



# Capitol Focus

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## Politics Online: Fast & Updated Information

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*Capitol Focus* is a weekly activities summary of the Colorado Legislature for CAHSA members, provided by staff of the Colorado Association of Homes and Services for the Aging. Contact Laura Landwirth, executive director, at [cahsa@cahsa.org](mailto:cahsa@cahsa.org).



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*What's new at the Capitol?*

*What is the Governor up to?*

*Who are my legislators?*

Last week the Joint Budget Committee (JBC) held "figure setting" meetings for the Department of Health Care Policy and Financing (HCPF). Yesterday the JBC closed the Long Bill process for FY 2010-2011 and we expect a budget bill to be introduced in the next week.

During the process of figure setting and with respect to Medicaid, the JBC evaluates caseload numbers so as to balance the budget for the current fiscal year 2009-2010. As a result, adjustments may be proposed which will impact the current fiscal year. As reported to you previously, we were expecting a one-week payment delay at the end of the current 2009-2010 fiscal year. This was passed last year as part of the budget balancing decisions. Now that the Long Bill process has closed, we have been advised that the JBC removed the one-week payment delay for Medicaid fee for service providers. With respect to our membership this includes nursing homes as well as the programs funded under the home- and community-based waiver (alternative care facilities, adult day, homemaker, personal care). Under JBC staff's recommendation, the MCO payment delay, which includes PACE providers, will remain. The MCO payment delay is based on a methodology change of not paying capitation until the succeeding month after a client is enrolled. However, the one-week delay was simply shifting the last week of FY 2009-2010 payments into FY 2010-2011. This decision was made as it helped the Committee with balancing in FY 2010-11 and FY 2011-12. Since the JBC has proposed elimination of the one-week payment delay, there will need to be a bill introduced to effectuate that change.

With respect to fiscal year 2010-2011, an additional provider rate reduction of 1% is being proposed for fee for service providers to become effective July 1, 2010. For all providers excluding nursing homes this will mean a cumulative 5.5% reduction in rates taking into consideration all budget actions in 2009. The additional 1% rate reduction for July 1<sup>st</sup> is also proposed for nursing homes. However, a bill will need to be passed in order to effect this reduction since their rate methodology and reimbursement is in statute. As noted in the JBC documents, HCPF requested a reduction of \$7.3 million total funds (\$13.0 million General Fund) by reducing nursing facility rates or reimbursement. HCPF's request has two components: 1) \$5.7 million total funds (\$2.2 million General Fund) to implement a 1.0 percent provider fee reduction; and 2) \$0.0 million total funds (\$10.8 million General Fund) to implement a zero percent cap on General Fund growth for the nursing facility expenditures. JBC staff recommended the 1.0 percent nursing facility per diem rate reduction in FY 2010-11. JBC staff's 1.9 percent General Fund growth assumes that the nursing facility provider fee is not used to back fill the total 2.5 percent provider rate cut taken in FY 2010-11 (this includes the 1.5 rate reduction enacted in HB 10-1324). By not backing filling the per diem cuts, JBC staff estimates that the overall provider fee will not exceed the statutory cap of \$7.50.

Now, repeat after me. "The provider rate reductions are proposed and have not been finalized." In Colorado, the budget is referred to as the "Long Bill." It has to go through the legislative process just like any other bill that is introduced at the legislature. It could take until the middle of April before it is finalized. Please contact me at [laura@cahsa.org](mailto:laura@cahsa.org) or 303-837-8834 if you have questions.