

Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-08 Accountability and Compliance Improvement Resources

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	\$151,501,915	\$0	\$156,888,056	\$3,085,585	\$3,110,009
	FTE	500.0	0.0	504.1	11.5	12.0
Total of All Line Items Impacted by Change Request	GF	\$33,651,934	\$0	\$34,823,095	\$658,086	\$654,588
	CF	\$14,609,481	\$0	\$15,325,148	\$194,286	\$198,093
	RF	\$2,832,958	\$0	\$2,720,241	\$0	\$0
	FF	\$100,407,542	\$0	\$104,019,572	\$2,233,213	\$2,257,328

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	\$882,686	\$918,030
	FTE	500.0	0.0	504.1	11.5	12.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	GF	\$13,478,948	\$0	\$14,470,561	\$297,967	\$309,903
	CF	\$3,571,232	\$0	\$3,714,633	\$118,699	\$127,584
	RF	\$2,436,543	\$0	\$2,305,357	\$0	\$0
	FF	\$19,123,991	\$0	\$20,100,215	\$466,020	\$480,543
	Total	\$4,790,328	\$0	\$6,054,935	\$120,504	\$120,504
	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	\$40,568	\$40,568
	CF	\$421,237	\$0	\$525,947	\$16,093	\$16,671
	RF	\$126,088	\$0	\$138,532	\$0	\$0
	FF	\$2,542,556	\$0	\$3,179,359	\$63,843	\$63,265

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	\$1,336	\$1,390
	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	\$448	\$469
General Administration - Short-term Disability	CF	\$5,301	\$0	\$5,495	\$180	\$193
	RF	\$2,206	\$0	\$1,639	\$0	\$0
	FF	\$35,089	\$0	\$38,134	\$708	\$728
	Total	\$1,984,802	\$0	\$2,182,512	\$39,284	\$40,854
	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	\$13,261	\$13,791
General Administration - Amortization	CF	\$159,398	\$0	\$166,329	\$5,282	\$5,677
Equalization	RF	\$46,310	\$0	\$49,606	\$0	\$0
Disbursement	FF	\$1,056,287	\$0	\$1,153,888	\$20,741	\$21,386
	Total	\$1,984,802	\$0	\$2,182,512	\$39,284	\$40,854
	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	\$13,261	\$13,791
General Administration - Supplemental Amortization	CF	\$159,398	\$0	\$166,329	\$5,282	\$5,677
Equalization	RF	\$46,310	\$0	\$49,606	\$0	\$0
Disbursement	FF	\$1,056,287	\$0	\$1,153,888	\$20,741	\$21,386
	Total	\$2,506,384	\$0	\$2,273,794	\$149,086	\$92,650
	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	\$53,467	\$34,463
General Administration - Operating Expenses	CF	\$243,961	\$0	\$197,797	\$19,055	\$11,577
	RF	\$13,297	\$0	\$13,297	\$0	\$0
	FF	\$1,234,260	\$0	\$1,123,684	\$76,564	\$46,610
	Total	\$21,581,862	\$0	\$17,517,486	\$250,000	\$250,000
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$6,015,380	\$0	\$4,503,802	\$125,000	\$125,000
General Administration - General Professional Services and Special Projects	CF	\$2,615,231	\$0	\$2,547,721	\$0	\$0
	RF	\$150,000	\$0	\$150,000	\$0	\$0
	FF	\$12,801,251	\$0	\$10,315,963	\$125,000	\$125,000

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$74,893,151	\$0	\$80,930,645	\$1,785,264	\$1,824,202
01. Executive Director's Office, (C) Information Technology Contracts and Projects, (1)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$9,972,677	\$0	\$11,030,317	\$114,114	\$116,603
Information Technology Contracts and Projects - MMIS Maintenance and Projects	CF	\$6,385,552	\$0	\$6,963,036	\$88,107	\$93,180
	RF	\$12,204	\$0	\$12,204	\$0	\$0
	FF	\$58,522,718	\$0	\$62,925,088	\$1,583,043	\$1,614,419
	Total	\$5,083,274	\$0	\$5,083,274	(\$181,859)	(\$178,475)
05. Indigent Care Program, (A) Indigent Care Program, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Indigent Care Program - Children's Basic Health Plan Administration	GF	\$0	\$0	\$16,060	\$0	\$0
	CF	\$1,048,171	\$0	\$1,037,861	(\$58,412)	(\$62,466)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$4,035,103	\$0	\$4,029,353	(\$123,447)	(\$116,009)

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-8
Request Detail: Accountability and Compliance Improvement Resources

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$3,085,585	\$3,110,009
FTE	0.0	11.5	12.0
General Fund	\$0	\$658,086	\$654,588
Cash Funds	\$0	\$194,286	\$198,093
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$2,233,213	\$2,257,328

Summary of Request:

The Department requests \$3,085,585 total funds, including \$658,086 General Fund, \$194,286 cash funds, \$2,233,213 federal funds and 11.5 FTE in FY 2020-21; and, \$3,110,009 total funds, including \$654,588 General Fund, \$198,093 cash funds, \$2,257,328 federal funds and 12.0 FTE in FY 2021-22 to provide increased stewardship of State resources through the implementation of operational compliance and program oversight measures. Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund and Children's Basic Health Plan Trust. This represents an increase of less than 0.5% of the Department's FY 2019-20 Long Bill total funds appropriation.

Current Program:

As the administrator of Health First Colorado (Colorado's Medicaid program) and the Child Health Plan *Plus* (CHP+), the Department is responsible for processing medical claims for eligible members, setting appropriate payment rates for services, working with stakeholders and providers to determine members benefit packages, improve member health outcomes, and ensuring that all payments are made in compliance with state and federal regulations. Utilizing contracted vendors and FTE, the Department provides program management and oversight measures to assure members receive appropriate services and payments go to the appropriate entities. The Department was appropriated over \$10.6 billion in the FY 2019-20 Long Bill to provide services to eligible members; this represents the largest appropriation for any single agency for the State.

Problem or Opportunity:

Given the size of the Department's budget and the number of people served in the Department's programs, proper oversight is critical to ensuring that members are receiving the services that they need, and that taxpayers' resources are spent wisely in support of the Department's programs. As part of the Department's focus on continual improvement to provide sound stewardship of financial resources, the Department has identified administrative opportunities to expand and strengthen operational compliance, program oversight and accountability, and benefit management. The Department does not have sufficient administrative resources to successfully implement these initiatives. Without the necessary administrative resources, the Department could not implement these changes unless it diverts resources from other areas. Aligned with the Department's focus on continual process improvement and organizational efficiency and excellence, these opportunities would ensure the proper functionality and mission-critical operational systems and create a responsive and accountable framework that increases transparency and accountability.

Proposed Solution:

The Department requests \$3,085,585 total funds, including \$658,086 General Fund, \$194,286 cash funds, \$2,233,213 federal funds and 11.5 FTE in FY 2020-21; and, \$3,110,009 total funds, including \$654,588 General Fund, \$198,093 cash funds, \$2,257,328 federal funds and 12.0 FTE in FY 2021-22 to provide increased stewardship of State resources through the implementation of operational compliance and program oversight measures. Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund and Children's Basic Health Plan Trust. The request to add dedicated FTE and contractor funding would provide for the following activities:

- Address operational compliance and oversight deficiencies across multiple programs
- Ensure quality assurance and drive more accountability to the Department's programs
- Improve benefit management

Operational Compliance & Oversight

The Department requests 7.0 FTE resources to address gaps in compliance and oversight in the areas of long-term services and supports, cost allocation, federal and state reporting, and benefit compliance.

Long-Term Services & Supports

The Department requests 4.0 FTE to perform federally required compliance oversight of Home- and Community-Based Service (HCBS) providers.

In 2012, the Office of Community Living (OCL) was created via Executive Order (D 2012-027); in 2013, OCL was officially created in statute via HB 13-1314. The goal of the office is to redesign all aspects of the long-term services and supports (LTSS) delivery system to better serve the over 70,000 Coloradans who need LTSS. The Department has worked in collaboration with community stakeholders and the General Assembly to transform the delivery of LTSS in Colorado. Since that time, there have been significant pieces of legislation impacting the office's work and enrollment into the programs that support members with disabilities have grown by about 21 percent over the last seven years. As enrollment has grown and program requirements have increased, staffing levels, particularly around compliance and program oversight have not kept pace. As a result, the Department is in a place where it can no longer effectively manage these programs without additional resources.

Subrecipient Monitoring

The request includes 1.0 FTE dedicated to subrecipient financial monitoring of Single Entry Point (SEP) entities. As part of the FY 2019-20 budget cycle, the Department received 1.0 FTE to focus on program oriented subrecipient monitoring and 1.0 FTE to focus on financial sub-recipient monitoring. As workloads have been calculated for scheduling reviews to perform the analyses of the twenty-four SEP entities, the Department determined that an insufficient workload capacity existed for the reviews. The Department does not have the resources to comply with federally mandated subrecipient monitoring requirements outlined in 2 C.F.R. § 200, Uniform Administrative Requirements. Subrecipient monitoring is a compliance requirement for any non-federal recipient of federal assistance that passes the award through to a non-federal entity. The Department considered a "pass-through entity" in federal regulations, is responsible for monitoring the federal subaward activities of entities who receive federal funding from the Department. Because the SEPs receive a subaward from the Department, they are deemed as "subrecipients" of a federal award.

The responsibilities of the pass-through entity begin with ensuring that every subaward is clearly identified to the subrecipient as a subaward and that the subrecipient agreement includes appropriate financial award identification data and mandatory terms and conditions set forth in 2 C.F.R. § 200.331. The financial data includes information such as the amount of federal funds obligated, performance period start and end dates, and federal award identification information. The terms and conditions include all requirements imposed by the pass-through entity on the subrecipient so that the federal award is used in accordance with federal regulations and the terms and conditions of the federal award. Further terms and conditions include any requirement that the pass-through entity imposes on the subrecipient for the pass-through entity to meet its own responsibility to the federal awarding agency including identification of any required financial and

performance reports. Likewise, pass-through entities are required to perform program-specific audits as outlined in C.F.R. § 200.507. Finally, the agreement must include an indirect cost rate and language granting the pass-through entity access to the records and financial statements of the subrecipient.

The FTE would assist with ongoing desk and onsite financial reviews of twenty-four subrecipients. This position would be responsible for conducting an annual subrecipient risk assessment, conduct desk and onsite financial reviews of each entity, draft, distribute and monitor financial review findings, issue management decision letters based on each entity's Corrective Action Plan and provide technical assistance as needed.

The Department also requests a supplemental travel budget for these FTE. As a regular component of the position's workload, regular overnight travel would be required. Based on historical travel budgets for similar positions, the Department requests an additional \$6,250 per position annually.

Case Management Agency Oversight

The Department requests 1.0 FTE dedicated to Case Management Agency (CMA) oversight. There are 49 CMAs responsible for determining eligibility for, enrollment in, authorization of, and ongoing monitoring of LTSS for over 70,000 members with disabilities. The number of members needing LTSS has grown by approximately 21 percent over the past seven years and the Department does not have enough dedicated resources to provide adequate oversight of CMA functions and risks being out of state and federal compliance related to oversight. The staff would conduct daily oversight of case management operations, to include: addressing complaints of CMAs, researching member issues that require additional information for resolution, addressing identified concerns with CMAs, and assisting with member transitions to new providers when the closure of a provider occurs. This position is responsible for conducting case management member case reviews for HCBS waiver participants receiving case management benefits from one of Colorado's CMAs. The CMAs provide HCBS case management for ten HCBS waivers. When the Department receives a complaint or is made aware of a health or safety concern, a member case review is needed to assess the circumstances and provide sufficient follow up. There are times when the federal government, Colorado legislature, or others become aware of issues involving individuals in an HCBS waiver. This position would be dedicated to researching the elevated concerns and determining the next steps to ensure health and welfare. This position would track these issues, so the Department leadership can determine what policies must be changed to address systemic concerns; which CMAs need additional support; or which CMAs require additional corrective action. This position is responsible for ensuring HCBS waiver participants receive case management support while ensuring qualified service providers are arranged to provide waiver and/or home health services and supports. The Centers for Medicare and Medicaid Services (CMS) and Colorado Department of Public Health and Environment (CDPHE) informs the Department when provider agencies, either voluntarily or non-voluntarily, cease providing services. This position would coordinate efforts that protect members' health and safety. This position would be responsible to ensure CMAs are working to find new providers for members; would provide updates to CDPHE and Department leadership so all parties are aware of the status; and provide technical assistance to CMAs regarding finding new providers.

The Department also requests a supplemental travel budget for this FTE. As a regular component of the position's workload, regular overnight travel would be required. Based on historical travel budgets for similar positions, the Department requests an additional \$6,250 per position annually.

Provider Enrollment and Claim Research

The Department requests 1.0 FTE to actively monitor claims, prior authorizations, provider enrollments, and provider revalidation efforts specific to HCBS providers. The implementation of the federal screening rule has created ongoing provider enrollment review responsibilities for which the Office of Community Living does not have proper staffing to support. Contractor resources related to the procurement of the Department's claims processing system initially supplied the supplementary staffing necessary, but funding for those staff ended, and the existing staff cannot support the ongoing workload. In January 2019, there were 33 provider enrollment applications awaiting state review, 14 of which were older than 60 days. As of June 2019, that number of provider applications awaiting state review is 53, 37 of which were older than 60 days. Existing resources are insufficient to allow staff to adequately support operations necessary to update enrollment criteria and work with providers when new programs are introduced. Due to the specialized nature of this provider network, and the unique and diverse enrollment requirements for these providers, the Department needs analysts to provide a high level of technical assistance with the process, and to coordinate key areas within the Department.

In addition to supporting provider enrollment work, this position would be the lead on researching claim issues submitted by HCBS providers, nursing facilities, and intermediate care facility providers, and supporting the operational implementation of new programs. As well, this position would research and resolve prior authorization issues for HCBS providers. Currently the Department only has capacity to research claims or prior authorizations when a provider approaches the Department with escalated claims issues for HCBS providers only. This work often requires long hours reviewing claims and pulling data to advance resolutions. This position would take a proactive approach to researching claims, anticipating needed changes to the claims engine, and working across the Department to ensure that the changes get completed in alignment with policy rules. Further, the role would support staff in implementing new programs with work extending to updating billing manuals, updating web content, and providing as-needed provider enrollment support. This position would work to develop meaningful and actionable performance measures to ensure providers are providing services in the least restrictive and costly manners.

Wage Pass-Through Monitoring

The Department requests 1.0 FTE dedicated to conducting ongoing financial reviews of wage pass-through requirements for home care providers. SB 19-238 "Improve Wages and Accountability of Home Care Workers" required the Department to increase the reimbursement rate for certain home and community-based services and for provider agencies to pass-through the increased funding to the direct care staff providing the services and to report how the funds were used to the Department. The Department is required to monitor these 400 providers to ensure that the increases are being passed through and recover any funds that were not passed through as required. The Department does not have the capacity to monitor these providers with existing staff resources. The requested FTE would be responsible for developing a provider reporting tool,

monitoring and reviewing provider reports, and establishing requirements for and conducting ongoing financial reviews. Likewise, the requested FTE would be responsible for enforcing requirements for non-compliant agencies. This enforcement would include, but not be limited to, conducting desk and onsite reviews, making determinations of non-compliance, issuing corrective action, reviewing and responding to informal reconsiderations and appeals, and recoupment of funds as necessary. The requested FTE would work to ensure that the providers pass-through the funds, which ultimately benefits the direct care workforce.

The Department also requests a supplemental travel budget for these FTE. As a regular component of the position's workload, regular overnight travel would be required. Based on historical travel budgets for similar positions, the Departments requests an additional \$6,250 annually.

Cost Allocation and Federal and State Reporting

The Department requests 2.0 FTE to address financial reporting oversight and compliance concerns. As the single state Medicaid agency, all funding that receives a federal Medicaid match must flow through the Department. The Department must also maintain a federally approved cost allocation plan for funds receiving federal financial participation. As other agencies begin to leverage federal Medicaid dollars, the financing of these programs becomes more complicated. If the funding is not properly accounted for or is not following the latest approved cost allocation plan the Department is at risk of having to pay back federal dollars, creating a potentially large General Fund impact to the State.

Cost Allocation Accountant

The Department requests 1.0 FTE to focus specifically on cost allocation. The Department does not currently have any dedicated resources performing this work. Due to the growing volume and complexity of the work, the Department needs dedicated staff to work on this work full time. Improper payments due to invalid or unapproved cost allocation plans would lead to potentially significant disallowances. Many departments around the state that manage cost allocation plans have their own unit to do so. For example, the Department of Human Services (CDHS) has a manager and six staff assigned to indirect cost accounting preparation and allocation. The Department is in a unique situation related to managing cost allocation plans due to the complexity of state financing along with the partnership with the federal government. As Department programs evolve and federal requirements change the complexity will only continue to grow.

Federal and State Reporting

The Department requests 1.0 FTE to supplement state and federal financial reporting efforts. The Department has a unit dedicated to all state and federal reporting. The functions of this unit include preparing and submitting quarterly federal reports for both Title XIX and Title XXI programs. After submission, this group is responsible for working with CMS on responding to the quarterly variance analysis and follow up questions which include audits of the Department's expenditures and the authority for those expenditures, some of which reside in the cost allocation plan. As requirements for funding have grown more complex, so too has reporting requirements. As a result, the Department has fielded an increasing number of questions year over year. In addition, the level of scrutiny from the federal level on administrative costs and claiming has increased tremendously. CMS staff are now routinely demanding that the Department provide supporting

documentation for administrative claiming. This includes scrutiny down to the individual contract and purchase order level. The regional CMS office has not historically requested this level of detail. Providing this information requires detailed reconciliation between the Public Assistance Cost Allocation Plan (PACAP) and reported administrative costs to ensure everything CMS requires is included. Reconciling between these sources and including items in the PACAP takes a tremendous amount of time. Increased CMS oversight has led to an increase in deferrals, where CMS denied federal funds until the Department can sufficiently answer questions about the expenditures. This requires additional resources and staff time to investigate and defend the Department's position. As federal reporting requirements continue to increase in complexity, the Department must develop new fiscal coding for administrative payments to meet the new system's criteria and the volume of work to complete this task is enormous. For example, for implementation of Phase II of the Accountable Care Collaborative (ACC), CMS has required a massive overhaul to the Department's reporting. This task is not just one time; once created, the fiscal coding must be maintained and adjusted for every policy change that affects fiscal reporting. The number of coding elements that would need to be maintained are more than 3,000. This workload cannot be absorbed within existing staff resources. This change would require the Department to create unique coding for each possible cost to differentiate between ACC Phase II costs and non-ACC Phase II costs. This effectively doubles the existing coding, which must be created manually.

Benefit Compliance

The Department requests 1.0 FTE to add a compliance and policy analyst to take on the additional work related to State Plan Amendments (SPAs), fiscal notes, and rule drafting and regulatory research.

Compliance and Policy Analyst

The Department currently has two compliance and policy analysts responsible for completing and submitting State Plan, waiver, and CHP+ amendments to the Centers for Medicare and Medicaid Services (CMS); CMS consults, and CMS Request for Additional Information (RAI) responses; coordinating and compiling fiscal note responses; providing guidance to staff to inform policy; ensuring policy is in compliance with state and federal regulations; addressing stakeholder feedback during the rule writing process; ensuring rules are written in plain language; easy to understand, and are enforceable; and ensuring the full breadth of the Administrative Procedure Act process is followed. In addition, these positions assist with the fee-for-service member appeals process.

Previously, the Compliance and Policy Analysts' work was limited to fee-for-service State Plan benefits. Policy staff within the Department were expected to lead the compliance work detailed above within their own areas but lacked the expertise and experience to successfully complete the work. Requests for compliance assistance have rapidly increased from across the Department and are continuing to increase. Additionally, during this time, state and federal requirements have changed, leading to more expansive and complex regulatory implementation that required more expertise. The current Compliance and Policy Analysts are leading all CMS state plan, waiver, and CHP+ amendments for the Department, as well as any Department rule requests and regulatory research. The team is overcapacity, working additional hours, and having to delay the start of work. With ever-evolving federal and state regulations and program expansions,

existing Department staff are unable to meet the demand for compliance and policy assistance across the Department. Existing staff cannot absorb this workload, as it requires specific legal education (such as a graduate law degree or specialized training). Going forward, this could result in delayed implementation of initiatives or not meeting CMS timelines on amendments or RAIs. Additionally, policy staff who lack the necessary expertise may be forced to perform the work, which may lead to: policy gaps; increased CMS RAIs, significant delays in State Plan amendment approvals; rules that are not easy to understand or as enforceable; rules not being approved by the Medical Services Board (MSB); or amendments and rules that do not align with regulations. To mitigate this problem, the Department requests to add a compliance and policy analyst to the team to absorb the workload that is increasing both in volume and complexity, to ensure all compliance requirements can be met and in a timely manner.

Quality Assurance & Accountability

The Department requests 3.0 FTE and contractor funding for resources to address quality assurance measures and drive more accountability to Department vendors.

County Scorecard and Performance Management

The Department requests 1.0 FTE in FY 2020-21 for county administration review and support to lead a Medicaid Management Evaluation (ME) program which would partner and align with the Colorado Department of Human Services (CDHS) county scorecard program.

County Administrative Review Manager

The Department seeks to increase internal resources to drive accountability within the counties for quality assurance, local administration and management of the Department's programs while providing regional support specific to quality, performance, and administrative and financial oversight. This is a direct result of recent audit findings by the Office of State Auditor in the 2018 Statewide Single Audit¹. In addition, the Department made the following commitments to the Legislative Audit Committee (LAC) to ensure the Department has robust oversight of counties, including:

1. System changes
2. Scorecards for county partners
3. Additional trainers
4. Improved incentives to counties & financing

Implementation of this request supports the second, fourth, and fifth commitments made to the LAC. In addition, this request aligns with the internal county accountability workgroup that has been working towards revamping how the Department oversees and manages county partners. This group has been meeting with the Executive Director to ensure these changes are implemented.

1

http://leg.colorado.gov/sites/default/files/documents/audits/1801f_statewide_single_audit_fiscal_year_ended_june_30_2018.pdf

The position would be responsible for implementing a shared management evaluation review process with CDHS' Supplemental Nutrition Assistance Program (SNAP). Since over 50% of SNAP cases also include Medicaid eligibility, a shared review process ensures that both state agencies are aligned in our oversight of counties. The FTE would work directly with other Department staff, CDHS and county partners to coordinate the review and compliance with county administrative requirements, quality and performance metrics and county expenditures for eligible reimbursements. The reviews of other administrative requirements that are placed on counties by the Department would also be included. Additionally, the FTE would work with the counties to implement and review Corrective Action Plans for administration, performance, quality and financial requirements. The position would work directly with county partners and coordinate the review of county expenditures for eligible reimbursements and the review of other administrative requirements that are placed on counties by the Department. Additionally, they would work with the counties to review process documentation for accuracy and completeness and ensure all required trainings are completed in a timely manner.

The Department also requests a \$50,000 supplemental travel budget to address the travel costs that are anticipated with the implementation of the Management Evaluation program. The Department is in the planning/implementation stages of the ME program and expects to redirect existing FTE to focus on the ME program. These FTE are currently in various offices within the Department and are performing various oversight functions related to county work. They would continue to provide oversight of the counties, but in a more structured manner to align and partner with the CDHS SNAP ME program. Once these FTE begin to focus on the ME program, it is anticipated they would participate in more onsite reviews. This would result in more overnight stays and travel costs.

Contract and Rate Review

The Department requests 2.0 FTE and contractor funding in FY 2020-21 to drive more quality and accountability to the rate review and contract pricing processes.

MPRRAC Rate Review Analyst

Per SB 15-228 "Medicaid Provider Rate Review", the Department must review and provide recommendations for services to ensure provider retention, access to care, and quality of care. At any given time, the Department is working to implement prior year recommendations, conclude the most recent year of review, and prepare for the next year of review. The analyses results can be indicative of potential access issues, but are often not in-depth enough to be conclusive of whether there are access issues or determine the root cause of those access issues, both of which are critical for informing appropriate recommendations. Analyses typically generate more questions from the Department, Medicaid Provider Rate Review Advisory Committee (MPRRAC), and stakeholders, that require additional evaluation. Department staff do not have capacity to start the next year of review analyses, generate recommendations and draft the Recommendation Report, and complete multiple evaluation projects related to the current year of review.

Presently, the Department only has capacity to devote resources to current year review and preparation of the selected services for the next year. In the Department's statutorily required rate review reports due to the

Joint Budget Committee (JBC), the Department is rarely able to provide the detailed analysis that is appropriate because of the resource deficiency. The additional FTE would be dedicated to this in-depth research and evaluation and contribute findings to the May 1 Analysis Report, the November 1 Recommendation Report, and supplemental reports. Additionally, the FTE would be responsible for overseeing the implementation of all prior year recommendations implementation and status reports. This would allow for a more comprehensive evaluation and reporting, more informed recommendations, and quicker implementation of recommendations, all of which are desired by the MPRRAC, stakeholders and the Department. The position would also conduct additional stakeholder outreach and quantitative and qualitative research surrounding the rate review process.

The Department also requests a supplemental travel budget for this FTE. As a regular component of the position's workload, regular overnight travel would be required. Based on historical travel budgets for similar positions, the Departments requests an additional \$6,250 per position annually.

MPRRAC Rate Review Contractor

The Department requests \$250,000 total funds for contract funding to enhance quantitative and qualitative research and evaluation. For example, this funding would allow additional Medicaid-specific questions to be added to statewide surveys administered by other organizations, which can cost \$14,000 per question, as well as funding Medicaid-specific data analysis for the Department by these same organizations conducting the research. Other examples include funding cold calls to evaluate acceptance of new Medicaid members or additional stakeholder engagement and renting facility space when convening stakeholders in different regions of the state. This would enable the Department to assess Medicaid-specific barriers to care, such as child care, cultural competency of providers, bus routes, etc., as well as populations-specific analysis, such as, individuals on waivers, or immigrants. These surveys and analysis are often very high level, but the additional funding would allow a more granular review. Current funding is used to contract with outside actuaries to conduct rate comparison activities.

Contract Rate Analyst

The Department requests 1.0 FTE in FY 2020-21 to serve as a contract rate pricing analyst. The Department is committed to developing a process to deliver consistent contract pricing across the Department. This process would ensure consistent coordination Department-wide and ensure contract costs reflect the deliverables and that deliverables are bundled correctly for the most cost-effective contracts to the State. Historically, the procurement process has been that the vendor would indicate the price needed to perform the work and the Department has accepted that price, without further verification or validation of market costs for those services. The Department anticipates that there are savings to be had if it takes a more active role in pricing and writing out contracts. The Department has created a process to consistently price vendor contracts. This process uses industry standards on costs and profits and allows the Department to negotiate contracts with a better idea of what the vendor costs are. This contract pricing structure allows for transparent pricing that can be easily tracked and documented, which ultimately translates into more accountability to the vendor. The model created is fluid so if the vendor does not believe the deliverables can be completed within the Department estimated budget, there is room for negotiation if the vendor is able to defend their

cost assumptions. The Department has approximately 400 contracts, each of which requires individual pricing to ensure appropriate reimbursement.

Systems Implementation & Management

The Department requests contractor funding in FY 2020-21 to drive more accountability and management when implementing Medicaid Management Information System (MMIS) changes. The Department requests contract funding for the MMIS vendor to hire six configuration staff members. Vendor configuration staff are responsible for documenting the policy and defining and implementing MMIS change request requirements. Configuration staff are critical to ensuring that MMIS system change requests are deployed quickly and correctly. Rapidly changing policy creates a challenge for the Department to design, test, and implement system changes as policy and interpretations change rapidly. The configuration staff that design and implement the changes are often tasked with handling multiple change orders concurrently. This may result in early deployment that does not solve the intended problem or delays on critical updates. This ultimately cause re-work, which delays the queue of system changes. The inability to implement these changes timely may result in state or federal penalties. Current staffing levels with the MMIS vendor only support the status quo and they do not have the available resources that can be dedicated to the additional level of detail the Department expects. Without this funding, the Department would continue to experience extended implementation timelines, as a result of staff re-work which would continue to further delay other projects. Delays on policy updates could result in improper payments. More timely updates to correct system configurations ultimately results in savings to the Department.

Benefit Management

The Department requests 2.0 FTE for resources to improve child health policy and benefit management. Because these resources are for the CHP+ program, the Department would transfer money from the dedicated Children's Basic Health Plan Administration line item resulting in no fiscal impact for these new staff.

Children's Basic Health Plan

The Department requests to add 2.0 FTE to more strategically advance managed care performance in the Children's Basic Health Plan, commonly referred to as the Child Health Plan Plus (CHP+). The addition of these resources would be budget neutral because the Department assumes a corresponding decrease to the Children's Basic Health Plan Administration appropriation as an offset of these two positions. The Department has an appropriation, primarily cash and federally funded to pay for administrative functions exclusively related to CHP+. The cash fund, Children's Basic Health Plan Trust (CHP+ Trust), with is primarily funded through tobacco settlement monies pays for the state's share of those costs. State statute permits expenses that support CHP+ to be paid for with those funds. Because these FTE would only support CHP+ activities and there is available funding within the appropriation to pay these costs, the Department can fund these two FTE through a realignment of funding between line items. Those FTE are responsible for managing the five managed care organization contracts and maintaining compliance with federal and state regulations. This leaves no resources for the Department to pursue and implement strategic enhancements to drive down costs while improving member outcomes.

CHP+ Benefit Specialist

One of the requested positions would be a CHP+ Benefit Specialist that would be charged with defining and managing the CHP+ benefit, including both the fee-for-service and managed care components. A major focus of the position would be to drive long-term affordability and sustainability. The CHP+ benefit has not received major redesign efforts in several years. With the program reauthorization last year for an extended ten-year period, the Department wants to leverage the extended timeframe to implement strategic enhancements that improve Department oversight and overall program efficiency. The benefits specialist would lead efforts to implement real-time, mandatory enrollment into the CHP+ MCOs, including for pregnant women, as well as the redesign of the State Managed Care Network (SMCN). The SMCN is essentially a fee-for-service delivery system where CHP+ members can receive services if they chose to opt out of an MCO or once they receive eligibility and have not chosen an MCO. The Department has identified opportunities for efficiencies and cost savings within the SMCN by either redesigning the current vendor run and managed benefit or by potentially managing the SMCN within the Department.

CHP+ Quality and Program Integrity Specialist

The Department seeks a CHP+ quality and program integrity resource to design and implement a quality and outcomes focused strategy to improve member health and reduce costs to the State. The FTE would lead efforts to implement new federally identified quality measures as well as an incentive payment program when quality goals are met. This position would also assist with aligning performance measurement and quality components of CHP+ managing contracts with the Accountable Care Collaborative (ACC) contracts and federal regulations. Additionally, this position would ensure CHP+ health plan compliance with the Mental Health Parity and Addiction Equity Act and recent federal and state regulations, including the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act and HB 19-1269 “Mental Health Parity Insurance Medicaid”.

Connection to Department Performance Plan and Consequences if not Funded

This request ties directly to Pillar 5 of the Department’s Performance Plan, Operational Excellence. Specifically, the resources requested drive compliant, efficient, and effective business practices that are person- and family-centered. The initiatives within this request also represent a direct implementation of Departmental core values, especially continuous improvement, transparency and accountability.

If this request is not approved, this would leave the Department with inadequate resources to effectively monitor the compliance of its programs. Failure to remain in compliance with federal requirements may result in the disallowance of federal funds, directly impacting state General Fund. The Department has tried to maintain the workload within existing resources, but it has become apparent that the growing programs can no longer be managed effectively within existing resources.

Anticipated Outcomes:

Approval of this request would put measures in place to ensure that Department’s members have their medical needs met and that each member’s well-being and quality of life are appropriately considered. The increase in compliance and oversight funding would also assure that providers are correctly billing the

Department for member services and that member benefits are correctly priced, both of which would reduce fraud, waste and abuse within the Medicaid program.

Assumptions and Calculations:

Where applicable, notable assumptions for each calculation have been shown in the 'Proposed Solution' section of this document. The Department has included detailed calculations used to determine the fiscal impact for each initiative in the appendix.

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 1.1 FY 2020-21 Department FTE Summary by Line Item								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds ¹	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$882,686	11.5	\$297,967	\$118,699	\$0	\$466,020	4 - FTE Calculations Table
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$120,504	0.0	\$40,568	\$16,093	\$0	\$63,843	4 - FTE Calculations Table
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$1,336	0.0	\$448	\$180	\$0	\$708	4 - FTE Calculations Table
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$39,284	0.0	\$13,261	\$5,282	\$0	\$20,741	4 - FTE Calculations Table
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$39,284	0.0	\$13,261	\$5,282	\$0	\$20,741	4 - FTE Calculations Table
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$149,086	0.0	\$53,467	\$19,055	\$0	\$76,564	4 - FTE Calculations Table
G	(1) Executive Director's Office; (A) General Administration, General Professional Services and Special Projects	\$250,000	0.0	\$125,000	\$0	\$0	\$125,000	Table 2.1, Row I
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information Systems Maintenance and Projects	\$1,785,264	0.0	\$114,114	\$88,107	\$0	\$1,583,043	Table 2.1, Row K
I	(5) Indigent Care Program; Children's Basic Health Plan Administration	(\$181,859)	0.0	\$0	(\$58,412)	\$0	(\$123,447)	Table 2.1, Row N
J	Total Request	\$3,085,585	11.5	\$658,086	\$194,286	\$0	\$2,233,213	Sum of Rows A through I

¹Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund and Children's Basic Health Plan Trust.

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 1.2 FY 2021-22 Department FTE Summary by Line Item								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds ¹	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$918,030	12.0	\$309,903	\$127,584	\$0	\$480,543	4 - FTE Calculations Table
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$120,504	0.0	\$40,568	\$16,671	\$0	\$63,265	4 - FTE Calculations Table
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$1,390	0.0	\$469	\$193	\$0	\$728	4 - FTE Calculations Table
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$40,854	0.0	\$13,791	\$5,677	\$0	\$21,386	4 - FTE Calculations Table
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$40,854	0.0	\$13,791	\$5,677	\$0	\$21,386	4 - FTE Calculations Table
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$92,650	0.0	\$34,463	\$11,577	\$0	\$46,610	4 - FTE Calculations Table
G	(1) Executive Director's Office; (A) General Administration, General Professional Services and Special Projects	\$250,000	0.0	\$125,000	\$0	\$0	\$125,000	Table 2.2, Row I
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information Systems Maintenance and Projects	\$1,824,202	0.0	\$116,603	\$93,180	\$0	\$1,614,419	Table 2.2, Row K
I	(5) Indigent Care Program; Children's Basic Health Plan Administration	(\$178,475)	0.0	\$0	(\$62,466)	\$0	(\$116,009)	Table 2.2, Row N
J	Total Request	\$3,110,009	12.0	\$654,588	\$198,093	\$0	\$2,257,328	Sum of Rows A through I

¹Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund and Children's Basic Health Plan Trust.

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 1.2 FY 2022-23 & Ongoing Department FTE Summary by Line Item								
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds¹	Reappropriated Funds	Federal Funds	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$918,030	12.0	\$309,903	\$127,584	\$0	\$480,543	4 - FTE Calculations Table
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$120,504	0.0	\$40,568	\$16,671	\$0	\$63,265	4 - FTE Calculations Table
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$1,390	0.0	\$469	\$193	\$0	\$728	4 - FTE Calculations Table
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$40,854	0.0	\$13,791	\$5,677	\$0	\$21,386	4 - FTE Calculations Table
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$40,854	0.0	\$13,791	\$5,677	\$0	\$21,386	4 - FTE Calculations Table
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$92,650	0.0	\$34,463	\$11,577	\$0	\$46,610	4 - FTE Calculations Table
G	(1) Executive Director's Office; (A) General Administration, General Professional Services and Special Projects	\$250,000	0.0	\$125,000	\$0	\$0	\$125,000	Table 2.3, Row I
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information Systems Maintenance and Projects	\$1,864,013	0.0	\$119,148	\$95,214	\$0	\$1,649,652	Table 2.3, Row K
I	(5) Indigent Care Program; Children's Basic Health Plan Administration	(\$178,475)	0.0	\$0	(\$62,466)	\$0	(\$116,009)	Table 2.3, Row N
J	Total Request	\$3,149,820	12.0	\$657,133	\$200,127	\$0	\$2,292,561	Sum of Rows A through I

¹Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund and Children's Basic Health Plan Trust.

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 2.1 FY 2020-21 Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
A	Compliance & Oversight	\$701,393	6.7	\$300,337	\$50,351	\$0	\$350,705	50.00%	Sum of Rows B through Row E
B	Long-Term Services & Support	\$386,691	3.8	\$193,338	\$0	\$0	\$193,353	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
C	Cost Allocation	\$102,436	1.0	\$34,829	\$16,389	\$0	\$51,218	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
D	Federal & State Reporting	\$102,435	1.0	\$34,828	\$16,389	\$0	\$51,218	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
E	Benefits Compliance	\$109,831	1.0	\$37,342	\$17,573	\$0	\$54,916	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
F	Quality Assurance & Accountability	\$2,384,192	2.9	\$357,749	\$143,935	\$0	\$1,882,508	78.96%	Sum of Row G through Row K
G	County Scorecard & Performance Management - FTE	\$166,081	1.0	\$56,467	\$26,573	\$0	\$83,041	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
H	MPRRAC Rate Review - FTE	\$97,177	1.0	\$33,040	\$15,548	\$0	\$48,589	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
I	MPRRAC Rate Review - Contractor	\$250,000	0.0	\$125,000	\$0	\$0	\$125,000	50.00%	Table 3.1, Row A
J	Contract Rate Analyst	\$85,670	1.0	\$29,128	\$13,707	\$0	\$42,835	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
K	Business Analyst - Contractor	\$1,785,264	0.0	\$114,114	\$88,107	\$0	\$1,583,043	88.67%	Table 3.2, Row D
L	Benefits Management	\$0	1.9	\$0	\$0	\$0	\$0	0.00%	Row M + Row N
M	Children's Basic Health Plan Unit	\$181,859	1.9	\$0	\$58,412	\$0	\$123,447	67.88%	4 FTE Calculations Tab - See Narrative for Methodology
N	Offset to CHP+ Administration	(\$181,859)	0.0	\$0	(\$58,412)	\$0	(\$123,447)	67.88%	- (Row M)
O	Total Request	\$3,085,585	11.5	\$658,086	\$194,286	\$0	\$2,233,213	72.38%	Row A + Row F + Row L

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 2.2 FY 2021-22 Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
A	Compliance & Oversight	\$691,405	7.0	\$295,888	\$49,809	\$0	\$345,708	50.00%	Sum of Rows B through Row E
B	Long-Term Services & Supports	\$380,097	4.0	\$190,043	\$0	\$0	\$190,054	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
C	Cost Allocation	\$101,207	1.0	\$34,410	\$16,193	\$0	\$50,604	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
D	Federal & State Reporting	\$101,207	1.0	\$34,410	\$16,193	\$0	\$50,604	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
E	Benefits Compliance	\$108,894	1.0	\$37,025	\$17,423	\$0	\$54,446	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
F	Quality Assurance & Accountability	\$2,418,604	3.0	\$358,700	\$148,284	\$0	\$1,911,620	79.04%	Sum of Row G through Row K
G	County Scorecard & Performance Management - FTE	\$165,145	1.0	\$56,151	\$26,423	\$0	\$82,571	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
H	MPRRAC Rate Review - FTE	\$95,488	1.0	\$32,465	\$15,278	\$0	\$47,745	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
I	MPRRAC Rate Review - Contractor	\$250,000	0.0	\$125,000	\$0	\$0	\$125,000	50.00%	Table 3.1, Row A
J	Contract Rate Analyst	\$83,769	1.0	\$28,481	\$13,403	\$0	\$41,885	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
K	Business Analyst - Contractor	\$1,824,202	0.0	\$116,603	\$93,180	\$0	\$1,614,419	88.50%	Table 3.2, Row D
L	Benefits Management	\$0	2.0	\$0	\$0	\$0	\$0	0.00%	Row M + Row N
M	Children's Basic Health Plan Unit	\$178,475	2.0	\$0	\$62,466	\$0	\$116,009	65.00%	4 FTE Calculations Tab - See Narrative for Methodology
N	Offset to CHP+ Administration	(\$178,475)	0.0	\$0	(\$62,466)	\$0	(\$116,009)	65.00%	-(Row M)
O	Total Request	\$3,110,009	12.0	\$654,588	\$198,093	\$0	\$2,257,328	72.58%	Row A + Row F + Row L

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 2.3 FY 2022-23 & Ongoing Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
A	Compliance & Oversight	\$691,405	7.0	\$295,888	\$49,809	\$0	\$345,708	50.00%	Sum of Rows B through Row E
B	Long-Term Services & Supports	\$380,097	4.0	\$190,043	\$0	\$0	\$190,054	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
C	Cost Allocation	\$101,207	1.0	\$34,410	\$16,193	\$0	\$50,604	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
D	Federal & State Reporting	\$101,207	1.0	\$34,410	\$16,193	\$0	\$50,604	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
E	Benefits Compliance	\$108,894	1.0	\$37,025	\$17,423	\$0	\$54,446	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
F	Quality Assurance & Accountability	\$2,458,415	3.0	\$361,245	\$150,318	\$0	\$1,946,853	79.19%	Sum of Row G through Row K
G	County Scorecard & Performance Management - FTE	\$165,145	1.0	\$56,151	\$26,423	\$0	\$82,571	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
H	MPRRAC Rate Review - FTE	\$95,488	1.0	\$32,465	\$15,278	\$0	\$47,745	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
I	MPRRAC Rate Review - Contractor	\$250,000	0.0	\$125,000	\$0	\$0	\$125,000	50.00%	Table 3.1, Row A
J	Contract Rate Analyst	\$83,769	1.0	\$28,481	\$13,403	\$0	\$41,885	50.00%	4 FTE Calculations Tab - See Narrative for Methodology
K	Business Analyst - Contractor	\$1,864,013	0.0	\$119,148	\$95,214	\$0	\$1,649,652	88.50%	Table 3.2, Row D
L	Benefits Management	\$0	2.0	\$0	\$0	\$0	\$0	0.00%	Row M + Row N
M	Children's Basic Health Plan Unit	\$178,475	2.0	\$0	\$62,466	\$0	\$116,009	65.00%	4 FTE Calculations Tab - See Narrative for Methodology
N	Offset to CHP+ Administration	(\$178,475)	0.0	\$0	(\$62,466)	\$0	(\$116,009)	65.00%	- (Row M)
O	Total Request	\$3,149,820	12.0	\$657,133	\$200,127	\$0	\$2,292,561	72.78%	Row A + Row F + Row L

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Table 3.1: Rate Review Operating Funding						
Row	Item	FY 2020-21	FY 2021-22	FY 2022-23 & Ongoing	FFP	Notes / Calculations
A	Contractor Funding	\$250,000	\$250,000	\$250,000	50%	Estimate based on similar Deaprtment Contracts

Table 3.2: InterChange Configuration Staff Funding						
Row	Item	FY 2020-21	FY 2021-22	FY 2022-23	FFP	Notes / Calculations
A	Configuration staff	6	6	6		Staff Requested
B	Cost per hour	\$143.05	\$146.17	\$149.36		Hourly rate baed on current contract
C	Hours	2,080	2,080	2,080		Hours worked per FTE
D	Total Cost	\$1,785,264	\$1,824,202	\$1,864,013	90%	Row A * Row B * Row C

Table 4: 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		
<i>Personal Services:</i>						
	Classification Title	Biweekly Salary	FTE		FTE	
	ADMINISTRATOR V	\$3,073	1.0	\$76,832	1.0	\$79,908
	PERA			\$8,375		\$8,710
	AED			\$3,842		\$3,995
	SAED			\$3,842		\$3,995
	Medicare			\$1,114		\$1,159
	STD			\$131		\$136
	Health-Life-Dental			\$10,042		\$10,042
	Subtotal Position 1, ## FTE		1.0	\$104,178	1.0	\$107,945
	Classification Title	Biweekly Salary	FTE		FTE	
	ADMINISTRATOR IV	\$2,456	2.9	\$184,216	3.0	\$191,592
	PERA			\$20,080		\$20,884
	AED			\$9,211		\$9,580
	SAED			\$9,211		\$9,580
	Medicare			\$2,671		\$2,778
	STD			\$313		\$326
	Health-Life-Dental			\$30,126		\$30,126
	Subtotal Position 2, ## FTE		2.9	\$255,828	3.0	\$264,866
	Classification Title	Biweekly Salary	FTE		FTE	
	ACCOUNTANT III	\$2,832	1.9	\$141,594	2.0	\$147,264
	PERA			\$15,434		\$16,052
	AED			\$7,080		\$7,363
	SAED			\$7,080		\$7,363
	Medicare			\$2,053		\$2,135
	STD			\$241		\$250
	Health-Life-Dental			\$20,084		\$20,084
	Subtotal Position 3, ## FTE		1.9	\$193,566	2.0	\$200,511
	Classification Title	Biweekly Salary	FTE		FTE	
	POLICY ADVISOR V	\$3,073	1.0	\$76,832	1.0	\$79,908
	PERA			\$8,375		\$8,710
	AED			\$3,842		\$3,995
	SAED			\$3,842		\$3,995
	Medicare			\$1,114		\$1,159
	STD			\$131		\$136
	Health-Life-Dental			\$10,042		\$10,042
	Subtotal Position 4, ## FTE		1.0	\$104,178	1.0	\$107,945

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Classification Title	Biweekly Salary	FTE		FTE	
COMPLIANCE SPECIALIST III	\$1,977	-	\$0	-	\$0
PERA			\$0		\$0
AED			\$0		\$0
SAED			\$0		\$0
Medicare			\$0		\$0
STD			\$0		\$0
Health-Life-Dental			\$0		\$0
Subtotal Position 5, ## FTE		-	\$0	-	\$0
Classification Title	Biweekly Salary	FTE		FTE	
ADMINISTRATOR III	\$1,977	1.0	\$49,429	1.0	\$51,408
PERA			\$5,388		\$5,603
AED			\$2,471		\$2,570
SAED			\$2,471		\$2,570
Medicare			\$717		\$745
STD			\$84		\$87
Health-Life-Dental			\$10,042		\$10,042
Subtotal Position 6, ## FTE		1.0	\$70,602	1.0	\$73,025
Classification Title	Biweekly Salary	FTE		FTE	
POLICY ADVISOR IV	\$2,456	-	\$0	-	\$0
PERA			\$0		\$0
AED			\$0		\$0
SAED			\$0		\$0
Medicare			\$0		\$0
STD			\$0		\$0
Health-Life-Dental			\$0		\$0
Subtotal Position 7, ## FTE		-	\$0	-	\$0
Classification Title	Biweekly Salary	FTE		FTE	
ANALYST IV	\$2,456	1.0	\$61,405	1.0	\$63,864
PERA			\$6,693		\$6,961
AED			\$3,070		\$3,193
SAED			\$3,070		\$3,193
Medicare			\$890		\$926
STD			\$104		\$109
Health-Life-Dental			\$10,042		\$10,042
Subtotal Position 8, ## FTE		1.0	\$85,274	1.0	\$88,288
Classification Title	Biweekly Salary	FTE		FTE	
PROGRAM MANAGEMENT I	\$3,073	1.0	\$76,832	1.0	\$79,908
PERA			\$8,375		\$8,710
AED			\$3,842		\$3,995
SAED			\$3,842		\$3,995
Medicare			\$1,114		\$1,159
STD			\$131		\$136
Health-Life-Dental			\$10,042		\$10,042
Subtotal Position 9, ## FTE		1.0	\$104,178	1.0	\$107,945

R-8 Accountability and Compliance Improvement Resources
Appendix A: Assumptions and Calculations

Classification Title	Biweekly Salary	FTE	FTE	FTE	
COMPLIANCE SPECIALIST IV	\$2,456	1.0	\$61,405	1.0	\$63,864
PERA			\$6,693		\$6,961
AED			\$3,070		\$3,193
SAED			\$3,070		\$3,193
Medicare			\$890		\$926
STD			\$104		\$109
Health-Life-Dental			\$10,042		\$10,042
Subtotal Position 11, ## FTE		1.0	\$85,274	1.0	\$88,288
Classification Title	Biweekly Salary	FTE	FTE	FTE	
RATE/FINANCIAL ANALYST II	\$2,285	1.0	\$57,113	1.0	\$59,400
PERA			\$6,225		\$6,475
AED			\$2,856		\$2,970
SAED			\$2,856		\$2,970
Medicare			\$828		\$861
STD			\$97		\$101
Health-Life-Dental			\$10,042		\$10,042
Subtotal Position 12, ## FTE		1.0	\$80,017	1.0	\$82,819
Subtotal Personal Services		11.5	\$1,083,094	12.0	\$1,121,632
Operating Expenses:					
		FTE	FTE	FTE	
Regular FTE Operating Expenses	\$500	12.0	\$6,000	12.0	\$6,000
Telephone Expenses	\$450	12.0	\$5,400	12.0	\$5,400
PC, One-Time	\$1,230	12.0	\$14,760	-	
Office Furniture, One-Time	\$3,473	12.0	\$41,676	-	
Supplemental Travel	\$6,250	13.0	\$81,250	13.0	\$81,250
Other					
Other					
Other					
Subtotal Operating Expenses			\$149,086		\$92,650
TOTAL REQUEST		11.5	\$1,232,180	12.0	\$1,214,282
	<i>General Fund:</i>		\$418,972		\$412,985
	<i>Cash funds:</i>		\$164,591		\$167,379
	<i>Reappropriated Funds:</i>		\$0		\$0
	<i>Federal Funds:</i>		\$648,617		\$633,918