



Colorado General Assembly  
Joint Budget Committee

# JOINT BUDGET COMMITTEE STAFF FY 2020-21 BUDGET BRIEFING SUMMARY

*Department of Health Care Policy and Financing  
Medicaid Behavioral Health Community Programs*

The Department of Health Care Policy and Financing helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. This briefing document concerns behavioral health services (services for people with mental health and substance use disorders), and most appropriations for Medicaid clients' behavioral health services are included in the "Behavioral Health Community Programs" section of the Department's budget. This section of the budget comprises 6.8 percent of total Department appropriations, and funding consists of 66.8 percent federal Medicaid funds, 27.9 percent General Fund, and 5.3 percent cash funds.

## FY 2019-20 APPROPRIATION AND FY 2020-21 REQUEST

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2019-20 APPROPRIATION:</b>						
SB 19-207 (Long Bill)	723,029,646	201,872,261	38,370,104	0	482,787,281	0.0
Other legislation	44,789	0	15,676	0	29,113	0.0
<b>TOTAL</b>	<b>\$723,074,435</b>	<b>\$201,872,261</b>	<b>\$38,385,780</b>	<b>\$0</b>	<b>\$482,816,394</b>	<b>0.0</b>
<b>FY 2020-21 REQUESTED APPROPRIATION:</b>						
FY 2019-20 Appropriation	\$723,074,435	201,872,261	\$38,385,780	\$0	\$482,816,394	0.0
R2 Behavioral Health	41,588,549	13,337,312	7,561,171	0	20,690,066	0.0
R10 Provider rates	(281,896)	(65,991)	(18,573)	0	(197,332)	0.0
R11 Substance use disorder patient placement and benefit implementation	(86,934,035)	(17,074,274)	(5,752,247)	0	(64,107,514)	0.0
Annualize HB 18-1136 Residential and inpatient SUD treatment	173,868,069	34,148,547	11,504,494	0	128,215,028	0.0
Annualize prior year budget actions	8,517	1,965	444	0	6,108	0.0
<b>TOTAL</b>	<b>\$851,323,639</b>	<b>\$232,219,820</b>	<b>\$51,681,069</b>	<b>\$0</b>	<b>\$567,422,750</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$128,249,204</b>	<b>\$30,347,559</b>	<b>\$13,295,289</b>	<b>\$0</b>	<b>\$84,606,356</b>	<b>0.0</b>
Percentage Change	17.7%	15.0%	34.6%	n/a	17.5%	n/a

**R2 BEHAVIORAL HEALTH FORECAST:** The request includes an increase of \$41.6 million total funds, including \$13.4 million General Fund, for projected caseload and expenditure changes in both the capitation and fee-for-service Medicaid behavioral health programs. *[For more information, see the first issue brief.]*

**R10 PROVIDER RATES:** The request includes a decrease of \$281,896 total funds for FY 2020-21 provider rates. This proposed rate decrease applies to fee-for-service payments made for behavioral health services, but it does not apply to payments made through the statewide capitation program. The Department request seeks to decrease rates for

certain services there were above 100 percent of the benchmark rate, including fee-for-service behavioral health services. *This request was discussed during the Health Care Policy and Financing briefing by Eric Kurtz on December 9, 2019.*

**R11 SUBSTANCE USE DISORDER PATIENT PLACEMENT AND BENEFIT IMPLEMENTATION:** The FY 2020-21 request includes two components:

- A decrease of \$86.9 million total funds, including \$17.1 million General Fund, related to the expansion of the SUD benefit required by H.B. 18-1136 (Substance Use Disorder Treatment), and
- An increase of \$1.4 million total funds, including \$451,440 General Fund, for the creation of a patient placement tool, which will guide placement in the appropriate level of SUD treatment.

*[For more information, see the first issue brief.]*

**ANNUALIZE HB 18-1136 RESIDENTIAL AND INPATIENT SUD TREATMENT:** The request includes \$173.9 million total funds, including \$34.1 million General Fund, to expand Medicaid benefits to include inpatient and residential substance use disorder treatment and medical detoxification services as required by H.B. 18-1136 (Substance Use Disorder Treatment).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes an increase of \$8,517 total funds, including \$1,965 General Fund, for the second-year impact of FY 2019-20 provider rate adjustments.

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**OVERVIEW OF DEPARTMENT'S FY 2020-21 REQUEST FOR BEHAVIORAL HEALTH COMMUNITY PROGRAMS:** The Department's total request for FY 2020-21 represents a \$128.2 million (17.7 percent) increase in total funds, including an increase of \$30.3 million General Fund. The Department's projections for FY 2020-21 are based on a slight growth in caseload (2.0 percent) and per capita rates (4.5 percent) over the revised estimate for FY 2019-20, as well as the addition of the Medicaid substance use disorder benefit beginning July 1, 2020.

**LEVERAGING MEDICAID FUNDING TO IMPROVE BEHAVIORAL HEALTHCARE:** This issue brief provides an overview of the Department's R11 request related to substance use disorder (SUD) treatment services. The request includes two components: a decrease in funding related to the expansion of the SUD benefit required by H.B. 18-1136 (Substance Use Disorder Treatment) and increase in funding for the creation of a patient placement tool, which would guide placement in the appropriate level of SUD treatment.

## FOR MORE INFORMATION

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**TO READ THE ENTIRE BRIEFING:** [http://leg.colorado.gov/sites/default/files/fy2020-21\\_hcpbrf3.pdf](http://leg.colorado.gov/sites/default/files/fy2020-21_hcpbrf3.pdf)