

Schedule 13

Funding Request for the FY 2022-23 Budget Cycle

Health Care Policy and Financing

Request Title

S-21 FY 2020-21 Overexpenditures

Dept. Approval By:

BL

X

Supplemental FY FY 2021-22

OSPB Approval By:

Meredith Moon

Budget Amendment FY FY 2022-23

Summary Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request	
	Total	\$1,169,478,830	\$0	\$1,217,297,136	\$0	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$225,108,333	\$0	\$258,615,595	\$0	\$0	\$0
	CF	\$90,367,545	\$0	\$109,960,876	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0	\$0
	FF	\$854,002,952	\$0	\$848,720,665	\$0	\$0	\$0

Line Item Information	Fund	FY 2021-22		FY 2022-23		FY 2023-24
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
03. Behavioral Health Community Programs - Behavioral Health Capitation Payments						
	Total	\$983,572,421	\$0	\$1,027,277,937	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$201,125,147	\$0	\$233,987,626	\$0	\$0
	CF	\$53,700,870	\$0	\$72,415,073	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$728,746,404	\$0	\$720,875,238	\$0	\$0

03. Behavioral Health Community Programs - Behavioral Health Fee-for-Service Payments						
	Total	\$15,151,534	\$0	\$15,147,517	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$2,923,821	\$0	\$2,927,199	\$0	\$0
	CF	\$1,037,775	\$0	\$1,037,789	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$11,189,938	\$0	\$11,182,529	\$0	\$0

05. Indigent Care Program - Children's Basic Health Plan Medical and Dental Costs						
	Total	\$170,754,875	\$0	\$174,871,682	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$21,059,365	\$0	\$21,700,770	\$0	\$0
	CF	\$35,628,900	\$0	\$36,508,014	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$114,066,610	\$0	\$116,662,898	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Health Care Policy and Financing Prioritized Request	Interagency Approval or Related Schedule 13s:	None



**Department Priority: S-21
Request Detail: FY 2020-21 Overexpenditure**

Summary of Funding Change for FY 2021-22			
		Incremental Change	
	FY 2021-22 Appropriation	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$1,169,478,830	\$0	\$0
FTE	0.0	0.0	0.0
General Fund	\$225,108,333	\$0	\$0
Cash Funds	\$90,367,545	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$854,002,952	\$0	\$0

Summary of Request

In FY 2020-21, the Department of Health Care Policy & Financing (the department) exceeded its appropriations for the Children’s Basic Health Plan Medical and Dental Costs, Behavioral Health Fee-for-Service Payments, and Behavioral Health Capitation Payments by \$784,169 total funds, including \$206,066 in General Fund, and \$578,103 in cash funds. As a result of these overexpenditures, the department’s FY 2021-22 appropriations are restricted.

The department seeks to address these overexpenditures so that the restrictions on its FY 2021-22 budget may be lifted.

Current Program

The department uses a combination of state and federal funds to provide services to members enrolled in Colorado's Medicaid and other medical programs. Pursuant to Section 24-75-109(1)(a), C.R.S., the department has overexpenditure authority to continue funding the Medicaid programs and for the purpose of closing the state's books. Section 24-75-109(3) requires that the State Controller restrict spending authority for the next fiscal year in the corresponding line items where the overexpenditures occurred.

Problem or Opportunity

In FY 2020-21, the department has exceeded its appropriations by \$784,169 total funds, including \$206,066 in General Fund and \$578,103 in cash funds in various line items within the department's budget.

The department exceeded its cash funds appropriation by \$380,355 in the Children's Basic Health Plan Medical and Dental Costs. It exceeded its General Fund appropriation by \$206,066 and cash funds appropriation by \$50,826 in Behavioral Health Fee-for-Service Payments, and it exceeded its cash funds appropriation by \$146,922 in Behavioral Health Capitation Payments.

Cash fund overexpenditures are due to higher than anticipated caseload growth in the Children's Basic Health Plan expansion programs, increased utilization of behavioral health fee-for-service expenditures that are excluded from coverage under the behavioral health capitation, and an increase in ACA expansion members with Medicaid coverage in Behavioral Health Capitation Payments.

The department's FY 2021-22 budget has been restricted by those amounts because of the overexpenditures.

Proposed Solution

The department requests a one-time increase of \$784,169 total funds, including \$206,066 General Fund and \$578,103 cash funds in FY 2020-21 so that the State Controller may lift the accompanying restrictions in the FY 2021-22 budget. The requested funding will resolve FY 2020-21 overexpenditures in the various Long Bill lines and will remove the restrictions on the department's FY 2021-22 budget. No additional funding is requested for FY 2021-22, FY 2022-23, or FY 2023-24. While the department did overexpend federal funds in some of the various line items, the Office of the State Controller has not restricted the federal funds, and thus, the department does not request any supplemental federal funds spending authority in FY 2020-21.

This is a technical request and is not reflected on the OSPB evidence continuum.

Anticipated Outcomes

This supplemental will provide additional appropriations required for the department to continue providing services to Medicaid members. If approved, the requested funding will resolve overexpenditures in FY 2020-21 and remove funding restrictions in FY 2021-22.

Assumptions and Calculations

Actual expenditure data presented in this request is the most up-to-date information in CORE as of submission. Data by line item can be found in Table 1.1 of Appendix A. Additional data and calculations can also be found in the tables of Appendix A.

Supplemental, 1331 Supplemental or Budget Amendment Criteria

The supplemental funding request is being made due to new information on the amount of funding that the department overexpended in FY 2020-21.

S-21: FY 2020-21 Overexpenditure
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2020-21								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(3) Behavioral Health Community Programs, Behavioral Health Capitation Payments	\$146,922	0.0	\$0	\$146,922	\$0	\$0	Table 3.1 Row B
B	(3) Behavioral Health Community Programs, Behavioral Health Fee-for-Service Payments	\$256,892	0.0	\$206,066	\$50,826	\$0	\$0	Table 3.1 Row C
C	(5) Indigent Care Program, Children's Basic Health Plan	\$380,355	0.0	\$0	\$380,355	\$0	\$0	Table 3.1 Row A
D	Total Request	\$784,169	0.0	\$206,066	\$578,103	\$0	\$0	Sum of Rows A thru C

S-21: FY 2020-21 Overexpenditure
Appendix A: Assumptions and Calculations

Table 2.1 Summary by Initiative FY 2020-21								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Notes/Calculations
A	Behavioral Health Overexpenditures	\$403,814	0.0	\$206,066	\$197,748	\$0	\$0	Row B + Row C
B	<i>Capitations</i>	\$146,922	0.0	\$0	\$146,922	\$0	\$0	Table 3.1 Row A
C	<i>Fee-for-Service</i>	\$256,892	0.0	\$206,066	\$50,826	\$0	\$0	Table 3.1 Row B
D	Children's Basic Health Plan Overexpenditure	\$380,355	0.0	\$0	\$380,355	\$0	\$0	Row E
E	<i>Medical and Dental Costs</i>	\$380,355	0.0	\$0	\$380,355	\$0	\$0	Table 3.1 Row C
F	Total Request	\$1,568,338	0.0	\$412,132	\$1,156,206	\$0	\$0	Row A + Row D

S-21: FY 2020-21 Overexpenditure
Appendix A: Assumptions and Calculations

Table 3.1: Summary of FY 2020-21 Overexpenditures							
Row	Item	Total Funds	General Fund	Cash Funds ¹	Reappropriated Funds	Federal Funds ²	Source
A	Behavioral Health Capitation Payments Appropriation Overexpenditure	\$146,922	\$0	\$146,922	\$0	\$0	Table 3.2 Row C
B	Behavioral Health Fee-for-Service Payments Appropriation Overexpenditure	\$256,892	\$206,066	\$50,826	\$0	\$0	Table 3.3 Row C
C	Children's Basic Health Plan Appropriation Overexpenditure	\$380,355	\$0	\$380,355	\$0	\$0	Table 3.4 Row C
D	Total Request	\$784,169	\$206,066	\$578,103	\$0	\$0	Sum of Rows A through C

¹Cash funds include Breast and Cervical Cancer Prevention and Treatment fund and the Colorado Healthcare Affordability and Sustainability Enterprise fund.

²Federal Funds are not restricted by the Office of the State Controller and are therefore not included in the FY 2020-21 Overexpenditure Request.

Table 3.2: Summary of (3) Behavioral Health Community Programs, Behavioral Health Capitation Payments FY 2020-21 Overexpenditure							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source
A	Behavioral Capitation Payments Appropriation	\$869,040,805	\$192,069,989	\$52,571,736	\$0	\$624,399,080	FY 2019-20 Appropriation (Long Bill, Special Bills, Supplemental Bill and Add-On)
B	Behavioral Health Capitation Payments Expenditure	\$811,992,425	\$173,123,597	\$52,718,658	\$0	\$586,150,170	FY 2019-20 Actual Expenditures in CORE
C	Over/(Under) Expenditure	(\$57,048,380)	(\$18,946,392)	\$146,922	\$0	(\$38,248,910)	Row B - Row A

Table 3.3: Summary of (3) Behavioral Health Community Programs, Behavioral Health Fee-for-Service Payments FY 2020-21 Overexpenditure							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source
A	Behavioral Health Fee-for-Service Payments Appropriation	\$13,863,346	\$2,486,792	\$938,389	\$0	\$10,438,165	FY 2019-20 Appropriation (Long Bill, Special Bills, Supplemental Bill and Add-On)
B	Behavioral Health Fee-for-Service Payments Expenditure	\$14,851,894	\$2,692,858	\$989,215	\$0	\$11,169,821	FY 2019-20 Actual Expenditures in CORE
C	Over/(Under) Expenditure	\$988,548	\$206,066	\$50,826	\$0	\$731,656	Row B - Row A

Table 3.4: Summary of (5) Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs FY 2020-21 Overexpenditure							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Source
A	Children's Basic Health Plan Appropriation	\$171,992,113	\$4,554,117	\$43,629,778	\$0	\$123,808,218	FY 2019-21 Appropriation (Long Bill, Special Bills, Supplemental Bill and Add-On)
B	Children's Basic Health Plan Expenditure	\$166,658,064	\$3,152,228	\$44,010,133	\$0	\$119,495,703	FY 2019-21 Actual Expenditures in CORE
C	Over/(Under) Expenditure	(\$5,334,049)	(\$1,401,889)	\$380,355	\$0	(\$4,312,515)	Row B - Row A