

**Schedule 13  
Funding Request for the 2012-13 Budget Cycle**

Department: Health Care Policy and Financing

Request Title: Medicaid Budget Reduction

Priority Number: S-5

Dept. Approval by: John Bartholomew *JBS 12/20/11* Date

OSPB Approval by: [Signature] *12/27/11* Date

Decision Item FY 2012-13  
 Base Reduction Item FY 2012-13  
 Supplemental FY 2011-12  
 Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	5
		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
	Fund					
<b>Total of All Line Items</b>	<b>Total</b>	\$3,551,534,588	(\$7,859,799)	\$3,567,597,651	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$900,939,403	(\$19,618,256)	\$983,420,675	\$0	\$0
	GFE	\$284,175,417	\$0	\$284,175,417	\$0	\$0
	CF	\$608,377,712	\$15,625,858	\$534,630,271	\$0	\$0
	RF	\$6,388,059	\$0	\$3,101,708	\$0	\$0
	FF	\$1,751,653,997	(\$3,867,401)	\$1,762,269,580	\$0	\$0
<b>(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts</b>	<b>Total</b>	\$7,670,839	\$250,000	\$7,801,722	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$2,100,370	\$62,500	\$2,100,370	\$0	\$0
	GFE	\$0	\$0	\$0	\$0	\$0
	CF	\$60,537	\$0	\$100,654	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$5,509,932	\$187,500	\$5,600,698	\$0	\$0
<b>(2) Medical Services Premiums</b>	<b>Total</b>	\$3,543,863,749	(\$8,109,799)	\$3,559,795,929	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$898,839,033	(\$19,680,756)	\$981,320,305	\$0	\$0
	GFE	\$284,175,417	\$0	\$284,175,417	\$0	\$0
	CF	\$608,317,175	\$15,625,858	\$534,529,617	\$0	\$0
	RF	\$6,388,059	\$0	\$3,101,708	\$0	\$0
	FF	\$1,746,144,065	(\$4,054,901)	\$1,756,668,882	\$0	\$0

Letternote Text Revision Required? Yes:  No:  If yes, describe the Letternote Text Revision:

FY 2012-13: b Of this amount, \$354,642,186-\$370,277,142 shall be from the Hospital Provider Fee Cash Fund Created in Section 25.5-4-402.3 (4)....\$2,743,722-\$2,734,624 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (B) (a) (1)

Cash or Federal Fund Name and COFRS Fund Number: Hospital Provider Fee Cash Fund (24A), Breast and Cervical Cancer Prevention and Treatment Fund (15D), Title XIX

Reappropriated Funds Source, by Department and Line Item Name: None.

Approval by OIT? Yes:  No:  Not Required:

Schedule 13s from Affected Departments: None.

Other information: None.



# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

John W. Hickenlooper  
Governor

*FY 2011-12 Funding Request  
January 3, 2012*

Susan E. Birch  
Executive Director

*Department Priority: S-5  
Request Title: Medicaid Budget Reductions*

Summary of Incremental Funding Change for FY 2011-12	Total Funds	General Fund	FTE
Medicaid Budget Reductions	(\$7,859,799)	(\$19,618,256)	0.0

### Request Summary:

The Department requests a reduction of \$7,859,799 total funds and \$19,618,256 General Fund in FY 2011-12 to account for the current year impact of the savings initiatives the Department proposed in its November 1, 2011 budget request R-6, "Medicaid Budget Reductions". The Department is not requesting funding changes for any initiatives that were not detailed in R-6 as part of this request.

Initiatives with FY 2011-12 impacts include the following: Preterm Labor Prevention, Synagis PAR Review, Expansion of the Physician Administered Drug Rebate Program, Reimbursement Rate Alignment for Developmental Screenings, Physician Administered Drug Pricing and Unit Limits, Public Transportation Utilization, Home Health Therapies Cap, Home Health Care Cap, Seroquel Restrictions, Dental Efficiencies, Augmentative Communication Devices, Ambulatory Surgical Centers, Utilization Management Vendor Funding, Pharmacy Rate Methodology Transition, and Hospital Provider Fee Financing. A detailed description of each initiative can be found in the Department's FY 2012-13 Budget Request R-6: "Medicaid Budget Reductions".

### Assumptions for Calculations:

Calculations for the FY 2011-12 impact of each initiative are included in the Department's FY

2012-13 Budget Request R-6: "Medicaid Budget Reductions".

### Consequences if not Funded:

The Department has already begun implementing these initiatives. If the Department's FY 2011-12 appropriation is not reduced to account for these initiatives, the Department will be overfunded.

### Cash Fund Projections:

See Table 5.1 in Appendix A of the Department's FY 2012-13 Budget Request R-6, "Medicaid Budget Reductions".

### Relation to Performance Measures:

*HCPF Performance Measure 4: Contain Health Care Costs:* The initiatives contained in this request ensure care is both necessary and appropriate without sacrificing the integrity of clients' health.

### Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

New data has resulted in a substantive change in funding need.

### Current Statutory Authority or Needed Statutory Change:

The Executive Director has the authority to limit the amount, scope, and duration of services and can implement reductions and programmatic efficiencies via rule change, per 25.5-4-401 (1) (a), C.R.S. (2011).