

Health Care Budget Cuts

Total General Fund Reductions

Department	FY 09-10 General Fund Appropriation	Approximate FY 09-10 Total General Fund Reductions	Approximate FY 09-10 Percentage General Fund Reductions	Approximate FY 09-10 FTE Reductions (Annualized)
Health Care Policy & Financing	\$ 1,587,903,164	\$ (457,136,848)*	-28.8%**	(0.5)

* Of this total, \$345.8 million is attributable to inclusion of FMAP in the appropriation base and does not represent an actual cut.

** With the FMAP change taken into consideration, the percentage reduction in the HCPF General Fund appropriation is -7.0%.

HCPF Total Cuts

The Department of Health Care Policy and Financing's FY 2009-10 General Fund budget is being reduced by **\$115 million** General Fund. **\$4.7 million** is reflected in cuts within the Department of Human Services.

FMAP

- **Hospital provider fee** to be used to **offset Medicaid General Fund** expenses - **\$41.4 million General Fund** reduction.
- Change in the State's **enhanced FMAP from 60.19% to 61.59%** for the fourth quarter of FY 2008-09 - **\$11.1 million General Fund** reduction.

Medicaid Program Adjustments

Totals: \$18.5 million General Fund (\$42.8 million total funds) savings.

General Fund Cut	Total Funds Cut	General Area	Specific Cut
\$8.6 million	\$23.8 million	Providers	1.5% provider rate decrease
\$1.5 million	\$3.9 million	FQHCs	Reduction in provider rates to FQHCs
\$250,000	\$500,000	HCBS Transportation	Reduction in HCBS Transportation associated with the implementation of a cap on non-medical transportation services at 2 trips per week from the current average of 3.3 trips per week
\$550,000	\$1.1 million	Home and Personal Care Providers	Reduction for home maker and personal care providers associated with limiting personal care expenditures to \$72.05
\$1.1 million		State Only Medicaid Eligibility	Reduction associated with the clients in the State Only Prenatal Program now being eligible for Med
\$160,000	\$320,000	Telehealth	Reduction associated with ending the current contract to provide Telehealth services
\$1.7 million	\$3.5 million	Pharmacy rates	Reduction to pharmacy rates to average wholesale price
\$650,000	\$1.3 million	Removal of Drug from PDL	Reduction associated with adding an additional drug class to the Preferred Drug List
\$600,000		Medicaid Recruitment and Enrollment	Reduction associated with eliminating state support for Medicaid recruitment and enrollment activities for providers who are public entities
\$2.0 million	\$4.5 million	Medicaid BHOs	Reduction associated with a 2.5% rate decrease paid to Behavioral Health Organizations to provide Medicaid mental health services . Rates will be set at the bottom of the actuarial acceptable range
\$2.0 million	\$4.0 million	BHO Payment Tracking	Reduction associated with implementing a new methodology to more accurately track and recover payments made to BHOs for ineligible Medicaid clients

Administrative

Totals: \$2.2 million General Fund (\$2.8 million total funds) reduction from the following adjustments

General Fund Cut	Total Funds Cut	General Area	Specific Cut
\$50,000	\$150,000	Legal	Reduction associated with reduced fees to outside legal counsel
\$20,000	\$40,000	Administrative efficiencies	Improved telephone utilization controls, limiting travel, and reducing conference and training expenses
\$130,000	\$510,000	Administrative services	Reduction associated with reducing call center hours, elimination of regional provider trainings, a reduction in system development hours, and utilizing an all electronic communications policy
\$75,000	\$220,000	Pilot eligibility program (schools)	Reduction associated with repealing the pilot program in H.B. 06-1270, which placed eligibility determination sites in schools
\$1.9 million		Provider fee admin	Hospital Provider Fee Administrative Costs

CICP

Totals: \$22.2 million General Fund (\$50.2 million total funds)

General Fund Cut	Total Funds Cut	General Area	Specific Cut
\$7.8 million	\$15.6 million	CICP Providers	Reduction associated with the elimination of the reimbursement to private hospitals through the CICP for the costs of uncompensated care NOTE: Governor's office wants legislature to redirect funding from the hospital provider fee established in HB1293
\$11.9 million	\$30.0 million	Health Care Services Fund	Reduction associated with the elimination of the Health Care Services Fund one year early , which is used to partially offset provider's costs of expanding income eligibility in CICP
\$2.6 million	\$4.6 million	(CPPC) Grants Program and Rural and Public Hospitals Payments	Reduction associated with utilizing the Tier 2 tobacco master settlement agreement (MSA) payments for these programs to offset Medicaid General Fund

MISC:

General Fund Cut	Total Funds Cut	General Area	Specific Cut
\$7.0 million		Adjust Department Appropriations to Reflect Enhanced Federal Medicaid Assistance Percentages	Reduction associated with recalculation of the State's statutory General Fund reserve requirement after the enhanced FMAP is applied to the Department's FY 2009-10 appropriation
\$100,000	\$200,000	Commission on Family Medicine	Reduction associated with a 10% reduction to state reimbursement for the Commission's expenses associated with the training of family physicians
\$15.0 million		Amendment 35 Funds transferred from HCPF to CDPHE	Reduction associated with the transfer of \$15.0 million from Amendment 35 cash funds to the Department of Public Health and Environment See Footnote:

Footnote: Amendment 35 Funds Details - \$15,000,000 Medicaid General Fund refinance with cash funds from the following sources (shown as General Fund savings in HCPF):

- \$7 million from the Tobacco Education Program Fund
- \$7 million from the Prevention, Early Detection and Treatment Fund
- \$1 million from the Health Disparities Grant Program Fund