

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2011-12 Budget Request Cycle											
Decision Item FY 2011-12		Base Reduction Item FY 2011-12			Supplemental FY 2010-11			Budget Amendment FY 2011-12			
Request Title: Fee-for-Service Delay in FY 2010-11		Health Care Policy and Financing			Dept. Approval by: John Bartholomew			Date: October 22, 2010 10/15			
Priority Number: ES-2					OSP Approval:			Date: 10-18-10			
	Fund	1 Prior-Year Actual FY 2009-10	2 Appropriation FY 2010-11	3 Supplemental Request FY 2010-11	4 Total Revised Request FY 2010-11	5 Base Request FY 2011-12	6 Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	8 Budget Amendment FY 2011-12	9 Total Revised Request FY 2011-12	10 Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	3,525,927,186	3,775,163,236	(58,909,924)	3,716,253,312	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	989,061,418	927,910,332	(26,963,336)	900,946,996	0	0	0	0	0	0
	GFE	0	161,444,485	0	161,444,485	0	0	0	0	0	0
	CF	372,260,301	377,855,317	(2,587,562)	375,267,755	0	0	0	0	0	0
	CFE/RF	6,344,351	12,866,085	(74,709)	12,791,376	0	0	0	0	0	0
	FF	2,158,261,116	2,295,087,017	(29,284,317)	2,265,802,700	0	0	0	0	0	0
(1) Executive Director's Office;	Total	426,958	3,010,000	(46,458)	2,963,544	0	0	0	0	0	0
(B) Transfers to Other	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Departments, Transfer to	GF	(84,231)	0	0	0	0	0	0	0	0	0
Department of Public Health	GFE	0	0	0	0	0	0	0	0	0	0
and Environment for Nurse	CF	0	0	0	0	0	0	0	0	0	0
Home Visitor Program	CFE/RF	383,128	1,156,141	(21,710)	1,134,431	0	0	0	0	0	0
	FF	128,059	1,853,859	(24,746)	1,829,113	0	0	0	0	0	0
(2) Medical Services	Total	2,877,822,564	3,106,859,127	(53,573,910)	3,053,284,817	0	0	0	0	0	0
Premiums	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	762,936,068	700,606,422	(24,777,639)	675,828,583	0	0	0	0	0	0
	GFE	0	161,444,485	0	161,444,485	0	0	0	0	0	0
	CF	343,695,933	339,633,220	(1,865,392)	337,767,828	0	0	0	0	0	0
	CFE/RF	3,917,255	7,595,243	0	7,595,243	0	0	0	0	0	0
	FF	1,767,273,308	1,897,578,757	(26,930,079)	1,870,648,578	0	0	0	0	0	0
(3) Medicaid Mental Health	Total	223,368,053	247,616,458	125	247,616,583	0	0	0	0	0	0
Community Programs; (A)	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mental Health Capitation	GF	79,359,784	85,931,156	49	85,931,205	0	0	0	0	0	0
Payments for Medicaid	GFE	0	0	0	0	0	0	0	0	0	0
Eligible Clients	CF	6,393,602	9,555,600	0	9,555,600	0	0	0	0	0	0
	CFE/RF	10,633	12,046	0	12,046	0	0	0	0	0	0
	FF	137,603,834	152,117,656	76	152,117,732	0	0	0	0	0	0

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2011-12 Budget Request Cycle											
Decision Item FY 2011-12		Base Reduction Item FY 2011-12			Supplemental FY 2010-11			Budget Amendment FY 2011-12			
Request Title:		Fee-for-Service Delay in FY 2010-11			Dept. Approval by:			Date:			
Department:		Health Care Policy and Financing			John Bartholomew			October 22, 2010			
Priority Number:		ES-2			OSPB Approval:			Date:			
	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
(3) Medicaid Mental Health Community Programs; Medicaid Mental Health Fee for Services Payments	Total	2,587,662	2,965,758	(90,374)	2,875,384	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	993,452	1,139,148	(41,699)	1,097,449	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	1,594,210	1,826,610	(48,675)	1,777,935	0	0	0	0	0	0
(5) Other Medical Services; Services for Old Age Pension State Medical Program clients	Total	10,185,516	15,083,483	(470,132)	14,613,351	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	10,185,516	12,848,483	(470,132)	12,378,351	0	0	0	0	0	0
	CFE/RF	0	2,235,000	0	2,235,000	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(5) Other Medical Services; Public School Health Services	Total	25,597,360	29,537,394	(491,844)	29,045,550	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	11,443,512	15,391,007	(252,038)	15,138,969	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	14,153,848	14,146,387	(239,806)	13,906,581	0	0	0	0	0	0
(6) Department of Human Services Medicaid-Funded Programs; (D) Division of Child Welfare - Medicaid Funding, Child Welfare Services	Total	13,070,654	14,293,272	(106,584)	14,186,688	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	5,028,740	5,490,045	(56,600)	5,433,445	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	8,041,914	8,803,227	(49,984)	8,753,243	0	0	0	0	0	0

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13												
Change Request for FY 2011-12 Budget Request Cycle												
Decision Item FY 2011-12		Base Reduction Item FY 2011-12			Supplemental FY 2010-11			Budget Amendment FY 2011-12				
Request Title:		Fee-for-Service Delay in FY 2010-11			Dept. Approval by:			John Bartholomew		Date:		October 22, 2010
Department:		Health Care Policy and Financing			OSPB Approval:					Date:		
Priority Number:		ES-2										
	Fund	1	2	3	4	5	6	7	8	9	10	
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13	
(6) Department of Human Services Medicaid-Funded Programs; (F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding, Mental Health Institutes	Total	3,942,309	2,916,208	(181,568)	2,734,640	0	0	0	0	0	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	1,514,241	1,120,115	(94,695)	1,025,420	0	0	0	0	0	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE/RF	0	0	0	0	0	0	0	0	0	0	
	FF	2,428,068	1,796,093	(86,873)	1,709,220	0	0	0	0	0	0	
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities, Program Costs	Total	317,386,097	305,993,911	(2,591,966)	303,401,945	0	0	0	0	0	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	121,716,080	117,481,180	(1,340,006)	116,141,174	0	0	0	0	0	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	541,738	427,007	0	427,007	0	0	0	0	0	0	
	CFE/RF	0	0	0	0	0	0	0	0	0	0	
	FF	195,128,279	188,085,724	(1,251,960)	186,833,764	0	0	0	0	0	0	
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Regional Centers	Total	51,540,015	46,888,625	(1,357,815)	45,530,810	0	0	0	0	0	0	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	GF	17,597,284	16,142,266	(652,546)	15,489,720	0	0	0	0	0	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE/RF	2,033,135	1,867,655	(52,999)	1,814,656	0	0	0	0	0	0	
	FF	31,909,596	28,878,704	(652,270)	28,226,434	0	0	0	0	0	0	

Schedule 13 Change Request for FY 2011-12 Budget Request Cycle												
Decision Item FY 2011-12		Base Reduction Item FY 2011-12			Supplemental FY 2010-11			Budget Amendment FY 2011-12				
Request Title:		Fee-for-Service Delay in FY 2010-11			Dept. Approval by:			John Bartholomew		Date:		October 22, 2010
Department:		Health Care Policy and Financing			OSPB Approval:					Date:		
Priority Number:		ES-2										
	Fund	1	2	3	4	5	6	7	8	9	10	
		Prior Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13	
Non-Line Item Request:		None.										
Letternote Revised Text:		<p>LBG 1: (a) This amount shall be transferred from the Department of Public Health and Environment.</p> <p>LBG 2: (b) Of this amount, \$139,893,383 \$139,644,275(H) shall be from the Hospital Provider Fee Cash Fund created in Section 25.5-4-402.3 (4), C.R.S., \$68,942,964 \$68,413,089(H) shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S., \$24,012,014(H) shall be from the Medicaid Nursing Facility Cash Fund created in Section 25.5-6-203 (2) (a), C.R.S., \$13,348,299 represents public funds certified as expenditures incurred by public hospitals and agencies that are eligible for federal financial participation under the Medicaid program, \$2,543,207 \$2,476,643 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (B) (a) (I), C.R.S., \$646,147 \$525,902(H) shall be from the Colorado Autism Treatment Fund created in Section 25.5-6-805 (1), C.R.S., and \$237,500 shall be from the Coordinated Care for People with Disabilities Fund created in Section 25.5-6-111 (4).</p> <p>LBG 5: (a) Of this amount, \$9,998,483 \$9,528,351 shall be from the Old Age Pension Health and Medical Care Fund, pursuant to Section 7 (C) of Article 24 of the State Constitution, and \$2,850,000 shall be from the Supplemental Old Age Pension Health and Medical Care Fund created in Section 25.5-2-101 (2), C.R.S.</p> <p>LBG 5: (d) \$15,391,007 \$15,364,201 represents funds certified as expenditures incurred by school districts that are eligible for federal financial participation under Medicaid.</p>										
Cash or Federal Fund Name and COFRS Fund Number:		CF: Health Care Expansion Fund (18K); Breast and Cervical Cancer Prevention and Treatment Fund (15D); Hospital Provider Fee Cash Fund (24A); Colorado Autism Treatment Fund (18A); Old Age Pension and Medical Care Fund (15K); FF: Title XIX.										
Reappropriated Funds Source, by Department and Line Item Name:		(9) Prevention Services Division; (E) Family and Community Health; (2) Child, Adolescent, and School Health, Nurse Home Visitor Program										
Approval by OIT?		Yes: <input type="checkbox"/> No: <input type="checkbox"/>		N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:		Department of Human Services										

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 <input type="checkbox"/>	Base Reduction Item FY 2011-12 <input type="checkbox"/>	Supplemental FY 2010-11 <input checked="" type="checkbox"/>	Budget Amendment FY 2011-12 <input type="checkbox"/>
Request Title: Medicaid Fee-for-Service Payment Delay Companion to HCPF ES-2		Dept. Approval by: <i>Will Gal</i>	
Department: Department of Human Services		Date: 10-15-2010	
Priority Number:		OSP Approval: <i>nmz</i>	
		Date: 10-18-10	

	Fund	1	2	3	4	5	6	November 1 Request FY 2011-12	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12		Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	722,433,183	721,415,468	(4,237,933)	717,177,535	0	0	0	0	0	0
	FTE	1,795	1850.1	0.0	1850.1	0.0	0.0	0.0	0.0	0.0	0.0
	GF	232,113,762	217,254,496	0	217,254,496	0	0	0	0	0	0
	CF	69,080,795	102,474,367	0	102,474,367	0	0	0	0	0	0
	RF	324,330,820	298,714,985	(4,237,933)	294,477,052	0	0	0	0	0	0
	FF	96,907,806	102,971,620	0	102,971,620	0	0	0	0	0	0
	MCF	321,373,060	296,092,742	(4,237,933)	291,854,809	0	0	0	0	0	0
	MGF	149,733,471	104,721,878	(2,143,847)	102,578,031	0	0	0	0	0	0
	NGF	381,847,233	321,976,374	(2,143,847)	319,832,527	0	0	0	0	0	0
(5) Division of Child Welfare, Child Welfare Services	Total	336,157,346	339,194,894	(106,584)	339,088,310	0	0	0	0	0	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	165,010,711	157,932,633	0	157,932,633	0	0	0	0	0	0
	CF	61,168,175	63,997,369	0	63,997,369	0	0	0	0	0	0
	RF	13,070,654	14,293,272	(106,584)	14,186,688	0	0	0	0	0	0
	FF	96,907,806	102,971,620	0	102,971,620	0	0	0	0	0	0
	MCF	13,070,654	14,293,272	(106,584)	14,186,688	0	0	0	0	0	0
	MGF	5,028,740	5,490,045	(56,600)	5,433,445	0	0	0	0	0	0
	NGF	170,039,451	163,422,678	(56,600)	163,366,078	0	0	0	0	0	0
(8) Mental Health and Alcohol and Drug Abuse Services, (C) Mental Health Institutes, Mental Health Institute-Pueblo	Total	77,266,483	68,827,749	(181,568)	68,646,181	0	0	0	0	0	0
	FTE	913.8	923.0	0.0	923.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	65,552,448	57,671,404	0	57,671,404	0	0	0	0	0	0
	CF	5,159,092	5,617,894	0	5,617,894	0	0	0	0	0	0
	RF	6,554,943	5,538,451	(181,568)	5,356,883	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	3,597,183	2,916,208	(181,568)	2,734,640	0	0	0	0	0	0
	MGF	1,381,745	1,120,115	(94,695)	1,025,420	0	0	0	0	0	0
	NGF	66,934,193	58,791,519	(94,695)	58,696,824	0	0	0	0	0	0

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Medicaid Fee-for-Service Payment Delay Comparison to HCPF ES-2
Department: Department of Human Services **Dept. Approval by:**
Priority Number: **OSPb Approval:** **Date:**

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
(9) Services for People with Disabilities, (A) Community Services for People with	Total	255,829,750	269,004,046	(2,591,966)	266,412,080	0	0	0	0	0	0
Developmental	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disabilities, (2) Program	GF	1,550,603	1,650,459	0	1,650,459	0	0	0	0	0	0
Costs, Adult	CF	0	30,798,715	0	30,798,715	0	0	0	0	0	0
Comprehensive	RF	254,279,147	236,554,872	(2,591,966)	233,962,906	0	0	0	0	0	0
Services for 66 General	FF	0	0	0	0	0	0	0	0	0	0
Fund and 4,221.0	MCF	254,279,147	236,554,872	(2,591,966)	233,962,906	0	0	0	0	0	0
Medicaid resources	MGF	127,139,574	83,315,741	(1,340,006)	81,975,735	0	0	0	0	0	0
	NGF	128,690,177	84,966,200	(1,340,006)	83,626,194	0	0	0	0	0	0
(9) Services for People with Disabilities, (B) Regional Centers for	Total	53,179,604	44,388,779	(1,357,815)	43,030,964	0	0	0	0	0	0
People with	FTE	881.0	927.1	0.0	927.1	0.0	0.0	0.0	0.0	0.0	0.0
Developmental	GF	0	0	0	0	0	0	0	0	0	0
Disabilities, (1) Medicaid-funded Services,	CF	2,753,528	2,060,389	0	2,060,389	0	0	0	0	0	0
Personal Services	RF	50,426,076	42,328,390	(1,357,815)	40,970,575	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	50,426,076	42,328,390	(1,357,815)	40,970,575	0	0	0	0	0	0
	MGF	16,183,412	14,795,977	(652,546)	14,143,431	0	0	0	0	0	0
	NGF	16,183,412	14,795,977	(652,546)	14,143,431	0	0	0	0	0	0

Non-Line Item Request: None

Letternote Text Requested for FY 2010-11: (8) **Mental Health and Alcohol and Drug Abuse Services^b** Of this amount, \$4,314,176 shall be from patient revenues, \$1,459,390 shall be transferred from the Department of Corrections (including \$400,493 for services for the La Vista Facility), \$548,765 shall be transferred from the Division of Youth Corrections for services for the Sol Vista Facility, \$213,787 shall be transferred from the Department of Education, and \$12,000 shall be transferred from Regional Centers. For informational purposes only, of the patient revenues, ~~\$2,916,208~~ \$2,734,640 is estimated to be from Medicaid funds transferred from the Department of Health Care Policy and Financing, \$943,228 is estimated to be Medicaid revenue earned from behavioral health organizations through Mental Health Community Capitation, \$196,355 is estimated to be transferred from the Division of Youth Corrections for services provided by the therapeutic residential child care facility at the Colorado Mental Health Institute at Fort Logan, and \$258,385 is estimated to be transferred from Medicaid funding from the Department of Health Care Policy and Financing to Child Welfare Services for mental health treatment at the therapeutic residential child care facility at the Colorado Mental Health Institute.

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Medicaid Fee-for-Service Payment Delay Companion to HCPF ES-2
 Department: Department of Human Services Dept. Approval by: _____ Date: _____
 Priority Number: _____ OSPB Approval: _____ Date: _____

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13

(9) Services for People with Disabilities, (2) Program Costs-^b Of this amount ~~\$305,993,911~~ \$303,401,945 shall be from Medicaid funds transferred from the Department of Health Care Policy and Financing, and \$481,488 shall be transferred from the Division of Vocational Rehabilitation. These amounts reflect the assumption that \$2,432,000 shall be received by community providers from consumers associated with post eligibility treatment of income assessments.

Cash or Federal Fund Name and COFRS Fund Number:
 Reappropriated Funds Source, by Department and Line Item Name:
 Approval by OIT? Yes: No: N/A:
 Yes:
 Schedule 13s from Affected Departments: Health Care Policy and Financing



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Joan Henneberry
Executive Director

Todd Saliman
Office of State Planning and Budgeting

*FY 2010-11 Budget Reduction Proposal
October 22, 2010*

HCPF Fee-for-Service Delay in FY 2010-11

Proposal:

The Department of Health Care Policy and Financing (HCPF) proposes to reduce its appropriations by \$26,963,336 General Fund in FY 2010-11. The Department would achieve these savings by extending an existing Medicaid fee-for-service payment delay by one week (to a total of three weeks) in FY 2010-11. This proposal also results in cost avoidance of \$28,115,256 million related to payback of the FY 2009-10 payment delay. This payback was included in the September 2010 OSPB forecast, but is now offset by the ongoing delay described in this proposal.

Summary of Request:

The September 2010 OSPB Revenue Forecast included an expenditure liability of \$28,115,256 General Fund as required by current law for repayment of a two-week delay in payments to Fee-for-service Medicaid providers in FY 2009-10. This proposal assumes that HCPF will delay payments at the end of FY 2010-11 for a total of three weeks, a one-week increase over the FY 2009-10 delay. The proposal also assumes that the delay will continue indefinitely.

The Department estimates that a three week payment delay beginning at the end of FY 2010-11 will reduce the current HCPF appropriation by \$58,909,924 Total Funds, including \$26,963,336 General Fund, in FY 2010-11. The request subtracts three weeks from the end of FY 2010-11, pushing those payments into FY 2011-12, and also accounts for the payback the two weeks delayed at the end of FY 2009-10. Because the savings in FY 2010-11 exceed the payback cost, the result is a net reduction (see Table 2). Implementing this proposal requires that enabling legislation be passed in the 2011 Session. Under current law, Section 25.5-4-401(1)(c) C.R.S., the Department is prohibited from intentionally delaying the provider payment cycle, unless the State is expected to be unable to pay claims.

- At the end of FY 2009-10, the Department was directed to delay the final two weeks of Medicaid fee-for-service payments processed through the Department's claims processing system, the Medicaid Management Information System (MMIS). This resulted in actual savings in FY 2009-10 of \$79,348,709 Total Funds and \$28,115,256 General Fund. The General Fund savings was originally estimated at \$38 million in the June 2010 OSPB Forecast.
 - These payments were then processed in July of FY 2010-11.
 - Payment of these claims in FY 2010-11 has already happened.
- With this proposal, the final three weeks of FY 2010-11 fee-for-service expenditures that are processed through the Department's Medicaid Management Information System (MMIS) will be paid in the beginning of July 2011.
- The one time savings from this delay will be partially offset by accounting for the two weeks of delayed payments that occurred in June 2010 and were paid in July 2010.

- The Department believes that providers who were aware of the payment delay may take steps to expedite claims billing ahead of the delay. For example, in Medical Services Premiums, payments for services in the first three weeks of June 2010 were \$22.7 million higher than the first three weeks of May 2010. Where appropriate, the Department has adjusted the calculations to account for the likelihood that the delayed weeks will save less than an average week of expenditure by basing its savings estimate on actual savings from the FY 09-10 payment delay, adjusted for caseload and rate changes.
- The Department will attempt to mitigate the impact on providers by staggering the delayed weeks over the course of the year, instead of imposing a one-time three-week delay.
 - However, the Department is prohibited by statute from interrupting the normal payment schedule.
 - Therefore, any mitigation efforts will depend on the timing of enabling legislation.

FMAP Concerns

- In FY 2010-11, the Department will receive an enhanced federal medical assistance percentage (FMAP).
 - At the end of FY 2010-11, the Department will receive a 56.88% federal match on claims (through June 30, 2011).
 - In FY 2011-12 and beyond, the Department would only receive a 50.00% federal match on claims (effective July 1, 2011).
- Due to this request to delay claims payments, the Department will lose the enhanced federal match on claims which are delayed in June 2011 and paid in July 2011.
- Although the payment delay will save \$55,078,592 General Fund against the FY 2010-11 estimated expenditure, the Department will expend \$63,890,626 General Fund in FY 2011-12 to repay the delayed claims.
- Payment of the FY 2010-11 claims will be reflected in the Department's FY 2011-12 budget request. However, the budget request will also reflect ongoing payment delays so that there are 51 weeks of payments in FY 2010-11 and 52 weeks of payments in FY 2011-12 and beyond. Reversing the delay would require 55 weeks of payments appropriated for one fiscal year.
- As long as the payment delay continues, the impact to the budget remains delayed. However, if the timing of payments ultimately returns to a situation in which there is no delay, then the Department would pay at least \$8.8 million General Fund more than the savings achieved. This cost is attributable the difference in the federal reimbursement rates for FY 2010-11 and FY 2011-12.
 - The actual cost could be higher since this amount grows as the Medicaid program grows.
- Regardless of the potential long-term cost that would be incurred if the payment delay was eliminated, the anticipated savings from this proposal are expected to continue in future years.

Assumptions and Tables to Show Calculations:

- For each line item, the Department trended forward the anticipated expenditures (based on the appropriation), calculated an estimated weekly expenditure, and then applied a reduction factor, based on the percentage of the average weekly expenditure likely to be delayed (as derived from the FY 2009-10 experience).

- For the weeks delayed at the end of FY 2010-11, the Department assumes it will receive a federal medical assistance percentage (FMAP) of 50% for those programs not subject to the ARRA enhanced FMAP.
- The Department applied fund splits based on the historical expenditure patterns across funds or used specific caseloads where applicable (e.g. Health Care Expansion Fund, Hospital Provider Fee).
- The September 2010 OSPB Revenue Forecast included an expenditure liability of \$28,115,256 General Fund as required by current law for repayment of a two-week delay in payments to Fee-for-service Medicaid providers in FY 2009-10. In addition to the savings noted in Table 1 (below), this proposal avoids the cost of that anticipated repayment.
- Table 1 (below) shows the impact of the request by Long Bill line item. Further detail, showing how each line item total was derived, is included in the Appendices.

Table 1: Summary of Request FY 2010-11 (Matches Schedule 13)

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	(\$58,909,924)	(\$26,963,336)	(\$2,587,562)	(\$74,709)	(\$29,284,317)
(1) Executive Director's Office; (B) Transfers to Other Departments, Nurse Home Visitor Program	(\$46,456)	\$0	\$0	(\$21,710)	(\$24,746)
(2) Medical Services Premiums	(\$53,573,310)	(\$24,777,839)	(\$1,865,392)	\$0	(\$26,930,079)
(3) Medicaid Mental Health Programs; (A) Mental Health Capitation Payments	\$125	\$49	\$0	\$0	\$76
(3) Medicaid Mental Health Community Programs; (B) Other Medicaid Mental Health Payment; Medicaid Mental Health Fee for Service Payments	(\$90,374)	(\$41,699)	\$0	\$0	(\$48,675)
(5) Other Medical Services; Services for Old Age Pension State Medical Program Clients	(\$470,132)	\$0	(\$470,132)	\$0	\$0
(5) Other Medical Services; Public School Health Services	(\$491,844)	\$0	(\$252,038)	\$0	(\$239,806)

Table 1: Summary of Request FY 2010-11 (Matches Schedule 13)

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
(6) Department of Human Services, Medicaid Funded Programs; (D) Division of Child Welfare - Medicaid Funding, Child Welfare Services	(\$106,584)	(\$56,600)	\$0	\$0	(\$49,984)
(6) Department of Human Services, Medicaid Funded Programs; (F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding, Mental Health Institutes	(\$181,568)	(\$94,695)	\$0	\$0	(\$86,873)
(6) Department of Human Services, Medicaid Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Community Services for People with Developmental Disabilities Program Costs	(\$2,591,966)	(\$1,340,006)	\$0	\$0	(\$1,251,960)
(6) Department of Human Services, Medicaid Funded Programs; (G) Services for People with Disabilities - Medicaid Funding, Regional Centers	(\$1,357,815)	(\$652,546)	\$0	(\$52,999)	(\$652,270)

**Table 2
Summary of Request Components**

Total Funds	FY 2010-11
Repayment of FY 2009-10 Payment Delay	\$79,348,709
New Three Week Payment Delay	(\$138,258,633)
Total Funds (Net Savings)	(\$58,909,924)

Table 2	
Summary of Request Components	
General Fund	FY 2010-11
Repayment of FY 2009-10 Payment Delay	\$28,115,256
New Three Week Payment Delay (Net Impact)	(\$55,078,592)
General Fund (Net Savings)	(\$26,963,336)

Current Statutory Authority or Needed Statutory Change:

Pursuant to SB 09-265, the Department was granted statutory authority to delay managed care payments. While this authorization was repealed in HB 10-1382, similar statutory authorization would be required to implement this request during the 2011 Session.

In order to implement this request, the following statutes would need to be revised to authorize a delay:

- 25.5-5-407.5, C.R.S. on Prepaid Inpatient Health Plan (PIHP) payment requirements;
- 25.5-5-408, C.R.S. on Managed Care Entity capitation (MCE) payment requirements;
- 25.5-5-411, C.R.S. on behavioral health organization (BHO) capitation payment requirements;
- 25.5-5-412, C.R.S. on Program of All-Inclusive Care for the Elderly (PACE) payment requirements; and
- 25.5-8-110, C.R.S. on Children's Basic Health Plan payment requirements.

Current statutory authority includes:

25.5-4-401 (1), C.R.S. (2010). Providers - payments - rules - repeal.

(c) The state department shall exercise its overexpenditure authority under section 24-75-109, C.R.S., and shall not intentionally interrupt the normal provider payment schedule unless notified jointly by the director of the office of state planning and budgeting and the state controller that there is the possibility that adequate cash will not be available to make payments to providers and for other state expenses. If it is determined that adequate cash is not available and the state department does interrupt the normal payment cycle, the state department shall notify the joint budget committee of the general assembly and any affected providers in writing of its decision to interrupt the normal payment schedule. Nothing in this paragraph (c) shall be interpreted to establish a right for any provider to be paid during any specific billing cycle.

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table A.1: Delayed Payment Incremental Savings Calculation for Medical Services Premiums Acute Care

Row	Description	FY 2010-11	Source
A	Estimated Acute Care Expenditure	\$1,710,725,003	FY 2010-11: FY 2010-11 Long Bill ⁽¹⁾
B	Proportion of FY 2008-09 Acute Care that is HMO Expenditure	7.96%	February 2010 Request Exhibit N: The average proportion of Acute expenditure that is HMO, from FY 2003-04 through FY 2008-09, carried forward.
C	Estimated FY 2009-10 HMO Expenditure	\$136,173,710	Row A * Row B
D	Estimated Current Year Expenditure to be Affected by Shifted Payment	\$1,574,551,293	Row A - Row C
E	Payment Weeks	52	Weeks in the fiscal year
F	Expenditure per Week	\$30,279,833	Row D / Row E
G	Weeks Delayed	3	Department's Request
H	Expected Shifted Payment	(\$90,839,499)	-(Row G * Row H)
I	Cash Flow Adjustment	100.00%	Table F
J	Estimated Shift	(\$90,839,499)	Row H * Row I
K	Estimated Expenditure from Prior Year due to Shifted Payment	\$57,076,855	FY 2010-11: Actuals
L	Total Estimated Expenditure Shift	(\$33,762,644)	Row J + Row K

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee.

Table A.2: Delayed Payment Incremental Savings Calculation for Medical Services Premiums Community Based Long Term Care

Row	Description	FY 2010-11	Source
A	Estimated Current Year Expenditure to be Affected by Shifted Payment	\$323,407,317	FY 2010-11 Long Bill ⁽¹⁾
B	Payment Weeks	52	Weeks in the fiscal year
C	Expenditure per Week	\$6,219,371	Row A / Row B
D	Weeks Delayed	3	Department's Request
E	Expected Shifted Payment	(\$18,658,113)	-(Row G * Row H)
F	Cash Flow Adjustment	65.40%	Table F
G	Estimated Shift	(\$12,202,406)	Row E * Row F
H	Estimated Expenditure from Prior Year due to Shifted Payment	\$5,025,903	FY 2010-11: Actuals
I	Total Estimated Expenditure Shift	(\$7,176,503)	Row G + Row H

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee.

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table A.3: Delayed Payment Incremental Savings Calculation for Medical Services Premiums Long Term Care, Nursing Facilities and Health-Insurance Buy In

Row	Description	FY 2010-11	Source
A	Estimated Current Year Expenditure to be Affected by Shifted Payment	\$567,455,150	FY 2010-11 Long Bill ⁽¹⁾
B	Payment Weeks	52	Weeks in the fiscal year
C	Expenditure per Week	\$10,912,599	Row A / Row B
D	Weeks Delayed	3	Department's Request
E	Expected Shifted Payment	(\$32,737,797)	-(Row G * Row H)
F	Cash Flow Adjustment	63.29%	Table F
G	Estimated Shift	(\$20,718,115)	Row E * Row F
H	Estimated Expenditure from Prior Year due to Shifted Payment	\$8,129,728	FY 2010-11: Actuals
I	Total Estimated Expenditure Shift	(\$12,588,387)	Row G + Row H

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee.

Table A.4: Summary of Medical Services Premiums

Row	Description	FY 2010-11	Source
A	Acute Care	(\$33,762,644)	Table A.1
B	Community Based Long Term Care	(7,176,503)	Table A.2
C	Long Term Care	(\$12,588,387)	Table A.3
D	FY 2009-10 Accounts Receivable Balance	(\$45,776)	From FY 2009-10 payment delay.
E	Total	(\$53,573,310)	Row A + Row B + Row C + Row D

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table B.1: Delayed Payment Incremental Savings Calculation for Mental Health Fee-for-Service

Row	Description	FY 2010-11	Source
A	Estimated Current Year Incurred Expenditure to be Affected by Shifted Payment	\$2,965,758	FY 2010-11 Long Bill ⁽¹⁾
B	Payment Weeks	52	Weeks in the Fiscal Year
C	Expenditure per Week	\$57,034	Row A / Row B
D	Weeks Delayed	3	Department's Request
E	Expected Shifted Payment	(\$171,102)	-(Row G * Row H)
F	Cash Flow Adjustment	86.69%	Table F
G	Estimated Shift	(\$148,320)	Row E * Row F
H	Estimated Expenditure from Prior Year due to Shifted Payment	\$57,946	FY 2010-11: Actuals
I	Total Estimated Expenditure Shift	(\$90,374)	Row G + Row H

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee.

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table C.1: Delayed Payment Incremental Savings Calculation for Other Medical Services, Old Age Pension State Medical Program

Row	Description	FY 2010-11	Source
A	Estimated Current Year Expenditure to be Affected by Shifted Payment	\$15,083,483	FY 2010-11 Long Bill ⁽¹⁾
B	Payment Weeks	52	Weeks in the fiscal year
C	Expenditure per Week	\$290,067	Row A / Row B
D	Weeks Delayed	3	Department's Request
E	Expected Shifted Payment	(\$870,201)	-(Row G * Row H)
F	Cash Flow Adjustment	97.25%	Table F
G	Estimated Shift	(\$846,227)	Row E * Row F
H	Estimated Expenditure from Prior Year due to Shifted Payment	\$376,095	FY 2010-11: Actuals
I	Total Estimated Expenditure Shift	(\$470,132)	Row G + Row H

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee.

Table C.2: Delayed Payment Incremental Savings Calculation for Other Medical Services, Nurse Home Visitor Program

Row	Description	FY 2010-11	Source
A	Estimated Current Year Expenditure to be Affected by Shifted Payment	\$3,010,000	FY 2010-11 Long Bill ⁽¹⁾
B	Payment Weeks	52	Weeks in the fiscal year
C	Expenditure per Week	\$57,885	Row A / Row B
D	Weeks Delayed	3	Department's Request
E	Expected Shifted Payment	(\$173,655)	FY 2010-11: -(Row G * Row H)
F	Cash Flow Adjustment	47.27%	Table F
G	Estimated Shift	(\$82,078)	Row E * Row F
H	Estimated Expenditure from Prior Year due to Shifted Payment ⁽²⁾	\$35,622	FY 2010-11: Actuals
I	Total Estimated Expenditure Shift	(\$46,456)	Row G + Row H

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee. This appropriation has not experienced a year-to-year change in recent history.

Note: This program was moved from Long Bill Group (5): Other Medical Services, to Long Bill Group (1): Executive Director's Office; (B) Transfers to Other Departments, in the FY 2010-11 Long Bill.

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table C.3: Delayed Payment Incremental Savings Calculation for Other Medical Services, Public School Health Program

Row	Description	FY 2010-11	Source
A	Previous Year's Weekly Shifted Payment ⁽¹⁾	(\$424,149)	FY 2010-11: Actuals
B	Expenditure Trend	5.32%	Average change in Acute Care expenditure from over the last five fiscal years
C	Estimated Weekly Shift	(\$446,714)	FY 2010-11: Row A * (1+ Row B)
D	Weeks Shifted	3	Request
E	Estimated Total Shift	(\$1,340,142)	Row C / Row D
F	Estimated Expenditure from Prior Year due to Shifted Payment ^(1,2)	\$848,298	FY 2010-11: Actuals
G	Total Estimated Expenditure Shift	(\$491,844)	Row F + Row G

⁽¹⁾ The Department has determined the amount of the appropriation attributable to these services from documentation provided by the Joint Budget Committee.

⁽²⁾ Expenditure in later months has often outpaced the rest of the fiscal year, making average weekly payments a poor predictor of year end payments.

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table D.1: Delayed Payment Incremental Savings Calculation for Department of Human Services Medicaid: Child Welfare Services

Row	Description	FY 2010-11	Source
A	Previous Year's Weekly Shifted Payment ⁽¹⁾	(\$112,956)	FY 2010-11: Actuals
B	Expenditure Trend	-1.88%	1/4 of the 5 year average change in program expenditure
C	Estimated Weekly Shift	(\$110,832)	FY 2010-11: Row A * (1+ Row B)
D	Weeks Shifted	3	Request
E	Estimated Total Shift	(\$332,496)	Row C / Row D
F	Estimated Expenditure from Prior Year due to Shifted Payment ^(1,2)	\$225,912	FY 2010-11: Actuals
G	Total Estimated Expenditure Shift	(\$106,584)	Row F + Row G

⁽¹⁾ Expenditure in later months has often outpaced the rest of the fiscal year, making average weekly payments a poor predictor of year end payments.

Table D.2: Delayed Payment Incremental Savings Calculation for Department of Human Services Medicaid: Mental Health Institutes

Row	Description	FY 2010-11	Source
A	Previous Year's Weekly Shifted Payment ⁽¹⁾	(\$174,125)	FY 2010-11: Actuals
B	Expenditure Trend	1.43%	1/4 of the 5 year average change in program expenditure
C	Estimated Weekly Shift	(\$176,606)	FY 2010-11: Row A * (1+ Row B)
D	Weeks Shifted	3	Request
E	Estimated Total Shift	(\$529,818)	Row C / Row D
F	Estimated Expenditure from Prior Year due to Shifted Payment ^(1,2)	\$348,250	FY 2010-11: Actuals
G	Total Estimated Expenditure Shift	(\$181,568)	Row F + Row G

⁽¹⁾ Expenditure in later months has often outpaced the rest of the fiscal year, making average weekly payments a poor predictor of year end payments.

**Medicaid Fee-For-Service Payment Timing
Appendix**

Table D.3: Delayed Payment Incremental Savings Calculation for Department of Human Services Medicaid: Community Services Adult Program

Row	Description	FY 2010-11	Source
A	Previous Year's Weekly Shifted Payment ⁽¹⁾	(\$2,360,410)	FY 2010-11: Actuals
B	Expenditure Trend	3.27%	1/4 of the 5 year average change in program expenditure
C	Estimated Weekly Shift	(\$2,437,595)	FY 2010-11: Row A * (1+ Row B)
D	Weeks Shifted	3	Request
E	Estimated Total Shift	(\$7,312,785)	Row C / Row D
F	Estimated Expenditure from Prior Year due to Shifted Payment ^(1,2)	\$4,720,819	FY 2010-11: Actuals
G	Total Estimated Expenditure Shift	(\$2,591,966)	Row F + Row G

⁽¹⁾ Expenditure in later months has often outpaced the rest of the fiscal year, making average weekly payments a poor predictor of year end payments.

Table D.4: Delayed Payment Incremental Savings Calculation for Department of Human Services Medicaid: Regional Centers

Row	Description	FY 2010-11	Source
A	Previous Year's Weekly Shifted Payment ⁽¹⁾	(\$1,274,466)	FY 2010-11: Actuals
B	Expenditure Trend	2.18%	1/4 of the 5 year average change in program expenditure
C	Estimated Weekly Shift	(\$1,302,249)	FY 2010-11: Row A * (1+ Row B)
D	Weeks Shifted	3	Request
E	Estimated Total Shift	(\$3,906,747)	Row C / Row D
F	Estimated Expenditure from Prior Year due to Shifted Payment ^(1,2)	\$2,548,932	FY 2010-11: Actuals
G	Total Estimated Expenditure Shift	(\$1,357,815)	Row F + Row G

⁽¹⁾ Expenditure in later months has often outpaced the rest of the fiscal year, making average weekly payments a poor predictor of year end payments.