



Colorado Department of Health Care Policy and Financing

2013 Budget and Legislative Agenda

Budget Decision Items

1. **MMIS** – Purchasing a modern Medicaid Management Information System (MMIS) – The current MMIS is highly outdated and operationally inefficient. A new system, purchased with 90% federal funding, will improve the Department's ability to quickly implement policy changes, avoid manual workarounds, and pursue innovative provider reimbursement methodologies. Request for \$1.4 million in General Funds.
2. **Dental benefit for adults** – Providing access to regular, preventive dental care can save money on emergency care in the future and improve clients' overall health. Using funding from the Unclaimed Property Trust Fund and reducing General Fund expenditures by over \$747,000, this request will provide a limited dental benefit for adults. No General Fund dollars are requested.
3. **Substance Use Disorder** – This request expands the current benefit to give providers more treatment options and will create better oversight by including this disorder in the Behavioral Health Organization (BHO) contract. Request for \$1,818,130 in General Funds.
4. **A 1.5% provider rate increase** – Maintaining and growing our provider network is critical to ensuring our clients have access to health care when they need it. Request for \$14,578,983 in General Funds.
5. **FTE request** – request for 7.4 additional FTE. The Department has moved from being a payer of health care claims to an organization charged with transforming how we deliver and pay for health care. There has been a fundamental shift in the work of the Department and FTE has not kept pace with the growth of the programs administered by the Department and has not reflected this shift in our mission. The Department's inadequate FTE level is impairing its ability to execute its mission to improve health care access and outcomes for the people it serves while demonstrating sound stewardship of financial resources, which has led to federal disallowances, audit findings, and inadequate customer service. Request for \$352,172 General Funds.
6. **Customer Service Technology Improvements request** – The Department is requesting funding to expand the role that the phone system plays in providing high-quality customer service. Phone system automation, initiated by both voice and data input recognition, would allow a greater range of flexibility to callers and allow more data to be gained accurately in the event that a caller wants to speak with a Representative. The Department anticipates that these improvements will result in lower call volume per FTE, shorter hold times, lower call abandonment rates, and clients obtaining assistance from outside organizations in a more timely and efficient manner. All of these components will be critical to the Customer Contact Center's ability to manage the influx of applicants and clients in 2014. Request for \$900,000 in General Funds.

Legislative agenda

1. **MMIS** – The MMIS is an electronic system responsible for processing of the Department's medical claims and reimbursing providers. The system is constantly modified to meet new requirements by federal law, Department initiatives, and new legislation. When timelines for system modifications change and bump into the next fiscal year, the money appropriated to these projects reverts to the General Fund at the end of the fiscal year – effectively stalling those projects until a supplemental is approved.



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The proposed legislation will change the spending authority to allow dollars allocated for MMIS system changes to roll forward into next FY. It will also create a cash fund to retain appropriated funding past the end of the fiscal year. If unencumbered funds are left in the cash fund after February, the JBC has the ability to reappropriate those funds as they see fit. This change will alleviate the need for Department to seek an annual supplemental and prevent vendor work stoppages. No fiscal impact.

2. **PIHP** – A Prepaid Inpatient Health Program (PIHP) provides medical services to our clients including any inpatient hospital or institutional services through a contract with the Department. Currently the state has one PIHP administered by Rocky Mountain Health Plans (RMHP).

Current state law requires the HCPF to pay a performance incentive to qualifying PIHP within six months of the service. This was initially put into place to ensure timely payment but Department has not been able to meet the 6 month requirement. As a result CMS has threatened to disallow federal financial participation for incentives because the State failed to comply with its own statute. This potentially risks over \$1 million in General Fund monies.

The proposed bill would remove six months from statute and allow HCPF to amend the contract with RMHP. No fiscal impact.

3. **Client Protection and Provider On-site Inspection** – Federal law mandates that CMS, its designated contractors, or the State Medicaid agency have the authority to conduct unannounced on-site inspections of any and all provider locations. State statute says the Department must give a provider 10 days notice of a request for records review, and must give the provider the option to either provide the records or conduct an onsite inspection.

This bill would change state statute to align with federal law that is designed to protect clients and provide another mechanism to guard against fraud, waste, and abuse. No fiscal impact.

4. **Nursing Facility Technical Changes** – These corrections align statute with the Department's actual practice for determining whether a facility is exempt from fees, when facilities report data to the Department, and to clarify that prior year rate adjustments will be handled through payment process in the following year. Clarifying the statute helps reduce the Department's risk of appeals/litigation. No fiscal impact.

Contact: [MaryKathryn Hurd](#), Legislative Liaison
Cell: 303-547-8494