

CHAPTER 358

APPROPRIATIONS

HOUSE BILL 02-1370

BY REPRESENTATIVE(S) Young, Berry, and Saliman;
also SENATOR(S) Reeves, Tate, and Owen.

AN ACT

**CONCERNING A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF HEALTH CARE POLICY
AND FINANCING.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part V of section 2 of chapter 363, Session Laws of Colorado 2001, is amended, and the said Part V is further amended BY THE ADDITION OF A NEW FOOTNOTE, to read:

Section 2. **Appropriation.**

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

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APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
PART V						
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
(1) EXECUTIVE DIRECTOR'S OFFICE^{40, 41}						
Personal Services	1,966,658	760,200(M)			29,281 ^a	1,177,177
		510,200(M)				1,427,177
	(31.1 FTE)					
Colorado Benefits Management System (CBMS) ^{42, 43} (CBMS) ^{42, 43,}						
^{43a}	382,059	191,030(M)				191,029
	(6.0 FTE)					
Health, Life, and Dental	309,932	147,324(M)			1,779 ^a	160,829
Short-term Disability	6,033	3,007(M)			18 ^a	3,008
Salary Survey and Senior Executive Service	488,165	242,900(M)			1,383 ^a	243,882
Anniversary Increases	152,208	78,136(M)			858 ^a	73,214
Workers' Compensation	62,872	31,436(M)				31,436
	59,842	29,921(M)				29,921
Operating Expenses	212,846	110,593(M)			944 ^a	101,309

Legal Services and Third Party Recovery Legal Services for 12,587 12,758 hours	735,458 745,459	302,007(M) 304,358(M) ^d	63,513 ^b	209 ^a	369,938 377,379
Administrative Law Judge Services for 2,317 3,143 hours	261,830 333,667	130,915(M) 166,834(M)			130,915 166,833
Computer Systems Costs	409,077 398,995	172,068(M) 167,027(M)	32,471 ^c		204,538 199,497
Payment to Risk Management and Property Funds	53,874 19,720	26,937(M) 9,860(M)			26,937 9,860
Capitol Complex Leased Space	289,273 308,050	144,637(M) 154,025(M)			144,636 154,025
Transfer to the Department of Human Services for Related Administration	<u>275,220</u>	137,611(M)			137,609
	<u>5,605,505</u>				
	5,658,854				

^a These amounts shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

^b This amount shall be from third party recoveries.

^c This amount shall be from the Old Age Pension Fund.

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ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
(2) MEDICAL PROGRAMS ADMINISTRATION⁴⁴						
Personal Services (135.8 FTE)	8,370,624	3,904,837(M)				4,465,787
Operating Expenses	754,298	366,797(M)				387,501
Alternative Care Facility Cost Reporting System						
Consulting Services	21,667	10,833(M)				10,834
Medicaid Management Information System						
Contract	17,076,162	4,161,799(M)		146,867 ^a		12,767,496
	17,166,491	4,184,382(M)				12,835,242
Health Insurance Portability and Accountability Act of 1996 (HIPAA) Feasibility Study						
Contract	675,000	168,750(M)^b				506,250
	1,122,187	108,590(M) ^b			12,696 ^c	1,000,901

^d OF THIS AMOUNT, \$2,351 IS EXEMPT FROM THE STATUTORY LIMIT ON STATE GENERAL FUND APPROPRIATIONS PURSUANT TO SECTION 24-75-201.1 (1) (a) (III) (B), C.R.S.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA) IMPLEMENTATION	42,835	10,068(M) ^b	896 ^c	31,871
Medicaid Authorization Cards	1,122,300	561,150(M)		561,150
	1,188,142	594,071(M)		594,071
Department of Public Health and Environment Facility Survey and Certification	3,978,436	1,073,794(M)		2,904,642
	3,974,671	1,072,732(M)		2,901,939
Other Case-Mix Administrative Costs	42,000	12,000(M)		30,000
Hospital Rate Setting Study	100,000	50,000(M)		50,000
Transportation Broker Contract	565,240	282,620(M)		282,620
Contractual Utilization Review	4,342,938	1,085,735(M)		3,257,203
	4,451,674	1,113,860(M)		3,337,814
Early and Periodic Screening, Diagnosis, and Treatment Program	3,084,350	1,542,175(M)		1,542,175
	3,078,818	1,539,409(M)		1,539,409
Nursing Facility Audits	864,150	432,075(M)		432,075
	880,650	440,325(M)		440,325

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			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Hospital and Federally Qualified Health Clinic Audits	117,978 250,000		58,989(M) 125,000(M)				58,989 125,000
Nursing Home Preadmission and Resident Assessments	1,042,612 1,162,705		260,653(M) 290,676(M)				781,959 872,029
Nurse Aide Certification Nursing Home Quality Assessments	277,330 27,227 26,955		125,821(M) 6,807(M) 6,739(M)			12,844(T) ^c	138,665 20,420 20,216
Nursing Facility Appraisals	272,992		136,496(M)				136,496
Estate Recovery	700,000				350,000 ^d		350,000
Single Entry Point Administration	65,900		32,950(M)				32,950
Single Entry Point Audits	35,339		17,669(M)				17,670
Phone Triage/Advice	321,300		80,325(M)				240,975
S.B. 97-05 Enrollment Broker	1,073,258		536,629(M)				536,629
Dental Incentive ⁴⁵	2,000,000					2,000,000 ^e	

Primary Care Physician Credentialing	<u>115,700</u>	57,850(M)	57,850
		47,046,801	
		47,495,536	

^a This amount shall be from the Old Age Pension Health and Medical Care Fund pursuant to Section 26-2-117, C.R.S.

^b ~~This amount is~~ THESE AMOUNTS ARE exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (B), C.R.S.

^c This amount shall be from the Department of Regulatory Agencies.

^d This amount shall be from estate recoveries.

^e ~~This amount~~ THESE AMOUNTS shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

(3) MEDICAL SERVICES PREMIUMS^{46, 47, 48, 50, 51, 52, 53, 53a}

Services for 35,286 Old
Age Pensioners (OAP-A)
at an average cost of
~~\$15,865.43~~ \$16,020.55 ~~559,827,462~~
565,301,223

Services for 5,621 Old
Age Pensioners (OAP-B)
at an average cost of
~~\$13,124.94~~ \$13,272.01 ~~73,775,298~~
74,601,956

Services for 3,395 Old
Age Pension State
Medical Program clients
at an average cost of
\$2,902.25 9,853,133

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
Services for 49,797 Non-Elderly Disabled Recipients of Supplemental Security Income at an average cost of \$9,757.12 \$9,884.09	485,875,366 492,197,983					
Services for 29,809 Categorically Eligible Low-income Adults at an average cost of \$3,112.33 \$3,204.99	92,775,580 95,537,536					
Services for 134,222 Categorically Eligible Low-income Children and Baby Care Program Children at an average cost of \$1,565.16 \$1,600.58	210,079,196 214,832,506					

Services for 13,816 Foster Children at an average cost of \$2,418.67 \$2,475.04	33,416,285 34,195,085				
Services for 5,876 Baby Care Program Adults at an average cost of \$6,053.88 \$6,294.81	35,572,600 36,988,306				
Services for 8,696 Qualified Medicare Beneficiaries (QMBs) and Special Low-Income Medicare Beneficiaries (SLIMBs) at an average cost of \$1,041.95 \$1,042.18	9,060,782 9,062,760				
Services for 17,990 Non-Citizens at an Average Cost of \$2,519.99 \$2,640.54	45,334,603 <u>47,503,268</u>				
		1,555,570,305 1,580,073,756	775,075,095(M) 761,695,090(M)	9,853,133 ^a	770,642,077 782,893,802

^a This amount shall be from the Old Age Pension Health and Medical Care Fund pursuant to Section 26-2-117, C.R.S.

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ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
(4) INDIGENT CARE PROGRAM						
Program Administration	290,912		147,629(M) (3.0 FTE)			143,283
Denver Indigent Care Program PROGRAM ^{53b}	22,273,697 33,619,229				11,136,848 16,809,614 ^a	11,136,849 16,809,615
University Hospital Indigent Care Program PROGRAM ^{53b}	21,233,692 32,230,877				10,616,846 16,115,439 ^a	10,616,846 16,115,438
Out-state Indigent Care Program	18,718,067 18,162,000		5,088,378(M) 4,991,246(M)		4,270,656 4,089,754 ^b	9,359,033 9,081,000
Disproportionate Share Payments to Hospitals	146,492,387 146,051,623		3,922,217(M) 3,922,216(M)		69,323,977 69,103,596 ^b	73,246,193 73,025,811
Clinic Based Indigent Care	5,595,482		5,595,482			

^b THIS AMOUNT REPRESENTS PUBLIC FUNDS CERTIFIED AS REPRESENTING EXPENDITURES INCURRED BY PUBLIC NURSING HOMES AND HOSPITALS THAT ARE ELIGIBLE FOR FEDERAL FINANCIAL PARTICIPATION UNDER THE MEDICAID PROGRAM.

Pre-Component 1				
Disproportionate Share				
Payments to Hospitals	4,771,714	2,385,857(M)		2,385,857
H.B. 97-1304 Children's				
Basic Health Plan Trust**				
** TRUST ^{54, 55, 55a}	18,849,995	8,603,720	246,275^e	10,000,000 ^d
	10,285,245		285,245 ^e	
Children's Basic Health				
Plan Administration	5,014,295		2,200,167 ^e	2,814,128
Children's Basic Health				
Plan Premium Costs ^{56, 57,}				
⁵⁸	35,281,378		12,508,561^e	22,772,817
	36,116,890		12,826,321 ^e	23,290,569
Children's Basic Health				
Plan Dental Benefit Costs	4,144,324		1,450,513^e	2,693,811
	2,102,170		735,760 ^e	1,366,410
COMPREHENSIVE				
PRIMARY AND				
PREVENTIVE CARE FUND	5,156,532		5,156,532 ^g	
Comprehensive Primary				
and Preventive Care				
Grants Program	5,191,389		5,191,389^f	
	5,156,532		5,156,532 ^f	
Essential Community				
Providers Grants Program	<u>114,051</u>	114,051		
	287,971,383			
	304,667,552			

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ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

^a These amounts represent public funds certified as representing expenditures incurred by Denver Health and The University Hospital which are eligible for federal financial participation under the Medicaid Major Teaching Hospital Program.

^b These amounts represent public funds certified as representing expenditures incurred by hospitals which are eligible for federal financial participation under the Medicaid and Medicaid Disproportionate Share Payments to Hospitals Program.

^c This amount shall be from annual premiums paid by participating families.

^d This amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104 (1) (b), C.R.S.

^e These amounts shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

^f This amount shall be from the ~~Tobacco Litigation Settlement Cash Fund~~ COMPREHENSIVE PRIMARY AND PREVENTIVE CARE FUND created in Section ~~24-22-115~~, 26-4-1007, C.R.S., pursuant to Section 24-75-1104 (1) (g), C.R.S.

^g THIS AMOUNT SHALL BE FROM THE TOBACCO LITIGATION SETTLEMENT CASH FUND CREATED IN SECTION 24-22-115, C.R.S., PURSUANT TO SECTION 24-75-1104 (1) (g), C.R.S.

(5) OTHER MEDICAL SERVICES

Home Care Allowance
for ~~5,919~~ 5,642

Recipients at an average
monthly cost of ~~\$226.94~~
\$227.33

~~16,119,094~~
15,391,151

~~15,313,140~~
14,621,593

~~805,954(L)^f~~
769,558(L)^a

Adult Foster Care for ~~127~~
90 Recipients at an
average monthly cost of
~~\$238.50~~ \$225.75

363,469

345,296

18,173(L)^f

Primary Care Physician Program Market Rate Reimbursement ⁵⁹	243,809		231,619		12,190(L) ^a	
H.B. 92-1208 Immunizations	1,908,000		954,000(M)			954,000
	145,374		72,687(M)			72,687
	30,490		15,245(M)			15,245
Poison Control	1,215,079		1,215,079			
University of Colorado Family Medicine Residency Training Programs	2,117,536		1,058,768(M)			1,058,768
Enhanced Prenatal Care Training and Technical Assistance	188,080		94,040(M)			94,040
	186,993		93,509(M)			93,484
S.B. 97-101 Public School Health Services ⁶⁰	<u>17,745,725</u>				8,927,163 ^b	8,818,562
		39,802,357				
		38,838,783				

^a These amounts shall be from local funds.

^b This amount represents funds certified as representing expenditures incurred by school districts which are eligible for federal financial participation under Medicaid.

(6) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS^{61, 62, 63, 64,}

⁶⁵

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	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				FEDERAL FUNDS
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	
	\$	\$	\$	\$	\$	\$	\$
(A) Executive Director's Office - Medicaid Funding	9,664,497		4,832,249(M)				4,832,248
	9,367,004		4,683,502(M)				4,683,502
(B) Office of Information Technology Services - Medicaid Funding	5,911,254		3,078,016(M)				2,833,238
	5,114,976		2,186,896(M)		471,824 ^a		2,456,256
(C) Office of Operations - Medicaid Funding	5,681,646		2,840,823(M)				2,840,823
	5,464,323		2,732,161(M)				2,732,162
(D) Office of Adult Health and Rehabilitation - Medicaid Funding							
Administration of Mental Health and Developmental Disability Services	2,591,473		1,295,737(M)				1,295,736

Mental Health Community Programs, Mental Health Capitation	135,509,506 137,929,339	67,754,753(M) 68,964,670(M)	67,754,753 68,964,669
Mental Health Community Programs, Medicaid Anti-psychotic Pharmaceuticals	19,731,967 19,663,698	9,865,984(M) 9,831,849(M)	9,865,983 9,831,849
Community Services for Persons With Developmental Disabilities	202,160,645	101,080,323(M)	101,080,322
Alcohol and Drug Abuse Division - High Risk Pregnant Women Program	213,208 <u>360,206,799</u> 362,558,363	106,604(M)	106,604
(E) Office of Direct Services - Medicaid Funding			
Administration	145,521	72,761(M)	72,760
Mental Health Institutes	1,784,982 2,452,228	892,491(M) 1,226,114(M)	892,491 1,226,114

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		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
Institutional Programs for Persons With Developmental Disabilities	35,891,849	17,945,925(M)				17,945,924
	<u>37,822,352</u>					
	38,489,598					
(F) County Administration - Medicaid Funding	8,138,276	3,051,854(M)				5,086,422
	8,988,276	3,370,604(M)				5,617,672
(G) Office of Self Sufficiency, Disability Determination Services - Medicaid Funding	1,449,371	724,686(M)				724,685
	1,241,659	620,830(M)				620,829
(H) Division of Child Welfare - Medicaid Funding	67,838,121	33,919,061(M)				33,919,060
	73,321,276	36,660,639(M)				36,660,637
(I) Division of Youth Corrections - Medicaid Funding	12,448,953	6,224,477(M)				6,224,476

	11,850,990	5,925,495(M)		5,925,495
(J) Division of Children's Health and Rehabilitation - Medicaid Funding				
Administration	109,404	54,702(M)		54,702
Services for Children with Developmental Disabilities	3,499,051	1,749,526(M)		1,749,525
Children's Mental Health Services, Residential Treatment for Youth (H.B. 99-1116)	<u>101,665</u>	50,833(M)		50,832
	3,710,120			
	512,871,389			
	520,106,585			

^a THIS AMOUNT SHALL BE FROM THE OLD AGE PENSION FUND.

**TOTALS PART V
(HEALTH CARE
POLICY AND
FINANCING)^{4, 5}**

	\$2,448,867,740	\$1,092,971,799^a		\$10,692,259^b	\$138,497,354^c	\$1,206,706,328
	<u>\$2,496,841,066</u>	<u>\$1,072,671,440^a</u>	<u> </u>	<u>\$11,203,053^b</u>	<u>\$179,595,265^c</u>	<u>\$1,233,371,308</u>

^a Of this amount, ~~\$168,750~~ \$121,009 is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (B), C.R.S.

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ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

^b Of this amount, \$10,000,000 is included as information for purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution. As this amount is continuously appropriated by a constitutional provision, it is not subject to the limitation of General Fund appropriations as set forth in Section 24-75-201.1, C.R.S.

^c Of this amount, ~~\$824,127~~ \$781,748 contains an (L) notation, and \$12,844 contains a (T) notation.

FOOTNOTES -- The following statements are referenced to the numbered footnotes throughout section 2.

- 4 (Governor lined through this provision. See L. 2001, p. 2345.)
- 5 All Departments, Totals -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Each principal department of the state shall produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format shall be submitted to the Office of Legislative Legal Services for publishing on the Internet. It is the intent of the General Assembly that this be done within existing resources.
- 40 Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit an accounting of all line items by actual expenditure. Actual expenditure is defined as final expenditure, including post-closing payments. The Department is requested to submit this information to the Joint Budget Committee by January 1, 2002.
- 41 Department of Health Care Policy and Financing, Executive Director's Office; Department of Human Services, Division of Youth Corrections; and Division of Children's Health and Rehabilitation -- The departments are requested to jointly submit a report assessing the feasibility of using the Children's Basic Health Plan to provide

mental health services for youth with identified needs who leave detention to return to the community, with a goal of reducing readmissions to detention. The report should be submitted by November 1, 2001, and include suggestions for any statutory changes that may be required or would facilitate this approach.

42 (Governor lined through this provision. See L. 2001, p. 2352.).

43 Department of Health Care Policy and Financing, Executive Director's Office, Colorado Benefits Management System; and Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System -- It is the understanding of the General Assembly that the primary goal of the Colorado Benefits Management System (CBMS) project is to streamline several county administrative functions by creating a single, integrated, eligibility and client management system that will minimize manual and paper-intensive processes. The 1997 feasibility study that was prepared for the CBMS project included an analysis of the annual savings that would result from the statewide implementation of CBMS, estimating \$31.0 million in annual savings from all fund sources. The feasibility study did not include an analysis of the impact of medical application sites. A re-analysis in December 2000 projects annual savings of \$13.0 million. It is the intent of the General Assembly that, once CBMS is fully implemented statewide, various appropriations will be adjusted to reflect the resulting cost savings. It is further the intent of the General Assembly that such adjustments be based on an objective analysis of the impact of the implementation of CBMS on the Department of Health Care Policy and Financing, the Department of Human Services, and county departments of social services. To assist in this effort, the FY 01-02 appropriation for CBMS includes funding for a base-line analysis of county workload and staffing needs. It is the intent of the General Assembly that work activities also be studied after the project's implementation to determine its impact and any associated savings to the counties and state.

43a DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, EXECUTIVE DIRECTOR'S OFFICE, COLORADO BENEFITS MANAGEMENT SYSTEM; AND DEPARTMENT OF HUMAN SERVICES, OFFICE OF INFORMATION TECHNOLOGY SERVICES, COLORADO BENEFITS MANAGEMENT SYSTEM -- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT STAFF EMPLOYED BY THE DEPARTMENT OF HUMAN SERVICES TO OVERSEE COMPLIANCE WITH THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT ALSO OVERSEE COMPLIANCE ACTIVITIES ASSOCIATED WITH THE DEVELOPMENT AND IMPLEMENTATION OF THE COLORADO BENEFITS MANAGEMENT SYSTEM.

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	ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	
<u>44</u>							(Governor lined through this provision. See L. 2001, p. 2352.).
<u>45</u>							Department of Health Care Policy and Financing, Medical Programs Administration, Dental Incentive -- It is the intent of the General Assembly that this funding be used for clinic start-up to ensure the expansion of the dental network and expansion of dental service delivery for eligible low-income children. It is furthermore the intent of the General Assembly that these funds be available for both dentists and dental hygienists and that the Department give preference to grantees who provide matching funds. The Department is requested to provide a status report to the Joint Budget Committee on the expenditure of these funds by no later than November 1, 2002.
<u>46</u>							Department of Health Care Policy and Financing, Medical Services Premiums -- It is the intent of the General Assembly that expenditures for these services shall be recorded only against the Long Bill group total for Medical Services.
<u>47</u>							Department of Health Care Policy and Financing, Medical Services Premiums -- The General Assembly has determined that the average appropriated rates provide sufficient funds to pay reasonable and adequate compensation to efficient and economical providers. The Department should take actions to ensure that the average appropriated rates are not exceeded.
<u>48</u>							Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to incorporate its savings estimates provided in its Section 26-19-106, C.R.S. annual savings report due October 1, 2001, within its November 1, 2001 budget request for 2002-03 or within any subsequent revisions to the FY 2001-02 or FY 2002-03 budgets.
<u>50</u>							Department of Health Care Policy and Financing, Medical Services Premiums - It is the intent of the General Assembly that the additional funds appropriated in FY 2001-02 for rate increases in the area of community long-term

care be directed to the greatest degree toward care giver salaries. Therefore, it is the intent of the General Assembly that such rate increases be allocated pursuant to the proposal submitted by the Department of Health Care Policy and Financing to the Joint Budget Committee on April 5, 2001. The Department is requested to provide updates to the Joint Budget Committee on the information received by such providers, as necessary.

- 51 Department of Health Care Policy and Financing, Medical Services Premiums - It is the intent of the General Assembly that creative long-term strategies be considered for managing long-term care cost containment and appropriateness of care. The Department is therefore requested to evaluate the programmatic and fiscal benefit of employing managed care models and principles in the management of institutional and community long-term care. This report is requested to be submitted to the Joint Budget Committee by no later than November 15, 2001.
- 52 Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to study the Medicaid reimbursements made to nursing home pharmacies serving Medicaid clients in the long-term care system. The Department is requested to study the Medicaid reimbursement level, including the ability of such pharmacies to cost-shift. The Department is requested to submit a report concerning this study to the Joint Budget Committee by no later than November 1, 2001.
- 53 Department of Health Care Policy and Financing, Medical Services Premiums; and Department of Human Services, Office of Adult Health and Rehabilitation, Mental Health Community Programs, Mental Health Capitation – The Departments are requested to provide a report on the placement of mentally ill persons in nursing homes and alternative care facilities. The report is requested to specifically address: (1) Whether the Departments believe persons are being placed in nursing homes or alternative care facilities based solely on mental illness; (2) whether the Departments believe this reflects inappropriate cost-shifting from the mental health capitation program to the fee-for-service Medicaid programs and, if so, how this should be addressed; and (3) what services and treatment the Departments believe such persons with mental illness are receiving. This report is requested to be provided to the Joint Budget Committee by no later than November 15, 2001.
- 53a Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to provide a report outlining the historical and anticipated expenditure of funds for the Quality of Care Incentive Payment program, pursuant to Section 26-4-410 (2) (c.5) (I), Colorado Revised Statutes. This report is requested

Appropriations

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

to be provided to the House Health, Environment, Welfare, and Institutions Committee, the Senate Health, Environment, Children and Families Committee, the Joint Budget Committee, and the Legislative Audit Committee by no later than November 1, 2001.

- 53b DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, INDIGENT CARE PROGRAM, DENVER INDIGENT CARE PROGRAM; AND UNIVERSITY HOSPITAL INDIGENT CARE PROGRAM -- IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE INTERGOVERNMENTAL TRANSFERS PROVIDED THROUGH THE MEDICARE UPPER PAYMENT LIMIT FUNDING MECHANISM IN THESE LINE ITEMS BE USED TO ADDRESS MEDICAID FUNDING SHORTFALLS PAID THROUGH THE GENERAL FUND. IT IS THE GENERAL ASSEMBLY'S UNDERSTANDING THAT THIS INTERGOVERNMENTAL TRANSFER WILL BE APPROXIMATELY \$11,171,358 IN FY 2001-02.
- 54 Department of Health Care Policy and Financing, Indigent Care Program, H.B. 97-1304 Children's Basic Health Plan Trust -- The Department is requested to report on success in obtaining cash as well as in-kind donations for the Children's Basic Health Plan from the private sector for FY 2000-01 and anticipated local fund-raising success for FY 2001-02. The Department is requested to submit this information to the Joint Budget Committee no later than November 1, 2001.
- 55 Department of Health Care Policy and Financing, Indigent Care Program, H.B. 97-1304 Children's Basic Health Plan Trust -- It is the intent of the General Assembly that the Department of Health Care Policy and Financing assess eligible families enrolling in the Children's Basic Health Plan an annual premium of \$25 for one child and \$35 for two or more children for families with incomes between 151 percent and 185 percent of the federal poverty level.
- 55a DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, H.B. 97-1304 CHILDREN'S BASIC HEALTH PLAN TRUST -- IT IS THE GENERAL ASSEMBLY'S UNDERSTANDING THAT THE CHILDREN'S BASIC HEALTH PLAN TRUST CONTAINS A RESERVE BALANCE SIGNIFICANTLY HIGHER THAN THE EXPENDITURES NECESSARY TO SUPPORT ALL FY 2001-02

APPROPRIATIONS FROM SAID TRUST. IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE JULY 1, 2002 BEGINNING FUND BALANCE IN THE CHILDREN'S BASIC HEALTH PLAN TOTAL \$16 MILLION, A FUND BALANCE DERIVED OVER TIME FROM MULTIPLE SOURCES OF FUNDING. TO THIS END, IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT AN INCREASE OF \$8,603,720 GENERAL FUND BE APPROPRIATED IN THE FY 2002-03 LONG BILL IN ADDITION TO THE ANNUAL APPROPRIATIONS MADE FOR FY 2002-03 TO THE TRUST TO SUPPORT FY 2002-03 CHILDREN'S BASIC HEALTH PLAN APPROPRIATIONS FROM THE TRUST.

- 56 Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs -- This appropriation assumes an average medical cost per child of ~~\$867.12~~ \$881.76 per year (~~\$72.26~~ \$73.48 per member per month), not including dental services, and assumes an estimated average monthly caseload of ~~40,688~~ 40,960 children.
- 57 Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs - It is the intent of the General Assembly that no payments be made to managed care organizations with appropriations made on behalf of the Children's Basic Health Plan for children who are no longer participating in such program. To that effect, the Department is requested to provide to the Joint Budget Committee a proposal for tracking these children and ensuring that payments are not made for children who are no longer in the program. This report is requested to be submitted to the Joint Budget Committee by no later than October 1, 2001.
- 58 Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs; and Department of Human Services, Office of Adult Health and Rehabilitation, Mental Health Community Programs – The Departments are requested to report, with their annual budget submission, on the benefits and costs of expansion of Children's Basic Health Plan (CHP) services to children with severe emotional disturbance. The report should specifically address: (1) Any recommended steps to expand the role of community mental health centers in identification of and service provision for CHP clients with mental illness; and (2) the fiscal impact of modifying the CHP program to provide an expanded benefit package for children with severe emotional disturbance. The fiscal impact should include an analysis of potential reductions in the need for direct General Fund support for children with mental illness if the CHP program is expanded.
- 59 Department of Health Care Policy and Financing, Other Medical Services, Primary Care Physician Program Market

Appropriations

ITEM & SUBTOTAL	TOTAL	APPROPRIATION FROM				
		GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

Rate Reimbursement -- The General Assembly requests that the Department evaluate the market rates for the primary care physician incentive program and report this information to the Joint Budget Committee by no later than October 1, 2001.

60 Department of Health Care Policy and Financing, Other Medical Services, S.B. 97-101 Public School Health Services - It is the intent of the General Assembly that the Department comply with Section 26-4-531 (8) (b), Colorado Revised Statutes. To that end, the Department is requested to provide a complete reporting of all S.B. 97-101 associated administrative expenditures for FY 1999-00, FY 2000-01, and FY 2001-02. In addition, the Department is requested to include a delineation of requested expenditures in the FY 2002-03 budget and recommendations on how to minimize administrative expenditures. This information is requested by no later than November 15, 2001.

61 Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs; and Department of Human Services, Office of Adult Health and Rehabilitation, Mental Health Community Programs, Mental Health Capitation -- The Departments are requested to provide a report to the Joint Budget Committee, as part of their annual budget submission, that reviews their proposals and plans for the Medicaid mental health capitation program for FY 2002-03 and future years. The report should specifically address the following issues: (1) How program rates should be established, including whether the program should continue to be competitively bid on a financial and/or technical basis and, if so, how often; (2) how rates should be set for interim years (years when payment rates have not been locked in by a bid process); (3) how cost-effectiveness should be demonstrated, including whether the State should continue to require that the program cost 95 percent of what fee for service is estimated to have cost and, if so, how this should be measured; (4) how the State can ensure that program funding is fairly and reasonably divided among the various regions of the State; (5) whether and how the program should be extended to other services; (6) whether and how any program "savings" should be reinvested for indigent populations; and (7) recommendations for related statutory changes.

- 62 Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs; and Department of Human Services, Office of Adult Health and Rehabilitation, Mental Health Community Programs, Mental Health Capitation; and Office of Direct Services, Mental Health Institutes -- The Departments are requested to provide a report to the Joint Budget Committee, as part of their annual budget submissions, that reviews their progress, goals, and proposed time frames for incorporating adult inpatient services at the State mental health institutes into the Medicaid mental health capitation program.
- 63 Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs; and Department of Human Services, Office of Adult Health and Rehabilitation, Mental Health Community Programs, Mental Health Capitation -- The mental health capitation appropriation includes funding for Medicaid capitation performance incentives awards. The Departments are requested to provide information on the use of these funds as part of their annual budget submission.
- 64 (Governor lined through this provision. See L. 2001, p. 2353.).
- 65 Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs; and Department of Human Services, Office of Adult Health and Rehabilitation, Mental Health Community Programs, Medicaid Anti-Psychotic Pharmaceuticals -- The Departments are requested to report to the Joint Budget Committee with their November 1 budget submissions on their progress toward managing Medicaid mental health pharmaceutical costs, including any efforts to incorporate medication funding in the capitated Medicaid mental health contracts. This report should include an expected time line for planned activities, as well as estimates of the programmatic and fiscal impacts of any changes. The Departments are encouraged to pursue pilot programs to contain costs through physician education and management. The Departments are also requested to identify actual expenditures and growth projections for anti-depressant, anti-anxiety, and anti-mania medications as part of their budget submissions.

SECTION 2. Effective date. This act shall take effect upon passage; except that this act shall only take effect if the following bills are enacted at the Second Regular Session of the Sixty-third General Assembly and become law: House Bill 02-1366; House Bill 02-1367; House Bill 02-1368; House Bill 02-1369; House Bill 02-1371; House Bill 02-1372; House Bill 02-1373; House Bill 02-1374; House Bill 02-1375; House Bill 02-1376; House Bill 02-1377; House Bill 02-1378; House Bill 02-1379; House Bill 02-1380; House Bill 02-1381; House Bill 02-1382; House Bill 02-1383; House Bill 02-1384; House Bill 02-1385; House Bill 02-1386; House Bill 02-1387; House Bill 02-1388; House Bill 02-1389; House Bill 02-1390; House Bill 02-1391; House Bill 02-1392; House Bill 02-1393; and House Bill 02-1394.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 27, 2002

Editor's note: Section 2 of this act provided that this act is effective upon passage only if House Bills 02-1366 through 02-1394 are enacted and become law. Said bills were signed March 27, 2002.