



# JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

*Department of Health Care Policy and Financing*  
*Behavioral Health Community Programs/Indigent Care Program/Other Medical Services*

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs, the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The Department's FY 2022-23 appropriation represents approximately 36.7 percent of statewide operating appropriations and 29.4 percent of statewide General Fund appropriations.

## FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

The table below summarizes all the requests submitted by the Department for context. The requests discussed in this briefing are highlighted in yellow.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION:</b>						
H.B. 22-1329 (Long Bill)	14,175,863,675	4,079,738,465	1,805,089,552	94,985,445	8,196,050,213	711.7
Other Legislation	45,200,722	5,108,013	33,890,841	72,750	6,129,118	30.1
<b>TOTAL</b>	<b>\$14,221,064,397</b>	<b>\$4,084,846,478</b>	<b>\$1,838,980,393</b>	<b>\$95,058,195</b>	<b>\$8,202,179,331</b>	<b>741.8</b>
<b>FY 2023-24 REQUESTED APPROPRIATION:</b>						
FY 2022-23 Appropriation	\$14,221,064,397	4,084,846,478	\$1,838,980,393	\$95,058,195	\$8,202,179,331	741.8
R1 Medical Services Premiums	407,679,567	155,659,118	2,072,047	(895,544)	250,843,946	0.0
R2 Behavioral Health	(10,567,103)	(3,443,854)	(1,075,502)	0	(6,047,747)	0.0
R3 Child Health Plan Plus	28,740,043	8,051,152	2,163,953	0	18,524,938	0.0
R4 Medicare Modernization Act	3,285,804	3,285,804	0	0	0	0.0
R5 Office of Community Living	29,857,884	14,353,416	(37,375)	0	15,541,843	0.0
R6 Value-based payments	8,679,810	2,853,173	317,098	0	5,509,539	0.0
R7 Provider rates	192,249,156	69,830,979	15,324,718	0	107,093,459	0.0
R8 Cost and quality indicators	7,305,880	976,856	701,458	0	5,627,566	0.0
R9 Birthing equity	(702,853)	(357,242)	0	0	(345,611)	0.0
R10 Children with complex needs	3,938,944	200,043	1,769,429	0	1,969,472	3.7
R11 Compliance	(10,748,066)	(3,417,450)	(1,531,371)	0	(5,799,245)	7.4
R12 Non-Medicaid BH eligibility & claims	2,889,302	2,889,302	0	0	0	8.4
R13 Case management redesign	3,602,309	168,000	1,533,155	0	1,901,154	0.0
R14 Convert contracts to FTE	(55,923)	(28,400)	440	0	(27,963)	3.7
R15 Administrative technical request	0	0	0	0	0	0.0
Centrally appropriated items	4,664,699	2,246,314	90,003	(79,760)	2,408,142	0.0
Annualize prior year budget actions	3,167,177	93,374,893	(126,457,433)	11,156,916	25,092,801	(12.1)
Human Services programs	3,057,977	1,456,094	0	0	1,601,883	0.0
Indirect cost recoveries	264,914	0	(76,093)	118,832	222,175	0.0
Transfers to other state agencies	12,782	4,853	1,278	459	6,192	0.0
NP Housing vouchers	(4,215,888)	(2,107,944)	0	0	(2,107,944)	0.0
<b>TOTAL</b>	<b>\$14,894,170,812</b>	<b>\$4,430,841,585</b>	<b>\$1,733,776,198</b>	<b>\$105,359,098</b>	<b>\$8,624,193,931</b>	<b>752.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$673,106,415</b>	<b>\$345,995,107</b>	<b>(\$105,204,195)</b>	<b>\$10,300,903</b>	<b>\$422,014,600</b>	<b>11.1</b>

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	4.7%	8.5%	(5.7%)	10.8%	5.1%	1.5%
Items Discussed in this Briefing	27,584,137	10,625,205	2,857,880	0	14,101,052	12.1
Percentage Change	0.2%	0.2%	0.2%	0.0%	0.2%	1.6%

**R2 BEHAVIORAL HEALTH:** The Department requests a net decrease of \$10.6 million total funds, including a reduction of \$3.4 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for behavioral health services.

**R3 CHILD HEALTH PLAN PLUS:** The Department requests an increase of \$28.7 million total funds, including \$8.1 million General Fund, for projected changes in caseload, per capita expenditures, and fund sources for the Children's Basic Health Plan, which is marketed as the Child Health Plan Plus.

**R4 MEDICARE MODERNIZATION ACT:** The Department requests an increase of \$3.3 million General Fund for the projected state obligation, pursuant to the federal Medicare Modernization Act, to pay the federal government in lieu of the state covering prescription drugs for people dually eligible for Medicaid and Medicare.

**R9 BIRTHING EQUITY:** The Department requests \$1.2 million total funds, including \$594,304 General Fund, for the combined cost of a new doula benefit and new donor milk benefit. The cost increases to \$1.8 million total funds, including \$901,802 General Fund, in the second year. As part of the request, the Department included an unrelated change to the High Risk Pregnant Women line item and showed this as an offset to the cost of the request. The Department identified this request as evidence-informed.

**R10 CHILDREN WITH COMPLEX NEEDS:** The Department requests \$3.9 million total funds, including \$200,043 General Fund, and four new positions (3.7 FTE in the first year) to: (1) create a department team for children with complex and co-occurring needs; (2) move certain payments for Autism Spectrum Disorder from fee-for-service to the managed care behavioral health program; and (3) expand skilled and therapeutic respite care for children with high physical and behavioral health needs. The expanded respite care drives most of the cost. The Department proposes using federal funds made available through the American Rescue Plan Act to expand Home- and Community-Based Services to offset the need for General Fund through December 2024. When the federal funds expire the General Fund cost increases to \$884,715 in FY 2024-25 and \$1,769,429 in FY 2025-26. The Department identified this request as theory-informed.

**R12 NON-MEDICAID BH ELIGIBILITY & CLAIMS:** The Department requests \$2.9 million General Fund and 8.4 FTE, increasing to \$3.0 million and 10.0 FTE in FY 2024-25, for ongoing operation of information technology systems that support eligibility determinations, claims processing, and data reporting for non-Medicaid behavioral health services. As part of the Behavioral Health Administration initiative, the Department previously received funding for development of the systems. The goal was to leverage the Department's experience and standardize procedures across programs, eventually resulting in financial efficiencies that would offset the cost of maintenance and ongoing operations. The Behavioral Health Administration has not yet estimated or captured the expected financial efficiencies, but the Department anticipates needing money for ongoing operations beginning in FY 2023-24. The Department identified this request as theory-informed.

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**FORECAST SUMMARY (R2, R3, AND R4):** Requests R1 through R5 are based on the Department's most recent forecasts of enrollment and expenditures under current law and policy. These requests explain what drives the budget, but they are non-discretionary, as they represent the expected obligations under current law and policy. It would take a change to current law or policy to change the trends. This issue brief summarizes the forecasts for R2 Behavioral Health, R3 Child Health Plan Plus, and R4 Medicare Modernization Act.

**BIRTHING EQUITY (R9):** The issue brief explores the Department's request in R9 Birthing Equity for \$1.2 million total funds, including \$594,304 General Fund, for the combined cost of a new doula benefit and new donor milk benefit. The cost for these new benefits increases to \$1.8 million total funds, including \$901,802 General Fund, in the second year.

### FOR MORE INFORMATION

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**TO READ THE ENTIRE BRIEFING:** Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2022.