



COLORADO

Department of Health Care
Policy & Financing

FY 2018-2019 Long Bill Overview

June 2018

Below is a summary of provisions included in the Long Appropriations Bill or Long Bill (HB 18-1322) impacting the Department of Health Care Policy and Financing. The Long Bill included many of the Department's budget requests and other provisions passed by the General Assembly. The state Fiscal Year runs from July 1, 2018 – June 30, 2019. Additional detail on each request summarized below as well as the caseload requests is available at Colorado.gov/ospb or by clicking on the request title below.

A high level overview with some examples of other legislation passed impacting the Department can be found in the [2018 Legislative Session Wrap-Up](#).

Department Budget Requests

[R6 | Electronic Visit Verification](#)

Summary: The 21st Century Cures Act mandates all states implement an Electronic Visit Verification (EVV) for Personal Care services by January 1, 2019 and Home Health services by January 1, 2023. The federal law calls for reductions in federal matching funding for states that do not implement an EVV.

Colorado currently does not have an EVV system. An EVV system would require attendants to clock-in and clock-out when they begin and finish providing services using a combination of telephone and internet-based resources. Colorado currently relies on providers to bill for services rendered based on an attendant's self-reported hours. The request would fund implementation of an EVV system across multiple service types and include contracting with an EVV system vendor to create a system that interfaces with the Colorado interChange. It would fund provider training on the new system and staff to provide oversight of the execution of the EVV implementation. States implementing an EVV system have experienced budget savings.

FY 2017-18 Budget Impact: \$376,750 total funds, including \$37,765 General Fund

FY 2018-19 Budget Impact: \$3,045,320 total funds, including \$606,511 General Fund

Implementation Date: January 1, 2019

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[R7 | HCBS Transition Services Continuation](#)

Summary: The Colorado Choice Transitions (CCT) grant program provides services to help members interested in moving out of an institution and into the community. Community living options are more cost effective and help the Department meet the Supreme Court's Olmstead requirements. The CCT grant expires on December 31, 2020.

This request would allow the Department to continue offering some of the most effective transition services from the Colorado Choice Transitions program. The funding would also be used to increase options counseling availability for the Aging and Disability Resources for Colorado (ADRC). The Department currently offers options counseling through Regional ADRCs but is unable to meet demand.

FY 2018-19 Budget Impact: Reduction of \$378,116 total funds, including \$171,058 General Fund

FY 2019-20 Budget Impact: Reduction of \$2,943,712 total funds, including \$1,022,036 General Fund

Implementation Date: January 1, 2019

[R8 | Medicaid Savings Initiatives](#)

Summary: The Department has identified savings opportunities but does not have sufficient administrative resources to implement these initiatives. The projects would require dedicated personnel and changes to complex IT systems.

This request would implement 5 savings initiatives:

- Increased utilization management
- Automating public assistance reporting information system matching
- Increased trust unit recoveries
- Increased access to public transportation benefits
- Parental fee for eligibility in Children's HCBS waiver for higher income families

FY 2018-19 Budget Impact: Reduction of \$819,702 total funds, including \$1,891,328 General Fund

FY 2019-20 Budget Impact: Reduction of \$4,051,105 total funds, including \$4,108,306 General Fund

Implementation Date: Various; Implementation work will begin July 1, 2018



[R9 | Provider Rate Adjustments](#)

Summary: The Department's request was modified by the General Assembly as detailed below.

1. An across-the-board rate increase of 1.0% to all providers not targeted by the other components in this request;
2. A targeted across-the-board increase of 25.0% to alternative care facilities.
3. A budget neutral rebalancing of physician and primary care rates;
4. An increase of neonatology rates to 92% of Medicare; and
5. An increase of 7.72% to transportation rates, which was adjusted to a final increase of 6.61% in HB 18-1321 "Efficient Administration Medicaid Transportation"

FY 2018-19 Budget Impact: \$67,380,291 total funds, including \$26,314,726 General Fund

FY 2019-20 Budget Impact: \$73,505,772 total funds, including \$28,706,973 General Fund

Implementation Date: Upon Federal Approval

[R10 | Drug Cost Containment Initiatives](#)

Summary: Prescription drug expenditures have increased significantly in the last few years. Utilization management of Physician Administered Drugs and alternative payment models are tools the Department can use to manage benefits and lesson pressure on the state's financial resources. The funding would be used to procure a utilization management vendor for physician administered drugs and for administrative resources to set up alternative payment models for prescription drugs.

FY 2018-19 Budget Impact: \$132,777 total funds, including a reduction of \$24,407 General Fund

FY 2019-20 Budget Impact: A reduction of \$373,108 total funds, including \$62,531 General Fund

Implementation Date: Various; Research into Alternative Payments: Fall 2018, Utilization Management: January 1, 2019

[R11 | Administrative Contracts Adjustments](#)

Summary: The Department is requesting funding to adjust asset verification cost estimates, rebalance appropriations between fund sources in the Professional Services Contracts line item rates, and to prepare for disallowance of external quality review organization (EQRO) claims made at an enhanced match rate not allowed by CMS.

FY 2017-18 Budget Impact: \$177,606 total funds, including \$88,803 General Fund



FY 2018-19 Budget Impact: \$1,716,842 total funds, including \$1,251,367 General Fund \$831,237 in Cash Funds

Implementation Date: July 1, 2018

[R14 | Safety Net Program Adjustments](#)

Summary: The Department is requesting funding to allow for increased oversight of the Department's safety net programs and allow additional available funding to be directed towards these programs, instead of going unused. The request asks for funding for three changes to safety net programs:

- Spending authority to expend the surplus funds available in the Primary Care Fund and increase funding towards participating providers for uncompensated care of primary care services to indigent patients.
- Increased spending authority for the Senior Dental Program to allow for the reallocation of recoveries and increase the access of dental services for low-income seniors.
- Compliance audits of the Primary Care Fund Program and Colorado Indigent Care Programs to improve effectiveness and efficiencies of the programs.

FY 2018-19 Budget Impact: \$106,636 in cash funds and no General Fund

FY 2019-20 Budget Impact: \$270,309 cash funds and no General Fund

Implementation Date: July 1, 2018

[R15 | CHASE Administrative Costs](#)

Summary: This request is for staff to administer and provide business services in accordance with the relevant sections of SB17-267. It is also for anticipated increases in legal costs and contracting with health care consultants to produce informative reports and analytics on the impact of the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) on the greater health care marketplace.

FY 2018-19 Budget Impact: \$1,048,337 total funds, including \$524,170 cash funds, and no General Fund

FY 2019-20 Budget Impact: \$1,052,269 total funds, including \$526,135 cash funds, and no General Fund

Implementation Date: July 1, 2018

[R16 | CPE for Emergency Medical Transportation](#)

Summary: Public emergency medical transportation (EMT) providers incur significant uncompensated costs for services provided to Medicaid clients. The uncompensated expenditures cannot be claimed or reimbursed through Medicaid or any other program. The Department has an opportunity to partially offset the uncompensated costs through

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certification of public expenditures (CPE). EMT service providers eligible to participate in this program would receive supplemental reimbursement payments by completing a federally approved cost report form. The supplemental reimbursement payment is based on claiming federal financial participation on CPEs that have already been incurred by the public provider.

FY 2017-18 Budget Impact: \$180,000 total funds, including \$90,000 General Fund

FY 2018-19 Budget Impact: \$18,807,725 total funds, including a reduction of \$620,560 General Fund. The \$9,547,069 in cash funds are from CPE.

Implementation Date: Upon federal approval; State Plan Amendment has been submitted requesting January 1, 2018 effective date

[R17 | Single Assessment Tool Financing](#)

Summary: As a result of updated timelines, recent contractor work, and receipt of additional grant funding, the Department requires the shifting of funds between fiscal years to complete the development and implementation of the single assessment tool required by SB16-192. Without the proper movement of funds, the Department would revert funds that are essential to the infrastructure of the tool and could delay implementation of the single assessment tool which is required to begin as soon as practicable after the tool selection deadline of July 1, 2018

FY 2017-18 Budget Impact: A reduction of \$830,699 total funds, including \$526,944 General Fund

FY 2018-19 Budget Impact: A reduction of \$6,112,924, including \$3,056,462 General Fund

Implementation Date: Target Go live date for new tool is July 1, 2021.

[R18 | Cost Allocation Vendor Consolidation](#)

Summary: The Department is required to comply with federal requirements of cost allocation of administrative costs to ensure that costs are allocated appropriately to various federal programs and to ensure no duplication of payments. Compliance has become more difficult over time due to increased complexity of Department operations, increased caseload and enhanced match rates. To date, the Department has absorbed costs related to compliance within existing appropriations. The Department is requesting to procure a cost allocation vendor to assist the Department in compliance of federal cost allocation requirements and to ensure that costs are appropriately allocated between programs.

FY 2018-19 Budget Impact: \$366,400 total funds, including \$120,050 General Fund

FY 2019-20 Budget Impact: \$373,728 total funds, including \$122,451 General Fund



Implementation Date: July 1, 2018

[R19 | IDD Waiver Consolidation Administrative Funding](#)

Summary: The Department was unable to implement a consolidated adult IDD waiver by July 1, 2016 due to obstacles that were discovered through the stakeholder process and additional research identified through contractor work that require resources and time to resolve. The Department is requesting additional funding to hire contractors to continue work related to redesigning the HCBS-DD and HCBS-SLS waivers and submit the waiver application to CMS for review by July 2019.

FY 2018-19 Budget Impact: \$478,500 total funds, including \$239,250 General Fund

FY 2019-20 Budget Impact: \$177,000 total funds, including \$88,500 General Fund

Implementation Date: July 1, 2018 for the changes in contractor funding, consolidated waiver implementation date is TBD.

Other Provisions Impacting Health Care Policy & Financing

Personal Care and Homemaker Rate Increase

Summary: Funding was approved to increase personal care and homemaker for the LTSS waivers by 5.25%.

FY 2018-19 Budget Impact: \$6,425,971 total funds, including \$3,176,358 General Fund

Implementation Date: January 1, 2019

12 Month Contraceptives

Summary: Funding was approved to allow pharmacists to fill a 12-month supply of birth control after an initial 3-month trial dispensing

FY 2018-19 Budget Impact: \$1,802,293 total funds, including \$43,504 General Fund

Implementation Date: January 1, 2019

CU School of Medicine Supplemental Payment Increase

Summary: Funding was approved to increase the amount that higher education can transfer to the Department for the supplemental payment

FY 2018-19 Budget Impact: \$13,521,050 total funds, including \$6,760,525

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Reappropriated Funds and no General Fund

Implementation Date: Upon Federal Approval, target date July 1, 2018

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