

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$
PART V						
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
(1) EXECUTIVE DIRECTOR'S OFFICE^{31, 32}						
Personal Services	12,710,083 ^a (196.6 FTE)		5,598,111(M)		158,611 ^b	6,953,361
Health, Life, and Dental	363,665		161,832(M)		1,951 ^c	199,882
Short-term Disability	16,770		7,338(M)		191 ^c	9,241
Salary Survey and Senior Executive Service	378,592		170,286(M)		3,656 ^c	204,650
Workers' Compensation	36,186		18,093(M)			18,093
Operating Expenses	954,308 ^d		472,387(M)		832 ^e	481,089
Legal Services and Third Party Recovery Legal Services for 13,403 hours	814,768		334,740(M)	65,003 ^f	5,349 ^c	409,676
Administrative Law Judge Services	539,129		269,565(M)			269,564
Computer Systems Costs	228,468		81,763(M)		32,471(T) ^g	114,234
Payment to Risk Management and Property Funds	78,312		39,156(M)			39,156
Capitol Complex Leased Space	308,468		154,234(M)			154,234
Commercial Leased Space	13,200		6,600(M)			6,600

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Transfer to the Department of Human Services for Related Administration	58,303		29,152(M)					29,151
Medicaid Management Information System Contract	20,398,619		4,934,574(M)			149,538 ^h		15,314,507
Health Insurance Portability and Accountability Act of 1996 (HIPAA) Implementation Contract Costs	4,835,784		733,295(M)			52,218 ^c		4,050,271
Health Insurance Portability and Accountability Act of 1996 (HIPAA) Implementation Central State Appropriations	662,500		321,625(M)			4,725 ^c		336,150
Medicaid Authorization Cards and Identification Cards	846,041		417,693(M)			10,656 ⁱ		417,692
Department of Public Health and Environment Facility Survey and Certification	3,698,759		927,349(M)					2,771,410
Acute Care Utilization Review	1,309,826		342,529(M)			2,899 ^j		964,398
Long-Term Care Utilization Review	1,668,108		598,813(M)					1,069,295

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External Quality Review	812,193		203,048(M)				609,145
Drug Utilization Review	233,025		58,256(M)				174,769
Early and Periodic Screening, Diagnosis, and Treatment Program	2,624,222		1,312,111(M)				1,312,111
Nursing Facility Audits	864,150		432,075(M)				432,075
Hospital and Federally Qualified Health Clinic Audits	250,000		125,000(M)				125,000
Nursing Home Preadmission and Resident Assessments	1,010,040		252,510(M)				757,530
Nurse Aide Certification	310,330		142,321(M)			12,844(T) ^k	155,165
Nursing Home Quality Assessments	26,954		6,738(M)				20,216
Estate Recovery	700,000				350,000 ^l		350,000
Single Entry Point Administration	59,310		29,655(M)				29,655
Single Entry Point Audits	35,340		17,670(M)				17,670
S.B. 97-05 Enrollment Broker	1,162,870		581,435(M)				581,435
H.B. 01-1271 Medicaid Buy-in	<u>37,519</u>						37,519
		58,045,842					

^a For information purposes only, the appropriation includes \$364,418 and 5.5 FTE for the Colorado Benefits Management program and \$361,418 and 6.0 FTE for the staffing costs associated with implementing the Health Insurance Portability and Accountability Act of 1996.

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^b Of this amount, \$128,386 shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S., and \$30,225 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 26-4-532 (7), C.R.S.

^c These amounts shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

^d For information purposes only, the appropriation includes \$10,308 for the Colorado Benefits Management Program and \$22,140 for the operating costs associated with implementing the Health Insurance Portability and Accountability Act of 1996.

^e Of this amount, \$582 shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S., and \$250 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 26-4-532 (7), C.R.S.

^f This amount shall be from third party recoveries.

^g This amount shall be from the Old Age Pension Fund appropriated in the Department of Human Services.

^h Of this amount, \$146,867(T) shall be from the Old Age Pension Fund appropriated in the Department of Human Services, \$2,347 shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., and \$324 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25-4-532 (7), C.R.S.

ⁱ This amount shall be from the Old Age Pension Health and Medical Care Fund appropriated in the Department of Human Services.

^j This amount shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 26-4-532 (7), C.R.S.

^k This amount shall be from the Department of Regulatory Agencies.

^l This amount shall be from estate recoveries.

(2) MEDICAL SERVICES PREMIUMS^{33, 34, 35, 36}

Services for 35,502	
Supplemental Security	
Income Adults 65 and	
Older (SSI 65 +) at an	
average cost of	
\$17,841.87	633,422,029

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	\$	\$	\$	\$	\$	\$	\$
Services for 5,790 Supplemental Income Adults 60 to 64 Years of Age (SSI 60 - 64) at an average cost of \$11,815.43	68,411,331						
Services for 9,450 Qualified Medicare Beneficiaries (QMBs) and Special Low-Income Medicare Beneficiaries (SLIMBs) at an average cost of \$1,069.95	10,111,061						
Services for 49,658 Supplemental Security Income Disabled Individuals at an average cost of \$11,025.31	547,495,041						
Services for 47,215 Categorically Eligible Low-income Adults at an average cost of \$3,056.39	144,307,353						
Services for 6,303 Baby Care Program Adults at an average cost of \$5,878.40	37,051,538						

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\$	\$	\$	\$	\$	\$	\$
Services for 117 S.B. 01S2-12 Breast and Cervical Cancer Treatment Clients at an Average Cost of \$23,410.67	2,739,049					
Services for 190,588 Eligible Children at an average cost of \$1,571.04	299,421,680					
Services for 13,397 Foster Children at an average cost of \$2,628.48	35,213,787					
Services for 4,634 Non- Citizens at an Average Cost of \$8,267.85	<u>38,313,232</u>					
	1,816,486,101	876,423,596(M)			35,051,922 ^a	905,010,583

^a Of this amount, \$34,093,240 represents public funds certified as representing expenditures incurred by public nursing homes and hospitals that are eligible for federal financial participation under the Medicaid program, and \$958,682 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 26-4-532 (7), C.R.S.

(3) INDIGENT CARE PROGRAM

Safety Net Provider Payments ^{37, 38}	255,976,646		12,576,646(M)		115,400,000 ^a	128,000,000
The Children's Hospital, Clinic Based Indigent Care	6,119,760		3,059,880(M)			3,059,880

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H.B. 97-1304 Children's Basic Health Plan Trust	23,902,965		6,182,451		220,514 ^b	17,500,000 ^c	
Children's Basic Health Plan Administration	5,529,050					2,441,324 ^d	3,087,726
Children's Basic Health Plan Premium Costs ³⁹	74,589,396					26,249,622 ^d	48,339,774
Children's Basic Health Plan Dental Benefit Costs	6,766,213					2,368,174 ^d	4,398,039
Comprehensive Primary and Preventive Care Fund	5,939,047					5,939,047 ^e	
Comprehensive Primary and Preventive Care Grants Program	<u>5,939,047</u>					5,939,047 ^f	
		384,762,124					

^aThis amount represents public funds certified as representing expenditures incurred by hospitals that are eligible for federal financial participation under the Medicaid Major Teaching Hospital Program, Medicaid, and the Medicaid Disproportionate Share Payments to Hospitals Program.

^bThis amount shall be from annual premiums paid by participating families.

^cThis amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104 (1) (b), C.R.S.

^dThese amounts shall be from the Children's Basic Health Plan Trust created in Section 26-19-105, C.R.S.

^eThis amount shall be from the Tobacco Litigation Settlement Cash Fund created in Section 24-22-115, C.R.S., pursuant to Section 24-75-1104 (1) (g), C.R.S.

^fThis amount shall be from the Comprehensive Primary and Preventive Care Fund created in Section 26-4-1007, C.R.S., pursuant to Section 24-75-1104 (1)(g), C.R.S.

(4) OTHER MEDICAL SERVICES

APPROPRIATION FROM

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			GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$
Services for 4,046 Old Age Pension State Medical Program clients at an average cost of \$2,468.94	9,989,344					9,989,344 (T) ^a	
Home Care Allowance for 4,775 Recipients at an average monthly cost of \$221.85.	12,712,406		12,076,035			636,371(L) ^b	
Adult Foster Care for 90 Recipients at an average monthly cost of \$225.75	243,810		231,620			12,190(L) ^b	
Primary Care Physician Program Market Rate Reimbursement	1,949,508		974,754(M)				974,754
University of Colorado Family Medicine Residency Training Programs	1,524,626		762,313(M)				762,313
Enhanced Prenatal Care Training and Technical Assistance	109,110		54,555(M)				54,555
Nurse Home Visitor Program	3,009,618					1,504,809(T) ^c	1,504,809
S.B. 97-101 Public School Health Services ⁴⁰	<u>29,717,200</u>					15,131,305(M) ^d	14,585,895
		59,255,622					

^a This amount shall be from the Old Age Pension Health and Medical Care Fund appropriated in the Department of Human Services.

^b These amounts shall be from local funds.

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\$	\$	\$	\$	\$	\$	\$

^c This amount shall be a transfer from the Department of Public Health and Environment.

^d This amount represents funds certified as representing expenditures incurred by school districts that are eligible for federal financial participation under Medicaid.

(5) DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS^{41, 42}

(A) Executive

Director's Office -

Medicaid Funding	8,086,637		4,043,319(M) ^a			4,043,318
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^a Of this amount, \$28,285 is exempt from the statutory limit on state General Fund appropriation pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

(B) Office of

Information

Technology Services -

Medicaid Funding

Colorado Benefits Management System ⁴³	5,299,435		2,772,241(M)		27,406(T) ^a	2,499,788
Other Office of Information Technology Services line items	<u>500,676</u>		250,339(M)			250,337
	5,800,111					

^a This amount shall be from the Old Age Pension Fund appropriated in the Department of Human Services.

(C) Office of

Operations - Medicaid

Funding	5,293,750		2,646,875(M)			2,646,875
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	\$	\$	\$	\$	\$	\$	\$
(D) County Administration - Medicaid Funding	8,624,879		3,234,330(M)				5,390,549
(E) Division of Child Welfare - Medicaid Funding	77,861,994		38,930,997(M)				38,930,997
(F) Office of Self Sufficiency, Disability Determination Services - Medicaid Funding⁴⁴	1,165,967		582,984(M)				582,983
(G) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding							
Administration	1,316,654		570,126(M)				746,528
Mental Health Community Programs, Mental Health Capitation	144,501,252		72,250,626(M)				72,250,626
Mental Health Community Programs, Medicaid Mental Health Fee for Service Payments	2,724,423		1,362,212(M)				1,362,211

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Mental Health Community Programs, Medicaid Mental Health Services for Breast and Cervical Cancer Patients	71,175					24,911 ^a	46,264
Mental Health Institutes	3,325,830		1,662,915(M)				1,662,915
Alcohol and Drug Abuse Division, High Risk Pregnant Women Program	312,804		156,402(M)				156,402
	<u>152,252,138</u>						

^a This amount shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 26-4-532 (7), C.R.S.

**(H) Services for People
with Disabilities -
Medicaid Funding**

Community Services - Medicaid Funding	218,743,291		109,371,645(M)				109,371,646
Regional Centers - Medicaid Funding	38,886,488		19,443,244(M)				19,443,244
Services for Families and Children - Medicaid Funding	3,745,315		1,872,658(M)				1,872,657
	<u>261,375,094</u>						

**(I) Adult Assistance
Programs; Community
Services for the Elderly
- Medicaid Funding**

	1,800		900(M)				900
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(J) Division of Youth Corrections - Medicaid Funding	9,727,773		4,863,886(M)				4,863,887
		530,190,143					
TOTALS PART V (HEALTH CARE POLICY AND FINANCING)^{2,3}		<u>\$2,848,739,832</u>	<u>\$1,195,137,503</u>		<u>\$635,517</u>	<u>\$238,651,413^a</u>	<u>\$1,414,315,399</u>

^a Of this amount, \$648,561 contains an (L) notation, and \$11,713,741 contains a (T) notation.

FOOTNOTES -- The following statements are referenced to the numbered footnotes throughout section 2.

- 2 All Departments, Totals -- Every department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2003-04. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.
- 3 All Departments, Totals -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Each principal department of the state shall produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format shall be submitted to the Office of Legislative Legal Services for publishing on the Internet. It is the intent of the General Assembly that this be done within existing resources.
- 31 Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit an accounting of all line items by actual expenditure. Actual expenditure is defined as final expenditure, including post-closing payments. The Department is requested

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to submit this information to the Joint Budget Committee by October 1, 2003.

- 32 Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums budget to the Joint Budget Committee, by the third Monday of each month. The department is requested to include in the report the managed care organization caseload by aid category.
- 33 Department of Health Care Policy and Financing, Medical Services Premiums -- The department is requested to submit a report on the managed care organizations' capitation rates for each population and the estimated blended rate for each aid category in effect for fiscal year 2003-04 to the joint budget committee by July 25, 2003.
- 34 Department of Health Care Policy and Financing, Medical Services Premiums -- It is the intent of the General Assembly that expenditures for these services should be recorded only against the Long Bill group total for Medical Services.
- 35 Department of Health Care Policy and Financing, Medical Services Premiums -- The General Assembly has determined that the average appropriated rates provide sufficient funds to pay reasonable and adequate compensation to efficient and economical providers. The Department should take actions to ensure that the average appropriated rates are not exceeded.
- 36 Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to work with pharmacy providers, including institutional and community pharmacies, both independent and chains, pharmaceutical manufacturers, legislators, and stakeholders to determine a methodology to reduce Medicaid prescription drug costs, specifically the utilization and cost of such pharmaceuticals. The Department is requested to report its analysis and recommendations to the Joint Budget Committee no later than November 1, 2003.
- 37 Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments -- It is the intent of the General Assembly that the intergovernmental transfers provided through the Medicare Upper Payment Limit funding mechanism in these line items be used to address Medicaid funding shortfalls paid through the General Fund. It is the General Assembly's understanding that there will not be an intergovernmental transfer in FY 2003-04.
- 38 Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments--The department is requested to submit a report by February 1, 2004, which evaluates the use of the new methodology to distribute disproportionate share and major teaching hospital payments.

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39	Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs -- This appropriation assumes an average medical cost per child of \$1,051.80 per year (\$87.65 per member per month), not including dental services, and assumes an estimated average monthly caseload of 50,571 children.					
40	Department of Health Care Policy and Financing, Other Medical Services, S.B. 97-101 Public School Health Services -- The department is requested to submit a report by November 1 of each year to the joint budget committee on the services that receive reimbursement from the federal government under S.B. 97-101 public school health service program. The report should include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that was distributed to each school under the program. The report should also include information on how many children were served by the program.					
41	Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs; and Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Community Programs, Mental Health Capitation -- The Departments are requested to provide a report to the Joint Budget Committee by October 1, 2003, that reviews their proposals and plans for the Medicaid mental health capitation program for FY 2003-04 and future years. The report should specifically address the following issues: (1) Progress on the development of a model for setting new capitation rates; (2) the feasibility of addressing some of the inequities in rates paid in various regions of the State prior to a rebid of the program; (3) any plans to expand the program to other services; and (4) any recommendations for statutory changes.					
42	Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs; and Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Community Programs, Medicaid Anti-Psychotic Pharmaceuticals -- The Departments are requested to report to the Joint Budget Committee by October 1, 2003, on their progress toward managing Medicaid mental health pharmaceutical costs. This report should include an expected time line for planned activities, as well as estimates of the programmatic and fiscal impacts of any changes.					
43	Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs, Office of Information Technology Services - Medicaid Funding, Colorado Benefits Management System (CBMS); and Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System (CBMS) -- It is the understanding of the General Assembly that the primary goal of the Colorado Benefits Management System (CBMS) project is to streamline several county administrative functions by creating a single, integrated, eligibility and client management system that will minimize manual and paper-intensive processes. The 1997 feasibility study that was prepared for the CBMS project included an analysis of the annual savings that would result from the statewide implementation of CBMS, estimating \$31.0 million in annual savings from all fund sources. The feasibility study did not include an analysis of the impact of medical application sites. A re-analysis in December 2000 projects annual savings of \$13.0 million. Further project changes anticipated as of March 2002					

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are expected to result in the level of savings being further reduced to \$12.4 million. It is the intent of the General Assembly that, once CBMS is fully implemented statewide, various appropriations will be adjusted to reflect the resulting cost savings. It is further the intent of the General Assembly that such adjustments be based on an objective analysis of the impact of the implementation of CBMS on the Department of Health Care Policy and Financing, the Department of Human Services, and county departments of social services.

- 44 Department of Health Care Policy and Financing, Department of Human Services Medicaid - Funded Programs, Office of Self Sufficiency, Disability Determination Services - Medicaid Funding; Department of Human Services, Office of Self Sufficiency, Disability Determination Services -- On or before October 15, 2005, the Department of Health Care Policy and Financing is requested to provide a report indicating the costs and estimated savings associated with representation from disability determination services at administrative law judge hearings regarding Medicaid eligibility determination on the basis of disability. The report should include all costs associated with attendance at administrative law judge hearings; a comparison of the denial rates for this population over the past three years; and an estimate of any savings associated with an increase in denials upon appeal.