

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
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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) 2012-13, which spans from July 1, 2012, to June 30, 2013, 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

The Tobacco Master Settlement Agreement is a multi-year monetary award from the major U.S. tobacco manufacturers in response to litigation brought by states against the tobacco industry. The Colorado legislature has declared that this funding will be used to enact tobacco use prevention, education, and cessation programs; related health programs; and literacy programs with the goal of improving the health of Coloradoans.

Pursuant to the Tobacco Master Settlement Agreement reached between states and tobacco manufacturers in the late 1990s, Colorado receives an annual allocation of tobacco settlement funds, currently estimated at \$90 million. Recent year receipts have been significantly affected by funds withheld by manufacturers due to a dispute over whether states are diligently enforcing provisions of the settlement agreement related to "nonparticipating manufacturers". Legal proceedings related to this dispute are ongoing.

This Tobacco Settlement monitoring report is legislatively mandated. Per statute the report provides information regarding the distribution and usage of the Tobacco Master Settlement funds. This is the twelfth annual tobacco settlement monitoring report. The Colorado Board of Health recommends funding be continued for the core tobacco settlement programs included in this report and makes no recommendation for any changes or additional programs 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 approximately \$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:

- The amount of tobacco settlement monies received by the program for the preceding fiscal year;
- 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.
- Information evaluating the operation of the program, including effectiveness of the program in achieving its stated goals; and
- Any other information required by rule of the state board.

Colorado Board of Health

The General Assembly declared that the 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 (Section 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 (Section 25-1-108.5(3)(a)(II), C.R.S.); and
- Promulgating rules on reporting (Section 25-1-108.5(2), C.R.S.) and conflict of interest (Section 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 State Auditor's Office in conducting program reviews and evaluations, Section 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 Treasurer's annual fund distribution report;

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 State Auditor has released performance audits of ten programs:

- Children's Basic Health Plan, Department of Health Care Policy and Financing, FY 2000-01, FY 2007-08, FY 2008-09,
- Read to Achieve Program, Department of Education, FY 2001-02, FY 2006-07,
- Colorado Nurse Home Visitor Program, Department of Public Health and Environment, FY 2002-03, FY 2005-06,
- Comprehensive Primary and Preventive Care Grant Program, Department of Health Care Policy and Financing, FY 2003-04, FY 2006-07,
- Veterans Trust Fund, Department of Military and Veterans Affairs, FY 2002-03,

- State Dental Loan Repayment Program, Department of Public Health and Environment, FY 2003-04, FY 2009-10,
- Tobacco Education, Prevention and Cessation Program, Department of Public Health and Environment, FY 2004-05,
- Colorado HIV and AIDS Prevention grant program, Department of Public Health and Environment, FY 2012-13
- Performance Audits of Tobacco Settlement Programs (executive summary), December 2008, December 2011,
- Performance audits of Tobacco Tax and Tobacco Settlement Revenue Collections and Distributions Departments of Revenue and Treasury, FY 2011-12.

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 moneys.

Historic Legislation

Through Senate Bill 07-097 the General Assembly changed the financial structure of the Tobacco Master Settlement programs. Senate Bill 07-097 redirected the moneys that remain after the 10 Tier 1 programs receive their allocations to a group of 8 additional health-related programs listed in Section 24-75-1104.5 (1.5), C.R.S. These are referred to as Tier 2 programs and include the CU Denver Health Sciences Fund, Colorado Indigent Care Program, Medicaid Shortfalls at Children's Hospital, Local Public Health Planning and Support, Colorado Immunization Program, Short-term Innovative Health Program Grants, Offender Mental Health Services, Alcohol and Drug Abuse, Supplemental State Health and Dental Contribution.

House Bill 07-1359 further altered the distribution of settlement moneys by accelerating the use of a portion of the settlement payments and diverting another portion into a special account that can, until April 2008, be used to pay for over expenditures and supplemental appropriations for the Children's Basic Health Plan and the Colorado Benefits Management System.

Additionally, seven bills (the "Innovative Grant Fund" bills, S.B. 07-4, S.B. 07-146, S.B. 07-232, H.B. 07-1057, H.B. 07-1064, H.B. 07-1335, and H.B. 07-1346) drew upon tobacco settlement money that would have otherwise supported the Short-term Innovative Health Program.

Key legislation

(A) Four bills were passed in the 2013 session that impacted Tobacco Settlement funding.

House Bill 13-1117 Child Development Programs - Alignment - Early Childhood Leadership Council (Hamner—Hodge).

The act states the general assembly's finding that it is in the state's best interest for a specific office within the Department of Human Services (department) to administer early childhood programs. The department has the responsibility to administer early childhood programs and to assist the state board of human services in awarding grants. Participation in any early childhood

program is voluntary and is not intended to interfere with parental rights. The act moves the Early Childhood Leadership Council (ECLC) from the governor's office to the department. The overall ECLC membership is reduced from 35 to 20 members by removing representatives of the Office of Information Technology, the Office of Economic Development, the State Workforce development Council, and the Legislature. The reconstituted ECLC includes representatives from the local public health community. The ECLC's duties are changed to include more advising and monitoring of efforts around early childhood programs. The ECLC was scheduled to repeal July 1, 2013; this date is extended to September 1, 2018.

The act relocates several boards and programs from the Department of Public Health and Environment to the Department of Human Services without substantive change:

- The Nurse Home Visitation Program;
- The Tony Grampas Youth Services Program,
- The Colorado youth mentoring services program,
- The Colorado student dropout prevention and intervention program,
- The Colorado student before-and-after-school project;
- The Colorado Children's Trust Fund and its board; and
- The family resource center program.

The act adjusts the general appropriations act for the 2013-14 budget year by moving appropriations from the Department of Public Health and Environment to the Department of Human Services based on the transfer of the programs.

House Bill 13-1180 Nurse Home Visitor Program -- Restoration of Most Funding Originally Allocated

- Diversion of Funding to Tobacco Settlement Defense Account (Gerou--Steadman). Senate Bill 11-224 reduced the original allocations of tobacco litigation settlement moneys to the Nurse Home Visitor Program for fiscal years 2011-12 through 2016-17 and required the settlement moneys saved by reducing the allocations to be transferred to the general fund. HB13-1180 requires the settlement moneys saved by reducing the allocation for fiscal year 2012-13 to be transferred to the tobacco settlement defense account of the tobacco litigation settlement cash fund instead of the general fund. Generally restoring the allocations to the program to their original levels for fiscal years 2013-14 through 2016-17, but reduces the original allocations for fiscal years 2013-14, 2014-15, and 2015-16 by \$1 million each and requires the settlement moneys saved by reducing the allocations to be transferred to the tobacco settlement defense account of the tobacco litigation settlement cash fund. For the fiscal year 2013-14, appropriates \$1,433,351 from the tobacco litigation settlement cash fund to the department of law for the implementation of the bill and offsets that appropriation by reducing the 2013-14 long bill general fund appropriations to the department of law for various centrally appropriated line items in the administration section by \$29,556, for consumer protection and antitrust by \$153,795, and for tobacco litigation by \$1,250,000. This bill also appropriates \$803,330 from the nurse home visitor fund to the department of human services for allocation to the nurse home visitor program for FY2013-14.

House Bill 13-1181 Tobacco Programs - Rollover of Allocated Tobacco Litigation Settlement Moneys in Excess of Appropriations (Levy—Steadman).

Current law allocates tobacco litigation settlement moneys for various tobacco programs, and the allocation for many programs is a statutorily specified percentage of the total amount of

settlement moneys annually received by the state. The general assembly typically appropriates the entire estimated amount of the statutory allocation for such a program based on a projection of the amount of settlement moneys that the state will receive. But if the actual amount of settlement moneys received by the state exceeds the projected amount, the annual appropriation for a program will be less than the statutory allocation to the program. In many cases, the portion of the statutory allocation in excess of the annual appropriation that cannot be spent reverts to the general fund or the tobacco litigation settlement cash fund at the end of the fiscal year and is lost to the program.

The act helps ensure that a program affected as described above can spend its entire statutory allocation of settlement moneys by:

- Creating separate dedicated cash funds for those tobacco programs that do not already have such cash funds; and
- Requiring the lesser of all unexpended and unencumbered moneys remaining in the cash fund of a tobacco program at the end of any fiscal year or an amount of such moneys equal to 5% of the amount appropriated from the cash fund for the fiscal year to remain in the cash fund instead of being transferred.

House Bill 13-1305 Tobacco Litigation Settlement Cash Fund - Transfer of General Fund Moneys (Gerou—Steadman).

The state is currently engaged in arbitration with participating manufacturers to the tobacco litigation settlement. If an arbitration panel rules against the state, one or more payments of tobacco litigation settlement moneys to be made to the state are likely to be reduced in order to effectuate the refund of disputed payments.

If one or more tobacco litigation settlement payments are reduced, it may be necessary or advisable to use general fund moneys to backfill tobacco litigation settlement moneys lost to tobacco settlement programs. Because there is no current statutory authority to use general fund moneys in this manner, if the general assembly is not in session when such a ruling is made, it may not be possible to accomplish the backfill quickly enough to allow the tobacco litigation settlement programs to meet critical state obligations and to begin reducing program expenditures in an orderly manner. To address this difficulty, the act provides limited authorization to the governor to order up to \$40 million of general fund moneys to be transferred from the general fund to the tobacco litigation settlement cash fund and further transferred to programs and funds that receive tobacco litigation settlement moneys as directed by the governor if an arbitration panel rules against the state while the general assembly is not in session.

IV. BOARD OF HEALTH RECOMMENDATION

The Colorado Board of Health recommends funding be continued for Tier 1 and Tier 2 tobacco settlement programs subject to monitoring by the board under Section 25-1-108.5 C.R.S. The

board does not recommend any changes or additional programs for which the General Assembly should consider appropriating monies received pursuant to the Master Settlement Agreement.

V. PROGRAM OVERVIEW

Pursuant to Section 24-75-1104.5, C.R.S., for FY 2012-13, the following programs received monies subject to appropriations based on statutory funding methodologies; percentages are based on the total master settlement funding received each year:

Tier 1 Programs

- Children's Basic Health Plan, 27 percent, not to exceed \$33 million each year, with a minimum of \$17.5 million. (24 percent, not to exceed \$30 million in previous years.)
- Children's Autism Program, funding was added via C.R.S 24-4-695, up to \$1 million per year;
- Read to Achieve Grant Program, 5 percent, not to exceed \$8 million;
- Colorado State Veterans Trust Fund, 1 percent, not to exceed \$1 million;
- Colorado Nurse Home Visitor Program, 13 percent, not to exceed \$19 million. Beginning in FY 2007-08, 12 percent, with a maximum of \$19 million. Rises by one percentage point each year up to 19 percent in FY 2014-2015;
- Dental Loan Repayment Program, \$200,000 maximum;
- Tony Grampsas Youth Services Program, 4 percent, not to exceed \$5 million;
- ADAP-Ryan White AIDS Drug Assistance Program, 3.5 percent, not to exceed \$5 million per year;
- HIV and AIDS Prevention Grant Program, 2 percent, not to exceed \$2 million; and,
- Child Mental Health Treatment Program, \$300,000 per year.

In the 2007 legislative session, the "Tier 2" programs were added. These programs are subject to appropriation based on the following guidelines.

The Tier 1 programs have been fully funded, and all over expenditures and supplemental appropriations have been made. In most cases any interest earned and unexpended/unencumbered funds at the end of the fiscal year will revert to the General Fund.

Tier 2 Programs

- University of Colorado at Denver Health Sciences Center shall receive 49 percent of the remaining monies after Tier 1 has been funded. (Used to offset funding reductions resulting from the economic recession and limited operational data is available)
- Children's Basic Health Plan Trust shall receive 14.5 percent of the remaining monies after Tier 1 has been funded. Prior to FY 2011-12, the program was allocated 5 percent of the remaining moneys after Tier 1 had been funded.
- Public Health Services Support Fund (Local Public Health Planning and Support) shall receive 7 percent of the remaining monies after Tier 1 has been funded.
- Colorado Immunization Fund shall receive 4 percent of the remaining monies after Tier 1 has been funded.
- Offender Mental Health Treatment shall receive 12 percent of the remaining monies after Tier 1 has been funded.

- Division of Alcohol and Drug Abuse shall receive 3 percent of the remaining monies after Tier 1 has been funded.
- Supplemental State Contribution Fund (Supplemental State Health and Dental Contribution) shall receive 4.5 percent of the remaining monies after Tier 1 has been funded.
- Colorado Health Service Corps Fund (added to Tier 2 in FY 2011-12 by HB11-1281) shall receive \$250,000 of the remaining monies after Tier 1 has been funded.

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.

The Tier 1 and Tier 2 programs listed below have authority to retain unspent and unencumbered funds in their specific program fund.

Tier 1:

- Children's Basic Health Plan;
- Children with Autism;
- Read to Achieve;
- Veterans Trust Fund;
- Nurse Home Visitor;
- Dental Loan Repayment;
- Tony Grampas Youth Services;
- AIDS Drug Assistance Program (ADAP)-Ryan White;
- Colorado HIV and AIDS Prevention;
- Child Mental Health Treatment.

Tier 2:

- Colorado Immunization Program
- Local Public Health Services;
- Offender Mental Health Services;
- Community Prevention and Treatment Services (Alcohol and Drug Abuse services).

The State Treasury requires the programs to submit documentation of the amount spent during the fiscal year and for any valid encumbrances that are rolled into the new fiscal year and to return any unspent and unencumbered appropriated monies in excess of 5% of the annual appropriation to the Tobacco Settlement Cash Fund.

Table 1: FY 2012-13 and FY 2013-14 appropriations

	FY 2012-13 Long Bill Appropriation	FY 2012-13 Revised Appropriation (Long bill, special bills and supplementals)	FY 2013-14 Appropriation
Tier 1 Programs			
Department of Health Care Policy and Financing			
Children's Basic Health Plan	\$33,887,880	\$31,290,862	\$29,564,355
Children with Autism	\$1,000,000	\$1,000,000	\$1,000,000
Department of Education			
Read to Achieve	\$5,242,516	\$5,242,516	\$4,583,938
Department of Military and Veteran's Affairs			
Veteran's Trust Fund	\$932,957	\$932,957	\$843,938
Department of Public Health and Environment			
Nurse Home Visitor**	\$13,037,008	\$13,037,008	Moved to DHS
Dental Loan Repayment*	\$200,298	\$200,298	\$200,298
Tony Grampsas Youth Services**	\$3,575,764	\$3,575,764	Moved to DHS
ADAP-Ryan White	\$3,125,420	\$3,125,420	\$3,155,820
HIV and Aids Prevention	\$2,137,476	\$2,148,429	\$1,876,120
Department of Human Services			
Child Mental Health Treatment Program	\$300,000	\$300,000	\$300,000
Nurse Home Visitor**			\$13,524,950
Tony Grampsas Youth Services**			\$3,606,650
Tier 1 Subtotal	\$63,439,319	\$60,553,254	\$58,356,069

	FY 2012-13 Appropriation	FY 2012-13 Revised Appropriation	FY 2013-14 Appropriation
Tier 2 Programs			
University of Colorado at Denver			
Health Sciences Center	14,171,456	14,171,456	\$13,700,000
Department of Public Health and Environment			
Local Public Health Planning and Support	\$1,981,030	\$1,989,030	\$1,981,744
Colorado Immunization Program (includes transfers to HCPF)	\$1,136,590	\$1,051,255	\$1,112,160
Colorado Health Service Corps	\$250,000	\$250,000	\$250,000
Department of Human Services			
Offender Mental Health Services	\$3,408,583	\$3,408,583	\$3,397,291
Division of Alcohol and Drug Abuse	\$851,758	\$851,758	\$849,320
Department of Personnel And Administration			
Supplemental State Health and Dental Contribution	\$1,278,660	\$1,278,660	\$1,273,980
Tier 2 Subtotal	\$8,906,621	\$8,829,286	\$8,864,495
TOTAL	\$73,345,940	\$69,682,540	\$67,220,564

* For FY 2011-12, a budget amendment was approved to utilize the balance of earned interest in the fund.

** Per House Bill 13-1117, this program was transferred to the Department of Human Services for FY2013-14 and subsequent out years.

Tables 2 and 3 (FY 2011-12 and FY 2012-13) list funds disbursed from the Tobacco Settlement Cash Fund and funds reverted to the Tobacco Settlement Trust Fund as reported by the State

Treasurer. 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 vs. cash disbursements; and reconciliation of accounts payables and other considerations.

Table 2: FY 2011-12 Treasury disbursements and reversion of funds

TIER 1 PROGRAMS	FY 2011-12 AVAILABLE TREASURY ALLOCATIONS	ACTUAL TRANSFERS FROM TREASURY	FUNDS FORWARDED TO FY 2012-13	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan*	\$24,071,775	\$24,071,775	\$0	\$0
Children with Autism*	\$1,000,000	\$1,000,000	\$0	\$0
Read to Achieve*,**	\$4,457,736	\$4,457,736	\$0	\$0
Veterans Trust Fund*	\$891,547	\$861,339	\$30,208	\$0
Nurse Home Visitor	\$12,737,350	\$12,418,552	\$0	\$318,798
Dental Loan Repayment*, **	\$200,000	\$200,000	\$0	\$0
Tony Gramscas Youth Services	\$3,566,189	\$3,555,968	\$0	\$10,221
ADAP-Ryan White	\$3,120,416	\$3,111,081	\$0	\$9,335
HIV Aids Prevention*, **	\$1,783,094	\$1,783,094	\$0	\$0
Child Mental Health Treatment Program	\$300,000	\$300,000	\$0	\$0
Tier 1 Subtotal	\$52,128,107	\$51,759,545	\$30,208	\$338,354
TIER 2 PROGRAMS				
UCD Health Sciences Center	\$14,364,415	\$14,364,415	\$0	\$0
Local Public Health Planning and Support	\$2,052,059	\$2,052,059	\$0	\$0
Colorado Immunization Program	\$1,172,606	\$1,172,606	\$0	\$0
Offender Mental Health Services	\$3,517,816	\$3,517,816	\$0	\$0
Alcohol and Drug Abuse	\$879,454	\$879,454	\$0	\$0
Supplemental State Health and Dental Contribution.	\$1,319,181	\$1,319,181	\$0	\$0
Colorado Health Service Corps	\$250,000	\$250,000	\$0	\$0
Tier 2 Subtotal	\$9,191,116	\$9,191,116	\$0	\$0
TOTAL	\$61,319,223	\$60,950,661	\$30,208	\$338,354

*Program retains funds in individual account, and money is not returned to the Treasurer.

** Programs with a higher allocation than transfer had fund balance available for use.

Table3: FY 2012-13 Treasury disbursements and reversion of funds

TIER 1 PROGRAMS	FY 2012-13 AVAILABLE TREASURY ALLOCATIONS	ACTUAL TRANSFERS FROM TREASURY	FUNDS FORWARDED TO FY 2013-14	FUNDS REVERTED TO THE TRUST FUND
Children's Basic Health Plan*	\$24,518,690	\$24,518,690	\$0	\$0
Children with Autism*	\$1,000,000	\$1,000,000	\$0	\$0
Read to Achieve*,**	\$4,540,498	\$4,540,498	\$0	\$0
Veterans Trust Fund	\$908,100	\$908,100	\$0	\$0
Nurse Home Visitor	\$14,529,594	\$12,737,350	\$0	\$0
Dental Loan Repayment*,**	\$200,000	\$200,000	\$0	\$0
Tony Gramscas Youth Services	\$3,632,399	\$3,632,399	\$56,635	\$0
ADAP-Ryan White	\$3,178,349	\$3,178,349	\$52,929	\$0
HIV & Aids Prevention*,**	\$1,816,199	\$1,816,199	\$0	\$0
Child Mental Health Treatment Program	\$300,000	\$300,000	\$0	\$0
Tier 1 Subtotal	\$54,623,829	\$52,831,585	\$109,564	\$0
TIER 2 PROGRAMS				
UCD Health Sciences Center	\$14,171,456	\$14,171,456	\$0	\$0
Local Public Health Planning and Support	\$2,024,494	\$2,024,494	\$35,464	\$0
Colorado Immunization Program	\$1,156,854	\$1,051,255	\$0	\$0
Offender Mental Health Services	\$3,470,561	\$3,418,906	\$10,323	\$0
Alcohol and Drug Abuse	\$867,640	\$851,758	\$0	\$0
Supplemental State Health and Dental Contribution.	\$1,301,460	\$1,301,460	\$0	\$0
Colorado Health Service Corps	\$250,000	\$250,000	\$0	\$0
Tier 2 Subtotal	\$9,071,009	\$8,897,873	\$45,787	\$0
TOTAL	\$63,694,838	\$61,729,458	\$155,351	\$0

*Program retains funds in individual account, and money is not returned to the Treasurer.

** Programs with a higher allocation than transfer had fund balance available for use.

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 Department of Public Health and Environment and the State Auditor's Office beginning in FY 2001-02 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 Senate Bill 03-019. This change provided for a direct appropriation to the Office of the State Auditor. The appropriation is one-tenth of one percent of the annual settlement payment. The appropriation for each program is reduced by a proportional share of the money allocated to the State Auditor's Office. 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 their portion of the oversight and monitoring costs.

The auditing costs were as follows:

- FY 2006-07 \$89,735;
- FY 2007-08 \$79,958;
- FY 2008-09 \$14,126;
- FY 2009-10 \$61,760
- FY 2010-11 \$5,728
- FY 2011-12 \$19,976
- FY 2012-13 \$89,000

The monitoring costs for the Department of Public Health and Environment were as follows:

- FY 2006-07 \$28,155;
- FY 2007-08 \$30,866;
- FY 2008-09 \$30,979;
- FY 2009-10 \$27,795
- FY 2010-11 \$24,987
- FY 2011-12 \$24,994
- FY 2012-13 \$641

Administrative Costs

The tobacco settlement statute limits the amount of funds available for administrative costs incurred by the programs or boards. The allowable administrative costs are 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 5 identifies the allowable administrative cost 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 2001-02 only 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 5, 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 4. Allowable administrative costs and actual expenditures as reported by the Tobacco Settlement programs.

TIER 1 PROGRAMS	ALLOWED FY 2011-12	ACTUAL COSTS FY 2011-12	ALLOWED FY 2012-13	ACTUAL COSTS FY 2012-13
Children's Basic Health Plan	Not specified	N/A	Not specified	
Children with Autism Program	Not specified	Less than 1% = \$6,727	Not specified	3.8% = \$38,202
Read to Achieve	3.0% = \$131,737	2.6% = \$117,324	Use of admin funds no longer specified	12.2% = \$642,326
Veterans Trust Fund	5.0% = \$43,089	3.7% = \$32,582	5.0% = \$46,648	2.9% = \$27,767
Nurse Home Visitor	5.0% = \$636,867	4.9% = \$633,670	5.0% = \$651,850	4.9% = \$643,490
Dental Loan Repayment	10.0% = \$20,322	11.3% = \$22,972	10.0% = \$20,029	10.1% = \$20,230
Tony Grampas Youth Services	Not specified	6.2% = \$222,985	Not specified	11.0% = \$393,436
ADAP-Ryan White Program	Not specified	\$0	Not specified	\$0
HIV and AIDS Prevention	5.0% = \$88,733	Less than 1% = \$14,117	5.0% = \$107,421	4.0% = \$87,504
Child Mental Health Treatment Program	Not specified	\$0	Not specified	\$0
TIER 2 PROGRAMS	ALLOWED FY 2011-12	ACTUAL COSTS FY 2011-12	ALLOWED FY 2012-13	ACTUAL COSTS FY 2012-13
Local Public Health Planning and Support	Not specified	\$0	Not specified	\$0
Colorado Immunization Fund	Not specified	Less than 1% = \$370	Not specified	Less than 1% = \$8
Offender Mental Health Services	Not specified	1.7% = \$62,336	Not specified	2.8% = \$95,635
Alcohol and Substance Abuse Prevention and Treatment	Not specified	9.1% = \$73,104	Not specified	8.1% = \$69,358
Supplemental State Health and Dental Contribution	Not specified	\$0	Not specified	\$0
Colorado Health Service Corps (new for FY12)	Not specified	\$0	Not specified	52% = \$130,000

Table 5. Eligible grantees, populations, and key goals as defined by statute.

Tier 1 Programs	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 who live in a family under 205% of poverty and are not Medicaid eligible.	Administer a public/private partnership program to provide subsidized health insurance and a dental program for children in low-income families.
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.
Read to Achieve	Any public school, including charter schools.	Kindergarten, 1 st , 2 nd and 3 rd grade pupils whose literacy and reading comprehension skills are below established levels.	Fund intensive reading programs to enhance the literacy and reading comprehension skills of pupils and raise literacy and reading comprehension to the proficiency level on the 3 rd grade reading assessment prior to beginning 4 th grade.
Veterans Trust Fund	State veteran's nursing homes, state veterans cemeteries, division of veteran's 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% 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.

Tier 1 Programs (cont.)	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.
Tony Grampsas 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% 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.	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.
ADAP-Ryan White AIDS Drug Assistance	Funding goes directly to purchasing prescription medications for eligible individuals.	A client must have a total family income of 400% or less of the federal poverty level and have no other payment source, such as private health insurance or Medicaid prescription coverage to pay for their medications. In addition, clients must meet the medical criteria of a diagnosis of HIV disease.	Provide formulary medications on an outpatient basis, free of charge to Colorado residents who have HIV disease and who meet the financial eligibility criteria.

Tier 1 Programs (cont.)	Eligible Grantees	Eligible Population	Key Goals
HIV and AIDS Prevention.	Local health agencies or Nonprofit organizations that are governed by a board of directors and are tax exempt.	Eligible grantees for the purpose of medically accurate HIV and AIDS prevention and education programs that are based in behavioral and social science theory.	Prevent morbidity and mortality of this disease by implementing comprehensive, medically accurate programs in HIV and AIDS prevention and education that are based in behavioral and social science theory and research.
Child Mental Health Treatment Program	Residential Treatment Centers	Youth not categorically eligible for Medicaid, but who have become eligible by qualifying for Supplemental Security Income (SSI).	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. Previously, the only option for many Colorado families was to obtain residential treatment through the child welfare or juvenile justice systems, which can lead to custody relinquishment.
Tier 2 Programs	Eligible Grantees	Eligible Population	Key Goals
Local Public Health Services	Local Public Health agencies	Public health agencies for use in providing population based health services	Supplement the per capita funding provided through state general funds for local public health agencies.
Colorado Immunization Fund	Health care providers	All Colorado children and families.	Provide financial resources for immunizations, immunization strategies, and the Cervical Cancer Immunization Program.

Tier 2 Programs (cont.)	Eligible Grantees	Eligible Population	Key Goals
Offender Mental Health Services	Community-based organizations that collaborate with local and State juvenile and criminal justice agencies.	Juveniles and adults with mental illness involved in the criminal justice system	Increase community capacity to serve juveniles with serious emotional disorders (SED) and adults with serious Mental illness (SMI). Provide outcome and recovery oriented services that increase the target population's ability to function independently in the community. Reduce jail and prison recidivism. Provide for long term, local sustainability. Provide cost effective services.
Alcohol and Drug Abuse Prevention and Treatment	Community Programs established by the Division of Behavioral Health and community organizations within the seven sub-state planning areas established by the Division of Behavioral Health.	Individuals and families who are indicated to be at high risk for substance abuse, persons involuntarily committed for treatment due to the perceived danger to themselves or to others caused by alcohol or drug dependence, pregnant substance-abusing women, injecting drug users, substance abusing women with dependent children, and adolescents with substance use disorders, including binge drinking.	Provide youth, families and communities with the resources and skills to increase protective factors and decrease risk factors linked to substance abuse. Enhance and expand substance abuse treatment services statewide. Provide group, individual, and/or family counseling aimed at reducing substance use, increasing abstinence, improving housing situations, gaining employment, and reducing involvement with the juvenile or criminal justice systems.
Supplemental State health and Dental Contribution	These are not typical "grants" the employee receives the benefit directly.	A state employee as defined in Section 24-50-603 (7) who is eligible by virtue of their employment to enroll in a group benefit plan; has an annual household income of less than three hundred percent of the Federal Poverty Level; and has at least one dependent other than their legal spouse.	Encourage lower-income employees with dependent children to enroll in health insurance offered by the state by supplementing plan premiums. Promote the use of disease management programs to reduce the costs of health care.

Tier 2 Programs (cont.)	Eligible Grantees	Eligible Population	Key Goals
Colorado Health Service Corps	Qualified health professionals who agree to practice for at least three years in a community with a federally recognized shortage of primary care providers.	Providers must practice in a Health Professional Shortage Area (HPSA) for a period of not less than three years, spend at least 32 hours per week in direct patient care, serve individuals who are uninsured or publicly insured, offer a sliding fee scale for payment to those below 200% of the federal poverty level, and work for a public or nonprofit institution.	Improve the health of Colorado's underserved and medically vulnerable populations by alleviating health disparities resulting from poor access to primary health services.

The following table identifies the actual number of persons served as reported by the individual tobacco settlement programs. Data for some programs does 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 6. Number of eligible persons served.

PROGRAM	FY 2011-12 Persons served	FY 2012-13 Persons served
Tier 1		
Children's Basic Health Plan (CBHP)	Average monthly enrollment for children, 74,266, and average monthly enrollment for pregnant women, 2,064.	Average monthly enrollment for children, 77,836, and average monthly enrollment for pregnant women, 1,611.
Children with Autism	Children with Autism program served 75 children in FY 2011-12.	Children with Autism program served 75 children in FY 2012-13.
Read to Achieve	36 schools, over 1,300 students	35 schools, over 1,090 students
Veterans Trust Fund	44 grantees, 10,422 veterans received either direct or indirect services.	12,158 veterans received either direct or indirect services.
Nurse Home Visitor	19 sites, 2,515 families	19 sites, 2,490 families
Dental Loan Repayment	1 new provider participated in the program, bringing the total number of awards given since the program's inception to 107.	11 new providers participated in the program, bringing the total number of awards given since the program's inception to 118. 17,023 clients served.
Tony Gramscas Youth Services	Tony Gramscas Youth Services Programs served 33,073 children, youth, and parents.	Tony Gramscas Youth Services Programs served 33,968 children, youth, and parents.
ADAP-Ryan White AIDS Drug Assistance	Total clients served by all funding sources were 3,419, with 74,382 prescriptions filled.	Total clients served by all funding sources were 3,859, with 79,294 prescriptions filled.
HIV and AIDS Prevention	19 HIV and AIDS prevention projects were funded throughout the state. The programs reached nearly 8,300 persons	22 HIV and AIDS prevention projects were funded throughout the state. The programs reached more than 23,300 individuals.
Child Mental Health Treatment Program	CMHTA served 50 youth. 24 received residential services, 47 received community-based transition services and 25 received community alternative services	CMHTA served 59 youth. 24 received residential services, 11 received community-based transition services and 24 received community alternative services

PROGRAM	FY 2011-12 Persons served	FY 2012-13 Persons served
Tier 2		
Local Public Health Services	The program provided funding to all 54 Local health Agencies in Colorado to serve residents of Colorado counties.	The program provided funding to all 54 Local health Agencies in Colorado to serve residents of Colorado counties.
Colorado Immunization Fund	The Immunization Fund provided funds to 15 local public health and non-profit agencies to provide immunization services and infrastructure improvement to local providers and citizens of their communities.	The Immunization Fund provided funds to 21 local public health and non-profit agencies to provide immunization services and infrastructure improvement to local providers and citizens of their communities.
Offender Mental Health Services	During FY 2011-12, the Offender Mental Health Services Initiative Program served 1,616 individuals. (1,330 adults and 286 juveniles).	During FY 2012-13, the Offender Mental Health Services Initiative Program served 1,635 individuals. (1,371 adults and 264 juveniles).
Substance Abuse Prevention and Treatment	The Program served 2,012,224 clients in FY 2011-12. Direct services were provided to 74,355 clients, and 1,937,869 clients received Indirect services (population-based prevention programs and environmental strategies, e.g. media campaigns).	The Program served 4,483,541 clients in FY 2012-13. Direct services were provided to 362,563 clients, and 4,120,978 clients received Indirect services (population-based prevention programs and environmental strategies, e.g. media campaigns).
Supplemental State Health and Dental Contribution	672 state employees received the supplement under Level 1 qualification, 353 under Level 2, and 156 under Level 3. 31 were new enrollments by employees who had previously waived coverage. An additional 10 employees enrolled dependents who had not previously been insured.	Level A applicants totaling 604 eligible employees were approved for FY2012-13, covering 1,581 children at the beginning of the fiscal year.
Colorado Health Service Corps (new for FY11-12)	4 providers (2 rural, 2 urban), increased access to health care in four counties; and served an additional 1,311 Medicaid, 47 CHP, 773 Medicare and 1,148 uninsured who accessed a sliding fee discount.	6 providers (2 rural, 4 urban-based), increased access to health care in six counties; and provided primary care services to combined total 12,573 Medicaid, CHP+ and uninsured/sliding fee scale patients.

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.

Tier 1 Programs

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 health insurance for children and pregnant women in low-income families who are not eligible for Medicaid and have incomes at or below 205 percent of the federal poverty level. Effective May 1, 2010, eligibility for both children and pregnant women was increased to 250 percent of the federal poverty line. The Colorado Department of Health Care Policy and Financing contracts with private vendors for many of the program services, and administers the program.

In FY 2012-13, the Children's Basic Health Plan was appropriated \$31,290,860 in Master Settlement funding by the General Assembly to serve an average monthly enrollment of 77,836 children and 1,611 adult pregnant women.

Following the 2011 Legislative Session, Governor Hickenlooper vetoed Senate Bill 11-213 "Concerning Enrollee Cost-Sharing for Children Enrolled in the Children's Basic Health Plan," which would have increased cost-sharing for CHP+ families between 206% and 250% FPL by 1,000%. Per the Governor's veto letter, the Department began working with the Governor's Office and stakeholders to develop a cost-sharing structure that would be minimally disruptive, efficient and effective. The product of this collaboration is being implemented in two stages. The first stage was implemented during FY 2011-12 and increased annual enrollment fees for families with incomes above 205% FPL. The second stage is nominal increases in copayments beginning in FY 2012-13. Additional information regarding increased cost-sharing can be found on the Department's website at:
<http://www.colorado.gov/hcpf>.

The Department has continued its outreach efforts through its comprehensive, "Healthy Communities" model which integrates CHP+ outreach and Medicaid Early Periodic Screening, Diagnosis, and Treatment (EPSDT) outreach and administrative case management activities. Healthy Communities supports the client through the lifecycle of outreach, enrollment, eligibility and access to appropriate health care services.

Accomplishments in FY 2012-13 include:

- CHP+ provided medical and dental benefits to an average monthly enrollment of 77,836 children, a 4.8% increase from the previous year.
- CHP+ provided medical benefits to an average monthly enrollment of 1,611 adult pregnant women, a 21.9% decrease from the previous year.
- In an effort to enroll more CHP+ children into managed care organizations, the Department is continuing its efforts to move the program to a risk-based managed care model in additional counties.

- In January 2012, the Department implemented the first part of its cost-sharing plan which increased annual enrollment fees for CHP+ families with incomes between 206% and 250% FPL from \$25 for those with one child and \$35 for those with more than one child to \$75 and \$105, respectively.
- Per Senate Bill 11-008, which increases Medicaid eligibility for children ages 6 through 19 with family income up to 133% FPL, newly eligible children who would have otherwise been enrolled in CHP+ will be transitioned into Medicaid beginning January 2013.
- Per Senate Bill 11-250, which increases Medicaid eligibility for pregnant women with family income to 185% FPL, newly eligible pregnant women who would have otherwise enrolled in CHP+ will be transitioned into Medicaid in January 2013.
- Beginning in January 2013, children will no longer be denied CHP+ eligibility on the basis of a family member's employment with the State as long as they meet all other eligibility criteria.
- Beginning in January 2013, CHP+ clients will no longer be required to select an MCO when they apply for the program. Instead, they will be passively enrolled into one of the MCOs available in their county. Clients will have 90 days to change the MCO by calling the Department's Enrollment Broker.

Key Goals of CHP+ and Continuing areas of development include:

- Improve health status for participants by assuring access to appropriate health care services.
- Ensure continual cost-effectiveness in the Plan.
- Effectively increase program enrollment and retention.
- Continue to implement all provisions included in the Children's Health Insurance Program Reauthorization Act.
- Maximize the effectiveness of CHP+ as a public/private partnership.

Upcoming Changes in FY 2013-14:

- As the authority to cover pregnant women in CHP+ through Colorado's section 1115 Demonstration Waiver expires on December 31, 2012, eligible pregnant women with family income between 186% and 250% FPL will transition to CHP+ coverage under the Title XXI (Children's Health Insurance Program, or CHIP) State Plan in January 2013. The authority for the CHP+ at Work premium assistance program through the Waiver will also expire at the end of calendar year 2012, and eligible clients will also transition to coverage under the CHIP State Plan beginning January 2013.
- As a result of these changes in eligibility, Colorado's previously separate CHIP program will become a combination Medicaid-CHIP program as some clients will receive health care through Medicaid expansions but maintain Title XXI funding.
- The implementation of a new income definition, the Modified Adjusted Gross Income (MAGI), required by the Affordable Care Act of 2010 (ACA) begins in January 2014. States will be required to use this new income and a standardized household size definition to determine eligibility for low-income subsidies in Health Care Exchanges, as well as Medicaid and federal CHIP programs. Due to differences in household size and income calculations that currently exist between Colorado's Medicaid and CHP+ programs, a number of clients with reported household incomes within the official Medicaid eligibility range are actually eligible for CHP+.

Colorado Department of Health Care Policy and Financing
Children with Autism

Funds received by the Colorado Autism Treatment Fund are used to provide eligible children with services including behavioral therapies and case management. The Home and Community Based Services (HCBS) waiver for Children with Autism (CWA) was authorized by the enactment of Senate Bill 04-177. The legislation created the program to support children 0 to 6 years of age with autism, with the goal of allowing them to live in the community rather than in an institution. The program accomplishes this by providing a waiver benefit for behavior therapy. However, no eligible child may receive services with costs in excess of twenty-five thousand dollars annually, pursuant to Section 25.5-6-804 (2), C.R.S. The statute requires implementing a federally approved waiver, establishing rules, enrolling providers, determining rates, establishing a payment system and providing oversight. The maximum enrollment for the program is 75 children. The program served 75 children in FY 2012-13 and expects to serve 75 children during FY 2013-14.

A total of \$ 1,000,000 in tobacco settlement monies was transferred to the Colorado Autism Treatment Fund during FY 2012-13.

Additional information about the Children's Autism Program may be obtained through the Colorado Department of Health Care Policy and Financing's Web site at:
www.colorado.gov/hcpf.

Accomplishments include:

- The program has maintained enrollment of 75 children since February 2008 with a current waitlist of 300.

Areas for development include:

- Improve access to medical care for children that are diagnosed with autism. For FY 2013-14, the Department will continue to make the program more efficient and effective for clients' families, case managers, and service providers.

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 kindergarten, first-, second-, and third-grade 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; making recommendations to the State Board of Education regarding which schools should receive grants; making recommendations on 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 of each year.

In FY 2012-13, the fourth cohort of schools implemented its third and final year of the Colorado Read To Achieve program (RTA). RTA is designed to support children who are below grade level in reading, as determined by the RTA approved literacy assessment, *Dynamic Indicators of Basic Early Literacy Skills (DIBELS)*. Thirty-five schools out of the original 47 schools (74%) remained in the program through the final year of the three-year cycle of implementation.

During the 2012 legislative session, House Bill 12-1238, the Colorado Reading to Ensure Academic Development (READ) Act, repealed the Colorado Basic Literacy Act and the Read To Achieve program as of July 1, 2013 and put in place new provisions for the use of administrative funds for the final year of Read To Achieve. The READ Act required that appropriations first be used to fund Read To Achieve schools for their third and final year during the 2012-13 school year, and all remaining moneys were allocated to provide regional literacy support throughout the state. Thus, administrative costs for 2012-13 were greater than the previous restrictions within RTA. Refer to House Bill 12-1238, Section 22-7-1210, C.R.S.

Accomplishments include:

- During the 2012-13 school year, the Read to Achieve grant program served over 1,090 students in 35 schools.
- Over its history, more than 106,000 students have been served through reading intervention programs funded by Read To Achieve.
- The new Early Literacy Grant builds on lessons learned through implementation of RTA and includes more clearly defined implementation requirements including specifying how grant programs should be implemented, appropriate curricula and assessments to use, and teacher training that should be implemented.

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, marital status or sexual preference, by providing funds for the following:

- State Veteran's Nursing Homes for capital improvements and needed amenities.
- Costs incurred by the Legislative Oversight Committee and veterans nursing home commission to evaluate quality of care provided at certain state veteran's nursing homes.
- Operation and maintenance of existing or future State Veterans Cemeteries.
- Costs incurred by the Division.
- 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; veteran's forums, and programs to assist the veteran in employment or job related services.

There are approximately 400,186 eligible veterans in the State of Colorado. Not all of them require assistance. Those that do require assistance include nursing home residents; homeless and indigent veterans; combat disabled veterans; invalids; and under-employed and unemployed veterans.

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

Accomplishments include:

- Veterans in the Front Range urban corridor, the Grand Junction area and ten (10) rural communities were assisted via transportation, employment assistance and homeless programs that provided a means for veterans and dependents to make medical appointments, find jobs and access other needed services.
- \$18,134 was provided in a grant to the Florence State Veterans Nursing Home for therapy hardware and software.
- 1736 more veterans were served in FY 2012-13 (12,158) than in FY 2011-12 (10,422).

Areas for development include:

- Outreach to all Veterans Service Organizations (VSOs) in the state especially in rural areas to provide the broadest network of VSOs for disbursement of funds throughout the state.
- Work with VSOs to develop a self sustaining program at the roots level.
- Work at the state and national level through Department of Military and Veterans Affairs to provide additional funding to support the Colorado State Veterans Trust Fund.
- Emphasize support of female veterans' issues to help rectify the imbalance in services provided to the male and female veterans' populations.

Colorado Department of Public Health and Environment
Nurse Home Visitor Program

For FY 2012-13, The Nurse Home Visitor Program (NHVP) was authorized by Section 25-31-101, C.R.S. The program 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. Research shows that short-term and long-term improvements in the health and the life courses of participating mothers and their children result when specially trained nurses provide home visitation services for low-income, first-time mothers, from early in pregnancy through the child's second birthday.

The passage of House Bill 13-1117 "Child Development Programs" relocated the Nurse Home Visitor Program from the Department of Public Health and Environment to the Department of Human Services beginning July 1st, 2013. For FY 2013-14 and beyond, the Nurse Home Visitor Program is governed under Section 26-6.4-102, C.R.S. and the State Board of Human Services.

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 FY 2012-13 Long Bill appropriated \$13,037,008 of Tobacco Master Settlement Agreement (MSA) funds to the Nurse Home Visitor Program although \$299,658 was restricted due to lower-than-projected MSA revenues for the year. The final FY 2012-13 spending authority was \$12,737,350.

Additional information about the Nurse Home Visitation Program, also referred to as "Nurse-Family Partnership," may be obtained at:
<http://www.colorado.gov/cdhs>.

Accomplishments include:

- The grants awarded for FY 2012-13 funded services in 53 of the state's 64 counties.
- The program served 2,490 families during FY 2012-13.
- The program provided continuation funding to the 19 local agencies that had received awards in the previous fiscal year.
- The Nurse-Family Partnership National Service Office identified the following outcomes achieved by local grantees;
 - A statistically significant reduction of 21 percent in smoking during pregnancy for Colorado participants as compared to the national NFP average reduction of 16 percent.
 - A statistically significant reduction of 63 percent in marijuana use during pregnancy.
 - A statistically significant reduction of 32 percent in alcohol use during pregnancy.
 - A reduction of 49 percent in experience of violence during pregnancy.
 - 9.7 percent preterm birth rate for Colorado participants as compared to the national NFP average of 9.8 percent.
 - 92 percent of Colorado participants initiated breastfeeding. (National NFP average is 17 percent).
- 73 percent of Colorado NFP clients 18 years or older at intake and 61 percent of those 17 years or younger were employed at program completion. Compared to the national NFP sample rate of 70 percent and 57 percent respectively.

Areas for development include:

- Continue expansion of Nurse Home Visitor programs in Adams, Denver, Morgan, and Mesa counties.
- Staff from CDPHE, HCPF, the National Center and Invest in Kids, with support from the NFPNSO Medicaid Policy Director, have been meeting as a group to investigate additional opportunities for Medicaid reimbursement for home visiting services.

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 pays 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.

On July 1, 2011, and effective for FY 2011-12, all administrative functions of the Dental Loan Repayment Program were transferred from the Oral Health Unit located in the Prevention Services Division of the Colorado Department of Public Health and Environment (CDPHE) to the Primary Care Office also located in the Prevention Services Division of CDPHE. The program continues to operate under the Colorado Health Service Corps and is now known as the Expanded Dental Loan Option of the Colorado Health Service Corps. All operational functions necessary to execute dental loan repayment to qualified dental professionals, and as expressly articulated in State Statute and Colorado State Board of Health rule were retained.

A total of \$200,298.00 was available to the State Dental Loan Repayment Program in FY 2012-13. Of this amount \$180,068.00 was expended toward existing loan repayment contracts. A total of \$20,230 of available funding was spent on administrative costs and indirect costs for the reporting period (\$14,946 and \$5,284 respectively). Additional loan repayment funds made available to the State Dental Loan Repayment program through the Health Resources and Services Administration’s (HRSA) Grants to Support Oral Health Workforce Activities complimented program loan repayment capacity with an additional \$144,000.00 dispersed over the federal fiscal year. For the State Dental Loan Repayment Program the \$180,068 of Master Settlement dollars expended toward existing loan repayment contracts permitted the execution five (5) new contracts including four (4) Dentists and one (1) Registered Dental Hygienist. For the State Dental Loan Repayment Program the \$144,000 in federal funds expended toward existing loan repayment contracts permitted the execution of six (6) new contracts thus, bringing the total number of awards given since the program’s inception to 118.

Additional information about the Dental Loan Repayment Program may be obtained at the Colorado Department of Public Health and Environment’s website at:
<http://www.colroado.gov/cdphe>

Accomplishments include:

- Eleven (11) new providers participated in the program during the FY 2012-13, bringing the total number of awards given since the program’s inception to 118.
- Since inception, providers have been located in eleven counties with all or part of each county currently designated as a Dental Health Providers Shortage Area (HPSA) and in 12 counties with extensive underserved populations.
- The total number of underserved patients served by the providers participating in the Dental Loan Repayment Program to date (including those awarded funds from the federal Bureau of Health Professions grant) is 327,212, with 17,023 clients served in FY 2012-13.

- The FY 2012-13 total served includes 12,762 Medicaid-eligible children; 592 Child Health Plan Plus children; and 3,715 uninsured adults and children.
- In FY 2012-13, providers include:
 - 10 Level I dentists (minimum of 40 patients/month)
 - 1 Level I registered dental hygienist (20 patients/month).

Areas for development include:

- Ensuring sufficient number of applications to expend all available funds.
- Collaborating with key stakeholders to market the program to current licensed providers and students.
- Increasing the number of persons from underserved populations whose dental needs are met.

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

The Tony Grampsas Youth Services (TGYS) Program is authorized by Section 25-20.5-201 through 204, C.R.S. the program makes grants to community-based organizations that provide services to youth and their families with the goal of reducing youth crime and violence and preventing child abuse and neglect. The TGYS Program supports six funding areas including early childhood, student dropout prevention, youth mentoring, before and after-school, restorative justice, and violence prevention programs. An 11-member statutory board oversees and provides leadership for the program.

For FY 2012-13, the TGYS Program was appropriated \$3,575,764 in Master Settlement Agreement Tobacco funds. The passage of House Bill 13-1117, the “Alignment of Child Development Programs” bill, moves the TGYS program to the Department of Human Services for FY 2013-14 and out years.

According to statute, at least 20 percent of the appropriated grantee funds must support early childhood programs and at least 20 percent must support student dropout prevention programs. In FY 2011-12, 38 percent of TGYS funds supported early childhood programs, and 21 percent supported student dropout prevention programs.

Additional information about the Tony Grampsas Youth Services Program may be obtained at the Colorado Department of Human Services website at:
www.colorado.gov/cdhs

Accomplishments include:

- In FY 2012-13, TGYS-funded programs served 33,968 children, youth and adults, in 38 out of 64 Colorado counties. Of this total, 10,723 were children (ages 0-8), 16,470 were youth (ages 9-18), 1,072 were young adults (ages 19-24), and 4,499 were parents.
- In FY 2012-13, the TGYS Program funded to 30 grantees representing 105 local TGYS providers, for a total of \$3,176,470.
- All 30 grantees were compliant with reporting requirements.

- The TGYS Program implemented a comprehensive monitoring plan in FY 2012-2013 to ensure grantee programmatic and fiscal compliance.

Areas for development include:

- The TGYS program will continue to work to make necessary adjustments in response to funding reductions while minimizing impacts to the program's mission as much as possible.

Colorado Department of Public Health and Environment
Colorado AIDS Drug Assistance Program-Ryan White

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 (HRSA) through The Ryan White HIV/AIDS Treatment Extension Act of 2009. State dollars are received from allocations from the General Fund and Tobacco Settlement fund.

The ADAP formulary currently includes all of the FDA approved antiretroviral medications and most of the medications to treat opportunistic infections associated with HIV disease. These life saving medications reduce the occurrence of expensive and 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 and length of life for those affected by the epidemic.

Colorado supports three mechanisms in support of improved access to formulary medications.

- 1) Some People Living With HIV or AIDS (PLWHA) are sufficiently disabled by their condition to qualify for Medicare, including Medicare Part D prescription drug plans. For these individuals, Colorado ADAP offers "wrap around" assistance paying for premiums, co-payments, and other out-of-pocket costs.
- 2) A second group of PLWHA is able to access insurance through their employer, or through COBRA (Consolidated Budget Reconciliation Act) – related insurance extension after they have left a former employer. For these individuals, Colorado ADAP offers varying levels of assistance in maintaining this insurance, be it through premium, co-insurance, deductibles, or co-payments.
- 3) Other people living with HIV who have no access to Medicare or other insurance coverage receive their medications directly, at either an ADAP-affiliated pharmacy or through mail order from Walgreens at Rose Hospital in Denver.

Over 3,800 Coloradoans benefited from Colorado ADAP from July 1, 2012 through June 30, 2013 through a combination of State and Federal funding. These individuals filled approximately 79,000 prescriptions.

In FY 2012-13, \$3,080,314 from the Tobacco Settlement Fund was expended for the Colorado AIDS Drug Assistance Program (ADAP) for medications and for insurance support for medication.

Additional information about the Colorado AIDS Drug Assistance Program-Ryan White may be obtained at the Colorado Department of Public Health and Environment's website at: <http://www.colorado.gov/cdphe>.

Accomplishments include:

- During FY 2012-13, 3,859 clients accessed the program and 79,294 prescriptions were filled (up from 3,419 clients and 74,382 prescriptions in FY 2011-12).

Colorado Department of Public Health and Environment
Colorado HIV and AIDS Prevention Grant program (CHAPP)

The Colorado HIV and AIDS Prevention Grant Program (CHAPP) provides funding for human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS) prevention programs statewide. The competitive grants program was created to address local community needs in the areas of medically accurate HIV and AIDS prevention and education. The program is specifically intended to support implementation of programs that are based in behavioral and social science theory and research that will decrease the transmission and acquisition of HIV and AIDS in Colorado.

HIV and AIDS remain a major health concern in Colorado. Surveillance data indicate that as of June 30, 2013, there were 16,123 people diagnosed and living with HIV or AIDS (PLWHA) in Colorado. In 2012, the state identified 384 new cases of HIV. For the past five years, the number of newly diagnosed cases of HIV has remained relatively constant. In addition, the Centers for Disease Control and Prevention (CDC) estimates that approximately 18 percent of Americans with HIV infection are unaware of their status, and therefore are at considerable risk for developing AIDS or unknowingly transmitting HIV. CHAPP provides a substantial opportunity to prevent morbidity and mortality of this disease by targeting high risk populations.

A total amount of \$1,677,932 of CHAPP funds were expended, during the period of July 1, 2012, through June 30, 2013, to support 22 HIV and AIDS education and prevention projects. The funds were awarded through contracts to address the needs of persons at-risk of acquiring or transmitting HIV throughout the state. \$190,900 of CHAPP funding was awarded to support a year of a statewide program evaluation.

Grantees reached approximately 23,300 people between July 1, 2012 and June 30, 2013. These individuals were reached through a combination of outreach events, counseling, testing, referral activities, and health education programming using individual level and group level interventions.

The overall aggregate evaluation results demonstrated that the HIV prevention projects funded by CHAPP have positively impacted HIV/AIDS knowledge, attitudes and beliefs in adult

populations reached, and that the CHAPP program enhanced self-efficacy skills for young adults across the state.

Additional information about the Colorado HIV and AIDS Prevention Grant Program may be obtained at the Colorado Department of Public Health and Environment's website at: <http://www.colorado.gov/cdphe>.

Accomplishments include:

- For FY 2012-13, CHAPP HIV prevention programs funded 22 grantees, providing services to over 23,300 individuals.
- The STI/HIV prevention programming reached 59 Counties out of 64.

Areas for development include:

- In FY 2013-14, the CHAPP will go through a new cycle of procurement to include scientifically based HIV prevention programming better designed and adapted to the needs of rural counties.
- The CHAPP program is currently undergoing important administrative and programmatic realignment to enhance operational efficiency and effectiveness.
- The CHAPP will also be subjected to a thorough financial assessment to identify the administrative costs incurred by the program.

Colorado Department of Human Services
Child Mental Health Treatment Program

The Child Mental Health Treatment Act (CMHTA) was enacted through House Bill 99-1116 to help families struggling to access mental health services for their children. Prior to this legislation, families were often subjected to unnecessary legal and system involvement such as relinquishing parental rights in order to obtain mental health services for their children. Contributing factors to this issue included public and private health insurance limitations; inadequate supplies of mental health services; limited availability of services through mental health agencies and schools; attitudes about families of children with serious mental health needs; and difficulties meeting eligibility rules.

The Child Mental Health Treatment Act (CMHTA) pertains to “children at-risk of out of home placement” and children covered under the Medicaid capitation program. A “child at-risk” is one who has a mental illness, is not categorically eligible for Medicaid, requires residential level of care or a community-based equivalent, and qualifies for Supplemental Security Income (SSI) if residential care is needed. Qualifying families access services through one of the seventeen Community Mental Health Centers (CMHCs) in the state. The Division of Behavioral Health (DBH), formerly the Division of Mental Health and the Alcohol and Drug Abuse Division, manages the program for at-risk children. Services include, but are not limited to, processing state-level appeals when services are denied; reviewing and approving plans of care submitted by CMHCs; providing reimbursement for services; collecting and reporting data; and providing training and technical assistance to families, service providers, family advocates, and other

stakeholders. Behavioral Health Organizations (BHOs) are responsible for financing and providing services for children covered under the Medicaid capitation program, so these Tobacco settlement funds are only used to provide the above services to children who are not categorically eligible for Medicaid.

Additional information about the Child Mental Health Treatment Program may be obtained through the Colorado Department of Human Service's Web site at:
<http://www.colorado.gov/cdhs>.

Accomplishments include:

- 59 youth received treatment under CMHTA-funded services, including those admitted in previous fiscal years.
- Of the 59 youth served, 24 received residential services, 11 received community-based/transition services; and 24 received community alternative services.
- Maintained a comprehensive program web site:
(<http://www.cdhs.state.co.us/dmh/CMHTA.htm>) containing pertinent information for families, service providers, and other stakeholders
- Assisted families with costs related to visiting children while in care.
- Provided ongoing education to families on CMHTA program eligibility and service availability.
- Provided ongoing technical assistance to community mental health centers and providers.

Areas for development include:

- Data collection continues to be an identified area for further development. Currently, some of the data for Medicaid eligible children (who are not funded through Tobacco Settlement dollars) is believed to be unreliable due to reporting issues; however, this was greatly improved during FY 2012-13.
- Community education has also proven to be an ongoing area for development for the CMHTA program. Though there are bi-monthly to quarterly CMHTA training, cross-agency and stakeholder education will be an area that requires continued development.

Tier 2 Programs

University of Colorado at Denver

Health Sciences Center

The General Assembly appropriated Tobacco Settlement funding for the Anschutz Medical Campus to offset significant reductions in state appropriations that had occurred as a result of the recession of the early 2000s, and which could not be backfilled with tuition revenue.

Tuition revenue potential through increased enrollment is limited on the Anschutz Medical Campus because of small class sizes, accreditation limits, and faculty and clinical rotation site shortages. In addition, tuition rates for the major professional degree specialties (such as MD, DDS, and PharmD) cannot be increased significantly as rates are already above peer averages and student debt load is soaring. Even if possible, large increases in tuition would not make significant changes in revenue because class sizes of professional health care schools and colleges are not very large.

Unfortunately, shortly after receiving Tobacco Settlement funding, the Anschutz Medical Campus received more reductions in state appropriations, which ultimately offset the benefits of the Tobacco Settlement funding received. These funds are now essential to the day-to-day functioning of the University. If Tobacco Settlement funds are removed and state appropriations funds are not restored, the Anschutz Medical Campus will actually be worse off than the critical situation it faced in 2007

How was the Tobacco Settlement funding invested for FY 2012-13?

- **41% of the funding was invested in mandatory costs per the General Assembly's direction to use Tobacco Settlement funding as base educational support**

These mandatory costs are the investments necessary to maintain and strengthen the infrastructure that supports all of the academic program missions on the Anschutz Medical Campus. These expenditures include utilities, building maintenance, IT infrastructure, and other mandatory basic operating increases. Funding was also provided to the Area Health Education Center (AHEC) to improve the quality and accessibility of education for health care professionals in Colorado in order to enhance the delivery of health care services throughout the state, with special emphasis on frontier, rural, urban communities, and underrepresented groups.

- **22% of the funding is invested in medical education**

Funds are used to maintain core levels of education support that are essential to a new curriculum required for accreditation of the University of Colorado's School of Medicine at the Anschutz Medical Campus. This includes evaluation and enhancement of the required curriculum and its rural health track. The School of Medicine uses these funds for faculty support and preceptor training for Colorado physicians who will teach in the new educational model. Even with this investment, the Anschutz Medical Campus struggles as one of the lowest universities for funding faculty salaries through state appropriations and one of the lowest universities for state funding per student, as shown on the following page.

- **20% of the funding was invested in faculty support**

High-caliber faculty in health fields are increasingly being lured to other institutions with offers of higher salaries, increased research support, and greater and more stable financial resources. Restoration of faculty positions and salary support lessen the consequences of these departures, which improve research and the quality of education across all schools and colleges on the Anschutz Medical Campus. Recruitment and retention of quality faculty is dependent upon adequate institutional support and competitive salaries. Investing funds into faculty is essential in order to attract and retain the highest caliber faculty. Without a quality faculty, the ability to maintain programs and services on the Anschutz Medical Campus will diminish significantly over time.

- **11% was invested in the PhD program stipend support and research infrastructure support**

This funding allows the Graduate School to offer competitive stipends to Ph.D. students in basic biomedical and biological sciences allowing the Campus to recruit the "best and the

brightest” students in these fields. After the initial stipend investment, subsequent years are funded by federal and private research grants. This stipend support ties directly to the University’s research enterprise and large economic impact on the State of Colorado. This investment also includes research compliance positions and additional positions in the Office of Grants and Contracts.

- **6% of the funding was invested in the partial restoration of classroom, library and student services**

Funding allows the Campus to provide wider access to electronic resources for education and research, including online journals, databases, and educational software. Because of these funds, classroom technology that is essential to the educational experience can be maintained on a more sustainable and reliable basis.

Colorado Department of Public Health and Environment **Local Public Health Planning and Support**

The Local Public Health Planning and Support program provides grant funding to local public health agencies for use in providing population based health services. The Tobacco master Settlement funding is used to supplement the per capita funding provided through state general funds for local public health agencies. The funds are used to provide local public health services.

These funds are distributed to local public health agencies for use in implementing locally determined public health priorities based on community health assessments and local improvement plans. These public health activities could include maternal and child health activities, immunizations, disease control and surveillance, prevention programs, etc.

Additional information about the Local Public Health Planning and Support Program may be obtained at the Colorado Department of Public Health and Environment’s website at:
<http://www.colorado.gov/cdphe>.

Accomplishments include:

- All 54 Local Public Health Agencies in Colorado received funding from the Local Public Health Planning and Support program.
- All 54 local public health agencies are engaged in the statewide system for conducting community health assessments and developing local public health plans based on priority needs. To date, 81 % of agencies have completed community assessments and 30 % have also completed health improvement plans.
- The majority of the action steps outlined in the 2009 Colorado Public Health Improvement Plan were completed to strengthen Colorado’s public health system, improving the ability for state and local public health agencies to work collectively to address Colorado’s health issues and to identify and implement systems and processes that use resources more efficiently.

- In FY 2012-13, county and district public health priorities were incorporated into Colorado's statewide health assessment to better inform state-level decisions and policy development.

Areas for development include:

- Continue building state and local partnerships to strengthen Colorado's public health system and provide more effective and efficient public health services.
- Identify areas in the state system that need improvement to better support county and district agencies through the state system functions of:
 - Planning and implementation;
 - Technical assistance and support;
 - Evaluation and quality improvement and;
 - Provision of available resources.

Colorado Department of Public Health and Environment
Colorado Immunization Program

The Colorado Immunization Fund provides financial resources for immunizations, immunization strategies, and the Cervical Cancer Immunization Program. The Vaccine Advisory Committee (VACC) was established to investigate and make recommendations regarding immunization strategies for improving vaccination rates Statewide. The mission statement of VACC is "Every Colorado parent who wants his or her child fully immunized will experience no financial or structural barriers to this occurring". In order to fulfill this mission, five subcommittees were created with specific charges. These subcommittees are Best Practices, Innovative Health Programs, Public Awareness and Education, Colorado Immunization Information System (CIIS) Registry, and Special Projects.

Additional information about the Colorado Immunization Program may be obtained at the Colorado Department of Public Health and Environment's website at:
<http://www.colorado.gov/cdphe>.

Accomplishments include:

- The Immunization Core Services Enhancement Funding allowed 21 local public health agencies to enhance immunization core services activities which served thousands of Colorado citizens and contributed to an increased overall immunization rate in the state of Colorado.
- During FY 2012-13, the variety of project activities included:
 - More than 100,000 visits were made to project websites,
 - 12,847 post card orders were distributed,
 - 30 child care providers received education/training on tracking immunization up-to-date status and policy development,
 - 32 staff received training on how to bill insurance companies,
 - 26 Local Public Health Agencies received 317 Policy Transition Vaccine starter packs containing 4,030 doses of vaccine valued at \$172,540.

- 10 Local Public Health Agencies were able to enhance immunization core services activities which ultimately served thousands of Colorado citizens and contributed to an increased overall immunization rate in the state of Colorado.

Areas for development include:

- Continue to improve immunization rates, which will result in fewer individuals at risk from vaccine-preventable diseases.
- Move forward with the Statewide Immunization Public Awareness Strategic Plan.
- Review and revise funding distribution plans for subsequent years based upon input from the agencies.
- Facilitate the utilization of CIIS by immunization providers across Colorado

Colorado Department of Human Services
Offender Mental Health Services

The primary goal of the Offender Mental Health Services Initiative Program is to reduce recidivism for juveniles and adults with mental illness involved in the criminal justice system. The program attempts to develop community-based services in collaboration with local and State juvenile and criminal justice agencies.

During FY 2012-13, eleven (11) Community Mental Health Centers (CMHCs) were funded to develop projects tailored to meet the offender mental health needs in their local community. Each CMHC established goals concerning the number and types of juveniles with serious emotional disorders (SED) and/or adults with serious mental illness (SMI) to be served. Additionally, some CMHCs used project resources to collect necessary data in order to evaluate program effectiveness.

For FY 2012-13, the Office's adjusted spending authority totaled \$3,408,583 (\$95,333 Personal Services, \$4,482 Operating and \$3,308,768 Program line). The Office expended \$3,460,493 (\$95,635.46 Personal Services, \$4,434.31 Operating and \$3,308,768 Program services) from the Long Bill. An additional \$146,693 was supplemented one time from the Mental Health Block Grant to reduce the impact to the services. The program provided services to 1,371 adults and 264 juveniles, or 1,635 total consumers. The legal status of adults served included jail diversion, probation, parole, and community corrections. Juveniles served were typically on probation. Programs reported a total of \$11,876,745 in cost savings in FY 2012-13 by reduction of jail/prison bed days.

Program goals include

- Increase community capacity to serve juveniles with serious emotional disorders (SED) and adults with serious Mental illness (SMI).
- Provide outcome and recovery oriented services that increase the target population's ability to function independently in the community.

- Promote collaboration among communities and across mental health and criminal justice systems.
- Reduce jail and prison recidivism.
- Provide for long term, local sustainability.
- Provide cost effective services.

The program services provided through the Offender Mental Health Services Initiative include:

- Assertive Community Treatment
- Aggression Replacement Training
- Integrated Dual Diagnosis Treatment
- Intensive Case Management
- Cognitive Behavioral Therapy
- Functional Family Therapy
- Medication Management
- Dialectical Behavioral Therapy
- Multi-Systemic Therapy
- Wraparound Services
- Supportive Housing
- Trauma Recovery and Empowerment
- Supportive Employment Services
- Individual Psychotherapy
- Case Management
- Crisis Intervention Training

Additional information about the Offender Mental Health Services Program may be obtained at the Colorado Department of Human Services' website at:
www.colorado.gov/cdhs.

Accomplishments include:

- During FY 2012-13, the Offender Mental Health Services Initiative Program served 1,635 individuals, a 1.1% increase in clients from FY 2011-12 (1,616 clients). The Division is confident that the outcomes and number of consumers who receive services will continue to benefit from this innovative service model.
- It should be noted that the program achieved this respectable amount of consumers served with a decrease of \$358,536 in program funding due to the reduction in revenue generated the previous year.

Colorado Department of Human Services

Alcohol and Drug Abuse Program--Community Prevention and Treatment Program

The Community Prevention and Treatment Program was created by the General Assembly in FY 2007-08 through SB07-097. This Bill created the Alcohol and Drug Abuse Community Prevention and Treatment Fund with the requirement that 3% of the Tier II tobacco settlement funds to be appropriated annually by the General Assembly to "provide additional state funding

to provide or purchase community prevention and treatment services in accordance with Section 27-80-106, C.R.S.”

The funds are appropriated to the Department of Human Services and administered by the Division of Behavioral Health (DBH). DBH allocates 25% of the appropriation for the provision of statewide community prevention services/programs and 75% for the provision of statewide community treatment services.

In FY 2012-13, \$851,758 was appropriated to DBH for the implementation of the Community Prevention and Treatment program. Of this amount, \$195,600 was allocated for prevention programs, and \$586,800 was allocated for treatment services.

Prevention programs provide young people, families and communities with the resources and skills to increase protective factors and decrease risk factors linked to substance abuse. These programs provide a range of services that include education, training, problem identification and referral, community and school-based strategies, information dissemination and environmental programs. Services are delivered in multiple ways. Direct Services are more intensive and focus on individuals and families who are indicated to be at high risk for substance abuse (i.e. mentoring or parenting classes), while Indirect Services focus on community based processes such as developing coalitions, changing local policies, and environmental strategies such as social marketing campaigns and health curricula in schools.

Treatment services include group, individual, and/or family counseling aimed at reducing substance use, increasing abstinence, improving housing situations, gaining employment, and reducing involvement with the juvenile or criminal justice systems.

The required basic treatment services in the treatment contracts are as follows:

- detoxification,
- outpatient opioid replacement treatment,
- individual, group and family outpatient therapy,
- intensive outpatient therapy,
- transitional residential treatment,
- therapeutic community and intensive residential treatment.

These services are delivered through statewide contracts with four managed service organizations, which subcontract with providers in six geographic regions. Populations primarily served are persons involuntarily committed for treatment due to the perceived danger to themselves or to others caused by alcohol or drug dependence, pregnant substance-abusing women, injecting drug users, substance abusing women with dependent children, and adolescents with substance use disorders, including binge drinking.

Additional information about the Alcohol and Drug Abuse Program--Community Prevention and Treatment Program may be obtained at the Colorado Department of Human Services’ website at: <http://www.colorado.gov/cdhs>.

Treatment outcomes:

- Of 27,274 discharges from substance use disorder treatment in FY 2012-2013, 23,266 were unique clients. Twenty-six percent (26%) of discharges completed their treatment with no further treatment recommended;
- Twenty-five percent (25%) completed treatment at that agency with additional treatment recommended;
- Twelve percent (12%) left against professional advice;
- Thirteen percent (13%) were terminated by the agency;
- Ten percent (10%) did not complete their treatment at the agency;
- Six percent (6%) of clients were incarcerated.

Department of Personnel and Administration
Supplemental State Health and Dental Contribution

The Supplemental State Health and Dental Contributions for Low-Income State Employee Benefits Program was established pursuant to HB07-1335. The legislation was intended to encourage lower-income employees with dependent children to enroll in health insurance offered by the state by supplementing plan premiums. Currently, the dependent children of state employees are presently ineligible for Children's Basic Health Plan (CHP) assistance. The Supplemental State Health and Dental Contribution program also promotes the use of disease management programs to reduce the costs of health care. This disease management program includes a childhood asthma program, with funding used to make copayments for appropriate asthma drugs and specialty pulmonary supervision.

Eligibility criteria includes an employee as defined in Section 24-50-603 (7), C.R.S., who is eligible by virtue of their employment to enroll in a group benefit plan; has an annual household income of less than three hundred percent (300%) of the Federal Poverty Level; and has at least one dependent other than their legal spouse.

Eligible employees are assessed into three groups:

- Level A - less than 200% of the federal poverty level;
- Level B - 200% to 249% of the federal poverty level;
- Level C - 250% to 299% of the federal poverty level.

The available funds will first be used to provide supplemental aid to Level A recipients in an amount that uses the entire available principal of the fund or reduces the employee's medical premium to \$0. Any remaining principal shall then be used for Level B recipients before supplementing Level C eligible employees, applying the same process outlined for level A. If additional principal remains after supplementing all three levels medical premiums at 100%, the remaining funds will be used to supplement dental premiums first for Level A, then Level B and finally Level C applying the same process as outlined above.

Additional information about the Supplemental State Health and Dental Contribution Program may be obtained at the Colorado Department of Personnel and Administration's website at: www.colorado.gov/dpa.

Accomplishments include:

- The Department received and reviewed 910 applications, of which 902 were approved.
- 608 applications were approved for Level A aid, 216 for Level B and 78 for Level C aid.
- 39 employees participated in the Special Open Enrollment.
- 17 employees with no coverage or Employee Only coverage added children.
- 1,581 Children were covered under the program in FY 2012-13 (down from 1,736 in FY 2011-12).
- The Department has developed a process of collecting income reporting for all household members age 16 or over.

Areas for development include:

- The Department continues to strive toward supplementing all levels identified within House Bill 07-1335.
- If it is not possible to reach 100% for all Levels, the Department intends to focus on providing a partial supplement for Levels B and C.
- Additionally, the Department strives to maximize the efficiencies of the application system with enhanced reporting capabilities.
- Improvements need to be made on how eligibility is verified for this program now that CHIP is available to State employees and Medicaid expansion has allowed more individuals to qualify for that program.

Colorado Department of Public Health and Environment
Colorado Health Service Corps

The Colorado Health Service Corps program was created with the purpose of improving the health of Colorado's underserved and medically vulnerable populations by alleviating health disparities resulting from poor access to primary health services. This is accomplished by forgiving the educational loan debt of licensed primary, behavioral and oral health professionals who agree to serve a minimum of three years in a designated Health Professional Shortage Area. Health Professional Shortage Areas include low-income, publicly insured, uninsured and geographically isolated Coloradans. The program expansion made possible by the funds increased the number of health care providers in underserved communities while improving the retention of providers already working in those communities. Further, this program increased the number of health service encounters delivered to underserved and medically vulnerable people in Colorado.

To be eligible, providers must practice in a Health Professional Shortage Area (HPSA) for a period of not less than three years, spend at least 32 hours per week in direct patient care, serve individuals who are uninsured or publicly insured, offer a sliding fee scale for payment to those below 200% of the federal poverty level, and work for a public or nonprofit institution. Once these minimum criteria were met, applicants were selected by the governor appointed CHSC Advisory Council, which is made up of health workforce experts and representatives of key stakeholder organizations.

Access to primary medical, oral and behavioral health care is a requisite for good health. Over one million Coloradans live in communities with less than half of the primary health providers needed to optimally deliver primary health services. This grant served populations facing high barriers to health services access resulting from insufficient numbers of providers.

Additional information about the Colorado Health Service Corps program may be obtained at the Colorado Department of Public Health and Environment's website at:

<http://www.colorado.gov.cdphe>.

Accomplishments include:

- Since assuming administration of the state loan repayment program, the Primary Care Office has grown a \$200,000 a year program to, what is now, collectively a \$15 million program, expansion that could not have been accomplished without the variety of funding streams.
- Funding awarded to the FY 2012-13's six participants significantly increased access to Colorado's medically underserved.
- The current field strength of the Colorado Health Service Corp, since its inception and at the time of this annual report submission is 159 currently obligated clinicians and 70 clinicians who have successfully completed their contracts.

Areas for development include:

- The program has reached the end of its private and federal grant funding under current agreements. As a result new loan repayment awards from the September 2013 application cycle will be substantially less than in previous rounds and may only be enough to fund one or two new contracts.
- In October of 2013 the Primary Care Office submitted a grant funding requests to a Colorado foundation in an effort to sustain the program's success and impact for the next two years. In addition, the program will apply for a new federal matching grant in FY 2013-14.