



Week's Worth

October 29, 2010

Last Friday afternoon Governor Ritter announced his plan to address the \$261.7 million shortfall for FY 10/11. The proposal totals \$296.5 million. The additional \$34.8 million will carry forward as the ending balance for FY 10/11 and will be used for balancing the General Fund in FY 11/12.

With this FY 2010-11 budget balancing plan, shortfalls totaling over \$4.5 billion have been addressed over the past three fiscal years as follows:

A shortfall of \$0.8 billion was addressed in FY 2008-09.

A shortfall of \$2.2 billion was addressed for FY 2009-10.

A shortfall of \$1.2 billion was addressed for FY 2010-11.

An additional shortfall of about \$59.7 million in FY 2010-11 was addressed through a balancing plan announced on August 23, 2010.

An additional shortfall of about \$261.7 million in FY 2010-11 is now being addressed through this balancing plan.

Below is a summary of the proposed cuts for FY 10/11:

Medicaid payment delays:

\$55.1 million state savings with a three-week Medicaid Fee For Service payment delay spread out by one-week increments in April, May, and June. With respect to long term care, this delay includes nursing homes, alternative care facilities, adult day programs and other waiver services. This delay also includes Federally Qualified Health Centers.

\$15.2 million state savings with a one-month payment delay for Medicaid managed care and capitated payments. June's payments will occur in July with the exception of PACE. Exemptions for delays are the ACCs (Accountable Care Collaboratives) and the RCCOs (Regional Care Coordination Organizations).

Currently there is no sign that the three-week payment delay will be paid back in FY 11/12. The PACE program will not be exempt from payment delays depending on the budget. It is not clear if ACCs and RCCOs will experience payment delays. The Governor will release his budget proposal for FY 11/12 on November 1, 2010. We will keep you up to date on the budget situation.

Earlier this week we held our annual CAHSA Nexters' Lobbying 101 at the State Capitol. Senator Pat Steadman stressed to attendees the importance of knowing your legislators and inviting them to your programs to better understand the important work you do. CAHSA lobbyist Fofi Mendez provided the details on how our legislature works to help attendees better understand the process and details as we report them to you during the session. For more information on what to expect in the 2011 legislative session, be sure to mark your calendar for our annual Legislative Workshop. It is scheduled for the morning of January 5 at Covenant Village of Colorado. The flyer is attached.