Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-14 Enhanced Care and Condition Management

Dept. Approval By: _____ ____ **Supplemental FY 2019-20**

OSPB Approval By: _____ ____ **Budget Amendment FY 2020-21**

X **Change Request FY 2020-21**

Summary Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$71,525,490**	**$0**	**$70,874,137**	**$433,636**	**$390,324**
	FTE	500.0	0.0	504.1	1.0	1.0
	GF	$23,679,257	$0	$23,776,718	$143,099	$128,806
	CF	$7,175,758	$0	$7,324,251	$73,715	$66,354
	RF	$2,820,754	$0	$2,708,037	$0	$0
	FF	$37,849,721	$0	$37,065,131	$216,822	$195,164

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
	Total	**$38,610,714**	**$0**	**$40,590,766**	**$93,645**	**$97,394**
	FTE	500.0	0.0	504.1	1.0	1.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	GF	$13,478,948	$0	$14,470,561	$30,903	$32,140
	CF	$3,571,232	$0	$3,714,633	$15,918	$16,556
	RF	$2,436,543	$0	$2,305,357	$0	$0
	FF	$19,123,991	$0	$20,100,215	$46,824	$48,698
	Total	**$4,790,328**	**$0**	**$6,054,935**	**$10,042**	**$10,042**
	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	$1,700,447	$0	$2,211,097	$3,314	$3,314
	CF	$421,237	$0	$525,947	$1,707	$1,707
	RF	$126,088	$0	$138,532	$0	$0
	FF	$2,542,556	$0	$3,179,359	$5,021	$5,021

Line Item Information	Fund	FY 2019-20 Initial Appropriation	FY 2019-20 Supplemental Request	FY 2020-21 Base Request	FY 2020-21 Change Request	FY 2021-22 Continuation
	Total	**$66,598**	**$0**	**$72,132**	**$142**	**$147**
	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	$24,002	$0	$26,864	$47	$48
	CF	$5,301	$0	$5,495	$24	$25
	RF	$2,206	$0	$1,639	$0	$0
	FF	$35,089	$0	$38,134	$71	$74
	Total	**$1,984,802**	**$0**	**$2,182,512**	**$4,168**	**$4,334**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Amortization Equalization Disbursement	GF	$722,807	$0	$812,689	$1,375	$1,430
	CF	$159,398	$0	$166,329	$708	$737
	RF	$46,310	$0	$49,606	$0	$0
	FF	$1,056,287	$0	$1,153,888	$2,085	$2,167
	Total	**$1,984,802**	**$0**	**$2,182,512**	**$4,168**	**$4,334**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Supplemental Amortization Equalization Disbursement	GF	$722,807	$0	$812,689	$1,375	$1,430
	CF	$159,398	$0	$166,329	$708	$737
	RF	$46,310	$0	$49,606	$0	$0
	FF	$1,056,287	$0	$1,153,888	$2,085	$2,167
	Total	**$2,506,384**	**$0**	**$2,273,794**	**$5,653**	**$950**
	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	$1,014,866	$0	$939,016	$1,865	$313
	CF	$243,961	$0	$197,797	$961	$161
	RF	$13,297	$0	$13,297	$0	$0
	FF	$1,234,260	$0	$1,123,684	$2,827	$476
	Total	**$21,581,862**	**$0**	**$17,517,486**	**$315,818**	**$273,123**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - General Professional Services and Special Projects	GF	$6,015,380	$0	$4,503,802	$104,220	$90,131
	CF	$2,615,231	$0	$2,547,721	$53,689	$46,431
	RF	$150,000	$0	$150,000	$0	$0
	FF	$12,801,251	$0	$10,315,963	$157,909	$136,561

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

Department Priority: R-14
Request Detail: Enhanced Care and Condition Management

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	**FY 2020-21**	**FY 2021-22**
Total Funds	**$0**	**$433,636**	**$390,324**
FTE	0.0	1.0	1.0
General Fund	$0	$143,099	$128,806
Cash Funds	$0	$73,715	$66,354
Reappropriated Funds	$0	$0	$0
Federal Funds	$0	$216,822	$195,164

Summary of Request:

The Department requests $433,636 total funds, including $143,099 General Fund, $73,715 cash funds, $216,822 federal funds, and 1.0 FTE in FY 2020-21; and $390,324 total funds, including $128,806 General Fund, $66,354 cash funds, $195,164 federal funds, and 1.0 FTE in FY 2021-22 and ongoing to provide dedicated Department resources for improving clinical care and condition management for the Department's highest risk and highest cost members. Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund. The resources requested would allow the Department to dedicate effort on assisting Regional Accountable Entities (RAEs) with improved case management of their highest risk, highest cost members. The Department anticipates that this minimal investment would galvanize current clinical care and condition management efforts across the state and would reduce utilization for the targeted population. This request represents an increase of less than 0.5% from the Department's FY 2019-20 Long Bill total funds appropriation.

Current Program:

Through Phase II of the Accountable Care Collaborative (ACC) and SB 18-266 "Controlling Medicaid Costs," the Department has generated broad delivery system reform that has provided a solid platform to support and expand efforts to improve the targeted focus on affordability aligned with the "Polis-Primavera Roadmap to Saving Coloradans Money on Health Care."[1] The Department has achieved broad savings through the integration of physical and behavioral health under the RAEs as well as mandatory enrollment in the ACC, and is now focusing efforts on high-cost, complex populations to further control costs.

To this end, beginning in FY 2018-19, the Department conducted a clinical and data-driven analysis of the Medicaid population and a review of the RAEs' existing care management and coordination efforts to develop a statewide approach to addressing the health care needs of the state's highest-cost members. This analysis provides the RAEs with targeted populations to allow evidence-informed allocation of care coordination resources. The analysis narrowed in on an impactable population with over $25,000 in annual per member expenditure. This population is composed of 37,067 members with an overall spend on medical services of $2,461,520,979 in CY 2018. It includes neonates, children and adults with complex medical conditions, members with disabilities, children in foster care, and members age 65 and older. With this information, RAEs have created plans specific to their region to improve the cost and quality of care for this targeted population. Using existing resources, the Department has developed cost trend and quality outcome metrics and is leveraging staff oversight to support and monitor the performance of the RAEs in reducing costs for this population. Preliminary outcomes are included in the 2019 SB 18-266 legislative report.

In FY 2018-19, the Department conducted an analysis of the prevalence, comorbidity, and cost of the top chronic conditions present in the Medicaid population. The top chronic conditions by total spend are chronic pain, anxiety/depression, hypertension, diabetes, substance use disorder (SUD), cardiovascular disease and chronic obstructive pulmonary disease. The conditions with the highest cost of single diagnosis presentation are chronic pain, anxiety and depression; representing 110,635 members with over $1,088,820,494 in annual medical services expenditures. While 8,476 members of this group already have average per capita costs of over $25,000; 102,159 members have under $25,000 in annual per member expenditure with a total annual spend of $425,224,073. If not managed, the Department's analysis suggests that these chronic conditions have strong disease progression correlation with comorbidities of SUD, hypertension and diabetes. The presence of comorbidities increases costs significantly over the long term and impacts life quality. The Department is working with the RAEs to understand existing programs and capabilities to prevent the progression and improve the outcomes for these conditions.

Problem or Opportunity:

The Department has taken significant steps with the integration of physical and behavioral health and mandatory enrollment in the ACC to improve health outcomes and bend the cost curve of medical care downward. On this strong platform, the Department now has the opportunity to refine and focus the program

[1] https://www.colorado.gov/governor/news/gov-polis-unveils-roadmap-lowering-health-care-costs

on targeted, high-risk and high-cost populations that present the greatest opportunity for additional savings on medical care. Given that less than 5% of the Department's clients are responsible for over 50% of the Department's spending on medical services, the Department anticipates that its targeted efforts for this population, and minimal additional investment in care and condition management for this population, would produce disproportionally large savings to the Department's spending on medical care. Utilizing the new resources available through SB 18-266 "Controlling Medicaid Costs," the Department has the opportunity to leverage the flexible design of the RAEs to target their efforts on these populations with the highest impactable medical spending.

Through the work of the ACC Cost Collaborative (the Department's convened cost and best practices forum with the RAEs), a gap was identified in the ability of RAEs to provide chronic condition management programs on a regional basis. It was determined that programs for certain conditions would have better cost and quality outcomes if a centralized offering of the programs were implemented. Conditions with statewide prevalence and a need for continuity in offering across the population were identified for a centralized program and include chronic pain, anxiety, and depression. The Department now has an opportunity to follow up on the work of the ACC Cost Collaborative and begin implementing centralized programs that assist members with these chronic conditions to better manage these conditions and navigate clinical options available to them.

Proposed Solution:

The Department requests $433,636 total funds, including $143,099 General Fund, $73,715 cash funds, $216,822 federal funds, and 1.0 FTE in FY 2020-21; and $390,324 total funds, including $128,806 General Fund, $66,354 cash funds, $195,164 federal funds, and 1.0 FTE in FY 2021-22, and ongoing, to improve clinical care and chronic condition management for the Department's highest-risk, highest-cost members. Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund.

The request includes 1.0 FTE to serve as the Enhanced Care Management Program Manager to coordinate the ongoing efforts of the Department and the RAEs to improve care and condition management for the highest-risk, highest-cost members. The Department's request also includes $315,818 total funds in FY 2020-21 and $273,123 total funds in FY 2021-22 and ongoing for contractor costs to provide members with interactive, user-friendly software that gives members on-demand, clinically-based guidance and techniques for managing chronic pain, anxiety, and depression.

The requested FTE would be responsible for coordinating and expanding Department initiatives to provide better care and condition management for the state's highest-risk, highest-cost populations. The position would harmonize the work of existing Department staff and set up the dedicated infrastructure needed to propel forward the Department's efforts at curbing medical spending for high-risk, high-cost members. The position would closely coordinate with RAEs, the Department of Human Services, regional hospitals, and other providers to develop and implement initiatives for better-coordinated care in the targeted populations. The position would serve as a centralized point of contact at the Department for the RAEs by coordinating intensive and individualized services for complex members. The FTE would work closely with RAEs to

provide analytic and clinical insight into regionally attributed members, and assist RAEs with the production of regional-specific plans to help control cost and quality of care for targeted members. This position would evaluate data-driven and clinical analyses for highly complex populations to better synchronize member care across multiple providers, ensure appropriate services are utilized and duplicative or unnecessary care is avoided.

The requested contractor funding beginning in FY 2020-21 is to hire a contractor that would coordinate closely with the requested FTE and regional RAE programs to address the management of chronic pain, anxiety, and depression among members. This contractor would provide interactive, web, and mobile software that gives users evidence-based guidance and techniques to managing these chronic conditions. Examples of what this software would include are:

- mobile applications that provide step-by-step anxiety and mood management techniques based on well-established cognitive behavioral therapy and mindfulness practices;
- peer-led programs enabled by the software that teach members strategies for dealing with chronic pain and managing opioid use; and
- customizable, daily tracking features that allow members to track their sleep, mood, or pain symptoms to promote increased awareness and reinforce positive changes.

If this request is not approved, then the Department would miss an opportunity to further focus and enhance cost control efforts achieved through the integration of physical and behavioral health as well as mandatory enrollment in the ACC. While these ongoing initiatives provide strong foundations for curbing the cost of medical care among the Department's members, without a consistent and centralized focus on complex high-cost populations, uncontrolled health care costs would continue to rise. If this request is not approved, the Department would also miss the opportunity to empower members with clinically-proven, user-friendly software that assists members in managing chronic conditions and reduces the overall cost of care delivery.

This request directly contributes to the Department's efforts at Medicaid Cost Control, one of the five pillars in the Department's FY 2019-20 Performance Plan. The current health care environment in Colorado is characterized by steadily increasing per member costs, rising hospital costs, and expensive specialty prescription drugs that consume a disproportionately large share of pharmacy costs. In response to these rising costs, the Department has included the Medicaid Cost Control pillar in its performance plan to ensure the right services are provided to the right people, at the right price. A key initiative in this effort is RAE Modernization, which this request contributes to by providing RAEs with the support and resources needed to act on clinical and data-driven insights about their highest-risk and highest-cost members. This modern approach to care and condition management allows the Department and RAEs to counter rising health care costs through reduced utilization of services and preventing chronic conditions from worsening.

Anticipated Outcomes:

The Department anticipates that improved clinical care management of targeted high-cost members costing over $25,000 annually and improved condition management of members with targeted chronic conditions

costing less than $25,000 annually would result in improved health outcomes and lower utilization of high-cost medical services, such as emergency departments and inpatient hospital settings. This would be achieved through the work of the requested FTE to expand Department oversight of cost and care management by the RAEs to prevent unneeded escalation of cases to more expensive care settings and delays in services causing both decreased quality of care and increase in costs. Members in the targeted population are frequently the highest users of potentially preventable emergency department visits and hospital stays. The Department anticipates that a concentrated focus on improved care coordination for these members would redirect their care to lower-cost care options outside of expensive acute care settings. While implementation of this request will likely result in savings on medical costs, the Department is not including explicit savings in this request and will account for demonstrated savings in future years through the normal budget process.

The National Governors Association authored an October 2017 report called "Building Complex Care Programs: A Road Map for States."[2] The report reviewed complex care management initiatives implemented across multiple state Medicaid programs. While there is variation across these different initiatives, the report concludes that such complex care programs have successfully demonstrated reductions in potentially preventable emergency department visits and the number and length of inpatient stays. For example, Alaska implemented a complex care program with significant improvement in care cost and quality demonstrating an estimated return on investment of 2.21 percent. The Department anticipates that saving will be generated by refocusing RAEs efforts to manage high-cost and high-risk members, and by making minimal investment in care management for the high-cost target population.

The Department assumes that the provision of clinically-proven, user-friendly software to members for managing chronic pain, anxiety, and depression would result in decreased utilization of more expensive care settings such as outpatient psychotherapy and help to prevent these conditions from developing in to costly acute care needs such as emergency department visits and inpatient hospital stays. For example, an October 2017 research article published in the Annals of Clinical Research Trials, "Real-World Outcomes Associated with a Digital Self-Care Health Platform,"[3] studied the effectiveness of a commercially-available software product similar to the software being requested by the Department. The study looked at a commercially-insured adult population exhibiting some degree of depression and found that users experienced a reduction in symptom severity with an effect size comparable to that of traditional psychotherapy. While the study did not specifically look at the Medicaid population, the Department expects that similar software would also have favorable clinical impacts on Medicaid members seeking care for depression.

Additionally, the Journal of Medical Economics published a November 2018 study called "Quantifying the Economic Impact of a Digital Self-Care Behavioral Health Platform on Missouri Medicaid Expenditures."[4] The study looked at the return on investment of a statewide initiative in Missouri to provide members with software that assists members with managing their behavioral health conditions, similar to the software being

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[2] https://classic.nga.org/files/live/sites/NGA/files/pdf/2017/ComplexCare_RoadMap_12.17_Health.pdf

[3] https://scientonline.org/open-access/real-world-outcomes-associated-with-a-digital-self-care-behavioral-health-platform.pdf

[4] https://www.tandfonline.com/doi/abs/10.1080/13696998.2018.1510834?journalCode=ijme20

requested by the Department. The study indicated a return on investment of between 142 percent and 695 percent. While the estimated range of return on investment is imprecise, the study clearly found a positive return on investment via reduced total cost of care. The Department anticipates that investment in comparable, clinically-proven software would also produce a positive return on investment among Colorado Medicaid members suffering from chronic behavioral health conditions.

On the continuum of evidence, the two software studies cited above come with significant caveats. Both studies are peer-reviewed and published in academic journals; however, there are potential conflicts of interest involved with each. Both studies looked at a commercial software product called "myStrength", and both studies were funded in full or in part by the company that produces this software. Additionally, one or more authors of both studies held executive positions at, consulted for, and/or owned stock in this company at the time of publication. Despite these relationships, the Department assumes valid research methods were used to pass peer review, and that the essential conclusions of favorable clinical outcomes and positive return on investment for the software are valid.

Assumptions and Calculations:

The Department has made a number of assumptions in calculating this request as described below. See Appendix A for more detailed calculations.

FTE Costs

The Department requests 1.0 FTE at the Program Management II classification level to serve as the Program Manager for the Department's efforts to coordinate enhanced care and condition management with the RAEs. The Department assumes the FTE would begin work on July 1, 2020 and become an ongoing, permanent position. The Department assumes that new employees in FY 2020-21 would be paid on a bi-weekly pay schedule. Personal Services costs for a full-time position funded with General Fund would be pro-rated to 0.9615 FTE, or 25 out of 26 pay periods, as the 26th pay period is expected to be paid in July of the next fiscal year. The Department assumes this FTE would be eligible for the standard federal match rate of 50% for Medicaid administrative activities. The Department assumes the state share of funding for the position, and the contractor costs below, would come from the state General Fund, but would be offset by Healthcare Affordability and Sustainability (HAS) Fee Cash Funds at a rate proportional to the number of members in the Medicaid expansion population of 34%.

Contractor Costs

The Department requests $315,818 total funds in FY 2020-21 and $273,123 total funds in FY 2021-22 to hire a contractor to provide clinically-proven software to targeted members for management of chronic pain, anxiety, and depression. The Department assumes the contractor would begin work on July 1, 2020, and continue work ongoing to provide evidence-based care management software to members. The Department has based the cost on an initial review of existing products and has assumed an initial implementation cost of $50,000 and an ongoing licensing cost of $2.50 per member per year. The Department assumes licenses would be needed for all members in the target population as shown in detail in tables 4.1 and 4.2 of

Appendix A. The Department assumes the contractor costs would be eligible for the standard federal match rate of 50% for Medicaid administrative activities.

R-14 Enhanced Care and Condition Management
Appendix A: Calculations and Assumptions

Table 1.1: FY 2020-21 Enhanced Care and Condition Management Summary by Line Item								
Row	**Line Item**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds[1]**	**Reappropriated Funds**	**Federal Funds**	**Source**
A	(1) Executive Director's Office; (A) General Administration; Personal Services	$93,645	1.0	$30,903	$15,918	$0	$46,824	Table 3, Salary, PERA, and Medicare
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	$10,042	0.0	$3,314	$1,707	$0	$5,021	Table 3, Health-Life-Dental
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	$142	0.0	$47	$24	$0	$71	Table 3, STD
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	$4,168	0.0	$1,375	$708	$0	$2,085	Table 3, AED
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	$4,168	0.0	$1,375	$708	$0	$2,085	Table 3, SAED
F	(1) Executive Director's Office; (A) General Administration; Operating Expenses	$5,653	0.0	$1,865	$961	$0	$2,827	Table 3, Operating Expenses
G	(1) Executive Director's Office; (A) General Administration; General Professional Services and Special Projects	$315,818	0.0	$104,220	$53,689	$0	$157,909	Table 2.1, Row E
I	**Total Request**	**$433,636**	**1.0**	**$143,099**	**$73,715**	**$0**	**$216,822**	**Sum of Rows A through G**

[1]Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund

Table 1.2: FY 2021-22 and Ongoing Enhanced Care and Condition Management Summary by Line Item								
Row	**Line Item**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds1**	**Reappropriated Funds**	**Federal Funds**	**Source**
A	(1) Executive Director's Office; (A) General Administration; Personal Services	$97,394	1.0	$32,140	$16,556	$0	$48,698	Table 3, Salary, PERA, and Medicare
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	$10,042	0.0	$3,314	$1,707	$0	$5,021	Table 3, Health-Life-Dental
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	$147	0.0	$48	$25	$0	$74	Table 3, STD
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	$4,334	0.0	$1,430	$737	$0	$2,167	Table 3, AED
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	$4,334	0.0	$1,430	$737	$0	$2,167	Table 3, SAED
F	(1) Executive Director's Office; (A) General Administration; Operating Expenses	$950	0.0	$313	$161	$0	$476	Table 3, Operating Expenses
G	(1) Executive Director's Office; (A) General Administration; General Professional Services and Special Projects	$273,123	0.0	$90,131	$46,431	$0	$136,561	Table 2.2, Rows E
I	**Total Request**	**$390,324**	**1.0**	**$128,806**	**$66,354**	**$0**	**$195,164**	**Sum of Rows A through G**

[1]Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund

Table 2.1: FY 2020-21 Enhanced Care and Condition Management Summary by Initiative									
Row	**Description**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Overall FFP**	**Source**
Program Costs									
A	FTE Costs	$117,818	1.0	$38,879	$20,026	$0	$58,913	50%	Sum of Rows B through D
B	*FTE Salary, PERA, Medicare*	*$93,645*	*0.0*	*$30,903*	*$15,918*	*$0*	*$46,824*	*50%*	*Table 3, Personal Services*
C	*FTE AED, SAED, STD and HLD*	*$18,520*	*0.0*	*$6,111*	*$3,147*	*$0*	*$9,262*	*50%*	*Table 3, Personal Services*
D	*FTE Operating Expenses*	*$5,653*	*0.0*	*$1,865*	*$961*	*$0*	*$2,827*	*50%*	*Table 3, Operating Expenses*
E	Contractor Costs	$315,818	0.0	$104,220	$53,689	$0	$157,909	50%	Table 4.1, Row E
F	**Total Request**	**$433,636**	**1.0**	**$143,099**	**$73,715**	**$0**	**$216,822**	**50%**	**Sum of Rows A and E**

Table 2.2: FY 2021-22 and Ongoing Enhanced Care and Condition Management Summary by Initiative									
Row	**Description**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**Overall FFP**	**Source**
Program Costs									
A	FTE Costs	$117,201	1.0	$38,675	$19,923	$0	$58,603	50%	Sum of Rows B through D
B	*FTE Salary, PERA, Medicare*	*$97,394*	*0.0*	*$32,140*	*$16,556*	*$0*	*$48,698*	*50%*	*Table 3, Personal Services*
C	*FTE AED, SAED, STD and HLD*	*$18,857*	*0.0*	*$6,222*	*$3,206*	*$0*	*$9,429*	*50%*	*Table 3, Personal Services*
D	*FTE Operating Expenses*	*$950*	*0.0*	*$313*	*$161*	*$0*	*$476*	*50%*	*Table 3, Operating Expenses*
E	Contractor Costs	$273,123	0.0	$90,131	$46,431	$0	$136,561	50%	Table 4.1, Row E
F	**Total Request**	**$390,324**	**1.0**	**$128,806**	**$66,354**	**$0**	**$195,164**	**50%**	**Sum of Rows A and E**

Table 3: FTE Calculations

FTE Calculation Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for $500 per year. In addition, for regular FTE, annual telephone costs assume base charges of $450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer ($900), Office Suite Software ($330), and office furniture ($3,473).

General Fund FTE -- Beginning July 1, 2019, new employees will be paid on a bi-weekly pay schedule; therefore **new full-time General Fund positions are reflected in Year 1 as 0.9615 FTE** to account for the pay-date shift (25/26 weeks of pay). **This applies to personal services costs only; operating costs are not subject to the pay-date shift.**

Expenditure Detail		FY 2020-21		FY 2021-22 and Ongoing	
Personal Services:					
Classification Title	Biweekly Salary	FTE		FTE	
Program Management II	$3,334	1.0	$83,351	1.0	$86,688
PERA			$9,085		$9,449
AED			$4,168		$4,334
SAED			$4,168		$4,334
Medicare			$1,209		$1,257
STD			$142		$147
Health-Life-Dental			$10,042		$10,042
Subtotal Position 1, 1.0 FTE		**1.0**	**$112,165**	**1.0**	**$116,251**
Subtotal Personal Services		1.0	**$112,165**	1.0	**$116,251**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating	$500	1.0	$500	1.0	$500
Telephone Expenses	$450	1.0	$450	1.0	$450
PC, One-Time	$1,230	1.0	$1,230	-	
Office Furniture, One-Time	$3,473	1.0	$3,473	-	
Subtotal Operating Expenses			**$5,653**		**$950**
TOTAL REQUEST		1.0	**$117,818**	1.0	**$117,201**
	General Fund:		*$38,879*		*$38,675*
	Cash Funds:		*$20,026*		*$19,923*
	Reappropriated Funds:		*$0*		*$0*
	Federal Funds:		*$58,913*		*$58,603*

Table 4.1: Estimated Contractor Costs				
Row	**Item**	**FY 2020-21**	**FY 2021-22**	**Source**
A	Software Licensing Cost per User per Year	$2.50	$2.50	Department estimate
B	Number of Clients Using Software	106,327	109,249	Table 4.2, Row C
C	**Annual Licensing Cost**	**$265,818**	**$273,123**	**Row A x Row B**
D	Implementation Cost	$50,000	$0	Department estimate
E	**Total Cost**	**$315,818**	**$273,123**	**Sum of Rows C and D**

Table 4.2: Estimated Number of Clients in Target Population				
Row	**Description**	**FY 2020-21**	**FY 2021-22**	**Notes**
A	CY 2018 Number of Clients in Target Population	102,159	102,159	Claims data for individuals with target chronic conditions
B	Caseload Trend	4.08%	6.94%	February 15, 2019 caseload forecast
C	**Estimated Number of Clients in Target Population**	**106,327**	**109,249**	**Row A x Row B**