

Schedule 13

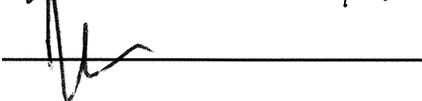
Funding Request for the FY 2018-19 Budget Cycle

Department of Health Care Policy and Financing

Request Title

S-12, BA-12 Public School Health Funding

Dept. Approval By:  1/2/18 Supplemental FY 2017-18

OSPB Approval By:  Budget Amendment FY 2018-19

Summary Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
Total		\$93,193,956	\$12,795,136	\$99,770,681	\$11,263,570	\$23,487,463
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$3,288,799	\$0	\$0
	CF	\$46,505,586	\$6,330,313	\$49,793,512	\$5,632,685	\$11,744,631
	RF	\$170,979	\$10,878	\$170,979	\$10,878	\$10,878
	FF	\$46,517,391	\$6,453,945	\$46,517,391	\$5,620,007	\$11,731,954

Line Item Information	Fund	FY 2017-18		FY 2018-19		FY 2019-20
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
Total		\$170,979	\$10,878	\$170,979	\$10,878	\$10,878
FTE		0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (B) Transfers to/from Other Departments - Public School Health Services Admin., Transfer to DOE	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$170,979	\$10,878	\$170,979	\$10,878	\$10,878
	FF	\$0	\$0	\$0	\$0	\$0
Total		\$93,022,977	\$12,784,258	\$99,599,702	\$11,252,692	\$23,476,585
FTE		0.0	0.0	0.0	0.0	0.0
06. Other Medical Services - Public School Health Services	GF	\$0	\$0	\$3,288,799	\$0	\$0
	CF	\$46,505,586	\$6,330,313	\$49,793,512	\$5,632,685	\$11,744,631
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$46,517,391	\$6,453,945	\$46,517,391	\$5,620,007	\$11,731,954

CF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	If Yes, see attached fund source detail for Schedule 11 or 12.
RF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Requires Legislation?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
Type of Request?	Department of Health Care Policy and Financing Prioritized Request				
Interagency Approval or Related Schedule 13s:	None				



Cost and FTE

- The Department requests \$12,795,136 total funds, including \$6,330,313 cash funds, \$10,878 reappropriated funds and \$6,453,945 federal funds for FY 2017-18, \$11,263,570 total funds, including \$5,632,685 cash funds, \$10,878 reappropriated funds and \$5,620,007 federal funds for FY 2018-19, and \$23,487,463 total funds, including \$11,744,631 cash funds, \$10,878 reappropriated funds and \$11,731,954 federal funds for FY 2019-20 to support local school health services.

Current Program

- The Public School Health Services (SHS) program allows Colorado's public schools and state-operated educational institutions access to federal Medicaid funds for the partial reimbursement of their costs of providing health services to eligible students from kindergarten through twelfth grade.
- Participants in the SHS program can be school districts, Board of Cooperative Education Services (BOCES) or K-12 educational institutions, hereafter referred to as providers. The Department, as the single state agency for the Medicaid program, administers the program and provides training and oversight to assure compliance with the federally-approved reimbursement methodology.
- SHS program providers are required to use the federal funding received through the program to fund the unmet health needs of all students served by participating providers, as identified in the providers' Local Services Plan (LSP). This has allowed providers to address some of the health care needs unique to their local communities.

Problem or Opportunity

- The aggregate total of SHS program providers' allowable costs is projected to exceed the Department's spending authority in FY 2017-18 and future years.
- The Department's SHS program forecast has been updated to reflect new data received in November 2017 from the Department's contracted vendor.
- The Department has insufficient spending authority to reimburse the Colorado Department of Education (CDE) for their assistance in the administration of the program.

Consequences of Problem

- Without sufficient spending authority, reimbursement to program participants may be delayed.
- Delays in reimbursement may discourage provider participation in the program, resulting in fewer health services to students.

Proposed Solution

- The increase in spending authority would allow program providers to submit their Medicaid allowable costs as certified public expenditures (CPE) and receive the federal matching dollars allowed under the Department's federally-approved reimbursement methodology.
- SHS providers use the reimbursements to fund the unmet health needs of all students served by participating providers as identified in the providers' Local Services Plan (LSP).
- The cash funds portion of this line item is comprised entirely of certified public expenditures and does not impact any State cash funds. This request has no General Fund impact.
- Increase the spending authority that allows the Department to reimburse CDE for their administrative functions.



COLORADO

Department of Health Care
Policy & Financing

FY 2017-18 and FY 2018-19 Funding Request | January 2, 2018

John W. Hickenlooper
Governor

Tom Massey
Interim Executive Director

Department Priority: S-12, BA-12

Request Detail: Public School Health Services Funding Adjustment

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
Public School Health Services Funding Adjustment	\$12,795,136	\$0

Summary of Incremental Funding Change for FY 2018-19	Total Funds	General Fund
Public School Health Services Funding Adjustment	\$11,263,570	\$0

Problem or Opportunity:

Public School Health Services (SHS) program participating providers' allowable costs for FY 2017-18, and in the foreseeable future, are projected to exceed the Department's current spending authority¹.

The Department anticipates increases in allowable expenditures of SHS program providers. The program allows Colorado's public school districts and state-operated educational institutions access to federal Medicaid funds for the partial reimbursement of their costs of providing health services to eligible students from kindergarten through twelfth grade. The State share of this reimbursement comes from certified public expenditures (CPE) by participating providers; no other State funds are required. Without sufficient spending authority, however, reimbursement of the federal share to the providers may be delayed, and delays in reimbursement may discourage provider participation in the program and potentially lead to the reduction of health services offered to children.

The SHS program facilitates provider reimbursements through a federally-approved, cost-based methodology. The Department uses a contractor to determine the amount of certified public expenditures federally claimable to assure compliance with federal requirements. The methodology used to determine the amount of allowable certified public expenditure is described below:

¹Background information on the SHS program, including requirements for program participation, can be found on the Department's website: <https://www.colorado.gov/pacific/hcpf/school-health-services>

- For each participating provider, the vendor first compiles cost pool information, including salary, benefits and contracted costs for all random moment time study² (RMTS) participants, and indirect costs.
- The costs are then converted to allowable Medicaid costs by applying the statewide RMTS percentages against the direct service (DS) and targeted case management (TCM) cost pools, respectively.
- The allowable costs are then adjusted to reflect the program's qualifying clients by applying the Individual Education Program³ (IEP) student utilization ratio⁴.
- Costs of supplies, materials, transportation and other costs are added.

Program reimbursements for each cost-report year are made to providers over a two-year period. Monthly interim payments are made throughout the year and upon reconciliation of year-end cost reports a final, cost-settlement payment is made the following year. Additionally, a separate but similar calculation is used for determining the Medicaid administrative claiming⁵ (MAC) component of the program which is reimbursed on a quarterly basis.

The total allowable expenditures of the SHS program are projected to increase. The increase in expenditure is driven by improvements in identifying the number of students who are Medicaid eligible with an IEP, an improved understanding of RMTS reporting requirements by providers, and an overall increase in the salary and benefits of the RMTS cost-pool participants. The Department expects the expenditures of the cost-report years to continue growth at a similar rate throughout the forecast period, however due to the recommendation of the Department's vendor to significantly increase the allocation percentage of the interim payments in FY 2017-18, the fiscal year growth will not be reflective of the program growth rate until FY 2019-20.

Lastly, the Department has insufficient spending authority to reimburse the Colorado Department of Education (CDE) for their program costs. CDE assists the Department in the administration of the SHS program by providing technical assistance to program coordinators at participating school districts and reviewing all local services plans and annual reports. This increase is reappropriated funds originally appropriated in Public School Health Services Contract Administration line item.

²The Random Moment Time Study (RMTS) is a federally-approved statistical sampling technique used to determine Medicaid reimbursement at school districts and BOCES. Participants are randomly selected to complete the survey regarding a 1-minute moment in time. The time study, conducted on a quarterly basis, gathers information on how staff members spend their time on certain health-related activities.

³An Individualized Education Program (IEP) is a document developed for each public school child who needs special education. The document, created by key school staff and the child's parents, lists reasonable learning goals for the child and the services that the school district will provide the child.

⁴The IEP Student Utilization Ratio is a program participant-specific ratio where the numerator is the total Medicaid IEP students on December 1st, as identified through the eligibility verification match from MMIS, and the denominator is the total number of IEP students on December 1st.

⁵Medicaid administrative claiming (MAC) refer to activities related to the administration of the state's Medicaid plan including costs associated with identifying and enrolling populations in need of Medicaid services, linking individuals and families to service providers, and coordinating and monitoring health related services.

Proposed Solution:

The Department requests the following increases to the Public School Health Services line item to support local school health services:

- FY 2017-18: \$12,795,136 total funds, including \$6,330,313 cash funds, \$10,878 reappropriated funds and \$6,453,945 federal funds;
- FY 2018-19: \$11,263,570 total funds, including \$5,632,685 cash funds, \$10,878 reappropriated funds and \$5,620,007 federal funds; and
- FY 2019-20: \$23,487,463 total funds, including \$11,744,631 cash funds, \$10,878 reappropriated funds and \$11,731,954 federal funds.

The cash funds portion of this line item is comprised entirely of certified public expenditures and does not impact any State cash funds. This request has no General Fund impact. Additionally, the Department requests an increase of \$10,878 total funds, comprised entirely of reappropriated funds from the Public School Health Services line, in FY 2017-18 and ongoing, to increase the Department's spending authority and allow the reimbursement of CDE for their administrative costs of the program.

Anticipated Outcomes:

The Medicaid funds received through the SHS program increase access to primary and preventive care programs for low-income, under or uninsured children and improve the coordination of care between schools and health care providers. SHS providers are required to use the federal funding received to either offset costs incurred for the provision of student health services or to fund other student health services as identified in the providers' Local Services Plan, including health care needs unique to their local communities.

Types of services that can be funded include, but are not limited to, the following:

- Enhanced clinic aid or nurse services;
- Dental, vision and pharmacy vouchers to uninsured or under-insured students;
- Outreach and enrollment assistance toward access of medical assistance benefits for uninsured families;
- Health supplies and equipment; and
- Enhanced physical or mental health services.

By allowing the Department to reimburse SHS providers on a timely basis for their incurred Medicaid costs, the approval of this request would ensure the retention of current participating providers and help attract new providers to the program, thus furthering the Department's mission of improving health care access and outcomes.

Assumptions and Calculations:

This request is based on the Department's expected amount of aggregate certified public expenditures calculated in accordance with the methodology previously described. Detailed calculations for this request are provided in the attached appendix.

Table 1.1 through 1.3 shows a summary of the total incremental funding request by fiscal year and fund source. The federal medical assistance percentage (FMAP) used for the calculation of federal funds varies according to applicable period and component of program. Tables 2.1 through 2.3 show the calculations to determine the incremental requests. The MAC component receives the standard 50% while the interim payments and cost settlement components receive the applicable FMAP at the time the cost was incurred.

Tables 3.1 and 3.2 illustrate the crosswalk between the program's cost report year totals and the corresponding state fiscal year in which the reimbursement payments are made. These tables are necessary because the program's interim payments are made in one state fiscal year and the cost settlement payments occur in following state fiscal year. The four quarterly MAC payments of each cost report year also span the same two fiscal years with two payments occurring in each state fiscal year. MAC payments within a cost report year have historically shown little variance. The Department assumes for cost projection purposes that each quarterly MAC payment is equal to one-fourth of the allowable MAC reimbursement attributable to each cost report year.

Tables 4.1 and 4.2 show historical and projection data for interim payments and cost settlement payments respectively. The Department's contracted vendor determined the allocation percentage for Cost Report Year 2016-17, shown in Table 4.2 Row B, using three years of historical data and modifications based on provider input. The Department assumes the Cost Report Year 2017-18 allocation percentage for interim payments will remain constant in subsequent cost report years.

Tables 5.1 and 5.2 show the historical and projected calculations of direct services, target case management and specialized transportation allowable reimbursements. The reimbursements are calculated for each cost report year by applying the formula components to the direct services & targeted case management cost pools in accordance with the program's federally-approved methodology. Growth is expected for both cost pools, along with indirect costs, consistent with the program's 5-year historical trends. Additionally, formula components are expected to follow their upward trend as the SHS program continues to mature amid the increased training and outreach efforts of the Department and participating providers.

Tables 6.1 and 6.2 show the historical and projected calculations of Medicaid administrative claiming allowable reimbursements. These reimbursements are derived from three cost pools as MAC services are performed by those within the direct services & targeted case management cost pools (Row A) and the MAC-specific cost pool (Row D). Growth is expected in all cost pools, along with indirect costs, consistent with the program's 5-year historical trends.

Table 7 shows the historical and projected expenditures of the Colorado Department of Education for their portion of the shared SHS program administration.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

The supplemental criteria applicable to this request is the existence of new data received in November 2017 that resulted in substantive changes in funding needs. Critical data and calculations for determining current fiscal year expenditures of the SHS program are not available to the Department until November of each state year. The provider data is derived from prior state fiscal year annual cost reports. This data is provided to

the Department's vendor by October 1st. The data is then compiled, reviewed and submitted by the vendor to the Department in early November as preliminary cost settlement figures.

S-12, BA-12 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 1.1 FY 2017-18 Summary by Line Item								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source
A	(1) Executive Director's Office; Transfer to/from Other Departments; Transfer to Department of Education for Public School Health Services Administration	\$10,878	0.0	\$0	\$0	\$10,878	\$0	Table 2.1, Row C
B	(6) Other Medical Services; Public School Health Services	\$12,784,258	0.0	\$0	\$6,330,313	\$0	\$6,453,945	Table 2.1 Row I
C	Total	\$12,795,136	0.0	\$0	\$6,330,313	\$10,878	\$6,453,945	Row A + B

Table 1.2 FY 2018-19 Summary by Line Item								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source
A	(1) Executive Director's Office; Transfer to/from Other Departments; Transfer to Department of Education for Public School Health Services Administration	\$10,878	0.0	\$0	\$0	\$10,878	\$0	Table 2.2, Row C
B	(6) Other Medical Services; Public School Health Services	\$11,252,692	0.0	\$0	\$5,632,685	\$0	\$5,620,007	Table 2.2 Row K
C	Total	\$11,263,570	0.0	\$0	\$5,632,685	\$10,878	\$5,620,007	Row A + B

Table 1.3 FY 2019-20 Summary by Line Item								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source
A	(1) Executive Director's Office; Transfer to/from Other Departments; Transfer to Department of Education for Public School Health Services Administration	\$10,878	0.0	\$0	\$0	\$10,878	\$0	Table 2.3, Row C
B	(6) Other Medical Services; Public School Health Services	\$23,476,585	0.0	\$0	\$11,744,631	\$0	\$11,731,954	Table 2.3 Row I
C	Total	\$23,487,463	0.0	\$0	\$11,744,631	\$10,878	\$11,731,954	Row A + B

S-12, BA-12 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 2.1 FY 2017-18 Incremental Request								
Row	Description	Total Funds	General Funds	Cash Funds	Reappropriated Funds	Federal Funds	FMAP	Source
<i>(1) Executive Director's Office; (B) Transfers to/from Other Departments, Transfer to Department of Education for Public School Health Services Administration</i>								
A	FY 2017-18 Initial Appropriation	\$170,979	\$0	\$0	\$170,979	\$0	50.00%	Long Bill Appropriation (SB 17-254)
B	FY 2017-18 Estimated Expenditures	\$181,857	\$0	\$0	\$181,857	\$0	50.00%	Table 7, Row G [FY 2017-18 projected]
C	Incremental Request	\$10,878	\$0	\$0	\$10,878	\$0	50.00%	Row A - Row B
<i>(6) Other Medical Services, Public School Health Services</i>								
D	FY 2017-18 Initial Appropriation	\$93,022,977	\$0	\$46,505,586	\$0	\$46,517,391	blend	Long Bill Appropriation (SB 17-254)
E	Medicaid Administrative Claiming (MAC)	\$9,633,726	\$0	\$4,816,863	\$0	\$4,816,863	50.00%	Table 3.1, Row A [FY 2017-18 projected]
F	Cost Settlement	\$33,858,797	\$0	\$16,861,681	\$0	\$16,997,116	50.20%	Table 3.1, Row B [FY 2017-18 projected]
G	Interim Payment	\$62,314,713	\$0	\$31,157,356	\$0	\$31,157,357	50.00%	Table 3.1, Row C [FY 2017-18 projected]
H	FY 2017-18 Estimated Expenditures	\$105,807,235	\$0	\$52,835,899	\$0	\$52,971,336	blend	Row E + Row F + Row G
I	Incremental Request	\$12,784,258	\$0	\$6,330,313	\$0	\$6,453,945	blend	Row D - Row H

Table 2.2 FY 2018-19 Incremental Request								
Row	Description	Total Funds	General Funds	Cash Funds	Reappropriated Funds	Federal Funds	FMAP	Source
<i>(1) Executive Director's Office; (B) Transfers to/from Other Departments, Transfer to Department of Education for Public School Health Services Administration</i>								
A	FY 2017-18 Initial Appropriation	\$170,979	\$0	\$0	\$170,979	\$0	50.00%	Long Bill Appropriation (SB 17-254)
B	FY 2018-19 Estimated Expenditures	\$181,857	\$0	\$0	\$181,857	\$0	50.00%	Table 7, Row G [FY 2018-19 projected]
C	Incremental Request	\$10,878	\$0	\$0	\$10,878	\$0	50.00%	Row A - Row B
<i>(6) Other Medical Services, Public School Health Services</i>								
D	FY 2017-18 Initial Appropriation	\$93,022,977	\$0	\$46,505,586	\$0	\$46,517,391	50.00%	Long Bill Appropriation (SB 17-254)
E	Annualization of FY 2017-18 BA-14 "Public School Health Services Funding Adjustment"	\$6,576,725	\$0	\$3,287,926	\$0	\$3,288,799	50.00%	FY 2017-18 BA-14 "Public School Health Services Funding Adjustment"
F	FY 2018-19 Base Request	\$99,599,702	\$0	\$49,793,512	\$0	\$49,806,190	50.00%	Row D + Row E
G	Medicaid Administrative Claiming (MAC)	\$10,179,834	\$0	\$5,089,917	\$0	\$5,089,917	50.00%	Table 3.1, Row A [FY 2018-19 projected]
H	Cost Settlement	\$31,195,106	\$0	\$15,597,553	\$0	\$15,597,553	50.00%	Table 3.1, Row B [FY 2018-19 projected]
I	Interim Payment	\$69,477,454	\$0	\$34,738,727	\$0	\$34,738,727	50.00%	Table 3.1, Row C [FY 2018-19 projected]
J	Estimated Expenditures	\$110,852,394	\$0	\$55,426,197	\$0	\$55,426,197	50.00%	Row G + Row H + Row I
K	Incremental Request	\$11,252,692	\$0	\$5,632,685	\$0	\$5,620,007	50.00%	Row F - Row J

Table 2.3 FY 2019-20 Incremental Request								
Row	Description	Total Funds	General Funds	Cash Funds	Reappropriated Funds	Federal Funds	FMAP	Source
<i>(1) Executive Director's Office; (B) Transfers to/from Other Departments, Transfer to Department of Education for Public School Health Services Administration</i>								
A	FY 2017-18 Appropriation	\$170,979	\$0	\$0	\$170,979	\$0	50.00%	Long Bill Appropriation (SB 17-254)
B	FY 2019-20 Estimated Expenditures	\$181,857	\$0	\$0	\$181,857	\$0	50.00%	Table 7, Row G [FY 2019-20 projected]
C	Incremental Request	\$10,878	\$0	\$0	\$10,878	\$0	50.00%	Row A - Row B
<i>(6) Other Medical Services, Public School Health Services</i>								
D	FY 2019-20 Continuation Budget	\$99,599,702	\$0	\$49,793,512	\$0	\$49,806,190	50.00%	Table 2.2, Row C
E	Medicaid Administrative Claiming (MAC)	\$10,758,520	\$0	\$5,379,260	\$0	\$5,379,260	50.00%	Table 3.1, Row A [FY 2019-20 projected]
F	Cost Settlement	\$34,780,816	\$0	\$17,390,408	\$0	\$17,390,408	50.00%	Table 3.1, Row B [FY 2019-20 projected]
G	Interim Payment	\$77,536,951	\$0	\$38,768,475	\$0	\$38,768,476	50.00%	Table 3.1, Row C [FY 2019-20 projected]
H	Estimated Expenditures	\$123,076,287	\$0	\$61,538,143	\$0	\$61,538,144	50.00%	Row E + Row F + Row G
I	Incremental Request	\$23,476,585	\$0	\$11,744,631	\$0	\$11,731,954	50.00%	Row D - Row H

S-12, BA-12 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Row	Reimbursement Component	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 projected	FY 2018-19 projected	SFY 2019-20 projected
A	Medicaid Administrative Claiming (MAC)	\$3,769,661	\$3,798,961	\$5,039,855	\$6,991,726	\$7,877,930	\$9,503,632	\$9,633,726	\$10,179,834	\$10,758,520
B	Cost Settlement	\$20,625,852	\$18,881,603	\$13,743,728	\$24,915,714	\$28,945,428	\$32,757,385	\$33,858,797	\$31,195,106	\$34,780,816
C	Interim Payment	\$18,008,746	\$27,046,004	\$29,765,430	\$30,412,077	\$41,430,082	\$49,737,604	\$62,314,713	\$69,477,454	\$77,536,951
D	Total Aggregate CPE	\$42,404,259	\$49,726,568	\$48,549,013	\$62,319,517	\$78,253,440	\$91,998,621	\$105,807,235	\$110,852,394	\$123,076,287

Row	Cost Report Year	Reimbursement Component	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 projected	FY 2018-19 projected	SFY 2019-20 projected	Total
A	CRY 2010-11 ⁽¹⁾	MAC	\$2,065,673	-	-	-	-	-	-	-	-	\$22,691,525
		Interim Payment	\$0	-	-	-	-	-	-	-	-	
		Cost Settlement	\$20,625,852	-	-	-	-	-	-	-	-	
B	CRY 2011-12	MAC	\$1,703,989	\$1,703,988	-	-	-	-	-	-	-	\$40,298,326
		Interim Payment	\$18,008,746	\$0	-	-	-	-	-	-	-	
		Cost Settlement	\$0	\$18,881,603	-	-	-	-	-	-	-	
C	CRY 2012-13	MAC	-	\$2,094,973	\$1,931,394	-	-	-	-	-	-	\$44,816,099
		Interim Payment	-	\$27,046,004	\$0	-	-	-	-	-	-	
		Cost Settlement	-	\$0	\$13,743,728	-	-	-	-	-	-	
D	CRY 2013-14	MAC	-	-	\$3,108,461	\$3,317,229	-	-	-	-	-	\$61,106,834
		Interim Payment	-	-	\$29,765,430	\$0	-	-	-	-	-	
		Cost Settlement	-	-	\$0	\$24,915,714	-	-	-	-	-	
E	CRY 2014-15	MAC	-	-	-	\$3,674,497	\$3,419,038	-	-	-	-	\$66,451,040
		Interim Payment	-	-	-	\$30,412,077	\$0	-	-	-	-	
		Cost Settlement	-	-	-	\$0	\$28,945,428	-	-	-	-	
F	CRY 2015-16	MAC	-	-	-	-	\$4,458,892	\$4,819,346	-	-	-	\$83,465,705
		Interim Payment	-	-	-	-	\$41,430,082	\$0	-	-	-	
		Cost Settlement	-	-	-	-	\$0	\$32,757,385	-	-	-	
G	CRY 2016-17	MAC	-	-	-	-	-	\$4,684,286	\$4,684,286	-	-	\$92,964,973
		Interim Payment	-	-	-	-	-	\$49,737,604	\$0	-	-	
		Cost Settlement	-	-	-	-	-	\$0	\$33,858,797	-	-	
H	CRY 2017-18 projected	MAC	-	-	-	-	-	-	\$4,949,440	\$4,949,440	-	\$103,408,698
		Interim Payment	-	-	-	-	-	-	\$62,314,713	\$0	-	
		Cost Settlement	-	-	-	-	-	-	\$0	\$31,195,106	-	
I	CRY 2018-19 projected	MAC	-	-	-	-	-	-	-	\$5,230,395	\$5,230,395	\$114,719,059
		Interim Payment	-	-	-	-	-	-	-	\$69,477,454	\$0	
		Cost Settlement	-	-	-	-	-	-	-	\$0	\$34,780,816	
J	CRY 2019-20 projected	MAC	-	-	-	-	-	-	-	-	\$5,528,125	\$127,408,647
		Interim Payment	-	-	-	-	-	-	-	-	\$77,536,951	
		Cost Settlement	-	-	-	-	-	-	-	-	\$0	
K	Total Aggregate CPE		\$42,404,259	\$49,726,568	\$48,549,013	\$62,319,517	\$78,253,440	\$91,998,621	\$105,807,235	\$110,852,394	\$123,076,287	\$589,911,047

⁽¹⁾Complete CRY 2010-11 is not used in request. This request analyzes program costs beginning with State Fiscal Year 2011-12

S-12, BA-12 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 4.1 - Historical Amounts of Interim Payments and Cost Settlement Payments by Cost Report Year							
Row	Item	Cost Report Year 2012-13	Cost Report Year 2013-14	Cost Report Year 2014-15	Cost Report Year 2015-16	Cost Report Year 2016-17 ⁽¹⁾	Source
A	Interim Payments for Direct Services, Targeted Case Management & Specialized Transportation	\$27,046,004	\$29,765,430	\$30,412,077	\$41,430,082	\$49,737,604	Annual Cost Settlement Report
B	Cost Settlement for Direct Services, Targeted Case Management & Specialized Transportation	\$13,743,728	\$24,915,714	\$28,945,428	\$32,757,385	\$33,858,797	
C	Total Allowable Reimbursement for Direct Services, Targeted Case Management & Specialized Transportation	\$40,789,732	\$54,681,144	\$59,357,505	\$74,187,467	\$83,596,401	Row A + Row B

⁽¹⁾Preliminary data for Cost Report Year 2017-18 provided to Department by contracted vendor in November 2017. Final cost report data will be available in March 2018.

Table 4.2 - Projection Amounts of Interim Payments and Cost Settlement Payments by Cost Report Year					
Row	Item	Cost Report Year 2017-18	Cost Report Year 2018-19	Cost Report Year 2019-20	Source
A	Total Allowable Reimbursement for Direct Services, Targeted Case Management & Specialized Transportation	\$93,509,819	\$104,258,270	\$116,352,397	Table 5.2, Row K
B	Interim Payment Allocation Percentage	66.64%	66.64%	66.64%	Provided by Department's contracted vendor on 11/01/2017
C	Interim Payments for Direct Services, Targeted Case Management & Specialized Transportation	\$62,314,713	\$69,477,454	\$77,536,951	Row A * Row B
D	Cost Settlement for Direct Services, Targeted Case Management & Specialized Transportation	\$31,195,106	\$34,780,816	\$38,815,446	Row A - Row C

S-12, BA-12 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 5.1 - Historical Calculations of Direct Services (DS), Targeted Case Management (TCM) & Specialized Transportation Costs by Cost Report Year							
Row	Item	Cost Report Year 2012-13	Cost Report Year 2013-14	Cost Report Year 2014-15	Cost Report Year 2015-16	Cost Report Year 2016-17	Source
A	Salaries, Benefits & Contracted Staff Costs	\$275,626,557	\$251,176,932	\$260,507,631	\$292,904,805	\$317,104,162	Annual Program Expenditures Report
B	Indirect Costs %	16.30%	18.17%	18.97%	20.97%	16.67%	
C	Subtotal	\$320,541,107	\$296,804,226	\$309,930,743	\$354,320,042	\$369,963,753	Row A * (1 + Row B)
D	RMTS ⁽¹⁾ %	27.76%	35.28%	34.38%	36.50%	38.53%	Annual Program Expenditures Report
E	Subtotal	\$88,987,200	\$104,726,508	\$106,554,190	\$129,335,673	\$142,547,034	Row C * Row D
F	Supplies & Materials Costs	\$2,725,115	\$2,279,520	\$2,734,031	\$2,468,955	\$2,321,841	Annual Program Expenditures Report
G	Subtotal	\$91,712,315	\$107,006,028	\$109,288,221	\$131,804,628	\$144,868,875	Row E + Row F
H	IEP ⁽²⁾ %	39.31%	45.02%	49.15%	52.40%	53.34%	Annual Program Expenditures Report
I	Total DS, TCM CPE Amounts	\$36,051,441	\$48,170,029	\$53,714,867	\$69,061,265	\$77,267,165	Row G * Row H
J	Specialized Transportation CPE Amount	\$4,738,291	\$6,511,115	\$5,642,639	\$5,126,202	\$6,329,236	Annual Program Expenditures Report
K	Total Allowable Reimbursement - DS, TCM & Specialized Transportation	\$40,789,732	\$54,681,144	\$59,357,506	\$74,187,467	\$83,596,401	Row I + Row J

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM

⁽²⁾ Individualized Education Program (IEP) student utilization ratio applied on a district-specific basis

Table 5.2 - Projected Calculations of Direct Services (DS), Targeted Case Management (TCM) & Specialized Transportation by Cost Report Year						
Row	Item	Cost Report Year 2017-18	Cost Report Year 2018-19	Cost Report Year 2019-20	Source	
A	Salaries, Benefits & Contracted Staff Costs	\$328,424,781	\$340,149,546	\$352,292,885	Growth rate of 3.57%; consistent with growth from CRY 2012-13 to CRY 2016-17	
B	Indirect Costs %	18.21%	18.21%	18.21%	Average of Indirect Cost % from CRY 2012-13 to CRY 2016-17	
C	Subtotal	\$388,230,934	\$402,090,778	\$416,445,419	Row A * (1 + Row B)	
D	RMTS ⁽¹⁾ %	41.82%	45.39%	49.27%	Growth rate of 8.54%; consistent with growth from CRY 2012-13 to CRY 2016-17	
E	Subtotal	\$162,358,177	\$182,509,004	\$205,182,658	Row C * Row D	
F	Supplies & Materials Costs	\$2,321,841	\$2,321,841	\$2,321,841	Supplies & Materials costs from CRY 2016-17	
G	Subtotal	\$164,680,018	\$184,830,845	\$207,504,499	Row E + Row F	
H	IEP ⁽²⁾ %	53.34%	53.34%	53.34%	IEP% from CRY 2016-17	
I	Total DS, TCM CPE Amounts	\$87,840,322	\$98,588,773	\$110,682,900	Row G + Row H	
J	Specialized Transportation CPE Amount	\$5,669,497	\$5,669,497	\$5,669,497	Average of Specialized Transportation costs from CRY 2012-13 to CRY 2016-17	
K	Total Allowable Reimbursement - DS, TCM & Specialized Transportation	\$93,509,819	\$104,258,270	\$116,352,397	Row I + Row J	

⁽¹⁾ Random Moment Time Study percentage based on annual average statewide allowable DS & TCM

⁽²⁾ Individualized Education Program student utilization ratio which applied on a district-specific basis

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Table 6.1 - Historical Calculations of Medicaid Administrative Claiming (MAC) by Cost Report Year							
Row	Item	Cost Report Year 2012-13	Cost Report Year 2013-14	Cost Report Year 2014-15	Cost Report Year 2015-16	Cost Report Year 2016-17	Source
A	Salaries, Benefits & Contracted Staff Costs - DS & TCM	\$275,626,557	\$251,176,932	\$260,507,631	\$292,904,805	\$317,104,162	Medicaid Administrative Claims Report
B	RMTS% for MAC - DS & TCM ⁽¹⁾	1.40%	2.11%	1.59%	2.06%	1.84%	RMTS Calculation Report
C	Subtotal	\$3,869,574	\$5,289,804	\$4,139,006	\$6,033,839	\$5,834,717	Row A * Row B
D	Salaries, Benefits & Contracted Staff Costs - MAC	\$74,826,803	\$76,378,713	\$79,988,348	\$90,220,924	\$96,155,359	Medicaid Administrative Claims Report
E	RMTS% - MAC Administrative	11.19%	13.33%	13.05%	15.97%	15.67%	RMTS Calculation Report
F	Subtotal	\$8,372,475	\$10,179,253	\$10,440,829	\$14,408,282	\$15,067,545	Row D * Row E
G	Total	\$12,242,049	\$15,469,057	\$14,579,835	\$20,442,121	\$20,902,262	Row C + Row F
H	Medicaid Eligibility Rate	28.34%	34.57%	39.61%	37.49%	38.04%	Medicaid Administrative Claims Report
I	Adjusted Total	\$3,468,788	\$5,348,377	\$5,775,073	\$7,663,751	\$7,950,262	Row G * Row H
J	Indirect Cost Rate	16.07%	20.14%	22.83%	21.07%	17.84%	Medicaid Administrative Claims Report
K	Total Allowable Reimbursement - MAC	\$4,026,367	\$6,425,690	\$7,093,535	\$9,278,238	\$9,368,572	Row I * (1 + Row J)

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM

Table 6.2 - Projected Calculations of Medicaid Administrative Claiming (MAC) by Cost Report Year					
Row	Item	Cost Report Year 2017-18	Cost Report Year 2018-19	Cost Report Year 2019-20	Source
A	Salaries, Benefits & Contracted Staff Costs - DS & TCM	\$328,424,781	\$340,149,546	\$352,292,885	Growth rate of 3.57%; consistent with growth from CRY 2012-13 to CRY 2016-17
B	RMTS% for MAC - DS & TCM ⁽¹⁾	1.84%	1.84%	1.84%	Percentage from CRY 2016-17
C	Subtotal	\$6,043,016	\$6,258,752	\$6,482,189	Row A * Row B
D	Salaries, Benefits & Contracted Staff Costs - MAC	\$102,376,611	\$109,000,378	\$116,052,702	Growth rate of 6.47%; consistent with growth from CRY 2012-13 to CRY 2016-17
E	RMTS% - MAC Administrative	15.67%	15.67%	15.67%	Percentage from CRY 2016-17
F	Subtotal	\$16,042,415	\$17,080,359	\$18,185,458	Row D * Row E
G	Total	\$22,085,431	\$23,339,111	\$24,667,647	Row C + Row F
H	Medicaid Eligibility Rate	38.04%	38.04%	38.04%	Percentage from CRY 2016-17
I	Adjusted Total	\$8,400,286	\$8,877,128	\$9,382,442	Row G * Row H
J	Indirect Cost Rate	17.84%	17.84%	17.84%	Percentage from CRY 2016-17
K	Total Allowable Reimbursement - MAC	\$9,898,879	\$10,460,789	\$11,056,250	Row I * (1 + Row J)

⁽¹⁾ Random Moment Time Study weighted percentage based on annual average statewide allowable DS & TCM

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Appendix A: Assumptions and Calculations

Table 7 - Colorado Department of Education Public School Health Services (SHS) Forecasted Expenditures					
Row	Description	FY 2016-17	FY 2017-18 projected	FY 2018-19 projected	FY 2019-20 projected
A	Salary + Benefits	\$133,129	\$140,083	\$140,083	\$140,083
B	Rent	\$9,000	\$10,536	\$10,536	\$10,536
C	Phone	\$1,253	\$1,914	\$1,914	\$1,914
D	Miscellaneous (Travel)	\$10,626	\$12,942	\$12,942	\$12,942
E	Subtotal	\$154,008	\$165,475	\$165,475	\$165,475
F	Indirect budget allocation	\$16,971	\$16,382	\$16,382	\$16,382
G	Total	\$170,979	\$181,857	\$181,857	\$181,857