

Schedule 13

Funding Request for the FY 2015-16 Budget Cycle

Department of Health Care Policy and Financing

PB Request Number SBA-16

Request Titles

S-16 Public School Health Services Funding Adjustment
 BA-16 Public School Health Services Funding Adjustment

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 checked="" type="checkbox"/>	Budget Amendment FY 2015-16

Line Item Information	Fund	FY 2014-15	FY 2015-16	FY 2016-17
		Appropriation	Supplemental Request Base Request	Governor's Revised Request Budget Amendment
Total		\$54,353,956	\$11,737,894 \$54,353,956	\$12,371,805 \$12,371,805
FTE		-	-	-
Total of All Line Items	GF	\$0	\$0	\$0
	CF	\$26,919,482	\$5,895,896 \$26,833,650	\$5,999,289 \$6,027,315
	RF	\$0	\$0	\$0
	FF	\$27,434,474	\$5,841,998 \$27,520,306	\$6,372,516 \$6,344,490

Line Item Information	Fund	FY 2014-15	FY 2015-16	FY 2016-17
		Appropriation	Supplemental Request Base Request	Governor's Revised Request Budget Amendment
Total		\$54,353,956	\$11,737,894 \$54,353,956	\$12,371,805 \$12,371,805
06. Other Medical Services - Public School Health Services	CF	\$26,919,482	\$5,895,896 \$26,833,650	\$5,999,289 \$6,027,315
	FF	\$27,434,474	\$5,841,998 \$27,520,306	\$6,372,516 \$6,344,490

Letternote Text Revision Required? Yes No X _____ _____ _____	If Yes, describe the Letternote Text Revision:
Cash or Federal Fund Name and CORE Fund Number: FF: Title XIX CF: Certified Public Expenditures	
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 2014-15: \$11,737,894 total funds, including \$5,895,896 cash funds and \$5,841,998 federal funds, and 0.0 FTE; and
- FY 2015-16: \$12,371,805 total funds, including \$5,999,289 cash fund and \$6,372,516 federal funds, and 0.0 FTE; and
- FY 2016-17: \$12,371,805 total funds, including \$6,027,315 cash funds and \$6,344,490 federal funds, and 0.0 FTE.

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 (“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 Services Plan. Additionally, providers have been able to address some of the health care needs unique to their local communities

Problem or Opportunity

- The total reimbursement amount of all SHS providers’ allowable costs for FY 2014-15, updated from data and calculations received November 2014 from the Department’s contracted vendor, is expected to exceed the Department’s spending authority.

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:

- 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. The funds would be used to fund the unmet health needs for all students served by participating providers of the Public School Health Services Program. The cash funds portion of this line item is comprised entirely of certified public expenditures (CPE) and does not impact any State cash funds.
- 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

John W. Hickenlooper
 Governor

Susan E. Birch
 Executive Director

FY 2014-15 and FY 2015-16 Funding Request | January 2, 2015

Department Priority: S-16, BA-16
Request Detail: Public School Health Services Funding Adjustment

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
Public School Health Services	\$11,737,894	\$0

Summary of Incremental Funding Change for FY 2015-16	Total Funds	General Fund
Public School Health Services	\$12,371,805	\$0

Summary of Incremental Funding Change for FY 2016-17	Total Funds	General Fund
Public School Health Services	\$12,371,805	\$0

Problem or Opportunity:

Public School Health Services (SHS) program participating providers’ allowable costs for FY 2014-15 is expected to exceed the Department’s current spending authority.¹

As the overall population of Medicaid-eligible children increases, the Department anticipates corresponding increases in caseload and allowable expenditures in the SHS program. The State share of this reimbursement comes from certification of public expenditure (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. Delays in reimbursement may discourage provider participation in the program and potentially lead to the reduction of health services offered to children.

Growth in allowable 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 the following factors:

¹ Background 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>

- With more adults eligible for and enrolling in Medicaid 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’s implementation of continuous eligibility for children, effective March 2, 2014, which provides continuity of care by granting 12 months of continuous eligibility regardless of changes in income and household size. These children would otherwise be disenrolled from the Medicaid program.
- Outreach efforts, including program training and enrollment assistance by the Department and providers, facilitate the uninsured families’ access to public benefits, including Medicaid.

In summary, the total allowable expenditures of the SHS program are increasing because the number of students who are Medicaid eligible with an Individual Education Program (IEP) or Individualized Family Services Plan (IFSP) is increasing. Accordingly, participating providers are spending more time serving qualifying clients.

In compliance with the Department’s federally-approved reimbursement methodology, the increase of this line item would provide sufficient spending authority to reimburse participating providers the federal share of their certified public expenditures. These funds can then be used for other unmet health care needs for all students served by the provider.

Proposed Solution:

The Department requests the following increases to the Public School Health Services line item:

- FY 2014-15 increase of \$11,737,894 total funds, including \$5,895,896 is cash funds and \$5,841,998 is federal funds;
- FY 2015-16 increase of \$12,371,805 total funds, including \$5,999,289 is cash funds and \$6,372,516 federal funds; and
- FY 2016-17 increase of \$12,371,805 total funds, including \$6,027,315 is cash funds and \$6,344,490 federal funds.

The cash funds portion of this line item is comprised entirely of certified public expenditures (CPE) and does not impact any State cash funds. This request has no General Fund impact.

Anticipated Outcomes:

The SHS Program uses Medicaid funds received to support local school health services that increase access to primary and preventive care programs for low-income, under or uninsured children and to improve the coordination of care between schools and health care providers. Furthermore, SHS providers are required to use the federal funding received through the program 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. 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, 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:

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

The SHS program is a cost-based program based on certified public expenditures (CPE) 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’s allowable costs, adjusted by random moment time sampling (RMTS) and their fraction of qualifying clients.

The Department contracts with a vendor to determine the amount of certified public expenditures federally claimable. The vendor compiles cost report information, including salary, benefits and contracted costs for RMTS participants and indirect costs. The allowable costs are reduced based on the annual average statewide allowable direct service and targeted case management RMTS percentages. The allowable costs are further reduced by the ratio of student IEP utilization. Costs of supplies, materials, transportation and other costs are added. This request is based on the amount of certified public expenditures provided to the Department by the vendor after all the preceding steps have been completed.

Table 1 shows a summary of the total requested funds and fund splits. 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. Tables 3.1 through 3.3 show the estimated expenditures of the program broken into the three components with their respective FMAP. Lastly, tables 4.1 through 4.3 show the Medicaid Administrative Claiming (MAC) portion of the estimated expenditures. MAC expenditures pertain to administrative services performed by the provider which include Medicaid outreach, eligibility determination and enrollment, and the coordination and monitoring of Medicaid services.

S-16, BA-16 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 1				
Summary by Line Item				
Line Item	Total Funds	Cash Funds	Federal Funds	Source
FY 2014-15				
(6) Other Medical Services; Public School Health Services	\$11,737,894	\$5,895,895	\$5,841,999	Table 2.1, FY 2014-15 Supplemental Request
FY 2015-16				
(6) Other Medical Services; Public School Health Services	\$12,371,805	\$5,999,289	\$6,372,516	Table 2.2, FY 2015-16 Budget Amendment Request
FY 2016-17				
(6) Other Medical Services; Public School Health Services	\$12,371,805	\$6,027,315	\$6,344,490	Table 2.3, FY 2016-17 Budget Amendment Request

S-16, BA-16 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 2.1 FY 2014-15 Public School Health Services Incremental Request						
Row	Description	Total Funds	General Fund	Cash Fund	Federal Funds	Source
A	FY 2014-15 Estimated Expenditures	\$66,091,850	\$0	\$32,815,377	\$33,276,473	Table 3.1, Row D
B	FY 2014-15 Base Request	\$54,353,956	\$0	\$26,919,482	\$27,434,474	Long Bill Appropriation (HB 14-1336)
C	FY 2014-15 Supplemental Request	\$11,737,894	\$0	\$5,895,895	\$5,841,999	Row A - Row B

Table 2.2 FY 2015-16 Public School Health Services Incremental Request						
Row	Description	Total Funds	General Fund	Cash Fund	Federal Funds	Source
A	FY 2015-16 Estimated Expenditures	\$72,202,649	\$0	\$35,601,898	\$36,600,751	Table 3.2, Row D
B	FY 2015-16 Base Request	\$54,353,956	\$0	\$26,919,482	\$27,434,474	Long Bill Appropriation (HB 14-1336)
C	FY 2015-16 R-19 "Public School Health Services Funding Adjustment	\$5,476,888	\$0	\$2,683,127	\$2,793,761	Department's November 2014 Budget Request
D	FY 2015-16 Budget Amendment Request	\$12,371,805	\$0	\$5,999,289	\$6,372,516	Row A - Row B - Row C

Table 2.3 FY 2016-17 Public School Health Services Incremental Request						
Row	Description	Total Funds	General Fund	Cash Fund	Federal Funds	Source
A	FY 2016-17 Estimated Expenditures	\$76,169,434	\$0	\$37,573,252	\$38,596,182	Table 3.3, Row D
B	FY 2016-17 Base Request	\$54,353,956	\$0	\$26,919,482	\$27,434,474	Long Bill Appropriation (HB 14-1336)
C	FY 2015-16 R-19 "Public School Health Services Funding Adjustment	\$9,443,673	\$0	\$4,626,455	\$4,817,218	Department's November 2014 Budget Request
D	FY 2016-17 Budget Amendment Request	\$12,371,805	\$0	\$6,027,315	\$6,344,490	Row A - Row B - Row C

S-16, BA-16 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 3.1 - FY 2014-15 Public School Health Services Estimated Expenditures							
Row	Description	Total Funds	General Fund	Cash Fund	Federal Funds	FMAP	Source
A	Total FY 2014-15 Interim Payments	\$30,335,124	\$0	\$14,937,015	\$15,398,109	50.76%	Established by the Department and Professional Consulting Group in May 2014 based on historical three year averages
B	Total FY 2014-15 MAC Payments	\$7,268,373	\$0	\$3,634,186	\$3,634,187	50.00%	Table 4.1, Total Row
C	FY 2013-14 Cost Reconciliation	\$28,488,353	\$0	\$14,244,176	\$14,244,177	50.00%	Provided by Department's contracted vendor, Professional Consulting Group, in November 2014
D	Total Estimated Expenditures	\$66,091,850	\$0	\$32,815,377	\$33,276,473		SUM(Row A:Row C)

Table 3.2 - FY 2015-16 Public School Health Services Estimated Expenditures							
Row	Description	Total Funds	General Fund	Cash Fund	Federal Funds	FMAP	Source
A	Total FY 2015-16 Interim Payments	\$35,812,012	\$0	\$17,623,091	\$18,188,921	50.79%	Increase of \$5,476,888 reflects growth of Medicaid eligible children as previously requested in Department's R-19 of November 2014 budget request
B	Total FY 2015-16 MAC Payments	\$7,902,284	\$0	\$3,951,142	\$3,951,142	50.00%	Table 4.2, Total Row
C	FY 2014-15 Cost Reconciliation	\$28,488,353	\$0	\$14,027,665	\$14,460,688	50.76%	Cost reconciliation expenditures expected to remain constant with program growth reflected in interim payments
D	Total Estimated Expenditures	\$72,202,649	\$0	\$35,601,898	\$36,600,751		SUM(Row A:Row C)

Table 3.3 - FY 2016-17 Public School Health Services Estimated Expenditures							
Row	Description	Total Funds	General Fund	Cash Fund	Federal Funds	FMAP	Source
A	Total FY 2016-17 Interim Payments	\$39,778,797	\$0	\$19,602,991	\$20,175,806	50.72%	Increase of \$9,443,673 reflects growth of Medicaid eligible children as previously requested in Department's R-19 of November 2014 budget request
B	Total FY 2016-17 MAC Payments	\$7,902,284	\$0	\$3,951,142	\$3,951,142	50.00%	Table 4.3, Total Row
C	FY 2015-16 Cost Reconciliation	\$28,488,353	\$0	\$14,019,119	\$14,469,234	50.79%	Cost reconciliation expenditures expected to remain constant with program growth reflected in interim payments
D	Total Estimated Expenditures	\$76,169,434	\$0	\$37,573,252	\$38,596,182		SUM(Row A:Row C)

S-16, BA-16 Public School Health Funding Adjustment
Appendix A: Assumptions and Calculations

Table 4.1 - Medicaid Administrative Claiming (MAC) Expenditures	
FY 2014-15	MAC Expenditures¹
Q1	\$1,669,014
Q2	\$1,648,217
Q3	\$1,975,571
Q4	\$1,975,571
Total	\$7,268,373

¹Actual MAC expenditures paid in Q1 and Q2; an expected increase of 19.1% per Professional Consulting Group (PCG) for Q3

Table 4.2 - Medicaid Administrative Claiming (MAC)	
FY 2015-16	MAC Expenditures¹
Q1	\$1,975,571
Q2	\$1,975,571
Q3	\$1,975,571
Q4	\$1,975,571
Total	\$7,902,284

¹MAC expenditures assumed to remain constant in FY 2015-16

Table 4.3 - Medicaid Administrative Claiming (MAC)	
FY 2016-17	MAC Expenditures¹
Q1	\$1,975,571
Q2	\$1,975,571
Q3	\$1,975,571
Q4	\$1,975,571
Total	\$7,902,284

¹MAC expenditures assumed to remain constant in FY 2016-17