

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 06-07 BUDGET REQUEST

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Exhibit AA - Medicaid Mental Health Community Programs Historical and Future Projection Overview

Actual Expenditures from the Colorado Financial Reporting System

Fiscal Year	Total Capitation Expenditures	Fee-for-Service Expenditures	Total Capitation and Fee-for-Service Expenditures	Percent Change in Total Capitation and Fee-for-Service Expenditures
FY 99-00	\$134,713,305		\$134,713,305	N/A
FY 00-01	\$143,193,225		\$143,193,225	6.29%
(1) FY 01-02	\$148,906,860		\$148,906,860	3.99%
(2) FY 02-03	\$144,704,276	\$2,695,135	\$147,399,411	-1.01%
(3) FY 03-04	\$146,346,423	\$3,509,845	\$149,856,267	1.67%
(4) FY 04-05 Actual	\$152,435,998	\$1,379,580	\$153,815,578	2.64%
FY 05-06 Estimate	\$167,984,978	\$1,675,714	\$169,660,692	10.30%
FY 06-07 Request	\$179,871,237	\$1,632,576	\$181,503,812	6.98%

- (1) Prior to FY 02-03, Fee-for-Service was included in the Capitation Base Payments line appropriation.
- (2) Prior to FY 03-04, Capitation included Goebel Services.
- (3) Fee-for-Service included case management services for Home and Community Based Services Mentally Ill clients through FY 03-04. The Department's Request S-7 dated January 3, 2005 transferred these services to Medical Services Premiums.
- (4) FY 04-05 1331 Emergency Supplemental of September 3, 2004 added Home and Community Based Services of mental health care for the Developmentally Disabled to Fee-for-Service Expenditures.

Medicaid Medical Services Premiums Caseload (without Retroactivity) Adjusted for Mental Health

Fiscal Year	Medical Services Premiums Caseload	Less: Mental Health Ineligible Categories ⁽⁵⁾	Medical Services Premiums Caseload for Mental Health	Percent Change in Medical Services Premiums Caseload for Mental Health
FY 02-03	327,395	(13,050)	314,345	N/A
FY 03-04	362,531	(14,391)	348,140	10.75%
FY 04-05 Actual	402,802	(14,548)	388,254	11.52%
FY 05-06 Estimate	439,069	(18,618)	420,451	8.29%
FY 06-07 Request	475,214	(22,941)	452,273	7.57%

- (5) The following Medicaid eligibility categories are not eligible for Medicaid Mental Health care: Qualified Medicare Beneficiaries, Special Low Income Medicare Beneficiaries, and Non-Citizens.

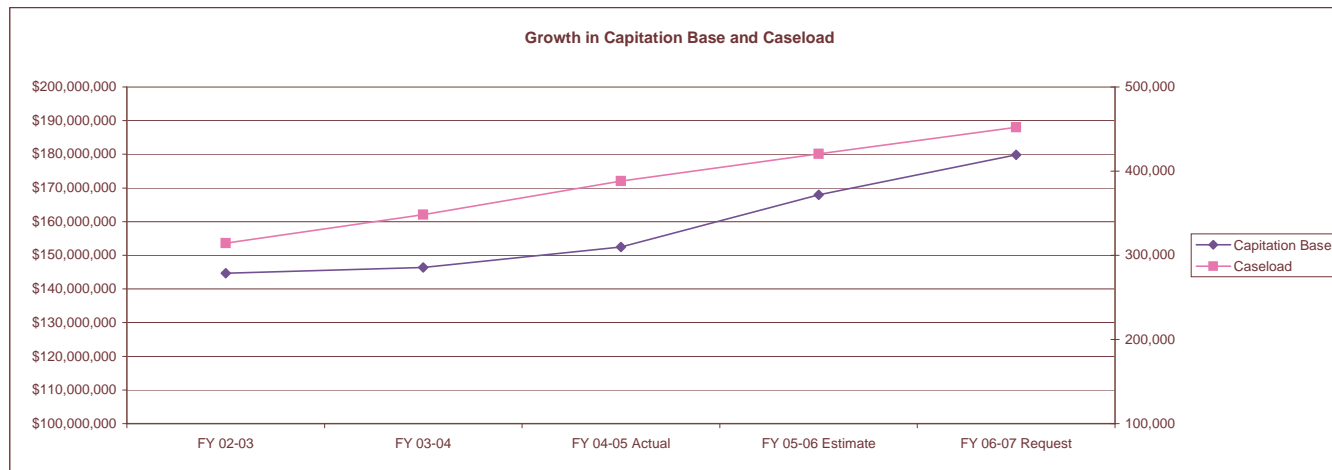


Exhibit BB - General Fund, Cash Funds, and Federal Funds Match Calculation, FY 05-06 Estimate

CALCULATION OF MATCH - FY 05-06 MENTAL HEALTH							
Item	Total Estimate	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Check	FFP Rate Applied
Mental Health Capitation Base (without Tobacco Tax Impacts)	\$161,869,852	\$80,934,926	\$0	\$0	\$80,934,926	\$161,869,852	50%
Breast and Cervical Cancer Program (without Tobacco Tax Impacts)	\$19,033	\$3,331	\$0	\$3,331	\$12,371	\$19,033	65% FFP, 17.5% CFE, 17.5% GF
Tobacco Tax Impacts ⁽¹⁾	\$3,713,791	\$0	\$0	\$1,854,882	\$1,858,910	\$3,713,791	Health Care Expansion Fund: 50% FFP, 50% CFE; Breast and Cervical Cancer Program (DPHE): 65% FFP, 35% CFE.
Sub-total Capitation Base	\$165,602,677	\$80,938,257	\$0	\$1,858,213	\$82,806,207	\$165,602,677	
FY 04-05 Overexpenditure Restriction	\$2,382,301	\$1,191,151	\$0	\$0	\$1,191,151	\$2,382,301	50%
FY 05-06 Estimated Total Expenditures for Mental Health Capitation Payments	\$167,984,978	\$82,129,407	\$0	\$1,858,213	\$83,997,358	\$167,984,978	
Medicaid Mental Health Fee for Service Payments	\$1,675,714	\$837,857	\$0	\$0	\$837,857	\$1,675,714	50%
Medicaid Mental Health Child Placement Agency	\$6,149,084	\$0	\$0	\$6,149,084	\$0	\$6,149,084	
Medicaid Anti-Psychotic Pharmaceuticals	\$42,570,096	\$0	\$0	\$42,570,096	\$0	\$42,570,096	
Total Estimated FY 05-06 Expenditures	\$218,379,872	\$82,967,265	\$0	\$50,577,393	\$84,835,215	\$218,379,872	

Exhibit BB - General Fund, Cash Funds, and Federal Funds Match Calculations, FY 06-07 Request

CALCULATION OF MATCH - FY 06-07 MENTAL HEALTH							
Item	Total Request	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Check	FFP Rate Applied
Mental Health Capitation Base	\$172,791,845	\$86,395,922	\$0	\$0	\$86,395,922	\$172,791,845	50%
Mental Health Breast and Cervical Cancer Program	\$35,753	\$9,385	\$0	\$3,128	\$23,240	\$35,753	65% FFP, 8.75% CFE 26.25% GF
Tobacco Tax Impacts ⁽¹⁾	\$7,043,639	\$0	\$0	\$3,519,161	\$3,524,478	\$7,043,639	Health Care Expansion Fund: 50% FFP, 50% CFE; Breast and Cervical Cancer Program (DPHE): 65% FFP, 35% CFE.
FY 06-07 Estimated Total Expenditures for Mental Health Capitation Payments	\$179,871,237	\$86,405,308	\$0	\$3,522,289	\$89,943,640	\$179,871,237	
Medicaid Mental Health Fee for Service Payments	\$1,632,576	\$816,288	\$0	\$0	\$816,288	\$1,632,576	50%
Medicaid Mental Health Child Placement Agency	\$6,149,084	\$0	\$0	\$6,149,084	\$0	\$6,149,084	
Medicaid Anti-Psychotic Pharmaceuticals	\$39,616,427	\$0	\$0	\$39,616,427	\$0	\$39,616,427	
Total Requested FY 06-07 Expenditures for Mental Health	\$227,269,323	\$87,221,595	\$0	\$49,287,800	\$90,759,928	\$227,269,323	
Base Request FY 06-07 (See see Schedule 6)	\$206,653,096	\$83,121,915	\$0	\$37,231,173	\$86,300,008	\$206,653,096	
Decision/Base Reduction FY 06-07 (matches Schedule 6)	\$20,616,227	\$4,099,680	\$0	\$12,056,627	\$4,459,920	\$20,616,227	

(1) Refer to Exhibit GG regarding the Tobacco Tax impacts to the Department Request.

Exhibit CC - Medicaid Mental Health Community Programs Summary
Actuals, Appropriations and Projections for FY 04-05 and FY 05-06, and FY 06-07

ITEM	FY 04-05 Actual ⁽¹⁾		FY 05-06 Appropriated		FY 05-06 Estimate ⁽²⁾		FY 05-06 Change ⁽³⁾		FY 06-07 Request ⁽⁴⁾		FY 06-07 Change ⁽⁵⁾	
	Medical Services Premiums Caseload for Mental Health	Amount	Medical Services Premiums Caseload for Mental Health	Amount	Medical Services Premiums Caseload for Mental Health	Amount	Medical Services Premiums Caseload for Mental Health	Amounts	Medical Services Premiums Caseload for Mental Health	Amount	Medical Services Premiums Caseload for Mental Health	Amount
Mental Health Capitation Payments												
Capitation Base (Including the Tobacco Tax Impact)⁽⁶⁾												
Supplemental Security Income Adults 65 and Older (SSI 65+)	35,615	\$5,158,296	35,308	\$5,524,821	37,636	\$5,605,238	2,328	\$80,417	39,248	\$6,079,664	1,612	\$474,427
Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	53,729	\$47,258,368	55,143	\$51,338,820	54,196	\$49,002,489	(947)	(\$2,336,331)	54,680	\$51,443,876	484	\$2,441,387
Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	62,563	\$9,999,143	75,210	\$11,553,329	71,393	\$11,728,011	(3,817)	\$174,682	82,328	\$14,049,698	10,935	\$2,321,687
Eligible Children (AFDC-C/BC)	220,592	\$34,181,462	252,017	\$38,656,798	240,507	\$38,308,723	(11,510)	(\$348,075)	258,638	\$42,832,071	18,131	\$4,523,349
Foster Children	15,669	\$56,275,269	16,303	\$61,806,462	16,499	\$60,925,757	196	(\$880,705)	17,029	\$65,412,449	530	\$4,486,692
Breast and Cervical Cancer Program	86	\$12,318	310	\$35,736	220	\$32,459	(90)	(\$3,277)	350	\$53,477	130	\$21,019
Total Capitation Base⁽⁷⁾	388,254	\$152,884,856	434,291	\$168,915,966	420,451	\$165,602,677	(13,840)	(\$3,313,289)	452,273	\$179,871,237	31,822	\$14,268,560
Recovery of Institute Payment Disallowance		(\$448,858)		\$0		\$0		\$0		\$0		\$0
FY 04-05 Over Expenditure Restriction		\$0		\$0		\$2,382,301		\$2,382,301		\$0		(\$2,382,301)
Total Mental Health Capitation Payments		\$152,435,998		\$168,915,966		\$167,984,978		(\$930,988)		\$179,871,237		\$11,886,259
Incremental Capitation Change								-0.55%				7.08%
Other Medicaid Mental Health Payments												
Medicaid Mental Health Fee-for-Service Payments ⁽⁸⁾		\$1,379,580		\$1,209,823		\$1,675,714		\$465,891		\$1,632,576		(\$43,139)
Medicaid Mental Health Child Placement Agency		\$2,436,950		\$6,149,084		\$6,149,084		\$0		\$6,149,084		\$0
Medicaid Anti-Psychotic Pharmaceuticals		\$45,954,548		\$37,435,343		\$42,570,096		\$5,134,753		\$39,616,427		(\$2,953,669)
Sub-total Other Medicaid Mental Health Payments		\$49,771,078		\$44,794,250		\$50,394,894		\$5,600,644		\$47,398,087		(\$2,996,808)
Total Medicaid Mental Health Community Programs		\$202,207,076		\$213,710,216		\$218,379,872		\$4,669,656		\$227,269,323		\$8,889,452
Total Incremental Change⁽⁹⁾								-0.27%				6.98%

- (1) Expenditure information is based on actual expenditures from the Colorado Financial Reporting System. Institutional Rate Refinance and recoupments for ineligible clients are now included in the capitation base by eligibility category.
- (2) FY 05-06 estimates have been made based on the updated FY 05-06 caseload projections in Exhibit DD. The Department has moved away from Member Months to per capita projections, consistent with Medical Services Premiums methodology. See Exhibit EE and the Narrative for more details on the development of the capitated expenditures.
- (3) Change amounts are based on FY 05-06 Estimated Amounts, less FY 05-06 Appropriated Amounts.
- (4) The FY 06-07 Request is based on updated caseload projections illustrated in Exhibit DD and per capita methodology found in Exhibit EE.
- (5) Change amounts are based on FY 06-07 Requested Amounts, less FY 05-06 Estimated Amounts.
- (6) This is the total capitation base. Caseloads attributable to the Tobacco Tax are included; however, they're identified by program and eligibility category in Exhibit GG.
- (7) FY 04-05 Actual expenditures include \$3,131,775 in recoupment of capitation payments for clients found ineligible during FY 02-03.
- (8) Fee-for-Service payments include the FY 04-05 1331 Supplemental "Transfer of Funds from Department of Human Services for Developmental Disability Waiver State Plan Services," but not the funds transferred for "Case Management from Mental Health Community Programs to Medical Services Premiums."
- (9) This represents the change in the sum of Mental Health Capitation Payments plus Medicaid Mental Health Fee for Service Payments. The first percentage change measures the FY 05-06 Estimate against the FY 05-06 Appropriation. The second percentage change compares the FY 06-07 Request to the FY 05-06 Estimate.

Exhibit DD - Medical Services Premiums Caseload for FY 06-07 Projection and Historical Per Capita Calculation ⁽¹⁾										
Actuals from REX01/COLD (MARS) 464600 Report										
Item	Supplemental Security Income Adults 65 and Older (OAP-A)	Supplemental Security Income Adults 60 to 64 Years of Age (OAP-B)	Supplemental Security Income Disabled Individuals(AND/AB)	Category Eligible Low-Income Adults (AFDC-A)	Health Care Expansion Fund Low-Income Adults	Breast & Cervical Cancer Program	Eligible Children (AFDC C/BC)	Foster Care	Baby Care-Adults	TOTAL
FY 02-03 Actuals	34,485	5,456	46,378	40,021	0	46	166,537	13,843	7,579	314,345
FY 03-04 Actuals	34,149	5,528	46,565	46,754	0	103	192,048	14,790	8,203	348,140
% Change from FY 02-03	-0.97%	1.32%	0.40%	16.82%		123.91%	15.32%	6.84%	8.23%	10.75%
FY 04-05 Actuals	35,615	6,103	47,626	56,453	0	86	220,592	15,669	6,110	388,254
% Change from FY 03-04	4.29%	10.40%	2.28%	20.74%		-16.50%	14.86%	5.94%	-25.52%	11.52%
FY 05-06 Department Projection	37,636	6,266	47,930	64,504	0	220	240,507	16,499	6,889	420,451
% Change from FY 04-05	5.67%	2.67%	0.64%	14.26%		155.81%	9.03%	5.30%	12.75%	8.29%
FY 06-07 Department Projection	39,248	6,608	48,072	70,194	4,886	350	258,638	17,029	7,248	452,273
% Change from FY 05-06	4.28%	5.46%	0.30%	8.82%		59.09%	7.54%	3.21%	5.21%	7.57%
FY 07-08 Department Projection	39,910	7,211	48,362	72,446	4,886	402	263,946	17,221	7,355	461,739
% Change from FY 06-07	1.69%	9.13%	0.60%	3.21%		14.86%	2.05%	1.13%	1.48%	2.09%

(1) Based on Medical Services Premiums caseload, Exhibit B. Non-citizens, Qualified Medicare Beneficiary, and Special Low-Income Medicare Beneficiary eligibility categories have been carved out since they are not Medicaid eligibility categories serviced within the Mental Health capitation program.

Exhibit EE - Per Capita History and FY 06-07 Budget Projection for Mental Health Capitation Payments⁽¹⁾

Expenditures by Fiscal Year	Supplemental Security Income Adults 65 and Older (SSI 65+)	Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	Eligible Children (AFDC-C/BC)	Foster Children	Breast and Cervical Cancer Patients	Adjusted Totals ⁽²⁾	Amount Change
Adjusted Actual FY 02-03 Expenditures ⁽²⁾	\$5,931,512	\$35,316,435	\$7,313,673	\$29,085,116	\$54,896,079	\$4,275	\$132,547,090	
Adjusted Actual FY 03-04 Expenditures ⁽²⁾	\$4,919,288	\$44,145,181	\$8,144,772	\$29,763,270	\$52,692,946	\$8,295	\$139,673,753	\$7,126,663
% Change	-17.07%	25.00%	11.36%	2.33%	-4.01%	94.04%	5.38%	
Adjusted Actual FY 04-05 Expenditures ⁽³⁾	\$5,158,296	\$47,258,368	\$9,999,143	\$34,181,462	\$56,275,269	\$12,318	\$152,884,856	\$13,211,103
% Change	4.86%	7.05%	22.77%	14.84%	6.80%	48.50%	9.46%	
Estimated FY 05-06 Expenditures	\$5,605,238	\$49,002,489	\$11,728,011	\$38,308,723	\$60,925,757	\$32,459	\$165,602,677	\$12,717,821
% Change	8.66%	3.69%	17.29%	12.07%	8.26%	163.51%	8.32%	
Requested FY 06-07 Expenditures	\$6,079,664	\$51,443,876	\$14,049,698	\$42,832,071	\$65,412,449	\$53,477	\$179,871,237	\$14,268,560
% Change	8.46%	4.98%	19.80%	11.81%	7.36%	64.76%	8.62%	
Per Capita History and Percent Change ⁽⁴⁾								
Total Eligibles FY 02-03 ⁽⁵⁾	34,485	51,834	47,600	166,537	13,843	46	314,345	
Per Capita Cost ⁽⁶⁾	\$172.00	\$681.34	\$153.65	\$174.65	\$3,965.62	\$92.93	\$421.66	
Total Eligibles FY 03-04	34,149	52,093	54,957	192,048	14,790	103	348,140	
Per Capita Cost	\$144.05	\$847.43	\$148.20	\$154.98	\$3,562.74	\$80.53	\$401.20	
% Change	-16.25%	24.38%	-3.54%	-11.26%	-10.16%	-13.34%	-4.85%	
Total Eligibles FY 04-05	35,615	53,729	62,563	220,592	15,669	86	388,254	
Per Capita Cost	\$144.83	\$879.57	\$159.83	\$154.95	\$3,591.50	\$143.23	\$393.78	
% Change	0.54%	3.79%	7.84%	-0.02%	0.81%	77.85%	-1.85%	
Estimated Total Eligibles FY 05-06	37,636	54,196	71,393	240,507	16,499	220	420,451	
Estimated Per Capita Cost FY 05-06	\$148.93	\$904.17	\$164.27	\$159.28	\$3,692.69	\$147.54	\$393.87	
% Change	2.83%	2.80%	2.78%	2.79%	2.82%	3.01%	0.02%	
Estimated Total Eligibles FY 06-07	39,248	54,680	82,328	258,638	17,029	350	452,273	
Estimated Per Capita Cost FY 06-07	\$154.90	\$940.82	\$170.66	\$165.61	\$3,841.24	\$152.79	\$397.71	
% Change	4.01%	4.05%	3.88%	3.97%	4.02%	3.56%	0.97%	
Percentage Changes in Per Capita Costs								
Change from FY 02-03 to FY 03-04	-16.25%	24.38%	-3.54%	-11.26%	-10.16%	-13.34%	-4.85%	
Change from FY 03-04 to FY 04-05	0.54%	3.79%	7.84%	-0.02%	0.81%	77.85%	-1.85%	
Average of Changes to FY 03-04 and FY 04-05	-7.85%	14.09%	2.15%	-5.64%	-4.68%	32.25%	-3.35%	
FY 05-06 Projections								
Percentage Change Selected for FY 05-06 ⁽⁷⁾	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%		
Initially Projected FY 05-06 Per Capita Cost ⁽⁸⁾	\$149.54	\$908.16	\$165.02	\$159.99	\$3,708.23	\$147.89	\$395.58	
Estimated Total Eligibles FY 05-06	37,636	54,196	71,393	240,507	16,499	220	420,451	
Projected FY 05-06 Expenditures before Adjustments ⁽⁹⁾	\$5,628,165	\$49,218,373	\$11,781,237	\$38,478,546	\$61,182,044	\$32,535	\$166,320,902	
Adjustment for ROUGH Estimate of Recoupments in FY 05-06 for FY 03-04 and FY 04-05 Ineligibles ⁽¹⁰⁾	(\$22,928)	(\$215,884)	(\$53,226)	(\$169,824)	(\$256,287)	(\$77)	(\$718,225)	
Revised Projected FY 05-06 Total Expenditures	\$5,605,238	\$49,002,489	\$11,728,011	\$38,308,723	\$60,925,757	\$32,459	\$165,602,677	
Projected FY 05-06 Per Capita Cost Following Adjustments	\$148.93	\$904.17	\$164.27	\$159.28	\$3,692.69	\$147.54	--	
% Change from FY 04-05	2.83%	2.80%	2.78%	2.79%	2.82%	3.01%	--	

Note: All footnotes appear on the following page.

Exhibit EE - Mental Health Community Programs Per Capita History and FY 06-07 Budget Projection⁽¹⁾

Expenditures by Fiscal Year	Supplemental Security Income Adults 65 and Older (SSI 65+)	Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	Eligible Children (AFDC-C/BC)	Foster Children	Breast and Cervical Cancer Patients	Adjusted Totals
FY 06-07 Projections							
Percentage Selected for FY 06-07 ⁽¹⁾	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	
Initially Projected FY 06-07 Per Capita ⁽⁸⁾	\$152.96	\$928.64	\$168.72	\$163.59	\$3,792.63	\$151.53	\$392.73
Estimated Total Eligibles FY 06-07	39,248	54,680	82,328	258,638	17,029	350	452,273
Projected FY 06-07 Expenditures Before Adjustments ⁽⁹⁾	\$6,003,508	\$50,778,092	\$13,890,353	\$42,311,581	\$64,584,667	\$53,036	\$177,621,237
Adjustment for ROUGH Estimate of Recoupments in FY 06-07 for FY 05-06 Ineligibles ⁽¹⁰⁾	\$76,157	\$665,784	\$159,345	\$520,491	\$827,782	\$441	\$2,250,000
Revised Projected FY 06-07 Total Expenditures	\$6,079,664	\$51,443,876	\$14,049,698	\$42,832,071	\$65,412,449	\$53,477	\$179,871,237
Projected FY 06-07 Per Capita Cost Following Adjustments	\$154.90	\$940.82	\$170.66	\$165.61	\$3,841.24	\$152.79	--
% Change from FY 05-06	4.01%	4.05%	3.88%	3.97%	4.02%	3.56%	--

- (1) Beginning with FY 05-06, the Department began projecting the Mental Health Capitation budget using a per capita methodology based on actual expenditures and Medical Services Premiums caseload. This table details what the per capita history would have been, had the Department used such methodology prior to the FY 05-06 projection. Expenditures include Institutional Rate Refinance and recoupments of capitation payments for clients later deemed ineligible.
- (2) Adjustments to previously reported FY 02-03 and FY 03-04 actual expenditures are itemized in the supporting schedule on Page FEE-3.
- (3) Expenditure information is based on actual expenditures from the Colorado Financial Reporting System. Institutional Rate Refinance and recoupments for ineligible clients are now included in the capitation base by eligibility category.
- (4) Calculations of average and percent change are computed to assist in determining the best per capita to apply to the FY 05-06 and FY 06-07 Medical Services Premiums caseload to estimate FY 05-06 and FY 06-07 expenditures, respectively.
- (5) Total eligibles are based on the Medical Services Premiums caseload detail found in Exhibit B. The Medical Services Premiums Caseload for Mental Health found in Exhibit DD carves out certain aid categories not eligible for Mental Health, namely Qualified Medicare Beneficiaries, Special Low Income Medicare Beneficiaries, and Non-Citizens.
- (6) Per capita cost equals fiscal year expenditures divided by Medical Services Premiums average caseload per eligibility category for the fiscal year.
- (7) The FY 05-06 percentage change is the 3.25% cost of living adjustment provided in SB 05-209.
- (8) The percentage change is applied to the previous year's per capita cost to develop the Initially Projected Per Capita Cost by eligibility category for the current year.
- (9) Projected FY 05-06 Expenditures Before Adjustments equal Medical Services Premiums Estimated FY 05-06 Caseload for Mental Health ("Total Eligibles") times the Initially Projected Per Capita. The same methodology is used for FY 06-07.
- (10) See Exhibit FF regarding recoupment of capitated Mental Health payments made for clients later found to be ineligible for Medicaid. Allocations are made across eligibility categories according to the expenditures during the years for which recoupments are being made. For example, a recoupment for FY 03-04 ineligibles is allocated according to FY 03-04 expenditures.
- (11) The FY 06-07 percentage change is based on various forecast factors, including the Department's trended cost analysis, the Medicare Economic Index from the Centers for Medicare and Medicaid Services, and the US Department of Labor's Bureau of Labor Statistics consumer price index for local medical costs. See Assumptions and Calculations for more information.

Exhibit FF - Mental Health Recoupment of Payments Made for Clients Found to be Ineligible for Medicaid ⁽¹⁾

	FY 04-05 Actual Expenditures ⁽²⁾	FY 05-06 Appropriated	FY 05-06 Estimate	FY 06-07 Request
Actual Recoupments in FY 04-05 for FY 02-03 Ineligibles	(\$3,131,775)	--	--	--
Reverse FY 04-05 Recoupments for FY 02-03 to Capitation Base	--	\$3,131,775	\$3,131,775	--
ROUGH Estimate of Recoupments in FY 05-06 for FY 03-04 Ineligibles	--	(\$2,250,000)	(\$2,250,000)	--
Net Impact of Estimated Recoupments in FY 05-06 for FY 03-04 Ineligibles	--	\$881,775	\$881,775	--
ROUGH Estimate of Recoupments in FY 05-06 for FY 04-05 Ineligibles ⁽³⁾	--	\$0	(\$1,600,000)	--
Net Impact of Estimated Recoupments in FY 05-06 for FY 04-05 Ineligibles	--	\$0	(\$1,600,000)	--
Reverse FY 05-06 Recoupments for FY 03-04 to Capitation Base	--	--	--	\$2,250,000
Reverse FY 05-06 Recoupments for FY 04-05 to Capitation Base	--	--	--	\$1,600,000
ROUGH Estimate of Recoupments in FY 06-07 for FY 05-06 Ineligibles	--	--	--	(\$1,600,000)
Net Impact of Estimated Recoupments in FY 06-07 for FY 05-06 Ineligibles	--	--	--	\$2,250,000
Total Net Annual Impact of Estimated Recoupments		\$881,775	(\$718,225)	\$2,250,000

- (1) The Department considers recoupments of capitated payments made for clients later found to be ineligible for Medicaid as part of the capitation base for per capita analyses, as illustrated in Exhibit EE.
- (2) FY 04-05 Actual Expenditures are from the Colorado Financial Reporting System.
- (3) The Department has recently moved from prospective capitation payments to concurrent capitation payments, which explains the drop in annual recoupments. Also, the Department is shortening the timing to recoup capitated payments for ineligible clients during FY 05-06. See the Narrative for additional information.

Exhibit GG - Tobacco Tax Impacts on General Fund, Cash Funds, and Federal Funds Match Calculations for Medicaid Mental Health Community Programs

Table 1

DESCRIPTION OF ESTIMATE - FY 05-06 MENTAL HEALTH				
Eligibility Category	Caseload Arising from Tobacco Tax ⁽¹⁾	Projected Per Capita Cost ⁽²⁾	Total Estimate	Description (Abbreviations are explained below.)
Health Care Expansion Fund contributions:				
Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	527	\$904.17	\$476,498	Removal of waiting list for HCBS: 478 Removal of waiting list for CES: 49
Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	4,910	\$164.27	\$806,585	Removal of asset test: 3,440 CELI Adults Resumption of presumptive eligibility: 1,470 Baby Care Program - Adults
Eligible Children (AFDC-C/BC)	15,176	\$159.28	\$2,417,282	Removal of asset test: 14,332 children CBHP marketing impact on Medicaid: 844 children
Subtotal from Health Care Expansion Fund	20,613		\$3,700,365	
Cessation, Prevention, and Detection Fund contribution:				
Breast and Cervical Cancer Program	91	\$147.54	\$13,426	Expansion of cervical cancer screenings: 91 clients
Total	20,704		\$3,713,791	

CALCULATION OF MATCH - FY 05-06 MENTAL HEALTH							
Eligibility Category	Total Estimate	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Check	FFP Rate Applied
Health Care Expansion Fund contributions: ⁽³⁾							
Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	\$476,498	\$0	\$0	\$238,249	\$238,249	\$476,498	50%
Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	\$806,585	\$0	\$0	\$403,293	\$403,293	\$806,585	50%
Eligible Children (AFDC-C/BC)	\$2,417,282	\$0	\$0	\$1,208,641	\$1,208,641	\$2,417,282	50%
Subtotal from Health Care Expansion Fund	\$3,700,365	\$0	\$0	\$1,850,183	\$1,850,183	\$3,700,365	
Cessation, Prevention, and Detection Fund contribution: ⁽⁴⁾							
Breast and Cervical Cancer Program	\$13,426	\$0	\$0	\$4,699	\$8,727	\$13,426	65%
Total Arising from Tobacco Tax, HB 05-1262	\$3,713,791	\$0	\$0	\$1,854,882	\$1,858,910	\$3,713,791	

Abbreviations: HCBS are Home and Community Based Services, CES is Children's Extensive Support, CELI are Categorically Eligible Low-Income, and CBHP is the Children's Basic Health Plan.

- (1) The Medical Services Premium Caseload for Mental Health in Exhibit DD includes this increase arising from the Tobacco Tax.
- (2) Refer to Exhibit EE for development of per capita costs.
- (3) Cash Funds Exempt are provided by the Health Care Expansion Fund administered by the Department.
- (4) Cash Funds Exempt are transferred from the Department of Public Health and Environment for the Cessation, Prevention, & Detection Fund.

Exhibit GG - Tobacco Tax Impacts on General Fund, Cash Funds, and Federal Funds Match Calculations for Medicaid Mental Health Community Programs

Table 2

DESCRIPTION OF REQUEST - FY 06-07 MENTAL HEALTH				
Eligibility Category	Caseload Arising from Tobacco Tax ⁽¹⁾	Projected Per Capita Cost ⁽²⁾	Total Request	Description (Abbreviations are explained below.)
Health Care Expansion Fund contributions:				
Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	527	\$940.82	\$495,811	Removal of waiting list for HCBS: 478 Removal of waiting list for CES: 49
Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	12,284	\$170.66	\$2,096,328	Removal of asset test: 5,849 CELI Adults; Resumption of presumptive eligibility: 1,549 Baby Care Program - Adults; Expansion of parents' eligibility: 4,886 Adults.
Eligible Children (AFDC-C/BC)	26,773	\$165.61	\$4,433,776	Removal of asset test: 24,371 children CBHP marketing impact on Medicaid: 2,402 children
Subtotal from Health Care Expansion Fund	39,584		\$7,025,915	
Cessation, Prevention, and Detection Fund contribution:				
Breast and Cervical Cancer Program	116	\$152.79	\$17,724	Expansion of cervical cancer screenings: 116 clients
Total	39,700		\$7,043,639	

CALCULATION OF MATCH - FY 06-07 MENTAL HEALTH							
Eligibility Category	Total Request	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Check	FFP Rate Applied
Health Care Expansion Fund contributions: ⁽³⁾							
Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	\$495,811	\$0	\$0	\$247,905	\$247,905	\$495,811	50%
Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	\$2,096,328	\$0	\$0	\$1,048,164	\$1,048,164	\$2,096,328	50%
Eligible Children (AFDC-C/BC)	\$4,433,776	\$0	\$0	\$2,216,888	\$2,216,888	\$4,433,776	50%
Subtotal from Health Care Expansion Fund	\$7,025,915	\$0	\$0	\$3,512,957	\$3,512,957	\$7,025,915	
Cessation, Prevention, and Detection Fund contribution: ⁽⁴⁾							
Breast and Cervical Cancer Program	\$17,724	\$0	\$0	\$6,203	\$11,521	\$17,724	65%
Total Arising from Tobacco Tax, HB 05-1262	\$7,043,639	\$0	\$0	\$3,519,161	\$3,524,478	\$7,043,639	

Abbreviations: HCBS is Home and Community Based Services, CES is Children's Extensive Support, CELI is Categorically Eligible Low-Income, and CBHP is the Children's Basic Health Plan.

- (1) The Medical Services Premium Caseload for Mental Health in Exhibit DD includes this increase arising from the Tobacco Tax.
- (2) Refer to Exhibit EE for development of per capita costs.
- (3) Cash Funds Exempt are provided by the Health Care Expansion Fund administered by the Department.
- (4) Cash Funds Exempt are transferred from the Department of Public Health and Environment for the Cessation, Prevention, & Detection Fund.

Exhibit HH - Medicaid Mental Health Fee For Service Payments

Components	FY 04-05 Actual⁽¹⁾	FY 05-06 Appropriated	FY 05-06 Growth Rate in Medical Services Premiums Caseload for Mental Health ⁽²⁾	FY 05-06 Estimate	FY 05-06 Change ⁽³⁾
Mental Health Fee-for-Service ^{(4) (5)}	\$1,379,580	\$1,186,101	8.29%	\$1,493,985	\$307,884
Legislative Impact of 2% Increase	\$0	\$23,722		\$23,722	\$0
Subtotal Before Prior Year Adjustments	\$1,379,580	\$1,209,823		\$1,517,707	\$307,884
FY 04-05 Over Expenditure Restriction	\$0	\$0		\$158,007	\$158,007
Total After Prior Year Adjustments	\$1,379,580	\$1,209,823		\$1,675,714	\$465,891

Components		FY 05-06 Estimate	FY 06-07 Growth Rate in Medical Services Premiums Caseload for Mental Health	FY 06-07 Request	FY 06-07 Change ⁽⁶⁾
Mental Health Fee-for-Service		\$1,493,985	7.57%	\$1,632,576	\$138,590
Legislative Impact of 2% Increase		\$23,722		\$0	(\$23,722)
Subtotal Before Prior Year Adjustments		\$1,517,707		\$1,632,576	\$114,868
FY 04-05 Over Expenditure Restriction		\$158,007		\$0	(\$158,007)
Total After Prior Year Adjustments		\$1,675,714		\$1,632,576	(\$43,139)

- (1) FY 04-05 Actual is based on actual expenditures from the Colorado Financial Reporting System.
- (2) Growth rates in Medical Services Premiums Caseloads for Mental Health are found in Exhibit DD.
- (3) FY 05-06 Change equals FY 05-06 Estimate less FY 05-06 Appropriated.
- (4) Prior to FY 04-05, Fee-for-Service included Home and Community Based Services for Mental Illness Case Management. The Department's FY 04-05 Request S-7 dated January 3, 2005, transferring funding to Medical Services Premiums, was incorporated into SB 05-112. Single Entry Point Case Management costs then became consistently reported in Medical Services Premiums.
- (5) 1331 Emergency Supplemental for FY 04-05, dated August 27, 2004 was approved by the Joint Budget Committee on September 21, 2004. As a renewal condition of the Comprehensive Services waiver for individuals with developmental disabilities, the federal Centers for Medicare and Medicaid Services required action be taken to fund State Plan services to clients in the Developmentally Disabled waiver for Home and Community Based Services in this line item. This was included in SB 05-112.
- (6) FY 06-07 Change equals FY 06-07 Request less FY 05-06 Estimate.

Exhibit II - Global Reasonableness Test for Mental Health Capitation Payments⁽¹⁾

	Supplemental Security Income Adults 65 and Older (SSI 65+)	Supplemental Security Income Adults 60 to 64 Years of Age (SSI 60-64) and Supplemental Security Income Disabled Individuals (SSI Disabled)	Category Eligible and Health Care Expansion Fund Low-Income Adults (AFDC-A) and Baby Care Program - Adults	Eligible Children (AFDC-C/BC)	Foster Children	Breast and Cervical Cancer Patients	TOTAL
FY 02-03 ⁽²⁾	\$5,931,512	\$35,316,435	\$7,313,673	\$29,085,116	\$54,896,079	\$4,275	\$132,547,090
FY 03-04 ⁽²⁾	\$4,919,288	\$44,145,181	\$8,144,772	\$29,763,270	\$52,692,946	\$8,295	\$139,673,753

	Actual/Requested Expenditures	Percent Change	Dollar Increase/Decrease	Two-year Rolling Average	Percent Change Two-year Average	Three-year Rolling Average	Percent Change Three-year Average
FY 02-03	\$132,547,090	--	--	--	--	--	--
FY 03-04	\$139,673,753	5.38%	\$7,126,663	\$136,110,421	--	--	--
FY 04-05 Actual	\$152,884,856	9.46%	\$13,211,103	\$146,279,304	7.42%	\$141,701,899.67	--
FY 05-06 Appropriation vs. FY 04-05 Actual	\$168,915,966	10.49%	\$16,031,110	\$160,900,411	9.97%	\$153,824,858.33	8.44%
FY 05-06 Estimate vs. FY 04-05 Actual	\$165,602,677	8.32%	\$12,717,821	\$159,243,766	8.89%	\$152,720,428.52	7.72%
FY 05-06 Estimate vs. Appropriation	\$165,602,677	-1.96%	(\$3,313,289)	--	--	--	--
FY 06-07 Request vs. FY 05-06 Appropriation	\$179,871,237	6.49%	\$10,955,271	\$174,393,601	8.49%	\$167,224,019.60	8.81%
FY 06-07 Request vs. FY 05-06 Estimate	\$179,871,237	8.62%	\$14,268,560	\$172,736,957	8.47%	\$166,119,589.79	8.80%

(1) This analysis compares the percent change between Mental Health Capitation Payments reported in Exhibit EE. Other Medicaid Mental Health Payments have been excluded.

(2) See page FEE-3 within Exhibit EE for a summary of adjustments made to previously stated Actual expenditures.