

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



SUPPLEMENTAL REQUESTS FOR FY 2015-16

DEPARTMENT OF HUMAN SERVICES

(Executive Director's Office and Services for People with Disabilities)

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

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DEPARTMENT OF DEPARTMENT OF HUMAN SERVICES

(Executive Director's office and services for People with Disabilities)

Department Overview

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State including: assistance payments, the Supplemental Nutrition Assistance Program, child welfare services, vocational rehabilitation programs¹, alcohol and drug treatment programs, and programs for the aging. The Department is responsible for inspecting and licensing child care facilities. The Department operates two mental health institutes, three regional centers for persons with intellectual and developmental disabilities, and ten institutions for juvenile delinquents. The Department provides funding for the care of indigent mentally ill individuals and contracts for the supervision and treatment of delinquent juveniles.

This document covers the Executive Director's Office, Developmental Disabilities Council, and the Colorado Commission for the Deaf and Hard of Hearing. Additionally this document covers the all programs within the Services for People with Disabilities Division including: the Division of Regional Centers Operations; the Work Therapy Program; the Division of Vocational Rehabilitation¹, and the Veterans Community Living Centers.

¹ The Vocational Rehabilitation Programs will move to the Department of Labor and Employment on July 1, 2016.

Summary: FY 2015-16 Appropriation and Recommendation

Department of Human Services: 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)	\$250,574,587	\$63,541,906	\$43,199,259	\$77,351,690	\$66,481,732	1,799.2
Other Legislation	<u>1,729,628</u>	<u>1,729,628</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Current FY 2015-16 Appropriation	\$252,304,215	\$65,271,534	\$43,199,259	\$77,351,690	\$66,481,732	1,799.2
Recommended Changes						
Current FY 2015-16 Appropriation	\$252,304,215	\$65,271,534	\$43,199,259	\$77,351,690	\$66,481,732	1,799.2
S1 Early childhood mental health specialists	0	0	0	0	0	0.0
S2 Children's Savings Accounts	0	0	0	0	0	0.0
S10 GJRC physician services	(88,946)	(88,946)	0	0	0	(0.5)
S11 Behavioral health crisis services	7,089	7,089	0	0	0	0.0
1331 Court-ordered evaluation caseload and jail-based bed space	76,185	76,185	0	0	0	0.0
1331 Correcting Disallowed SNAP Costs	<u>(9,439)</u>	<u>(9,439)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommended FY 2015-16 Appropriation	\$252,289,104	\$65,256,423	\$43,199,259	\$77,351,690	\$66,481,732	1,798.7
Recommended Increase/(Decrease)	(\$15,111)	(\$15,111)	\$0	\$0	\$0	(0.5)
Percentage Change	(0.0%)	(0.0%)	0.0%	0.0%	0.0%	(0.0%)
FY 2015-16 Executive Request	\$252,394,176	\$65,356,423	\$43,199,259	\$77,351,690	\$66,486,804	1,798.7
Request Above/(Below) Recommendation	\$105,072	\$100,000	\$0	\$0	\$5,072	0.0

Note: Highlighted supplementals are those which are discussed in this document. Other supplementals are reflected in the table because of centrally appropriated costs associated with requests originating in other divisions. These requests have been discussed in other JBC staff supplemental documents.

Request/Recommendation Descriptions

S10 GJRC physician services: The request includes a reduction of \$88,946 General Fund and 0.5 FTE to eliminate the General Fund dollars appropriated to the Grand Junction Regional Center (GJRC) for physician services for Regional Center waiver clients. The Department was historically unable to secure community-based Medicaid providers for these clients, but in FY 14-15 secured community-based Medicaid providers for all clients receiving services through the Regional Center waiver beds in Grand Junction. The recommendation is to approve the request because clients receiving services through the Regional Center waiver beds are being served by community-based Medicaid providers.

Prioritized Supplemental Requests

SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #10 GJRC PHYSICIAN SERVICES

	Request	Recommendation
Total	<u>(\$88,946)</u>	<u>(\$88,946)</u>
FTE	(0.5)	(0.5)
General Fund	(88,946)	(88,946)

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 \$88,946 General Fund and 0.5 FTE to eliminate the direct General Fund payment for physician services for clients receiving services through the Regional Center waiver beds because all individuals are receiving services from community-based Medicaid providers. These services are paid for through the Medicaid State Plan.

Staff Recommendation: Staff recommends that the Committee approve the request because clients are receiving services from community-based Medicaid providers. Since these services are paid for by through the Medicaid State Plan, there is no longer a need to pay for these services solely from the General Fund.

Staff Analysis:

Background

Prior to FY 2004-05 Regional Centers were able to pay for physician and mental health services through the Medicaid comprehensive home- and community-based services (HCBS) waiver for persons with intellectual and developmental disabilities, but now these services must be accessed through the Medicaid State Plan. Beginning in FY 2004-05, associated costs for physician services were carved out of the Regional Center HCBS budget and moved to the Medicaid State Plan, based on a Centers for Medicare and Medicaid Services (CMS) condition for renewal of the Medicaid HCBS-DD waiver. CMS had indicated that the requirement was based on ensuring freedom of choice for consumers, as well as rules that prohibit waivers from covering services available through the Medicaid State Plan.

Prior to FY 2015-16 the Regional Centers had been unable to secure physician services for the individuals at the Regional Centers from outside physicians who accepted Medicaid. As a result of the lack of willing Medicaid providers, in June 2006 (for FY 2007-08) the Department of

Human Services requested and the Committee approved 1.5 FTE and associated General Fund dollars to provide physician services at the Wheat Ridge Regional Center and the Grand Junction Regional Center (1.0 FTE Physician II at Wheat Ridge Regional Center and 0.5 FTE Physician II at Grand Junction Regional Center).

In FY 2008-09 the Department received funding to convert the licensure for all the beds at the Wheat Ridge Regional Center to an Intermediate Care Facility for Individuals with Intellectual Disabilities. This meant the Department no longer required General Fund for physician services. Due to the time required to complete the licensure conversation the reduction to the General Fund Physician Services line item took two years.

Notwithstanding changes related to the annualization of salary survey and merit pay the funding for these physician services has remained constant since FY 2009-10. The following table summarizes the appropriations for General Fund physician services since FY 2007-08.

General Fund Physician Services Line Item History			
Fiscal Year	General Fund	FTE	Explanation of Change
FY 2007-08	\$244,460	1.5	New funding provided to meet need for physician services for Regional Center waiver clients.
FY 2008-09	\$155,127	0.9	Reduction due to the conversation of all Wheat Ridge Regional Center beds to ICF/IID licensure
FY 09-10	\$88,009	0.5	Reduction due to the completion of Wheat Ridge Regional Center conversation to ICF/IIS licensure.
FY 2015-16	\$88,946	0.5	Most recent appropriation for Grand Junction Regional Center physician services.

The following is the brief summary of the major funding changes shown in the above table that have been made to the General Fund Physician Services line item since its creation in FY 2007-08:

- FY 2007-08: The General Fund Physician Services line item was created and included funding for 1.5 FTE (1.0 FTE for Wheat Ridge Regional Center and 0.5 FTE for the Grand Junction Regional Center);
- FY 2008-09: The appropriation for the General Fund Physician Services at the Wheat Ridge Regional Center were reduced by 0.6 FTE because of the Wheat Ridge Regional Center conversion to an ICF/IID facility;
- FY 2009-10: The appropriation was further reduced due to the second year annualization of the Wheat Ridge ICF/IID conversation by the remaining 0.4 FTE;
- FY 2015-16: The Department is requesting the 0.5 FTE and associated appropriation be eliminated because all clients are receiving services from community-based Medicaid physicians.

Request

The Department's request states that in response to the 2013 Regional Center performance audit, "the Department evaluated the cost methodology more closely and discovered that the physician services paid for with General Fund was duplicating services paid for through the per resident per month payments made by the Medicaid State Plan to the community provider." The Department worked with the community provider to transition all clients who received services through the Regional Center waiver beds to community physicians by the end of FY 2014-15. The timing of the transitions did not provide the Department with sufficient time during the FY 2015-16 budget process to submit a request that could have been considered prior to finalizing the FY 2015-16 Long Bill. Since all clients receiving services through the state run waiver beds are receiving services from community physicians the Department no longer requires this appropriation.

JBC Staff Supplemental Recommendations - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

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 HUMAN SERVICES

Reggie Bicha, Executive Director

S10 GJRC Physician Services

(9) SERVICES FOR PEOPLE WITH DISABILITIES

(B) Regional Centers for People with Developmental Disabilities

(2) Grand Junction Regional Center

Physician Services	18,755	88,946	(88,946)	(88,946)	0
FTE	0.0	0.5	(0.5)	(0.5)	0.0
General Fund	18,755	88,946	(88,946)	(88,946)	0

Total for S10 GJRC Physician Services	18,755	88,946	(88,946)	(88,946)	0
FTE	0.0	0.5	(0.5)	(0.5)	0.0
General Fund	18,755	88,946	(88,946)	(88,946)	0

Totals Excluding Pending Items

HUMAN SERVICES

TOTALS for ALL Departmental line items	1,715,886,776	1,918,159,158	(88,946)	(88,946)	1,918,070,212
FTE	4,920.4	4,970.9	(0.5)	(0.5)	4,970.4
General Fund	776,229,541	814,405,208	(88,946)	(88,946)	814,316,262
Cash Funds	270,363,455	348,624,954	0	0	348,624,954
Reappropriated Funds	98,792,704	132,723,226	0	0	132,723,226
Federal Funds	570,501,076	622,405,770	0	0	622,405,770