

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2015-16
DEPARTMENT OF HEALTH CARE POLICY AND
FINANCING**

(Office of Community Living)

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

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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

(Office of Community Living)

Department Overview

The Department of Health Care Policy and Financing (HCPF) provides health care services to qualifying Colorado residents. Specifically, this supplemental document relates to the Office of Community Living, Division for Intellectual and Developmental Disabilities which oversees community-based services for individuals with intellectual and developmental disabilities. The Office is responsible for the provision of services by community-based providers to individuals with intellectual and developmental disabilities (IDD) including:

- Administration of three Medicaid waivers for individuals with IDD;
- Establishment of service reimbursement rates;
- Compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with Community-Centered Boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

Summary: FY 2015-16 Appropriation and Recommendation

Department of Health Care Policy and Financing: Recommended Changes for FY 2015-16						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$519,375,817	\$249,867,197	\$32,911,034	\$0	\$236,597,586	30.5
Other legislation	<u>5,566,695</u>	<u>0</u>	<u>2,483,347</u>	<u>1,695,000</u>	<u>1,388,348</u>	<u>2.7</u>
Current FY 2015-16 Appropriation	\$524,942,512	\$249,867,197	\$35,394,381	\$1,695,000	\$237,985,934	33.2
Recommended Changes						
Current FY 2015-16 Appropriation	\$524,942,512	\$249,867,197	\$35,394,381	\$1,695,000	\$237,985,934	33.2
S5 Office of Community Living caseload adjustment	<u>(14,834,944)</u>	<u>(7,288,014)</u>	<u>0</u>	<u>0</u>	<u>(7,546,930)</u>	<u>0.0</u>
Recommended FY 2015-16 Appropriation	\$510,107,568	\$242,579,183	\$35,394,381	\$1,695,000	\$230,439,004	33.2
Recommended Increase/(Decrease)	(\$14,834,944)	(\$7,288,014)	\$0	\$0	(\$7,546,930)	0.0
Percentage Change	(2.8%)	(2.9%)	0.0%	0.0%	(3.2%)	0.0%
FY 2015-16 Executive Request	\$510,107,568	\$242,579,183	\$35,394,381	\$1,695,000	\$230,439,004	33.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

Request/Recommendation Descriptions

S5 Office of Community Living caseload adjustment: The request includes a reduction of \$14,834,944 total funds, of which \$7,288,014 is General Fund and \$7,546,930 is federal funds for the midyear caseload adjustment for the intellectual and developmental disabilities waivers. The recommendation is to approve the request because any substantive changes that would increase waiver expenditures, including changes to service rates or number of enrollments will take longer than the four months remaining in the fiscal year to implement.

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #5 OFFICE OF COMMUNITY LIVING CASELOAD ADJUSTMENT

	Request	Recommendation
Total	<u>(\$14,834,944)</u>	<u>(\$14,834,944)</u>
General Fund	(7,288,014)	(7,288,014)
Federal Funds	(7,546,930)	(7,546,930)

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 data that was not available when the original appropriation was made.	

Department Request: The Department requests a reduction of \$14,834,944 total funds, of which \$7,288,014 is General Fund and \$7,546,930 is federal funds for the midyear caseload adjustment to funding for the intellectual and developmental disabilities (IDD) waivers.

Staff Recommendation: Staff recommends that the Committee approve the request so that the FY 2015-16 appropriation reflects a reasonable estimate of the number of individuals who will receive services through the IDD waivers and the cost of those services.

Staff Analysis: The supplemental budget request highlights concerns the Committee has raised about why the expenditure of funds for IDD waivers continues to be lower than was initially budgeted for. The conversation regarding what could/should change to ensure individuals are getting the services they require is a much larger conversation than may be appropriate for supplementals because the likelihood of implementing changes within the last four months of FY 2015-16 to increase waiver expenditures is minimal. Therefore staff is recommending the negative caseload adjustment. Staff anticipates, in addition to conversations that will occur as the Committee discusses potential legislation impacting IDD services, figure setting will provide the Committee with the time to have conversations about setting realistic expenditure expectations for the IDD waivers. The following table summarizes the caseload

*JBC Staff Supplemental Recommendations: FY 2015-16
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adjustments that were included in the FY 2015-16 Long Bill and the supplemental caseload adjustments that are requested and recommended for FY 2015-16. Note the Department will submit additional FY 2015-16 caseload adjustments on February 15, 2016.

FY 2015-16 Case Load Changes				
Waiver	Total Funds	General Fund	Federal Funds	
Comprehensive Services				
Long Bill caseload adjustment	\$6,671,383	\$3,283,529	\$3,387,854	
Jan 1, 2016 caseload adjustment	<u>1,094,982</u>	<u>538,854</u>	<u>556,128</u>	
<i>Comprehensive Services Total</i>	\$7,766,365	\$3,822,383	\$3,943,982	
Supported Living Services				
Long Bill caseload adjustment	\$10,305,971	\$3,416,411	\$6,889,560	
Jan 1, 2016 caseload adjustment	<u>(8,745,162)</u>	<u>(4,303,494)</u>	<u>(4,441,668)</u>	
<i>Supported Living Services Total</i>	\$1,560,809	(\$887,083)	\$2,447,892	
Children's Extensive Support Services				
Long Bill caseload adjustment	\$2,435,514	\$1,224,184	\$1,211,330	
Jan 1, 2016 caseload adjustment	<u>(2,776,005)</u>	<u>(1,366,071)</u>	<u>(1,409,934)</u>	
<i>Children's Extensive Support Services Total</i>	(\$340,491)	(\$141,887)	(\$198,604)	
Targeted Case Management				
Long Bill caseload adjustment	\$1,423,613	\$493,356	\$930,257	
Jan 1, 2016 caseload adjustment	<u>(4,408,759)</u>	<u>(2,157,303)</u>	<u>(2,251,456)</u>	
<i>Targeted Case Management Total</i>	(\$2,985,146)	(\$1,663,947)	(\$1,321,199)	
Total Long Bill caseload adjustment				
	\$20,836,481	\$8,417,480	\$12,419,001	
Total Jan. 1 2016 caseload adjustment				
	<u>(\$14,834,944)</u>	<u>(\$7,288,014)</u>	<u>(\$7,546,930)</u>	

Explanation of Changes by Waiver

Adult Comprehensive Waiver

The FY 2014-15 enrollment numbers were 210 less than was budgeted for, but the average annual per enrollment cost of services was \$1,392.62 higher. Therefore enrollment was lower but cost per enrollment was higher in FY 2014-15. The lower enrollment numbers in FY 14-15 lowers the FY 2015-16 enrollment starting point which lowers the projected number total enrollments for FY 2015-16. The Department's projection for FY 2015-16 assumes a continued higher average annual cost of services.

A policy change was implemented in 2013 that allowed youth transitioning from the Children's Extensive Support Services waiver to select which adult waiver they would transition to. Prior to 2013 youth were only transitioned to the Supported Living Services waiver. The appropriations for FY 2014-15 and FY 2015-16 did not include funding for youth who selected the Comprehensive waiver because there was no data on how many youth would transition to this waiver. Based on actual data from FY 2014-15, 53.0 percent, or 32 youth selected the Comprehensive waiver. The increase in the projected FY 2015-16 comprehensive services expenditures also accounts for these transitions.

Adult Supported Living Services Waiver

The FY 2014-15 enrollment numbers for the Supported Living Services waiver were 333 lower than was budgeted for. The reduced enrollment was compounded by average per enrollment expenditures being 8.63 percent (\$1,247.66) lower than was budgeted. The lower enrollment number in FY 2014-15 does not impact the projected number of individuals that will be served in FY 2015-16 because of the policy to not have a waiting list for Supported Living Services. The FY 2015-16 projection incorporates the lower average annual cost of services because the Department did not have an explanation for why the costs were lower or a reason to believe the drop average annual costs of services was one-time. The Department indicated the February supplement adjustments will use actual expenditure data from the first four months of FY 2015-16 to adjust the projection as appropriate.

Children's Extensive Support Services

The FY 2014-15 enrollments for the Children's Extensive Support Services waiver was 131 or 10.47 percent lower than was budgeted for. The reduced enrollment was compounded by a lower average annual cost of services per enrollment. The projection for FY 2015-16 continues the lower average per enrollment cost as well as a lower enrollment projection.

Case Management

Since the enrollments for Adult Supported Living Services waiver and the Children's Extensive Support Services waiver were lower the number of individuals accessing case management services was also lower in FY 14-15. The FY 2015-16 projection carries forward the lower enrollment expectations.

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Appendix A: Number Pages

	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING
Sue Birch, Executive Director

S5 Office of Community Living

(4) OFFICE OF COMMUNITY LIVING

(A) Division for Individuals with Intellectual and Developmental Disabilities

(ii) Program Costs

Adult Comprehensive Services	<u>316,670,767</u>	<u>368,974,132</u>	<u>1,094,982</u>	<u>1,094,982</u>	<u>370,069,114</u>
General Fund	156,848,877	166,178,488	538,854	538,854	166,717,342
Cash Funds	1	31,281,613	0	0	31,281,613
Federal Funds	159,821,889	171,514,031	556,128	556,128	172,070,159
Adult Supported Living Services	<u>56,136,806</u>	<u>78,378,376</u>	<u>(8,745,162)</u>	<u>(8,745,162)</u>	<u>69,633,214</u>
General Fund	33,457,241	42,592,426	(4,303,494)	(4,303,494)	38,288,932
Federal Funds	22,679,565	35,785,950	(4,441,668)	(4,441,668)	31,344,282
Children's Extensive Support Services	<u>15,985,596</u>	<u>22,574,419</u>	<u>(2,776,005)</u>	<u>(2,776,005)</u>	<u>19,798,414</u>
General Fund	8,389,564	11,108,871	(1,366,071)	(1,366,071)	9,742,800
Federal Funds	7,596,032	11,465,548	(1,409,934)	(1,409,934)	10,055,614
Case Management	<u>26,970,379</u>	<u>34,577,785</u>	<u>(4,408,759)</u>	<u>(4,408,759)</u>	<u>30,169,026</u>
General Fund	14,302,452	18,194,562	(2,157,303)	(2,157,303)	16,037,259
Federal Funds	12,667,927	16,383,223	(2,251,456)	(2,251,456)	14,131,767

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	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
Total for S5 Office of Community Living	415,763,548	504,504,712	(14,834,944)	(14,834,944)	489,669,768
<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	212,998,134	238,074,347	(7,288,014)	(7,288,014)	230,786,333
Cash Funds	1	31,281,613	0	0	31,281,613
Federal Funds	202,765,413	235,148,752	(7,546,930)	(7,546,930)	227,601,822
Totals Excluding Pending Items					
HEALTH CARE POLICY AND FINANCING					
TOTALS for ALL Departmental line items	7,705,853,939	8,890,954,397	(14,834,944)	(14,834,944)	8,876,119,453
<i>FTE</i>	<u>390.9</u>	<u>421.2</u>	<u>0.0</u>	<u>0.0</u>	<u>421.2</u>
General Fund	1,502,756,056	1,659,028,549	(7,288,014)	(7,288,014)	1,651,740,535
General Fund Exempt	813,135,957	848,552,061	0	0	848,552,061
Cash Funds	838,837,333	1,031,847,224	0	0	1,031,847,224
Reappropriated Funds	27,551,649	7,805,549	0	0	7,805,549
Federal Funds	4,523,572,944	5,343,721,014	(7,546,930)	(7,546,930)	5,336,174,084