

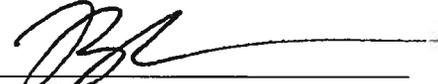
Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-17 Program Capacity for Older Adults

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		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$72,807,933	\$0	\$75,987,618	\$558,020	\$163,494
	FTE	500.0	0.0	504.1	0.9	1.0
Total of All Line Items Impacted by Change Request	GF	\$23,472,732	\$0	\$26,303,437	\$184,146	\$53,953
	CF	\$6,147,628	\$0	\$6,363,631	\$94,864	\$27,795
	RF	\$2,670,754	\$0	\$2,558,037	\$0	\$0
	FF	\$40,516,819	\$0	\$40,762,513	\$279,010	\$81,746

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$38,610,714	\$0	\$40,590,766	\$68,988	\$71,752
	FTE	500.0	0.0	504.1	0.9	1.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	GF	\$13,478,948	\$0	\$14,470,561	\$22,766	\$23,678
	CF	\$3,571,232	\$0	\$3,714,633	\$11,728	\$12,198
	RF	\$2,436,543	\$0	\$2,305,357	\$0	\$0
	FF	\$19,123,991	\$0	\$20,100,215	\$34,494	\$35,876

	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		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$66,598	\$0	\$72,132	\$104	\$110
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$24,002	\$0	\$26,864	\$34	\$36
General Administration - Short-term Disability	CF	\$5,301	\$0	\$5,495	\$18	\$19
	RF	\$2,206	\$0	\$1,639	\$0	\$0
	FF	\$35,089	\$0	\$38,134	\$52	\$55
	Total	\$1,984,802	\$0	\$2,182,512	\$3,070	\$3,194
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$722,807	\$0	\$812,689	\$1,013	\$1,054
General Administration - Amortization	CF	\$159,398	\$0	\$166,329	\$522	\$543
Equalization Disbursement	RF	\$46,310	\$0	\$49,606	\$0	\$0
	FF	\$1,056,287	\$0	\$1,153,888	\$1,535	\$1,597
	Total	\$1,984,802	\$0	\$2,182,512	\$3,070	\$3,194
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$722,807	\$0	\$812,689	\$1,013	\$1,054
General Administration - Supplemental Amortization	CF	\$159,398	\$0	\$166,329	\$522	\$543
Equalization Disbursement	RF	\$46,310	\$0	\$49,606	\$0	\$0
	FF	\$1,056,287	\$0	\$1,153,888	\$1,535	\$1,597
	Total	\$2,506,384	\$0	\$2,273,794	\$5,436	\$951
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$1,014,866	\$0	\$939,016	\$1,794	\$314
General Administration - Operating Expenses	CF	\$243,961	\$0	\$197,797	\$924	\$162
	RF	\$13,297	\$0	\$13,297	\$0	\$0
	FF	\$1,234,260	\$0	\$1,123,684	\$2,718	\$475
	Total	\$22,864,305	\$0	\$22,630,967	\$467,310	\$74,251
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (E) Utilization and Quality Review Contracts, (1) Utilization and Quality Review Contracts - Professional Service Contracts	GF	\$5,808,855	\$0	\$7,030,521	\$154,212	\$24,503
	CF	\$1,587,101	\$0	\$1,587,101	\$79,443	\$12,623
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$15,468,349	\$0	\$14,013,345	\$233,655	\$37,125

Auxiliary Data

Requires Legislation? YES

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-17
Request Detail: Program Capacity for Older Adults

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$558,020	\$163,494
FTE	0.0	0.9	1.0
General Fund	\$0	\$184,146	\$53,953
Cash Funds	\$0	\$94,864	\$27,795
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$279,010	\$81,746

Summary of Request:

The Department requests an increase of \$558,020 in total funds, including an increase of \$184,146 General Fund and 0.9 FTE in FY 2020-21; and, an increase of \$163,494 total funds, including \$53,953 in General Fund and 1.0 FTE in FY 2021-22 to make several changes to the Department’s administration of Medicaid programs for older adults. The Department’s requested funding includes the Healthcare Affordability and Sustainability Fee cash fund. This request represents an increase of less than 0.5% from the Department’s FY 2019-20 Long Bill total funds appropriation. This request includes two changes to the nursing facility program, including: technical changes to the current statute that pertains to nursing facility reimbursement, and resources to investigate a new reimbursement methodology for nursing facilities that places more focus on the quality of care provided and less focus on the daily costs to the nursing facility. The Department’s request also includes resources to increase oversight of the Program of All-Inclusive Care for the Elderly (PACE) and its providers to ensure the provision of quality care, compliance, and the fiscal viability of PACE.

Current Program:

The Department administers the nursing facility and Program of All-Inclusive Care for the Elderly (PACE) benefits, which are primarily for older adults who need assistance with activities of daily living within the Medicaid program. In FY 2017-18, the Department spent approximately \$684 million dollars on class 1 nursing facilities for approximately 10,100 full-time equivalent members and about \$160 million dollars on PACE with close to 3,700 members enrolled. Nursing facility providers are paid a per diem rate for each member residing in the facility, while PACE organizations are paid a per member per month rate for each enrolled member.

The Department reimburses nursing facilities based on the requirements specified in statute which mandates that the Department establish a reimbursement schedule for administrative and general services; establish per diem rates for direct and indirect care, capital assets, and performance quality; provide an additional per diem payment for members with severe mental health conditions or dementia; and reimburse nursing facilities for speech therapy services. State statute also requires the Department to charge and collect a quality assurance fee from nursing facilities, with certain exceptions. These fees are intended to allow for increased payments to Medicaid nursing facilities based on the current reimbursement system. The fee can be used for administrative costs related to assessing the fee and to limit growth of General Fund expenditures to 3% annually. The current skilled nursing facility reimbursement methodology is cost-based, with a skilled nursing facility receiving a per diem rate that is based on audited cost reports.

PACE has seen tremendous growth since its establishment in Colorado in 1990. The program has undergone recent changes with a conversion of Colorado's largest PACE provider to for-profit and the passage of the PACE Innovation Act¹, which allows the Centers for Medicare & Medicaid (CMS) Services to expand eligibility for PACE. Currently, PACE serves approximately 4,000 individuals in Colorado and continues to grow. Recently, CMS released the PACE Final Rule² (CMS-4168-F), and decided to eliminate crucial review elements for PACE organizations, such as reviewing contract providers, completing physical site inspections, and conducting PACE participant interviews.

Problem or Opportunity:

The Department has identified several areas of opportunity to improve the quality of care provided to members that make up Colorado's older adult population who are receiving long-term care services, while ensuring sound stewardship of the State's financial resources. The State Demographer indicated that the aging and older adult population in Colorado (ages 65 and over) increased by 43% from 2010-2017,

¹<https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/PACE/PACEInnovationAct.html>

² Centers for Medicare and Medicaid Services (CMS) recent passed the final rule, CMS-4168-F, which makes the onsite review process for PACE organizations less prescriptive and frequent. For the trial period onsite review, the Final Rule calls for "observation of program operations." This replaces more prescriptive current regulation, which requires chart reviews and interviews, among other items. It removes the requirement for onsite audits every two years after the trial period, reducing the burden for both PACE organizations and CMS.

compared to 14% for the rest of the State population, and is projected to increase by nearly 70% by 2030. The effective management of Medicaid services for older adults is, and will continue to be, one of the most pressing budget challenges the State will face. The Department has identified areas in nursing facilities and PACE that need greater focus on innovation and oversight to ensure the State is able to meet the demand for services among the rising older adult population in the most cost-effective ways.

Nursing Facility Program Capacity

State statute currently defines a nursing facility reimbursement methodology that is based on nursing facility costs without considering the quality of care provided to Medicaid residents in nursing facilities. This reimbursement methodology has several cost control limits, but it still incentivizes skilled nursing facilities to increase their costs year-over-year. The consequence of this has been a 3 percent increase in the nursing facility rates every year over the last decade, the maximum allowable by statute. There is a need to create a new reimbursement methodology that takes into consideration how the needs of this population have changed over the last decade and incentivizes better quality and more cost-effective care for Medicaid recipients staying in nursing facilities.

Program of All-Inclusive Care for the Elderly Oversight

The Department has two full-time staff members dedicated to PACE but lacks the resources to appropriately administer the program as it has grown in enrollment and complexity. Limited resources prevent adequate onsite reviews and surveys, implementation of performance and quality review plans, collection of encounter data for use in the development of performance-based metrics, tracking and monitoring of corrective action plans, and extensive communication with internal and external stakeholders.

Additionally, the lack of resources prevents the Department from actively addressing the findings and recommendations found in a recent review of the program³ (“PACE Review”) submitted to the Department by the Division of Health Care Policy and Research at the University of Colorado’s Anschutz Medical Campus. One of the three significant findings in the PACE Review was the need to strengthen the administration of PACE as Colorado’s administrative resources fell far below programs of comparable size in other states. For example, the state of Virginia has four full-time and two part-time staff in its PACE office whose program serves 1,500 members, and North Carolina has five full-time staff for its PACE program of 2,000 members. Additional FTE would bring Colorado’s staff to a comparable level consistent with other states and allow the implementation of the oversight measures listed above, as well as improve the capacity to address the two other significant findings in the PACE Review which are Care Transitions Following Disenrollment in PACE and Improving the PACE Enrollment Process.

The Department previously relied on federal auditing practices for revealing program vulnerabilities. Recently, CMS began limiting their auditing practices of PACE and are spending less time onsite, reducing

³ Review of the Colorado Program for All-Inclusive Care for the Elderly (PACE) Program: Summary Report, submitted July 9, 2018, The Division of Health Care Policy and Research School of Medicine, University of Colorado Anschutz Medical Campus, R. Mark Gritz, PhD, Carter Sevick, MS

program elements being audited, and acting independently without state collaboration. Since PACE facilities rely heavily on providing services within their own center, the lack of adequate oversight could negatively affect the health, safety, and welfare of Medicaid members as fewer corrective measures are identified. The Department needs additional resources to fill this recent gap in CMS processes.

Proposed Solution:

The Department requests an increase of \$558,020 total funds, including an increase of \$184,147 General Fund and 0.9 FTE in FY 2020-21; and, an increase of \$163,488 total funds, including \$53,951 General Fund and 1.0 FTE in FY 2021-22 to implement several initiatives to meet the growing needs of Colorado's aging population.

The Department would use the requested funding to: hire a PACE analyst to increase operational and financial oversight of PACE; hire a contractor to develop performance-based measures of PACE providers utilizing encounter data and to perform a satisfaction survey of PACE participants; hire a contractor for the study and analysis of potential options for changing the reimbursement methodology for nursing facilities; and finally, the Department is proposing technical changes to the current nursing facility statute which requires legislation.

Nursing Facility Reimbursement Methodology

The Department requests an increase of \$263,200 total funds, including an increase of \$86,856 General Fund in FY 2020-21 to hire a contractor to conduct a study and an analysis for exploring possible options for changing the nursing facility rate reimbursement methodology and to perform stakeholder engagement and facilitation on those options.

The Department requests contractor funding to analyze how the Department can change how it currently reimburses nursing facilities to a methodology that relies less on provider costs and more on quality of care and patient outcomes. The Department requests funding to facilitate stakeholder meetings to review the options from the analysis with relevant stakeholders. The Department would use the results of the contractor study and stakeholder feedback to propose a new reimbursement methodology that takes into consideration the case-mix of nursing facility residents, the acuity level of residents, and anticipated resources needed for a patient. The goal is to create a payment methodology that would require nursing facilities to carefully manage how they deliver services in order to provide the most appropriate level of care for each resident. After this process, the Department may consider legislation to implement changes to the payment methodology, but the Department does not believe it would be proposed until the 2022 legislative session at the earliest.

Program of All-Inclusive Care for the Elderly (PACE) Oversight

The Department is requesting \$294,820 in total funds, including \$97,291 General Fund and 0.9 FTE in FY 2020-21 and \$89,238 total funds, including \$29,449 General Fund and 1.0 FTE in FY 2021-22 and ongoing to enhance the administration and oversight of PACE. This includes funding for one FTE as well as one-time

funding for a vendor contract to develop a satisfaction survey and to create performance-based measures utilizing encounter data from PACE facilities.

PACE Analyst

The Department is requesting one FTE to review, analyze and use the encounter data that it is collecting from PACE organizations, as well as to ensure appropriate oversight, administration, and programmatic improvement. The PACE Policy Advisor would be responsible for developing changes to the MMIS to ensure proper payments to PACE providers. Along with this, the position would develop and present PACE regulations to the Department's Medical Services Board; develop evidence-based, operational policies and procedures; oversee the clinical audit components of the program; and advise Departmental PACE staff and PACE providers on clinical concerns. The PACE analyst would work with the requested contractor to develop policy recommendations and develop alternative payment models.

Performance Based Measures

The requested contractor funding would be used to develop performance-based measures based on encounter data. The Department would use the encounter data to develop ways to measure the performance of PACE providers and the quality of care given to its members and to analyze the benefits and value of the PACE compared to other long-term care programs.

Satisfaction Survey

The contractor would produce and conduct an initial satisfaction survey of PACE members to establish a baseline measure of quality care and services. After the baseline year, the Department would administer the survey annually using existing resources. This supports the Department's goal for Medicaid cost control in Pillar Two of the Department's Performance Plan, which is to control costs through the use of value-based payment reform and tying more provider payments to value and quality of care provided.

Technical Changes to Nursing Facility Statute

In order to streamline administration of the Department's nursing facilities programs, the Department continues to work to identify the appropriate legislative route to make technical changes to the nursing facility statute in part 2 of article 6 of title 25.5, C.R.S., which would be budget neutral. This includes making terminology changes to be more generic as industry tools and systems change. For example, statute currently refers to the "Boeckh tool" for determining the fair rental value as part of the nursing facility reimbursement methodology. The name of the tool has changed, and statute is therefore out of alignment with current practice.

The Department is also pursuing an exemption from the rate methodology described in section 25.5-6-201 C.R.S. for facilities with less than six Medicaid beds, which would use the statewide average of beds instead. Within the state of Colorado, there are currently no facilities with less than 6 beds and there are approximately 30 nursing facilities that are not Medicaid providers. However, the nursing facilities that are not Medicaid providers occasionally have long-term care members who outlive their financial resources and are then forced to be discharged to a Medicaid facility because they can no longer pay the costs to reside in a nursing facility. The intent is to allow for these facilities to have up to five Medicaid beds so that they do not have to discharge

members that outlive their resources. Instead of paying for these individuals using the current rate setting methodology, which is administratively intensive, the Department would pay the statewide average rate in these few cases. The Department assumes that pursuing this exemption would be budget neutral since the statewide average would reflect the average costs the Department would have incurred if the individual was discharged to a Medicaid facility. This would allow the Department to pay for care for a limited number of facilities without setting separate rates, increasing nursing facility enrollment, and preventing any disruption in facility setting for residents, thus mitigating the impact of transfer trauma to those residents.

The Department is proposing to include language in the revised nursing facility statute to add requirements around pursuing options for changing the nursing facility reimbursement methodology, which would be accomplished with the resources through this request.

Anticipated Outcomes:

Nursing Facility Reimbursement Methodology

Hiring a contractor to investigate different reimbursement methodologies for nursing facilities would help the Department mitigate future costs and incentivize nursing facilities to focus on the quality of care and growing needs of nursing facility residents and not on the reported daily costs of nursing facilities. This is part of the Department's goal to transform the broader health care system through value-based payment reform and part of its long-range goal to improve health for low-income and vulnerable Coloradans. If this request is approved, the Department would be better able to address the continual increase in the daily costs of care and costs of services for nursing facility providers. This gradual increase creates a financial strain on both the Department and the skilled nursing facility provider community, without tying those payments to the quality of care received by Medicaid residents within nursing facilities.

Program of All-Inclusive Care for the Elderly (PACE) Oversight

Increasing oversight of the PACE providers would make those providers more accountable for the care they are providing to Medicaid members. Further, approval of this request would help to ensure proper and timely disenrollment and enrollment of PACE members, which would decrease the amount of inappropriate and inaccurate claims paid to PACE providers. Developing the performance-based measures along with administering a satisfaction survey to PACE members would help to determine how PACE providers are performing based on the quality of care given to its members and health outcomes. Further, approval of this request would put measures in place to ensure that Medicaid members have their medical needs met and that each member's well-being and quality of life are appropriately considered. The requested funding to boost oversight of the PACE would help to assure that member benefits are correctly priced based on encounter data, both of which would help to manage expenditure and improve the quality of care provided to PACE members.

Assumptions and Calculations:

Please see Appendix A for details of calculations and tables.

Nursing Facility Reimbursement Methodology

Contractor Resources

The Department estimates it would need \$263,200 in FY 2020-21 and \$30,000 in FY 2021-22 to hire a contractor to analyze available options for a new rate reimbursement methodology for nursing facilities. The costs are estimated assuming a rate of \$200 per hour for 1,316 hours in FY 2020-21 and 150 hours in FY 2021-22. This is based on the estimated number of hours required for each deliverable. The contractor scope of work in FY 2020-21 would include evaluating multiple payment options and reimbursement methodologies for nursing facilities, fiscal impact analysis, incorporating quality metrics, and evaluating the trade-offs and the benefits of each methodology. The contractor would also research the statutory changes and State Plan amendments needed for each option. In FY 2021-22, the funding would be for ad hoc work to analyze any changes to the methodology needed to inform discussions during the 2022 legislative session.

Stakeholder Facilitation Costs

The Department estimates it would need \$44,250 total funds in contractor funding in FY 2021-22 for a contractor to facilitate stakeholder engagement meetings as the Department determines the most appropriate methodology prior to the 2022 legislative session. The Department estimates it would require 150 hours of work at a rate of \$295 per hour.

Program of All-Inclusive Care for the Elderly (PACE) Oversight

Satisfaction Survey Contractor

The Department estimates it would need \$123,510 in FY 2020-21 for a contractor to conduct a satisfaction survey of all PACE enrolled members and recently disenrolled members and develop a baseline satisfaction rating for each PACE center in Colorado. The costs are estimated assuming a rate of \$230 per hour for 537 hours based on the estimated number of hours required for each deliverable. This survey would be administered through telephone, email, and mail. The ratings of the satisfaction survey would provide guidance into creating a performance-based metric. The contractor would develop and run reports analyzing PACE against other long-term care programs, the utilization rates of each PACE center, and assessment data from each PACE center. The contractor would take this information and develop performance measures that can be audited on a yearly basis and analyzed against other State programs.

Performance Based Measures Contractor

The Department estimates it would need \$80,600 in FY 2020-21 for a contractor to develop performance-based measures for PACE. The Department estimates that this would take 403 hours of work based on the estimated number of hours required for each deliverable at a rate of \$200 per hour. The scope of work would include analyzing and reviewing data from PACE facilities, developing an assessment tool to report data, communicating and working with stakeholders, researching and developing PACE and Long-Term Care performance measures that will serve as a quantifiable indicator that will assess how well PACE organizations are doing compared to other Long-Term Services and Supports programs.

Department Staff

The Department requests one Policy Advisor IV FTE starting on July 1, 2020 to collect encounter data to run reports on the kind of care provided by PACE facilities and to help make policy recommendations based on that collected data. Other responsibilities would include staying in contact with PACE providers to resolve any eligibility system changes causing improper enrollment and disenrollment of PACE members into and out of PACE as well as helping to resolve any payment or claims issues and monitoring the amount of money owed to PACE providers.

R-17 Program Capacity for Older Adults
Appendix A: Calculations and Assumptions

Table 1.1 - Summary by Line Item FY 2020-21								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Comments
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$68,988	0.9	\$22,766	\$11,728	\$0	\$34,494	From FTE Calculations
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$10,042	0.0	\$3,314	\$1,707	\$0	\$5,021	From FTE Calculations
C	(1) Executive Director's Office; (A) General Administration, Short-Term Disability	\$104	0.0	\$34	\$18	\$0	\$52	From FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$3,070	0.0	\$1,013	\$522	\$0	\$1,535	From FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,070	0.0	\$1,013	\$522	\$0	\$1,535	From FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$5,436	0.0	\$1,794	\$924	\$0	\$2,718	From FTE Calculations
G	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$467,310	0.0	\$154,212	\$79,443	\$0	\$233,655	Table 3.1, Row AA
H	Total Request	\$558,020	0.9	\$184,146	\$94,864	\$0	\$279,010	Sum of Rows A through G

Table 1.2 - Summary by Line Item FY 2021-22								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Comments
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$71,752	1.0	\$23,678	\$12,198	\$0	\$35,876	From FTE Calculations
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$10,042	0.0	\$3,314	\$1,707	\$0	\$5,021	From FTE Calculations
C	(1) Executive Director's Office; (A) General Administration, Short-Term Disability	\$110	0.0	\$36	\$19	\$0	\$55	From FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$3,194	0.0	\$1,054	\$543	\$0	\$1,597	From FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,194	0.0	\$1,054	\$543	\$0	\$1,597	From FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$951	0.0	\$314	\$162	\$0	\$475	From FTE Calculations
G	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$74,251	0.0	\$24,503	\$12,623	\$0	\$37,125	Table 3.2 Row E
H	Total Request	\$163,494	1.0	\$53,953	\$27,795	\$0	\$81,746	Sum of Rows A through G

R-17 Program Capacity for Older Adults
Appendix A: Calculations and Assumptions

Table 1.3 - Summary by Line Item FY 2022-23								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Comments
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$71,752	1.0	\$23,678	\$12,198	\$0	\$35,876	From FTE Calculations
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$10,042	0.0	\$3,314	\$1,707	\$0	\$5,021	From FTE Calculations
C	(1) Executive Director's Office; (A) General Administration, Short-Term Disability	\$110	0.0	\$36	\$19	\$0	\$55	From FTE Calculations
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$3,194	0.0	\$1,054	\$543	\$0	\$1,597	From FTE Calculations
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$3,194	0.0	\$1,054	\$543	\$0	\$1,597	From FTE Calculations
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$951	0.0	\$314	\$162	\$0	\$475	From FTE Calculations
H	Total Request	\$89,243	1.0	\$29,450	\$15,172	\$0	\$44,621	Sum of Rows A through F

R-17 Program Capacity for Older Adults
Appendix A: Calculations and Assumptions

Table 2.1 - Summary By Initiative FY 2020-21								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Federal Funds	FFP	Comments
	<i>Nursing Facility Reimbursement Methodology</i>							
A	Contractor Funding for Study and Analysis	\$263,200	0.0	\$86,856	\$44,744	\$131,600	50.00%	Table 3.1 Row K
B	Total Funding for Nursing Facility Reimbursement Methodology	\$263,200	0.0	\$86,856	\$44,744	\$131,600	50.00%	Row A
	<i>PACE Oversight</i>							
C	PACE Analyst	\$90,710	0.9	\$29,934	\$15,421	\$45,355	50.00%	From FTE Calculations
D	Contractor Funding for satisfaction survey	\$123,510	0.0	\$40,758	\$20,997	\$61,755	50.00%	Table 3.1 Row Z
E	Contractor funding performance based measures	\$80,600	0.0	\$26,598	\$13,702	\$40,300	50.00%	Table 3.1 Row R
F	Total Funding for PACE Oversight	\$294,820	0.9	\$97,290	\$50,120	\$147,410	50.00%	(Row C) + (Row D) + (Row E)
G	Total in FY 2020-21	\$558,020	0.9	\$184,146	\$94,864	\$279,010	50.00%	(Row B) + (Row F)

Table 2.2 - Summary By Initiative FY 2021-22								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Federal Funds	FFP	Comments
	<i>Nursing Facility Reimbursement Methodology</i>							
A	Ad-hoc work to analyze needed changes in current rate methodology	\$30,000	0.0	\$9,900	\$5,100	\$15,000	50.00%	Table 3.2 Row B
B	Stakeholder Facilitation Costs	\$44,251	0.0	\$14,603	\$7,523	\$22,125	50.00%	Table 3.2 Row D
C	Total Funding for Nursing Facility Reimbursement Methodology	\$74,251	0.0	\$24,503	\$12,623	\$37,125	50.00%	(Row A) + (Row B)
	<i>PACE Oversight</i>							
D	PACE Analyst	\$89,238	1.0	\$29,450	\$15,170	\$44,619	50.00%	From FTE Calculations
E	Total Funding for PACE Oversight	\$89,238	1.0	\$29,450	\$15,170	\$44,619	50.00%	(Row D)
F	Total in FY 2021-22	\$163,494	1.0	\$53,953	\$27,795	\$81,746	50.00%	(Row C) + (Row E)

Table 2.3 - Summary By Initiative FY 2022-23								
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Federal Funds	FFP	Comments
	<i>Nursing Facility Reimbursement Methodology</i>							
A	Ad-hoc work to analyze needed changes in current rate methodology	\$0	0.0	\$0	\$0	\$0	50.00%	Table 3.3 Row B
B	Stakeholder Facilitation Costs	\$0	0.0	\$0	\$0	\$0	50.00%	Table 3.3 Row D
C	Total Funding for Nursing Facility Reimbursement Methodology	\$0	0.0	\$0	\$0	\$0	50.00%	Row A + Row B
	<i>PACE Oversight</i>							
D	PACE Analyst	\$89,243	1.0	\$29,450	\$15,172	\$44,621	50.00%	From FTE Calculations
E	Total Funding for PACE Oversight	\$89,243	1.0	\$29,450	\$15,172	\$44,621	50.00%	(Row D)
F	Total in FY 2022-23	\$89,243	1.0	\$29,450	\$15,172	\$44,621	50.00%	(Row C) + (Row E)

R-17 Program Capacity for Older Adults
Appendix A: Calculations and Assumptions

Table 3.1 - Program Capacity for Older Adults Contract Costs FY 2020-21				
<i>Contractor Costs for NF Reimbursement Rate Methodology</i>				
Row	Task	Hours	Hourly Rate	Cost Per Task
A	Environmental Scan of NF reimbursement methodologies	120	\$200	\$24,000
B	Recommendation Report of Options for SNF reimbursement	220	\$200	\$44,000
C	Final Report	120	\$200	\$24,000
D	Stakeholder Multiple Regions of State	239	\$200	\$47,800
E	Department Engagement	84	\$200	\$16,800
F	Development of Rules	80	\$200	\$16,000
G	Development of Statutory Changes	80	\$200	\$16,000
H	State Plan Amendment	33	\$200	\$6,600
I	Stakeholder Engagement for Implementation	180	\$200	\$36,000
J	Supplemental Payment and Provider Fee Interaction	160	\$200	\$32,000
K	Total Expenditure for NF Rate Methodology Contractor	1,316		\$263,200
<i>Contractor Costs for PACE Performance Based Measures</i>				
Row	Task	Hours	Hourly Rate	Cost Per task
L	Operations Guide	60	\$200	\$12,000
M	Meeting Deliverables	28	\$200	\$5,600
N	Project Timeline Development	6	\$200	\$1,200
O	Uniform Assessment Tool for Data Reporting	42	\$200	\$8,400
P	Data Collection	101	\$200	\$20,200
Q	Performance Measures	166	\$200	\$33,200
R	Total Expenditure for PACE Performance Based Measures Contract	403		\$80,600
<i>Contractor Costs for PACE Satisfaction Survey</i>				
Row	Task	Hours	Hourly Rate	Cost Per Deliverable
S	Run test survey and information gathering	50	\$230	\$11,500
T	Final Survey Printing and Survey Distribution Plan	200	\$230	\$46,000
U	Response rate monitoring and data entry	100	\$230	\$23,000
V	Implementation of secondary surveys to increase response rate	75	\$230	\$17,250
W	Data entry for mail surveys and data cleaning	30	\$230	\$6,900
X	Survey data analysis and preliminary reporting	50	\$230	\$11,500
Y	Final Survey Report	32	\$230	\$7,360
Z	Total Expenditure for PACE Satisfaction Survey	537		\$123,510
AA	Total Contract Expenditure for FY 2020-21			\$467,310

R-17 Program Capacity for Older Adults
Appendix A: Calculations and Assumptions

Table 3.2 - Program Capacity for Older Adults Contract Costs FY 2021-22				
<i>Contractor Costs for NF Reimbursement Rate Methodology</i>				
Row	Task	Hours	Hourly Rate	Cost Per Deliverable
A	Ad-hoc work to analyze needed changes in current rate methodology	150	\$200	\$30,000
B	Total Expenditure for Ad-hoc work			\$30,000
<i>Contract for Stakeholder Facilitation</i>				
Row	Task	Hours	Hourly Rate	Cost Per Deliverable
C	Determining Final Methodology	150	\$295	\$44,250
D	Total Expenditure for Stakeholder Facilitation	150		\$44,250
E	Total Contract Expenditure for FY 2021-22			\$74,250

Table 3.3 - Program Capacity for Older Adults Contract Costs FY 2022-23				
<i>Contractor Costs for NF Reimbursement Rate Methodology</i>				
Row	Task	Hours	Hourly Rate	Cost Per Deliverable
A	Ad-hoc work to analyze needed changes in current rate methodology	0	\$0	\$0
B	Total Expenditure for Ad-hoc work			\$0
<i>Contract for Stakeholder Facilitation</i>				
Row	Task	Hours	Hourly Rate	Cost Per Deliverable
C	Collecting Stakeholder input	0	\$0	\$0
D	Total Expenditure for Stakeholder Facilitation	0		\$0
E	Total Contract Expenditure for FY 2022-23			\$0

R-17 Program Capacity for Older Adults
Appendix A: Calculations and Assumptions

PACE Policy Analyst FTE Calculations					
FTE Calculation Assumptions:					
<u>Operating Expenses</u> -- 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.					
<u>Standard Capital Purchases</u> -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).					
<u>General Fund FTE</u> -- 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
<i>Personal Services:</i>					
	Classification Title	Biweekly Salary	FTE	FTE	
	Policy Advisor IV	\$2,456	0.962	1.0	\$63,864
	PERA				\$6,961
	AED				\$3,193
	SAED				\$3,193
	Medicare				\$926
	STD				\$109
	Health-Life-Dental				\$10,042
	Subtotal Position 1, ## FTE		1.0	1.0	\$88,288
	Subtotal Personal Services		1.0	1.0	\$88,288
<i>Operating Expenses:</i>					
			FTE	FTE	
	Regular FTE Operating	\$500	1.0	1.0	\$500
	Telephone Expenses	\$450	1.0	1.0	\$450
	PC, One-Time	\$1,230	1.0	-	
	Office Furniture, One-Time	\$3,473	1.0	-	
	Other				
	Subtotal Operating Expenses				\$950
	TOTAL REQUEST		1.0	1.0	\$90,238
	<i>General Fund</i>				<i>\$29,449</i>
	<i>Cash Fund</i>				<i>\$15,170</i>
	<i>Reappropriated Funds</i>				<i>\$0</i>
	<i>Federal Funds</i>				<i>\$45,619</i>