



COLORADO
Department of Health Care
Policy & Financing

November 1, 2018

The Honorable Millie Hamner, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Hamner:

Enclosed please find the Department of Health Care Policy and Financing's response to the Joint Budget Committee's Multi-Department Request for Information #6 regarding the programs funded with Tobacco Master Settlement moneys. Multi-Department Legislative Request for Information #6 states:

Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2018, for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.

The Department is allocated Tobacco Settlement funding for the Children's Health Plan Plus (CHP+) and Children's Autism Program and the attached report contains the programmatic information of the two programs. In the report, you will find an overview of the program, prior year financials, strategic priorities and key goals, partner relationships, program measures of success, program opportunities and challenges, and lastly, the recommendation for FY 2019-20 funding allocation.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, David DeNovellis, at David.DeNovellis@state.co.us or 303-866-6912.

Sincerely,

Kim Bimestefer
Executive Director

KB/EG

Enclosure(s): Health Care Policy and Financing FY 2019-20 Multi-Department RFI #6

Cc: Senator Kent Lambert, Vice-chair, Joint Budget Committee
Senator Kevin Lundberg, Joint Budget Committee
Senator Dominick Moreno, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
John Ziegler, Staff Director, JBC
Eric Kurtz, JBC Analyst
Lauren Larson, Director, Office of State Planning and Budgeting
Katie Quinn, Budget Analyst, Office of State Planning and Budgeting
Legislative Council Library State Library
John Bartholomew, Finance Office Director, HCPF
Laurel Karabatsos, Health Programs Office Director & Interim Medicaid Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Bonnie Silva, Community Living Interim Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Stephanie Ziegler, Cost Control & Quality Improvement Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
David DeNovellis, Legislative Liaison, HCPF

Behavioral Therapies for Children with Autism

Program Overview:

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| Program Description: | HB 16-1408 added Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT) to the services covered by the Children with Autism Treatment Cash Fund. Starting in 2016, behavioral therapy services were moved out of various HCBS programs, including all children's waivers, into the EPSDT benefit. | |
| Eligible Population: | Per C.R.S. 25.5-6-805 the Colorado Autism Treatment fund was created for the purpose of paying for services provided to eligible children, EPSDT services, and program and participant evaluations. Eligible children are children under the age of six that have received a diagnosis of autism. Moving the benefit under EPSDT expanded the scope of the project to all children and youth 20 and under as well as any child with a qualifying diagnosis that could be ameliorated or assisted by pediatric behavioral therapies. | |
| Tobacco Settlement Monies Received: | FY 2017-18: \$1,522,337 | |
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| Services: | | Number of Eligible Persons Served: |
| Comprehensive community support treatment, mental health assessment, request for assessment, and adaptive behavior treatment. | | 699 |

Strategic Priorities and Key Goals:

- Increase the quality of services to EPSDT children and youth who have a documented need for pediatric behavioral therapy services

Measures of Success:

| Program Outputs | Program Outcomes |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Increased quality in provider documentation by standardizing documentation to reduce any unnecessary delays in care• Increased percentage of goals met per child• Increased quality of the prior authorization process | <ul style="list-style-type: none">• Serving the children most vulnerable to institutionalization without the services provided with quality services and higher percentage of goals met• Keeping children out of institutions and in their communities• Demonstrating improvement in the child's expressive and receptive communication, adaptive skills, and a reduction in the severity of the child's maladaptive behavior, including self-injurious or aggressive behavior and tantrums, through the use of |

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| | standardized and norm-referenced treatment and assessments. |
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Program Opportunities and Challenges:

On September 14, 2015, the Centers for Medicare and Medicaid Services (CMS) denied the Department's Children with Autism waiver expansion and requested that the State provide the services, when medically necessary, through Early and Periodic Screening, Diagnostic and Treatment (EPSDT). The Department has enrolled providers and is currently providing behavioral therapies to clients through the EPSDT program. Since behavioral therapy was the only service on the Children with Autism waiver, the Department submitted a Waiver Amendment to CMS to phase out the CWA waiver in 2018. The Department stopped all program and waitlist enrollments on January 2, 2018 and ended operations on July 1, 2018. The Department established transition monitoring procedures to work with Case Management Agencies and families to ensure client transitions were appropriate and timely.

In the fall of 2015 CMS also directed the Department to run the Pediatric Behavioral Therapies benefit under EPSDT and remove behavioral services for children and youth 20 years and under from the following waivers: Children's Extensive Support (CES) waiver, Children's Habilitative Residential Program (CHRP) waiver, Developmental Disabilities (DD) waiver and the Supported Living Services (SLS) waiver. In FY 2017-18, the Department began transitioning all children and youth 20 years and under from waiver behavioral services to Pediatric Behavioral Therapies. It is important to note that members who are receiving behavioral services and enrolled on one of these waivers must also meet eligible criteria of the Colorado Autism Treatment Cash Fund statute. The member must have an autism diagnosis and be under the age of 6.

FY 2019-20 Tobacco Master Settlement Funds Recommendation:

Consistent with current statute, the Department recommends that the program should continue to receive two percent of the Tobacco Master Settlement on an ongoing basis until the program terminates. Children with an autism diagnosis under the age of 6 are continuing to utilize behavioral therapy services through the EPSDT benefit. There was tremendous growth in the utilization of these services under the EPSDT benefit during FY 2017-18. As utilization continues to grow, the Department will continue to need a regular funding source to meet the needs of these clients.

It is likely that the costs of providing these behavioral services will outpace the annual revenue into the Cash Fund from the Tobacco Master Settlement. Therefore, the funds from the settlement will serve as an offset to General Fund expenditure on EPSDT behavioral therapies for the eligible population.

Children's Basic Health Plan

Program Overview:

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| Program Description: | The Children’s Basic Health Plan, known as the Child Health Plan <i>Plus</i> (CHP+) Provides affordable health insurance to children under the age of 19 and pregnant women in low-income families, up to 260% of the Federal Poverty Level (FPL), who do not qualify for Medicaid and do not have private insurance. | |
| Eligible Population: | Uninsured children from 143% FPL to 260% FPL and uninsured pregnant women from 196% FPL to 260% FPL. | |
| Tobacco Settlement Monies Received: | FY 2017-18: \$13,700,000 | |
| | | |
| Services: | | Number of Eligible Persons Served: |
| Affordable health insurance and oral health care for CHP+ children. | | In FY 2017-18, average monthly caseload for CHP+ was 80,289 (79,458 children and 831 pregnant adults). |

Strategic Priorities and Key Goals:

- Reduce the number of uninsured children and pregnant adults under 260% FPL that are not eligible for Medicaid.

Measures of Success:

| Program Outputs | Program Outcomes |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• In FY 2017-18, CHP+ provided health care to an average monthly caseload of 80,289 children and pregnant adults who would have otherwise been uninsured. This represents a 21.7 percent increase in the average monthly enrollment over FY 2016-17. | <ul style="list-style-type: none">• Providing affordable health insurance to children under the age of 19 and pregnant women in low-income families who do not qualify for Medicaid and do not have private insurance• Offering a defined benefit package that uses privatized administration• During FY 2017-18, despite uncertainty related to federal funding, CHP+ enrollment remained stable due to proactive communication efforts by the Department in collaboration with stakeholders. Once federal funding was renewed, enrollment growth continued. |

Program Opportunities and Challenges:

For over half of FY 2017-18, there was uncertainty about whether federal funding for the CHP+ program would be reauthorized. Because of this uncertainty, program efforts concentrated on contingency planning in the event that Congress did not reauthorize funding for the program. In late January 2018, Congress passed a six-year extension of CHIP funding, and in February 2018, CHIP was renewed for an additional four years, for a total of ten years. This funding certainty

allows the Department to develop long-term strategies and plans to continue to align CHP+ performance goals and administrative functions with the Accountable Care Collaborative.

During FY 2017-18, more than 1,000 primary care physicians and specialists were added to the CHP+ network as a result of recruitment and revalidation efforts. In addition, the CHP+ dental program served over 51,000 children. This is a 21 percent increase over the previous year. The percentage of CHP+ children seeing a dentist, at least once during the year, rose slightly from 45 to 46 percent.

The Department will be issuing a request for proposal (RFP) in late 2018 for a Dental Management Organization to provide dental services for the CHP+ program. Since the inception of the CHP+ dental benefit in 2001, Delta Dental of Colorado has been the vendor for the program through a series of successful bids. The Department will combine the CHP+ and Medicaid dental programs into one RFP (and subsequent contract) beginning July 1, 2019.

FY 2019-20 Tobacco Master Settlement Funds Recommendation:

The Department recommends an allocation, consistent with current statute, of eighteen percent of the Tobacco Master Settlement Agreement on an ongoing basis. There was significant caseload growth in the CHP+ program in FY 2017-18, with more growth expected in the years to come. In addition, the federal match rate for the CHP+ program will decrease in FY 2019-20 and again in FY 2020-21, which will increase the state share for the program. The Department will continue to need a regular funding source to meet the needs of these clients. The Department projects that starting in FY 2020-21, the CHP+ Trust Fund and other cash funds used to fund the CHP+ program will no longer be sufficient for the full state share, and the Department will need General Fund appropriations to continue to administer the program.