Department of Health Care Policy and Financing

Funding Request for the FY 2026-27 Budget Cycle

Request Title

R-10 Administrative True Up- DDS Increase

Dept. Approval By: _____ ____ **Supplemental FY 2025-26**

OSPB Approval By: _____ ____ **Budget Amendment FY 2026-27**

X **Change Request FY 2026-27**

Summary Information	Fund	FY 2025-26 Initial Appropriation	FY 2025-26 Supplemental Request	FY 2026-27 Base Request	FY 2026-27 Change Request	FY 2027-28 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$5,588,957**	**$0**	**$5,588,957**	**$1,381,020**	**$1,490,460**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,234,071	$0	$1,234,071	$837,000	$872,569
	CF	$913,169	$0	$913,169	($146,491)	($127,338)
	RF	$0	$0	$0	$0	$0
	FF	$3,441,717	$0	$3,441,717	$690,511	$745,229

Line Item Information	Fund	FY 2025-26 Initial Appropriation	FY 2025-26 Supplemental Request	FY 2026-27 Base Request	FY 2026-27 Change Request	FY 2027-28 Continuation
	Total	**$5,588,957**	**$0**	**$5,588,957**	**$1,381,020**	**$1,490,460**
01. Executive Director's Office, (C) Eligibility Determinations and Client Services, (1) Eligibility Determinations and Client Services - Contracts for Special Eligibility Determinations	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$1,234,071	$0	$1,234,071	$837,000	$872,569
	CF	$913,169	$0	$913,169	($146,491)	($127,338)
	RF	$0	$0	$0	$0	$0
	FF	$3,441,717	$0	$3,441,717	$690,511	$745,229

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Health Care Policy and Financing Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Governor Jared Polis
FY 2026-27 Funding Request

Kim Bimestefer, Executive Director
Department of Health Care Policy and Financing
November 3, 2025

Department Priority: R-10
Administrative True-Up

Summary of Funding Change for FY 2026-27

Fund Type	FY 2026-27 Base Request	FY 2026-27 Incremental Request	FY 2027-28 Incremental Request
Total Funds	$230,647,817	$1,381,020	$1,490,460
General Fund	$61,892,224	$55,402	$90,066
Cash Funds	$21,627,957	($565,456)	($546,812)
Reappropriated Funds	$3,292,942	$0	$0
Federal Funds	$143,834,694	$1,891,074	$1,947,206
FTE	795.6	1.8	2.0

Summary of Request

Problem or Opportunity

This request addresses two operational needs. First, the Department's Third-Party Liability (TPL) program currently relies on post-payment recovery and vendor contracts to identify other insurance coverage. This approach is less efficient than cost avoidance methods. To modernize operations, the Department must enhance its Medicaid Management Information System (MMIS) functionality and add internal staff support. Second, Disability Determination Services has seen annual increases in application volume without an increase in funding. This has inhibited the vendor's ability to meet timeliness requirements.

Proposed Solution

The Department requests reallocating funds from the TPL contract line to the MMIS contract line to support the expansion of direct carrier data, pre-claim editing, and post-payment recovery functionality. The Department requests additional funds for the Disability Determination services to increase capacity and ensure timely disability determinations are completed for members.

Fiscal Impact of Solution

The Department requests $1,381,021 total funds in FY 2026-27, including $55,719 in General Fund, a reduction of $565,278 in cash funds, and $1,890,580 in federal funds. The request includes 1.8 FTE to support enhancements to the MMIS TPL subsystem and maintain timeliness, quality, and contractual compliance in Disability Determination services.

Requires Legislation	Colorado for All Impacts	Revenue Impacts	Impacts Another Department?	Statutory Authority
No	Positive	No	No	25.5-4-301 (5) (a), 26-2-119 (1) (a), C.R.S.

Background and Opportunity

Third-Party Liability

The Department is responsible for administering Health First Colorado, Colorado's Medicaid program, including the federally mandated[1] Third Party Liability (TPL) function. TPL ensures Medicaid remains the payer of last resort by identifying other responsible insurers, such as commercial health plans, and either preventing payments or recovering funds when other coverage should have been applied.

Pre-payment validation refers to checks within the MMIS that verify other insurance coverage is active before a claim is paid. A more advanced form of this is pre-claim editing, which allows the system to automatically deny a claim at the point of submission if other insurance is responsible. This approach avoids improper payments entirely.

Currently, the Department's ability to perform pre-payment validation is limited and reliant on purchasing costly data from vendors. The MMIS TPL subsystem uses the third party data to cost-avoid claims but lacks direct connections with commercial carriers to trigger comprehensive provider-specific business rules. Pre-claim logic is only implemented for a single commercial insurer (Kaiser), with additional providers, such as Anthem and Cigna, yet to be engaged. Without expanded pre-claim capabilities, the Department would continue to rely on costly purchases of data and on post-payment recovery, increasing administrative burden and reducing efficiency.

Several challenges have contributed to the current limitations. Underinvestment in MMIS enhancements has limited the growth of system-driven cost avoidance. The Department lacks dedicated, internal subject matter expertise to manage the development and implementation of provider-specific business rules. Additionally, the TPL appropriation is fully obligated to vendor contracts, leaving no flexible funding to support strategic system changes or new staffing.

The consequences of these constraints are significant. Limited pre-claim edits lead to avoidable Medicaid expenditures and heightened audit risk, such as the Department's ability to meet federal expectations under the Payment Error Rate Measurement (PERM)

[1] Code of Federal Regulations42 CFR 433.139(a)(1)

program, a federal audit conducted every three years to measure improper payments. PERM findings often cite a failure to cost-avoid claims when a third party liability is known, leading to financial penalties and corrective action requirements. Without sufficient funding for system enhancements and staff capacity, the TPL Unit is unable to implement comprehensive front-end validation processes to reduce these errors. As a result, the Department faces increased difficulty responding to PERM findings and ongoing federal scrutiny.

Disability Determination Services

Disability determinations allow the Department to assess whether a member's medical condition qualifies for Medicaid benefits under disability-based eligibility. This process ensures that coverage is appropriately limited to individuals meeting statutory criteria.Administrative costs associated with disability determinations should be allocated according to the proportion of cases from traditional Medicaid versus the expansion population.

Fund Split True-Up

The current appropriation funds the DDS vendor contract with an over-reliance on the Healthcare Affordability and Sustainability (HAS) Fee, which is intended to cover the non-federal share for expansion population services. Based on updated enrollment data, the contract should be funded with a greater share of General Fund dollars to better align with the actual distribution of disability-related applications. This request corrects the fund split to reflect that methodology.

The Department uses caseload projections to determine the appropriate allocation of administrative costs between the General Fund and HAS Fee Cash Fund. Based on updated caseload analysis, approximately 66% of determinations serve the traditional Medicaid population and 34% serve the expansion population. However, the current appropriation does not reflect this distribution.

Cost Projection

The Disability Determination Services (DDS) program plays a critical role in ensuring timely access to services for individuals with disabilities. Monthly application volume has increased to approximately 1,250 cases, reflecting sustained growth in demand. However, the current contract appropriation has not kept pace with this increase, placing pressure on the vendor's ability to meet the 60-day timeliness standard required under the contract. Currently, the contractor is allowed a bonus when the determinations are completed in that timeframe. The contractor has not received the timely bonus since December 2023.

The current FY 2025-26 appropriation did not account for the recent surge in applications. Without an increase in funding, the Department risks continuity of services, maintaining

contractual performance, and supporting the Department's statutory obligations to individuals with disabilities.

Proposed Solution and Anticipated Outcomes

The Department requests $1,381,021 total funds, including $55,719 in General Fund, a reduction of $565,278 in cash funds, $1,890,580 in federal funds, and 1.8 FTE in FY 2026-27 to enhance the MMIS TPL subsystem and ensure Disability Determination services maintain timeliness, quality, and contractual compliance.

Third-Party Liability

The Department requests to reallocate $3 million from the TPL line item to the MMIS line item to support MMIS enhancements and to expand pre-claim editing to additional insurance providers. An additional $200k is requested for two FTE, a policy subject matter expert (SME) and a program administrator. Their roles will be to develop provider-specific business rules, execute data sharing agreements, and coordinate MMIS's TPL subsystem enhancements.

By shifting from labor-intensive post-payment recovery to pre-claim cost avoidance, the Department reduces administrative burden and preserves public resources. The existing pre-claim edit with Kaiser is generating approximately $500,000 in annual cost avoidance.

This approach aligns with federal CMS guidance,[2] which prioritizes cost avoidance as the preferred method for enforcing TPL. Lastly, by building these enhancements directly into the MMIS, the Department reduces its dependence on vendor data and strengthens the sustainability Health First Colorado.

The Department will track performance using the following metrics:

- Vendor timeliness in completing disability determinations within 60 days
- Accuracy rate of implemented business rules within MMIS
- Reduction in post-payment recoveries for overlapping coverage
- Dollar value of claims denied through pre-claim edits

This approach leverages existing infrastructure, maximizes federal match, and enables internal ownership of cost avoidance functions. It will positively impact service delivery by reducing retroactive claim adjustments for providers, improving accuracy, minimizing improper payments, and strengthening Health First Colorado's compliance with increasing federal oversight.

[2] CMS Oversight of Cost-Avoidance Waivers

If this request is not approved, the Department would miss an opportunity to prevent unnecessary spending. Health First Colorado would continue to pay claims that could be avoided, and Colorado risks falling behind the curve in implementing best practices.

Disability Determination Services

Fund Split True-Up

To address the current fund split misalignment, the Department proposes an administrative true-up to reallocate base funding for the DDS program. This adjustment will align the cost allocation with updated caseload projections, ensuring that administrative costs for disability determinations are distributed appropriately between the General Fund and the HAS Fee Cash Fund.

The proposed solution is the most efficient and accurate method for correcting the funding imbalance. It applies the Department's established cost allocation methodology based on the proportion of determinations associated with traditional (66%) versus expansion Medicaid population (34%). This correction ensures that each fund source is contributing equitably based on actual service utilization.

By aligning fund sources with caseload distribution, the Department strengthens compliance with federal and state funding principles and ensures that the HAS Fee is not used to subsidize services outside the scope of its intended purpose. The correction also enhances transparency in budgeting and supports long-term fiscal sustainability for both fund sources.

The success of this solution will be evaluated by confirming that the revised appropriation reflects the updated allocation based on caseload data. Performance will be monitored through:

- Ongoing tracking of caseload distribution by eligibility category
- Quarterly reconciliation of fund usage against projected allocation ratios
- Annual budget review and financial reporting to confirm alignment

Service delivery will remain unchanged as this is an administrative funding correction. If this request is not approved, the current misalignment will persist, resulting in the HAS Fee continuing to cover a disproportionate share of costs for services intended for the traditional Medicaid population. This would undermine the integrity of the Department's cost allocation practices, create fiscal pressure on the HAS Fee Cash Fund, and increase the likelihood of audit findings related to improper fund use.

This request ensures compliance, improves fiscal accountability, and preserves the integrity of Medicaid financing by applying a data-driven, policy-consistent funding correction.

Cost Projection

The Department requests $1.27 million in additional funding in FY 2025–26, bringing the annual contract budget to $4.27 million. This amount reflects the current cost of processing applications of $285 per case, and includes the cost of required third-party audit services. Without this adjustment, the Department risks application backlogs, delays in eligibility determinations, and noncompliance with performance standards.

This funding supports timely determinations that enable access to downstream services and protect the integrity of the Department's eligibility and benefits system. A delay in determinations impacts multiple programs that rely on accurate and timely DDS decisions for enrollment and benefits management.

To meet current workload levels of approximately 1,250 applications per month at $285 per application, the Department projects a total annual need of $4.27M. This represents an increase of $1.27M in FY 2025–26 and $1.38M in FY 2026–27. It aligns resources with rising application volume ensuring continued compliance with contractual performance requirements. This funding is necessary to maintain service quality, prevent application backlogs, and support timely eligibility decisions for individuals with disabilities.

The Department will track performance through established metrics, including the percentage of determinations completed within the 60-day standard, monthly caseload trends, and third-party audit compliance. These measures will ensure accountability as the vendor scales operations to meet growing demand.

Failure to approve this request would risk disruptions in service delivery, including halted determinations and delayed access to care. These consequences would disproportionately impact Coloradans with disabilities and low income, undermining the Department's goals related to access, equity, and timely enrollment.

Supporting Evidence and Evidence Designation

This request is not applicable under H.B. 24-1428. It is a technical true-up for operational continuity, supported by workload and spending data.

Promoting Colorado for All

Disability Determinations: Positive Impact
This request aligns with the Governor's goal on access to healthcare ensuring that individuals with disabilities receive timely access to services, resulting in a key positive equity outcome. Disability Determinations is achieving the Department's WIG 1: Medicaid Sustainability & Efficiency by aligning funding with actual program utilization and reducing inappropriate subsidy from the HAS Fee.

Third-Party Liability: Neutral Impact

This request aligns with the Governor's goal of saving people money on healthcare with an internal system enhancement. It is a neutral impact whereby the request does not directly impact service access or eligibility, it is focused on back-end cost avoidance and federal compliance. Third-Party Liability is directly linked to the Department's WIG 1: Medicaid Sustainability & Efficiency. The Department is adjusting the appropriation to more accurately reflect the Department's need and thereby increasing recoveries and prospective cost avoidance.

Assumptions and Calculations

Third-Party Liability

The TPL cost reduction is based on FY 2024–25 contract deliverables. The Department initially overestimated the number of vendor assessments and the associated cost avoidance. Actual volumes support a reduction of $3.2M total funds from the TPL contract line in FY 2026–27. The MMIS enhancements will expand pre-claim editing functionality, reducing the number of claims that require recovery. However, the vendor will continue to perform post-payment reviews, data matching, and recovering claims where real-time eligibility data is unavailable.

Redirected funds will support a $3M investment in MMIS system enhancements, including expanded pre-claim editing functionality. This funding qualifies for the enhanced 90% FFP rate. The shift in funding allows the Department to maximize available federal match and modernize TPL operations.

The request also includes funding for 1.8 FTE to support implementation. These positions are scheduled to start August 1, 2026, and will be funded at a 90% FFP rate. FTE costs were calculated at the minimum of the salary range for the classifications identified. These roles will support the development of provider-specific business rules, management of data sharing agreements, and coordination of MMIS subsystem improvements.

The 1.0 FTE Statistical Analyst III would support the MMIS TPL subsystem by formalizing and executing business processes needed for carrier coordination, data-sharing, and system enhancements. Specifically, this FTE would:

- Design, implement, and maintain provider-specific TPL business rules within the MMIS, including rules targeting cost avoidance and pre-claim edits;
- Perform data analysis across Medicaid claims, eligibility, and third-party carrier files to identify patterns in coverage and flag irrelevant or missing TPL indicators;
- Collaborate with IT system vendors to scope and test MMIS system enhancements to the TPL subsystem, ensuring alignment with Department priorities and federal regulations;

- Act as the operational lead for establishing and executing data sharing agreements with commercial carriers, including coordination with legal, privacy, and compliance teams;
- Conduct ongoing evaluation of data feeds received from commercial carriers to assess match rates, data quality, and integration opportunities into MMIS and the TPL vendor subsystem;
- Track and document cost avoidance outcomes related to business rules and pre-claim editing activities, reporting findings to CMS as required;
- Support cross-functional collaboration with the Department and TPL vendors to assess performance and identify new system enhancement opportunities.

The 1.0 FTE Administrator III would provide essential administrative and operational support to ensure continuity of work related to TPL enhancements, MMIS coordination, and commercial carrier engagement. Specifically, this FTE would:

- Maintain internal records and tracking logs for all executed and pending data sharing agreements, including version control and submission deadlines;
- Manage schedules, prepare meeting materials, and coordinate stakeholder engagement meetings with internal teams, external vendors, and commercial carriers;
- Assist in organizing, tracking, and filing MMIS enhancement requests and supporting documentation for system change boards and vendor coordination;
- Provide support in documenting business processes related to TPL enhancement activities, including drafting standard operating procedures and meeting summaries;
- Monitor and triage communications across shared inboxes related to TPL operations, data sharing agreements, and MMIS enhancements, escalating items to appropriate staff;
- Assist with formatting and submitting CMS documentation, such as Advance Planning Documents or federal match justifications, when requested;
- Provide logistical support for onsite and virtual meetings, vendor demos, provider briefings, and workgroups, including notetaking and follow-up tracking;
- Perform other administrative and office coordinator duties as needed to support timely execution of project deliverables.

Disability Determination Services

Fund Split True-Up

To support the fund split realignment, the Department determined that 66% of Disability Determination applications are for individuals on traditional Medicaid, funded by the General Fund, and 34% are for individuals in the expansion population, funded through the HAS Fee. The remaining cost is attributed to the federal government's share, which is held constant at 50% FFP across both fund sources. The state share was allocated using the updated caseload distribution assumptions: 66% of the total cost in GF, and 34% in HAS Fee.

Cost Projection

Based on caseload trends, the Department projects an average monthly volume of 1,250 applications, consistent with the 14,776 applications processed between July 2024 and June 2025. This reflects a notable increase from 8,917 in FY 2023-24 and 7,696 in FY 2022-23, indicating a sustained upward trajectory. The 1,250/month estimate serves as a stable planning baseline for FY 2025-26,with an annual growth rate of 2.5%. Vendor processing costs are contracted at $285 per application, which includes initial reviews and contractually required third-party auditing. No change in internal staffing is anticipated. These assumptions are reflected in the summary table and supporting calculations in the appendix and form the basis of the requested true-up to ensure adequate funding across all fund sources.

No additional evaluation funding is requested beyond the embedded third-party audit function, which provides ongoing performance oversight and data validation. This budget request includes both a funding source realignment and a contract increase to preserve program performance and ensure compliance.

At this time, there are no anticipated impacts to other departments and no statutory changes are required for this request.

R-10 Administrative True Up
Appendix A: Assumptions and Calculations

Table 1.0
Summary by Line Item
FY 2025-26

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office (C) Eligibility Determinations and Client Services, Contracts for Special Eligibility Determinations	$1,275,000	0.0	$802,544	($165,044)	$0	$637,500	50.0%	Table 2.0 Row C
B	**Total Request**	**$1,275,000**	**0.0**	**$802,544**	**($165,044)**	**$0**	**$637,500**		**Sum of Row A**

Table 1.1
Summary by Line Item
FY 2026-27

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office (A) General Administration, Personal Services	$144,333	1.8	$23,790	$12,293	$0	$108,250	75.0%	Table 5, FTE Calculations
B	(1) Executive Director's Office (A) General Administration, Health, Life, and Dental	$29,720	0.0	$4,899	$2,531	$0	$22,290	75.0%	Table 5, FTE Calculations
C	(1) Executive Director's Office (A) General Administration, Short-term Disability	$205	0.0	$34	$18	$0	$153	75.0%	Table 5, FTE Calculations
D	(1) Executive Director's Office (A) General Administration, Unfunded Liability AED Payments	$12,767	0.0	$2,104	$1,088	$0	$9,575	75.0%	Table 5, FTE Calculations
E	(1) Executive Director's Office (A) General Administration, Paid Family and Medical Leave Insurance	$575	0.0	$95	$49	$0	$431	75.0%	Table 5, FTE Calculations
F	(1) Executive Director's Office (A) General Administration, Operating Expenses	$15,352	0.0	$2,530	$1,308	$0	$11,514	75.0%	Table 5, FTE Calculations
G	(1) Executive Director's Office (A) General Administration, Leased Space	$9,300	0.0	$1,533	$792	$0	$6,975	75.0%	Table 5, FTE Calculations
H	(1) Executive Director's Office (B) Information Technology Contracts and Projects, Medicaid Management Information System Maintenance and Projects	$3,000,000	0.0	$227,400	$125,100	$0	$2,647,500	75.0%	Table 2.1 Row B
I	(1) Executive Director's Office (C) Eligibility Determinations and Client Services, Contracts for Special Eligibility Determinations	$1,381,020	0.0	$837,000	($146,491)	$0	$690,511	50.0%	Table 2.1 Row G
J	(1) Executive Director's Office (F) Recoveries and Recoupment Contract Costs, Third-Party Liability Cost Avoidance Contract	($3,212,252)	0.0	($1,043,983)	($562,144)	$0	($1,606,125)	50.0%	Table 2.1 Row A
K	**Total Request**	**$1,381,020**	**1.8**	**$55,402**	**($565,456)**	**$0**	**$1,891,074**		**Sum of Rows A through J**

Table 1.2
Summary by Line Item
FY 2027-28

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office (A) General Administration, Personal Services	$156,885	2.0	$25,859	$13,363	$0	$117,663	75.0%	Table 5, FTE Calculations
B	(1) Executive Director's Office (A) General Administration, Health, Life, and Dental	$35,534	0.0	$5,857	$3,027	$0	$26,650	75.0%	Table 5, FTE Calculations
C	(1) Executive Director's Office (A) General Administration, Short-term Disability	$222	0.0	$37	$19	$0	$166	75.0%	Table 5, FTE Calculations
D	(1) Executive Director's Office (A) General Administration, Unfunded Liability AED Payments	$13,876	0.0	$2,287	$1,182	$0	$10,407	75.0%	Table 5, FTE Calculations
E	(1) Executive Director's Office (A) General Administration, Paid Family and Medical Leave Insurance	$625	0.0	$103	$53	$0	$469	75.0%	Table 5, FTE Calculations
F	(1) Executive Director's Office (A) General Administration, Operating Expenses	$1,470	0.0	$242	$125	$0	$1,103	75.0%	Table 5, FTE Calculations
G	(1) Executive Director's Office (A) General Administration, Leased Space	$9,300	0.0	$1,533	$792	$0	$6,975	75.0%	Table 5, FTE Calculations
H	(1) Executive Director's Office (B) Information Technology Contracts and Projects, Medicaid Management Information	$3,000,000	0.0	$227,400	$125,100	$0	$2,647,500	75.0%	Table 2.2 Row B
I	(1) Executive Director's Office (C) Eligibility Determinations and Client Services, Contracts for Special Eligibility Determinations	$1,490,460	0.0	$872,569	($127,338)	$0	$745,229	50.0%	Table 2.2 Row G
J	(1) Executive Director's Office (F) Recoveries and Recoupment Contract Costs, Third-Party Liability Cost Avoidance Contract	($3,217,912)	0.0	($1,045,821)	($563,135)	$0	($1,608,956)	50.0%	Table 2.2 Row A
K	**Total Request**	**$1,490,460**	**2.0**	**$90,066**	**($546,812)**	**$0**	**$1,947,206**		**Sum of Rows A through J**

Table 1.3
Summary by Line Item
FY 2028-29 and Ongoing

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office (A) General Administration, Personal Services	$156,885	2.0	$25,859	$13,363	$0	$117,663	75.0%	Table 5, FTE Calculations
B	(1) Executive Director's Office (A) General Administration, Health, Life, and Dental	$35,534	0.0	$5,857	$3,027	$0	$26,650	75.0%	Table 5, FTE Calculations
C	(1) Executive Director's Office (A) General Administration, Short-term Disability	$222	0.0	$37	$19	$0	$166	75.0%	Table 5, FTE Calculations
D	(1) Executive Director's Office (A) General Administration, Unfunded Liability AED Payments	$13,876	0.0	$2,287	$1,182	$0	$10,407	75.0%	Table 5, FTE Calculations
E	(1) Executive Director's Office (A) General Administration, Paid Family and Medical Leave Insurance	$625	0.0	$103	$53	$0	$469	75.0%	Table 5, FTE Calculations
F	(1) Executive Director's Office (A) General Administration, Operating Expenses	$1,470	0.0	$242	$125	$0	$1,103	75.0%	Table 5, FTE Calculations
G	(1) Executive Director's Office (A) General Administration, Leased Space	$9,300	0.0	$1,533	$792	$0	$6,975	75.0%	Table 5, FTE Calculations
H	(1) Executive Director's Office (B) Information Technology Contracts and Projects, Medicaid Management Information	$3,000,000	0.0	$227,400	$125,100	$0	$2,647,500	75.0%	Table 2.3 Row B
I	(1) Executive Director's Office (C) Eligibility Determinations and Client Services, Contracts for Special Eligibility Determinations	$1,603,320	0.0	$909,248	($107,588)	$0	$801,660	50.0%	Table 2.3 Row G
J	(1) Executive Director's Office (F) Recoveries and Recoupment Contract Costs, Third-Party Liability Cost	($3,217,912)	0.0	($1,045,821)	($563,135)	$0	($1,608,956)	50.0%	Table 2.3 Row A
K	**Total Request**	**$1,603,320**	**2.0**	**$126,745**	**($527,062)**	**$0**	**$2,003,637**		**Sum of Rows A through J**

Table 2.0
Summary by Initiative
FY 2025-26

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
DDS Contract Increase									
A	Fund Split True-up	$0	0.0	$388,169	($388,169)	$0	$0	50%	Table 3.1a Row C
B	Cost Projection	$1,275,000	0.0	$414,375	$223,125	$0	$637,500	50%	Table 3.2a Row C
C	**Total Request**	**$1,275,000**	**0.0**	**$802,544**	**($165,044)**	**$0**	**$637,500**	**50%**	**Row A + B**

Table 2.1
Summary by Initiative
FY 2026-27

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
Third-party Liability									
A	Reduction in TPL	($3,212,252)	0.0	($1,043,983)	($562,144)	$0	($1,606,125)	50%	Table 4.1 Row B
B	MMIS Increase	$3,000,000	0.0	$227,400	$125,100	$0	$2,647,500	75%	Table 4.1 Row A
C	FTE	$212,252	1.8	$34,984	$18,079	$0	$159,189	75%	Table 5.1 FTE Calculations
D	Subtotal	$0	1.8	($781,599)	($418,965)	$0	$1,200,564	75%	Sum of Rows A through C
DDS Contract Increase		$0							
E	Fund Split True-up	$0	0.0	$388,169	($388,169)	$0	$0	50%	Table 3.1b Row C
F	Cost Projection	$1,381,020	0.0	$448,831	$241,678	$0	$690,511	50%	Table 3.2b Row C
G	Subtotal	$1,381,020	0.0	$837,000	($146,491)	$0	$690,511	50%	Sum of Rows A & B
H	**Total Request**	**$1,381,020**	**1.8**	**$55,401**	**($565,456)**	**$0**	**$1,891,075**	**Blended**	**Row D + G**

Table 2.2
Summary by Initiative
FY 2027-28

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
Third-party Liability									
A	Reduction in TPL	($3,217,912)	0.0	($1,045,821)	($563,135)	$0	($1,608,956)	50%	Table 4.2 Row B
B	MMIS Increase	$3,000,000	0.0	$227,400	$125,100	$0	$2,647,500	75%	Table 4.2 Row A
C	FTE	$217,912	2.0	$35,917	$18,561	$0	$163,434	75%	Table 5.1 FTE Calculations
D	Subtotal	$0	0.0	($782,504)	($419,474)	$0	$1,201,978	75%	Sum of Rows A through C
DDS Contract Increase		**$0**							
E	Fund Split True-up	$0	0.0	$388,169	($388,169)	$0	$0	50%	Table 3.1b Row C
F	Cost Projection	$1,490,460	0.0	$484,400	$260,831	$0	$745,229	50%	Table 3.2c Row C
G	Subtotal	$1,490,460	0.0	$872,569	($127,338)	$0	$745,229	50%	Sum of Row F
J	**Total Request**	**$1,490,460**	**2.0**	**$90,065**	**($546,812)**	**$0**	**$1,947,207**	**Blended**	**Row D + G**

Table 2.3
Summary by Initiative
FY 2028-29 and Ongoing

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
Third-party Liability									
A	Reduction in TPL	($3,217,912)	0.0	($1,045,821)	($563,135)	$0	($1,608,956)	50%	Table 4.2 Row B
B	MMIS Increase	$3,000,000	0.0	$227,400	$125,100	$0	$2,647,500	75%	Table 4.2 Row A
C	FTE	$217,912	2.0	$35,917	$18,561	$0	$163,434	75%	Table 5.1 FTE Calculations
D	Subtotal	$0	0.0	($782,504)	($419,474)	$0	$1,201,978	75%	Sum of Rows A through C
DDS Contract Increase		$0							
E	Fund Split True-up	$0	0.0	$388,169	($388,169)	$0	$0	50%	Table 3.1b Row C
F	Cost Projection	$1,603,320	0.0	$521,079	$280,581	$0	$801,660	50%	Table 3.2d Row C
G	Subtotal	$1,603,320	0.0	$909,248	($107,588)	$0	$801,660	50%	Sum of Row F
H	**Total Request**	**$1,603,320**	**2.0**	**$126,744**	**($527,062)**	**$0**	**$2,003,638**	**Blended**	**Row D + G**

Table 3.1a
FY 2025-26
Disability Determination Services Fund Split True-up

Row	Description	Total Cost	GF	HAS Fee CF	RF	FF	FFP	Notes
A	Updated Fund Split	$3,000,000	$975,000	$525,000	$0	$1,500,000	50%	Department analysis
B	Current Fund Splits	$3,000,000	$586,831	$913,169	$0	$1,500,000	50%	Current budget, FY 25-26 Long Bill, SB 25-206
C	**Total Request**	**$0**	**$388,169**	**-$388,169**	**$0**	**$0**	**50%**	**Row A - Row B**

Table 3.1b
FY 2026-27 & Ongoing
Disability Determination Services Fund Split True-up

Row	Description	Total Cost	GF	HAS Fee CF	RF	FF	FFP	Notes
A	Updated Fund Split	$3,000,000	$975,000	$525,000	$0	$1,500,000	50%	Department analysis
B	Current Fund Splits	$3,000,000	$586,831	$913,169	$0	$1,500,000	50%	Current budget, FY 25-26 Long Bill, SB 25-206
C	**Total Request**	**$0**	**$388,169**	**-$388,169**	**$0**	**$0**	**50%**	**Row A - Row B**

Table 3.2a
FY 2025-26
Disability Determination Vendor Budget Increase

Row	Description	Total Cost	GF	HAS Fee CF	RF	FF	FFP	Notes
A	Cost Projection	**$4,275,000**	$1,389,375	$748,125	$0	$2,137,500	50%	Table 3.3a Row E
B	Current Appropriation	$3,000,000	$975,000	$525,000	$0	$1,500,000	50%	Current budget, FY 25-26 Long Bill, SB 25-206
C	**Total Request**	**$1,275,000**	**$414,375**	**$223,125**	**$0**	**$637,500**	**50%**	**Row A - Row B**

Table 3.2b
FY 2026-27
Disability Determination Vendor Budget Increase

Row	Description	Total Cost	GF	HAS Fee CF	RF	FF	FFP	Notes
A	Cost Projection	**$4,381,020**	$1,423,831	$766,678	$0	$2,190,511	50%	Table 3.3a Row E
B	Current Appropriation	$3,000,000	$975,000	$525,000	$0	$1,500,000	50%	Current budget, FY 25-26 Long Bill, SB 25-206
C	**Total Request**	**$1,381,020**	**$448,831**	**$241,678**	**$0**	**$690,511**	**50%**	**Row A - Row B**

Table 3.2c
FY 2027-28
Disability Determination Vendor Budget Increase

Row	Description	Total Cost	GF	HAS Fee CF	RF	FF	FFP	Notes
A	Cost Projection	$4,490,460	$1,459,400	$785,831	$0	$2,245,229	50%	Table 3.3a Row E
B	Current Appropriation	$3,000,000	$975,000	$525,000	$0	$1,500,000	50%	Current budget, FY 25-26 Long Bill, SB 25-206
C	**Total Request**	**$1,490,460**	**$484,400**	**$260,831**	**$0**	**$745,229**	**50%**	**Row A - Row B**

Table 3.2d
FY 2028-29 & Ongoing
Disability Determination Vendor Budget Increase

Row	Description	Total Cost	GF	HAS Fee CF	RF	FF	FFP	Notes
A	Cost Projection	$4,603,320	$1,496,079	$805,581	$0	$2,301,660	50%	Table 3.3a Row E
B	Current Appropriation	$3,000,000	$975,000	$525,000	$0	$1,500,000	50%	Current budget, FY 25-26 Long Bill, SB 25-206
C	**Total Request**	**$1,603,320**	**$521,079**	**$280,581**	**$0**	**$801,660**	**50%**	**Row A - Row B**

Table 3.3a Disability Determination Cost Projection						
Row	**Description**	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**	**Notes**
A	Projected # of reviews	1,250	1,281	1,313	1,346	Department projections @ 2.5% annual growth
B	Cost per review	$285	$285	$285	$285	Vendor cost estimate
C	Monthly Cost	$356,250	$365,085	$374,205	$383,610	Row A * Row B
D	Count of months	12	12	12	12	Months per year
E	**Annual Cost**	**$4,275,000**	**$4,381,020**	**$4,490,460**	**$4,603,320**	**Row C * Row D**

3.3b Medicaid Disability Enrollment			
Row	**SFY**	**Caseload**	**Rate**
A	2020-21	94,075	
B	2021-22	95,166	1.16%
C	2022-23	97,231	2.17%
D	2023-24	92,001	-5.38%
E	2024-25	97,367	5.83%
F	2025-26	105,872	8.73%
G	**Average Annual Growth**	**101,620**	**2.50%**

Table 4.1
FY 2026-27
Reallocation of TPL Funds from Appropriation 188 to MMIS Contract

Row	Item	Total Fund	FTE	GF	CF	RF	FF	FFP	Notes
A	MMIS Increase	$3,000,000.00	0.0	$227,400.00	$125,100	$0.00	$2,647,500	88%	Estimated System Change Need
B	TPL Reduction	($3,212,252.00)	0.0	($1,043,983.00)	($562,144)	$0.00	($1,606,125)	50%	TPL Over-funding
C	**Total Request**	**($212,252.00)**	**0.0**	**($816,583.00)**	**($437,044)**	**$0.00**	**$1,041,375**	**Blended**	**Row A + Row B**

Table 4.2
FY 2027-28 & Ongoing
Reallocation of TPL Funds from Appropriation 188 to MMIS Contract

Row	Item	Total Fund	FTE	GF	CF	RF	FF	FFP	Notes
A	MMIS Increase	$3,000,000.00	0.0	$227,400.00	$125,100	$0.00	$2,647,500	88%	Estimated System Change Need
B	TPL Reduction	($3,217,912.00)	0.0	($1,045,821.00)	($563,135)	$0.00	($1,608,956)	50%	TPL Over-funding
C	**Total Request**	**($217,912.00)**	**0.0**	**($818,421.00)**	**($438,035)**	**$0.00**	**$1,038,544**	**Blended**	**Row A + Row B**

Table 5
FTE Calculations - TPL

Personal Services

Position Classification	FTE	Start Month	End Month (if	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Notes
STATISTICAL ANALYST III	1.0	Jul 2026	N/A	$0	$0	$83,106	$90,333	$90,333	$90,333	
ADMINISTRATOR III	1.0	Jul 2026	N/A	$0	$0	$61,227	$66,552	$66,552	$66,552	
Total Personal Services (Salary, PERA, Medicare)	**2.0**			**$0**	**$0**	**$144,333**	**$156,885**	**$156,885**	**$156,885**	

Centrally Appropriated Costs

Cost Center	FTE	FTE	Percentage	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Notes
Health, Life, Dental	0.0	0.0	Varies	$0	$0	$29,720	$35,534	$35,534	$35,534	
Short-Term Disability	0.0	0.0	Varies	$0	$0	$205	$222	$222	$222	
Unfunded Liability AED Payments	0.0	0.0	10.00%	$0	$0	$12,767	$13,876	$13,876	$13,876	
Paid Family and Medical Leave Insurance	0.0	0.0	0.45%	$0	$0	$575	$625	$625	$625	
Centrally Appropriated Costs Total	**0.00**	**0.00**	**Blended**	**$0**	**$0**	**$43,267**	**$50,257**	**$50,257**	**$50,257**	

Operating Expenses

Ongoing Costs	FTE	FTE	Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Notes
Supplies	0.0	0.0	$500	$0	$0	$920	$1,000	$1,000	$1,000	
	0.0	0.0	$235	$0	$0	$432	$470	$470	$470	
Other	0.0	0.0	$0	$0	$0	$0	$0	$0	$0	
Subtotal				*$0*	*$0*	*$1,352*	*$1,470*	*$1,470*	*$1,470*	
One-Time Costs (Capital Outlay)	**FTE**	**FTE**	**Cost**	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**Notes**
Furniture	2.0	0.0	$5,000	$0	$0	$10,000	$0	$0	$0	
Computer	2.0	0.0	$2,000	$0	$0	$4,000	$0	$0	$0	
Other	2.0	0.0	$0	$0	$0	$0	$0	$0	$0	
Subtotal				*$0*	*$0*	*$14,000*	*$0*	*$0*	*$0*	
Total Operating				**$0**	**$0**	**$15,352**	**$1,470**	**$1,470**	**$1,470**	

Leased Space

	FTE	FTE	Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Notes
Leased Space	0.0	0.0	$4,650	**$0**	**$0**	**$9,300**	**$9,300**	**$9,300**	**$9,300**	