Department of Health Care Policy and Financing

Funding Request for the FY 2026-27 Budget Cycle

Request Title

R-12 Long-term Home Health Staffing

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**	**$104,874,411**	**$0**	**$112,316,917**	**$95,738**	**$128,278**
	FTE	800.7	0.0	795.6	1.0	1.2
	GF	$41,306,877	$0	$43,365,823	$31,237	$41,856
	CF	$8,121,802	$0	$9,426,677	$16,631	$22,280
	RF	$3,244,801	$0	$3,280,738	$0	$0
	FF	$52,200,931	$0	$56,243,679	$47,870	$64,142

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	**$76,602,942**	**$0**	**$78,913,644**	**$67,886**	**$86,301**
	FTE	800.7	0.0	795.6	1.0	1.2
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	GF	$29,477,201	$0	$30,293,906	$22,151	$28,159
	CF	$6,407,940	$0	$6,602,894	$11,792	$14,991
	RF	$3,155,881	$0	$3,211,037	$0	$0
	FF	$37,561,920	$0	$38,805,807	$33,943	$43,151
	Total	**$12,823,330**	**$0**	**$16,840,982**	**$16,152**	**$20,681**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, and Dental	GF	$5,434,254	$0	$6,493,890	$5,270	$6,748
	CF	$702,241	$0	$1,438,304	$2,806	$3,592
	RF	$0	$0	$0	$0	$0
	FF	$6,686,835	$0	$8,908,788	$8,076	$10,341
	Total	**$51,482**	**$0**	**$64,918**	**$42**	**$53**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Short-term Disability	GF	$23,801	$0	$25,314	$14	$17
	CF	$427	$0	$5,360	$7	$9
	RF	$0	$0	$0	$0	$0
	FF	$27,254	$0	$34,244	$21	$27
	Total	**$377,655**	**$0**	**$417,668**	**$270**	**$343**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Paid Family and Medical Leave Insurance	GF	$152,639	$0	$162,880	$88	$112
	CF	$27,098	$0	$34,480	$47	$59
	RF	$0	$0	$0	$0	$0
	FF	$197,918	$0	$220,308	$135	$172
	Total	**$7,918,630**	**$0**	**$9,281,509**	**$6,003**	**$7,632**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Unfunded Liability AED Payments	GF	$3,391,947	$0	$3,619,548	$1,958	$2,490
	CF	$365,358	$0	$766,216	$1,043	$1,325
	RF	$0	$0	$0	$0	$0
	FF	$4,161,325	$0	$4,895,745	$3,002	$3,817

	Total	**$3,400,167**	**$0**	**$3,097,991**	**$735**	**$7,856**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Operating Expenses	GF	$1,344,473	$0	$1,287,723	$239	$2,564
	CF	$296,462	$0	$257,147	$128	$1,364
	RF	$50,071	$0	$30,852	$0	$0
	FF	$1,709,161	$0	$1,522,269	$368	$3,928

	Total	**$3,700,205**	**$0**	**$3,700,205**	**$4,650**	**$5,412**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Leased Space	GF	$1,482,562	$0	$1,482,562	$1,517	$1,766
	CF	$322,276	$0	$322,276	$808	$940
	RF	$38,849	$0	$38,849	$0	$0
	FF	$1,856,518	$0	$1,856,518	$2,325	$2,706

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

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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-12
Long-Term Home Health Staffing

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	$112,316,917	$95,738	$128,278
General Fund	$43,365,823	$31,237	$41,856
Cash Funds	$9,426,677	$16,631	$22,280
Reappropriated Funds	$3,280,738	$0	$0
Federal Funds	$56,243,679	$47,870	$64,142
FTE	795.6	1.0	1.2

Summary of Request

Problem or Opportunity

Long-Term Home Health (LTHH) services for Health First Colorado members will now require a review of medical necessity before authorization. Prior authorization requests (PARs) for LTHH have been turned off for several years due to a variety of operational and policy challenges. During this pause, data shows a significant increase in both the number of members accessing LTHH services and the number of hours being utilized. Reinstating medical necessity reviews is expected to lead to more service denials and an increase in member appeals. The Department anticipates that there will be ongoing implications for LTHH policy.

Proposed Solution

The Department proposes to hire one permanent FTE to support LTHH policy oversight and innovation and one term-limited FTE to process member appeals. This request meets supplemental criteria because timelines for implementing medical necessity reviews were finalized in late 2024.

Fiscal Impact of Solution

The Department requests $0.1 million total funds including $0.03 million General Fund and 1.0 FTE in FY 2026-27 and $0.1 million total funds, including $0.04 million General Fund and 1.2 FTE in FY 2027-28. This request is ongoing to support 1.0 FTE on a permanent basis.

Requires Legislation	Colorado for All Impacts	Revenue Impacts	Impacts Another Department?	Statutory Authority
No	Positive	No	No	25.5-5-102 (1) (f), C.R.S.

Background and Opportunity

The Department administers Health First Colorado (Colorado's Medicaid program), which offers its members long-term, home-based services through the Long-Term Home Health (LTHH) program. This program offers in-home nursing services provided by a Registered Nurse (RN), Licensed Practical Nurse (LPN), or Certified Nurse Aide (CNA) for long-term, chronic medical conditions. Examples of services offered include ventilator care, catheter care, injections, wound and skin disorder treatment, and assistance with daily living tasks such as bathing and feeding that require skilled care support. LTHH services are available to all Health First Colorado members and are provided through Home Health Agencies licensed by the Colorado Department of Public Health and Environment (CDPHE). Pediatric members under the age of 21 are also eligible for home-based therapy services through the LTHH program, including physical therapy (PT), occupational therapy (OT), and speech therapy/speech language pathology (ST/SLP).

Health First Colorado offers its members home-based services through several other service delivery options, including Private Duty Nursing (PDN), Consumer-Directed Attendant Support Services (CDASS), and In-Home Support Services (IHSS). PDN offers in-home nursing services for more significant needs than those covered by the LTHH program, which may require round-the-clock care. CDASS and IHSS offer a variety of in-home services, but give members greater control over their care with the option to choose their attendants, with or without the support of a Home Health Agency.

The Department's Utilization Management (UM) Vendor reviews and authorizes LTHH services before billing by requiring Home Health Agencies to submit a Prior Authorization Request (PAR). This process is designed to determine the medical necessity of services, enabling the Department to comply with federal Medicaid regulations issued by the Centers for Medicare and Medicaid Services (CMS) at 42 CFR § 456.3, which require safeguards against unnecessary or inappropriate use of services and improper payments. However, prior authorization requirements for pediatric LTHH services have been suspended since July 1, 2020, due to operational and legal concerns. During this time, Home Health Agencies have been responsible for determining the appropriate level of care for members without a more extensive review of medical necessity, as defined in 10 CCR 2505-10 8.076.18, that would typically be done for such benefits. Meanwhile, prior authorization requirements for adult LTHH services have not been

suspended; however, PARs for these services only include a check for duplicative services and various cost-containment measures and do not include a review of medical necessity.

To streamline Health First Colorado's various in-home service options and help address the issues that led to the suspension of pediatric LTHH prior authorization requirements, the Department is implementing the Nurse Assessor program beginning August 1, 2025. This program will require a trained nurse to evaluate members requiring in-home care using a standardized rubric called the Skilled Care Acuity Assessment (SCAA). This SCAA will replace a patchwork of different assessments used for LTHH, PDN, CDASS, and IHSS and result in more consistent and reliable determinations of which in-home programs and services are most appropriate for a member's needs. The SCAA is not applicable to pediatric LTHH therapy services (PT, OT, and SL/STP services) and the Nurse Assessor will not be used for these services. The Nurse Assessor was implemented with funding from the Department's FY 2024-25 R-10 "Third Party Assessments for Nursing Services" and the SCAA was developed with funding approved under ARPA and SB 21-286 "Distribution Federal Funds Home- and Community- Based Services."

Coinciding with the start of the Nurse Assessor program, medical necessity reviews will begin to be required for all LTHH benefits for both adult and pediatric members as part of the PAR process. Medical necessity reviews will be done by the Department's UM Vendor and the SCAA completed by the Nurse Assessor will be one of the documents reviewed by the UM vendor to determine medical necessity. The UM vendor will also review other documents to determine medical necessity including plans of care, physician's orders, nursing summaries, medication listings, and other applicable medical records and history. The implementation of medical necessity reviews will be phased in over a period of time until all members utilizing LTHH services have received one. For pediatric therapy services (PT, OT, and ST/SLP), reviews will begin July 1, 2025, and for all nursing services (RN, LPN, and CNA), reviews will begin August 1, 2025. All reviews are expected to be completed by May 2026. Approved PARs will typically authorize services for one year, so the Department expects ongoing, annual medical necessity reviews for all LTHH members after the initial phase-in process is complete.

Medical necessity reviews will introduce a higher standard for LTHH service authorization and as a result, the Department expects an increase in the number of full or partial denials of service. This expectation is based on the recent restart of PARs for PDN services in April 2023, which revealed significant over-utilization and inappropriate access of services. Since PARs were restarted for PDN, the denial rate for PDN services has increased from 17% to 23% and the appeals rate has increased from 21% to 28%. The Department expects similar increases in the rate of denials and appeals for LTHH services because these services are generally provided by the same Home Health Agency providers as PDN services; however, the Department expects a significantly larger absolute volume of denials and appeals because the LTHH population is larger than the PDN population. The Department anticipates that many LTHH members may be receiving more care, or a higher level of care than is medically necessary because service utilization per member and cost per member has increased significantly since the suspension of medical necessity review for pediatric LTHH services. For example, since FY 2019-20, the

number of hours of RN and LPN services utilized per member per month in the LTHH program has risen over 40% from 28 hours to 40 hours. The expected increase in service denials due to the implementation of medical necessity reviews in LTHH is expected to result in significant savings on medical expenditure and the Department's FY 2025-26 Long Bill (SB 25-206) appropriation includes approximately $38 million in savings for this reason.

The Department must ensure that any reduction in services currently received by a member is done with sufficient procedural safeguards and given proper due process to comply with the ruling in Weaver v. Colorado Department of Social Services, 791 P.2d 1230 (Colo. App. 1990). Additionally, the Department must offer a fair hearing, if requested, to anyone denied a claim for assistance per federal Medicaid regulations at 42 C.F.R. § § 431.200 - 431.246. In compliance with these requirements, all Health First Colorado members who receive a denial of services through the PAR process have a right to file an appeal with the Colorado Office of Administrative Courts (OAC) within 60 days of the denial. This results in a hearing in front of a judge between the member and the Department, and concludes with the Department issuing a formal Final Agency Decision that may or may not differ from the original PAR determination. Federal regulation issued by CMS at 42 CFR 431.244(f)(1) ordinarily requires the appeal process to be completed within 90 days. Until the appeal is resolved, the member may continue to receive denied services.

Proposed Solution and Anticipated Outcomes

The Department requests $0.04 million total funds including $0.01 million General Fund and 0.3 FTE in FY 2025-26; $0.1 million total funds including $0.03 million General Fund and 1.0 FTE in FY 2026-27; $0.1 million total funds including $0.04 million General Fund and 1.2 FTE in FY 2027-28; and $0.1 million total funds including $0.04 million General Fund and 1.0 FTE in FY 2028-29 and ongoing. If approved, this request would allow the Department to hire 1.0 permanent FTE to serve as the Medicaid Benefits Policy Specialist and 1.0 term-limited FTE to serve as the Member Appeals Representative. These positions would help LTHH members and providers better navigate the implementation of medical necessity reviews for LTHH services and contribute to the Department's goals of Operational Excellence and Customer Service and Health First Colorado Value. This request includes cash funds from the Healthcare Affordability and Sustainability Fee Cash Fund.

Medicaid Benefits Policy Specialist

The Department requests 1.0 FTE on a permanent basis beginning January 2028 to serve as the Medicaid Benefits Policy Specialist. This position would be classified as a Policy Advisor IV and work in the Department's Benefits and Services Management Division. The Benefits and Services Management Division is responsible for managing the program and policy for all LTHH and PDN benefits.

This position would be a permanent continuation of a term-limited position that was approved in the Department's FY 2023-24 BA-7 "Community-Based Access to Services" budget request.

This position was funded through December 2027 to expand presumptive eligibility to members with disabilities in response to findings by the Department of Justice (DOJ) that Department policies were leading to unnecessary institutionalization. The Department requests to make this position permanent and permanently transition the position's duties to include managing LTHH program and policy (duties the position has already assumed due to the growing business need). The implementation of medical necessity reviews for LTHH creates a significantly higher standard for service authorization and the Department expects that this new environment will require careful ongoing review and evolution of LTHH program and policy. The Medicaid Benefits Policy Specialist would help develop and implement new policies, coordinate closely with stakeholders on changes, ensure providers and other stakeholders are up-to-date and trained on LTHH policy, field an expected increase in questions and complaints from providers, and help oversee Home Health Agencies to ensure compliance. The Medicaid Benefits Policy Specialist would also support the PDN program, and continue to ensure compliance with the DOJ findings by helping to ensure Health First Colorado members have access to LTHH and PDN services that enable them to remain in the community.

In summary, the Medicaid Benefits Policy Specialist would

- Coordinate with internal and external stakeholders (such as LTHH advocates, families, providers, and members) to ensure that policy changes resulting in program, system, or operations impacts are identified in advance and provide notification of changes;
- Help oversee LTHH projects including rate changes, the Medicaid Provider Rate Review Advisory Committee (MPRRAC), policy changes, implementing approved budget requests, and managing information technology (IT) system changes;
- Collaborate with other staff in the Department including clinical staff, appeals staff, and data staff to identify LTHH program trends, create trainings, conduct case research, and do provider outreach;
- Conduct live trainings on LTHH programs and policy for LTHH providers and other stakeholders, to be recorded and posted for future reference;
- Gain appropriate federal and state approvals for program and policy changes, including assisting with activities required by CMS to secure federal funding, maintain compliance obligations, and develop strategic plans; and
- Collaborate with other state agencies to provide oversight and ensure regulatory compliance of Home Health Agencies, coordinating corrective actions when necessary by working with the licensing agency (CDPHE), program integrity staff, and the attorney general's office.

Member Appeals Representative

The Department requests 1.0 FTE on a term-limited basis for a period of two years beginning March 2026 and ending February 2028 to serve as the Member Appeals Representative. This position would be classified as an Administrator III and work in the Department's Legal Division.

The Legal Division is responsible for representing the Department at hearings in front of the OAC and issuing Final Agency Decisions at the conclusion of the appeals process.

With the expected increase in full or partial denials of LTHH services due to the implementation of medical necessity reviews, the Department expects an accompanying increase in the number of appeals filed by members receiving a denial. The Member Appeals Representative would process the expected increase in LTHH appeals, which are expected to number approximately 500 additional appeals per month during the medical necessity review phase-in period (see the Assumptions and Calculations section for more detail). This position would only be needed for a limited period of time because after the phase-in period, the Department expects Home Health Agencies will be more experienced and knowledgeable of medical necessity requirements and submit PARs that are more likely to be approved, thereby decreasing the denial and appeal rate. However, due to the large overall caseload of the OAC and current Department appeals workload, the Department expects that the surge in appeals during the phase-in period will not be fully resolved until well after the phase-in period ends. As of March 2025, the Department had over 800 hearings that had been pending more than 90 days, and the Department expects many of the LTHH appeals received during the phase-in period will not be resolved within the ordinary 90 day timeframe required by CMS. Thus, the Department anticipates that the surge in LTHH appeals received during the phase in period will not be fully resolved until February 2028 and has requested the Member Appeals Representative to continue work until then. The Department of Personnel and Administration (DPA) is submitting a separate budget request for OAC resources needed for the expected LTHH appeals.

In summary, the Medicaid Appeals Representative would

- Assist in the pre-hearing appeals process that requires a preliminary analysis of each case, medical record review and product research to determine when appeals cases should be settled, dismissed, or proceed to hearing;
- Assist with review of each case, advising members and Department and vendor staff of appropriate next steps and ensure adherence to appropriate timelines;
- Assist with court exhibit packets and prehearing statements to defend the Department's position and relevant court pleadings throughout litigation;
- Complete pre-hearing conference calls with members as part of each appeal to explain the appeals process, and available options and next steps;
- Answer member questions to try to resolve appeals prior to the hearing if possible;
- Track client appeal data and collect, analyze, compare, and summarize data from different sources including notices, motions, complaints, affidavits, briefs, and legal decisions; and
- Evaluate appeals cases and data to identify, recommend, and implement improvements to the client appeals database, relevant metrics and baselines, processes, strategies, and Department policies.

Consequences if Not Approved

If this request is not approved, then the Department would not be adequately prepared to handle the implementation of medical necessity reviews for LTHH services. Without the requested Medicaid Benefits Policy Specialist, the Department would not be able to adequately review and evolve policy changes in LTHH as medical necessity reviews are implemented. The Department would not be able to provide consistent ongoing training to providers and other stakeholders, or ensure proper oversight of providers to ensure regulatory compliance. Additionally, without the requested Member Appeals Representative, the Department would not have adequate resources to process appeals by members whose services are denied or diminished in the LTHH PAR process. This would cause the Department's backlog of appeals that have not been resolved in 90 days to continue to increase. Since members can continue recieving benefits during the appeal process, this means members could be receiving inappropriate benefits for longer periods of time than necessary.

Department Performance Plan

If approved, this request would directly support the Department's Strategic Pillars described in the FY 2025-26 Department Performance Plan.[1] First, this request would support the Operational Excellence and Customer Service pillar. It would do this by helping ensure timely processing of member appeals that would help the Department comply with federal regulations. It would also do this by helping ensure regulatory compliance of Home Health Agencies and providing proper training support to LTHH providers. Second, this request would support the Health First Colorado Value pillar. It would do this by supporting the implementation of medical necessity reviews, which is a critical component of ensuring the right services are being utilized appropriately by members.

Supporting Evidence and Evidence Designation

This request supports the Health First Colorado LTHH program, which is an evidence-based program or practice. The LTHH program meets the statutory definition of a program or practice because it is hypothesized to improve the quality and effectiveness of care for its members, it targets a specific population of medicaid members who require therapy or nursing-level services, and it is delivered to members in a consistent and replicable way through standardized assessment and service delivery by Home Health Agencies.

[1] Colorado Department of Health Care Policy and Financing, Fiscal Year 2025-26 HCPF Performance Plan

Evidence Summary

Program Objective	The LTHH Program provides in-home services for members with chronic conditions and ongoing medical needs to help improve the quality and effectiveness of care for its members.
Outputs being measured	The number of members enrolled in long term home health programs, the utilization of services, the results of clinical assessment tools such as the SCAA
Outcomes being measured	Clinical improvement in the severity of chronic conditions being treated through home health interventions
Evidence Designation with Brief Justification	Evidence-Informed

The LTHH program is supported by evidence-based research that includes relevant outcomes data for home health services showing improved quality and effectiveness of care for patients. Evidence-based research supports the utilization of home health services for patients requiring oxygen for chronic obstructive pulmonary disease (COPD), managing angina, implementing protocols for alarm fatigue, and understanding the influence of family members on patient presentation.[2] Evidence-based practices also support improved outcomes for patients by focusing on interventions that can improve, maintain, or slow the decline in the functioning of individuals receiving home health care.[3] Research suggests that receiving care from the same home care worker over time can improve client outcomes. While there is a growing body of research in the use of home health care and an overall trend in using evidence-based practices in long-term home health services, challenges remain in consistently implementing these findings and ensuring consistent quality across the variety of settings that occur in home health treatment and addressing research gaps.

Promoting Colorado for All

If approved, the Department anticipates this request would have a positive impact on in-need populations in Colorado in support of the Colorado for All policy. The requested Medicaid Benefits Policy Specialist would improve access and quality of service to individuals with disabilities and behavioral health needs, make recommendations on how projects could be more inclusive of members, and identify any opportunities to reduce health disparities and improve equitable outcomes for all populations. Additionally, the requested LTHH Appeals Staff would support the Health First Colorado member appeals and fair hearing process. This process affords all Coloradans the right to challenge potentially improper determinations made by the Department that deny or delay services.

[2] Evidence-based management approaches for patients with severe chronic obstructive pulmonary disease (COPD): A practice review.
[3] Use of Home-Based Clinical Care and Long-Term Services and Supports Among Homebound Older Adults

Assumptions and Calculations

The Department has made a number of assumptions in calculating this request. Detailed calculations for the request can be found in the tables of the included appendix. Tables 1.1 through 1.4 provide a summary of the request by line item and tables 2.1 through 2.4 provide a summary of the request by initiative. Table 3 provides detailed calculations for the requested Medicaid Benefits Policy Specialist and table 4 provides detailed calculations for the requested Member Appeals Representative.

The Department assumes the Medicaid Benefits Policy Specialist would be a full-time ongoing position and that funding would begin January 1, 2028, immediately after funding for the term-limited position from the Department's FY 2023-24 BA-7 ends on December 31, 2027. The Department assumes the Member Appeals Representative would be a full-time position that is term-limited and would begin work March 1, 2026 and end work Feb 29, 2028. The Department has assumed a start date of March 1, 2026 for the Member Appeals Representative because it assumes this position is needed as soon as possible and this is the earliest possible date that supplemental funding for FY 2025-26 would be available, given the normal timelines of the supplemental budget process.

The Department has made standard assumptions about benefits, operating costs, and leased space in accordance with guidance from the Office of State Planning and Budgeting (OSPB). The Department assumes the requested FTE would be eligible for the standard Medicaid Administration match of 50% Federal Financial Participation (FFP). The Department assumes the state share of costs would come from the General Fund and HAS Fee Cash Fund, consistent with allocation assumptions approved by the JBC in the Department's FY 2025-26 R-10 "Administrative Alignment" budget request. Specifically, the Department assumes 50% of the total cost of the FTE would be funded with Federal Funds, 32.63% with General Fund, and 17.37% with the HAS Fee Cash Fund. The percentages for General Fund and the HAS Fee Cash Fund were determined by assuming 34.74% of the state share would be HAS Fee Cash Fund, which is the percentage of total medicaid caseload that is the expansion population, based on June 2025 caseload data.

To calculate the estimated number of additional appeals expected during the phase-in period of medical necessity review for LTHH services, the Department has made several assumptions. The implementation of medical necessity reviews is expected to impact approximately 20,000 members, which is approximately equal to the number of members who utilized LTHH services in calendar year 2024. The Department estimates that approximately 29% of these members will submit an appeal, which is equal to the rate at which members who submit a PAR for PDN services end up submitting an appeal. Thus, the Department estimates that 29% of the 20,000 members utilizing LTHH services will submit an appeal, which is approximately 6,000 appeals. These appeals will be submitted over time as members are gradually reviewed for medical necessity during the 10-month phase-in period from July 2025 to May 2026. Since appeals can be filed up to 60 days after a PAR decision, the Department expects appeals will continue to be received for 2 months after the phase-in period ends. Thus, the Department estimates that the

6,000 expected appeals will be uniformly distributed over a period of 12 months, which is approximately 500 appeals per month.

Table 1.1
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; (A) Administration, Personal Services	$22,245	0.3	$7,258	$3,864	$0	$11,123	50.00%	Table 3 + Table 4, Personal Services
B	(1) Executive Director's Office; (A) Administration, Health, Life, Dental	$4,907	0.0	$1,601	$852	$0	$2,454	50.00%	Table 3 + Table 4, HLD
C	(1) Executive Director's Office; (A) Administration, Short Term Disability	$14	0.0	$5	$2	$0	$7	50.00%	Table 3 + Table 4, STD
D	(1) Executive Director's Office; (A) Administration, Paid Family and Medical Leave Insurance	$89	0.0	$29	$15	$0	$45	50.00%	Table 3 + Table 4, FAMLI
E	(1) Executive Director's Office; (A) Administration, Unfunded Liability AED Payments	$1,967	0.0	$641	$342	$0	$984	50.00%	Table 3 + Table 4, AED
F	(1) Executive Director's Office; (A) Administration, Operating Expenses	$7,246	0.0	$2,364	$1,259	$0	$3,623	50.00%	Table 3 + Table 4, Operating
G	(1) Executive Director's Office; (A) Administration, Leased Space	$1,554	0.0	$507	$270	$0	$777	50.00%	Table 3 + Table 4, Leased Space
H	**Total Request**	**$38,022**	**0.3**	**$12,405**	**$6,604**	**$0**	**$19,013**	**50.00%**	**Sum of Rows A through G**

Table 1.2
Summary by Line Item
FY 2026-27

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) Administration, Personal Services	$67,886	1.0	$22,151	$11,792	$0	$33,943	50.00%	Table 3 + Table 4, Personal Services
B	(1) Executive Director's Office; (A) Administration, Health, Life, Dental	$16,152	0.0	$5,270	$2,806	$0	$8,076	50.00%	Table 3 + Table 4, HLD
C	(1) Executive Director's Office; (A) Administration, Short Term Disability	$42	0.0	$14	$7	$0	$21	50.00%	Table 3 + Table 4, STD
D	(1) Executive Director's Office; (A) Administration, Paid Family and Medical Leave Insurance	$270	0.0	$88	$47	$0	$135	50.00%	Table 3 + Table 4, FAMLI
E	(1) Executive Director's Office; (A) Administration, Unfunded Liability AED Payments	$6,003	0.0	$1,958	$1,043	$0	$3,002	50.00%	Table 3 + Table 4, AED
F	(1) Executive Director's Office; (A) Administration, Operating Expenses	$735	0.0	$239	$128	$0	$368	50.00%	Table 3 + Table 4, Operating
G	(1) Executive Director's Office; (A) Administration, Leased Space	$4,650	0.0	$1,517	$808	$0	$2,325	50.00%	Table 3 + Table 4, Leased Space
H	**Total Request**	**$95,738**	**1.0**	**$31,237**	**$16,631**	**$0**	**$47,870**	**50.00%**	**Sum of Rows A through G**

Table 1.3
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) Administration, Personal Services	$86,301	1.2	$28,159	$14,991	$0	$43,151	50.00%	Table 3 + Table 4, Personal Services
B	(1) Executive Director's Office; (A) Administration, Health, Life, Dental	$20,681	0.0	$6,748	$3,592	$0	$10,341	50.00%	Table 3 + Table 4, HLD
C	(1) Executive Director's Office; (A) Administration, Short Term Disability	$53	0.0	$17	$9	$0	$27	50.00%	Table 3 + Table 4, STD
D	(1) Executive Director's Office; (A) Administration, Paid Family and Medical Leave Insurance	$343	0.0	$112	$59	$0	$172	50.00%	Table 3 + Table 4, FAMLI
E	(1) Executive Director's Office; (A) Administration, Unfunded Liability AED Payments	$7,632	0.0	$2,490	$1,325	$0	$3,817	50.00%	Table 3 + Table 4, AED
F	(1) Executive Director's Office; (A) Administration, Operating Expenses	$7,856	0.0	$2,564	$1,364	$0	$3,928	50.00%	Table 3 + Table 4, Operating
G	(1) Executive Director's Office; (A) Administration, Leased Space	$5,412	0.0	$1,766	$940	$0	$2,706	50.00%	Table 3 + Table 4, Leased Space
H	**Total Request**	**$128,278**	**1.2**	**$41,856**	**$22,280**	**$0**	**$64,142**	**50.00%**	**Sum of Rows A through G**

Table 1.4
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) Administration, Personal Services	$82,528	1.0	$26,929	$14,335	$0	$41,264	50.00%	Table 3 + Table 4, Personal Services
B	(1) Executive Director's Office; (A) Administration, Health, Life, Dental	$17,767	0.0	$5,797	$3,086	$0	$8,884	50.00%	Table 3 + Table 4, HLD
C	(1) Executive Director's Office; (A) Administration, Short Term Disability	$51	0.0	$16	$9	$0	$26	50.00%	Table 3 + Table 4, STD
D	(1) Executive Director's Office; (A) Administration, Paid Family and Medical Leave Insurance	$328	0.0	$107	$57	$0	$164	50.00%	Table 3 + Table 4, FAMLI
E	(1) Executive Director's Office; (A) Administration, Unfunded Liability AED Payments	$7,298	0.0	$2,381	$1,268	$0	$3,649	50.00%	Table 3 + Table 4, AED
F	(1) Executive Director's Office; (A) Administration, Operating Expenses	$735	0.0	$239	$128	$0	$368	50.00%	Table 3 + Table 4, Operating
G	(1) Executive Director's Office; (A) Administration, Leased Space	$4,650	0.0	$1,517	$808	$0	$2,325	50.00%	Table 3 + Table 4, Leased Space
H	**Total Request**	**$113,357**	**1.0**	**$36,986**	**$19,691**	**$0**	**$56,680**	**50.00%**	**Sum of Rows A through G**

Table 2.1
Summary by Initiative
FY 2025-26

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Medicaid Benefits Policy Specialist	$0	0.0	$0	$0	$0	$0	N/A	Table 3, FY 2025-26 Total
B	Member Appeals Representative	$38,022	0.3	$12,405	$6,604	$0	$19,013	50.00%	Table 4, FY 2025-26 Total
C	**Total Request**	**$38,022**	**0.3**	**$12,405**	**$6,604**	**$0**	**$19,013**	**50.00%**	**Sum of Rows A and B**

Table 2.2
Summary by Initiative
FY 2026-27

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Medicaid Benefits Policy Specialist	$0	0.0	$0	$0	$0	$0	N/A	Table 3, FY 2026-27 Total
B	Member Appeals Representative	$95,738	1.0	$31,237	$16,631	$0	$47,870	50.00%	Table 4, FY 2026-27 Total
C	**Total Request**	**$95,738**	**1.0**	**$31,237**	**$16,631**	**$0**	**$47,870**	**50.00%**	**Sum of Rows A and B**

Table 2.3
Summary by Initiative
FY 2027-28

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Medicaid Benefits Policy Specialist	$63,372	0.5	$20,677	$11,007	$0	$31,688	50.00%	Table 3, FY 2027-28 Total
B	Member Appeals Representative	$64,906	0.7	$21,179	$11,273	$0	$32,454	50.00%	Table 4, FY 2027-28 Total
C	**Total Request**	**$128,278**	**1.2**	**$41,856**	**$22,280**	**$0**	**$64,142**	**50.00%**	**Sum of Rows A and B**

Table 2.4
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
A	Medicaid Benefits Policy Specialist	$113,357	1.0	$36,986	$19,691	$0	$56,680	50.00%	Table 3, FY 2028-29 Total
B	Member Appeals Representative	$0	0.0	$0	$0	$0	$0	N/A	Table 4, FY 2028-29 Total
C	**Total Request**	**$113,357**	**1.0**	**$36,986**	**$19,691**	**$0**	**$56,680**	**50.00%**	**Sum of Rows A and B**

Table 3
Medicaid Benefits Policy Specialist FTE Calculations

Personal Services

Position Classification	FTE	Start Month	End Month (if Applicable)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
POLICY ADVISOR IV	1.0	Jan 2028	N/A	$0	$0	$41,041	$82,528	Medicaid Benefits Policy Specialist
Total Personal Services (Salary, PERA, FICA)	**1.0**			**$0**	**$0**	**$41,041**	**$82,528**	

Centrally Appropriated Costs

Cost Center	FTE Year 1	FTE Year 2+	Cost or Percentage	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Health, Life, and Dental	0.5	1.0	Varies	$0	$0	$8,836	$17,767	
Short-term Disability	-	-	0.07%	$0	$0	$25	$51	
Paid Family and Medical Leave Insurance	-	-	0.45%	$0	$0	$163	$328	
Unfunded Liability AED Payments	-	-	10.00%	$0	$0	$3,629	$7,298	
Centrally Appropriated Costs Total				**$0**	**$0**	**$12,653**	**$25,444**	

Operating Expenses

Ongoing Costs	FTE Year 1	FTE Year 2+	Cost	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Standard Allowance	0.5	1.0	$500	$0	$0	$249	$500	
Communications	0.5	1.0	$235	$0	$0	$117	$235	
Other	0.5	1.0	$0	$0	$0	$0	$0	
Subtotal				*$0*	*$0*	*$366*	*$735*	
One-Time Costs (Capital Outlay)	**FTE**		**Cost**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**Notes**
Cubicle	1.0		$5,000	$0	$0	$5,000	$0	
PC	1.0		$2,000	$0	$0	$2,000	$0	
Other	1.0		$0	$0	$0	$0	$0	
Subtotal				*$0*	*$0*	*$7,000*	*$0*	
Total Operating				**$0**	**$0**	**$7,366**	**$735**	

Leased Space

	FTE	FTE	Cost	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Leased Space	0.5	1.0	$4,650	**$0**	**$0**	**$2,312**	**$4,650**	

Table 4
Member Appeals Representative FTE Calculations

Personal Services

Position Classification	FTE	Start Month	End Month (if Applicable)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
ADMINISTRATOR III	1.0	Mar 2026	Feb 2028	$22,245	$67,886	$45,260	$0	Member Appeals Representative
Total Personal Services (Salary, PERA, FICA)	**1.0**			**$22,245**	**$67,886**	**$45,260**	**$0**	

Centrally Appropriated Costs

Cost Center	FTE Year 1	FTE Year 2+	Cost or Percentage	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Health, Life, and Dental	0.0	0.0	Varies	$4,907	$16,152	$11,845	$0	
Short-term Disability	-	-	0.07%	$14	$42	$28	$0	
Paid Family and Medical Leave Insurance	-	-	0.45%	$89	$270	$180	$0	
Unfunded Liability AED Payments	-	-	10.00%	$1,967	$6,003	$4,003	$0	
Centrally Appropriated Costs Total				**$6,977**	**$22,467**	**$16,056**	**$0**	

Operating Expenses

Ongoing Costs	FTE Year 1	FTE Year 2+	Cost	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Standard Allowance	0.3	1.0	$500	$167	$500	$333	$0	
Communications	0.3	1.0	$235	$79	$235	$157	$0	
Other	0.3	1.0	$0	$0	$0	$0	$0	
Subtotal				*$246*	*$735*	*$490*	*$0*	
One-Time Costs (Capital Outlay)	**FTE**		**Cost**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**Notes**
Cubicle	1.0		$5,000	$5,000	$0	$0	$0	
PC	1.0		$2,000	$2,000	$0	$0	$0	
Other	1.0		$0	$0	$0	$0	$0	
Subtotal				*$7,000*	*$0*	*$0*	*$0*	
Total Operating				**$7,246**	**$735**	**$490**	**$0**	

Leased Space

	FTE	FTE	Cost	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Notes
Leased Space	0.3	1.0	$4,650	**$1,554**	**$4,650**	**$3,100**	**$0**	