

STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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June 28, 2006

Bill Owens
Governor

Stephen C. Tool
Executive Director

Re: Child Placement Agency and Transfers from Child Welfare
INFORMATIONAL ONLY

Dear County Director:

Several counties submitted a letter to Marva Livingston Hammons and Steve Tool dated June 8, 2006 regarding concerns about the apparent possibility for a transfer of Child Welfare dollars into Mental Health Capitation to fund Child Placement Agency (CPA) services through the Behavioral Health Organizations. In addition, I received other concerns expressed verbally or through e-mail, so wanted to provide our decision to you as soon as possible.

The Department of Health Care Policy and Financing does not intend to restrict funds in the Child Welfare line nor does it intend to request a transfer of such funds in an emergency supplemental. Instead, the Department will continue to expect Behavioral Health Organizations to provide medically necessary mental health services covered under their contract with the Department, which must include services provided to children in CPAs, through their capitation rate, using current funding in the Mental Health Capitation line item. Each year, the Department updates its estimates for Mental Health Capitation in November and February. The Department will utilize this process for Mental Health Capitation, but will not request a transfer from the Child Welfare line. Please note that dollars that draw a Medicaid federal match must continue to be used for appropriate Medicaid purposes.

I hope this addresses your concerns. If you have any questions, please call me at 303-866-5624 or email me at lisa.esgar@state.co.us.

Sincerely,

Lisa Esgar
Operations and Finance Office Director

cc: Steve Tool
Barbara Prehmus
John Bartholomew
Chris Underwood
Jed Ziegenhagen

Antoinette Taranto
Jerry Smallwood
Judy Rodriguez
Reginald Jefferson
Alexis Senger