

Schedule 13											
Change Request for FY 2009-10 Budget Request Cycle											
Decision Item FY 2009-10 <input checked="" type="checkbox"/>		Base Reduction Item FY 2009-10 <input type="checkbox"/>			Supplemental FY 2008-09 <input type="checkbox"/>			Budget Amendment FY 2009-10 <input type="checkbox"/>			
Request Title:		School Based Medical Assistance Site Pilot Expansion									
Department:		Health Care Policy and Financing			Dept. Approval by:		John Bartholomew <i>JB</i>		Date:		October 31, 2008
Priority Number:		DI-16			OSPB Approval:		<i>Smith</i>		Date:		10-29-08
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual	Supplemental Request	Total Revised Request	Base Request	Decision/ Base Reduction	November 1 Request	Budget Amendment	Total Revised Request	Change from Base (Column 5)	
	Fund	FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11
Total of All Line Items	Total	0	2,410,994	0	2,410,994	2,410,994	32,718	2,443,712	0	2,443,712	32,718
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	913,610	0	913,610	913,610	11,410	925,020	0	925,020	11,410
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	30,854	0	30,854	30,854	3,722	34,576	0	34,576	3,722
	CFE/RF	0	0	0	0	0	0	0	0	0	0
FF	0	1,466,530	0	1,466,530	1,466,530	17,586	1,484,116	0	1,484,116	17,586	
(1) Executive Director's Office: (D) Eligibility Determinations and Client Services, Contracts for Special Eligibility Determinations*	Total	0	2,410,994	0	2,410,994	2,410,994	32,718	2,443,712	0	2,443,712	32,718
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	913,610	0	913,610	913,610	11,410	925,020	0	925,020	11,410
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	30,854	0	30,854	30,854	3,722	34,576	0	34,576	3,722
	CFE/RF	0	0	0	0	0	0	0	0	0	0
FF	0	1,466,530	0	1,466,530	1,466,530	17,586	1,484,116	0	1,484,116	17,586	
*Prior to the reorganization of the Department's budget in the FY 2008-09 Long Bill HB 08-1375, funding for school based medical assistance sites was appropriated in Long Bill Group (1) Executive Director's Office; School District Eligibility Determinations.											
Non-Line Item Request:		None									
Letternote Revised Text:		Of the FY 2009-10 amount, \$29,576 shall be from the Children's Basic Health Plan Trust Fund created in Section 25.5-8-105, C.R.S. (2008); and \$5,000 shall be from the Colorado Autism Treatment Fund created in Section 25.5-6-805, C.R.S. (2008).									
Cash or Federal Fund Name and COFRS Fund Number:		CF: Children's Basic Health Plan Trust Fund 11G, the Colorado Autism Treatment Fund 18A, FF: Title XIX, Title XXI.									
Reappropriated Funds Source, by Department and Line Item Name:		N/A									
Approval by OIT?		Yes: <input type="checkbox"/> No: <input type="checkbox"/>		N/A: <input checked="" type="checkbox"/>							
Schedule 13s from Affected Departments:		N/A									

CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	DI-16
Change Request Title:	School Based Medical Assistance Site Pilot Expansion

SELECT ONE (click on box):

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is for an additional \$32,718 in total funds beginning in FY 2009-10 for school districts participating in the school-based medical assistance sites pilot project authorized by HB 06-1270. Additional funding is needed to sustain an expansion of this program implemented by one of the school districts within existing resources in FY 2008-09, and provide sufficient funding for all three participating school districts to renew their contracts beginning in FY 2009-10. Also, the Department requests a technical correction to the source of the State's share of funding for children determined eligible for the Children's Basic Health Plan.

Background and Appropriation History:

Public school districts are authorized to collect financial information to determine a student's eligibility for free or reduced-cost lunches under the National School Lunch Act of 1946. Public assistance programs, including Medicaid and the Children's Basic Health Plan, were created and developed in the years after the passage of the National School Lunch Act. As a result of the evolution of these programs, public school districts are authorized to share financial information with county departments for determining eligibility for Medicaid or the Children's Basic Health Plan. However, this information

was not being shared expressly for this purpose, and enrollment of children into Medicaid and the Children's Basic Health Plan still required a parent to go to a county department or medical assistance site. To make it easier for parents to enroll their children into Medicaid and the Children's Basic Health Plan and increase enrollment of eligible children into these programs, HB 06-1270 was enacted. This act established a demonstration project for school-based medical assistance sites under section 25.5-4-205 (1) (a.5), C.R.S. (2008).

Funding and 1.0 FTE was appropriated to the Department under HB 06-1270 for Personal Services and Operating Expenses beginning in FY 2006-07 to conduct advisory committee meetings, develop the new Medicaid/Free Lunch Program application, write and enforce contracts for the selected school districts, and respond to Colorado Benefits Management System and program eligibility questions from district personnel. Additional funding of \$227,292 in total funds was appropriated to the Department in FY 2007-08 under the Long Bill SB 07-239 for contracts with school districts as described in Legislative Council's June 12, 2006 fiscal note. These funds were appropriated to the Department's budget under Long Bill group (1) Executive Director's Office, School District Eligibility Determinations. This line item was relocated during reorganization of the Department's budget effective FY 2008-09 to (1) Executive Director's Office; (D) Eligibility Determinations and Client Services: Contracts for Special Eligibility Determinations.

Contracts with three school districts, including Adams/Arapahoe 28J (Aurora Public Schools), Jefferson County R-1, and Pueblo City Schools District 60 were signed and implemented in FY 2007-08. The bids received for these contracts totaled \$223,821, which was \$3,471 less than the total appropriation of \$227,292. The Department has adjusted contract amounts to equal the full appropriation of \$227,292 in FY 2008-09, as the Aurora Public Schools and Pueblo City Schools districts communicated a need for more funding due to expansion.

General Description of Request:

The Department requests an additional \$32,718 in total funds to increase the appropriation for school-based eligibility determinations from \$227,292 to \$260,010

beginning in FY 2009-10. These expenditures are funded through the Department's budget line item (1) Executive Director's Office; (D) Eligibility Determinations and Client Services: Contracts for Special Eligibility Determinations.

Section 25.5-4-205 (1) (a.5), C.R.S. (2008) authorizes school districts to seek reimbursement from the Department for costs associated with determining eligibility and enrollment of children into Medicaid and the Children's Basic Health Plan. Additional funding is needed beginning in FY 2009-10 to sustain an expansion of the pilot program planned for FY 2008-09, and provide sufficient funding for all three school districts in FY 2009-10 and FY 2010-11¹. While Jefferson County and Pueblo City Schools are already providing outreach through all of the schools within their districts, Aurora Public Schools is working to increase the number of schools participating in the pilot. During FY 2008-09, using existing resources, Aurora Public Schools plans to expand from 5 to all 36 schools within its district.

Current funding splits for this pilot project are 34.875% General Fund, 53.750% federal funds, and 11.375% cash funds. Letternote "c" for this line item in the FY 2008-09 Long Bill HB 08-1375 indicates that all of the cash funds are to come from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S. (2008). Since subparagraph (2) (a) (II) of this statute does not specify administrative services as qualifying for health care expansion funds, the Department requests a technical correction to the State share of funds for Children's Basic Health Plan eligibility determinations: instead of coming from the Health Care Expansion Fund, the Department requests them from the Children's Basic Health Plan Trust Fund.

Consequences if Not Funded:

Two of the three participating school districts have communicated to the Department that additional funding is needed beginning in FY 2009-10. This funding is needed to cover administrative costs of providing eligibility determinations through all of the schools in their districts as planned. If an increase in funding is not available, one or more school districts may not renew their contracts to participate in the pilot project. This would

¹ The Department assumes that the sunset provision at section 25.5-4-205 (1) (a.5) (VIII), C.R.S. (2008) will be extended beyond its current date of July 1, 2010. If this repeal date is not extended, the Department would not need the continuation funding it has requested for this line item in FY 2010-11.

result in fewer than three participating school districts, which is the minimum required by statute. The Department would need to recruit at least one other school district to participate in FY 2009-10 within the current appropriation of \$227,292, and this may not be possible without additional funding. Also, if the Department is not able to renew all three of its contracts with school districts, fewer children would be reached who are currently eligible but not enrolled in Medicaid or the Children's Basic Health Plan.

Calculations for Request:

Summary of Request FY 2009-10	Total Funds	General Fund	Cash Funds**	Federal Funds
Total Request	\$32,718	\$11,410	\$3,722	\$17,586
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services: Contracts for Special Eligibility Determinations*	\$32,718	\$11,410	\$3,722	\$17,586

**Prior to the reorganization of the Department's budget in the FY 2008-09 Long Bill HB 08-1375, this line item was titled "School District Eligibility Determinations" within Long Bill Group (1) Executive Director's Office.*

*** Cash funds source is the Children's Basic Health Plan Trust Fund. Although letternote "c" for the eligibility determinations line item in the FY 2008-09 Long Bill HB 08-1375 indicates \$25,854 shall be cash funds from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S. (2008), the Department requests a technical correction to this cash funds source. Since subparagraph (2) (a) (II) of this statute does not specify administrative services as qualifying for health care expansion funds, the Department requests the State share of funds for Children's Basic Health Plan eligibility determinations from the Children's Basic Health Plan Trust Fund.*

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds**	Federal Funds
Total Request	\$32,718	\$11,410	\$3,722	\$17,586
(1) Executive Director's Office; (D) Eligibility Determinations and Client Services: Contracts for Special Eligibility Determinations*	\$32,718	\$11,410	\$3,722	\$17,586

*Prior to the reorganization of the Department's budget in the FY 2008-09 Long Bill HB 08-1375, this line item was titled "School District Eligibility Determinations" within Long Bill Group (1) Executive Director's Office.

** Cash funds source is the Children's Basic Health Plan Trust Fund. Although letternote "c" for the eligibility determinations line item in the FY 2008-09 Long Bill HB 08-1375 indicates \$25,854 shall be cash funds from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S. (2008), the Department requests a technical correction to this cash funds source. Since subparagraph (2) (a) (II) of this statute does not specify administrative services as qualifying for health care expansion funds, the Department requests the State share of funds for Children's Basic Health Plan eligibility determinations from the Children's Basic Health Plan Trust Fund.

Calculation of Additional Funding Needed Per School				
Fiscal Year	Total Number of Schools Targeted for Outreach	Average Cost Per School	Total Funds	Formula
FY 2007-08	187	\$1,215	\$227,292	Total funds / number of schools = average cost (rounded)
FY 2008-09	214	\$1,062	\$227,292	Total funds / number of schools = average cost (rounded)
FY 2009-10	214	\$1,215	\$260,010	Number of schools * average cost = total funds requested
FY 2010-11	214	\$1,215	\$260,010	Number of schools * average cost = total funds requested

Calculations for Additional Funds Requested and Technical Correction*				
Current Appropriation	Total Funds	General Fund	Cash Funds*	Federal Funds
Percent**	100%	34.88%	11.38%	53.75%
FY 2008-09	\$227,292	\$79,269	\$25,854	\$122,169
Additional Funds Requested				
Percent**	100%	34.88%	11.38%	53.75%
FY 2009-10	\$32,718	\$11,410	\$3,722	\$17,586
FY 2010-11	\$32,718	\$11,410	\$3,722	\$17,586
Total Funds Requested				
Percent**	100%	34.88%	11.38%	53.75%
FY 2009-10	\$260,010	\$90,679	\$29,576	\$139,755
FY 2010-11	\$260,010	\$90,679	\$29,576	\$139,755
*Letternote "c" for the eligibility determinations line item in the FY 2008-09 Long Bill HB 08-1375 indicates \$25,854 shall be cash funds from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S. (2008). Since subparagraph (2) (a) (II) of this statute does not specify administrative services as qualifying for health care expansion funds, the Department requests the State share of funds for Children's Basic Health Plan eligibility determinations from the Children's Basic Health Plan Trust Fund.				
**Percentages used to determine funding splits are not rounded in calculations for the current FY 2008-09 appropriation; therefore, the products of rounded percentages in this table do not match a manual calculation.				

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2007-08 Expenditures	FY 2007-08 End of Year Cash Balance	FY 2008-09 End of Year Cash Balance Estimate*	FY 2009-10 End of Year Cash Balance Estimate*	FY 2010-11 End of Year Cash Balance Estimate*
Children's Basic Health Plan Trust	11G	\$120,907,223	\$9,231,077	\$5,463,582	(\$21,746,716)	(\$28,734,729)

* Cash Balance Estimates do not incorporate the impact of any Change Requests.

Assumptions for Calculations:

The estimated amount of additional funds needed is based on the number of schools participating in the pilot project. When the project was implemented in FY 2007-08, 187 schools participated at an average cost per school of approximately \$1,215 based on the \$227,292 appropriation. In FY 2008-09, 27 schools are planned to be added for a total of 214 at an average cost per school of approximately \$1,062. The Department has received information from Aurora Public Schools and Pueblo City Schools that current funding levels are not sufficient to sustain participation at these levels beyond FY 2008-09. The Department estimates that an average cost of approximately \$1,215 per school would be sufficient to cover necessary expenses for these districts to renew their contracts for FY 2009-10 and FY 2010-11.

In addition, the Department assumes that the sunset provision at section 25.5-4-205 (1) (a.5) (VIII), C.R.S. (2008) will be extended beyond its current date of July 1, 2010. If this repeal date is not extended, the Department would not need the continuation funding it has requested for this line item in FY 2010-11.

Impact on Other Government Agencies:

No impact on other agencies.

Cost Benefit Analysis:

FY 2009-10 Cost Benefit Analysis	Benefits	Costs
Request	The Department is able to renew all three of its contracts with school districts and avoid costs associated with identifying and negotiating new contracts with other districts. In addition, the project remains in compliance with statute, and the maximum number of children are targeted for eligibility determination and enrollment in Medicaid and the Children’s Basic Health Plan.	\$32,718 total funds including \$11,410 from General Fund.
Consequences if not funded	No benefits.	It is likely that one or more school districts would reduce the number of schools in their districts providing outreach services, thereby reducing the number of children enrolled in Medicaid and the Children’s Basic Health Plan who are currently eligible but not enrolled.
Consequences if not funded	No benefits.	One or more school districts may not renew their contracts, in which case the Department would need to seek bids from alternate school districts at the current funding level which may not be possible.

Implementation Schedule:

An implementation schedule is not needed since this request seeks funding to renew contracts implemented in FY 2007-08.

Statutory and Federal Authority:

25.5-4-205 (1) (a), C.R.S. (2008) Eligibility Determination - *Determination of eligibility for medical benefits shall be made by the county department in which the applicant resides, except as otherwise specified in this section. ...The state department may accept medical assistance applications and determine medical assistance eligibility and may designate the private service contractor ... and other medical assistance sites determined necessary by the state department to accept medical assistance applications, to determine medical assistance eligibility, and to determine presumptive eligibility. ...*

25.5-4-205 (1) (a.5) (I), C.R.S. (2008) Demonstration Project – *There is hereby established a demonstration project in the state department to authorize qualified personnel to make eligibility determinations for medical benefits under the state medical assistance program and the children's basic health plan for students enrolled in a public school. For the 2007-08 school year, the executive director, after receiving recommendations of the advisory committee established pursuant to subparagraph (II) of this paragraph (a.5), shall select not fewer than three school districts in both rural and urban areas to participate in the demonstration project.*

Performance Measures:

By sufficiently reimbursing participating school districts for eligibility determinations to enroll children into Medicaid and the Children's Basic Health Plan, the requested increase in funding will help the Department achieve the following performance measures from its FY 2009-10 Strategic Plan:

- Expand coverage in the Children's Basic Health Plan program.
- Increase the number of clients enrolled in viable managed care options.
- Improve internal and external communication and customer service to increase transparency and understanding of Department programs and initiatives.