

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Health Care Policy and Financing
Request Title: Enhanced Federal Medical Assistance Percentages
Priority Number: BA-10

Dept. Approval by: Josh Block *[Signature]* 1/2/14
 Date

OSPB Approval by: *[Signature]* 1/2/14
 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	5,813,285,256	-	6,917,800,117	78,607,116	93,133,162
	FTE	-	-	-	-	-
	GF	1,271,639,596	-	1,482,380,897	-	(9,434,989)
	GFE	470,280,384	-	470,280,384	-	-
	CF	827,588,988	-	958,819,076	5,616,233	(15,297,970)
	RF	4,441,892	-	3,505,000	(22,801)	(30,401)
	FF	3,239,334,396	-	4,002,814,760	73,013,684	117,896,522
(1) Executive Director's Office; (A) General Administration, General Professional Services and Special Projects	Total	8,492,552	-	6,660,552	150,000	150,000
	FTE	-	-	-	-	-
	GF	2,507,418	-	1,547,418	75,000	75,000
	GFE	-	-	-	-	-
	CF	568,500	-	562,500	-	-
	RF	-	-	-	-	-
	FF	5,416,634	-	4,550,634	75,000	75,000
(1) Executive Director's Office; (B) Transfers to Other Departments; Transfer from Department of Human Services for Nurse Home Visitor Program (NEW LINE)	Total	3,010,000	-	3,010,000	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	1,505,000	-	1,505,000	(22,801)	(30,401)
	FF	1,505,000	-	1,505,000	22,801	30,401
NEW ITEM (1) Executive Director's Office; (I) State of Health Projects, Transfer from General Fund to State of Health Cash Fund	Total	-	-	-	17,089,710	-
	FTE	-	-	-	-	-
	GF	-	-	-	17,089,710	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
NEW ITEM (1) Executive Director's Office; (I) State of Health Projects, State of Health Projects	Total	-	-	-	17,089,710	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	17,089,710	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(2) Medical Services Premiums	Total	4,736,824,877	-	5,323,832,795	44,277,696.0	92,983,162
	FTE	-	-	-	-	-
	GF	1,036,017,966	-	1,035,822,319	(9,269,545)	1,016,898
	GFE	469,842,084	-	469,842,084	-	-
	CF	593,882,063	-	683,541,353	(8,831,948)	(11,775,931)
	RF	2,936,892	-	2,000,000	-	-
	FF	2,634,145,872	-	3,132,627,039	62,379,189	103,742,195
(3) Behavioral Health Community Programs; Behavioral Health Capitation Payments	Total	380,837,424	-	456,935,528	-	-
	FTE	-	-	-	-	-
	GF	151,060,588	-	153,425,552	(2,476,051)	(3,301,401)
	GFE	-	-	-	-	-
	CF	2,033,883	-	12,646,177	(36,993)	(49,324)
	RF	-	-	-	-	-
	FF	227,742,953	-	290,863,799	2,513,044	3,350,725
(4) Indigent Care Programs; Safety Net Provider Payments	Total	311,296,186	-	311,296,186	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	155,648,093	-	155,648,093	(2,340,619)	(3,120,825)
	RF	-	-	-	-	-
	FF	155,648,093	-	155,648,093	2,340,619	3,120,825
(4) Indigent Care Programs; Clinic Based Indigent Care	Total	6,119,760	-	6,119,760	-	-
	FTE	-	-	-	-	-
	GF	3,059,880	-	3,059,880	(46,357)	(61,809)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	3,059,880	-	3,059,880	46,357	61,809
(4) Indigent Care Program; Pediatric Specialty Hospital	Total	11,799,938	-	11,799,938	-	-
	FTE	-	-	-	-	-
	GF	5,899,969	-	5,899,969	(89,385)	(119,180)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	5,899,969	-	5,899,969	89,385	119,180
(4) Indigent Care Program; Children's Basic Health Plan Medical and Dental Costs	Total	196,282,277	-	207,458,484	-	-
	FTE	-	-	-	-	-
	GF	22,825,770	-	26,649,625	(891,849)	(1,189,132)
	GFE	438,300	-	438,300	-	-
	CF	46,413,329	-	46,579,118	-	-
	RF	0	-	-	-	-
	FF	126,604,878	-	133,791,441	891,849	1,189,132
(5) Other Medical Services; Commission on Family Medicine Residency Training Programs	Total	3,371,077	-	3,371,077	-	-
	FTE	-	-	-	-	-
	GF	1,685,538	-	1,685,538	(25,536)	(34,048)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	1,685,539	-	1,685,539	25,536	34,048

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(5) Other Medical Services; State University Teaching Hospitals - Denver Health and Hospital Authority	Total	1,831,714	-	1,831,714	-	-
	FTE	-	-	-	-	-
	GF	915,857	-	915,857	(13,875)	(18,500)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	915,857	-	915,857	13,875	18,500
(5) Other Medical Services; State University Teaching Hospitals - University of Colorado Hospital Authority	Total	633,314	-	633,314	-	-
	FTE	-	-	-	-	-
	GF	316,657	-	316,657	(4,797)	(6,396)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	316,657	-	316,657	4,797	6,396
(5) Other Medical Services; Public School Health Services	Total	54,353,956	-	54,353,956	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	27,176,978	-	27,176,978	(257,496)	(343,328)
	RF	-	-	-	-	-
	FF	27,176,978	-	27,176,978	257,496	343,328
(6) Department of Human Services Medicaid-Funded Programs; (A) Executive Director's Office - Medicaid Funding	Total	17,535,090	-	17,289,499	-	-
	FTE	-	-	-	-	-
	GF	8,767,545	-	8,644,750	(129,724)	(172,965)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	8,767,545	-	8,644,749	129,724	172,965
(6) Department of Human Services Medicaid-Funded Programs; (B) Office of Information Technology Services - Medicaid Funding; Other Office of Information Technology Services line items	Total	572,374	-	526,461	-	-
	FTE	-	-	-	-	-
	GF	286,187	-	263,231	(4,478)	(5,971)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	286,187	-	263,230	4,478	5,971
(6) Department of Human Services Medicaid-Funded Programs; (C) Office of Operations - Medicaid Funding	Total	4,786,843	-	4,955,534	-	-
	FTE	-	-	-	-	-
	GF	2,393,422	-	2,477,767	(37,679)	(50,239)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	2,393,421	-	2,477,767	37,679	50,239
(6) Department of Human Services Medicaid-Funded Programs; (D) Division of Child Welfare - Medicaid Funding; Child Welfare Services	Total	14,579,137	-	14,797,824	-	-
	FTE	-	-	-	-	-
	GF	7,289,569	-	7,398,913	(112,095)	(149,460)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	7,289,568	-	7,398,911	112,095	149,460

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(6) Department of Human Services Medicaid-Funded Programs; (New Line) (D.5) Office of Early Childhood - Medicaid Funding; Division of Community and Family Support, Early Intervention Services	Total	4,582,485	-	4,582,485	-	-
	FTE	-	-	-	-	-
	GF	2,291,243	-	2,291,243	(37,832)	(50,443)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	2,291,242	-	2,291,242	37,832	50,443
(6) Department of Human Services Medicaid-Funded Programs; (F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Residential Treatment for Youth (H.B. 99-1116)	Total	118,593	-	118,593	-	-
	FTE	-	-	-	-	-
	GF	59,297	-	59,297	(911)	(1,215)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	59,296	-	59,296	911	1,215
(6) Department of Human Services Medicaid-Funded Programs; (F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Mental Health Institutes	Total	4,775,751	-	4,775,751	-	-
	FTE	-	-	-	-	-
	GF	2,387,876	-	2,387,876	(36,177)	(48,236)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	2,387,875	-	2,387,875	36,177	48,236
(6) Department of Human Services Medicaid-Funded Programs; (F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Alcohol and Drug Abuse Division, High Risk Pregnant Women Program	Total	1,429,133	-	1,429,133	-	-
	FTE	-	-	-	-	-
	GF	714,567	-	714,567	(10,988)	(14,651)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	714,566	-	714,566	10,988	14,651
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding; Regional Centers	Total	47,499,561	-	49,010,457	-	-
	FTE	-	-	-	-	-
	GF	21,883,639	-	22,604,579	(372,783)	(497,044)
	GFE	-	-	-	-	-
	CF	1,866,142	-	1,866,142	-	-
	RF	-	-	-	-	-
	FF	23,749,780	-	24,539,736	372,783	497,044
(6) Department of Human Services Medicaid-Funded Programs; (G) Services for People with Disabilities - Medicaid Funding; Regional Center Depreciation and Annual Adjustments	Total	1,187,825	-	1,187,825	-	-
	FTE	-	-	-	-	-
	GF	593,913	-	593,913	(8,998)	(11,997)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	593,912	-	593,912	8,998	11,997

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
Fund		Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
(6) Department of Human Services Medicaid-Funded Programs; (I) Division of Youth Corrections - Medicaid Funding	Total	1,365,389	-	1,369,878	-	-
	FTE	-	-	-	-	-
	GF	682,695	-	684,940	(10,233)	(13,644)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	682,694	-	684,938	10,233	13,644
NEW ITEM (7) Office of Community Living; (A) Program Costs, Adult Comprehensive Services for 4,471.2 Medicaid Full Program Equivalents (FPE)	Total	-	-	338,015,700	-	-
	FTE	-	-	-	-	-
	GF	-	-	153,608,493	(2,672,803)	(3,563,737)
	GFE	-	-	-	-	-
	CF	-	-	30,798,715	(6,421)	(8,562)
	RF	-	-	-	-	-
	FF	-	-	153,608,492	2,679,224	3,572,299
NEW ITEM (7) Office of Community Living; (A) Program Costs, Adult Supported Living Services for 692 General Fund FPE and 3,417.5 Medicaid FPE	Total	-	-	47,042,236	-	-
	FTE	-	-	-	-	-
	GF	-	-	27,481,475	(521,107)	(694,809)
	GFE	-	-	0	-	-
	CF	-	-	0	-	-
	RF	-	-	0	-	-
	FF	-	-	19,560,761	521,107	694,809
NEW ITEM (7) Office of Community Living; (A) Program Costs, Children's Extensive Support Services for 659 Medicaid FPE	Total	-	-	18,785,189	-	-
	FTE	-	-	-	-	-
	GF	-	-	9,392,594	(145,238)	(193,651)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	9,392,595	145,238	193,651
NEW ITEM (7) Office of Community Living; (A) Program Costs, Case Management for 692 General Fund and 8,547.7 Medicaid FPE	Total	-	-	26,610,248	-	-
	FTE	-	-	-	-	-
	GF	-	-	14,454,444	(246,269)	(328,359)
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	12,155,804	246,269	328,359

Letternote Text Revision Required? Yes: No: **If yes, describe the Letternote Text Revision:**
 See appendix A for details by cash fund.

Cash or Federal Fund Name and COFRS Fund Number: FF: Title XIX; CF: See appendix A for details by cash fund.

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes: No: **Not Required:**

Schedule 13s from Affected Departments: N/A

Other Information: N/A



COLORADO

Department of Health Care Policy
and Financing

Priority: BA-10
Enhanced Federal Medical Assistance
Percentage
FY 2014-15 Budget Amendment

Cost and FTE

- The Department requests an increase of \$78,607,116 total funds, including an increase of \$5,616,233 cash funds, a decrease of \$22,801 Reappropriated Funds and an increase of \$73,013,684 in federal funds for FY 2014-15 due to an increase in the Federal Medical Assistance Percentage (FMAP) for Colorado and repurposing of funds.

Current Program

- FMAP is determined by the Secretary of Health and Human Services each year; historically, Colorado's FMAP has been 50%, with the exception of years when the FMAP was temporarily increased to combat the effects of recession.
- Pursuant to Section 1905(b) of the Social Security Act, a state's FMAP is a function of the state's per capita personal income relative to national per capita personal incomes.

Problem or Opportunity

- Colorado will receive an increase of 1.01% to its FMAP and 0.71% to its Enhanced FMAP (applicable to the Children's Basic Health Plan) for total FMAPs of 51.01% and 65.71% respectively. These increases will be effective October 2014 through September 2015.
- The Department received an informal notice from the Centers for Medicare and Medicaid Services (CMS) in November 2013 indicating that Colorado's FMAP rates would be increasing. Consequently, the Department's November 1, 2013 budget requests did not account for the increased FMAP and overstate General Fund and cash funds need while understating federal funds need.
- The offset General Fund creates an opportunity to address long term systemic issues that would not otherwise be funded.

Consequences of Problem

- Because the Department's November 2013 requests overstate General Fund and cash funds need, funding is available for other purposes.

Proposed Solution

- The Department request to repurpose the offset General Fund to continue provider rate increases implemented under Section 1202 of the Affordable Care act, and to create a cash fund to fund future projects related to critical access issues and support of the "State of Health".



COLORADO

Department of Health Care Policy and Financing

FY 2014-15 Funding Request | January 2, 2014

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

Department Priority: BA-10

Request Detail: Enhanced Federal Medical Assistance Percentages

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Enhanced Federal Medical Assistance Percentage	\$78,607,116	\$0

Problem or Opportunity:

Currently, the Federal Medical Assistance Percentage (FMAP) is 50% for most Medicaid programs, and is 65% for the Children's Basic Health Plan and the Breast and Cervical Cancer Prevention and Treatment program, which receive an enhanced FMAP (eFMAP). Pursuant to section 1905(b) of the Social Security Act, a state's FMAP is a function of the state's per capita personal income relative to national per capita personal incomes. Each state's FMAP is evaluated annually and can range from 50% to 83%.

The State's eligibility for the higher FMAP rates is primarily due to the income losses experienced during the recession. According to data released in September 2013, Colorado experienced a larger per capita personal income decline in 2009 than the nation overall, and a smaller growth rate in 2010. This caused the gap between Colorado's per capita personal income and the national per capita personal income to shrink; although Colorado's per capita personal income has grown faster than the national average in 2011 and 2012, the declines from prior years were enough to trigger an increase in FMAP.

Per Capita Personal Income 2006-2012				
Year	National	Percent Change	Colorado	Percent Change
2006	\$38,127		\$40,627	
2007	\$39,804	4.40%	\$42,199	3.87%
2008	\$40,873	2.69%	\$43,406	2.86%
2009	\$39,357	-3.71%	\$41,515	-4.36%
2010	\$40,163	2.05%	\$41,717	0.49%
2011	\$42,298	5.32%	\$44,179	5.90%
2012	\$43,735	3.40%	\$45,775	3.61%

Source: Bureau of Economic Analysis, SA1-3 Personal Income Summary

As a result of the changes in per capita personal income, the Department estimates that the State's FMAP rate for federal fiscal year 2014-2015 (October 1, 2014 through September 30, 2015) will be 51.01%; the State's eFMAP rate will be 65.71%.¹

The Department received an informal notice from the Centers for Medicare and Medicaid Services (CMS) in November 2013 indicating that Colorado's FMAP rates would be increasing. Consequently, the Department's November 1, 2013 budget requests did not account for the increased FMAP and overstate General Fund and cash funds need while understating federal funds need.

Because additional General Fund is now available in FY 2014-15, an opportunity exists to rectify critical Medicaid provider access issues as well as to make strategic long term investments.

Proposed Solution:

The Department requests to repurpose General Fund offset by the increase in FMAP to make several strategic investments that contribute to fulfilling Colorado's promise to become the healthiest state in the nation, the "State of Health".

State of Health

The enhanced federal funding in federal fiscal year (FFY) 2015 creates new opportunity to invest in the long term success of Colorado through strategic initiatives that meet the goals contained in the State of Health, which outlines Colorado's commitment to become the healthiest state.² The Department proposes that the available funding would be utilized to provide grants for projects that support the four strategic initiatives of the State of Health. These initiative include the following:

- Promoting Prevention and Wellness;
- Expanding Coverage, Access and Capacity;
- Improving Health System Integration and Quality; and
- Enhancing Value and Strengthening Sustainability.

¹ The formula for FMAP is: $FMAP_{state} = 1 - \left[\left(\frac{Per\ Capita\ Income_{Colorado}^2}{Per\ Capita\ Income_{U.S.}^2} \right) \times 0.45 \right]$. The per capita income statistics are the average of the most recent 3 years of data published by the Bureau of Economic Analysis.

² <http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%22The+State+of+Health+Full+Report.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251854683211&ssbinary=true>

Targeted Investments

Program	General Fund
Continuation of Section 1202 of the Affordable Care Act (Primary Care Rates)	\$18,490,366
Network Adequacy Study	\$75,000
Dental Provider Network Adequacy	\$5,000,000
After Hours Primary Care Incentive Program	\$5,000,000
Colorado Plan to Reduce Prescription Drug Abuse – Primary Care Physician Pain Management Training	\$1,000,000
Social-Emotional Learning Program for Early Childhood Health	\$6,089,710
Total	\$35,655,076

Continuation of Section 1202 of the Affordable Care Act (Primary Care Rates)

The Department requests \$44,277,696 total funds, including \$18,490,366 General Fund in FY 2014-15 in order to maintain physician rates at the equivalent Medicare rate beginning January 1, 2015. The Department also requests \$150,000 total funds, including \$75,000 General Fund, to engage a contractor to study the effect of the rate increase in order to determine whether the rate increases are successfully improving access for Medicaid clients.

Section 1202 of the Affordable Care Act (ACA) requires states to increase Medicaid reimbursement for a number of codes designated as primary care services; Medicaid rates are required to be set at the same level as Medicare (traditionally a higher level of reimbursement). The federal government provided 100% of the funding for the majority of the increase. However, this enhanced federal funding is only available in CY 2013 and CY 2014. In order to continue the rate increase beyond CY 2014, a new funding source is required.

The Section 1202 rate increase is intended to expand access for Medicaid clients during a time when Medicaid eligibility and caseload is expanding in many states. Given the magnitude of the rate increases, the Department believes that the amount of federal investment has been sufficient to achieve this goal. Consequently, allowing the rate increase to sunset may have the opposite effect; primary care access would likely be reduced following a return to standard Medicaid reimbursement. Given that the State has opted to expand Medicaid in SB 13-200, any reductions in access to primary care services could have potentially large negative fiscal implications for the state as clients could seek care in less appropriate settings, such as the emergency room. Health outcomes for clients could suffer as well. Continuing the Section 1202 rate increases in FY 2014-15 and FY 2015-16 is an important step in ensuring sufficient Medicaid network adequacy for a growing Medicaid population.

Under Section 1202, federal requirements have limited the number of providers eligible to receive the increased reimbursement. Providers are currently required to self-attest that they are eligible for the increase and belong to specific specialties. The self-attestation process is administratively burdensome for both providers and the Department. Further, it restricts the number of providers that could potentially benefit from

the rate increase. Consequently, the Department requests that the rate increase would be continued in FY 2014-15 and FY 2015-16 without the requirement of self-attestation by providers. This would allow non-primary care providers that are providing a medical home for clients to obtain the increase (for example, nephrologists or HIV doctors may be the primary provider for certain clients) and allow advanced practice nurses who independently practice to get the increase. The Department believes this is the optimal solution as this creates an incentive for a broader spectrum of providers to increase their Medicaid panels and allows for the greatest amount of Medicaid provider network growth.

Because Colorado's FMAP is likely to fluctuate over time, the availability of funds to perpetuate the ACA Section 1202 rate increase indefinitely using this financing mechanism is uncertain. Because Colorado's income has been growing relative to national income for the last two years (2011 and 2012), the Department believes that sufficient funding would be available only through FY 2015-16. Consequently, the Department requests to continue the rate increases through FY 2015-16 only, and would address the issue through the regular budgetary process moving forward.

The Department would continue to study the impact of the rate increase on network capacity to inform future decisions regarding the increase. In order to accomplish this, the Department's request includes funding to engage a contractor to study the effect of the rate increase in order to determine whether the rate increases are successfully improving access for Medicaid clients.

Continuation of the Section 1202 rate increases directly contributes to achieving the State of Health by promoting expanded coverage, access and capacity.

Dental Provider Network Adequacy

The Department proposes that \$5 million General Fund would be utilized to promote growth of the Medicaid dental provider network. Anecdotally, active enrolled dental providers in Medicaid totaled 771 as of November 2013; this compares to 4,992 statewide licensed dental provides, or a Medicaid participation rate of only 15.44%. The low participation rate highlights the need for strategic recruitment and additional financial incentives for participation.

Implementation of an adult dental benefit and continuous strong growth in children's caseload necessitates a robust Medicaid dental provider network. Coupled with the across-the-board rate increases of FY 2013-14 and the proposed rate increases for FY 2014-15, the Department believes that targeted incentive payments to dental providers for total Medicaid volume, increases in volume relative to a benchmark, or a combination thereof, could achieve much needed network growth.

Further development of the Medicaid dental provider network advances the State of Health by promoting expanded coverage, access and capacity.

Afterhours Primary Care Incentive Program

The Department requests \$5 million General Fund to implement a program to incentivize primary care providers to offer extended office hours. Statewide, emergency room utilization rates continue to rise

annually. This occurs despite multiple interventions and efforts to promote utilization of primary care services. While there are many factors that contribute to growth in utilization of emergency rooms, one likely factor is that the emergency room can be the only setting to get access to care in the evenings and on weekends. By providing additional resources to primary care providers to extend their office hours, the Department would seek to reduce the growth rate of emergency room utilization while simultaneously growing Medicaid provider network adequacy.

The Department would evaluate the impact of the program and request additional funds to continue providing incentives to providers should the program prove to be effective.

By strengthening sustainability, expanding coverage, access and capacity, this request moves Colorado toward the State of Health.

Colorado Plan to Reduce Prescription Drug Abuse – Primary Care Physician Pain Management Training

The Department requests \$1 million General Fund to implement a primary care physician pain management training program. Colorado is ranked second worst in the nation in prescription painkiller abuse.³ In the Governor’s September 2013 Colorado Plan to Reduce Prescription Drug Abuse, it was noted that this area is “a crucial part of our commitment to make Colorado the healthiest state”. The enhanced FMAP has created an opportunity to begin implementation of the plan and to take action to address Colorado’s prescription drug abuse problem.

Evidence has shown that an effective strategy for reducing abuse of pain medications is to provide training to primary care physicians.⁴ A training program for primary care physicians is an important step towards addressing misuse of prescription pain killers, and the associated costs, in Colorado. Further, training programs have shown to improve clinical outcomes, client satisfaction, and even provider satisfaction when faced with managing the care of clients with chronic pain. Should the program demonstrate efficacy, the Department could request additional funding to provide ongoing training for physicians through the regular budgetary process.

The proposal supports not only the Colorado Plan to Reduce Prescription Drug Abuse, but also the State of Health by both improving quality for clients and strengthening sustainability through cost containment.

Social-Emotional Learning Program for Early Childhood Health

The Department requests \$6,089,710 General Fund to implement a social-emotional learning program for early childhood health. Funding social-emotional learning programs for early childhood health would support Colorado youth by providing skills necessary to become fully productive members of the workforce as adults. Early intervention and support is key. The State must continue to invest in programs that provide long term benefits to its citizens. This investment would do so by providing early intervention to children with behavioral health issues, in order to prevent childhood conditions from continuing on into adulthood.

³ <http://www.mcw.edu/Releases/2013-News-Releases/Pain-Training-for-Primary-Care.htm>

⁴ <http://www.samhsa.gov/data/2k12/NSDUH115/sr115-nonmedical-use-pain-relievers.htm>

In terms of health care costs, this program has the longest term return on investment of the proposed programs. However, it is likely that noticeable returns will be observed in other areas such as test performance and other indicators of childhood success. These short term results can be utilized to evaluate the programs efficacy; should the program produce results, additional funding to continue the program can be requested through the normal budgetary process.

This proposal supports the State of Health by promoting system integration and quality, and strengthening sustainability.

Creation of the State of Health Cash Fund to Address Systemic Issues and Long Term Strategic Opportunities

While continuation of the Section 1202 primary care rate increases can be implemented in FY 2014-15 and continued in 2015-16, implementation of the other four projects will likely occur over several fiscal years. To take advantage of the enhanced FMAP in such a way that promotes the State's long term strategic health care objectives and achieve the State of Health, the Department believes that utilization of a cash fund is the most appropriate mechanism of funding for the later four projects.

The Department requests that the Joint Budget Committee sponsor legislation to create the State of Health Cash Fund; further, the Department requests that the cash fund receives an appropriation of \$17,089,710 General Fund, in order to address systemic issues and fund long term strategic opportunities in order to improve the health of Coloradoans. Further, the Department requests an appropriation from the cash fund to a new line item. Because it is not yet certain that the Department can receive a federal match, the Department requests that committee not apply the "H" headnote to this appropriation, to allow the Department to maximize the amount of funding available.

Colorado's per capita personal income has grown relative to the national statistics for the last two years; if this trend continues, the State's FMAP would begin to shrink as early as FFY 2016. As a result, the Department believes that investment opportunities that would require ongoing funding are not sustainable. The Department estimates that there would be sufficient General Fund made available by the increased FMAP in FY 2014-15 to both fully fund the continuation of Section 1202 rate increases, and fund approximately \$17 million General Fund in additional projects. However, in FY 2015-16, the Department estimates the enhanced FMAP would offset only enough General Fund to finance the continuation of Section 1202 rate increases, with no additional funding for other projects. Because of the one-time nature of the surplus General Fund in FY 2014-15, the Department proposes creation of a cash fund that could be utilized to address systemic issues and long term strategic projects that would otherwise lack a funding source. Utilization of a cash fund to address these systemic needs would allow the flexibility with implementation timelines to actively engage stakeholders, establish a vetting process for utilization of funds, and partner with the General Assembly on key statewide issues prior to pursuing implementation of projects. The focus of issues proposed to be addressed would require interdepartmental coordination and planning such that implementation timelines would likely cross multiple fiscal years; by placing the surplus funding in a cash fund, the funding would not revert to the General Fund at the end of a fiscal year, allowing the Department to fund projects across multiple years.

Assumptions and Calculations:

The Department assumes that only medical assistance payments will be eligible for the increased FMAP; expenditure classified as administration is ineligible. It is unclear how the relationship between Colorado's per capita personal income and national personal per capita income may change in the future. Therefore, the Department anticipates that it would use the regular budget process in subsequent years to account for any changes to FMAP.

The Department's request contains four major components. First, the Department has recalculated its funding needs for its base budget as submitted on November 1, 2013 for its existing line items which are affected by the change in FMAP. Second, the Department has included the incremental impact of the FMAP increase for FY 2014-15 decision items submitted in November 2013 in this request. Third, the Department requests continuation of the Section 1202 primary care rate increases under the assumption that all attestation requirements are removed. Lastly, the Department requests any remaining General Fund offset is transferred to a newly created cash fund to fund critical access issues and long term strategic investments supporting the State of Health. In the event that any of these requests are not approved or are modified, the impact of this request would need to be modified as well.

Please see the Appendix for detailed calculations.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

This supplemental funding request is the result of new information resulting in a substantive change in funding need. The Department was informally notified of the increase to federal fiscal year 2015 FMAP in November 2013.

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

Table A.1 - FY 2014-15 Impact of Increased FMAP by Long Bill Group						
Summary of Request FY 2014-15	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(1) Executive Director's Office	\$34,329,420	\$17,164,710	\$0	\$17,089,710	(\$22,801)	\$97,801
(2) Medical Services Premiums	\$44,756,701	(\$9,032,692)	\$0	(\$8,831,948)	\$0	\$62,621,341
(3) Behavioral Health Community Programs	\$0	(\$2,476,051)	\$0	(\$36,993)	\$0	\$2,513,044
(4) Indigent Care Program	\$0	(\$1,027,591)	\$0	(\$2,340,619)	\$0	\$3,368,210
(5) Other Medical Services	\$0	(\$44,208)	\$0	(\$257,496)	\$0	\$301,704
(6) Department of Human Services Medicaid-Funded Programs	\$0	(\$761,898)	\$0	\$0	\$0	\$761,898
(7) Office of Community Living	\$0	(\$3,585,417)	\$0	(\$6,421)	\$0	\$3,591,838
Total Impact	\$79,086,121	\$236,853	\$0	\$5,616,233	(\$22,801)	\$73,255,836

Table A.2 Summary of HCPF Funding Request's R-1 through R-17 FY 2014-15 Incremental FMAP "True-up"						
Long Bill Group	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(2) Medical Services Premiums	\$479,005	(\$27,523,058)	\$0	(\$8,831,948)	\$0	\$36,834,011
(3) Behavioral Health Community Programs Total	\$0	(\$2,476,051)	\$0	(\$36,993)	\$0	\$2,513,044
(4) Indigent Care Programs; Children's Basic Health Plan Medical and Dental Costs Total	\$0	(\$891,849)	\$0	\$0	\$0	\$891,849
(7) Office of Community Living	\$0	(\$173,108)	\$0	(\$6,421)	\$0	\$179,529
Total Impact	\$479,005	(\$31,064,066)	\$0	(\$8,875,362)	\$0	\$40,418,433

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

Table A.3 Summary of FY 2014-15 Incremental Fund Split Impact due to Increase FMAP and eFMAP by Long Bill Group (Excluding Incremental Impact of R-1 through R-17)						
Long Bill Group	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(1) Executive Director's Office	\$0	\$0	\$0	\$0	(\$22,801)	\$22,801
(4) Indigent Care Program	\$0	(\$135,742)	\$0	(\$2,340,619)	\$0	\$2,476,361
(5) Other Medical Services	\$0	(\$44,208)	\$0	(\$257,496)	\$0	\$301,704
(6) Department of Human Services Medicaid-Funded Programs	\$0	(\$761,898)	\$0	\$0	\$0	\$761,898
(7) Office of Community Living	\$0	(\$3,412,309)	\$0	\$0	\$0	\$3,412,309
Total Impact	\$0	(\$4,354,157)	\$0	(\$2,598,115)	(\$22,801)	\$6,975,073

Table A.4 Summary of FY 2014-15 Continuation of Section 1202 Primary Care Rate Increase Fiscal Impact						
Long Bill Group	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(2) Medical Services Premiums	\$44,277,696	\$18,490,366	\$0	\$0	\$0	\$25,787,330
Total Impact	\$44,277,696	\$18,490,366	\$0	\$0	\$0	\$25,787,330

Table A.5 Summary of FY 2014-15 Creation of State of Health Cash Fund						
Long Bill Group	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(New Line) General Fund Transfer to State of Health Cash Fund	\$17,089,710	\$17,089,710	\$0	\$0	\$0	\$0
(New Line) General Fund Transfer to State of Health Cash Fund	\$17,089,710	\$0	\$0	\$17,089,710	\$0	\$0
Total Impact	\$34,179,420	\$17,089,710	\$0	\$17,089,710	\$0	\$0

Table A.6 Summary of FY 2014-15 Contractor Funding Need						
Long Bill Group	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(1) Executive Director's Office	\$150,000	\$75,000	\$0	\$0	\$0	\$75,000
Total Impact	\$150,000	\$75,000	\$0	\$0	\$0	\$75,000

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

Table 2.1 - FY 2014-15 Long Bill Group (2) Medical Service Premiums Funding Requests - New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
R-1 Medical Service Premiums	\$479,005	(\$27,144,773)	(\$8,820,706)	\$0	\$36,444,484
R-7 Adult Supported Living Services Waitlist Reduction and Service Plan Authorization Limits Increase	\$0	(\$19,897)	\$0	\$0	\$19,897
R-8 Developmental Disabilities New Full Program Equivalents	\$0	\$14,648	\$0	\$0	(\$14,648)
R-9 Medicaid Community Living Initiatives	\$0	(\$3,944)	\$0	\$0	\$3,944
R-10 Primary Care Specialty Collaboration	\$0	(\$2,291)	(\$108)	\$0	\$2,399
R-11 Community Provider Rate Increase	\$0	(\$366,801)	(\$11,134)	\$0	\$377,935
(2) Medical Services Premiums Total Impact	\$479,005	(\$27,523,058)	(\$8,831,948)	\$0	\$36,834,011

Table 2.2 - FY 2014-15 Long Bill Group (3) Behavioral Health Community Programs Funding Requests - New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
R-2 Behavioral Health	\$0	(\$2,470,530)	(\$36,993)	\$0	\$2,507,523
R-7 Adult Supported Living Services Waitlist Reduction and Service Plan Authorization Limits Increase	\$0	(\$4,716)	\$0	\$0	\$4,716
R-8 Developmental Disabilities New Full Program Equivalents	\$0	(\$109)	\$0	\$0	\$109
R-11 Community Provider Rate Increase	\$0	(\$696)	\$0	\$0	\$696
(3) Behavioral Health Community Programs Total Impact	\$0	(\$2,476,051)	(\$36,993)	\$0	\$2,513,044

Table 2.3 - FY 2014-15 Long Bill Group (4) Indigent Care Programs; Children's Basic Health Plan Medical and Dental Costs Funding Requests- New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(4) Indigent Care Programs; Children's Basic Health Plan Medical and Dental Costs Total Impact (R-3 CHP+)	\$0	(\$891,849)	\$0	\$0	\$891,849

Table 2.4- FY 2014-15 NEW ITEM (7) Office of Community Living; (A) Program Costs, Adult Comprehensive Services for 4,471.2 Medicaid Full Program Equivalents (FPE) Funding Requests - New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
R-8 Developmental Disabilities New Full Program Equivalents	\$0	(\$31,073)	\$0	\$0	\$31,073
R-11 Community Provider Rate Increase	\$0	(\$32,452)	(\$6,421)	\$0	\$38,873
(7) Office of Community Living; (A) Program Costs, Adult Comprehensive Services for 4,471.2 Medicaid FPE Total Impact	\$0	(\$63,525)	(\$6,421)	\$0	\$69,946

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

Table 2.5 - NEW ITEM (7) Office of Community Living; (A) Program Costs, Adult Supported Living Services for 692 General Fund FPE and 3,417.5 Medicaid FPE Funding Requests - New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
R-7 Adult Supported Living Services Waitlist Reduction and Service Plan Authorization Limits Increase	\$0	(\$74,899)	\$0	\$0	\$74,899
R-8 Developmental Disabilities New Full Program Equivalents	\$0	(\$2,868)	\$0	\$0	\$2,868
R-11 Community Provider Rate Increase	\$0	(\$6,512)	\$0	\$0	\$6,512
(7) Office of Community Living; (A) Program Costs, Children's Extensive Support Services for 659 Medicaid FPE Total Impact	\$0	(\$84,279)	\$0	\$0	\$84,279

Table 2.6 - FY 2014-15 NEW ITEM (7) Office of Community Living; (A) Program Costs, Children's Extensive Support Services for 659 Medicaid FPE Funding Requests - New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(7) Office of Community Living; (A) Program Costs, Adult Supported Living Services for 692 General Fund FPE and 3,417.5 Medicaid FPE Total Impact (R-11 Community Provider Rate Increase)	\$0	(\$2,135)	\$0	\$0	\$2,135

Table 2.7 - FY 2014-15 NEW ITEM (7) Office of Community Living; (A) Program Costs, Case Management for 692 General Fund and 8,547.7 Medicaid FPE Funding Requests - New Fund Split Incremental Amounts					
Requests	Total Funds	General Fund and General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
R-7 Adult Supported Living Services Waitlist Reduction and Service Plan Authorization Limits Increase	\$0	(\$17,692)	\$0	\$0	\$17,692
R-8 Developmental Disabilities New Full Program Equivalents	\$0	(\$2,156)	\$0	\$0	\$2,156
R-11 Community Provider Rate Increase	\$0	(\$3,321)	\$0	\$0	\$3,321
(7) Office of Community Living; (A) Program Costs, Case Management for 692 General Fund and 8,547.7 Medicaid FPE Total Impact	\$0	(\$23,169)	\$0	\$0	\$23,169

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

(1) Executive Director's Office Calculation of Total Enhanced FMAP											
Line Item	FY 2014-15 Total Appropriated Funds	Proportion of Funds Eligible for Enhanced FMAP	Funding Eligible For Enhanced FMAP	Estimated Federal Funds at Base FMAP	Enhanced FMAP	New FMAP for Eligible Funding	Increase in Federal Funds due to FMAP	Federal Funds Not Qualified for Enhanced FMAP	Revised Total Federal Funds	Original State Funds	Total Remaining State Funds
(B) Transfers to Other Departments; Transfer to Department of Public Health and Environment for Nurse Home Visitor Program	\$3,010,000	100.00%	\$2,257,500	\$1,128,750	51.01%	\$1,151,551	\$22,801	\$376,250	\$1,527,801	\$1,505,000	\$1,482,199

(4) Indigent Care Program Calculation of Total Enhanced FMAP											
Line Item	FY 2014-15 Total Appropriated Funds	Proportion of Funds Eligible for Enhanced FMAP	Funding Eligible For Enhanced FMAP	Estimated Federal Funds at Base FMAP	Enhanced FMAP	New FMAP for Eligible Funding	Increase in Federal Funds due to FMAP	Federal Funds Not Qualified for Enhanced FMAP	Revised Total Federal Funds	Original State Funds	Total Remaining State Funds
Safety Net Provider Payments	\$311,296,186	99.26%	\$231,744,446	\$115,872,223	51.01%	\$118,212,842	\$2,340,619	\$39,775,870	\$157,988,712	\$155,648,093	\$153,307,474
Clinic Based Indigent Care	\$6,119,760	100.00%	\$4,589,820	\$2,294,910	51.01%	\$2,341,267	\$46,357	\$764,970	\$3,106,237	\$3,059,880	\$3,013,523
Pediatric Specialty Hospital	\$11,799,938	100.00%	\$8,849,954	\$4,424,977	51.01%	\$4,514,362	\$89,385	\$1,474,992	\$5,989,354	\$5,899,969	\$5,810,584
Appropriation from Tobacco Tax Cash Fund to the General Fund	\$438,300	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$438,300	\$438,300
Primary Care Fund Program	\$27,759,000	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$27,759,000	\$27,759,000
Children's Basic Health Plan Administration	\$5,127,772	0.00%	\$0	\$0	0.00%	\$0	\$0	\$2,723,737	\$2,723,737	\$2,404,035	\$2,404,035
(4) Indigent Care Program Totals (minus CHP+)	\$362,540,956		\$245,184,220	\$122,592,110		\$125,068,471	\$2,476,361	\$44,739,569	\$169,808,040	\$195,209,277	\$192,732,916

(5) Other Medical Services Calculation of Total Enhanced FMAP											
Line Item	FY 2014-15 Total Appropriated Funds	Proportion of Funds Eligible for Enhanced FMAP	Funding Eligible For Enhanced FMAP	Estimated Federal Funds at Base FMAP	Enhanced FMAP	New FMAP for Eligible Funding	Increase in Federal Funds due to FMAP	Federal Funds Not Qualified for Enhanced FMAP	Revised Total Federal Funds	Original State Funds	Total Remaining State Funds
Old Age Pension State Medical Program	\$4,504,973	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$4,504,973	\$4,504,973
Commission on Family Medicine Residency Training Programs	\$3,371,077	100.00%	\$2,528,308	\$1,264,154	51.01%	\$1,289,690	\$25,536	\$421,385	\$1,711,075	\$1,685,538	\$1,660,002
State University Teaching Hospitals - Denver Health and Hospital Authority	\$1,831,714	100.00%	\$1,373,786	\$686,893	51.01%	\$700,768	\$13,875	\$228,964	\$929,732	\$915,857	\$901,982
State University Teaching Hospitals - University of Colorado Hospital Authority	\$633,314	100.00%	\$474,986	\$237,493	51.01%	\$242,290	\$4,797	\$79,164	\$321,454	\$316,657	\$311,860
Medicare Modernization Act of 2003 State Contribution Payment	\$100,807,053	0.00%	\$0	\$0	0.00%	\$0	\$0	\$4,362,801	\$4,362,801	\$96,444,252	\$96,444,252
Public School Health Services Contract Administration	\$2,491,722	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$2,491,722	\$2,491,722
Public School Health Services ⁽¹⁾	\$54,353,956	62.54%	\$25,494,723	\$12,747,362	51.01%	\$13,004,858	\$257,496	\$14,429,616	\$27,434,474	\$27,176,978	\$26,919,482
(5) Other Medical Services Totals	\$167,993,809		\$29,871,803	\$14,935,902		\$15,237,606	\$301,704	\$19,521,930	\$34,759,536	\$133,535,977	\$133,234,273

(1) The remaining 37.46% is done as a prior period adjustment certified public expenditure (which is refunded at the FMAP available at the time of expense). This portion should lag the rest of the annual percentage rate.

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

(6) Department of Human Services Medicaid-Funded Programs Calculation of Total Enhanced FMAP											
Line Item	FY 2014-15 Total Appropriated Funds	Proportion of Funds Eligible for Enhanced FMAP	Funding Eligible For Enhanced FMAP	Estimated Federal Funds at Base FMAP	Enhanced FMAP	New FMAP for Eligible Funding	Increase in Federal Funds due to FMAP	Federal Funds Not Qualified for Enhanced FMAP	Revised Total Federal Funds	Original State Funds	Total Remaining State Funds
(A) Executive Director's Office - Medicaid Funding	\$17,289,499	99.05%	\$12,843,937	\$6,421,968	51.01%	\$6,551,692	\$129,724	\$2,222,781	\$8,774,473	\$8,644,750	\$8,515,026
(B) Office of Information Technology Services - Medicaid Funding; Colorado Benefits Management System	\$8,408,583	0.00%	\$0	\$0	0.00%	\$0	\$0	\$4,200,905	\$4,200,905	\$4,207,678	\$4,207,678
(B) Office of Information Technology Services - Medicaid Funding; Colorado Benefits Management System - HCPF Only	\$611,520	0.00%	\$0	\$0	0.00%	\$0	\$0	\$305,760	\$305,760	\$305,760	\$305,760
(B) Office of Information Technology Services - Medicaid Funding; CBMS SAS-70 Audit	\$55,204	0.00%	\$0	\$0	0.00%	\$0	\$0	\$27,580	\$27,580	\$27,624	\$27,624
(B) Office of Information Technology Services - Medicaid Funding; Office of Information Technology Services - Medicaid Funding; CBMS Modernization Project	\$564,113	0.00%	\$0	\$0	0.00%	\$0	\$0	\$282,055	\$282,055	\$282,058	\$282,058
(B) Office of Information Technology Services - Medicaid Funding; Other Office of Information Technology Services line items	\$591,113	100.00%	\$443,335	\$221,667	51.01%	\$226,145	\$4,478	\$73,889	\$300,034	\$295,557	\$291,079
(C) Office of Operations - Medicaid Funding	\$4,974,114	100.00%	\$3,730,586	\$1,865,293	51.01%	\$1,902,972	\$37,679	\$621,764	\$2,524,736	\$2,487,057	\$2,449,378
(D) Division of Child Welfare - Medicaid Funding; Administration	\$137,306	0.00%	\$0	\$0	0.00%	\$0	\$0	\$68,653	\$68,653	\$68,653	\$68,653
(D) Division of Child Welfare - Medicaid Funding; Child Welfare Services	\$14,797,824	100.00%	\$11,098,368	\$5,549,183	51.01%	\$5,661,278	\$112,095	\$1,849,728	\$7,511,006	\$7,398,913	\$7,286,818
(New Line) (D.5) Office of Early Childhood - Medicaid Funding; Division of Community and Family Support, Early Intervention Services	\$4,994,334	100.00%	\$3,745,751	\$1,872,876	51.01%	\$1,910,708	\$37,832	\$624,291	\$2,534,999	\$2,497,167	\$2,459,335
(E) Office of Self Sufficiency - Medicaid Funding; Systematic Alien Verification for Eligibility	\$33,951	0.00%	\$0	\$0	0.00%	\$0	\$0	\$33,951	\$33,951	\$0	\$0
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Administration	\$404,350	0.00%	\$0	\$0	0.00%	\$0	\$0	\$202,175	\$202,175	\$202,175	\$202,175
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Residential Treatment for Youth (H.B. 99-1116)	\$120,372	100.00%	\$90,279	\$45,140	51.01%	\$46,051	\$911	\$15,046	\$61,097	\$60,186	\$59,275
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Mental Health Institutes	\$4,775,751	100.00%	\$3,581,813	\$1,790,906	51.01%	\$1,827,083	\$36,177	\$596,969	\$2,424,052	\$2,387,876	\$2,351,699
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Alcohol and Drug Abuse Division, High Risk Pregnant Women Program	\$1,450,570	100.00%	\$1,087,928	\$543,964	51.01%	\$554,952	\$10,988	\$181,321	\$736,273	\$725,285	\$714,297
(G) Services for People with Disabilities - Medicaid Funding; Community Services for People with Developmental Disabilities, Administration	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
(G) Services for People with Disabilities - Medicaid Funding; Community Services for People with Developmental Disabilities, Program Costs	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
(G) Services for People with Disabilities - Medicaid Funding; Community Services for People with Developmental Disabilities, Early Intervention	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0
(G) Services for People with Disabilities - Medicaid Funding; Regional Centers	\$49,430,457	99.54%	\$36,902,308	\$18,476,916	51.08%	\$18,849,699	\$372,783	\$6,272,820	\$25,122,519	\$24,680,721	\$24,307,938
(G) Services for People with Disabilities - Medicaid Funding; Regional Center Depreciation and Annual Adjustments	\$1,187,825	100.00%	\$890,869	\$445,434	51.01%	\$454,432	\$8,998	\$148,478	\$602,910	\$593,913	\$584,915
(H) Adult Assistance Programs, Community Services for the Elderly - Medicaid Funding	\$1,800	0.00%	\$0	\$0	0.00%	\$0	\$0	\$900	\$900	\$900	\$900
(I) Division of Youth Corrections - Medicaid Funding	\$1,389,674	97.20%	\$1,013,072	\$506,535	51.01%	\$516,768	\$10,233	\$188,301	\$705,069	\$694,838	\$684,605
(J) Other, Federal Medicaid Indirect Cost Reimbursement for Department of Human Services Programs	\$500,000	0.00%	\$0	\$0	0.00%	\$0	\$0	\$500,000	\$500,000	\$0	\$0
(6) Department of Human Services Medicaid-Funded Programs Totals	\$111,718,360		\$75,428,246	\$37,739,882		\$38,501,780	\$761,898	\$18,417,367	\$56,919,147	\$55,561,111	\$54,799,213

(7) Office of Community Living Calculation of Total Enhanced FMAP											
Line Item	FY 2014-15 Total Appropriated Funds	Proportion of Funds Eligible for Enhanced FMAP	Funding Eligible For Enhanced FMAP	Estimated Federal Funds at Base FMAP	Enhanced FMAP	New FMAP for Eligible Funding	Increase in Federal Funds due to FMAP	Federal Funds Not Qualified for Enhanced FMAP	Revised Total Federal Funds	Original State Funds	Total Remaining State Funds
(A) Program Costs; Adult Comprehensive Services for 4,471.2 Medicaid Full Program Equivalents (FPE)	\$347,249,465	67.75%	\$235,277,210	\$117,405,627	51.01%	\$120,014,905	\$2,609,278	\$40,588,757	\$160,603,662	\$189,255,081	\$186,645,803
(A) Program Costs; Adult Supported Living Services for 692 General Fund FPE and 3,417.5 Medicaid FPE	\$58,168,084	64.24%	\$37,369,328	\$18,625,266	51.01%	\$19,062,094	\$436,828	\$6,439,013	\$25,501,107	\$33,103,805	\$32,666,977
(A) Program Costs; Children's Extensive Support Services for 659 Medicaid FPE	\$19,066,967	99.08%	\$14,168,663	\$7,084,332	51.01%	\$7,227,435	\$143,103	\$2,449,152	\$9,676,587	\$9,533,483	\$9,390,380
(A) Program Costs; Preventive Dental Hygiene	\$65,203	99.08%	\$48,452	\$0	0.00%	\$0	\$0	\$0	\$0	\$65,203	\$65,203
(A) Program Costs; Case Management for 692 General Fund and 8,547.7 Medicaid FPE	\$29,668,921	68.58%	\$20,348,394	\$10,156,616	51.01%	\$10,379,716	\$223,100	\$3,511,284	\$13,891,000	\$16,001,021	\$15,777,921
(A) Program Costs; Family Support Services	\$6,762,095	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$6,762,095	\$6,762,095
(A) Program Costs; Eligibility Determination and Waitlist Management	\$3,032,242	0.00%	\$0	\$0	0.00%	\$0	\$0	\$19,655	\$19,655	\$3,012,587	\$3,012,587
(B) Administrative Costs; Community and Contract Management System	\$137,480	0.00%	\$0	\$0	0.00%	\$0	\$0	\$48,118	\$48,118	\$89,362	\$89,362
(B) Administrative Costs; Support Level Administration	\$57,368	0.00%	\$0	\$0	0.00%	\$0	\$0	\$28,684	\$28,684	\$28,684	\$28,684
(7) Office of Community Living Totals	\$464,207,825		\$307,212,047	\$153,271,841		\$156,684,150	\$3,412,309	\$53,084,663	\$209,768,813	\$257,851,321	\$254,439,012

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

(1) Executive Director's Office Base Appropriation						
Line Item	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(B) Transfers to Other Departments; Transfer from Department of Human Services for Nurse Home Visitor Program (new line)	\$3,010,000	\$0	\$0	\$0	\$1,505,000	\$1,505,000

(4) Indigent Care Program Base Appropriation						
Line Item	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
Safety Net Provider Payments	\$311,296,186	\$0	\$0	\$155,648,093	\$0	\$155,648,093
Clinic Based Indigent Care	\$6,119,760	\$3,059,880	\$0	\$0	\$0	\$3,059,880
Pediatric Specialty Hospital	\$11,799,938	\$5,899,969	\$0	\$0	\$0	\$5,899,969
Appropriation from Tobacco Tax Cash Fund to the General Fund	\$438,300	\$0	\$0	\$438,300	\$0	\$0
Primary Care Fund Program	\$27,759,000	\$0	\$0	\$27,759,000	\$0	\$0
Children's Basic Health Plan Administration	\$5,127,772	\$0	\$0	\$2,404,035	\$0	\$2,723,737
(4) Indigent Care Program Totals (minus CHP+)	\$362,540,956	\$8,959,849	\$0	\$186,249,428	\$0	\$167,331,679

(5) Other Medical Services Base Appropriation						
Line Item	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
Old Age Pension State Medical Program	\$4,504,973	\$0	\$0	\$4,504,973	\$0	\$0
Commission on Family Medicine Residency Training Programs	\$3,371,077	\$1,685,538	\$0	\$0	\$0	\$1,685,539
State University Teaching Hospitals - Denver Health and Hospital Authority	\$1,831,714	\$915,857	\$0	\$0	\$0	\$915,857
State University Teaching Hospitals - University of Colorado Hospital Authority	\$633,314	\$316,657	\$0	\$0	\$0	\$316,657
Medicare Modernization Act of 2003 State Contribution Payment ⁽¹⁾	\$100,807,053	\$96,444,252	\$0	\$0	\$0	\$4,362,801
Public School Health Services Contract Administration	\$2,491,722	\$0	\$0	\$0	\$2,491,722	\$0
Public School Health Services	\$54,353,956	\$0	\$0	\$27,176,978	\$0	\$27,176,978
(5) Other Medical Services Totals	\$167,993,809	\$99,362,304	\$0	\$31,681,951	\$2,491,722	\$34,457,832

(1) While increases to FMAP impact the Medicare Modernization Act contribution payments, the extent of the impact is not yet known. Additional federal guidance is required to properly account for a Medicare Modernization Act impact.

BA-10 Enhanced Federal Medical Assistance Percentages (FMAP)
Appendix A: Assumptions and Calculations

(6) Department of Human Services Medicaid-Funded Programs						
Base Appropriation						
Line Item	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(A) Executive Director's Office - Medicaid Funding	\$17,289,499	\$8,644,750	\$0	\$0	\$0	\$8,644,749
(B) Office of Information Technology Services - Medicaid Funding; Colorado Benefits Management System	\$8,408,583	\$4,175,198	\$0	\$13,671	\$18,809	\$4,200,905
(B) Office of Information Technology Services - Medicaid Funding; Colorado Benefits Management System - HCPF Only	\$611,520	\$0	\$0	\$305,760	\$0	\$305,760
(B) Office of Information Technology Services - Medicaid Funding; CBMS SAS-70 Audit	\$55,204	\$27,416	\$0	\$89	\$119	\$27,580
(B) Office of Information Technology Services - Medicaid Funding; Office of Information Technology Services - Medicaid Funding; CBMS Modernization Project	\$564,113	\$282,058	\$0	\$0	\$0	\$282,055
(B) Office of Information Technology Services - Medicaid Funding; Other Office of Information Technology Services line items	\$591,113	\$295,557	\$0	\$0	\$0	\$295,556
(C) Office of Operations - Medicaid Funding	\$4,974,114	\$2,487,057	\$0	\$0	\$0	\$2,487,057
(D) Division of Child Welfare - Medicaid Funding; Administration	\$137,306	\$68,653	\$0	\$0	\$0	\$68,653
(D) Division of Child Welfare - Medicaid Funding; Child Welfare Services	\$14,797,824	\$7,398,913	\$0	\$0	\$0	\$7,398,911
(New Line) (D.5) Office of Early Childhood - Medicaid Funding; Division of Community and Family Support, Early Intervention Services	\$4,994,334	\$2,497,167	\$0	\$0	\$0	\$2,497,167
(E) Office of Self Sufficiency - Medicaid Funding; Systematic Alien Verification for Eligibility	\$33,951	\$0	\$0	\$0	\$0	\$33,951
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Administration	\$404,350	\$202,175	\$0	\$0	\$0	\$202,175
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Residential Treatment for Youth (H.B. 99-1116)	\$120,372	\$60,186	\$0	\$0	\$0	\$60,186
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Mental Health Institutes	\$4,775,751	\$2,387,876	\$0	\$0	\$0	\$2,387,875
(F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding; Alcohol and Drug Abuse Division, High Risk Pregnant Women Program	\$1,450,570	\$725,285	\$0	\$0	\$0	\$725,285
(G) Services for People with Disabilities - Medicaid Funding; Community Services for People with Developmental Disabilities, Administration	\$0	\$0	\$0	\$0	\$0	\$0
(G) Services for People with Disabilities - Medicaid Funding; Community Services for People with Developmental Disabilities, Program Costs	\$0	\$0	\$0	\$0	\$0	\$0
(G) Services for People with Disabilities - Medicaid Funding; Community Services for People with Developmental Disabilities, Early Intervention	\$0	\$0	\$0	\$0	\$0	\$0
(G) Services for People with Disabilities - Medicaid Funding; Regional Centers	\$49,430,457	\$22,814,579	\$0	\$1,866,142	\$0	\$24,749,736
(G) Services for People with Disabilities - Medicaid Funding; Regional Center Depreciation and Annual Adjustments	\$1,187,825	\$593,913	\$0	\$0	\$0	\$593,912
(H) Adult Assistance Programs, Community Services for the Elderly - Medicaid Funding	\$1,800	\$900	\$0	\$0	\$0	\$900
(I) Division of Youth Corrections - Medicaid Funding	\$1,389,674	\$694,838	\$0	\$0	\$0	\$694,836
(J) Other; Federal Medicaid Indirect Cost Reimbursement for Department of Human Services Programs	\$500,000	\$0	\$0	\$0	\$0	\$500,000
(6) Department of Human Services Medicaid-Funded Programs Totals	\$111,718,360	\$53,356,521	\$0	\$2,185,662	\$18,928	\$56,157,249

(7) Office of Community Living						
Base Appropriation						
Line Item	Total Funds	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
(A) Program Costs; Adult Comprehensive Services for 4,471.2 Medicaid Full Program Equivalents (FPE)	\$347,249,465	\$157,994,385	\$0	\$31,260,696	\$0	\$157,994,384
(A) Program Costs; Adult Supported Living Services for 692 General Fund FPE and 3,417.5 Medicaid FPE	\$58,168,084	\$33,103,805	\$0	\$0	\$0	\$25,064,279
(A) Program Costs; Children's Extensive Support Services for 659 Medicaid FPE	\$19,066,967	\$9,533,483	\$0	\$0	\$0	\$9,533,484
(A) Program Costs; Preventive Dental Hygiene	\$65,203	\$61,506	\$0	\$3,697	\$0	\$0
(A) Program Costs; Case Management for 692 General Fund and 8,547.7 Medicaid FPE	\$29,668,921	\$16,001,021	\$0	\$0	\$0	\$13,667,900
(A) Program Costs; Family Support Services	\$6,762,095	\$6,762,095	\$0	\$0	\$0	\$0
(A) Program Costs; Eligibility Determination and Waitlist Management	\$3,032,242	\$3,012,587	\$0	\$0	\$0	\$19,655
(B) Administrative Costs; Community and Contract Management System	\$137,480	\$89,362	\$0	\$0	\$0	\$48,118
(B) Administrative Costs; Support Level Administration	\$57,368	\$28,684	\$0	\$0	\$0	\$28,684
(7) Office of Community Living Totals	\$464,207,825	\$226,586,928	\$0	\$31,264,393	\$0	\$206,356,504

BA-10 Federal Medical Assistance Percentages (FMAP)
Appendix B: Continuation of Section 2012 Primary Care Rate Increase Assumptions and Calculations

Table B.1: Continuation of Section 1202 Primary Care Rate Increases				
Row	Item	Fiscal Year		Notes
		FY 2014-15	FY 2015-16	
A	Average Increase in Total Reimbursement per Provider per Quarter	\$1,914	\$2,009	Based on FY 2012-13 MMIS data and CY 2013 Medicare rates.
B	Number of providers	11,569	11,569	Assumes self-attestation is no longer required.
C	Applicable Quarters	2	4	Assumes January 1, 2014 implementation and a direct rate increase rather than supplemental payments.
D	Total Funds Impact	\$44,277,696	\$92,983,162	Row A * Row B * Row C
E	Estimated Federal Match Rate	58.24%	59.10%	Based on forecast of percentage of clients qualifying for 100% FMAP, 50.75% base FMAP in FY 2013-14, and 51.01% base FMAP in FY 2014-15.
F	General Fund Portion	\$18,490,366	\$38,030,113	Row D * Row E
G	Federal Funds Portion	\$25,787,330	\$54,953,049	Row D - Row F