



COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

A Fact Sheet

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BRI-5 Medicaid Payment Timing

Request: The Department requests a reduction of \$188,101,520 total funds and \$93,822,636 General Fund in FY 2010-11. To achieve these savings, the Department proposes to shift the final two weeks of payments processed through the Medicaid Management Information System (MMIS) in FY 2009-10 into FY 2010-11 as well as shift the final four week's worth of payments from FY 2010-11.

Highlights: The Department requests the ability to mitigate the impact of the current economic climate by spreading the impacts of payments out over future years by shifting the final two weeks of payments processed through the MMIS in FY 2009-10 into FY 2010-11 as well as shifting the final four weeks worth of payments from FY 2010-11. In order to reduce the impact of the out-year expenditure due to the payment delays, the Department also proposes to delay the final three weeks of payments in FY 2011-12, the final two weeks of payments in FY 2012-13, and the final week of payments in FY 2013-14. This "step down" approach to the delayed payments would result in FYs 2011-12 through 2014-15 each paying 53 weeks worth of expenditure.

In SB 09-265, the Department indicated that system changes to the Medicaid Management Information System (MMIS) would not be necessary to implement a payment delay. However, federal regulations at 42 C.F.R. § 447.45(d)(2) require that the Department pay 90% of "claims from practitioners who are in individual or group practice or who practice in shared health facilities, within 30 days of receipt." Additionally, 42 C.F.R. § 447.45(d)(3) requires that the Department pay 99% of "claims from practitioners, who are in individual or group practice or who practice in shared health facilities, within 90 days of the date of receipt." The Department is currently exploring what will be required to maintain compliance with federal regulations, and whether the proposed delayed payment process will require system changes or additional staff as a result of maintaining compliance with the federal regulation

Summary of Request FY 2009-10*	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	(\$44,704,341)	(\$16,302,757)	(\$897,552)	(\$20,388)	(\$27,483,644)
(2) Medical Services Premiums	(\$44,665,147)	(\$21,198,038)	(\$1,094,276)	(\$20,388)	(\$22,352,445)
ARRA Adjustment	\$0	\$4,910,335	\$196,724	\$0	(\$5,107,059)
(3) Medicaid Mental Health Fee for Service Payments	(\$39,194)	(\$19,597)	\$0	\$0	(\$19,597)
ARRA Adjustment	\$0	\$4,543	\$0	\$0	(\$4,543)

**FY 2009-10 is shown for informational purposes only*

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	(\$188,101,520)	(\$93,822,636)	(\$5,227,680)	(\$77,508)	(\$88,973,696)
(2) Medical Services Premiums	(\$166,645,996)	(\$79,070,398)	(\$4,143,069)	(\$76,485)	(\$83,356,044)
ARRA Adjustment	\$0	(\$4,910,335)	(\$196,724)	\$0	\$5,107,059
(3) Medicaid Mental Health Capitation Payments	(\$21,320,366)	(\$9,769,781)	(\$887,887)	(\$1,023)	(\$10,661,675)
(3) Medicaid Mental Health Fee for Service Payments	(\$135,158)	(\$67,579)	\$0	\$0	(\$67,579)
ARRA Adjustment	\$0	(\$4,543)	\$0	\$0	\$4,543

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	\$34,714,989	\$16,530,560	\$798,617	\$16,237	\$17,369,575
(2) Medical Services Premiums	\$36,845,812	\$17,505,773	\$888,560	\$16,341	\$18,435,138
(3) Medicaid Mental Health Capitation Payments	(\$2,159,753)	(\$989,678)	(\$89,943)	(\$104)	(\$1,080,028)
(3) Medicaid Mental Health Fee for Service Payments	\$28,930	\$14,465	\$0	\$0	\$14,465

**For more information about this Department and its programs, please call
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Media inquires should be directed to Joanne Lindsay at 303-866-3144.