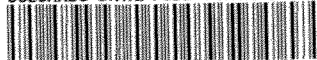


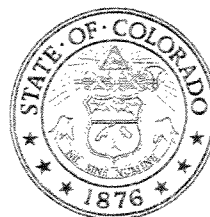
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STATE OF COLORADO



Colorado Department
of Public Health
and Environment

Tobacco Settlement Monitoring Report

Submitted to the Governor; Joint Budget Committee; the Colorado House of Representatives Health, and Human Services Committee; the Colorado Senate Health and Human Services Committee; and the Attorney General

by the Office of Budget, Planning and Analysis
Tobacco Oversight Program
Colorado Department of Public Health and Environment
December 6, 2006

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Committees of the Legislature and the Attorney General

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TABLE OF CONTENTS

I. Preface

II. Executive Summary

III. Background

IV. Program Overview

Table 1: State fiscal year 2005-2006 revised appropriations

Table 2: General Assembly appropriations for state fiscal years 2001, 2002, 2003, 2004, 2005, and 2006

Table 3: State fiscal year 2000-2001 Treasury disbursements and reversion of funds

Table 4: State fiscal year 2001-2002 Treasury disbursements and reversion of funds

Table 5: State fiscal year 2002-2003 Treasury disbursements and reversion of funds

Table 6: State fiscal year 2003-2004 Treasury disbursements and reversion of funds

Table 7: State fiscal year 2004-2005 Treasury disbursements and reversion of funds

Table 8: State fiscal year 2005-2006 Treasury disbursements and reversion of funds

Table 9: Administrative costs

Table 10: Eligible grantees, populations and key goals as defined by statute

Table 11: Number of eligible persons served for state fiscal years 2001, 2002, 2003, 2004 and 2005

V. Tobacco Settlement Program Report Summaries

Children's Basic Health Plan and Prenatal Care Program

Comprehensive Primary and Preventive Care Grant Program

Read to Achieve Grant Program

Colorado State Veterans Trust Fund

Colorado Nurse Home Visitor Program

Dental Loan Repayment Program

Tony Gramscas Youth Services Program

Ryan White Program

Children's Autism Program

Child Mental Health Treatment Program

VI. Attachments

State Board of Health Regulations

State Auditor's Performance Reports

Tobacco Settlement Programs' Annual Reports

I. PREFACE

The Colorado Department of Public Health and Environment respectfully submits the following annual report to the governor, joint budget committee, the relevant committees of the general assembly, and to the Colorado attorney general. The report covers state fiscal year (FY) 2006, which spans from July 1, 2005, to June 30, 2006, and is in accordance with section 25-1-108.5(3), C.R.S. The statute states the following:

(3) (a) On or before January 15, 2002, and on or before each January 15 thereafter, the department shall submit to the joint budget committee, the health and human services committees of the senate and the house of representatives, the attorney general, and the governor a report summarizing the information received by the department pursuant to subsection (2) of this section. In addition, the report shall include:

(I) The reports prepared by the state auditor during the preceding fiscal year pursuant to section 2-3-113, C.R.S., reviewing and evaluating tobacco settlement programs, so long as such reports have been previously released by the audit committee; and

(II) The state board's recommendations concerning any programs for which funding should be discontinued and any additional programs for which the general assembly should consider appropriating monies received pursuant to the Master Settlement Agreement.

(b) The report prepared pursuant to this subsection (3) shall also be available upon request to any member of the public.

II. EXECUTIVE SUMMARY

This is the sixth-annual tobacco settlement monitoring report. Fiscal year 2000-2001 was the first year programs were appropriated settlement monies. It was a year of promulgating regulations; hiring staff; issuing requests for proposals; establishing advisory committees and boards; and otherwise building the infrastructure to support the programs. The time frame for the first year of operation was not sufficient for the infrastructures to be wholly developed; for all grants to be awarded consistent with procurement processes; and for the grantees to reasonably complete a scope of work. The state agencies worked with the state controller's office and received approval to extend grant periods or carry spending authority into the second year, state fiscal year 2001-2002 contracts.

Many legislative, funding and programmatic changes occurred during the sixth year, FY 2005-2006. Appropriations to the tobacco settlement programs were reduced by \$920,615 from the original appropriation of \$60,693,539 to \$59,772,924 in state fiscal year 2005-2006.

Legislation passed in 2006 had a significant impact on *future* funding of tobacco settlement programs.

Key legislation

HB 06-1310 Simplify Tobacco Distribution – The bill simplifies the procedures for distributing the Tobacco Master Settlement Agreement moneys among the programs currently receiving the funding.

HB 06-1054 HIV AIDS – This bill created the Colorado HIV and AIDS Prevention Grant Program to address local community needs in the area of medically accurate HIV and AIDS prevention and education through a competitive grant program. The funding will come from the Tobacco Master Settlement Agreement at an amount of 2.0 percent not to exceed \$2 million.

SB 06-126 State Veteran's Trust Fund Allocations - The bill extended the annual appropriation for the 2003-2004 through 2006-2007 fiscal years, 25 percent of the amount of annual transfers made shall be credited to the trust fund and retained as principal in the trust fund, and 75 percent of the annual transfers made and 100 percent of any interest earned on the principal in the trust fund shall be subject to annual appropriation by the general assembly and may be allocated by the Board of Veterans Affairs. Additionally, FY 2007-08 35 percent credited to the trust fund and 65 percent plus 100 percent interest subject to annual appropriation, for FY 2008-09 45 percent credited to the trust fund and 55 percent plus 100 percent interest subject to annual appropriation, for FY 2009-10 55 percent credited to the trust fund and 45 percent plus 100 percent interest subject to annual appropriation, for 2010-11 FY 65 percent credited to the trust fund and 35 percent plus 100 percent interest subject to annual appropriation.

Board of Health Recommendation

The Colorado Board of Health recommends funding be continued for the core tobacco settlement program subject to monitoring by the board under section 25-1-108.5 C.R.S. The board has no recommendation for any additional program for which the general assembly should consider appropriating monies received pursuant to the Master Settlement Agreement.

III. BACKGROUND

After a four-year legal battle, the major U.S. tobacco manufacturers agreed to a settlement, now known as the Master Settlement Agreement. The states that participated in the settlement are expected to receive payments of \$250 billion over the next 25 years. Colorado's share of the settlement funds is projected to be \$2.6 billion over 25 years, resulting in an average annual payment of \$100 million.

The Colorado Legislature, in section 24-75-1101, C.R.S., declared that Tobacco Settlement Agreement monies "...will enable Colorado to enact tobacco use prevention, education, and cessation programs, related health programs, and literacy programs and that such programs must involve cost-effective programs at the state and local levels."

The statute at section 25-1-108.5(2), C.R.S., requires that the State Board of Health and the department monitor the operation and effectiveness of tobacco settlement programs. Each tobacco settlement program shall annually submit to the department, in accordance with rules promulgated by the state board, the following information:

- (a) The amount of tobacco settlement monies received by the program for the preceding fiscal year;
- (b) A description of the program, including the program goals, the population served by the program; the actual number of persons served, and the services provided through the program;

- (c) Information evaluating the operation of the program, including effectiveness of the program in achieving its stated goals; and
- (d) Any other information required by rule of the state board.

The following 11 programs reported in accordance with the above requirement:

- Children's Basic Health Plan and Prenatal Care Program
- Comprehensive Primary and Preventive Care Grant Program
- Read to Achieve Grant Program
- Colorado State Veterans Trust Fund
- Colorado Nurse Home Visitor Program
- Dental Loan Repayment Program
- Child's Mental Health Treatment program
- Ryan White Program
- Tony Grampsas Youth Services Program
- Children's Autism Program

Colorado Board of Health

The general assembly declared that the State Board of Health and the Department of Public Health and Environment monitor the operation and effectiveness of tobacco settlement programs. The board's obligations under section 25-1-108.5, C.R.S., include:

- Monitoring the operation and effectiveness of the programs receiving tobacco settlement funds (§25-1-108.5(2), C.R.S.);
- Making recommendations concerning any programs for which funding should be discontinued and any additional programs for which the general assembly should consider appropriating monies (§25-1-108.5(3)(a)(II), C.R.S.); and
- Promulgating rules on reporting (§25-1-108.5(2), C.R.S.) and conflict of interest (§25-1-108.5(4), C.R.S.).

The Board of Health consists of nine members appointed by the governor. The primary duties of the board are to adopt or revise standards, rules and regulations to administer the public health laws of the state; to determine general policies to be followed in administering and enforcing the public health laws, standards, rules and regulations; to act in an advisory capacity to the executive director of the Department of Public Health and Environment on matters pertaining to public health; and to establish and appoint special advisory committees when necessary to advise and confer with the state board concerning the public health aspects of any business, profession or industry within the state.

Colorado Department of Public Health and Environment

The Colorado Department of Public Health and Environment is the agency responsible for monitoring the operation and effectiveness of the tobacco settlement programs, in conjunction with the Colorado Board of Health. The department's obligations under the statute include:

- Monitoring the operation and effectiveness of tobacco settlement programs and receiving each tobacco settlement program's annual report section 25-1-108.5(2), C.R.S.;
- Submitting on or before January 15 the annual report to the governor, various committees of the general assembly, and the attorney general section 25-1-108.5(3)(a), C.R.S.; and

- Working with the Office of the State Auditor in conducting program reviews and evaluations (§2-3-113(4), C.R.S.).

The department's monitoring plan is designed:

- To use resources efficiently;
- To avoid duplication of existing monitoring or auditing functions; and
- To rely primarily on:
 - The state auditor's program reviews and evaluations;
 - The programs' annual report to the department;
 - The board of health recommendations;
 - The University of Colorado Health Sciences Center's evaluations, where applicable; and
 - The Centers for Disease Control and Prevention's reviews, where applicable.

Office of the State Auditor

Section 2-3-113, C.R.S., established a requirement for the Office of the State Auditor to conduct or cause to be conducted program reviews and performance evaluations of each state program receiving funding from the tobacco settlement agreement to determine whether the programs are effectively and efficiently meeting their goals. The Office of the State Auditor is required to submit an annual executive summary of the program reviews. To date, the Office of the State Auditor has released performance audits of seven programs, and has begun re-audits of programs as required every three years. During the 2006 legislative session the three-year cycle was repealed and programs will be audited consistent of other audit schedules.

- Children's Basic Health Plan, Department of Health Care Policy and Financing, state fiscal year 2001;
- Read to Achieve Program, Department of Education, state fiscal year 2006;
- Colorado Nurse Home Visitor Program, Department of Public Health and Environment, state fiscal year 2003;
- Comprehensive Primary and Preventive Care Grant Program, Department of Health Care Policy and Financing, state fiscal year 2004;
- Veterans Trust Fund, Department of Military and Veterans Affairs, state fiscal year 2004;
- State Dental Loan Repayment Program, Department of Public Health and Environment, state fiscal year 2005; and
- The Tobacco Education, Prevention and Cessation, Department of Public Health and Environment, state fiscal year 2005.
- Colorado Nurse Home Visitor Program, Department of Public Health and Environment, state fiscal year 2006

The Office of the State Auditor has not begun audits of the four new programs that first received funding in state fiscal year 2004-05, which include Ryan White, Tony Gramscas Youth Services, Children with Autism and Child Mental Health Treatment Programs.

The executive summary may be viewed on the Office of the State Auditor's Internet page at [http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4C1A33C9B711423E872570E700010EAE/\\$FILE/1763%20Tobacco%20Settlement%20Exec%20Summary%20Dec%202005.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4C1A33C9B711423E872570E700010EAE/$FILE/1763%20Tobacco%20Settlement%20Exec%20Summary%20Dec%202005.pdf)

Office of the State Treasurer

Section 24-22-115.5, C.R.S provides statutory authority for distributing tobacco settlement funds from the Tobacco Settlement Cash Fund (TSCF) within the state treasury. The Colorado State Treasurer's Office is also custodian for the Tobacco Settlement Trust Fund (TSTF) and is charged with maximizing earnings with the Tobacco Settlement Trust Fund.

IV. PROGRAM OVERVIEW

Pursuant to section 24-75-1104.5, C.R.S., for state fiscal year 2005-2006, the following programs receive monies subject to appropriations based on the total master settlement funding received each year:

- Children's Basic Health Plan, 24 percent, not to exceed \$30 million each year, with a minimum of \$17.5 million;
- Comprehensive Primary and Preventive Care Grant Program, 3 percent, not to exceed \$5 million;
- Read to Achieve Grant Program, 19 percent, not to exceed \$19 million;
- Colorado State Veterans Trust Fund, 1 percent, not to exceed \$1 million;
- Colorado Nurse Home Visitor Program, 10 percent, not to exceed \$19 million per year;
- Dental Loan Repayment Program, \$200,000 maximum;
- Ryan White AIDS Drug Assistance Program, 3.5 percent, not to exceed \$ 5 million per year;
- Children's Autism Program, funding was added via section 24-4-695 C.R.S, for 1 million per year;
- Child Mental Health Treatment Program, \$300,000 per year; and
- Tony Grampsas Youth Services Program, 4 percent, not to exceed \$5 million.

Table 1: 2005-2006 Revised Appropriations. Demonstrates the 2005-2006 long bill appropriation in HB 06 – 1385 and the appropriation as revised in SB 05-249, and HB 05-12

PROGRAM	'05-'06 LONG BILL APPROPRIATION	'05-'06 REVISED APPROPRIATION
Children's Basic Health Plan	\$21,344,268	\$20,927,529
Comprehensive Primary & Preventive Care Grants	\$2,668,034	\$2,615,941
Read to Achieve	\$4,438,893	\$4,359,902
Veterans Trust Fund	\$887,779	\$871,980
Nurse Home Visitor	\$8,877,786	\$8,719,804
Dental Loan Repayment	\$199,648	\$199,612
Tony Gramscas Youth Services	\$3,551,114	\$3,487,921
Ryan White	\$3,107,225	\$3,051,931
Child Mental Health Treatment	\$299,472	\$299,418
Children's Autism Program	\$395,143	\$395,143
Total	\$45,769,362	\$44,929,181

Table 2: General Assembly Appropriations for Tobacco Settlement Programs.

PROGRAM						
Children's Basic Health Plan	\$9,800,000	\$9,800,000	\$18,460,693	\$20,629,548	\$21,344,268	\$20,973,924
Comprehensive Primary & Preventive Care Grants	\$ 5,156,532	\$5,259,917	\$5,419,045	\$2,578,694	\$2,668,034	\$2,621,740
Read to Achieve	\$16,329,017	\$15,990,420	\$10,675,732	\$16,331,727	\$4,438,893	\$4,369,567
Veterans Trust Fund	\$ 859,385	\$989,841	\$900,763	\$859,565	\$887,779	\$873,913
Nurse Home Visitor	\$ 4,297,110	\$5,577,035	\$6,911,997	\$7,736,081	\$8,877,786	\$9,613,048
Tobacco Education, Prevention and Cessation	\$12,891,329	\$7,347,618	\$3,863,977	\$4,297,823	\$0	\$0
Dental Loan Repayment	\$ 200,000	\$177,130	\$182,446	\$245,669	\$199,648	\$199,619
Tobacco-Related and Tobacco-Focused Research	\$ 6,875,375	\$3,000,000	\$0	\$0	\$0	\$0
Children's Basic Health Prenatal Care	NA	\$7,700,000	\$0	\$0	\$0	\$0
HIV/AIDS Prevention						\$1,584,448
Ryan White				\$3,008,476	\$3,107,225	\$3,058,697
Tony Gramscas Youth Services Program				\$3,438,259	\$3,551,114	\$3,495,654
Children with Autism				\$393,474	\$395,143	\$395,000
Child Mental Health Treatment				\$299,566	\$299,472	\$299,429
Total	\$56,408,748	\$55,841,961	\$46,414,653	\$59,772,924	\$45,769,362	\$47,485,039

Disbursement of funds

Section 24-22-115.5, C.R.S. provides statutory authority for distributing tobacco settlement funds from the Tobacco Settlement Cash Fund (TCSF) within the state treasury.

The statute appropriates a percentage of the settlement funds each year to specific programs.

Unspent or unencumbered appropriated funds revert from the Tobacco Settlement Cash Fund to the Tobacco Settlement Trust Fund for five programs:

- Comprehensive Primary and Preventive Care Grant;
- Nurse Home Visitor;
- Tony Gramscas Youth Services;
- Ryan White;
- Child Mental Health Treatment.

The state treasury requires the programs to submit documentation for the amount spent during the fiscal year, any valid encumbrances that are rolled into the new fiscal year and to return any unspent and unencumbered appropriated monies to the fund.

The remaining five programs have authority to retain unspent and unencumbered funds in their specific program fund:

- Children's Basic Health Plan;
- Read to Achieve;
- Veterans Trust Fund;
- Dental Loan Repayment; and
- Children with Autism.

Table 3 lists funds disbursed from the Tobacco Settlement Cash Fund and funds reverted to the Tobacco Settlement Trust Fund as reported by the state treasury. Additional expenditure detail is included in the annual report submitted by each program. Care should be taken in comparing program expenditure detail to the treasury reports due to the multiple fiscal years involved; spending authority versus cash disbursements; and reconciliation of accounts payables and other considerations.

Table 3: State fiscal year 2000-2001 Treasury disbursements and reversion of funds.

PROGRAM	2000-2001 APPROPRIATION	FUNDS DISBURSED	FUNDS FORWARDED TO '02	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan	\$10,000,000	\$10,000,000	-0-	NA
Comprehensive Primary and Preventive Care	\$4,751,488	\$2,356,435	\$2,256,817	\$138,236
Read to Achieve	\$15,046,378	\$15,046,378	-0-	NA
Veterans Trust Fund	\$791,915	\$791,915	-0-	NA
Nurse Home Visitor	\$2,375,744	\$2,196,054	\$43,724	\$135,966
Tobacco Education, Prevention and Cessation	\$11,878,719	\$3,042,053	\$6,981,767	\$1,854,899
Dental Loan Repayment	NA	NA	NA	NA
Tobacco-Related and Tobacco- Focused Research	\$6,335,317	\$6,335,317	-0-	-0-
Total	\$51,179,561	\$39,768,152	\$9,282,308	\$2,129,101

TABLE 4: State fiscal year 2001-2002 Treasury disbursements and reversion of funds.

PROGRAM	2001-2002 APPROPRIATION	FUNDS DISBURSED (including '02 appropriations and '01 funds carried forward)	FUNDS FORWARDED TO '03	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan	\$9,800,000	\$9,800,000	-0-	NA
Comprehensive Primary and Preventive Care	\$5,156,532	\$7,403,724	-0-	\$9,625
Read to Achieve	\$16,329,017	\$16,329,017	-0-	NA
Veterans Trust Fund	\$859,385	\$859,385	-0-	NA
Nurse Home Visitor	\$4,297,110	\$3,520,268	\$86,753	\$733,813
Tobacco Education, Prevention and Cessation	\$12,891,329	\$9,173,614	\$9,883,542	\$815,940
Dental Loan Repayment	\$200,000	\$200,000	-0-	NA
Tobacco-Related and Tobacco- Focused Research	\$6,875,375	\$6,875,375	-0-	-0-
Totals	\$56,408,748	\$54,161,383	\$9,970,295	\$1,559,378

Table 5: State fiscal year 2002-2003 Treasury disbursements and reversion of funds

PROGRAM	2002-2003 APPROPRIATION	FUNDS DISBURSED (including '03 appropriations and '02 funds carried forward)	FUNDS FORWARDED TO '04	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan	\$9,800,000	\$9,800,000	NA	NA
Comprehensive Primary and Preventive Care	\$5,259,917	\$5,057,983	-0-	\$201,934
Read to Achieve	\$15,990,420	\$15,990,420	-0-	NA
Veterans Trust Fund	\$989,841	\$989,841	-0-	NA
Nurse Home Visitor	\$5,577,035	\$5,560,660	\$31,000	\$72,128
Tobacco Education, Prevention and Cessation	\$7,347,618	\$16,247,147	\$504,575	\$479,437
Dental Loan Repayment	\$177,130	\$177,130	-0-	NA
Tobacco-Related and Tobacco- Focused Research	\$3,000,000	\$3,000,000	-0-	-0-
Children's Basic Health Prenatal Care	\$7,700,000	\$7,700,000	NA	NA
Totals	\$55,841,961	\$64,523,181	\$535,575	\$753,499

Table 6: State fiscal year 2003-2004 Treasury disbursements and reversion of funds

PROGRAM	2003-2004 APPROPRIATION	FUNDS DISBURSED (including '04 appropriations and '03 funds carried forward)	FUNDS FORWARDED TO '05	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan	\$18,460,693	\$18,460,693	\$0	\$0
Comprehensive Primary and Preventive Care	\$5,419,045	\$5,064,339	\$0	\$354,706
Read to Achieve	\$10,675,732	\$10,675,732	\$0	\$0
Veterans Trust Fund	\$900,763	\$900,763	\$0	\$0
Nurse Home Visitor	\$6,911,997	\$6,694,353	\$0	\$217,644
Tobacco Education, Prevention and Cessation	\$3,863,977	\$3,850,888	\$0	\$13,089
Dental Loan Repayment	\$182,446	\$182,446	\$0	\$0
Tobacco-Related and Tobacco- Focused Research	\$0	\$0	\$0	\$0
Totals	\$46,414,653	\$45,829,214	\$0	\$585,439

Table 7: State fiscal year 2004-2005 Treasury disbursements and reversion of funds

PROGRAM	2004-2005 APPROPRIATION	FUNDS DISBURSED (including '05 appropriations and '04 funds carried forward)	FUNDS FORWARDED TO '06	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan	\$20,629,548	\$20,629,548	\$0	\$0
Comprehensive Primary and Preventive Care	\$2,578,694	\$2,566,401	\$0	\$0
Read to Achieve	\$16,331,727	\$16,331,727	\$0	\$0
Veterans Trust Fund	\$859,565	\$859,565	\$0	\$0
Nurse Home Visitor	\$7,736,081	\$7,573,844	\$0	\$111,323
Tobacco Education, Prevention and Cessation	\$4,297,823	\$2,945,323	\$0	\$0
Dental Loan Repayment	\$245,669	\$199,711	\$0	\$0
Tobacco-Related and Tobacco- Focused Research	\$0	\$0	\$0	\$0
Ryan White	\$3,008,476	\$3,008,476	\$0	\$0
Tony Gramscas	\$3,438,259	\$3,417,868	\$0	\$0
Child Mental Health Treatment	\$299,566	\$287,376	\$0	\$0
Children with Autism	\$393,474	\$395,143	\$0	\$0
Totals	\$59,772,924	\$58,214,982	\$0	\$111,323

Table 8: State fiscal year 2005-2006 Treasury disbursements and reversion of funds

PROGRAM	2005-2006 APPROPRIATION	FUNDS DISBURSED (including '06 appropriations and '04 funds carried forward)	FUNDS FORWARDED TO '07	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan	\$20,927,529	\$20,927,529	\$0	\$0
Comprehensive Primary and Preventive Care	\$2,615,941	\$2,604,927	\$0	\$11,014
Read to Achieve	\$4,359,902	\$4,359,902	\$0	\$0
Veterans Trust Fund	\$871,980	\$871,980	\$0	\$0
Nurse Home Visitor	\$8,719,804	\$8,662,974	\$0	\$56,830
Dental Loan Repayment	\$199,612	\$199,612	\$0	\$0
Ryan White	\$3,051,931	\$3,051,931	\$0	\$0
Tony Gramscas	\$3,487,921	\$3,472,813	\$0	\$15,108
Child Mental Health Treatment	\$299,418	\$209,029	\$0	\$90,389
Children with Autism	\$395,143	\$395,000	\$0	\$143
Totals	\$44,929,181	\$42,440,771	\$0	\$173,485

Auditing and Monitoring Costs

Section 25-1-108.5(5), C.R.S. and section 2-3-113(7), C.R.S. directed that the costs incurred by the Colorado Department of Public Health and Environment and the Office of the State Auditor beginning in 2001-2002 be paid proportionately from the amounts annually appropriated to each tobacco settlement program. During the 2003 legislative session, section 2-3-113(7), C.R.S. was changed via SB03-019. This change provided for a direct appropriation to the Office of the State Auditor of one-tenth of one percent of the annual settlement payment. A proportional share of the money allocated to the Office of the State Auditor then reduces the appropriations for each of the programs. This replaced a direct payment from each program to the auditor's office. Each program is still required to directly pay the Colorado Department of Public Health and Environment for its portion of the oversight and monitoring costs.

The auditing costs in FY 01-02 totaled \$51,094, \$59,350 for FY 02-03; \$98,743 for FY 03-04; \$87,701 for FY 2004-05 and \$88,878 for FY 2005-06. The monitoring costs in FY 01-02 totaled \$85,764, \$102,260 for FY 02-03, \$65,871 for FY 03-04; \$27,182 for FY 04-05; and \$30,375 for FY 05-06. In addition, for FY 01-02 only, section 25-1-108.5, C.R.S. appropriated \$75,978 of monies paid to the Colorado Department of Public Health and Environment from the tobacco settlement programs to the Stroke Prevention and Treatment Cash Fund created in section 25-32-104, C.R.S.

Administrative Costs

The tobacco settlement statute limits the amount of funds available for actual costs incurred by the programs or boards for implementation of statutory provisions based on a percent of the amount annually appropriated by the general assembly or for Read to Achieve only, based on the amount in the Read to Achieve fund. Table 7 identifies the allowable percentage and dollar amount and the actual expenditures as reported by the programs. Section 25-23-104, C.R.S. established that the administrative costs to implement the Dental Loan Repayment Program shall not exceed 10 percent, except for FY 2001-2002 when administrative costs shall not exceed \$36,000. The Children's Basic Health Plan administrative expenditures may not exceed 10 percent of total program expenditures. The actual administrative expenditures for the Children's Basic Health Plan are not provided in Table 7, but are provided relative to the administration of the full appropriation in the Colorado Department of Health Care Policy and Financing's annual report on the Children's Basic Health Plan.

Table 9. Allowable administrative costs and actual expenditures as reported by the tobacco settlement programs.

PROGRAM	1996	1997	1998	1999	2000	2001	2002	2003
Comprehensive Primary and Preventive Care	1% or \$52,599	\$40,057	1% or \$54,190	\$37,685	1% or \$25,664	.06% Or \$14,332	1% or \$26,680	.08% Or \$20,194
Read to Achieve	1% of the fund or \$210,237	\$171,006	1% of the fund or \$106,757	*\$154,664	1% of the fund or \$163,317	1% Or \$136,765	1% of the fund or \$43,696	Less than 1% or \$39,109
Veterans Trust Fund	5% or \$16,373	\$12,742	5% or \$14,017	\$7,698	5% or \$42,978	\$33,899	5% or \$44,389	\$19,436
Nurse Home Visitor	5% or \$278,852	\$216,871	5% or \$345,600	\$244,188	5% or \$386,660	5% or \$361,391	5% or \$435,990	4.76% or \$412,026
Tobacco Education, Prevention and Cessation	5% or \$323,248	\$317,125	5% or \$193,199	\$192,617	5% or \$193,686	5% or \$193,686	5% or \$0	0% or \$0
Dental Loan Repayment	10% or \$17,713	\$8,432	10% or \$18,244	\$9,957	10% or \$24,346	5% or \$9,406	10% or \$39,922	4.8% or \$9,644
Tobacco-Related and Tobacco-Focused Research	5% or \$150,000	\$150,000	5% or \$0	\$0	5% or \$0	0% or \$0	5% or \$0	0% or \$0
Tony Grampsas Youth Services					Use of admin funds not specified	2.67% or \$91,460	Use of admin funds not specified	3.45% or \$118,994
Ryan White Program					Use of admin funds not specified	0.045% or \$1,358	Use of admin funds not specified	0.045% or \$1,358
Children with Autism Program					Use of admin funds not specified	0% or \$0	Use of admin funds not specified	0% or \$0
Child Mental Health Treatment Program					Use of admin funds not specified	0% or \$0	Use of admin funds not specified	0% or \$0

Table 10. Eligible grantees, populations and key goals as defined by statute.

Program	Eligible Grantees	Eligible Population	Key Goals
Children's Basic Health Plan	Children's Basic Health Plan.	Uninsured children; under 19 years of age, and pregnant women; live in a family under 185 percent of poverty and not Medicaid eligible.	Administer a public/private partnership program to provide subsidized health insurance and a dental program for children in low-income families.
Comprehensive Primary and Preventive Care Grant	Qualified provider that provides comprehensive primary care services and accepts all patients regardless of ability to pay and uses a sliding fee schedule; serves a designated medically underserved area or population; has demonstrated a record of providing cost-effective care; provides or arranges for the provision of comprehensive care services to persons of all ages on a year round basis.	Uninsured, family income below 200 percent of poverty; no Medicaid, Medicare or other governmental coverage and not receiving third party payments.	Fund grants to increase access to comprehensive primary care services, create new services or augment existing services or establish new sites that offer comprehensive primary care services.
Read to Achieve	Any public school, including charter schools.	2 nd and 3 rd grade pupils and pupils between the 3 rd and 4 th grades whose literacy and reading comprehension skills are below established levels.	Fund intensive reading programs to enhance the literacy and reading comprehension skills of 2 nd and 3 rd grade pupils and raise literacy and reading comprehension to proficiency level on the 3 rd grade reading assessment prior to beginning 4 th grade.
Veterans Trust Fund	State veterans nursing homes, state veterans cemeteries, division of veterans affairs, nonprofit veterans organizations.	Veterans, no income eligibility requirements.	Fund capital improvements for state veterans nursing homes, costs incurred by state veterans cemeteries and veterans outreach programs and veterans programs operated by nonprofit veterans organizations.
Nurse Home Visitor	Any non profit, or for-profit corporation, religious or charitable organization, institution of higher education, visiting nurse association, existing visiting nurse program, local health department, county department of social services, political subdivision of the state or other governmental agency or any combination thereof.	Mother's income below 200 percent of poverty; first-time mothers through child's second birthday. May be Medicaid eligible.	Provide the services of trained nurse home visitors to provide education and case management services to low-income, first-time pregnant women to improve their pregnancy outcomes, the health and development of their children and the long-term economic self-sufficiency of their families.

Program	Eligible Grantees	Eligible Population	Key Goals
Dental Loan Repayment	Dentists and hygienists who agree to provide care to underserved populations for a minimum of two years.	Children's Basic Health Plan and Medicaid participants and other underserved Coloradans.	Fund a dental loan repayment program to encourage and enable dental professionals to provide care through the Children's Basic Health Plan, Medicaid program, and to other underserved populations in Colorado.
Children with Autism	Community Centered Boards	Children aged 0-6 years with a diagnosis of autism. The child cannot be enrolled and receive benefits under another Medicaid waiver program.	Increase access to care for children that are diagnosed with autism.
Tony Grampas Youth Services	Any private non-profit or not-for-profit community-based organization; faith-based organization; local government including public health, human service, and law-enforcement agency; local public or private school, school district or group of school districts; Board of Cooperative Education Services; institution of higher education; Colorado National Guard; state agency, or state operated program, State agencies must demonstrate 100 percent pass through of funds to local programs.	All Children, Youth and Families across Colorado, primarily those children and youth determined to be "at risk". At-risk students are defined as students who are at-risk of dropping out of school because of their socio-economic background, lack of adult support, language barriers, poor academic performance, or other identified indicators that cause students to drop out of school.	The goal of the TGYS Program is to provide funding to local organizations that serve youth and their families in an effort to reduce youth crime and violence and to prevent child abuse and neglect.
Child Mental Health Treatment Program	Residential Treatment Centers	Tobacco funds support residential treatment for youth not categorically eligible for Medicaid, but who have become eligible by qualifying for Supplemental Security Income (SSI).	The overall program goal is to provide services to children with significant mental health needs requiring residential treatment level of care, when a dependency and neglect action is neither appropriate nor warranted.
Ryan White AIDS Drug Assistance	Funding goes directly to purchasing prescription medications for eligible individuals.	A client must have a total family income of 200 percent or less of the federal poverty level, which is a \$19,600 annual income for a family of one and have no other payment source, such as. Medicaid prescription coverage to pay for their medications. In addition, clients must meet the medical criteria of a diagnosis of HIV disease.	The AIDS Drug Assistance Program (ADAP) provides formulary medications on an outpatient basis, free of charge to Colorado residents who have HIV disease and who meet the financial eligibility criteria.

The following table identifies the actual number of persons served as reported by the individual tobacco settlement programs. Data for all programs do not allow for an unduplicated count of individuals served and data may include patients who previously received care but now are receiving services under tobacco settlement programs. Additionally, individuals may be served in more than one program. As programs evolve, eligibility counts are refined and improved and may vary from year to year.

Table 11. Number of eligible persons served for state fiscal years '01-'02, '02-'03, '03-'04, '04-'05 and '05-'06'

PROGRAM	'01-'02 Persons Served	'02-'03 Persons Served	'03-'04 Persons Served	'04-'05 Persons served	'05-'06 Persons served
Children's Basic Health Plan (CBHP)	Received 36,368 applications. 43,600 children enrolled.	Received 44,298 applications. 50,040 children enrolled. 593 women enrolled in the prenatal program.	Received 63,671 applications and 46,695 children enrolled (Average Monthly Enrollment)	Average monthly enrollment for children, 41,101 and 6,684 member months for pregnant women.	Average monthly enrollment for children, 44,177 and 14,447 member months for pregnant women.
Comprehensive Primary and Preventive Care	41,986 patients received medical services with at least 76,178 visits and 5,242 received dental services with at least 11,654 visits.	12,607 patients received medical services with at least 33,094 visits and 3,000 patients received dental services with at least 8,369 visits. 265 patients received eyeglasses and at least 2,669 pharmaceuticals were dispensed.	15,400 patients received medical services with at least 41,000 visits and 5,500 patients received dental services with at least 10,500 visits. 160 patients received eyeglasses and at least 2,000 patients received prescription medications.	10,010 patients received medical services with at least 12,389 visits. 76 patients received mental health services with at least 175 visits, 98 patients received eyeglasses and at least 7,192 patients received proscriptio medications. Since inception, more than 100,000 patients have received services, over 500 patients received eyeglasses and more than 11,800 pharmaceuticals were distributed.	Medical services were provided to 5,839 patients, 12,431 medical encounters were conducted; Obstetrical/Gyn ecological services were provided to 2,418 patients for a total of 10,372 obstetrical/gyne cological visits; Dental services were provided to 79 patients and 144 dental encounters were conducted; Mental health services were provided to 118 patients and 1,205 mental health encounters were conducted
Read to Achieve	553 schools, 29,059 students.	508 schools, 24,551 students.	483 schools, 22,000 students.	375 schools, 16,000 students.	350 schools, nearly 16,500 students.

PROGRAM	'01-'02 Persons Served	'02-'03 Persons Served	'03-'04 Persons Served	'04-'05 Persons served	'05-'06 Persons served
Veterans Trust Fund	11 grantees, 967 veterans.	14 grantees, 1,900 veterans.	14 grantees, 2,704 veterans served. Trained 55 county veteran service officers	10 grantees, 3517 veterans served. Trained 134 county veteran service officers	15 grantees, 7,045 veterans served
Nurse Home Visitor	14 sites, 1,300 families.	18 sites, 1,562 families.	17 sites, 1,637 families.	17 sites, 1,962 families.	18 sites, 2,162 families.
Tobacco Education, Prevention and Cessation	86 grantees, 215,000 persons served directly.	183 grantees representing 393 programs; 151,999 persons served directly, 792,253 served indirectly, 826,000 documents distributed	76 eligible grantees; 125,956 persons served directly, 435,913 served indirectly and 47,350,000 exposures to anti-tobacco media messages. ¹	45 eligible grantees; 108,500 persons served directly, 575,383 served indirectly and 38,952,161 exposures to anti-tobacco media messages.	Total grant funding expended as of June 30, 2006.
Dental Loan Repayment	Six dentists, two dental hygienists.	Nine dentists, two dental hygienists.	Nine dentists, six dental hygienists.	Thirteen dentists and seven dental hygienists	Seventeen dentists and two dental hygienists
Tobacco-Related and Tobacco-Focused Research	Sixteen grantees, representing five Colorado institutions, and four research areas.	Fourteen grantees representing six Colorado institutions and five research areas.	\$17.2 million in grants after 3 funding cycles for a total of 44 active research projects and 8 completed projects.	Total grant funding expended as of June 30, 2005.	
Children with Autism				No children received services in FY 2004-05. Legislation allows for Children to begin to access services in fiscal year 2005-06	No children received services in FY 2005-06.
Tony Grampsas Youth Services				Tony Grampsas Youth Services Programs served 49,805 children, youth and	Tony Grampsas Youth Services Programs served 27,391 children, youth and

¹ The counts in this box are not mutually exclusive (many people received direct services, indirect services and were exposed to media campaign messages) and also represent duplicated counts, i.e., the same individual is counted each time they are exposed to a media message. People served directly are individuals receiving direct services such as tobacco cessation counseling or training. Individuals receiving more informational interventions (receiving a Quitline brochure while at a health fair) are counted in the indirectly served category. The exposure to anti-tobacco media messages uses standardized media measures of reach (rating points and audience size times frequency). This counts each incidence of exposure to a media message. For example, a person seeing the same advertisement (television, billboard, etc.) ten times results in a count of ten exposures. Due to the frequency and reach of media messages, a large proportion of the population was likely to have been exposed to a variety of messages on multiple occasions throughout the year.

PROGRAM	'01-'02 Persons Served	'02-'03 Persons Served	'03-'04 Persons Served	'04-'05 Persons served	'05-'06 Persons served
				parents.	parents.
Child Mental Health Treatment Program				21 children received residential mental health treatment	31 children received residential mental health treatment
Ryan White AIDS Drug Assistance				Total clients served by all funding sources were 1,576.	Total clients served by all funding sources were 1,682.

Following is a summary of each program. This report and the complete annual report as submitted by each program may be viewed on the department's Internet page at http://www.cdphe.state.co.us/pp/tobacco_oversight/index.htm. or call the Colorado Department of Public Health and Environment at (303) 692-2044 to request a copy.

V. Tobacco Settlement Program Report Summaries

The following section includes a brief description of each program, a summary of accomplishments as reported by each program and areas for development as identified through any internal and external reviews, monitoring and auditing activities.

Colorado Department of Health Care Policy and Financing **Children's Basic Health Plan**

The Children's Basic Health Plan is a public/private partnership providing subsidized health insurance for children in low-income families who are not eligible for Medicaid and have incomes at or below 200 percent of the federal poverty level. The Colorado Department of Health Care Policy and Financing, which contracts with private vendors for many of the program services, administers the program.

In FY 05-06, the legislature was appropriated \$76,960,890 to the program to serve an average monthly enrollment of 44,177 children and 14,447 member months for pregnant women. The enrollment cap that had been in place during FY 2003-04 was lifted on July 1, 2004.

During FY 05-06, a comprehensive marketing and outreach strategy began to strengthen community based-based organizations and partnerships. Additionally, the Children's Basic Health Plan targeted television, radio, print and billboards with the campaign theme "KEEPING COLORADO KIDS HEALTHY, from their pearly whites to their piggily wiggles" representing the programs' interest in reaching families in every way possible.

During the same time, the Colorado Department of Health Care Policy and Financing proposed Colorado Family Care, a unified health care program created to streamline the process of providing health care benefits to low-income children, pregnant women and families. Although the specific waiver proposal did not pass, the Colorado Department of Health Care Policy and Financing remained committed to its goal to find cost-effective strategies to streamline Medicaid and Children's Basic Health Plan.

The Medical Services Board submits an annual report to the joint budget committee of the general assembly and the Health and Human Services Committee of the senate and house of representatives.

The annual report and additional information about the Children's Basic Health Plan may be obtained through Colorado Department of Health Care Policy and Financing's Web site at http://www.chcpf.state.co.us/HCPF/Pdf_Bin/Final%20Annual%20Report%20SFY2005.pdf

The Office of the State Auditor released the results of the performance audit of the Children's Basic Health Plan in state fiscal year 2001. The audit may be viewed at http://www.state.co.us/gov_dir/audit_dir/2001/2001perf/1225A.pdf.

Accomplishments include:

- In spite of budget cuts, CHP+ enrolled approximately 46,755 children.
- Served 14,447 member months for pregnant women.
- Provided dental services to covered children through Delta Dental Plan of Colorado with a network of more than 1,070 dentists to an average of 2,047 clients per month.
- Application submissions increased 30 percent.
- Application downloads from Children's Basic Health Plan website increased 45 percent.

Areas for development include:

- Improve health status for participants by assuring access to appropriate health care services;
- Continue to work toward improving the care and delivery system for income-eligible CHP + members; and
- Maximize the effectiveness of Children's Basic Health Plan as a public/private partnership.

Colorado Department of Health Care Policy and Financing
Comprehensive Primary and Preventive Care Grant Program

The Comprehensive Primary and Preventive Care (CPPC) grant program is authorized by sections 25.5-3-201 through 25.5-3-207, C.R.S., the Comprehensive Primary and Preventive Care Grant Program Act. The program provides grants to health care providers in order to expand primary and preventive services to Colorado's low-income residents. The program is not intended to supplant or expand state Medicaid, the Children's Basic Health Plan or the Colorado Indigent Care Program. The grants are intended to increase access to comprehensive primary care services for uninsured or medically indigent patients who are served by qualified providers;

create new services or augment existing services provided to uninsured or medically indigent patients; or establish new sites that offer comprehensive primary care services in medically underserved areas of the state or to medically underserved populations. In May 2004, the general assembly passed House Bill 04-1421, which permanently reduced grant funding through the CPPC grant program from the original 6.0 percent of the money received by the state through the tobacco settlement funds to 3.0 percent of these funds not to exceed a maximum of \$5 million per year. The program is administered by the Colorado Department of Health Care Policy and Financing and is under the direction of the Medical Services Board.

As required in statute, the CPPC grant program goes through a performance audit every three years. The program's second audit commenced in June 2006 and included reviewing grantees' project contracts and documentation; visiting providers' sites; and meeting with the grant program administration. At this time, the results of the audit have not yet been released.

Since the first grant awards were made in April 2001, more than \$24.7 million has been disbursed to health care providers. This funding has succeeded in providing medical, dental, mental health and pharmaceutical services to at least 116,425 patients in 250,508 encounters and has made funding available for 29 construction/remodeling projects that resulted in additional or updated facilities. These numbers demonstrate the impact the CPPC grant program is making toward expanding primary and preventive care services to Colorado's uninsured or medically indigent.

Additional information about the Comprehensive Primary and Preventive Care grant program may be obtained through the Colorado Department of Health Care Policy and Financing's Web site at: <http://www.chcpf.state.co.us/HCPF/cppc/cppcindex.asp>.

FY 2005-06 accomplishments include:

- \$2,583,357 was awarded to 11 different health care providers;
- A total of 8,454 uninsured, low-income patients received services for a total of 24,152 encounters, specifically:
 - Medical services were provided to 5,839 patients and 12,431 medical encounters were conducted for these patients;
 - Obstetrical/Gynecological services were provided to 2,418 patients for a total of 10,372 obstetrical/gynecological visits;
 - Dental services were provided to 79 patients and 144 dental encounters were conducted for these patients; and
 - Mental health services were provided to 118 patients and 1,205 mental health encounters were conducted for these patients;
- Five clinics were able to hire or maintain staff;
- At a clinic in Dolores County, software was purchased to provide the capacity for x-rays to be taken onsite and then to be transmitted to radiologists at a distant hospital for over-reading, thus enabling the clinic to offer x-ray services;
- On the Western Slope, uninsured, low-income patients in Grand Junction were provided with a variety of medical care including 133 annual health maintenance/screening visits; 132 internist examinations were given; 5,910 pharmaceutical supplies or prescription medications were dispensed to more than 945 patients; 192 pairs of eyeglasses were

distributed; and classes on obesity reduction and smoking cessation were held for 241 patients;

- In Divide, a new clinic was built to provide both medical and dental services to Teller County residents;
- In Arvada, a building was remodeled to establish a new clinic with the focus of providing medical care to uninsured, low-income patients.

Areas for development include:

- Continue to evaluate programs on a quarterly basis based on reports submitted by the grantees to ensure proper utilization of the funding.

Colorado Department of Health Care Policy and Financing **Home and Community Based Services Waiver for Children with Autism**

The HCBS waiver for Children with Autism was authorized by the Colorado general assembly in the 2004 legislative session as Senate Bill 04-177 and signed by the governor on June 1, 2004. The purpose of the legislation was to create a waiver program to support children 0 to 6 years of age with autism to live in the community rather than in an institution by providing waiver benefit of behavior therapy. No eligible child may receive services with costs in excess of twenty-five thousand dollars annually.

A provision in the legislation limits the period of services to 3 years with an additional year approved by the Colorado Department of Health Care Policy and Financing when medically necessary. A child can not be enrolled and receive services from another Medicaid waiver program and remain eligible for the HCBS waiver for Children with Autism.

The Community Centered Boards will serve as the single entry point to assess the clients, develop a care plan and provide case management services. The HCBS waiver for Children with Autism shall meet the aggregate federal waiver budget neutrality requirements. The Long Term Care Division administrates the program for the Colorado Department of Health Care Policy and Financing.

A total of \$687,908 was transferred from tobacco settlement monies to the Colorado Autism Treatment Fund at the end of FY 2005-2006 for use in fiscal year 2006-2007 for implementation of the HCBS waiver for Children with Autism. The fiscal note for Senate Bill 04-177 allowed for systems changes within the Colorado Benefits Management System and the Medicaid Management Information System, SSI Disabled disability determinations, prior authorization reviews, claims processing, contracts with community centered boards, and 1.0 FTE at the General Professional IV level.

The Colorado Department of Health Care Policy and Financing submitted the HCBS waiver for Children with Autism request to the Centers for Medicare and Medicaid Services (CMS) for approval on April 29, 2005. The waiver is not fully operational at this time. Full implementation of the program is scheduled for FY 2006-2007.

Areas for development include

- For FY 2005-2006, no children were served. Children will begin to access services from the HCBS waiver for Children with Autism in FY 2006-2007.

Colorado Department of Education
Read to Achieve Grant Program

The Read to Achieve grant program is authorized by section 22-7-506 C.R.S. The program is structured to award competitive grants to schools to fund intensive reading programs. Pupils in the second and third grades, as well as those between the third and fourth grades, with literacy and reading comprehension skills below the levels established by the State Board of Education, are eligible to participate in funded programs. Funded activities can include reading academies for intensive reading instruction; after-school literacy programs; summer school clinics; tutoring; and extended-day reading programs.

The program is administered under the direction of the Read to Achieve Board, which consists of 11 members representing education at the state and local levels; both houses of the general assembly; and parents of children who may participate in the program.

The Read to Achieve Board is responsible for collecting and reviewing applications for grants; recommending to the State Board of Education the schools that should receive grants, as well as the duration and amount of each grant; and reporting to the governor and the general assembly on the effectiveness of the program by February 1, 2006.

During the second year of the Read to Achieve, the 2005-2006 school year and funding cycle II, 39 of the 83 participating *Colorado Reading First* schools received both Read to Achieve and *Colorado Reading First* funds. Leveraging funds through these two programs allows schools to continue providing the systematic research-based approach to reading instruction and assessment. In addition to leveraging funds through *Colorado Reading First*, the Colorado Department of Education also has made a concerted effort to facilitate collaboration among Read to Achieve and other grant programs as well as other literacy focused supports (including Title I – Part A). Of the 347 funded schools during Year 2, 58 percent were identified as Title 1 eligible. In addition, 1 percent of funded Read to Achieve schools also received Comprehensive School Reform (CSR) grants and 11 percent received 21st Colorado Community Learning Center grants. The Colorado Department of Education was pleased to see these schools continue to leverage funds in order to provide our most struggling students with the intensive support needed for academic achievement.

Accomplishments include:

- A total of 347 elementary schools successfully participated in serving second and third grade students reading below grade level.
- Funded schools provided research-based intensive readings programs for over 14,000 second and third grade students on Individual Literacy Plans (ILPs).
- Received \$4.3 million from the Tobacco Litigation Settlement Cash Fund, which resulted in each participating school, receiving approximately \$269 per pupil.

- Demonstrated that all schools recommended for second year funding met the stated goal of 25 percent of the students served improved to grade level in reading or became proficient on CSAP after a full instructional cycle of intensive reading intervention, with the exception of the schools that did not receive their first year of funding until January, one month prior to the administration of the examinations.
- Grantees reported that 7,024 third graders participated in the second year of the program. Of these students, approximately 43 percent reached a level of 'proficient' or 'advanced' on the state assessment.

Areas for development include:

- Continue to work with the schools to maximize results based on lower budgets resulting from the reduction to \$269 per pupil allocation from \$1,000.
- Additional information may be found with the release of the state auditors audit of the Read to Achieve program at <http://www.leg.state.co.us/OSA/coauditor1.nsf/All/49299D33C9C8CF72872571D1006046F-D-5FILE/1743%20Read%20to%20Achieve%20Perf%20Contr%20Aug%202006.pdf>

Colorado Department of Human Services
Child Mental Health Treatment Program

Tobacco funds support residential treatment for youth who are not categorically eligible for Medicaid, but become so by qualifying for Supplemental Security Income (SSI). The Colorado Department of Human Services, Division of Mental Health (DMH), administers services under the Act. Families access services through one of the 17 Community Mental Health Centers (CMHCs) in the state. The Act provides local and state appeal processes if services are denied and conflict resolution for unresolved disputes between mental health agencies and county departments of human services. Funding for residential treatment comes from tobacco settlement funds, private insurance, family fees, SSI benefits (minus \$30 per month for the child's personal needs), and Medicaid. In FY 2005-06 the general assembly allocated an additional \$200,000 in general funds to provide transition services for children not categorically eligible for Medicaid.

The overall program goal is to provide services to children with significant mental health needs requiring residential mental health treatment level of care, when a dependency and neglect action is neither appropriate nor warranted. Previously, the only option for many Colorado families was to obtain residential treatment through the child welfare or juvenile justice systems, sometimes leading to custody relinquishment. Programmatic goals for FY 2005-06 included:

- Improving utilization management of residential treatment center placements and community transition services, resulting in appropriate lengths of stay; and,
- Increasing family and service provider awareness of the program.

The DMH progress on these goals includes:

- Providing case management services to children during and following residential placement;
- Assisting families with costs related to visiting children while in care;
- Offering community-based post-discharge services;

- Maintaining a program web site (<http://www.cdhs.state.co.us/dmh/CMHTA.htm>) containing pertinent information for families, service providers, and other stakeholders; and,
- Developing fact sheets and other written materials for families and other stakeholders.

Accomplishments include:

- Community Mental Health Centers assessed 31 youth, and placed 17 in residential treatment center during FY 05-06;
- Twenty-eight received residential treatment, including those admitted in previous fiscal years the majority of youth served were male (54 percent) and Caucasian (46 percent); African American and multi-racial children each made up four percent of the population, Hispanics constituted seven percent and 39 percent of children served had no ethnicity reported;
 - Average length of stay was 364 days, approximately double that for Medicaid children;
 - Of the 28 children served, 19 percent received in-home family mental health treatment, 19 percent received family preservation services and 42 percent received post-residential follow-up services;
 - The average overall problem severity level of children was in the moderate to severe range; overall strengths and resources scores were in the moderate to some range, and overall level of functioning was in the average to moderately low range; and,
 - Bipolar disorder, one of six biologically based mental illnesses included in the Colorado Mental Health Parity Law, was the most frequently used diagnosis.

Areas for development include:

In August 2005 the federal Centers for Medicare and Medicaid Services (CMS) notified Colorado that residential treatment centers could no longer be Medicaid providers. Beginning July 1, 2006, residential treatment in Colorado will be provided by Psychiatric Residential Treatment Facilities (PRTFs) authorized to provide per diem Medicaid services and Therapeutic Residential Child Care Facilities (TRCCFs) authorized to provide treatment services billed to Medicaid on a fee-for-service basis. These changes are expected to increase state costs for residential treatment and necessitate new approaches to serving children and families, including decreasing residential lengths of stay and creating residential alternatives. Future goals include obtaining statutory clarification concerning these issues and working with stakeholders to improve program operations.

**Colorado Department of Military and Veterans Affairs
State Veterans Trust Fund**

The Colorado State Veterans Trust Fund is designed with the specific goal of assisting all eligible veterans residing in the State of Colorado regardless of race, color, national origin, religion, and sexual preference, marital or religious status. Although the above legislation changed this for FY 05-06, by adding additional funding to support the committee and commission related to the state veterans nursing homes. This was a change for this fiscal year only. Otherwise the following were accomplished in FY 05-06 by providing funds for the following purposes serving the veteran population:

- State Veteran's Nursing Homes for capital improvements and needed amenities.
- Operation and maintenance of existing or future state veterans cemeteries.
- Costs incurred by the Colorado Department of Military and Veterans Affairs.
- Non-profit veterans service organizations to assist homeless veterans and their families, providing veteran transportation to and from veteran medical centers and doctor's appointments; stand-downs; veterans' forums, and programs to assist the veteran in employment or job related services.

There are approximately 475,000 eligible veterans in the state of Colorado. Obviously, not all of them require assistance. Those that do include nursing home residents, homeless and indigent veterans, combat disabled veterans, invalids, under-employed and the unemployed.

Additional information about the Veterans Trust Fund may be obtained at:
www.dmva.state.co.us.

Accomplishments include:

- Veterans Trust Fund (VTF) received an allocation of \$887,779 for FY 05-06. Of that amount a total of \$678,986 was made available for administration and grant expenditures. Of the available amount, \$157,942 went to the Division of Veterans Affairs, \$88,800 for payments to county veterans service officers, \$54,439 to support the State Veterans Nursing Homes committee and commission under HB 1336, \$358,000 was allocated to the grant program, and \$19,805 for grant administration.
- Grants were provided to American Legion Posts, Veterans of Foreign Wars Posts, Disabled Veterans Chapters, and the Regional Office of the Disabled Veterans of America, and the State Veterans Nursing Home in Homelake, Colorado
- Veterans in seven rural communities were assisted via transportation programs that provided a means for veterans and dependents to meet medical appointments, and other needed services.
- Assisted in the operations of four major homeless/incarcerated veteran projects in the metropolitan areas of Denver, El Paso, Jefferson, and Pueblo Counties.
- Provided funds for the purchase of four vehicles to accommodate transportation programs and nursing home residents.
- Funds were also provided for a veterans job service program in Grand Junction.

Areas for development include:

- Continue to monitor implementation of the audit recommendations.
- Continue to improve the coordination and communication between the board and the Division of Veterans Affairs.

Colorado Department of Public Health and Environment
Nurse Home Visitor Program

The Nurse Home Visitor Program (NHVP) is authorized by section 25-31-101 C.R.S. The NHVP makes nurse home visitation services available to all first-time pregnant women whose incomes are under 200 percent of the federal poverty level and who elect to participate in the program. The program addresses a mother's personal health; provides advice for newborn care giving, children's health care, child development and home safety; and increases access to educational, social and employment resources needed to achieve personal goals and improve the well-being of the family.

The University of Colorado's National Center for Children, Families and Communities was selected by the president of the University of Colorado pursuant to Senate Bill 00-71 to provide assistance to the State Board of Health in selecting the grantees and in monitoring and evaluating the implementation of the program in communities throughout the state. The National Center for Children, Family and Communities, in conjunction with the National Nurse-Family Partnership and Invest in Kids, has established standards to help Nurse Home Visitor Program sites track their adherence to the program model and to monitor outcomes related to common indicators of maternal, child and family functioning. The standards are intended to provide guidance for quality improvement efforts and long-term targets for sites to achieve over time. The National Nurse-Family Partnerships' annual report examined program implementation and participant outcomes.

Additional information about this Nurse Home Visitation Program, also referred to as "Nurse-Family Partnership," may be obtained through the department's Nurse Home Visitor Program at: <http://www.cdphe.state.co.us/ps/nursehome/nursehomevisithom.asp>. The National Nurse-Family Partnership evaluation report may be reviewed at: <http://www.cdphe.state.co.us/ps/nursehome/nfp2004.pdf>

The state auditor's office released the results of the performance audit of the Nurse Home Visitor Program. The audit may be viewed at: [http://www.leg.state.co.us/OSA/coauditor1.nsf/All/75953749D885B6178725718C00508858/\\$FILE/1744%20Nurse%20Home%20Perf%20Contr%20May%2006.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/75953749D885B6178725718C00508858/$FILE/1744%20Nurse%20Home%20Perf%20Contr%20May%2006.pdf)

Accomplishments:

- The Colorado General Assembly appropriated \$8,877,786 of Tobacco Master Settlement Agreement (MSA) funds for the FY2005-06 Nurse Home Visitor Program. Supplemental bill reductions of \$157,982 resulted in a final appropriation amount of \$8,719,804.
- The grants awarded for FY2005-06 allowed for services in 50 of the state's 64 counties and increased the number of families served from 1,962 in FY2004-05 to 2,162 in FY2005-06.
- A seventh round of the competitive grant application process was conducted for FY2006-07 awards. The applications were reviewed by the Nurse-Family Partnership National Service Office, which was designated by the National Center for Children, Families and Communities, known as the National Center, of the University of Colorado at Denver Health Sciences Center. The same 18 programs funded in FY2005-06 were recommended for continuation funding in FY2006-07. In addition, one continuation grantee was awarded an expansion grant for a total of 2,187 families to be served in 51 counties during FY2006-07.
- Colorado Nurse-Family Partnership has been serving low-income, first-time mothers and their families since January 2000. Since that time, 6,603 participants have enrolled in the

program, and 3,425 participants have had the opportunity to complete the full program cycle (i.e., the child reached his/her second birthday).

- As of June 30, 2006, 4,960 babies have been born to Nurse-Family Partnership mothers. There are 2,002 active families with 1,487 children currently in the program.
- All of the Nurse Home Visitor Programs provided services following the training requirements, program protocols, program management information system, and program evaluation requirements of the Nurse-Family Partnership that are based on the intervention model developed and tested by Dr. David Olds and colleagues.
- Forty-six percent of Colorado Nurse-Family Partnership graduates were enrolled by the 16th week of pregnancy, a rate higher than Colorado Nurse-Family Partnership non-completers (43 percent) and national Nurse-Family Partnership graduates (41 percent); 89 percent of Colorado Nurse-Family Partnership participants were enrolled by the 28th week.
- There was a 25 percent reduction in the number of Colorado women smoking during pregnancy compared to 16 percent for national participants.

Areas for development include:

- Colorado Nurse Family Partnership sites are focused on enrolling women early in gestational age; increasing visits in all phases of the program; reducing nurse attrition; and making every effort to see that eligible clients apply for and receive Medicaid benefits.
- Increase the monitoring of modifiable risk factors, including smoking, emerging obstetric complications, and adequate weight gain during pregnancy, that contribute to low-birth weight infants.
- Monitor progress toward meeting program standards for premature births.

Colorado Department of Public Health and Environment

Dental Loan Repayment Program

The Dental Loan Repayment Program was authorized by the Colorado General Assembly in the 2001 legislative session as Senate Bill 01-164. The purpose of the legislation was to create a “loan repayment program as an incentive to dental professionals to provide dental services to underserved populations.” The program will pay all or part of the principal, interest and related expenses of the educational loan of each eligible dental professional. The program is open to both dentists and dental hygienists. The program is administered by the oral health program in the Prevention Services Division at the Colorado Department of Public Health and Environment.

The Dental Loan Repayment Program is a direct result of recommendations to the governor and the Colorado General Assembly from the Colorado Commission on Children’s Dental Health in December 2000. The commission identified loan repayment as a key strategy for addressing the shortage of dental providers willing to serve under-served populations in Colorado and overcoming the significant dental education indebtedness. As a result of this recommendation, Senate Bill 01-164 was passed, creating the state Dental Loan Repayment Program.

The National Conference of State Legislatures highlighted the Colorado Dental Loan Repayment Program in “State Experience with Dental Loan Repayment Programs,” released in 2005. The report may be accessed at www.ncsl.org/programs/health/forum/dentalloan.htm. The report found that

“although state experience with loan repayment programs is relatively new and the programs still are operating on a small scale, the examples highlighted in this report suggest that loan repayment is cost effective, is increasing the number of providers in underserved areas, and is enhancing access to oral health in those communities.”

Accomplishments include:

- The total number of underserved patients served by the providers participating in the Dental Loan Repayment Program to date is 82,412, with 27,582 served in FY 2005-06. This fiscal year total includes 17,664 Medicaid-eligible children; 2,185 Child Health Plan Plus children; 7,488 uninsured adults and children; and 245 Old Age Pension recipients.
- The program has become very competitive, with 19 applications received for this fiscal year. Applications included 17 dentists and 2 hygienists from 10 counties.
- The Dental Loan Repayment Program partnered with the Colorado Rural Health Center to provide partial loan repayment to a rural dentist in Yuma, Colorado.

Areas for development include:

- The overall goal of the program is to increase access to care for low-income and underserved populations by offering financial incentives to dental providers to work in dental practices open to these populations. The programmatic goals in this year of implementation included:
 - Assuring sufficient applications to ensure maximum expenditure of available funds;
 - Collaborating with key stakeholders to market the program to current licensed providers and students; and
 - Increasing the number of persons from underserved populations whose dental needs are met.

Colorado Department of Public Health and Environment
Tony Gramsas Youth Services Program

The Tony Gramsas Youth Services (TGYS) Program is a program authorized by section 25-20.5-201 through 204, C.R.S. and intended to provide funding to community-based organizations that serve youth and their families with services designed to reduce youth crime and violence and to prevent child abuse and neglect. The TGYS Program supports four funding areas including early childhood programs, student drop-out prevention programs, youth mentoring programs, and discretionary programs for youth crime and violence prevention. An 11-member statutory board oversees and provides leadership for the program.

The TGYS Program was appropriated \$3,487,921 in Master Settlement Agreement Tobacco funds for FY 2005-06. The TGYS Program initially funded 55 grantees representing 115 community-based agencies, due to multi-agency applications. Prevention grants totaled \$3,238,955. In February 2006, the TGYS program terminated one agency's grant in the amount of \$34,210, as a result of non-compliance. Consequently, \$3,204,745 was allocated in FY 2005-06 to support 54 grantees representing 114 agencies. An additional \$172,165 was allocated to OMNI Institute for evaluation, technical assistance and program monitoring services.

The grantee and evaluation expenditures for FY 2005-06 equaled \$3,330,726, or 96.55 percent of the total expenditures. At year-end, TGYS grantees had contributed \$7,687,447 in matching funds and

in-kind support. The remaining \$118,994, or 3.45 percent, covered personal services, operating, and tobacco oversight costs, for a total of \$3,449,720 in expenditures.

According to the statute, at least 20 percent of the appropriated grantee funds must support early childhood programs and at least 20 percent must support student drop-out prevention programs. In FY 2005-06, 20 percent of TGYS funds supported early childhood programs, and 20 percent supported student drop-out prevention programs.

Accomplishments include:

- In FY 2005-06, TGYS programs served 55 out of the 64 Colorado counties. Grantees actually served individuals in 50 counties.
- TGYS programs actually served 27,931 children, youth and parents, exceeding the projection by over 4,000 participants. Of this total, 24,750 of the individuals served were children and youth, and 3,181 of the individuals were parents.
- TGYS Program, in conjunction with OMNI Institute, implemented a program-wide impact evaluation. TGYS identified a number of long-term outcomes that have been shown to be important factors in crime reduction and child abuse prevention. These outcomes are measured by validated, reliable pre-post instruments that are administered by grantees to program participants.
- Implementation of the Colorado Knowledge-based Information Technology (COKIT) system with 114 grantees. COKIT is a web-based data management system where grantees reported standardized data that they collected from program participants. Local and aggregate data were analyzed by OMNI Institute using a matched samples t-test analytic strategy. Overall, the results were positive. Thirteen of the 16 measures selected by grantees moved in a positive direction and were statistically significant, indicating a 95 percent certainty that observed changes in mean scores were real changes rather than a reflection of chance. School performance, school attendance, self-efficacy, bullying, and delinquency were among the statistically significant measures. The three measures that did not show statistically significant change in a positive direction were "Perceived Risk/Harm from Using Substances," "Bonding with Adults," and "Intent to Use Substances."

Colorado Department of Public Health and Environment
Colorado AIDS Drug Assistance Program

The AIDS Drug Assistance Program (ADAP) provides formulary medications on an outpatient basis, free of charge to Colorado residents who have HIV disease and who meet the financial eligibility criteria. The program is funded with federal and state dollars. Federal dollars are allocated from the Health Resources and Services Administration through the Ryan White Comprehensive AIDS Resources Emergency Act. State dollars are received from allocations from the state general fund and tobacco settlement fund.

The program is administered by the Colorado Department of Public Health and Environment through a contract with the University of Colorado School of Pharmacy (Apothecary). The Apothecary is responsible for managing the program on a day-to-day basis; including fulfilling all reporting requirements; verifying client eligibility; filling and mailing prescriptions; placing medication orders; and disseminating information about the program. The Colorado Department of Public Health and Environment is responsible for the purchase of medications, program oversight, satisfying federal and state reporting requirements

Accomplishments include:

- During the period July 1, 2005, through June 30, 2006, 1,682 clients accessed the program and 33,929 prescriptions were filled at a total cost of \$10,050,969. Ninety-five percent of the clients were below 200 percent of the federal poverty level or a \$19,600 annual income for a family of one.
- The formulary currently includes all of the antiretroviral medications (27) and most of the medications to treat opportunistic infections (23) associated with HIV disease. The formulary includes a total of 50 medications.
- The medications provided through the ADAP reduce the occurrence of expensive, long-term hospital stays; keep people out of emergency rooms due to complications from opportunistic infections associated with the disease; allow people to keep working and be productive members of our society; and improve the quality of life for those affected by the epidemic.

VI. ATTACHMENTS

The State Board of Health regulations, state auditor's performance reports and the complete annual tobacco settlement report as submitted by each program may be viewed at the Internet addresses listed below. If you are unable to access the Internet address or wish to obtain a copy of this report or attachments, please contact the department at (303) 692-2044.

1. State Board of Health Regulations. These regulations have been updated to include new programs and eliminate old programs. The revised regulations will be effective January 1, 2007:

<http://www.cdphe.state.co.us/op/regs/boardofhealth/101402tobaccorules.pdf>

2. State Auditor's Performance Reports:

<http://www.leg.state.co.us/OSA/coauditor1.nsf/ReportPublicRelease?OpenForm>

Children's Basic Health Plan, state fiscal year 2001;
Read to Achieve Program, state fiscal year 2002;
Colorado Nurse Home Visitor Program, state fiscal year 2003;
Comprehensive Primary and Preventive Care Grant Program, state fiscal year 2004;
Veterans Trust Fund, state fiscal year 2004;
State Dental Loan Repayment Program, state fiscal year 2005; and
Tobacco Education, Cessation and Prevention, state fiscal year 2005.

3. Tobacco Settlement Programs' Annual Reports:

http://www.cdphe.state.co.us/pp/tobacco_oversight/

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