

Joint Budget Committee



Supplemental Budget Requests FY 2024-25

Department of Health Care Policy and Financing (Office of Community Living)

JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision

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Overview of Office of Community Living

The **Office of Community Living** in the Department of Health Care Policy and Financing oversees Home- and Community-Based Services (HCBS) for individuals with intellectual and developmental disabilities. The division is responsible for the following functions related to the provision of services by community-based providers:

- Administration of Medicaid waivers for individuals with developmental disabilities;
- Establishment of service reimbursement rates;
- Ensuring compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with Case Management Agencies and service providers regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

Summary of Staff Recommendations

Department of Health Care Policy and Financing: Recommended Changes for FY 2024-25						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$15,960,548,064	\$4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
Current FY 2024-25 Appropriation	\$15,960,548,064	\$4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
Recommended Changes						
Current FY 2024-25 Appropriation	\$15,960,548,064	4,988,234,973	\$1,790,865,897	\$137,606,638	\$9,043,840,556	844.5
S1 Medical Services Premiums	150,904,277	55,921,277	71,026,444	-716,036	24,672,592	0.0
S1b Health benefits for children lacking access due to immigration status	13,935,138	13,935,138	0	0	0	0.0
S2 Behavioral Health	93,619,593	12,606,480	15,141,040	0	65,872,073	0.0
S3 Children's Basic Health Plan	7,500,237	1,232,180	1,392,903	0	4,875,154	0.0
S4 Medicare Modernization Act	-2,903,642	-2,903,642	0	0	0	0.0
S5 Office of Community Living caseload	43,499,748	9,259,492	12,418,583	0	21,821,673	0.0
S6 CIH waiver extension	0	0	0	0	0	0.0
S8 Technical adjustments	2,867,149	-2,558,268	192,541	416,192	4,816,684	0.0
S9 DOJ Settlement Agreement	2,384,037	-687,424	0	0	3,071,461	2.6
S10 Youth system of care	0	0	0	0	0	0.0
S11 ARPA HCBS Adjustments	26,725,550	0	13,263,386	0	13,462,164	0.0
S12 Med transport reviews	2,236,155	670,846	447,231	0	1,118,078	0.0
S13 Public School Health Services	17,641,168	0	8,832,830	0	8,808,338	0.0
S14 All-Payer Claims Database	4,283,567	360,178	0	0	3,923,389	0.0
NP OIT Real time billing	650,416	-46,187	60,664	285,370	350,569	0.0
NP Risk management	22,615	10,960	347	0	11,308	0.0
NP Annual fleet supplemental	-3,946	-1,973	0	0	-1,973	0.0
Recommended FY 2024-25 Appropriation	\$16,323,910,126	\$5,076,034,030	\$1,913,641,866	\$137,592,164	\$9,196,642,066	847.1

Department of Health Care Policy and Financing: Recommended Changes for FY 2024-25						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Recommended Change from 2024-25	\$363,362,062	\$87,799,057	\$122,775,969	-\$14,474	\$152,801,510	2.6
Percentage Change	2.3%	1.8%	6.9%	0.0%	1.7%	0.3%
FY 2024-25 Executive Request	\$16,324,683,151	\$5,076,604,587	\$1,913,641,866	\$137,592,164	\$9,196,844,534	850.1
Staff Rec. Above/-Below Request	-\$773,025	-\$570,557	\$0	\$0	-\$202,468	-3.0
Note: Only those decision items highlighted in blue are discussed in this document.						

FY 2024-25 Description of Incremental Changes

S5 Office of Community Living caseload: The request includes an increase of \$43.5 million total funds, including \$9.3 million General Fund, to align appropriations with the estimated number of enrollments in each Medicaid Home and Community Based Services waiver programs for people with intellectual and developmental disabilities. The recommendation is approval.

S6 CIH waiver: The request includes an increase of \$73,134 total funds, including \$36,567 General Fund, and 1.0 FTE in FY 2024-25 to support the Complimentary and Integrated Health Services (CIH) waiver. The recommendation is denial based on supplemental criteria.

S9 DOJ Settlement Agreement: The request includes a net increase of \$6.8 million total funds, including a decrease of \$170,036 General Fund, and 4.4 FTE (representing 11 new positions) to provide the necessary resources to meet the requirements of the Settlement Agreement between the Department of Health Care Policy and Financing and the U.S. Department of Justice (DOJ) to resolve litigation regarding claims of violations of Title II of the Americans with Disabilities Act. The recommendation is a net increase of \$2.4 million total funds, including a decrease of \$687,424 General Fund, and 2.6 FTE.

Prioritized Supplemental Requests

S5 Office of Community Living caseload

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$43,499,748	\$9,259,492	\$12,418,583	\$0	\$21,821,673	0.0
Recommendation	43,499,748	9,259,492	12,418,583	0	21,821,673	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

Request

The Department requests \$43.5 million total funds, including \$9.3 million General Fund, to align appropriations with the estimated number of enrollments in each Medicaid Home and Community Based Services waiver programs for people with intellectual and developmental disabilities.

Intellectual and developmental disability waiver services are not subject to standard Medicaid State Plan service and duration limits. Instead, these services are provided under a Medicaid waiver program. Colorado has four Medicaid waivers for individuals who qualify for intellectual and developmental disability services for which mid-year caseload adjustments are requested:

- Adult Comprehensive/Developmental Disabilities waiver (DD waiver) is for individuals over the age of 18 who require residential and daily support services to live in the community.
- Supported Living Services waiver (SLS waiver) is for individuals over the age of 18 who do not require residential services but require daily support services to live in the community.
- Children's Extensive Services waiver (CES waiver or children's waiver) is for youth aged 5 to 18 who do not require residential services but do require daily support services to be able to live in their family home.
- Children's Habilitation Residential Services waiver (CHRP waiver) is for children with intellectual and developmental disabilities and complex behavioral support needs requiring home- and community-based services.

As part of the waivers, Colorado is allowed to limit the number of waiver program participants. Annually, the General Assembly appropriates sufficient funding to ensure no waiting list for the SLS, CES, and CHRP waivers.

Medicaid Programs

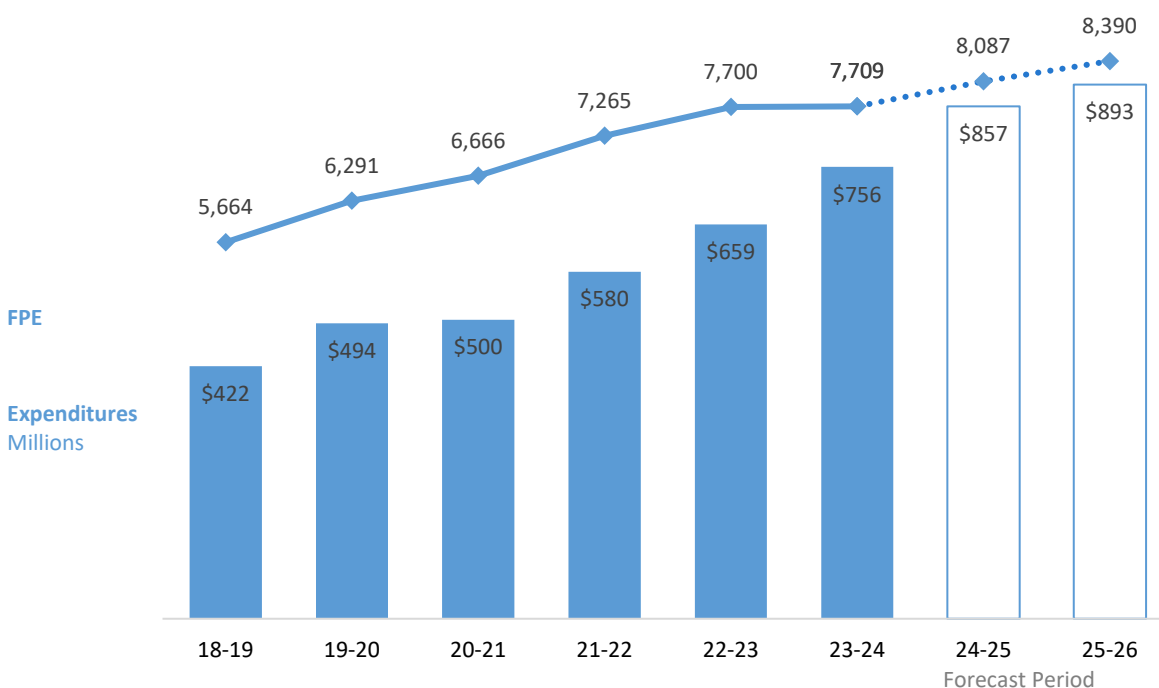
Comprehensive/Developmental Disabilities Waiver

The Comprehensive waiver provides access to 24-hour/seven-day-a-week supervision through Residential Habilitation and Day Habilitation Services and Supports. The service provider is responsible for supporting individuals in securing living arrangements that can range from host home settings with 1-2 persons, individualized settings of 1-3 persons, and group settings of 4-8 persons. Support is also available for participants who live in their own home or who live with and/or are provided services by members of their family.

Annually, the Department requests funding for reserved capacity and emergency enrollments. The FY 2024-25 appropriation includes funding for 421 enrollments, including 22 transitions from institutions, 189 emergency enrollments, 10 foster care transitions, 71 youth transitions, and 129 additionally authorized enrollments.

The estimated FY 2024-25 maximum enrollment in the Comprehensive waiver is 8,871 members. With the accounting for churn and enrollment lag, the estimated fiscal year-end enrollment is an estimated 8,290 members. The forecast is based on the number of full program equivalent (FPE) who are anticipated to be served, in this case 8,087 FPE at an anticipated cost of \$105,932 per FPE. The request reflects an increase of \$18.6 million total funds, including \$9.1 million General Fund.

Comprehensive (DD) waiver caseload and expenditures continue to grow.



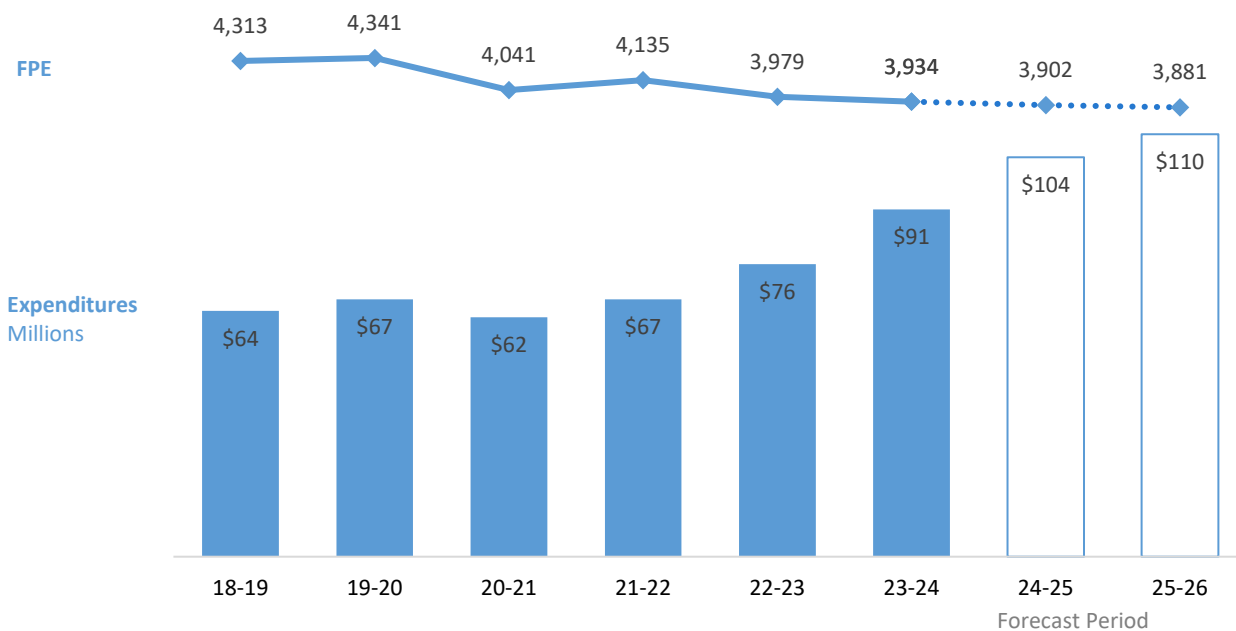
Supported Living Services Waiver

The Supported Living Services (SLS) waiver provides necessary services and supports for adults with intellectual or developmental disabilities so they can remain in their homes and communities with minimal impact to the individual's community and social supports. The

waiver promotes individual choice and decision-making through the individualized planning process and the tailoring of services and supports to address prioritized, unmet needs. In addition, this waiver is designed to supplement existing natural supports and traditional community resources with targeted and cost-effective services and supports. The person receiving services is responsible for his or her living arrangements that can include living with family or in their own home. Up to three persons receiving services can live together. Participants on this waiver do not require 24-hour supervision on a continuous basis for services and supports offered on this waiver. The rate of some services and the Service Plan Authorization Limit (SPAL) is determined through member intake and assessments. The number of FPE anticipated to be served in FY 2024-25 is 3,903 with an average cost of \$26,664. There is no waiting list for SLS waiver enrollment; therefore, the Department adjusts costs based on actual enrollment, utilization, and per capita trends.

The forecast reflects a slight decline in FPE for previous and upcoming fiscal years related to enrollment trends. Increased enrollment on the Comprehensive waiver results in a reduction in the number of members enrolled on the SLS waiver. The Department projects a net increase of \$5.5 million total funds, including a decrease of \$5.5 General Fund in FY 2024-25.

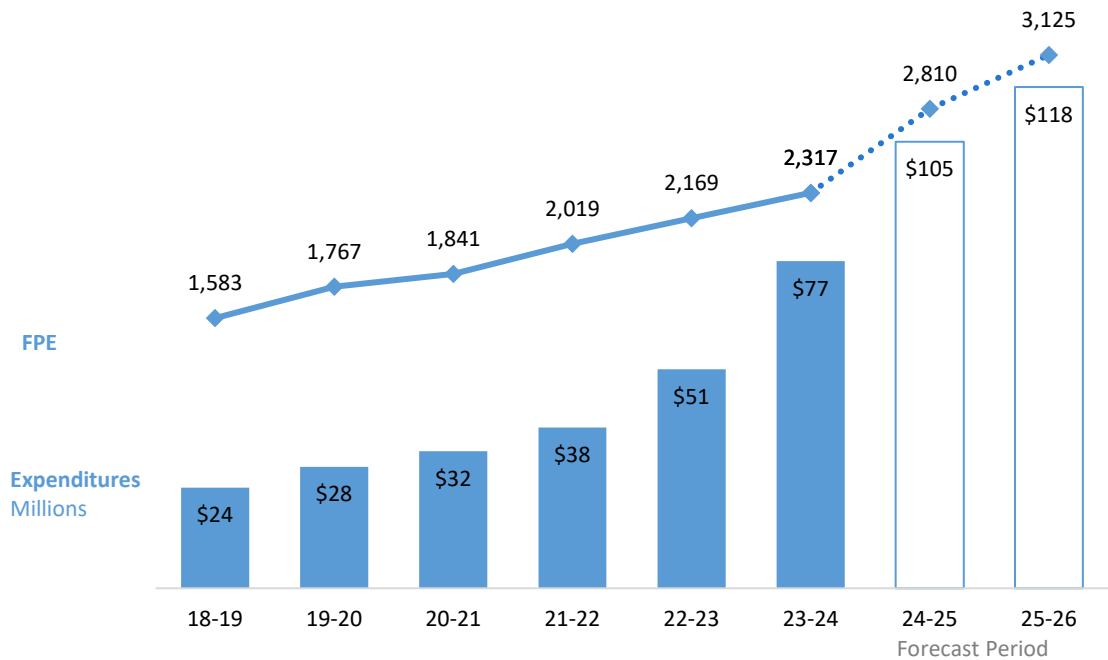
Supported Living Services (SLS) caseload has declined in the last several fiscal years, but expenditures have grown.



Children’s Extensive Support Waiver

The Children’s Extensive Support (CES) waiver provides services and supports to children and families that will help children establish a long-term foundation for community inclusion as they grow into adulthood. The number of FPE anticipated to be served in FY 2024-25 is 2,810, at an average cost of \$37,253. There is no waiting list for CES enrollment; therefore, the Department adjusts costs based on actual enrollment, utilization, and per capita trends. The Department projects an increase of \$18.2 million total funds, including \$9.1 million General Fund.

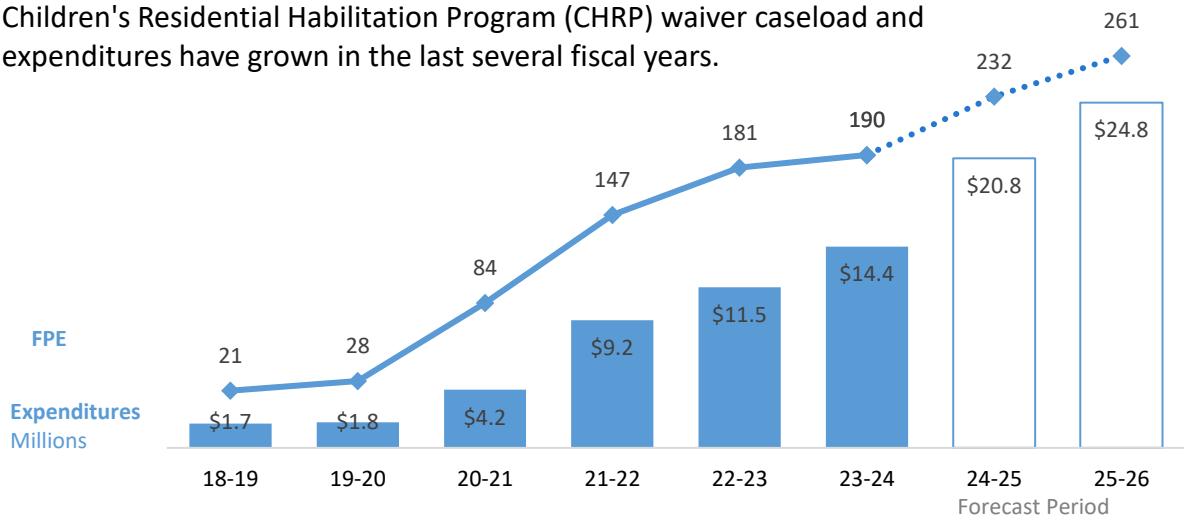
Children's Extensive Support (CES) waiver caseload and expenditure has steadily grown over the last several fiscal years.



Children's Habilitation Residential Program Waiver

The Children’s Habilitation Residential Program (CHRP) waiver provides residential services for children and youth in foster care or at risk of child welfare involvement who have a developmental disability and very high needs that put them at risk for institutional care. Services are intended to help children and youth learn and maintain skills that are necessary for successful community living. The number of FPE anticipated to be serviced in FY 2024-25 is 232 at an average cost of \$89,559. There is no waiting list for CHRP enrollment; therefore, the Department adjusts costs based on actual enrollment, utilization, and per capita trends. The November forecast reflects an upward trend resulting in an increase of \$2.4 million total funds, including \$1.2 million General Fund.

Children's Residential Habilitation Program (CHRP) waiver caseload and expenditures have grown in the last several fiscal years.



Case Management

Individuals with IDD who are enrolled in HCBS waivers receive case management, monitoring, and assessment services.

- Targeted Case Management provides assessment of each client's long-term care needs, the development and implementation of personalized care plans, coordination and monitoring of the delivery of services, and evaluation of the effectiveness of services (estimated \$101.7 million in FY 2024-25).
- Four monitoring visits per year are provided to each client. These quarterly visits with a case manager include an evaluation of service delivery and quality, evaluation of choice in providers, and the promotion of self-determination, self-representation, and self-advocacy (an estimated \$10.4 million in FY 2024-25).
- Intake, an annual Continued Stay Review assessment, and a Supports Intensity Scale (SIS) assessment are required and are necessary to determine the member's functional level for activities of daily living (an estimated \$29.4 million in FY 2024-25). The SIS specifically measures support needs in the areas of home living, community living, lifelong learning, employment, health and safety, social activities, and protection and advocacy. For children enrolled in the CHRP waiver, the Inventory for Client and Agency Planning assessment is used to measure support needs by determining adaptive behavior skills. Support needs identified by the assessments help determine the level of support each client needs, which subsequently informs the Service Plan Authorization Limit.

The forecast reflects a net decrease of \$1.1 million total funds, including a decrease of \$4.5 million General Fund for case management activities in FY 2024-25.

State-only Programs

State-only programs are made available to individuals with intellectual and developmental disabilities who do not meet the Medicaid eligibility requirements. The November 2024 forecast reflects no additional funding necessary for state funded programs.

Recommendation

Staff recommends that the Committee approve the request. All of the expenditures contained in the supplemental are for programs authorized in current law. If the February forecast is significantly different than the forecast used for this supplemental, then the JBC staff may recommend a supplemental adjustment through the Long Bill.

S6 CIH waiver extension

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$73,134	\$36,567	\$0	\$0	\$36,567	1.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$73,134	-\$36,567	\$0	\$0	-\$36,567	-1.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **NO**
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department disagree that this request meets any of the above stated supplemental criteria.

Request

The Department requests an increase of \$73,134 total funds, including \$36,567 General Fund, and 1.0 FTE in FY 2024-25 to support the Complimentary and Integrated Health Services (CIH) waiver.

Recommendation

Staff recommends that the Committee deny the request.

Analysis

The supplemental budget request does not meet supplemental criteria for the following reasons. This waiver has a statutory repeal date of September 1, 2025. While the Department and advocacy groups assert that this repeal date was not intended to apply to the entire waiver, but only the reporting requirements, the repeal date has been part of statute since 2019. It may have been overlooked, but cannot be reasonably considered to meet any of the stated JBC supplemental criteria.

The Department's November 1, 2024 budget submission includes a request for the JBC to sponsor legislation to extend this program indefinitely, which would increase General Fund obligations in FY 2025-26 and ongoing. It is best practices for legislation to include the necessary appropriations for implementation. Supplementals are considered one-time adjustments in the current fiscal year. If the requested legislation does not become law, then additional resources would be unnecessary in the current or future fiscal years.

A denial of a Long Bill supplemental adjustment does not preclude the inclusion of a FY 2024-25 appropriation through the aforementioned requested legislation. The Department's supplemental request is for a full year's funding for 1.0 FTE. If the FY 2024-25 appropriation is included in the requested legislation, it should be prorated for the last quarter of the fiscal year.

In their budget submission for the 2024 budget cycle, the Department requested a FY 2024-25 reduction of \$71,783 total funds, including \$35,892 General Fund, and 1.0 FTE to annualize S.B. 21-038 (Expansion of Complementary and Alternative Medicine). This bill expanded the CIH

waiver by modifying eligibility to include residents of the entire state and to include a broader range of conditions covered by the waiver. The reduction represents the correct annualization of S.B. 21-038. This supplemental request would effectively reverse this annualization.

S9 DOJ Settlement Agreement

Item	Total Funds	General Fund	Cash Funds	Reapprop Funds	Federal Funds	FTE
Request	\$6,843,818	-\$170,036	\$0	\$0	\$7,013,854	4.4
Recommendation	2,384,037	-687,424	0	0	3,071,461	2.6
Staff Recommendation Higher/-Lower than Request	-\$4,459,781	-\$517,388	\$0	\$0	-\$3,942,393	-1.8

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made. The Settlement Agreement with the U.S. Department of Justice related to Title II of the Americans with Disabilities Act was signed and became effective on October 31, 2024.

Request

The Department requests a net increase of \$6.8 million total funds, including a decrease of \$170,036 General Fund, and 4.4 FTE (representing 11 new positions) in FY 2024-25 to provide the necessary resources to meet the requirements of the Settlement Agreement between the Department of Health Care Policy and Financing and the U.S. Department of Justice (DOJ) to resolve litigation regarding claims of violations of Title II of the Americans with Disabilities Act.¹

The Department identifies 14 elements to be funded to address the Settlement Agreement, and seeks supplemental funding adjustments in FY 2024-25 for ten. Each of the ten elements for which funding is requested in FY 2024-25 assumes ongoing funding through at least FY 2027-28. This request is associated with a budget amendment (BA9) for funding in FY 2025-26 and ongoing, which will be further discussed during figure setting.

Home Modification Salesforce License

The Department requests \$30,000 total funds, including \$15,000 General Fund, in FY 2024-25 and going for Salesforce licenses in order for the Department, the Department of Local Affairs, and contractors of the Department to enter, track, and monitor all home modification requests and projects. The licenses are to be used by Department contractors to enter information about home modification projects and upload documents. The Department would use licenses to track home modifications, and the Department of Local Affairs would use licenses to ensure that no duplications of services occur. This request fulfills the Settlement Agreement

¹ Settlement Agreement – U.S. v. Colorado: <https://www.justice.gov/crt/case-document/settlement-agreement-us-v-colorado>

requirement (Section VII (I)(4)) to ensure the home modification approval process is simplified and streamlined by August 31, 2025. The Department estimates the total cost of Home Modification Salesforce licenses based on the annual cost for approximately 2,000 logins per month for Salesforce. The Department assumes that these costs are eligible for a 50.0 percent federal match.

Contractor Support

The Department requests \$250,000 total funds, including \$125,000 General Fund, in FY 2024-25 to complete the development of a quality assurance and program improvement plan. The Settlement Agreement (Section IX (A)) requires the Department to develop and implement a quality assurance and performance improvement system that collects and analyzes data relevant to assessing compliance with the agreement. The agreement also requires the simplification and streamlining of a number of programs including home modifications, eligibility determination, and long term home health. To fulfill these requirements, the Department requests funding for contract support in order to develop a quality assurance and program improvement plan, provide continued data collection and analysis processes, and to streamline processes and reporting. Additionally, contractor support may be utilized to develop studies or stakeholder engagement to ensure compliance with the agreement, develop trainings, or hire policy expertise to inform program development.

In FY 2025-26 and ongoing the Department requests \$200,000 in order to comply with these provisions of the Settlement Agreement. The Department assumes that these costs are eligible for a 50.0 percent federal match.

Care and Case Management System Changes

The Department requests \$4,516,854 total funds, including \$451,685 General Fund, in FY 2024-25 for Care and Case Management (CCM) system changes needed in order to ensure compliance with the Settlement Agreement. The Department anticipates that completing these system changes will assist in compliance by ensuring that CCM reflects the programmatic requirements of the Settlement Agreement. This includes requiring system tracking and oversight of activities like in-reach counseling, at risk diversion efforts, and the implementation of Community First Choice. The Department must ensure that the Care and Case Management System is fully functional in order to streamline the functional eligibility process and in order to deliver timely and appropriate services. The Settlement Agreement requires various data elements that are not currently available. This request helps ensure the Department has the necessary data to report and comply with the settlement agreement.

The request assumes \$2.0 million total funds, including \$200,000 General Fund, for FY 2025-26 through FY 2028-29 to provide an estimated 11,000 development hours annually for CCM system development and maintenance. The Department assumes that all of the CCM system changes funding will be eligible for a 90.0 percent enhanced match, as all of the work is for Design and Development work.

Colorado Benefits Management System (CBMS) Changes

The Department requests \$2,677,176 total funds, including \$267,718 General Fund, in FY 2024-25 to complete eligibility level of care and reporting updates, to automate patient payment forms for Long Term Care and Nursing Facilities, and to integrate home maintenance allowance programs into CBMS. The Department requests this funding to:

- update member level of care information in CBMS and improve reporting functionality related to this information;
- to complete the automation of patient payment forms in order to assist users with this step in the eligibility process to help provide accurate and timely notification of patient payment information to nursing facilities; and
- to integrate the home maintenance allowance programs into CBMS by automating the form and reducing the need for a paper process for the counties.

This funding helps the Department comply with the Settlement Agreement requirements (Section VI (J)) outlining that by June 2026, the Department will take efforts to increase the utilization of the Home Maintenance Allowance Program for at-risk members by improving public awareness, working with case managers to ensure the necessary verifications and documentation is in place for county staff, and ensuring members receive detailed information from case managers.

The request assumes \$500,000 total funds, including \$50,000 General Fund, for FY 2025-26 through FY 2028-29. The Department assumes that all of the CBMS system changes funding will be eligible for a 90.0 percent enhanced match as all of the work is for Design and Development work.

Staffing for Escalation

The Department requests \$148,695 total funds, including \$74,347 General Fund, and 1.2 FTE (representing three new positions) in FY 2024-25 to address transition escalations to get members into the home and community setting through a variety of tactics. With implementation of new programs and adaptation of ongoing programs to ensure compliance with the Settlement Agreement (Sections XI (C) and (E)), the Department anticipates an increase in volume of escalations beyond the capacity of existing staff. The Department is requesting permanent resources to support the ongoing need to address member transition escalations in order to comply with the requirement that transitions taking longer than 120 days be reviewed by an escalation team to expedite and support the transition process. The median transition time for individuals in need of housing support is over 200 days, meaning that the majority of transitions will need to be reviewed.

The request assumes \$318,621 total funds, including \$159,310 General Fund, and 3.0 FTE for FY 2025-26 and ongoing. The Department assumes that these costs are eligible for a 50.0 percent federal match.

Staffing for Workforce Support

The Department requests \$121,087 total funds, including \$60,543 General Fund, and 0.8 FTE (representing two new positions) in FY 2024-25 in order to ensure appropriate access to care, enhance worker availability, improve candidate employer matches, provide standardized training curriculum, and enhance the skills of individuals in the direct care field. These staff would be responsible for deploying workforce recruitment, training, and retention strategies and efforts across the state. Additionally, they would collect data for reporting and monitoring, provide stakeholder engagement to identify and evaluate workforce sustainability efforts, and ensure trainings are updated and enhanced to meet the needs of members living in their home and community. The new positions help the Department comply with Sections VI (F)(1) and VII (A) of the Settlement Agreement.

The request assumes \$266,895 total funds, including \$133,447 General Fund, and 2.0 FTE for FY 2025-26, increasing to \$268,901 total funds and 2.0 FTE in FY 2026-27 and ongoing. The Department assumes that these costs are eligible for a 50.0 percent federal match.

Staffing for Oversight and Monitoring

The Department requests \$59,401 total funds, including \$29,700 General Fund, and 0.4 term-limited FTE ending in June of 2029 in order to compile data necessary to report on compliance metrics with the Settlement Agreement (Sections IX (A), XI (D), V(D), VI(L), VII(G), and VIII(J)). This staff would be responsible for compiling data on any member that receives transition coordination service, options counseling, and any other diversion effort to improve transitions into the community for a bi-annual report for the Settlement Agreement. The work is anticipated to end in June 2029.

The request assumes \$130,621 total funds, including \$65,310 General Fund, and 1.0 FTE for FY 2025-26 through FY 2028-29. The Department assumes that these costs are eligible for a 50.0 percent federal match.

Staffing for Service Provision Compliance

The Department requests \$59,401 total funds, including \$29,700 General Fund, and 0.4 term-limited FTE in order to track Home and Community Based Service member's individual service gaps, and work to ensure compliance with the Settlement Agreement (Sections VI (F)(1) and VIII (A)). Per the Settlement Agreement, the Department cannot count a transition if a member moves back into an institutional setting due to lack of services in the community. The position would be responsible for reviewing case management service plans and members' access to those services, identifying individual and systemic issues, and recommending policy changes to improve those concerns. The work is anticipated to end in June 2029.

The request assumes \$130,621 total funds, including \$65,310 General Fund, and 1.0 FTE for FY 2025-26 through FY 2028-29. The Department assumes that these costs are eligible for a 50.0 percent federal match.

Staffing for System Support

The Department requests \$237,604 total funds, including \$32,671 General Fund, and 1.6 term-limited FTE (representing four new positions) to assist in completing CCM system changes needed to comply with the Settlement Agreement. The staff would develop project descriptions, coordinate document creation, and validate requirements for system changes with vendors. The staff would collaborate with system vendors on developing operational, training, and communication materials for Case Management Agencies in order to ensure a successful implementation of these individual projects. The staff would also manage CCM reporting to ensure data integrity across reporting ecosystems and for accurate reporting on key measurements from the DOJ agreement. The work is anticipated to end in June 2027.

The request assumes \$522,484 total funds, including \$71,842 General Fund, and 4.0 term-limited FTE for FY 2025-26 through FY 2026-27. The Department assumes that these costs are eligible for an 86.25 percent federal match.

Removal of Litigation Funding

The Department requests a reduction of \$1,256,400 General Fund in FY 2024-25 through FY 2027-28 to remove the funding for legal consultations for the Department of Justice litigation requested in the FY 2024-25 S/BA8 (Community-based access to services) requests approved by the Committee and General Assembly. The Department anticipates being able to mitigate the need for further litigation through the Settlement Agreement.

Recommendation

Staff recommends that the Committee approve a net increase of \$2.4 million total funds, including a decrease of \$687,424 General Fund, and 2.6 FTE. The primary differences between this recommendation and the request are the proration of the requested FTE for a quarter of a fiscal year, removal of centrally appropriated costs pursuant to Committee policy regarding new FTE, and updated information regarding information technology system development timelines.

Staff recommendation for FY 2024-25 funding for each of the ten elements outlined in the previous section are detailed in the table below. Please note that these recommendations are for FY 2024-25 only, funding recommendations for FY 2025-26 and ongoing will be made during the figure setting process.

JBC Staff Recommendation S9 DOJ Settlement Agreement						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Home Modification Sales Force Licenses	\$30,000	\$15,000	\$0	\$0	\$15,000	0.0
Contractor Support	250,000	125,000	0	0	125,000	0.0
Care and Case Management System Changes	2,523,299	252,330	0	0	2,270,969	0.0
Eligibility System Changes	483,184	48,318	0	0	434,866	0.0
Staffing for Escalation	84,288	42,144	0	0	42,144	0.7
Staffing for Workforce Support	68,366	34,183	0	0	34,183	0.5
Staffing for Oversight and Monitoring	33,550	16,775	0	0	16,775	0.2
Staffing for Service Provision Compliance	33,550	16,775	0	0	16,775	0.2
Staffing for System Support	134,200	18,452	0	0	115,748	1.0

JBC Staff Recommendation S9 DOJ Settlement Agreement						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Removal of Litigation Funding	-1,256,400	-1,256,400	0	0	0	0.0
Total Recommendation	\$2,384,037	-\$687,423	\$0	\$0	\$3,071,460	2.6

Background

The Department manages several programs for children and adults with disabilities. This includes oversight of the Department’s ten Home and Community-Based Services (HCBS) programs. Each HCBS program is an extra set of Medicaid benefits that a member could qualify for in certain cases and includes services such as personal care, homemaker, day habilitation services and behavioral services. These types of services allow individuals to receive essential care and remain in a community setting. Medicaid also covers nursing facility services for members who are no longer able to, or choose not to, live in the community setting. Case management agencies (CMAs) screen members to determine whether they meet the level of care required before being admitted to a nursing facility or provided Home and Community Based Services.

In March 2022, the Department of Justice issued a findings letter alleging that Colorado is violating Title II of the Americans with Disabilities Act by “administering its long-term care system in a way that unnecessarily segregates individuals with physical disabilities in nursing facilities and places others with physical disabilities at serious risk of unnecessary institutionalization.” The letter suggested four main areas for improvement, including:

- providing additional information to members to prevent unnecessary institutionalization
- providing effective transition services
- expanding access to Colorado’s community-based service system
- increasing Access to integrated community-based housing opportunities

On September 29, 2023, the DOJ filed a lawsuit against the State of Colorado based on these allegations. While the Department disputes the DOJ’s allegations, the Department and the DOJ entered negotiations in February 2024 in order to settle the lawsuit. Through the settlement process, the Department continued to advocate for provisions that aligned with funding approved by the legislature. On October 31, 2024, the DOJ and the State signed a voluntary Settlement Agreement.

The Settlement agreement outlines the allegations and the parties’ positions, while detailing those actions agreed upon that are to be taken to prevent litigation. Of particular relevance to the Joint Budget Committee, Section XII of the Settlement Agreement acknowledges the General Assembly’s authority to determine the level of appropriations made in support of the execution of the agreement. It also acknowledges that, if funding is insufficient to ensure the Department’s efforts to meet its obligations, the federal government has the right to revive litigation.

Appendix A: Numbers Pages

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
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Department of Health Care Policy and Financing
Kim Bimestefer, Executive Director

S5 Office of Community Living caseload

(4) Office of Community Living

(A) Division for Individuals with Intellectual and Developmental Disabilities

Medicaid Programs

Adult Comprehensive Waiver Services	<u>755,547,913</u>	<u>838,089,305</u>	<u>18,574,480</u>	<u>18,574,480</u>	<u>856,663,785</u>
General Fund	369,480,850	417,653,637	9,089,270	9,089,270	426,742,907
Cash Funds	6,388,274	1,391,032	197,953	197,953	1,588,985
Federal Funds	379,678,789	419,044,636	9,287,257	9,287,257	428,331,893
Adult Supported Living Waiver Services	<u>90,499,263</u>	<u>98,534,109</u>	<u>5,524,311</u>	<u>5,524,311</u>	<u>104,058,420</u>
General Fund	34,458,327	40,867,183	(5,552,101)	(5,552,101)	35,315,082
Cash Funds	9,486,360	8,399,874	8,314,254	8,314,254	16,714,128
Federal Funds	46,554,576	49,267,052	2,762,158	2,762,158	52,029,210
Children's Extensive Support Services	<u>76,703,034</u>	<u>86,512,303</u>	<u>18,169,367</u>	<u>18,169,367</u>	<u>104,681,670</u>
General Fund	37,666,925	42,422,526	9,084,683	9,084,683	51,507,209
Cash Funds	0	833,626	0	0	833,626
Federal Funds	39,036,109	43,256,151	9,084,684	9,084,684	52,340,835
Children's Habilitation Residential Program	<u>14,430,139</u>	<u>18,399,879</u>	<u>2,361,780</u>	<u>2,361,780</u>	<u>20,761,659</u>
General Fund	7,079,937	9,132,633	1,180,889	1,180,889	10,313,522
Cash Funds	1,171	67,308	0	0	67,308
Federal Funds	7,349,031	9,199,938	1,180,891	1,180,891	10,380,829

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Case Management for People with IDD	<u>110,074,949</u>	<u>142,555,236</u>	<u>-1,130,190</u>	<u>-1,130,190</u>	<u>141,425,046</u>
General Fund	50,107,475	70,385,569	(4,543,249)	(4,543,249)	65,842,320
Cash Funds	5,020,810	1,554,919	3,906,376	3,906,376	5,461,295
Federal Funds	54,946,664	70,614,748	(493,317)	(493,317)	70,121,431
Total for S5 OCL caseload	1,047,255,298	1,184,090,832	43,499,748	43,499,748	1,227,590,580
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	498,793,514	580,461,548	9,259,492	9,259,492	589,721,040
Cash Funds	20,896,615	12,246,759	12,418,583	12,418,583	24,665,342
Federal Funds	527,565,169	591,382,525	21,821,673	21,821,673	613,204,198

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
S6 CIH waiver extension					
(1) Executive Director's Office					
(A) General Administration					
Personal Services	<u>80,135,753</u>	<u>74,559,074</u>	<u>71,784</u>	<u>0</u>	<u>74,559,074</u>
FTE	805.2	795.8	1.0	0.0	795.8
General Fund	28,314,157	27,137,849	35,892	0	27,137,849
Cash Funds	7,604,505	8,253,521	0	0	8,253,521
Reappropriated Funds	2,070,808	3,153,686	0	0	3,153,686
Federal Funds	42,146,283	36,014,018	35,892	0	36,014,018
Operating Expenses	<u>3,167,767</u>	<u>3,244,093</u>	<u>1,350</u>	<u>0</u>	<u>3,244,093</u>
General Fund	1,429,780	1,302,594	675	0	1,302,594
Cash Funds	341,279	307,043	0	0	307,043
Reappropriated Funds	13,921	61,415	0	0	61,415
Federal Funds	1,382,787	1,573,041	675	0	1,573,041
Total for S6 OCL benefits	83,303,520	77,803,167	73,134	0	77,803,167
FTE	<u>805.2</u>	<u>795.8</u>	<u>1.0</u>	<u>0.0</u>	<u>795.8</u>
General Fund	29,743,937	28,440,443	36,567	0	28,440,443
Cash Funds	7,945,784	8,560,564	0	0	8,560,564
Reappropriated Funds	2,084,729	3,215,101	0	0	3,215,101
Federal Funds	43,529,070	37,587,059	36,567	0	37,587,059

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
S9 DOJ Settlement Agreement					
(1) Executive Director's Office					
(A) General Administration					
Personal Services	<u>80,135,753</u>	<u>74,559,074</u>	<u>432,232</u>	<u>262,181</u>	<u>74,821,255</u>
FTE	805.2	795.8	4.4	2.6	798.4
General Fund	28,314,157	27,137,849	155,859	94,539	27,232,388
Cash Funds	7,604,505	8,253,521	0	0	8,253,521
Reappropriated Funds	2,070,808	3,153,686	0	0	3,153,686
Federal Funds	42,146,283	36,014,018	276,373	167,642	36,181,660
Health, Life, and Dental	<u>10,639,237</u>	<u>13,109,391</u>	<u>51,997</u>	<u>0</u>	<u>13,109,391</u>
General Fund	4,148,063	5,465,466	19,144	0	5,465,466
Cash Funds	849,729	953,573	0	0	953,573
Reappropriated Funds	221,797	59,708	0	0	59,708
Federal Funds	5,419,648	6,630,644	32,853	0	6,630,644
Short-term Disability	<u>100,903</u>	<u>63,638</u>	<u>613</u>	<u>0</u>	<u>63,638</u>
General Fund	38,739	52,016	221	0	52,016
Cash Funds	8,239	9,094	0	0	9,094
Reappropriated Funds	1,911	568	0	0	568
Federal Funds	52,014	1,960	392	0	1,960
Paid Family and Medical Leave Insurance	<u>0</u>	<u>363,855</u>	<u>1,726</u>	<u>0</u>	<u>363,855</u>
General Fund	0	156,036	622	0	156,036
Cash Funds	0	21,973	0	0	21,973
Reappropriated Funds	0	1,705	0	0	1,705
Federal Funds	0	184,141	1,104	0	184,141

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Unfunded Liability Amortization Equalization					
Disbursement Payments	<u>0</u>	<u>8,320,007</u>	<u>38,266</u>	<u>0</u>	<u>8,320,007</u>
General Fund	0	3,467,483	13,798	0	3,467,483
Cash Funds	0	605,199	0	0	605,199
Reappropriated Funds	0	37,888	0	0	37,888
Federal Funds	0	4,209,437	24,468	0	4,209,437
Operating Expenses	<u>3,167,767</u>	<u>3,244,093</u>	<u>80,333</u>	<u>79,024</u>	<u>3,323,117</u>
General Fund	1,429,780	1,302,594	29,577	29,095	1,331,689
Cash Funds	341,279	307,043	0	0	307,043
Reappropriated Funds	13,921	61,415	0	0	61,415
Federal Funds	1,382,787	1,573,041	50,756	49,929	1,622,970
Legal Services	<u>1,814,684</u>	<u>4,082,364</u>	<u>-1,256,400</u>	<u>-1,256,400</u>	<u>2,825,964</u>
General Fund	663,061	2,270,664	(1,256,400)	(1,256,400)	1,014,264
Cash Funds	197,130	327,629	0	0	327,629
Reappropriated Funds	47,151	71,089	0	0	71,089
Federal Funds	907,342	1,412,982	0	0	1,412,982
Leased Space	<u>2,677,250</u>	<u>3,773,214</u>	<u>21,021</u>	<u>12,749</u>	<u>3,785,963</u>
General Fund	1,138,701	1,492,962	7,740	4,694	1,497,656
Cash Funds	190,024	357,429	0	0	357,429
Reappropriated Funds	9,900	38,849	0	0	38,849
Federal Funds	1,338,625	1,883,974	13,281	8,055	1,892,029

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Payments to OIT	9,133,004	14,319,431	30,000	30,000	14,349,431
General Fund	3,239,622	5,669,887	15,000	15,000	5,684,887
Cash Funds	1,190,936	1,452,966	0	0	1,452,966
Reappropriated Funds	29,027	41,739	0	0	41,739
Federal Funds	4,673,419	7,154,839	15,000	15,000	7,169,839
General Professional Services and Special Projects	46,946,295	39,323,047	250,000	250,000	39,573,047
General Fund	6,874,711	14,318,306	125,000	125,000	14,443,306
Cash Funds	7,833,874	3,462,102	0	0	3,462,102
Reappropriated Funds	15,000	81,000	0	0	81,000
Federal Funds	32,222,710	21,461,639	125,000	125,000	21,586,639
(1) Executive Director's Office					
(C) Information Technology Contracts and Projects					
Medicaid Management Information System					
Maintenance and Projects	79,066,420	107,008,840	4,516,854	2,523,299	109,532,139
General Fund	8,677,661	18,031,794	451,685	252,330	18,284,124
Cash Funds	4,774,968	9,382,159	0	0	9,382,159
Reappropriated Funds	0	12,204	0	0	12,204
Federal Funds	65,613,791	79,582,683	4,065,169	2,270,969	81,853,652
Colorado Benefits Management Systems, Operating and Contract Expenses	61,220,523	75,321,295	2,677,176	483,184	75,804,479
General Fund	11,157,074	12,716,371	267,718	48,318	12,764,689
Cash Funds	6,542,630	6,901,184	0	0	6,901,184
Reappropriated Funds	6,398,330	13,194,450	0	0	13,194,450
Federal Funds	37,122,489	42,509,290	2,409,458	434,866	42,944,156

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	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
Total for S9 DOJ settlement	294,901,836	343,488,249	6,843,818	2,384,037	345,872,286
<i>FTE</i>	<u>805.2</u>	<u>795.8</u>	<u>4.4</u>	<u>2.6</u>	<u>798.4</u>
General Fund	65,681,569	92,081,428	(170,036)	(687,424)	91,394,004
Cash Funds	29,533,314	32,033,872	0	0	32,033,872
Reappropriated Funds	8,807,845	16,754,301	0	0	16,754,301
Federal Funds	190,879,108	202,618,648	7,013,854	3,071,461	205,690,109

Totals Excluding Pending Items					
HEALTH CARE POLICY AND FINANCING					
TOTALS for ALL Departmental line items	15,088,867,727	15,960,548,064	50,416,700	45,883,785	16,006,431,849
<i>FTE</i>	<u>844.5</u>	<u>844.5</u>	<u>5.4</u>	<u>2.6</u>	<u>847.1</u>
General Fund	3,369,114,200	3,740,663,606	9,126,023	8,572,068	3,749,235,674
General Fund Exempt	1,180,204,749	1,247,571,367	0	0	1,247,571,367
Cash Funds	1,788,046,452	1,790,865,897	12,418,583	12,418,583	1,803,284,480
Reappropriated Funds	108,720,288	137,606,638	0	0	137,606,638
Federal Funds	8,642,782,038	9,043,840,556	28,872,094	24,893,134	9,068,733,690