

STATE OF COLORADO

The Governor's Office of State Planning and Budgeting
Todd Saliman, Director



Colorado Department Health Care Policy and Financing
Joan Henneberry, Executive Director

Bill Ritter, Jr.
Governor

November 6, 2009

The Honorable Moe Keller, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Keller:

During the final review process of the Change Requests included in the Department of Health Care Policy and Financing's November 6, 2009 FY 2010-11 Budget Request, it became apparent that Column 2 (Appropriation FY 2009-10) of the Schedule 13s contained the FY 2009-10 requested spending authority for the line rather than the FY 2009-10 appropriation for the line as indicated. The actual FY 2009-10 appropriation for each of the Department's budget lines can be found in the Schedule 3s of the Department's November 6, 2009 FY 2010-11 Budget Request.

In addition, all Department change requests that are impacted by the enhanced Federal Medicaid Assistance Percentages (FMAP) included in the American Recovery and Reinvestment Act of 2009 (ARRA) use an adjustment to the Long Bill Group total to account for the decrease in State funds and the increase in federal funds. This methodology was first used to request adjustments to the FY 2009-10 appropriations in the August 25th, 2009 budget requests. Because of the difficulty and time required to incorporate the enhanced FMAP into each line item, the previous methodology has currently been continued for the FY 2010-11 budget request. The Department will submit a budget amendment in accordance with required timelines in order to account for the enhanced FMAP at the line item level. The Department's current methodology correctly accounts for the total General Fund request, and there will be no change to the total General Fund request as a result of the budget amendment.

Sincerely,

Lisa Esgar
Deputy Director
Governor's Office of
State and Budgeting

John Bartholomew
Budget Director
Department of Health Care Planning
Policy and Financing

**Schedule 10
Summary of FY 2010-11 Change Requests**

Department Name: Health Care Policy and Financing

Submission Date: November 6, 2009

Number of Decision Items: 6

Number of Base Reduction Items: 7

Number of Non Prioritized Items: 8

Total Impact				\$14,373,266	(24.10)	(\$191,339,791)	(\$5,229)	(\$31,783,318)	\$9,210,209	\$228,291,395
Schedule 10 Priority	November 3, 2009 Priority	Title	IT Request?	Total Request (FY 2010-11)	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
FY 2010-11 Decision Items										
1	DI-1	Request for Medical Services Premiums	No	\$207,323,569	0.00	\$134,715,479	\$0	(\$29,498,967)	\$390,381	\$101,716,676
2	DI-2	Medicaid Mental Health Community Programs	No	\$21,381,804	0.00	\$10,807,345	\$0	(\$75,390)	\$4,338	\$10,645,511
3	DI-3	Children's Basic Health Plan Medical Premium and Dental Benefit Costs	No	\$27,066,326	0.00	\$9,435,683	\$0	(\$3,287,635)	\$9,435,683	\$11,482,595
4	DI-4	Medicare Modernization Act State Contribution Payment	No	\$1,727,607	0.00	\$1,727,607	\$0	\$0	\$0	\$0
5	DI-5	Medicaid Management Information System Cost Adjustment	Yes	\$269,528	0.00	\$65,361	\$0	\$2,830	\$0	\$201,337
6	DI-6	Funding for Federally Mandated Audit of Disproportionate Share Hospital Expenditures	No	\$100,000	0.00	\$50,000	\$0	\$0	\$0	\$50,000
FY 2010-11 Decision Items				\$257,868,834	0.00	\$156,801,475	\$0	(\$32,859,162)	\$9,830,402	\$124,096,119
FY 2010-11 Base Reduction Items										
1	BRI-1	Prevention and Benefits for Enhanced Value (P-BEV)	No	\$118,359	0.00	(\$11,201)	\$0	(\$1,672)	\$0	\$131,232
2	BRI-2	Coordinated Payment and Payment Reform	No	(\$2,532,684)	0.90	(\$454,577)	\$0	(\$219,260)	\$0	(\$1,858,847)
3	BRI-3	Expansion of State Maximum Allowable Cost Pharmacy Rate Methodology	No	(\$960,682)	0.00	(\$443,253)	\$0	\$0	\$0	(\$517,429)
4	BRI-4	Medicaid Program Efficiencies	No	(\$10,097,162)	0.00	(\$4,463,448)	\$0	\$0	\$0	(\$5,633,714)
5	BRI-5	Medicaid Payment Timing	No	(\$188,101,520)	0.00	(\$93,822,636)	\$0	(\$5,227,680)	(\$77,508)	(\$88,973,696)
6	BRI-6	Medicaid Program Reductions	No	(\$35,234,040)	0.00	(\$27,963,869)	\$0	\$11,350,706	(\$214)	(\$18,620,663)
7	BRI-7	Intentionally left blank.	No	\$0	0.00	\$0	\$0	\$0	\$0	\$0
8	BRI-8	Adjust Department Appropriations to Reflect Enhanced Federal Medicaid Assistance Percentage	No	\$0	0.00	(\$192,394,435)	(\$5,229)	(\$30,506,863)	(\$440,258)	\$223,346,785
FY 2010-11 Base Reduction Items				(\$236,807,729)	0.90	(\$319,553,419)	(\$5,229)	(\$24,604,769)	(\$517,980)	\$107,873,668

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FY 2010-11 Non-Prioritized Decision Items										
1	NP-1	DHS - CBMS Client Correspondence Costs	No	\$463,422	0.00	\$229,803	\$0	\$948	\$1,108	\$231,563
2	NP-2	Statewide Information Technology Staff Consolidation	No	(\$196,172)	(25.00)	(\$46,405)	\$0	\$0	(\$103,363)	(\$46,404)
3	NP-3	DHS - Enforcing Sponsorship Commitment for Applicants and Recipients of Adult Financial Programs	No	(\$248,510)	0.00	(\$124,325)	\$0	\$35	\$41	(\$124,261)
4	NP-4	DPHE - Amendment 35 Funding Reduction	No	\$0	0.00	(\$25,691,418)	\$0	\$25,691,418	\$0	\$0
5	NP-5	DHS - Annual Fleet Vehicle Replacement	No	\$16,275	0.00	\$8,138	\$0	\$0	\$0	\$8,137
6	NP-6	DHS - Two Percent (2%) Community Provider Rate Base Decrease	No	(\$6,545,135)	0.00	(\$2,881,495)	\$0	(\$11,789)	\$0	(\$3,651,851)
7	NP-7	DHS - Statewide Information Technology Staff Consolidation	No	(\$163,341)	0.00	(\$77,387)	\$0	\$1	\$1	(\$85,956)
8	NP-8	DPHE - Statewide Information Technology Staff Consolidation	No	(\$14,378)	0.00	(\$4,758)	\$0	\$0	\$0	(\$9,620)
FY 2010-11 Non-Prioritized Decision Items				(\$6,687,839)	(25.00)	(\$28,587,847)	\$0	\$25,680,613	(\$102,213)	(\$3,678,392)