



COLORADO
Department of Health Care
Policy & Financing

November 1, 2016

The Honorable Millie Hamner, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Hamner:

Enclosed please find the Department of Health Care Policy and Financing's response to the Joint Budget Committee's Multi-Department Request for Information #1 regarding the programs funded with Tobacco Master Settlement moneys.

Multi-Department Legislative Request for Information #1 states:

Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2016, for each program funded with Tobacco Master Settlement moneys: the name of the program; the amount of Tobacco Master Settlement moneys received for the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals; and a recommendation regarding the amount of Tobacco Master Settlement funds the program requires for FY 2017-18 and why.

The Department is allocated Tobacco Settlement funding for the Children's Health Plan Plus (CHP+) and Children's Autism Program and the attached report contains the programmatic information of the two programs. In the report, you will find an overview of the program, prior year financials, strategic priorities and key goals, partner relationships, program measures of success, program opportunities and challenges, and lastly, the recommendation for FY 2017-18 funding allocation.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,

A handwritten signature in black ink that reads "Susan E. Birch".

Susan E. Birch, MBA, BSN, RN
Executive Director

SEB/fjq



Enclosure(s): Health Care Policy and Financing FY 2016-17 Multi-Department RFI #1

Cc: Senator Kent Lambert, Vice-chair, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
Senator Kevin Grantham, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
John Ziegler, Staff Director, JBC
Eric Kurtz, JBC Analyst
Henry Sobanet, Director, Office of State Planning and Budgeting
Bettina Schneider, Budget Analyst, Office of State Planning and Budgeting
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John Bartholomew, Finance Office Director, HCPF
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Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Dr. Judy Zerzan, Client and Clinical Care Office Director, HCPF
Jed Ziegenhagen, Community Living Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF



**Health Care Policy and Financing
FY 2016-17 RFI #1**

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RESPONSE:

Children’s Basic Health Plan

Program Overview:

Program Description:	The Children’s Basic Health Plan, known as the Child Health Plan <i>Plus</i> (CHP+) Provides affordable health insurance to children under the age of 19 and pregnant women in low-income families, up to 260% of the Federal Poverty Level (FPL), who do not qualify for Medicaid and do not have private insurance.	
Eligible Population:	Uninsured children from 143% FPL to 260% FPL and uninsured pregnant women from 196% FPL to 260% FPL.	
Tobacco Settlement Monies Received:	FY 2015-16: \$27,459,195	
Services:	Number of Eligible Persons Served:	
Affordable health insurance and oral health care for CHP+ children.	In FY 2015-16, average monthly caseload for CHP+ was 51,709 (51,041 children and 668 pregnant adults).	

Strategic Priorities and Key Goals:

- Reduce the number of uninsured children and pregnant adults under 260% FPL that are not eligible for Medicaid.

Measures of Success:

Program Outputs	Program Outcomes
<ul style="list-style-type: none"> • CHP+ has provided health care to an average monthly caseload of 51,709 children and pregnant adults that would have otherwise been uninsured. 	<ul style="list-style-type: none"> • Beginning in FY 2015-16, the Department implemented HB 09-1353 for CHP+, which removes the 5 year bar on legal immigrants. This implementation is expected to increase CHP+ enrollment by approximately 1,600 in FY 2016-17, helping to reduce the number of uninsured people in Colorado.

Program Opportunities and Challenges:

Beginning in October 2015, the CHP+ Dental Contractor, Delta Dental of Colorado, kicked off a CHP+ member and provider outreach program, the goal of which is to increase the percentage of CHP+ children utilizing their dental benefits. Working with the Department, Delta Dental employs a variety of media, including text messaging, postcard reminders and outreach phone calls to reach member families with oral health education messages and dental benefit education and to remind and encourage members to schedule a dental appointment. Delta Dental offers assistance with choosing a dentist close to the member's home and assists with making the appointment. The Department has already seen progress from these efforts. CHP+ dental benefit utilization statistics from FY 2015-16 show close to a five percentage point increase in dental benefit utilization. The Department expects to improve upon these gains in the current fiscal year.

The Department has developed a new process for identifying members with other insurance. The Department currently has to identify members enrolled in the CHP+ program that also have other insurance after they have been enrolled. Beginning in FY 2016-17, utilizing a contracted vendor, the Department will be able to identify those members before they are enrolled in a CHP+ managed care organization, saving the Department money from administrative efficiencies.

The Department also has some challenges ahead for the CHP+ program. At the forefront of those challenges is the future of the program. Federal funding for the program has not been reauthorized past September 30, 2017. The Department must prepare for what lies ahead in the event that Congress does not reauthorize funding for the program.

FY 2017-18 Tobacco Master Settlement Funds Recommendation:

The Department recommends an allocation, consistent with current statute, of eighteen percent of the Tobacco Master Settlement Agreement on an ongoing basis. In FY 2016-17, HB 16-1408 "Allocation of Cash Fund Revenues to Health-related Programs" revised the allocation of tobacco tax monies from twenty-five percent to eighteen percent, in part due to the growing balance in the trust fund from an increase in the federal match for related services. The bill also included a one-time transfer of twenty million dollars to the Primary Care Provider Sustainability Fund from the CHP+ Trust Fund balance in order to pay for increased access to primary care office visits, immunization administration, health screening services, and newborn care within the Medicaid program in FY 2016-17. As a result of that transfer, the Department expects the need for the full eighteen percent allocation each year. In the event that the CHP+ program is not reauthorized at the federal level beyond September 30, 2017, the Department will explore options of using the funds for children's and pregnant women's health care costs in the Medicaid Program. The Department's projections are shown in its November 1, 2016 Budget Request R-3.

Home- and Community-Based Services for Children with Autism

Program Overview:

Program Description:	The Children with Autism Waiver (CWA) provides Behavioral Intervention and Treatment (three different levels) to Medicaid Children Age 0-5 with an autism diagnosis. The waiver is capped at 75 clients with an annual expenditure cap of \$25,000 per year per client.	
Eligible Population:	Children, ages 0-5, with a diagnosis of autism and whose needs meet Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) level of care.	
Tobacco Settlement Monies Received:	FY 2015-16: \$328,556	
Services:	Number of Eligible Persons Served:	
Behavioral Intervention, Behavioral Treatment or Applied Behavioral Analysis (three different levels).	63 children. The number of clients served differs from the maximum because the enrollment process, conducted by Community Centered Boards, has taken longer than in years past. The Department is continuing to work with Community Centered Boards to ensure the process is more efficient and more eligible children are served in the future.	

Strategic Priorities and Key Goals:

- Simplify service delivery to increase provider participation.
- Increase the length of stay on the waiver to ensure continuity of service, three years being optimal.
- Decrease maladaptive behavior in children on the waiver.
- Keep children at risk of institutionalization in their homes and communities while receiving services.

Measures of Success:

Program Outputs	Program Outcomes
<ul style="list-style-type: none"> • The program evaluation concluded March 2015. • The state authorized HB 15-1186; the expansion of the CWA waiver, but the expansion has been denied by the Centers for Medicare & Medicaid Services (CMS). 	<ul style="list-style-type: none"> • Families can track participant progress through the use of multiple assessments between receiving behavioral treatments. • The program seeks to improve the child's expressive and receptive communication, adaptive skills, and a reduction in the child's maladaptive behavior, through the use of standardized and norm-referenced assessments. • Keep the most vulnerable children out of institutions.

Program Opportunities and Challenges:

During the 2015 legislative session, the General Assembly passed HB 15-1186 in order to eliminate the enrollment cap, increase the age limit to eight, and allow for a three years stay on the waiver. These requests align more closely with national best practices than what is currently being offered. The legislation also increased the expenditure cap and allowed it to fluctuate. This is primarily so rate increases have no adverse effect on the quality of care provided. Lastly, the request continued the waiver evaluation on an annual basis. HB 15-1186 was signed into law by Governor Hickenlooper on May 29, 2015. On September 14, 2015, the Centers for Medicare and Medicaid Services (CMS) denied the Department's Children with Autism waiver expansion and requested that the state provide the services, when medically necessary, through Early and Periodic Screening, Diagnosis and Treatment (EPSDT). The Department has enrolled providers and is currently providing behavioral therapies to clients through the EPSDT program. The CWA waiver is still operating simultaneously with the EPSDT program and the future of the CWA waiver is uncertain at this time.

FY 2017-18 Tobacco Master Settlement Funds Recommendation:

Consistent with current statute, the Department recommends that the program should continue to receive two percent of the Tobacco Master Settlement on an ongoing basis. The Children with Autism waiver is continuing to enroll clients and function until the Department has determined a transition plan. Additionally, HB 16-1408 added Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT) to the services covered by the Children with Autism Treatment Cash Fund. In FY 2016-17, the Department was appropriated an additional \$6,451,471 to pay for EPSDT state plan services. In future years, the Department will receive two percent of the Tobacco Master Settlement. As the future of the waiver is determined and as more clients utilize EPSDT state plan services, the funding in the Children with Autism Treatment Cash Fund would be applied to the ongoing costs for services. As a result, the Department will continue to need a regular funding source to meet the needs of these clients. Should any gap in service costs and available funding exist, the Department would use the regular budget process to account for any necessary changes.