, the over expenditures were all cash and federal funds. The General Fund would have *reverted* \$7.9 million, a General Fund forecast error of 1.0 percent.
- ❑ The *final* FY 2009-10 appropriations for the Medicaid Mental Health Division was over forecasted by \$403,361 total funds, a 0.18 percent forecast error. However the General Fund was underforecasted by \$578,382, a General Fund forecast error of 0.7 percent.
- ❑ The final FY 2009-10 appropriation for the Medicare Modernization Act (MMA) State Contribution Payment was over expended by \$100,921 General Fund. This represented a forecast error of 0.18 percent.

RECOMMENDATION:

Staff recommends that the Joint Budget Committee lifts the following FY 2010-11 appropriation restrictions due to forecast errors in the FY 2009-10 final appropriations:

- (1) Medicaid over expenditures in Medical Services Premiums line item of \$18,341 from the Breast and Cervical Cancer Treatment Fund.
- (2) Medicaid over expenditures in the Medical Services Premiums line item of \$10,994 from the Autism Treatment Fund.
- (3) Medicaid over expenditures in the Medicaid Mental Health Capitation line item of \$586,305 General Fund.

- (4) Medicaid over expenditures in the Medicare Modernization Act State Contribution Payment of \$100,922 General Fund.

In addition staff recommends that the Committee lift the following FY 2010-11 appropriation restrictions based on over-expenditures resulting from appropriation errors.

- (1) An over expenditure of \$1,410 General Fund in the CBMS SAS-70 Audit line that resulted due to a higher allocation of costs to the Medicaid program than originally estimated.
- (2) An over expenditure of \$66,122 General Fund that resulted because the appropriation did not properly reflect the cap on the Pediatric Specialty Hospital Cash Fund from S.B. 09-264.

The over expenditures mentioned above will be through final audit adjustments by the end of the December and the Committee can take formal actions on these recommendations during the January supplemental presentations. However, because these over expenditures occurred due to forecast error or an appropriation error and not from mismanagement of the appropriations, staff recommends that the current year restrictions be lifted.

DISCUSSION:

Because of the entitlement nature of the Medicaid program, the Medicaid line items are provided with *unlimited* over-expenditure authority as long as the over-expenditure are consistent with the statutory provisions of the Medicaid program (Section 24-75-109, C.R.S.). However, the State Controller's restricts the current fiscal year's appropriation until the General Assembly approves a supplemental for the prior year over expenditure. This restriction allows the JBC an opportunity to review the reasons for over expenditures and to decide if the over-expenditure could have been avoided with better management of the appropriation or if the over-expenditure occurred as a result of an unforeseen event or forecast error. Following is a discussion of the forecast errors in the Medical Services Premiums line item, the Medicaid Mental Health line items, and the Medicare Modernization Act (MMA) State Contribution line item.

Medical Services Premiums

Because of the two week payment delay in the fee-for-services program at the end of FY 2009-10, the Medical Services Premiums line item reverted \$51.4 million total funds (\$33.1 million General Fund). However, if the impact of the payment delay is excluded, the Medical Services Premiums line item would have had an over expenditure of \$18.8 million total funds. Table 1 below summarizes the final appropriation compared to final expenditures for the Medical Services Premiums line item.

| Table 1: Medical Services Premiums Line Item | | | | | |
|---|---------------------|----------------------|-----------------------------|-----------------------|-----------------------|
| | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Total Funds |
| Final Appropriation | \$796,048,980 | \$343,718,641 | \$3,917,255 | \$1,785,553,329 | \$2,929,238,205 |
| Final Expenditures | 762,936,068 | 343,695,933 | 3,917,255 | 1,767,262,963 | 2,877,812,219 |
| Amount Reverted | \$33,112,912 | \$22,708 | \$0 | \$18,290,366 | \$51,425,986 |
| Forecast Difference | 4.16% | 0.01% | 0.00% | 1.02% | 1.76% |
| Estimated Expenditures without Payment Delay | 788,133,244 | 345,535,520 | 3,917,255 | 1,810,458,686 | 2,948,044,705 |
| Amount Reverted or (Over-Expended) | \$7,915,736 | (\$1,816,879) | \$0 | (\$24,905,357) | (\$18,806,500) |
| Forecast Error | 0.99% | (0.53)% | 0.00% | (1.39)% | (0.64)% |

As the table above shows, the General Fund reverted funding with or without the payment delay. Therefore, there is no need to lift a General Fund restriction in FY 2011-12 related to the General Fund. However, even though there was an overall reversion of \$22,708 in cash funds, the State Controller's over expenditure report indicates that two cash funds had over expenditures as follows:

- (1) \$10,994 cash funds from the Colorado Autism Treatment Fund; and
- (2) \$18,341 cash funds from the Breast and Cervical Cancer Prevention and Treatment Fund.

The Medical Services Premiums line item now has approximately 16 cash funds that are appropriated (although some are merely cash fund offsets at this time). In addition to forecasting the overall caseload and costs of the program, staff has to forecast the amount of funding used by each cash fund. The costs from the Autism Treatment Fund and the Breast and Cervical Cancer Prevention Treatment Fund are difficult to forecast due to variability in these programs costs each year. The over expenditures resulted from forecast error and not mismanagement of the appropriation.

Final Comment on Medical Services Premiums Forecast

Overall, the accuracy of the final Medical Services Premiums line item met staff's stated goal of a less than 1.0 percent error. The final caseload estimate was for 498,063 clients and the final caseload served was 498,797 clients -- a difference of 734 clients or 0.15 percent. Excluding the impact of the payment delays, the total appropriation was miss estimated by only \$18.8 million or 0.64 percent.

FY 2009-10 Overexpenditure Medicaid Mental Health Divisions

In FY 2009-10, the Medicaid Mental Health Division appropriations reverted \$403,361 total funds. However, the General Fund for the Division was over expended by \$578,382 (\$586,305 for the

capitation program offset by a reversion of \$7,923 in the fee-for-service line item). The over expenditure to the General Fund resulted from the forecast error related to case mix of the clients (i.e. how many clients in each aid category compared to actual) and the number of clients who can be funded from the Health Care Expansion Fund or the General Fund.

Table 2a and 2b below shows the final appropriation for the Medicaid Mental Health Division. Please note that the payment delay had very little impact on the Medicaid capitation payments because capitation payments were paid before the last two weeks of the month (i.e. the Department's capitation payments are usually paid on or before the second week of a month).

| Table 2a: Medicaid Mental Health Division By Line Item | | | | | |
|--|---------------------|-------------------|-----------------------------|----------------------|--------------------|
| | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Total Funds |
| Final Appropriation for Medicaid Mental Health Capitation Payments | \$78,773,479 | \$7,175,530 | \$10,833 | \$137,792,165 | \$223,752,007 |
| Final Expenditures | 79,359,784 | 6,393,602 | 10,833 | 137,603,834 | 223,368,053 |
| Amount Reverted or (Over Expended) | (\$586,305) | \$781,928 | \$0 | \$188,331 | \$383,954 |
| Forecast Difference | (0.74)% | 10.90% | 0.00% | 0.14% | 0.17% |
| Final Appropriation for Medicaid Mental Health Fee-for-Services | 1,001,375 | 0 | 0 | 1,605,694 | 2,607,069 |
| Final Expenditures | 993,452 | 0 | 0 | 1,594,210 | 2,587,662 |
| Amount Reverted or (Over Expended) | \$7,923 | \$0 | \$0 | \$11,484 | \$19,407 |
| Forecast Difference | 0.79% | n/a | n/a | 0.72% | 0.74% |

| Table 2b: Mental Health Division -- Payment Delay Impact | | | | | |
|---|---------------------|-------------------|-----------------------------|----------------------|--------------------|
| | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Total Funds |
| Total Appropriation (For Division -- Both Line Items) | \$79,774,854 | \$7,175,530 | \$10,833 | \$139,397,859 | \$226,359,076 |
| Final Expenditures | 80,353,236 | 6,393,602 | 10,833 | 139,198,044 | 225,955,715 |
| Amount Reverted or (Over Expended) | (\$578,382) | \$781,928 | \$0 | \$199,815 | \$403,361 |
| Forecast Difference | (0.73)% | 10.90% | 0.00% | 0.14% | 0.18% |
| Estimated Expenditures without Payment Delay | 80,375,542 | 6,393,602 | 10,833 | 139,233,809 | 226,013,786 |
| Amount Reverted or (Over Expended) | (\$600,688) | \$781,928 | \$0 | \$164,050 | \$345,290 |
| Forecast Difference | (0.75)% | 10.90% | 0.00% | 0.12% | 0.15% |

Medicare Modernization Act (MMA) State Contribution

The MMA State Contribution payment is the payment the state makes to the federal government for offering Medicare Part D coverage for clients eligible for both the Medicaid and Medicare programs. Prior to the passage of the MMA, the prescription drug coverage for dual eligible clients was paid by the Medicaid program. When the MMA was enacted providing prescription drug coverage for all Medicare clients, Congress mandated that the states continue to pay a portion of the dual eligible prescription drug costs per the State Contribution Payment (i.e. the "clawback").

Funding for this program is based on the number clients, the estimated per capita payments (per a federal statutory formula) multiplied by a phased down factor. In February 2010, the U.S. Department of Health and Human Services also determined that this payment qualified to be reduced under the enhanced match rates provided by the American Recovery and Reinvestment Act (ARRA) of 2009.

The final General Fund appropriation for this program was \$57,523,205. The final expenditures were \$57,624,126 or an over expenditure of \$100,922 or 0.1 percent from the forecast. Again, the over expenditure resulted from a forecast error within the acceptable range.

Staff Comment

Overall, the FY 2009-10 General Fund appropriation for the Medicaid programs (Medical Service Premiums, Mental Health Division, and Medicare Modernization Act) was fairly accurate (99.42 percent accurate excluding the impact of payment delays). However, because of the size of the Medicaid program, even a 1.0 percent error can swing approximately \$32.1 million total funds.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
 Department of Health Care Policy and Financing
 (Executive Director's Office, Medical Services Premiums,
 Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

ISSUE: Department's Medicaid Forecast for FY 2010-11 and FY 2011-12

The Department requests a FY 2010-11 Medicaid supplemental (includes both the Medical Services Premiums and Mental Health Divisions) of \$99.5 million total funds or just under 3.0 percent. The Department's FY 2011-12 Medicaid program request represents an increase of \$420.5 million total funds, or 12.5 percent, over the current FY 2010-11 appropriation. When compared to the Revised FY 2010-11 estimate, the Department's FY 2011-12 request is an increase of \$321.0 million total funds, or 9.3 percent.

SUMMARY:

- The Department's FY 2010-11 estimate and FY 2011-12 budget request for the Medicaid Program (includes both the Medical Services Premiums and Mental Health Division line items) is shown below.

| Table 1: FY 2010-11 Estimate & FY 2011-12 Budget Request (<i>MSP and MH Divisions</i>) | | | | | | |
|---|---|--|--|--|---|---|
| | Current FY 2010-11 Appropriation | Department's Estimated FY 2010-11 Expenditure | Difference Possible Supplemental Amount | Department's FY 2011-12 Budget Request* | FY 2011-12 Increase Compared to Current FY 2010-11 Appropriation | FY 2011-12 Increase Compared to Estimated FY 2010-11 Expenditure |
| GF | \$949,121,211 | \$950,359,327 | \$1,238,116 | \$1,313,865,882 | \$364,744,671 | \$363,506,555 |
| CF | 349,188,820 | 445,295,060 | 96,106,240 | 574,282,606 | 225,093,786 | 128,987,546 |
| RF | 7,607,289 | 7,785,513 | 178,224 | 6,322,351 | (1,284,938) | (1,463,162) |
| FF | <u>2,051,523,023</u> | <u>2,053,519,580</u> | <u>1,996,557</u> | <u>1,883,517,741</u> | <u>(168,005,282)</u> | <u>(170,001,839)</u> |
| Total | \$3,357,440,343 | \$3,456,959,480 | \$99,519,137 | \$3,777,988,580 | \$420,548,237 | \$321,029,100 |
| Percent (Decrease) / Increase | | | 2.96% | n/a | 12.53% | 9.29% |

*Includes base budget plus all decision items, base reduction items, and non-prioritized requests.

RECOMMENDATION:

Staff recommends that the Committee ask the Department to explain the current Hospital Provider Fee model and why the FY 2010-11 model is significantly different than the model originally assumed in the FY 2010-11 appropriation.

DISCUSSION:

FY 2010-11 Medicaid Supplemental Estimate

In order to calculate their FY 2011-12 request for the Medical Services Premiums (MSP) and Mental Health Division line items, the Department provides a new expenditure estimate for FY 2010-11 in their November budget request. While this estimate of current year expenditures is not the Department's final supplemental request, it is an early indicator of what the Department's supplemental request may be in February 2011. For FY 2010-11, the Department is currently forecasting that \$3.47 billion will be necessary to meet the obligations for the Medicaid program. This estimate includes all supplementals as currently requested. The Department's forecast indicates that the current appropriation of \$3.36 billion is under funded by approximately \$99.5 million total funds (3.0 percent). Table 2 below shows the major components of the Department's Medicaid supplemental request (includes both the MSP and MH Divisions).

| Table 2: Major Components of Department's FY 2010-11 Medicaid Supplemental Request | | | | | |
|---|----------------------|----------------------|-----------------------------|------------------------|------------------------|
| | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Total Funds |
| Current FY 2010-11 Appropriation (Includes MSP and MH Division) | \$949,121,211 | \$349,188,820 | \$7,607,289 | \$2,051,523,023 | \$3,357,440,343 |
| Adjust to Correct FMAP | 57,461,845 | 2,536,871 | (839) | (59,997,877) | 0 |
| MSP Base Change for New Caseload and Cost Estimates | (16,769,210) | 96,242,004 | 178,087 | 109,844,417 | 189,495,298 |
| MH Division Change for New Caseload and Cost Estimates | (2,110,115) | 719,223 | 1,980 | (2,334,672) | (3,723,584) |
| Delay Fee-For-Services Payments* | (24,819,489) | (1,865,392) | 0 | (26,978,678) | (53,663,559) |
| Delay Managed Care Payments | <u>(12,524,915)</u> | <u>(1,526,466)</u> | <u>(1,004)</u> | <u>(18,536,633)</u> | <u>(32,589,018)</u> |
| New FY 2010-11 Estimate | \$950,359,327 | \$445,295,060 | \$7,785,513 | \$2,053,519,580 | \$3,456,959,480 |
| \$ Difference | \$1,238,116 | \$96,106,240 | \$178,224 | \$1,996,557 | \$99,519,137 |
| % Difference | 0.13% | 27.52% | 2.34% | 0.10% | 2.96% |

*Reflects the impact of only one week of delay. The delay of the other two weeks is incorporated by the base forecast only being for 52 weeks instead of the 54 weeks it should have been unless a policy change is made.

As the delay of payment issue and adjusting the FMAP to the correct percentage has already been discussed earlier this packet, the following discussion will relate only to the Department's base forecast for the Medical Services Premiums.

Updated FY 2010-11 Caseload and Cost-Per-Client Estimates

Between the MSP and MH Divisions, the Department requests an increase of \$185.8 million total funds to adjust the current appropriation to the forecasted needs of the program. This is based on the Department's estimated caseload and current cost trend forecasts. In addition, the Department has updated assumptions for the Hospital Provider Fee and other supplemental payments. The Department's current appropriation reflects the following changes to the assumptions used in the current FY 2010-11 appropriation.

- (1) The current Medicaid appropriation assumed an overall caseload forecast of 553,407 clients. The Department's November caseload forecast is for 551,570 clients -- a decrease of 1,837 clients or 0.33 percent. Staff would note that her October five year forecast was for 554,759 clients. This is an increase of 1,352 clients or 0.24 percent over the current appropriation and 3,189 clients or 0.58 percent higher than the Department's revised estimate. Based on these initial forecasts, staff does not anticipate that there will be major overall caseload changes to the current appropriation when the final appropriation is forecasted and set during the March figure setting.

While the overall caseload forecast is fairly close to the current appropriation, there is one major difference to point out. The original forecast assumed that the H.B. 09-1293 expansion of Medicaid parents from 60 percent FPL to 100 percent FPL would only increase caseload by 12,255 clients. However, the Department now forecasts the number of clients at 27,270 (staff's forecast is 29,458 clients). Many of the increase is coming from other aid categories. Under the Department's forecast the overall number of adults forecasted is within 3.0 percent of the original appropriation. However, the difference is that the hospital provider fee will pay a larger share of the adult costs than originally assumed -- this saves funding in both the General Fund and Health Care Expansion Fund. Staff's forecast had similar results (although staff is forecasting a larger increase in the number of adults than the Department did).

- (2) After forecasting the caseload, the Department then updates the per capita cost trends for each caseload aid category in both the Medical Services Premiums and Mental Health Programs. The Department is forecasting a \$33.6 million total fund increase due to increased costs in the Medical Services Premiums program. This represents an increase of 1.21 percent over the original service cost forecast. The Department is also forecasting a decrease of \$3.7 million total funds in the Mental Health Division. This represents a decrease of 1.5 percent to the original cost forecast.
- (3) The major change in the Department's forecast, an increase of \$155.9 million total funds, comes from supplemental payments or other financing options (previously referred to as

bottom line financing in past years). The majority of this increase, \$142.8 million total funds, is due to new assumptions under the hospital provider fee model. The remaining amount of \$13.1 million is from changes in assumptions for upper payment limit, Denver Health out stationing payments, physician supplemental payments, and contingent liability estimates.

Table 3 below shows the Department's current forecasted expenditures compared to the current appropriation.

| Table 3: FY 2010-11 Service Forecast | | | | |
|--|---|---|----------------------|---------------------|
| BASE Impacts Only -- Does not Include Emergency Supplementals Impacts | | | | |
| | Current FY 2010-11 Appropriation | Dept. FY 2010-11 Estimate --Nov 2010 | Difference | % Difference |
| Acute Care Cost* | \$1,676,270,803 | \$1,704,740,814 | \$28,470,011 | 1.70% |
| Community Long-Term Costs | 321,315,015 | 324,524,665 | 3,209,650 | 1.00% |
| Nursing Facilities & PACE | 637,554,588 | 631,054,441 | (6,500,147) | (1.02)% |
| Insurance Programs | 114,705,505 | 120,865,705 | 6,160,200 | 5.37% |
| Service Management | 31,289,548 | 33,560,570 | 2,271,022 | 7.26% |
| Mental Health (Capitation and Fee-For-Service) | <u>\$250,582,216</u> | <u>\$246,858,632</u> | <u>(\$3,723,584)</u> | <u>(1.49)%</u> |
| Total Medicaid Service Costs | \$3,031,717,675 | \$3,061,604,827 | \$29,887,152 | 0.99% |
| Supplemental Payments | <u>325,722,667</u> | <u>481,607,230</u> | <u>155,884,563</u> | <u>47.86%</u> |
| Total Medicaid Program Costs | \$3,357,440,342 | \$3,543,212,057 | \$185,771,715 | 5.53% |

* Acute Care current appropriation included the supplemental physician payments but these are now being shown in the supplemental payment category.

The Department's FY 2010-11 supplemental request also adjusts the funding sources for the Medical Service Premiums line item. Table 4 shows the Department's revised estimates for fund splits for the base issues only (does not include the payment delay issues).

| Table 4: FY 2010-11 Medicaid Program BASE SUPPLEMENTAL by Fund Source | | | |
|--|---|--|--------------------------------------|
| (Includes both the MSP and MH Divisions -- S #1, S #2, and ES #1) | | | |
| | Current FY 2010-11 Appropriation | Department's Revised Base FY 2010-11 Estimate (Includes FMAP Adjustment from ES #1) | Difference (Est - Approp) |
| General Fund | \$949,121,211 | \$987,703,731 | \$38,582,520 |
| CF - Hospital Provider Fee | \$187,921,333 | \$280,176,886 | \$92,255,553 |
| CF - Health Care Expansion Fund | \$75,784,025 | \$84,406,608 | \$8,622,583 |

**Table 4: FY 2010-11 Medicaid Program BASE SUPPLEMENTAL by Fund Source
(Includes both the MSP and MH Divisions -- S #1, S #2, and ES #1)**

| | Current FY 2010-11 Appropriation | Department's Revised Base FY 2010-11 Estimate (Includes FMAP Adjustment from ES #1) | Difference (Est - Approp) |
|--|---|--|--------------------------------------|
| CF - Medicaid Nursing Facility Cash Fund | \$29,818,357 | \$29,831,793 | \$13,436 |
| CF - Tobacco Education Programs Fund | \$15,521,625 | \$15,521,625 | \$0 |
| CF - Public Certified Funds | \$13,348,299 | \$11,963,425 | (\$1,384,874) |
| CF - Primary Care Fund | \$12,800,000 | \$12,800,000 | \$0 |
| CF - Prevention, Early Detection, and Treatment Fund | \$5,679,358 | \$5,679,358 | \$0 |
| CF - Supplemental Old Age Pension Health and Medical Fund | \$4,850,000 | \$4,850,000 | \$0 |
| CF - Breast and Cervical Cancer Treatment Fund | \$2,535,828 | \$2,587,878 | \$52,050 |
| CF - Autism Treatment Fund | \$645,147 | \$707,996 | \$62,849 |
| CF - Coordinated Care for People with Disabilities Fund | \$237,500 | \$111,684 | (\$125,816) |
| CF - Home Health Telemedicine Cash Fund | \$47,348 | \$49,665 | \$2,317 |
| CF Subtotal | \$349,188,820 | \$448,686,918 | \$99,498,098 |
| RF - Health Disparities Grant Program | \$4,490,435 | \$4,490,435 | \$0 |
| RF - DPHE Disease Management | \$2,000,000 | \$1,999,161 | (\$839) |
| RF - DPHE Breast and Cervical Cancer | \$926,504 | \$1,104,893 | \$178,389 |
| RF - DPHE Family Planning | <u>\$190,350</u> | \$190,350 | \$0 |
| RF Subtotal | \$7,607,289 | \$7,784,839 | \$177,550 |
| Federal Funds | <u>\$2,051,523,022</u> | <u>\$2,099,036,569</u> | <u>\$47,513,547</u> |
| Total Funds | \$3,357,440,342 | \$3,543,212,057 | \$185,771,715 |

Note: The Department's Medicaid forecast shows an increase of \$38.6 million General Fund (includes FMAP adjustment does not all payment delays). Staff's five year forecast shows a General Fund increase of approximately \$85.0 million for the Medicaid Program. The majority of the difference between the staff five year forecast can be explained because staff has included 54 weeks of payments in FY 2010-11 and the Department assumes only 52 weeks of payments. In addition, staff had slightly higher caseload and cost assumptions than the Department's request.

FY 2011-12 Medical Services Base Request

For FY 2011-12, the Department anticipates that Medicaid expenditures (both MSP and MH) will increase by \$405.2 million total funds over the current FY 2009-10 appropriation. This is a total fund increase of 15.75 percent over the current FY 2009-10 appropriation. Table 3 below summarizes the Department's FY 2010-11 request.

| Table 5: Medicaid Program FY 2011-12 Budget Request | | | | | |
|--|------------------------|------------------------|----------------------|----------------------|------------------------|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds |
| Current FY 2010-11 Appropriation | \$3,357,440,343 | \$949,121,211 | \$349,188,820 | \$7,607,289 | \$2,051,523,023 |
| <i>Department's Estimated Increases for FY 2010-11</i> | | | | | |
| Annualize prior year budget adjustments & legislation | (\$5,753,204) | \$403,231,235 | (\$29,424,531) | (\$4,260,856) | (\$375,299,052) |
| Base caseload growth & cost-per-client (DI #1 and DI #2) | \$474,285,916 | \$17,808,328 | \$224,883,136 | \$289,567 | \$231,304,885 |
| Other Decision Items or Base Reductions | (47,984,475) | (56,294,892) | 29,635,181 | 2,686,351 | (24,011,115) |
| Department's FY2010-11 Budget Request | \$3,777,988,580 | \$1,313,865,882 | \$574,282,606 | \$6,322,351 | \$1,883,517,741 |
| Increase above current FY 2010-11 appropriation | \$420,548,237 | \$364,744,671 | \$225,093,786 | (\$1,284,938) | (\$168,005,282) |
| Percent Increase | 12.53% | 38.43% | 64.46% | (16.89)% | (8.19)% |

*Greater detail on Decision Items and Base Reduction Items is beginning on page 21 of this packet.

The majority of the Department's FY 2011-12 budget request relate to three issues:

1. Annualizing Prior Year Budget Actions -- The majority of this item relates to annualizing budget actions from FY 2010-11 and adjusting the FMAP percentage to eliminate the ARRA impact.
2. Base Forecast (Decision Item #1 and #2) -- The Medicaid base forecast for FY 2011-12 assumes an increase of \$474.3 million over the current FY 2010-11 appropriation. Again, the base forecast represents the Department's estimate for Medicaid services for the eligible caseload without any policy changes.
3. Budget Balancing Issues -- These additional decision items and base reduction items needed to balance the statewide budget. These issues were discussed elsewhere in this briefing packet.

Following is a brief discussion of the Department's FY 2011-12 base request (i.e. Decision Item #1 and #2 plus the prior year budget action annualization impacts). The specific impacts from the base reduction items and non-prioritized requests were shown beginning on page 24 of this document.

FY 2011-12 Caseload Projection

The Department is currently forecasting total Medicaid caseload of 610,025 clients for FY 2012-13. Of this amount, 54,641 are new clients eligible due to the passage of HB 09-1293. Therefore, the Department's "traditional caseload" is 555,384. This represents caseload growth of 31,084 clients (or 5.9 percent from the Department's revised FY 2010-12 traditional caseload). Table 6 below shows the Department's current caseload projection by aid category.

| Table 6: Total Medicaid Caseload -- Department's November 2010 Forecast | | | | | | |
|--|------------------------------|---|--|---|--|--|
| | FY 2009-10 Actual | FY 2010-11 Current App. Estimate | FY 2010-11 November HCPF Forecast | % Change FY 2010-12 Forecast Compared to FY 2009-10 Actual | FY 2011-12 November HCPF Forecast | %Change FY 2011-12 Forecast Compared to FY 2010-11 Forecast |
| SSI 65+ | 38,487 | 38,978 | 39,345 | 2.23% | 40,163 | 2.08% |
| SSI 60-64 | 7,049 | 7,171 | 7,521 | 6.70% | 7,853 | 4.41% |
| SSI Disabled | 53,264 | 54,103 | 55,416 | 4.04% | 61,280 | 10.58% |
| Low-Income Adults | 57,661 | 66,766 | 56,727 | (1.62)% | 60,851 | 7.27% |
| Expansion Adults | 17,178 | 20,342 | 19,641 | 14.34% | 20,991 | 6.87% |
| Breast & Cervical Cancer Program | 425 | 473 | 511 | 20.24% | 591 | 15.66% |
| Eligible Children | 275,672 | 306,488 | 297,340 | 7.86% | 314,021 | 5.61% |
| Foster Children | 18,381 | 18,890 | 18,956 | 3.13% | 19,335 | 2.00% |
| Baby Care Adults | 7,830 | 7,256 | 8,196 | 4.67% | 8,462 | 3.25% |
| Non-Citizens | 3,693 | 3,415 | 3,470 | (6.04)% | 3,410 | (1.73)% |
| Partial Dual <u>Eligibles</u> | <u>15,919</u> | <u>17,270</u> | <u>17,177</u> | <u>7.90%</u> | <u>18,427</u> | <u>7.28%</u> |
| Total | 495,559 | 541,152 | 524,300 | 5.80% | 555,384 | 5.93% |
| HB 09-1293 Expansion | <u>3,238</u> | <u>12,255</u> | <u>27,270</u> | <u>742.19%</u> | <u>54,641</u> | <u>100.37%</u> |
| Total | 498,797 | 553,407 | 551,570 | 10.58% | 610,025 | 10.60% |

The Department's FY 2011-12 caseload forecasts is approximately 17,089 higher than the staff's initial caseload forecast. Staff's five year forecast assumed more slowing in the traditional caseloads based on an assumed stronger economy in FY 2011-12. For FY 2011-12, staff assumed a total caseload of 592,936. Appendix G shows the comparisons between the Department and staff's initial caseload forecasts.

The Department's Specific Cost -Per-Client Projections for FY 2010-11 & FY 2011-12

After forecasting the Medicaid caseload, the next step in developing the **base** cost estimates for the MSP and MH line items is forecasting the average cost-per-client for each of the caseload aid categories. The average cost-per-client is estimated by looking at past trends in each aid categories expenditures for acute care services, community long-term care services, institutional long term care services, supplemental insurance costs, and costs for administrative services. The MH costs are based on assumed growth to the capitation and fee-for-service programs. The Department then adjusts these forecasted trends for any special circumstances that are not part of the historical data (i.e. new policy initiatives enacted during the prior year). Table 7 summarizes the Department's Medicaid costs estimates by service area for FY 2010-11 and FY 2011-12.

| Table 7: Department November Forecast by Service Category -- BASE ONLY | | | | | | |
|---|--|---------------------------------|--|--|---|---|
| | FY 2009-10 Actual¹ | FY 2010-11 Cur. App. | FY 2010-11 Dept. Estimate with all Supplementals ² | % Change to Cur. App. | FY 2011-12 BASE Estimate² | % Change to Revised Estimate |
| Acute Care Services | \$1,553,138,739 | \$1,676,270,803 | \$1,660,340,020 | (0.95)% | \$1,869,280,623 | 12.58% |
| Community Long-Term Care | 299,689,736 | 321,315,015 | 318,347,959 | (0.92)% | 355,599,322 | 11.70% |
| Long-Term Care | 566,372,167 | 637,554,588 | 619,043,527 | (2.90)% | 643,090,480 | 3.88% |
| Supplemental Insurance | 104,088,580 | 114,705,505 | 118,565,257 | 3.36% | 135,182,109 | 14.01% |
| Administrative Services | 28,890,920 | 31,289,548 | 32,921,809 | 5.22% | 48,099,599 | 46.10% |
| <u>Mental Health</u> | <u>226,013,786</u> | <u>250,582,216</u> | <u>226,133,678</u> | <u>(9.76)%</u> | <u>276,106,794</u> | <u>22.10%</u> |
| Service TOTAL | \$2,778,193,928 | \$3,031,717,675 | \$2,975,352,250 | | \$3,327,358,927 | 11.83% |
| Increase from current FY 2010-11 Appropriation | | | (\$56,365,425) | (1.86)% | \$295,641,252 | 9.75% |
| Supplemental Payments | \$395,829,132 | \$325,722,667 | \$481,607,230 | 47.86% | \$498,614,128 | 3.53% |
| TOTAL with Supplemental Payments | \$3,174,023,060 | \$3,357,440,342 | \$3,456,959,480 | 2.96% | \$3,825,973,055 | 10.67% |

/1 Adjusted to add back in the payment delay.

/2 FY 2010-11 reflects total request with all policy adjustments, FY 2011-12 reflects only the base request.

For FY 2011-12, the Department is forecasting overall growth to the *base* Medicaid program of 10.67 percent when compared to their revised FY 2010-11 estimate (including all policy adjustments). Specifically, the Department is forecasting growth in the Medical Services Premiums line item of 9.9 percent and growth in the Mental Health Division line items of 22.1 percent when compared to their revised FY 2010-11 request. Table 8a explains what is driving the costs in the Medical Services Premiums line item and Table 8b explains what is driving the costs in the Mental Health Division line items.

| Aid Category | Caseload Difference | Net Cost Per Client Difference | Cost Associated with Higher Caseload Estimate | Cost Associated with Higher Cost Estimate | Compounding Effect | Total Costs |
|---|----------------------------|---------------------------------------|--|--|---------------------------|----------------------|
| SSI 65+ | 818 | \$762.66 | \$17,059,905 | \$30,007,024 | \$623,859 | \$47,690,788 |
| SSI 60-64 | 332 | \$739.96 | \$5,300,078 | \$5,565,249 | \$245,667 | \$11,110,994 |
| SSI Disabled | 5,864 | \$247.51 | \$80,013,266 | \$13,716,170 | \$1,451,415 | \$95,180,851 |
| Low-Income Adults | 4,124 | \$178.69 | \$15,586,835 | \$10,136,621 | \$736,923 | \$26,460,379 |
| Expansion Low-Income Adults | 7,628 | \$169.19 | \$20,052,958 | \$7,936,704 | \$1,290,554 | \$29,280,216 |
| BCCPT Adults | 80 | \$279.99 | \$1,588,944 | \$143,075 | \$22,399 | \$1,754,418 |
| Children | 36,651 | \$25.24 | \$61,287,276 | \$7,504,586 | \$925,037 | \$69,716,899 |
| Foster Children | 1,502 | \$197.47 | \$5,441,122 | \$3,743,316 | \$296,606 | \$9,481,044 |
| Baby Care Adults | 266 | \$436.82 | \$2,240,779 | \$3,580,184 | \$116,194 | \$5,937,157 |
| Non-citizens | (60) | \$906.31 | (\$812,967) | \$3,144,880 | (\$54,378) | \$2,277,535 |
| Partial Dual Eligibles | 1,250 | \$81.19 | \$1,647,202 | \$1,394,590 | \$101,487 | \$3,143,279 |
| Total | 58,455 | n/a | \$209,405,398 | \$86,872,399 | \$5,755,763 | \$302,033,560 |
| Increase from supplemental payments | | | | | | \$17,006,898 |
| Total Increase | | | | | | \$319,040,458 |
| % Medical Service Premiums Increase From Department's Revised FY 2010-11 Estimate | | | | | | 9.87% |

Please note: Of the \$86.9 million in higher per capita costs, \$12.0 million can be explained due to a full 12 months of capitation payments being paid in FY 2011-12 compared to the 11 months paid in FY 2010-11 per the Department's request. Approximately 69.3 percent of the base cost increase in the Medical Services Premiums line item is associated with the growth in the caseload.

Table 8b: Analysis of FY 2011-12 Cost Drivers When Compared to Revised FY 2010-11 Request -- MH Division

| Aid Category | Caseload Difference | Net Cost Per Client Difference | Cost Associated with Higher Caseload Estimate | Cost Associated with Higher Cost Estimate | Compounding Effect | Total Costs |
|-----------------------------|---------------------|--------------------------------|---|---|--------------------|---------------------|
| SSI 65+ | 818 | \$18.36 | \$117,884 | \$722,283 | \$15,017 | \$855,184 |
| SSI 60-64 | 332 | \$185.19 | \$537,197 | \$1,392,840 | \$61,484 | \$1,991,521 |
| SSI Disabled | 5,864 | \$228.31 | \$9,467,261 | \$12,652,235 | \$1,338,832 | \$23,458,328 |
| Low-Income Adults | 4,124 | \$41.19 | \$971,363 | \$2,336,747 | \$169,879 | \$3,477,989 |
| Expansion Low-Income Adults | 7,628 | \$43.25 | \$1,867,453 | \$2,029,131 | \$329,949 | \$4,226,533 |
| BCCPT Adults | 80 | \$40.04 | \$19,505 | \$20,460 | \$3,203 | \$43,168 |
| Children | 36,651 | \$16.55 | \$6,291,165 | \$4,922,367 | \$606,745 | \$11,820,277 |
| Foster Children | 1,502 | \$27.43 | \$3,236,149 | \$519,986 | \$41,202 | \$3,797,337 |
| Baby Care Adults | 266 | \$28.20 | \$64,118 | \$231,159 | \$7,502 | \$302,779 |
| Non-citizens | (60) | \$0.00 | \$0 | \$0 | \$0 | \$0 |
| Partial Dual Eligibles | 1,250 | \$0.00 | \$0 | \$0 | \$0 | \$0 |
| Total | 58,455 | n/a | \$22,572,095 | \$24,827,208 | \$2,573,813 | \$49,973,116 |

Please note: Of the \$24.8 million in higher per capita costs, \$20.6 million can be explained due to a full 12 months of capitation payments being paid in FY 2011-12 compared to the 11 months paid in FY 2010-11 per the Department's request. Therefore, the *base* increase for the Medicaid Mental Health line items is driven mainly by caseload increases as opposed to increased per capita costs.

Concluding Observations

- ❑ The Department's FY 2011-12 request reflects caseload growth of 58,455 clients over the Department's revised FY 2010-11 estimate. The cost associated with this caseload growth is approximately \$232.0 million total funds.
- ❑ The Department's FY 2011-12 request, before policy changes, reflects increased costs of approximately \$120.0 million total funds due to cost of services and utilization. Of this \$120.0 million, \$32.6 million (or 27.2 percent of the increase) is related solely to restoring a full 12 months of capitation payments in FY 2011-12 compared to the 11 months of payments the Department proposes paying in FY 2010-11.

□ Table 9 below shows the impact of the Department's request for each funding source.

| Table 9: FY 2011-12 Medicaid Program by Fund Source (Includes both the MSP and MH Divisions -- DI #1 and DI #2) | | | |
|--|---|--|--------------------------------------|
| | Department's Revised FY 2010-11 (all Issues) | Department's FY 2011-12 Request Base ONLY | Difference (Est - Approp) |
| General Fund | \$950,359,327 | \$1,370,160,774 | \$419,801,447 |
| CF - Hospital Provider Fee | \$279,700,617 | \$384,411,409 | \$104,710,792 |
| CF - Health Care Expansion Fund | \$81,580,193 | \$112,388,286 | \$30,808,093 |
| CF - Medicaid Nursing Facility Cash Fund | \$29,831,793 | \$27,439,629 | (\$2,392,164) |
| CF - Tobacco Education Programs Fund | \$15,521,625 | | (\$15,521,625) |
| CF - Public Certified Funds | \$11,963,425 | \$6,842,200 | (\$5,121,225) |
| CF - Primary Care Fund | \$12,800,000 | \$0 | (\$12,800,000) |
| CF - Prevention, Early Detection, and Treatment Fund | \$5,679,358 | \$0 | (\$5,679,358) |
| CF - Supplemental Old Age Pension Health and Medical Fund | \$4,850,000 | \$3,000,000 | (\$1,850,000) |
| CF - Breast and Cervical Cancer Treatment Fund | \$2,517,949 | \$3,000,540 | \$482,591 |
| CF - Autism Treatment Fund | \$688,751 | \$878,625 | \$189,874 |
| CF - Coordinated Care for People with Disabilities Fund | \$111,684 | \$202,500 | \$90,816 |
| CF - Buy-In Premiums | \$0 | \$6,327,948 | |
| CF - Home Health Telemedicine Cash Fund | \$49,665 | \$156,288 | \$106,623 |
| CF Subtotal | \$445,295,060 | \$544,647,425 | \$93,024,417 |
| RF - Health Disparities Grant Program | \$4,490,435 | \$0 | (\$4,490,435) |
| RF - DPHE Disease Management | \$1,999,161 | \$2,000,000 | \$839 |
| RF - DPHE Breast and Cervical Cancer | \$1,105,567 | \$1,215,340 | \$109,773 |
| RF - DPHE Family Planning | \$190,350 | \$420,660 | \$230,310 |
| RF Subtotal | \$7,785,513 | \$3,636,000 | (\$4,149,513) |
| Federal Funds | \$2,053,519,580 | \$1,907,528,856 | (\$145,990,724) |
| Total Funds | \$3,456,959,480 | \$3,825,973,055 | \$362,685,627 |

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

INFORMATIONAL ISSUE: Children's Basic Health Plan Budget Outlook

The current appropriation for the Children's Basic Health Plan is \$230.7 million in FY 2010-11. The Department anticipates that actual expenditures in FY 2010-11 will be \$218.2 million. For FY 2011-12, the Department anticipates that the CBHP program line items will need \$279.4 million. This is an increase of \$48.7 million (21.1 percent) over the current FY 2010-11 appropriation and \$61.2 million (28.1 percent) over the revised FY 2010-11 estimate.

SUMMARY:

- The Department's FY 2010-11 estimate and FY 2011-12 budget request for the Children's Basic Health Plan (all line items) is shown below.

| Table 1: FY 2010-11 Estimate & FY 2011-12 Budget Request | | | | | | |
|---|---|--|--|--|---|---|
| Line Item | Current FY 2010-11 Appropriation | Department's Estimated FY 2010-11 Expenditure | Difference Possible Supplemental Amount | Department's FY 2011-12 Budget Request* | <i>FY 2011-12 Increase Compared to Current FY 2010-11 Appropriation</i> | <i>FY 2011-12 Increase Compared to Estimated FY 2010-11 Expenditure</i> |
| Trust Fund | \$9,411,482 | \$6,714,488 | (\$2,696,994) | \$13,796,996 | \$4,385,514 | \$7,082,508 |
| Admin. | \$4,889,503 | \$4,889,503 | \$0 | \$4,894,410 | \$4,907 | \$4,907 |
| Premiums | \$202,521,966 | \$196,155,940 | (\$6,366,026) | \$247,401,584 | \$44,879,618 | \$51,245,644 |
| Dental | <u>\$13,878,070</u> | <u>\$10,393,548</u> | (\$3,484,522) | <u>\$13,277,975</u> | (<u>\$600,095</u>) | <u>\$2,884,427</u> |
| Total | \$230,701,021 | \$218,153,479 | (\$12,547,542) | \$279,370,965 | \$48,669,944 | \$61,217,486 |
| GF | \$9,411,482 | \$6,714,488 | (\$2,696,994) | \$13,796,996 | \$4,385,514 | \$7,082,508 |
| CF | 71,429,197 | 67,925,527 | (3,503,670) | 93,778,776 | 22,349,579 | 25,853,249 |
| RF | 6,856,880 | 6,856,880 | 0 | 0 | (6,856,880) | (6,856,880) |
| FF | <u>143,003,462</u> | <u>136,656,584</u> | (6,346,878) | <u>171,795,193</u> | <u>28,791,731</u> | <u>35,138,609</u> |
| Total | \$230,701,021 | \$218,153,479 | (\$12,547,542) | \$279,370,965 | \$48,669,944 | \$61,217,486 |
| Percent (Decrease) / Increase | | | (5.44)% | n/a | 21.10% | 28.06% |

DISCUSSION

Background

The State Children's Health Insurance Program (SCHIP) was enacted by Congress in 1997 as Title XXI of the Social Security Act and was reauthorized on February 4, 2009, with the Children's Health Insurance Program Reauthorization Act (CHIPRA). In Colorado, SCHIP was enacted as the Children's Basic Health Plan (CBHP). The CBHP program receives a 65 percent federal match and currently covers children up to 250 percent of the federal poverty level (FPL). Under the Accountable Care Act of 2010 (federal health care reform), the SCHIP program will end by 2019.

FY 2010-11 and 2011-12 CBHP Program Request

Table 2 shows the reasons for the anticipated budget changes to the CBHP program line items for FY 2011-12.

| Table 2: CBHP Program Line Items FY 2011-12 Request Detail* | | | | | |
|---|----------------------|---------------------|---------------------|------------------|----------------------|
| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds |
| Current FY 2010-11 Appropriation | \$230,701,021 | \$9,411,482 | \$71,429,197 | \$6,856,880 | \$143,003,462 |
| ES #3 -- Delay Managed Care Payments | (21,617,050) | (2,696,994) | (6,622,020) | 0 | (12,298,036) |
| S #3 -- Revised Caseload and Cost Estimates | <u>9,069,508</u> | <u>0</u> | <u>3,118,350</u> | <u>0</u> | <u>5,951,158</u> |
| Revised FY 2009-10 Appropriation | 218,153,479 | 6,714,488 | 67,925,527 | 6,856,880 | 136,656,584 |
| <i>FY 2010-11 Adjustments to Revised Appropriation</i> | | | | | |
| Annualize Prior Budget Actions | 3,140,967 | (6,714,488) | 10,362,268 | (6,856,880) | 6,350,067 |
| CBHP BASE Caseload and Per-Capita Cost increases for medical and dental benefits | 57,635,124 | 0 | 20,165,441 | 0 | 37,469,683 |
| CBHP Program Reductions | (13,355,601) | 0 | (4,674,460) | 0 | (8,681,141) |
| CBHP Trust Fund Solvency | <u>13,796,996</u> | <u>13,796,996</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Department's FY 2011-12 Request (Nov 1, 2010) | \$279,370,965 | \$13,796,996 | \$93,778,776 | \$0 | \$171,795,193 |
| (Decrease)/Increase from <u>Revised</u> FY 2010-11 appropriation | \$61,217,486 | \$7,082,508 | \$25,853,249 | (\$6,856,880) | \$35,138,609 |

* Includes changes to CBHP Trust Fund, CBHP Administration, CBHP Premium Costs, and CBHP Dental Benefit Costs. Does not include costs in the EDO Division.

FY 2010-11 Issues

ES #3 -- Delay Managed Care Payments: As part of their budget reductions in October 2010, the Department asked that all Managed Care Payments be made in the month following enrollment. This has the effect of the Department only paying 11 months of capitation payments for the CBHP HMO network in FY 2010-11.

S#3 -- Revised Caseload and Cost Estimates: The Department's request reflects update caseload and cost estimates as reflected in the Table 3 below.

| Table 3: CBHP Program FY 2010-11 Supplemental Request | | | | |
|--|----------------------------------|------------------------|--------------------|---------------------|
| Item | Current Appropriation | Revised Request | Difference | % Difference |
| Children's Caseload | 84,793 | 76,741 | (8,052) | (9.50)% |
| Adult Prenatal Caseload | <u>2,467</u> | <u>2,396</u> | <u>(71)</u> | <u>(2.88)%</u> |
| Total Caseload | 87,260 | 79,137 | (8,123) | (9.31)% |
| <u>Estimated Costs</u> | | | | |
| Children's Premiums | \$175,089,123 | \$178,377,548 | \$3,288,425 | 1.88% |
| Adult Premiums | 27,432,843 | 35,402,808 | 7,969,965 | 29.05% |
| Children's Dental | <u>13,878,070</u> | <u>11,689,189</u> | <u>(2,188,881)</u> | <u>(15.77)%</u> |
| Total Costs | \$216,400,036 | \$225,469,545 | \$9,069,509 | 4.19% |
| <u>Change in Per Capita</u> | | | | |
| Children | \$2,228.57 | \$2,476.73 | \$248.16 | 11.14% |
| Adults | \$11,119.92 | \$14,775.80 | \$3,655.88 | 32.88% |
| <u>Fund Sources</u> | | | | |
| Immunization Fund | \$461,700 | \$559,603 | \$97,903 | 21.20% |
| CHBP Trust Fund | 34,967,211 | 38,405,540 | 3,438,329 | 9.83% |
| Health Care Expansion Fund | 31,947,282 | 29,806,480 | (2,140,802) | (6.70)% |
| Hospital Provider Fee | 8,690,654 | 10,413,576 | 1,722,922 | 19.83% |
| Federal Funds | <u>140,333,189</u> | <u>146,284,346</u> | <u>5,951,157</u> | <u>4.24%</u> |
| Total Funds | \$216,400,036 | \$225,469,545 | \$9,069,509 | 4.19% |

The Department offered the following explanations for the some of the difference in the revised forecast from the FY 2010-11 original estimate.

- (1) The caseload for the program has been affected by numerous policy changes over the last several years. Therefore, accurately forecasting the caseload has been some difficult. It can be expected that during economic declines, some children will enter the Medicaid program rather than the CBHP program.
- (2) Per capita rates have been increasing at a higher than projected rate because:
 - (a) In children, the highest growth rate has been in children age 0 through 2 years old, which is the age group with the highest cost;
 - (b) Utilization of services has been increasing;
 - (c) Both the self-funded network and the HMOs have experienced large increases in unit costs, which measures the mix of services obtained as well as the underlying fee.
 - (d) Historically, the capitation rates for the prenatal program have been too low, resulting in significant year-end claims reconciliation.

FY 2011-12 Issues

Table 2 shows the following issues in developing the cost estimates for the FY 2011-12 from the Department's revised FY 2010-11 base.

Annualize Prior Budget Actions: The Department's request contains the following technical adjustments.

- (1) Back-out the supplemental requested supplemental requests including adding back in one month of capitation payments so that FY 2011-12 is funded for 12 months instead of 11 months funded in FY 2010-11 ;
- (2) Assumes that the General Fund appropriation into the CBHP Trust Fund is one-time funding instead of base funding; and
- (3) Annualizes administrative funding for H.B. 09-1293 (a total of \$4,907).

CBHP Base Caseload and Per-Capita Cost increases for Medical and Dental Benefits: The Department's FY 2011-12 assumptions for caseload and per-capita costs are shown in Table 4 on the next page.

| Table 4: CBHP Program FY 2011-12 Request Assumptions | | | | |
|---|---|-------------------------------|---------------------|---------------------|
| Item | Revised FY 2010-11 Request | FY 2011-12 Request | Difference | % Difference |
| Children's Caseload | 76,741 | 86,516 | 9,775 | 12.74% |
| Adult Prenatal Caseload | <u>2,396</u> | <u>3,303</u> | <u>907</u> | <u>37.85%</u> |
| Total Caseload | 79,137 | 89,819 | 10,682 | 13.50% |
| <u>Estimated Costs</u> | | | | |
| Children's Premiums | \$178,377,548 | \$209,545,213 | \$31,167,665 | 17.47% |
| Adult Premiums | 35,402,808 | 51,040,169 | 15,637,361 | 44.17% |
| Children's Dental | <u>11,689,189</u> | <u>13,449,778</u> | <u>1,760,589</u> | <u>15.06%</u> |
| Total Costs | \$225,469,545 | \$274,035,160 | \$48,565,615 | 21.54% |
| <u>Change in Per Capita</u> | | | | |
| Children | \$2,476.73 | \$2,577.50 | \$100.77 | 4.07% |
| Adults | \$14,775.80 | \$15,452.67 | \$676.87 | 4.58% |
| <u>Fund Sources</u> | | | | |
| Immunization Fund | \$559,603 | \$583,099 | \$23,496 | 4.20% |
| CHBP Trust Fund | 38,405,540 | 40,227,968 | 1,822,428 | 4.75% |
| Health Care Expansion Fund | 29,806,480 | 34,067,527 | 4,261,047 | 14.30% |
| Hospital Provider Fee | 10,413,576 | 21,353,694 | 10,940,118 | 105.06% |
| Federal Funds | <u>146,284,346</u> | <u>177,802,872</u> | <u>31,518,526</u> | <u>21.55%</u> |
| Total Funds | \$225,469,545 | \$274,035,160 | \$48,565,615 | 21.54% |

The majority of the caseload growth anticipated in FY 2011-12 is from the new expansion group between 205 percent FPL and 250 FPL. Overall, the Department anticipates that the CBHP caseload will grow by 13.5 percent.

Based on the large increases in per capita costs requested in FY 2010-11 to adjust for previous year problems in forecasting the per capita's, the growth in the per capita costs in FY 2011-12 are moderate at approximately 4.07 percent for the children and 4.58 percent for the Adults.

Because most of the caseload growth is in the expansion populations, most of the increase in the state funded needed for the program is from the Health Care Expansion Fund and the Hospital Provider Fee. See Appendix H for more detail on the FY 2011-12 forecast.

CBHP Program Reductions -- The program reductions for the CBHP were discussed in a previous briefing issue.

CBHP Trust Fund Solvency -- Expenditures from the CBHP Trust Fund include program expenses in the CBHP premiums and dental programs as well as administrative costs. As discussed earlier, the CBHP Trust Fund receives the majority of its funding from the Tobacco Master Settlement appropriations. The General Fund subsidizes appropriations from the CBHP Trust Fund when moneys in the Fund are insufficient for the program costs. The Department forecasts that the CBHP Trust Fund will need a \$13.8 million appropriation from the General Fund in FY 2011-12 in order to meet program costs. Please remember that the CBHP Trust Fund provides only a portion of the state match for the CBHP programs, the rest is provided from the HCE Fund or the Hospital Provider Fee.

The CBHP Trust Fund Balance was presented in an earlier issue and can be seen on page 92.

Consequence of Not Funding the Department's Request

In the past the CBHP program could be capped based on the amount of funding available for the program. However, under the Accountable Care Act of 2010 (federal health reform), the state is prohibited from changing any eligibility for children health programs that were in place on the date that ACA was enacted. As such, the CBHP resembles an entitlement program like Medicaid.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

INFORMATIONAL ISSUE: National Health Care Reform and Potential Budget Impacts

The federal Affordable Care Act is the most comprehensive health care law enacted since Medicare and Medicaid in 1965. However, because of the implementation time line there will be limited impact to state appropriations in FY 2010-11 and FY 2011-12.

SUMMARY:

- The Executive Branch did not submit any decision items related to implementing the Accountable Care Act in their November 1, 2010 budget requests for FY 2010-11.

DISCUSSION:

Background

The federal Affordable Care Act (ACA) (which is the combination of H.R. 3590, the Patient Protection and Affordable Care Act and H.R. 4872, the Health Care and Education Reconciliation Act of 2010) is the most sweeping and comprehensive health care law enacted since the passage of Medicare and Medicaid in 1965. Under the provisions of ACA, health insurance coverage in the United States is anticipated to rise from the current 83 percent of the population to 93 percent -- or in other words a total of 34 million more individuals will have health insurance coverage once ACA is fully implemented. At the time ACA was enacted, the total costs of the bill were estimated by the Congressional Budget Office at \$938 billion federal funds offset by \$548 billion in federal savings (mainly projected in the Medicare program) and \$514 in new revenue sources.¹ In order to extend health insurance coverage, ACA has the following main approaches:

- (1) Requires all citizens and legal residents to have health insurance by 2014;
- (2) Creates state-based insurance exchanges through which individuals can purchase coverage, with subsidies available to lower-income individuals;
- (3) Expands mandatory coverage in the Medicaid program to all non-elderly at or below 133 percent of the federal poverty level;

¹These are a broad summary of the Congressional Budget Office estimates at the time the act was passed. Other estimates presented in this document may differ due to updated analysis or because the estimates are cited from the Chief Actuary Office for the Centers of Medicare and Medicaid Services instead of from the CBO.

- (4) Requires employers, with the exception of small employers, to provide health insurance for their employees or face penalties; and
- (5) Makes numerous other changes regulating the insurance market and to improve access to insurance or improve quality of care.

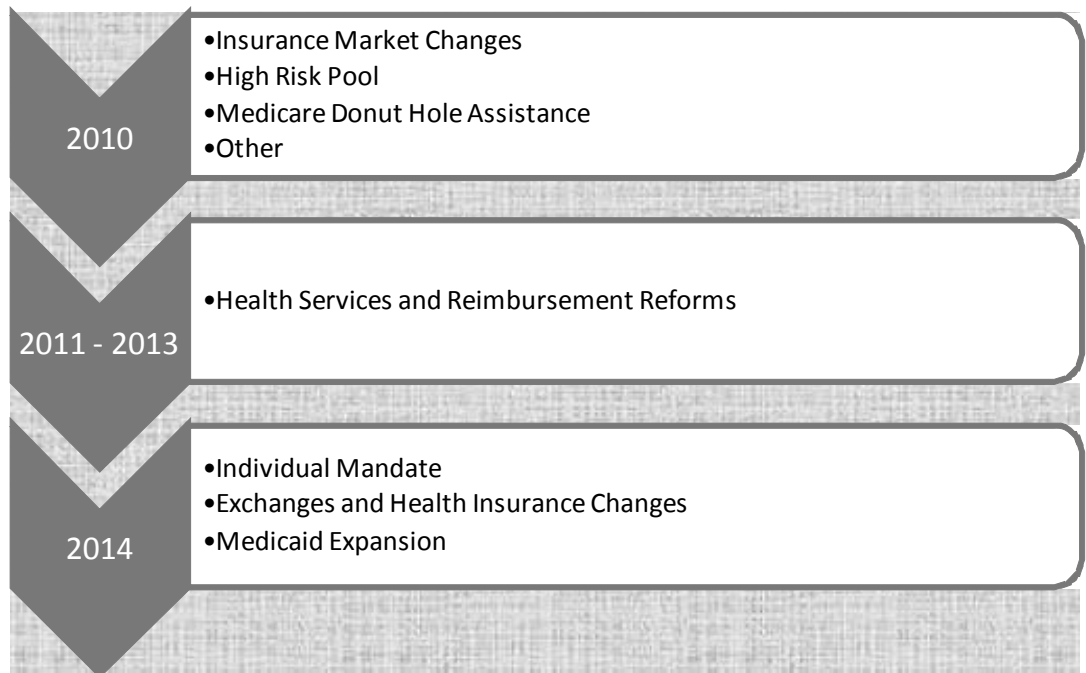
In reviewing and following the debate on the Act for the last year, staff offers the following quotes or observations:

- ☐ *"There will always be Health Care Reform"* -- Uwe E. Reinhardt, Ph.D. Health Care Economist from Princeton University.
- ☐ *"The Act is a controversial and polarizing law about which reasonable and intelligent people can disagree in good faith."* -- Roger Vinson, Senior United State District Judge.
- ☐ *"Although we believe that these estimates are reasonable and fairly portray the likely future effects of this comprehensive package of health care reforms, they are subject to much greater uncertainty than normal The behavioral responses to changes introduced by national health reform legislation are impossible to predict with certainty...."* -- Richard S. Foster, Chief Actuary for the Centers of Medicare and Medicaid Services.

Specific Time line For Reform

As noted earlier, ACA is an expansive law and will be implemented over several years, with most of the major issues implemented by January 2014.

While some of the biggest pieces ACA will not be implemented until 2014, planning for the changes are occurring now. In addition, there are several pieces of ACA that have already been implemented or will be implemented



prior to 2014. Following are major ***highlights*** of these changes (does not include revenue changes with the exception of penalties for not offering or purchasing insurance).

2010 Changes

Insurance Market Changes

- ✓ Prohibits individual and group health plans from placing lifetime limits on the dollar value of coverage, rescinding coverage except in cases of fraud, and from denying children coverage based on pre-existing medical conditions or from including pre-existing condition exclusions for children. Restricts annual limits on the dollar value of coverage (and eliminates annual limits in 2014). Also requires new plans to implement an effective internal and external appeals process for coverage determination. This provision is implemented for plan or policy years beginning on or after September 23, 2010.
- ✓ Requires all new health plans to cover preventive services without cost-sharing. Preventative services include such services as immunizations, preventive care for infants, children, and adolescents, and additional preventive care and screening for women. Applies to plans or policy years beginning on or after September 23, 2010.
- ✓ Requires all health plans (except self-insured health plans) to report the share of premium dollars spent on medical care versus other expenses, such as salaries and administrative costs -- commonly called the medical loss ratio (MLR). Also created a grant program to support State in requiring health insurance companies to submit justification for requested premium increases. These changes begin with plans or policy years beginning in January 2011.
- ✓ Requires health plans that provide coverage for children to continue to make that coverage available for any dependents (children of the insured) covered up to age 26. This requirement applies to all plans in the individual market, new employer plans, and existing employer plans, unless the adult child has an offer of coverage through his or her employer. Both married and unmarried children qualify for this extended coverage. This change is effective for plan or policy years beginning after September 23, 2010.

[As an employer, the State's health insurance plans must meet the above requirements beginning with the open enrollment for FY 2011-12 (July 2011). According to the Colorado Division of Insurance, these changes are anticipated to be responsible from 0 to 5 percent of the anticipated increases in health insurance premiums -- November 5, 2010 press release].

High Risk Pool

- ✓ Provides additional funding to expand or provide temporary high-risk pools for uninsured Americans with pre-existing conditions who lack access to health coverage.

In Colorado, this High Risk Pool is called "Getting US Covered". Rocky Mountain Health Plans has the contract with the U.S. Department of Health and Human Services to operate the this plan until 2014. RMHP is working jointly with Cover Colorado and pharmacy benefit manager Express Scripts to administer the program.

[Colorado has been awarded \$90.0 million to operate this program until 2014. This is a direct federal grant to private company and therefore, does not impact state appropriations].

Medicare Donut Hole

- ✓ ACA provided Medicare Part D enrollees who hit the gap in prescription drug coverage (known as the donut hole) with a \$250 rebate check. Currently this gap occurs for drug costs between \$2,830 and \$6,440. Under ACA the donut hole will be totally phased out by 2020.

Other

- ✓ Provides a tax credit for qualified small businesses to help them afford insurance coverage.
- ✓ Requires Medicaid programs to cover tobacco cessation services for pregnant women.
- ✓ Creates a temporary reinsurance program to help offset the costs of expensive premiums for employers and retirees for health benefits for retirees age 55 to 64.
- ✓ Provides more flexibility to States to provide HCBS services and to extend Medicaid benefits to individuals.
- ✓ Provides grants to community health centers (see staff issue on indigent care).
- ✓ Provides funding for Health Care Workforce issues (such as loan repayments, scholarships, establishing a workforce commission).
- ✓ Provides \$15 billion over 10 years for public health prevention efforts.
- ✓ Medicaid changes include: (1) allows states to expand Medicaid coverage to 133% FPL earlier than the 2014 requirements; and (2) increases Medicaid drug rebate percentage for brand name drugs to 23.1 percent (with some exceptions) and to 13 percent of AMP for multiple source drugs and extends the drug rebate to Medicaid managed care plans.
- ✓ Other -- see Legislative Council's Summary of Health Care Reform in Appendix I for a complete list of provisions.

2011 through 2013 Changes

- ✓ Provides 50 percent discount on all brand-name drugs and biologic in the Medicare Part D "Donut Hole" as part of the way to phase-out the donut hole by 2010.
- ✓ Eliminates cost-sharing requirements for certain preventative care provided in Medicare.

- ✓ Increases Medicare reimbursement to primary care Practitioner and changes reimbursement for Medicare Advantage.
- ✓ Establishes the Center for Medicare and Medicaid Innovation to test payment and service delivery models.
- ✓ Enacts the "CLASS ACT" to provide a voluntary payroll deduction to fund long-term care insurance.
- ✓ Establishes a new Community First Choice Option, which allows states to offer home and community based services to disabled individuals through Medicaid rather than institutional care.
- ✓ Establishes an Independent Payment Advisory Board to submit proposals to Congress on how to extend the solvency of Medicare, lower health care costs, and improve health care outcomes.
- ✓ Provides numerous initiatives to attempt to improve health outcomes and reduce costs (see Appendix X).

2014 Changes

Individual Mandate

- ✓ Requires U.S. citizens and legal residents to have qualifying health coverage. Those without coverage pay a tax penalty of the greater of \$695 per year up to a maximum of three times that amount (\$2,085) per family or 2.5 percent of household income. The penalty will be phased-in according to the following schedule:
 - \$95 in 2014
 - \$325 in 2015
 - \$695 in 2016 for the flat fee or 1.0 percent of taxable income in 2014
 - 2.0% of taxable income in 2015; and
 - 2.5 percent of taxable income in 2016.

Exchanges and Health Insurance Changes

- ✓ Provides that all states must operate insurance exchanges for the individual and small group market by 2014 (by 2017 the exchanges may also be available for large group market). The exchange can be operated by a non-profit or government entity (including the state or a regional exchange).
 - The exchanges must offer four benefit plans (bronze through platinum) plus a separate catastrophic plan.
 - Limits availability of premium credits and cost-sharing subsidies through the Exchanges to U.S. citizens.

- Provides refundable and advance able premium credits to eligible individuals and families with incomes between 133-400 percent FPL. Premium assistance is provided on sliding scale with an individual's premium contribution set at the following amounts:
 - a) Up to 133 FPL: 2 percent of income
 - b) 133-150% FPL: 3 to 4 percent of income
 - c) 150-200% FPL: 4 to 6.3 percent of income
 - d) 200-250 FPL: 6.3 - 8.05 percent of income
 - e) 250-300 FPL: 8.05 to 9.05 percent of income
 - f) 300 -400 FPL: 9.5 percent of income.
- Employers with more than 50 employees that do not offer coverage and have a least one employee receiving a premium tax credit will be assessed a fee of \$2,000 per full-time employee, excluding the first 30 employees. Employers with more than 50 employees that offer coverage but have at least one full-time employee receiving a premium tax credit will pay the lesser of \$3,000 for each employee receiving a credit or \$2,000 for each full-time employee. Employers with more than 200 employees will be required to automatically enroll all employees into a health plan offered by the employer (the employee may elect to opt out).
- ✓ Prohibits health insurance plans from refusing to sell coverage or renew policies based on an individual's health status. Insurers can no longer exclude coverage for treatments based on Pre-existing conditions. It also limits the ability of insurance companies to charge higher rates due to health status, gender or other factors. Premiums can vary only by age, geography, family size, and tobacco use.

Medicaid Changes

- ✓ Expands Medicaid to all individuals under age 65 with income up to 133% FPL based on modified adjusted gross income. States will receive 100 percent federal funding for this new expansion from 2014 through 2016, 95 percent federal financing in 2017, 94 percent federal financing in 2018, 93 federal financing in 2019, and 90% federal financing of 2020 and subsequent years.
- ✓ Requires Medicaid payments for primary care services to paid at 100 percent of Medicare rates for 2013 and 2014. States will receive 100 percent federal financing for the increased payment rates.

- ✓ Provides a 23 percent increase in the CHIP match rate (up to 100 percent) beginning in 2015. The CBHP program is extended to 2019.

Anticipated National Impacts of ACA

The following fiscal information is from the April 22, 2010 Memorandum to Congress from the Chief Actuary for the Centers of Medicare and Medicaid Services (CMS). As noted in the memo, "[These] estimates will vary from those of other experts and agencies. Differences in results from one estimating entity to another may tend to cause confusion among policy makers. These differences, however, provide a useful reminder that all such estimates are uncertain and that actual future impacts could differ significantly from the estimates of any given organization."

Table 1 below shows the costs estimates to the *federal* government from ACA. Please note that CMS Actuary did not estimate tax or revenue changes not applicable to the Medicaid or Medicare programs. Therefore, Table 1 will show a net cost for the program. However, the Congress Budget Office has estimated that the new revenue sources (i.e. such as taxing tanning saloons, additional taxes on high-cost employer-sponsored health insurance, etc. will more than offset the costs of program during the 10 year time frame.).

| Table 1: Estimated Federal Costs (+) or Savings (-) under SELECTED Provisions of Accountable Care Act/1 | | | | | | | | | | | |
|--|----------------------------|----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| (in Billions) | | | | | | | | | | | |
| Provision | Federal Fiscal Year | | | | | | | | | | Total |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | |
| Coverage | \$3.3 | \$4.6 | \$4.9 | \$5.2 | \$82.9 | \$119.2 | \$138.2 | \$146.6 | \$157.6 | \$165.8 | \$828.2 |
| Medicare | 1.2 | (4.7) | (14.9) | (26.3) | (68.8) | (60.3) | (75.2) | (92.1) | (108.2) | (125.7) | (575.1) |
| Medicaid/ CHIP | (0.9) | (0.9) | 0.8 | 4.5 | 8.6 | 5.1 | 4.6 | 3.4 | 1.3 | 1.7 | 28.3 |
| Cost Trend | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) | (0.2) | (0.4) | (0.6) | (0.9) | (2.3) |
| CLASS | 0.0 | (2.8) | (4.5) | (5.6) | (5.9) | (6.0) | (4.3) | (3.4) | (2.8) | (2.4) | (37.8) |
| Immediate Reform Provisions | <u>5.6</u> | <u>3.2</u> | <u>1.2</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>10.0</u> |
| TOTAL | \$9.2 | (\$0.7) | (\$12.6) | (\$22.3) | \$16.8 | \$57.9 | \$63.1 | \$54.2 | \$47.2 | \$38.5 | \$251.3 |

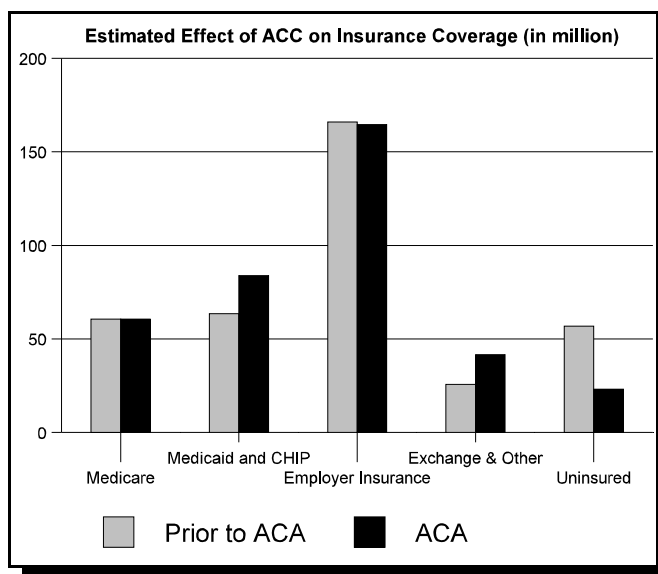
1/ April 22, 2010 Memorandum to Congress from Richard S. Foster, Chief Actuary for the Centers of Medicare and Medicaid Services, page 2.

As indicated in Table 1, the costs associated with expanding coverage (including the exchange, Medicaid and CHIP) are estimated to cost \$828 billion through fiscal year 2019. However, these costs are offset \$577 billion in savings from other provisions, leaving a net overall cost for this period of \$251 billion before consideration of additional Federal revenue enhancements. Following is a summary of these expenses:

- (1) Of the \$828.2 billion estimated for coverage expansion is attributed to the following: (1) \$410 billion (approximately 50%) to expanding Medicaid coverage to 133 percent FPL; (2) \$29 billion is for increased funding for the CHIP program (enhanced federal match); (3) \$507 billion is for premium assistance to individuals purchasing insurance through the exchange; (4) \$31 billion is for credits to small employers who choose to offer insurance coverage. These costs are offset by \$120 billion paid by individuals who choose to remain uninsured and employers who opt not to offer coverage.

Of the 57 million uninsured (projected prior to ACA), 34 million would become insured:

- 18 million will be added to Medicaid
- 21 million will get insurance through the Exchange
- 4 million will drop private insurance.



- (2) Net Medicare savings were estimated at \$575 billion for FY 2010-2019 for the following issues: (a) reduce Part A and Part B payment levels and adjust future "market basket" payment updates (\$233 billion); (b) eliminate the Medicare Improvement Fund (\$27 billion); (c) reduce disproportionate share hospital payments (\$50 billion); (d) reduce Medicare Advantage payments (\$145 billion); (e) freeze the income thresholds for Part B income-related premium for 9 years (\$8 billion); (f) Medicare growth rate targets (\$24 billion); and (g) increase payroll taxes by 0.9 percentage points for individuals with incomes above \$200,000 and families above \$250,000. These savings were offset by \$13 billion related to changes for Part D (i.e. closing the donut hole), extending a number of special payment provisions that were set expired (\$5 billion) and improving access to preventive health care (\$6 billion).

As a caveat to his projections, the Actuary noted that some of the Medicare savings may be unsustainable over time. Specifically, the Actuary noted that "*sustained reduction in payment*

updates, based on productivity expectations that are difficult to attain, would cause Medicare payment rates to grow more slowly than, and in a way that was unrelated to, the providers costsroughly 15 percent of Part A providers [could] become unprofitable within the 10-year projection period although this policy could be monitored over time to avoid such an outcome, changes would likely result in smaller actual savings than shown here for these provisions."

- (3) Other costs to the Medicaid and CHIP program were estimated at \$28.3 billion. This amount reflects the following: (a) \$29 billion to encourage home and community-based services; (b) \$24 billion for higher federal matching rates for states with existing childless adult coverage; (c) \$11 billion to temporarily increase payments to physicians; and (d) \$7 billion to increase payments to territory Medicaid programs. These costs are somewhat offset by the following: (a) \$24 billion to increase the level of Medicaid prescription drugs; (b) \$14 billion to reduce Medicaid DSH payments; and (c) \$9 billion based on interactions between Medicare Part B premiums and Medicaid outlays.
- (4) The CMS Actuary estimated that there would be \$2.3 billion in savings resulted from the various changes in the bill attempting to control the growth of health care costs.
- (5) The CMS Actuary estimated cost savings of \$37.8 billion from the CLASS Act. The CLASS Act is a voluntary, Federal insurance program to provide a cash benefit to an enrollee once they are unable to perform at least two or three activities of daily living or have a substantial cognitive impairment. The program is financed by a voluntary payroll tax and participants must meet a five year vesting period before becoming eligible for benefits.

Initially the CLASS Act is anticipated to show net savings during the first nine years of operations -- the first five of which are prior to the commencement of benefit payments. After 2015, as benefits are paid, the net savings from this program will decline; and in 2025 and later, the CMS Actuary projects that benefits will exceed premium revenues, resulting in deficit in the program's funding.

- (6) The CMS Actuary estimated costs of \$10 billion based on the immediate health reforms in the ACA as follows: (a) \$5 billion for the temporary national insurance pool; and (2) \$5 billion in Federal financing for reinsurance costs for early retirees.

The above costs were to the federal government. The CMS Actuary also estimated that overall National Health Care Expenditures (NHE) would increase by \$311 billion or 0.9 percent over the baseline (i.e. Pre-ACA) forecast. The total NHE is estimated to occur primarily as a net result of the expansion of coverage (i.e. when more people are insured they will spend more money on health care). The CMS Actuaries estimates did not include any cost impacts associated with eliminating pre-existing conditions or

elimination of lifetime aggregate benefit limits because the Actuary believed that these provisions would have only minor upward impacts on national health spending.

Anticipated State Impact of ACA

In October 2010, staff surveyed all of the State Departments requesting information regarding the budget impacts of ACA to their Department's state appropriations. The majority of State Department's responded that ACA would not impact their Departments beyond being an employer (i.e. provisions related to health benefits may change). For most Departments, the impacts of ACA are unknown at this time because federal rules have not been completed or it is too early to determine what grant opportunities exist. Additionally, a lot of provisions in ACA will be funded directly through the federal government (such as grants to community health centers, scholarships for health care workers) and will not impact state appropriations.

At this time, the Executive Branch has not submitted any decision items for FY 2010-11 or FY 2011-12 related to implementing ACA. Therefore, current implementation activities associated with ACA are either being absorbed within existing resources or are being funded by federal grants. Only four of the State Departments survey provided any detail (and it was limited at that) regarding their current budget impacts for implementing ACA as shown in Table 2 below.

| Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer | |
|--|---|
| Department | Response |
| Department of Personnel and Administration | <p>The following list is how ACA will impact the State as an Employer.</p> <p><i>March 30, 2010</i> – Imputed value of coverage attributed to certain non-tax dependents excluded from income. Cafeteria plans may allow employees to pay for adult children coverage on pre-tax basis, even if plan document has not been amended as long as it is amended no later than 12/31/10. In preparation for changes in FY11 plan year, changes in Flexible Spending Account (FSA) and Health Savings Account (HSA) provisions, etc., Plan Document must be amended by end of year. State payroll processes were adjusted and changes were communicated to the work force via Healthline and Advisor. Benefits staff are drafting a restated Plan Document, which requires legal review before approval by December 31, 2010.</p> <p><i>July 1, 2010</i> - determine grand fathered status of each option under the medical plan. Grand fathered status disclosure requirements - have a model notice - and must amend all materials, DSP, summaries, etc.</p> <p>Based on analysis, the 2 self-funded United Healthcare options (Choice Plus Copay & Choice Plus Definite HDHP), 2 fully insured Kaiser Permanente options (HDHP and HMO) are non-grand fathered. The medical plan must comply with all ACA requirements. Applies to next Plan Year - reviewing and amending all materials, which may require legal review, and will incorporate the notice requirements into open enrollment materials provided to all eligible employees and COBRA beneficiaries. Train benefits staff and administrators primarily on new documentation requirements.</p> |

Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer

| Department | Response |
|---|---|
| Department of Personnel and Administration (continued) | <p><i>January 1, 2011</i> - Over-the-counter (OTC) drugs no longer eligible for FSA or HSA reimbursement - Increase tax on distributions not used for qualified medical expenses to 20%. State's salary reduction plan document will be amended no later than 12/31/11.</p> <p>Applies to HSA and FSA effective January 1, 2011 - employees notified via Healthline, staff and benefits trained, change will be incorporated into new Plan Document, reference material developed and posted for employee use.</p> |
| | <p><i>January 1, 2011</i> – New reporting requirements, including reporting of health plan values for 2011 tax year. Value of benefits will be reported in new field on W2s issued in 2012 for the 2011 tax year. Note: this does not mean that the value will be taxable to employees. Upon request, W2 must be provided within 30 days of termination of employment.</p> <p>Was to apply effective January 1, 2011 - but was just postponed to 2012. Payroll systems will need to be upgraded. Legal advice to assist in interpretation, establish processes and value calculation. Train benefits, accounting, and payroll staff and HR/Benefits/Payroll administrators. Develop communication materials (online, newsletters, etc.) to inform employees.</p> |
| | <p><i>April, 2011</i> - Open enrollment for FY12 - special enrollment for adult dependents to age 26 may be incorporated into regular open enrollment as long as enrollment period is at least 30 days. Special notification required, but may be combined with other information.</p> <p>Effective July 1, 2011 - using model notice, Benefits staff will draft notice, which may require legal review, and incorporate into open enrollment materials. Must allow at least 30 days, must send notice to COBRA beneficiaries as well as actives, so staff will adjust open enrollment schedule and process. Reprogram benefit administration system to allow for enrollment of previously ineligible. Train staff and administrators and implement new documentation requirements.</p> |
| | <p><i>July 1, 2011</i> – age and relationship to employee become the only factors that may be used to determine dependent child eligibility for medical coverage. State's policies (rules/statutes) and plan documents must be amended to allow coverage of children to age 26 regardless of marital status, student status, residence, or financial dependency. Employees will be allowed to enroll previously ineligible children during open enrollment for the plan year beginning July 1, 2011 (FY2012).</p> <p>Applies for FY 12. Statute should be changed to reflect new federal law. Reprogram benefits administration system and verify whether payroll systems need to be changed, conduct rule making, train staff and administrators especially on documentation for proof of relationship, develop materials to inform employees, amend plan documents.</p> |

Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer

| Department | Response |
|---|--|
| Department of Personnel and Administration (continued) | <p><i>July 1, 2011</i> – Certain events that previously enabled employees to drop their dependents mid-year will not be qualifying status events when dependent does not lose eligibility. The only circumstance under which an employee can drop their under age 26 dependent mid-year will be if the dependent becomes covered under another employer’s plan, or eligible for Medicaid. Marriage, emancipation, financial independence, moving out of the family home are NOT qualifying events as of July 1, 2011. Similarly, children under age 26 may only be added mid-year due to involuntary loss of other coverage.</p> <p>Applies for FY 12. Statute should be changed to reflect new federal law. Reprogram benefits administration system and verify whether payroll systems need to be changed, conduct rule making, train staff and administrators especially on documentation for proof of relationship, develop materials to inform employees, amend plan documents.</p> |
| | <p><i>July 1, 2011</i> - Many reform changes are applicable to all plans regardless of grand fathering status, including prohibition on lifetime dollar limits, phase-out of annual dollar limits, phase-out of pre-existing condition exclusions, prohibition on rescissions, but in practice few coverage changes required.</p> |
| | <p><i>July 1, 2011</i> – New federal requirements for internal and external appeals processes.</p> <p>Review and revise plan documents, legal review may be required. Train staff and administrators. Communicate changes to employees via newsletters, website, etc.</p> |
| | <p><i>March 23, 2012</i> - Uniform documents and definitions to be developed. DHHS is to have developed a standard summary of benefits by March 23, 2011; the sponsoring employer or insurer to distribute summary of benefits no later than March 23, 2012.</p> <p>Specialized consulting and/or legal services may be required to ensure compliance. Revise materials, distribute to employees.</p> |
| | <p><i>September 23, 2010</i> - New record-keeping and notice requirements. Plan must maintain sufficient documentation to verify grand fathered plan status. Model notices will be used.</p> |
| | <p>General reporting requirements phased in beginning in 2012.</p> <p>Currently do not capture information that will be required to be reported, both for financial reporting and identifying and reporting actual hours worked each month for part-time vs. full-time employees for purposes of counts (e.g., used for penalties, eligibility). Must work with stakeholders, including OIT, payroll, accounting, benefits, to upgrade and pay for systems, perform accounting calculations and reporting.</p> |

Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer

| Department | Response |
|---|--|
| Department of Personnel and Administration (continued) | <p><i>Notices - March 2013</i></p> <p>Notice of Exchange - Compile detailed information, prepare notice and other materials for all employees. Train staff and administrators to assist employees w questions. Determine if notice of increase in Medicare tax rate required. Notice of automatic enrollment.</p> |
| | <p>Health insurance issuers and self-funded health plans will be required to pay an annual fee of \$2.00, (\$1.00 during first year the provision is applicable) indexed for inflation starting in 2014, times the average number of covered lives under the health insurance policy or self-insured health plan. (Effective for plan years ending after September 3, 2012; scheduled to end for plan years ending after September 3, 2019.)</p> <p>Determine processes and accountability and appropriate funding mechanism. May require reprogramming of payroll systems, and training of staff and administrators.</p> |
| | <p><i>2013 - Group health plans must comply with "administrative simplification" rules (to be published) for electronic exchange health information and electronic fund transfers and file a certification with the federal government that the plans are in compliance. Systems must be effective starting January 1, 2013, and employers must certify compliance by December 31, 2013.</i></p> <p>Determine processes and accountability and appropriate funding mechanism, esp. as requirements apply to self-funded plans. May require specialized consulting services to certify compliance.</p> |
| | <p><i>2013 - Limit Health FSAs to \$2,500.</i></p> <p>Amend plan documents, train staff and administrators, inform employees.</p> |
| | <p><i>2013 - Medicare tax of .9%, and 3.8% tax on passive income applies to individuals/families with incomes of \$200k/\$250k; tax applies on income above these thresholds. Medicare Part D subsidies become taxable.</i></p> <p>Determine processes and accountability, perform any reprogramming of payroll systems. Develop reference materials for employee use.</p> |
| | <p><i>2014 - Employers with 50 or more employees will be required to offer their FTEs minimum essential coverage under a group health plan or pay a fine of up to \$2,000/year for each FTE, in excess of 30 FTEs. An FTE is defined as an employee who is employed for 30 or more hours per week (effective January 1, 2014).</i></p> <p>Involve all stakeholders in planning for implementation, including an analysis whether to pay penalty in lieu of offering medical coverage. Will require systems upgrades to track hours worked each month and to generate required reports. Specialized consulting and legal services may be required to interpret "minimum essential services". Must report to feds detailed info about plans, premiums, number of eligibles, ALSO information about enrollees. ALSO quality of care measures, wellness and health promotion activities.</p> |

Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer

| Department | Response |
|--|--|
| Department of Personnel and Administration (continued) | <p>2014 - Free Rider Surcharge/Vouchers – Employer must offer qualifying coverage (60% actuarial value) to FTEs at 100-400% of Federal Poverty Level; limit employee contributions to no more than 8% of household income to avoid voucher requirement, 9.5% to avoid surcharge of up to \$2,000 per FTE. Plans must remove annual dollar limits on essential benefits.</p> |
| | <p>Involve all stakeholders in planning for implementation, including an analysis whether to pay penalty in lieu of offering medical coverage. Will require systems upgrades to track hours worked each month and to generate required reports. Specialized consulting and legal services may be required to interpret "minimum essential services". Must report to feds detailed info about plans, premiums, number of eligibles, ALSO information about enrollees. ALSO quality of care measures, wellness and health promotion activities.</p> |
| | <p>The free choice voucher will be in the amount the employer would have paid for coverage for the employee and his/her dependents, if applicable. If the amount of the voucher is more than is needed for the employee to purchase insurance on a state insurance exchange, the employer must pay the difference to the employee as wages. The portion of the free choice voucher that is used to buy insurance on an exchange is not included in the employee's income.</p> |
| | <p>Determine processes and accountability. May require new rules. Need system to keep track and to enable excess, if any, to be paid as wages. Train staff and administrators. Develop communications to inform employees.</p> |
| | <p>2014 - Automatic enrollment required. Employers with more than 200 employees who maintain one or more health plans must automatically enroll new FTEs in a health plan. The employer must give affected employees notice of this automatic enrollment procedure and an opportunity to opt out. State wage withholding laws are preempted to the extent that it prevents an employer from instituting this automatic enrollment program (effective date will be as provided in regulations Congress has directed the secretary of DOL to prepare).</p> |
| | <p>Programming of systems, creation of processes, and communication. Need to work with payroll, accounting, and legal.</p> |
| | <p>2014 - Must cover essential health services</p> |
| | <p>May need specialized consulting or legal services to review plans and advise, price, etc.</p> |
| | <p>2014 - Employers must provide notice to employees of state insurance exchanges in the form specified in upcoming DOL guidance (effective March 1, 2013 or such later date as set forth in future DOL guidance).</p> |
| | <p>In addition to providing notice to all active employees and new hires on an ongoing basis, must train staff and administrators to assist employees with questions.</p> |
| <p>2014 - Coverage for individuals participating in approved clinical trials</p> | |
| <p>Amend plans, take impact into consideration when setting rates</p> | |

Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer

| Department | Response |
|---|---|
| Department of Personnel and Administration (continued) | <p>2018 - Cadillac Tax – 40% excise tax on health benefits for “high value” plans; value of medical and reimbursement program benefits taken into account.</p> <p>Monitor and revise plan designs and cost to avoid excise tax if possible. If not possible to avoid, will require advance notice to employees, may require specialized consulting or legal advice to determine aggregate "value". Would likely have to build tax liability into premiums. Accountability and process for tracking and remitting would have to be determined.</p> |
| Department of Regulatory Agencies | <p>No long-term PPACA cost forecast exists at this time. Generally speaking, there are several areas that PPACA interfaces with the Division of Insurance’s regulatory scope. Most specifically, the Division must review health insurance premiums with regard to PPACA requirements, and for this purpose the Division was provided with a grant from the federal government (specifically the Department of Health and Human Services) for \$1 million, which is expected to cover 5 full-time positions, for a three-year period subject to renewal each year. Additionally the Division will serve in an advisory capacity as state insurance exchanges are set up, and the Division is receiving a \$40,000 pass-through of a federal grant administered by the Governor’s Office.</p> <p>Other areas of expected interface include general areas such as performing outreach and website modifications to be consistent with PPACA changes in law and educate consumers and industry representatives; participation in conferences and training with NAIC (National Association of Insurance Commissions) to remain abreast of developments in PPACA implementation; fielding whatever inquiries might be directed to the Division regarding federal health insurance requirements; carrying out state laws with a view to how they interface with the federal law and recommending any necessary changes in state law. These are the general areas in which the Division will likely end up performing work; however, it is unknown whether this work (individually or collectively) will be significant enough to calculate with any degree of certainty. Accordingly, only the new federal grants are included as actual known costs.</p> |
| Department of Public Health and Environment | <p>The Department has not performed a long-term PPACA cost forecast. We have several program areas that are using personnel to review the PPACA and to evaluate and implement the requirements for the Department. These programs include, but are not limited to, local public health assessment and planning, immunization, Ryan White Drug Assistance Program, Prevention Services Division programs, Health Facilities and Emergency Medical Services programs.</p> <p>Has received Grant Funding to strengthen the public health infrastructure, collect data on behavioral health risk factors such as smoking and exercising, enhance epidemiology and laboratory capacity, improve health workforce. Other grant opportunities exist.</p> <p>Department is absorbing within existing resources time spent reviewing legislation, applying for grants, and providing educational information to employees and impacted interest groups.</p> |

Table 2: State Survey Response For State Department's Impacted Beyond Being An Employer

| Department | Response |
|--|---|
| Department of Health Care Policy and Financing | <p>Colorado is ahead of the curve by virtue of having passed the Colorado Health Care Affordability Act (CHCAA) in 2009, which is essentially the State version of the federal Patient Protection and Affordable Care Act of 2010 (ACA). Also, in June 2009, the Department applied to receive grant funding from the federal Health Resources and Services Administration (HRSA) State Health Access Program (SHAP) for the Colorado Comprehensive Health Access Modernization Program (CO-CHAMP). The purpose of this additional grant funding is to augment the funding appropriated under House Bill 09-1293 "Colorado Health Care Affordability Act" and ensure its successful and full implementation. In September 2009, the Department received notice that its application was approved to fund seven comprehensive and interrelated projects totaling \$42,773,029 over the next five years beginning in FY 2009-10. For an in-depth description of the CO-CHAMP initiative please go to:</p> <p><u>2. http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1251574721186.</u></p> <p>Because CHCAA and the CO-CHAMP initiative are providing funding for administrative functions to implement the State reform, they are by default funding a lot of the prep work needed to implement ACA. With funding from CHCAA and the CO-CHAMP initiative the Department will be hiring approximately 80 FTE by FY 2011-12, so the Department anticipates that it will have sufficient staffing for the near future. The Department is not requesting any administrative funding to implement ACA in either FY 2010-11 or FY 2011-12. Please see the Colorado Health Care Affordability Act Update in the Department's November 1, 2010 Budget Request for details regarding administrative funding appropriated from CHCAA.</p> <p>At this time, Colorado does not know the magnitude of any administrative funding that may be needed in the future. The Department anticipates that modifications to the Colorado Benefits Management System (CBMS) and the Medicaid Management Information System (MMIS) will be required for many of the requirements under ACA, including but not limited to implementing the Medicaid expansions, allowing for the increased enrollee and claims volume from the expansions, and developing the interface with the Exchange. Costs specific to the Department will be addressed in the future through the normal budget process. The State was awarded a \$1 million planning and establishment grant for activities related to the potential implementation of the health care exchange. However, this grant was awarded to the Governor's Office (this is a correction to the Department Description, page B-21, in the Department's November 1, 2010 Budget Request). The Department will be pursuing grant opportunities provided under ACA, and has already received a planning grant for the Money Follows the Person Rebalancing Demonstration Program in the amount of \$200,000.</p> |

The Governor by Executive Order B-2010-006 created an Intra-Agency Health Care Reform Implementation Board. The Board's initial report on implementation activities is anticipated to be released by December 10, 2010.

Anticipated Costs to the State's Medicaid Program

Most of the ACA costs that impact the State's Medicaid and CHIP programs will occur after FY 2010-11 and FY 2011-12. However, Table 3 and Table 4 below shows the Department's long-term forecast for the impacts of both state and national health care reform.

| Table 3: Medicaid Expansion Population Caseloads (Total for Both H.B. 09-1293 and ACA) | | | | | | | | | | | |
|--|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Provision | Year | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010 |
| CHIP Expansion | 473 | 7,718 | 14,875 | 15,100 | 15,300 | 15,500 | 15,900 | 16,100 | 16,400 | 16,700 | 17,000 |
| Medicaid Children to 133% FPL | 0 | 0 | 0 | 0 | 29,300 | 9,600 | 75,900 | 77,400 | 78,900 | 80,400 | 81,700 |
| Medicaid Parents to 133% FPL | 750 | 12,250 | 25,000 | 49,700 | 59,200 | 68,700 | 73,800 | 74,500 | 75,200 | 76,100 | 76,800 |
| Disabled Individuals to 450% FPL | 0 | 0 | 2,400 | 4,400 | 9,100 | 13,400 | 15,500 | 15,700 | 15,700 | 15,800 | 15,800 |
| Childless Adults | <u>0</u> | <u>0</u> | <u>0</u> | <u>55,700</u> | <u>112,100</u> | <u>135,300</u> | <u>142,200</u> | <u>143,400</u> | <u>144,900</u> | <u>146,400</u> | <u>147,900</u> |
| TOTAL | 1,223 | 19,968 | 42,275 | 124,900 | 225,000 | 242,500 | 323,300 | 327,100 | 331,100 | 335,400 | 339,200 |

Represents the Department's original estimate from the Spring of 2010 -- has not been updated to reflect current Department request.

| Table 3: Medicaid Expansion Estimated Costs (Total for Both H.B. 09-1293 and ACA) All Expansion Populations in Millions | | | | | | | | | | | |
|--|--------------|---------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Provision | Year | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010 |
| Client Fees | \$0.0 | \$0.1 | \$9.1 | \$17.0 | \$19.9 | \$20.9 | \$22.0 | \$23.2 | \$24.5 | \$25.8 | \$27.2 |
| Hospital Provider Fee | \$1.5 | \$26.9 | \$89.4 | \$279.1 | \$126.0 | \$117.7 | \$124.9 | \$165.8 | \$182.7 | \$201.1 | \$236.1 |
| Other State Source (GF?) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$30.9 | \$39.1 | \$48.2 | \$72.5 |
| Federal Funds | <u>\$1.9</u> | <u>\$34.4</u> | <u>\$104.6</u> | <u>\$297.6</u> | <u>\$882.0</u> | <u>\$1,209.4</u> | <u>\$1,393.5</u> | <u>\$1,406.9</u> | <u>\$1,471.8</u> | <u>\$1,539.6</u> | <u>\$1,579.7</u> |
| TOTAL | \$3.4 | \$61.4 | \$203.1 | \$593.7 | \$1,027.9 | \$1,348.0 | \$1,540.4 | \$1,626.8 | \$1,718.1 | \$1,814.7 | \$1,915.5 |

Represents the Department's original estimate from the Spring of 2010 -- has not been updated to reflect current Department request.

As the table shows, the federal and state expansion is anticipated to increase expenditures by \$1.9 billion by 2020. However, the vast majority of this cost 82.5 percent will be paid by the federal government. The state share is 17.5 percent, with the hospital and client fees paying 13.7 percent and the state General Fund (or another source if identified by then) paying 3.8 percent.

The Department will be updating these estimates in the spring time after new information regarding the uninsured population in Colorado is made available.

Concluding Remarks

While ACA is a major piece of legislation, it is not anticipated to have a large appropriation impact on the State during FY 2010-11 or FY 2011-12. However, there will be plenty of discussion during this next Legislative Session regarding setting up the Insurance Exchange and other impacts of the bill. Fortunately for the Joint Budget Committee, other standing Committees will be working on the initial implementation issues. Major budget impacts, other than those of being an employer, are not anticipated until 2017.

Staff is aware of three major lawsuits that have been filed challenging ACA: the Michigan case, the Virginia case and the Florida case. The Michigan case was dismissed and the Virginia and Florida cases were allowed to move forward. Of particular interest to Colorado is the Florida case which 20 states have joined (including Colorado's Attorney General's Office but not the Governor's Office). A summary judgement on the Florida case is anticipated next week.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing
(Executive Director's Office, Medical Services Premiums,
Indigent Care Programs, and Other Medical Services)**

BRIEFING ISSUE

ISSUE: State Constitutional Changes Are Needed in Order to Maximize the Use of State Funds

If certain provisions in the State Constitution were modified, \$35.0 million in state revenues could be more efficiently used to expand access to health care services by indigent clients.

SUMMARY:

- The State Constitution and corresponding state statutes dedicate a total of \$15.3 million to the Old Age Pension Medical Program. Many of these clients will receive full Medicaid coverage under the provisions of H.B. 09-1293 or after the Accountable Care Act (ACA) is implemented. Therefore, this funding should be phased-out and totally eliminated by 2014.
- The State Constitution allocates 19 percent of the revenues collected under the Amendment 35 tobacco taxes to provide primary care grants. This funding does not draw a federal match. This funding should be reallocated in a manner that either draws a federal match or pays for the costs of increased eligibility for public insurance programs.
- The State Constitution dedicates revenues to fund caseload above the 2004 enrollments for the Children's Basic Health Plan and to increase enrollment in the Medicaid program. Eventually, the Children's Basic Health Plan will be phased-out by ACA (by 2019). Provisions in the State Constitution should be clarified for this outcome.

RECOMMENDATION:

Staff recommends that the Committee carry legislation to create a study group to provide recommendations to the General Assembly regarding a referendum to update the State Constitution based on the passage of state and federal health reform measures.

DISCUSSION:

Following is a discussion of the reasons staff believes constitutional changes are necessary.

Old Age Pension Medical Program

The Old Age Pension Medical Program was added to the Constitution prior to Congress passing the Medicare or Medicaid Acts (Title VIII and Title XIX of the Social Security Act). Specifically, Article

XXIV, Section 7, Paragraph (c) of the State Constitution provides that \$10.0 million shall be transferred from the Old Age Pension Fund to the Health and Medical Care Fund in order to provide health and medical care to recipients of the Old Age Pension Program. There are a number of reasons that staff believes this provision must be changed:

- (1) In the 1950s, the age of 60 was considered old age. Today with longer life spans is it still appropriate to provide benefits to individuals beginning at age 60?
- (2) Under H.B. 09-1293, beginning in FY 2011-12 all individuals under 100 percent of poverty will become eligible for Medicaid. This will substantially reduce the caseload still receiving services from the Old Age Pension program.
- (3) Under the Accountable Care Act (ACA), beginning in 2014 all individuals currently being served by the OAP Medical program will either be eligible for Medicaid or the exchanges. At this time, this program will be obsolete. It would be helpful to clarify that the \$10.0 million that use to fund the OAP Medical Fund can be used to fund the costs of OAP recipients that receive health care through the state Medicaid program or any successor program.

Title X, Section 21, paragraph (5) subsection (e) of the State Constitution provides that three percent (3%) of the Amendment 35 tobacco revenues must be appropriated to provide revenue for the state's general fund, old age pension fund, *and* municipal and county governments. There is a requirement in this section that at least \$1.00 be appropriated to the Old Age Pension program for health related purposes. Corresponding statutory guidance provides that 50 percent of the 3 percent (a total of 1.5 percent) of this revenue is deposited in the Supplemental Old Age Pension Health and Medical Fund. This is about \$2.2 million on annual basis that is probably will not be needed in the future. Therefore, staff believes that this provision of the Constitution should be modified to remove the requirement that any portion of this funding be appropriated to the OAP program beginning in 2012.

Lastly, once the constitutional provisions are amended, the General Assembly should clarify Section 39-26-123 (3) (a) (IV) (B), C.R.S. to remove the requirement that \$2.8 million from the OAP Fund be deposited into the Supplemental OAP Health and Medical Fund.

[Please note that Amanda Bickel from JBC staff mentioned that if Constitutional changes are going to be considered, the Committee may also want to consider whether the \$5.0 million stabilization fund for the OAP program is necessary. Eliminating this Constitutional provision may not be as controversial as the others mentioned above].

Amendment 35 Changes

Health Care Expansion Fund: Currently 46 percent of the tobacco taxes collected under Amendment 35 were used to expand access to public health insurance programs. The advocates supporting Amendment 35 were addressing some of the recent budget reductions that were made in FY 2003-04 -- namely the capping of the Children's Basic Health Plan. As such, the State Constitution contains language to provide

that the Tobacco Taxes should be used to for three purposes: (1) increase the number of children and pregnant women enrolled in the CBHP program above the average enrollment in 2004; (2) add parents of enrolled children; and (3) expand eligibility for the CBHP program. House Bill 05-1262 meets this constitutional requirement by dedicating the Health Care Expansion Fund to these three purposes. However, staff believes this language should be clarified now that program expenditures are surpassing revenues and because the Children's Basic Health Plan will see major enrollment changes as some children are moved to Medicaid coverage (children 6 to 19 covered in CBHP between 100 percent and 133 percent of poverty will move to Medicaid) and to the exchange (the exchange will provided subsidized health care premium assistance for families up to 400 percent of poverty). Staff would recommend that this funding be dedicated to supporting the Medicaid program.

Primary Care Fund: Another 19 percent of the Amendment 35 tobacco taxes are used to help provide primary care to uninsured or medically indigent clients. This funding does not receive a federal match. With the Accountable Care Act (ACA) all individuals will have insurance. Staff believes that it would be more appropriate to use this funding to help shore up the existing Medicaid population rather than to continue to provide grants to providers (i.e. money follows people not providers). Therefore, staff would recommend that this funding be combined with the distribution to the Health Care Expansion Fund and be dedicated to helping the state meet the needs of the Medicaid program.

Controversial -- Needs Studying

The recommendations staff presented are controversial and may generate considerable opposition from the advocate community. Without the support of the advocate community it is unlikely that needed or clarifying changes to the State Constitution could be made. Therefore, staff recommends that the Committee sponsor legislation to create a legislative study committee that includes members from the advocate community to look at these constitutional provisions to determine if modifications are necessary due to the passage of state and federal health reform. Staff believes that the study committee's charge could also include looking for long-term solutions to the funding needs of the Medicaid program's Health Care Expansion Fund population. Staff would recommend that the charge for the study committee be limited to these two items only.

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|

**Department of Health Care Policy and Financing
Executive Director: Joan Henneberry**

(Primary Functions: Administration of Medicaid, the Colorado Indigent Care Program, S.B. 00-71 Comprehensive Primary and Preventative Care Grant Program, Old Age Pension Health and Medical Fund Services, and the Children's Basic Health Plan).

(1) Executive Director's Office/1

(Primary Functions: Provides all of the administrative, audit and oversight functions for the Department. This Division contains 7 Subdivisions.)

(A) General

(Primary Functions: Contains all of the personal services costs, operating costs, and centrally appropriated costs for the Department)

| | | | | | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------|
| Personal Services/1 | <u>19,502,741</u> | <u>20,499,157</u> | <u>20,016,423</u> | <u>21,488,334</u> | DI #8 |
| FTE | 266.1 | 276.5 | 287.8 | 312.5 | NP #1, #12, |
| General Fund | 8,010,994 | 7,927,142 | 7,391,048 | 7,471,826 | #14 |
| Cash Funds | 604,469 | 1,172,469 | 1,652,353 | 2,198,460 | |
| Reappropriated Funds | 1,501,807 | 1,187,672 | 524,403 | 447,541 | |
| Federal Funds | 9,385,471 | 10,211,874 | 10,448,619 | 11,370,507 | |
| Health, Life, and Dental | <u>1,278,471</u> | <u>1,479,962</u> | <u>1,706,057</u> | <u>2,019,758</u> | NP #13 |
| General Fund | 578,598 | 640,247 | 611,752 | 617,223 | |
| Cash Funds | 28,315 | 63,735 | 205,744 | 263,281 | |
| Reappropriated Funds | 35,213 | 38,965 | 15,219 | 0 | |
| Federal Funds | 636,345 | 737,015 | 873,342 | 1,139,254 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Short-term Disability | <u>22,621</u> | <u>24,456</u> | <u>26,138</u> | <u>35,899</u> | NP #2 |
| General Fund | 9,538 | 9,267 | 9,539 | 11,715 | |
| Cash Funds | 568 | 1,540 | 2,174 | 3,973 | |
| Reappropriated Funds | 1,795 | 1,885 | 737 | 0 | |
| Federal Funds | 10,720 | 11,764 | 13,688 | 20,211 | |
| S.B. 04-257 Amortization Equalization | | | | | |
| Disbursement/2 | <u>275,961</u> | <u>330,311</u> | <u>402,667</u> | <u>567,904</u> | |
| General Fund | 114,941 | 123,846 | 145,650 | 185,323 | |
| Cash Fund | 6,983 | 20,931 | 33,664 | 62,851 | |
| Reappropriated Funds | 22,096 | 25,615 | 11,411 | 0 | |
| Federal Funds | 131,941 | 159,919 | 211,942 | 319,730 | |
| S.B. 06-235 Supplemental AED | <u>127,446</u> | <u>205,654</u> | <u>292,544</u> | <u>456,352</u> | |
| General Fund | 51,968 | 76,042 | 105,135 | 148,921 | |
| Cash Fund | 3,273 | 13,368 | 24,547 | 50,505 | |
| Reappropriated Funds | 10,358 | 16,009 | 8,321 | 0 | |
| Federal Funds | 61,847 | 100,235 | 154,541 | 256,926 | |
| Salary Survey and Senior Executive Service | <u>673,446</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 304,849 | 0 | 0 | 0 | |
| Cash Funds | 7,406 | 0 | 0 | 0 | |
| Reappropriated Funds | 21,487 | 0 | 0 | 0 | |
| Federal Funds | 339,704 | 0 | 0 | 0 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Performance-based Pay Awards | <u>249,966</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 112,340 | 0 | 0 | 0 | |
| Cash Funds | 3,147 | 0 | 0 | 0 | |
| Reappropriated Funds | 9,131 | 0 | 0 | 0 | |
| Federal Funds | 125,348 | 0 | 0 | 0 | |
| Worker's Compensation | <u>32,346</u> | <u>34,252</u> | <u>34,748</u> | <u>35,997</u> | |
| General Fund | 16,173 | 17,126 | 17,374 | 17,999 | |
| Federal Funds | 16,173 | 17,126 | 17,374 | 17,998 | |
| Operating Expenses | <u>1,148,096</u> | <u>1,567,155</u> | <u>1,587,445</u> | <u>1,535,605</u> | DI #8 NP #3 |
| General Fund | 557,186 | 642,384 | 660,958 | 673,273 | |
| Cash Funds | 13,014 | 126,000 | 120,297 | 82,063 | |
| Reappropriated Funds | 12,337 | 10,599 | 13,461 | 13,461 | |
| Federal Funds | 565,559 | 788,172 | 792,729 | 766,808 | |
| Legal and Third Party Recovery | | | | | |
| Legal Services | <u>900,342</u> | <u>754,502</u> | <u>872,590</u> | <u>927,244</u> | |
| General Fund | 378,142 | 314,430 | 337,174 | 337,174 | |
| Cash Funds | 72,026 | 62,393 | 99,121 | 126,448 | |
| Federal Funds | 450,174 | 377,679 | 436,295 | 463,622 | |
| Administrative Law Judge Services | <u>430,640</u> | <u>456,922</u> | <u>442,378</u> | <u>512,543</u> | |
| General Fund | 215,320 | 228,461 | 206,884 | 228,907 | |
| Cash Funds | 0 | 0 | 14,305 | 27,365 | |
| Federal Funds | 215,320 | 228,461 | 221,189 | 256,271 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Computer Systems Costs | <u>135,103</u> | <u>129,163</u> | <u>298,386</u> | <u>577,783</u> | NP #2 |
| General Fund | 64,215 | 61,245 | 145,856 | 285,555 | |
| Reappropriated Funds | 3,337 | 3,337 | 3,337 | 3,337 | |
| Federal Funds | 67,551 | 64,581 | 149,193 | 288,891 | |
| Multiuse Network Payments | <u>0</u> | <u>0</u> | <u>199,438</u> | <u>227,138</u> | |
| General Fund | 0 | 0 | 99,719 | 113,569 | |
| Federal Funds | 0 | 0 | 99,719 | 113,569 | |
| Management & Administration of OIT | <u>459,984</u> | <u>414,321</u> | <u>624,180</u> | <u>637,261</u> | NP #2 |
| General Fund | 229,992 | 207,161 | 312,090 | 318,631 | |
| Federal Funds | 229,992 | 207,160 | 312,090 | 318,630 | |
| Payment to Risk Management and Property Funds | <u>71,989</u> | <u>78,487</u> | <u>24,418</u> | <u>96,112</u> | |
| General Fund | 35,994 | 39,244 | 12,209 | 48,056 | |
| Federal Funds | 35,995 | 39,243 | 12,209 | 48,056 | |
| Leased Space | <u>381,780</u> | <u>385,125</u> | <u>696,564</u> | <u>696,564</u> | |
| General Fund | 185,390 | 171,512 | 191,619 | 191,619 | |
| Cash Funds | 5,500 | 21,050 | 156,664 | 156,664 | |
| Federal Funds | 190,890 | 192,563 | 348,281 | 348,281 | |
| Capitol Complex Leased Space | <u>395,208</u> | <u>395,460</u> | <u>388,228</u> | <u>415,505</u> | |
| General Fund | 197,604 | 197,730 | 194,114 | 207,753 | |
| Federal Funds | 197,604 | 197,730 | 194,114 | 207,752 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| General Professional Services and Special Projects | <u>1,298,595</u> | <u>2,935,923</u> | <u>4,519,565</u> | <u>4,501,995</u> | BRI #2 |
| General Fund | 771,478 | 1,189,435 | 1,480,361 | 1,480,361 | |
| Cash Funds | 0 | 500,430 | 673,785 | 665,000 | |
| Federal Funds | 527,117 | 1,246,058 | 2,365,419 | 2,356,634 | |
| Bills Appropriated At Subdivision Level | <u>0</u> | <u>0</u> | <u>1,328,361</u> | <u>0</u> | |
| FTE | <u>0</u> | <u>0</u> | <u>7.0</u> | <u>0</u> | |
| General Fund | 0 | 0 | 503,705 | 0 | |
| General Fund Exempt | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 824,656 | 0 | |
| SUBTOTAL -- Executive Director's Office, General Administration | | | | | |
| Total Funds | <u>27,384,735</u> | <u>29,690,850</u> | <u>33,460,130</u> | <u>34,731,994</u> | <u>3.80%</u> |
| FTE | 266.1 | 276.5 | 294.8 | 312.5 | 6.00% |
| General Fund | 11,834,722 | 11,845,272 | 12,425,187 | 12,337,905 | -0.70% |
| Cash Funds | 744,701 | 1,981,916 | 2,982,654 | 3,636,610 | 21.93% |
| Reappropriated Funds | 1,617,561 | 1,284,082 | 576,889 | 464,339 | -19.51% |
| Federal Funds | 13,187,751 | 14,579,580 | 17,475,400 | 18,293,140 | 4.68% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| (B) Transfers to Other Departments | | | | | |
| (Primary Functions: Contains administrative costs that are transferred to other Departments that administer programs eligible for Medicaid funding). | | | | | |
| Transfer to the Department of Public Health and Environment for Facility Survey and Certification | | | | | |
| | <u>4,546,609</u> | <u>4,523,805</u> | <u>4,917,090</u> | <u>4,919,450</u> | |
| General Fund | 1,660,998 | 1,372,036 | 1,475,127 | 1,528,809 | NP #6, #11, #12 |
| Federal Funds | 2,885,611 | 3,151,769 | 3,441,963 | 3,390,641 | |
| Transfer to the Department of Public Health and Environment for Nurse Home Visitor Program | | | | | |
| | <u>2,924,123</u> | <u>426,956</u> | <u>3,010,000</u> | <u>3,010,000</u> | |
| General Fund | 0 | (84,231) | 0 | 0 | BRI #2 |
| Reappropriated Funds | 2,394,708 | 383,128 | 1,156,141 | 1,505,000 | |
| Federal Funds | 529,415 | 128,059 | 1,853,859 | 1,505,000 | |
| Transfer to the Department of Public Health and Environment for Prenatal Statistical Information | | | | | |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>6,000</u> | |
| General Fund | 0 | 0 | 0 | 3,000 | DI #8 |
| Federal Funds | 0 | 0 | 0 | 3,000 | |
| Transfer to the Department of Public Health and Environment for Enhanced Prenatal Care Training | | | | | |
| | <u>108,998</u> | <u>108,665</u> | <u>119,006</u> | <u>0</u> | |
| General Fund | 54,499 | 54,333 | 58,752 | 0 | DI #8 |
| Federal Funds | 54,499 | 54,332 | 60,254 | 0 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Transfer to the Department of Regulatory Agencies for Nurse Aide Certification | | | | | |
| | <u>325,343</u> | <u>325,343</u> | <u>325,343</u> | <u>323,607</u> | NP #7 |
| General Fund | 148,020 | 148,020 | 148,020 | 147,152 | |
| Reappropriated Funds | 14,652 | 14,652 | 14,652 | 14,652 | |
| Federal Funds | 162,671 | 162,671 | 162,671 | 161,803 | |
| Transfer to the Department of Regulatory Agencies for Reviews | | | | | |
| | <u>0</u> | <u>9,576</u> | <u>14,000</u> | <u>14,000</u> | |
| General Fund | 0 | 4,788 | 6,500 | 6,500 | |
| Cash Funds | 0 | 0 | 500 | 500 | |
| Federal Funds | 0 | 4,788 | 7,000 | 7,000 | |
| Transfer to the Department of Education for Public School Health Services Administration | | | | | |
| | <u>337,833</u> | <u>129,115</u> | <u>150,388</u> | <u>148,314</u> | NP #18 |
| Federal Funds | 337,833 | 129,115 | 150,388 | 148,314 | |
| SUBTOTAL -- Executive Director's Office, Transfers to Other Departments | | | | | |
| Total Funds | <u>8,242,906</u> | <u>5,523,460</u> | <u>8,535,827</u> | <u>8,421,371</u> | <u>-1.34%</u> |
| General Fund | 1,863,517 | 1,494,946 | 1,688,399 | 1,685,461 | -0.17% |
| Cash Funds | 0 | 0 | 500 | 500 | 0.00% |
| Reappropriated Funds | 2,409,360 | 397,780 | 1,170,793 | 1,519,652 | 29.80% |
| Federal Funds | 3,970,029 | 3,630,734 | 5,676,135 | 5,215,758 | -8.11% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|

(C) Information Technology Contracts and Projects

(Primary Functions: Contains funding the Medicaid Management Information System, Web Portal, and special IT projects).

Information Technology

| | | | | | |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------|
| Contracts | <u>22,200,548</u> | <u>22,767,387</u> | <u>33,911,866</u> | <u>32,348,389</u> | BRI # 1, 5, 6 |
| General Fund | 5,299,911 | 5,348,546 | 5,973,827 | 6,278,651 | |
| Cash Funds | 540,118 | 642,364 | 2,433,429 | 1,766,770 | |
| Reappropriated Funds | 100,328 | 100,328 | 100,328 | 100,328 | |
| Federal Funds | 16,260,191 | 16,676,149 | 25,404,282 | 24,202,640 | |

Fraud Detection Software

| | | | | | |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| Contract | <u>774,000</u> | <u>101,250</u> | <u>250,000</u> | <u>250,000</u> | |
| General Fund | 127,323 | 28,622 | 62,500 | 62,500 | |
| Federal Funds | 646,677 | 72,628 | 187,500 | 187,500 | |

Colorado Benefits Management

| | | | | | |
|--|----------------------|-----------------|-----------------|-----------------|--|
| System Medical Assistance Project | <u>98,825</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| General Fund | 42,122 | 0 | 0 | 0 | |
| Federal Funds | 56,703 | 0 | 0 | 0 | |

Centralized Eligibility Vendor

| | | | | | |
|-------------------------|----------------------|-----------------|-----------------------|-------------------------|--|
| Contract Project | <u>52,878</u> | <u>0</u> | <u>760,000</u> | <u>2,221,482</u> | |
| General Fund | 25,304 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 366,320 | 964,169 | |
| Federal Funds | 27,574 | 0 | 393,680 | 1,257,313 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| SUBTOTAL -- Executive Director's Office, Information Technology Contracts and Projects | | | | | |
| Total Funds | <u>23,126,251</u> | <u>22,868,637</u> | <u>34,921,866</u> | <u>34,819,871</u> | -0.29% |
| General Fund | 5,494,660 | 5,377,168 | 6,036,327 | 6,341,151 | 5.05% |
| Cash Funds | 540,118 | 642,364 | 2,799,749 | 2,730,939 | -2.46% |
| Reappropriated Funds | 100,328 | 100,328 | 100,328 | 100,328 | 0.00% |
| Federal Funds | 16,991,145 | 16,748,777 | 25,985,462 | 25,647,453 | -1.30% |

(D) Eligibility Determinations and Client Services

(Primary Functions: Contains funding to determine client eligibility and to provide information services to clients about their health benefits).

Medical

| | | | | |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Identification Cards | <u>110,184</u> | <u>116,959</u> | <u>120,000</u> | <u>120,000</u> |
| General Fund | 43,591 | 48,001 | 48,444 | 48,444 |
| Cash Funds | 10,759 | 9,681 | 10,759 | 10,759 |
| Reappropriated Funds | 1,484 | 1,594 | 1,593 | 1,593 |
| Federal Funds | 54,350 | 57,683 | 59,204 | 59,204 |

Contracts for Special Eligibility

| | | | | |
|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Determinations | <u>2,291,185</u> | <u>2,332,040</u> | <u>5,233,102</u> | <u>7,454,318</u> |
| General Fund | 883,296 | 888,543 | 828,091 | 828,091 |
| Cash Funds | 30,478 | 24,717 | 1,542,200 | 2,652,808 |
| Federal Funds | 1,377,411 | 1,418,780 | 2,862,811 | 3,973,419 |

County Administration

| | | | | |
|---------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>34,616,961</u> | <u>31,153,170</u> | <u>32,858,207</u> | <u>33,547,878</u> |
| General Fund | 11,176,396 | 9,627,844 | 9,794,550 | 9,894,550 |
| Cash Funds | 6,172,217 | 5,948,741 | 6,674,686 | 6,919,522 |
| Federal Funds | 17,268,348 | 15,576,585 | 16,388,971 | 16,733,806 |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Administrative Case Management | <u>869,755</u> | <u>898,270</u> | <u>869,744</u> | <u>869,744</u> | |
| General Fund | 434,877 | 449,135 | 434,872 | 434,872 | |
| Federal Funds | 434,878 | 449,135 | 434,872 | 434,872 | |
| Customer Outreach | <u>3,312,379</u> | <u>3,450,508</u> | <u>3,947,598</u> | <u>4,390,159</u> | |
| General Fund | 1,625,469 | 1,684,929 | 1,900,033 | 2,105,457 | |
| Cash Funds | 30,721 | 39,365 | 73,766 | 89,623 | |
| Federal Funds | 1,656,189 | 1,726,214 | 1,973,799 | 2,195,079 | |
| SUBTOTAL -- Executive Director's Office, Eligibility Determinations and Client Services | | | | | |
| Total Funds | <u>41,200,464</u> | <u>37,950,947</u> | <u>43,028,651</u> | <u>46,382,099</u> | <u>7.79%</u> |
| General Fund | 14,163,629 | 12,698,452 | 13,005,990 | 13,311,414 | 2.35% |
| Cash Funds | 6,244,175 | 6,022,504 | 8,301,411 | 9,672,712 | 16.52% |
| Reappropriated Funds | 1,484 | 1,594 | 1,593 | 1,593 | 0.00% |
| Federal Funds | 20,791,176 | 19,228,397 | 21,719,657 | 23,396,380 | 7.72% |

(E) Utilization and Quality Review Contracts

(Primary Functions: Contains contract funding to review the utilization and quality of services provided in the acute, mental health, and long-term care

| | | | | | |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------|
| Professional Service Contracts | <u>4,586,288</u> | <u>4,524,545</u> | <u>6,462,871</u> | <u>7,670,839</u> | BRI #5 |
| General Fund | 1,142,390 | 1,125,802 | 1,766,994 | 2,045,421 | |
| Cash Funds | 54,949 | 60,449 | 86,596 | 115,486 | |
| Federal Funds | 3,388,949 | 3,338,294 | 4,609,281 | 5,509,932 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| SUBTOTAL -- Executive Director's Office, Utilization and Quality Review Contracts | | | | | |
| Total Funds | <u>4,586,288</u> | <u>4,524,545</u> | <u>6,462,871</u> | <u>7,670,839</u> | <u>18.69%</u> |
| General Fund | 1,142,390 | 1,125,802 | 1,766,994 | 2,045,421 | 15.76% |
| Cash Funds | 54,949 | 60,449 | 86,596 | 115,486 | 33.36% |
| Federal Funds | 3,388,949 | 3,338,294 | 4,609,281 | 5,509,932 | 19.54% |

(F) Provider Audits and Services

(Primary Functions: Contains contract funding to audit nursing homes, federally-qualified health centers, hospitals, and other providers).

| | | | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Professional Audit Contracts | <u>1,817,491</u> | <u>1,790,216</u> | <u>3,306,813</u> | <u>2,438,566</u> |
| General Fund | 836,446 | 895,108 | 1,256,281 | 969,283 |
| Cash Funds | 72,300 | 0 | 352,988 | 250,000 |
| Federal Funds | 908,745 | 895,108 | 1,697,544 | 1,219,283 |

| | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| SUBTOTAL -- Executive Director's Office, Provider Audits and Services | | | | | |
| Total Funds | <u>1,817,491</u> | <u>1,790,216</u> | <u>3,306,813</u> | <u>2,438,566</u> | <u>-26.26%</u> |
| General Fund | 836,446 | 895,108 | 1,256,281 | 969,283 | -22.85% |
| Cash Funds | 72,300 | 0 | 352,988 | 250,000 | n/a |
| Federal Funds | 908,745 | 895,108 | 1,697,544 | 1,219,283 | -28.17% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|

(G) Recoveries and Recoupment Contract Costs

(Primary Functions: Contains contract costs associated with recovery eligible Medicaid expenses.)

| | | | | | |
|------------------------|----------------|----------------|----------------|----------------|--|
| Estate Recovery | <u>394,534</u> | <u>428,619</u> | <u>700,000</u> | <u>700,000</u> | |
| Cash Funds | 197,267 | 214,310 | 350,000 | 350,000 | |
| Federal Funds | 197,267 | 214,309 | 350,000 | 350,000 | |

| | | | | | |
|--|----------------|----------------|----------------|----------------|--------------|
| SUBTOTAL -- Executive Director's Office, Recoveries and Recoupment Contract Costs | | | | | |
| Total Funds | <u>394,534</u> | <u>428,619</u> | <u>700,000</u> | <u>700,000</u> | <u>0.00%</u> |
| Cash Funds | 197,267 | 214,310 | 350,000 | 350,000 | 0.00% |
| Federal Funds | 197,267 | 214,309 | 350,000 | 350,000 | 0.00% |

| | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------|
| SUBTOTAL -- Executive Director's Office | | | | | |
| Total Funds | <u>106,752,669</u> | <u>102,777,274</u> | <u>130,416,158</u> | <u>135,164,740</u> | <u>3.64%</u> |
| FTE | 266.1 | 276.5 | 294.8 | 312.5 | 6.00% |
| General Fund | 35,335,364 | 33,436,748 | 36,179,178 | 36,690,635 | 1.41% |
| Cash Funds | 7,853,510 | 8,921,543 | 14,873,898 | 16,756,247 | 12.66% |
| Reappropriated Funds | 4,128,733 | 1,783,784 | 1,849,603 | 2,085,912 | 12.78% |
| Federal Funds | 59,435,062 | 58,635,199 | 77,513,479 | 79,631,946 | 2.73% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|

(2) Medical Service Premiums

(Provides acute care medical and long-term care services to individuals eligible for Medicaid).

BRI #1, 2, 3, 5,
6 DI #1, NP #8

| | | | | | |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|
| SUBTOTAL -- Medical Services | | | | | |
| Premiums | <u>2,526,991,443</u> | <u>2,877,822,564</u> | <u>3,106,858,127</u> | <u>3,508,354,565</u> | <u>12.92%</u> |
| General Fund | 919,709,958 | 762,936,068 | 700,606,422 | 1,038,451,232 | 48.22% |
| General Fund Exempt | 39,251,792 | 0 | 161,444,485 | 161,444,485 | n/a |
| Cash Funds | 109,633,539 | 343,695,933 | 339,633,220 | 553,323,413 | 62.92% |
| CFE/Reappropriated Funds | 2,631,068 | 3,917,255 | 7,595,243 | 6,322,351 | -16.76% |
| Federal Funds | 1,455,765,086 | 1,767,273,308 | 1,897,578,757 | 1,748,813,084 | -7.84% |

(3) Medicaid Mental Health Community Programs

(Primary Functions: Mental health programs for Medicaid eligible clients.)

Mental Health Capitation

| | | | | | |
|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------|
| for Medicaid Clients | <u>215,860,937</u> | <u>223,368,053</u> | <u>247,616,458</u> | <u>266,299,165</u> | BRI #5, #6 DI #2 |
| General Fund | 86,769,471 | 79,359,784 | 85,931,156 | 112,302,740 | |
| Cash Funds | 5,219,083 | 6,393,602 | 9,555,600 | 20,959,193 | |
| Reappropriated Funds | 7,330 | 10,833 | 12,046 | 0 | |
| Federal Funds | 123,865,053 | 137,603,834 | 152,117,656 | 133,037,232 | |

Medicaid Mental Health

| | | | | | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------|
| Fee for Service Payments | <u>1,776,253</u> | <u>2,587,662</u> | <u>2,965,758</u> | <u>3,334,850</u> | BRI #2 DI #2 |
| General Fund | 730,829 | 993,452 | 1,139,148 | 1,667,425 | |
| Federal Funds | 1,045,424 | 1,594,210 | 1,826,610 | 1,667,425 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| SUBTOTAL -- Medicaid Mental Health | | | | | |
| Community Programs | <u>217,637,190</u> | <u>225,955,715</u> | <u>250,582,216</u> | <u>269,634,015</u> | 7.60% |
| General Fund | 87,500,300 | 80,353,236 | 87,070,304 | 113,970,165 | 30.89% |
| Cash Funds | 5,219,083 | 6,393,602 | 9,555,600 | 20,959,193 | 119.34% |
| Reappropriated Funds | 7,330 | 10,833 | 12,046 | 0 | -100.00% |
| Federal Funds | 124,910,477 | 139,198,044 | 153,944,266 | 134,704,657 | -12.50% |

(4) Indigent Care Program

(Primary functions: Provides assistance to hospitals and clinics serving a disproportionate share of uninsured or underinsured populations, provides health insurance to qualifying children and pregnant women who are ineligible for Medicaid, and provides grants to providers to improve access to primary and preventive care for the indigent population.

| | | | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-------|
| Safety Net Provider Payments | <u>296,092,630</u> | <u>271,210,519</u> | <u>277,769,968</u> | <u>308,122,197</u> | DI #7 |
| General Fund | (3,802,995) | (707,378) | 0 | 0 | |
| Cash Funds | 139,087,821 | 124,368,097 | 124,368,097 | 139,544,212 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 160,807,804 | 147,549,800 | 153,401,871 | 168,577,985 | |
| Colorado Health Care Services Fund | <u>12,918,750</u> | <u>10,390,000</u> | <u>0</u> | <u>0</u> | |
| General Fund | 12,918,750 | 10,390,000 | 0 | 0 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| The Children's Hospital, Clinic Based | | | | | |
| Indigent Care | <u>27,029,760</u> | <u>27,759,956</u> | <u>6,119,760</u> | <u>6,119,760</u> | |
| General Fund | 2,508,784 | 2,350,600 | 2,350,600 | 3,059,880 | |
| Reappropriated Funds | 9,004,369 | 8,312,000 | 0 | 0 | |
| Federal Funds | 15,516,607 | 17,097,356 | 3,769,160 | 3,059,880 | |
| Health Care Services Fund Programs | <u>9,090,000</u> | <u>5,410,049</u> | <u>31,085,655</u> | <u>25,020,636</u> | |
| Cash Funds | 0 | 0 | 11,940,000 | 12,510,318 | |
| Reappropriated Funds | 3,913,941 | 2,078,000 | 0 | 0 | |
| Federal Funds | 5,176,059 | 3,332,049 | 19,145,655 | 12,510,318 | |
| Pediatric Specialty Hospital | <u>12,829,721</u> | <u>14,909,166</u> | <u>14,821,994</u> | <u>11,950,860</u> | BRI #3 |
| General Fund | 4,651,430 | 4,994,587 | 4,939,128 | 5,156,997 | |
| General Fund Exempt | 0 | 104,310 | 0 | 0 | |
| Cash Funds | 317,000 | 283,000 | 307,000 | 355,359 | |
| Reappropriated Funds | 427,000 | 345,690 | 447,000 | 422,148 | |
| Federal Funds | 7,434,291 | 9,181,579 | 9,128,866 | 6,016,356 | |
| General Fund | | | | | |
| Appropriation to Pediatric Specialty Hospital | <u>427,000</u> | <u>345,690</u> | <u>447,000</u> | <u>422,148</u> | |
| General Fund Exempt | 427,000 | 345,690 | 447,000 | 422,148 | |
| Appropriation from Tobacco Tax Fund to | <u>427,000</u> | <u>0</u> | <u>447,000</u> | <u>422,148</u> | |
| Cash Funds | 427,000 | 0 | 447,000 | 422,148 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Primary Care Fund | <u>30,273,568</u> | <u>0</u> | <u>0</u> | <u>0</u> | BRI #3 |
| Cash Funds | 30,273,568 | 0 | 0 | 0 | |
| Primary Care Grant | | | | | |
| Program Special Distribution | <u>0</u> | <u>2,005,000</u> | <u>3,560,000</u> | <u>2,720,000</u> | BRI #3 |
| Cash Funds | 0 | 2,005,000 | 3,560,000 | 2,720,000 | |
| Children's Basic Health Plan Trust | <u>513,604</u> | <u>3,296,467</u> | <u>9,411,482</u> | <u>13,796,996</u> | DI #6 |
| General Fund | 4,525,182 | 2,710,779 | 9,411,482 | 13,796,996 | |
| Cash Funds | (4,011,578) | 585,688 | 0 | 0 | |
| Children's Basic Health Plan | | | | | |
| Administration | <u>6,182,289</u> | <u>5,145,918</u> | <u>4,889,503</u> | <u>4,894,410</u> | |
| Cash Funds | 2,708,692 | 2,277,278 | 2,219,230 | 2,220,948 | |
| Federal Funds | 3,473,597 | 2,868,640 | 2,670,273 | 2,673,462 | |
| Children's Basic Health Plan Premium | | | | | |
| Costs (Children & Pregnant Adults) | <u>120,809,604</u> | <u>167,729,257</u> | <u>202,521,966</u> | <u>247,401,583</u> | BRI #4. #6 |
| Cash Funds | 42,659,047 | 58,910,116 | 64,352,642 | 86,910,535 | |
| Reappropriated Funds | 0 | 0 | 6,856,880 | 0 | |
| Federal Funds | 78,150,557 | 108,819,141 | 131,312,444 | 160,491,048 | |
| Children's Basic Health Plan Dental | | | | | |
| Costs | <u>9,876,754</u> | <u>10,765,764</u> | <u>13,878,070</u> | <u>13,277,975</u> | BRI #6 |
| Cash Funds | 3,456,864 | 3,765,543 | 4,857,325 | 4,647,292 | |
| Federal Funds | 6,419,890 | 7,000,221 | 9,020,745 | 8,630,683 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Comprehensive Primary and Preventive | | | | | |
| Care Grants | <u>3,082,680</u> | <u>0</u> | <u>0</u> | <u>866,075</u> | |
| Cash Funds | 3,082,680 | 0 | 0 | 866,075 | |
| CPP Rural & Public | | | | | |
| Hospital Grant Program | <u>5,000,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| Cash Funds | 2,164,398 | 0 | 0 | 0 | |
| Federal Funds | 2,835,602 | 0 | 0 | 0 | |
| HB 09-1293 Childless Adult | | | | | |
| Benefit | <u>0</u> | <u>0</u> | <u>0</u> | <u>62,045,300</u> | |
| Cash Funds | 0 | 0 | 0 | 31,022,650 | |
| Federal Funds | 0 | 0 | 0 | 31,022,650 | |
| SUBTOTAL -- Indigent Care Program | <u>534,553,360</u> | <u>518,967,786</u> | <u>564,952,398</u> | <u>697,060,088</u> | <u>23.38%</u> |
| General Fund | 20,801,151 | 19,738,588 | 16,701,210 | 22,013,873 | 31.81% |
| General Fund Exempt | 427,000 | 450,000 | 447,000 | 422,148 | -5.56% |
| Cash Funds | 220,165,492 | 192,194,722 | 212,051,294 | 281,219,537 | 32.62% |
| Reappropriated Funds | 13,345,310 | 10,735,690 | 7,303,880 | 422,148 | -94.22% |
| Federal Funds | 279,814,407 | 295,848,786 | 328,449,014 | 392,982,382 | 19.65% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|

(5) Other Medical Services

(This division provides funding for state-only medical programs including the Old-Age Pension Medical Program, MMA State Contribution, Colorado Cares Contract Costs. The division also funds 6 special purposes Medicaid programs.)

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|-------|
| Old Age Pension State Medical | <u>10,785,075</u> | <u>10,185,516</u> | <u>15,083,483</u> | <u>15,323,462</u> | |
| Cash Funds | 9,998,483 | 10,185,516 | 12,848,483 | 12,803,462 | |
| Reappropriated Funds | 786,592 | 0 | 2,235,000 | 2,520,000 | |
| Tobacco Tax Transfer from General Fund to the Old Age Pension State Medical | <u>3,786,592</u> | <u>0</u> | <u>2,235,000</u> | <u>2,520,000</u> | |
| General Fund | 646,573 | 0 | 0 | 0 | |
| Cash Funds | 3,140,019 | 0 | 2,235,000 | 2,520,000 | |
| Commission on Family Medicine Residency Training Programs | <u>1,932,052</u> | <u>1,738,844</u> | <u>1,738,846</u> | <u>1,738,846</u> | |
| General Fund | 825,226 | 667,890 | 667,891 | 869,423 | |
| Federal Funds | 1,106,826 | 1,070,954 | 1,070,955 | 869,423 | |
| Public School Health Services | <u>18,918,568</u> | <u>25,597,360</u> | <u>29,537,394</u> | <u>29,466,487</u> | BR #2 |
| General Fund | (1,580,054) | 0 | 0 | 0 | |
| Cash Funds | 10,249,311 | 11,443,512 | 15,391,007 | 15,355,360 | |
| Federal Funds | 10,249,311 | 14,153,848 | 14,146,387 | 14,111,127 | |
| Public School Health Services Contract Administration | <u>0</u> | <u>433,700</u> | <u>799,700</u> | <u>799,700</u> | |
| Federal Funds | 0 | 433,700 | 799,700 | 799,700 | |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| Medicare Modernization Act | | | | | |
| State Contribution Payment | <u>73,720,837</u> | <u>57,624,126</u> | <u>70,700,172</u> | <u>91,338,170</u> | DI #4 |
| General Fund | 73,720,837 | 57,624,126 | 70,700,172 | 91,338,170 | |
| State University Teaching Hospitals | | | | | |
| Denver Health and Hospital Authority | <u>1,829,008</u> | <u>1,831,714</u> | <u>1,831,714</u> | <u>1,831,714</u> | |
| General Fund | 705,070 | 703,561 | 703,561 | 915,857 | |
| Federal Funds | 1,123,938 | 1,128,153 | 1,128,153 | 915,857 | |
| State University Teaching Hospitals University of Colorado Hospital Authority | | | | | |
| | <u>697,838</u> | <u>676,782</u> | <u>676,785</u> | <u>676,785</u> | |
| General Fund | 282,779 | 259,952 | 259,953 | 338,393 | |
| Federal Funds | 415,059 | 416,830 | 416,832 | 338,392 | |
| SUBTOTAL -- Other Medical Programs | <u>111,669,970</u> | <u>98,088,042</u> | <u>122,603,094</u> | <u>143,695,164</u> | <u>17.20%</u> |
| General Fund | 74,600,431 | 59,255,529 | 72,331,577 | 93,461,843 | 29.21% |
| Cash Funds | 23,387,813 | 21,629,028 | 30,474,490 | 30,678,822 | 0.67% |
| Reappropriated Funds | 786,592 | 0 | 2,235,000 | 2,520,000 | 12.75% |
| Federal Funds | 12,895,134 | 17,203,485 | 17,562,027 | 17,034,499 | -3.00% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|--|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| DHS Section - All Line Items | <u>398,390,163</u> | <u>415,140,344</u> | <u>408,681,819</u> | <u>428,307,353</u> | NPI #1, 3, 5, |
| General Fund | 168,305,027 | 158,585,174 | 157,416,427 | 211,345,569 | 6, 7 |
| Cash Funds | 1,690,329 | 592,619 | 449,711 | 673,040 | |
| CFE/Reappropriated Funds | 1,050,238 | 2,065,986 | 1,893,534 | 1,883,539 | |
| Federal Funds | 227,344,569 | 253,896,565 | 248,922,147 | 214,405,205 | |
| TOTAL -- Department of Health Care Policy and Financing (with DHS Division) | <u>3,895,994,795</u> | <u>4,238,751,725</u> | <u>4,584,093,812</u> | <u>5,182,215,925</u> | 13.05% |
| FTE | 266.1 | 276.5 | 287.8 | 312.5 | 8.58% |
| General Fund | 1,306,252,231 | 1,114,305,343 | 1,070,305,118 | 1,515,933,317 | 41.64% |
| General Fund Exempt | 39,678,792 | 450,000 | 161,891,485 | 161,866,633 | -0.02% |
| Cash Funds | 367,949,766 | 573,427,447 | 607,038,213 | 903,610,252 | 48.86% |
| Cash Funds Exempt | 21,949,271 | 18,513,548 | 20,889,306 | 13,233,950 | -36.65% |
| Federal Funds | 2,160,164,735 | 2,532,055,387 | 2,723,969,690 | 2,587,571,773 | -5.01% |

**FY 2011-12 Joint Budget Committee Staff Figure Setting
Department of Health Care Policy and Financing**

| | FY 2008-09 Actual | FY 2008-09 Actual | FY 2009-10 Current Appropriation* | FY 2010-11 Request | Change Req. # |
|---|------------------------------|------------------------------|--|-------------------------------|--------------------------|
| TOTAL -- Department of Health Care Policy and Financing (w/o DHS Division) | <u>3,497,604,632</u> | <u>3,823,611,381</u> | <u>4,175,411,993</u> | <u>4,753,908,572</u> | <u>13.85%</u> |
| FTE | 266.10 | 276.50 | 287.80 | 312.50 | 8.58% |
| General Fund | 1,137,947,204 | 955,720,169 | 912,888,691 | 1,304,587,748 | 42.91% |
| General Fund Exempt | 39,678,792 | 450,000 | 161,891,485 | 161,866,633 | -0.02% |
| Cash Funds | 366,259,437 | 572,834,828 | 606,588,502 | 902,937,212 | 48.85% |
| Cash Funds Exempt | 20,899,033 | 16,447,562 | 18,995,772 | 11,350,411 | -40.25% |
| Federal Funds | 1,932,820,166 | 2,278,158,822 | 2,475,047,543 | 2,373,166,568 | -4.12% |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds | |
|--------------------------|---|------------------------------------|------------------------|----------|-----------|-----------|-----------|-------------|------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | | |
| Personal Services | | | | | | | | | |
| FY 2010-11 | | | | 287.8 | 7,391,048 | 1,652,353 | 524,403 | 10,448,619 | 20,016,423 |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | | 287.8 | 7,391,048 | 1,652,353 | 524,403 | 10,448,619 | 20,016,423 |
| | Early and 1st RPS Reduction | | NP-ES #1 | 0.0 | (76,146) | 0 | (4,276) | 0 | (80,422) |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | | 287.8 | 7,314,902 | 1,652,353 | 520,127 | 10,448,619 | 19,936,001 |
| | Late Supplementals | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 287.8 | 7,314,902 | 1,652,353 | 520,127 | 10,448,619 | 19,936,001 |
| FY 2011-12 | Transfer SB 10- 167 App. | | | 7.0 | 223,559 | 0 | 0 | 223,559 | 447,118 |
| FY 2011-12 | Annualize FY 2010-11 Base Reduction | | | 0.0 | 76,146 | 0 | 4,276 | 0 | 80,422 |
| FY 2011-12 | Annualize FY 10- 11 BRI #2 Payment Reform | | | 0.0 | 2,213 | 0 | 0 | 2,214 | 4,427 |
| FY 2011-12 | Annualize FY 10- 11 BA #5 ACC | | | 0.0 | 19,950 | 0 | 0 | 19,950 | 39,900 |
| FY 2011-12 | Annualize PERA | | | 0.0 | 180,162 | 39,668 | 45,751 | 255,860 | 521,441 |
| FY 2011-12 | Annualize HB 09- 1293 | | | 16.0 | 0 | 492,956 | 0 | 492,956 | 985,912 |
| FY 2011-12 | Annualize HB 10- 1323 | | | 0.0 | 0 | 14,587 | 0 | 0 | 14,587 |
| FY 2011-12 | Annualize SB 10- 061 | | | 0.8 | 15,847 | 0 | 0 | 15,846 | 31,693 |
| FY 2011-12 | Annualize SB 10- 167 | | | 0.0 | 5,123 | 0 | 0 | 5,123 | 10,246 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 311.6 | 7,837,902 | 2,199,564 | 570,154 | 11,464,127 | 22,071,747 |
| FY 2011-12 | Indirect Cost Assessment | | | 0.0 | (87,948) | 55,014 | (113,316) | 146,250 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 311.6 | 7,749,954 | 2,254,578 | 456,838 | 11,610,377 | 22,071,747 |
| FY 2011-12 | Prenatal Plus Admin. | | DI #8 | 0.9 | 44,421 | 0 | 0 | 45,924 | 90,345 |
| FY 2011-12 | 2% PS Reduction | | NP #1 | 0.0 | (156,758) | 0 | (9,297) | 0 | (166,055) |
| FY 2011-12 | CDPHE PERA | | NP #12 | 0.0 | (323) | 0 | 0 | (321) | (644) |
| FY 2011-12 | PERA Adj. DEPART. REQUEST | 180.25 | NP #14 | 0.0 | (165,468) | (56,118) | 0 | (285,473) | (507,059) |
| FY 2011-12 | | | | 312.5 | 7,471,826 | 2,198,460 | 447,541 | 11,370,507 | 21,488,334 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds | |
|-------------------------------|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|-----------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | | |
| Health Life and Dental | | | | | | | | | |
| FY 2010-11 | | | | 0.0 | 611,752 | 205,744 | 15,219 | 873,342 | 1,706,057 |
| FY 2010-11 | Original HLD FY 2010-11 App | 30.00 | | 0.0 | 611,752 | 205,744 | 15,219 | 873,342 | 1,706,057 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 611,752 | 205,744 | 15,219 | 873,342 | 1,706,057 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 611,752 | 205,744 | 15,219 | 873,342 | 1,706,057 |
| FY 2011-12 | Annualize HB 09- 1293 | | | 0.0 | 0 | 13,692 | 0 | 13,692 | 27,384 |
| FY 2011-12 | FY 2011-12 Base Funding | 100.00 | | 0.0 | 611,752 | 219,436 | 15,219 | 887,034 | 1,733,441 |
| FY 2011-12 | Common Policy | | | 0.0 | 7,880 | 43,845 | (15,219) | 254,630 | 291,136 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 619,632 | 263,281 | 0 | 1,141,664 | 2,024,577 |
| FY 2011-12 | Prorated Benefits | | NP #13 | 0.0 | (2,409) | 0 | 0 | (2,410) | (4,819) |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 617,223 | 263,281 | 0 | 1,139,254 | 2,019,758 |
| Short-Term Disability | | | | | | | | | |
| FY 2010-11 | | 30.00 | | 0.0 | 9,539 | 2,174 | 737 | 13,688 | 26,138 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 9,539 | 2,174 | 737 | 13,688 | 26,138 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 9,539 | 2,174 | 737 | 13,688 | 26,138 |
| FY 2011-12 | Annualize HB 10-1323 | | | 0.0 | 0 | 10 | 0 | 0 | 10 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 9,539 | 2,184 | 737 | 13,688 | 26,148 |
| FY 2011-12 | Common Policy | | | 0.0 | 2,176 | 1,789 | (737) | 6,523 | 9,751 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 11,715 | 3,973 | 0 | 20,211 | 35,899 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 11,715 | 3,973 | 0 | 20,211 | 35,899 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| IBC | | | | | | | | |
|-------------|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| Fiscal Year | LINE ITEM/Desc. | Benchmark # FY 11-12 Reports | Dept Priority # FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
| AED | | | | | | | | |
| FY 2010-11 | Original AED FY 2010-11 App. | 30.00 | 0.0 | 145,650 | 33,664 | 11,411 | 211,942 | 402,667 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 145,650 | 33,664 | 11,411 | 211,942 | 402,667 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 145,650 | 33,664 | 11,411 | 211,942 | 402,667 |
| FY 2011-12 | Annualize HB 09- 1293 | | 0.0 | (7,522) | 28,336 | 0 | 20,815 | 41,629 |
| | Annualize HB 10-1323 | | 0.0 | 0 | 135 | 0 | 0 | 135 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 138,128 | 62,135 | 11,411 | 232,757 | 444,431 |
| FY 2011-12 | Common Policy | | 0.0 | 47,195 | 716 | (11,411) | 86,973 | 123,473 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 185,323 | 62,851 | 0 | 319,730 | 567,904 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 185,323 | 62,851 | 0 | 319,730 | 567,904 |

| S.B. 06-235 | | | | | | | | |
|--------------------|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| SAED | | | | | | | | |
| Fiscal Year | LINE ITEM/Desc. | Benchmark # FY 11-12 Reports | Dept Priority # FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
| FY 2010-11 | Original SAED FY 2010-11 App. | 30.00 | 0.0 | 105,135 | 24,547 | 8,321 | 154,541 | 292,544 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 105,135 | 24,547 | 8,321 | 154,541 | 292,544 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 105,135 | 24,547 | 8,321 | 154,541 | 292,544 |
| FY 2011-12 | Annualize HB 09- 1293 | | 0.0 | 0 | 10,408 | 0 | 10,408 | 20,816 |
| | Annualize HB 10-1323 | | 0.0 | 0 | 85 | 0 | 0 | 85 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 105,135 | 35,040 | 8,321 | 164,949 | 313,445 |
| FY 2011-12 | Common Policy | | 0.0 | 43,786 | 15,465 | (8,321) | 91,977 | 142,907 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 148,921 | 50,505 | 0 | 256,926 | 456,352 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 148,921 | 50,505 | 0 | 256,926 | 456,352 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|------------------------------|--|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Salary Survey | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2009-10 App | 70.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy DEPARTMENT | 110.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | REQUEST | 180.25 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Performance Based Pay | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App | 70.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy DEPARTMENT | 110.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | REQUEST | 180.25 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Worker's Compensation | | | | | | | | |
| FY 2010-11 | Original WC FY 2010-11 App. | 30.00 | 0.0 | 17,374 | 0 | 0 | 17,374 | 34,748 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 17,374 | 0 | 0 | 17,374 | 34,748 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 17,374 | 0 | 0 | 17,374 | 34,748 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 17,374 | 0 | 0 | 17,374 | 34,748 |
| FY 2011-12 | Common Policy | | 0.0 | 625 | 0 | 0 | 624 | 1,249 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 17,999 | 0 | 0 | 17,998 | 35,997 |
| FY 2011-12 | DEPARTMENT | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | REQUEST | 180.25 | 0.0 | 17,999 | 0 | 0 | 17,998 | 35,997 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|---------------------------|--|------------------------------------|--------------------|-----|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Operating Expenses | | | | | | | | | |
| FY 2010-11 | Original OE FY 2010-11 App. | 30.00 | | 0.0 | 660,958 | 120,297 | 13,461 | 792,729 | 1,587,445 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2009-10 | Revised FY 2009-10 App. | 60.00 | | 0.0 | 660,958 | 120,297 | 13,461 | 792,729 | 1,587,445 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2009-10 | Final Revised FY 2009-10 App. | 70.00 | | 0.0 | 660,958 | 120,297 | 13,461 | 792,729 | 1,587,445 |
| FY 2011-12 | Transfer SB 10- 167 App. | | | 0.0 | 19,670 | 0 | 0 | 19,670 | 39,340 |
| FY 2011-12 | Annualize FY 10- 11 BRI #2 | | | 0.0 | (2,335) | 0 | 0 | (2,335) | (4,670) |
| FY 2011-12 | Payment Reform Annualize HB 09- 1293 | | | 0.0 | 0 | (38,234) | 0 | (38,235) | (76,469) |
| FY 2011-12 | Annualize SB 10- 061 | | | 0.0 | 238 | 0 | 0 | 237 | 475 |
| FY 2011-12 | Annualize SB 10- 167 | | | 0.0 | (16,345) | 0 | 0 | (16,345) | (32,690) |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 662,186 | 82,063 | 13,461 | 755,721 | 1,513,431 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 662,186 | 82,063 | 13,461 | 755,721 | 1,513,431 |
| FY 2011-12 | Prenatal Plus Admin. | | DI #8 | 0.0 | 10,552 | 0 | 0 | 10,552 | 21,104 |
| FY 2011-12 | Printing Statewide Warrents | | NP #3 | 0.0 | 535 | 0 | 0 | 535 | 1,070 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 673,273 | 82,063 | 13,461 | 766,808 | 1,535,605 |
| Legal Services | | | | | | | | | |
| FY 2010-11 | Original LS FY 2010-11 App. | 30.00 | | 0.0 | 337,174 | 99,121 | 0 | 436,295 | 872,590 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 337,174 | 99,121 | 0 | 436,295 | 872,590 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 337,174 | 99,121 | 0 | 436,295 | 872,590 |
| | Annualize HB 09- 1293 | | | 0.0 | 0 | 27,327 | 0 | 27,327 | 54,654 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 337,174 | 126,448 | 0 | 463,622 | 927,244 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 337,174 | 126,448 | 0 | 463,622 | 927,244 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 337,174 | 126,448 | 0 | 463,622 | 927,244 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|----------------------------------|--|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Administrative Law Judges | | | | | | | | |
| FY 2010-11 | Original ALJ FY 2010-11 App. | 30.00 | 0.0 | 206,884 | 14,305 | 0 | 221,189 | 442,378 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 206,884 | 14,305 | 0 | 221,189 | 442,378 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 206,884 | 14,305 | 0 | 221,189 | 442,378 |
| FY 2011-12 | Annualize HB 09- 1293 FY 2011-12 BASE | 100.00 | 0.0 | 206,884 | 27,365 | 0 | 234,249 | 468,498 |
| FY 2011-12 | Common Policy Adjustment | | 0.0 | 22,023 | 0 | 0 | 22,022 | 44,045 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 228,907 | 27,365 | 0 | 256,271 | 512,543 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 228,907 | 27,365 | 0 | 256,271 | 512,543 |
| Computer Center | | | | | | | | |
| FY 2010-11 | Original CC FY 2010-11 App. | 30.00 | 0.0 | 145,856 | 0 | 3,337 | 149,193 | 298,386 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 145,856 | 0 | 3,337 | 149,193 | 298,386 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 145,856 | 0 | 3,337 | 149,193 | 298,386 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 145,856 | 0 | 3,337 | 149,193 | 298,386 |
| FY 2011-12 | Common Policy Adjustment | | 0.0 | 139,699 | 0 | 0 | 139,698 | 279,397 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 285,555 | 0 | 3,337 | 288,891 | 577,783 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 285,555 | 0 | 3,337 | 288,891 | 577,783 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|--|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Management & Administration OIT | | | | | | | | |
| FY 2010-11 | Original MA OIT FY 2010-11 App. | 30.00 | 0.0 | 312,090 | 0 | 0 | 312,090 | 624,180 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 312,090 | 0 | 0 | 312,090 | 624,180 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 312,090 | 0 | 0 | 312,090 | 624,180 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 312,090 | 0 | 0 | 312,090 | 624,180 |
| FY 2011-12 | Common Policy Adjustment | | 0.0 | 6,541 | 0 | 0 | 6,540 | 13,081 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 318,631 | 0 | 0 | 318,630 | 637,261 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 318,631 | 0 | 0 | 318,630 | 637,261 |

| OIT- MNT | | | | | | | | |
|-----------------|--|--------|-----|---------|---|---|---------|---------|
| FY 2010-11 | Original MNT - OIT FY 2010-11 App. | 30.00 | 0.0 | 99,719 | 0 | 0 | 99,719 | 199,438 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 99,719 | 0 | 0 | 99,719 | 199,438 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 99,719 | 0 | 0 | 99,719 | 199,438 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 99,719 | 0 | 0 | 99,719 | 199,438 |
| FY 2011-12 | Common Policy Adjustment | | 0.0 | 13,850 | 0 | 0 | 13,850 | 27,700 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 113,569 | 0 | 0 | 113,569 | 227,138 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 113,569 | 0 | 0 | 113,569 | 227,138 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|---|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Payment to RM & Property Funds | | | | | | | | |
| FY 2010-11 | Original RM FY 2010-11 App. | 30.00 | 0.0 | 12,209 | 0 | 0 | 12,209 | 24,418 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 12,209 | 0 | 0 | 12,209 | 24,418 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 12,209 | 0 | 0 | 12,209 | 24,418 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 12,209 | 0 | 0 | 12,209 | 24,418 |
| FY 2011-12 | Common Policy Adjustment | | 0.0 | 35,847 | 0 | 0 | 35,847 | 71,694 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 48,056 | 0 | 0 | 48,056 | 96,112 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 48,056 | 0 | 0 | 48,056 | 96,112 |

| | | | | | | | | |
|---------------------|---------------------------------------|--------|-----|---------|---------|---|---------|---------|
| Leased Space | | | | | | | | |
| FY 2010-11 | Original LS FY 2010-11 App. | 30.00 | 0.0 | 191,619 | 156,664 | 0 | 348,281 | 696,564 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 191,619 | 156,664 | 0 | 348,281 | 696,564 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 191,619 | 156,664 | 0 | 348,281 | 696,564 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 191,619 | 156,664 | 0 | 348,281 | 696,564 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 191,619 | 156,664 | 0 | 348,281 | 696,564 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 191,619 | 156,664 | 0 | 348,281 | 696,564 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|--|---|------------------------------------|------------------------|-----------|----------|----------|-----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Capitol Complex Leased Space | | | | | | | | |
| FY 2010-11 | Original Capitol LS FY 2010-11 App. | 30.00 | 0.0 | 194,114 | 0 | 0 | 194,114 | 388,228 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 194,114 | 0 | 0 | 194,114 | 388,228 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 194,114 | 0 | 0 | 194,114 | 388,228 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 194,114 | 0 | 0 | 194,114 | 388,228 |
| FY 2011-12 | Common Policy Adjustment | | 0.0 | 13,639 | 0 | 0 | 13,638 | 27,277 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 207,753 | 0 | 0 | 207,752 | 415,505 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 207,753 | 0 | 0 | 207,752 | 415,505 |
| General Pro Services & Special Projects | | | | | | | | |
| FY 2010-11 | | | 0.0 | 1,480,361 | 572,500 | 0 | 2,264,134 | 4,316,995 |
| FY 2010-11 | | | 0.0 | 0 | 51,285 | 0 | 51,285 | 102,570 |
| FY 2010-11 | | | 0.0 | 0 | 12,500 | 0 | 12,500 | 25,000 |
| FY 2010-11 | | | 0.0 | 0 | 37,500 | 0 | 37,500 | 75,000 |
| FY 2010-11 | Original GP & SP FY 2010-11 App | 30.00 | 0.0 | 1,480,361 | 673,785 | 0 | 2,365,419 | 4,519,565 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 1,480,361 | 673,785 | 0 | 2,365,419 | 4,519,565 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 1,480,361 | 673,785 | 0 | 2,365,419 | 4,519,565 |
| FY 2011-12 | Annualize HB 09- 1293 | | 0.0 | 0 | 75,000 | 0 | 75,000 | 150,000 |
| FY 2011-12 | Annualize HB 10- 1053 | | 0.0 | 0 | (37,500) | 0 | (37,500) | (75,000) |
| FY 2011-12 | Annualize SB 10- 061 | | 0.0 | 0 | (46,285) | 0 | (46,285) | (92,570) |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 1,480,361 | 665,000 | 0 | 2,356,634 | 4,501,995 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 1,480,361 | 665,000 | 0 | 2,356,634 | 4,501,995 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 1,480,361 | 665,000 | 0 | 2,356,634 | 4,501,995 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|--|---|------------------------------------|------------------------|------------|-----------|----------|------------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Special Bills Appropriated At the Subdivision Level | | | | | | | | |
| FY 2010-11 | Special Bills FY 2010-11 App. | 30.00 | 7.0 | 503,705 | 0 | 0 | 824,656 | 1,328,361 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 7.0 | 503,705 | 0 | 0 | 824,656 | 1,328,361 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 7.0 | 503,705 | 0 | 0 | 824,656 | 1,328,361 |
| FY 2010-11 | Transfer SB 10- 167 App. | | (7.0) | (503,705) | 0 | 0 | (824,656) | (1,328,361) |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| SUBTOTAL EDO-A | | | | | | | | |
| FY 2010-11 | | | 287.8 | 11,921,482 | 2,881,369 | 576,889 | 16,549,459 | 31,929,199 |
| | | | 0.0 | 0 | 51,285 | 0 | 51,285 | 102,570 |
| | | | 7.0 | 503,705 | 0 | 0 | 824,656 | 1,328,361 |
| | | | 0.0 | 0 | 12,500 | 0 | 12,500 | 25,000 |
| | | | 0.0 | 0 | 37,500 | 0 | 37,500 | 75,000 |
| FY 2010-11 | Original EDO - A FY 10-11 App. | 30.00 | 294.8 | 12,425,187 | 2,982,654 | 576,889 | 17,475,400 | 33,460,130 |
| FY 2010-11 | PS Reduction Revised EDO - A | | 0.0 | (76,146) | 0 | (4,276) | 0 | (80,422) |
| FY 2010-11 | FY 2010-11 App. | 60.00 | 294.8 | 12,349,041 | 2,982,654 | 572,613 | 17,475,400 | 33,379,708 |
| FY 2010-11 | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | Final Revised EDO - A FY 2010-11 App. | 70.00 | 294.8 | 12,349,041 | 2,982,654 | 572,613 | 17,475,400 | 33,379,708 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO A

| IBC | | | | | | | | | |
|-------------|---|---------------------|--------------------|--------------|-------------------|------------------|----------------|-------------------|-------------------|
| Fiscal Year | LINE ITEM/Desc. | Benchmark # | Dept Priority # | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
| | | FY 11-12 Reports | | | | | | | |
| FY 2011-12 | Annualize FY 10-11 BRI #2 Payment Reform | | | 0.0 | (122) | 0 | 0 | (121) | (243) |
| FY 2011-12 | Annualize FY 10-11 BA #5 ACC | | | 0.0 | 19,950 | 0 | 0 | 19,950 | 39,900 |
| FY 2011-12 | Annualize PERA | | | 0.0 | 180,162 | 39,668 | 45,751 | 255,860 | 521,441 |
| FY 2011-12 | Annualize HB 09-1293 | | | 16.0 | (7,522) | 622,545 | 0 | 615,023 | 1,230,046 |
| FY 2011-12 | Annualize HB 10-1323 | | | 0.0 | 0 | 14,817 | 0 | 0 | 14,817 |
| FY 2011-12 | Annualize SB 10-061 | | | 0.8 | 16,085 | (46,285) | 0 | (30,202) | (60,402) |
| FY 2011-12 | Annualize SB 10-167 | | | 0.0 | (11,222) | 0 | 0 | (11,222) | (22,444) |
| | Annualize HB 10-1053 | | | 0.0 | 0 | (37,500) | 0 | (37,500) | (75,000) |
| FY 2011-12 | Annualize FY 2010-11 Base Reduction | | | 0.0 | 76,146 | 0 | 4,276 | 0 | 80,422 |
| FY 2011-12 | Transfer SB 10-167 App. | | | 0.0 | (260,476) | 0 | 0 | (581,427) | (841,903) |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 311.6 | 12,362,042 | 3,575,899 | 622,640 | 17,705,761 | 34,266,342 |
| FY 2011-12 | Common Policy | | | 0.0 | 7,880 | 43,845 | (15,219) | 254,630 | 291,136 |
| FY 2011-12 | Common Policy | | | 0.0 | 2,176 | 1,789 | (737) | 6,523 | 9,751 |
| FY 2011-12 | Common Policy | | | 0.0 | 47,195 | 716 | (11,411) | 86,973 | 123,473 |
| FY 2011-12 | Common Policy | | | 0.0 | 43,786 | 15,465 | (8,321) | 91,977 | 142,907 |
| FY 2011-12 | Common Policy | | | 0.0 | 625 | 0 | 0 | 624 | 1,249 |
| FY 2011-12 | Common Policy | | | 0.0 | 22,023 | 0 | 0 | 22,022 | 44,045 |
| FY 2011-12 | Common Policy | | | 0.0 | 139,699 | 0 | 0 | 139,698 | 279,397 |
| FY 2011-12 | Common Policy | | | 0.0 | 35,847 | 0 | 0 | 35,847 | 71,694 |
| FY 2011-12 | Common Policy | | | 0.0 | 13,639 | 0 | 0 | 13,638 | 27,277 |
| FY 2011-12 | Indirect Cost Assessment | | | 0.0 | (87,948) | 55,014 | (113,316) | 146,250 | 0 |
| FY 2011-12 | Common Policy | | | 0.0 | 6,541 | 0 | 0 | 6,540 | 13,081 |
| FY 2011-12 | Common Policy | | | 0.0 | 13,850 | 0 | 0 | 13,850 | 27,700 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 311.6 | 12,607,355 | 3,692,728 | 473,636 | 18,524,333 | 35,298,052 |
| FY 2011-12 | Prenatal Plus Admin. | | DI #8 | 0.9 | 54,973 | 0 | 0 | 56,476 | 111,449 |
| FY 2011-12 | 2% PS Reduction Printing | | NP #1 | 0.0 | (156,758) | 0 | (9,297) | 0 | (166,055) |
| FY 2011-12 | Statewide Warrents | | NP #3 | 0.0 | 535 | 0 | 0 | 535 | 1,070 |
| FY 2011-12 | CDPHE PERA | | NP #12 | 0.0 | (323) | 0 | 0 | (321) | (644) |
| FY 2011-12 | Prorated Benefits | | NP #13 | 0.0 | (2,409) | 0 | 0 | (2,410) | (4,819) |
| FY 2011-12 | PERA Adj. | | NP #14 | 0.0 | (165,468) | (56,118) | 0 | (285,473) | (507,059) |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 312.5 | 12,337,905 | 3,636,610 | 464,339 | 18,293,140 | 34,731,994 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO B

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|-----------------------------------|--------------------------------|------------------------------------|------------------------|-----------|----------|-----------|-----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| DPHE Facility & Survey | | | | | | | | |
| Original FY | | | | | | | | |
| FY 2010-11 | 2010-11 App. | 30.00 | 0.0 | 1,475,127 | 0 | 0 | 3,441,963 | 4,917,090 |
| | PS Reduction | | NP-ES #1 | (12,632) | 0 | 0 | (23,460) | (36,092) |
| Revised FY | | | | | | | | |
| FY 2010-11 | 2010-11 App. | 60.00 | 0.0 | 1,462,495 | 0 | 0 | 3,418,503 | 4,880,998 |
| | | | 0.0 | 0 | | 0 | 0 | 0 |
| Final Revised FY | | | | | | | | |
| FY 2010-11 | 2010-11 App. | 70.00 | 0.0 | 1,462,495 | 0 | 0 | 3,418,503 | 4,880,998 |
| Annualize FY | | | | | | | | |
| FY 2011-12 | 2010-11 Base Reduction | | 0.0 | 12,632 | 0 | 0 | 23,460 | 36,092 |
| FY 2011-12 | Annualize PERA | | 0.0 | 26,738 | 0 | 0 | 49,656 | 76,394 |
| FY 2011-12 | | | | | | | | |
| FY 2011-12 | BASE | 100.00 | 0.0 | 1,501,865 | 0 | 0 | 3,491,619 | 4,993,484 |
| FY 2011-12 | PS Adjustment | | 0.0 | 81,416 | 0 | 0 | (635) | 80,781 |
| FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | Policy | 110.00 | 0.0 | 1,583,281 | 0 | 0 | 3,490,984 | 5,074,265 |
| FY 2011-12 | 2% PS Reduction | | NP #6 | (26,578) | 0 | 0 | (48,692) | (75,270) |
| FY 2011-12 | CDPHE PERA | | NP #12 | (27,710) | 0 | 0 | (51,460) | (79,170) |
| FY 2011-12 | CDPHE Pro- Rated Benefits | | NP #11 | (184) | 0 | 0 | (191) | (375) |
| FY 2011-12 | DEPART. REQUEST | 180.25 | 0.0 | 1,528,809 | 0 | 0 | 3,390,641 | 4,919,450 |
| Nurse Home Visitor | | | | | | | | |
| Original NHV | | | | | | | | |
| FY 2010-11 | FY 2010-11 App | 30.00 | 0.0 | 0 | 0 | 1,156,141 | 1,853,859 | 3,010,000 |
| FY 2010-11 | ARRA True-Up | | ES #1 | 0 | 0 | 56,655 | (56,655) | 0 |
| FY 2010-11 | Pay Delay | | ES #2 | 0 | 0 | (21,710) | (24,746) | (46,456) |
| Revised FY 2010-11 App. | | | | | | | | |
| FY 2010-11 | 11 App. | 60.00 | 0.0 | 0 | 0 | 1,191,086 | 1,772,458 | 2,963,544 |
| | | | 0.0 | 0 | | 0 | 0 | 0 |
| Final Revised FY | | | | | | | | |
| FY 2010-11 | 2010-11 App. | 70.00 | 0.0 | 0 | 0 | 1,191,086 | 1,772,458 | 2,963,544 |
| MAIN ARRA | | | | | | | | |
| FY 2011-12 | Adjustment | | 0.0 | 0 | 0 | 348,859 | (348,859) | 0 |
| FY 2011-12 | Annualize 10-11 | | 0.0 | 0 | 0 | (56,655) | 56,655 | 0 |
| FY 2011-12 | ARRA Annualize Pay Delay | | 0.0 | 0 | 0 | 21,710 | 24,746 | 46,456 |
| FY 2011-12 Base | | | | | | | | |
| FY 2011-12 | Funding | 100.00 | 0.0 | 0 | 0 | 1,505,000 | 1,505,000 | 3,010,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | Policy | 110.00 | 0.0 | 0 | 0 | 1,505,000 | 1,505,000 | 3,010,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| DEPARTMENT | | | | | | | | |
| FY 2011-12 | REQUEST | 180.25 | 0.0 | 0 | 0 | 1,505,000 | 1,505,000 | 3,010,000 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO B

| Fiscal Year | LINE ITEM/Desc. | IBC Benchmark # | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds | |
|--|---------------------------------------|---------------------|--------------------|-----|----------|----------|----------|----------|-------------|--|
| | | FY 11-12 Reports | Dept Priority # | | | | | | | |
| Prenatal Plus Statistical Information | | | | | | | | | | |
| FY 2010-11 | Original PPSI FY 2010-11 App. | 30.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | Prenatal Plus | | DI #8 | 0.0 | 3,000 | 0 | 0 | 3,000 | 6,000 | |
| FY 2010-11 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 3,000 | 0 | 0 | 3,000 | 6,000 | |
| Enhance Prenatal Care Training | | | | | | | | | | |
| FY 2010-11 | Original PCT FY 2010-11 App. | 30.00 | | 0.0 | 58,752 | 0 | 0 | 60,254 | 119,006 | |
| FY 2010-11 | PS Adjustment | | | 0.0 | (390) | 0 | 0 | (389) | (779) | |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 58,362 | 0 | 0 | 59,865 | 118,227 | |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 58,362 | 0 | 0 | 59,865 | 118,227 | |
| FY 2011-12 | PS Adjustment | | | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 58,362 | 0 | 0 | 59,865 | 118,227 | |
| FY 2011-12 | PS Adjustment | | | 0.0 | 390 | 0 | 0 | 389 | 779 | |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 58,752 | 0 | 0 | 60,254 | 119,006 | |
| FY 2011-12 | Prenatal Plus | | DI #8 | 0.0 | (58,752) | 0 | 0 | (60,254) | (119,006) | |
| FY 2011-12 | DPHE PERA | | NP #12 | 0.0 | 0 | 0 | 0 | 0 | 0 | |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 0 | 0 | 0 | 0 | 0 | |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO B

| Fiscal Year | LINE ITEM/Desc. | IBC Benchmark # | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|---------------------------------|------------------------------------|---------------------|--------------------|-----|----------|----------|----------|----------|-------------|
| | | FY 11-12 Reports | Dept Priority # | | | | | | |
| Nurse Aide Certification | | | | | | | | | |
| FY 2010-11 | Original Nurse Aid FY 2010-11 App. | 30.00 | | 0.0 | 148,020 | 0 | 14,652 | 162,671 | 325,343 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | | 0.0 | 148,020 | 0 | 14,652 | 162,671 | 325,343 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 148,020 | 0 | 14,652 | 162,671 | 325,343 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 148,020 | 0 | 14,652 | 162,671 | 325,343 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 148,020 | 0 | 14,652 | 162,671 | 325,343 |
| FY 2011-12 | PS Adjustment | | NP #7 | 0.0 | (868) | 0 | 0 | (868) | (1,736) |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 147,152 | 0 | 14,652 | 161,803 | 323,607 |

| | | | | | | | | | |
|----------------|----------------------------------|--------|--|-----|-------|-----|---|-------|--------|
| Reviews | | | | | | | | | |
| FY 2010-11 | Original Reviews FY 2010-11 App. | 30.00 | | 0.0 | 6,500 | 500 | 0 | 7,000 | 14,000 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | | 0.0 | 6,500 | 500 | 0 | 7,000 | 14,000 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 6,500 | 500 | 0 | 7,000 | 14,000 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 6,500 | 500 | 0 | 7,000 | 14,000 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | + Common Policy | 110.00 | | 0.0 | 6,500 | 500 | 0 | 7,000 | 14,000 |
| FY 2011-12 | Final Revised FY 2010-11 App. | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 6,500 | 500 | 0 | 7,000 | 14,000 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO B

| Fiscal Year | LINE ITEM/Desc. | IBC Benchmark # | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|--------------------------------------|---|---------------------|--------------------|-----|-----------|----------|-----------|-----------|-------------|
| | | FY 11-12 Reports | Dept Priority # | | | | | | |
| Public School Health Services | | | | | | | | | |
| | Original PS Health Service | | | | | | | | |
| FY 2010-11 | FY 2010-11 App. | 30.00 | | 0.0 | 0 | 0 | 0 | 150,388 | 150,388 |
| FY 2010-11 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 150,388 | 150,388 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 150,388 | 150,388 |
| | Technical Correction | | | 0.0 | 0 | 0 | 0 | (2,074) | (2,074) |
| | Annualize SB 10- 065 | | | 0.0 | 0 | 0 | 0 | 1,685 | 1,685 |
| | FY 2011-12 BASE | 100.00 | | 0.0 | 0 | 0 | 0 | 149,999 | 149,999 |
| FY 2011-12 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 0 | 0 | 149,999 | 149,999 |
| FY 2011-12 | PERA | | NP #18 | 0.0 | 0 | 0 | 0 | (1,685) | (1,685) |
| | DEPARTMENT REQUEST | 180.25 | | 0.0 | 0 | 0 | 0 | 148,314 | 148,314 |
| | | | | | | | | | |
| SUBTOTAL EDO-B | | | | | | | | | |
| | Original EDO - B FY 10-11 App. | 30.00 | | 0.0 | 1,688,399 | 500 | 1,170,793 | 5,676,135 | 8,535,827 |
| FY 2010-11 | PS Reduction | | NP-ES #1 | 0.0 | (13,022) | 0 | 0 | (23,849) | (36,871) |
| FY 2010-11 | ARRA True-Up | | ES #1 | 0.0 | 0 | 0 | 56,655 | (56,655) | 0 |
| FY 2010-11 | Pay Delay | | ES #2 | 0.0 | 0 | 0 | (21,710) | (24,746) | (46,456) |
| | Revised EDO - B FY 2010-11 App. | 60.00 | | 0.0 | 1,675,377 | 500 | 1,205,738 | 5,570,885 | 8,452,500 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | Final Revised EDO - B FY 2010-11 App. | 70.00 | | 0.0 | 1,675,377 | 500 | 1,205,738 | 5,570,885 | 8,452,500 |
| FY 2011-12 | Annualize PERA | | | 0.0 | 26,738 | 0 | 0 | 49,656 | 76,394 |
| FY 2011-12 | Annualize Pay Delay | | | 0.0 | 0 | 0 | 21,710 | 24,746 | 46,456 |
| FY 2011-12 | Annualize SB 10- 065 | | | 0.0 | 0 | 0 | 0 | 1,685 | 1,685 |
| FY 2011-12 | Annualize FY 2010-11 Base Reduction | | | 0.0 | 12,632 | 0 | 0 | 23,460 | 36,092 |
| FY 2011-12 | MAIN ARRA Adjustment | | | 0.0 | 0 | 0 | 348,859 | (348,859) | 0 |
| FY 2011-12 | Annualize 10-11 ARRA | | | 0.0 | 0 | 0 | (56,655) | 56,655 | 0 |
| FY 2011-12 | Technical Correction | | | 0.0 | 0 | 0 | 0 | (2,074) | (2,074) |
| | FY 2011-12 BASE | 100.00 | | 0.0 | 1,714,747 | 500 | 1,519,652 | 5,376,154 | 8,611,053 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO B

| Fiscal Year | LINE ITEM/Desc. | IBC Benchmark # | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------|-----------------------------|---------------------|--------------------|-----|-----------|----------|-----------|-----------|-------------|
| | | FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | PS Adjustment | | | 0.0 | 81,806 | 0 | 0 | (246) | 81,560 |
| | FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | Policy | 110.00 | | 0.0 | 1,796,553 | 500 | 1,519,652 | 5,375,908 | 8,692,613 |
| FY 2011-12 | Prenatal Plus | | DI #8 | 0.0 | (55,752) | 0 | 0 | (57,254) | (113,006) |
| FY 2011-12 | 2% PS Reduction | | NP #1 | 0.0 | (26,578) | 0 | 0 | (48,692) | (75,270) |
| FY 2011-12 | PS Adjustment CDPHE Pro- | | NP #7 | 0.0 | (868) | 0 | 0 | (868) | (1,736) |
| FY 2011-12 | Rated Benefits | | NP #11 | 0.0 | (184) | 0 | 0 | (191) | (375) |
| FY 2011-12 | DPHE PERA | | NP #12 | 0.0 | (27,710) | 0 | 0 | (51,460) | (79,170) |
| FY 2011-12 | PERA | | NP #18 | 0.0 | 0 | 0 | 0 | (1,685) | (1,685) |
| | DEPARTMENT | | | | | | | | |
| FY 2011-12 | REQUEST | 180.25 | | 0.0 | 1,685,461 | 500 | 1,519,652 | 5,215,758 | 8,421,371 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO C

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|---------------------|--|------------------------------------|------------------------|-----------|-----------|----------|-------------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| IT Contracts | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 5,973,827 | 2,433,429 | 100,328 | 25,404,282 | 33,911,866 |
| | Managed Care Delay | | 0.0 | 31,500 | 0 | 0 | 94,500 | 126,000 |
| | | | | | | | | |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 6,005,327 | 2,433,429 | 100,328 | 25,498,782 | 34,037,866 |
| | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 6,005,327 | 2,433,429 | 100,328 | 25,498,782 | 34,037,866 |
| FY 2011-12 | Transfer SB 10- 167 App. | | 0.0 | 160,476 | 0 | 0 | 481,427 | 641,903 |
| FY 2011-12 | Annualize FY 10- 11 BRI #2 | | 0.0 | (11,466) | 0 | 0 | (34,398) | (45,864) |
| FY 2011-12 | Annualize FY 10- 11 BRI #3 | | 0.0 | (24,192) | 0 | 0 | (72,576) | (96,768) |
| FY 2011-12 | Annualize FY 10- 11 BA #5 ACC | | 0.0 | (39,501) | 0 | 0 | (118,503) | (158,004) |
| FY 2011-12 | Annualize FY 10- 11 BA #12 Evidence Utilization | | 0.0 | 78,498 | 0 | 0 | 235,494 | 313,992 |
| FY 2011-12 | Annualize FY 10- 11 ES #3 | | 0.0 | (31,500) | 0 | 0 | (94,500) | (126,000) |
| FY 2011-12 | Annualize FY 10- 11 BA #15 | | 0.0 | 51,222 | 0 | 0 | 420,045 | 471,267 |
| FY 2011-12 | MMIS Adj. Annualize SB 10- 167 | | 0.0 | (40,938) | 0 | 0 | (122,816) | (163,754) |
| FY 2011-12 | Annualize HB 09- 1293 | | 0.0 | 0 | (666,659) | 0 | (2,382,490) | (3,049,149) |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 6,147,926 | 1,766,770 | 100,328 | 23,810,465 | 31,825,489 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 6,147,926 | 1,766,770 | 100,328 | 23,810,465 | 31,825,489 |
| FY 2011-12 | Client Overutilization | | 0.0 | 51,975 | 0 | 0 | 155,925 | 207,900 |
| FY 2011-12 | Medicaid Reductions | | 0.0 | 47,250 | 0 | 0 | 141,750 | 189,000 |
| FY 2011-12 | Delay Managed Care | | 0.0 | 31,500 | 0 | 0 | 94,500 | 126,000 |
| FY 2011-12 | DEPART. REQUEST | 180.25 | 0.0 | 6,278,651 | 1,766,770 | 100,328 | 24,202,640 | 32,348,389 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO C

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|--|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Fraud Detection Software Contract | | | | | | | | |
| FY 2010-11 | Original Fraud FY 2010-11 App | 30.00 | 0.0 | 62,500 | 0 | 0 | 187,500 | 250,000 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 62,500 | 0 | 0 | 187,500 | 250,000 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 62,500 | 0 | 0 | 187,500 | 250,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base Funding | 100.00 | 0.0 | 62,500 | 0 | 0 | 187,500 | 250,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 62,500 | 0 | 0 | 187,500 | 250,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 62,500 | 0 | 0 | 187,500 | 250,000 |

| | | | | | | | | |
|--|--|--------|-----|---|---------|---|-----------|-----------|
| Eligibility Vendor Contract Project | | | | | | | | |
| FY 2010-11 | Original Eligibility Project FY 2010-11 App. | 30.00 | 0.0 | 0 | 366,320 | 0 | 393,680 | 760,000 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010- 11 App. | 60.00 | 0.0 | 0 | 366,320 | 0 | 393,680 | 760,000 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 0 | 366,320 | 0 | 393,680 | 760,000 |
| FY 2011-12 | Annualize HB 09- 1293 FY 2011-12 | | 0.0 | 0 | 597,849 | 0 | 863,633 | 1,461,482 |
| FY 2011-12 | BASE | 100.00 | 0.0 | 0 | 964,169 | 0 | 1,257,313 | 2,221,482 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 0 | 964,169 | 0 | 1,257,313 | 2,221,482 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | DEPARTMENT REQUEST | 180.25 | 0.0 | 0 | 964,169 | 0 | 1,257,313 | 2,221,482 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO C

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|-----------------|--|------------------------------------|------------------------|------------------|------------------|----------------|-------------------|-------------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| SUBTOTAL | | | | | | | | |
| EDO-C | | | | | | | | |
| FY 2010-11 | Original EDO - C FY 10-11 App. | 30.00 | 0.0 | 6,036,327 | 2,799,749 | 100,328 | 25,985,462 | 34,921,866 |
| FY 2010-11 | Managed Care Delay | | ES #3 | 31,500 | 0 | 0 | 94,500 | 126,000 |
| FY 2010-11 | Revised EDO - C FY 2010-11 App. | 60.00 | 0.0 | 6,067,827 | 2,799,749 | 100,328 | 26,079,962 | 35,047,866 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised EDO - C FY 2010-11 App. | 70.00 | 0.0 | 6,067,827 | 2,799,749 | 100,328 | 26,079,962 | 35,047,866 |
| FY 2011-12 | Annualize FY 10- 11 BRI #2 | | 0.0 | (11,466) | 0 | 0 | (34,398) | (45,864) |
| FY 2011-12 | Annualize FY 10- 11 BA #5 ACC | | 0.0 | (39,501) | 0 | 0 | (118,503) | (158,004) |
| FY 2011-12 | Annualize FY 10- 11 BA #12 Evidence Utilization | | 0.0 | 78,498 | 0 | 0 | 235,494 | 313,992 |
| FY 2011-12 | Annualize FY 10- 11 BA #15 MMIS Adj. | | 0.0 | 51,222 | 0 | 0 | 420,045 | 471,267 |
| FY 2011-12 | Annualize FY 10- 11 ES #3 | | 0.0 | (31,500) | 0 | 0 | (94,500) | (126,000) |
| FY 2011-12 | Annualize FY 10- 11 BRI #3 | | 0.0 | (24,192) | 0 | 0 | (72,576) | (96,768) |
| FY 2011-12 | Annualize HB 09- 1293 | | 0.0 | 0 | (68,810) | 0 | (1,518,857) | (1,587,667) |
| FY 2011-12 | Annualize SB 10- 167 | | 0.0 | (40,938) | 0 | 0 | (122,816) | (163,754) |
| FY 2011-12 | Transfer SB 10- 167 App. | | 0.0 | 160,476 | 0 | 0 | 481,427 | 641,903 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 6,210,426 | 2,730,939 | 100,328 | 25,255,278 | 34,296,971 |
| FY 2011-12 | PS Adjustment | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 6,210,426 | 2,730,939 | 100,328 | 25,255,278 | 34,296,971 |
| FY 2011-12 | Client Overutilization Medicaid | | BRI #1 | 51,975 | 0 | 0 | 155,925 | 207,900 |
| FY 2011-12 | Reductions Delay Managed | | BRI #5 | 47,250 | 0 | 0 | 141,750 | 189,000 |
| FY 2011-12 | Care | | BRI #6 | 31,500 | 0 | 0 | 94,500 | 126,000 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 6,341,151 | 2,730,939 | 100,328 | 25,647,453 | 34,819,871 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO D

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------------------|---------------------------------------|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Medical Identification Cards | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 48,444 | 10,759 | 1,593 | 59,204 | 120,000 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 48,444 | 10,759 | 1,593 | 59,204 | 120,000 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 48,444 | 10,759 | 1,593 | 59,204 | 120,000 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 48,444 | 10,759 | 1,593 | 59,204 | 120,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 48,444 | 10,759 | 1,593 | 59,204 | 120,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPART. REQUEST | 180.25 | 0.0 | 48,444 | 10,759 | 1,593 | 59,204 | 120,000 |

| | | | | | | | | |
|---|---------------------------------------|--------|-----|---------|-----------|---|-----------|-----------|
| Special Eligibility Determinations | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 828,091 | 1,542,200 | 0 | 2,862,811 | 5,233,102 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 828,091 | 1,542,200 | 0 | 2,862,811 | 5,233,102 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 828,091 | 1,542,200 | 0 | 2,862,811 | 5,233,102 |
| FY 2010-11 | Annualize HB 09- 1293 | | 0.0 | 0 | 1,110,608 | 0 | 1,110,608 | 2,221,216 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 828,091 | 2,652,808 | 0 | 3,973,419 | 7,454,318 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 828,091 | 2,652,808 | 0 | 3,973,419 | 7,454,318 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPART. REQUEST | 180.25 | 0.0 | 828,091 | 2,652,808 | 0 | 3,973,419 | 7,454,318 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO D

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|------------------------------|---------------------------------|------------------------------------|------------------------|-----------|-----------|----------|------------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| County Administration | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App | 30.00 | 0.0 | 9,794,550 | 6,674,686 | 0 | 16,388,971 | 32,858,207 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 9,794,550 | 6,674,686 | 0 | 16,388,971 | 32,858,207 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 9,794,550 | 6,674,686 | 0 | 16,388,971 | 32,858,207 |
| FY 2011-12 | Transfer SB 10-167 | | 0.0 | 100,000 | 0 | 0 | 100,000 | 200,000 |
| FY 2011-12 | Annualize HB 09-1293 | | 0.0 | 0 | 244,836 | 0 | 244,835 | 489,671 |
| FY 2011-12 | FY 2011-12 Base Funding | 100.00 | 0.0 | 9,894,550 | 6,919,522 | 0 | 16,733,806 | 33,547,878 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 9,894,550 | 6,919,522 | 0 | 16,733,806 | 33,547,878 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 9,894,550 | 6,919,522 | 0 | 16,733,806 | 33,547,878 |

| | | | | | | | | |
|---------------------------------------|---------------------------------|--------|-----|---------|---|---|---------|---------|
| Administrative Case Management | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 434,872 | 0 | 0 | 434,872 | 869,744 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 434,872 | 0 | 0 | 434,872 | 869,744 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 434,872 | 0 | 0 | 434,872 | 869,744 |
| FY 2010-11 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 434,872 | 0 | 0 | 434,872 | 869,744 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 434,872 | 0 | 0 | 434,872 | 869,744 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPART. REQUEST | 180.25 | 0.0 | 434,872 | 0 | 0 | 434,872 | 869,744 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO D

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|--------------------------|---------------------------------------|------------------------------------|------------------------|------------|-----------|----------|------------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Customer Outreach | | | | | | | | |
| FY 2010-11 | Original FY 2010-11 App. | 30.00 | 0.0 | 1,900,033 | 73,766 | 0 | 1,973,799 | 3,947,598 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised FY 2010-11 App. | 60.00 | 0.0 | 1,900,033 | 73,766 | 0 | 1,973,799 | 3,947,598 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised FY 2010-11 App. | 70.00 | 0.0 | 1,900,033 | 73,766 | 0 | 1,973,799 | 3,947,598 |
| FY 2011-12 | Annualize FY 2010-11 BA #5 ACC | | 0.0 | 205,424 | 0 | 0 | 205,423 | 410,847 |
| FY 2011-12 | Annualize HB 09-1293 | | 0.0 | 0 | 15,857 | 0 | 15,857 | 31,714 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 2,105,457 | 89,623 | 0 | 2,195,079 | 4,390,159 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 2,105,457 | 89,623 | 0 | 2,195,079 | 4,390,159 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | DEPARTMENT REQUEST | 180.25 | 0.0 | 2,105,457 | 89,623 | 0 | 2,195,079 | 4,390,159 |
| SUBTOTAL EDO-D | | | | | | | | |
| FY 2010-11 | Original EDO - D FY 10-11 App. | 30.00 | 0.0 | 13,005,990 | 8,301,411 | 1,593 | 21,719,657 | 43,028,651 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised EDO - D FY 2010-11 App. | 60.00 | 0.0 | 13,005,990 | 8,301,411 | 1,593 | 21,719,657 | 43,028,651 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised EDO - D FY 2010-11 App. | 70.00 | 0.0 | 13,005,990 | 8,301,411 | 1,593 | 21,719,657 | 43,028,651 |
| FY 2011-12 | Annualize FY 2010-11 BA #5 ACC | | 0.0 | 205,424 | 0 | 0 | 205,423 | 410,847 |
| FY 2011-12 | Annualize HB 09-1293 | | 0.0 | 0 | 1,371,301 | 0 | 1,371,300 | 2,742,601 |
| FY 2011-12 | Transfer SB 10-167 | | 0.0 | 100,000 | 0 | 0 | 100,000 | 200,000 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 13,311,414 | 9,672,712 | 1,593 | 23,396,380 | 46,382,099 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 13,311,414 | 9,672,712 | 1,593 | 23,396,380 | 46,382,099 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 13,311,414 | 9,672,712 | 1,593 | 23,396,380 | 46,382,099 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO E

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------------|---|------------------------------------|------------------------|-----------|----------|----------|-----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Professional Contracts | | | | | | | | |
| FY 2010-11 | Original EDO - E FY 10-11 App. | 30.00 | 0.0 | 1,766,994 | 86,596 | 0 | 4,609,281 | 6,462,871 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised EDO - E FY 2010-11 App. | 60.00 | 0.0 | 1,766,994 | 86,596 | 0 | 4,609,281 | 6,462,871 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised EDO - E FY 2010-11 App. | 70.00 | 0.0 | 1,766,994 | 86,596 | 0 | 4,609,281 | 6,462,871 |
| FY 2011-12 | Annualize FY 2010-11 BA #5 ACC | | 0.0 | 44,375 | 0 | 0 | 133,125 | 177,500 |
| FY 2011-12 | Annualize FY 2010-11 BA #12 Evidence Utilization | | 0.0 | 134,052 | 0 | 0 | 402,156 | 536,208 |
| FY 2011-12 | Annualize HB 09- 1293 | | 0.0 | 0 | 28,890 | 0 | 65,370 | 94,260 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 1,945,421 | 115,486 | 0 | 5,209,932 | 7,270,839 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 1,945,421 | 115,486 | 0 | 5,209,932 | 7,270,839 |
| FY 2011-12 | Medicaid Reductions | | 0.0 | 100,000 | 0 | 0 | 300,000 | 400,000 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 2,045,421 | 115,486 | 0 | 5,509,932 | 7,670,839 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO F

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------------------|---------------------------------------|------------------------------------|------------------------|-----------|-----------|----------|-----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Professional Audit Contracts | | | | | | | | |
| Original EDO - F | | | | | | | | |
| FY 2010-11 | FY 10-11 App. | 30.00 | 0.0 | 1,256,281 | 352,988 | 0 | 1,697,544 | 3,306,813 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Revised EDO - F | | | | | | | | |
| FY 2010-11 | FY 2010-11 App. | 60.00 | 0.0 | 1,256,281 | 352,988 | 0 | 1,697,544 | 3,306,813 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Final Revised EDO - F FY | | | | | | | | |
| FY 2010-11 | 2010-11 App. | 70.00 | 0.0 | 1,256,281 | 352,988 | 0 | 1,697,544 | 3,306,813 |
| Annualize FY 2007-08 PERM | | | | | | | | |
| FY 2011-12 | Annualize FY 2006-07 Nursing Facility | | 0.0 | (147,125) | (102,988) | 0 | (338,388) | (588,501) |
| FY 2011-12 Appraisals | | | | | | | | |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 969,283 | 250,000 | 0 | 1,219,283 | 2,438,566 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | Policy | 110.00 | 0.0 | 969,283 | 250,000 | 0 | 1,219,283 | 2,438,566 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| DEPARTMENT REQUEST | | | | | | | | |
| FY 2011-12 | | 180.25 | 0.0 | 969,283 | 250,000 | 0 | 1,219,283 | 2,438,566 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO G

| Fiscal Year | LINE ITEM/Desc. | IBC | | GF total | CF Total | RF Total | FF Total | Total Funds |
|--------------------------------------|---|------------------------------------|------------------------|----------|----------|----------|----------|-------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # FTE | | | | | |
| Estate Recovery Contracts | | | | | | | | |
| FY 2010-11 | Original EDO - G FY 10-11 App. | 30.00 | 0.0 | 0 | 350,000 | 0 | 350,000 | 700,000 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Revised EDO - G FY 2010-11 App. | 60.00 | 0.0 | 0 | 350,000 | 0 | 350,000 | 700,000 |
| | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | Final Revised EDO - G FY 2010-11 App. | 70.00 | 0.0 | 0 | 350,000 | 0 | 350,000 | 700,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | 0.0 | 0 | 350,000 | 0 | 350,000 | 700,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | 0.0 | 0 | 350,000 | 0 | 350,000 | 700,000 |
| FY 2011-12 | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | 0.0 | 0 | 350,000 | 0 | 350,000 | 700,000 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO Summary

| IBC | | | | | | | | | |
|----------------------------|--|---------------------|----------------|----------|------------|------------|-----------|-------------|-------------|
| Fiscal Year | LINE ITEM/Desc. | Benchmark # | Dept | GF total | CF Total | RF Total | FF Total | Total Funds | |
| | | FY 11-12 Reports | Priority # FTE | | | | | | |
| SUBTOTAL | | | | | | | | | |
| EDO-SUMMARY | | | | | | | | | |
| FY 2010-11 | | | | 287.8 | 35,675,473 | 14,772,613 | 1,849,603 | 76,587,538 | 128,885,227 |
| | | | | 0.0 | 0 | 51,285 | 0 | 51,285 | 102,570 |
| | | | | 7.0 | 503,705 | 0 | 0 | 824,656 | 1,328,361 |
| | | | | 0.0 | 0 | 12,500 | 0 | 12,500 | 25,000 |
| | | | | 0.0 | 0 | 37,500 | 0 | 37,500 | 75,000 |
| Original EDO | | | | | | | | | |
| FY 2010-11 | FY 10-11 App. | 30.00 | | 294.8 | 36,179,178 | 14,873,898 | 1,849,603 | 77,513,479 | 130,416,158 |
| FY 2010-11 | | | NP-ES #1 | 0.0 | (89,168) | 0 | (4,276) | (23,849) | (117,293) |
| | | | ES #1 | 0.0 | 0 | 0 | 56,655 | (56,655) | 0 |
| | | | ES #2 | 0.0 | 0 | 0 | (21,710) | (24,746) | (46,456) |
| | | | ES #3 | 0.0 | 31,500 | 0 | 0 | 94,500 | 126,000 |
| Revised EDO | | | | | | | | | |
| FY 2010-11 | FY 2010-11 App. | 60.00 | | 294.8 | 36,121,510 | 14,873,898 | 1,880,272 | 77,502,729 | 130,378,409 |
| | | | | 0.0 | 0 | | 0 | 0 | 0 |
| Final Revised EDO FY 2010- | | | | | | | | | |
| FY 2010-11 | 11 App. | 70.00 | | 294.8 | 36,121,510 | 14,873,898 | 1,880,272 | 77,502,729 | 130,378,409 |
| FY 2011-12 | Annualize FY 2010-11 BRI #2 Payment Reform | | | 0.0 | (11,588) | 0 | 0 | (34,519) | (46,107) |
| FY 2011-12 | Annualize FY 10-11 BA #5 ACC | | | 0.0 | 230,248 | 0 | 0 | 239,995 | 470,243 |
| FY 2011-12 | Annualize PERA | | | 0.0 | 206,900 | 39,668 | 45,751 | 305,516 | 597,835 |
| FY 2011-12 | Annualize Pay Delay | | | 0.0 | 0 | 0 | 21,710 | 24,746 | 46,456 |
| FY 2011-12 | Annualize FY 10-11 BA #12 Evidence Utilization | | | 0.0 | 212,550 | 0 | 0 | 637,650 | 850,200 |
| FY 2011-12 | Annualize FY 10-11 BA #15 MMIS Adj. | | | 0.0 | 51,222 | 0 | 0 | 420,045 | 471,267 |
| FY 2011-12 | Annualize FY 10-11 ES #3 | | | 0.0 | (31,500) | 0 | 0 | (94,500) | (126,000) |
| FY 2011-12 | Annualize FY 10-11 BRI #3 | | | 0.0 | (24,192) | 0 | 0 | (72,576) | (96,768) |
| FY 2011-12 | Annualize FY 2007-08 PERM | | | 0.0 | (147,125) | (102,988) | 0 | (338,388) | (588,501) |
| FY 2011-12 | Annualize FY 2006-07 Nursing Facility Appraisals | | | 0.0 | (139,873) | 0 | 0 | (139,873) | (279,746) |
| FY 2011-12 | Annualize HB 09-1293 | | | 16.0 | (7,522) | 1,953,926 | 0 | 532,836 | 2,479,240 |
| FY 2011-12 | Annualize HB 10-1323 | | | 0.0 | 0 | 14,817 | 0 | 0 | 14,817 |
| FY 2011-12 | Annualize SB 10-061 | | | 0.8 | 16,085 | (46,285) | 0 | (30,202) | (60,402) |
| FY 2011-12 | Annualize SB 10-167 | | | 0.0 | (52,160) | 0 | 0 | (134,038) | (186,198) |
| FY 2011-12 | Annualize HB 10-1053 | | | 0.0 | 0 | (37,500) | 0 | (37,500) | (75,000) |
| FY 2011-12 | Annualize SB 10-065 | | | 0.0 | 0 | 0 | 0 | 1,685 | 1,685 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- EDO Summary

| IBC | | | | | | | | | |
|-----------------------------|------------------------------------|------------------|-----------------|--------------|-------------------|-------------------|------------------|-------------------|--------------------|
| Benchmark # | | | | | | | | | |
| Fiscal Year | LINE ITEM/Desc. | FY 11-12 Reports | Dept Priority # | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
| SUBTOTAL EDO-SUMMARY | | | | | | | | | |
| | Annualize FY 2010-11 Base | | | | | | | | |
| FY 2011-12 | Reduction | | | 0.0 | 88,778 | 0 | 4,276 | 23,460 | 116,514 |
| FY 2011-12 | Main ARRA Adj. Annualize FY 10- | | | 0.0 | 0 | 0 | 348,859 | (348,859) | 0 |
| FY 2011-12 | 11 ARRA Adj. Technical | | | 0.0 | 0 | 0 | (56,655) | 56,655 | 0 |
| FY 2011-12 | Correction Transfer SB 10- | | | 0.0 | 0 | 0 | 0 | (2,074) | (2,074) |
| FY 2011-12 | 167 App. | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | BASE | 100.00 | | 311.6 | 36,513,333 | 16,695,536 | 2,244,213 | 78,512,788 | 133,965,870 |
| | PS Adj. | | | 0.0 | 81,806 | 0 | 0 | (246) | 81,560 |
| FY 2011-12 | Common Policy | | | 0.0 | 7,880 | 43,845 | (15,219) | 254,630 | 291,136 |
| FY 2011-12 | Common Policy | | | 0.0 | 2,176 | 1,789 | (737) | 6,523 | 9,751 |
| FY 2011-12 | Common Policy | | | 0.0 | 47,195 | 716 | (11,411) | 86,973 | 123,473 |
| FY 2011-12 | Common Policy | | | 0.0 | 43,786 | 15,465 | (8,321) | 91,977 | 142,907 |
| FY 2011-12 | Common Policy | | | 0.0 | 625 | 0 | 0 | 624 | 1,249 |
| FY 2011-12 | Common Policy | | | 0.0 | 22,023 | 0 | 0 | 22,022 | 44,045 |
| FY 2011-12 | Common Policy | | | 0.0 | 139,699 | 0 | 0 | 139,698 | 279,397 |
| FY 2011-12 | Common Policy | | | 0.0 | 35,847 | 0 | 0 | 35,847 | 71,694 |
| FY 2011-12 | Common Policy | | | 0.0 | 13,639 | 0 | 0 | 13,638 | 27,277 |
| | Indirect Cost | | | | | | | | |
| FY 2011-12 | Assessment | | | 0.0 | (87,948) | 55,014 | (113,316) | 146,250 | 0 |
| FY 2011-12 | Common Policy | | | 0.0 | 6,541 | 0 | 0 | 6,540 | 13,081 |
| FY 2011-12 | Common Policy | | | 0.0 | 13,850 | 0 | 0 | 13,850 | 27,700 |
| FY 2011-12 | Base + Common Policy | 110.00 | | 311.6 | 36,840,452 | 16,812,365 | 2,095,209 | 79,331,114 | 135,079,140 |
| FY 2011-12 | Prenatal Plus | | DI #8 | 0.9 | (779) | 0 | 0 | (778) | (1,557) |
| FY 2011-12 | 2% PS Reduction Printing Statewide | | NP #1 | 0.0 | (183,336) | 0 | (9,297) | (48,692) | (241,325) |
| FY 2011-12 | Warrents | | NP #3 | 0.0 | 535 | 0 | 0 | 535 | 1,070 |
| FY 2011-12 | PS Adjustment | | NP #7 | 0.0 | (868) | 0 | 0 | (868) | (1,736) |
| FY 2011-12 | CDPHE Pro-Rated Benefits | | NP #11 | 0.0 | (184) | 0 | 0 | (191) | (375) |
| FY 2011-12 | CDPHE PERA | | NP #12 | 0.0 | (28,033) | 0 | 0 | (51,781) | (79,814) |
| FY 2011-12 | Prorated Benefits | | NP #13 | 0.0 | (2,409) | 0 | 0 | (2,410) | (4,819) |
| FY 2011-12 | PERA Adj. | | NP #14 | 0.0 | (165,468) | (56,118) | 0 | (285,473) | (507,059) |
| FY 2011-12 | PERA Adj. Client | | NP #18 | 0.0 | 0 | 0 | 0 | (1,685) | (1,685) |
| FY 2011-12 | Overutilization Medicaid | | BRI #1 | 0.0 | 51,975 | 0 | 0 | 155,925 | 207,900 |
| FY 2011-12 | Reductions Delay Managed | | BRI #5 | 0.0 | 147,250 | 0 | 0 | 441,750 | 589,000 |
| FY 2011-12 | Care | | BRI #6 | 0.0 | 31,500 | 0 | 0 | 94,500 | 126,000 |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 312.5 | 36,690,635 | 16,756,247 | 2,085,912 | 79,631,946 | 135,164,740 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- MEDICAL SERVICES PREMIUMS

| Fiscal Year | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|--------------------------------------|--|------------------------------------|-----------------------|-----|--------------|--------------|-----------|---------------|---------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| SUBTOTAL MSP- SUMMARY | | | | | | | | | |
| FY 2010-11 | | | | 0.0 | 976,066,783 | 250,622,514 | 3,122,188 | 1,928,504,132 | 3,158,315,617 |
| | | | | 0.0 | (14,679,904) | (2,023,356) | (17,380) | (26,400,595) | (43,121,235) |
| | | | | 0.0 | 0 | 47,348 | 0 | 75,922 | 123,270 |
| | | | | 0.0 | 334,227 | 0 | 0 | 535,928 | 870,155 |
| | | | | 0.0 | (869,843) | 0 | 0 | 165,422 | (704,421) |
| | | | | 0.0 | (12,800,000) | 12,800,000 | 0 | 0 | 0 |
| | | | | 0.0 | (8,211,333) | 5,806,343 | 0 | (3,829,699) | (6,234,689) |
| | | | | 0.0 | (4,850,000) | 4,850,000 | 0 | 0 | 0 |
| | | | | 0.0 | (25,691,418) | 21,200,983 | 4,490,435 | 0 | 0 |
| | | | | 0.0 | (918,218) | 0 | 0 | (1,472,352) | (2,390,570) |
| | | | | 0.0 | (46,329,388) | 46,329,388 | 0 | 0 | 0 |
| | Original MSP | | | | | | | | |
| FY 2010-11 | FY 10-11 App. | 30.00 | | 0.0 | 862,050,906 | 339,633,220 | 7,595,243 | 1,897,578,758 | 3,106,858,127 |
| FY 2010-11 | FMAP Adj. Fee-For-Service | | ES #1 | 0.0 | 53,195,115 | 2,153,476 | 839 | (55,349,430) | 0 |
| FY 2010-11 | Delay Managed Care | | ES #2 | 0.0 | (24,777,839) | (1,865,392) | 0 | (26,930,079) | (53,573,310) |
| FY 2010-11 | Payment Delay Change to | | ES #3 | 0.0 | (4,621,269) | (533,431) | 0 | (6,799,613) | (11,954,313) |
| FY 2010-11 | Forecast | | S #1 | 0.0 | (16,769,210) | 96,242,004 | 176,409 | 109,846,095 | 189,495,298 |
| | Revised MSP | | | | | | | | |
| FY 2010-11 | FY 2010-11 App. | 60.00 | | 0.0 | 869,077,703 | 435,629,877 | 7,772,491 | 1,918,345,731 | 3,230,825,802 |
| | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | Final Revised MSP FY 2010- 11 App. | 70.00 | | 0.0 | 869,077,703 | 435,629,877 | 7,772,491 | 1,918,345,731 | 3,230,825,802 |
| FY 2011-12 | Annualize FY 2010-11 BRI #2 | | | 0.0 | (1,499,689) | (223,956) | 0 | (1,723,645) | (3,447,290) |
| FY 2011-12 | Payment Reform Annualize FY 10- 11 BA #5 ACC | | | 0.0 | (5,036,033) | 159,009 | 0 | (4,877,025) | (9,754,049) |
| FY 2011-12 | Annualize FY 10- 11 BA #12 Evidence Utilization | | | 0.0 | (50,741) | (7,577) | 0 | (58,318) | (116,636) |
| FY 2011-12 | Annualize FY 10- 11 ES #3 | | | 0.0 | 4,621,269 | 533,431 | 0 | 6,799,613 | 11,954,313 |
| FY 2011-12 | Annualize FY 10- 11 BRI #3 | | | 0.0 | (528,725) | 0 | 0 | (528,725) | (1,057,450) |
| FY 2011-12 | Annualize FY 10- 11 ES #2 | | | 0.0 | 24,777,839 | 1,865,392 | 0 | 26,930,079 | 53,573,310 |
| FY 2011-12 | Annualize FY 10- 11 S #1 | | | 0.0 | 16,769,210 | (96,242,004) | (176,409) | (109,846,095) | (189,495,298) |
| FY 2011-12 | Annualize FY 10- 11 BA #16 Family Waiver | | | 0.0 | 0 | 0 | 230,310 | 2,072,790 | 2,303,100 |
| FY 2011-12 | Annualize FY 10- 11 BRI #6 Medicaid Reductions | | | 0.0 | 1,246,429 | (91,983) | (865) | (849,179) | 304,402 |
| FY 2011-12 | Annualize SB 10- 167 | | | 0.0 | (731,696) | 0 | 0 | (177,561) | (909,257) |
| FY 2011-12 | Annualize HB 10- 1005 | | | 0.0 | 0 | 108,940 | 0 | 80,366 | 189,306 |
| FY 2011-12 | Annualize HB 10- 33 | | | 0.0 | 280,916 | 0 | 0 | 79,214 | 360,130 |
| FY 2011-12 | Annualize HB 10- 1146 | | | 0.0 | 143,237 | 0 | 0 | 171,233 | 314,470 |
| FY 2011-12 | Annualize HB 10- 1324 | | | 0.0 | 4,021,832 | (4,021,832) | 0 | 0 | 0 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- MEDICAL SERVICES PREMIUMS

| Fiscal Year | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------|--|------------------------------------|-----------------------|-----|---------------|--------------|-------------|---------------|---------------|
| | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | Annualize HB 10-1378 | | | 0.0 | 12,800,000 | (12,800,000) | 0 | 0 | 0 |
| FY 2011-12 | Annualize HB 10-1379 | | | 0.0 | 8,211,333 | (5,806,343) | 0 | 3,829,699 | 6,234,689 |
| FY 2011-12 | Annualize HB 10-1380 | | | 0.0 | 1,850,000 | (1,850,000) | 0 | 0 | 0 |
| FY 2011-12 | Annualize HB 10-1381 | | | 0.0 | 25,691,418 | (21,200,983) | (4,490,435) | 0 | 0 |
| FY 2011-12 | Annualize SB 10-169 | | | 0.0 | 46,329,388 | (46,329,388) | 0 | 0 | 0 |
| FY 2011-12 | Main ARRA Annualize FY 10-11 ARRA Adj. | | | 0.0 | 286,486,135 | 60,176,696 | 0 | (346,662,831) | 0 |
| FY 2011-12 | FY 2011-12 BASE | 100.00 | | 0.0 | 1,241,264,710 | 307,745,803 | 3,334,253 | 1,548,934,776 | 3,101,279,542 |
| FY 2011-12 | Common Policy | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 1,241,264,710 | 307,745,803 | 3,334,253 | 1,548,934,776 | 3,101,279,542 |
| FY 2011-12 | Caseload/Cost Forecast | | DI #1 | 0.0 | 12,011,909 | 215,631,736 | 301,747 | 220,641,327 | 448,586,719 |
| FY 2011-12 | DPHE Fund Refinancing Client | | NP #8 | 0.0 | (21,000,000) | 18,313,649 | 2,686,351 | 0 | 0 |
| FY 2011-12 | Overutilization Medicaid Fee-For-Service Indigent Care | | BRI #1 | 0.0 | (68,300) | 0 | 0 | (68,300) | (136,600) |
| FY 2011-12 | Refinance Medicaid | | BRI #2 | 0.0 | (3,460,953) | (219,065) | 0 | (3,694,351) | (7,374,369) |
| FY 2011-12 | Reductions Delay Managed Care | | BRI #3 | 0.0 | (12,510,318) | 12,510,318 | 0 | 0 | 0 |
| FY 2011-12 | | | BRI #5 | 0.0 | (12,671,299) | (299,401) | 0 | (12,970,707) | (25,941,407) |
| FY 2011-12 | | | BRI #6 | 0.0 | (3,670,033) | (359,627) | 0 | (4,029,660) | (8,059,320) |
| FY 2011-12 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 1,199,895,716 | 553,323,413 | 6,322,351 | 1,748,813,085 | 3,508,354,565 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Medicaid Mental Health

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|------------------------|-----------|---|------------------------------------|-----------------------|-----|-------------|------------|----------|--------------|--------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Capitation | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 85,931,156 | 9,555,600 | 12,046 | 152,117,656 | 247,616,458 |
| | August | FMAP Adj. Fee-For-Service | | ES #1 | 0.0 | 4,210,908 | 383,395 | 0 | (4,594,303) | 0 |
| | October | Delay Managed Care | | ES #2 | 0.0 | 49 | 0 | 0 | 76 | 125 |
| | October | Payment Delay Change to | | ES #3 | 0.0 | (7,903,646) | (993,035) | (1,004) | (11,737,020) | (20,634,705) |
| | November | Forecast | | S #2 | 0.0 | (2,131,244) | 719,223 | 1,980 | (2,366,149) | (3,776,190) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 80,107,223 | 9,665,183 | 13,022 | 133,420,260 | 223,205,688 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 80,107,223 | 9,665,183 | 13,022 | 133,420,260 | 223,205,688 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ES #2 | | | 0.0 | (49) | 0 | 0 | (76) | (125) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ES #3 | | | 0.0 | 7,903,646 | 993,035 | 1,004 | 11,737,020 | 20,634,705 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 S #2 | | | 0.0 | 2,131,244 | (719,223) | (1,980) | 2,366,149 | 3,776,190 |
| FY 2011-12 | 1-Nov-10 | Annualize JBC Reduction from FY 2010-11 | | | 0.0 | 744,462 | 102,079 | 134 | 1,978,706 | 2,825,381 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | (4,210,908) | (383,395) | 0 | 4,594,303 | 0 |
| FY 2011-12 | 1-Nov-10 | Main ARRA Adj. | | | 0.0 | 25,929,239 | 2,360,807 | 0 | (28,290,046) | 0 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 112,604,857 | 12,018,486 | 12,180 | 125,806,316 | 250,441,839 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 112,604,857 | 12,018,486 | 12,180 | 125,806,316 | 250,441,839 |
| FY 2011-12 | 1-Nov-10 | Caseload/Cost Forecast | | DI #2 | 0.0 | 2,607,274 | 9,251,400 | (12,180) | 10,474,416 | 22,320,910 |
| FY 2011-12 | 1-Nov-10 | Reductions Delay Managed Care | | BRI #5 | 0.0 | (2,252,098) | (240,613) | 0 | (2,516,126) | (5,008,837) |
| FY 2011-12 | 1-Nov-10 | DEPART. REQUEST | 180.25 | BRI #6 | 0.0 | (657,293) | (70,080) | 0 | (727,374) | (1,454,747) |
| FY 2011-12 | | | | | 0.0 | 112,302,740 | 20,959,193 | 0 | 133,037,232 | 266,299,165 |
| Fee-For Service | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010- 11 App | 30.00 | | 0.0 | 1,139,148 | 0 | 0 | 1,826,610 | 2,965,758 |
| | August | FMAP Adj. Fee-For-Service | | ES #1 | 0.0 | 55,822 | 0 | 0 | (55,822) | 0 |
| | October | Delay Change to | | ES #2 | 0.0 | (41,699) | 0 | 0 | (48,675) | (90,374) |
| FY 2010-11 | November | Forecast | | S #2 | 0.0 | 21,129 | 0 | 0 | 31,477 | 52,606 |
| FY 2010-11 | | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 1,174,400 | 0 | 0 | 1,753,590 | 2,927,990 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 1,174,400 | 0 | 0 | 1,753,590 | 2,927,990 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ES #2 | | | 0.0 | 41,699 | 0 | 0 | 48,675 | 90,374 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 S #2 | | | 0.0 | (21,129) | 0 | 0 | (31,477) | (52,606) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | (55,822) | 0 | 0 | 55,822 | 0 |
| FY 2011-12 | 1-Nov-10 | Main ARRA Adj. | | | 0.0 | 343,730 | 0 | 0 | (343,730) | 0 |
| FY 2011-12 | | FY 2011-12 Base Funding | 100.00 | | 0.0 | 1,482,878 | 0 | 0 | 1,482,880 | 2,965,758 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Medicaid Mental Health

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------|-----------|--|------------------------------------|-----------------------|-----|-----------|----------|----------|-----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| | | FY 2011-12 Base + Common Policy | | | | | | | | |
| FY 2011-12 | | | 110.00 | | 0.0 | 1,482,878 | 0 | 0 | 1,482,880 | 2,965,758 |
| FY 2011-12 | 1-Nov-10 | Caseload/Cost Forecast | | DI #2 | 0.0 | 189,145 | 0 | 0 | 189,142 | 378,287 |
| FY 2011-12 | 1-Nov-10 | Medicaid Fee-For-Service Delay | | BRI #2 | 0.0 | (4,598) | 0 | 0 | (4,597) | (9,195) |
| | | DEPARTMENT REQUEST | | | | | | | | |
| FY 2011-12 | | | 180.25 | | 0.0 | 1,667,425 | 0 | 0 | 1,667,425 | 3,334,850 |

| SUBTOTAL Mental Health Division | | | | | | | | | | |
|--|----------|---|--------|--------|-----|-------------|------------|----------|--------------|--------------|
| | | Original FY 10-11 App. | | | | | | | | |
| FY 2010-11 | | | 30.00 | | 0.0 | 87,070,304 | 9,555,600 | 12,046 | 153,944,266 | 250,582,216 |
| FY 2010-11 | August | FMAP Adj. | | ES #1 | 0.0 | 4,266,730 | 383,395 | 0 | (4,650,125) | 0 |
| | October | Fee-For-Service Delay | | ES #2 | 0.0 | (41,650) | 0 | 0 | (48,599) | (90,249) |
| | October | Managed Care Payment Delay | | ES #3 | 0.0 | (7,903,646) | (993,035) | (1,004) | (11,737,020) | (20,634,705) |
| | November | Change to Forecast | | S #2 | 0.0 | (2,110,115) | 719,223 | 1,980 | (2,334,672) | (3,723,584) |
| | | Revised FY 2010-11 App. | | | | | | | | |
| FY 2010-11 | | | 60.00 | | 0.0 | 81,281,623 | 9,665,183 | 13,022 | 135,173,850 | 226,133,678 |
| FY 2010-11 | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| | | Final Revised FY 2010-11 App. | | | | | | | | |
| FY 2010-11 | | | 70.00 | | 0.0 | 81,281,623 | 9,665,183 | 13,022 | 135,173,850 | 226,133,678 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ES #3 | | | 0.0 | 7,903,646 | 993,035 | 1,004 | 11,737,020 | 20,634,705 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ES #2 | | | 0.0 | 41,650 | 0 | 0 | 48,599 | 90,249 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 S #2 | | | 0.0 | 2,110,115 | (719,223) | (1,980) | 2,334,672 | 3,723,584 |
| FY 2011-12 | 1-Nov-10 | Annualize JBC Reduction from FY 2010-11 | | | 0.0 | 744,462 | 102,079 | 134 | 1,978,706 | 2,825,381 |
| FY 2011-12 | 1-Nov-10 | Main ARRA Adj. Annualize FY 10-11 ARRA Adj. | | | 0.0 | 26,272,969 | 2,360,807 | 0 | (28,633,776) | 0 |
| FY 2011-12 | 1-Nov-10 | ARRA Adj. | | | 0.0 | (4,266,730) | (383,395) | 0 | 4,650,125 | 0 |
| | | BASE FUNDING | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | | 100.00 | | 0.0 | 114,087,735 | 12,018,486 | 12,180 | 127,289,196 | 253,407,597 |
| | | FY 2011-12 Base + Common Policy | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | | 110.00 | | 0.0 | 114,087,735 | 12,018,486 | 12,180 | 127,289,196 | 253,407,597 |
| FY 2011-12 | 1-Nov-10 | Caseload/Cost Forecast | | DI #2 | 0.0 | 2,796,419 | 9,251,400 | (12,180) | 10,663,558 | 22,699,197 |
| FY 2011-12 | 1-Nov-10 | Medicaid Fee-For-Service Delay | | BRI #2 | 0.0 | (4,598) | 0 | 0 | (4,597) | (9,195) |
| FY 2011-12 | 1-Nov-10 | Medicaid Reductions | | BRI #5 | 0.0 | (2,252,098) | (240,613) | 0 | (2,516,126) | (5,008,837) |
| FY 2011-12 | 1-Nov-10 | Delay Managed Care | | BRI #6 | 0.0 | (657,293) | (70,080) | 0 | (727,374) | (1,454,747) |
| | | DEPARTMENT REQUEST | | | | | | | | |
| FY 2011-12 | | | 180.25 | | 0.0 | 113,970,165 | 20,959,193 | 0 | 134,704,657 | 269,634,015 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|------------------------------------|-----------|---------------------------------|------------------------------------|-----------------------|-----|----------|-------------|----------|-------------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Safety Net Provider Payment | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 124,368,097 | 0 | 153,401,871 | 277,769,968 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 0 | 2,357,542 | 0 | (2,357,542) | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 126,725,639 | 0 | 151,044,329 | 277,769,968 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 126,725,639 | 0 | 151,044,329 | 277,769,968 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ARRA Adj. | | | 0.0 | 0 | (2,357,542) | 0 | 2,357,542 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 09-1293 | | | 0.0 | 0 | 7,227,995 | 0 | 7,227,995 | 14,455,990 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 131,596,092 | 0 | 160,629,866 | 292,225,958 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 131,596,092 | 0 | 160,629,866 | 292,225,958 |
| FY 2011-12 | 1-Nov-10 | Maximize UPL DEPART. REQUEST | | DI #7 | 0.0 | 0 | 7,948,120 | 0 | 7,948,119 | 15,896,239 |
| FY 2011-12 | | | 180.25 | | 0.0 | 0 | 139,544,212 | 0 | 168,577,985 | 308,122,197 |

| | | | | | | | | | | |
|----------------------------------|----------|---------------------------------|--------|--|-----|---|---|---|---|---|
| Health Care Services Fund | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|--|----------|-------------------------------|--------|-------|-----|-----------|---|---|-----------|-----------|
| Clinic Based Indigent Care Fund | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 2,350,600 | 0 | 0 | 3,769,160 | 6,119,760 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 115,187 | 0 | 0 | (115,187) | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 2,465,787 | 0 | 0 | 3,653,973 | 6,119,760 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 2,465,787 | 0 | 0 | 3,653,973 | 6,119,760 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ARRA Adj. | | | 0.0 | (115,187) | 0 | 0 | 115,187 | 0 |
| FY 2011-12 | 1-Nov-10 | Main ARRA Adj. | | | 0.0 | 709,280 | 0 | 0 | (709,280) | 0 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 3,059,880 | 0 | 0 | 3,059,880 | 6,119,760 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------|-----------|-----------------------------|------------------------------------|-----------------------|-----|-----------|----------|----------|-----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | | Policy | 110.00 | | 0.0 | 3,059,880 | 0 | 0 | 3,059,880 | 6,119,760 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 3,059,880 | 0 | 0 | 3,059,880 | 6,119,760 |

| Health Care Services Fund Program | | | | | | | | | | |
|-----------------------------------|----------|----------------------------------|--------|--------|-----|---|--------------|---|--------------|--------------|
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 11,940,000 | 0 | 19,145,655 | 31,085,655 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 0 | 0 | 0 | (1,380,411) | (1,380,411) |
| | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 11,940,000 | 0 | 17,765,244 | 29,705,244 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 11,940,000 | 0 | 17,765,244 | 29,705,244 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | 0 | 0 | 0 | 1,380,411 | 1,380,411 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10- 1378 | | | 0.0 | 0 | (11,940,000) | 0 | (19,145,655) | (31,085,655) |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | | Policy | 110.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Indigent Care Refinance | | BRI #3 | 0.0 | 0 | 12,510,318 | 0 | 12,510,318 | 25,020,636 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 12,510,318 | 0 | 12,510,318 | 25,020,636 |

| Pediatric Specialty Hospital | | | | | | | | | | |
|------------------------------|----------|----------------------------------|--------|--------|-----|-------------|---------|----------|-------------|-------------|
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 4,939,128 | 307,000 | 447,000 | 9,128,866 | 14,821,994 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 278,982 | 0 | 0 | (278,982) | 0 |
| | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 5,218,110 | 307,000 | 447,000 | 8,849,884 | 14,821,994 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 5,218,110 | 307,000 | 447,000 | 8,849,884 | 14,821,994 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | (278,982) | 0 | 0 | 278,982 | 0 |
| FY 2011-12 | | Main ARRA Adj. | | | 0.0 | 1,717,869 | 0 | 0 | (1,717,869) | 0 |
| FY 2011-12 | | Revenue Adjust. | | | 0.0 | 0 | 48,359 | (24,852) | 105,359 | 128,866 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 6,656,997 | 355,359 | 422,148 | 7,516,356 | 14,950,860 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common | | | | | | | | |
| FY 2011-12 | | Policy | 110.00 | | 0.0 | 6,656,997 | 355,359 | 422,148 | 7,516,356 | 14,950,860 |
| FY 2011-12 | 1-Nov-10 | Indigent Care Refinance | | BRI #3 | 0.0 | (1,500,000) | 0 | 0 | (1,500,000) | (3,000,000) |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 5,156,997 | 355,359 | 422,148 | 6,016,356 | 11,950,860 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|--|-----------|---------------------------------|------------------------------------|-----------------------|-----|----------|----------|----------|----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| GF to Pediatric Hospital Fund | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 447,000 | 0 | 0 | 0 | 447,000 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 447,000 | 0 | 0 | 0 | 447,000 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 447,000 | 0 | 0 | 0 | 447,000 |
| FY 2011-12 | | Revenue Adjust. | | | 0.0 | (24,852) | 0 | 0 | 0 | (24,852) |
| BASE FUNDING | | | | | | | | | | |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 422,148 | 0 | 0 | 0 | 422,148 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 Base + Common Policy | | | | | | | | | | |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 422,148 | 0 | 0 | 0 | 422,148 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| DEPART. REQUEST | | | | | | | | | | |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 422,148 | 0 | 0 | 0 | 422,148 |

| | | | | | | | | | | |
|--|----------|---------------------------------|--------|--|-----|---|----------|---|---|----------|
| Tobacco Tax to GF | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 447,000 | 0 | 0 | 447,000 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 447,000 | 0 | 0 | 447,000 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 447,000 | 0 | 0 | 447,000 |
| FY 2011-12 | | Revenue Adjust. | | | 0.0 | 0 | (24,852) | 0 | 0 | (24,852) |
| BASE FUNDING | | | | | | | | | | |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 422,148 | 0 | 0 | 422,148 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 Base + Common Policy | | | | | | | | | | |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 422,148 | 0 | 0 | 422,148 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| DEPART. REQUEST | | | | | | | | | | |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 422,148 | 0 | 0 | 422,148 |

| | | | | | | | | | | |
|--|----------|---------------------------------|--------|--------|-----|---|--------------|---|---|--------------|
| Primary Care Fund Program | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | Annualize HB 10-1378 | | | 0.0 | 0 | 31,920,000 | 0 | 0 | 31,920,000 |
| BASE FUNDING | | | | | | | | | | |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 31,920,000 | 0 | 0 | 31,920,000 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 Base + Common Policy | | | | | | | | | | |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 31,920,000 | 0 | 0 | 31,920,000 |
| FY 2011-12 | 1-Nov-10 | Indigent Care Refinance | | BRI #3 | 0.0 | 0 | (31,920,000) | 0 | 0 | (31,920,000) |
| DEPART. REQUEST | | | | | | | | | | |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 0 | 0 | 0 | 0 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|---------------------------------|-----------|---|------------------------------------|-----------------------|-----|----------|-------------|----------|----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| PCP Special Distribution | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 3,560,000 | 0 | 0 | 3,560,000 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 3,560,000 | 0 | 0 | 3,560,000 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 3,560,000 | 0 | 0 | 3,560,000 |
| FY 2011-12 | | Annualize HB 10-1378 | | | 0.0 | 0 | (3,560,000) | 0 | 0 | (3,560,000) |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Indigent Care Refinance DEPART. REQUEST | | BRI #3 | 0.0 | 0 | 2,720,000 | 0 | 0 | 2,720,000 |
| FY 2011-12 | | | 180.25 | | 0.0 | 0 | 2,720,000 | 0 | 0 | 2,720,000 |

| | | | | | | | | | | |
|-------------------|----------|------------------------------------|--------|-------|-----|-------------|-----------|-------------|---|-------------|
| CBHP Trust | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 9,411,482 | 0 | 0 | 0 | 9,411,482 |
| | August | Managed Care Payment Delay | | ES #3 | 0.0 | (2,696,994) | 0 | 0 | 0 | (2,696,994) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 6,714,488 | 0 | 0 | 0 | 6,714,488 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 6,714,488 | 0 | 0 | 0 | 6,714,488 |
| FY 2011-12 | | Annualize FY 10-11 ES #3 | | | 0.0 | 2,696,994 | 0 | 0 | 0 | 2,696,994 |
| FY 2011-12 | | Annualize GF Backfill | | | 0.0 | (9,411,482) | 6,856,880 | (6,856,880) | 0 | (9,411,482) |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 6,856,880 | (6,856,880) | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 6,856,880 | (6,856,880) | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Cash Fund Solvency DEPART. REQUEST | | DI #6 | 0.0 | 13,796,996 | 0 | 0 | 0 | 13,796,996 |
| FY 2011-12 | | | 180.25 | | 0.0 | 13,796,996 | 6,856,880 | (6,856,880) | 0 | 13,796,996 |

| | | | | | | | | | | |
|----------------------------|--------|-------------------------------|--------|--|-----|---|-----------|---|-----------|-----------|
| CBHP Administration | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 2,219,230 | 0 | 2,670,273 | 4,889,503 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 2,219,230 | 0 | 2,670,273 | 4,889,503 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 2,219,230 | 0 | 2,670,273 | 4,889,503 |
| FY 2011-12 | | Annualize HB 09-1293 | | | 0.0 | 0 | 1,718 | 0 | 3,189 | 4,907 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 2,220,948 | 0 | 2,673,462 | 4,894,410 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------|-----------|---------------------------------------|------------------------------------|-----------------------|-----|----------|-----------|----------|-----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 2,220,948 | 0 | 2,673,462 | 4,894,410 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 2,220,948 | 0 | 2,673,462 | 4,894,410 |

| CBHP Premiums | | | | | | | | | | |
|----------------------|----------|--|--------|------------------|------------|--------|----------------------------|-----------|----------------------------|----------------------------|
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 64,352,642 | 6,856,880 | 131,312,444 | 202,521,966 |
| | August | Managed Care Payment Delay Change to Forecast | | ES #3 S #3 | 0.0 0.0 | 0 0 | (6,168,546) 3,884,459 | 0 0 | (11,455,870) 7,373,931 | (17,624,416) 11,258,390 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 62,068,555 | 6,856,880 | 127,230,505 | 196,155,940 |
| | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 62,068,555 | 6,856,880 | 127,230,505 | 196,155,940 |
| FY 2011-12 | | Annualize FY 10- 11 ES #3 | | | 0.0 | 0 | 6,168,546 | 0 | 11,455,870 | 17,624,416 |
| FY 2011-12 | | Annualize FY 10- 11 Supplemental | | | 0.0 | 0 | (3,884,459) | 0 | (7,373,931) | (11,258,390) |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 64,352,642 | 6,856,880 | 131,312,444 | 202,521,966 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 64,352,642 | 6,856,880 | 131,312,444 | 202,521,966 |
| FY 2011-12 | 1-Nov-10 | Caseload CBHP | | DI #3 | 0.0 | 0 | 20,315,343 | 0 | 37,748,074 | 58,063,417 |
| FY 2011-12 | | Reductions Delay Managed Care | | BRI #4 BRI #6 | 0.0 0.0 | 0 0 | (3,486,103) (1,128,226) | 0 0 | (6,474,194) (2,095,276) | (9,960,297) (3,223,502) |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 80,053,656 | 6,856,880 | 160,491,048 | 247,401,584 |

| CBHP Dental | | | | | | | | | | |
|--------------------|----------|--|--------|-----------------|------------|--------|------------------------|--------|--------------------------|----------------------------|
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 4,857,325 | 0 | 9,020,745 | 13,878,070 |
| | August | Managed Care Payment Delay Change to Forecast | | ES #3 S #3 | 0.0 0.0 | 0 0 | (453,474) (766,109) | 0 0 | (842,166) (1,422,773) | (1,295,640) (2,188,882) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 3,637,742 | 0 | 6,755,806 | 10,393,548 |
| | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 3,637,742 | 0 | 6,755,806 | 10,393,548 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ES #3 | | | 0.0 | 0 | 453,474 | 0 | 842,166 | 1,295,640 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 Supplemental | | | 0.0 | 0 | 766,109 | 0 | 1,422,773 | 2,188,882 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 4,857,325 | 0 | 9,020,745 | 13,878,070 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 4,857,325 | 0 | 9,020,745 | 13,878,070 |
| FY 2011-12 | 1-Nov-10 | Caseload Delay Managed Care | | DI #3 BRI #6 | 0.0 0.0 | 0 0 | (149,902) (60,131) | 0 0 | (278,391) (111,671) | (428,293) (171,802) |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 4,647,292 | 0 | 8,630,683 | 13,277,975 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|------------------------------------|-----------|---------------------------------------|------------------------------------|-----------------------|-----|-------------|-------------|-----------|--------------|--------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| CPPC Grants | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10- 1323 | | | 0.0 | 0 | 866,075 | 0 | 0 | 866,075 |
| FY 2011-12 | | BASE FUNDING | 100.00 | | 0.0 | 0 | 866,075 | 0 | 0 | 866,075 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 866,075 | 0 | 0 | 866,075 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 866,075 | 0 | 0 | 866,075 |
| Childless Adult Benefit | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010- 11 App | 30.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | November | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 09- 1293 | | | 0.0 | 0 | 31,022,650 | 0 | 31,022,650 | 62,045,300 |
| FY 2011-12 | | FY 2011-12 Base Funding | 100.00 | | 0.0 | 0 | 31,022,650 | 0 | 31,022,650 | 62,045,300 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 31,022,650 | 0 | 31,022,650 | 62,045,300 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPARTMENT REQUEST | 180.25 | | 0.0 | 0 | 31,022,650 | 0 | 31,022,650 | 62,045,300 |
| SUBTOTAL ICP Program | | | | | | | | | | |
| FY 2010-11 | | Original FY 10- 11 App. | 30.00 | | 0.0 | 17,148,210 | 212,051,294 | 7,303,880 | 328,449,014 | 564,952,398 |
| FY 2010-11 | August | FMAP Adj. Managed Care | | ES #1 | 0.0 | 394,169 | 2,357,542 | 0 | (4,132,122) | (1,380,411) |
| | October | Payment Delay Change to | | ES #3 | 0.0 | (2,696,994) | (6,622,020) | 0 | (12,298,036) | (21,617,050) |
| | November | Forecast | | S #3 | 0.0 | 0 | 3,118,350 | 0 | 5,951,158 | 9,069,508 |
| FY 2010-11 | | Revised FY 2010- 11 App. | 60.00 | | 0.0 | 14,845,385 | 210,905,166 | 7,303,880 | 317,970,014 | 551,024,445 |
| FY 2010-11 | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 14,845,385 | 210,905,166 | 7,303,880 | 317,970,014 | 551,024,445 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Indigent Care Program

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|---------------------------------|-----------|---|------------------------------------|-----------------------|-----|-------------|--------------|-------------|--------------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ES #3 | | | 0.0 | 2,696,994 | 6,622,020 | 0 | 12,298,036 | 21,617,050 |
| FY 2011-12 | 1-Nov-10 | Annualize GF Backfill | | | 0.0 | (9,411,482) | 6,856,880 | (6,856,880) | 0 | (9,411,482) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 Supplemental | | | 0.0 | 0 | (3,118,350) | 0 | (5,951,158) | (9,069,508) |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1323 | | | 0.0 | 0 | 866,075 | 0 | 0 | 866,075 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 09-1293 | | | 0.0 | 0 | 38,252,363 | 0 | 38,253,834 | 76,506,197 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1378 | | | 0.0 | 0 | 16,420,000 | 0 | (19,145,655) | (2,725,655) |
| FY 2011-12 | 1-Nov-10 | Main ARRA Adj. Annualize FY 10-11 ARRA Adj. | | | 0.0 | 2,427,149 | 0 | 0 | (2,427,149) | 0 |
| FY 2011-12 | 1-Nov-10 | Revenue Adjust. | | | 0.0 | (394,169) | (2,357,542) | 0 | 4,132,122 | 1,380,411 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | (24,852) | 23,507 | (24,852) | 105,359 | 79,162 |
| BASE | | | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | FUNDING | 100.00 | | 0.0 | 10,139,025 | 274,470,119 | 422,148 | 345,235,403 | 630,266,695 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 Base + Common | | | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Policy | 110.00 | | 0.0 | 10,139,025 | 274,470,119 | 422,148 | 345,235,403 | 630,266,695 |
| FY 2011-12 | 1-Nov-10 | Caseload/Cost Forecast | | DI #3 | 0.0 | 0 | 20,165,441 | 0 | 37,469,683 | 57,635,124 |
| FY 2011-12 | 1-Nov-10 | Cash Fund Solvency | | DI #6 | 0.0 | 13,796,996 | 0 | 0 | 0 | 13,796,996 |
| FY 2011-12 | 1-Nov-10 | Maximize UPL ICP Financing | | DI #7 | 0.0 | 0 | 7,948,120 | 0 | 7,948,119 | 15,896,239 |
| FY 2011-12 | 1-Nov-10 | Reductions CBHP | | BRI #3 | 0.0 | (1,500,000) | (16,689,682) | 0 | 11,010,318 | (7,179,364) |
| FY 2011-12 | 1-Nov-10 | Reductions Delay Managed | | BRI #4 | 0.0 | 0 | (3,486,103) | 0 | (6,474,194) | (9,960,297) |
| FY 2011-12 | 1-Nov-10 | Care | | BRI #6 | 0.0 | 0 | (1,188,357) | 0 | (2,206,947) | (3,395,304) |
| DEPARTMENT REQUEST | | | | | | | | | | |
| FY 2011-12 | | | 180.25 | | 0.0 | 22,436,021 | 281,219,538 | 422,148 | 392,982,382 | 697,060,089 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Other Medical Programs

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|----------------------------|-----------|---|------------------------------------|-----------------------|-----|----------|------------|-----------|----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| OAP Medical Program | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 12,848,483 | 2,235,000 | 0 | 15,083,483 |
| | August | Fee-For-Service Delay | | ES #2 | 0.0 | 0 | (470,132) | 0 | 0 | (470,132) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 12,378,351 | 2,235,000 | 0 | 14,613,351 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 12,378,351 | 2,235,000 | 0 | 14,613,351 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ES #2 Revenue | | | 0.0 | 0 | 470,132 | 0 | 0 | 470,132 |
| FY 2011-12 | 1-Nov-10 | Adjustment | | | 0.0 | 0 | 0 | 285,000 | 0 | 285,000 |
| FY 2011-12 | | FY 2011-12 BASE | 100.00 | | 0.0 | 0 | 12,848,483 | 2,520,000 | 0 | 15,368,483 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 12,848,483 | 2,520,000 | 0 | 15,368,483 |
| FY 2011-12 | 1-Nov-10 | Medicaid Fee- For-Service | | BRI #2 | 0.0 | 0 | (45,021) | 0 | 0 | (45,021) |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 12,803,462 | 2,520,000 | 0 | 15,323,462 |

| | | | | | | | | | | |
|------------------------------|----------|---------------------------------------|--------|--|-----|---|-----------|---|---|-----------|
| OPA Medical Care Fund | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 2,235,000 | 0 | 0 | 2,235,000 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 2,235,000 | 0 | 0 | 2,235,000 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 2,235,000 | 0 | 0 | 2,235,000 |
| FY 2011-12 | 1-Nov-10 | Revenue Adjustment | | | 0.0 | 0 | 285,000 | 0 | 0 | 285,000 |
| FY 2011-12 | | FY 2011-12 BASE | 100.00 | | 0.0 | 0 | 2,520,000 | 0 | 0 | 2,520,000 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 2,520,000 | 0 | 0 | 2,520,000 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 2,520,000 | 0 | 0 | 2,520,000 |

| | | | | | | | | | | |
|--------------------------------------|----------|----------------------------------|--------|-------|-----|----------|---|---|-----------|-----------|
| Commission on Family Medicine | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 667,891 | 0 | 0 | 1,070,955 | 1,738,846 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 32,729 | 0 | 0 | (32,729) | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 700,620 | 0 | 0 | 1,038,226 | 1,738,846 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 700,620 | 0 | 0 | 1,038,226 | 1,738,846 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | (32,729) | 0 | 0 | 32,729 | 0 |
| FY 2011-12 | 1-Nov-10 | Main ARRA | | | 0.0 | 201,532 | 0 | 0 | (201,532) | 0 |
| FY 2011-12 | | FY 2011-12 BASE | 100.00 | | 0.0 | 869,423 | 0 | 0 | 869,423 | 1,738,846 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Other Medical Programs

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------|-----------|---------------------------------------|------------------------------------|-----------------------|-----|----------|----------|----------|----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 869,423 | 0 | 0 | 869,423 | 1,738,846 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | DEPART. REQUEST | 180.25 | | 0.0 | 869,423 | 0 | 0 | 869,423 | 1,738,846 |

| Denver Health Hospital Authority | | | | | | | | | | |
|---|----------|---------------------------------------|--------|-------|-----|----------|---|---|-----------|-----------|
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 703,561 | 0 | 0 | 1,128,153 | 1,831,714 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 34,477 | 0 | 0 | (34,477) | 0 |
| | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 738,038 | 0 | 0 | 1,093,676 | 1,831,714 |
| | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 738,038 | 0 | 0 | 1,093,676 | 1,831,714 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | (34,477) | 0 | 0 | 34,477 | 0 |
| FY 2011-12 | 1-Nov-10 | Main ARRA | | | 0.0 | 212,296 | 0 | 0 | (212,296) | 0 |
| | | FY 2011-12 BASE | 100.00 | | 0.0 | 915,857 | 0 | 0 | 915,857 | 1,831,714 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 915,857 | 0 | 0 | 915,857 | 1,831,714 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | DEPART. REQUEST | 180.25 | | 0.0 | 915,857 | 0 | 0 | 915,857 | 1,831,714 |

| University Hospital Authority | | | | | | | | | | |
|--|----------|---------------------------------------|--------|-------|-----|----------|---|---|----------|---------|
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 259,953 | 0 | 0 | 416,832 | 676,785 |
| | August | FMAP Adj. | | ES #1 | 0.0 | 12,739 | 0 | 0 | (12,739) | 0 |
| | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 272,692 | 0 | 0 | 404,093 | 676,785 |
| | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 272,692 | 0 | 0 | 404,093 | 676,785 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 ARRA Adj. | | | 0.0 | (12,739) | 0 | 0 | 12,739 | 0 |
| FY 2011-12 | 1-Nov-10 | Main ARRA | | | 0.0 | 78,440 | 0 | 0 | (78,440) | 0 |
| | | FY 2011-12 BASE | 100.00 | | 0.0 | 338,393 | 0 | 0 | 338,392 | 676,785 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 338,393 | 0 | 0 | 338,392 | 676,785 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| | | DEPART. REQUEST | 180.25 | | 0.0 | 338,393 | 0 | 0 | 338,392 | 676,785 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Other Medical Programs

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------------|-----------|---|------------------------------------|-----------------------|-----|-------------|----------|----------|----------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| MMA State Contribution | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 70,700,172 | 0 | 0 | 0 | 70,700,172 |
| | August | FMAP Adj. Forecast | | ES #1 | 0.0 | 2,067,630 | 0 | 0 | 0 | 2,067,630 |
| | November | Adjustment | | S # 4 | 0.0 | (501,254) | 0 | 0 | 0 | (501,254) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 72,767,802 | 0 | 0 | 0 | 72,266,548 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 72,767,802 | 0 | 0 | 0 | 72,266,548 |
| FY 2011-12 | 1-Nov-10 | Supplemental #4 Annualize FY 2010-11 BRI #2 | | | 0.0 | 501,254 | 0 | 0 | 0 | 501,254 |
| FY 2011-12 | 1-Nov-10 | Payment Reform Annualize FY 10- | | | 0.0 | 842,040 | 0 | 0 | 0 | 842,040 |
| FY 2011-12 | 1-Nov-10 | 11 ARRA Adj. | | | 0.0 | (2,067,630) | 0 | 0 | 0 | (2,067,630) |
| FY 2011-12 | 1-Nov-10 | Main ARRA | | | 0.0 | 17,564,469 | 0 | 0 | 0 | 17,564,469 |
| FY 2011-12 | | FY 2011-12 BASE | 100.00 | | 0.0 | 89,607,935 | 0 | 0 | 0 | 89,106,681 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 89,607,935 | 0 | 0 | 0 | 89,106,681 |
| FY 2011-12 | 1-Nov-10 | Caseload/Cost Forecast | | DI #4 | 0.0 | 2,231,489 | 0 | 0 | 0 | 2,231,489 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 91,839,424 | 0 | 0 | 0 | 91,338,170 |

| | | | | | | | | | | |
|--------------------------------------|----------|---------------------------------|--------|--|-----|---|---|---|---------|---------|
| Public School Health Contract | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App. | 30.00 | | 0.0 | 0 | 0 | 0 | 799,700 | 799,700 |
| | August | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 0 | 0 | 799,700 | 799,700 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 0 | 0 | 799,700 | 799,700 |
| FY 2011-12 | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 BASE | 100.00 | | 0.0 | 0 | 0 | 0 | 799,700 | 799,700 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 0 | 0 | 799,700 | 799,700 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | DEPART. REQUEST | 180.25 | | 0.0 | 0 | 0 | 0 | 799,700 | 799,700 |

| | | | | | | | | | | |
|--------------------------------------|----------|-------------------------------|-------|-------|-----|---|------------|---|------------|------------|
| Public School Health Services | | | | | | | | | | |
| FY 2010-11 | | Original FY 2010-11 App | 30.00 | | 0.0 | 0 | 15,391,007 | 0 | 14,146,387 | 29,537,394 |
| FY 2010-11 | November | Fee-For-Service Delay | | ES #2 | 0.0 | 0 | (252,038) | 0 | (239,806) | (491,844) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 0 | 15,138,969 | 0 | 13,906,581 | 29,045,550 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 0 | 15,138,969 | 0 | 13,906,581 | 29,045,550 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Other Medical Programs

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|---------------------------------|-----------|------------------------------------|------------------------------------|-----------------------|-----|-------------|------------|-----------|------------|-------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ES #2 Technical | | | 0.0 | 0 | 252,038 | 0 | 239,806 | 491,844 |
| FY 2011-12 | 1-Nov-10 | Corrections | | | 0.0 | 0 | 0 | 0 | 388 | 388 |
| FY 2011-12 | | FY 2011-12 Base Funding | 100.00 | | 0.0 | 0 | 15,391,007 | 0 | 14,146,775 | 29,537,782 |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 0 | 15,391,007 | 0 | 14,146,775 | 29,537,782 |
| FY 2011-12 | 1-Nov-10 | Medicaid Fee-For-Service | | BRI #2 | 0.0 | 0 | (35,647) | 0 | (35,648) | (71,295) |
| FY 2011-12 | | DEPARTMENT REQUEST | 180.25 | | 0.0 | 0 | 15,355,360 | 0 | 14,111,127 | 29,466,487 |
| SUBTOTAL OMS Program | | | | | | | | | | |
| FY 2010-11 | | Original FY 10-11 App. | 30.00 | | 0.0 | 72,331,577 | 30,474,490 | 2,235,000 | 17,562,027 | 122,603,094 |
| FY 2010-11 | August | FMAP Adj. | | ES #1 | 0.0 | 2,147,575 | 0 | 0 | (79,945) | 2,067,630 |
| | October | Fee-For-Service Delay | | ES #2 | 0.0 | 0 | (722,170) | 0 | (239,806) | (961,976) |
| | November | Change to Forecast | | S #4 | 0.0 | (501,254) | 0 | 0 | 0 | (501,254) |
| FY 2010-11 | | Revised FY 2010-11 App. | 60.00 | | 0.0 | 73,977,898 | 29,752,320 | 2,235,000 | 17,242,276 | 123,207,494 |
| FY 2010-11 | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2010-11 | | Final Revised FY 2010-11 App. | 70.00 | | 0.0 | 73,977,898 | 29,752,320 | 2,235,000 | 17,242,276 | 123,207,494 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ES #2 | | | 0.0 | 0 | 722,170 | 0 | 239,806 | 961,976 |
| FY 2011-12 | 1-Nov-10 | Annualize Supplemental #4 | | | 0.0 | 501,254 | 0 | 0 | 0 | 501,254 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 2010-11 BRI #2 | | | 0.0 | 842,040 | 0 | 0 | 0 | 842,040 |
| FY 2011-12 | 1-Nov-10 | Payment Reform Technical | | | 0.0 | 0 | 0 | 0 | 388 | 388 |
| FY 2011-12 | 1-Nov-10 | Corrections | | | 0.0 | 18,056,737 | 0 | 0 | (492,268) | 17,564,469 |
| FY 2011-12 | 1-Nov-10 | Main ARRA | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 ARRA Adj. | | | 0.0 | (2,147,575) | 0 | 0 | 79,945 | (2,067,630) |
| FY 2011-12 | 1-Nov-10 | Revenue Adjust. | | | 0.0 | 0 | 285,000 | 285,000 | 0 | 570,000 |
| FY 2011-12 | 1-Nov-10 | FY 2011-12 BASE | 100.00 | | 0.0 | 91,230,354 | 30,759,490 | 2,520,000 | 17,070,147 | 141,579,991 |
| FY 2011-12 | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | FY 2011-12 Base + Common Policy | 110.00 | | 0.0 | 91,230,354 | 30,759,490 | 2,520,000 | 17,070,147 | 141,579,991 |
| FY 2011-12 | 1-Nov-10 | Caseload/Cost Forecast | | DI #4 | 0.0 | 2,231,489 | 0 | 0 | 0 | 2,231,489 |
| FY 2011-12 | 1-Nov-10 | Medicaid Fee-For-Service | | BRI #2 | 0.0 | 0 | (80,668) | 0 | (35,648) | (116,316) |
| FY 2011-12 | 1-Nov-10 | DEPARTMENT REQUEST | 180.25 | | 0.0 | 93,461,843 | 30,678,822 | 2,520,000 | 17,034,499 | 143,695,164 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- DHS Medicaid Summary

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC Benchmark # | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|--|-----------|---|---------------------|--------------------|-----|-------------|----------|-----------|--------------|-------------|
| | | | FY 11-12 Reports | Dept Priority # | | | | | | |
| SUBTOTAL DHS-Medicaid SUMMARY | | | | | | | | | | |
| Original FY 10-11 App. | | | | | | | | | | |
| FY 2010-11 | | | 30.00 | | 0.0 | 157,416,427 | 449,711 | 1,893,534 | 248,922,147 | 408,681,819 |
| FY 2010-11 | 1-Aug-10 | | | ES #1 | 0.0 | 7,179,174 | 18,212 | 0 | (7,197,386) | 0 |
| | | | | ES #2 | 0.0 | (2,143,847) | 0 | (52,999) | (2,041,087) | (4,237,933) |
| | | | | NP ES #1 | 0.0 | (979) | 0 | 0 | (979) | (1,958) |
| | | | | NP - ES #3 | 0.0 | (61,079) | 0 | 0 | (93,016) | (154,095) |
| Revised FY 2010-11 App. | | | | | | | | | | |
| FY 2010-11 | | | 60.00 | | 0.0 | 162,389,696 | 467,923 | 1,840,535 | 239,589,679 | 404,287,833 |
| | | | | | 0.0 | 0 | | 0 | 0 | 0 |
| Final Revised EDO FY 2010-11 App. | | | | | | | | | | |
| FY 2010-11 | | | 70.00 | | 0.0 | 162,389,696 | 467,923 | 1,840,535 | 239,589,679 | 404,287,833 |
| FY 2010-11 | 1-Nov-10 | Annualize FY 2010-11 Base Reduction | | | 0.0 | 979 | 0 | 0 | 979 | 1,958 |
| FY 2010-11 | 1-Nov-10 | Main ARRA Adj. Annualize FY 10-11 ARRA Adj. | | | 0.0 | 44,198,019 | 112,143 | 0 | (44,310,162) | 0 |
| FY 2010-11 | 1-Nov-10 | Annualize FY 10-11 ES #2 | | | 0.0 | (7,179,174) | (18,212) | 0 | 7,197,386 | 0 |
| FY 2010-11 | 1-Nov-10 | Annualize FY 10-11 NP ES #3 | | | 0.0 | 2,143,847 | 0 | 52,999 | 2,041,087 | 4,237,933 |
| FY 2010-11 | 1-Nov-10 | Annualize FY 2010-11 BA #9 | | | 0.0 | 61,079 | 0 | 0 | 93,016 | 154,095 |
| FY 2010-11 | 1-Nov-10 | CBMS Annualize FY 2010-11 NP-BA | | | 0.0 | (616,172) | (2,543) | (2,972) | (620,894) | (1,242,581) |
| FY 2010-11 | 1-Nov-10 | #4 DHS-PERA Annualize HB 09-1293 | | | 0.0 | 569,790 | 0 | 0 | 569,787 | 1,139,577 |
| FY 2010-11 | 1-Nov-10 | Annualize HB 10-1146 | | | 0.0 | (295,450) | 114,592 | 0 | (181,176) | (362,034) |
| FY 2010-11 | 1-Nov-10 | Annualize HB 10-1384 | | | 0.0 | (91,434) | (377) | 0 | (92,135) | (183,946) |
| FY 2010-11 | 1-Nov-10 | Technical Correction | | | 0.0 | (8,539) | (35) | 0 | (8,605) | (17,179) |
| FY 2010-11 | 1-Nov-10 | BASE FUNDING | 100.00 | | 0.0 | 201,181,359 | 673,009 | 1,890,562 | 204,270,244 | 408,015,174 |
| FY 2010-11 | 1-Nov-10 | Common Policy DHS | | | 0.0 | 1,215,277 | 0 | 0 | 1,191,705 | 2,406,982 |
| FY 2011-12 Base + Common Policy | | | | | | | | | | |
| FY 2010-11 | | | 110.00 | | 0.0 | 202,396,636 | 673,009 | 1,890,562 | 205,461,949 | 410,422,156 |
| FY 2010-11 | 1-Nov-10 | Leap Year | | | 0.0 | 402,428 | 0 | 0 | 402,428 | 804,856 |
| FY 2010-11 | 1-Nov-10 | 2% PS Reduction | | NP #1 | 0.0 | (2,128) | 0 | 0 | (2,128) | (4,256) |
| FY 2010-11 | 1-Nov-10 | DHS DD Adjust. DHS DD New | | NP #2 | 0.0 | 6,797,048 | 0 | 0 | 6,797,048 | 13,594,096 |
| FY 2010-11 | 1-Nov-10 | Funding Fleet | | NP #4 | 0.0 | 2,515,362 | 0 | 0 | 2,515,361 | 5,030,723 |
| FY 2010-11 | 1-Nov-10 | Replacement DHS PS | | NP #5 | 0.0 | 5,374 | 0 | 0 | 5,373 | 10,747 |
| FY 2010-11 | 1-Nov-10 | Reduction Contract | | NP #9 | 0.0 | (153,923) | 0 | (3,735) | (157,654) | (315,312) |
| FY 2010-11 | 1-Nov-10 | Placements | | NP #10 | 0.0 | 2,866 | 0 | 0 | 2,867 | 5,733 |
| FY 2010-11 | 1-Nov-10 | PERA Adj. | | NP #15 | 0.0 | (520,934) | 0 | 0 | (519,611) | (1,040,545) |
| FY 2010-11 | 1-Nov-10 | PERA Adj. | | NP #16 | 0.0 | (52,825) | 0 | 0 | (52,824) | (105,649) |
| FY 2011-12 | 1-Nov-10 | Printing Warrants | | NP #17 | 0.0 | 146 | 0 | 0 | 147 | 293 |
| FY 2011-12 | 1-Nov-10 | Delay Fee-For-Service Payments | | BRI #2 | 0.0 | (159,471) | 0 | (3,324) | (162,798) | (325,593) |
| FY 2011-12 | 1-Nov-10 | Reductions CBMS | | BRI #4 | 0.0 | 7,530 | 31 | 36 | 7,587 | 15,184 |
| FY 2011-12 | 1-Nov-10 | Compliance | | DI #5 | 0.0 | 107,460 | 0 | 0 | 107,460 | 214,920 |
| DEPARTMENT REQUEST | | | | | | | | | | |
| FY 2011-12 | | | 180.25 | | 0.0 | 211,345,569 | 673,040 | 1,883,539 | 214,405,205 | 428,307,353 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Department Total

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-----------------------------------|-----------|---|------------------------------------|-----------------------|-------|---------------|--------------|-------------|---------------|---------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Department Total | | | | | | | | | | |
| Original FY 10-11 App. | | | | | | | | | | |
| FY 2010-11 | | | 30.00 | | 294.8 | 1,232,196,602 | 607,038,213 | 20,889,306 | 2,723,969,691 | 4,584,093,812 |
| FY 2010-11 | 1-Aug-10 | PS Reductions | | NP-ES #1 | 0.0 | (90,147) | 0 | (4,276) | (24,828) | (119,251) |
| FY 2010-11 | | FMAP | | ES #1 | 0.0 | 67,182,763 | 4,912,625 | 57,494 | (71,463,985) | 688,897 |
| FY 2010-11 | | Fee-For-Service Payment Delay | | ES #2 | 0.0 | (26,963,336) | (2,587,562) | (74,709) | (29,284,317) | (58,909,924) |
| FY 2010-11 | | Managed Care Payment Delay | | ES #3 | 0.0 | (15,190,409) | (8,148,486) | (1,004) | (30,740,169) | (54,080,068) |
| FY 2010-11 | | Medicaid Forecast - MSP | | S #1 | 0.0 | (16,769,210) | 96,242,004 | 176,409 | 109,846,095 | 189,495,298 |
| FY 2010-11 | | Medicaid Forecast - MH | | S #2 | 0.0 | (2,110,115) | 719,223 | 1,980 | (2,334,672) | (3,723,584) |
| FY 2010-11 | | CBHP Forecast | | S #3 | 0.0 | 0 | 3,118,350 | 0 | 5,951,158 | 9,069,508 |
| FY 2010-11 | | MMA Forecast | | S #4 | 0.0 | (501,254) | 0 | 0 | 0 | (501,254) |
| FY 2010-11 | | DHS Personal Serv. Reduction | | NP - ES # | 0.0 | (61,079) | 0 | 0 | (93,016) | (154,095) |
| Revised EDO | | | | | | | | | | |
| FY 2010-11 App. | | | | | | | | | | |
| FY 2010-11 | | | 60.00 | | 294.8 | 1,237,693,815 | 701,294,367 | 21,045,200 | 2,705,825,957 | 4,665,859,339 |
| | | | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Final Revised EDO FY 2010-11 App. | | | | | | | | | | |
| FY 2010-11 | | | 70.00 | | 294.8 | 1,237,693,815 | 701,294,367 | 21,045,200 | 2,705,825,957 | 4,665,859,339 |
| FY 2011-12 | 1-Nov-10 | Annualize FY & #2 Payment Reform | | | 0.0 | (669,237) | (223,956) | 0 | (1,758,164) | (2,651,357) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 BA #5 ACC | | | 0.0 | (4,805,785) | 159,009 | 0 | (4,637,030) | (9,283,806) |
| FY 2011-12 | 1-Nov-10 | Annualize PERA Annualize Pay | | | 0.0 | 776,690 | 39,668 | 45,751 | 875,303 | 1,737,412 |
| FY 2011-12 | 1-Nov-10 | Delay Annualize FY 10- 11 BA #12 | | | 0.0 | 0 | 0 | 21,710 | 24,746 | 46,456 |
| FY 2011-12 | 1-Nov-10 | Evidence Utilization | | | 0.0 | 161,809 | (7,577) | 0 | 579,332 | 733,564 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 BA #15 | | | 0.0 | 51,222 | 0 | 0 | 420,045 | 471,267 |
| FY 2011-12 | 1-Nov-10 | MMIS Adj. Annualize FY 10- 11 ES #3 | | | 0.0 | 15,190,409 | 8,148,486 | 1,004 | 30,740,169 | 54,080,068 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 BRI #3 | | | 0.0 | (552,917) | 0 | 0 | (601,301) | (1,154,218) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 2007-08 PERM Annualize FY 2006-07 Nursing Facility | | | 0.0 | (147,125) | (102,988) | 0 | (338,388) | (588,501) |
| FY 2011-12 | 1-Nov-10 | Appraisals Annualize FY 10- 12 ES #2 | | | 0.0 | (139,873) | 0 | 0 | (139,873) | (279,746) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 S #1 | | | 0.0 | 26,963,336 | 2,587,562 | 52,999 | 29,259,571 | 58,863,468 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 BA #16 | | | 0.0 | 16,769,210 | (96,242,004) | (176,409) | (109,846,095) | (189,495,298) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 S #2 | | | 0.0 | 0 | 0 | 230,310 | 2,072,790 | 2,303,100 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 Medicaid Reductions | | | 0.0 | 2,110,115 | (719,223) | (1,980) | 2,334,672 | 3,723,584 |
| FY 2011-12 | 1-Nov-10 | Annualize GF Backfill into CBHP | | | 0.0 | 1,990,891 | 10,096 | (731) | 1,129,527 | 3,129,783 |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10- 11 S #3 | | | 0.0 | (9,411,482) | 6,856,880 | (6,856,880) | 0 | (9,411,482) |
| FY 2011-12 | 1-Nov-10 | | | | 0.0 | 0 | (3,118,350) | 0 | (5,951,158) | (9,069,508) |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Department Total

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------|-----------|---|------------------------------------|-----------------------|-------|---------------|--------------|-------------|---------------|---------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Department Total | | | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Annualize FY 10-11 S #4 | | | 0.0 | 501,254 | 0 | 0 | 0 | 501,254 |
| FY 2011-12 | 1-Nov-10 | Annualize DHS PERA | | | 0.0 | 61,079 | 0 | 0 | 93,016 | 154,095 |
| FY 2011-12 | 1-Nov-10 | Annualize DHS | | | 0.0 | (616,172) | (2,543) | (2,972) | (620,894) | (1,242,581) |
| FY 2011-12 | 1-Nov-10 | Annualize HB 09-1293 CBMS | | | 16.0 | (302,972) | 40,320,881 | 0 | 38,605,494 | 78,623,403 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1323 | | | 0.0 | 0 | 14,817 | 0 | 0 | 14,817 |
| FY 2011-12 | 1-Nov-10 | Annualize SB 10-061 | | | 0.8 | 16,085 | (46,285) | 0 | (30,202) | (60,402) |
| FY 2011-12 | 1-Nov-10 | Annualize SB 10-167 | | | 0.0 | (783,856) | 0 | 0 | (311,599) | (1,095,455) |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1053 | | | 0.0 | 0 | (37,500) | 0 | (37,500) | (75,000) |
| FY 2011-12 | 1-Nov-10 | Annualize SB 10-065 | | | 0.0 | 0 | 0 | 0 | 1,685 | 1,685 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1005 | | | 0.0 | 0 | 108,940 | 0 | 80,366 | 189,306 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1033 | | | 0.0 | 280,916 | 0 | 0 | 79,214 | 360,130 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1146 | | | 0.0 | 51,803 | (377) | 0 | 79,098 | 130,524 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1324 | | | 0.0 | 4,021,832 | (4,021,832) | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1378 | | | 0.0 | 12,800,000 | 3,620,000 | 0 | (19,145,655) | (2,725,655) |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1379 | | | 0.0 | 8,211,333 | (5,806,343) | 0 | 3,829,699 | 6,234,689 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1380 | | | 0.0 | 1,850,000 | (1,850,000) | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1381 | | | 0.0 | 25,691,418 | (21,200,983) | (4,490,435) | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize SB 10-169 | | | 0.0 | 46,329,388 | (46,329,388) | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1323 | | | 0.0 | 0 | 866,075 | 0 | 0 | 866,075 |
| FY 2011-12 | 1-Nov-10 | Annualize HB 10-1384 | | | 0.0 | (8,539) | (35) | 0 | (8,605) | (17,179) |
| FY 2011-12 | 1-Nov-10 | Annualize FY 2010-11 Base Reduction | | | 0.0 | 89,757 | 0 | 4,276 | 24,439 | 118,472 |
| FY 2011-12 | 1-Nov-10 | Main ARRA Adj. Annualize FY 10-11 ARRA Adj. Revenue | 100.00 | | 0.0 | (67,182,763) | (4,912,625) | (57,494) | 71,465,663 | (687,219) |
| FY 2011-12 | 1-Nov-10 | Adjustment Technical | | | 0.0 | (24,852) | 308,507 | 260,148 | 105,359 | 649,162 |
| FY 2011-12 | 1-Nov-10 | Corrections Transfer SB 10-167 App. | | | 0.0 | 8,718 | (482) | 0 | (10,404) | (2,168) |
| FY 2011-12 | 1-Nov-10 | BASE | | | 0.0 | 0 | 0 | 0 | 0 | 0 |
| FY 2011-12 | 1-Nov-10 | FUNDING | 100.00 | | 311.6 | 1,694,416,516 | 642,362,443 | 10,423,356 | 2,321,314,232 | 4,668,516,547 |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Department Total

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------|-----------|--|------------------------------------|-----------------------|--------------|----------------------|--------------------|-------------------|----------------------|----------------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Department Total | | | | | | | | | | |
| | 1-Nov-10 | PS Adj. | | | 0.0 | 81,806 | 0 | 0 | (246) | 81,560 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 7,880 | 43,845 | (15,219) | 254,630 | 291,136 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 2,176 | 1,789 | (737) | 6,523 | 9,751 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 47,195 | 716 | (11,411) | 86,973 | 123,473 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 43,786 | 15,465 | (8,321) | 91,977 | 142,907 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 625 | 0 | 0 | 624 | 1,249 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 22,023 | 0 | 0 | 22,022 | 44,045 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 139,699 | 0 | 0 | 139,698 | 279,397 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 35,847 | 0 | 0 | 35,847 | 71,694 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 13,639 | 0 | 0 | 13,638 | 27,277 |
| | | Indirect Cost | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Assessment | | | 0.0 | (87,948) | 55,014 | (113,316) | 146,250 | 0 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 6,541 | 0 | 0 | 6,540 | 13,081 |
| FY 2011-12 | 1-Nov-10 | Common Policy | | | 0.0 | 13,850 | 0 | 0 | 13,850 | 27,700 |
| | | DHS Common | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Policy | | | 0.0 | 1,215,277 | 0 | 0 | 1,191,705 | 2,406,982 |
| | | FY 2011-12 Base + Common Policy | 110.00 | | 311.6 | 1,695,958,912 | 642,479,272 | 10,274,352 | 2,323,324,263 | 4,672,036,799 |
| FY 2011-12 | 1-Nov-10 | Leap Year Caseload/Cost | | | 0.0 | 402,428 | 0 | 0 | 402,428 | 804,856 |
| FY 2011-12 | 1-Nov-10 | Forecast Caseload/Cost | | DI #1 | 0.0 | 12,011,909 | 215,631,736 | 301,747 | 220,641,327 | 448,586,719 |
| FY 2011-12 | 1-Nov-10 | Forecast Caseload/Cost | | DI #2 | 0.0 | 2,796,419 | 9,251,400 | (12,180) | 10,663,558 | 22,699,197 |
| FY 2011-12 | 1-Nov-10 | Forecast Caseload/Cost | | DI #3 | 0.0 | 0 | 20,165,441 | 0 | 37,469,683 | 57,635,124 |
| FY 2011-12 | 1-Nov-10 | Forecast CBMS | | DI #4 | 0.0 | 2,231,489 | 0 | 0 | 0 | 2,231,489 |
| FY 2011-12 | 1-Nov-10 | Compliance Cash Fund | | DI #5 | 0.0 | 107,460 | 0 | 0 | 107,460 | 214,920 |
| FY 2011-12 | 1-Nov-10 | Solvency | | DI #6 | 0.0 | 13,796,996 | 0 | 0 | 0 | 13,796,996 |
| FY 2011-12 | 1-Nov-10 | Maximize UPL | | DI #7 | 0.0 | 0 | 7,948,120 | 0 | 7,948,119 | 15,896,239 |
| FY 2011-12 | 1-Nov-10 | Prenatal Plus | | DI #8 | 0.9 | (779) | 0 | 0 | (778) | (1,557) |
| FY 2011-12 | 1-Nov-10 | 2% PS Reduction | | NP #1, #6 | 0.0 | (185,464) | 0 | (9,297) | (50,820) | (245,581) |
| FY 2011-12 | 1-Nov-10 | DD Placements | | NP #2 | 0.0 | 6,797,048 | 0 | 0 | 6,797,048 | 13,594,096 |
| | | Printing Statewide | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Warrents | | NP #3 | 0.0 | 535 | 0 | 0 | 535 | 1,070 |
| FY 2011-12 | 1-Nov-10 | Funding | | NP #4 | 0.0 | 2,515,362 | 0 | 0 | 2,515,361 | 5,030,723 |
| | | DHS Fleet | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Replacement | | NP #5 | 0.0 | 5,374 | 0 | 0 | 5,373 | 10,747 |
| FY 2011-12 | 1-Nov-10 | PS Adjustment | | NP #7 | 0.0 | (868) | 0 | 0 | (868) | (1,736) |
| | | DPHE Fund | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Refinancing | | NP #8 | 0.0 | (21,000,000) | 18,313,649 | 2,686,351 | 0 | 0 |
| | | DHS PS | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Reduction | | NP #9 | 0.0 | (153,923) | 0 | (3,735) | (157,654) | (315,312) |
| | | Contract | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Placements | | NP #10 | 0.0 | 2,866 | 0 | 0 | 2,867 | 5,733 |
| | | CDPHE Pro- | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Rated Benefits | | NP #11 | 0.0 | (184) | 0 | 0 | (191) | (375) |
| FY 2011-12 | 1-Nov-10 | CDPHE PERA | | NP #12 | 0.0 | (28,033) | 0 | 0 | (51,781) | (79,814) |
| FY 2011-12 | 1-Nov-10 | Prorated Benefits | | NP #13 | 0.0 | (2,409) | 0 | 0 | (2,410) | (4,819) |
| FY 2011-12 | 1-Nov-10 | PERA Adj. | | NP #14 | 0.0 | (165,468) | (56,118) | 0 | (285,473) | (507,059) |
| FY 2011-12 | 1-Nov-10 | PERA Adj. | | NP #15 | 0.0 | (520,934) | 0 | 0 | (519,611) | (1,040,545) |
| FY 2011-12 | 1-Nov-10 | PERA Adj. | | NP #16 | 0.0 | (52,825) | 0 | 0 | (52,824) | (105,649) |
| FY 2011-12 | 1-Nov-10 | Printing Warrants | | NP #17 | 0.0 | 146 | 0 | 0 | 147 | 293 |
| FY 2011-12 | 1-Nov-10 | PERA Adj. | | NP #18 | 0.0 | 0 | 0 | 0 | (1,685) | (1,685) |

Department's FY 2010-11 & FY 2011-12 Budget Builds -- Department Total

| Fiscal Year | Date Rec. | LINE ITEM/Desc. | IBC | | FTE | GF total | CF Total | RF Total | FF Total | Total Funds |
|-------------------------|-----------|--|------------------------------------|-----------------------|-------|---------------|-------------|------------|---------------|---------------|
| | | | Benchmark # FY 11-12 Reports | Dept Priority # | | | | | | |
| Department Total | | | | | | | | | | |
| FY 2011-12 | 1-Nov-10 | Client Overutilization Medicaid Fee-For- | | BRI #1 | 0.0 | (16,325) | 0 | 0 | 87,625 | 71,300 |
| FY 2011-12 | 1-Nov-10 | Service Delay Indigent Care | | BRI #2 | 0.0 | (3,625,022) | (299,733) | (3,324) | (3,897,394) | (7,825,473) |
| FY 2011-12 | 1-Nov-10 | Refinance CBHP | | BRI #3 | 0.0 | (14,010,318) | (4,179,364) | 0 | 11,010,318 | (7,179,364) |
| FY 2011-12 | 1-Nov-10 | Reductions Medicaid | | BRI #4 | 0.0 | 7,530 | (3,486,072) | 36 | (6,466,607) | (9,945,113) |
| FY 2011-12 | 1-Nov-10 | Reductions Delay Managed | | BRI #5 | 0.0 | (14,776,147) | (540,014) | 0 | (15,045,083) | (30,361,244) |
| FY 2011-12 | 1-Nov-10 | Care | | BRI #6 | 0.0 | (4,295,826) | (1,618,064) | 0 | (6,869,481) | (12,783,371) |
| FY 2011-12 | | DEPARTMENT REQUEST | 180.25 | | 312.5 | 1,677,799,949 | 903,610,253 | 13,233,950 | 2,587,573,452 | 5,182,217,604 |

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing**

**APPENDIX B: SUMMARY OF MAJOR LEGISLATION
(FY 2008-09 through FY 2010-11)
INCLUDING BUDGET BALANCING LEGISLATION**

- ☐ **S.B. 10-061 (Tochtrop, Soper):** Required the state Medicaid program, administered by the Department of Health Care Policy and Financing (DHCPF), to do the following:
- pay class 1 nursing facilities directly for the room and board costs of a person who is receiving hospice care while in such a nursing facility; and
 - pay the room and board costs of a hospice patient in a licensed hospice inpatient facility.

These changes are conditional upon: (1) federal approval to implement such payments; and (2) the receipt of sufficient gifts, grants, and donations to fund the department's approval process. Under current law, room and board expenses are only paid for patients receiving hospice care in a nursing facility. Hospice providers submit claims for these room and board expenses and then reimburse the nursing facilities.

The bill also created the Hospice Care Account in the DHCPF Cash Fund and allows the department to seek and accept gifts, grants, and donations for the purpose of implementing the bill. Funds in the cash fund account are subject to annual appropriation. For FY 2010-11, the bill appropriated \$51,285 cash funds and \$51,285 federal funds for the costs of seeking a waiver.

- ☐ **S.B. 10-167 (Boyd, Riesberg):** This bill created the Colorado Medicaid False Claims Act and required the Department to pursue other administrative cost savings including:
- appointing an internal auditor and to ensure that duplicate benefits are not being paid by other states to clients enrolled in DHCPF programs;
 - implementing an automated, pre-payment review system to reduce medical services coding errors in Medicaid claims and requiring a report annually on its implementation and identified errors; and
 - purchasing private health insurance coverage through the Health Insurance Buy-In Program for up to 2,000 eligible clients to create cost savings for the state.

Five years after becoming law, the legislative services agencies of the General Assembly are required to conduct a post-enactment review of the implementation of the bill. For FY 2010-

11, the bill assumed savings of \$1.1 million total funds (including \$414,500 in General Fund).

- ❑ **S.B. 10-169 (Boyd, Riesberg):** Allowed the Hospital Provider Fee Cash Fund to offset General Fund expenditures in the amount of the additional federal revenue received under the American Recovery and Reinvestment Act (ARRA) Enhanced FMAP program for the Hospital Provider Fee Program once a transfer from the Health Care Expansion Fund to the General Fund pursuant to H.B. 10-1320 is repaid. In FY 2009-10, the Hospital Provider Fee is anticipated to offset \$4.9 million in General Fund appropriations otherwise required and to repay the Health Care Expansion Fund through a transfer of \$42.7 million. In FY 2010-11, the Hospital Provider Fee is anticipated to offset \$46.3 million in General Fund appropriations otherwise required.
- ❑ **S.J.R. 10-010 (White, Ferrandino):** Declared a state fiscal emergency for FY 2010-11, which allows Amendment 35 tobacco-tax revenues to be used in that year for any health-related purpose. See the description of H.B. 10-1381 for a list of related adjustments to appropriations (both in this Department and the Department of Public Health and Environment).
- ❑ **H.B. 10-1005 (Massey, Foster):** Made the following changes to the provision of home health telemedicine services established in S.B. 07-196:
 - telemedicine services are now eligible for Medicaid reimbursement;
 - reimbursement rates are no longer required to be budget-neutral;
 - reductions in travel costs by home health care and home- and community-based service providers are no longer required to be considered when setting reimbursement rates; and
 - incorrect references to the way reimbursement payments are made are removed.

The bill made payment of telemedicine reimbursements contingent upon the receipt of gifts, grants, and donations in the newly created Home Health Telemedicine Cash Fund. In FY 2010-11, the bill contained an appropriation of \$123,300 total funds (no General Fund impact).

- ❑ **H.B. 10-1027 (Roberts, Williams):** Under current law, Colorado required a certified medical prognosis of life expectancy of 6 months or less for a patient to receive hospice care in the Medicaid program. This bill changed the time requirement from 6 months to 9 months, contingent upon the Department of Health Care Policy and Financing receiving federal approval to make such a change. If approved, the department is required to notify the Revisor of Statutes within 60 days after receipt of federal approval. In FY 2010-11 the bill appropriated \$12,500 cash funds and \$12,500 federal funds to the Department for the costs associated with applying for the waiver.

- ❑ **H.B. 10-1033 (Massey, Boyd):** Added screening, brief intervention, and referral for treatment (SBIRT) for substance abuse to the list of optional services covered by Medicaid. The bill was contingent upon enactment of and revenue from H.B.10-1284 (Medical Marijuana Regulations), which was anticipated to generate a sufficient amount of sales and use tax to meet the General Fund requirements of the bill. In FY 2010-11, the bill appropriated \$870,155 total funds (including \$334,227 General Fund) for the costs associated with the SBIRT program.
- ❑ **H.B. 10-1053 (Riesberg, Boyd):** Required that two studies be conducted, if sufficient gifts, grants, and donations are received. Specifically, the bill required that:
 - the Department of Health Care Policy and Financing (DHCPF) contract for a study of long-term care under home- and community-based services (HCBS) waivers; and
 - the Department of Human Services (DHS) contract for a study of additional services and potential cost savings under the Older Coloradans Program, and develop a strategic plan for implementing potential cost saving measures.

The bill also authorized the departments to accept gifts, grants, and donations for any additional studies that may be required, based on the strategic plans developed as a result of these two studies. In FY 2010-11 the bill appropriated \$75,000 to the Department of Health Care Policy and Financing to conduct the HCBS waiver study and \$200,000 to the Department of Human Services to conduct the Older Coloradans Program study.

- ❑ **H.B. 10-1146 (Hullinghorst, Tochtrop):** Transferred the Single Entry Point (SEP) contract for Home Care Allowance clients from the Department of Health Care Policy and Financing to the Department of Human Services. For information on H.B. 10-1146, see also the Department of Human Services briefing.
- ❑ **H.B. 10-1300 (Pommer, Keller):** Supplemental appropriation to the Department of Health Care Policy and Financing to modify the FY 2009-10 appropriations contained in the FY 2009-10 Long Bill (S.B. 09-259). The bill also modified FY 2009-10 appropriations contained in S.B. 09-264 and H.B. 09-1293. Lastly, the bill modified the FY 2008-09 appropriation contained in the FY 2008-09 Long Bill (H.B. 08-1375).
- ❑ **H.B. 10-1320 (Pommer, Tapia):** During the 2009 Session, the General Assembly passed Senate Joint Resolution 09-035, which declared a state fiscal emergency in FY 2009-10 and thus allows Amendment 35 tobacco-tax revenues to be used for any health related purpose.

Pursuant to the passage of S.J.R. 09-035, this bill allowed moneys in the Health Care Expansion Fund, which supports Medicaid and the Children's Basic Health Plan, to be used to offset General Fund appropriations in the Medicaid program. The bill also allows moneys in the Health Disparities Grant Program Fund to be used to offset General Fund

appropriations in the Medicaid program. The table below shows the General Fund offsets anticipated as a result of this bill.

| FY 2009-10 Appropriation Clause Summary | | | | |
|--|-----------------------|---------------------|-----------------------------|----------------------|
| | General Fund | Cash Funds | Reappropriated Funds | Total Funds |
| Department of Health Care Policy and Financing, Medical Services Premiums Line Item /1 | (\$43,693,900) | \$42,693,900 | \$1,000,000 | \$0 |
| Department of Public Health and Environment, Administration and Support, Special Health Programs, Health Disparities Program, Health Disparities Grants /2 | 0 | 0 | (1,000,000) | 0 |
| Total Appropriation Change | (\$43,693,900) | \$42,693,900 | \$0 | (\$1,000,000) |

/1 The cash fund appropriation includes \$42,693,900 from the Health Care Expansion Fund and \$1,000,000 from the Health Disparities Grant Program Fund.

/2 The cash fund appropriation includes a reduction of \$1,000,000 from the Health Disparities Grant Program Fund.

❑ **H.B. 10-1321 (Pommer, Tapia):** Changed reimbursement to health clinics from the Health Care Services Fund and the Primary Care Fund in order to achieve General Fund savings. Specifically, for FY 2009-10:

1. Changed the General Fund appropriation to the Health Care Services Fund from \$11.9 million to \$10.4 million.
2. Specified that the Health Care Services Fund shall be distributed as follows: (1) 20 percent to Denver Health, and (2) 80 percent to community health clinics.
3. Created the Primary Care Special Distribution Fund in order to minimize the adverse impact to certain providers from reducing the appropriation from the Primary Care Fund. This new fund has two distributions: (1) \$1.6 million will be distributed to health clinics that qualify for payments from the Primary Care Fund but that do not participate in the Colorado Indigent Care Program; and (2) \$405,000 shall be distributed to health clinics that participate in the Colorado Indigent Care Program that experience a reduction in funding due to transfers from the Primary Care Fund.
4. Transferred approximately \$2.0 million from the Primary Care Fund to the new Primary Care Special Distribution Fund.
5. Increased the amount of the Primary Care Fund that may offset General Fund appropriations from levels established in S.B. 09-217 and provides an appropriation to implement such offsets for FY 2009-10. Senate Bill 09-217 contained the following provisions: (a) authorized the use of up to \$15.0 million from the Primary Care Fund

to offset General Fund, and (b) implemented a General Fund offset of \$7.4 million out of the \$15.0 million authorized. House Bill 10-1381: (a) increases the amount of the Primary Care Fund that can offset General Fund appropriations from \$15.0 million to \$17.8 million, and (b) provides an appropriation to offset \$10.4 million General Fund (in addition to the \$7.4 million already appropriated) with the Primary Care Fund.

The bill contained an appropriation clause for FY 2009-10 as outlined in the table below. The appropriation clause both implements the provisions mentioned above and makes corrections to appropriation amounts found in S.B. 09-259 and S.B. 09-264.

| FY 2009-10 Appropriation Clause Summary - Department of Health Care Policy and Financing | | | | | |
|---|-----------------------|-------------------|-----------------------------|----------------------|-----------------------|
| | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Total Funds |
| Medical Services Premiums | (\$10,390,000) | \$10,390,000 | \$0 | \$0 | \$0 |
| Colorado Health Care Services Fund | (1,553,000) | 0 | 0 | 0 | (1,553,000) |
| The Children's Hospital, Clinic Based Indigent Care | 0 | 0 | (306,069) | 298,267 | (7,802) |
| Health Care Services Fund Program | 0 | 0 | (1,246,931) | (1,695,020) | (2,941,951) |
| Primary Care Fund Program | | (12,395,000) | 0 | 0 | (12,395,000) |
| Special Distribution from the Primary Care Fund | <u>0</u> | <u>2,005,000</u> | <u>0</u> | <u>0</u> | <u>2,005,000</u> |
| Total Department | (\$11,943,000) | \$0 | (\$1,553,000) | (\$1,396,753) | (\$14,892,753) |

- ❑ **H.B. 10-1322 (Lambert, White):** Repealed the statutory provisions requiring the Department of Health Care Policy and Financing to conduct a pilot program on the use of telemedicine. The Department has a contract for the telemedicine program within their Medical Services Premiums line item. For FY 2009-10, provided ten months of savings from eliminating the contract of \$317,500 (including \$158,750 from the General Fund). In FY 2010-11, the savings were annualized to \$380,000 (including \$190,000 from the General Fund).

- ❑ **H.B. 10-1323 (Pommer, Tapia):** For FY 2009-10, limited the amount of funding available for the Comprehensive Primary Care Grant Program to only those moneys committed on or before September 30, 2009. Transferred the remaining amount of money to the General Fund. For FY 2010-11, transfers all of the moneys from the Comprehensive Primary Care Grant Program to the General Fund.

Repealed the Supplemental Tobacco Litigation Settlement Money Account of the Comprehensive Primary and Preventive Care Fund. In FY 2009-10, the distribution that formerly went to this account was transferred to the General Fund. For FY 2010-11 and thereafter, the Children's Basic Health Plan Trust Fund received the distribution that formerly went to this account.

Permitted moneys in the AIDS and HIV Prevention Fund, which supports the Department of Public Health and Environment's AIDS and HIV Prevention Program, to be appropriated to the Department of Public Health and Environment's AIDS Drug Assistance Program in FY 2010-11, extending for one year a provision that was added to statute last year.

In FY 2009-10, the General Fund was increased by \$2.6 million by transferring funds from the Comprehensive Primary and Preventive Care Fund and from the Account. In FY 2010-11, the General Fund was increased by \$2.9 million by transfers from the Comprehensive Primary and Preventative Care Fund. In FY 2010-11, the Children's Basic Health Plan Trust Fund will receive an increased distribution from the Master Tobacco Tax Settlement moneys of approximately \$2.2 million. This will offset anticipated General Fund expenditures in the Children's Basic Health Plan in FY 2010-11.

| Revenue Impacts for H.B. 10-1323 | | | |
|--|---------------------|----------------------|--------------------|
| | General Fund | Cash Fund | Total Funds |
| FY 2009-10 | | | |
| Transfer uncommitted balance from Comprehensive Primary and Preventative Care Fund | \$648,053 | (\$648,053) | \$0 |
| Eliminate and transfer funding from Supplemental Tobacco Litigation Settlement Money Account of the Comprehensive Primary and Preventive Care Fund | <u>1,990,500</u> | <u>(1,990,500)</u> | <u>0</u> |
| Total FY 2009-10 Revenue Impact | \$2,638,553 | (\$2,638,553) | \$0 |
| FY 2010-11 | | | |
| Transfer Comprehensive Primary and Preventative Care Fund | \$2,880,957 | (\$2,880,957) | \$0 |
| Decrease to Supplemental Tobacco Litigation Settlement Money Account of the Comprehensive Primary and Preventive Care Fund | 0 | (2,245,000) | (2,245,000) |
| Increase to Children's Basic Health Plan Trust Fund | <u>0</u> | <u>2,245,000</u> | 2,245,000 |
| Total FY 2010-11 Revenue Impact | \$2,880,957 | (\$2,880,957) | \$0 |

The FY 2009-10 appropriation clause for the Primary and Preventative Care Grants Fund will be reduced by \$639,082 and the appropriation clause for the Comprehensive Primary and Preventative Care rural and Public Hospital Grant Program will be reduced by \$5.0 million. The table below summarizes the appropriation clause in the bill. Adjustments to the FY 2010-11 appropriation are included in the 2010 Long Bill.

| FY 2009-10 Appropriation Clause Summary | | | | |
|---|--------------|----------------------|----------------------|----------------------|
| | FTE | Cash Funds | Federal Funds | Total Funds |
| Administrative Costs (various line item) | (0.2) | (\$8,971) | \$0 | (\$8,971) |
| Comprehensive Primary and Preventative Care Grants | 0.0 | (639,082) | 0 | (639,082) |
| Comprehensive Primary and Preventative Care Rural and Public Hospital Grant Program | <u>0.0</u> | <u>(1,990,500)</u> | <u>(3,009,500)</u> | <u>(5,000,000)</u> |
| Total Appropriation Change | (0.2) | (\$2,638,553) | (\$3,009,500) | (\$5,648,053) |

- ❑ **H.B. 10-1324 (Ferrandino, White):** Reduced the per diem rates paid to class I nursing facilities by 1.5 percent. Also allows the Department to increase the supplemental Medicaid payments made to providers due to this reduction. This allowed the nursing facilities to use their provider fee to reduce the overall impact of the reduction. Finally, authorized moneys in the Medicaid Nursing Facility Cash Fund to be used to reimburse the General Fund due to an increase in reimbursements that were paid to nursing facilities in FY 2009-10 (based on FY 2008-09 claims) for services provided to hospice patients.

For FY 2009-10, the bill also allowed the Nursing Facility Provider Fee to be used to reimburse the General Fund for increased rates paid to the nursing facilities for services provided to hospice clients due to the enactment of H.B. 08-1114. The table below shows the appropriation impact from this bill in FY 2009-10.

| FY 2009-10 Appropriation Clause Summary - Department of Health Care Policy and Financing | | | | |
|---|----------------------|--------------------|----------------------|--------------------|
| | General Fund | Cash Funds | Federal Funds | Total Funds |
| Nursing Fee 1.5% Reductions | (\$933,446) | \$0 | (\$933,446) | (\$1,866,892) |
| Use Supplemental Payment to Reduce Impact of Reduction | \$0 | \$933,446 | \$933,446 | \$1,866,892 |
| Reimburse General Fund for Hospice Impact from HB 08-1114 | <u>(\$997,362)</u> | <u>\$997,362</u> | <u>\$0</u> | <u>\$0</u> |
| Total change to the Medical Services Premium Line Item | (\$1,930,808) | \$1,930,808 | \$0 | \$0 |

- ❑ **H.B. 10-1376 (Pommer, Keller):** General Appropriations Act for FY 2010-11.
- ❑ **H.B. 10-1378 (Ferrandino, Keller):** Senate Joint Resolution 10-010 declared a fiscal emergency for FY 2010-11 (pursuant to Section 21 (7) of Article X of the State Constitution). Declaring a fiscal emergency allows for tobacco tax revenues collected pursuant to Section 21 of Article X of the State Constitution to be used for purposes other than those intended in the State Constitution. Associated with fiscal emergency, this bill contained the following appropriation adjustments to the Department of Health Care Policy and Financing.

| FY 2010-11 Appropriation Impacts from H.B. 10-1378 | | | | | |
|--|-----------------------|---------------------|----------------------|---------------------|---------------------|
| Line Items | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | Total Funds |
| Medical Service Premiums | (\$12,800,000) | \$12,800,000 | \$0 | \$0 | \$0 |
| Health Care Services Fund | 0 | 11,940,000 | 0 | 19,145,655 | 31,085,655 |
| Primary Care Special Distribution Fund | 0 | 3,560,000 | 0 | 0 | 3,560,000 |
| Primary Care Fund | <u>0</u> | <u>(28,300,000)</u> | <u>0</u> | <u>0</u> | <u>(28,300,000)</u> |
| TOTAL | (\$12,800,000) | \$0 | \$0 | \$19,145,655 | \$6,345,655 |

- ❑ **H.B. 10-1379 (Ferrandino, White):** FY 2010-11 nursing facility Medicaid reimbursement rates were reduced by 1.5 percent below the standard calculated amount. House Bill 10-1379 further reduced reimbursement rates to 2.5 percent below the standard calculation. This rate reduction was temporary and did not apply to rates developed in FY 2011-12 or thereafter.

House Bill 10-1379 reduced the allowable General Fund increase for per diem rates from up to five percent per year to up to 1.9 percent per year in FY 2010-11. For fiscal years after FY 2010-11, the allowable General Fund growth returned to the current law cap of up to 3.0 percent per year. For FY 2010-11 total state expenditures for the Department of Health Care Policy and Financing were anticipated to decrease by \$6.2 million total funds as a result of this bill as shown in the table below.

| Total Expenditure Impact of H.B. 10-1379 | | | | |
|--|----------------------|--------------------|----------------------|----------------------|
| | General Fund | Cash Funds | Federal Funds | Total Funds |
| Class 1 Nursing Facilities | (\$7,905,850) | \$5,806,343 | (\$3,366,535) | (\$5,466,042) |
| Class 2 Nursing Facilities | (8,809) | 0 | (14,125) | (22,934) |
| PACE | <u>(296,674)</u> | <u>0</u> | <u>(449,039)</u> | <u>(745,713)</u> |
| Total | (\$8,211,333) | \$5,806,343 | (\$3,829,699) | (\$6,234,689) |

This bill only impacted nursing facility rate calculations for FY 2010-11. In FY 2011-12 rate calculations will return to the standard methodology.

- ❑ **H.B. 10-1380 (Pommer, White):** Allowed funds from the Supplemental Old Age Pension Health and Medical Care Fund to be used to offset General Fund costs for persons 65 years of age or older who are served through the State's Medicaid program. The purpose was to offset General Fund costs for providing the services.

Allowed up to \$4,850,000 for FY 2010-11 and \$3,000,000 in FY 2011-12 to be used from the Supplemental Old Age Pension Health and Medical Care Fund for the purpose of providing services for participants in the State's Medicaid program who are 65 years of age or older.

- ❑ **H.B. 10-1381 (Ferrandino, White):** This bill is a companion to Senate Joint Resolution 10-010, which declared a state fiscal emergency and thus allows Amendment 35 tobacco-tax revenues to be used for any health related purpose. Because a declared state fiscal emergency only lasts for one year, this bill only alters the distribution of Amendment 35 revenue for FY 2010-11.

Appropriated \$25.7 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF) to support Medical Services Premiums. Of this appropriation, \$15.5 million is from the Tobacco Education Programs Fund, \$5.7 million is from the Prevention, Early Detection and Treatment Fund, and \$4.5 million is from the Health Disparities Grant Program Fund. These appropriations allowed the General Fund appropriation for Medical Services Premiums to be reduced by \$25.7 million.

- ❑ **H.B. 10-1382 (Ferrandino, White):** Senate Bill 09-265 authorized the Department of Health Care Policy and Financing to delay the last Medicaid fee-for-service payment cycle in FY 2009-10. In addition, the bill authorized that capitation payments made to Medicaid managed care organizations (MCOs) would only be paid following the first day of the month following a client's enrollment into a MCO. With these provisions in effect, only 51 weeks of fee-for-service payments and 11 months of MCO payments would be made in FY 2009-10. House Bill 10-1382 repeals S.B. 09-265. Thus, the normal payment cycle will be followed in FY 2009-10. Table 1 below shows the appropriation impact to FY 2009-10.

| Table 1: FY 2009-10 Fiscal Impacts | | | | | |
|--|---------------------|--------------------|-----------------------------|---------------------|---------------------|
| Line Item | General Fund | Cash Funds | Reappropriated Funds | Federal Fund | Total Funds |
| Medical Services Premiums | \$20,490,833 | \$2,828,773 | \$27,866 | \$37,460,929 | \$60,808,401 |
| Mental Health Capitation Payments | 6,695,582 | 592,211 | 905 | 11,688,108 | 18,976,806 |
| Children's Basic Health Plan Trust | 207,860 | 0 | 0 | 0 | 207,860 |
| Children's Basic Health Plan Premium Costs | 0 | 4,278,871 | 0 | 7,946,473 | 12,225,344 |
| Children's Basic Health Plan Dental Costs | <u>0</u> | <u>310,140</u> | <u>0</u> | <u>575,973</u> | <u>886,113</u> |
| Total Impact | \$27,394,275 | \$8,009,995 | \$28,771 | \$57,671,483 | \$93,104,524 |

House Bill 10-1382 also had a FY 2010-11 impact. The FY 2010-11 Long Bill (H.B. 10-1376) assumed current law provisions. Therefore, in the base assumptions for H.B. 10-1376 was the assumption that 53 weeks of fee-for-service payments would be made during FY 2010-11. Because H.B. 10-1382 eliminated the one week of payment delay contained in FY 2009-10, only 52 weeks of fee-for-service payments in FY 2010-11 are necessary. This reduces appropriations by \$43.1 million total funds for the Medical Services Premiums program. However, because the MCO payments were not delayed in FY 2009-10, the Children's Basic Health Plan Trust Fund will be depleted more than anticipated under S.B. 09-265 and will need additional funding in order to maintain a positive fund balance in FY 2010-11. Therefore, \$2.6 million General Fund is deposited into the CBHP Trust Fund to support the CBHP program in FY 2010-11. Table 2 shows the FY 2010-11 impacts from H.B. 10-1382.

| Table 2: FY 2010-11 Fiscal Impacts | | | | | |
|---|---------------------|-------------------|-----------------------------|---------------------|--------------------|
| Line Item | General Fund | Cash Funds | Reappropriated Funds | Federal Fund | Total Funds |
| Medical Services Premiums | (\$14,679,904) | (\$2,023,356) | (\$17,380) | (\$26,400,595) | (\$43,121,235) |
| Children's Basic Health Plan Trust | <u>2,554,602</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,554,602</u> |
| Total Impact | (\$12,125,302) | (\$2,023,356) | (\$17,380) | (\$26,400,595) | (\$40,566,633) |

- **H.B. 10-1384 (Lambert, White):** Resolved conflicting state statutory provisions determining the eligibility of non citizens for Colorado's Old Age Pension (OAP) program. Effective July 1, 2010, bars qualified aliens from accessing the OAP program for five years after their date of entry into the United States with certain exceptions. Effective January 1,

2014, requires that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility with certain exceptions. Among other appropriations, provides funding for changes to the Colorado Benefits Management System in FY 2009-10 and FY 2010-11. This includes appropriations to the Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs for the Colorado Benefits Management System of \$17,309 total funds for FY 2009-10 and \$17,220 total funds for FY 2010-11.

- ❑ **S.B. 09-132 (Boyd, Kerr J.) Concerning Discounted Prescription Drug Programs:** Repealed and then restructures the Colorado Cares Rx Program. The Department of Health Care Policy and Financing is required to research and make information available to the public about discount prescription drug programs including ways to obtain lower-cost prescription drugs and contact information for programs. The bill eliminated the Colorado Cares Rx Program Cash Fund and reduced the FY 2008-09 appropriation to the Department of Health Care Policy and Financing by \$3,918,724 total funds.

- ❑ **S.B. 09-209 (White, Marostica) Repeal Inmate Assistance Grant Program:** This bill removed the Inmate Assistance Demonstration Grant Program from statute, and removed the General Fund appropriation for the program that was made during the 2008 legislative session.

- ❑ **S.B. 09-210 (Tapia, Ferrandino) Tobacco Settlement Health Programs:** Beginning in FY 2009-10, eliminates the requirement that certain Master Tobacco Settlement money be deposited into the Children's Basic Health Plan (CBHP) Trust Fund Account instead of directly into the CBHP Trust Fund. Starting in FY 2009-10, replaces the annual transfer that provided up to \$1.0 million of tobacco settlement moneys to the Colorado Autism Treatment Fund with a transfer that provides exactly \$1.0 million annually. Made the following transfers to the General Fund:

| Transfers to the General Fund in FY 2008-09 to increase FY 2008-09 General Fund revenues | |
|--|--------------------|
| From Public Health Services Support Fund (administered by the Department of Public Health and Environment) | \$149,070 |
| From Tobacco Litigation Settlement Cash Fund (administered by DPHE) | 65,000 |
| From Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund (administered by the Department of Health Care Policy and Financing) | <u>977,356</u> |
| Total FY 2008-09 transfers to the General Fund | \$1,191,426 |

| Transfers to the General Fund in FY 2009-10 to increase FY 2009-10 General Fund revenues | |
|--|--------------------|
| From Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund (administered by the HCPF) | <u>2,400,000</u> |
| Total FY 2009-10 transfers to the General Fund | \$2,400,000 |

Adjusted the following FY 2008-09 Long Bill appropriations as follows:

| FY 2008-09 Appropriation Adjustments | Total | CF | FF |
|---|----------------------|----------------------|--------------------|
| Department of Public Health and Environment | | | |
| Support for local nursing services and local health departments | (\$149,070) | (\$149,070) | \$0 |
| <u>Colorado HIV/AIDS Drug Assistance Program</u> | <u>(65,000)</u> | <u>(65,000)</u> | <u>0</u> |
| Subtotal - Department of Public Health and Environment | (\$214,070) | (\$214,070) | \$0 |
| Department of Health Care Policy and Financing - Comprehensive | | | |
| primary and preventative care payments to hospitals | (1,954,712) | (977,356) | (977,356) |
| Total | (\$2,168,782) | (\$1,191,426) | (\$977,356) |

- S.B. 09-211 (Keller, Ferrandino) Delay CHP+ Eligibility Expansion:** Eliminated the requirement that the Children's Basic Health Plan (CBHP) program be expanded to 225 percent of federal poverty level (FPL) for children by March 1, 2009 and for adult pregnant women by October 1, 2009. For FY 2008-09, the bill reduced appropriations by \$3,195,789 total funds. Of this amount, \$1,127,624 was cash funds, \$30,328 was reappropriated funds, and \$2,037,837 is federal funds. The CBHP program's eligibility to 250 percent FPL was reinstated in H.B. 09-1292.

- S.B. 09-252 (Boyd, Frangas) Medicaid Mail Order Prescriptions:** Under prior law, Medicaid clients were only authorized to use mail-order pharmacies if they require maintenance medications and suffer from a physical hardship or have third-party insurance that *requires* maintenance medications be obtained through a mail-order pharmacy.

This bill authorized a Medicaid client to receive prescription drugs through mail-order pharmacies if the client has third-party insurance that *allows* maintenance medications to be obtained through mail-order. This bill modified S.B. 08-090 which allowed recipients to obtain medications through mail order if their third-party insurance required mail order.

- S.B. 09-259 (Keller, Pommer) General Appropriations Act:** General Appropriations Act for FY 2009-10. Also includes supplemental adjustments to modify appropriations to the Department of Health Care Policy and Financing included in the FY 2008-09 Long Bill (H.B. 08-1375) and in the FY 2007-08 Long Bill (S.B. 07-239). The bill also modified appropriations in H.B. 08-1114 and H.B. 08-1373.

- S.B. 09-261 (Tapia, Ferrandino) Old Age Pension Supplemental Fund Medicaid:** This bill allowed the Supplemental Old Age Pension Health and Medical Care Fund to pay up to \$3.0 million dollars in FY 2008-09 and \$6.0 million dollars in FY 2009-10 of the state costs associated with serving Old Age Pension medical clients in the Medicaid program. The appropriation clause for FY 2008-09, reduced the General Fund by \$3.0 million and

increases cash fund appropriations by \$3.0 million. In FY 2009-10, the appropriation clause reduced the General Fund by \$6.0 million and increases cash fund appropriations by \$6.0 million.

- **S.B. 09-262 (White, Marostica) Breast and Cervical Cancer Program Costs:** This bill allows up to 100 percent of the State match costs for the Breast and Cervical Cancer Prevention and Treatment program to be paid from the Breast and Cervical Cancer Prevention and Treatment (BCCPT) Fund. Prior to the passage of this bill, in FY 2009-10 50 percent of the State match for this program was required to be paid from the General Fund and 50 percent was required to come from the BCCPT Fund.

This bill reduced General Fund expenditures by \$896,290 and increased expenditures from the BCCPT Fund by \$896,290 in FY 2009-10.

- **S.B. 09-263 (White, Pommer) Payments to Medicaid Nursing Facility Providers:** This bill saved approximately \$3.7 million General Fund in FY 2008-09 and \$17.1 million General Fund in FY 2009-10 through various changes used to calculate nursing facility reimbursement rates. Specifically, the bill contained the following provisions:

- a) Specified the methodology used to calculate the nursing facility General Fund per diem cap (including the 3.0 percent cap currently in place for FY 2008-09) during the American Recovery and Reinvestment Act (ARRA) time period.
- b) Reduced the General Fund cap to 0.0 percent growth in FY 2009-10 and allowed a 5.0 percent growth cap for FY 2010-11. Reinstated the current 3.0 percent cap on General Fund growth for the fiscal years after FY 2010-11.
- c) Capped the nursing facility provider fee to \$7.50 per nonmedicare-resident day in FY 2009-10. This cap is allowed to grow by inflation in future years.
- d) For FY 2009-10 and subsequent fiscal years, provided that the increase in the cost of direct and indirect health care services and raw food shall not exceed 8.0 percent. This provision reduces the provider fee in FY 2009-10 to ensure the provider fee stays below the \$7.50 in FY 2009-10 when the General Fund growth rate is capped at 0.0 percent growth. Reduces and delays other rate components in order to ensure the \$7.50 cap is not exceeded.

- **S.B. 09-264 (Keller, Pommer) Maximize Federal Match Under ARRA:** This bill allows the state to use certain federal stimulus moneys related to Medicaid to reduce General Fund obligations, instead of using the federal money to expand programs. It will not affect the amount paid to providers. Adjustments are for FY 2008-09 through FY 2010-11, the period of enhanced federal match under the ARRA.

- S.B. 09-265 (White, Pommer) Medicaid, CHP+ Payment Timing:** This bill had three main provisions: (1) clarified that the Medicare Modernization Act State Contribution Payment did not have to be paid before the date it is due; (2) provided that managed care capitation payments shall not be made before the first day of the month following the enrollment of the recipients; and (3) allowed the Department to delay the last weekly payment cycles in FY 2009-10 to after July 1, 2010. This bill was anticipated to reduce expenditures in FY 2009-10 by \$87.9 million total funds (including \$35.6 million General Fund). This bill was repealed by H.B. 10-1382.

| FY 2009-10 Expenditure Impacts | Delay Managed Care Payments | Shift Last Payment Cycle to FY 2010-11 | Total |
|--|------------------------------------|---|-----------------------|
| Medical Services Premiums | (14,102,731) | (43,611,120) | (57,713,851) |
| Mental Health Capitation Payments | (17,671,863) | 0 | (17,671,863) |
| Children's Basic Health Plan | (12,845,625) | 0 | (12,845,625) |
| Total Fund Appropriation Impact | (\$44,620,219) | (\$43,611,120) | (\$88,231,339) |
| General Fund | (15,332,958) | (20,272,591) | (35,605,549) |
| Cash Funds | (5,283,891) | (1,400,053) | (6,683,944) |
| Federal Funds | (24,003,369) | (21,938,477) | (45,941,846) |

- S.B. 09-269 (White, Ferrandino) Adjust Tobacco Settlement Moneys Allocation:** See the Department of Public Health and Environment for a description of this bill. The table below shows the impacts to the Department of Health Care Policy and Financing only.

| Department / Program | Change to CF Appropriations FY 2009-10 |
|--|---|
| Department of Health Care Policy and Financing | |
| Comprehensive Primary and Preventive Care Grants Program | (99,177) |
| Medicaid shortfalls at Children's Hospital | (5,359) |
| Subtotal - Department of Health Care Policy and Financing | (104,536) |

- S.B. 09-270 (Tapia, Marostica) Tobacco Tax Investment Income Transfers:** Credits interest and income earned by various cash funds that are supported by Amendment 35's tobacco-tax to the General Fund for fiscal years 2008-09 through 2011-12. The estimated revenue to the General Fund was as follows:

| Estimated Interest and Income from | FY 2008-09 | FY 2009-10 |
|---|--------------------|--------------------|
| Health Care Expansion Fund | \$4,497,179 | \$2,923,166 |
| Prevention, Detection and Early Treatment Fund* | 997,075 | 572,000 |
| Primary Care Fund* | 223,897 | 147,000 |
| Tobacco Education Programs Fund* | 287,419 | 122,000 |
| Health Disparities Grant Program Fund | 144,986 | 94,241 |
| Tobacco Tax Cash Fund | 67,400 | 43,810 |
| Total | \$6,217,956 | \$3,902,217 |

* Due to changes to S.B. 09-271, the estimated earnings for these cash funds differs from that shown in the Legislative Council Staff Fiscal Note for S.B. 09-270.

- ❑ **S.B. 09-271 (Tapia, Ferrandino) Emergency Use Tobacco Tax Revenues:** Utilized the State Fiscal Emergency declared by S.J.R. 09-035 to appropriate \$27.4 of Amendment 35 tobacco-tax moneys to the Department of Health Care Policy and Financing for Medical Services Premiums. The table below shows the impact to appropriations in the Department of Health Care Policy and Financing. See the Department of Public Health and Environment for additional impacts.

| Department of Health Care Policy and Financing | FY 2009-10 Appropriations |
|--|----------------------------------|
| Medical Services Premiums | |
| General Fund | (\$27,400,000) |
| CF - Tobacco Education Programs Fund | 8,000,000 |
| CF - Prevention, Early Detection and Treatment Fund | 12,000,000 |
| CF - Primary Care Fund | 7,400,000 |
| Indigent Care Program, Primary Care Fund Program | |
| CF - Primary Care Fund | (7,400,000) |
| Total -- Department of Health Care Policy and Financing | (\$7,400,000) |

- ❑ **S.J.R. 09-035 (White, Marostica) Declare Fiscal Emergency Tobacco Tax:** Declared a State Fiscal Emergency for FY 2009-10, which allows Amendment 35 tobacco-tax revenues to be used in that year for any health-related purpose. See S.B. 09-271.
- ❑ **H.B. 09-1020 (Acree, Spence) Expedited Reenrollment Processes of Medical Programs:** This bill required the Department to establish a process to allow for reenrollment in Medicaid and the Children's Basic Health Plan via telephone and the Internet. This bill codified a current project at the Department to simplify the eligibility determinations process.

- ❑ **H.B. 09-1047 (Todd, Williams) Alternative Therapies for Persons with Disabilities:** Established a pilot program allowing Medicaid clients with spinal cord injuries who are eligible for Home- and Community-based Services (HCBS) to receive complementary or alternative therapies. Alternative therapies are limited to chiropractic care, massage, and acupuncture performed by licensed or certified providers. Independent evaluation of the program is required in the third year. The State Medical Board is required to adopt rules for the implementation and administration of the program, and the bill included a repeal date of September 1, 2015. The bill appropriates \$53,480 total funds and 0.8 FTE to the Department of Health Care Policy and Financing in FY 2009-10. Of this amount, \$26,740 is cash funds and \$26,740 is federal funds.
- ❑ **H.B. 09-1073 (Massey, Boyd) Electronic Prescriptions:** Required the Department of Health Care Policy and Financing to contract with a nonprofit organization to study the feasibility and advisability of the use of electronic prescriptions in Medicaid. The department must submit its report to the Health and Human Services Committees of the General Assembly by June 30, 2010. The bill appropriated \$52,500 total funds to the Department of Health Care Policy and Financing in FY 2009-10. Of this amount, \$26,250 is cash funds and \$26,250 is federal funds.
- ❑ **H.B. 09-1103 (Reisberg, Newell) Presumptive Eligibility for Long-Term Care:** This bill allows the Department to seek federal approval to implement a pilot program so that an individual applying for long-term care services may be presumptively eligible for Medicaid. The bill required that if a person is later determined ineligible, the Department shall not pursue any recoveries from the county departments of social/human services for the cost of medical services provided or any federal sanctions as a result of the client being determined ineligible.
- ❑ **H.B. 09-1164 (Primavera, Kester) Breast and Cervical Cancer Prevention and Treatment Program Expansion:** This bill added a \$25 surcharge to the cost of new or replacement breast cancer awareness special license plates. The surcharge is to be used to pay for the costs to expand eligibility for the Breast and Cervical Cancer Prevention and Treatment program under Medicaid. Implementation of the eligibility expansion is contingent upon receipt of funds sufficient to sustain the projected number of additional individuals who would become eligible for the program due to this bill.
- ❑ **H.B. 09-1196 (Gerou, Boyd) Nursing Facility Penalty Cash Fund:** Allows the Nursing Home Penalty Cash Fund to be used for initiatives to improve the quality of life for residents in nursing facilities. The Department of Health Care Policy and Financing is required to distribute \$200,000 in FY 2009-10 and up to 25 percent of moneys deposited into the fund in future years to these efforts.
- ❑ **H.B. 09-1293 (Reisberg, Keller) Colorado Health Care Afford ability Act:** Creates the Health Care Afford Ability Act of 2009. The Department of Health Care Policy and

Financing is authorized to collect hospital provider fees for the purpose of obtaining federal financial participation for the Medicaid and Children's Basic Health Plan programs. Fees are set by the State Medical Services Board based on federal regulations and may be used for the following purposes once approved by the Centers for Medicare and Medicaid Services (CMS). Federal approval for this waiver was received in March 2010.

Payments to Hospitals. Hospital rates will increase through (1) maximizing provider payments based on federal regulations, (2) increasing payments under the Colorado Indigent Care Program (CICP) up to 100 percent of cost, and (3) paying a new quality incentive payment.

Expand Eligibility: If revenues are sufficient from the hospital provider fee, then the following eligibility changes are allowed: (1) CBHP eligibility may increase from 205% of the Federal Poverty Level (FPL) to 250% FPL; (2) eligibility for Medicaid adults may increase from 60% FPL to 100% FPL; (3) Medicaid eligibility will be continuous for 12-months; (4) creates a Medicaid buy-in program for disabled adults and children with incomes up to 450% FPL; and (5) creates a new medical assistance program from childless adults with incomes up to 100% FPL.

- ❑ **H.B. 09-1353 (Miklosi, Foster) Eligibility for Pregnant Legal Immigrants:** Authorized the Department of Health Care Policy and Financing to provide medical benefits under Medicaid and the Children's Basic Health Plan (CBHP) to pregnant women and children who are legal immigrants without a waiting period, so long as other eligibility criteria is met. Under current law, legal immigrants are not eligible for Medicaid or CBHP for 5 years after the date of entry into the United States. No funding has been made available for this expanded eligibility as of FY 2010-11.
- ❑ **S.B. 08-2 (Boyd, Soper) Family Caregiver Developmentally Disabled:** Specified that the Department of Human Services may purchase services and supports for persons with developmental disabilities from a family care giver in the family home if it is determined that this provides services in the least restrictive environment.
- ❑ **S.B. 08-90 (Hagedorn, McGihon) Mail Order Rx under Medicaid:** Allowed Medicaid clients to use a mail-order pharmacy if they have third-party insurance and require maintenance medications; and authorizes a mail-order pharmacy to bill Medicaid for the difference between the Medicaid co-payment and a third-party insurer's co-payment or deductible.
- ❑ **S.B. 08-99 (Sandoval, Stafford) Extending Foster Care Eligibility:** Expanded Medicaid eligibility to young adults, under age 21, for whom the state made subsidized adoption or foster care payments immediately prior to the client turning age 18. These young adults were not eligible for Title IV-E federal funds while in foster care, but received state benefits.

- ❑ **S.B. 08-118 (Keller, Buescher) Money Transfer for Medicaid Programs:** Provided that for FY 2008-09 through FY 2012-13, the Department of Public Health and Environment shall transfer \$2.0 million in funding from the Prevention, Early Detection, and Treatment Fund to the Department of Health Care Policy and Financing for Medicaid disease management programs. However, currently this funding is being used to offset General Fund appropriations. This funding is matched by federal funds.
- ❑ **S.B. 08-131 (Buescher, Morse) Increase for Supplemental Old Age Pension Medical Fund:** For all fiscal years, beginning with FY 2009-10, the bill increased funding to the Supplemental Old Age Pension (OAP) Health and Medical Care Fund by \$2,100,000. The total diversion to the fund increased from \$750,000 to \$2,850,000 annually.
- ❑ **S.B. 08-155 (Cadman, Kerr A) Centralized IT Management:** Consolidated the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT) by transferring several IT functions and staff positions from various state agencies to OIT.
- ❑ **S.B. 08-161 (Boyd, Merrifield) Income Verification for Medicaid and Children's Basic Health Plan Eligibility:** Required the Department of Health Care Policy and Financing to establish rules for Medicaid and the Children's Basic Health Plan (CBHP) to verify applicant income through records of the Department of Labor and Employment (DOLE). Allowed applicants to provide other forms of income verification if it is more recent than information available through the DOLE. In addition, requires the Advisory Committee on Covering All Children in Colorado to investigate the feasibility of combining Medicaid and the CBHP.
- ❑ **S.B. 08-230 (Morse, Buescher) Hospitals to Levy Sales Tax:** Authorized specified governmental hospital care providers, subject to voter approval, to levy and collect a sales tax within certain geographic areas. Establishes a definition of "state university teaching hospital" and authorizes the General Assembly to appropriate moneys annually to state university teaching hospitals for services provided under the state's Medicaid program. Provides direct appropriations to Denver Health Hospital and University Hospital for graduate medical education programs by transferring current funding for these activities contained in the Medical Services Premiums and Commission on Family Medicine line items. The net impact of the funding transfer is zero in both years.
- ❑ **H.B. 08-1046 (Stafford, Windels) Offenders Apply for Public Benefits:** For juveniles in a juvenile commitment facility and certain individuals committed to a Department of Human Services facility, requires appropriate personnel in each facility to provide assistance in applying for Medicaid, Children's Basic Health Plan benefits, Supplemental Security Income, or Social Security Disability Insurance at least 120 days prior to release from commitment, or as soon as practicable for those juveniles committed for less than 120 days.

- ❑ **H.B. 08-1114 (White, Isgar) Reimbursement of Nursing Facilities Under Medicaid:** Established a new methodology for reimbursing nursing facilities under the Medicaid program by establishing: (1) a reimbursement schedule for administrative and general services; (2) per diem rates for direct and indirect care, capital assets, and performance quality; (3) an additional per diem payment for clients with severe mental health conditions or cognitive dementia; and (4) reimbursement for speech therapy services. In addition, requires the Department of Health Care Policy and Financing to charge and collect a quality assurance fee from nursing facilities, with certain exceptions. Fees are intended to allow for increased payments to Medicaid nursing facilities based on the new reimbursement system. The fee can be used for administrative costs related to assessing the fee and to limit growth of General Fund expenditures to 3.0 percent annually. This bill was substantially amended by S.B. 09-263.

- ❑ **H.B. 08-1250 (Pommer, Johnson) County Contingency Fund:** Restructures funding of the County Administration group of line items. Replaces the County Contingency Fund with a new County Tax Base Relief Fund. Replaces the formulas used to determine the amount of assistance for which counties with high social services costs relative to their property tax base will be eligible.

- ❑ **H.B. 08-1374 (Pommer, Johnson) Program for All-inclusive Care for the Elderly - Repeal Cap on Rates:** Raised the rate cap on the Program for All Inclusive Care for the Elderly (PACE) from 95 percent of fee-for-service rates to up to 100 percent of fee-for-service rates.

- ❑ **H.B. 08-1409 (Pommer, Johnson) Medicaid Payment Recovery:** Authorized the Department of Health Care Policy and Financing to take all reasonable measures to determine the legal liability of third parties to pay for services provided to Medicaid clients and to pursue claims against liable parties.

**FY 2011-12 Joint Budget Committee Staff Budget Briefing
Department of Health Care Policy and Financing**

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

Long Bill Footnotes

- 8 **Department of Health Care Policy and Financing, Medical Services Premiums** -- It is the intent of the General Assembly that expenditures for these services should be recorded only against the bill group total for Medical Services Premiums.

Comment: This footnote reflects the legislative intent for the Division of Medical Services Premiums to have flexibility in spending the Medical Services Premium line item. The detail by aid category is provided for tracking and policy-making purposes only and does not restrict the Department's ability to move funding from one aid category to another based on actual expenditure patterns.

- 8a **Department of Health Care Policy and Financing, Medical Services Premiums** -- The appropriation assumes savings of \$1,057,450 total funds from expanding the number of drugs included in the State Maximum Allowable Cost (SMAC) pricing methodology. It is the intent of the General Assembly that the Department only include the number of drugs in the SMAC pricing necessary to achieve the savings included in the Long Bill calculations.

Comment: This footnote was added during the Long Bill debate. On September 20, 2010 the Department submitted a letter to Representative Ferrandino, then acting Chairman of the Joint Budget Committee, stating that the Department anticipated saving \$1.6 million by January 2011 from the SMAC program. This amount equals the original SMAC saving estimate from FY 2009-10 of \$510,806 plus the new FY 2010-11 estimate of \$1,057,450 for a total of \$1,568,256. If allowed to continue through the rest of the fiscal year, the total anticipated savings from the SMAC program is \$2,716,822 -- which is \$1,148,626 more than original cost estimates in the FY 2010-11 appropriation. The Department plans to continue the SMAC program after January 2011 even though doing so would be contrary to this footnote.

Staff recommends that during the supplemental process, this footnote be eliminated. Staff agrees with the Department that limiting the savings from the State MAC program will result in forgone savings that could be used to help balance the FY 2010-11 budget.

- 9 **Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs** -- This appropriation assumes the following: (1) A total children's caseload of 84,793 at an average per capita cost of \$2,070.79 per year; and (2) a total adult prenatal caseload of 2,467 at an average per capita cost of \$11,134.44 per year.

Comment: This footnote is informational only and indicates the assumptions used to calculate the FY 2010-11 Long Bill appropriation for the Children's Basic Health Plan.

- 10 **Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Dental Costs** -- This appropriation assumes an average cost of \$163.67 per child per year.

Comment: This footnote is information only and indicates the assumptions used to calculate the FY 2010-11 Long Bill appropriation for the Children's Basic Health Plan Dental program.

- 11 **Department of Health Care Policy and Financing, Department of Human Services - Medicaid-Funded Programs, Executive Director's Office - Medicaid Funding** -- The appropriation in this Health Care Policy and Financing line item corresponds to the Medicaid funding in the Department of Human Services, Executive Director's Office, General Administration. As such, the appropriation contains amounts that correspond to centralized appropriation amounts in the Department of Human Services. Consistent with the head notes to the Long Bill, the Department of Human Services is authorized to transfer the centralized appropriations to other line item appropriations to the Department of Human Services. In order to aid budget reconciliation between the Department of Health Care Policy and Financing and the Department of Human Services, the Department of Health Care Policy and Financing is hereby authorized to make line item transfers out of this appropriation to other Department of Human Services Medicaid-funded programs appropriation in this section (5) in amounts equal to the centralized appropriation transfers made by the Department of Human Services for Medicaid-funded programs in the Department of Human Services.

Comment: This footnote is included in the Long Bill to allow some flexibility in the transfer of funds in the Department of Human Services Medicaid-funded programs in order to reconcile to centralized appropriating transfers made in the Department of Human Services.

Requests for Information

- 1 **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

Comment: The Department complied with this request and submitted the following information.

In FY 2009-10, the Department of Health Care Policy and Financing (the Department) received a federal Health Resources and Services Administration (HRSA) grant that provided an additional 27.0 FTE not included in the FY 2009-10 Long Bill. Additionally, funding for the 0.8 FTE that was appropriated for FY 2009-10 through HB 09-1047, Alternative Therapies for Persons with Disabilities, was removed for FY 2010-11 through budget action by the Joint Budget Committee. However, a roll forward was provided that allows the Department to pay expenses incurred in FY 2010-11 pending a supplemental funding request and is funded through the Department's cash fund.

For FY 2010-11, the Department has received 3 private grants providing 3.5 FTE. In FY 2010-11 the Department is also applying for a federal "Money follows the Person" grant that, if approved, could provide up to 15 additional FTE. Additionally, the Department believes it may receive up to 5 additional FTE associated with pending applications for private grants.

- 13 Department of Health Care Policy and Financing, Executive Director's Office** -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.

Comment: The Department complies with this request. Monthly expenditure and caseload reports for the Department's caseload driven programs are delivered to the JBC and are posted on the Department's website. This information is used by staff to track monthly caseload and expenditure as well as forecast trends.

- 14 Department of Health Care Policy and Financing, Medical Services Premiums** -- The Department is requested to submit a report on the managed care organizations' capitation rates for each population and the estimated blended rate for each aid category in effect for FY 2010-11 to the Joint Budget Committee by September 1, 2010. The Department is requested to include in the report a copy of each managed care organization's certification that the reimbursement rates are sufficient to assure the financial stability of the managed care organization with respect to delivery of services to the Medicaid recipients covered in their contract pursuant to Section 25.5-5-404 (1) (I), C.R.S.

Comment: The Department submitted the requested information. This information is used by staff to track annual increases to rates for managed care organizations and behavior health organizations.

15 Department of Health Care Policy and Financing, Medicaid Mental Health Community Program, Mental Health Capitation Payments -- The Department is requested to provide a report to the Joint Budget Committee by December 1, 2010 recommending benefit or service reductions to Medicaid Mental Health programs in order to achieve a \$2,200,000 total fund savings between January 2011 and June 2011. In the report, the Department is requested to provide the following information:

- (1) cost estimates for each of the benefit or service changes recommended;
- (2) input from the behavioral health organizations on how such benefit and service reductions will be implemented;
- (3) a description of any involvement that mental health advocacy groups had in providing input on the benefit or service changes recommended; and
- (4) an analysis of whether rate reductions could be enacted within the actuarially sound range in lieu of benefit or service reductions recommended or in combination therewith.

Comment: See the staff briefing on Medicaid Mental Health (presented December 10, 2010) for information regarding this requested report.

16 Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments -- The Department is requested to report in their annual budget submission the amount of expenditures for each year for anti-psychotic pharmaceuticals.

Comment: The Department complied with this request and submitted the requested information. In FY 2009-10, after rebates, the Department's estimated expenditure for anti-psychotic pharmaceuticals was \$24.6 million total funds, which was a slight decrease from the FY 2008-09 estimated expenditures of \$25.5 million.

17 Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments -- The Department is requested to submit a report by February 1, 2011, to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payment line item for FY 2010-11.

Comment: The Department submits this report every February to the Committee. This information is used to tract disbursements to providers from the Indigent Care Program.

18 Department of Health Care Policy and Financing, Services for Old Age Pension State Medical Program Clients -- The Department is requested to inform the Joint Budget Committee of any planned reimbursement increases for the program prior to presentation to the Medical Services Board.

Comment: As of this date, the Department has not submitted any plans to the Joint Budget Committee to increase reimbursement rates for the Old Age Pension State Medical program.

- 19 Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services** -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health services program. The report should include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that was distributed to each school under the program. The report should also include information on how many children were served by the program.

Comment: The Department complied with this request and submitted the report. In FY 2009-10, 93 School Health Services Program Providers received Medicaid reimbursement totaling \$10,769,038.

Health Care Policy and Financing
JBC STAFF 5-Year Forecast -- November 2010 (with December Correction to HCEF Estimates)

Source: JBC Staff Working Paper/MJB

| | FY 2010-11 | FY 2010-11 | Estimated | FY 2011-12 | Growth | FY 2012-13 | Growth | FY 2013-14 | Growth | FY 2014-15 | Growth | FY 2015-16 | Growth |
|---|----------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | Appropriation* | New Estimate* | Supplemental** | Forecast | Over CUR App. | Forecast | Prior Year | Forecast | Prior Year | Forecast | Prior Year | Forecast | Prior Year |
| Executive Director's | 130,416,158 | 130,416,158 | 0 | 132,902,920 | 2,486,762 | 132,902,920 | 0 | 132,902,920 | 0 | 132,902,920 | 0 | 132,902,920 | 0 |
| FTE | 294.8 | 294.8 | 0 | 310.8 | 16 | 310.80 | 0 | 310.80 | 0 | 310.80 | 0 | 310.80 | 0 |
| General Fund | 36,179,178 | 36,179,178 | 0 | 36,179,178 | 0 | 36,179,178 | 0 | 36,179,178 | 0 | 36,179,178 | 0 | 36,179,178 | 0 |
| Cash Funds | 14,873,898 | 14,873,898 | 0 | 16,827,824 | 1,953,926 | 16,827,824 | 0 | 16,827,824 | 0 | 16,827,824 | 0 | 16,827,824 | 0 |
| Reappropriated Funds | 1,849,603 | 1,849,603 | 0 | 1,849,603 | 0 | 1,849,603 | 0 | 1,849,603 | 0 | 1,849,603 | 0 | 1,849,603 | 0 |
| Federal Funds | 77,513,479 | 77,513,479 | 0 | 78,046,315 | 532,836 | 78,046,315 | 0 | 78,046,315 | 0 | 78,046,315 | 0 | 78,046,315 | 0 |
| Medical Services Premiums | 3,106,858,127 | 3,411,805,939 | 304,947,812 | 3,605,121,869 | 498,263,742 | 3,922,493,807 | 317,371,937 | 4,341,251,555 | 418,757,748 | 4,925,117,356 | 583,865,801 | 5,321,975,053 | 396,857,697 |
| General Fund | 862,050,907 | 943,049,683 | 80,998,776 | 1,337,984,869 | 475,933,962 | 1,397,755,607 | 59,770,738 | 1,494,509,727 | 96,754,120 | 1,612,425,613 | 117,915,886 | 1,731,483,552 | 119,057,940 |
| Cash Funds | 339,633,220 | 427,241,508 | 87,608,288 | 462,469,539 | 122,836,319 | 561,083,620 | 98,614,081 | 571,614,804 | 10,531,185 | 481,128,527 | (90,486,278) | 501,199,394 | 20,070,867 |
| Reappropriated Funds | 7,595,243 | 7,448,053 | (147,190) | 2,997,264 | (4,597,979) | 3,038,550 | 41,287 | 3,082,635 | 44,085 | 3,127,328 | 44,693 | 3,173,894 | 46,566 |
| Federal Funds | 1,897,578,757 | 2,034,066,695 | 136,487,938 | 1,801,670,197 | (95,908,560) | 1,960,616,030 | 158,945,832 | 2,272,044,389 | 311,428,359 | 2,828,435,888 | 556,391,499 | 3,086,118,213 | 257,682,325 |
| Medicaid Mental Health | 250,582,216 | 255,055,202 | 4,472,986 | 279,649,296 | 29,067,080 | 319,783,721 | 40,134,425 | 344,519,807 | 24,736,087 | 432,571,679 | 88,051,872 | 475,145,414 | 42,573,734 |
| General Fund | 87,070,304 | 91,111,418 | 4,041,114 | 121,505,079 | 34,434,775 | 129,052,580 | 7,547,501 | 140,883,259 | 11,830,679 | 154,148,756 | 13,265,497 | 167,121,334 | 12,972,578 |
| Cash Funds | 9,555,600 | 11,629,210 | 2,073,610 | 17,998,549 | 8,442,949 | 30,507,844 | 12,509,295 | 31,001,769 | 493,925 | 19,314,302 | (11,687,467) | 21,237,874 | 1,923,572 |
| Reappropriated Funds | 12,046 | 13,535 | 1,489 | 13,535 | 1,489 | 14,679 | 1,144 | 15,286 | 608 | 15,919 | 633 | 16,578 | 659 |
| Federal Funds | 153,944,266 | 152,301,039 | (1,643,227) | 140,132,133 | (13,812,133) | 160,208,618 | 20,076,486 | 172,619,493 | 12,410,875 | 259,092,702 | 86,473,209 | 286,769,627 | 27,676,925 |
| Indigent Care Program | 564,952,398 | 561,144,279 | (3,808,119) | 640,099,221 | 75,146,823 | 674,419,197 | 34,319,976 | 652,110,376 | (22,308,821) | 464,707,603 | (187,402,772) | 339,845,079 | (110,031,199) |
| General Fund | 17,148,210 | 20,726,335 | 3,578,125 | 24,584,719 | 7,436,509 | 26,283,456 | 1,698,737 | 27,840,142 | 1,556,686 | 25,673,207 | (2,166,936) | 10,841,881 | (14,831,326) |
| Cash Funds | 212,051,294 | 206,612,612 | (5,438,682) | 261,938,744 | 49,887,450 | 271,684,337 | 9,745,592 | 261,748,035 | (9,936,302) | 186,965,487 | (74,782,548) | 139,781,032 | (47,184,454) |
| Reappropriated Funds | 7,303,880 | 13,042,438 | 5,738,558 | 16,306,729 | 9,002,849 | 18,005,466 | 1,698,737 | 19,562,152 | 1,556,686 | 17,395,217 | (2,166,936) | 2,563,891 | (14,831,326) |
| Federal Funds | 328,449,014 | 320,762,894 | (7,686,120) | 337,269,027 | 8,820,013 | 358,445,937 | 21,176,910 | 342,960,046 | (15,485,891) | 234,673,693 | (108,286,353) | 186,658,274 | (48,015,419) |
| Other Medical Services | 122,603,094 | 124,168,623 | 1,565,529 | 145,824,714 | 23,221,620 | 150,222,124 | 4,397,410 | 154,278,846 | 4,056,722 | 158,494,973 | 154,097,564 | 165,311,535 | 6,816,562 |
| General Fund | 72,331,577 | 73,897,106 | 1,565,529 | 95,553,197 | 23,221,620 | 99,950,607 | 4,397,410 | 104,007,329 | 4,056,722 | 108,223,456 | 4,216,127 | 115,040,018 | 6,816,562 |
| Cash Funds | 30,474,490 | 30,474,490 | 0 | 30,474,490 | 0 | 30,474,490 | 0 | 30,474,490 | 0 | 30,474,490 | 0 | 30,474,490 | 0 |
| Reappropriated Funds | 2,235,000 | 2,235,000 | 0 | 2,235,000 | 0 | 2,235,000 | 0 | 2,235,000 | 0 | 2,235,000 | 0 | 2,235,000 | 0 |
| Federal Funds | 17,562,027 | 17,562,027 | 0 | 17,562,027 | 0 | 17,562,027 | 0 | 17,562,027 | 0 | 17,562,027 | 0 | 17,562,027 | 0 |
| DHS Programs | See DHS | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a |
| General Fund | See DHS | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a |
| Cash Funds | See DHS | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a |
| Reappropriated Funds | See DHS | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a |
| Federal Funds | See DHS | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a | See DHS | n/a |
| Fund Offsets (Due to Projected Cash Fund Deficits in HCE Fund) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Fund | 0 | 0 | 0 | 32,608,308 | 32,608,308 | 90,836,294 | 58,227,986 | 92,080,425 | 1,244,131 | 81,025,026 | (11,055,399) | 95,972,809 | 14,947,783 |
| Cash Funds | 0 | 0 | 0 | (32,608,308) | (32,608,308) | (90,836,294) | (58,227,986) | (92,080,425) | (1,244,131) | (81,025,026) | 11,055,399 | (95,972,809) | (14,947,783) |
| DEPARTMENT TOTAL w/o DHS Programs | 4,165,856,393 | 4,482,590,201 | 316,733,808 | 4,803,598,020 | 637,741,627 | 5,199,821,768 | 396,223,748 | 5,625,063,504 | 425,241,736 | 6,113,794,532 | 488,731,028 | 6,435,180,001 | 321,385,469 |
| FTE | 294.80 | 294.80 | 0 | 310.80 | 16.0 | 310.8 | 0 | 310.8 | 0 | 310.8 | 0 | 310.8 | 0 |
| General Fund | 1,074,780,176 | 1,164,963,720 | 90,183,544 | 1,648,415,351 | 573,635,175 | 1,780,057,722 | 131,642,371 | 1,895,500,060 | 115,442,338 | 2,017,675,237 | 122,175,176 | 2,156,638,773 | 138,963,537 |
| Cash Funds | 597,032,902 | 690,831,718 | 93,798,816 | 757,100,839 | 160,067,937 | 819,741,820 | 62,640,982 | 819,586,497 | (155,324) | 653,685,603 | (165,900,894) | 613,547,805 | (40,137,798) |
| Reappropriated Funds | 18,995,772 | 24,588,629 | 5,592,857 | 23,402,131 | 4,406,359 | 25,143,298 | 1,741,168 | 26,744,677 | 1,601,378 | 24,623,067 | (2,121,610) | 9,838,967 | (14,784,100) |
| Federal Funds | 2,475,047,543 | 2,602,206,134 | 127,158,591 | 2,374,679,699 | (100,367,844) | 2,574,878,927 | 200,199,228 | 2,883,232,270 | 308,353,343 | 3,417,810,625 | 534,578,355 | 3,655,154,456 | 237,343,831 |

JBC STAFF 5 - Year Forecast for the Health Care Expansion Fund

| | FY 2009-10 (with ARRA Impact) | FY 2010-11 Rev. with ARRA Impact | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2014-16 |
|--|----------------------------------|-------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| A. Tobacco Tax Revenues | | | | | | | |
| Tax Revenue ¹ | \$148,454,086 | \$151,642,013 | \$142,551,006 | \$139,808,589 | \$139,808,589 | \$139,808,589 | \$139,808,589 |
| B. Health Care Expansion Fund | | | | | | | |
| Transfer (46%) | \$68,288,880 | \$69,755,326 | \$65,573,463 | \$64,311,951 | \$64,311,951 | \$64,311,951 | \$64,311,951 |
| Less 10% Reserve Requirement | | | N/A | N/A | N/A | N/A | N/A |
| Interest Earned | \$2,788,748 | \$2,830,815 | \$1,980,302 | \$1,221,927 | \$1,221,927 | \$1,221,927 | \$1,221,927 |
| Health Care Expansion Funds Available | \$71,077,628 | \$72,586,141 | \$67,553,765 | \$65,533,878 | \$65,533,878 | \$65,533,878 | \$65,533,878 |
| C. Health Care Expansion Fund Reserve Balance | | | | | | | |
| Previous Year's Reserve Fund Ending Balance | \$119,601,623 | \$79,234,954 | \$41,977,802 | \$0 | \$0 | \$0 | \$0 |
| Previous Year's Unspent Health Care Expansion Fund Balance | | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Beginning Health Care Expansion Fund Reserve Balance | \$119,601,623 | \$79,234,954 | \$41,977,802 | \$0 | \$0 | \$0 | \$0 |
| 10% of Yearly Appropriation to the Health Care Expansion Fund | | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fund Required from the Reserve Balance in the Current Year ⁴ | \$40,366,669 | \$37,257,152 | \$41,977,802 | \$0 | \$0 | \$0 | \$0 |
| Interest Earned ³ | | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Health Care Expansion Fund Year-End Reserve Balance | \$79,234,954 | \$41,977,802 | \$0 | \$0 | \$0 | \$0 | \$0 |
| D. Health Care Expansion Fund Expenditures | | | | | | | |
| (1) Executive Director's Office & Other | \$9,004,215 | \$953,481 | \$953,481 | \$953,481 | \$953,481 | \$953,481 | \$953,481 |
| (2) Medical Service Premiums | \$65,813,605 | \$75,920,042 | \$101,320,454 | \$107,000,244 | \$113,195,328 | \$127,308,636 | \$142,821,506 |
| (3) Medicaid Mental Health Community Programs | \$6,047,643 | \$8,316,959 | \$9,755,440 | \$12,151,702 | \$12,654,782 | \$14,160,059 | \$15,813,045 |
| (4) Children's Basic Health Plan | \$30,037,096 | \$24,068,995 | \$29,526,682 | \$35,680,929 | \$30,226,895 | \$3,552,912 | \$1,334,838 |
| (6) Department of Human Services Medicaid Funded Programs | \$541,738 | \$583,817 | \$583,817 | \$583,817 | \$583,817 | \$583,817 | \$583,817 |
| E. Total Health Care Expansion Fund Expenditures | \$111,444,297 | \$109,843,293 | \$142,139,874 | \$156,370,172 | \$157,614,303 | \$146,558,904 | \$161,506,687 |
| F. Health Care Expansion Fund Populations Funding Shortfall | \$0 | \$0 | \$32,608,308 | \$90,836,294 | \$92,080,425 | \$81,025,026 | \$95,972,809 |
| G. Health Care Expansion Fund Reserve Balance - Increase / (Decrease) | (\$40,366,669) | (\$37,257,152) | (\$74,586,110) | n/a | n/a | n/a | n/a |

| JBC Staff 5 - Year Forecast for the Children's Basic Health Plan Trust Fund | | | | | | | |
|--|---------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| PROGRAM REVENUES | FY 2010-11 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
| Beginning Balance | \$599,735 | \$599,735 | \$0 | \$0 | \$0 | \$0 | \$0 |
| General Fund Appropriations/Request | \$9,411,482 | \$9,411,482 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Tobacco Master Settlement Funds to Trust | \$26,925,764 | \$26,925,764 | \$26,208,640 | \$26,219,635 | \$26,219,635 | \$26,219,635 | \$26,219,635 |
| Annual Enrollment Fees | \$416,705 | 358,848 | 414,804 | 456,181 | 415,122 | 235,213 | 190,439 |
| Interest Earnings | \$288,108 | \$288,108 | \$204,428 | \$204,428 | \$204,428 | \$204,428 | \$204,428 |
| Supplemental Tobacco Litigation Settlement Account | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Colorado Immunization Fund ⁵ | \$559,603 | <u>\$559,603</u> | <u>\$583,099</u> | <u>\$583,099</u> | <u>\$583,099</u> | <u>\$583,099</u> | <u>\$583,099</u> |
| Total Revenues | \$38,201,397 | \$38,143,540 | \$27,410,971 | \$27,463,343 | \$27,422,284 | \$27,242,375 | \$27,197,601 |
| PROGRAM EXPENDITURES | | | | | | | |
| Estimated Program Expenditures from Trust Fund | \$34,967,211 | 38,824,025 | 40,767,229 | 42,518,339 | 44,033,965 | 41,687,121 | 26,811,021 |
| Estimated Program Expenditure from Colorado Immunization Fund | \$465,000 | above | above | above | above | above | above |
| Internal Admin- Trust Fund | \$563,709 | \$563,709 | \$563,709 | \$563,709 | \$563,709 | \$563,709 | \$563,709 |
| External Admin- Trust Fund | \$1,939,762 | \$1,939,762 | \$1,939,762 | \$1,939,762 | \$1,939,762 | \$1,939,762 | \$1,939,762 |
| Total Expenditures | \$37,935,682 | \$41,327,496 | \$43,270,700 | \$45,021,810 | \$46,537,436 | \$44,190,592 | \$29,314,492 |
| Remaining Balance in Trust Fund | \$265,715 | (\$3,183,956) | (\$15,859,729) | (\$17,558,466) | (\$19,115,152) | (\$16,948,217) | (\$2,116,891) |

STAFF 5 - YEAR FORECAST -- BASELINE BEFORE ANY POLICY CHANGES -- MEDICAID CASELOAD

| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant Adults | Non-Citizens | Partial Dual Eligibles | Total |
|--|---------------------|--------------------------|----------------------------|--|------------------|----------------------------------|-------------------|---------------|-----------------|---------------|------------------------|----------------|
| FY 2005-06 ACTUAL | 36,207 | 6,042 | 47,855 | 58,885 | 0 | 188 | 214,158 | 16,460 | 5,119 | 6,212 | 11,092 | 402,218 |
| FY 2006-07 ACTUAL | 35,888 | 6,059 | 48,799 | 50,687 | 5,162 | 228 | 205,390 | 16,724 | 5,182 | 5,201 | 12,908 | 392,228 |
| FY 2007-08 ACTUAL | 36,284 | 6,146 | 49,933 | 44,555 | 8,918 | 270 | 204,022 | 17,141 | 6,288 | 4,191 | 14,214 | 391,962 |
| FY 2008-09 ACTUAL | 37,619 | 6,447 | 51,355 | 49,147 | 12,727 | 317 | 235,129 | 18,033 | 6,976 | 3,987 | 15,075 | 436,812 |
| FY 2009-10 ACTUAL | 38,487 | 7,049 | 53,264 | 57,661 | 20,416 | 425 | 275,672 | 18,381 | 7,830 | 3,693 | 15,919 | 498,797 |
| FY 2010-11 (JBC Staff March 2010 Forecast) -- OFFICIAL FORECAST FOR FIGURE SETTING 2010 | | | | | | | | | | | | |
| Traditional Medicaid | 38,422 | 7,076 | 52,569 | 58,404 | 0 | 347 | 274,801 | 17,482 | 7,256 | 3,415 | 16,954 | 476,726 |
| Legal Immigrants | 556 | 95 | 757 | 1,054 | 0 | 0 | 2,854 | 193 | 0 | 0 | 316 | 5,825 |
| Amendment 35 Expansion | 0 | 0 | 777 | 7,308 | 20,342 | 126 | 28,833 | 1,215 | 0 | 0 | 0 | 58,601 |
| HB 1293 Expansion | 0 | 0 | 0 | 0 | 12,255 | 0 | 0 | 0 | 0 | 0 | 0 | 12,255 |
| TOTAL CASELOAD | 38,978 | 7,171 | 54,103 | 66,766 | 32,597 | 473 | 306,488 | 18,890 | 7,256 | 3,415 | 17,270 | 553,407 |
| % Growth forecasted | 1.28% | 1.73% | 1.58% | 15.79% | 59.66% | 11.29% | 11.18% | 2.77% | 0.47% | -7.53% | 8.49% | 11.08% |
| Department February 2010 Forecast | | | | | | | | | | | | |
| TOTAL CASELOAD | 39,162 | 7,424 | 54,344 | 66,076 | 31,632 | 471 | 307,278 | 18,753 | 7,047 | 3,571 | 17,119 | 552,877 |
| Staff - Department Forecast | | | | | | | | | | | | |
| Total Caseload | (184) | (253) | (241) | 690 | 965 | 2 | (790) | 137 | 209 | (156) | 151 | 530 |
| FY 2010-11 STAFF Forecast -- October 2010 | | | | | | | | | | | | |
| Traditional Medicaid | 38,471 | 7,536 | 54,070 | 50,229 | 0 | 379 | 264,165 | 17,219 | 8,174 | 3,413 | 16,649 | 460,304 |
| Legal Immigrants | 565 | 96 | 771 | 1,090 | 0 | 0 | 2,854 | 193 | 0 | 0 | 337 | 5,907 |
| Amendment 35 Expansion | 0 | 0 | 777 | 7,559 | 20,566 | 140 | 28,833 | 1,215 | 0 | 0 | 0 | 59,090 |
| HB 1293 Expansion | 0 | 0 | 0 | 0 | 29,458 | 0 | 0 | 0 | 0 | 0 | 0 | 29,458 |
| HB 1293 Childless Adults | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CASELOAD | 39,036 | 7,632 | 55,618 | 58,878 | 50,024 | 519 | 295,852 | 18,627 | 8,174 | 3,413 | 16,986 | 554,760 |
| % Growth forecasted | 1.43% | 8.28% | 4.42% | 2.11% | 145.02% | 22.02% | 7.32% | 1.34% | 13.18% | -7.57% | 6.70% | 11.36% |
| YTD (Through September) | 38,935 | 7,483 | 54,998 | 56,251 | 42,615 | 489 | 290,046 | 18,511 | 7,965 | 3,367 | 16,608 | 537,268 |
| October - March 2010 | | | | | | | | | | | | |
| Total Caseload Change | 58 | 461 | 1,515 | (7,888) | 17,427 | 46 | (10,636) | (263) | 918 | (2) | (284) | 1,353 |

STAFF 5 - YEAR FORECAST -- BASELINE BEFORE ANY POLICY CHANGES -- MEDICAID CASELOAD

| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant Adults | Non-Citizens | Partial Dual Eligibles | Total |
|----------------------------|---------------------|--------------------------|----------------------------|--|------------------|----------------------------------|-------------------|---------------|-----------------|--------------|------------------------|----------------|
| FY 2011-12 Forecast | | | | | | | | | | | | |
| Traditional Medicaid | 39,127 | 7,839 | 55,539 | 52,386 | 0 | 442 | 267,852 | 18,077 | 8,300 | 3,587 | 17,740 | 470,888 |
| Legal Immigrants | 565 | 96 | 771 | 1,090 | 0 | 0 | 2,854 | 193 | 0 | 0 | 337 | 5,907 |
| Amendment 35 Expansion | 0 | 0 | 777 | 7,451 | 24,496 | 140 | 28,412 | 1,248 | 0 | 0 | 0 | 62,524 |
| HB 1293 Expansion | 0 | 0 | 1,200 | 0 | 43,169 | 0 | 9,250 | 0 | 0 | 0 | 0 | 53,619 |
| HB 1293 Childless Adults | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CASELOAD | 39,692 | 7,935 | 58,286 | 60,927 | 67,664 | 582 | 308,368 | 19,518 | 8,300 | 3,587 | 18,077 | 592,937 |
| % Growth forecasted | 1.68% | 3.96% | 4.80% | 3.48% | 35.26% | 12.21% | 4.23% | 4.78% | 1.55% | 5.09% | 6.42% | 6.88% |
| FY 2012-13 Forecast | | | | | | | | | | | | |
| Traditional Medicaid | 39,838 | 8,127 | 56,981 | 50,400 | 0 | 501 | 257,667 | 19,711 | 8,002 | 3,626 | 18,843 | 463,697 |
| Legal Immigrants | 565 | 96 | 771 | 1,090 | 0 | 0 | 2,854 | 193 | 0 | 0 | 337 | 5,907 |
| Amendment 35 Expansion | 0 | 0 | 777 | 7,489 | 25,461 | 140 | 28,347 | 1,280 | 0 | 0 | 0 | 63,494 |
| HB 1293 Expansion | 0 | 0 | 3,400 | 0 | 56,026 | 0 | 48,500 | 0 | 0 | 0 | 0 | 107,926 |
| HB 1293 Childless Adults | 0 | 0 | 0 | 0 | 11,250 | 0 | 0 | 0 | 0 | 0 | 0 | 11,250 |
| TOTAL CASELOAD | 40,403 | 8,223 | 61,929 | 58,980 | 92,737 | 641 | 337,368 | 21,184 | 8,002 | 3,626 | 19,180 | 652,274 |
| % Growth forecasted | 1.79% | 3.64% | 6.25% | -3.20% | 37.06% | 10.08% | 9.40% | 8.54% | -3.59% | 1.09% | 6.10% | 10.01% |
| FY 2013-14 Forecast | | | | | | | | | | | | |
| Traditional Medicaid | 40,549 | 8,416 | 58,424 | 50,299 | 0 | 557 | 280,089 | 21,395 | 7,704 | 3,685 | 19,946 | 491,064 |
| Legal Immigrants | 565 | 96 | 771 | 1,090 | 0 | 0 | 2,854 | 193 | 0 | 0 | 337 | 5,907 |
| Amendment 35 Expansion | 0 | 0 | 777 | 7,753 | 25,608 | 140 | 29,228 | 1,313 | 0 | 0 | 0 | 64,819 |
| HB 1293 Expansion | 0 | 0 | 4,650 | 0 | 61,526 | 0 | 48,500 | 0 | 0 | 0 | 0 | 114,676 |
| HB 1293 Childless Adults | 0 | 0 | 0 | 0 | 80,725 | 0 | 0 | 0 | 0 | 0 | 0 | 80,725 |
| ACA Expansion | 0 | 0 | 0 | 500 | 5,450 | 0 | 14,650 | 0 | 0 | 0 | 0 | 20,600 |
| TOTAL CASELOAD | 41,114 | 8,512 | 64,621 | 59,642 | 173,309 | 697 | 375,322 | 22,901 | 7,704 | 3,685 | 20,283 | 777,791 |
| % Growth forecasted | 1.76% | 3.51% | 4.35% | 1.12% | 86.88% | 8.83% | 11.25% | 8.10% | -3.72% | 1.63% | 5.75% | 19.24% |
| FY 2014-15 Forecast | | | | | | | | | | | | |
| Traditional Medicaid | 41,260 | 8,704 | 59,866 | 53,140 | 0 | 614 | 314,184 | 22,328 | 7,406 | 3,720 | 21,049 | 532,271 |
| Legal Immigrants | 565 | 96 | 771 | 1,090 | 0 | 0 | 2,854 | 193 | 0 | 0 | 337 | 5,907 |
| Amendment 35 Expansion | 0 | 0 | 777 | 8,026 | 30,448 | 140 | 30,137 | 1,346 | 0 | 0 | 0 | 70,874 |
| HB 1293 Expansion | 0 | 0 | 4,950 | 0 | 63,723 | 0 | 48,500 | 0 | 0 | 0 | 0 | 117,173 |
| HB 1293 Childless Adults | 0 | 0 | 0 | 0 | 115,792 | 0 | 0 | 0 | 0 | 0 | 0 | 115,792 |
| ACA Expansion | 0 | 0 | 0 | 1,000 | 16,450 | 0 | 44,450 | 0 | 0 | 0 | 0 | 61,900 |
| TOTAL CASELOAD | 41,825 | 8,801 | 66,364 | 63,256 | 226,413 | 754 | 440,125 | 23,867 | 7,406 | 3,720 | 21,386 | 903,917 |
| % Growth forecasted | 1.73% | 3.39% | 2.70% | 6.06% | 30.64% | 8.11% | 17.27% | 4.22% | -3.87% | 0.95% | 5.44% | 16.22% |
| FY 2015-16 Forecast | | | | | | | | | | | | |
| Traditional Medicaid | 41,971 | 8,993 | 61,309 | 53,909 | 0 | 670 | 345,971 | 22,860 | 7,624 | 3,744 | 22,152 | 569,204 |
| Legal Immigrants | 565 | 96 | 771 | 1,090 | 0 | 0 | 2,854 | 193 | 0 | 0 | 337 | 5,907 |
| Amendment 35 Expansion | 0 | 0 | 777 | 8,308 | 35,516 | 140 | 31,075 | 1,380 | 0 | 0 | 0 | 77,196 |
| HB 1293 Expansion | 0 | 0 | 5,000 | 0 | 66,227 | 0 | 48,500 | 0 | 0 | 0 | 0 | 119,727 |
| HB 1293 Childless Adults | 0 | 0 | 0 | 0 | 116,100 | 0 | 0 | 0 | 0 | 0 | 0 | 116,100 |
| ACA Expansion | 0 | 0 | 0 | 1,000 | 24,900 | 0 | 67,750 | 0 | 0 | 0 | 0 | 93,650 |
| TOTAL CASELOAD | 42,536 | 9,089 | 67,857 | 64,308 | 242,743 | 810 | 496,149 | 24,434 | 7,624 | 3,744 | 22,490 | 981,784 |
| % Growth forecasted | 1.70% | 3.28% | 2.25% | 1.66% | 7.21% | 7.51% | 12.73% | 2.37% | 2.94% | 0.65% | 5.16% | 8.61% |

JBC STAFF

Premiums Forecast for October 5-Year -- TOTAL FUNDS

| | Categorically | | | | | | | | | | | Total |
|--|----------------------|--------------------------|----------------------------|----------------------------|--------------------|----------------------------------|--------------------|--------------------|-------------------|-------------------|------------------------|----------------------|
| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Eligible Low Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant Adults | Non-Citizens | Partial Dual Eligibles | Total |
| Medical Services Premiums Estimates | | | | | | | | | | | | |
| FY 2010-11 Acute Care Costs | 101,088,680 | 58,248,935 | 520,370,430 | 241,316,827 | 138,230,302 | 10,134,916 | 507,862,176 | 64,162,627 | 73,244,437 | 52,093,916 | 3,612,557 | 1,770,365,804 |
| FY 2010-11 Community Long Term | 150,080,143 | 22,389,832 | 133,028,913 | 209,397 | 37,555 | 0 | 886,928 | 7,102,369 | 0 | 1,348 | 213,906 | 313,950,391 |
| FY 2010-11 Class 1 Nursing Facility | 445,154,212 | 32,631,564 | 80,391,648 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 263,713 | 558,441,137 |
| FY 2010-11 Class 2 Nursing Facility | 0 | 375,760 | 1,917,951 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,293,712 |
| FY 2010-11 PACE | 68,948,630 | 5,741,634 | 2,624,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 77,314,439 |
| FY 2010-11 Insurance Premiums | 60,567,079 | 3,535,711 | 32,891,716 | 203,913 | 0 | 0 | 18,389 | 1,511 | 3,338 | 0 | 17,524,769 | 114,746,426 |
| FY 2010-11 Administrative Costs | 12,695,460 | 2,275,000 | 11,615,914 | 843,922 | 235,024 | 0 | 3,668,661 | 320,769 | 130,463 | 61,675 | 7,426 | 31,854,315 |
| FY 2010-11 Bottom Line Financing | 141,714,381 | 21,906,867 | 132,447,667 | 40,903,271 | 8,744,119 | 1,569,139 | 88,277,537 | 12,266,356 | 10,607,218 | 10,163,676 | 4,006,999 | 472,607,230 |
| FY 2010-11 TOTAL PREMIUMS Estimate | 980,248,586 | 147,105,303 | 915,288,413 | 283,477,330 | 147,247,001 | 11,704,056 | 600,713,692 | 83,853,633 | 83,985,456 | 62,320,614 | 25,629,370 | 3,341,573,453 |
| FY 2010-11 Roll Forward from 09-10 | 20,602,658 | 3,091,828 | 19,237,339 | 5,958,067 | 3,094,806 | 245,993 | 12,625,674 | 1,762,418 | 1,765,189 | 1,309,842 | 538,673 | 70,232,486 |
| FY 2010-11 TOTAL Est. Premiums | 1,000,851,244 | 150,197,131 | 934,525,752 | 289,435,397 | 150,341,807 | 11,950,049 | 613,339,365 | 85,616,051 | 85,750,644 | 63,630,456 | 26,168,043 | 3,411,805,939 |
| Medical Services Premiums Estimates | | | | | | | | | | | | |
| FY 2011-12 Acute Care Costs | 107,042,854 | 63,063,527 | 567,916,249 | 260,052,653 | 194,715,277 | 11,843,095 | 551,263,000 | 70,013,498 | 77,456,288 | 57,009,431 | 4,003,782 | 1,964,379,653 |
| FY 2011-12 Community Long Term | 153,757,107 | 22,938,383 | 136,288,121 | 214,527 | 38,475 | 0 | 908,658 | 7,276,377 | 0 | 1,381 | 219,146 | 321,642,175 |
| FY 2011-12 Class 1 Nursing Facility | 462,960,381 | 33,936,826 | 83,607,314 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 274,261 | 580,778,782 |
| FY 2011-12 Class 2 Nursing Facility | 0 | 390,791 | 1,994,669 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,385,460 |
| FY 2011-12 PACE | 72,911,589 | 6,207,855 | 2,860,093 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 81,979,537 |
| FY 2011-12 Insurance Premiums | 62,924,366 | 3,755,727 | 35,219,671 | 215,598 | 0 | 0 | 19,584 | 1,618 | 3,463 | 0 | 19,056,145 | 121,196,173 |
| FY 2011-12 Administrative Costs | 13,391,757 | 2,453,337 | 12,622,216 | 892,341 | 324,815 | 0 | 3,907,091 | 343,549 | 135,362 | 67,287 | 8,205 | 34,145,960 |
| FY 2011-12 Bottom Line Financing | 498,614,128 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 498,614,128 |
| FY 2011-12 TOTAL PREMIUMS Estimate | 1,371,602,182 | 132,746,447 | 840,508,334 | 261,375,119 | 195,078,568 | 11,843,095 | 556,098,333 | 77,635,041 | 77,595,113 | 57,078,099 | 23,561,540 | 3,605,121,869 |
| Medical Services Premiums Estimates | | | | | | | | | | | | |
| FY 2012-13 Acute Care Costs | 113,471,177 | 68,063,233 | 628,388,943 | 262,163,303 | 277,915,589 | 13,576,260 | 628,074,241 | 79,137,105 | 77,767,777 | 60,015,151 | 4,423,991 | 2,212,996,769 |
| FY 2012-13 Community Long Term | 163,040,330 | 25,320,029 | 155,471,484 | 220,163 | 73,075 | 0 | 1,061,554 | 8,477,934 | 0 | 1,503 | 253,519 | 353,919,591 |
| FY 2012-13 Class 1 Nursing Facility | 481,478,796 | 35,294,299 | 86,951,606 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 285,232 | 604,009,934 |
| FY 2012-13 Class 2 Nursing Facility | 0 | 406,422 | 2,074,456 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,480,879 |
| FY 2012-13 PACE | 77,186,297 | 6,691,009 | 3,160,387 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 87,037,693 |
| FY 2012-13 Insurance Premiums | 65,444,598 | 3,976,999 | 38,234,604 | 213,247 | 0 | 0 | 21,892 | 1,794 | 3,411 | 0 | 20,658,842 | 128,555,387 |
| FY 2012-13 Administrative Costs | 13,417,043 | 2,461,151 | 12,707,713 | 882,648 | 454,859 | 0 | 4,367,107 | 380,072 | 133,342 | 67,287 | 8,205 | 34,879,427 |
| FY 2012-13 Bottom Line Financing | 149,512,720 | 23,112,370 | 139,736,072 | 43,154,119 | 9,225,296 | 1,655,487 | 93,135,324 | 12,941,356 | 11,190,918 | 10,722,968 | 4,227,499 | 498,614,128 |
| FY 2012-13 TOTAL PREMIUMS Estimate | 1,063,550,959 | 165,325,513 | 1,066,725,266 | 306,633,480 | 287,668,818 | 15,231,747 | 726,660,118 | 100,938,261 | 89,095,448 | 70,806,909 | 29,857,287 | 3,922,493,807 |
| Medical Services Premiums Estimates | | | | | | | | | | | | |
| FY 2013-14 Acute Care Costs | 120,248,297 | 73,368,827 | 682,856,715 | 276,082,010 | 540,875,726 | 15,386,923 | 727,659,314 | 89,090,660 | 77,972,300 | 63,516,779 | 4,872,131 | 2,671,929,684 |
| FY 2013-14 Community Long Term | 169,974,124 | 26,850,822 | 166,205,804 | 228,089 | 139,909 | 0 | 1,209,912 | 9,389,369 | 0 | 1,565 | 274,669 | 374,274,263 |
| FY 2013-14 Class 1 Nursing Facility | 500,737,948 | 36,706,071 | 90,429,670 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 296,641 | 628,170,331 |
| FY 2013-14 Class 2 Nursing Facility | 0 | 422,679 | 2,157,434 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,580,114 |
| FY 2013-14 PACE | 81,686,323 | 7,202,884 | 3,429,707 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 92,318,914 |
| FY 2013-14 Insurance Premiums | 68,044,692 | 4,206,119 | 40,764,744 | 220,331 | 0 | 0 | 24,884 | 1,982 | 3,356 | 0 | 22,322,241 | 135,588,350 |
| FY 2013-14 Administrative Costs | 14,408,594 | 2,790,662 | 15,267,476 | 1,595,675 | 850,048 | 22,844 | 6,075,246 | 581,437 | 297,446 | 70,617 | 9,038 | 41,969,084 |
| FY 2013-14 Bottom Line Financing | 138,122,300 | 21,351,586 | 129,090,473 | 39,866,482 | 8,522,479 | 1,529,366 | 86,039,938 | 11,955,437 | 10,338,353 | 9,906,054 | 3,905,433 | 460,627,901 |
| FY 2013-14 TOTAL PREMIUMS Estimate | 1,093,222,278 | 172,899,650 | 1,130,202,024 | 317,992,587 | 550,388,164 | 16,939,133 | 821,009,295 | 111,018,886 | 88,611,455 | 73,495,015 | 31,680,153 | 4,407,458,639 |

JBC STAFF

Premiums Forecast for October 5-Year -- TOTAL FUNDS

| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant Adults | Non-Citizens | Partial Dual Eligibles | Total |
|---|----------------------|--------------------------|----------------------------|--|--------------------|----------------------------------|----------------------|--------------------|-------------------|-------------------|------------------------|----------------------|
| FY 2014-15 Acute Care Costs | 127,392,078 | 78,997,066 | 730,303,108 | 304,931,692 | 735,859,426 | 17,324,241 | 888,623,881 | 96,694,226 | 78,060,467 | 66,774,656 | 5,349,795 | 3,130,310,636 |
| FY 2014-15 Community Long Term | 177,149,809 | 28,441,426 | 174,869,528 | 247,835 | 187,257 | 0 | 1,453,577 | 10,025,342 | 0 | 1,618 | 296,703 | 392,673,095 |
| FY 2014-15 Class 1 Nursing Facility | 520,767,466 | 38,174,314 | 94,046,857 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 308,507 | 653,297,144 |
| FY 2014-15 Class 2 Nursing Facility | 0 | 439,587 | 2,243,732 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,683,318 |
| FY 2014-15 PACE | 86,422,853 | 7,745,002 | 3,663,080 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 97,830,936 |
| FY 2014-15 Insurance Premiums | 70,726,931 | 4,443,324 | 42,774,541 | 238,763 | 0 | 0 | 29,816 | 2,110 | 3,296 | 0 | 24,048,225 | 142,267,007 |
| FY 2014-15 Administrative Costs | 15,196,429 | 2,985,233 | 16,391,802 | 1,670,219 | 1,134,666 | 22,844 | 7,037,868 | 608,660 | 295,166 | 74,508 | 9,923 | 45,427,318 |
| FY 2014-15 Bottom Line Financing | 138,122,300 | 21,351,586 | 129,090,473 | 39,866,482 | 8,522,479 | 1,529,366 | 86,039,938 | 11,955,437 | 10,338,353 | 9,906,054 | 3,905,433 | 460,627,901 |
| FY 2014-15 TOTAL PREMIUMS Estimate | 1,135,777,866 | 182,577,538 | 1,193,383,122 | 346,954,992 | 745,703,829 | 18,876,450 | 983,185,080 | 119,285,775 | 88,697,283 | 76,756,836 | 33,918,586 | 4,925,117,356 |
| FY 2015-16 Acute Care Costs | 134,921,263 | 84,965,572 | 777,642,652 | 322,837,712 | 821,594,540 | 19,395,595 | 1,043,210,432 | 103,087,043 | 83,682,502 | 69,987,785 | 5,858,659 | 3,467,183,755 |
| FY 2015-16 Community Long Term | 184,575,075 | 30,093,852 | 183,183,120 | 258,130 | 205,682 | 0 | 1,678,751 | 10,514,705 | 0 | 1,669 | 319,652 | 410,830,637 |
| FY 2015-16 Class 1 Nursing Facility | 541,598,165 | 39,701,287 | 97,808,732 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 320,847 | 679,429,030 |
| FY 2015-16 Class 2 Nursing Facility | 0 | 457,170 | 2,333,481 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,790,651 |
| FY 2015-16 PACE | 91,407,608 | 8,318,966 | 3,895,283 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 103,621,857 |
| FY 2015-16 Insurance Premiums | 73,493,658 | 4,688,858 | 44,687,840 | 248,014 | 0 | 0 | 34,342 | 2,208 | 3,467 | 0 | 25,838,730 | 148,997,116 |
| FY 2015-16 Administrative Costs | 16,023,593 | 3,190,687 | 17,364,377 | 1,707,924 | 1,242,962 | 22,844 | 7,921,858 | 629,212 | 301,697 | 78,088 | 10,863 | 48,494,106 |
| FY 2015-16 Bottom Line Financing | 138,122,300 | 21,351,586 | 129,090,473 | 39,866,482 | 8,522,479 | 1,529,366 | 86,039,938 | 11,955,437 | 10,338,353 | 9,906,054 | 3,905,433 | 460,627,901 |
| FY 2015-16 TOTAL PREMIUMS Estimate | 1,180,141,663 | 192,767,977 | 1,256,005,958 | 364,918,263 | 831,565,663 | 20,947,805 | 1,138,885,321 | 126,188,605 | 94,326,019 | 79,973,596 | 36,254,183 | 5,321,975,053 |

JBC STAFF

Premiums Forecast for October 5-Year -- FUND SPLIT Summary

| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant Adults | Non-Citizens | Partial Dual Eligibles | Subtotal Caseload Impacts | Bottom Line and Other Adjustments | Total |
|----------------------|---------------------|--------------------------|----------------------------|--|--------------------|----------------------------------|--------------------|-------------------|-------------------|-------------------|------------------------|---------------------------|-----------------------------------|----------------------|
| FY 2010-11 | | | | | | | | | | | | | | |
| General Fund | 316,776,020 | 48,489,481 | 305,197,640 | 80,523,537 | 0 | 0 | 184,166,232 | 26,638,648 | 28,480,213 | 20,993,182 | 10,644,336 | 1,021,909,290 | (78,859,607) | 943,049,683 |
| Cash Funds | 28,257,156 | 2,351,413 | 13,791,793 | 13,662,233 | 55,747,491 | 2,589,603 | 22,091,047 | 2,178,188 | 0 | 0 | 158,679 | 140,827,603 | 286,413,905 | 427,241,508 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 | 957,618 | 0 | 0 | 0 | 0 | 0 | 957,618 | 6,490,435 | 7,448,053 |
| Federal Funds | <u>493,501,029</u> | <u>74,357,543</u> | <u>463,851,313</u> | <u>148,388,289</u> | <u>82,755,391</u> | <u>6,587,696</u> | <u>306,178,875</u> | <u>42,770,441</u> | <u>44,898,025</u> | <u>31,163,756</u> | <u>10,819,356</u> | <u>1,705,271,712</u> | <u>328,794,983</u> | <u>2,034,066,695</u> |
| Total Funds | 838,534,206 | 125,198,436 | 782,840,746 | 242,574,060 | 138,502,882 | 10,134,916 | 512,436,154 | 71,587,276 | 73,378,238 | 52,156,938 | 21,622,371 | 2,868,966,223 | 542,839,716 | 3,411,805,939 |
| FY 2011-12 | | | | | | | | | | | | | | |
| General Fund | 415,040,593 | 64,333,040 | 398,908,827 | 107,755,147 | 0 | 0 | 241,260,605 | 35,917,843 | 37,125,496 | 28,508,560 | 13,487,370 | 1,342,337,481 | (4,352,612) | 1,337,984,869 |
| Cash Funds | 27,688,217 | 2,381,602 | 24,440,931 | 17,339,612 | 97,435,146 | 3,147,820 | 36,493,735 | 2,862,233 | 0 | 0 | 196,873 | 211,986,169 | 250,483,370 | 462,469,539 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 | 997,264 | 0 | 0 | 0 | 0 | 0 | 997,264 | 2,000,000 | 2,997,264 |
| Federal Funds | <u>430,259,244</u> | <u>66,031,805</u> | <u>417,158,575</u> | <u>136,280,360</u> | <u>97,643,421</u> | <u>7,698,012</u> | <u>278,343,992</u> | <u>38,854,965</u> | <u>40,469,617</u> | <u>28,569,539</u> | <u>9,877,297</u> | <u>1,551,186,827</u> | <u>250,483,370</u> | <u>1,801,670,197</u> |
| Total Funds | 872,988,054 | 132,746,447 | 840,508,334 | 261,375,119 | 195,078,568 | 11,843,095 | 556,098,333 | 77,635,041 | 77,595,113 | 57,078,099 | 23,561,540 | 3,106,507,741 | 498,614,128 | 3,605,121,869 |
| FY 2012-13 | | | | | | | | | | | | | | |
| General Fund | 435,384,148 | 69,039,800 | 425,250,815 | 108,010,364 | 0 | 0 | 241,701,932 | 40,903,928 | 37,289,819 | 30,013,479 | 14,513,934 | 1,402,108,219 | (4,352,612) | 1,397,755,607 |
| Cash Funds | 27,873,134 | 2,409,605 | 41,344,788 | 18,146,030 | 139,089,825 | 3,713,141 | 74,762,296 | 3,056,955 | 0 | 0 | 204,475 | 310,600,250 | 250,483,370 | 561,083,620 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 | 1,038,550 | 0 | 0 | 0 | 0 | 0 | 1,038,550 | 2,000,000 | 3,038,550 |
| Federal Funds | <u>450,780,957</u> | <u>70,763,737</u> | <u>460,393,591</u> | <u>137,322,966</u> | <u>139,353,698</u> | <u>8,824,569</u> | <u>317,060,566</u> | <u>44,036,021</u> | <u>40,614,712</u> | <u>30,070,462</u> | <u>10,911,380</u> | <u>1,710,132,660</u> | <u>250,483,370</u> | <u>1,960,616,030</u> |
| Total Funds | 914,038,240 | 142,213,143 | 926,989,194 | 263,479,361 | 278,443,523 | 13,576,260 | 633,524,794 | 87,996,905 | 77,904,530 | 60,083,941 | 25,629,789 | 3,423,879,679 | 498,614,128 | 3,922,493,807 |
| FY 2013-14 | | | | | | | | | | | | | | |
| General Fund | 455,742,960 | 73,685,345 | 451,518,994 | 112,755,376 | 0 | 0 | 274,027,405 | 46,242,481 | 37,541,103 | 31,769,506 | 15,579,169 | 1,498,862,339 | (4,352,612) | 1,494,509,727 |
| Cash Funds | 28,051,780 | 2,434,985 | 52,167,611 | 19,572,891 | 151,278,736 | 4,314,210 | 78,838,232 | 3,254,213 | 0 | 0 | 211,890 | 340,124,548 | 231,490,257 | 571,614,804 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 | 1,082,635 | 0 | 0 | 0 | 0 | 0 | 1,082,635 | 2,000,000 | 3,082,635 |
| Federal Funds | <u>471,305,238</u> | <u>75,427,734</u> | <u>497,424,947</u> | <u>143,584,506</u> | <u>262,632,256</u> | <u>10,012,922</u> | <u>353,437,860</u> | <u>49,566,754</u> | <u>40,731,999</u> | <u>31,819,455</u> | <u>11,983,662</u> | <u>1,947,927,332</u> | <u>231,490,257</u> | <u>2,179,417,589</u> |
| Federal Funds - ACA | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,213,332</u> | <u>61,747,607</u> | <u>0</u> | <u>28,665,860</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>92,626,800</u> | <u>0</u> | <u>92,626,800</u> |
| Total Funds | 955,099,977 | 151,548,064 | 1,001,111,551 | 278,126,105 | 475,658,599 | 15,409,767 | 734,969,357 | 99,063,449 | 78,273,102 | 63,588,961 | 27,774,721 | 3,880,623,654 | 460,627,902 | 4,341,251,555 |
| FY 2014-15 | | | | | | | | | | | | | | |
| General Fund | 476,842,640 | 78,501,051 | 479,058,800 | 124,401,026 | 0 | 0 | 320,001,106 | 50,174,430 | 37,705,072 | 33,402,980 | 16,691,120 | 1,616,778,225 | (4,352,612) | 1,612,425,613 |
| Cash Funds | 28,234,420 | 2,460,558 | 56,241,747 | 21,091,111 | 49,985,113 | 4,947,578 | 83,000,181 | 3,458,286 | 0 | 0 | 219,276 | 249,638,270 | 231,490,257 | 481,128,527 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 | 1,127,328 | 0 | 0 | 0 | 0 | 0 | 1,127,328 | 2,000,000 | 3,127,328 |
| Federal Funds | <u>492,578,506</u> | <u>80,264,342</u> | <u>528,992,103</u> | <u>156,969,141</u> | <u>50,479,048</u> | <u>11,272,178</u> | <u>403,597,763</u> | <u>53,697,621</u> | <u>40,653,857</u> | <u>33,447,802</u> | <u>13,102,758</u> | <u>1,865,055,120</u> | <u>231,490,257</u> | <u>2,096,545,377</u> |
| Federal Funds - ACA | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,627,232</u> | <u>636,717,189</u> | <u>0</u> | <u>90,546,091</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>731,890,512</u> | <u>0</u> | <u>731,890,512</u> |
| Total Funds | 997,655,565 | 161,225,951 | 1,064,292,649 | 307,088,510 | 737,181,350 | 17,347,085 | 897,145,142 | 107,330,338 | 78,358,929 | 66,850,782 | 30,013,154 | 4,464,489,455 | 460,627,902 | 4,925,117,356 |
| FY 2015-16 | | | | | | | | | | | | | | |
| General Fund | 498,837,895 | 83,570,395 | 508,102,103 | 131,685,638 | 0 | 0 | 366,860,299 | 53,409,886 | 40,505,834 | 35,012,564 | 17,851,550 | 1,735,836,164 | (4,352,612) | 1,731,483,552 |
| Cash Funds | 28,422,935 | 2,487,201 | 58,519,331 | 22,704,935 | 60,641,062 | 5,625,986 | 87,405,560 | 3,675,462 | 0 | 0 | 226,664 | 269,709,137 | 231,490,257 | 501,199,394 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 | 1,173,894 | 0 | 0 | 0 | 0 | 0 | 1,173,894 | 2,000,000 | 3,173,894 |
| Federal Funds | <u>514,758,532</u> | <u>85,358,795</u> | <u>560,294,051</u> | <u>165,829,645</u> | <u>61,138,963</u> | <u>12,618,559</u> | <u>454,898,063</u> | <u>57,147,820</u> | <u>43,481,831</u> | <u>35,054,978</u> | <u>14,270,536</u> | <u>2,004,851,773</u> | <u>231,490,257</u> | <u>2,236,342,030</u> |
| Federal Funds - ACA | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,831,562</u> | <u>701,263,159</u> | <u>0</u> | <u>143,681,462</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>849,776,183</u> | <u>0</u> | <u>849,776,183</u> |
| Total Funds | 1,042,019,362 | 171,416,391 | 1,126,915,485 | 325,051,780 | 823,043,184 | 19,418,439 | 1,052,845,383 | 114,233,168 | 83,987,666 | 70,067,542 | 32,348,751 | 4,861,347,152 | 460,627,902 | 5,321,975,053 |

JBC Staff Forecast for the Children's Basic Health Plan

| FY 2010-11 Children's Medical, Prenatal, Dental | | | | | | |
|---|---------------------------|--------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | <185 up to FY 2003-04 | <185 over FY 2003-04 | Expansion to 200% | Expansion to 205 | HB 1293 | Total |
| <u>FY 2010-11 Premiums Estimate</u> | | | | | | |
| Children Population | 41,786 | 20,617 | 4,570 | 1,259 | 4,409 | 72,641 |
| Medical Per Capita | <u>\$2,324.41</u> | <u>\$2,324.41</u> | <u>\$2,324.41</u> | <u>\$2,324.41</u> | <u>\$2,324.41</u> | <u>\$2,324.41</u> |
| Estimated Cost for Premiums | \$97,127,796 | \$47,922,542 | \$10,622,816 | \$2,926,389 | \$10,248,377 | \$168,847,919 |
| Estimated Enrollment Fee @ \$4.94 | \$206,423 | \$101,848 | \$22,576 | \$6,219 | \$21,781 | \$358,848 |
| Expenditures to be matched by federal funds | \$96,921,373 | \$47,820,693 | \$10,600,239 | \$2,920,170 | \$10,226,596 | \$168,489,072 |
| State Match | \$33,922,481 | \$16,737,243 | \$3,710,084 | \$1,022,059 | \$3,579,309 | \$58,971,175 |
| Federal Match | \$62,998,893 | \$31,083,451 | \$6,890,155 | \$1,898,110 | \$6,647,287 | \$109,517,897 |
| | | | | | | |
| Adult Pregnant Women Population | 101 | 1,184 | 192 | 110 | 500 | 2,087 |
| Medical Per Capita Costs | <u>\$14,794.32</u> | <u>\$14,794.32</u> | <u>\$14,794.32</u> | <u>\$14,794.32</u> | <u>\$14,794.32</u> | <u>\$14,794.32</u> |
| Estimated Cost for Premiums | \$1,494,226 | \$17,516,475 | \$2,840,509 | \$1,627,375 | \$7,397,160 | \$30,875,746 |
| State Match | \$522,979 | \$6,130,766 | \$994,178 | \$569,581 | \$2,589,006 | \$10,806,511 |
| Federal Match | \$971,247 | \$11,385,709 | \$1,846,331 | \$1,057,794 | \$4,808,154 | \$20,069,235 |
| | | | | | | |
| Total Premiums | | | | | | |
| State Match (including enrollment fee) | \$34,651,883 | \$22,969,857 | \$4,726,838 | \$1,597,860 | \$6,190,095 | \$70,136,534 |
| Federal Match | <u>\$63,970,140</u> | <u>\$42,469,159</u> | <u>\$8,736,487</u> | <u>\$2,955,904</u> | <u>\$11,455,441</u> | <u>\$129,587,131</u> |
| | \$98,622,023 | \$65,439,016 | \$13,463,325 | \$4,553,764 | \$17,645,537 | \$199,723,665 |
| | | | | | | |
| <u>FY 2010-11 Dental Estimate</u> | | | | | | |
| Children Population | 41,786 | 20,617 | 4,570 | 1,259 | 4,409 | 72,641 |
| Dental Costs | <u>\$152.32</u> | <u>\$152.32</u> | <u>\$152.32</u> | <u>\$152.32</u> | <u>\$152.32</u> | <u>\$152.32</u> |
| Estimated Costs for Dental | \$6,364,844 | \$3,140,393 | \$696,120 | \$191,768 | \$671,582 | \$11,064,707 |
| State Match | \$2,227,695 | \$1,099,138 | \$243,642 | \$67,119 | \$235,054 | \$3,872,647 |
| Federal Match | \$4,137,148 | \$2,041,256 | \$452,478 | \$124,649 | \$436,529 | \$7,192,059 |
| | | | | | | |
| Administration | <u>4,889,503</u> | | | | | |
| State Match | 2,219,230 | | | | | |
| Federal Match | 2,670,273 | | | | | |
| | | | | | | |
| TOTAL CBHP | <u>109,876,369</u> | <u>68,579,410</u> | <u>14,159,445</u> | <u>4,745,532</u> | <u>18,317,119</u> | <u>215,677,875</u> |
| State Match | 39,098,808 | 24,068,995 | 4,970,480 | 1,664,979 | 6,425,149 | 76,228,411 |
| Federal Match | 70,777,561 | 44,510,415 | 9,188,964 | 3,080,554 | 11,891,970 | 139,449,464 |

JBC Staff Forecast for the Children's Basic Health Plan

| FY 2011-12 Children's Medical, Prenatal, Dental | | | | | | |
|---|---------------------------|--------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | <185 up to FY 2003-04 | <185 over FY 2003-04 | Expansion to 200% | Expansion to 205 | HB 1293 | Total |
| <u>FY 2011-12 Premiums Estimate</u> | | | | | | |
| Children Population | 41,786 | 25,541 | 5,122 | 1,394 | 10,125 | 83,968 |
| Medical Per Capita | <u>\$2,422.04</u> | <u>\$2,422.04</u> | <u>\$2,422.04</u> | <u>\$2,422.04</u> | <u>\$2,422.04</u> | <u>\$2,422.04</u> |
| Estimated Cost for Premiums | \$101,207,363 | \$61,861,079 | \$12,406,466 | \$3,376,596 | \$24,523,155 | \$203,374,659 |
| Estimated Enrollment Fee @ \$4.94 | \$206,423 | \$126,172 | \$25,304 | \$6,887 | \$50,018 | \$414,804 |
| Expenditures to be matched by federal funds | \$101,000,941 | \$61,734,907 | \$12,381,161 | \$3,369,709 | \$24,473,138 | \$202,959,856 |
| State Match | \$35,350,329 | \$21,607,217 | \$4,333,406 | \$1,179,398 | \$8,565,598 | \$71,035,949 |
| Federal Match | \$65,650,611 | \$40,127,690 | \$8,047,755 | \$2,190,311 | \$15,907,539 | \$131,923,906 |
| | | | | | | |
| Adult Pregnant Women Population | 101 | 1,184 | 192 | 110 | 858 | 2,445 |
| Medical Per Capita Costs | <u>\$15,452.67</u> | <u>\$15,452.67</u> | <u>\$15,452.67</u> | <u>\$15,452.67</u> | <u>\$15,452.67</u> | <u>\$15,452.67</u> |
| Estimated Cost for Premiums | \$1,560,720 | \$18,295,961 | \$2,966,913 | \$1,699,794 | \$13,258,391 | \$37,781,778 |
| State Match | \$546,252 | \$6,403,586 | \$1,038,419 | \$594,928 | \$4,640,437 | \$13,223,622 |
| Federal Match | \$1,014,468 | \$11,892,375 | \$1,928,493 | \$1,104,866 | \$8,617,954 | \$24,558,156 |
| Total Premiums | | | | | | |
| State Match (including enrollment fee) | \$36,103,004 | \$28,136,976 | \$5,397,130 | \$1,781,213 | \$13,256,052 | \$84,674,375 |
| Federal Match | <u>\$66,665,079</u> | <u>\$52,020,064</u> | <u>\$9,976,248</u> | <u>\$3,295,177</u> | <u>\$24,525,493</u> | <u>\$156,482,062</u> |
| | \$102,768,083 | \$80,157,040 | \$15,373,378 | \$5,076,390 | \$37,781,546 | \$241,156,437 |
| | | | | | | |
| <u>FY 2011-12 Dental Estimate</u> | | | | | | |
| Children Population | 41,786 | 25,541 | 5,122 | 1,394 | 10,125 | 83,968 |
| Dental Costs | <u>\$155.46</u> | <u>\$155.46</u> | <u>\$155.46</u> | <u>\$155.46</u> | <u>\$155.46</u> | <u>\$155.46</u> |
| Estimated Costs for Dental | \$6,496,052 | \$3,970,588 | \$796,316 | \$216,729 | \$1,574,033 | \$13,053,717 |
| State Match | \$2,273,618 | \$1,389,706 | \$278,711 | \$75,855 | \$550,911 | \$4,568,801 |
| Federal Match | \$4,222,434 | \$2,580,882 | \$517,605 | \$140,874 | \$1,023,121 | \$8,484,916 |
| | | | | | | |
| Administration | <u>5,537,590</u> | | | | | |
| State Match | 2,473,301 | | | | | |
| Federal Match | 3,064,289 | | | | | |
| | | | | | | |
| TOTAL CBHP | <u>114,801,725</u> | <u>84,127,628</u> | <u>16,169,694</u> | <u>5,293,119</u> | <u>39,355,578</u> | <u>259,747,744</u> |
| State Match | 40,849,923 | 29,526,682 | 5,675,841 | 1,857,068 | 13,806,964 | 91,716,477 |
| Federal Match | 73,951,802 | 54,600,947 | 10,493,853 | 3,436,051 | 25,548,615 | 168,031,267 |

JBC Staff Forecast for the Children's Basic Health Plan

| FY 2012-13 Children's Medical, Prenatal, Dental | | | | | | |
|---|---------------------------|---------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | <185 up to FY 2003-04 | <185 over FY 2003-04 | Expansion to 200% | Expansion to 205 | HB 1293 | Total |
| <u>FY 2012-13 Premiums Estimate</u> | | | | | | |
| Children Population | 41,786 | 30,827 | 5,675 | 1,551 | 12,506 | 92,344 |
| Medical Per Capita | <u>\$2,518.92</u> | <u>\$2,518.92</u> | <u>\$2,518.92</u> | <u>\$2,518.92</u> | <u>\$2,518.92</u> | <u>\$2,518.92</u> |
| Estimated Cost for Premiums | \$105,255,658 | \$77,650,832 | \$14,293,693 | \$3,905,806 | \$31,502,263 | \$232,608,253 |
| Estimated Enrollment Fee @ \$4.94 | \$206,423 | \$152,285 | \$28,032 | \$7,660 | \$61,781 | \$456,181 |
| Expenditures to be matched by federal funds | \$105,049,235 | \$77,498,547 | \$14,265,661 | \$3,898,146 | \$31,440,482 | \$232,152,071 |
| State Match | \$36,767,232 | \$27,124,491 | \$4,992,981 | \$1,364,351 | \$11,004,169 | \$81,253,225 |
| Federal Match | \$68,282,003 | \$50,374,056 | \$9,272,679 | \$2,533,795 | \$20,436,314 | \$150,898,846 |
| | | | | | | |
| Adult Pregnant Women Population | 101 | 1,184 | 192 | 110 | 858 | 2,445 |
| Medical Per Capita Costs | <u>\$16,070.78</u> | <u>\$16,070.78</u> | <u>\$16,070.78</u> | <u>\$16,070.78</u> | <u>\$16,070.78</u> | <u>\$16,070.78</u> |
| Estimated Cost for Premiums | \$1,623,148 | \$19,027,800 | \$3,085,589 | \$1,767,785 | \$13,788,726 | \$39,293,049 |
| State Match | \$568,102 | \$6,659,730 | \$1,079,956 | \$618,725 | \$4,826,054 | \$13,752,567 |
| Federal Match | \$1,055,046 | \$12,368,070 | \$2,005,633 | \$1,149,061 | \$8,962,672 | \$25,540,482 |
| | | | | | | |
| Total Premiums | | | | | | |
| State Match (including enrollment fee) | \$37,541,757 | \$33,936,507 | \$6,100,970 | \$1,990,736 | \$15,892,004 | \$95,461,973 |
| Federal Match | <u>\$69,337,049</u> | <u>\$62,742,125</u> | <u>\$11,278,312</u> | <u>\$3,682,856</u> | <u>\$29,398,986</u> | <u>\$176,439,328</u> |
| | \$106,878,806 | \$96,678,632 | \$17,379,282 | \$5,673,592 | \$45,290,990 | \$271,901,302 |
| | | | | | | |
| <u>FY 2012-13 Dental Estimate</u> | | | | | | |
| Children Population | 41,786 | 30,827 | 5,675 | 1,551 | 12,506 | 92,344 |
| Dental Costs | <u>\$161.68</u> | <u>\$161.68</u> | <u>\$161.68</u> | <u>\$161.68</u> | <u>\$161.68</u> | <u>\$161.68</u> |
| Estimated Costs for Dental | \$6,755,894 | \$4,984,062 | \$917,449 | \$250,696 | \$2,021,990 | \$14,930,092 |
| State Match | \$2,364,563 | \$1,744,422 | \$321,107 | \$87,744 | \$707,697 | \$5,225,532 |
| Federal Match | \$4,391,331 | \$3,239,641 | \$596,342 | \$162,953 | \$1,314,294 | \$9,704,560 |
| | | | | | | |
| Administration | <u>5,537,590</u> | | | | | |
| State Match | 2,473,301 | | | | | |
| Federal Match | 3,064,289 | | | | | |
| | | | | | | |
| TOTAL CBHP | <u>119,172,290</u> | <u>101,662,694</u> | <u>18,296,731</u> | <u>5,924,288</u> | <u>47,312,980</u> | <u>292,368,984</u> |
| State Match | 42,379,621 | 35,680,929 | 6,422,077 | 2,078,480 | 16,599,701 | 103,160,807 |
| Federal Match | 76,792,669 | 65,981,766 | 11,874,654 | 3,845,808 | 30,713,280 | 189,208,177 |

JBC Staff Forecast for the Children's Basic Health Plan

| FY 2013-14 Children's Medical, Prenatal, Dental | | | | | | |
|---|---------------------------|--------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | <185 up to FY 2003-04 | <185 over FY 2003-04 | Expansion to 200% | Expansion to 205 | HB 1293 | Total |
| <u>FY 2013-14 Premiums Estimate</u> | | | | | | |
| Children Population | 41,786 | 25,594 | 5,721 | 1,568 | 9,363 | 84,033 |
| Medical Per Capita | <u>\$2,619.68</u> | <u>\$2,619.68</u> | <u>\$2,619.68</u> | <u>\$2,619.68</u> | <u>\$2,619.68</u> | <u>\$2,619.68</u> |
| Estimated Cost for Premiums | \$109,465,884 | \$67,049,318 | \$14,986,043 | \$4,108,317 | \$24,529,321 | \$220,138,883 |
| Estimated Enrollment Fee @ \$4.94 | \$206,423 | \$126,437 | \$28,260 | \$7,747 | \$46,256 | \$415,122 |
| Expenditures to be matched by federal funds | \$109,259,461 | \$66,922,882 | \$14,957,783 | \$4,100,570 | \$24,483,066 | \$219,723,761 |
| State Match | \$38,240,812 | \$23,423,009 | \$5,235,224 | \$1,435,199 | \$8,569,073 | \$76,903,317 |
| Federal Match | \$71,018,650 | \$43,499,873 | \$9,722,559 | \$2,665,370 | \$15,913,993 | \$142,820,445 |
| | | | | | | |
| Adult Pregnant Women Population | 101 | 884 | 152 | 80 | 500 | 1,717 |
| Medical Per Capita Costs | <u>\$16,713.61</u> | <u>\$16,713.61</u> | <u>\$16,713.61</u> | <u>\$16,713.61</u> | <u>\$16,713.61</u> | <u>\$16,713.61</u> |
| Estimated Cost for Premiums | \$1,688,074 | \$14,774,829 | \$2,540,468 | \$1,337,089 | \$8,356,804 | \$28,697,265 |
| State Match | \$590,826 | \$5,171,190 | \$889,164 | \$467,981 | \$2,924,881 | \$10,044,043 |
| Federal Match | \$1,097,248 | \$9,603,639 | \$1,651,304 | \$869,108 | \$5,431,923 | \$18,653,222 |
| | | | | | | |
| Total Premiums | | | | | | |
| State Match (including enrollment fee) | \$39,038,060 | \$28,720,636 | \$6,152,648 | \$1,910,928 | \$11,540,210 | \$87,362,481 |
| Federal Match | <u>\$72,115,898</u> | <u>\$53,103,512</u> | <u>\$11,373,864</u> | <u>\$3,534,478</u> | <u>\$21,345,915</u> | <u>\$161,473,667</u> |
| | \$111,153,959 | \$81,824,148 | \$17,526,511 | \$5,445,405 | \$32,886,125 | \$248,836,148 |
| | | | | | | |
| <u>FY 2013-14 Dental Estimate</u> | | | | | | |
| Children Population | 41,786 | 25,594 | 5,721 | 1,568 | 9,363 | 84,033 |
| Dental Costs | <u>\$168.15</u> | <u>\$168.15</u> | <u>\$168.15</u> | <u>\$168.15</u> | <u>\$168.15</u> | <u>\$168.15</u> |
| Estimated Costs for Dental | \$7,026,129 | \$4,303,598 | \$961,888 | \$263,695 | \$1,574,428 | \$14,129,738 |
| State Match | \$2,459,145 | \$1,506,259 | \$336,661 | \$92,293 | \$551,050 | \$4,945,408 |
| Federal Match | \$4,566,984 | \$2,797,339 | \$625,227 | \$171,402 | \$1,023,378 | \$9,184,330 |
| | | | | | | |
| Administration | <u>5,537,590</u> | | | | | |
| State Match | 2,473,301 | | | | | |
| Federal Match | 3,064,289 | | | | | |
| | | | | | | |
| TOTAL CBHP | <u>123,717,678</u> | <u>86,127,746</u> | <u>18,488,399</u> | <u>5,709,100</u> | <u>34,460,554</u> | <u>268,503,476</u> |
| State Match | 43,970,507 | 30,226,895 | 6,489,308 | 2,003,221 | 12,091,260 | 94,781,190 |
| Federal Match | 79,747,171 | 55,900,851 | 11,999,090 | 3,705,879 | 22,369,294 | 173,722,286 |

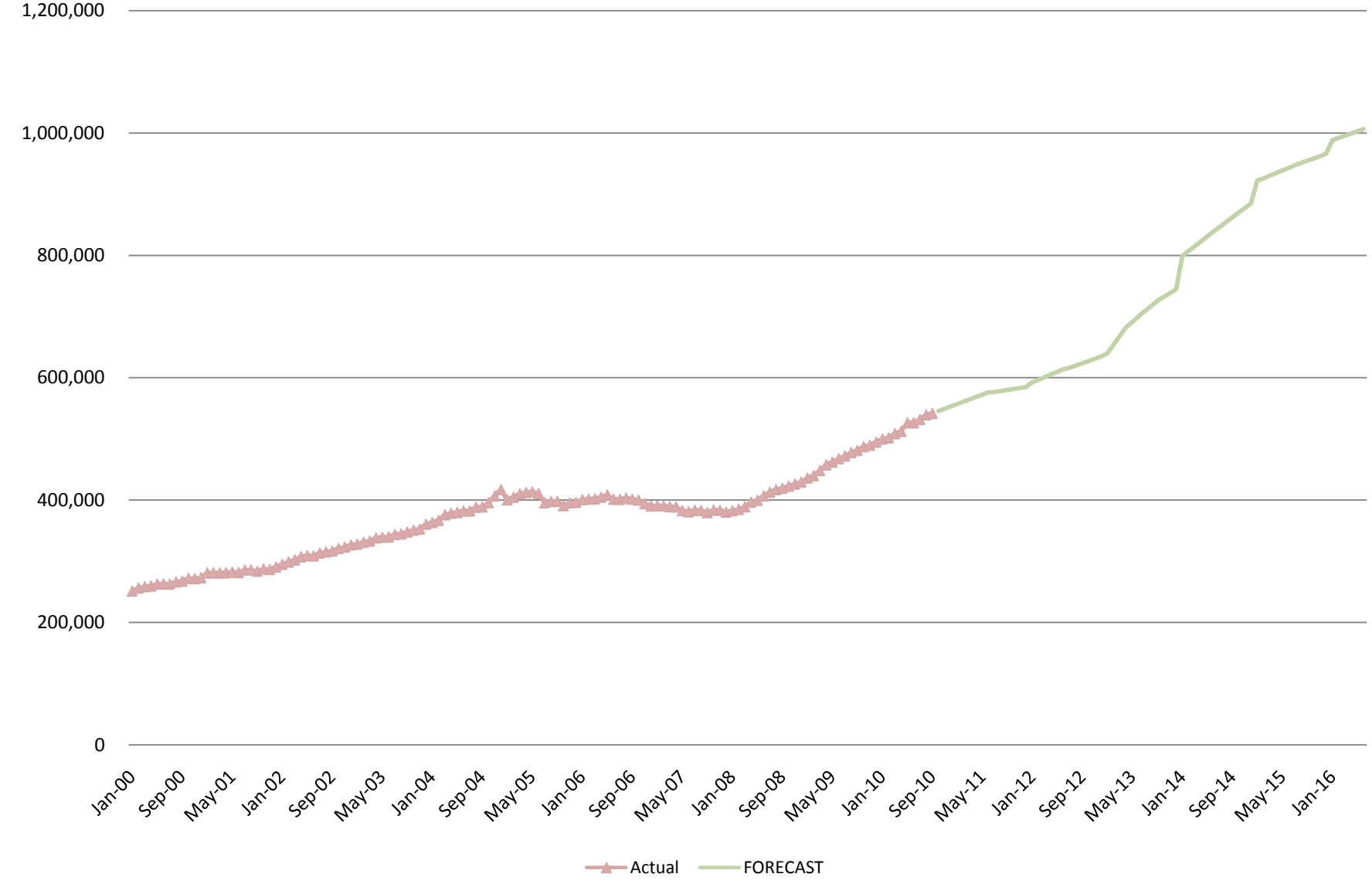
JBC Staff Forecast for the Children's Basic Health Plan

| FY 2014-15 Children's Medical, Prenatal, Dental | | | | | | |
|---|---------------------------|--------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | <185 up to FY 2003-04 | <185 over FY 2003-04 | Expansion to 200% | Expansion to 205 | HB 1293 | Total |
| <u>FY 2014-15 Premiums Estimate</u> | | | | | | |
| Children Population | 38,283 | 0 | 3,241 | 1,031 | 5,060 | 47,614 |
| Medical Per Capita | <u>\$2,724.47</u> | <u>\$2,724.47</u> | <u>\$2,724.47</u> | <u>\$2,724.47</u> | <u>\$2,724.47</u> | <u>\$2,724.47</u> |
| Estimated Cost for Premiums | \$104,299,840 | \$0 | \$8,829,197 | \$2,808,973 | \$13,784,853 | \$129,722,863 |
| Estimated Enrollment Fee @ \$4.94 | \$189,116 | \$0 | \$16,009 | \$5,093 | \$24,995 | \$235,213 |
| Expenditures to be matched by federal funds | \$104,110,724 | \$0 | \$8,813,188 | \$2,803,880 | \$13,759,858 | \$129,487,650 |
| State Match | \$36,438,753 | \$0 | \$3,084,616 | \$981,358 | \$4,815,950 | \$45,320,677 |
| Federal Match | \$67,671,971 | \$0 | \$5,728,572 | \$1,822,522 | \$8,943,908 | \$84,166,972 |
| | | | | | | |
| Adult Pregnant Women Population | 101 | 584 | 112 | 50 | 250 | 1,097 |
| Medical Per Capita Costs | <u>\$17,382.15</u> | <u>\$17,382.15</u> | <u>\$17,382.15</u> | <u>\$17,382.15</u> | <u>\$17,382.15</u> | <u>\$17,382.15</u> |
| Estimated Cost for Premiums | \$1,755,597 | \$10,151,177 | \$1,946,801 | \$869,108 | \$4,345,538 | \$19,068,221 |
| State Match | \$614,459 | \$3,552,912 | \$681,380 | \$304,188 | \$1,520,938 | \$6,673,877 |
| Federal Match | \$1,141,138 | \$6,598,265 | \$1,265,421 | \$564,920 | \$2,824,600 | \$12,394,344 |
| | | | | | | |
| Total Premiums | | | | | | |
| State Match (including enrollment fee) | \$37,242,329 | \$3,552,912 | \$3,782,005 | \$1,290,639 | \$6,361,883 | \$52,229,768 |
| Federal Match | <u>\$68,813,109</u> | <u>\$6,598,265</u> | <u>\$6,993,993</u> | <u>\$2,387,442</u> | <u>\$11,768,508</u> | <u>\$96,561,316</u> |
| | \$106,055,438 | \$10,151,177 | \$10,775,998 | \$3,678,080 | \$18,130,391 | \$148,791,084 |
| | | | | | | |
| <u>FY 2014-15 Dental Estimate</u> | | | | | | |
| Children Population | 41,786 | 0 | 3,241 | 1,031 | 5,060 | 47,614 |
| Dental Costs | <u>\$174.87</u> | <u>\$174.87</u> | <u>\$174.87</u> | <u>\$174.87</u> | <u>\$174.87</u> | <u>\$174.87</u> |
| Estimated Costs for Dental | \$7,307,175 | \$0 | \$566,707 | \$180,295 | \$884,789 | \$8,326,335 |
| State Match | \$2,557,511 | \$0 | \$198,347 | \$63,103 | \$309,676 | \$2,914,217 |
| Federal Match | \$4,749,663 | \$0 | \$368,360 | \$117,192 | \$575,113 | \$5,412,118 |
| | | | | | | |
| Administration | <u>5,537,590</u> | | | | | |
| State Match | 2,473,301 | | | | | |
| Federal Match | 3,064,289 | | | | | |
| | | | | | | |
| TOTAL CBHP | <u>118,900,202</u> | <u>10,151,177</u> | <u>11,342,705</u> | <u>3,858,376</u> | <u>19,015,179</u> | <u>163,267,640</u> |
| State Match | 42,273,141 | 3,552,912 | 3,980,353 | 1,353,742 | 6,671,559 | 57,831,707 |
| Federal Match | 76,627,061 | 6,598,265 | 7,362,352 | 2,504,634 | 12,343,620 | 105,435,932 |

JBC Staff Forecast for the Children's Basic Health Plan

| FY 2015-16 Children's Medical, Prenatal, Dental | | | | | | |
|---|---------------------------|-------------------------|--------------------------|-------------------------|--------------------------|---------------------------|
| | <185 up to FY 2003-04 | <185 over FY 2003-04 | Expansion to 200% | Expansion to 205 | HB 1293 | Total |
| <u>FY 2015-16 Premiums Estimate</u> | | | | | | |
| Children Population | 31,170 | 0 | 2,896 | 833 | 3,652 | 38,550 |
| Medical Per Capita | <u>\$2,833.44</u> | <u>\$2,833.44</u> | <u>\$2,833.44</u> | <u>\$2,833.44</u> | <u>\$2,833.44</u> | <u>\$2,833.44</u> |
| Estimated Cost for Premiums | \$88,319,655 | \$0 | \$8,204,550 | \$2,359,352 | \$10,346,854 | \$109,230,411 |
| Estimated Enrollment Fee @ \$4.94 | \$153,982 | \$0 | \$14,304 | \$4,113 | \$18,039 | \$190,439 |
| Expenditures to be matched by federal funds | \$88,165,673 | \$0 | \$8,190,246 | \$2,355,239 | \$10,328,814 | \$109,039,972 |
| State Match | \$22,923,075 | \$0 | \$2,129,464 | \$612,362 | \$2,685,492 | \$28,350,393 |
| Federal Match | \$65,242,598 | \$0 | \$6,060,782 | \$1,742,877 | \$7,643,323 | \$80,689,579 |
| | | | | | | |
| Adult Pregnant Women Population | 101 | 284 | 72 | 20 | 50 | 527 |
| Medical Per Capita Costs | <u>\$18,077.44</u> | <u>\$18,077.44</u> | <u>\$18,077.44</u> | <u>\$18,077.44</u> | <u>\$18,077.44</u> | <u>\$18,077.44</u> |
| Estimated Cost for Premiums | \$1,825,821 | \$5,133,992 | \$1,301,576 | \$361,549 | \$903,872 | \$9,526,810 |
| State Match | \$474,714 | \$1,334,838 | \$338,410 | \$94,003 | \$235,007 | \$2,476,971 |
| Federal Match | \$1,351,108 | \$3,799,154 | \$963,166 | \$267,546 | \$668,865 | \$7,049,839 |
| | | | | | | |
| Total Premiums | | | | | | |
| State Match (including enrollment fee) | \$23,551,770 | \$1,334,838 | \$2,482,178 | \$710,478 | \$2,938,538 | \$31,017,802 |
| Federal Match | <u>\$66,593,706</u> | <u>\$3,799,154</u> | <u>\$7,023,948</u> | <u>\$2,010,423</u> | <u>\$8,312,188</u> | <u>\$87,739,419</u> |
| | \$90,145,476 | \$5,133,992 | \$9,506,126 | \$2,720,901 | \$11,250,725 | \$118,757,221 |
| | | | | | | |
| <u>FY 2015-16 Dental Estimate</u> | | | | | | |
| Children Population | 41,786 | 0 | 2,896 | 833 | 3,652 | 38,550 |
| Dental Costs | <u>\$181.87</u> | <u>\$181.87</u> | <u>\$181.87</u> | <u>\$181.87</u> | <u>\$181.87</u> | <u>\$181.87</u> |
| Estimated Costs for Dental | \$7,599,462 | \$0 | \$526,614 | \$151,436 | \$664,119 | \$7,011,015 |
| State Match | \$1,975,860 | \$0 | \$136,920 | \$39,373 | \$172,671 | \$2,453,855 |
| Federal Match | \$5,623,602 | \$0 | \$389,694 | \$112,063 | \$491,448 | \$4,557,160 |
| | | | | | | |
| Administration | <u>5,537,590</u> | | | | | |
| State Match | 2,473,301 | | | | | |
| Federal Match | 3,064,289 | | | | | |
| | | | | | | |
| TOTAL CBHP | <u>103,282,528</u> | <u>5,133,992</u> | <u>10,032,739</u> | <u>2,872,337</u> | <u>11,914,844</u> | <u>133,236,441</u> |
| State Match | 28,000,931 | 1,334,838 | 2,619,097 | 749,852 | 3,111,209 | 35,815,927 |
| Federal Match | 75,281,596 | 3,799,154 | 7,413,642 | 2,122,486 | 8,803,635 | 97,420,514 |

JBC Staff Medicaid Caseload Forecast



Department of Health Care Policy and Financing -- Hospital Provider Fee FY 2009-10 Annual Report

| FY 2009-10 Hospital Provider Fees and Payments | |
|--|----------------------|
| Inpatient Fee | \$306,782,962 |
| Outpatient fee | \$34,086,996 |
| Total Hospital Provider Fees | \$340,869,958 |
| | |
| Inpatient Base Rate Payment | \$54,130,613 |
| Outpatient Payment | \$78,031,321 |
| CICP DSH Payment | \$152,516,415 |
| CICP UPL Payment | \$125,253,553 |
| non CICP DSH Payment | \$37,986,227 |
| | |
| High Volume, Small Rural Outpatient Payment | \$2,286,704 |
| High Level NICU Payment | \$3,677,400 |
| State Teaching Hospital Payment | \$7,109,550 |
| Large Rural Payment | \$8,497,440 |
| Denver Metro Payment | \$82,987,320 |
| Metropolitan Statistical Area Payment | \$32,762,164 |
| Pediatric Specialty Hospital Payment | \$5,000,000 |
| Total Supplemental Hospital Payments | \$590,238,706 |
| | |
| Appx CICP pre 1293 | \$162,876,107 |
| new CICP | \$114,893,861 |

| |
|--------------|
| \$54,130,613 |
|--------------|

| |
|--------------|
| \$78,031,321 |
|--------------|

| |
|---------------|
| \$277,769,968 |
|---------------|

| |
|---------------|
| \$180,306,804 |
|---------------|

| |
|---------------|
| \$590,238,706 |
|---------------|

| FY 2009-10 Hospital Payments | |
|---|----------------------|
| Inpatient Hospital Reimbursement | \$54,130,613 |
| Outpatient Hospital Reimbursement | \$78,031,321 |
| CICP Hospital Reimbursement | \$277,769,968 |
| Additional Hospital Payments | \$180,306,804 |
| Total Supplemental Hospital Payments | \$590,238,706 |

| FY 2009-10 Fees | |
|------------------------------|----------------------|
| Fees | \$340,869,958 |
| Fee Refunds | (\$38,000,000) |
| Total FY 2009-10 Fees | \$302,869,958 |

| FY 2009-10 Net New Funds to Hospitals | |
|---------------------------------------|----------------------|
| Total Supplemental Hospital Payments | \$590,238,706 |
| Total FY 2009-10 Fees | (\$302,869,958) |
| Approximate CICP payments pre-CHCAA | (\$162,876,107) |
| Net New Funds to Hospitals | \$124,492,643 |

| FY 2009-10 Expenditures (Total Funds0 | |
|---------------------------------------|----------------------|
| Total Supplemental Hospital Payments | \$590,238,706 |
| Department Administration | \$2,938,742 |
| Expansion Populations | \$3,241,897 |
| SB 10-169 General Fund Offset | \$46,329,410 |
| Total Expenditures | \$642,748,755 |

Department of Health Care Policy -- FY 2009-10 Hospital Fee Model By Hospital

| Medicaid ID | Name | TotalFee | Total Payments | Estimated CICP Payment w/o 1293 |
|-----------------------------|--|------------|----------------|---------------------------------|
| | | | | |
| State Hospitals | | | | |
| 05002019 | Colorado Mental Health Institute-Ft Logan | - | \$0 | - |
| 05078001 | Colorado Mental Health Institute-Pueblo | - | \$0 | - |
| 05024005 | University of Colorado Hospital | 14,565,033 | \$53,077,792 | 36,264,181 |
| Government Hospitals | | | | |
| 05021001 | Arkansas Valley Regional Medical Center | 2,166,872 | \$3,956,769 | 1,374,965 |
| 05057005 | Aspen Valley Hospital | 423,212 | \$936,232 | 490,839 |
| 05071006 | Delta County Memorial Hospital | 2,455,610 | \$3,369,117 | 912,623 |
| 05011002 | Denver Health Medical Center | 12,295,698 | \$93,245,850 | 64,455,024 |
| 05069000 | East Morgan County Hospital | 145,414 | \$1,013,075 | 175,025 |
| 05088000 | Estes Park Medical Center | 193,177 | \$1,082,262 | 435,234 |
| 05042007 | Grand River Medical Center | 286,448 | \$1,179,532 | 190,609 |
| 05070008 | Gunnison Valley Hospital | 163,198 | \$291,603 | 42,048 |
| 05659868 | Haxtun Hospital | 33,523 | \$128,810 | - |
| 05050000 | Heart of the Rockies Regional Medical Center | 353,262 | \$1,055,608 | 247,500 |
| 05043005 | Keefe Memorial Hospital | 83,174 | \$124,776 | - |
| 05037007 | Kit Carson County Memorial Hospital | 136,326 | \$252,602 | - |
| 05090006 | Kremmling Memorial Hospital | 228,253 | \$141,381 | 117,393 |
| 05062005 | Lincoln Community Hospital and Nursing Home | 93,896 | \$462,402 | - |
| 05038005 | Melissa Memorial Hospital | 171,206 | \$396,808 | 40,279 |
| 05046008 | The Memorial Hospital | 292,080 | \$526,025 | 167,785 |
| 05022009 | Memorial Hospital | 18,078,636 | \$39,567,505 | 16,142,511 |
| 05006002 | Montrose Memorial Hospital | 2,801,552 | \$4,012,677 | 1,054,452 |
| 05001003 | North Colorado Medical Center | 14,630,729 | \$24,696,419 | 6,182,516 |

Department of Health Care Policy -- FY 2009-10 Hospital Fee Model By Hospital

| Medicaid ID | Name | TotalFee | Total Payments | Estimated CICP Payment w/o 1293 |
|--------------------------|---|------------|----------------|---------------------------------|
| 16455576 | Pagosa Mountain Hospital | 61,853 | \$383,371 | - |
| 50972260 | Pioneers Hospital | 61,032 | \$174,068 | - |
| 05010004 | Poudre Valley Hospital | 13,245,947 | \$20,645,103 | 5,935,254 |
| 05007000 | Prowers Medical Center | 563,884 | \$2,193,442 | 407,322 |
| 05073002 | Rangely District Hospital | 45,108 | \$103,261 | - |
| 05052006 | Sedgwick County Memorial Hospital | 76,099 | \$158,959 | 27,239 |
| 05085006 | Southeast Colorado Hospital | 127,577 | \$339,331 | 34,179 |
| 05002050 | Southwest Memorial Hospital | 688,391 | \$1,493,231 | 383,352 |
| 05066006 | Spanish Peaks Regional Health Center | 165,041 | \$791,961 | 135,879 |
| 05029004 | St. Vincent General Hospital District | 95,532 | \$310,801 | 118,153 |
| 05047006 | Weisbrod Memorial County Hospital | 11,921 | \$116,170 | - |
| 05053004 | Wray Community District Hospital | 146,773 | \$598,657 | 107,405 |
| 05056007 | Yuma District Hospital | 180,649 | \$683,385 | 98,017 |
| Private Hospitals | | | | |
| 34172271 | Animas Surgical Center | 156,689 | \$685,584 | - |
| 05027008 | Boulder Community Hospital | 8,943,356 | \$9,673,144 | 1,063,630 |
| 05123313 | Cedar Springs Behavior Health System | - | \$0 | - |
| 49557769 | Centennial Peaks Hospital | - | \$0 | - |
| 05010301 | Centura Health - Avista Adventist Hospital | 3,709,738 | \$5,350,260 | - |
| 31474381 | Centura Health - Littleton Adventist Hospital | 7,037,084 | \$3,825,389 | - |
| 56572271 | Centura Health - Parker Adventist Hospital | 3,472,774 | \$2,375,845 | - |
| 05031000 | Centura Health - Penrose -St. Francis Health Services | 19,746,490 | \$18,249,850 | 2,195,836 |
| 05064001 | Centura Health - Porter Adventist Hospital | 9,823,318 | \$6,233,153 | - |
| 05015003 | Centura Health - Saint Anthony Central Hospital | 12,756,869 | \$17,464,993 | - |
| 05000070 | Centura Health - Saint Anthony North Hospital | 5,586,109 | \$6,573,256 | - |

Department of Health Care Policy -- FY 2009-10 Hospital Fee Model By Hospital

| Medicaid ID | Name | TotalFee | Total Payments | Estimated CICP Payment w/o 1293 |
|-------------|--|------------|----------------|---------------------------------|
| 89080785 | Centura Health - Saint Anthony Summit Hospital | 448,492 | \$854,257 | - |
| 05012000 | Centura Health - St. Mary-Corwin Medical Center | 8,346,728 | \$18,039,908 | 2,978,448 |
| 05016001 | Centura Health - St. Thomas More Hospital | 2,419,000 | \$4,739,796 | 779,972 |
| 48559261 | Colorado Acute Long Term Hospital | - | \$3,374 | - |
| 64953238 | Colorado Plains Medical Center | 1,290,385 | \$1,803,122 | 162,836 |
| 05000104 | HealthOne Medical Center of Aurora | 16,036,869 | \$17,150,895 | - |
| 05065008 | HealthOne North Suburban Medical Center | 5,456,388 | \$7,366,080 | - |
| 05014006 | HealthOne Presbyterian/St. Luke's Medical Center | 13,126,170 | \$19,043,026 | - |
| 38977320 | HealthOne Rose Medical Center | 11,386,337 | \$13,527,288 | - |
| 56557230 | HealthOne Sky Ridge Medical Center | 6,432,882 | \$2,880,360 | - |
| 05000518 | HealthOne Spalding Rehabilitation Hospital | - | \$114,561 | - |
| 05034004 | HealthOne Swedish Medical Center | 15,872,357 | \$13,153,949 | - |
| 05054002 | Community Hospital | 1,882,978 | \$1,739,465 | 170,542 |
| 07079834 | Conejos County Hospital | 159,814 | \$1,133,814 | 99,884 |
| IDEATING | Eating Recovery Center | - | \$0 | - |
| 05000419 | Craig Hospital | - | \$448,505 | - |
| 06035728 | Exempla Good Samaritan Medical Center | 4,585,375 | \$3,415,893 | - |
| 05009006 | Exempla Lutheran Medical Center | 16,057,627 | \$15,728,252 | - |
| 05028006 | Exempla Saint Joseph Hospital | 11,017,893 | \$13,852,842 | - |
| 05063003 | Family Health West Hospital | 24,730 | \$8,786 | - |
| IDHAVEN | Haven Behavioral Senior Care at St. Mary-Corwin | - | \$0 | - |
| DHIGHLANDS | Highlands Behavioral Health System | - | \$0 | - |
| 05000211 | HealthSouth Rehabilitation Hospital | - | \$75,268 | - |
| 05000310 | Kindred Hospital | - | \$24,188 | - |
| 05003009 | Longmont United Hospital | 8,086,057 | \$13,675,111 | 1,633,746 |

Department of Health Care Policy -- FY 2009-10 Hospital Fee Model By Hospital

| Medicaid ID | Name | TotalFee | Total Payments | Estimated CICP Payment w/o 1293 |
|-------------|---|------------|----------------|---------------------------------|
| 05030002 | McKee Medical Center | 4,346,927 | \$10,066,950 | 2,131,572 |
| 76821820 | Medical Center of the Rockies | 3,630,269 | \$5,628,256 | 1,584,786 |
| 05013008 | Mercy Medical Center | 3,492,377 | \$4,616,952 | 534,968 |
| 05033006 | Mount San Rafael Hospital | 569,704 | \$1,069,916 | 134,622 |
| 05000112 | National Jewish Medical and Research Center | 302,907 | \$3,567,459 | 1,682,780 |
| IDNVHP | Vibra Psychiatric Hospital | - | \$0 | - |
| 69585041 | Vibra Long Term Acute Care Hospital | - | \$42,532 | - |
| 06852726 | Northern Colorado Rehabilitation Hospital | - | \$40,456 | - |
| 05020003 | Parkview Medical Center | 15,615,788 | \$26,458,152 | 3,603,807 |
| 22981551 | Pikes Peak Regional Hospital | 52,944 | \$881,788 | 55,614 |
| 05004007 | Platte Valley Medical Center | 2,753,555 | \$6,271,904 | 1,499,298 |
| 05000203 | Rio Grande Hospital | 224,460 | \$983,931 | 51,020 |
| 05008008 | San Luis Valley Regional Medical Center | 2,378,987 | \$4,679,240 | 962,324 |
| IDSELECTLTC | Select Long Term Care Hospital | - | \$0 | - |
| SELECTDENV | Select Specialty Hospital - Denver | - | \$0 | - |
| SELECTSOU | Select Specialty Hospital - Denver South Campus | - | \$0 | - |
| 05023007 | St. Mary's Hospital and Medical Center | 13,601,667 | \$15,929,084 | 1,747,192 |
| 05076005 | Sterling Regional MedCenter | 1,630,086 | \$3,760,379 | 794,952 |
| 05002043 | The Children's Hospital | 7,125,393 | \$21,326,078 | 2,854,794 |
| 05025002 | Triumph Hospital | - | \$6,829 | - |
| 05161005 | Vail Valley Medical Center | 1,991,213 | \$1,930,956 | - |
| 05075007 | Valley View Hospital | 3,013,044 | \$4,682,704 | 444,750 |
| 04356829 | West slope Mental Health Stabilization Center | - | \$0 | - |
| 05049002 | Yampa Valley Medical Center | 1,211,022 | \$1,575,943 | 168,950 |

Department of Health Care Policy and Financing

DRAFT 2010-11 Hospital Provider Fee and Payment Model

| Medicaid ID | Name | Total Fee Paid | Total Payments |
|-------------|--|-------------------|--------------------|
| | State Hospitals | | |
| 05002019 | Colorado Mental Health Institute-Ft Logan | - | - |
| 05078001 | Colorado Mental Health Institute-Pueblo | - | - |
| 05024005 | University of Colorado Hospital | 20,182,998 | 63,489,714 |
| | State Hospitals Total | 20,182,998 | 63,489,714 |
| | | | |
| | Government Hospitals | | |
| 05021001 | Arkansas Valley Regional Medical Center | 3,004,721 | 5,960,353 |
| 05057005 | Aspen Valley Hospital | 586,177 | 1,394,553 |
| 05071006 | Delta County Memorial Hospital | 3,404,422 | 4,825,900 |
| 05011002 | Denver Health Medical Center | 17,045,144 | 105,879,288 |
| 05069000 | East Morgan County Hospital | 201,491 | 1,389,711 |
| 05088000 | Estes Park Medical Center | 267,651 | 1,442,798 |
| 05042007 | Grand River Medical Center | 396,992 | 1,271,622 |
| 05070008 | Gunnison Valley Hospital | 226,094 | 526,738 |
| 05659868 | Haxtun Hospital | 46,467 | 73,756 |
| 05050000 | Heart of the Rockies Regional Medical Center | 489,549 | 1,495,388 |
| 05043005 | Keefe Memorial Hospital | 115,333 | 95,197 |
| 05037007 | Kit Carson County Memorial Hospital | 188,922 | 548,978 |
| 05090006 | Kremmling Memorial Hospital | 316,495 | 215,333 |
| 05062005 | Lincoln Community Hospital and Nursing Home | 130,147 | 523,084 |
| 05038005 | Melissa Memorial Hospital | 237,408 | 705,274 |
| 05046008 | The Memorial Hospital | 404,809 | 1,718,155 |
| 05022009 | Memorial Hospital | 25,058,395 | 50,310,384 |
| 05006002 | Montrose Memorial Hospital | 3,883,773 | 6,678,545 |
| 05001003 | North Colorado Medical Center | 20,282,392 | 34,140,574 |
| 16455576 | Pagosa Mountain Hospital | 85,659 | 682,853 |
| 50972260 | Pioneers Hospital | 84,600 | 222,550 |
| 05010004 | Poudre Valley Hospital | 18,357,779 | 27,434,887 |
| 05007000 | Prowers Medical Center | 781,758 | 3,003,482 |
| 05073002 | Rangely District Hospital | 62,509 | 124,937 |
| 05052006 | Sedgwick County Memorial Hospital | 105,477 | 237,646 |
| 05085006 | Southeast Colorado Hospital | 176,862 | 509,950 |
| 05002050 | Southwest Memorial Hospital | 954,429 | 2,003,497 |
| 05066006 | Spanish Peaks Regional Health Center | 228,756 | 1,150,774 |
| 05029004 | St. Vincent General Hospital District | 132,393 | 425,930 |
| 05047006 | Weisbrod Memorial County Hospital | 16,512 | 209,512 |
| 05053004 | Wray Community District Hospital | 203,408 | 432,084 |
| 05056007 | Yuma District Hospital | 250,362 | 1,063,992 |
| | Gov't Hospitals Total | 97,726,886 | 256,697,725 |
| | | | |

Department of Health Care Policy and Financing

DRAFT 2010-11 Hospital Provider Fee and Payment Model

| Medicaid ID | Name | Total Fee Paid | Total Payments |
|-------------|---|--------------------|--------------------|
| | Public Hospitals Total | 117,909,884 | 320,187,438 |
| | Private Hospitals | | |
| 34172271 | Animas Surgical Hospital | 217,003 | 535,895 |
| 05027008 | Boulder Community Hospital | 12,392,032 | 12,392,172 |
| 05123313 | Cedar Springs Behavior Health System | - | - |
| 49557769 | Centennial Peaks Hospital | - | - |
| 05010301 | Centura Health - Avista Adventist Hospital | 5,139,614 | 8,494,692 |
| 31474381 | Centura Health - Littleton Adventist Hospital | 9,746,477 | 6,618,326 |
| 56572271 | Centura Health - Parker Adventist Hospital | 4,808,947 | 4,757,558 |
| 05031000 | Centura Health - Penrose -St. Francis Health Services | 27,366,133 | 23,568,953 |
| 05064001 | Centura Health - Porter Adventist Hospital | 13,611,810 | 11,328,109 |
| 05015003 | Centura Health - Saint Anthony Central Hospital | 17,680,609 | 23,067,169 |
| 05000070 | Centura Health - Saint Anthony North Hospital | 7,740,595 | 12,262,748 |
| 89080785 | Centura Health - Saint Anthony Summit Hospital | 621,137 | 1,731,886 |
| 05012000 | Centura Health - St. Mary-Corwin Medical Center | 11,570,123 | 24,281,552 |
| 05016001 | Centura Health - St. Thomas More Hospital | 3,353,430 | 6,459,916 |
| DCENTORT | Centura Health - Ortho Colorado | 2,096,391 | - |
| 48559261 | Colorado Acute Long Term Hospital | - | 27,407 |
| 64953238 | Colorado Plains Medical Center | 1,788,830 | 3,054,262 |
| 05000104 | HealthOne Medical Center of Aurora | 22,226,494 | 21,056,434 |
| 05065008 | HealthOne North Suburban Medical Center | 7,560,944 | 10,393,359 |
| 05014006 | HealthOne Presbyterian/St. Luke's Medical Center | 18,187,328 | 29,712,763 |
| 38977320 | HealthOne Rose Medical Center | 15,774,682 | 17,535,683 |
| 56557230 | HealthOne Sky Ridge Medical Center | 8,905,862 | 4,369,752 |
| 05000518 | HealthOne Spalding Rehabilitation Hospital | - | 161,755 |
| 05034004 | HealthOne Swedish Medical Center | 21,993,717 | 20,219,349 |
| 05054002 | Community Hospital | 2,610,178 | 2,424,558 |
| 07079834 | Conejos County Hospital | 221,593 | 1,557,895 |
| IDEATING | Eating Recovery Center | - | - |
| 05000419 | Craig Hospital | - | 1,399,137 |
| 06035728 | Exempla Good Samaritan Medical Center | 6,341,526 | 4,449,453 |
| 05009006 | Exempla Lutheran Medical Center | 22,248,643 | 21,316,412 |
| 05028006 | Exempla Saint Joseph Hospital | 15,246,490 | 22,617,298 |
| 05063003 | Family Health West Hospital | 34,247 | 94,325 |
| IDHAVEN | Haven Behavioral Senior Care at St. Mary-Corwin | - | - |
| DHIGHLAND | Highlands Behavioral Health System | - | - |
| 05000211 | HealthSouth Rehabilitation Hospital | - | 235,964 |
| 05000310 | Kindred Hospital | - | 51,643 |
| 05003009 | Longmont United Hospital | 11,207,381 | 17,268,183 |
| 05030002 | McKee Medical Center | 6,023,800 | 12,741,202 |

Department of Health Care Policy and Financing

DRAFT 2010-11 Hospital Provider Fee and Payment Model

| Medicaid ID | Name | Total Fee Paid | Total Payments |
|-------------|---|--------------------|--------------------|
| 76821820 | Medical Center of the Rockies | 5,031,009 | 7,904,297 |
| 05013008 | Mercy Medical Center | 4,841,058 | 6,868,204 |
| 05033006 | Mount San Rafael Hospital | 789,860 | 1,816,998 |
| 05000112 | National Jewish Health | 419,253 | 5,666,411 |
| IDNVHP | Haven Behavioral Health at North Denver | - | - |
| 69585041 | Vibra Long Term Acute Care Hospital | - | 81,830 |
| 06852726 | Northern Colorado Rehabilitation Hospital | - | 166,208 |
| 05020003 | Parkview Medical Center | 21,648,350 | 35,442,191 |
| IDPEAK | Peak View Behavioral Health | - | - |
| 22981551 | Pikes Peak Regional Hospital | 73,329 | 1,035,254 |
| 05004007 | Platte Valley Medical Center | 3,816,551 | 10,551,135 |
| 05000203 | Rio Grande Hospital | 311,184 | 853,850 |
| 05008008 | San Luis Valley Regional Medical Center | 3,298,411 | 8,377,993 |
| DSELECTLT | Select Long Term Care Hospital | - | - |
| ELECTDEN | Select Specialty Hospital - Denver | - | - |
| SELECTSOU | Select Specialty Hospital - Denver South Campus | - | - |
| 05023007 | St. Mary's Hospital and Medical Center | 18,855,613 | 21,589,290 |
| 05076005 | Sterling Regional MedCenter | 2,259,789 | 4,380,496 |
| 05002043 | The Children's Hospital | 9,870,892 | 30,546,096 |
| 05025002 | Triumph Hospital | - | 8,369 |
| 05161005 | Vail Valley Medical Center | 2,758,957 | 2,876,583 |
| 05075007 | Valley View Hospital | 4,175,980 | 9,085,311 |
| 04356829 | West slope Mental Health Stabilization Center | - | - |
| 05049002 | Yampa Valley Medical Center | 1,677,925 | 3,154,042 |
| | Private Hospitals Total | 356,544,173 | 476,590,369 |
| | | | |
| | Totals | 474,454,057 | 796,777,807 |

State of Colorado

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MEMORANDUM

TO: Joint Budget Committee

FROM: Office of Legislative Legal Services

DATE: January 15, 2003

SUBJECT: Changing state employees' pay day to the first working day of the next month¹

ISSUE: Does the Colorado constitution prohibit the general assembly from enacting a statute that provides for paying state employees on the first working day of a month for work performed during the previous month?

CONCLUSION: No.

1. The Colorado constitution does not expressly or indirectly prescribe the day upon which state employees must be paid for work performed. Pursuant to its plenary power, the general assembly has the authority to enact a statute that provides for paying state employees on the first working day of a month for work performed during the previous month.
2. Such a statute does not implicate the provisions of article X of section 20 of the Colorado constitution ("TABOR") requiring voter approval of the creation of a direct or indirect debt or multiple-fiscal year financial obligation of the state.

¹ This legal memorandum results from a request made to the Office of Legislative Legal Services (OLLS), a staff agency of the General Assembly. OLLS legal memoranda do not represent an official legal position of the General Assembly or the State of Colorado and do not bind the members of the General Assembly. They are intended for use in the legislative process and as information to assist the members in the performance of their legislative duties. Consistent with the OLLS' position as a staff agency of the General Assembly, OLLS legal memoranda generally resolve doubts about whether the General Assembly has authority to enact a particular piece of legislation in favor of the General Assembly's plenary power.

ANALYSIS:

Background

Since February of 1973, salaries for positions in the state personnel system have been statutorily required to be paid on a monthly basis as of the last working day of the month.² An exception to this statutory requirement was enacted in 1979 to allow most state personnel system employees in the state department of highways (now the Colorado department of transportation) to be paid their December salaries on the first working day of the following January.³

As part of the budget reduction proposals to deal with a significant revenue shortfall in the 2002-03 state fiscal year, the governor is currently proposing that the general assembly amend section 24-50-104 (8) (a), C.R.S., to provide that state personnel system employees be paid on the first working day of the month following the month in which employees worked. This statutory change is estimated to reduce state expenditures in the 2002-03 fiscal year by approximately \$133.9 million as the state would pay state personnel system employees' salaries for only eleven months, instead of for twelve months.

It is within this context that the question has arisen whether the Colorado constitution prohibits the general assembly from amending existing statutes to implement the governor's proposal to change the day upon which state employees are paid.

Plenary authority of the general assembly

The Colorado supreme court has repeatedly held that the general assembly's power is plenary and is limited only by express or implied provisions of the constitution.⁴ The scope and breadth of legislative power is reflected in the following statement: "Because state legislatures have plenary power for all purposes of civil government, state constitutions are limitations upon that power."⁵ Especially when it comes to revenue, spending, and other

² Section 24-50-104 (8) (a), C.R.S.; Senate Bill 16, Chapter 118, Session Laws of Colorado 1973.

³ Section 24-50-104 (8) (a), C.R.S.; House Bill 1494, Chapter 242, Session Laws of Colorado 1979.

⁴ *People v. Y.D.M.*, 197 Colo. 403, 593 P.2d 1356 (1979).

⁵ *Colorado State Civil Service Employees Ass'n v. Love*, 167 Colo. 436, 448, 448 P.2d 624, 628 (1968).

fiscal matters, the general assembly has broad legislative responsibilities, subject only to "express or implied restraints imposed thereon by specific constitutional provisions."⁶

Because the general assembly has the legislative power to enact any laws not forbidden by the constitution, the exact scope of legislative power cannot be precisely defined. Only when the state constitution directly or indirectly addresses the limits of legislative power or when the judiciary defines the extent of that power in the context of a particular decision are the boundaries precisely known.

Accordingly, the general assembly has the authority to amend existing statutes to provide that state employees be paid on the first working day of the month following the month in which employees worked unless expressly or impliedly prohibited by the Colorado constitution.⁷

Constitutional provisions regarding compensation of state officers and employees

No provision of the Colorado constitution expressly prescribes on what day of the month state employees are to be paid for work performed. While there are various constitutional provisions that relate to the compensation of state officers and employees in certain respects, none of these provisions establish a day upon which such compensation is to be paid.⁸

⁶ *Dempsey v. Romer*, 825 P.2d 44, 51 (Colo. 1992).

⁷ The statute allowing certain personnel system employees of the state department of highways (now the Colorado department of transportation) to be paid their December salaries on the first working day of the following January, *see note 3*, supports the position that the general assembly's plenary authority to specify the pay day of state employees is not constitutionally limited. Such statute is duly enacted and presumed constitutional. *Colo. Ass'n of Public Employees v. Board of Regents of University of Colorado*, 804 P.2d 138, 142 (Colo. 1990).

⁸ Most relevant to this issue is section 13 of article XII of the Colorado constitution, which establishes the personnel system for state employees. While this constitutional provision specifies that persons in the personnel system "shall be graded and compensated according to standards of efficient service which shall be the same for all persons having like duties," this provision does not specify when such compensation is to be paid.

In addition, several other constitutional provisions address the compensation of state officers and employees. Article IV, section 19 of the Colorado constitution specifies that the governor, lieutenant governor, secretary of state, state treasurer, and attorney general "shall receive for their services a salary to be established by law, which shall not be increased or diminished" during their terms. Article V, section 6 specifies that "Each member of the general assembly shall receive such salary and expenses as are prescribed by law." Section 27 of article V requires the general assembly to "prescribe by law or joint resolution the number, duties, and compensation" of its appointed officers and employees. Section 28 of article V prohibits the enactment of any bill providing for the payment of "extra compensation to any public officer or employee, agent, or contractor after services have been rendered or contract made."

Section 13 of article VI of the Colorado constitution states that "District attorneys shall receive such salaries and perform such duties as provided by law." Article VI, section 18 provides that "justices and judges shall receive such
(continued...)

Accordingly, the general assembly has authority to statutorily direct that state employees be paid on the first working day of the month for work performed during the previous month unless the Colorado constitution indirectly prohibits such a statutory change.

Section 2 of article X of the Colorado constitution

Section 2 of article X of the Colorado constitution reads as follows:

Section 2. Tax provided for state expenses. The general assembly shall provide by law for an annual tax sufficient, with other resources, to defray the estimated expenses of the state government for each fiscal year.

Article X, section 2 mandates the general assembly to provide by law for an annual state tax, which shall be sufficient, with other resources, to defray the estimated expenses of the state government for each fiscal year. "It limits [the general assembly's] otherwise plenary power to act or not to act by requiring an *annual* tax to be provided sufficient, when supplemented by other resources of the state, to defray the estimated state expenses for each fiscal year. The mandate is not absolute, but contingent; contingent on the estimated expense exceeding the other resources which might be derived from various sorts of excise taxation." [Emphasis in original]⁹ Accordingly, it is the imperative duty of the general assembly to provide by law for such a tax.¹⁰ The general assembly cannot refuse to exercise its authority to impose taxes needed to cover the entire expenses of state government as "it must enact tax statutes so that governmental operations may be funded."¹¹

⁸ (...continued)

compensation as may be provided by law, which may be increased but may not be decreased during their term of office." Similarly, article XII, section 11 prohibits the salary of any elected public officer from being increased or decreased during the officer's term of office. While all of these constitutional provisions relate in some manner to compensation for state officials and employees, none of these provisions specify a day upon which compensation is to be paid to such state officers and employees.

⁹ *Johnson v. McDonald*, 97 Colo. 324, 347, 49 P.2d 1017, 1028 (1935), citing *Parsons v. People*, 32 Colo. 221, 234, 76 P. 666 (1904).

¹⁰ *People ex rel. Regents of the State University v. State Board of Equalization*, 20 Colo. 220, 230, 37 P. 964, 968 (1894); *In re Appropriations by General Assembly*, 13 Colo. 316, 326, 22 P. 464, 467 (1889).

¹¹ *Vail Associates, Inc. v. Colorado State Board of Equalization*, 19 P.3d 1263, 1274 (Colo. 2001).

However, article X, section 2 only relates to the raising of revenue as "[i]t says nothing about the expenditure of revenue."¹² The pay day proposal only involves when state revenues are expended to pay state employees' salaries. Accordingly, article X, section 2 does not limit the plenary authority of the general assembly to enact statutes that establish the first day of the month as the pay day of state employees.

Section 16 of article X of the Colorado constitution

Section 16 of article X of the Colorado constitution states:

Section 16. Appropriations not to exceed tax - exceptions. No appropriation shall be made, nor any expenditure authorized by the general assembly, whereby the expenditure of the state, during any fiscal year, shall exceed the total tax then provided for by law and applicable for such appropriation or expenditure, unless the general assembly making such appropriation shall provide for levying a sufficient tax, not exceeding the rates allowed in section eleven of this article, to pay such appropriation or expenditure within such fiscal year. This provision shall not apply to appropriations or expenditures to suppress insurrection, defend the state, or assist in defending the United States in time of war.

This constitutional provision limits the general assembly's plenary authority to make appropriations by prohibiting the general assembly from making appropriations in excess of the revenues available for expenditure during any given fiscal year except for extraordinary purposes.¹³ Any appropriations in excess of the revenue available for such appropriations are void and of no effect.¹⁴ However, the determination of whether any appropriations made by the general assembly are in violation of article X, section 16 and thereby void cannot be made until the fiscal year has expired and all revenue available for expenditure has been exhausted.¹⁵

¹² *Johnson v. McDonald, supra*, note 9, at 347, 1028.

¹³ *In re Continuing Appropriations*, 18 Colo. 192, 32 P. 272 (1893); *In re Appropriations by General Assembly, supra*, note 10.

¹⁴ *In re Appropriations by General Assembly, supra*, note 10; *Parks, Auditor v. Commissioners for the Soldiers' and Sailors' Home*, 22 Colo. 86, 43 P. 542 (1896).

¹⁵ *People ex rel. Colorado State Hospital et al. v. Armstrong, State Treasurer*, 104 Colo. 238, 90 P.2d 522 (1939).

The purpose of this constitutional inhibition is "to prohibit the making of appropriations authorizing expenditures for any fiscal year in excess of the revenue provided for the payment thereof during said period, to the end that indebtedness beyond the current means of discharging the same may be precluded."¹⁶ Within this constitutional limit, the general assembly may appropriate the public funds of the state as it chooses, but once this limit has been reached, further appropriations are of no force and effect, for the reason that there is no revenue available to meet such appropriations.¹⁷

The amendment of state statutes to provide for the payment of state employees on the first working day of the month following the month in which work is performed is not expressly prohibited by article X, section 16 as such a statutory change itself does not constitute an appropriation of moneys. Some may argue that this statutory amendment departs from the statutorily-required and commonly accepted principles underlying the accrual system of accounting,¹⁸ thereby implicating the requirements of article X, section 16.¹⁹ However, use

¹⁶ *People ex rel. Colorado State Hospital et al. v. Armstrong, State Treasurer, supra*, note 15, at 244, 525. See also *In re Appropriations by General Assembly, supra*, note 10.

¹⁷ *Parks, Auditor v. Commissioners for the Soldiers' and Sailors' Home, supra*, note 14.

¹⁸ Section 24-30-202 (12), C.R.S., requires the state controller to create and implement a unified and integrated system of accounts for the state, which "shall be based upon the accrual system of accounting."

The accrual system of accounting keeps "accounts which shows expenses incurred and income earned for a given period, although such expenses and income may not have been actually paid or received. Right to receive and not the actual receipt determines inclusion of amount in gross income. When right to receive an amount becomes fixed, right accrues. Obligations payable to or by taxpayer are treated as if discharged when incurred. Entries are made of credits and debits when liability arises, whether received or disbursed." Black's Law Dictionary, p. 18 (5th edition, 1979).

"Governmental fund revenues and expenditures should be recognized on the modified accrual basis. Revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment levies, which should be recognized when due." Governmental Accounting and Financial Reporting Standards, National Council on Governmental Accounting, Government Accounting Standards Board (GASB), Statement No. 1, Paragraph 57.8.a., p. 23 (June 20, 2002).

¹⁹ The proposal to change the pay day of state employees would reduce the amount of expenditures for state employees' salaries in the 2002-03 fiscal year as state employees would be paid for work performed in June of 2003 on July 1, 2003, the first day of fiscal year 2003-04. This change would reduce expenditures in fiscal year 2002-03, thereby making approximately \$133.9 million available for appropriation in that fiscal year for other state purposes. However, under the accrual system of accounting, the amount to be paid state employees on July 1, 2003, for work performed in June of 2003 would be recorded in the state's financial statements as a liability or financial obligation for fiscal year 2002-03 even though that amount would actually be expended in fiscal year 2003-04. Under the accrual system, the proposed change would not free up \$133.9 million for appropriation for other state purposes in the 2002-03 fiscal year as this amount would still be shown as due and payable in fiscal year 2002-03 to state employees for their June work, regardless of whether that amount was expended in that fiscal year. In the absence of the proposed statutory change, or unless additional state revenues become
(continued...)

of the accrual system of accounting is not prescribed by the Colorado constitution.²⁰ Furthermore, the general assembly has enacted statutory exceptions to the use of the accrual system of accounting.²¹ In short, the general assembly has the plenary authority to choose the state's accounting methodology and, consequently, the basis for estimating state revenues in a manner consistent with the methodology. Accordingly, such statutes, including a statute

¹⁹ (...continued)

available for appropriation, any appropriation of the \$133.9 million for purposes other than to pay state employees would result in the state's financial statements showing that appropriations exceed the amount of state revenues available for appropriation for fiscal year 2002-03.

²⁰ While constitutional provisions relating to governmental indebtedness, such as article X, section 16, provide the basis for the conclusion that the framers of the Colorado constitution intended to establish the state's financial system on a basis that closely approximates the basis of cash, *Lake County v. Rollins*, 130 U.S. 662, 672, 9 S. Ct. 651, 653 (1889), no provision of Colorado's constitution expressly prescribes whether the state's accounting methodology should be based upon the cash system or the accrual system. Thus, the general assembly has the plenary authority to choose the state accounting methodology and, consequently, the basis for estimating state revenues in a manner consistent with that methodology. Furthermore, it is within the general assembly's authority to modify such methodology by creating exceptions as appropriate and in light of any constitutional requirements and limitations.

²¹ The general assembly first exercised its power to statutorily establish the basis for the state's financial system in 1969. The state's financial system was required to be based upon the accrual or modified accrual system of accounting commencing with fiscal year 1969-70. *See* Senate Bill 46, Chapter 27, Session Laws of Colorado 1969. The statute was amended in 1992 to adopt the accrual system of accounting. *See* House Bill 92-1088, Chapter 162, Session Laws of Colorado 1992.

Since 1992, the general assembly has enacted statutes that allow for departure from the accrual system of accounting. For example, state financial statements prepared for purposes of ascertaining compliance with article X of section 20 of the Colorado constitution ("TABOR") are to be prepared in accordance with generally accepted accounting principles except as otherwise provided by law or unless an unreconcilable conflict exists between such accounting principles and the provisions of TABOR. Section 24-77-101 (2) (f), C.R.S. In addition, section 24-77-106.5 (3), C.R.S., enacted in 1998, prohibits the state's TABOR financial statements from including any unrealized gains or losses on investments held by the state notwithstanding general accepted accounting principles.

Another exception to the requirement that the state's financial system be based on the accrual system of accounting was also enacted in 1998. Section 24-75-201, C.R.S., was amended to specify that the general fund surplus be determined based on the accrual system, except that any revenues designated as revenues in excess of the state fiscal year spending limitation imposed by TABOR are to be unrestricted revenues in the general fund surplus for the fiscal year in which the excess revenues accrued and such excess revenues shall be restricted in the next fiscal year. *See* House Bill 98-1414, Chapter 229, Section 2, Session Laws of Colorado 1998. This statutory change was necessitated by the fact that, under the accrual system of accounting, the obligation of the state to make a required refund of excess revenues would have been recorded as a liability against the general fund reserve in the year the excess revenues were collected, even though the state would not make the expenditure to pay out such excess revenues as refunds until the next fiscal year. With this accounting restriction, these revenues in the general fund reserve would not otherwise be available for appropriation for state purposes. While ensuring that the required amount of excess revenues is available in the fiscal year in which it is to be refunded, the general assembly enacted this exception to the accrual accounting method to allow the appropriation of excess moneys in the general fund reserve in the fiscal year in which the excess moneys are collected.

to move the pay day of state employees to the first working day of the next month, do not run afoul of the Colorado constitution.²²

Pursuant to its plenary power, the general assembly may enact a statute that specifies: 1) state employees are to be paid on the first working day of a month following the month during which work is performed; and 2) revenues to pay state employees for work performed shall be restricted in the fiscal year in which state employees are paid.²³ Such a statutory enactment would eliminate the possible argument that enacting the pay day proposal and appropriating the resulting savings for other state purposes would violate article X, section 16.

Section 20 (4) (b) of article X of the Colorado constitution

Section 20 of article X of the Colorado constitution, commonly referred to as "TABOR," imposes limitations on the ability of the general assembly to take certain actions relating to state government finance, spending, and taxation. To protect taxpayers from unwarranted tax increases, TABOR "requires voter approval for certain state and local government tax increases and restricts property, income, and other taxes."²⁴ TABOR also requires prior voter approval for state and local governments to assume certain multiple-year financial obligations.²⁵ It also "limits the growth of state revenues . . . by restricting the increase of fiscal year spending to the rate of inflation plus population increase, unless voter approval for an increase in spending is obtained."²⁶ However, beyond these specific limitations, TABOR does not affect the contours of the legislative power to deal with revenue and spending matters. The contours of these and other legislative powers remain to be determined in the course of the legislative process, the administration of the laws, and judicial review.

²² Duly enacted statutes are presumed constitutional. *Colo. Ass'n of Public Employees v. Board of Regents of University of Colorado*, *supra*, note 7.

²³ This memorandum does not address any policy issues that may arise from the enactment of a statute establishing such an exception to generally accepted accounting principles under the accrual system of accounting.

²⁴ *Submission of Interrogatories on Senate Bill 93-74*, 852 P.2d 1, 4 (Colo. 1993).

²⁵ *Submission of Interrogatories on House Bill 99-1325*, 979 P.2d 549, 556 (Colo. 1998).

²⁶ *Submission of Interrogatories on Senate Bill 93-74*, *supra*, note 24. See also *Bickel v. City of Boulder*, 885 P.2d 215, 225 (Colo. 1994); *Zaner v. City of Brighton*, 917 P.2d 280, 284 (Colo. 1996).

Since no provision of TABOR specifically addresses the day upon which state employees are paid, TABOR does not expressly restrict the general assembly's plenary authority to modify existing statutes so state employees are paid on the first working day of the month following the month state employees work. However, TABOR would require prior voter approval of the pay day proposal if it creates any direct or indirect debt or multiple-fiscal year financial obligation of the state.²⁷

Under the pay day proposal, state employees who work during June will be paid for their work in July. Therefore, state employees paid for work performed in June will be paid in a fiscal year other than the fiscal year in which the work was performed. The fact that the state's obligation to pay employees for work performed in one fiscal year is not discharged before the end of that fiscal year and is carried into another fiscal year raises the issue of whether changing the pay day of state employees creates a multiple-fiscal year financial obligation requiring prior voter approval under TABOR.

In construing TABOR, the Colorado supreme court has held that the goal is to determine and give effect to the will of the people in adopting that provision. To accomplish this goal, the terms of the provision should be given their ordinary and popular meaning.²⁸ The phrase "any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever" is not defined by TABOR. For terms not defined by the constitutional provision, the Colorado supreme court has relied upon prior case law.²⁹

The court has stated that "debt by loan in any form," prohibited by article XI, section 3 of the Colorado constitution, may be characterized by the following: "[T]hat the obligation pledges revenues of future years, that it requires use of revenue from a tax otherwise available for general purposes, that it is a legally enforceable obligation against the state in future years,

²⁷ Section 20 (4) (b) of article X of the Colorado constitution reads:

Section 20. The Taxpayer's Bill of Rights. (4) Required elections. Starting November 4, 1992, districts must have voter approval in advance for:

(b) Except for refinancing district bonded debt at a lower interest rate or adding new employees to existing district pension plans, creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

²⁸ *Zaner v. City of Brighton, supra*, note 25; *Bolt v. Arapahoe County School District Number Six*, 898 P.2d 525 (Colo. 1995).

²⁹ *Nicholl v. E-470 Public Highway Authority*, 896 P.2d 859 (Colo. 1995); *Bickel v. City of Boulder*, 885 P.2d 215 (Colo. 1994).

or that appropriation by future legislatures of monies in payment of the obligation is nondiscretionary."³⁰

Article XI, section 3 debt does not include financing devices where the funds borrowed by a government through the issuance of bonds are repaid out of revenue generated by the improvement built with bond proceeds,³¹ where the borrowing entity is a public entity independent from government,³² or where a government enters into a lease-purchase agreement in which the parties are not bound to renew the lease at the end of each year.³³ For purposes of TABOR (4) (b), "debt" has been held to have the same meaning as article XI, section 3 debt.³⁴

The Colorado supreme court has stated that TABOR (4) (b) encompasses a broad scope of financial obligations not limited to article XI, section 3 debt. As a result, revenue bonds, transportation revenue anticipation notes, and the repayment of intergovernmental loans not subject to annual appropriation have been held to be financial obligations under the terms of TABOR (4) (b).³⁵ While the supreme court did not define "financial obligation" in reaching this conclusion, the court recognized that the term "financial obligation" is not open-ended, and does not include every conceivable type of financial obligation.

Relying on the fact that the Legislative Council Analysis of Ballot Issues informed voters that TABOR (4) (b) would "require voter approval for the creation of most financial obligations that extend beyond the current fiscal year" unless the government sets aside the money in advance, the court recognized that, if read literally, the phrase "multiple-fiscal year financial obligation whatsoever" could encompass many financial obligations that would include something other than borrowing money. The court declined to give the phrase its "plain meaning", stating that such an interpretation could lead to absurd results that the voters did

³⁰ *Glennon Heights, Inc. v. Central Bank & Trust*, 658 P.2d 872, 878-879 (Colo. 1983).

³¹ *Perl-Mack Civic Ass'n v. Board of Directors of Baker Metro. and Sanitation District*, 140 Colo. 371, 344 P.2d 685 (1959).

³² *In re Interrogatories by the Colorado State Senate*, 193 Colo. 298, 566 P.2d 350 (1977).

³³ *Glennon Heights, Inc. v. Central Bank & Trust*, *supra*, note 30.

³⁴ *Submission of Interrogatories on House Bill 99-1325*, *supra*, note 25; *Nicholl v. E-470 Public Highway Authority*, *supra*, note 29; *Boulder v. Dougherty, Dawkins*, 890 P.2d 199 (Colo. App. 1994).

³⁵ *Submission of Interrogatories on House Bill 99-1325*, *supra*, note 25; *Nicholl v. E-470 Public Highway Authority*, *supra*, note 29.

not intend when approving TABOR.³⁶ Consistent with this interpretation, the court has refused to find that a multiple-year lease agreement for equipment like copy machines or computers or a lease-purchase agreement for a road grader constitutes a multiple-fiscal year financial obligation requiring voter approval under TABOR.³⁷

Although the payment of state employees' salaries does not constitute article XI, section 3 debt, the payment of such salaries might be regarded as a financial obligation of the state. By agreeing to employ state employees, state agencies may make a financial commitment to pay compensation to state employees for the term of employment. As a result, the promise to pay salary may constitute a direct financial obligation that is legally enforceable against the state since state agencies are part of the state for purposes of TABOR. Under the pay day proposal, state employees would not be paid for all of the work performed in one fiscal year by the end of that fiscal year. Instead, state employees would be paid for work performed in the month of June in the following fiscal year and some might argue that this fact may make the financial obligation of the state a multiple-fiscal year financial obligation requiring prior voter approval.

For the following reasons, the enactment of a statute delaying the pay day of state employees to the following month does not appear to create a financial obligation of the state that requires statewide voter approval under TABOR:

- 1) As previously stated, in construing a constitutional amendment, the goal of the Colorado supreme court "is to determine and give effect to the will of the people in adopting the measure."³⁸ In interpreting TABOR, the court found that "As presented to the electorate, [TABOR] was designed to protect citizens from unwarranted tax increases."³⁹ Further, the court has held that "Amendment 1's requirement of electoral approval is not a *grant* of new powers or rights to the people, but is more properly viewed as a *limitation* on the power of the people's elected representatives." [Emphasis in original]⁴⁰ "By adopting Amendment 1, the voters of this state intended to exercise 'greater direct control over government growth by, among other things, setting various spending and revenue limits and requiring voter approval of measures

³⁶ *Submission of Interrogatories on House Bill 99-1325, supra*, note 25.

³⁷ *Id.*

³⁸ *Bolt v. Arapahoe County School District Number Six, supra*, note 28.

³⁹ *Submission of Interrogatories on Senate Bill 93-74*, 852 P.2d 1, 4 (Colo. 1993).

⁴⁰ *Bickel v. City of Boulder, supra*, note 26.

that would increase debt, spending, or taxes."⁴¹ Since changing the pay day of state employees does not increase state debt, spending, or taxes, it does not appear that voters intended to affect on what day state employees are paid one way or another.

- 2) Since the revenues used to pay state employees are subject to annual appropriation by the general assembly and switching the day upon which state employees are paid does not "entail the borrowing of funds or pledge the credit of the state,"⁴² changing the day upon which the state is obligated to pay state employees does not constitute debt or the type of financial obligation that voters intended to require a statewide vote on when approving TABOR. To apply TABOR's voter approval requirement to the pay day proposal would require an unreasonable result.⁴³
- 3) The employment relationship between the state and its employees is in the nature of a contractual relationship that is subject to available revenues. Lack of revenue to compensate a state employee is recognized as a legitimate reason to terminate the employment relationship between the state and a state employee.⁴⁴ Accordingly, the employment relationship does not give rise to any direct or indirect debt or multiple-fiscal year financial obligation of the state.
- 4) TABOR (1) provides that TABOR's "preferred interpretation shall reasonably restrain most the growth of government." To interpret the pay day proposal as being exempt from the voter approval requirement is consistent with the preferred interpretation of TABOR. In this situation, there does not appear to be any resulting growth in government. Changing the pay day does not increase the number of persons employed by the state or the amount of salaries to be paid to state employees. The proposal only changes when state employees are paid. Government does not grow just because the pay day proposal may result in more persons being employed by the state than if the proposal is not enacted, in which case additional state expenditure reductions would be made resulting in the termination of some state employees. The supreme court has refused to "adopt a rigid interpretation of [TABOR] that would

⁴¹ *Havens v. Board of Cty. Comm.*, 924 P.2d 517 (Colo. 1996).

⁴² The Colorado supreme court held that a lease/purchase agreement for a road grader was not a multiple-fiscal year financial obligation requiring voter approval under TABOR because the agreement "did not entail the borrowing of funds or pledge the credit of the state." *Submission of Interrogatories on House Bill 99-1325*, *supra*, note 25, at 557.

⁴³ "An unjust, absurd or unreasonable result should be avoided when construing a constitutional provision." *Bickel v. City of Boulder*, *supra*, note 26, at 229.

⁴⁴ *Bardsley v. Dept. of Public Safety*, 870 P.2d 641 (Colo. App. 1994); *People ex rel. Kelly v. Milliken*, 74 Colo. 456, 223 P. 40 (1923).

have the effect of working a reduction in government services."⁴⁵ In addition, any revenues expended for state employees' salaries will continue to be subject to the spending limits imposed by TABOR, regardless of what day on which employees are paid. Thus, growth in government does not result from either interpretation.

Since statutorily changing the pay day of state employees does not constitute the type of financial obligation that requires statewide voter approval under TABOR (4) (b), the general assembly has the authority to change the pay day of state employees to the first working day of the month without obtaining prior voter approval.

Conclusion

The Colorado constitution does not expressly or indirectly limit the plenary authority of the general assembly to statutorily prescribe the day upon which state employees must be paid for work performed. Therefore, the general assembly has the authority to enact a statute that provides for paying state employees on the first working day of a month for work performed during the previous month.

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⁴⁵ *Bolt v. Arapahoe County School District Number Six*, *supra*, note 28.

**Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- Caseload History Exhibit**

| Item | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Baby Care Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|---|---------------------|--------------------------|----------------------------|--|------------------|----------------------------------|-------------------|---------------|------------------|---------------|------------------------|----------------|
| FY 1995-96 Actuals | 31,321 | 4,261 | 44,736 | 36,690 | - | - | 113,439 | 8,376 | 7,223 | 4,100 | 3,937 | 254,083 |
| FY 1996-97 Actuals | 32,080 | 4,429 | 46,090 | 33,250 | - | - | 110,586 | 9,261 | 5,476 | 4,610 | 4,316 | 250,098 |
| FY 1997-98 Actuals | 32,664 | 4,496 | 46,003 | 27,179 | - | - | 103,912 | 10,453 | 4,295 | 5,032 | 4,560 | 238,594 |
| Percent Change | 1.82% | 1.51% | -0.19% | -18.26% | - | - | -6.04% | 12.87% | -21.57% | 9.15% | 5.65% | -4.60% |
| FY 1998-99 Actuals | 33,007 | 4,909 | 46,310 | 22,852 | - | - | 102,074 | 11,526 | 5,017 | 5,799 | 6,104 | 237,598 |
| Percent Change | 1.05% | 9.19% | 0.67% | -15.92% | - | - | -1.77% | 10.26% | 16.81% | 15.24% | 33.86% | -0.42% |
| FY 1999-00 Actuals | 33,135 | 5,092 | 46,386 | 23,515 | - | - | 109,816 | 12,474 | 6,174 | 9,065 | 7,597 | 253,254 |
| Percent Change | 0.39% | 3.73% | 0.16% | 2.90% | - | - | 7.58% | 8.22% | 23.06% | 56.32% | 24.46% | 6.59% |
| FY 2000-01 Actuals | 33,649 | 5,157 | 46,046 | 27,081 | - | - | 123,221 | 13,076 | 6,561 | 12,451 | 8,157 | 275,399 |
| Percent Change | 1.55% | 1.28% | -0.73% | 15.16% | - | - | 12.21% | 4.83% | 6.27% | 37.35% | 7.37% | 8.74% |
| FY 2001-02 Actuals | 33,916 | 5,184 | 46,349 | 33,347 | - | - | 143,909 | 13,121 | 7,131 | 4,028 | 8,428 | 295,413 |
| Percent Change | 0.79% | 0.52% | 0.66% | 23.14% | - | - | 16.79% | 0.34% | 8.69% | -67.65% | 3.32% | 7.27% |
| FY 2002-03 Actuals | 34,704 | 5,431 | 46,647 | 40,798 | - | 47 | 169,311 | 13,967 | 7,823 | 4,084 | 8,988 | 331,800 |
| Percent Change | 2.32% | 4.76% | 0.64% | 22.34% | - | - | 17.65% | 6.45% | 9.70% | 1.39% | 6.64% | 12.32% |
| FY 2003-04 Actuals | 34,329 | 5,548 | 46,789 | 47,562 | - | 105 | 195,279 | 14,914 | 8,398 | 4,793 | 9,842 | 367,559 |
| Percent Change | -1.08% | 2.15% | 0.30% | 16.58% | - | 123.40% | 15.34% | 6.78% | 7.35% | 17.36% | 9.50% | 10.78% |
| FY 2004-05 Actuals | 35,780 | 6,082 | 47,929 | 57,140 | - | 87 | 222,472 | 15,795 | 6,034 | 5,150 | 9,605 | 406,074 |
| Percent Change | 4.23% | 9.63% | 2.44% | 20.14% | - | -17.14% | 13.93% | 5.91% | -28.15% | 7.45% | -2.41% | 10.48% |
| FY 2005-06 Actuals | 36,207 | 6,042 | 47,855 | 58,885 | - | 188 | 214,158 | 16,460 | 5,119 | 6,212 | 11,092 | 402,218 |
| Percent Change | 1.19% | -0.66% | -0.15% | 3.05% | - | 116.09% | -3.74% | 4.21% | -15.16% | 20.62% | 15.48% | -0.95% |
| FY 2006-07 Actuals | 35,888 | 6,059 | 48,799 | 50,687 | 5,162 | 228 | 205,390 | 16,724 | 5,182 | 5,201 | 12,908 | 392,228 |
| Percent Change | -0.88% | 0.28% | 1.97% | -13.92% | - | 21.28% | -4.09% | 1.60% | 1.23% | -16.27% | 16.37% | -2.48% |
| FY 2007-08 Actuals | 36,284 | 6,146 | 49,933 | 44,555 | 8,918 | 270 | 204,022 | 17,141 | 6,288 | 4,191 | 14,214 | 391,962 |
| Percent Change | 1.10% | 1.44% | 2.32% | -12.10% | 72.76% | 18.42% | -0.67% | 2.49% | 21.34% | -19.42% | 10.12% | -0.07% |
| FY 2008-09 Actuals | 37,619 | 6,447 | 51,355 | 49,147 | 12,727 | 317 | 235,129 | 18,033 | 6,976 | 3,987 | 15,075 | 436,812 |
| Percent Change | 3.68% | 4.90% | 2.85% | 10.31% | 42.71% | 17.41% | 15.25% | 5.20% | 10.94% | -4.87% | 6.06% | 11.44% |
| FY 2009-10 Actuals | 38,487 | 7,049 | 53,264 | 57,661 | 20,416 | 425 | 275,672 | 18,381 | 7,830 | 3,693 | 15,919 | 498,797 |
| Percent Change | 2.31% | 9.34% | 3.72% | 17.32% | 60.41% | 34.07% | 17.24% | 1.93% | 12.24% | -7.37% | 5.60% | 14.19% |
| FY 2010-11 Appropriation | 38,978 | 7,171 | 54,103 | 66,766 | 32,597 | 473 | 306,488 | 18,890 | 7,256 | 3,415 | 17,270 | 553,407 |
| Percent Change | 1.28% | 1.73% | 1.58% | 15.79% | 59.66% | 11.29% | 11.18% | 2.77% | -7.33% | -7.53% | 8.49% | 10.95% |
| FY 2010-11 Dept. Supplemental Req. | 39,345 | 7,521 | 55,416 | 56,727 | 46,911 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 551,570 |
| Percent Change (to FY 09-10 Actual) | 2.23% | 6.70% | 4.04% | -1.62% | 129.78% | 20.24% | 7.86% | 3.13% | 4.67% | -6.04% | 7.90% | 10.58% |
| FY 2011-12 Dept. Request | 40,163 | 7,853 | 61,280 | 60,851 | 54,539 | 591 | 333,991 | 20,458 | 8,462 | 3,410 | 18,427 | 610,025 |
| Percent Change (to FY 10-11 Department Request) | 2.08% | 4.41% | 10.58% | 7.27% | 16.26% | 15.66% | 12.33% | 7.92% | 3.25% | -1.73% | 7.28% | 10.60% |
| FY 2012-13 Dept. Request | 41,119 | 8,177 | 66,930 | 62,871 | 57,023 | 677 | 384,288 | 23,127 | 8,631 | 3,338 | 19,757 | 675,938 |
| Percent Change (to FY 11-12 Department Request) | 2.38% | 4.13% | 9.22% | 3.32% | 4.55% | 14.55% | 15.06% | 13.05% | 2.00% | -2.11% | 7.22% | 10.80% |
| Average 10 Year Growth Rate | 1.52% | 3.36% | 1.40% | 10.20% | 17.59% | 31.35% | 9.99% | 3.97% | 3.45% | -3.14% | 7.80% | 7.17% |

Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- Caseload by Funding Sources for Department & Staff Estimates

| Item | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|--|---------------------|--------------------------|----------------------------|--|------------------|----------------------------------|-------------------|---------------|-----------------|---------------|------------------------|----------------|
| FY 2009-10 Actuals | 38,487 | 7,049 | 53,264 | 57,661 | 20,416 | 425 | 275,672 | 18,381 | 7,830 | 3,693 | 15,919 | 498,797 |
| Percent Change | 2.31% | 9.34% | 3.72% | 17.32% | 60.41% | 34.07% | 17.24% | 1.93% | 12.24% | -7.37% | 5.60% | 14.19% |
| FY 2010-11 Original Appropriation | 38,978 | 7,171 | 54,103 | 66,766 | 32,597 | 473 | 306,488 | 18,890 | 7,256 | 3,415 | 17,270 | 553,407 |
| Percent Change | 1.28% | 1.73% | 1.58% | 15.79% | 59.66% | 11.29% | 11.18% | 2.77% | -7.33% | -7.53% | 8.49% | 10.95% |
| FY 2010-11 Dept Request | <u>39,345</u> | <u>7,521</u> | <u>55,416</u> | <u>56,727</u> | <u>46,911</u> | <u>511</u> | <u>297,340</u> | <u>18,956</u> | <u>8,196</u> | <u>3,470</u> | <u>17,177</u> | <u>551,570</u> |
| -- Traditional & TT Caseload* | 39,345 | 7,521 | 55,416 | 56,727 | 19,641 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 524,300 |
| -- H.B. 09-1293 Hospital Fee Exp. | 0 | 0 | 0 | 0 | 27,270 | 0 | 0 | 0 | 0 | 0 | 0 | 27,270 |
| FY 2011-12 Dept Request | <u>40,163</u> | <u>7,853</u> | <u>61,280</u> | <u>60,851</u> | <u>54,539</u> | <u>591</u> | <u>333,991</u> | <u>20,458</u> | <u>8,462</u> | <u>3,410</u> | <u>18,427</u> | <u>610,025</u> |
| -- Traditional & TT Caseload* | 40,163 | 7,853 | 61,280 | 60,851 | 20,991 | 591 | 314,021 | 19,335 | 8,462 | 3,410 | 18,427 | 555,384 |
| -- H.B. 09-1293 Hospital Fee Exp. | 0 | 0 | 0 | 0 | 33,548 | 0 | 19,970 | 1,123 | 0 | 0 | 0 | 54,641 |
| FY 2010-11 Staff Revised Estimate | <u>39,036</u> | <u>7,632</u> | <u>55,618</u> | <u>58,878</u> | <u>50,024</u> | <u>519</u> | <u>295,852</u> | <u>18,627</u> | <u>8,174</u> | <u>3,413</u> | <u>16,986</u> | <u>554,759</u> |
| -- Traditional Caseload | 38,471 | 7,536 | 54,070 | 50,229 | 0 | 379 | 264,165 | 17,219 | 8,174 | 3,413 | 16,649 | 460,305 |
| -- Tobacco Tax Caseload | 565 | 96 | 1,548 | 8,649 | 20,566 | 140 | 31,687 | 1,408 | 0 | 0 | 337 | 64,996 |
| -- H.B. 09-1293 Hospital Fee Exp. | 0 | 0 | 0 | 0 | 29,458 | 0 | 0 | 0 | 0 | 0 | 0 | 29,458 |
| FY 2011-12 Staff Estimate | <u>39,692</u> | <u>7,935</u> | <u>58,286</u> | <u>60,927</u> | <u>67,664</u> | <u>582</u> | <u>308,368</u> | <u>19,518</u> | <u>8,300</u> | <u>3,587</u> | <u>18,077</u> | <u>592,936</u> |
| -- Traditional Caseload | 39,127 | 7,839 | 55,539 | 52,386 | 0 | 442 | 267,852 | 18,077 | 8,300 | 3,587 | 17,740 | 470,889 |
| -- Tobacco Tax Caseload | 565 | 96 | 1,548 | 8,541 | 24,496 | 140 | 31,266 | 1,441 | 0 | 0 | 337 | 68,430 |
| -- H.B. 09-1293 Hospital Fee Exp. | 0 | 0 | 1,200 | 0 | 43,169 | 0 | 9,250 | 0 | 0 | 0 | 0 | 53,619 |
| FY 2012-13 Staff Estimate | <u>40,403</u> | <u>8,223</u> | <u>61,929</u> | <u>58,980</u> | <u>92,737</u> | <u>641</u> | <u>337,368</u> | <u>21,184</u> | <u>8,002</u> | <u>3,626</u> | <u>19,180</u> | <u>652,273</u> |
| -- Traditional Caseload | 39,838 | 8,127 | 56,981 | 50,400 | 0 | 501 | 257,667 | 19,711 | 8,002 | 3,626 | 18,843 | 463,696 |
| -- Tobacco Tax Caseload | 565 | 96 | 1,548 | 8,579 | 25,461 | 140 | 31,201 | 1,473 | 0 | 0 | 337 | 69,400 |
| -- H.B. 09-1293 Hospital Fee Exp. | 0 | 0 | 3,400 | 0 | 67,276 | 0 | 48,500 | 0 | 0 | 0 | 0 | 119,176 |

* The Department does not do an estimate for caseload attributed to the removal of the Medicaid asset test for low-income adults and children (therefore, this caseload estimate is contained in Department's traditional caseload funding. Rather the Department uses an "allocation" methodology to assign Amendment 35 Funding for this caseload. Staff has included all Tobacco Tax Caseloads in this number.

* Staff "backs" into an estimated caseload amount related to the removal of the Medicaid asset test based on the Department's "allocation" methodology, original fiscal assumption regarding the number of child and adults, and current estimated cost per client information. Because this caseload can not be tracked separately, staff's estimate is an approximation and is used by staff to consistently assign fund splits only.

*Staff has included the H.B. 09-1293 Adults without Dependent Children in her forecast in the "expansion adult" aid category. The Department requested this population in the Indigent Care Program.

Joint Budget Committee - Staff Document

Briefing -- FY 2009-10 Final 2010 Appropriation By Service Area and Aid Category

| FY 2009-10 Final Appropriation -- Acute Care Services | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults BCA Program | Non-Citizens | Partial Dual Eligibles | TOTAL |
|---|---------------------|--------------------------|----------------------------|--|-------------------|----------------------------------|--------------------|-------------------|-----------------------------|-------------------|------------------------|----------------------|
| Subtotal of Acute Care | 94,403,480 | 53,893,180 | 485,819,297 | 222,283,134 | 41,258,556 | 8,721,787 | 463,646,689 | 60,668,211 | 60,714,811 | 56,765,175 | 3,086,286 | 1,551,260,606 |
| FY 2009-10 Final Appropriation - Community Based Long Term Care Services | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
| Subtotal of Community Based Long Term Care | 145,527,616 | 21,095,910 | 125,383,369 | 184,219 | 9,551 | - | 641,533 | 6,714,307 | - | 2,592 | 302,566 | 299,861,663 |
| FY 2009-10 Appropriation - Institutional and Managed Care Long Term Care & Insurance Premiums | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
| Subtotal Long Term Care | 490,155,256 | 37,092,556 | 81,748,422 | - | - | - | - | - | - | - | 254,373 | 609,250,607 |
| Subtotal Insurance | 54,238,498 | 3,216,986 | 29,490,605 | 219,406 | - | - | 26,458 | 1,467 | 3,302 | - | 16,865,369 | 104,062,091 |
| Subtotal of Long Term Care and Insurance | 544,393,754 | 40,309,542 | 111,239,027 | 219,406 | - | - | 26,458 | 1,467 | 3,302 | - | 17,119,742 | 713,312,698 |
| FY 2009-10 Appropriation - Administrative Services/Case Management Costs | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
| Subtotal of Service Management | 12,235,452 | 2,105,791 | 11,788,524 | 633,300 | 173,320 | 355 | 2,724,108 | 239,383 | 98,750 | - | 136,342 | 30,135,325 |
| FY 2009-10 Services Appropriation Total | 796,560,302 | 117,404,423 | 734,230,217 | 223,320,059 | 41,441,427 | 8,722,142 | 467,038,788 | 67,623,368 | 60,816,863 | 56,767,767 | 20,644,936 | 2,594,570,292 |
| Bottom of the Line Financing Issues / Repayments | 2,702,847 | 769,384 | 6,122,776 | 2,638,031 | 479,461 | 100,033 | 5,478,865 | 737,270 | 733,741 | 697,375 | 45,534 | 20,505,317 |
| H.B. 09-1293 Impact | 19,015,579 | 10,855,638 | 97,857,994 | 44,774,223 | 10,002,660 | 1,756,819 | 93,391,792 | 12,220,324 | 12,229,711 | 11,434,141 | 621,667 | 314,160,548 |
| TOTAL FINAL 2010 SESSION FY 2009-10 APP. | 818,278,728 | 129,029,445 | 838,210,987 | 270,732,313 | 51,923,548 | 10,578,994 | 565,909,445 | 80,580,962 | 73,780,315 | 68,899,284 | 21,312,138 | 2,929,236,159 |

Analysis of Overexpenditure

| | | | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-----------|-------------|------------|-------------|------------|------------|---------------|
| Service Costs -- Appropriation | 796,560,302 | 117,404,423 | 734,230,217 | 223,320,059 | 41,441,427 | 8,722,142 | 467,038,788 | 67,623,368 | 60,816,863 | 56,767,767 | 20,644,936 | 2,594,570,292 |
| Service Costs -- Actual | 760,862,956 | 114,510,907 | 729,000,456 | 218,438,766 | 44,887,285 | 9,006,820 | 473,021,901 | 67,115,181 | 67,360,886 | 48,471,795 | 19,503,189 | 2,552,180,142 |
| Difference: + Overestimate / (Underestimate) | 35,697,346 | 2,893,516 | 5,229,761 | 4,881,293 | (3,445,858) | (284,678) | (5,983,113) | 508,187 | (6,544,023) | 8,295,972 | 1,141,747 | 42,390,150 |

By Service Area

| | | | | | | | | | | | | |
|---------------------------|------------|-----------|-------------|-----------|-------------|-----------|-------------|----------|-------------|-----------|-----------|-------------|
| Acute Care Costs | (617,639) | 72,816 | 873,082 | 5,008,396 | (3,469,855) | (284,624) | (5,582,735) | 577,821 | (6,548,943) | 8,336,094 | (242,547) | (1,878,134) |
| Community Long Term Costs | 1,539,676 | (19,268) | (1,152,099) | (8,213) | (21,223) | - | (194,865) | (74,780) | - | 1,313 | 101,386 | 171,927 |
| Long Term Care Costs | 35,240,314 | 2,886,051 | 4,565,673 | (5,285) | - | - | - | - | - | - | 191,688 | 42,878,441 |
| Insurance Premiums | (730,802) | 3,369 | (315,041) | 35,990 | - | - | 15,144 | 1,257 | 3,302 | - | 960,292 | (26,489) |
| Service Management | 265,797 | (49,452) | 1,258,146 | (149,595) | 45,220 | (54) | (220,657) | 3,889 | 1,618 | (41,435) | 130,928 | 1,244,405 |
| Subtotal | 35,697,346 | 2,893,516 | 5,229,761 | 4,881,293 | (3,445,858) | (284,678) | (5,983,113) | 508,187 | (6,544,023) | 8,295,972 | 1,141,747 | 42,390,150 |

| | | | | | | | | | | | | |
|--|--------|--------|--------|--------|---------|--------|---------|--------|--------|--------|--------|---------|
| Appropriated Caseload | 38,449 | 7,002 | 53,023 | 58,830 | 17,736 | 416 | 277,560 | 18,365 | 7,130 | 3,624 | 15,928 | 498,063 |
| Actual Caseload | 38,487 | 7,049 | 53,264 | 57,661 | 20,416 | 425 | 275,672 | 18,381 | 7,830 | 3,693 | 15,919 | 498,797 |
| Difference: + Overestimate / (Underestimate) | (38) | (47) | (241) | 1,169 | (2,680) | (9) | 1,888 | (16) | (700) | (69) | 9 | (734) |
| Error Rate | -0.10% | -0.67% | -0.45% | 1.99% | -15.11% | -2.16% | 0.68% | -0.09% | -9.82% | -1.90% | 0.06% | -0.15% |

| | | | | | | | | | | | | |
|--|-------------|-------------|-------------|------------|------------|-------------|------------|------------|------------|-------------|------------|------------|
| Estimated Service Per Capita - Appropriation | \$20,717.32 | \$16,767.27 | \$13,847.39 | \$3,796.02 | \$2,336.57 | \$20,966.69 | \$1,682.66 | \$3,682.19 | \$8,529.71 | \$15,664.39 | \$1,296.14 | \$5,209.32 |
| Estimated Service Per Capita - Actual | \$19,769.35 | \$16,244.99 | \$13,686.55 | \$3,788.33 | \$2,198.63 | \$21,192.52 | \$1,715.89 | \$3,651.33 | \$8,602.92 | \$13,125.32 | \$1,225.15 | \$5,116.67 |
| Difference: + Overestimate / (Underestimate) | \$947.97 | \$522.28 | \$160.84 | \$7.70 | \$137.94 | (\$225.83) | (\$33.23) | \$30.85 | (\$73.21) | \$2,539.08 | \$70.99 | \$92.65 |
| Error Rate | 4.58% | 3.11% | 1.16% | 0.20% | 5.90% | -1.08% | -1.97% | 0.84% | -0.86% | 16.21% | 5.48% | 1.78% |

| | | | | | | | | | | | | |
|---|------------|-----------|-------------|-----------|-------------|-----------|-------------|----------|-------------|-----------|-----------|-------------|
| Cost Associated With Extra Caseload Growth | (751,235) | (763,514) | (3,298,459) | 4,428,555 | (5,892,336) | (190,733) | 3,239,594 | (58,421) | (6,022,046) | (905,647) | 11,026 | (3,755,637) |
| Cost Associated With Extra Per Capita Costs | 36,484,604 | 3,681,578 | 8,566,982 | 443,742 | 2,816,153 | (95,978) | (9,159,973) | 567,102 | (573,223) | 9,376,815 | 1,130,082 | 46,213,792 |
| Compounding | (36,023) | (24,547) | (38,762) | 8,996 | (369,675) | 2,032 | (62,734) | (494) | 51,246 | (175,196) | 639 | (68,005) |
| Subtotal | 35,697,346 | 2,893,516 | 5,229,761 | 4,881,293 | (3,445,858) | (284,678) | (5,983,113) | 508,187 | (6,544,023) | 8,295,972 | 1,141,747 | 42,390,150 |

Joint Budget Committee - Staff Document

Briefing Presentation -- FY 2009-10 Actual Expenditures By Service Area and Aid Category

| FY 2009-10 Actual -- Acute Care Services | Categorically | | | | | | | | | | | TOTAL |
|---|---------------------|--------------------------|----------------------------|----------------------------|-------------------|----------------------------------|--------------------|-------------------|-------------------|-------------------|------------------------|----------------------|
| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | |
| Physician Services & EPSDT | 4,644,233 | 6,088,859 | 46,749,044 | 50,890,397 | 8,996,467 | - | 100,673,872 | 10,102,008 | 16,999,107 | 6,991,912 | 553 | 252,136,452 |
| Emergency Transportation | 135,675 | 219,816 | 1,715,328 | 1,071,466 | 190,466 | - | 1,604,042 | 210,924 | 189,910 | 92,127 | - | 5,429,754 |
| Non-emergency Medical Transportation | 2,250,142 | 881,642 | 4,609,047 | 347,306 | 21,950 | - | 976,900 | 103,821 | 45,337 | 1,244 | - | 9,237,389 |
| Dental Services | 815,475 | 244,934 | 4,352,134 | 3,747,235 | 865,201 | - | 76,650,059 | 5,510,341 | 370,427 | 2,724 | 43 | 92,558,573 |
| Family Planning | - | 24 | 12,420 | 114,135 | 45,997 | - | 114,009 | 30,897 | 17,434 | - | - | 334,916 |
| Health Maintenance Organizations | 6,690,235 | 6,808,868 | 45,687,847 | 17,679,255 | 3,678,474 | - | 35,072,631 | 902,745 | 1,131,694 | - | - | 117,651,749 |
| Inpatient Hospitals | 15,822,984 | 11,626,366 | 99,034,203 | 56,272,985 | 6,696,268 | - | 85,902,848 | 6,206,952 | 30,629,066 | 39,618,658 | (833) | 351,809,497 |
| Outpatient Hospitals | 2,586,214 | 4,061,576 | 35,876,257 | 34,148,589 | 10,909,918 | - | 54,117,957 | 4,860,761 | 5,029,450 | 1,066,582 | 521 | 152,657,825 |
| Lab & X-Ray | 564,758 | 733,232 | 5,613,057 | 10,271,962 | 1,958,029 | - | 6,852,876 | 1,693,335 | 3,589,272 | 152,136 | 638 | 31,429,295 |
| Durable Medical Equipment | 18,847,335 | 4,155,984 | 42,281,065 | 2,452,124 | 733,894 | - | 8,456,254 | 4,040,219 | 185,251 | 559 | 2,908 | 81,155,593 |
| Prescription Drugs | 8,059,382 | 14,076,616 | 101,424,097 | 34,928,739 | 8,619,215 | 618 | 46,186,239 | 19,361,739 | 2,266,055 | - | 462 | 234,923,162 |
| Drug Rebate | (3,418,708) | (5,981,643) | (43,107,160) | (14,786,250) | (3,647,251) | (273) | (19,705,779) | (8,241,293) | (966,767) | - | (204) | (99,855,328) |
| Rural Health Centers | 42,647 | 152,354 | 945,902 | 1,314,556 | 370,778 | - | 4,711,474 | 418,503 | 308,458 | 29,366 | 142 | 8,294,180 |
| Federally Qualified Health Centers | 943,051 | 829,861 | 6,305,622 | 12,037,090 | 2,463,126 | - | 48,664,174 | 2,029,256 | 5,276,198 | 472,284 | 154 | 79,020,816 |
| Co-Insurance (Title XVIII-Medicare) | 10,164,073 | 1,546,536 | 7,014,431 | (59,373) | 357,602 | - | 22,284 | 18,450 | 24,953 | 32 | 3,107,054 | 22,196,042 |
| Breast and Cervical Cancer Treatment Program | - | - | - | - | - | 9,005,795 | - | - | - | - | - | 9,005,795 |
| Prepaid Inpatient Health Plan Services | 2,417,306 | 1,643,809 | 12,846,454 | 6,416,877 | 2,372,654 | - | 15,116,294 | 1,774,938 | 2,115,488 | - | - | 44,703,820 |
| Other Medical Services | 3,033 | 1,762 | 15,618 | 8,354 | - | 271 | 14,457 | 2,022 | 2,008 | 1,457 | 158 | 49,140 |
| Home Health | 24,453,284 | 6,729,768 | 113,570,849 | 419,291 | 95,623 | - | 3,798,833 | 11,064,772 | 50,413 | - | 217,237 | 160,400,070 |
| Presumptive Eligibility | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal of Acute Care | 95,021,119 | 53,820,364 | 484,946,215 | 217,274,738 | 44,728,411 | 9,006,411 | 469,229,424 | 60,090,390 | 67,263,754 | 48,429,081 | 3,328,833 | 1,553,138,740 |
| FY 2009-10 Actual - Community Based Long Term Care Services | Categorically | | | | | | | | | | | TOTAL |
| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | |
| HCBS - Elderly, Blind, and Disabled | 103,386,211 | 14,626,539 | 71,841,260 | 8,554 | 4,831 | - | - | 79,147 | - | - | 149,360 | 190,095,902 |
| HCBS - Mental Illness | 3,473,457 | 2,391,039 | 17,109,979 | 80 | - | - | - | 23,600 | - | - | 42,459 | 23,040,614 |
| HCBS - Disabled Children | - | - | 1,840,542 | - | - | - | - | 471 | - | - | - | 1,841,013 |
| HCBS - Persons Living with AIDS | 20,536 | 28,470 | 549,511 | - | - | - | - | - | - | - | 25 | 598,542 |
| HCBS - Consumer Directed Attendant Support | 1,910,755 | 270,269 | 1,331,531 | 161 | - | - | - | 1,469 | - | - | 2,733 | 3,516,918 |
| HCBS - Brain Injury | 144,343 | 532,868 | 10,913,491 | 2,859 | 2,859 | - | - | - | - | - | - | 11,596,420 |
| HCBS - Children with Autism | - | - | 1,594,735 | - | - | - | - | - | - | - | - | 1,594,735 |
| HCBS - Pediatric Hospice | - | - | 101,725 | - | - | - | - | 485 | - | - | - | 102,210 |
| Private Duty Nursing | 1,035,252 | 240,541 | 15,137,079 | - | - | - | 604,720 | 6,648,963 | - | - | - | 23,666,555 |
| Hospice | 34,017,386 | 3,025,452 | 6,115,615 | 180,778 | 23,084 | - | 231,678 | 34,952 | - | 1,279 | 6,603 | 43,636,827 |
| Subtotal of Community Based Long Term Care | 143,987,940 | 21,115,178 | 126,535,468 | 192,432 | 30,774 | - | 836,398 | 6,789,087 | - | 1,279 | 201,180 | 299,689,736 |
| FY 2009-10 Actuals - Institutional and Managed Care Long Term Care & Insurance Premiums | Categorically | | | | | | | | | | | TOTAL |
| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | |
| Class I Nursing Facilities | 393,028,828 | 28,956,277 | 73,847,716 | 5,285 | - | - | - | - | - | - | 62,685 | 495,900,791 |
| Class II Nursing Facilities | (38,446) | 264,098 | 989,694 | - | - | - | - | - | - | - | - | 1,215,346 |
| Program of All-Inclusive Care for the Elderly | 61,924,560 | 4,986,130 | 2,345,339 | - | - | - | - | - | - | - | - | 69,256,029 |
| Subtotal Long Term Care | 454,914,942 | 34,206,505 | 77,182,749 | 5,285 | - | - | - | - | - | - | 62,685 | 566,372,166 |
| Supplemental Medicare Insurance Benefit | 54,965,748 | 3,205,285 | 28,812,261 | 180,219 | - | - | - | - | - | - | 15,905,077 | 103,068,590 |
| Health Insurance Buy-In Program | 3,552 | 8,332 | 993,385 | 3,197 | - | - | 11,314 | 210 | - | - | - | 1,019,990 |
| Subtotal Insurance | 54,969,300 | 3,213,617 | 29,805,646 | 183,416 | - | - | 11,314 | 210 | - | - | 15,905,077 | 104,088,580 |
| Subtotal of Long Term Care and Insurance | 509,884,242 | 37,420,122 | 106,988,395 | 188,701 | - | - | 11,314 | 210 | - | - | 15,967,762 | 670,460,746 |
| FY 2009-10 Actuals - Administrative Services/Case Management Costs | Categorically | | | | | | | | | | | TOTAL |
| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | |
| Single Entry Points | 11,622,897 | 2,068,951 | 9,956,430 | 2,637 | - | - | 1,458 | 8,329 | - | 41,435 | 5,414 | 23,707,551 |
| Disease Management | 4,570 | 2,655 | 23,534 | 12,589 | - | 409 | 21,785 | 3,047 | 3,027 | - | - | 71,616 |
| Prepaid Inpatient Health Plan Administration | 342,188 | 83,637 | 550,414 | 767,669 | 128,100 | - | 2,921,522 | 224,118 | 94,105 | - | - | 5,111,753 |
| Subtotal of Service Management | 11,969,655 | 2,155,243 | 10,530,378 | 782,895 | 128,100 | 409 | 2,944,765 | 235,494 | 97,132 | 41,435 | 5,414 | 28,890,920 |
| FY 2009-10 COFRS Total | 760,862,956 | 114,510,907 | 729,000,456 | 218,438,766 | 44,887,285 | 9,006,820 | 473,021,901 | 67,115,181 | 67,360,886 | 48,471,795 | 19,503,189 | 2,552,180,142 |

Joint Budget Committee - Staff Document

Briefing Presentation -- FY 2009-10 Actual Expenditures % By Service Area and Aid Category

| FY 2009-10 Actual -- Acute Care Services | Adults | Disabled | Disabled | Categorically | Expansion | Breast & Cervical | Eligible | Foster | Pregnant- | Non- | Partial Dual | TOTAL |
|---|---------------|-----------------|-------------------|----------------------------|--------------|-------------------|---------------|--------------|--------------|--------------|--------------|----------------|
| | 65 and Older | Adults 60 to 64 | Individuals to 59 | Eligible Low-Income Adults | Adults | Cancer Program | Children | Care | Adults | Citizens | Eligibles | |
| Physician Services & EPSDT | 1.84% | 2.41% | 18.54% | 20.18% | 3.57% | 0.00% | 39.93% | 4.01% | 6.74% | 2.77% | 0.00% | 100.00% |
| Emergency Transportation | 2.50% | 4.05% | 31.59% | 19.73% | 3.51% | 0.00% | 29.54% | 3.88% | 3.50% | 1.70% | 0.00% | 100.00% |
| Non-emergency Medical Transportation | 24.36% | 9.54% | 49.90% | 3.76% | 0.24% | 0.00% | 10.58% | 1.12% | 0.49% | 0.01% | 0.00% | 100.00% |
| Dental Services | 0.88% | 0.26% | 4.70% | 4.05% | 0.93% | 0.00% | 82.81% | 5.95% | 0.40% | 0.00% | 0.00% | 100.00% |
| Family Planning | 0.00% | 0.01% | 3.71% | 34.08% | 13.73% | 0.00% | 34.04% | 9.23% | 5.21% | 0.00% | 0.00% | 100.00% |
| Health Maintenance Organizations | 5.69% | 5.79% | 38.83% | 15.03% | 3.13% | 0.00% | 29.81% | 0.77% | 0.96% | 0.00% | 0.00% | 100.00% |
| Inpatient Hospitals | 4.50% | 3.30% | 28.15% | 16.00% | 1.90% | 0.00% | 24.42% | 1.76% | 8.71% | 11.26% | 0.00% | 100.00% |
| Outpatient Hospitals | 1.69% | 2.66% | 23.50% | 22.37% | 7.15% | 0.00% | 35.45% | 3.18% | 3.29% | 0.70% | 0.00% | 100.00% |
| Lab & X-Ray | 1.80% | 2.33% | 17.86% | 32.68% | 6.23% | 0.00% | 21.80% | 5.39% | 11.42% | 0.48% | 0.00% | 100.00% |
| Durable Medical Equipment | 23.22% | 5.12% | 52.10% | 3.02% | 0.90% | 0.00% | 10.42% | 4.98% | 0.23% | 0.00% | 0.00% | 100.00% |
| Prescription Drugs | 3.43% | 5.99% | 43.17% | 14.87% | 3.67% | 0.00% | 19.66% | 8.24% | 0.96% | 0.00% | 0.00% | 100.00% |
| Drug Rebate | 3.42% | 5.99% | 43.17% | 14.81% | 3.65% | 0.00% | 19.73% | 8.25% | 0.97% | 0.00% | 0.00% | 100.00% |
| Rural Health Centers | 0.51% | 1.84% | 11.40% | 15.85% | 4.47% | 0.00% | 56.80% | 5.05% | 3.72% | 0.35% | 0.00% | 100.00% |
| Federally Qualified Health Centers | 1.19% | 1.05% | 7.98% | 15.23% | 3.12% | 0.00% | 61.58% | 2.57% | 6.68% | 0.60% | 0.00% | 100.00% |
| Co-Insurance (Title XVIII-Medicare) | 45.79% | 6.97% | 31.60% | -0.27% | 1.61% | 0.00% | 0.10% | 0.08% | 0.11% | 0.00% | 14.00% | 100.00% |
| Breast and Cervical Cancer Treatment Program | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Prepaid Inpatient Health Plan Services | 5.41% | 3.68% | 28.74% | 14.35% | 5.31% | 0.00% | 33.81% | 3.97% | 4.73% | 0.00% | 0.00% | 100.00% |
| Other Medical Services | 6.17% | 3.59% | 31.78% | 17.00% | 0.00% | 0.55% | 29.42% | 4.11% | 4.09% | 2.96% | 0.32% | 100.00% |
| Home Health | 15.25% | 4.20% | 70.80% | 0.26% | 0.06% | 0.00% | 2.37% | 6.90% | 0.03% | 0.00% | 0.14% | 100.00% |
| Presumptive Eligibility | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Subtotal of Acute Care | 6.12% | 3.47% | 31.22% | 13.99% | 2.88% | 0.58% | 30.21% | 3.87% | 4.33% | 3.12% | 0.21% | 100.00% |
| FY 2009-10 Actual - Community Based Long Term Care Services | Adults | Disabled | Disabled | Categorically | Expansion | Breast & Cervical | Eligible | Foster | Pregnant- | Non- | Partial Dual | TOTAL |
| | 65 and Older | Adults 60 to 64 | Individuals to 59 | Eligible Low-Income Adults | Adults | Cancer Program | Children | Care | Adults | Citizens | Eligibles | |
| HCBS - Elderly, Blind, and Disabled | 54.39% | 7.69% | 37.79% | 0.00% | 0.00% | 0.00% | 0.00% | 0.04% | 0.00% | 0.00% | 0.08% | 100.00% |
| HCBS - Mental Illness | 15.08% | 10.38% | 74.26% | 0.00% | 0.00% | 0.00% | 0.00% | 0.10% | 0.00% | 0.00% | 0.18% | 100.00% |
| HCBS - Disabled Children | 0.00% | 0.00% | 99.97% | 0.00% | 0.00% | 0.00% | 0.00% | 0.03% | 0.00% | 0.00% | 0.00% | 100.00% |
| HCBS - Persons Living with AIDS | 3.43% | 4.76% | 91.81% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| HCBS - Consumer Directed Attendant Support | 54.33% | 7.68% | 37.86% | 0.00% | 0.00% | 0.00% | 0.00% | 0.04% | 0.00% | 0.00% | 0.08% | 100.00% |
| HCBS - Brain Injury | 1.24% | 4.60% | 94.11% | 0.02% | 0.02% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| HCBS - Children with Autism | 0.00% | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| HCBS - Pediatric Hospice | 0.00% | 0.00% | 99.53% | 0.00% | 0.00% | 0.00% | 0.00% | 0.47% | 0.00% | 0.00% | 0.00% | 100.00% |
| Private Duty Nursing | 4.37% | 1.02% | 63.96% | 0.00% | 0.00% | 0.00% | 2.56% | 28.09% | 0.00% | 0.00% | 0.00% | 100.00% |
| Hospice | 77.96% | 6.93% | 14.01% | 0.41% | 0.05% | 0.00% | 0.53% | 0.08% | 0.00% | 0.00% | 0.02% | 100.00% |
| Subtotal of Community Based Long Term Care | 48.05% | 7.05% | 42.22% | 0.06% | 0.01% | 0.00% | 0.28% | 2.27% | 0.00% | 0.00% | 0.07% | 100.00% |

Joint Budget Committee - Staff Document

Briefing Presentation -- FY 2009-10 Actual Expenditures % By Service Area and Aid Category

| FY 2009-10 Actuals - Institutional and Managed Care Long Term Care & Insurance Premiums | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|--|----------------------------|---------------------------------|-----------------------------------|---|-------------------------|---|--------------------------|--------------------|------------------------|---------------------|-------------------------------|----------------|
| Class I Nursing Facilities | 79.26% | 5.84% | 14.89% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 100.00% |
| Class II Nursing Facilities | -3.16% | 21.73% | 81.43% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Program of All-Inclusive Care for the Elderly | 89.41% | 7.20% | 3.39% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Subtotal Long Term Care | 80.32% | 6.04% | 13.63% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 100.00% |
| Supplemental Medicare Insurance Benefit | 53.33% | 3.11% | 27.95% | 0.17% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 15.43% | 100.00% |
| Health Insurance Buy-In Program | 0.35% | 0.82% | 97.39% | 0.31% | 0.00% | 0.00% | 1.11% | 0.02% | 0.00% | 0.00% | 0.00% | 100.00% |
| Subtotal Insurance | 52.81% | 3.09% | 28.63% | 0.18% | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% | 15.28% | 100.00% |
| Subtotal of Long Term Care and Insurance | 76.05% | 5.58% | 15.96% | 0.03% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 2.38% | 100.00% |
| FY 2009-10 Actuals - Administrative Services/Case Management Costs | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
| Single Entry Points | 49.03% | 8.73% | 42.00% | 0.01% | 0.00% | 0.00% | 0.01% | 0.04% | 0.00% | 0.17% | 0.02% | 100.00% |
| Disease Management | 6.38% | 3.71% | 32.86% | 17.58% | 0.00% | 0.57% | 30.42% | 4.25% | 4.23% | 0.00% | 0.00% | 100.00% |
| Prepaid Inpatient Health Plan Administration | 6.69% | 1.64% | 10.77% | 15.02% | 2.51% | 0.00% | 57.15% | 4.38% | 1.84% | 0.00% | 0.00% | 100.00% |
| Subtotal of Service Management | 41.43% | 7.46% | 36.45% | 2.71% | 0.44% | 0.00% | 10.19% | 0.82% | 0.34% | 0.14% | 0.02% | 100.00% |
| FY 2009-10 COFRS Total | 29.81% | 4.49% | 28.56% | 8.56% | 1.76% | 0.35% | 18.53% | 2.63% | 2.64% | 1.90% | 0.76% | 100.00% |

Joint Budget Committee - Staff Document
Briefing Presentation -- Original FY 2010-11 Appropriation By Service Area and Bill Source

| FY 2010-11 Current Appropriation | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|--|---------------------|--------------------------|----------------------------|--|------------------|----------------------------------|-------------------|-------------|-----------------|--------------|------------------------|---------------|
| Appropriated Caseload | 38,978 | 7,171 | 54,103 | 66,766 | 32,597 | 473 | 306,488 | 18,890 | 7,256 | 3,415 | 17,270 | 553,407 |
| Acute Care | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$2,527.75 | \$7,870.77 | \$9,437.14 | \$3,714.42 | \$2,488.18 | \$20,768.02 | \$1,655.80 | \$3,382.93 | \$8,756.43 | \$16,578.84 | \$224.56 | \$3,071.68 |
| H.B. 10-1376 (Long Bill Base Estimate) | 98,526,812 | 56,441,275 | 510,577,662 | 247,996,648 | 81,107,305 | 9,823,274 | 507,481,999 | 63,903,528 | 63,536,682 | 56,616,744 | 3,878,132 | 1,699,890,061 |
| H.B. 10-1376 (Long Bill DI Estimates) | 8,349,758 | 958,290 | 5,066,366 | 990,056 | 256,052 | 45,878 | 2,194,020 | 460,494 | 2,278,276 | 405,048 | 18,155 | 21,022,392 |
| S.B. 10-167 | (138,559) | (79,374) | (718,030) | (348,760) | (114,062) | (13,815) | (713,676) | (89,868) | (89,352) | (79,621) | (5,454) | (2,390,570) |
| H.B. 10-1033 | 50,435 | 28,892 | 261,359 | 126,947 | 41,518 | 5,028 | 259,774 | 32,712 | 32,524 | 28,981 | 1,985 | 870,155 |
| H.B. 10-1382 | (2,499,337) | (1,431,750) | (12,951,861) | (6,290,949) | (2,057,455) | (249,188) | (12,873,333) | (1,621,045) | (1,611,740) | (1,436,201) | (98,377) | (43,121,235) |
| Community Long Term Care | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$3,835.46 | \$3,323.97 | \$2,585.85 | \$1.22 | \$0.80 | \$0.00 | \$1.61 | \$368.71 | \$0.00 | \$0.00 | \$22.59 | \$580.39 |
| H.B. 10-1376 (Long Bill Estimate) | 149,498,739 | 23,836,192 | 139,902,102 | 81,438 | 25,942 | 0 | 492,370 | 6,964,839 | 0 | 0 | 390,124 | 321,191,745 |
| H.B. 10-1005 | 57,376 | 9,148 | 53,693 | 31 | 10 | 0 | 189 | 2,673 | 0 | 0 | 150 | 123,270 |
| Class 1 Nursing Facilities | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$11,420.65 | \$4,550.49 | \$1,485.90 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.27 | \$1,009.10 |
| H.B. 10-1376 (Long Bill Estimate) | 450,124,111 | 32,995,908 | 81,289,079 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 266,725 | 564,675,823 |
| H.B. 10-1379 | (4,969,903) | (364,314) | (897,528) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,945) | (6,234,689) |
| Class 2 Nursing Facilities | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$0.00 | \$52.40 | \$35.45 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$4.14 |
| H.B. 10-1376 (Long Bill Estimate) | 0 | 375,733 | 1,917,696 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,293,429 |
| PACE | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$1,750.36 | \$152.64 | \$67.86 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,970.86 |
| H.B. 10-1376 (Long Bill Estimate) | 68,225,345 | 5,949,494 | 2,645,185 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 76,820,025 |
| Medicare Premiums | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$1,512.72 | \$492.36 | \$575.84 | \$3.95 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,135.60 | \$205.14 |
| H.B. 10-1376 (Long Bill Estimate) | 58,962,765 | 3,530,736 | 31,154,665 | 263,554 | 0 | 0 | 0 | 0 | 0 | 0 | 19,611,803 | 113,523,523 |
| Health Care Buy In | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$0.10 | \$0.10 | \$29.39 | \$0.14 | \$0.00 | \$0.00 | \$0.47 | \$0.04 | \$0.08 | \$0.00 | \$0.00 | \$30.32 |
| H.B. 10-1376 (Long Bill Estimate) | 3,814 | 3,996 | 1,145,547 | 5,562 | 0 | 0 | 18,294 | 1,467 | 3,302 | 0 | 0 | 1,181,982 |
| Single Entry Point | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$310.11 | \$299.84 | \$197.46 | \$0.05 | \$0.00 | \$0.00 | \$0.01 | \$0.41 | \$0.00 | \$18.06 | \$0.43 | \$45.18 |
| H.B. 10-1376 (Long Bill Estimate) | 12,087,654 | 2,150,138 | 10,683,057 | 3,500 | 0 | 0 | 1,636 | 7,688 | 0 | 61,659 | 7,352 | 25,002,683 |
| H.B. 10-1146 | (340,555) | (60,578) | (300,982) | (99) | 0 | 0 | (46) | (217) | 0 | (1,737) | (207) | (704,421) |
| Disease Management | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| H.B. 10-1376 (Long Bill Estimate) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Joint Budget Committee - Staff Document
Briefing Presentation -- Original FY 2010-11 Appropriation By Service Area and Bill Source

| FY 2010-11 Current Appropriation | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|---|----------------------------|---------------------------------|-----------------------------------|---|-------------------------|---|--------------------------|--------------------|------------------------|---------------------|-------------------------------|----------------------|
| Prepaid Inpatient Hospitals | | | | | | | | | | | | |
| Long Bill Estimate (base per capita) | \$15.59 | \$17.41 | \$17.24 | \$12.59 | \$11.59 | \$0.00 | \$11.96 | \$16.57 | \$17.98 | \$0.00 | \$0.00 | \$12.63 |
| H.B. 10-1376 (Long Bill Estimate) | 607,518 | 124,877 | 932,835 | 840,433 | 377,664 | 0 | 3,664,384 | 313,095 | 130,480 | 0 | 0 | 6,991,286 |
| Bottom Line Financing | | | | | | | | | | | | |
| H.B. 10-1376 (UPL) | 3,083,154 | 476,608 | 2,881,546 | 889,896 | 190,238 | 34,138 | 1,920,576 | 266,868 | 230,772 | 221,122 | 87,177 | 10,282,095 |
| H.B. 10-1376 (Denver Outstationing) | 891,180 | 137,763 | 832,906 | 257,223 | 54,988 | 9,868 | 555,139 | 77,138 | 66,704 | 63,915 | 25,198 | 2,972,022 |
| H.B. 10-1376 (Hospital Payments) | 18,443,557 | 10,565,428 | 95,576,708 | 46,423,307 | 9,443,293 | 1,838,851 | 94,997,221 | 11,962,311 | 11,893,640 | 10,598,274 | 725,960 | 312,468,550 |
| Total Medicaid Medical Services Premiums | | | | | | | | | | | | |
| H.B. 10-1376 (Long Bill Estimate) | 868,804,407 | 137,546,437 | 884,605,355 | 297,751,616 | 91,455,482 | 11,752,009 | 611,325,638 | 83,957,428 | 78,139,857 | 67,966,763 | 25,010,626 | 3,158,315,616 |
| S.B. 10-167 | (138,559) | (79,374) | (718,030) | (348,760) | (114,062) | (13,815) | (713,676) | (89,868) | (89,352) | (79,621) | (5,454) | (2,390,570) |
| S.B. 10-169 (Fund Split Issue Only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| H.B. 10-1005 | 57,376 | 9,148 | 53,693 | 31 | 10 | 0 | 189 | 2,673 | 0 | 0 | 150 | 123,270 |
| H.B. 10-1033 | 50,435 | 28,892 | 261,359 | 126,947 | 41,518 | 5,028 | 259,774 | 32,712 | 32,524 | 28,981 | 1,985 | 870,155 |
| H.B. 10-1146 | (340,555) | (60,578) | (300,982) | (99) | 0 | 0 | (46) | (217) | 0 | (1,737) | (207) | (704,421) |
| H.B. 10-1378 (Fund Split Issue Only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| H.B. 10-1379 | (4,969,903) | (364,314) | (897,528) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,945) | (6,234,689) |
| H.B. 10-1380 (Fund Split Issue Only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| H.B. 10-1381 (Fund Split Issue Only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| H.B. 10-1382 | (2,499,337) | (1,431,750) | (12,951,861) | (6,290,949) | (2,057,455) | (249,188) | (12,873,333) | (1,621,045) | (1,611,740) | (1,436,201) | (98,377) | (43,121,235) |
| TOTAL Medical Services Premiums | 860,963,864 | 135,648,461 | 870,052,006 | 291,238,787 | 89,325,493 | 11,494,035 | 597,998,546 | 82,281,682 | 76,471,289 | 66,478,185 | 24,905,778 | 3,106,858,126 |
| Current Appropriation Per Capitas (Without Bottom Line Payments) | | | | | | | | | | | | |
| Acute Care | \$2,675.59 | \$7,797.70 | \$9,282.95 | \$3,631.70 | \$2,430.69 | \$20,319.61 | \$1,619.47 | \$3,318.47 | \$8,840.46 | \$16,262.07 | \$219.71 | \$3,029.00 |
| Community Long Term Care | \$3,836.94 | \$3,325.25 | \$2,586.84 | \$1.22 | \$0.80 | \$0.00 | \$1.61 | \$368.85 | \$0.00 | \$0.00 | \$22.60 | \$580.61 |
| Class 1 Nursing Facilities | \$11,420.65 | \$4,550.49 | \$1,485.90 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.27 | \$1,009.10 |
| Class 2 Nursing Facilities | \$0.00 | \$52.40 | \$35.45 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$4.14 |
| PACE | \$1,750.36 | \$829.66 | \$48.89 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$138.81 |
| Medicare Premiums | \$1,512.72 | \$492.36 | \$575.84 | \$3.95 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,135.60 | \$205.14 |
| Health Care Buy In | \$0.10 | \$0.56 | \$21.17 | \$0.08 | \$0.00 | \$0.00 | \$0.06 | \$0.08 | \$0.46 | \$0.00 | \$0.00 | \$2.14 |
| Single Entry Point | \$301.38 | \$291.39 | \$191.89 | \$0.05 | \$0.00 | \$0.00 | \$0.01 | \$0.40 | \$0.00 | \$17.55 | \$0.41 | \$43.91 |
| Disease Management | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Prepaid Inpatient Hospitals | \$15.59 | \$17.41 | \$17.24 | \$12.59 | \$11.59 | \$0.00 | \$11.96 | \$16.57 | \$17.98 | \$0.00 | \$0.00 | \$12.63 |
| Total Per Capitas -- Service Costs | \$21,513.31 | \$17,357.23 | \$14,246.18 | \$3,649.59 | \$2,443.08 | \$20,319.61 | \$1,633.10 | \$3,704.36 | \$8,858.90 | \$16,279.61 | \$1,393.60 | \$5,025.48 |
| Check | \$21,513.31 | \$17,357.23 | \$14,246.18 | \$3,649.59 | \$2,443.08 | \$20,319.61 | \$1,633.10 | \$3,704.36 | \$8,858.90 | \$16,279.61 | \$1,393.60 | \$5,025.48 |
| Bottom Line Finance Per Capita Adj. | \$575.14 | \$1,559.03 | \$1,835.22 | \$712.49 | \$297.22 | \$3,980.67 | \$318.03 | \$651.47 | \$1,680.14 | \$3,186.91 | \$48.54 | \$588.58 |
| Total Per Capitas -- Original Appropriation | \$22,088.46 | \$18,916.25 | \$16,081.40 | \$4,362.08 | \$2,740.30 | \$24,300.28 | \$1,951.13 | \$4,355.83 | \$10,539.04 | \$19,466.53 | \$1,442.14 | \$5,614.06 |
| Check | \$22,088.46 | \$18,916.25 | \$16,081.40 | \$4,362.08 | \$2,740.30 | \$24,300.28 | \$1,951.13 | \$4,355.83 | \$10,539.04 | \$19,466.53 | \$1,442.14 | \$5,614.06 |

Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- FY 2010-11 Department Supplemental Estimate By Service Area And Aid Category

| FY 2010-11 Department Revised Request | Disabled Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low- Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant- Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|--|---|-------------------------------------|---------------------------------------|--|-----------------------------|---|--------------------------|--------------------|-----------------------------|---------------------|-----------------------------------|--------------------|
| Appropriated Caseload | 38,978 | 7,171 | 54,103 | 66,766 | 32,597 | 473 | 306,488 | 18,890 | 7,256 | 3,415 | 17,270 | 553,407 |
| Department November Estimate | 39,345 | 7,521 | 55,416 | 56,727 | 19,641 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 524,300 |
| Department HB 09-1293 Estimate | 0 | 0 | 0 | 0 | 27,270 | 0 | 0 | 0 | 0 | 0 | 0 | 27,270 |
| Total FY 2010-11 Dept Estimate | 39,345 | 7,521 | 55,416 | 56,727 | 46,911 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 551,570 |
| Acute Care Appropriation (Estimate with all Bills) | 104,289,109 | 55,917,333 | 502,235,496 | 242,473,942 | 79,233,358 | 9,611,178 | 496,348,785 | 62,685,820 | 64,146,390 | 55,534,952 | 3,794,441 | 1,676,270,803 |
| Acute Care Department Nov Estimate | 96,371,456 | 58,437,550 | 504,540,267 | 218,314,448 | 126,313,330 | 10,417,587 | 505,227,113 | 62,546,127 | 70,706,924 | 48,213,066 | 3,652,946 | 1,704,740,814 |
| ACUTE CARE BASE SUPPLEMENTAL | (7,917,653) | 2,520,217 | 2,304,771 | (24,159,494) | 47,079,972 | 806,409 | 8,878,328 | (139,693) | 6,560,534 | (7,321,886) | (141,495) | 28,470,011 |
| Community Long Term Care Appropriation (Estimate with all Bills) | 149,556,115 | 23,845,340 | 139,955,795 | 81,469 | 25,952 | 0 | 492,559 | 6,967,512 | 0 | 0 | 390,273 | 321,315,015 |
| Community LTC Department Nov Estimate | 149,241,338 | 23,048,204 | 143,280,069 | 190,426 | 75,843 | 0 | 995,103 | 7,483,004 | (11) | 1,184 | 209,505 | 324,524,665 |
| Community LTC BASE SUPPLEMENTAL | (314,777) | (797,136) | 3,324,274 | 108,957 | 49,891 | 0 | 502,544 | 515,492 | (11) | 1,184 | (180,768) | 3,209,650 |
| Class I Nursing Facility Appropriation Est. | 445,154,208 | 32,631,594 | 80,391,551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 263,780 | 558,441,134 |
| Class I NF Department Nov Estimate | 447,310,935 | 29,405,313 | 74,992,901 | 5,367 | 0 | 0 | 0 | 0 | 0 | 0 | 63,657 | 551,778,173 |
| Class I NF BASE SUPPLEMENTAL | 2,156,727 | (3,226,281) | (5,398,650) | 5,367 | 0 | 0 | 0 | 0 | 0 | 0 | (200,123) | (6,662,961) |
| Class II Nursing Facility Appropriation Est. | 0 | 375,733 | 1,917,696 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,293,429 |
| Class II NF Department Nov Estimate | 84,866 | 381,391 | 1,758,480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,224,737 |
| Class II NF BASE SUPPLEMENTAL | 84,866 | 5,658 | (159,216) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (68,692) |
| PACE Appropriation Estimate | 68,225,345 | 5,949,494 | 2,645,185 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 76,820,025 |
| PACE Department Nov Estimate | 69,108,282 | 5,417,335 | 2,525,914 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 77,051,531 |
| PACE BASE SUPPLEMENTAL | 882,937 | (532,159) | (119,271) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 231,506 |
| Sup Medicaid Insurance Appropriation | 58,962,765 | 3,530,736 | 31,154,665 | 263,554 | 0 | 0 | 0 | 0 | 0 | 0 | 19,611,803 | 113,523,523 |
| SMI Department Nov Estimate | 62,758,019 | 3,819,586 | 33,479,606 | 198,019 | 0 | 0 | 0 | 0 | 0 | 0 | 19,167,651 | 119,422,881 |
| SMI BASE SUPPLEMENTAL | 3,795,254 | 288,850 | 2,324,941 | (65,535) | 0 | 0 | 0 | 0 | 0 | 0 | (444,152) | 5,899,358 |
| Health Insurance Buy-In Appropriation Est. | 3,814 | 3,996 | 1,145,547 | 5,562 | 0 | 0 | 18,294 | 1,467 | 3,302 | 0 | 0 | 1,181,982 |
| HIBI Department Nov Estimate | 3,698 | 8,677 | 1,301,474 | 34,746 | 0 | 0 | 82,614 | 210 | 11,405 | 0 | 0 | 1,442,824 |
| HIBI BASE SUPPLEMENTAL | (116) | 4,681 | 155,927 | 29,184 | 0 | 0 | 64,320 | (1,257) | 8,103 | 0 | 0 | 260,842 |
| Single Entry Point Appropriation Est. (Not necessarily contract amount) | 11,747,098 | 2,089,560 | 10,382,075 | 3,401 | 0 | 0 | 1,590 | 7,471 | 0 | 59,922 | 7,145 | 24,298,262 |
| SEP Department Nov Estimate | 11,825,799 | 2,005,999 | 10,110,459 | 4,042 | 0 | 0 | 1,344 | 8,071 | 0 | 59,221 | 6,724 | 24,021,659 |
| SEP BASE SUPPLEMENTAL | 78,701 | (83,561) | (271,616) | 641 | 0 | 0 | (246) | 600 | 0 | (701) | (421) | (276,603) |
| Disease Management Appropriation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DM Department Nov Estimate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DM BASE SUPPLEMENTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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FY 2011-12 Briefing -- FY 2010-11 Department Supplemental Estimate By Service Area And Aid Category

| FY 2010-11 Department Revised Request | Disabled Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low- Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant- Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|---|---------------------------------|-----------------------------|-------------------------------|---|---------------------|-------------------------------------|-------------------|------------------|---------------------|--------------------|---------------------------|--------------------|
| Prepaid Inpatient Health Plan App. Est. | 607,518 | 124,877 | 932,835 | 840,433 | 377,664 | 0 | 3,664,384 | 313,095 | 130,480 | 0 | 0 | 6,991,286 |
| PIHP Department Nov Estimate | 470,154 | 289,179 | 2,430,190 | 1,375,606 | 229,057 | 3,185 | 4,160,103 | 411,764 | 169,673 | 0 | 0 | 9,538,911 |
| PIHP BASE SUPPLEMENTAL | (137,364) | 164,302 | 1,497,355 | 535,173 | (148,607) | 3,185 | 495,719 | 98,669 | 39,193 | 0 | 0 | 2,547,625 |
| Upper Payment Limit Appropriation Est. | 3,083,154 | 476,608 | 2,881,546 | 889,896 | 190,238 | 34,138 | 1,920,576 | 266,868 | 230,772 | 221,122 | 87,177 | 10,282,095 |
| UPL Department Nov Estimate | 2,502,518 | 386,851 | 2,338,878 | 722,306 | 154,411 | 27,709 | 1,558,882 | 216,610 | 187,312 | 179,479 | 70,759 | 8,345,715 |
| UPL BASE SUPPLEMENTAL | (580,636) | (89,757) | (542,668) | (167,590) | (35,827) | (6,429) | (361,693) | (50,258) | (43,460) | (41,643) | (16,418) | (1,936,380) |
| Other Supplemental Payments | 891,180 | 137,763 | 832,906 | 257,223 | 54,988 | 9,868 | 555,139 | 77,138 | 66,704 | 63,915 | 25,198 | 2,972,022 |
| Department Nov Estimate | 5,391,172 | 833,394 | 5,038,645 | 1,556,063 | 332,648 | 59,694 | 3,358,301 | 466,643 | 403,526 | 386,652 | 152,437 | 17,979,175 |
| Other Supplemental Payments BASE SUPPLEMENTAL | 4,499,992 | 695,631 | 4,205,739 | 1,298,841 | 277,660 | 49,827 | 2,803,161 | 389,505 | 336,822 | 322,737 | 127,238 | 15,007,153 |
| Hospital Provider Fee Supplemental Payments | 18,443,557 | 10,565,428 | 95,576,708 | 46,423,307 | 9,443,293 | 1,838,851 | 94,997,221 | 11,962,311 | 11,893,640 | 10,598,274 | 725,960 | 312,468,550 |
| Department Nov Estimate | 26,873,188 | 15,394,357 | 139,260,055 | 67,641,085 | 13,759,351 | 2,679,298 | 138,415,713 | 17,429,687 | 17,329,630 | 15,442,217 | 1,057,760 | 455,282,340 |
| Hospital Provider Fee BASE SUPPLEMENTAL | 8,429,630 | 4,828,930 | 43,683,347 | 21,217,778 | 4,316,058 | 840,447 | 43,418,492 | 5,467,376 | 5,435,990 | 4,843,943 | 331,800 | 142,813,790 |
| Total FY 2010-11 Appropriation (SERVICE COSTS ONLY) | 838,545,973 | 124,468,663 | 770,760,845 | 243,668,362 | 79,636,974 | 9,611,178 | 500,525,611 | 69,975,366 | 64,280,172 | 55,594,874 | 24,067,442 | 2,781,135,460 |
| Total Department FY 2010-11 Revised Estimate SERVICE COSTS ONLY | 837,174,547 | 122,813,234 | 774,419,360 | 220,122,654 | 126,618,230 | 10,420,772 | 510,466,277 | 70,449,176 | 70,887,991 | 48,273,471 | 23,100,483 | 2,814,746,195 |
| BASE SUPPLEMENTAL | (1,371,426) | (1,655,429) | 3,658,515 | (23,545,708) | 46,981,256 | 809,594 | 9,940,666 | 473,810 | 6,607,819 | (7,321,403) | (966,959) | 33,610,735 |
| Total FY 2010-11 Appropriation (TOTAL MEDICAL SERVICE PREMIUMS) | 860,963,864 | 135,648,461 | 870,052,006 | 291,238,787 | 89,325,493 | 11,494,035 | 597,998,546 | 82,281,682 | 76,471,289 | 66,478,185 | 24,905,778 | 3,106,858,126 |
| Total Department FY 2010-11 Revised Estimate TOTAL MSP LINE ITEM | 871,941,424 | 139,427,836 | 921,056,938 | 290,042,108 | 140,864,640 | 13,187,473 | 653,799,173 | 88,562,115 | 88,808,459 | 64,281,819 | 24,381,439 | 3,296,353,425 |
| BASE SUPPLEMENTAL | 10,977,560 | 3,779,375 | 51,004,932 | (1,196,679) | 51,539,147 | 1,693,439 | 55,800,626 | 6,280,433 | 12,337,170 | (2,196,366) | (524,339) | 189,495,299 |
| Total Department FY 2010-11 Adjusted to Add In FY 2009-10 Payment Delay | 890,519,109 | 142,398,502 | 940,681,084 | 296,221,778 | 143,865,918 | 13,468,447 | 667,729,093 | 90,449,030 | 90,700,622 | 65,651,415 | 24,900,913 | 3,366,585,911 |
| REAL BASE SUPPLEMENTAL NEED INDICATED IN DEPARTMENT REQUEST | 29,555,245 | 6,750,040 | 70,629,077 | 4,982,991 | 54,540,425 | 1,974,412 | 69,730,547 | 8,167,348 | 14,229,334 | (826,770) | (4,865) | 259,727,785 |

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FY 2011-12 Briefing -- FY 2011-12 Department Request By Service Area And Aid Category

| FY 2011-12 Budget Request | Categorically | | | | | | | | | | | TOTAL |
|-------------------------------------|---------------------|--------------------------|----------------------------|----------------------------|------------------|----------------------------------|-------------------|-------------|-----------------|--------------|------------------------|---------|
| | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | |
| FY 2010-11 Revised Caseload | | | | | | | | | | | | |
| Department November Estimate | 39,345 | 7,521 | 55,416 | 56,727 | 19,641 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 524,300 |
| Department HB 09-1293 Estimate | 0 | 0 | 0 | 0 | 27,270 | 0 | 0 | 0 | 0 | 0 | 0 | 27,270 |
| Total FY 2009-10 Dept Estimate | 39,345 | 7,521 | 55,416 | 56,727 | 46,911 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 551,570 |
| FY 2011-12 Caseload Forecast | | | | | | | | | | | | |
| Department November Estimate | 40,163 | 7,853 | 61,280 | 60,851 | 20,991 | 591 | 314,021 | 19,335 | 8,462 | 3,410 | 18,427 | 555,384 |
| Department HB 09-1293 Estimate | 0 | 0 | 0 | 0 | 33,548 | 0 | 19,970 | 1,123 | 0 | 0 | 0 | 54,641 |
| Total FY 2010 - 11 Dept Estimate | 40,163 | 7,853 | 61,280 | 60,851 | 54,539 | 591 | 333,991 | 20,458 | 8,462 | 3,410 | 18,427 | 610,025 |
| Increase To Traditional | 818 | 332 | 5,864 | 4,124 | 1,350 | 80 | 16,681 | 379 | 266 | (60) | 1,250 | 31,084 |
| Increase To HB 09-1293 | 0 | 0 | 0 | 0 | 6,278 | 0 | 19,970 | 1,123 | 0 | 0 | 0 | 27,371 |

FY 2010-11 Total Department Request with All Supplemental Submitted to Date

| | | | | | | | | | | | | |
|------------------------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|------------|------------|------------|------------|---------------|
| Acute Care | 93,861,415 | 56,915,516 | 491,399,273 | 212,628,343 | 123,023,439 | 10,146,256 | 492,068,230 | 60,917,083 | 68,865,328 | 46,957,334 | 3,557,803 | 1,660,340,020 |
| Community Long Term Care | 146,400,815 | 22,609,526 | 140,553,007 | 186,802 | 74,399 | 0 | 976,163 | 7,340,579 | (11) | 1,161 | 205,517 | 318,347,959 |
| Institutional Long Term Care | 506,673,416 | 34,533,997 | 77,768,403 | 5,265 | 0 | 0 | 0 | 0 | 0 | 0 | 62,445 | 619,043,527 |
| Insurance | 61,567,168 | 3,755,399 | 34,119,089 | 228,335 | 0 | 0 | 81,042 | 206 | 11,188 | 0 | 18,802,831 | 118,565,257 |
| Administrative | 12,061,923 | 2,251,494 | 12,301,962 | 1,353,389 | 224,697 | 3,124 | 4,082,242 | 411,844 | 166,444 | 58,094 | 6,596 | 32,921,809 |
| Supplemental Payments | 34,766,877 | 16,614,602 | 146,637,578 | 69,919,454 | 14,246,410 | 2,766,701 | 143,332,896 | 18,112,939 | 17,920,468 | 16,008,348 | 1,280,956 | 481,607,230 |
| Total Costs | 855,331,613 | 136,680,534 | 902,779,312 | 284,321,587 | 137,568,945 | 12,916,082 | 640,540,572 | 86,782,652 | 86,963,417 | 63,024,937 | 23,916,150 | 3,230,825,802 |

FY 2010-11 OVERALL PER CAPITA COST

| | | | | | | | | | | | | |
|------------------------------|-------------|-------------|-------------|------------|------------|-------------|------------|------------|-------------|-------------|------------|------------|
| Acute Care | \$2,385.60 | \$7,567.55 | \$8,867.46 | \$3,748.27 | \$2,622.49 | \$19,855.69 | \$1,654.90 | \$3,213.60 | \$8,402.31 | \$13,532.37 | \$207.13 | \$3,010.21 |
| Community Long Term Care | \$3,720.95 | \$3,006.19 | \$2,536.33 | \$3.29 | \$1.59 | \$0.00 | \$3.28 | \$387.24 | (\$0.00) | \$0.33 | \$11.96 | \$577.17 |
| Institutional Long Term Care | \$12,877.71 | \$4,591.68 | \$1,403.36 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3.64 | \$1,122.33 |
| Insurance | \$1,564.80 | \$499.32 | \$615.69 | \$4.03 | \$0.00 | \$0.00 | \$0.27 | \$0.01 | \$1.37 | \$0.00 | \$1,094.65 | \$214.96 |
| Administrative | \$306.57 | \$299.36 | \$221.99 | \$23.86 | \$4.79 | \$6.11 | \$13.73 | \$21.73 | \$20.31 | \$16.74 | \$0.38 | \$59.69 |
| Supplemental Payments | \$883.64 | \$2,209.09 | \$2,646.12 | \$1,232.56 | \$303.69 | \$5,414.29 | \$482.05 | \$955.53 | \$2,186.49 | \$4,613.36 | \$74.57 | \$873.16 |
| Total Costs | \$21,739.27 | \$18,173.19 | \$16,290.95 | \$5,012.10 | \$2,932.55 | \$25,276.09 | \$2,154.24 | \$4,578.11 | \$10,610.47 | \$18,162.81 | \$1,392.34 | \$5,857.51 |

FY 2011-12 DEPARTMENT BASE REQUEST

| | | | | | | | | | | | | |
|-------------------------------|---------------|-------------|-------------|-------------|-------------|------------|-------------|------------|------------|------------|------------|---------------|
| Acute Care | 100,521,369 | 62,862,163 | 554,443,421 | 236,056,532 | 150,898,556 | 11,878,533 | 556,984,823 | 67,944,730 | 74,407,535 | 49,230,293 | 4,052,668 | 1,869,280,623 |
| Community Long Term Care | 158,177,189 | 25,379,422 | 161,442,132 | 207,828 | 92,591 | 0 | 1,194,069 | 8,880,430 | 0 | 1,158 | 224,503 | 355,599,322 |
| Long Term Care | 527,500,186 | 35,885,535 | 79,635,714 | 5,369 | 0 | 0 | 0 | 0 | 0 | 0 | 63,676 | 643,090,480 |
| Insurance Base | 69,200,635 | 4,222,572 | 39,790,822 | 307,809 | 0 | 0 | 199,430 | 219 | 30,113 | 0 | 21,430,509 | 135,182,109 |
| Administrative | 12,856,145 | 2,827,234 | 16,010,496 | 4,284,975 | 1,611,604 | 25,266 | 8,546,253 | 1,325,378 | 542,458 | 62,673 | 7,117 | 48,099,599 |
| Supplemental Payments | 141,884,201 | 21,436,009 | 139,117,139 | 39,360,055 | 24,937,267 | 1,945,235 | 92,642,820 | 12,770,846 | 12,252,721 | 8,055,298 | 4,212,537 | 498,614,128 |
| Total Department Base Request | 1,010,139,725 | 152,612,935 | 990,439,724 | 280,222,568 | 177,540,018 | 13,849,034 | 659,567,395 | 90,921,603 | 87,232,827 | 57,349,422 | 29,991,010 | 3,549,866,261 |

FY 2011-12 BASE PER CAPITA COST

| | | | | | | | | | | | | |
|------------------------------|-------------|-------------|-------------|------------|------------|-------------|------------|------------|-------------|-------------|------------|------------|
| Acute Care | \$2,502.84 | \$8,004.86 | \$9,047.71 | \$3,879.25 | \$2,766.80 | \$20,099.04 | \$1,667.66 | \$3,321.18 | \$8,793.14 | \$14,437.04 | \$219.93 | \$3,064.27 |
| Community Long Term Care | \$3,938.38 | \$3,231.81 | \$2,634.50 | \$3.42 | \$1.70 | \$0.00 | \$3.58 | \$434.08 | \$0.00 | \$0.34 | \$12.18 | \$582.93 |
| Institutional Long Term Care | \$13,133.98 | \$4,569.66 | \$1,299.54 | \$0.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3.46 | \$1,054.20 |
| Insurance | \$1,722.99 | \$537.70 | \$649.33 | \$5.06 | \$0.00 | \$0.00 | \$0.60 | \$0.01 | \$3.56 | \$0.00 | \$1,163.00 | \$221.60 |
| Administrative | \$320.10 | \$360.02 | \$261.27 | \$70.42 | \$29.55 | \$42.75 | \$25.59 | \$64.79 | \$64.11 | \$18.38 | \$0.39 | \$78.85 |
| Supplemental Payments | \$3,532.71 | \$2,729.66 | \$2,270.19 | \$646.83 | \$457.24 | \$3,291.43 | \$277.38 | \$624.25 | \$1,447.97 | \$2,362.26 | \$228.61 | \$817.37 |
| Total Costs | \$25,151.00 | \$19,433.71 | \$16,162.53 | \$4,605.06 | \$3,255.29 | \$23,433.22 | \$1,974.81 | \$4,444.31 | \$10,308.77 | \$16,818.01 | \$1,627.56 | \$5,819.21 |

ANALYSIS OF WHAT IS DRIVING THE BASE COSTS

| | | | | | | | | | | | | |
|---|-------------|------------|-------------|--------------|------------|-----------|--------------|-------------|-------------|-------------|-----------|-------------|
| Caseload Growth | 818 | 332 | 5,864 | 4,124 | 7,628 | 80 | 36,651 | 1,502 | 266 | (60) | 1,250 | 58,455 |
| Per Capita Change (Service Categories Only) | \$762.66 | \$739.96 | \$247.51 | \$178.69 | \$169.19 | \$279.99 | \$25.24 | \$197.47 | \$436.82 | \$906.31 | \$81.19 | \$17.50 |
| Cost Associated with Caseload Growth | 17,059,905 | 5,300,078 | 80,013,266 | 15,586,835 | 20,052,958 | 1,588,944 | 61,287,276 | 5,441,122 | 2,240,779 | (812,967) | 1,647,202 | 209,405,398 |
| Cost Associated with Per Capita Change | 30,007,024 | 5,565,249 | 13,716,170 | 10,136,621 | 7,936,704 | 143,075 | 7,504,586 | 3,743,316 | 3,580,184 | 3,144,880 | 1,394,590 | 86,872,400 |
| Compounding Change | 623,859 | 245,667 | 1,451,415 | 736,923 | 1,290,554 | 22,399 | 925,037 | 296,606 | 116,194 | (54,378) | 101,487 | 5,755,764 |
| Total Service Change | 47,690,788 | 11,110,994 | 95,180,851 | 26,460,379 | 29,280,216 | 1,754,419 | 69,716,898 | 9,481,044 | 5,937,157 | 2,277,535 | 3,143,279 | 302,033,561 |
| Change for Supplemental Payments | 107,117,324 | 4,821,407 | (7,520,439) | (30,559,399) | 10,690,857 | (821,466) | (50,690,076) | (5,342,093) | (5,667,747) | (7,953,050) | 2,931,581 | 17,006,898 |
| Total CHANGE | 154,808,112 | 15,932,401 | 87,660,412 | (4,099,019) | 39,971,073 | 932,952 | 19,026,823 | 4,138,951 | 269,410 | (5,675,515) | 6,074,860 | 319,040,459 |
| Check | 154,808,112 | 15,932,401 | 87,660,412 | (4,099,019) | 39,971,073 | 932,952 | 19,026,823 | 4,138,951 | 269,410 | (5,675,515) | 6,074,860 | 319,040,459 |

DEPARTMENT'S FY 2011-12 BUDGET REQUEST WITH ALL DECISION ITEMS

| | | | | | | | | | | | | |
|---|----------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
| Acute Care Base | 100,521,369 | 62,862,163 | 554,443,421 | 236,056,532 | 150,898,556 | 11,878,533 | 556,984,823 | 67,944,730 | 74,407,535 | 49,230,293 | 4,052,668 | 1,869,280,623 |
| NP #8: DPHE Refinancing (fund splits only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BRI #1: Client Overutilization | (7,346) | (4,594) | (40,517) | (17,250) | (11,027) | (868) | (40,702) | (4,965) | (5,437) | (3,598) | (296) | (136,600) |
| BRI #2: Delay Medicaid Fee for Services Payment | (242,943) | (151,927) | (1,339,998) | (570,509) | (364,697) | (28,708) | (1,346,140) | (164,211) | (179,831) | (118,981) | (9,795) | (4,517,740) |
| BRI #3: Refinancing (fund splits only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BRI #5: Medicaid Reductions | (1,318,612) | (824,609) | (7,273,038) | (3,096,525) | (1,979,446) | (155,819) | (7,306,375) | (891,280) | (976,058) | (645,790) | (53,162) | (24,520,715) |
| BRI #6: Delay Managed Care | (322,458) | (201,653) | (1,778,574) | (757,235) | (484,061) | (38,105) | (1,786,726) | (217,957) | (238,689) | (157,924) | (13,000) | (5,996,380) |
| Total Acute Care | 98,630,010 | 61,679,380 | 544,011,295 | 231,615,012 | 148,059,325 | 11,655,033 | 546,504,879 | 66,666,316 | 73,007,521 | 48,304,001 | 3,976,415 | 1,834,109,188 |
| Community Long Term Care Base | 158,177,189 | 25,379,422 | 161,442,132 | 207,828 | 92,591 | 0 | 1,194,069 | 8,880,430 | 0 | 1,158 | 224,503 | 355,599,322 |
| BRI #2: Delay Medicaid Fee for Services Payment | (382,288) | (61,338) | (390,179) | (502) | (224) | 0 | (2,886) | (21,463) | 0 | (3) | (543) | (859,424) |
| BRI #5: Medicaid Reductions | (631,950) | (101,396) | (644,994) | (830) | (370) | 0 | (4,771) | (35,479) | 0 | (5) | (897) | (1,420,692) |
| Total Community Long Term Care | 157,162,951 | 25,216,688 | 160,406,959 | 206,495 | 91,997 | 0 | 1,186,413 | 8,823,488 | 0 | 1,151 | 223,063 | 353,319,206 |
| Long Term Care Base | 527,500,186 | 35,885,535 | 79,635,714 | 5,369 | 0 | 0 | 0 | 0 | 0 | 0 | 63,676 | 643,090,480 |
| BRI #2: Delay Medicaid Fee for Services Payment | (1,274,880) | (86,729) | (192,466) | (13) | 0 | 0 | 0 | 0 | 0 | 0 | (154) | (1,554,243) |
| BRI #6: Delay Managed Care | (1,692,144) | (115,116) | (255,460) | (17) | 0 | 0 | 0 | 0 | 0 | 0 | (204) | (2,062,940) |
| Total Long Term Care | 524,533,162 | 35,683,690 | 79,187,788 | 5,339 | 0 | 0 | 0 | 0 | 0 | 0 | 63,318 | 639,473,297 |
| Insurance Base | 69,200,635 | 4,222,572 | 39,790,822 | 307,809 | 0 | 0 | 199,430 | 219 | 30,113 | 0 | 21,430,509 | 135,182,109 |
| BRI #2: Delay Medicaid Fee for Services Payment | (167,246) | (10,205) | (96,168) | (744) | 0 | 0 | (482) | (1) | (73) | 0 | (51,794) | (326,713) |
| Total Insurance | 69,033,389 | 4,212,367 | 39,694,654 | 307,065 | 0 | 0 | 198,948 | 218 | 30,040 | 0 | 21,378,715 | 134,855,396 |
| Administrative Base | 12,856,145 | 2,827,234 | 16,010,496 | 4,284,975 | 1,611,604 | 25,266 | 8,546,253 | 1,325,378 | 542,458 | 62,673 | 7,117 | 48,099,599 |
| BRI #2: Delay Medicaid Fee for Services Payment | (31,071) | (6,833) | (38,695) | (10,356) | (3,895) | (61) | (20,655) | (3,203) | (1,311) | (151) | (17) | (116,249) |
| Total Administration | 12,825,074 | 2,820,401 | 15,971,801 | 4,274,619 | 1,607,709 | 25,205 | 8,525,598 | 1,322,175 | 541,147 | 62,522 | 7,100 | 47,983,350 |
| Supplemental Payments | 141,884,201 | 21,436,009 | 139,117,139 | 39,360,055 | 24,937,267 | 1,945,235 | 92,642,820 | 12,770,846 | 12,252,721 | 8,055,298 | 4,212,537 | 498,614,128 |
| Total BASE FUNDING - Services | 868,255,524 | 131,176,926 | 851,322,585 | 240,862,513 | 152,602,751 | 11,903,799 | 566,924,575 | 78,150,757 | 74,980,106 | 49,294,124 | 25,778,473 | 3,051,252,133 |
| Total BASE FUNDING - Supplemental Payments | 141,884,201 | 21,436,009 | 139,117,139 | 39,360,055 | 24,937,267 | 1,945,235 | 92,642,820 | 12,770,846 | 12,252,721 | 8,055,298 | 4,212,537 | 498,614,128 |
| NP #8: DPHE Refinancing (fund splits only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BRI #1: Client Overutilization | (7,346) | (4,594) | (40,517) | (17,250) | (11,027) | (868) | (40,702) | (4,965) | (5,437) | (3,598) | (296) | (136,600) |
| BRI #2: Delay Medicaid Fee for Services Payment | (2,098,429) | (317,033) | (2,057,505) | (582,125) | (368,815) | (28,770) | (1,370,162) | (188,877) | (181,214) | (119,136) | (62,302) | (7,374,369) |
| BRI #3: Refinancing (fund splits only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BRI #5: Medicaid Reductions | (1,950,562) | (926,005) | (7,918,032) | (3,097,356) | (1,979,816) | (155,819) | (7,311,146) | (926,760) | (976,058) | (645,794) | (54,059) | (25,941,407) |
| BRI #6: Delay Managed Care | (2,014,602) | (316,768) | (2,034,033) | (757,252) | (484,061) | (38,105) | (1,786,726) | (217,957) | (238,689) | (157,924) | (13,205) | (8,059,320) |
| TOTAL FY 2011-12 PREMIUMS | 1,004,068,786 | 151,048,535 | 978,389,636 | 275,768,585 | 174,696,299 | 13,625,472 | 649,058,658 | 89,583,044 | 85,831,429 | 56,422,971 | 29,861,148 | 3,508,354,565 |

Joint Budget Committee - Staff Document

FY 2009-10 -- PROVIDER RATE REDUCTIONS FOR Medical Services PREMIUMS -- Estimates (ACTUAL AMOUNTS WILL VARY BASED ON ACTUAL EXPENDITURES)

| Acute Care Services | Estimated Total Fund Base (HB. 10-1300) | S.B. 09-259 (Last Year's Long Bill)* | S.B. 09-263 Nursing Facility Bill | H.B. 09-1293 (Hospital Provider Fee)** | H.B. 10-1300 Supplemental Package | Total FY 2009-10 Rate Reductions | General Fund ARRA | | Federal Funds ARRA | | % General Fund Savings From Base GF |
|--|---|--------------------------------------|-----------------------------------|--|-----------------------------------|--|---------------------|-------------------|---------------------|--|-------------------------------------|
| | | | | | | | Adjusted | Cash Funds | Adjusted | | |
| Physician Services & EPSDT | 250,976,781 | (4,921,113) | 0 | 0 | (4,203,451) | (9,124,564) | (3,504,745) | 0 | (5,619,819) | | -3.64% |
| Emergency Transportation | 5,316,755 | (104,250) | 0 | 0 | (89,047) | (193,297) | (74,245) | 0 | (119,052) | | -3.64% |
| Non-emergency Medical Transportation | 9,362,916 | (183,587) | 0 | 0 | (156,814) | (340,401) | (130,748) | 0 | (209,653) | | -3.64% |
| Dental Services | 82,386,182 | (1,615,415) | 0 | 0 | (1,379,834) | (2,995,249) | (1,150,475) | 0 | (1,844,774) | | -3.64% |
| Family Planning | 337,449 | 0 | 0 | 0 | (1,968) | (1,968) | (756) | 0 | (1,212) | | -0.58% |
| Health Maintenance Organizations | 137,694,672 | (1,336,312) | 0 | 0 | (1,843,110) | (3,179,422) | (1,221,216) | 0 | (1,958,206) | | -2.31% |
| Inpatient Hospitals | 384,231,775 | (7,533,956) | 0 | 13,969,210 | (6,435,254) | (0) | (5,365,574) | 5,365,574 | 0 | | -3.64% |
| Outpatient Hospitals | 165,837,967 | (3,251,725) | 0 | 0 | (2,777,515) | (6,029,240) | (2,315,831) | 0 | (3,713,409) | | -3.64% |
| Lab & X-Ray | 30,643,385 | (600,851) | 0 | 0 | (513,227) | (1,114,078) | (427,917) | 0 | (686,160) | | -3.64% |
| Durable Medical Equipment | 82,984,645 | (1,627,150) | 0 | 0 | (1,389,857) | (3,017,007) | (1,158,832) | 0 | (1,858,175) | | -3.64% |
| Prescription Drugs | 250,903,255 | (4,051,444) | 0 | 0 | (3,668,987) | (7,720,431) | (2,965,418) | 0 | (4,755,013) | | -3.08% |
| Drug Rebate | (96,999,287) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Rural Health Centers | 7,879,356 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Federally Qualified Health Centers | 77,213,337 | 0 | 0 | 0 | (3,872,374) | (3,872,374) | (1,487,379) | 0 | (2,384,995) | | -5.02% |
| Co-insurance (Title XVIII-Medicare) | 29,683,946 | 0 | 0 | 0 | (507,101) | (507,101) | (194,777) | 0 | (312,324) | | -1.71% |
| Breast and Cervical Cancer Treatment Program | 7,439,403 | (148,788) | 0 | 0 | (109,235) | (258,023) | 0 | (90,308) | (167,715) | | 0.00% |
| Prepaid Inpatient Health Plan Services | 38,392,618 | (376,248) | 0 | 0 | (558,261) | (934,509) | (358,945) | 0 | (575,564) | | -2.43% |
| Other Medical Services | 50,588 | (992) | 0 | 0 | (847) | (1,839) | (706) | 0 | (1,133) | | -3.64% |
| Home Health | 158,754,521 | (3,112,834) | 0 | 0 | (2,658,979) | (5,771,813) | (2,216,953) | 0 | (3,554,859) | | -3.64% |
| Presumptive Eligibility | 0 | 0 | 0 | 0 | - | - | - | - | - | | - |
| Subtotal of Acute Care | 1,623,090,264 | (28,864,665) | 0 | 0 | (30,165,861) | (45,061,316) | (22,574,519) | 5,275,266 | (27,762,063) | | -3.62% |
| FY 2008-09 Actual - Community Based Long Term Care Services | | | | | | Total FY 2009-10 Additional Rate Reductions | | | | | |
| HCBS - Elderly, Blind, and Disabled | 196,191,495 | (3,846,892) | 0 | 0 | (3,280,704) | (7,127,596) | (2,737,710) | 0 | (4,389,886) | | -3.63% |
| HCBS - Mental Illness | 25,522,958 | (500,450) | 0 | 0 | (426,794) | (927,244) | (356,154) | 0 | (571,090) | | -3.63% |
| HCBS - Disabled Children | 1,942,867 | (38,095) | 0 | 0 | (32,489) | (70,584) | (27,111) | 0 | (43,473) | | -3.63% |
| HCBS - Persons Living with AIDS | 658,943 | (12,920) | 0 | 0 | (11,019) | (23,939) | (9,195) | 0 | (14,744) | | -3.63% |
| HCBS - Consumer Directed Attendant Support | 4,586,770 | (89,937) | 0 | 0 | (76,700) | (166,637) | (64,005) | 0 | (102,632) | | -3.63% |
| HCBS - Brain Injury | 13,371,574 | (262,188) | 0 | 0 | (223,599) | (485,787) | (186,591) | 0 | (299,196) | | -3.63% |
| HCBS - Children with Autism | 1,438,441 | (28,205) | 0 | 0 | (24,054) | (52,259) | (20,073) | 0 | (32,186) | | -3.63% |
| HCBS - Pediatric Hospice | 32,586 | (639) | 0 | 0 | (545) | (1,184) | (455) | 0 | (729) | | -3.63% |
| Private Duty Nursing | 23,735,976 | (465,411) | 0 | 0 | (396,912) | (862,323) | (331,218) | 0 | (531,105) | | -3.63% |
| Hospice | 43,489,488 | 0 | 0 | 0 | (122,121) | (122,121) | (46,907) | 0 | (75,214) | | -0.28% |
| Subtotal of Community Based Long Term Care | 310,971,098 | (5,244,737) | 0 | 0 | (4,594,937) | (9,839,674) | (3,779,419) | | (6,060,255) | | |
| FY 2008-09 Actuals - Institutional and Managed Care Long Term Care & Insurance Premiums | | | | | | Total FY 2009-10 Additional Rate Reductions | | | | | |
| Class I Nursing Facilities | 535,885,832 | 0 | See Fund Split | 0 | See Fund Split | See Fund Split | (10,787,556) | 10,787,556 | 0 | | -5.24% |
| Class II Nursing Facilities | 2,268,623 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Program of All-Inclusive Care for the Elderly | 74,802,002 | 0 | 0 | 0 | (903,234) | (903,234) | (346,932) | 0 | (556,302) | | -1.21% |
| Subtotal Long Term Care | 612,956,457 | 0 | 0 | 0 | (903,234) | (903,234) | (11,134,488) | 10,787,556 | (556,302) | | -4.73% |
| Supplemental Medicare Insurance Benefit | 97,048,818 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Health Insurance Buy-In Program | 1,020,996 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Subtotal Insurance | 98,069,814 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Subtotal of Long Term Care and Insurance | 711,026,271 | 0 | See Fund Splits | 0 | See Fund Split | (903,234) | (11,134,488) | 10,787,556 | (556,302) | | -4.08% |
| FY 2008-09 Actuals - Administrative Services/Case Management Costs | | | | | | Total FY 2009-10 Additional Rate Reductions | | | | | |
| Single Entry Points | 24,736,869 | (485,037) | 0 | 0 | (414,302) | (899,339) | (345,436) | 0 | (553,903) | | -3.64% |
| Disease Management | 71,616 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0.00% |
| Prepaid Inpatient Health Plan Administration | 5,055,014 | 0 | 0 | 0 | (86,356) | (86,356) | (33,169) | 0 | (53,187) | | -1.71% |
| Subtotal of Service Management | 29,863,499 | (485,037) | 0 | 0 | (500,658) | (500,658) | (378,605) | 0 | (607,089) | | |
| TOTAL | 2,674,951,132 | (34,594,439) | See Fund Splits | 0 | See Fund Split | (56,304,882) | (37,867,031) | 16,062,822 | (34,985,709) | | -3.69% |

*Updated to New Calculations

** Only shows the amount of the fee used to backfill the hospital rate reductions as voted on by the Hospital Advisory Committee (this only happens if CMS approves the waiver by April 1, 2010)

Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- FY 2010-11 & FY 2011-12 Department Requested Mental Health Division

| MENTAL HEALTH DIVISION | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|---|----------------------------|---------------------------------|-----------------------------------|---|-------------------------|---|--------------------------|--------------------|------------------------|---------------------|-------------------------------|--------------------|
| <i>FY 2010-11 Appropriated Caseload</i> | 38,978 | 7,171 | 54,103 | 66,766 | 32,597 | 473 | 306,488 | 18,890 | 7,256 | 3,415 | 17,270 | 553,407 |
| <i>FY 2010-11 Revised Caseload</i> | | | | | | | | | | | | |
| Department November Estimate | 39,345 | 7,521 | 55,416 | 56,727 | 19,641 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 524,300 |
| Department HB 09-1293 Estimate | 0 | 0 | 0 | 0 | 27,270 | 0 | 0 | 0 | 0 | 0 | 0 | 27,270 |
| Total FY 2010-11 Dept Estimate | 39,345 | 7,521 | 55,416 | 56,727 | 46,911 | 511 | 297,340 | 18,956 | 8,196 | 3,470 | 17,177 | 551,570 |
| <i>FY 2011-12 Caseload Forecast</i> | | | | | | | | | | | | |
| Department November Estimate | 40,163 | 7,853 | 61,280 | 60,851 | 20,991 | 591 | 314,021 | 19,335 | 8,462 | 3,410 | 18,427 | 555,384 |
| Department HB 09-1293 Estimate | 0 | 0 | 0 | 0 | 33,548 | 0 | 19,970 | 1,123 | 0 | 0 | 0 | 54,641 |
| Total FY 2011-12 Dept Estimate | 40,163 | 7,853 | 61,280 | 60,851 | 54,539 | 591 | 333,991 | 20,458 | 8,462 | 3,410 | 18,427 | 610,025 |
| Increase To ACA Required Caseload | 818 | 332 | 5,864 | 4,124 | 1,350 | 80 | 16,681 | 379 | 266 | (60) | 1,250 | 31,084 |
| Increase To HB 09-1293 | 0 | 0 | 0 | 0 | 6,278 | 0 | 19,970 | 1,123 | 0 | 0 | 0 | 27,371 |
| <i>FY 2010-11 Total Department Revised Request</i> | | | | | | | | | | | | |
| Original Appropriation | 6,037,782 | 12,503,619 | 94,911,902 | 18,132,664 | 8,909,400 | 128,302 | 57,801,919 | 47,202,223 | 1,988,647 | 0 | 0 | 247,616,458 |
| Original Estimated Cost Per Client | \$154.90 | \$1,743.64 | \$1,754.28 | \$271.59 | \$273.32 | \$271.25 | \$188.59 | \$2,498.79 | \$274.07 | \$0.00 | \$0.00 | \$447.44 |
| Department Cost Estimates | 6,184,757 | 13,241,083 | 97,562,537 | 14,857,245 | 12,286,358 | 135,580 | 55,921,619 | 44,818,047 | 2,146,596 | 0 | 0 | 247,153,822 |
| Recoupments and Death Retractions | (82,918) | (177,521) | (1,308,006) | (199,189) | (164,721) | (1,818) | (749,733) | (600,869) | (28,779) | 0 | 0 | (3,313,554) |
| New Estimate | 6,101,839 | 13,063,562 | 96,254,531 | 14,658,056 | 12,121,636 | 133,762 | 55,171,886 | 44,217,178 | 2,117,817 | 0 | 0 | 243,840,268 |
| Estimated Supplemental | 64,057 | 559,943 | 1,342,629 | (3,474,608) | 3,212,236 | 5,460 | (2,630,033) | (2,985,045) | 129,170 | 0 | 0 | (3,776,190) |
| Estimated Cost Per Client | \$155.09 | \$1,736.94 | \$1,736.94 | \$258.40 | \$258.40 | \$261.77 | \$185.55 | \$2,332.62 | \$258.40 | \$0.00 | \$0.00 | \$442.08 |
| Original Appropriation -- Fee for Service | 72,316 | 149,759 | 1,136,781 | 217,179 | 106,710 | 1,537 | 692,306 | 565,351 | 23,819 | 0 | 0 | 2,965,758 |
| Department's November Estimate | 73,599 | 152,415 | 1,156,945 | 221,031 | 108,603 | 1,564 | 704,586 | 575,380 | 24,242 | 0 | 0 | 3,018,364 |
| Est. Fee For Service Supplemental | 1,283 | 2,656 | 20,164 | 3,852 | 1,893 | 27 | 12,280 | 10,028 | 423 | 0 | 0 | 52,606 |
| Total MH Supplemental Requested | | | | | | | | | | | | |
| Current FY 2010-11 Appropriation | 6,110,098 | 12,653,378 | 96,048,683 | 18,349,843 | 9,016,110 | 129,839 | 58,494,225 | 47,767,574 | 2,012,466 | 0 | 0 | 250,582,216 |
| Supplemental #2 | 65,340 | 562,599 | 1,362,793 | (3,470,756) | 3,214,129 | 5,488 | (2,617,753) | (2,975,017) | 129,593 | 0 | 0 | (3,723,584) |
| ES #1 (Fund Split Issue Only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ES #2 Payment Delay | (2,201) | (4,557) | (34,593) | (6,609) | (3,247) | (47) | (21,067) | (17,204) | (725) | 0 | 0 | (90,249) |
| ES #3 Managed Care Payment Delay | (503,149) | (1,041,968) | (7,909,325) | (1,511,055) | (742,450) | (10,692) | (4,816,827) | (3,933,519) | (165,721) | 0 | 0 | (20,634,705) |
| Total MH Division Revised Request | 5,670,088 | 12,169,451 | 89,467,558 | 13,361,423 | 11,484,542 | 124,588 | 51,038,579 | 40,841,835 | 1,975,614 | 0 | 0 | 226,133,678 |
| Estimated Per Capita | \$144.11 | \$1,618.06 | \$1,614.47 | \$235.54 | \$244.82 | \$243.81 | \$171.65 | \$2,154.56 | \$241.05 | \$0.00 | \$0.00 | \$409.98 |

Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- FY 2010-11 & FY 2011-12 Department Requested Mental Health Division

| MENTAL HEALTH DIVISION | Adults 65 and Older | Disabled Adults 60 to 64 | Disabled Individuals to 59 | Categorically Eligible Low-Income Adults | Expansion Adults | Breast & Cervical Cancer Program | Eligible Children | Foster Care | Pregnant-Adults | Non-Citizens | Partial Dual Eligibles | TOTAL |
|--|---------------------|--------------------------|----------------------------|--|-------------------|----------------------------------|-------------------|-------------------|------------------|--------------|------------------------|--------------------|
| FY 2011-12 Department November Request - Capitation | | | | | | | | | | | | |
| FY 2010-11 Revised Request | 6,184,757 | 13,241,083 | 97,562,537 | 14,857,245 | 12,286,358 | 135,580 | 55,921,619 | 44,818,047 | 2,146,596 | 0 | 0 | 247,153,822 |
| Caseload Growth (DI #2) | 296,017 | 830,334 | 14,665,902 | 1,826,272 | 3,377,983 | 31,255 | 6,491,558 | (547,909) | 117,795 | 0 | 0 | 27,089,207 |
| FY 2010-11 Request Before Recoupments | 6,480,774 | 14,071,417 | 112,228,439 | 16,683,517 | 15,664,340 | 166,835 | 62,413,177 | 44,270,138 | 2,264,392 | 0 | 0 | 274,243,029 |
| New Recoupment & Death Retractions | (37,042) | (79,305) | (584,332) | (88,985) | (73,587) | (812) | (334,932) | (268,429) | (12,857) | 0 | 0 | (1,480,280) |
| FY 2011-12 Department BASE Request | 6,443,732 | 13,992,112 | 111,644,107 | 16,594,532 | 15,590,754 | 166,023 | 62,078,245 | 44,001,709 | 2,251,535 | 0 | 0 | 272,762,749 |
| BRI #5 - Medicaid Reductions | (118,328) | (256,942) | (2,050,159) | (304,731) | (286,298) | (3,049) | (1,139,964) | (808,019) | (41,346) | 0 | 0 | (5,008,837) |
| BRI #6 - Delay Managed Care Payments | (34,367) | (74,625) | (595,440) | (88,505) | (83,151) | (885) | (331,087) | (234,678) | (12,008) | 0 | 0 | (1,454,747) |
| TOTAL FY 2011-12 DEPART. REQUEST | 6,291,036 | 13,660,545 | 108,998,507 | 16,201,296 | 15,221,304 | 162,089 | 60,607,194 | 42,959,013 | 2,198,181 | 0 | 0 | 266,299,165 |
| FY 2011-12 Fee for Service November Request | | | | | | | | | | | | |
| FY 2010-11 Revised Request | 73,599 | 152,415 | 1,156,945 | 221,031 | 108,603 | 1,564 | 704,586 | 575,380 | 24,242 | 0 | 0 | 3,018,364 |
| DI #2 and Base Request | 7,941 | 16,446 | 124,834 | 23,849 | 11,718 | 169 | 76,025 | 62,083 | 2,616 | 0 | 0 | 325,681 |
| FY 2010-11 Department BASE Request | 81,540 | 168,861 | 1,281,779 | 244,880 | 120,321 | 1,733 | 780,611 | 637,463 | 26,858 | 0 | 0 | 3,344,045 |
| BRI #2 - Delay Fee-For-Service Payments | (224) | (464) | (3,524) | (673) | (331) | (5) | (2,146) | (1,753) | (74) | 0 | 0 | (9,195) |
| TOTAL FY 2011-12 DEPARTMENT REQUEST | 81,316 | 168,396 | 1,278,254 | 244,207 | 119,990 | 1,728 | 778,465 | 635,710 | 26,784 | 0 | 0 | 3,334,850 |
| Total MH Division Base Request | 6,525,271 | 14,160,973 | 112,925,886 | 16,839,412 | 15,711,075 | 167,756 | 62,858,856 | 44,639,172 | 2,278,393 | 0 | 0 | 276,106,794 |
| Estimate Per Capita Costs | \$162.47 | \$1,803.26 | \$1,842.79 | \$276.73 | \$288.07 | \$283.85 | \$188.21 | \$2,181.99 | \$269.25 | \$0.00 | \$0.00 | \$452.62 |
| Estimated Cost Drivers for Base Request Only | | | | | | | | | | | | |
| Change in Caseload | 818 | 332 | 5,864 | 4,124 | 7,628 | 80 | 36,651 | 1,502 | 266 | (60) | 1,250 | 58,455 |
| Change in Per Capita Cost | \$18.36 | \$185.19 | \$228.31 | \$41.19 | \$43.25 | \$40.04 | \$16.55 | \$27.43 | \$28.20 | \$0.00 | \$0.00 | \$42.63 |
| Cost Associated with Caseload Growth | \$117,884 | \$537,197 | \$9,467,261 | \$971,363 | \$1,867,453 | \$19,505 | \$6,291,165 | \$3,236,149 | \$64,118 | \$0 | \$0 | \$22,572,095 |
| Cost Associated with Per Capita Change | 722,283 | 1,392,840 | 12,652,235 | 2,336,747 | 2,029,131 | 20,460 | 4,922,367 | 519,986 | 231,159 | 0 | 0 | \$24,827,208 |
| Compounding Change | 15,017 | 61,484 | 1,338,832 | 169,879 | 329,949 | 3,203 | 606,745 | 41,202 | 7,502 | 0 | 0 | \$2,573,813 |
| Total Service Change | \$855,183 | \$1,991,521 | \$23,458,328 | \$3,477,989 | \$4,226,533 | \$43,168 | \$11,820,277 | \$3,797,337 | \$302,779 | \$0 | \$0 | \$49,973,116 |
| Check | 855,183 | 1,991,521 | 23,458,328 | 3,477,989 | 4,226,533 | 43,168 | 11,820,277 | 3,797,337 | 302,779 | 0 | 0 | 49,973,116 |

Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- FY 2010-11 & FY 2011-12 Department Request for the Children's Basic Health Plan

| | FY 2010-11 Current Appropriation | | | | FY 2010-11 Department Revised Estimate | | | | FY 2011-12 Department Request | | | |
|---|----------------------------------|---------------------|-----------------------|----------------------|--|---------------------|-----------------------|----------------------|-------------------------------|---------------------|-----------------------|----------------------|
| | CBHP Trust Caseload | HCE Fund Caseload | Hospital Fee Caseload | Total Caseload | CBHP Trust Caseload | HCE Fund Caseload | Hospital Fee Caseload | Total Caseload | CBHP Trust Caseload | HCE Fund Caseload | Hospital Fee Caseload | Total Caseload |
| Children's Medical Program -- Premiums | | | | | | | | | | | | |
| Caseload Estimate | 43,954 | 33,979 | 6,860 | 84,793 | 43,290 | 26,591 | 6,860 | 76,741 | 43,477 | 29,914 | 13,125 | 86,516 |
| Up to 185% FPL | 41,786 | 29,120 | 0 | 70,906 | 41,786 | 22,228 | 0 | 64,014 | 41,786 | 25,277 | 0 | 67,063 |
| 185% to 200% FPL | 0 | 4,859 | 0 | 4,859 | 0 | 4,363 | 0 | 4,363 | 0 | 4,637 | 0 | 4,637 |
| 200% to 205% FPL | 2,168 | 0 | 0 | 2,168 | 1,504 | 0 | 0 | 1,504 | 1,691 | 0 | 0 | 1,691 |
| 205% to 250% FPL | 0 | 0 | 6,860 | 6,860 | 0 | 0 | 6,860 | 6,860 | 0 | 0 | 13,125 | 13,125 |
| Estimated Per Capita | \$2,064.90 | \$2,064.90 | \$2,064.90 | \$2,064.90 | \$2,324.41 | \$2,324.41 | \$2,324.41 | \$2,324.41 | \$2,422.04 | \$2,422.04 | \$2,422.04 | \$2,422.04 |
| Annual Cost | \$90,760,615 | \$70,163,237 | \$14,165,214 | \$175,089,066 | \$100,623,709 | \$61,808,386 | \$15,945,453 | \$178,377,548 | \$105,303,033 | \$72,452,905 | \$31,789,275 | \$209,545,213 |
| Fund Splits | | | | | | | | | | | | |
| Est. Enrollment Fee in CHBP Trust | | | | \$502,822 | | | | \$416,704 | | | | \$492,276 |
| CHBP Trust Enrollment Fees | \$502,822 | \$0 | \$0 | \$502,822 | \$416,704 | \$0 | \$0 | \$416,704 | \$492,276 | \$0 | \$0 | \$492,276 |
| CBHP Trust Fund | \$31,586,999 | \$0 | \$0 | \$31,586,999 | \$35,324,054 | \$0 | \$0 | \$35,324,054 | \$36,963,419 | \$0 | \$0 | \$36,963,419 |
| Health Care Expansion Fund | \$0 | \$24,559,835 | \$0 | \$24,559,835 | \$0 | \$21,357,120 | \$0 | \$21,357,120 | \$0 | \$25,030,321 | \$0 | \$25,030,321 |
| Hospital Provider Fee | \$0 | \$0 | \$4,958,370 | \$4,958,370 | \$0 | \$0 | \$5,605,121 | \$5,605,121 | \$0 | \$0 | \$11,174,789 | \$11,174,789 |
| Federal Funds | \$58,670,793 | \$45,603,402 | \$9,206,901 | \$113,481,096 | \$65,252,619 | \$40,081,598 | \$10,340,332 | \$115,674,549 | \$67,847,338 | \$47,422,584 | \$20,614,486 | \$135,884,408 |
| Total Funds | \$90,760,615 | \$70,163,237 | \$14,165,271 | \$175,089,123 | \$100,993,377 | \$61,438,718 | \$15,945,453 | \$178,377,548 | \$105,303,033 | \$72,452,905 | \$31,789,275 | \$209,545,213 |
| Adult Prenatal Program | | | | | | | | | | | | |
| Caseload Estimate | 211 | 1,398 | 858 | 2,467 | 177 | 1,358 | 858 | 2,393 | 183 | 1,370 | 1,750 | 3,303 |
| Up to 185% FPL | 101 | 1,206 | 0 | 1,307 | 101 | 1,161 | 0 | 1,262 | 101 | 1,161 | 0 | 1,262 |
| 185% to 200% FPL | 0 | 192 | 0 | 192 | 0 | 197 | 0 | 197 | 0 | 209 | 0 | 209 |
| 200% to 205% FPL | 110 | 0 | 0 | 110 | 76 | 0 | 0 | 76 | 82 | 0 | 0 | 82 |
| 205% to 250% FPL | 0 | 0 | 858 | 858 | 0 | 0 | 858 | 858 | 0 | 0 | 1,750 | 1,750 |
| Estimated Per Capita | \$11,119.92 | \$11,119.92 | \$11,119.92 | \$11,119.92 | \$14,794.32 | \$14,794.32 | \$14,794.32 | \$14,794.32 | \$15,452.67 | \$15,452.67 | \$15,452.67 | \$15,452.67 |
| Annual Cost | \$2,346,303 | \$15,545,648 | \$9,540,891 | \$27,432,843 | \$2,618,595 | \$20,090,687 | \$12,693,527 | \$35,402,808 | \$2,827,839 | \$21,170,158 | \$27,042,173 | \$51,040,169 |
| CBHP Trust Fund | \$821,206 | \$0 | \$0 | \$821,206 | \$916,508 | \$0 | \$0 | \$916,508 | \$989,744 | \$0 | \$0 | \$989,744 |
| Health Care Expansion Fund | \$0 | \$5,440,977 | \$0 | \$5,440,977 | \$0 | \$7,031,740 | \$0 | \$7,031,740 | \$0 | \$7,409,555 | \$0 | \$7,409,555 |
| Hospital Provider Fee | \$0 | \$0 | \$3,339,312 | \$3,339,312 | \$0 | \$0 | \$4,442,734 | \$4,442,734 | \$0 | \$0 | \$9,464,760 | \$9,464,760 |
| Federal Funds | \$1,525,097 | \$10,104,671 | \$6,201,579 | \$17,831,348 | \$1,702,087 | \$13,058,946 | \$8,250,792 | \$23,011,825 | \$1,838,095 | \$13,760,603 | \$17,577,412 | \$33,176,110 |
| Total Funds | \$2,346,303 | \$15,545,648 | \$9,540,891 | \$27,432,843 | \$2,618,595 | \$20,090,687 | \$12,693,527 | \$35,402,808 | \$2,827,839 | \$21,170,158 | \$27,042,173 | \$51,040,169 |
| Total CBHP Medical Premiums | | | | | | | | | | | | |
| Fund Splits | | | | | | | | | | | | |
| Est. Enrollment Fee in CBHP Trust | \$502,822 | \$0 | \$0 | \$502,822 | \$416,704 | \$0 | \$0 | \$416,704 | \$492,276 | \$0 | \$0 | \$492,276 |
| CBHP Trust Fund | \$31,946,507 | \$0 | \$0 | \$31,946,507 | \$35,680,959 | \$0 | \$0 | \$35,680,959 | \$37,370,064 | \$0 | \$0 | \$37,370,064 |
| Offset to CBHP Trust Fund - Immunization | \$461,700 | \$0 | \$0 | \$461,700 | \$559,603 | \$0 | \$0 | \$559,603 | \$583,099 | \$0 | \$0 | \$583,099 |
| Health Care Expansion Fund | \$0 | \$30,000,812 | \$0 | \$30,000,812 | \$0 | \$28,388,860 | \$0 | \$28,388,860 | \$0 | \$32,439,876 | \$0 | \$32,439,876 |
| Hospital Provider Fee | \$0 | \$0 | \$8,297,682 | \$8,297,682 | \$0 | \$0 | \$10,047,855 | \$10,047,855 | \$0 | \$0 | \$20,639,549 | \$20,639,549 |
| Federal Funds | \$60,195,890 | \$55,708,073 | \$15,408,480 | \$131,312,444 | \$66,954,706 | \$53,140,544 | \$18,591,124 | \$138,686,374 | \$69,685,433 | \$61,183,186 | \$38,191,898 | \$169,060,517 |
| Total Funds | \$93,106,919 | \$85,708,885 | \$23,706,162 | \$202,521,966 | \$103,611,972 | \$81,529,405 | \$28,638,979 | \$213,780,355 | \$108,130,873 | \$93,623,062 | \$58,831,448 | \$260,585,383 |

Joint Budget Committee - Staff Document
FY 2011-12 Briefing -- FY 2010-11 & FY 2011-12 Department Request for the Children's Basic Health Plan

| Children's Dental Program | | | | | | | | | | | | |
|--|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| Caseload Estimate | <u>43,954</u> | <u>33,979</u> | <u>6,860</u> | <u>84,793</u> | <u>43,290</u> | <u>26,591</u> | <u>6,860</u> | <u>76,741</u> | <u>43,477</u> | <u>29,914</u> | <u>13,125</u> | <u>86,516</u> |
| Up to 185% FPL | 41,786 | 29,120 | 0 | 70,906 | 41,786 | 22,228 | 0 | 64,014 | 41,786 | 25,277 | 0 | 67,063 |
| 185% to 200% FPL | 0 | 4,859 | 0 | 4,859 | 0 | 4,363 | 0 | 4,363 | 0 | 4,637 | 0 | 4,637 |
| 200% to 205% FPL | 2,168 | 0 | 0 | 2,168 | 1,504 | 0 | 0 | 1,504 | 1,691 | 0 | 0 | 1,691 |
| 205% to 250% FPL | 0 | 0 | 6,860 | 6,860 | 0 | 0 | 6,860 | 6,860 | 0 | 0 | 13,125 | 13,125 |
| Estimated Per Capita | \$163.67 | \$163.67 | \$163.67 | \$163.67 | \$152.32 | \$152.32 | \$152.32 | \$152.32 | \$155.46 | \$155.46 | \$155.46 | \$155.46 |
| Annual Cost | \$7,193,951 | \$5,561,343 | \$1,122,776 | \$13,878,070 | \$6,593,933 | \$4,050,341 | \$1,044,915 | \$11,689,189 | \$6,758,934 | \$4,650,430 | \$2,040,413 | \$13,449,777 |
| Fund Splits | | | | | | | | | | | | |
| CBHP Trust Fund | \$2,517,883 | \$0 | \$0 | \$2,517,883 | \$2,307,876 | \$0 | \$0 | \$2,307,876 | \$2,365,627 | \$0 | \$0 | \$2,365,627 |
| Health Care Expansion Fund | \$0 | \$1,946,470 | \$0 | \$1,946,470 | \$0 | \$1,417,619 | \$0 | \$1,417,619 | \$0 | \$1,627,651 | \$0 | \$1,627,651 |
| Provider Fee | \$0 | \$0 | \$392,972 | \$392,972 | \$0 | \$0 | \$365,720 | \$365,720 | \$0 | \$0 | \$714,144 | \$714,144 |
| Federal Funds | <u>\$4,676,068</u> | <u>\$3,614,873</u> | <u>\$729,805</u> | <u>\$9,020,746</u> | <u>\$4,286,056</u> | <u>\$2,632,722</u> | <u>\$679,195</u> | <u>\$7,597,973</u> | <u>\$4,393,307</u> | <u>\$3,022,780</u> | <u>\$1,326,268</u> | <u>\$8,742,355</u> |
| Total Funds | \$7,193,951 | \$5,561,343 | \$1,122,776 | \$13,878,070 | \$6,593,933 | \$4,050,341 | \$1,044,915 | \$11,689,189 | \$6,758,934 | \$4,650,430 | \$2,040,413 | \$13,449,777 |
| TOTAL PROGRAM COSTS | | | | | | | | | | | | |
| Does Not Include Administration | | | | | | | | | | | | |
| Est. Enrollment Fee in CBHP Trust | \$502,822 | \$0 | \$0 | \$502,822 | \$416,704 | \$0 | \$0 | \$416,704 | \$492,276 | \$0 | \$0 | \$492,276 |
| CBHP Trust Fund | \$34,464,389 | \$0 | \$0 | \$34,464,389 | \$37,988,836 | \$0 | \$0 | \$37,988,836 | \$39,735,692 | \$0 | \$0 | \$39,735,692 |
| Offset to CBHP Trust Fund - Immunization | \$461,700 | \$0 | \$0 | \$461,700 | \$559,603 | \$0 | \$0 | \$559,603 | \$583,099 | \$0 | \$0 | \$583,099 |
| Health Care Expansion Fund | \$0 | \$31,947,282 | \$0 | \$31,947,282 | \$0 | \$29,806,480 | \$0 | \$29,806,480 | \$0 | \$34,067,527 | \$0 | \$34,067,527 |
| Hospital Provider Fee | \$0 | \$0 | \$8,690,654 | \$8,690,654 | \$0 | \$0 | \$10,413,576 | \$10,413,576 | \$0 | \$0 | \$21,353,694 | \$21,353,694 |
| Federal Funds | <u>\$64,871,958</u> | <u>\$59,322,946</u> | <u>\$16,138,285</u> | <u>\$140,333,190</u> | <u>\$71,240,762</u> | <u>\$55,773,266</u> | <u>\$19,270,319</u> | <u>\$146,284,347</u> | <u>\$74,078,741</u> | <u>\$64,205,966</u> | <u>\$39,518,166</u> | <u>\$177,802,873</u> |
| Total Funds | \$100,300,870 | \$91,270,228 | \$24,828,939 | \$216,400,037 | \$110,205,904 | \$85,579,746 | \$29,683,894 | \$225,469,544 | \$114,889,807 | \$98,273,493 | \$60,871,860 | \$274,035,160 |

Table 1
Summary of the Federal Health Care Reform Legislation -- Analysis Provided By Legislative Council Staff

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| Provision | Description | State Action Required | Funding Available to States |
|--------------------------------------|--|---|-----------------------------|
| Health Insurance | | | |
| Requirements for Health Plans | <p>The act makes the following changes to requirements for group and individual health insurance plans:</p> <ul style="list-style-type: none"> • beginning September 23, 2010: <ul style="list-style-type: none"> • prohibits plans from establishing lifetime or annual limits on the dollar value of benefits. Annual limits may be placed on benefits that are not "essential;" • prohibits an insurer from rescinding coverage except in the case of fraud; • requires insurers to provide coverage, without any cost sharing, for immunizations and other specified preventative health services; • requires health plans that offer coverage for dependent children to continue coverage for an adult child until the child turns 26 years of age; and • prohibits pre-existing coverage limitations for dependents under 19 years of age; • beginning in 2014: <ul style="list-style-type: none"> • requires the Secretary of the Federal Department of Health and Human Services (Secretary) to develop a single set of operating rules to process insurance transactions; • prohibits plans from applying pre-existing coverage limitations; • specifies that rates may only vary based on the following factors: | <p>Colorado may need to conform its existing laws regulating insurers to comply with federal legislation.</p> | <p>None specified.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|---|--|---|
| | <ul style="list-style-type: none"> ▶ family size; ▶ geographic area; ▶ age; and ▶ tobacco use. <ul style="list-style-type: none"> • requires health insurers to offer coverage to any individual or group that applies; • requires health insurers to renew coverage at the option of the plan sponsor or the covered individual; | | |
| Health Insurance (Cont.) | | | |
| Requirements for Health Plans (Cont.) | <ul style="list-style-type: none"> • prohibits plans from establishing any rules for eligibility based on any of the following factors: <ul style="list-style-type: none"> ▶ health status; ▶ medical condition; ▶ claims experience ▶ receipt of medical care; ▶ genetic information; ▶ evidence of insurability; ▶ disability; and ▶ any other health status-related factor; and • prohibits a plan from applying a waiting period for coverage longer than 90 days. | | |
| Oversight of Rates | The act requires the Secretary to implement an annual review process of insurance premiums to determine if increases in rates are unreasonable. | Grants will be awarded to states to provide information and recommendations on rate reviews and to establish centers to collect, analyze and organize medical reimbursement information. As a condition of receiving a grant, states must provide the Secretary with information regarding trends in rating and premium increases. | Over a five-year period beginning in 2010, \$250 million is available to fund grants to states. The Department of Regulatory Agencies (DORA) applied for a \$1 million grant through the Grants to States for Health Insurance Premium Review Cycle I program. Future funding may be awarded on an annual basis. |

Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)

| Provision | Description | State Action Required | Funding Available to States |
|---|--|--|---|
| Medical Loss Ratios and Rebates | <p>The act requires insurers to:</p> <ul style="list-style-type: none"> submit a report to the Secretary on the insurer's premium/loss ratio; and beginning January 11, 2011, provide an annual rebate to each plan enrollee if the premium/loss ratio is less than 85% for large group markets or 80% for small group markets. | None specified or unknown at this point. | None specified. |
| Health Insurance (Cont.) | | | |
| Consumer Assistance and Protection | <p>The act requires:</p> <ul style="list-style-type: none"> insurers to implement an effective process through which enrollees can appeal coverage determinations and claims; the Secretary, in conjunction with the state, to establish a website to allow residents of a state to identify affordable coverage options in the state; insurers to provide uniform summary of benefit forms, developed from standards issued by the Secretary, to enrollees; and the Secretary to distribute grants to states to establish or expand offices or ombudsmen to assist consumers with insurance-related issues. | In order to receive a grant for consumer assistance, states must comply with specific criteria and collect and report data to the federal government on the types and volumes of complaints submitted by consumers. | <p>For 2014, \$30 million is available for grants to states that establish or expand consumer assistance offices.</p> <p>DORA plans to apply for a portion of the total funding. A total of 56 awards are anticipated, ranging from \$120,000 to \$3.4 million.</p> |
| High Risk Pool | The act requires the Secretary to establish, or contract with states or nonprofit entities to establish, high risk pools to provide health insurance coverage to individuals with pre-existing conditions. The high risk pool will be in place until 2014, when state health insurance exchanges are established. | In July 2010, Colorado formed a high-risk pool to comply with the provisions of the act called GettingUsCovered. The pool is jointly administered by Rocky Mountain Health Plans and CoverColorado. In order to qualify for coverage through the pool, individuals must be U.S. and Colorado residents, have been uninsured for at least six months, and have a pre-existing condition that has prevented them from obtaining commercial health insurance in the past. | A total of \$5 billion across all states is available to subsidize premiums in the high risk pool. DORA applied for and received \$90 million over a three-year period. |
| Wellness | The act defines "wellness programs" as programs of health | States must apply to participate in | None specified. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|---|-----------------------------|
| Programs | <p>promotion or disease prevention offered by an employer. The act establishes the certain conditions for the operation of wellness programs. Wellness programs that were established prior to the enactment of the act may continue to operate.</p> <p>No later than July 1, 2014, the Secretary, along with the Treasury Secretary, are to establish a 10-state pilot program for wellness programs in the individual insurance market.</p> | <p>the pilot program. In order to participate, a state must demonstrate that the project is designed in a manner that:</p> <ul style="list-style-type: none"> • will not result in any decrease in coverage; and • will not increase the costs to the federal government. | |
| Health Insurance (Cont.) | | | |
| Qualified Health Plans and Essential Benefits Package | <p>Qualified health plans. As defined in the act, qualified plans:</p> <ul style="list-style-type: none"> • have a certification that the plans may be offered through an exchange; • provide the essential health benefit package (described below); and • are offered by a health insurer in good standing that agrees to offer a plan in the silver and gold levels of the exchange, agrees to charge the same rates for plans offered inside and outside of an exchange, and complies with any additional rules issued by the Secretary. <p>Qualified plans must meet specific marketing requirements and ensure a sufficient choice of providers, including essential community providers such as community health centers. Qualified plans are subject to a rating system, to be developed by the Secretary, and an enrollee satisfaction system.</p> <p>States may require that qualified plans offer benefits in addition to the essential health benefits package described below. States must assume the costs of these additional benefits.</p> <p>Essential health benefits package. The essential health benefits package is defined in the act as plans that provide coverage for certain essential health benefits, specified in the act, and limit cost-sharing. Essential health benefits include:</p> | <p>States may pass a law to prohibit coverage of abortions in qualified health plans offered through the exchange.</p> <p>States may add addition benefits to qualified health plans above those required by federal law.</p> | None specified. |

Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)

| Provision | Description | State Action Required | Funding Available to States |
|-----------|---|-----------------------|-----------------------------|
| | <ul style="list-style-type: none"> • emergency services; • hospitalization; • maternity and newborn care; • mental health and substance abuse treatment; • prescription drugs; • preventative and wellness services; and • pediatric services, including oral and vision care. | | |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|---|---|--|
| Health Insurance (Cont.) | | | |
| <p>Qualified Health Plans and Essential Benefits Package (Cont.)</p> | <p>Beginning in 2014, plans are subject to an annual limit on cost-sharing, and the deductibles of plans offered in the small group market are limited to \$2,000 for an individual and \$4,000 for a family.</p> <p>The act establishes four benefit categories, equal to a specified percentage of the full value of benefits provided under the essential health benefits package:</p> <ul style="list-style-type: none"> • bronze, 60%; • silver, 70%; • gold, 80%; and • premium, 90%. <p>Health insurers may also offer catastrophic plans to individuals under the age of 30 in the individual market.</p> <p>States may pass laws to prohibit abortion coverage in qualified plans. Federal funds may not be used to provide voluntary abortions, and funds for abortion coverage must be segregated.</p> | | |
| <p>Health Insurance Exchanges</p> | <p><i>Establishment of state health insurance exchange.</i> The act requires states to establish, by January 1, 2014:</p> <ul style="list-style-type: none"> • a health insurance exchange through which individuals may purchase qualified health plans; and • a Small Business Health Options Program (SHOP exchange), designed to assist a qualified small employers in enrolling their in employees in qualified health plans offered in the state's small group market. <p>States may combine the individual and SHOP exchanges into one exchange. States that do not establish an operational exchange by 2014 will have one established in the state by the Secretary.</p> | <p>States must determine:</p> <ul style="list-style-type: none"> • whether to operate an exchange or allow the federal government to set up the exchange within the state; • whether to operate separate exchanges for individuals and small businesses, or to combine these exchanges; • whether to operate a regional exchange with other states, or to operate multiple exchanges within geographically distinct regions of the state; • whether to permit large employers to purchase coverage through the exchanges in 2017; and | <p>By September 1, 2010, the Secretary must award Planning and Establishment Grants to states to establish an exchange. Each state's amount is to be determined on an annual basis through 2015, at which time the exchanges must be self-sustaining.</p> <p>DORA and HCPF will apply for the Colorado's planning grants. Grants are expected to be up to \$1 million each year.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|-----------------------------------|--|--|-----------------------------|
| Health Insurance (Cont.) | | | |
| Health Insurance Exchanges | <p>Exchanges must:</p> <ul style="list-style-type: none"> • either be a governmental agency or a nonprofit entity that is established by the state; • only offer qualified health plans; • develop procedures for the certification of plans as qualified health plans; • maintain telephone lines and websites where consumers can access information about the plans in the exchange; • provide information to individuals about their eligibility for public programs, such as Medicaid, and grant certifications for individuals who are exempt from the mandate for coverage; and • require plans seeking to continue to participate in the exchange to submit a justification of any increase in premiums prior to the implementation of the increase. <p>States may operate regional exchanges. States may also establish multiple exchanges in one state if each exchange operates in a geographically distinct areas of the state.</p> <p>Employers may select a level of coverage to be made available to employees through an exchange. Employees may enroll in any qualified plan that meets the level of coverage selected by the employer.</p> <p>Health insurance markets. The act specifies that health insurers must consider all individuals who are enrolled in individual plans offered by the insurer in the exchange a single individual risk pool. Similar provisions apply to small group pools. A state may require the individual and small group markets to be merged. Health insurers may continue to offer plans outside of the exchange.</p> <p>Eligibility for exchange. Individuals must not be incarcerated and must be a lawful resident of the United States in order to purchase an exchange plan. Employers must make all full-time employee eligible for coverage. Initially, participation in the exchange is limited to small employers. Beginning in 2017, states may allow large employers to participate in the exchange.</p> | <ul style="list-style-type: none"> • a funding mechanism for the exchanges when federal funding ends in 2015. <p>Department of Health Care Policy and Financing (HCPF) and the State Health Care Reform Implementation Board are currently hosting a series of forums around the state to gain input from stakeholders regarding how the exchange should be structured in Colorado.</p> | |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|---|--|--|
| Health Insurance (Cont.) | | | |
| Consumer Operated and Oriented (CO-OP) Plan | The Secretary must create a program to facilitate the creation of nonprofit health insurers through loans and grants. | None specified or unknown at this point. | None specified. |
| Authority to Establish Alternative Programs | <p>Standard Health Plans. The act allows states to enter into contracts to offer 1 or more standard health plans providing at least the essential health benefits to eligible individuals in lieu of offering such individuals coverage through an exchange. Individuals who have a household income that exceeds 133%, but is below 200%, of the Federal Poverty Level (FPL) and who do not have access to an employer-sponsored plan are eligible for this coverage.</p> <p>Waivers. Beginning January 1, 2017, states may apply for waivers of specific requirements of the act, including the requirement to establish and operate an exchange.</p> <p>Health Care Choice Compacts. The act allows for the creation of Health Care Choice Compacts under which two or more states may enter into agreements. Under the agreements, individual health insurance plans may be sold in each state that enters into an agreement and be subject only to the laws of the state in which the plan was issued, with certain exceptions.</p> | States must determine whether to avail themselves of any of the options to develop alternative programs. | <p>Standard Health Plans. Approved programs may receive federal funding in an amount equal to 85% of tax credits and cost-sharing subsidies that would have been provided to eligible individuals had they enrolled in an exchange plan.</p> <p>Waivers. The Secretary must develop an alternative means to transfer funds to the state that otherwise would have been paid to participants in the exchange.</p> |
| Reinsurance Program | By January 1, 2014, states are required to establish a reinsurance program. The reinsurance program will be funded through payments made by group health plans, and the program will provide payments to individual insurers that cover high-risk individuals in the insurance market. States must coordinate with or eliminate any existing high-risk pool in the state in order to implement this provision. | The state must adopt state law or regulations to implement the reinsurance program, and must determine if additional costs will be collected from insurers to cover the administrative costs of the program. | None specified. |
| Risk Adjustment | States are required to assess a charge on health plans if the actuarial risk of the enrollees of the plan is less than the average actuarial risk of all enrollees in all plans. States must provide payments to health plans if the actuarial risk of the enrollees of the plan is greater than the average actuarial risk of all enrollees in all plans. | Legislation or rules establishing how the charge will be assessed on health plans, the amount of the charge, and how the charges will be redistributed to other plans is necessary. | None specified. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|----------------------------------|--|---|-----------------------------|
| Health Insurance (Cont.) | | | |
| Individual Mandate | <p>The act requires individuals to maintain minimal essential health care coverage beginning in 2014. Those individuals who do not maintain adequate coverage are subject to a Shared Responsibility Payment. The act waives criminal and civil penalties for failure to pay the Shared Responsibility Payment.</p> <p>Individuals who met the following requirements are not assessed a penalty for failure to maintain coverage:</p> <ul style="list-style-type: none"> • individuals who claim an exemption based in their religious beliefs; • individuals who are not covered for only short periods of time; • individuals who are required to pay more than 8% of their household income towards the cost of coverage; • individuals with a taxable income of less than 100% FPL; • Native Americans; and • individuals who have a hardship with respect to obtaining coverage. <p>Individuals may obtain acceptable coverage through:</p> <ul style="list-style-type: none"> • a plan offered inside or outside of the exchange; • a plan that was grandfathered in under the act; • an employer-sponsored plan; • Medicaid, Medicare, or the Children's Health Insurance Program; • TRICARE or the Veterans' Administration; or • a federal employee health benefit plan. | The individual mandate is enforced through a federal tax penalty. | None specified. |
| Employer Responsibilities | The act requires employers with more than 200 employees to automatically enroll new employees in a health care plan and provide information about how the employee can opt out of coverage. Employers must also provide information to employees about the exchange. | Employer responsibilities with regard to reform are enforced through federal penalties. | None specified. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|---|---|
| Health Insurance (Cont.) | | | |
| Employer Responsibilities (Cont.) | The act imposes fines on large employers (employers with 50 or more employees) who fail to offer full-time employees the opportunity to enroll in health care coverage or who have a waiting period of more than 60 days for the employee to enroll in coverage. Large employers must also submit an annual report on the health insurance coverage provided to their full-time employees. | | |
| Health Information Technology Standards | The act requires the Secretary to develop interoperable and secure standards and protocols that facilitate enrollment of individuals in federal and state health and human services programs. Grants are available to states and local governments to develop and adapt technology systems to implement the standards and protocols. | The state must submit a needs analysis of current systems to determine whether enrollment standards and protocols can be met. | Funding of \$20 million is anticipated to be available for Enrollment Health and Information Technology grants, although no announcements have been made. HCPF and the Office of Information Technology will apply for funding. |
| Medicaid and the Children's Basic Health Plan | | | |
| Medicaid Coverage Expansions | <p>Beginning in 2014, the act makes the following changes to the state's Medicaid program:</p> <ul style="list-style-type: none"> • expands coverage to children and adults with incomes up to 133% of the FPL. All newly eligible adults are guaranteed a benefit package that meets the essential health benefits available through the exchange; • requires the essential health benefits package to include coverage of prescription drugs and mental health services; • extends coverage to former foster care children who are under 26 years of age; and • allows the states the option of providing Medicaid coverage to all non-elderly individuals with incomes above 133% of the FPL. | <p>States may expand coverage to adults with incomes up to 133% of the FPL as early as April 1, 2010, but are required to do so by 2014.</p> <p>States may extend Medicaid coverage to individuals with incomes above 133% beginning January 1, 2011.</p> | <p>States will receive:</p> <ul style="list-style-type: none"> • 100% federal funding for the Medicaid expansion for 2014 through 2016; • 95% funding for 2017; • 94% funding for 2018; • 93% funding for 2019; and • 90% funding for 2020 and subsequent years. <p>States that have already expanded eligibility to adults with incomes up to 100% of the FPL will receive a phased-in increase in the federal medical assistance percentage (FMAP) for childless adults.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|---|-----------------------------|
| Medicaid and the Children's Basic Health Plan (Cont.) | | | |
| Medicaid Eligibility | <p>The act:</p> <ul style="list-style-type: none"> • requires states to use an individual's or household's modified gross income to determine eligibility, without applying a disregard for income or expenses or an asset or resource test; • allows a state to offer Medicaid wrap-around benefits to individuals who are eligible for Medicaid but who are enrolled in an employer-sponsored insurance program; • prohibits the state from requiring, as a condition of Medicaid eligibility, that an individual apply for enrollment in qualified employer-sponsored coverage; • requires the state to maintain income eligibility levels for children who are eligible for Medicaid until 2019; • allows states to cover family planning services and supplies under a presumptive eligibility period for a categorically needy group of individuals; and • creates an optional eligibility category to provide full Medicaid benefits to individuals receiving home- and community-based services. | Colorado may need to conform its existing laws and rules concerning Medicaid eligibility to comply with federal legislation. | None specified. |
| Enrollment Simplification | <p>The act:</p> <ul style="list-style-type: none"> • requires the state to enroll newly eligible participants who apply through the exchange in the Medicaid program; • requires states to develop a single form for applying for state health subsidy programs that can be filed online, in person, by mail, or by phone; • requires states to establish procedures to allow individuals to enroll and reenroll in Medicaid through a website, and requires that the website be linked to the exchange's website; • permits exchanges to contract with state Medicaid agencies to determine eligibility for tax credits in the exchanges; and • permits hospitals to provide Medicaid services during a period of presumptive eligibility to members of all Medicaid eligibility categories. | The state will have to coordinate the development of the health insurance exchange with the eligibility determination processes of Medicaid and CHP+. | None specified. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|--|--|
| Medicaid and the Children's Basic Health Plan (Cont.) | | | |
| Benefits and Services | <p>The act makes the following changes to Medicaid benefits and services requirements:</p> <ul style="list-style-type: none"> • effective immediately, requires coverage of free- standing birth center services; • effective immediately, allows children who are receiving hospice care to continue to receive full Medicaid benefits; • effective January 1, 2013, requires states to cover preventative care, including vaccines for adults, and gives states financial incentives to implement this provision without any cost-sharing requirements; and • effective October 1, 2010, requires coverage for tobacco cessation services for pregnant women; and • allows Medicaid coverage of certain drugs used to promote smoking cessation, barbiturates, and benzodiazepines. | <p>Colorado may need to conform its existing laws and rules concerning Medicaid eligibility to comply with federal legislation.</p> | <p>Awards states that remove cost-sharing for preventive services with a one percentage point increase in the FMAP for these services.</p> |
| Emergency Psychiatric Demonstration Program | <p>The act establishes a three-year demonstration program to allow up to eight states to increase the number of Medicaid emergency inpatient psychiatric care beds in the state.</p> | <p>States must apply to be part of the program. Funds may not be awarded to a public institution.</p> | <p>A total of \$75 million is available over the three-year period. HCPF and DHS will apply for the grants.</p> |
| Medicaid Health Homes | <p>Beginning January 1, 2011, allows states to implement, through a Medicaid state plan amendment, a program to provide coordinated care to individuals with chronic illness through a health home. A health home is a model of care that uses a health assessment plan, integrates service providers, tracks referrals, reviews all medications, and allows for the use of health information technology to provide services in the home.</p> | <p>States must meet specified requirements regarding coordination of physical health services with substance abuse and mental health services, reporting, and payment of home health services.</p> | <p>For the first two years a state operates a program, the state will receive an enhanced FMAP of 90% of the costs of the program.</p> <p>Beginning January 1, 2011, planning grants are available to states to implement this provision. States must match the amount received based on their FMAP. A total of \$25 million is available.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|--|--|
| Medicaid and the Children's Basic Health Plan (Cont.) | | | |
| Payments to Disproportionate Share Hospitals | <p>Medicaid Disproportionate Share Hospital (DSH) allotments are distributed to providers who serve a large number of uninsured patients. The act reduced DSH payments provided to states in the aggregate by:</p> <ul style="list-style-type: none"> • \$0.5 billion in 2014; • \$0.6 billion in 2015; • \$0.6 billion in 2016; • \$1.8 billion in 2017; • \$5 billion in 2018; • \$5.6 billion in 2019; and • \$4 billion in 2020. <p>Effective October 1, 2011, the act requires the Secretary to develop a methodology to distribute the DSH reductions in a manner that imposes the largest reduction in DSH allotments for states with the lowest percentage of uninsured individuals or those that do not target DSH payments, imposes smaller reductions for low-DSH states, and accounts for DSH allotments used for certain Medicaid waivers.</p> | Colorado will have to determine how to implement the reduction in DSH payments. Over the long-term, the state will have to consider how existing programs that are funded through DSH payments, namely the Colorado Indigent Care Program, will operate with the broader changes required by the act, including the health care exchange and the Medicaid coverage expansions. | Not applicable. |
| Payments to Primary Care Providers | The act increases Medicaid payments for primary care services to 100 percent of the Medicare payment rates for 2013 and 2014. | Colorado will likely need to revise its current payment rates to comply with this provision. Payment rates are generally set through rules issued by the state Board of Medical Services. | States will receive 100% federal funding for the increase payment rates. |
| Demonstration Projects for Payments to Providers | <p>The act establishes three demonstration projects related to payment of providers. The projects are:</p> <ul style="list-style-type: none"> • a project to allow up to eight states to evaluate the use of bundled payments for the provision of integrated care to a Medicaid beneficiary; • a project in which a participating state may adjust payments to an eligible safety net hospital from a fee-for-service structure to a capitated payment model; and • a project to allow pediatric medical providers to be recognized as accountable care organization for the purpose of receiving incentive payments. | Selected states must submit plans to the federal government and report specific data. | No specific funding was included in the act for the demonstration projects, but HCPF and the Center for Improving Value in Health Care will apply when funding is available. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|---|--|--|
| Medicaid and the Children's Basic Health Plan (Cont.) | | | |
| Grants for Wellness Programs | The act provides grants to states to provide incentives to Medicaid beneficiaries who participate in wellness programs to lower health risk and demonstrate improved outcomes. | In order to receive a grant, states must continue the wellness program for at least three years. The programs must be based on criteria developed by the Secretary. States must set standards and health status targets for beneficiaries, and evaluate the success of the program in meeting the standards. | Grants for state wellness programs will be awarded as soon as January 1, 2011. A total of \$100 million over a five-year period is available. HCPF and the Department of Public Health and Environment (DPHE) will apply for the grants. |
| Children's Health Insurance Program | <p>The act makes the following changes to the Children's Health Insurance Program (CHIP):</p> <ul style="list-style-type: none"> • requires states to maintain current income eligibility levels until 2019; • requires states to enroll newly eligible participants who apply through the exchange; • specifies that children who are eligible for enrollment, but cannot enroll due to enrollment caps, are eligible for tax credits in the exchange; and • provides states with the option to provide coverage to children of state employees who are eligible for health benefits if certain conditions are met. | | <p>Beginning in 2015, states will receive a 23 percentage point increase in the CHIP match rate up to a cap of 100%. The amount funded depends on prior years' spending.</p> <p>The act extended funding for existing CHIP Obesity Demonstration Programs for fiscal years 2009-10 through 2013-14. Total funds available are \$25 million. HCPF will apply for funding.</p> |
| Funding for Providers that Serve the Uninsured | | | |
| Strengthening Community Health Centers | <p>Effective federal fiscal year 2010-11, the act provides funds to build new and expand existing community health centers, school-based health clinics, and other health facilities. In most cases, the funds or programs must be applied for by individual health centers, not the state.</p> <p>Community Health Center Fund. The act establishes a Community Health Center Fund to provide additional funding for community health centers.</p> <p>Demonstration Project for the Uninsured. The act establishes a three-year demonstration project for up to 10 states to provide access to health care services to the uninsured at a reduced rate. Participating entities must be a state-based, nonprofit, public-private partnership.</p> | Varies, but in general, funds are distributed directly to providers. | <p>Community Health Center Fund. Total funding under this program ranges from \$1 billion in FY 2010-11 to \$3.6 billion in FY 2015-16.</p> <p>Demonstration Project for the Uninsured. Each selected state will receive \$2 million to carry out the program.</p> <p>School-based Health Centers. A total of \$50 million will be awarded for FY 2009-10 through FY 2012-13.</p> <p>Trauma Care Centers Grants. Trauma Care Centers grants are available for FY 2009-10 through FY 2014-15. Approximately \$100 million is authorized for each fiscal year as matching funds for safety net trauma centers. The DPHE will apply and award sub-grants to eligible entities when the program is funded.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|---|---|--|
| Funding for Providers that Serve the Uninsured (Cont.) | | | |
| Strengthening Community Health Centers (Cont.) | <p>School-based Health Centers. School-based Health Center grants are available to individual centers.</p> <p>Trauma Care Centers Grants. Grants are available to qualified public and private trauma centers to assist in defraying uncompensated care costs and provide emergency relief to ensure the continued operation of trauma centers.</p> <p>Co-locating Primary and Specialty Care in Community-Based Mental Health Settings Grants. Grants are available for demonstration projects for the provision of coordinated and integrated services to special populations through the co-location of primary and specialty care services.</p> <p>Health Care Quality Improvements Grants. Grants are available to eligible entities that establish community-based interdisciplinary teams to support primary care practices.</p> <p>Grants to Promote the Community Health Workforce which are available to eligible entities to promote positive health behaviors for populations in medically-underserved areas of the state through the use of community health workers. Funds are also used to educate individuals regarding public health programs such as CHIP, Medicaid, and Medicare.</p> | | <p>Co-locating Primary and Specialty Care in Community-Based Mental Health Settings Grants are anticipated to be available for FY 2009-10 through FY 2013-14. The program has been authorized, but not yet funded. HCPF, the Department of Human Services (DHS), and DPHE will apply.</p> <p>Health Care Quality Improvements grants are not yet funded. DPHE will apply for the grants.</p> <p>A number of other grant opportunities are anticipated, including Grants to Promote the Community Health Workforce. Funding announcements have not been made yet, but will be applied for by DPHE.</p> |
| Health Care Workforce | | | |
| Health Care Workforce Analysis | <p>State Health Care Workforce Development Grants. The program will award grants to facilitate state partnerships to complete comprehensive planning and to facilitate workforce strategies.</p> <p>State and Regional Centers for Health Workforce Analysis. The Secretary must award grants to states and other entities to collect, analyze, and report data on the health care workforce.</p> | <p>To receive State and Regional Centers for Health Workforce Analysis funds, the state must coordinate with the national center. Eligible entities, including the state, must apply for funding.</p> | <p>State Health Care Workforce Grants. State Health Care Workforce Grants are being awarded for both planning and implementation phases. DPHE requested \$150,000 as a planning grant, and a two-year \$2 million implementation grant.</p> <p>Health Care Workforce Analysis. A total of \$4.5 million for FY 2009-10 to FY 2013-14 is available for State and Regional Centers for Health Workforce Analysis grants. Funding announcements have not been made yet, but DPHE will apply for the grants.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|-----------------------|--|
| Health Care Workforce (Cont.) | | | |
| <p>Increasing the Supply of the Health Care Workforce</p> | <p>The act expands and improves several low-interest student loan programs, scholarships, and loan repayments for health students and professionals. These programs, in general, do not provide funding to the state, but rather directly to health care professionals, academic institutions, or health care facilities. Some of the programs affected or created by the act include:</p> <ul style="list-style-type: none"> • the Primary Care Extension Program, which will provide funding to allow states to establish state or multi-state level state hubs. Hubs will consist of designated state health agencies, health professionals, associations, consumer groups and other entities. The hubs will provide support and assistance to educate primary care providers about preventive medicine, health promotion, chronic disease management, mental and behavioral health services, and evidence-based and evidence-informed therapies and techniques. • the Nursing Student Loan Program, which raises the cap on the maximum annual loan amount from \$2,500 to \$3,300 per year, except for a student's final two years where limits are increased from \$4,000 to \$5,200 per year, and raises the overall aggregate amount from \$13,000 to \$17,000 beginning in FY 2009-10 and FY 2010-11; • the Pediatric Specialty Loan Repayment Program which requires recipients to commit to two years of employment in a pediatric specialty field in an area with identified shortages, and allows payments to be made on student loans of up to \$35,000 per year up to three years of service; | <p>Varies.</p> | <p>The Primary Care Extension Program is currently authorized to provide a total of \$120 million per year, but is not yet funded.</p> <p>For fiscal years 2009-10 through 2013-14, \$5 million is available for Continuing Educational Support for Health Professionals Serving in Underserved Communities grants. The state is evaluating the grant opportunity.</p> <p>The Public Health Service Act authorizes \$338 million for fiscal year 2009-10, and sums as necessary for FY 2010-11 through FY 2015-16 to fund nursing development programs. The state is evaluating the grant opportunity.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|--|-----------------------|---|
| Health Care Workforce (Cont.) | | | |
| Increasing the Supply of the Health Care Workforce (Cont.) | <ul style="list-style-type: none"> • the Public Health Workforce Recruitment and Retention Program which provides loan repayment to public health professionals employed by federal, state, or local public health agencies. Individuals must be employed for up to three years of service, and may receive up to \$35,000 in loan repayment. Additional funding is available for to fund scholarships for mid-career public health professionals to receive additional training; • the Continuing Educational Support for Health Professionals Serving in Underserved Communities grant program, which provides grants to eligible entities to improve health care, increase retention, increase representation of minority faculty members and to provide educational support to reduce professional isolation. | | |
| Improving Workforce Training | <p>With regard to training programs for individuals in the health care workforce, effective July 1, 2010, the act:</p> <ul style="list-style-type: none"> • increases flexibility in laws and regulations that govern Graduate Medical Education (GME) training positions to promote training in outpatient settings; • supports the development of interdisciplinary mental and behavioral health training programs and establishes a training program for oral health professionals; • addresses the projected shortage and retention of nurses by increasing the capacity for education, supporting training programs, providing loan repayment and retention grants, and creating a career ladder to nursing; and • supports the development of training programs that focus on primary care models such as medical homes, team management of chronic disease, and those that integrate physical and mental health services. | <p>Varies.</p> | <p>Training in Family Medicine, General Internal Medicine, General Pediatrics, and Physician Assistantship funds will be available to develop and operate training programs for FY 2009-10 through FY 2013-14. Awards will be for five years. The program has been authorized, but not yet funded. DPHE and the University of Colorado will apply for funding.</p> <p>Enhancing Health Care Workforce Education and Training grants will be available for FY 2009-10 through FY 2013-14. Funding information is not yet available. The state is evaluating the grant opportunity.</p> |

Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)

| Provision | Description | State Action Required | Funding Available to States |
|---|--|---|--|
| Health Care Workforce (Cont.) | | | |
| Improving Workforce Training (Cont.) | <p>Effective July 1, 2011, the act:</p> <ul style="list-style-type: none"> • increases the number of GME training positions by redistributing currently unused slots, with priorities given to primary care and general surgery and to states with the lowest resident physician-to-population ratios; • establishes Teaching Health Centers, defined as community-based, ambulatory patient care centers; • provides grants for up to three years to employ and provide training to family nurse practitioners who provide primary care in federally qualified health centers and nurse-managed health clinics; and • funds research on emergency medicine and develop demonstration programs for models for emergency care systems. <p>In most cases, the state will not directly receive funds related to workforce training. Funding will be distributed directly to health professionals, educational institutions, and health care facilities.</p> | | |
| Medical Malpractice | <p>The act awards five-year demonstration grants to states to develop, implement, and evaluate alternatives to current tort litigations.</p> | <p>States must submit applications specifying the terms of the alternative program, the areas of the state in which the alternative program will operate, and how compensation will be distributed under the program.</p> | <p>The Governor's Office is evaluating whether to apply for the State Demonstration Programs to Evaluate Alternatives to Current Medical Tort Litigation. For the five fiscal years beginning with 2010-11, \$50 million is authorized but not yet funded.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|-----------------------|---|--|---|
| Long-term Care | | | |
| CLASS Act | Effective January 1, 2011, the act establishes a national, voluntary insurance program for purchasing community living assistance services and supports (CLASS Independence Benefit Plan). Following a five-year vesting period, the program will provide individuals with functional limitations a cash benefit of not less than an average of \$50 per day to purchase non-medical services and supports necessary to maintain community residence. The program is financed through voluntary payroll deductions; all working adults will be automatically enrolled in the program, unless they choose to opt-out. | The state must coordinate CLASS coverage with Medicaid benefits. In addition, the state must, in 2012, assess the extent to which providers of long-term care services are serving or have the capacity to serve individuals receiving benefits under the CLASS program. States must designate or create entities to serve as fiscal agents for employing workers serving individual in the CLASS program. | None; the program will be funded through voluntary payroll deductions. |
| Older Adults | Effective October 1, 2010, the act creates the Elder Justice Act to add federal programs and authorization for federal appropriations for Adult Protective Services, the Long-term Care Ombudsman Program, long-term care facilities and licensing entities, and other programs that provide services for at-risk elders. | Varies. | Up to \$100 million per year for FY 2010-11 through FY 2013-14 has been authorized, but not yet funded. DHS will apply for grants under this act. State Demonstration Program Concerning Elder Abuse Grants of \$25 million total are authorized for fiscal years 2010-11 through 2013-14. DHS will apply for these grants. |
| Medicaid | Several of the act's changes to Medicaid impact long-term care. Specifically, the act: Effective October 1, 2010: <ul style="list-style-type: none"> • provides states with new options for offering home- and community-based services through a Medicaid state plan rather than through a waiver for individuals with incomes of up to 300% of the maximum SSI payment and who have a higher level of need; • permits states to extend full Medicaid benefits to individuals receiving home and community-based services under a state plan; • extends the Medicaid Money Follows the Person Rebalancing Demonstration through September 2016 and allocates \$10 million per year for five years to continue the Aging and Disability Resource Center initiatives; and • continues the Nationwide Program for National and State Background Checks on Direct Patient Access Employees of Long-term Care Facilities. | Participation in the Nationwide Program for National and State Background Checks on Direct Patient Access Employees of Long-term Care Facilities and Providers Program requires Colorado to contribute matching funds to the program. Participation in the State Plan Option Promoting Health Homes for Enrollees for Chronic Conditions requires a state Medicaid plan amendment. | The State Plan Option Promoting Healthy Homes for Enrollees for Chronic Conditions provides an enhanced match of 90% FMAP for two years for states that take up the option as of January 1, 2011. Planning grants have been authorized but not yet funded. HCPF will apply for the grants. HCPF has applied for a Medicaid Money Follows the Person Rebalancing Demonstration grant. Funding is competitive and could be up to \$1 million. The state does not qualify for the portion of these funds that are for nursing home transitions. Six additional FMAP points will be available for states that implement the Community First Choice Option as of October 1, 2011. Medicaid Infrastructure grants are available to help implement a Medicaid Buy-in Program. HCPF will apply for the grants. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|-------------------------------------|---|-----------------------|---|
| Long-term Care (Cont.) | | | |
| Medicaid (Cont.) | <p>Effective October 1, 2011:</p> <ul style="list-style-type: none"> • establishes the Community First Choice Option to provide community-based services to individuals with disabilities who require an institutional level of care. Provide states with an additional 6% federal match for reimbursable expenses; • creates the State Balancing Incentive Program to provide matching funds to eligible states to increase the proportion of non-institutionally-based long-term care services, effective through 2015; and • requires skilled nursing facilities under Medicare and nursing facilities under Medicaid to disclose information regarding ownership, accountability requirements, and expenditures. | | <p>Federal funds of three times the amount a state guarantees will be available for the Nationwide Program for National and State Background Checks on Direct Patient Access Employees of Long-term Care Facilities and Providers. Funds will not exceed \$3 million for newly participating states and \$1.5 million for previously participating states.</p> <p>Other funding is anticipated to be available to increase home and community-based services through the State Balancing Incentives Program, although no announcements have been made. Funding will total a 2 to 5% increase in FMAP.</p> <p>A total of \$10 million annually will be distributed for Aging and Disability Resource Centers. DHS expects to receive a portion of these funds on a formula basis for FY 2009-10 through FY 2013-14. DHS's application was for \$492,469.</p> <p>There is a total of \$40 million available through 50 grants under the Medicare Improvements for Patients and Providers (MIPPA). DHS requested \$345,072.</p> <p>The Hospital Care Transition Models program, a program to assist individuals in navigating the long-term care system, was appropriated a total of \$2.5 million in funding, which will be awarded in five to seven competitive grants. DHS applied for \$399,183.</p> |
| Public Health | | | |
| Public Health Infrastructure | The act establishes a Prevention and Public Health Fund to provide for expanded and sustained national investment in prevention and public health programs to improve health and help restrain the rate of growth in private and public sector health care costs. | Not specified. | Total funding for all states ranges from \$500 million in FY 2009-10 to \$2 billion in FY 2014-15. Colorado is eligible for \$300,000 each year for five years. The DPHE applied for a grant on August 5, 2010. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|---|---|--|
| Public Health (Cont.) | | | |
| Community Preventative Health | <p>Community Transformation Grants. The act requires the Secretary, acting through the Director of the Centers for Disease Control and Prevention (CDC), to award grants to state and local governmental agencies and community-based organizations for the implementation, evaluation, and dissemination of evidence-based community preventive health activities in order to reduce chronic disease rates, prevent the development of secondary conditions, address health disparities, and develop a stronger evidence base of effective prevention programming.</p> <p>Healthy Aging, Living Well Grants. The act requires the Secretary, acting through the Director of CDC, to award grants to state or local health departments and Indian tribes to carry out pilot programs to provide public health community interventions, screenings, and clinical referrals for individuals who are between 55 and 64 years of age.</p> | <p>Community Transformation Grants. Eligible entities must submit a detailed community transformation plan that includes the policy, environmental, programmatic, and as appropriate infrastructure changes needed to promote healthy living and reduce disparities.</p> <p>Healthy Aging, Living Well Grants. Eligible entities must design a strategy for improving the health of the 55-to-64 year-old population through community-based public health interventions; and demonstrate the ability to implement the interventions.</p> | <p>The DPHE estimates that the state may be eligible to receive \$200,000 to \$1.3 million under these initiatives. The department will apply for grant moneys when they are made available.</p> |
| Oral Healthcare Prevention | <p>The act requires the Secretary, through the Director of CDC, to carry out oral health activities, including:</p> <ul style="list-style-type: none"> • establishing a national public education campaign that is focused on oral health care prevention and education; • awarding demonstration grants for research-based dental caries disease management activities; • awarding grants for the development of school-based dental sealant programs; and • entering into cooperative agreements with state, territorial, and Indian tribes or tribal organizations for oral health data collection and interpretation, a delivery system for oral health, and science-based programs to improve oral health. | <p>Applications must be submitted for funds, and a 20% state match is required.</p> | <p>The DPHE will apply for grant moneys when they are made available.</p> |
| Epidemiology and Laboratory Capacity | <p>Requires the Secretary, acting through the Director of CDC, to establish an Epidemiology and Laboratory Capacity Grant Program to award grants to assist public health agencies in improving surveillance for, and response to, infectious diseases and other conditions of public health importance.</p> | <p>Not specified.</p> | <p>A total of \$190 million is available for FY 2009-10 through FY 2012-13. The DPHE is applying for \$2 million in funding.</p> |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|---|--|---|
| Public Health (Cont.) | | | |
| Immunizations | The act authorizes the Secretary to negotiate and enter into contracts with vaccine manufacturers for the purchase and delivery of vaccines for adults. States are allowed to purchase additional quantities of adult vaccines from manufacturers at the applicable price negotiated by the Secretary. The act requires the Secretary, through the Director of CDC, to establish a demonstration program to award grants to states to improve the provision of recommended immunizations for children and adults through the use of evidence-based, population-based interventions for high-risk populations. | States must submit a state plan explaining how the grant moneys will be used for specific interventions, and how the interventions will align with local need. | A total of \$1 million in FY 2009-10 is available. DPHE and DHS will apply for funding. |
| Environmental Health Hazards | Competitive grants are available to state and health care facilities for the purpose of screening individuals for environmental health conditions and disseminating information regarding environmental health and the availability of treatment for certain individuals through Medicare. | Eligible entities must submit an application containing specified information. | For FY 2009-10 through FY 2013-14, \$23 million is available; \$20 million will be available for each five-year fiscal year period thereafter. |
| Other | | | |
| Home Visitation Services | States, or if a state does not apply, eligible nonprofit entities may apply for grants to establish early childhood home visitation programs for certain at-risk families. | By September 2010, states must conduct needs assessments of communities and measure certain health-related indicators. Entities that are awarded grants must establish certain benchmarks, and report on their progress in meeting the benchmarks. | <p>The total funding available for grants to states and other eligible entities is:</p> <ul style="list-style-type: none"> • \$100 million in 2010; • \$250 million in 2011; • \$350 million in 2012; • \$400 million in 2013; and • \$400 million in 2014. <p>The DPHE applied for initial funding in the amount of \$500,000. Additional applications are due September 1, 2010.</p> |
| Funding for Research on Postpartum Depression | States may apply for grants to provide services related to postpartum depression. | States, as well as nonprofit entities, may apply for the funding. | A total of \$3 million is available in 2010. DPHE will apply for funding. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|--|---|--|
| Other (Cont.) | | | |
| Support for Young Women Diagnosed with Breast Cancer | Grants are available to organizations that provide information from credible sources and assistance to young women diagnosed with breast cancer. | Priority is to be given to applicants that deal specifically with young women diagnosed with breast cancer and pre-neoplastic breast disease. | A total of \$9 million will be available for FY 2009-10 through FY 2013-14. DPHE will apply for funding. |
| Pregnancy Assistance Fund | States may be awarded grants to assist teens and women who are pregnant or parenting. Funds may be used by institutions of higher education, high schools, or community services centers to offer services. In addition, funds may be used to assist victims of domestic violence or to create a public awareness campaign. | Institutions of higher education that are awarded funding must contribute 25% matching funds. | A total of \$25 million is available annually through FY 2018-19. DHS will apply for funding. |
| Personal Responsibility Education for Adulthood Training | States may be awarded funding to carry out personal responsibility education for adulthood programs that provide training on abstinence and contraception, life skills, financial literacy, and healthy relationships. | A state may not receive funding until the state submits a two-part application for the funds, but funds are awarded to all states that apply. | A total of \$55 million is available each year from 2010 through 2014. Colorado is expected to receive \$793,058 per year for five years. Colorado's application is being coordinated by DHS, DPHE, and the Department of Education. |
| Regionalized Systems for Emergency Care | States, or partnerships of states and local governments, may be awarded four multiyear contracts or grants to support pilot projects that design, implement, and evaluate innovative models of regionalist, comprehensive, and accountable emergency care and trauma systems. | Eligible entities must apply for the program. States must contribute matching funds of \$1 for every \$3 of federal funding received. | Not specified. |
| Taxation | | | |
| Premium Assistance Tax Credits | The act provides premium tax credits and cost-sharing reductions available through the exchanges to make coverage more affordable to lower income individuals. Premium tax credits are available for individuals not eligible for qualified coverage, with incomes above 100% and below 400% of poverty (under \$88,000 for a family of four). | None. | Not applicable. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|--|-----------------------|-----------------------------|
| Taxation (Cont.) | | | |
| Small Business Health Insurance Tax Credit | <p>The act provides a sliding-scale tax credit for small businesses (25 or fewer employees with average annual wages under \$50,000) that purchase health insurance for employees if the employer contributes at least 50% of the total premium cost or 50% of a benchmark premium.</p> <ul style="list-style-type: none"> • Phase I (tax years 2010 through 2013): provides a tax credit of up to 35% of the employer's contribution toward the employee's health insurance. Tax-exempt small businesses meeting these requirements are eligible for tax credits of up to 25 percent of the employer's contribution. • Phase II (tax years 2014 and 2015): provides a tax credit of up to 50% of the employer's contribution toward the employee's health insurance premium. Tax-exempt small businesses meeting these requirements are eligible for tax credits of up to 35% of the employer's contribution. | None. | Not applicable. |
| Adoption Tax Credit | For tax years 2010 and 2011, the act increases the adoption tax credit and adoption assistance exclusion by \$1,000 and makes the credit refundable. | None. | Not applicable. |
| Therapeutic Project Tax Credit | The act provides a tax credit for businesses with 250 or fewer employees that invest in acute and chronic disease research during 2009 and 2010. | None. | Not applicable. |
| Tax Relief for Health Professional State Loan Repayments | Excludes state loan repayment or loan forgiveness programs intended to provide increased availability of health care services in under-served areas from gross income payments. This provision is effective for amounts received by an individual in taxable years beginning after December 31, 2008. | None. | Not applicable. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|--|--|-----------------------|-----------------------------|
| Taxation (Cont.) | | | |
| Blue Cross Blue Shield (BCBS) Non-Profit Organization Tax Benefit | Starting tax year 2010, the act requires that non-profit BCBS organizations devote 85% or more of their premium dollars to patient care in order to claim the special tax benefits under Internal Revenue Code (IRC) Section 833. Special tax benefits include a 25% deduction of claims and expenses and a 100% deduction for unearned premium reserves. | None. | Not applicable. |
| Individual Coverage Requirement | Beginning tax year 2014, the act requires that individuals maintain minimum essential health insurance coverage. Failure to obtain minimum coverage will result in a penalty on the individual's federal tax return. The penalty will be phased in starting in 2014, reaching the greater of \$695 for individuals (\$2,250 for families) or 2.5% of income in 2016. | None. | Not applicable. |
| Medicare Hospital Insurance (HI) Rate | Starting tax year 2013, the provision increases the Medicare Hospital Insurance (HI) tax rate from 0.5 to 0.9% on single taxpayers earning more than \$200,000 and joint filers earning more than \$250,000. | None. | Not applicable. |
| High Cost Plan Excise Tax | Beginning tax year 2018, the act imposes a nondeductible 40% excise tax on excess benefits provided in any month under a employer-sponsored health plan. | None. | Not applicable. |
| Tax on Indoor Tanning Services | Starting tax year 2010, imposes a 10% tax on amounts paid for indoor tanning services. | None. | Not applicable. |
| Medical Device Excise Tax | Starting in 2013, imposes a 2.3% excise tax on the sale of medical devices by manufacturers and importers. | None. | Not applicable. |
| Deductions for Executive Compensation | Starting tax year 2013, limits deductions for executive compensation for insurance providers to \$500,000 if at least 25% of the provider's gross premium income from health business is derived from health insurance plans that meet the minimum essential coverage requirements. The \$500,000 limit applies to all officers, employees, directors, and other workers or service providers performing services, for or on behalf of, a covered health insurance provider. | None. | Not applicable. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|---|-----------------------|-----------------------------|
| Taxation (Cont.) | | | |
| Deductions for Medicare Part D Subsidy | Employers are entitled to a subsidy if they offer retiree prescription drug coverage that is at least as valuable as Medicare Part D. Employers can deduct the entire cost of providing the coverage, even though a portion is offset by the subsidy. Starting tax year 2013, eliminates deductions for the subsidy for employers who maintain prescription drug plans for their Medicare Part D eligible retirees. | None. | Not applicable. |
| Deductions for Medical Expenses | Starting tax year 2013, increases the adjusted gross income threshold for claiming the itemized deduction for medical expenses from 7.5 to 10%. Those 65 and older can claim at 7.5% until tax year 2017. | None. | Not applicable. |
| Corporate Estimates Tax | For tax year 2014, increases the Corporate Estimates Tax imposed under the Corporate Estimated Tax Shift Act of 2009 by 15.75%. | None. | Not applicable. |
| "Black Liquor" Tax Credit Exclusion | In 2009, the IRS found that "black liquor," a byproduct of the process for making paper, may qualify for both the cellulosic biofuel producer credit and the refundable alternative fuel mixture credit. Starting tax year 2010, the act <i>excludes</i> black liquor as eligible for this tax credit. | None. | Not applicable. |
| Health Insurance Provider Fee | Starting in 2010, imposes an annual flat fee of \$6.7 billion on the health insurance sector, allocated across the industry based on market share. | None. | Not applicable. |
| Pharmaceutical Manufacturing Fee | Starting in 2011, imposes an annual flat fee of \$2.3 billion on the pharmaceutical manufacturing sector, allocated across the industry based on market share. The funds generated from the fee are intended to offset some of the costs of implementing the act. | None. | Not applicable. |

**Table 1
Summary of the Federal Health Care Reform Legislation (Cont.)**

| Provision | Description | State Action Required | Funding Available to States |
|---|--|-----------------------|-----------------------------|
| Taxation (Cont.) | | | |
| Employer Fee | The act does not require that employers offer health coverage but imposes penalties encouraging them to do so. Penalties apply to employers with more than 50 employees. Starting in 2014, employers with 50 or more full time employees that do not offer health insurance coverage but have at least one employee receiving a premium tax credit must pay a fee of \$2,000 per year (\$166 per month) per employee, excluding the first 30 employees (e.g., a firm with 51 workers will pay an amount equal to 51 minus 30, or 21 times the applicable per employee payment amount). | None. | Not applicable. |
| Fees to Support the Patient Centered Outcome Research Trust Fund | For fiscal years 2012-13 through 2018-19, imposes a fee on each specified health insurance policies and self-insured health plan. The fee is equal to the product of \$2 multiplied by the average number of lives covered under the policy or plan. | None. | Not applicable. |

Department of Health Care Policy and Financing Impact of State and National Reform

| Medicaid Expansion Population Caseload ¹ | | | | | | | | | | | |
|--|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| CHAA Expansion Population Summaries | | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| CHP+ to 250% FPL (July 2010) | | | | | | | | | | | |
| CHP+ Children to 250% Projected Caseload | 420 | 6,860 | 13,125 | 12,500 | 12,700 | 12,900 | 13,200 | 13,400 | 13,700 | 14,000 | 14,200 |
| CHP+ Prenatal to 250% Projected Caseload | 53 | 858 | 1,750 | 2,600 | 2,600 | 2,600 | 2,700 | 2,700 | 2,700 | 2,700 | 2,800 |
| Medicaid Parents to 100% FPL (July 2010) | | | | | | | | | | | |
| Medicaid Parents to 100% Projected Caseload | 750 | 12,250 | 25,000 | 49,700 | 50,200 | 50,600 | 51,000 | 51,500 | 52,000 | 52,600 | 53,100 |
| Disabled Buy-In to 450% FPL (July 2011) | | | | | | | | | | | |
| Disabled Buy-In to 450% FPL Projected Caseload | - | - | 2,400 | 4,400 | 4,900 | 5,000 | 5,000 | 5,100 | 5,100 | 5,200 | 5,200 |
| Childless Adults to 100% FPL (July 2012) | | | | | | | | | | | |
| Childless Adults to 100% FPL Projected Caseload | - | - | - | 55,700 | 101,200 | 113,300 | 114,400 | 115,400 | 116,600 | 117,800 | 119,000 |
| Continuous Eligibility for Medicaid Children (January 2012) | | | | | | | | | | | |
| Projected Eligible Children Caseload Impact | - | - | 18,500 | 56,300 | 76,400 | 77,700 | 79,300 | 80,900 | 82,400 | 83,900 | 85,300 |
| Projected Foster Care Caseload Impact | - | - | 800 | 2,300 | 3,200 | 3,200 | 3,300 | 3,300 | 3,400 | 3,500 | 3,500 |
| Projected CHP+ Children Caseload Impact | - | - | 0 | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (200) |
| Total CHAA Expansion Population (Including Continuous Eligibility) ² | 1,223 | 19,968 | 61,575 | 183,400 | 251,100 | 265,200 | 268,800 | 272,200 | 275,800 | 279,600 | 282,900 |
| Federal Reform Expansion Population Summaries | | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Medicaid Children to 133% FPL | | | | | | | | | | | |
| Medicaid Children to 133% FPL- Projected Caseload | - | - | - | - | 29,300 | 59,600 | 75,900 | 77,400 | 78,900 | 80,400 | 81,700 |
| Medicaid Parents to 133% FPL | | | | | | | | | | | |
| Medicaid Parents to 133% FPL- Projected Caseload | - | - | - | - | 9,000 | 18,100 | 22,800 | 23,000 | 23,200 | 23,500 | 23,700 |
| Disabled to 133% FPL | | | | | | | | | | | |
| Disabled Buy-In to 133% FPL- Projected Caseload | - | - | - | - | 4,200 | 8,400 | 10,500 | 10,600 | 10,600 | 10,600 | 10,600 |
| Childless Adults to 133% FPL | | | | | | | | | | | |
| Childless Adults to 133% FPL- Projected Caseload | - | - | - | - | 10,900 | 22,000 | 27,800 | 28,000 | 28,300 | 28,600 | 28,900 |
| Total Federal Reform Expansion Population | - | - | - | - | 53,400 | 108,100 | 137,000 | 139,000 | 141,000 | 143,100 | 144,900 |
| Caseload by Expansion Population | | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| CHP+ to 250% FPL | 473 | 7,718 | 14,875 | 15,100 | 15,300 | 15,500 | 15,900 | 16,100 | 16,400 | 16,700 | 17,000 |
| Medicaid Children to 133% FPL | - | - | - | - | 29,300 | 59,600 | 75,900 | 77,400 | 78,900 | 80,400 | 81,700 |
| Medicaid Parents to 133% FPL | 750 | 12,250 | 25,000 | 49,700 | 59,200 | 68,700 | 73,800 | 74,500 | 75,200 | 76,100 | 76,800 |
| Disabled Individuals to 450% FPL | - | - | 2,400 | 4,400 | 9,100 | 13,400 | 15,500 | 15,700 | 15,700 | 15,800 | 15,800 |
| Childless Adults to 133% FPL | - | - | - | 55,700 | 112,100 | 135,300 | 142,200 | 143,400 | 144,900 | 146,400 | 147,900 |
| Total New Expansion Caseload (Without Continuous Eligibility) ² | 1,223 | 19,968 | 42,275 | 124,900 | 225,000 | 292,500 | 323,300 | 327,100 | 331,100 | 335,400 | 339,200 |
| ¹ All caseload estimates represent a full time equivalent, or an average monthly count. For example, the Medicaid Parents to 100% caseload estimate in 2010 is 750. This assumes that the expansion would start April 1, 2010, with approximately 1,500 new enrollees per month through June 2010. Thus the estimated number of unique new enrollees by the end of the fiscal year is 4,500. The 2010 caseload estimate is then calculated as the average of the entire year, including the months before implementation with no enrollment and monthly estimates of 1,500 in April 2010, 3,000 in May 2010 and 4,500 in June 2010. | | | | | | | | | | | |
| ² The subtotal for the CHAA Expansion populations includes the estimated caseload impact for Continuous Eligibility for Medicaid Children. Total New Expansion Caseload does not include the additional caseload from continuous eligibility as these are not new clients, but rather additional months of eligibility for existing clients. | | | | | | | | | | | |

Department of Health Care Policy and Financing Impact of State and National Reform

| Medicaid Expansion Population Caseload ¹ | | | | | | | | | | | |
|--|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| CHAA Expansion Population Summaries | | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| CHP+ to 250% FPL (July 2010) | | | | | | | | | | | |
| CHP+ Children to 250% Projected Caseload | 420 | 6,860 | 13,125 | 12,500 | 12,700 | 12,900 | 13,200 | 13,400 | 13,700 | 14,000 | 14,200 |
| CHP+ Prenatal to 250% Projected Caseload | 53 | 858 | 1,750 | 2,600 | 2,600 | 2,600 | 2,700 | 2,700 | 2,700 | 2,700 | 2,800 |
| Medicaid Parents to 100% FPL (July 2010) | | | | | | | | | | | |
| Medicaid Parents to 100% Projected Caseload | 750 | 12,250 | 25,000 | 49,700 | 50,200 | 50,600 | 51,000 | 51,500 | 52,000 | 52,600 | 53,100 |
| Disabled Buy-In to 450% FPL (July 2011) | | | | | | | | | | | |
| Disabled Buy-In to 450% FPL Projected Caseload | - | - | 2,400 | 4,400 | 4,900 | 5,000 | 5,000 | 5,100 | 5,100 | 5,200 | 5,200 |
| Childless Adults to 100% FPL (July 2012) | | | | | | | | | | | |
| Childless Adults to 100% FPL Projected Caseload | - | - | - | 55,700 | 101,200 | 113,300 | 114,400 | 115,400 | 116,600 | 117,800 | 119,000 |
| Continuous Eligibility for Medicaid Children (January 2012) | | | | | | | | | | | |
| Projected Eligible Children Caseload Impact | - | - | 18,500 | 56,300 | 76,400 | 77,700 | 79,300 | 80,900 | 82,400 | 83,900 | 85,300 |
| Projected Foster Care Caseload Impact | - | - | 800 | 2,300 | 3,200 | 3,200 | 3,300 | 3,300 | 3,400 | 3,500 | 3,500 |
| Projected CHP+ Children Caseload Impact | - | - | 0 | (100) | (100) | (100) | (100) | (100) | (100) | (100) | (200) |
| Total CHAA Expansion Population (Including Continuous Eligibility) ² | 1,223 | 19,968 | 61,575 | 183,400 | 251,100 | 265,200 | 268,800 | 272,200 | 275,800 | 279,600 | 282,900 |
| Federal Reform Expansion Population Summaries | | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Medicaid Children to 133% FPL | | | | | | | | | | | |
| Medicaid Children to 133% FPL- Projected Caseload | - | - | - | - | 29,300 | 59,600 | 75,900 | 77,400 | 78,900 | 80,400 | 81,700 |
| Medicaid Parents to 133% FPL | | | | | | | | | | | |
| Medicaid Parents to 133% FPL- Projected Caseload | - | - | - | - | 9,000 | 18,100 | 22,800 | 23,000 | 23,200 | 23,500 | 23,700 |
| Disabled to 133% FPL | | | | | | | | | | | |
| Disabled Buy-In to 133% FPL- Projected Caseload | - | - | - | - | 4,200 | 8,400 | 10,500 | 10,600 | 10,600 | 10,600 | 10,600 |
| Childless Adults to 133% FPL | | | | | | | | | | | |
| Childless Adults to 133% FPL- Projected Caseload | - | - | - | - | 10,900 | 22,000 | 27,800 | 28,000 | 28,300 | 28,600 | 28,900 |
| Total Federal Reform Expansion Population | - | - | - | - | 53,400 | 108,100 | 137,000 | 139,000 | 141,000 | 143,100 | 144,900 |
| Caseload by Expansion Population | | | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| CHP+ to 250% FPL | 473 | 7,718 | 14,875 | 15,100 | 15,300 | 15,500 | 15,900 | 16,100 | 16,400 | 16,700 | 17,000 |
| Medicaid Children to 133% FPL | - | - | - | - | 29,300 | 59,600 | 75,900 | 77,400 | 78,900 | 80,400 | 81,700 |
| Medicaid Parents to 133% FPL | 750 | 12,250 | 25,000 | 49,700 | 59,200 | 68,700 | 73,800 | 74,500 | 75,200 | 76,100 | 76,800 |
| Disabled Individuals to 450% FPL | - | - | 2,400 | 4,400 | 9,100 | 13,400 | 15,500 | 15,700 | 15,700 | 15,800 | 15,800 |
| Childless Adults to 133% FPL | - | - | - | 55,700 | 112,100 | 135,300 | 142,200 | 143,400 | 144,900 | 146,400 | 147,900 |
| Total New Expansion Caseload (Without Continuous Eligibility) ² | 1,223 | 19,968 | 42,275 | 124,900 | 225,000 | 292,500 | 323,300 | 327,100 | 331,100 | 335,400 | 339,200 |
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| ² The subtotal for the CHAA Expansion populations includes the estimated caseload impact for Continuous Eligibility for Medicaid Children. Total New Expansion Caseload does not include the additional caseload from continuous eligibility as these are not new clients, but rather additional months of eligibility for existing clients. | | | | | | | | | | | |