

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Health Care Policy and Financing

PB Request Number R-19

Request Titles

R-19 Public School Health Services

Dept. Approval By:	Josh Block		<input checked="" type="checkbox"/>	Supplemental FY 2014-15
			<input type="checkbox"/>	Change Request FY 2015-16
			<input type="checkbox"/>	Base Reduction FY 2015-16
OSPB Approval By:			<input type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$54,353,956	\$0	\$54,353,956	\$5,476,888	\$9,443,673
	FTE	-	-	-	-	-
	GF	\$0	\$0	\$0	\$0	\$0
Total of All Line Items	CF	\$26,919,482	\$0	\$26,833,650	\$2,683,127	\$4,626,455
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$27,434,474	\$0	\$27,520,306	\$2,793,761	\$4,817,218

Line Item Information	Fund	FY 2014-15		FY 2015-16		FY 2016-17
		Appropriation	Request	Base Request	FY 2015-16	Continuation
	Total	\$54,353,956	\$0	\$54,353,956	\$5,476,888	\$9,443,673
06. Other Medical Services - Public	CF	\$26,919,482	\$0	\$26,833,650	\$2,683,127	\$4,626,455
School Health Services	FF	\$27,434,474	\$0	\$27,520,306	\$2,793,761	\$4,817,218

Letternote Text Revision Required?	Yes	No	X	If Yes, describe the Letternote Text Revision:
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Cash or Federal Fund Name and CORE Fund Number:	CF: Certified Public Expenditures; FF: Title XIX			
Reappropriated Funds Source, by Department and Line Item Name:	N/A			
Approval by OIT?	Yes	No	Not Required:	X
Schedule 13s from Affected Departments:	N/A			
Other Information:	N/A			



Cost and FTE

- FY 2015-16: \$5,476,888 total funds, including \$2,683,127 cash funds and \$2,793,761 federal funds, and 0.0 FTE; and
- FY 2016-17: \$9,443,673 total funds, including \$4,626,455 cash funds and \$4,817,218 federal funds, and 0.0 FTE.
- The increase in funds will allow the Department draw down federal matching funds for allowable expenditures that will be used to fund the unmet health needs for all students served by participating providers of the Public School Health Services Program.

Current Program

- The Public School Health Services (SHS) Program allows public schools, Boards of Cooperative Education Services (BOCES), or state educational institutions that serve students in kindergarten through twelfth grade (hereafter referred to as “providers”) to access federal Medicaid funds for health services delivered to eligible clients.
- SHS providers are required to use the federal funding received through this program to offset costs incurred for the provision of student health services or to fund other student health services. The funding generated through this program can be used to fund the unmet health needs for all students served by participating providers, as identified in the providers’ Local Service Plans. Additionally, providers have been able to address some of the health care needs unique to their local communities.

Problem or Opportunity

- As the overall population Medicaid eligible children increases, the Department anticipates a corresponding increases in caseload and certified public expenditures (CPE) in the Public School Health Services program. These CPE are eligible for federal Medicaid matching funds.
- Growth in expenditures is anticipated due to the overall growth in the number of Medicaid eligible children statewide resulting from expansion under the Affordable Care Act, the Department’s “continuous eligibility” policy, along with outreach and enrollment assistance by both the Department and participating providers.

Consequences of Problem

- Without sufficient spending authority, reimbursement to program participants will be delayed until supplemental funding is approved or over-expenditure authority is granted.
- Delays in reimbursement may discourage provider participation in the program, resulting in fewer health services to students.

Proposed Solution

- This increase in funds would allow SHS providers to certify their Medicaid allowable costs as certified public expenditures and receive federal matching funds allowed under the Department’s federally-approved reimbursement methodology.
- SHS providers would use the funds to support local school health services, increase access to primary and preventive care programs to low-income, under or uninsured children, and improve the coordination of care between schools and health care providers.



COLORADO

Department of Health Care
Policy & Financing

FY 2015-16 Funding Request | November 1, 2014

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

Department Priority: R-19

Request Detail: Public School Health Services Funding Adjustment

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Public School Health Services	\$5,476,888	\$0

Problem or Opportunity:

As the overall population Medicaid eligible children increases, the Department anticipates a corresponding increases in caseload and allowable expenditures in the Public School Health Services (SHS) program. The State share of this reimbursement comes from certification of public expenditure (CPE) by qualified providers; no other State funds are required. Without sufficient spending authority, reimbursement to program participants will be delayed until supplemental funding is approved or over-expenditure authority is granted. Delays in reimbursement may discourage provider participation in the program, resulting in fewer health services to children.

The School Health Services Program, section 25.5-5-318, C.R.S. (2014), allows public schools, Boards of Cooperative Education Services (BOCES), or state educational institution that serves students in kindergarten through twelfth grade (hereafter referred to as “providers”) to access federal Medicaid funds for health services delivered to eligible clients.

To be eligible for SHS Program benefits, the client must meet all of the following criteria:

- Be enrolled in Medicaid;
- Be enrolled in a public school or a participating district or BOCES;
- Be under 21 years of age;
- Have a disability or be considered medically at risk; and
- Be referred for school health services according to an Individual Education Program (IEP) or Individualized Family Services Plan (IFSP).

Requirements of program participation by a provider are:

- Have a Local Services Plan (LSP) approved by the Colorado Department of Education (CDE);
- Have a contract with the Department;
- Enroll as a Medicaid provider in the Medical Assistance Program;

- Participate in the Random Moment Time Study (RMTS); and
- File appropriate financial and statistical reports on a quarterly and annual basis.

The SHS program provides health services as required in a child’s IEP or the IFSP. The IEP and IFSP, required documents under the Individuals with Disabilities Education Act (IDEA), spell out the specific special education and related services, including health services, to be provided to meet the student’s needs. Providers can receive reimbursement from Medicaid for health services that are medically necessary to Medicaid eligible clients as prescribed in the child’s IEP or IFSP. Covered services may include direct medical services, including rehabilitative therapies, Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services, Targeted Case Management and Specialized Non-Emergency Transportation services.

Growth in expenditures is anticipated due to the overall growth in the number of Medicaid eligible children statewide.

Growth in the number of Medicaid eligible students can be attributed to:

- More adults are eligible for and enrolled in Medicaid expansion programs under provisions of the Affordable Care Act. Eligibility for available public benefits is being determined, not only for these adults, but also for their children, and therefore more eligible children are being enrolled in Medicaid programs.
- The Department implemented continuous eligibility for children, effective March 2, 2014, providing continuity of care by granting 12 months of continuous eligibility regardless of changes in income and household size. These children would otherwise have been disenrolled from the Medicaid program.
- Outreach and enrollment assistance by the Department and by providers to assist uninsured families’ access public benefits, including Medicaid.

The SHS program expenditures are anticipated to increase because the number of students who are Medicaid eligible and on an IEP or IFSP is increasing. The increase to this line item is needed to provide the Department necessary spending authority to reimburse the federal share of certified public expenditures to program participants without delay. These funds can then be used for other unmet health care needs for all students served by the provider.

Proposed Solution:

The Department requests \$5,476,888 total funds in FY 2015-16, including \$2,683,127 cash funds and \$2,793,761 federal funds, and \$9,443,673 in FY 2016-17, including \$4,626,455 cash funds and \$4,817,218 federal funds, to draw down federal matching funds to be used to provide reimbursement to participating SHS providers for students’ health needs. Cash funds are certified as expenditures incurred by school districts that are eligible for federal financial participation under Medicaid and do not impact any State cash fund. This request has no General Fund impact.

The increase would allow SHS providers to certify their Medicaid allowable costs as certified public expenditures and receive additional federal matching funds allowed under the Department's federally-approved reimbursement methodology.

Anticipated Outcomes:

The SHS Program uses Medicaid funds received to support local school health services, increase access to primary and preventive care programs to 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 through this program to offset costs incurred for the provision of student health services by the provider or to fund other student health services. The funding generated through this program can be used to fund the participating providers cost of serving their students' health needs, as identified in the providers' Local Service Plans. Providers have been able to address some of the health care needs unique to their local communities.

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

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

This request would assist the Department in meeting its performance measures related to increasing access to health care. By allowing the Department to reimburse participants for incurred Medicaid costs on a timely basis, the approval of this request would ensure that the SHS program can retain current participants and potentially attract new providers, thus increasing provider participation and access to health care for children.

Assumptions and Calculations:

Detailed calculations for this request are provided in the attached appendix.

The SHS program is a cost based program based on certified public expenditures rather than a fee-for-service based program. As a result, the Department does not reimburse SHS providers based on the specific services they provide; rather, the Department provides reimbursement based on provider costs, adjusted by random moment time sampling and the fraction of qualifying clients. The Department's predicted cost increases are conservative to obtain sufficient spending authority as to avoid overexpenditure in the program.

Table 1 shows a summary of the total requested funds and fund splits. The federal medical assistance percentage (FMAP) used for the calculations of federal funds is 51.01%. Table 2 shows the calculations to determine the incremental request.

SHS qualifying children are the Medicaid eligible children in special education programs with participating providers with an IEP or IFSP. The Department anticipates that the number of SHS qualifying children will grow proportionately to the percentage of growth projected for all Medicaid eligible children. Table 3 uses

the predicated growth rate of qualifying children to calculate predicted expenditures in the request years. Table 4 projects the number of qualifying children based on predicted Medicaid eligible children caseload.

The Department assumes that growth in Medicaid caseload will be the driving factor in expenditure program over the next several years. In table 4, the Department compares prior year Medicaid caseload to the number SHS qualifying children; the actual growth rates between the total Medicaid eligible children and the SHS qualifying children are comparable. In FY 2012-13, the percentage increase in payments was similar to the percentage increase in caseload; the Department experienced a 16.6% increase in payments compared to a 13.1% increase in caseload. However, in FY 2013-14, payments declined slightly despite caseload growing by 14.7%. The Department believes that this payment decline was a one-time event, and that the relationship between payments and qualifying children will resume in the current year and the request years.

R-19 Public School Health Services Funding Adjustment
Appendix A: Calculations and Assumptions

Table 1						
Summary by Fiscal Year and Line Item						
Row	Line Item	Total Funds	Cash Funds	Federal Funds	FMAP	Source
	FY 2015-16					
A	(6) Other Medical Services; Public School Health Services	\$5,476,888	\$2,683,127	\$2,793,761	51.01%	Table 2, Row C
	FY 2016-17					
B	(6) Other Medical Services; Public School Health Services	\$9,443,673	\$4,626,455	\$4,817,218	51.01%	Table 2, Row C

R-19 Public School Health Services Funding Adjustment
Appendix A: Calculations and Assumptions

Table 2 - Public School Health Services Provider Payments Request

Row	Item	FY 2015-16	FY 2016-17	Source
A	Provider Payments Forecast	\$59,830,844	\$63,797,629	Table 3, Row D
B	FY 2015-16 Base Request	\$54,353,956	\$54,353,956	Long Bill Appropriation (HB 14-1336)
C	Request	\$5,476,888	\$9,443,673	Row A - Row B

R-19 Public School Health Services Funding Adjustment
Appendix A: Calculations and Assumptions

Table 3 Expenditure Forecast						
Row	Item	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Source
A	Qualifying Children	34,214	40,181	43,082	45,938	Table 4, 'School Health Services Qualifying Children'
B	Growth Rate		17.44%	7.22%	6.63%	Table 4, 'School Health Services Qualifying Children'
C	Base Expenditure		\$47,515,279	\$55,801,944	\$59,830,844	FY 2013-14: Actual Expenditure FY 2014-15 - FY 2016-17: Row D
D	Predicted Expenditure	\$47,515,279	\$55,801,944	\$59,830,844	\$63,797,629	Row C * (1 + Row B)

R-19 Public School Health Services Funding Adjustment
Appendix A: Calculations and Assumptions

Table 4 Forecasted Caseload Growth						
Row	Year	Average Monthly Eligible Children Caseload ¹	Growth Rate	School Health Services Qualifying Children	Growth Rate	Source
A	FY 2011-12 Actual	334,633		26,372		Qualifying Children from reported actuals
B	FY 2012-13 Actual	368,079	9.99%	29,821	13.08%	Qualifying Children from reported actuals
C	FY 2013-14 Actual	424,377	15.30%	34,214	14.73%	Qualifying Children from reported actuals
D	FY 2014-15 Predicted	498,404	17.44%	40,181	17.44%	Qualifying Children calculated as: Row C * (1 + Row D Growth Rate)
E	FY 2015-16 Predicted	534,388	7.22%	43,082	7.22%	Qualifying Children calculated as: Row D * (1 + Row E Growth Rate)
F	FY 2016-17 Predicted	569,812	6.63%	45,938	6.63%	Qualifying Children calculated as: Row E * (1 + Row F Growth Rate)
(1) Caseload data for FY 2014-15 through FY 2016-17 from the Department's November 1, 2014 R-1 request, and includes both the 'Eligible Children' and 'SB 11-008' categories						