

**Schedule 13  
Supplemental Request for FY 2008-09 Budget Request Cycle**

<b>Decision Item FY 2009-10</b> <input type="checkbox"/>	<b>Base Reduction Item FY 2009-10</b> <input type="checkbox"/>	<b>Supplemental FY 2008-09</b> <input checked="" type="checkbox"/>	<b>Budget Amendment FY 2009-10</b> <input type="checkbox"/>
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**Request Title:** Colorado Benefits Management System (CBMS) FY 2008-09 Refinance  
**Department:** Human Services **Dept. Approval by:** *Will [Signature]* **Date:** 12-15-08  
**Priority Number:** S-12 **OSPb Approval:** *[Signature]* **Date:** 12-19-08

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
<b>Total of All Line Items</b>	<b>Total</b>	25,232,718	23,461,145	0	23,461,145	23,293,067	0	23,293,067	0	0	0
	<b>FTE</b>	0.0	47.1	0.0	47.1	0.0	0.0	0.0	0.0	0.0	0.0
	<b>GF</b>	2,053,527	3,665,308	0	3,665,308	3,647,987	0	3,647,987	0	0	0
	<b>CF</b>	1,999,193	1,899,673	1,163,453	3,063,126	1,871,435	0	1,871,435	0	0	0
	<b>CFE/RF</b>	10,636,453	8,143,365	933,301	9,076,666	8,102,754	0	8,102,754	0	0	0
	<b>FF</b>	10,543,545	9,752,799	(2,096,754)	7,656,045	9,670,891	0	9,670,891	0	0	0
	<b>MCF</b>	8,720,902	8,143,365	933,301	9,076,666	8,090,379	0	8,090,379	0	0	0
	<b>MGF</b>	4,084,957	3,814,899	0	3,814,899	3,779,414	0	3,779,414	0	0	0
	<b>NGF</b>	6,138,484	7,480,207	0	7,480,207	7,427,401	0	7,427,401	0	0	0
<b>(2) Office of Information Technology Services, Colorado Benefits Management System (CBMS)</b>	<b>Total</b>	25,087,968	23,312,145	0	23,312,145	23,144,067	0	23,144,067	0	0	0
	<b>FTE</b>	0.0	47.1	0.0	47.1	0.0	0.0	0.0	0.0	0.0	0.0
	<b>GF</b>	2,030,808	3,641,922	0	3,641,922	3,624,601	0	3,624,601	0	0	0
	<b>CF</b>	1,987,577	1,887,716	1,156,776	3,044,492	1,865,176	0	1,865,176	0	0	0
	<b>CFE/RF</b>	10,586,211	8,091,647	927,944	9,019,591	8,033,304	0	8,033,304	0	0	0
	<b>FF</b>	10,483,372	9,690,860	(2,084,720)	7,606,140	9,620,986	0	9,620,986	0	0	0
	<b>MCF</b>	8,670,660	8,091,647	927,944	9,019,591	8,033,304	0	8,033,304	0	0	0
	<b>MGF</b>	4,062,205	3,790,671	0	3,790,671	3,755,186	0	3,755,186	0	0	0
	<b>NGF</b>	6,093,013	7,432,593	0	7,432,593	7,379,787	0	7,379,787	0	0	0
<b>(2) Office of Information Technology Services, CBMS SAS-70 Audit</b>	<b>Total</b>	144,750	149,000	0	149,000	149,000	0	149,000	0	0	0
	<b>FTE</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<b>GF</b>	22,719	23,386	0	23,386	23,386	0	23,386	0	0	0
	<b>CF</b>	11,616	11,957	6,677	18,634	6,259	0	6,259	0	0	0
	<b>CFE/RF</b>	50,242	51,718	5,357	57,075	69,450	0	69,450	0	0	0
	<b>FF</b>	60,173	61,939	(12,034)	49,905	49,905	0	49,905	0	0	0
	<b>MCF</b>	50,242	51,718	5,357	57,075	57,075	0	57,075	0	0	0
	<b>MGF</b>	22,752	24,228	0	24,228	24,228	0	24,228	0	0	0
	<b>NGF</b>	45,471	47,614	0	47,614	47,614	0	47,614	0	0	0

**Non-Line Item Request:** None  
**Letternote Revised Text:** ITS Letternote M - Of these amounts, \$862,386 shall be from the Old Age Pension fund and \$2,147,313 shall be Tobacco Funds transferred from the Treasury  
 ITS Letternote O - Of these amounts, it is estimated that \$2,727,831 shall be from the Temporary Assistance for Needy Families Block Grant, \$4,739,081 shall be from Food Stamp funds.  
**Cash or Federal Fund Name and COFRS Fund Number:** Cash Funds: Old Age Pension Fund 100, Tobacco Funds from the Treasury  
 Federal Funds: Temporary Assistance for Needy Families Block Grant-Fund 100, Food Stamps-Fund 100  
**Reappropriated Funds Source, by Department and Line Item Name:** Health Care Policy and Financing - Medicaid

**Schedule 13  
Supplemental Request for FY 2008-09 Budget Request Cycle**

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

Request Title: Colorado Benefits Management System (CBMS) FY 2008-09 Refinance  
 Department: Human Services Dept. Approval by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Priority Number: S-12 OSPB Approval: \_\_\_\_\_ Date: \_\_\_\_\_

		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Approval by OIT? Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> N/A: <input type="checkbox"/> Schedule 13s from Affected Departments: Department of Health Care Policy and Financing, State Treasury											

**SUPPLEMENTAL REQUEST for FY2008-09 BUDGET REQUEST CYCLE**

Department:	Department of Human Services and Department of Health Care Policy and Financing
Priority Number:	S-12
Change Request Title:	Colorado Benefit Management System (CBMS) FY 2008-09 Refinance

**SELECT ONE (click on box):**

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 08-09
- Budget Request Amendment FY 09-10

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

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

Short Summary of Request:

This Supplemental request refinances the FY2008-09 CBMS appropriation to adjust for the change in funding methodology from the original “CBMS Calculator” used during the development of the system to the SFY07 Public Assistance Cost Allocation Plan or PACAP. The PACAP is based on a modified Random Moment Sampling (RMS) model that will be used to allocate the funding among the system partners for continuing operational expenses of CBMS. The funding adjustments requested include \$1,163,453 Cash Funds, \$933,301 Reappropriated Medicaid Funds from Health Care Policy and Financing, and (\$2,096,754) Federal Funds.

Background and Appropriation History:

All participation rates to cover the cost of the CBMS during the Design, Development, and Implementation phases of the CBMS (beginning in FY 1996-97 through August 31<sup>st</sup>, 2004) were a fixed set of rates that had been Federally agreed upon (the CBMS

Calculator) based on the Advanced Planning Document Update (APDU) given annually to Food & Nutritional Services (FNS).

After the Implementation phase was completed in August 2004, all participation rates should have shifted from the CBMS Calculator (a fixed set of Federal rates) to CBMS specific Random Moment Sampling (RMS) statistics. DHS uses the federally approved Random Moment Sampling statistical method to determine the effort county employees are spending on the various federal and state programs. During a given quarter, county workers doing RMS activities (primarily workers with direct client contact, or workers who carry a case load) are randomly polled and asked what RMS activity they are performing at the moment and for what program. To determine the work effort in CBMS, only the RMS responses related to CBMS activities are compiled and used to allocate the State CBMS operating costs to all benefiting Federal and State programs.

DHS received formal acceptance of the SFY07 PACAP in March 2008. DHS must use the SFY07 PACAP until such time as the SFY08 PACAP is approved by the Federal Division of Cost Allocation (DCA). This Supplemental covers the shift in participation rates between the CBMS specific RMS statistics and the CBMS Calculator for FY 2008-09.

General Description of Request:

This request refinances the current FY 2008-09 appropriations for the Colorado Benefits Management System and the CBMS SAS-70 Audit, for both CDHS and CDHCP&F, to adjust the fund sources based upon the first two quarters of RMS statistics for CBMS system program users.

The change in the percentage of CBMS system use by each of the funding partners is provided in the table below.

<u>CBMS Funding Partners</u>	<u>CBMS Calculator</u>	<u>Random Moment Sampling*</u>	<u>Difference</u>
<u>CDHS</u>			
Food Stamps	26.04%	39.47%	13.43%
TANF-Colorado Works	28.55%	13.76%	-14.79%
Title IV-E Foster Care	0.00%	0.03%	0.03%
Title XX SS Block Grant	0.00%	0.03%	0.03%
Title XX Adult Protective Services	0.00%	2.80%	2.80%
Other State Non Medical	10.70%	5.60%	-5.10%
<u>HCP&amp;F</u>			
Medicaid Title XIX	25.70%	37.89%	12.19%
Medicaid Title XXI-Child Health Care	5.42%	0.28%	-5.14%
State Medical (OAP)	3.59%	0.14%	-3.45%
Total	100.00%	100.00%	0.00%

\*Random Moment Sampling percentages are the average of the first two quarter statistics for SFY 2008-09 (the two prior federal quarters of April-June and July-September). The final quarter statistics will be received in May 2009 and the financing of the actual expenditures will be reconciled in Fall 2009.

The amount of the adjustment for each FY 2008-09 appropriation fund source is included in the Calculation for Request section.

In lieu of additional General Fund, this request includes \$2,875,139 Cash Funds (\$2,147,313 CDHS and \$727,826 CDHCP&F) from the Tobacco Litigation Settlement Cash Fund monies set aside in the Department of Treasury for over-expenditures or supplemental appropriations for the Colorado Benefits Management System initially through HB07-1359 and later extended through SB08-127.

Consequences if Not Funded:

Knowing the participation rates of the Federal Partners for CBMS under RMS, the State must impose a \$8,952,051 (\$3,840,430/.429) restriction in total funds on CBMS immediately if the Supplemental is not accepted. The 42.9% is the total amount of General Funds (including HCPF) for CBMS under RMS. The State can't bill CBMS Federal Partners by any other method but RMS, consequently the restriction of CBMS funds will be imposed.

The loss of this level of spending authority to the project would be catastrophic, and would in the worst case scenario shut down the system, or in the best-case scenario severely cripple the system to near shut down status.

Calculations for Request:

CDHS Summary of Request FY 08-09	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid General Funds	Net General Fund
Supplemental Request	\$0	\$0	\$1,163,453	\$933,301	(\$2,096,754)	\$933,301	\$0	\$0
(2) Office of Information Technology, Colorado Benefits Management System	\$0	\$0	\$1,156,776	\$927,944	(\$2,084,720)	\$927,944	\$0	\$0
(2) Office of Information Technology, SAS-70	\$0	\$0	\$6,677	\$5,357	(\$12,034)	\$5,357	\$0	\$0

*STATE OF COLORADO FY 07-08 BUDGET REQUEST CYCLE: DEPARTMENT OF HUMAN SERVICES AND HEALTH CARE POLICY AND FINANCING*

Department of Human Services CBMS Calculator	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid Gen Funds	Net General Fund
CBMS FY2008-09 Appropriation	\$22,857,178	\$3,587,435	\$1,834,289	\$7,933,727	\$9,501,727	\$7,933,727	\$3,716,692	\$7,304,127
SB 08-006	\$271,080	\$42,546	\$21,754	\$94,092	\$112,688	\$94,092	\$44,079	\$86,625
SB 08-160	\$91,806	\$0	\$21,776	\$31,866	\$38,164	\$31,866	\$0	\$0
SB 08-161	\$16,000	\$0	\$3,791	\$5,554	\$6,655	\$5,554	\$0	\$0
HB 08-1046	\$76,081	\$11,941	\$6,106	\$26,408	\$31,626	\$26,408	\$12,371	\$24,312
Sept 1331 Supplemental	\$2,500,000	\$392,375	\$200,625	\$867,750	\$1,039,250	\$867,750	\$406,512	\$798,887
Total CBMS	\$25,812,145	\$4,034,297	\$2,088,341	\$8,959,397	\$10,730,110	\$8,959,397	\$4,179,654	\$8,213,951
SAS-70 FY2008-09 Appropriation	\$149,000	\$23,386	\$11,957	\$51,718	\$61,939	\$51,718	\$24,228	\$47,614

Department of Humans Services CBMS Random Moment Sample	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid Gen Funds	Net General Fund
CBMS FY2008-09 Appropriation	\$22,857,178	\$5,485,894	\$960,173	\$8,755,442	\$7,655,669	\$8,755,442	\$4,360,167	\$9,846,061
SB 08-006	\$271,080	\$65,061	\$11,387	\$103,837	\$90,795	\$103,837	\$51,711	\$116,772
SB 08-160	\$91,806	\$0	\$25,892	\$35,166	\$30,748	\$35,166	\$0	\$0
SB 08-161	\$16,000	\$0	\$4,512	\$6,129	\$5,359	\$6,129	\$0	\$0
HB 08-1046	\$76,081	\$18,261	\$3,196	\$29,142	\$25,482	\$29,142	\$14,513	\$32,774
Sept 1331 Supplemental	\$2,500,000	\$600,019	\$105,019	\$957,625	\$837,337	\$957,625	\$476,893	\$1,076,912
Total CBMS	\$25,812,145	\$6,169,235	\$1,110,179	\$9,887,341	\$8,645,390	\$9,887,341	\$4,903,284	\$11,072,519
SAS-70 FY2008-09 Appropriation	\$149,000	\$35,761	\$6,259	\$57,075	\$49,905	\$57,075	\$28,424	\$64,185

*STATE OF COLORADO FY 07-08 BUDGET REQUEST CYCLE: DEPARTMENT OF HUMAN SERVICES AND HEALTH CARE POLICY AND FINANCING*

Department of Human Services CBMS Refinance Supplemental	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid Gen Funds	Net General Fund
CBMS FY2008-09 Appropriation	\$0	\$1,898,459	(\$874,116)	\$821,715	(\$1,846,058)	\$821,715	\$643,475	\$2,541,934
SB 08-006	\$0	\$22,515	(\$10,367)	\$9,745	(\$21,893)	\$9,745	\$7,632	\$30,147
SB 08-160	\$0	\$0	\$4,116	\$3,300	(\$7,416)	\$3,300	\$0	\$0
SB 08-161	\$0	\$0	\$721	\$575	(\$1,296)	\$575	\$0	\$0
HB 08-1046	\$0	\$6,320	(\$2,910)	\$2,734	(\$6,144)	\$2,734	\$2,142	\$8,462
Sept 1331 Supplemental	\$0	\$207,644	(\$95,606)	\$89,875	(\$201,913)	\$89,875	\$70,381	\$278,025
Total CBMS	\$0	\$2,134,938	(\$978,162)	\$927,944	(\$2,084,720)	\$927,944	\$723,630	\$2,858,568
Tobacco Funds Adjustment	\$0	(\$2,134,938)	\$2,134,938				(\$723,630)	(\$2,858,568)
Total CBMS Supplemental	\$0	\$0	\$1,156,776	\$927,944	(\$2,084,720)	\$927,944	\$0	\$0
SAS-70 FY2008-09 Appropriation	\$0	\$12,375	(\$5,698)	\$5,357	(\$12,034)	\$5,357	\$4,196	\$16,571
Tobacco Funds Adjustment (430)		(\$12,375)	\$12,375				(\$4,196)	(\$16,571)
Total SAS-70 Supplemental	\$0	\$0	\$6,677	\$5,357	(\$12,034)	\$5,357	\$0	\$0
Total CBMS Supplemental Request	\$0	\$0	\$1,163,453	\$933,301	(\$2,096,754)	\$933,301	\$0	\$0
Total Tobacco Funds		(\$2,147,313)					(\$727,826)	(\$2,875,139)



*STATE OF COLORADO FY 07-08 BUDGET REQUEST CYCLE: DEPARTMENT OF HUMAN SERVICES AND HEALTH CARE POLICY AND FINANCING*

Department of Human Services Letternote Calculations	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	Medicaid Cash Funds	Medicaid Gen Funds	Net General Fund
Line A. Total per RMS	\$25,961,145	\$6,204,996	\$1,116,438	\$9,944,416	\$8,695,295	\$9,944,416	\$4,931,708	\$11,136,704
Line B. Special Bills + 1331 September Supplemental As Appropriated/ Approved	(\$2,954,967)	(\$446,862)	(\$254,052)	(\$1,025,670)	(\$1,228,383)	(\$1,025,670)	(\$462,962)	(\$909,824)
General Fund		(\$446,862)						(\$446,862)
Old Age Pension			(\$254,052)					\$0
HCP&F-Medicaid				(\$1,025,670)		(\$1,025,670)	(\$462,962)	(\$462,962)
TANF					(\$843,645)			\$0
Food Stamps					(\$384,738)			\$0
Line C. Total	\$23,006,178	\$5,758,134	\$862,386	\$8,918,746	\$7,466,912	\$8,918,746	\$4,468,746	\$10,226,880
Line D. Tobacco Fund Adjustment		(\$2,147,313)	\$2,147,313					(\$2,147,313)
Line E. Supplemental Letternote	\$23,006,178	\$3,610,821	\$3,009,699	\$8,918,746	\$7,466,912	\$8,918,746	\$4,468,746	\$8,079,567

- Line A: Requested FY 2008-09 appropriation (Long Bill + special bills) based on random moment sampling. This is the sum of the last two rows in the table on page 7.
- Line B: Reflects the removal of special bills and September 1331 as appropriated or approved.
- Line C: Reflects the requested FY 2008-09 appropriation (Long Bill + special bills) based on random moment sampling.
- Line D: Reflects the use of SB 08-127 funds set aside in the Health Care Supplemental Appropriations and Over Expenditures Account to offset the need for General Fund.
- Line E: Revised letter note total based on random moment sampling refinancing.

Letternote Calculations

<u>Letternote M (Cash Funds)</u>				
	<u>HB 08-1375 Appropriation</u>	<u>Revised appropriation based on RMS*</u>	<u>Removal of special bills and September 1331**</u>	<u>Revised Supplemental Letternote</u>
<u>CBMS</u>				
Old Age Pension	\$1,834,289	\$1,110,179	(\$254,052)	\$856,127
Tobacco Funds	\$0	\$2,134,938	\$0	\$2,134,938
<u>SAS-70</u>				
Old Age Pension	\$11,957	\$6,259	\$0	\$6,259
Tobacco Funds	\$0	\$12,375	\$0	\$12,375
<u>Total</u>				
Old Age Pension	\$1,846,246	\$1,116,438	(\$254,052)	\$862,386
Tobacco Funds	\$0	\$2,147,313	\$0	\$2,147,313
Total Letternote M	\$1,846,246	\$3,263,751	(\$254,052)	\$3,009,699
<u>Letternote O (Federal Funds)</u>				
	<u>HB 08-1375 Appropriation</u>	<u>Revised appropriation based on RMS</u>	<u>Removal of special bills and September 1331</u>	<u>Revised Supplemental Letternote</u>
<u>CBMS</u>				
TANF	\$6,569,316	\$3,550,978	(\$843,645)	\$2,707,333
Food Stamps	\$2,932,411	\$5,094,412	(\$384,738)	\$4,709,674
<u>SAS-70</u>				
TANF	\$42,539	\$20,498	\$0	\$20,498
Food Stamps	\$19,400	\$29,407	\$0	\$29,407
<u>Total</u>				
TANF	\$6,611,855	\$3,571,476	(\$843,645)	\$2,727,831
Food Stamps	\$2,951,811	\$5,123,819	(\$384,738)	\$4,739,081
Total Letternote O	\$9,563,666	\$8,695,295	(\$1,228,383)	\$7,466,912

\*See page 7 for CBMS Random Moment Sample appropriation. See also page 8 for Tobacco funds adjustment.

\*\* See table on page 9, Line B specifically the reductions for Old Age Pension, TANF, and Food Stamps.

Cash Fund Projections:

Health Care Supplemental Appropriations and Over Expenditures Account - The Joint Budget Committee and the Legislature set aside \$18.2 million cash funds in the Tobacco litigation settlement cash fund in the Health Care Supplemental Appropriations and Over Expenditures Account in the Treasury to address supplementals and over expenditures related to the Colorado Benefits Management System, per H.B. 07-1359, subsequently amended by S.B. 08-127. Additionally in the same account \$6.2 million was set aside for over expenditures or supplementals related to the children's basic health plan trust. However, based on statute if the funds for the children's basic health plan are not needed they can be used to address over expenditures or supplementals related to CBMS, (24-22-115) (4)(a), C.R.S. (2008). The table on the following page illustrates the use and availability of funds in the account as well as Department supplemental requests.

<b>Tobacco Litigation Settlement Cash Fund - Health Care Supplemental Appropriations and Over Expenditures Account</b>				
	<b>Beginning Balance</b>	<b>Children's Basic Health Plan Trust</b>	<b>CBMS Over expenditures or Supplementals</b>	<b>Comments</b>
H.B. 07-1359 amended by S.B. 08-127	\$24,400,000	\$6,200,000	\$18,200,000	Per H.B. 07-1359 amended by S.B. 08-127. These funds will revert to the Tobacco litigation settlement cash fund if not appropriated in a supplemental bill enacted by the General Assembly by Aril 15, 2009.
Transfer to HCPF FY 2007-08	(\$1,239,129)	(\$1,239,129)	\$0	
Transfer to DHS FY 2007-08	(\$1,172,530)	\$0	(\$1,172,530)	
<b>FY 2007-08 Ending Balance</b>	<b>\$21,988,341</b>	<b>\$4,960,871</b>	<b>\$17,027,470</b>	
Transfer to DHS FY 2008-09	(\$380,860)	\$0	(\$380,860)	Address of Food Stamps Sanction September 2008 1331
Transfer to DHS FY 2008-09	(\$989,947)	\$0	(\$989,947)	
<b>Balance as of November 20, 2008</b>	<b>\$20,617,534</b>	<b>\$4,960,871</b>	<b>\$15,656,663</b>	
Pending Food Stamps Settlement	(\$10,082,040)	\$0	(\$10,082,040)	Food Stamps case settlement-1331 submitted to the JBC December 2008
Pending CBMS Reallocation (S-11)	(\$3,728,466)	\$0	(\$3,728,466)	FY 2008-09 S-11 to reallocate funding for CBMS for FY 2004-05, 2005-06, 2006-07 and 2007-08. Submitted to the JBC January 2, 2009.
Pending CBMS Refinance (S-12)	(\$2,875,138)	\$0	(\$2,875,138)	FY 2008-09 S-12 to refinance FY 2008-09 CBMS appropriation. Of the total \$2.9 million requested, \$933,301 is requested to be appropriated to the Department of Health Care Policy and Financing and then reappropriated to the Department of Human Services. Submitted to the JBC January 2, 2009.
Funds available for Children's Basic Health Plan		(\$4,960,871)	\$4,960,871	HB 07-1359, subsequently amended by SB 08-128, allows for the use of funds set aside for overexpenditures and supplementals related to the Children's Basic Health Plan to be used for overexpenditures and supplementals related to the Colorado Benefits Management System, if the funds are not needed for the Children's Basic Health Plan. 24-22-115 (4) (a), C.R.S. (2008)
Additional CBMS refinancings and CBMS Food Stamps sanctions.	(\$3,931,890)		(\$3,931,890)	
<b>Projected balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	Assumes approval of above three lines consistent with the request.

*STATE OF COLORADO FY 07-08 BUDGET REQUEST CYCLE: DEPARTMENT OF HUMAN SERVICES AND HEALTH CARE POLICY AND FINANCING*

Assumptions for Calculations:

The allocation of CBMS operating costs is to be distributed to all system partners based on the most recent Random Moment Sample statistics.

Impact on Other Government Agencies:

The impact to both the Department of Human Services and the Department of Health Care Policy and Financing, will be an increase need in State funds for FY 2008-09 due to the reallocation of CBMS Federal Participation Rates based on the CBMS Modified RMS Statistics.

HCP&F Summary of Request FY 08-09	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Supplemental Request	\$933,301	\$0	\$218,619	\$0	\$714,682
Total CBMS	\$927,944	\$0	\$217,364	\$0	\$710,580
SAS-70	\$5,357	\$0	\$1,255	\$0	\$4,102

Health Care Policy & Financing CBMS Calculator	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
CBMS					
FY 2008-09 Appropriation	\$7,933,727	\$3,716,692	\$474,630	\$0	\$3,742,405
SB 08-006	\$94,093	\$44,079	\$5,630	\$0	\$44,384
SB 08-160	\$31,866	\$0	\$16,835	\$0	\$15,031
SB 08-161	\$5,554	\$0	\$2,933	\$0	\$2,621
HB 08-1046	\$26,408	\$12,371	\$1,580	\$0	\$12,457
Sept 1331 Supplemental	\$867,750	\$406,512	\$51,913	\$0	\$409,325
Total CBMS	\$8,959,398	\$4,179,654	\$553,521	\$0	\$4,226,223
SAS-70	\$51,718	\$24,229	\$3,094	\$0	\$24,395
Total	\$9,011,116	\$4,203,883	\$556,615	\$0	\$4,250,618

*STATE OF COLORADO FY 07-08 BUDGET REQUEST CYCLE: DEPARTMENT OF HUMAN SERVICES AND HEALTH CARE POLICY AND FINANCING*

Health Care Policy & Financing CBMS RMS	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
CBMS					
FY 2008-09 Appropriation	\$8,755,442	\$4,360,167	\$23,634	\$0	\$4,371,641
SB 08-006	\$103,837	\$51,711	\$280	\$0	\$51,846
SB 08-160	\$6,129	\$0	\$3,069	\$0	\$3,060
SB 08-161	\$35,166	\$0	\$17,608	\$0	\$17,558
HB 08-1046	\$29,142	\$14,513	\$78	\$0	\$14,551
Sept 1331 Supplemental	\$957,625	\$476,893	\$2,585	\$0	\$478,147
Total CBMS	\$9,887,341	\$4,903,284	\$47,254	\$0	\$4,936,803
SAS-70	\$57,075	\$28,424	\$154	\$0	\$28,497
Total	\$9,944,416	\$4,931,708	\$47,408	\$0	\$4,965,300

Health Care Policy & Financing CBMS Refinance Supplemental	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
CBMS					
FY 2008-09 Appropriation	\$821,715	\$643,475	(\$450,996)	\$0	\$629,236
SB 08-006	\$9,744	\$7,632	(\$5,350)	\$0	\$7,462
SB 08-160	(\$25,737)	\$0	(\$13,766)	\$0	(\$11,971)
SB 08-161	\$29,612	\$0	\$14,675	\$0	\$14,937
HB 08-1046	\$2,734	\$2,142	(\$1,502)	\$0	\$2,094
Sept 1331 Supplemental	\$89,875	\$70,381	(\$49,328)	\$0	\$68,822
Total CBMS	\$927,943	\$723,630	(\$506,267)	\$0	\$710,580
Tobacco Funds Adjust	\$0	(\$723,630)	\$723,630		
Total CBMS Supp	\$927,943	\$0	\$217,363	\$0	\$710,580
SAS-70	\$5,357	\$4,195	(\$2,940)	\$0	\$4,102
Tobacco Funds Adjust		(\$4,195)	\$4,195		
Total SAS-70 Supp	\$5,357	\$0	\$1,255	\$0	\$4,102
Supplemental Request	\$933,300	\$0	\$218,618	\$0	\$714,682

Treasury Summary of Request FY 08-09	Total	General Fund	Cash Fund	Reappropriated Funds	Federal Funds
Supplemental Request	(\$2,875,139)	\$0	(\$2,875,139)	\$0	\$0
Transfer from Treasury—CDHS	(\$2,147,313)	\$0	(\$2,147,313)	\$0	\$0
Transfer from Treasury—HCP&F	(\$727,826)	\$0	(\$727,826)	\$0	\$0

Cost Benefit Analysis:

By approving the Departments request to utilize \$2,875,139 of the Tobacco Litigation Settlement Moneys initially set aside in HB07-1359 and later extended in SB08-127, CBMS will be in compliance with the SFY07 approved PACAP. Without this adjustment, the State would impose an \$8,952,051 restriction on CBMS. A restriction of that magnitude would in essence create a situation where CBMS would not be able to continue to operate and issue accurate benefits to the citizens of the Colorado.

Implementation Schedule:

All The CBMS funding participation partners will be reimbursed as soon as the increased spending authority has been approved.

Statutory and Federal Authority:

OMB-Circular A-87 – State and Local Indirect Cost Rate Proposals.

“Indirect cost allocations not using rates. In certain situations, a governmental unit, because of the nature of its awards, may be required to develop a cost allocation plan that distributes indirect (and, in some cases, direct) costs to the specific funding sources. In these cases, a narrative cost allocation methodology should be developed, documented, maintained for audit, or submitted as appropriate, to the cognizant agency for review, negotiation, and approval.”

CFR – Code of Federal Regulations – Title 45, Volume 1 – Part 95 – Sub-Part E, Sec. 95.517: Claims for Federal Financial Participation.

- (a) A State must claim FFP for costs associated with a program only in accordance with its approved cost allocation plan. However, if a State has submitted a plan amendment for a State agency, it may, as its option claim FFP based on the proposed plan or plan amendment, unless otherwise advised by the DCA. However, where a State has claimed costs based on a proposed plan or plan amendment the State, if necessary, shall retroactively adjust its claims in of CBMS.

Senate Bill 08-127:

SECTION 1. 24-22-115 (4) (a), Colorado Revised Statutes, is amended to read:

(4) (a) The Health Care Supplemental Appropriations and Over expenditures Account is hereby created in the Tobacco Litigation Settlement Cash Fund. Notwithstanding any other provision of this Section or Section 24-22-115.5, upon receipt of any moneys paid to the state treasurer in April 2007 in accordance with the terms of the master settlement agreement, the smokeless tobacco master settlement agreement, and the consent decree approved and entered by the court in the case denominated *State of Colorado, ex rel. Gale a. Norton, Attorney General v. R.J. Reynolds Tobacco Co.; American Tobacco Co., Inc.; Brown & Williamson Tobacco Corp.; Liggett & Myers, Inc.; Lorillard Tobacco Co., inc.; Philip Morris, Inc.; United States Tobacco Co.; B.A.T Industries, P.L.C.; the Council for Tobacco Research--U.S.A. Inc.; and Tobacco Institute, Inc.*, case no. 97 cv 3432, in the district court for the City and County of Denver, other than attorney fees and costs, the state treasurer shall credit to the account twenty-four million four hundred thousand dollars of such moneys not required to be allocated to tobacco settlement programs for the 2007-08 fiscal year pursuant to section 24-75-1104.5.

(1). All interest and income earned on the deposit and investment of moneys in the account shall be credited to the breast and cervical cancer prevention and treatment fund created in section 25.5-5-308, C.R.S., six million two hundred thousand dollars of the moneys in the account may be used only for over expenditures or supplemental appropriations to the children's basic health plan trust created pursuant to section 25.5-8-105,c.r.s., for the 2006-07 and 2007-08 fiscal years or, to the extent not needed for that purpose, for over expenditures or supplemental appropriations for the Colorado benefits



management system for the 2006-07, 2007-08 or 2008-09 fiscal years. All other moneys in the account may be used only for over expenditures or supplemental appropriations for the Colorado benefits management system for the 2006-07, 2007-08 or 2008-09 fiscal years. All moneys in the account not appropriated for the 2006-07, 2007-08 or 2008-09 fiscal years pursuant to a supplemental appropriations bill enacted by the general assembly or approved for over expenditure by a majority of the members of the joint budget committee of the general assembly as evidenced by the receipt by the state controller of written confirmation of such approval pursuant to section 24-75-111 (1) (c) (I) (c) on or before April 15, 2009, shall revert to the tobacco litigation settlement cash fund on April 16, 2009, and be allocated as specified in this section, section 24-22-115.5, and part 11 of article 75 of this title.

**Performance Measures:**

The CBMS is an integral part of all three IT Performance Measures; (1) Program System Application Availability, (2) County Users Access to DHS System Applications, and (3) Protection of Electronic Data, for the Department of Human Services Strategic Plan. The three Performance Measures outcomes rely on various systems data, which includes CBMS data to obtain their benchmarks.