



#### ***Cost and FTE***

- The Department estimates it would need \$123,800,000 total funds, \$61,900,000 reappropriated funds, \$61,900,000 federal funds, and 3.0 FTE in FY 2017-18 and \$123,800,000 total funds, \$61,900,000 reappropriated funds and \$61,900,000 federal funds and 6.0 FTE in FY 2018-19 and ongoing to increase reimbursement rates on physician professional services provided by physicians employed by University of Colorado School of Medicine (UCSOM).

#### ***Current Program***

- Federal regulations allow for aggregate Medicaid payments to a group of facilities up to the amount of the upper payment limit (UPL). The UPL is a reasonable estimate of the amount that would be paid for the services furnished by the group of facilities under Medicare payment principles. The Department currently administers supplemental payments using UPL methodology, including payments to nursing facilities, hospitals, and home health providers and these payments are eligible for federal funding at the standard Federal Medical Assistance Percentage (FMAP) rate which is estimated to be 50% for FY 2017-18 and ongoing.
- UCSOM providers deliver primary care and specialty services, primarily at University of Colorado Hospital and Children's Hospital Colorado, to Colorado Medicaid clients, and claims data indicates that UCSOM providers had 537,002 encounters with Medicaid clients in FY 2015-16.
- Medicaid reimbursement rates for physician services are lower than rates based upon Medicare payment principles, including average commercial rates (ACR).

#### ***Problem or Opportunity***

- Due to the lower than average reimbursement rates, most private sector physicians limit access to Medicaid patients. UCSOM physicians provide patient care to publicly financed patients, including Medicaid, TriCare and Medicare, and patient access is subsidized by commercially insured private payers. Because private physicians may limit the number of Medicaid patients they will accept, it is important that UCSOM physicians continue to provide and expand access to these critical services.
- HB 16-1408, "Cash Fund Allocations for Health Related Programs" authorized funding for specialty education programs to include care provided by UCSOM that are eligible for payment through Medicaid.

#### ***Consequences of Problem***

- Without increased reimbursement, UCSOM may not be able to maintain and would not be able to expand access to these critical services to Medicaid clients, which could result in clients foregoing needed care.

#### ***Proposed Solution***

- The Department estimates that it would need funding to implement UPL methodology to make supplemental payments for physician services provided by UCSOM faculty physicians. If approved, UCSOM would use the revenue from the supplemental physician payments to benefit the Medicaid program and details of the measurements would be outlined in a written agreement between the Department and UCSOM.
- Additionally, the Department estimates it would need administrative resources for 6.0 FTE and contractor funding necessary to administer the supplemental payment and funding for increases to family medicine residency training program to increase the number of family medicine residents at UCSOM.



# COLORADO

Department of Health Care  
Policy & Financing

FY 2017-18 Funding Request | November 1, 2016

John W. Hickenlooper  
Governor

Susan E. Birch  
Executive Director

**Department Priority:** *R-I-2 (Informational Only)*  
**Request Detail:** *University of Colorado School of Medicine Supplemental Physician Payment*

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
CU School of Medicine Supplemental Physician Payment	\$123,800,000	\$0

***Problem or Opportunity:***

The University of Colorado School of Medicine (UCSOM) faculty physicians deliver services to Medicaid patients, which includes 537,002 encounters with individuals eligible for Medicaid in FY 2015-16, comprising an essential source of the primary and specialty care for Colorado’s Medicaid program. Because the UCSOM is publically financed, the Department has an opportunity to increase reimbursement using additional federal Medicaid funds, without incurring new General Fund or other state expenditure. In order to allow for increased reimbursement through the Medicaid program, the General Assembly included a provision in HB 16-1408<sup>1</sup>, “Cash Fund Allocations for Health Related Programs” authorizing funding for specialty education programs to include care provided by UCSOM that are eligible for payment through Medicaid.

Section 1902(a)(30)(A) of the Social Security Act requires states to assure that payments made under Medicaid State Plans are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area. To promote efficiency, economy, and quality of care, the Centers for Medicare and Medicaid Services (CMS) sets an upper bound, the Medicaid Upper Payment Limit (UPL), for how much states can pay providers under certain fee-for-service arrangements. The UPL is not a limit on payments to individual providers, but is intended to prevent Medicaid from paying more than Medicare would pay for the same services in aggregate. As a result, states may make—and receive federal matching dollars for—payments beyond those for services provided by any institution, as long as total Medicaid payments do not exceed the UPL for the specific group of institutions. Although there is not a federal regulation that establishes a UPL for non-institutional providers, CMS has

<sup>1</sup> Section 23-18-304(1) (c), C.R.S.

provided guidance that Medicare payment principles and average commercial rates for physician services may be used as upper limits<sup>2</sup>.

The current Medicaid reimbursement rate for physician services provided by UCSOM faculty physicians is 60% lower than the Average Commercial Rate (ACR) payment, resulting in most private sector physicians limiting access to Medicaid patients. As a result, there is significant room under the UPL to allow for increased reimbursement; however, because Medicaid is a program jointly financed by the states and the federal government, Colorado must provide additional state funding in order to receive additional federal reimbursement. In 2016, HB 16-1408 changed State statute to allow for appropriations for specialty education services provided by the Health Sciences Center campus at the University of Colorado to be used for Medicaid reimbursement. As a result, the Department is now statutorily able to finance additional reimbursements for UCSOM faculty physicians under the UPL, although as of yet, the Department does not have an appropriation to allow for these payments.

#### ***Proposed Solution:***

The Department estimates it would need \$123,800,000 total funds, including \$61,900,000 reappropriated funds, \$61,900,000 federal funds, and 3.0 FTE in FY 2017-18 and \$123,800,000 total funds, including \$61,900,000 reappropriated funds, \$61,900,000 federal funds and 6.0 FTE in FY 2018-19 and ongoing in order to implement and administer a supplemental payment to UCSOM. The funding would be used to: increase reimbursement to UCSOM through a UPL payment for physician services; provide administrative resources to the Department to administer the supplemental payments; administer the Care Transitions Intervention training program; manage a written agreement between the Department and UCSOM; and, include an increase to the Commission on Family Medicine Residency Training Program to increase the number of family medicine residents by one each year, beginning in FY 2017-18, to total three additional residents by FY 2019-20 and ongoing.

If approved, as a condition of receiving this additional reimbursement, UCSOM would use the revenue from the supplemental physician payment to benefit the Medicaid program as outlined in a written agreement between the Department and UCSOM.

If additional spending authority is not granted, the Department would be unable to provide this additional reimbursement to UCSOM and the Department would notify CMS that the approved State Plan Amendment (SPA) is not able to be implemented due to lack of state funding.

#### ***Anticipated Outcomes:***

The Department anticipates that, if approved, additional reimbursement would result in expanded access to care for Medicaid clients. To achieve this, the Department would enter into a written agreement with the UCSOM that conditions payment on meeting the negotiated benchmarks. Although UPL payments are not required to be tied to specific policy objectives, CMS has indicated, as part of an oversight initiative that began in 2003, that State Plans must demonstrate a link between supplemental payments and general

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<sup>2</sup> <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/financing-and-reimbursement/downloads/upl-instructions-qualified-practitioner-services-replacement-new.pdf>

Medicaid purposes. The Department anticipates that the first year of payments would be used for UCSOM to build infrastructure and increase staffing to meet the requirements as outlined in the agreement. After an initial startup phase, the staffing and infrastructure would be in place in order to measure outcomes and determine whether or not UCSOM was achieving benchmarks as outlined in the agreement. As measurement occurs, payments could be withheld or the agreement could be modified according to performance.

After passage of HB 16-1408, the Department, the Department of Higher Education (CDHE), and UCSOM began working together with the assistance of a contractor hired by UCSOM to draft a Medicaid State Plan Amendment (SPA) to gain federal approval from CMS for a UPL payment methodology based upon ACR through the Medicaid Program. The SPA for the UCSOM supplemental physician payment was submitted to CMS on September 30, 2016 with a retroactive effective date of July 1, 2016. Once the SPA is approved and an interagency agreement is entered into by UCSOM and HCPF, the Colorado Department of Higher Education (CDHE) could then send funds designated for the UCSOM's Specialty Education Program (SEP) to the Department to draw down federal funding under the Medicaid program. However, because the exact timeline for SPA approval is unknowable, CDHE would require a revision to the existing footnote and letter note to give it flexibility in distributing the SEP funds to either the Department, if the SPA is approved, or to UCSOM, if the SPA is not approved in FY 2017-18. This proposed footnote change is included in the CDHE FY 2017-18 budget request.

If the General Assembly provides the identified spending authority, whether or not the SPA is approved, CDHE would send a portion of UCSOM's SEP contract to the Department to fund 1.0 FTE to administer the SPA process. If the SPA is approved in FY 2017-18, an additional amount from the SEP contract would be sent to HCPF for administrative resources to support the interagency agreement which includes funding additional 2.0 FTE, a contractor to assist with the UPL payment calculations and for the Colorado Commission on Family Medicine to fund an additional resident per year for the first three years, totaling to three additional residents in FY 2019-20 and ongoing.

Once the SPA is approved, and if funding is approved, the Department would use the estimated resources to hire staff and contractors to develop a process to determine and monitor the outcomes and enforce the agreed upon standards. The Department would be able to measure the program's success based on results of the outcome measurements as outlined in the written agreement between the Department and UCSOM. The Department would be able to measure changes in access to care by comparing claims and outcome data from periods prior to the increased reimbursement to periods after the reimbursement, and would continue to monitor access and outcomes on an ongoing basis in the future.

These outcomes link to the Department's FY 2016-17 performance plan, specifically Strategy #1A, "Ensure robust management of Medicaid benefits", by adding a new benefit manager for specialty care, and Strategy #1B, "Expand the network of providers serving Medicaid".

#### ***Assumptions and Calculations:***

If a supplemental payment were approved, the Department estimates that UCSOM would receive \$123,042,864 in total new Medicaid payments in FY 2017-18. However, because the State share would

come from existing UCSOM appropriations, the net increase in reimbursement to UCSOM would be \$61,521,432, assuming the standard 50% FMAP rate.

To provide property authority for the departments, and to ensure the funding remains available to CDHE if CMS does not approve a SPA, the below footnote would need be included in the Long Bill for both Departments if the policy is moved forward.

*Upon approval of the State Plan Amendment, the Department of Higher Education shall distribute the approved amount to the Department of Health Care Policy and Financing in FY 2017-18, pursuant to 23-18-304, (1)(c), C.R.S.*

*If the State Plan Amendment is not approved in FY 2017-18 the Department of Higher Education shall distribute the funding for the administrative costs at the Department of Health Care Policy and Financing and the remainder to the University of Colorado.*

In addition, the below letternote would need to be added to the Long Bill for CDHE (4) College Opportunity Fund Program, (B) Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs.

*Of this amount, \$61,900,000 of the fee-for-service Contracts with State Institutions for Specialty Education Programs appropriation designated for the Governing Boards, Regents of the University of Colorado, may be provided as payments to the Department of Health Care Policy and Financing for administration of, and eligible payment for, health services provided by medical faculty of the health science center campus at the University of Colorado, pursuant 23-18-304, (1) (c), C.R.S.*

The Department submitted the SPA with supporting UPL calculation and documentation to CMS on September 30, 2016. If state and federal approval is received, supplemental payments would be made retroactive to July 1, 2016, as federal regulations allow for SPAs to be effective beginning the first day of the calendar quarter that the SPA was submitted. Based on its prior experience and discussions with CMS, the Department estimates that federal approval would take at least nine months. Therefore, the Department estimates that the SPA could be approved as soon as July 1, 2017, with the first supplemental payment occurring in FY 2017-18, and that the Department would continue to make payments using that methodology on an ongoing basis.

The Department assumes that, if appropriated, the supplemental payments for each year would be paid on a regular schedule, either annually or quarterly, in January of the subsequent year<sup>3</sup> because the Department has to allow time for the fiscal year end to close, and claims to run out before it would have the data necessary to calculate the payment. The Department assumes that the first supplemental payment, which would be based upon FY 2016-17 claims data, could be calculated and paid by February 1, 2018. The Department assumes that if the SPA took longer to approve then the first payment date would be adjusted accordingly.

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<sup>3</sup> For example, supplemental payments for FY 2017-18 would be paid in January 2019.

The Department assumes that once the SPA was approved, it would enter into a written agreement with UCSOM outlining the terms and conditions of the supplemental payment and that this written agreement would be updated and negotiated annually. The agreement would describe proposed business process changes and outline the measurement and reporting processes.

The Department assumes that the reappropriated funds would exist on both the Department and the CDHE budget in order to allow CDHE to still have access to the reappropriated funds if the SPA is not approved. However the Department assumes that the funding for 1.0 FTE would be available to the Department beginning July 1, 2017 regardless of the SPA approval date as this FTE would be required to continue the work of the current contractor which includes working with CMS on federal approval.

The Department assumes that if the SPA is not approved, but funding was appropriated for this purpose, that it would utilize the budget process to update the funding estimate.

The Department assumes that supplemental payments would be made to UCSOM as a provider payment; as a result, UCSOM does not need an increase in reappropriated funding in the Long Bill. This methodology is consistent with how UCSOM facility providers are currently paid for Medicaid services.

### **Administrative Resources**

Contingent upon CMS approval by July 1, 2017 and action by the General Assembly, the Department assumes that 3.0 FTE and contractor resources would be necessary in FY 2017-18 and that 6.0 FTE and contractor resources would be necessary in FY 2018-19 and ongoing to administer the supplemental payment and terms of the written agreement. Detailed FTE descriptions can be found at the end of this section. The Department assumes that 1.0 FTE would be hired July 1, 2017 regardless of CMS approval to continue the work that the contractor hired by Department of Higher Education is currently doing related to SPA approval. This FTE would also be responsible for calculation of the payments. The Department assumes the remaining FTE would be hired no sooner than January 1, 2018, pending SPA approval, to facilitate the functions related to the written agreement between the Departments and UCSOM. If SPA approval is delayed the Department assumes that the remaining 2.0 FTE hire date would also be delayed accordingly.

The Department's estimate includes contractor funding to create annual performance measure methodology and accountability standards, including audit and external quality review measures and to implement the care transitions intervention training program. These resources would begin once SPA approval occurred and would be necessary to continue the work started by the existing contractor and existing staff on the Medicaid State Plan Amendment (SPA), including providing supporting calculations and responding to questions from the Centers for Medicare and Medicaid Services (CMS), and for ongoing payment and upper payment limit calculations and support after federal approval is received. Additionally, the Department would require the staff and contractor resources for ongoing contract management and oversight. The Department assumes that the resources for the Commission on Family Medicine to hire new residents would also begin once the SPA was approved.

## FTE Descriptions

Position	Job Class	Position Description
Financial Analyst	Rate/Financial Analyst	This 1.0 FTE would develop the payment methodology, draft the Medicaid State Plan Amendment (SPA), and respond to questions from the Centers for Medicare and Medicaid Services (CMS). Additionally, this position would provide calculations for ongoing payment and upper payment limit calculations and provide support after federal approval is received. The Department estimates that the SPA approval process would take a minimum of 9 months. This position would be hired July 1, 2017.
Physician Supplemental Payment Senior Data Analyst	Statistical Analyst	This 1.0 FTE would be responsible for creating and analyzing a set of metrics designed to monitor, evaluate and improve the Supplemental Physician Payment program. The position would work in collaboration with UCSOM, Department staff and relevant State agencies to create, implement and share program metrics and analytics. Specifically the position would review and analyze data related to (a) changes in Medicaid access to UPI physicians, particularly in rural areas; (b) uptake of UCSOM as a primary care medical home for the Medicaid population; (c) expansion in specialty access through workforce expansion; (d) uptake and impact of alternative delivery models such as telehealth; and (e) monitor the impact of loan forgiveness on access in rural areas (in alignment with existing loan forgiveness and repayment programs implemented by the State at the Colorado Department of Public Health and Environment). The position would be a staff authority on the data related to the Supplemental Physician Payment Program and will influence the direction and policy of the program through analytics.
Physician Supplemental Payment Staff	Administrator	This 1.0 FTE would be responsible for selecting and monitoring key domains for quality measurement including site audits, client experience of care survey data, performance improvement projects, developing the overall quality strategy for improving care, and reporting and analyzing a set of metrics designed to monitor, evaluate and improve the Supplemental Physician Payment program. The position would work in collaboration with UCSOM, Department analysts and executives, and relevant State agencies to create, implement and report program metrics, client experience of care, cost and quality outcomes, and site audit outcomes. Specifically the position would develop the measurement strategy to include regular

		<p>site audits, provider incentive payments, implementation of performance improvement projects to improve key aspects of care for targeted Medicaid populations, improve business processes to support client engagement in medical homes, improve access to care for clients in rural areas, and evaluate the uptake and impact of alternative delivery models such as telehealth, medical homes, and specialty care on client outcomes. The position would be a staff authority on the health outcomes related to the Supplemental Physician Payment Program and would influence the direction and policy of the program.</p>
Specialty Care Benefit Manager	Administrator	<p>This 1.0 FTE would focus specifically on specialty care and allow for dedicated benefit management for specialty care providers and services provided by specialists. An area of ongoing focus for Medicaid is access to specialty care services for enrollees and management of access and costs of services provided by specialists. Benefit Management staff within the Department's Health Programs Office perform a number of critical roles to appropriately manage the health services available to Medicaid enrollees. These tasks include: monitoring and implementing policies and benefits structures that align with national best practices, researching and maintaining knowledge of state and federal Medicaid regulations, development of state rules and regulations, provider and billing enrollment support, client eligibility support, claims systems expertise, benefit utilization analysis and management, and rates and claims management. Currently, one FTE is dedicated to managing all physician services benefits including primary care, Federally Qualified Health Centers, Rural Health Centers, specialty care services, physician administered drugs and a number of other benefits.</p>
Care Transitions Intervention Specialist	Training Specialist	<p>This 1.0 FTE would be responsible for the Care Transitions Intervention (CTI) training program which would provide training to hospital discharge planners and community-based organizations. The staff would manage this portion of the agreement with UCSOM and facilitate recruitment of hospitals and community-based organizations to participate in CTI training. At present, discharge planning from hospitals uses various approaches to discharge patients from hospitals. In many cases where patients need long term services and support, the client is predominantly discharged to a nursing facility. UCSOM has developed a nationally recognized evidence-based intervention, CTI, and has established a training program that is available to agencies nationally.</p>

Physician Supplemental Payment Budget Analyst	Budget Analyst	This 0.5 FTE Budget Analyst would be responsible for managing the budget line item, which includes monitoring, tracking and explaining encumbrances and expenditures. This would also include reappropriated funds from the Department of Higher Education and federal funds. The analyst would also be responsible for developing budget requests and amendments, and providing additional data analysis, as needed.
Physician Supplemental Payment Accountant	Accountant	This 0.5 FTE Accountant would establish and maintain the Physicians Supplemental Payments subsidiary ledger; monitor, analyze, and reconcile balances for assigned accounts; enter, review, submit, and research payments, transfers, and cash receipts in accordance with internal controls; enter correcting entries; and run reports to ensure that the recording of related accounting transactions are in accordance with GAAP, State fiscal rules, and Department rules, policies, and procedures. This position would also research and respond to questions regarding related transactions from providers, Department employees, and auditors.

Table 1.1 FY 2017-18 R-I-2 University of Colorado School of Medicine Supplemental Payment									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds (1)	Federal Funds	FFP or FMAP	Notes/Calculations
<b>A</b>	<b>Total Estimate</b>	<b>\$123,800,000</b>	<b>3.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,900,000</b>	<b>\$61,900,000</b>		<b>Sum of Row B through Row J</b>
B	(1) Executive Director's Office, (A) General Administration, Personal Services	\$208,949	3.0	\$0	\$0	\$104,475	\$104,474	50.00%	Table 3 FTE Calculations
C	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$47,562	0.0	\$0	\$0	\$23,781	\$23,781	50.00%	Table 3 FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$356	0.0	\$0	\$0	\$178	\$178	50.00%	Table 3 FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$9,363	0.0	\$0	\$0	\$4,682	\$4,681	50.00%	Table 3 FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$9,363	0.0	\$0	\$0	\$4,682	\$4,681	50.00%	Table 3 FTE Calculations
G	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$31,543	0.0	\$0	\$0	\$15,770	\$15,773	50.00%	Table 3 FTE Calculations
H	(1) Executive Director's Office, (A) General Administration, General Professional Services and Special Projects	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Table 2.1 Row B
I	(2) Medical Services Premiums, Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$123,042,864	0.0	\$0	\$0	\$61,521,432	\$61,521,432	50.00%	Table 2.1 Row D
J	(6) Other Medical Services, Commission on Family Medicine Residency Training Programs	\$150,000	0.0	\$0	\$0	\$75,000	\$75,000	50.00%	Table 2.1 Row C

(1) Funds Reappropriated from Department of Higher Education, (5) Governing Boards, (E) Board of Governors of the Colorado State University System. *Long Bill Footnote: Upon approval of the State Plan Amendment, the Department of Higher Education shall distribute the approved amount to the Department of Health Care Policy and Financing in FY 2017-18, pursuant to 23-18-304, (1)(c), C.R.S. If the State Plan Amendment is not approved in FY 2017-18 the Department of Higher Education shall distribute the funding for the administrative costs at the Department of Health Care Policy and Financing and the remainder to the University of Colorado.*

Table 1.2 FY 2018-19 R-I-2 University of Colorado School of Medicine Supplemental Payment									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds (1)	Federal Funds	FFP or FMAP	Notes/Calculations
A	<b>Total Estimate</b>	<b>\$123,800,000</b>	<b>6.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,900,000</b>	<b>\$61,900,000</b>		Sum of Row B through Row J
B	(1) Executive Director's Office, (A) General Administration, Personal Services	\$424,881	6.0	\$0	\$0	\$212,441	\$212,440	50.00%	Table 3 FTE Calculations
C	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$55,489	0.0	\$0	\$0	\$27,745	\$27,744	50.00%	Table 3 FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$723	0.0	\$0	\$0	\$362	\$361	50.00%	Table 3 FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$19,035	0.0	\$0	\$0	\$9,518	\$9,517	50.00%	Table 3 FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$19,035	0.0	\$0	\$0	\$9,518	\$9,517	50.00%	Table 3 FTE Calculations
G	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$5,700	0.0	\$0	\$0	\$2,848	\$2,852	50.00%	Table 3 FTE Calculations
H	(1) Executive Director's Office, (A) General Administration, General Professional Services and Special Projects	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Table 2.2 Row B
I	(2) Medical Services Premiums, Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$122,675,137	0.0	\$0	\$0	\$61,337,568	\$61,337,569	50.00%	Table 2.2 Row D
J	(6) Other Medical Services, Commission on Family Medicine Residency Training Programs	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Table 2.2 Row C

(1) Funds Reappropriated from Department of Higher Education, (5) Governing Boards, (E) Board of Governors of the Colorado State University System. *Long Bill Footnote: Reappropriated Funds exist on both Department of Health Care Policy and Financing and Department of Higher Education budgets, however Department of Higher Education will not transfer funding beyond the 1.0 FTE at Department of Health Care Policy and Financing until the status of the State Plan Amendment is known.*

Table 1.3 FY 2019-20 R-I-2 University of Colorado School of Medicine Supplemental Payment									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds (1)	Federal Funds	FFP or FMAP	Notes/Calculations
A	<b>Total Estimate</b>	<b>\$123,800,000</b>	<b>6.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,900,000</b>	<b>\$61,900,000</b>		Sum of Row B through Row J
B	(1) Executive Director's Office, (A) General Administration, Personal Services	\$424,881	6.0	\$0	\$0	\$212,441	\$212,440	50.00%	Table 3 FTE Calculations
C	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$55,489	0.0	\$0	\$0	\$27,745	\$27,744	50.00%	Table 3 FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$723	0.0	\$0	\$0	\$362	\$361	50.00%	Table 3 FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$19,035	0.0	\$0	\$0	\$9,518	\$9,517	50.00%	Table 3 FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$19,035	0.0	\$0	\$0	\$9,518	\$9,517	50.00%	Table 3 FTE Calculations
G	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$5,700	0.0	\$0	\$0	\$2,847	\$2,853	50.00%	Table 3 FTE Calculations
H	(1) Executive Director's Office, (A) General Administration, General Professional Services and Special Projects	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Table 2.3 Row B
I	(2) Medical Services Premiums, Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$122,525,137	0.0	\$0	\$0	\$61,262,569	\$61,262,568	50.00%	Table 2.3 Row D
J	(6) Other Medical Services, Commission on Family Medicine Residency Training Programs	\$450,000	0.0	\$0	\$0	\$225,000	\$225,000	50.00%	Table 2.3 Row C

(1) Funds Reappropriated from Department of Higher Education, (5) Governing Boards, (E) Board of Governors of the Colorado State University System. *Long Bill Footnote: Reappropriated Funds exist on both Department of Health Care Policy and Financing and Department of Higher Education budgets, however Department of Higher Education will not transfer funding beyond the 1.0 FTE at Department of Health Care Policy and Financing until the status of the State Plan Amendment is known.*

<b>Table 2.1 FY 2017-18 R-I-2 University of Colorado School of Medicine Supplemental Payment Summary by Initiative</b>									
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>FTE</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds (1)</b>	<b>Federal Funds</b>	<b>FFP or FMAP</b>	<b>Notes/Calculations</b>
A	FTE	\$307,136	3.0	\$0	\$0	\$153,568	\$153,568	50.00%	Table 3 FTE Calculations
B	Contractor Resources	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Estimate based upon similar consultant contract
C	Family Medicine Residency Training Program	\$150,000	0.0	\$0	\$0	\$75,000	\$75,000	50.00%	1 resident, \$150,000 per resident
D	Estimated Supplemental Payment	\$123,042,864	0.0	\$0	\$0	\$61,521,432	\$61,521,432	50.00%	Row G - Row A - Row B- Row C
<b>E</b>	<b>Total Estimate</b>	<b>\$123,800,000</b>	<b>3.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,900,000</b>	<b>\$61,900,000</b>		Reappropriated funds amount provided by CUSOM

(1) Amount of annual supplemental payment may vary each year due to UPL calculation. Amount of annual supplemental payment is known, Department of Higher Education would transfer reappropriated funds amount to HCPF and any remaining reappropriated funds would remain at Department of Higher Education.

<b>Table 2.2 FY 2018-19 R-I-2 University of Colorado School of Medicine Supplemental Payment Summary by Initiative</b>									
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>FTE</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds (1)</b>	<b>Federal Funds</b>	<b>FFP or FMAP</b>	<b>Notes</b>
A	FTE	\$524,863	6.0	\$0	\$0	\$262,432	\$262,431	50.00%	Table 3 FTE Calculations
B	Contractor Resources	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Estimate based upon similar consultant contract
C	Family Medicine Residency Training Program	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	2 residents, \$150,000 per resident
D	Estimated Supplemental Payment	\$122,675,137	0.0	\$0	\$0	\$61,337,568	\$61,337,569	50.00%	Row G - Row A - Row B- Row C
<b>E</b>	<b>Total Estimate</b>	<b>\$123,800,000</b>	<b>6.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,900,000</b>	<b>\$61,900,000</b>		Reappropriated funds amount provided by CUSOM

(1) Amount of annual supplemental payment may vary each year due to UPL calculation. Amount of annual supplemental payment is known, Department of Higher Education would transfer reappropriated funds amount to HCPF and any remaining reappropriated funds would remain at Department of Higher Education.

<b>Table 2.3 FY 2019-20 R-I-2 University of Colorado School of Medicine Supplemental Payment Summary by Initiative (2)</b>									
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>FTE</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds (1)</b>	<b>Federal Funds</b>	<b>FFP or FMAP</b>	<b>Notes</b>
A	FTE	\$524,863	6.0	\$0	\$0	\$262,432	\$262,431	50.00%	Table 3 FTE Calculations
B	Contractor Resources	\$300,000	0.0	\$0	\$0	\$150,000	\$150,000	50.00%	Estimate based upon similar consultant contract
C	Family Medicine Residency Training Program	\$450,000	0.0	\$0	\$0	\$225,000	\$225,000	50.00%	3 residents, \$150,000 per resident
D	Estimated Supplemental Payment	\$122,525,137	0.0	\$0	\$0	\$61,262,568	\$61,262,569	50.00%	Row G - Row A - Row B- Row C
<b>E</b>	<b>Total Estimate</b>	<b>\$123,800,000</b>	<b>6.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,900,000</b>	<b>\$61,900,000</b>		Reappropriated funds amount provided by CUSOM

(1) Amount of annual supplemental payment may vary each year due to UPL calculation. Amount of annual supplemental payment is known, Department of Higher Education would transfer reappropriated funds amount to HCPF and any remaining reappropriated funds would remain at Department of Higher Education.

(2) This funding is intended to be ongoing for future years.

<b>FTE Calculation Assumptions:</b>					
<b>Operating Expenses</b> -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.					
<b>Standard Capital Purchases</b> -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).					
<b>General Fund FTE</b> -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.					
<b>Expenditure Detail</b>		FY 2017-18		FY 2018-19	
<b>Personal Services:</b>					
Classification Title	Monthly	FTE		FTE	
<b>RATE/FINANCIAL ANALYST II</b>	\$4,655	0.92	\$51,391.00	1.0	\$55,860
PERA			\$5,216		\$5,670
AED			\$2,570		\$2,793
SAED			\$2,570		\$2,793
Medicare			\$745		\$810
STD			\$98		\$106
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 1, 1.0 FTE</b>		<b>0.92</b>	<b>\$70,517</b>	<b>1.0</b>	<b>\$75,959</b>
<b>STATISTICAL ANALYST III</b>	\$5,479	0.42	\$27,614	1.0	\$65,748
PERA			\$2,803		\$6,673
AED			\$1,381		\$3,287
SAED			\$1,381		\$3,287
Medicare			\$400		\$953
STD			\$52		\$125
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 2, 1.0 FTE</b>		<b>0.42</b>	<b>\$41,558</b>	<b>1.0</b>	<b>\$88,000</b>
<b>ADMINISTRATOR IV</b>	\$5,005	0.83	\$49,850	2.0	\$120,120
PERA			\$5,060		\$12,192
AED			\$2,493		\$6,006
SAED			\$2,493		\$6,006
Medicare			\$723		\$1,742
STD			\$95		\$228
Health-Life-Dental			\$7,927		\$15,854
<b>Subtotal Position 3, 2.0 FTE</b>		<b>0.83</b>	<b>\$68,641</b>	<b>2.0</b>	<b>\$162,148</b>
<b>TRAINING SPECIALIST IV</b>	\$5,005	0.42	\$25,225	1.0	\$60,060
PERA			\$2,560		\$6,096
AED			\$1,261		\$3,003
SAED			\$1,261		\$3,003
Medicare			\$366		\$871
STD			\$48		\$114
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 4, 1.0 FTE</b>		<b>0.42</b>	<b>\$38,648</b>	<b>1.0</b>	<b>\$81,074</b>
<b>ACCOUNTANT IV</b>	\$6,361	0.21	\$16,030	0.5	\$38,166
PERA			\$1,627		\$3,874
AED			\$802		\$1,908
SAED			\$802		\$1,908
Medicare			\$232		\$553
STD			\$30		\$73
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 5, 0.5 FTE</b>		<b>0.21</b>	<b>\$27,450</b>	<b>0.5</b>	<b>\$54,409</b>
<b>BUDGET &amp; POLICY ANLST</b>	\$6,794	0.21	\$17,121	0.5	\$40,764
PERA			\$1,738		\$4,138
AED			\$856		\$2,038
SAED			\$856		\$2,038
Medicare			\$248		\$591
STD			\$33		\$77
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 6, 1.0 FTE</b>		<b>0.21</b>	<b>\$28,779</b>	<b>0.5</b>	<b>\$57,573</b>
<b>Subtotal Personal Services</b>		<b>3.01</b>	<b>\$275,593</b>	<b>6.0</b>	<b>\$519,163</b>
<b>Operating Expenses:</b>					
		FTE		FTE	
Regular FTE Operating	\$500	3.5	\$1,750	6.0	\$3,000
Telephone Expenses	\$450	3.5	\$1,575	6.0	\$2,700
PC, One-Time	\$1,230	6.0	\$7,380	-	-
Office Furniture, One-Time	\$3,473	6.0	\$20,838	-	-
<b>Subtotal Operating Expenses</b>			<b>\$31,543</b>		<b>\$5,700</b>
<b>TOTAL REQUEST</b>		<b>3.01</b>	<b>\$307,136</b>	<b>6.0</b>	<b>\$524,863</b>
	<i>General Fund:</i>		\$153,568		\$262,432
	<i>Cash funds:</i>		\$0		\$0
	<i>Reappropriated Funds:</i>		\$0		\$0
	<i>Federal Funds:</i>		\$153,568		\$262,432