

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2012-13
AND FY 2013-14**

**DEPARTMENT OF HEALTH CARE POLICY
AND FINANCING**

(Behavioral Health Community Programs Only)

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

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TABLE OF CONTENTS

| | Narrative Page | Numbers Page |
|---|---------------------------|-------------------------|
| Department Overview | 1 | N.A. |
| Summary: FY 2013-14 Appropriation and Recommendation | 1 | N.A. |
| Prioritized Supplementals in Department-assigned Order | | |
| S2 – Behavioral health – revised estimates | 3 | 10 |
| S2 – Behavioral health – technical correction to SB 13-200 | 4 | 11 |
| S5 – Community living caseload and per capita changes | 5 | N.A. |
| S9 – Behavioral health services contracts reprocurement | 6 | 12 |
| Non-prioritized Supplementals | | |
| Non-prioritized supplemental #1 – DHS Mental health institutes revenue adjustment | 8 | N.A. |
| Previously approved interim supplemental – Projected FY 2012-13 Over-expenditures at the mental health institutes | 9 | N.A. |
| Totals for All Supplementals | N.A. | 13 |
| Appendices | | |
| A: Numbers Pages | 10 | N.A. |
| B: FY 2013-14 Behavioral health capitation payments calculations | 14 | N.A. |

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Department Overview

The Department of Health Care Policy and Financing (DHCPF) provides health care services to Colorado residents through Medicaid and other programs. This Joint Budget Committee staff document concerns the behavioral health community programs administered by the DHCPF.

Most behavioral health services are provided to Medicaid-eligible clients through a statewide managed care or "capitated" program. Under the terms of the program, the Department contracts with five regional entities (known as behavioral health organizations or BHOs) to provide or arrange for medically necessary mental health services to Medicaid-eligible clients. In addition, as of January 1, 2014, BHOs are responsible for providing medically necessary substance use disorder services to Medicaid-eligible clients. The Department pays a pre-determined monthly amount for each client who is eligible for Medicaid behavioral health services. In addition to funding for capitation payments to BHOs, a separate appropriation covers fee for service payments for behavioral health services provided to clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contract.

The DHCPF budget also includes appropriations of General Fund and federal Medicaid funds that are transferred to the Department of Human Services for behavioral health programs administered by that department.

Summary: FY 2013-14 Appropriation and Recommendation

| Department of Health Care Policy and Financing: Recommended Changes for FY 2013-14 | | | | | | |
|--|----------------------|----------------------|---------------------|-------------------------|----------------------|------------|
| | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
| FY 2013-14 Appropriation | | | | | | |
| SB 13-230 (Long Bill) | \$352,220,637 | \$153,384,204 | \$21,294,827 | \$0 | \$177,541,606 | 0.0 |
| Other legislation | <u>33,417,833</u> | <u>76,907</u> | <u>(19,260,944)</u> | <u>0</u> | <u>52,601,870</u> | <u>0.0</u> |
| Current FY 2013-14 Appropriation | \$385,638,470 | \$153,461,111 | \$2,033,883 | \$0 | \$230,143,476 | 0.0 |
| Recommended Changes | | | | | | |
| Current FY 2013-14 Appropriation | \$385,638,470 | 153,461,111 | \$2,033,883 | \$0 | \$230,143,476 | 0.0 |
| S2 Behavioral Health - Revised Estimates | (3,383,923) | 500,880 | (599,560) | 0 | (3,285,243) | 0.0 |
| S2 Behavioral Health - Technical Correction to SB 13-200 | 0 | 0 | 9,745,064 | 0 | (9,745,064) | 0.0 |
| S5 Community Living Caseload | 29,346 | 14,673 | 0 | 0 | 14,673 | 0.0 |

JBC Staff Supplemental Recommendations: FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

| Department of Health Care Policy and Financing: Recommended Changes for FY 2013-14 | | | | | | |
|---|------------------------|-------------------------|-----------------------|---------------------------------|--------------------------|------------|
| | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
| S9 Behavioral Health Services Contracts Reprocurement | <u>1,000,000</u> | <u>500,000</u> | <u>0</u> | <u>0</u> | <u>500,000</u> | <u>0.0</u> |
| Recommended FY 2013-14 Appropriation | \$383,283,893 | \$154,476,664 | \$11,179,387 | \$0 | \$217,627,842 | 0.0 |
| Recommended Increase/(Decrease) | (\$2,354,577) | \$1,015,553 | \$9,145,504 | \$0 | (\$12,515,634) | 0.0 |
| Percentage Change | (0.6%) | 0.7% | 449.7% | 0.0% | (5.4%) | 0.0% |
| FY 2013-14 Executive Request | \$383,283,893 | \$154,476,664 | \$11,179,387 | \$0 | \$217,627,842 | 0.0 |
| Request Above/(Below) Recommendation | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0 |

Request/Recommendation Descriptions

S2 Behavioral health – revised estimates: The request includes a reduction of \$3,383,923 total funds for Medicaid behavioral health community programs based on more recent caseload and expenditure estimates. The recommendation includes the requested adjustments.

S2 Behavioral health – technical correction to SB 13-200: The request includes a \$9,745,064 shift from federal funds to cash funds to correct a technical error in the FY 2013-14 appropriation clause in S.B. 13-200. The recommendation includes the requested fund source adjustment.

S5 Community living caseload and per capita changes: The request includes a \$29,346 increase in the Behavioral Health Capitation Payments line item based on caseload and per capita changes related to three Medicaid waiver programs for individuals with intellectual and developmental disabilities. The recommendation reflects the requested increase, consistent with the Committee's recent action related to this request.

S9 Behavioral health services contracts reprocurement: The request includes an increase of \$1,000,000 to assure that the transition to the new behavioral health contracts that go into effect July 1, 2014, does not affect service delivery for Medicaid clients. The recommendation includes the requested increase.

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #2 BEHAVIORAL HEALTH – REVISED ESTIMATES

| | Request | Recommendation |
|----------------------|-----------------------------|-----------------------------|
| Total | <u>(\$3,383,923)</u> | <u>(\$3,383,923)</u> |
| FTE | 0.0 | 0.0 |
| General Fund | 500,880 | 500,880 |
| Cash Funds | (599,560) | (599,560) |
| Reappropriated Funds | 0 | 0 |
| Federal Funds | (3,285,243) | (3,285,243) |

| | |
|---|------------|
| Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] | YES |
| JBC staff and the Department agree that this request is the result of new data. | |

Department Request: The Department requests a reduction of \$3,383,923 total funds (including an increase of \$500,880 General Fund) for Medicaid behavioral health community programs based on more recent caseload and expenditure estimates.

Staff Recommendation: Staff recommends that the Committee approve the request.

Staff Analysis: The FY 2013-14 appropriation for Medicaid behavioral health community programs currently provides a total of \$385.6 million total funds (including \$153.5 million General Fund) for the provision of services to a caseload of 784,535 individuals. The Department estimates that the current FY 2013-14 appropriation can be decreased by \$3.4 million total funds (0.9 percent) based on more recent projections. This relatively minor adjustment is primarily related to: (a) a reduction in the estimated number of eligible children; and (b) reductions in estimated capitation expenditures – particularly for disabled individuals under age 65 and for eligible children. *See Appendix B for the detailed caseload and rate data that underlies the Department's revised capitation payment estimates for FY 2013-14.*

The table on the following page compares the caseload and expenditure data that correspond to the FY 2013-14 appropriation and those that correspond to the Department's most recent estimate.

JBC Staff Supplemental Recommendations: FY 2013-14
Staff Working Document – Does Not Represent Committee Decision

| FY 2013-14 Medicaid Behavioral Health Community Programs Budget Overview | | | | | | |
|--|--------------------------|----------------------|-----------------------------|----------------------|------------------------|----------------------|
| Description | FY 2013-14 Appropriation | | FY 2013-14 Revised Estimate | | Change Due to Revision | |
| | Caseload | Funding | Caseload | Funding | Caseload | Funding |
| Capitation Payments | | | | | | |
| Aid Categories | | | | | | |
| <i>Elderly adults (65 and older)</i> | 42,119 | \$6,820,594 | 41,746 | \$6,836,444 | (373) | \$15,850 |
| <i>Adults:</i> | | | | | | |
| Low income adults | 164,899 | 48,216,291 | 172,717 | 48,812,570 | 7,818 | 596,279 |
| Adults without dependent children | 74,018 | 56,766,498 | 74,018 | 55,805,747 | 0 | (960,751) |
| Breast and cervical cancer program | 420 | 196,309 | 480 | 136,714 | 60 | (59,595) |
| <i>Individuals with disabilities (under 65)</i> | 75,630 | 139,174,882 | 76,288 | 137,823,567 | 658 | (1,351,315) |
| <i>Children</i> | 409,470 | 88,370,366 | 404,412 | 85,825,195 | (5,058) | (2,545,171) |
| <i>Children/young adults in foster care</i> | <u>17,979</u> | <u>37,938,053</u> | <u>17,672</u> | <u>37,132,804</u> | <u>(307)</u> | <u>(805,249)</u> |
| Subtotal | 784,535 | 377,482,993 | 787,333 | 372,373,041 | 2,798 | (5,109,952) |
| Adjustments: | | | | | | |
| Recoupments for prior year payments for ineligible | n/a | (1,373,413) | n/a | 0 | n/a | 1,373,413 |
| Date of death retractions | n/a | (544,784) | n/a | (622,524) | n/a | (77,740) |
| Substance use disorder benefit | | <u>5,272,628</u> | | <u>5,272,628</u> | | <u>0</u> |
| Subtotal | n/a | 3,354,431 | n/a | 4,650,104 | n/a | 1,295,673 |
| Capitation Payments Total | 784,535 | \$380,837,424 | 787,333 | \$377,023,145 | 2,798 | (\$3,814,279) |
| Fee for Service | | | | | | |
| Inpatient | n/a | \$1,051,197 | n/a | \$1,145,424 | n/a | \$94,227 |
| Outpatient | n/a | 3,633,544 | n/a | 3,959,248 | n/a | 325,704 |
| Physician | <u>n/a</u> | <u>116,305</u> | <u>n/a</u> | <u>126,731</u> | <u>n/a</u> | <u>10,426</u> |
| Fee for Service Total | n/a | \$4,801,046 | n/a | \$5,231,403 | n/a | \$430,357 |
| Total Behavioral Health Community Programs | 784,535 | \$385,638,470 | 787,333 | \$382,254,548 | 2,798 | (\$3,383,922) |
| <i>Incremental Percentage Change</i> | | | | | <i>0.4%</i> | <i>-0.9%</i> |

Staff recommends that the Committee approve the requested adjustments to reflect more recent caseload and expenditure estimates for behavioral health programs.

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #2
BEHAVIORAL HEALTH – TECHNICAL CORRECTION TO SB 13-200

| | Request | Recommendation |
|----------------------|-------------------|-------------------|
| Total | <u>\$0</u> | <u>\$0</u> |
| FTE | 0.0 | 0.0 |
| General Fund | 0 | 0 |
| Cash Funds | 9,745,064 | 9,745,064 |
| Reappropriated Funds | 0 | 0 |
| Federal Funds | (9,745,064) | (9,745,064) |

| | |
|---|------------|
| Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] | YES |
| JBC staff and the Department agree that this request is the result of new data. | |

Department Request: The Department requests a fund source adjustment in the Behavioral Health Capitation Payments line item to correct a technical error in the FY 2013-14 appropriation clause in S.B. 13-200.

Staff Recommendation: Staff recommends that the Committee approve the request.

Staff Analysis: The Department's overall supplemental request for FY 2013-14 includes a \$79.8 million shift from federal funds to cash funds to correct an error in the appropriation clause in S.B. 13-200. Of this amount, \$9,745,064 relates to behavioral health capitation payments.

The State is authorized to refinance newly eligible groups enrolled following the enactment of the federal ACA. Thus, S.B. 13-200 included provisions that reduced FY 2013-14 appropriations from the Hospital Provider Fee Cash Fund by \$159.6 million, and increased federal funds by the same amount. The appropriation clause in S.B. 13-200 reflected the full year impact of this fund source adjustment. However, the increased federal match was not available until January 1, 2014, so the appropriation in S.B. 13-200 should have only reflected only a half-year impact. Approval of this supplemental request corrects this error.

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #5 COMMUNITY LIVING CASELOAD AND PER CAPITA CHANGES

| Behavioral Health Programs only | Request | JBC Action |
|--|------------------------|------------------------|
| Total | <u>\$29,346</u> | <u>\$29,346</u> |
| FTE | 0.0 | 0.0 |
| General Fund | 14,673 | 14,673 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 0 | 0 |
| Federal Funds | 14,673 | 14,673 |

Department Request: The Department requested an overall reduction of \$23.5 million for three Medicaid waiver programs for individuals with intellectual and developmental disabilities. This request includes an increase of \$29,346 for the Behavioral Health Capitation Payments line item.

JBC Action: The Committee recently approved the request related to this line item.

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #9 BEHAVIORAL HEALTH SERVICES CONTRACTS REPROCUREMENT

| | Request | Recommendation |
|----------------------|---------------------------|---------------------------|
| Total | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| FTE | 0.0 | 0.0 |
| General Fund | 500,000 | 500,000 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 0 | 0 |
| Federal Funds | 500,000 | 500,000 |

| | |
|---|------------|
| Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] | YES |
| JBC staff and the Department agree that this request is the result of new data. | |

Department Request: The Department requests \$1,000,000 to assure that the transition to the new behavioral health contracts that go into effect July 1, 2014, does not affect service delivery for Medicaid clients.

Staff Recommendation: Staff recommends that the Committee approve the request. However, staff recommends appropriating the requested funding through a separate line item within the Behavioral Health Community Programs section, titled "Contract Reprocurement".

Staff Analysis:

Behavioral Health Capitation Program

Mental health services are provided to Medicaid clients through a statewide managed care or "capitated" program. Under capitation, the Department of Health Care Policy and Financing contracts with regional entities, known as behavioral health organizations (BHOs), to provide or arrange for mental health services for clients within their geographic region who are eligible for and enrolled in the Medicaid program. In order to receive services through a BHO, a client must have a covered diagnosis, and receive a covered service or procedure¹ that is medically necessary. Services provided include: inpatient hospitalization, psychiatric care, rehabilitation, and outpatient care; clinic services, case management, medication management, and physician care; non-hospital residential care as it pertains to mental health; and alternatives to institutionalization.

¹ BHOs offer all Medicaid State Plan mental health services plus services approved through the Department's federal 1915 (b) (3) waiver.

Starting January 1, 2014, BHOs also became responsible for providing substance use disorder (SUD) services to Medicaid clients. Similar to mental health services provided by BHOs, a client must have a covered SUD diagnosis, and receive a covered SUD service or procedure that is medically necessary. Covered services include: alcohol/drug assessment; detoxification services; individual and group behavioral health therapies; targeted case management; drug screening and monitoring; medication assisted treatment; and peer advocate services.

BHO Contract Reprocurement

Every five years the Department uses a competitive bid process to award BHO contracts for each region. Current contracts will expire June 30, 2014, so the Department will award new contracts effective July 1, 2014. Last Fall, the Department provided the following timeline for BHO contract awards (with the exception of 01/06/14, all dates are estimated):

01/06/14: Proposal submission deadline and public proposal opening
02/18/14: Vendor selection and notification of award
04/01/14 through 6/30/14: Start-up period
07/01/14: Operational start date
07/01/14 through 06/30/15: Initial contract period

Department Request

The Department requests a one-time appropriation of \$1,000,000 for FY 2013-14 to assure that the transition to the new BHO contracts does not affect service delivery for Medicaid clients. It has been the Department's recent experience that failing to provide a transition period can disrupt services and increase State expenditures. For example, when the Department transitioned to a new non-emergent medical transportation broker in January 2013, clients were unable to arrange for transportation. This service disruption created a barrier to access of health care services.

The Department has incorporated a two to four month transition period prior to the end-date of the current BHO contracts. All prospective vendors will be required to submit a transition plan, including information about their anticipated administrative costs and any requested assistance from the Department. Examples of administrative tasks that would be necessary for an incoming vendor to be ready to provide services on July 1, 2014, include:

- Establishing provider agreements and networks;
- Establishing an infrastructure capable of billing/reimbursing their providers and collecting/disseminating data (including meeting state requirements related to information security and processing guidelines); and
- Designing and distributing materials to Medicaid clients.

The incoming vendor will be responsible for leading, coordinating, and implementing the transition plan, with the assistance of the Department. Total transition funding would be limited to the amount appropriated by the General Assembly for that purpose. The Department assumes that a maximum of \$200,000 will be allowed per contract. In the event that all of the current BHO vendors are re-contracted by the Department, no transition funds will be utilized.

Supplemental Criteria

Based on the Department's experience with other contracts which were transitioning between vendors in 2013, it reevaluated its policies and procedures related to contract transitions. The January 2, 2014, supplemental request deadline was the first opportunity since that point for the Department to request additional funding for FY 2013-14.

Staff Recommendation

Staff recommends approving the request to ensure a seamless transition should one or more new vendors be awarded BHO contracts starting July 1. However, the Department requests that this funding be included in the existing Behavioral Health Capitation Payments line item appropriation. Given the administrative nature of this expenditure, the fact that it does not relate to the provision of services in FY 2013-14, and the Department's statutory authorization to over expend appropriations for Medicaid programs, staff believes it would be more appropriate to include this funding in a separate line item. This format would clarify the legislative intent related to the appropriation, and make it easier to track actual expenditures related to the transition separately from those related to the provision of services in FY 2013-14 under existing BHO contracts.

Non-prioritized Supplemental Requests

NON-PRIORITIZED SUPPLEMENTAL #1

DHS MENTAL HEALTH INSTITUTES REVENUE ADJUSTMENT

| | Request | Recommendation |
|----------------------|-------------------------|-------------------------|
| Total | <u>\$221,994</u> | <u>\$221,994</u> |
| FTE | 0.0 | 0.0 |
| General Fund | 110,997 | 110,997 |
| Cash Funds | 0 | 0 |
| Reappropriated Funds | 0 | 0 |
| Federal Funds | 110,997 | 110,997 |

| | |
|---|------------|
| Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] | YES |
| JBC staff and the Department agree that this request is the result of new data. | |

Department Request: The Department submitted a non-prioritized request to increase the appropriation of Medicaid funds for the mental health institutes. This request accompanies the Department of Human Services' supplemental request #7, which concerns updated revenue estimates for the mental health institutes.

Staff Recommendation: Consistent with staff's recommendation for the companion supplemental from the Department of Human Services, staff recommends that the Committee approve the request.

Staff Analysis: See staff's January 22, 2014, write-up concerning the Department of Human Services' supplemental requests concerning behavioral health programs for a detailed explanation of the revenue adjustments requested.

**PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL
PROJECTED FY 2012-13 OVER-EXPENDITURES AT THE MENTAL
HEALTH INSTITUTES**

| FY 2012-13 | Previously Approved |
|-------------------|----------------------------|
| Total | <u>\$720,000</u> |
| General Fund | 360,000 |
| Federal Funds | 360,000 |

Summary: The Committee approved this supplemental request in June 2013. The Department of Human Services requested adjustments to four line item appropriations and the addition of a new line item appropriation for the Department of Human Services to avoid projected over expenditures by the two mental health institutes in FY 2012-13. The required increases are financed through transfers from under-expended line items and additional Medicare and Medicaid revenue. The following table details the corresponding appropriation adjustments approved by the Committee for the Department of Health Care Policy and Financing.

| Department of Health Care Policy and Financing JBC Approved Adjustments to FY 2012-13 Appropriation | | | |
|---|------------------|---------------------|----------------------|
| Division, Line Item | Total | General Fund | Federal Funds |
| Department of Human Services Medicaid-Funded Programs, Mental Health and Alcohol and Drug Abuse Services – Medicaid Funding, Mental Health Institutes | \$720,000 | \$360,000 | \$360,000 |
| Total FY 2012-13 Adjustments | \$720,000 | \$360,000 | \$360,000 |

The rules governing interim supplementals in Section 24-75-111 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include the above FY 2012-13 adjustments in the Department's supplemental bill for the 2014 legislative session.

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

| | FY 2012-13 Actual | FY 2013-14 Appropriation | FY 2013-14 Requested Change | FY 2013-14 Rec'd Change | FY 2013-14 Total W/ Rec'd Change |
|--|------------------------------|-------------------------------------|--|------------------------------------|---|
|--|------------------------------|-------------------------------------|--|------------------------------------|---|

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
Sue Birch, Executive Director

S2 Behavioral Health - Revised Estimates

(3) BEHAVIORAL HEALTH COMMUNITY PROGRAMS

| | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Behavioral Health Capitation Payments | <u>301,303,046</u> | <u>380,837,424</u> | <u>(3,814,279)</u> | <u>(3,814,279)</u> | <u>377,023,145</u> |
| General Fund | 136,833,502 | 151,060,588 | 285,702 | 285,702 | 151,346,290 |
| Cash Funds | 13,513,748 | 2,033,883 | (599,560) | (599,560) | 1,434,323 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 150,955,796 | 227,742,953 | (3,500,421) | (3,500,421) | 224,242,532 |
| Mental Health Fee for Service Payments | <u>4,569,198</u> | <u>4,801,046</u> | <u>430,356</u> | <u>430,356</u> | <u>5,231,402</u> |
| General Fund | 2,253,518 | 2,400,523 | 215,178 | 215,178 | 2,615,701 |
| Federal Funds | 2,315,680 | 2,400,523 | 215,178 | 215,178 | 2,615,701 |

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Total for S2 Behavioral Health - Revised | | | | | |
| Estimates | 305,872,244 | 385,638,470 | (3,383,923) | (3,383,923) | 382,254,547 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 139,087,020 | 153,461,111 | 500,880 | 500,880 | 153,961,991 |
| Cash Funds | 13,513,748 | 2,033,883 | (599,560) | (599,560) | 1,434,323 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 153,271,476 | 230,143,476 | (3,285,243) | (3,285,243) | 226,858,233 |

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

| | FY 2012-13 Actual | FY 2013-14 Appropriation | FY 2013-14 Requested Change | FY 2013-14 Rec'd Change | FY 2013-14 Total W/ Rec'd Change |
|--|------------------------------|-------------------------------------|--|------------------------------------|---|
|--|------------------------------|-------------------------------------|--|------------------------------------|---|

S2 Behavioral Health - Technical Correction to SB 13-200

(3) BEHAVIORAL HEALTH COMMUNITY PROGRAMS

| | | | | | |
|---------------------------------------|--------------------|--------------------|-------------|-------------|--------------------|
| Behavioral Health Capitation Payments | <u>301,303,046</u> | <u>380,837,424</u> | <u>0</u> | <u>0</u> | <u>380,837,424</u> |
| General Fund | 136,833,502 | 151,060,588 | 0 | 0 | 151,060,588 |
| Cash Funds | 13,513,748 | 2,033,883 | 9,745,064 | 9,745,064 | 11,778,947 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 150,955,796 | 227,742,953 | (9,745,064) | (9,745,064) | 217,997,889 |

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Total for S2 Behavioral Health - Technical Correction to SB 13-200 | 301,303,046 | 380,837,424 | 0 | 0 | 380,837,424 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 136,833,502 | 151,060,588 | 0 | 0 | 151,060,588 |
| Cash Funds | 13,513,748 | 2,033,883 | 9,745,064 | 9,745,064 | 11,778,947 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 150,955,796 | 227,742,953 | (9,745,064) | (9,745,064) | 217,997,889 |

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

| | FY 2012-13 Actual | FY 2013-14 Appropriation | FY 2013-14 Requested Change | FY 2013-14 Rec'd Change | FY 2013-14 Total W/ Rec'd Change |
|--|------------------------------|-------------------------------------|--|------------------------------------|---|
|--|------------------------------|-------------------------------------|--|------------------------------------|---|

S9 Behavioral Health Services Contracts Reprocurement

(3) BEHAVIORAL HEALTH COMMUNITY PROGRAMS

| | | | | | |
|---------------------------------------|--------------------|--------------------|------------------|------------------|--------------------|
| Behavioral Health Capitation Payments | <u>301,303,046</u> | <u>380,837,424</u> | <u>1,000,000</u> | <u>0</u> | <u>380,837,424</u> |
| General Fund | 136,833,502 | 151,060,588 | 500,000 | 0 | 151,060,588 |
| Cash Funds | 13,513,748 | 2,033,883 | 0 | 0 | 2,033,883 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 150,955,796 | 227,742,953 | 500,000 | 0 | 227,742,953 |
| Contract Reprocurement | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,000,000</u> | <u>1,000,000</u> |
| General Fund | 0 | 0 | 0 | 500,000 | 500,000 |
| Federal Funds | 0 | 0 | 0 | 500,000 | 500,000 |

| | | | | | |
|--|-------------|-------------|------------|------------|-------------|
| Total for S9 Behavioral Health Services Contracts | | | | | |
| Reprocurement | 301,303,046 | 380,837,424 | 1,000,000 | 1,000,000 | 381,837,424 |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| General Fund | 136,833,502 | 151,060,588 | 500,000 | 500,000 | 151,560,588 |
| Cash Funds | 13,513,748 | 2,033,883 | 0 | 0 | 2,033,883 |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 150,955,796 | 227,742,953 | 500,000 | 500,000 | 228,242,953 |

JBC Staff Supplemental Recommendations - FY 2013-14
Staff Working Document - Does Not Represent Committee Decision

| | FY 2012-13 Actual | FY 2013-14 Appropriation | FY 2013-14 Requested Change | FY 2013-14 Rec'd Change | FY 2013-14 Total W/ Rec'd Change |
|---|------------------------------|-------------------------------------|--|------------------------------------|---|
| Totals Excluding Pending Items | | | | | |
| HEALTH CARE POLICY AND FINANCING | | | | | |
| TOTALS for ALL Departmental line items | 5,492,776,820 | 6,537,643,053 | (2,383,923) | (2,383,923) | 6,535,259,130 |
| <i>FTE</i> | <u>315.9</u> | <u>358.1</u> | <u>0.0</u> | <u>0.0</u> | <u>358.1</u> |
| General Fund | 1,323,274,792 | 1,592,879,212 | 1,000,880 | 1,000,880 | 1,593,880,092 |
| General Fund Exempt | 507,677,557 | 470,280,384 | 0 | 0 | 470,280,384 |
| Cash Funds | 917,366,916 | 888,516,606 | 9,145,504 | 9,145,504 | 897,662,110 |
| Reappropriated Funds | 5,216,474 | 10,483,522 | 0 | 0 | 10,483,522 |
| Federal Funds | 2,739,241,081 | 3,575,483,329 | (12,530,307) | (12,530,307) | 3,562,953,022 |

Appendix B: FY 2013-14 Behavioral Health Capitation Payments Calculations

| Description | Eligibility Category | | | | | | | Total |
|--|----------------------|----------------------|---------------------|--------------------------|---------------------|---------------------|------------------------------------|----------------------|
| | Adults 65 and Older | Disabled Through 64 | Low Income Adults | Adults w/o Dep. Children | Eligible Children | Foster Care | Breast and Cervical Cancer Program | |
| Estimated Weighted Capitation Rate (per member, per month): | | | | | | | | |
| First 6 months | \$13.61 | \$148.51 | \$23.63 | \$108.16 | \$17.49 | \$174.52 | \$23.63 | |
| Second 6 months | \$13.70 | \$155.00 | \$23.72 | \$57.14 | \$17.97 | \$175.63 | \$23.92 | |
| Estimated Monthly Caseload: | | | | | | | | |
| First 6 months | 41,470 | 75,345 | 164,605 | 18,626 | 408,702 | 17,716 | 715 | 727,179 |
| Second 6 months | 42,020 | 77,230 | 180,828 | 129,410 | 400,121 | 17,628 | 244 | 847,481 |
| Full year | 41,745 | 76,288 | 172,717 | 74,018 | 404,412 | 17,672 | 480 | 787,330 |
| Total Capitated Payments (per member, per month rate X monthly caseload): | | | | | | | | |
| First 6 months | \$3,386,440 | \$67,136,916 | \$23,337,697 | \$12,087,529 | \$42,889,188 | \$18,550,778 | \$101,373 | \$167,489,920 |
| Second 6 months | <u>3,454,044</u> | <u>71,823,900</u> | <u>25,735,441</u> | <u>44,366,924</u> | <u>43,141,046</u> | <u>18,576,034</u> | <u>35,019</u> | <u>207,132,408</u> |
| Full year | \$6,840,484 | \$138,960,816 | \$49,073,138 | \$56,454,453 | \$86,030,234 | \$37,126,812 | \$136,392 | \$374,622,329 |
| Estimated Expenditures: | | | | | | | | |
| <u>First 6 months</u> | | | | | | | | |
| Claims paid in current period | \$3,328,193 | \$63,867,348 | \$22,462,533 | \$11,845,778 | \$41,855,559 | \$18,422,778 | \$100,603 | \$161,882,792 |
| Claims from prior periods | 55,890 | 2,523,114 | 714,652 | 236,916 | 840,612 | 133,369 | 607 | 4,505,160 |
| <u>Second 6 months</u> | | | | | | | | |
| Claims paid in current period | 3,394,634 | 68,326,076 | 24,773,217 | 43,481,302 | 42,112,409 | 18,447,859 | 34,753 | 200,570,250 |
| Claims from prior periods | <u>57,727</u> | <u>3,107,029</u> | <u>862,168</u> | <u>241,751</u> | <u>1,016,615</u> | <u>128,798</u> | <u>751</u> | <u>5,414,839</u> |
| Total Estimated Expenditures | \$6,836,444 | \$137,823,567 | \$48,812,570 | \$55,805,747 | \$85,825,195 | \$37,132,804 | \$136,714 | \$372,373,041 |
| Estimated date of death retractions | (122,615) | (458,547) | (12,184) | (9,607) | (6,074) | (12,394) | (1,103) | (622,524) |
| Subtotal: Expenditures including date of death retractions | \$6,713,829 | \$137,365,020 | \$48,800,386 | \$55,796,140 | \$85,819,121 | \$37,120,410 | \$135,611 | \$371,750,517 |
| Adjustments: | | | | | | | | |
| Recoupment adjustments | | | | | | | | 0 |
| Substance use disorder benefit (second 6 months) | | | | | | | | <u>5,272,628</u> |
| Total Revised Estimate of Behavioral Health Capitation Payments | | | | | | | | \$377,023,145 |