



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

April 30, 2007

Re: Updated Allocation of Medicaid Funding for County Administration

Dear County Director:

With the passage of SB 06-219 on June 6, 2006, the Department of Health Care Policy and Financing assumed responsibility for allocating and disbursing Medicaid funding related to county administration for Health Care Policy and Financing clients. This letter is to update the July 19, 2006 allocation letter, to reflect an additional \$2,808,505 appropriated in SB 07-163 for increased workload from the Deficit Reduction Act of 2005 and HB 06S-1023, offset by a reduction of \$353,100 for technical issues surrounding the Department's appropriated fund splits. The net increase of these adjustments yields an additional \$2,455,405 for County Administration.

Additional funding was approved with the Department's Supplemental Bill, SB 07-163, to assist with the additional workload due to the verification of citizenship and/or lawful presence at the county level. The total increase to County Administration of \$2,808,505 is allocated in the attached spreadsheet assuming the same allocation percentages used to distributed the original amounts in the July 19, 2005 County Director letter.

In addition, the Department of Health Care Policy and Financing has reduced the overall county allocation by \$353,100 because of two technical adjustments associated with the Department's appropriated fund splits. The first adjustment relates to the funding for the Workload Study which was to be absorbed with the existing appropriation which assumes a 20% county share. However, in actuality, the Workload Study will be paid with only State and federal funds. As a result, the Department must use \$33,691 in additional General Fund (rather than county funds) to pay for the Workload Study that would have otherwise been used to reimburse counties. Since this funding is no longer available to reimburse counties, a corresponding loss of federal financial participation and unusable county share results in a total decrease of \$112,303 to be allocated to the counties.

The second adjustment relates to an issue that existed prior to the passage of SB 06-219. The appropriation that was transferred to the Department reflected funding splits slightly different than the 30% General Fund and 20% County Share. As a result, the Department does not have a sufficient General Fund appropriation to be able to use the entire Cash Funds Exempt and federal funds appropriation. This causes a total decrease of \$240,797 in the available funds to be allocated to the counties.

The updated total amount allocated to each county can be found in the [attached spreadsheet](#). The top table, which builds across, begins with the total original State appropriated funding (Column A) and carves out the money to be withheld for special purposes (Columns B-D), as well as the

“base” amounts for SFY 06-07 (Column E), adds in the supplemental appropriation (Column F), and deletes the technical adjustment (Column G) to develop the net available funds for allocation (Column H). The bottom table then starts with the “base” allocation for each county and adds to this amount the product of the total Medicaid funding remaining (\$18,903,801, from Column H) times the individual counties’ SFY 05-06 allocation as a percent of the total SFY 05-06 funding. The Medicaid “base” allocation for each county is equal to the SFY 06-07 “base” of \$67,715 per county times the ratio of original appropriation, excluding supplemental funding, for the Department of Health Care Policy and Financing funding equal to \$18,306,628, to the total State appropriated funding of \$54,336,623 (Column A).

If you have any questions regarding this letter, please feel free to contact Marta Fyffe at (303) 866-2310.

Sincerely,

Sue Williamson
Client and External Relations Office Director

cc: John Bartholomew
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