



Week's Worth

Dec. 23, 2009
Holiday Issue

Earlier this month the Joint Budget Committee (JBC) staff prepared a 255-page briefing document regarding the FY2010-2011 budget for the Department of Health Care Policy and Financing (HCPF). HCPF's share of the General Fund in FY09-10 was 21.2%, or 1/5 the state operating budget. Federal Funds make up 49.1% of their total budget (before ARRA impacts), with General Funds comprising 39.5%. Approximately 10.7% is funded with cash funds. The General Fund includes an appropriation of \$220 million in total funds (an increase of \$98.6 million for base caseload and cost increases). This increase was offset by the following decreases: (1) \$34.3 million (\$0 total fund impact) to refinance General Fund with Amendment 35 tobacco tax funds and various other cash funds; (2) \$27.3 million (\$57.4 million total funds) to delay the last week of Medicaid payments and to permanently change the payment of managed care capitation to not before the first day of the month following enrollment; (3) \$26.3 million (\$54.0 million total funds) for provider rate reductions and utilization control; (4) \$17.1 million (\$26.5 million total funds) to change the reimbursement methodology for nursing facilities; and (5) \$3.6 million (\$7.1 million total funds) for various other cost reduction items. Additionally, 500,000 total funds (\$0 General Fund impact) was added to fund the costs associated with implementing the coordinated care for people with disabilities pilot program that was authorized under S.B. 06-128.

There were two specific items that will impact CAHSA members. In one item titled "Coordinated Payment and Payment Reform," the Department's request included a payment reform component which was described as a first step in trying to align economic incentives with desired outcomes. Under this proposal the Department would target three areas for rate reform including home- and community-based waiver programs among others. Another item included proposed changes to nursing facility reimbursement and specifically the Governor's proposal to reduce nursing facility per diem rates by 1.5 percent beginning in April 2010. The fiscal year 2010-11 year has two components: (1) annualizing of the 1.5 percent per diem rate cut from April 2010; and (2) reducing the allowable General Fund growth to zero percent in FY 2010-11.

To learn more about these items and other proposals under consideration, we encourage you to attend our **Legislative Workshop** on Friday, January 8th. The details are attached.

Also, we are seeking members who would like to be considered for our **2010 Legislative Task Force**. The purpose of the task force is to review legislation introduced in the session, as well as budget proposals. We ask members with specific areas of expertise to read bills and provide feedback regarding how they interpret the bill will impact them and/or their clients. Beginning in 2010 we are going to have a conference call each week to discuss pending legislation with the task force. The call is scheduled for Tuesdays from 8am to 9am. Our first call will be on January 19th and they will continue at least through the month of February. If you are interested but find that is too much time to commit, we keep a list of members who can't participate regularly but are willing to either review bills in their specific area of expertise and/or testify on bills related to their area of knowledge. Please email me at laura@cahsa.org if you are interested in serving in either capacity.