



Joint Budget Committee

Staff Budget Briefing FY 2026-27

**Health Care Policy and Financing
All divisions except Behavioral Health and Office of
Community Living**

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Additional Resources

To find the online version of the briefing document search the General Assembly’s website for [budget documents](https://leg.colorado.gov/content/budget/budget-documents) (leg.colorado.gov/content/budget/budget-documents).

Overview of Health Care Policy and Financing

The Department helps cover health and long-term care costs for low-income and vulnerable people. Federal matching funds assist with most of these costs. In return for the federal funds, the Department must follow federal rules governing eligibility, benefits, and other features. Major programs administered by the Department include:

- Medicaid, which serves people with low income and people needing long-term care
- Child Health Plan Plus (CHP+), which provides low-cost insurance for children and pregnant women with income slightly higher than Medicaid allows
- Health services for children lacking access due to immigration status, which is a new state-funded program that mirrors Medicaid and CHP+

In addition, the Department works to improve the health care delivery system by advising the General Assembly and the Governor, administering grants, and overseeing the Commission on Family Medicine Residency Training Programs.

Recent Appropriations

Health Care Policy and Financing: Recent Appropriations

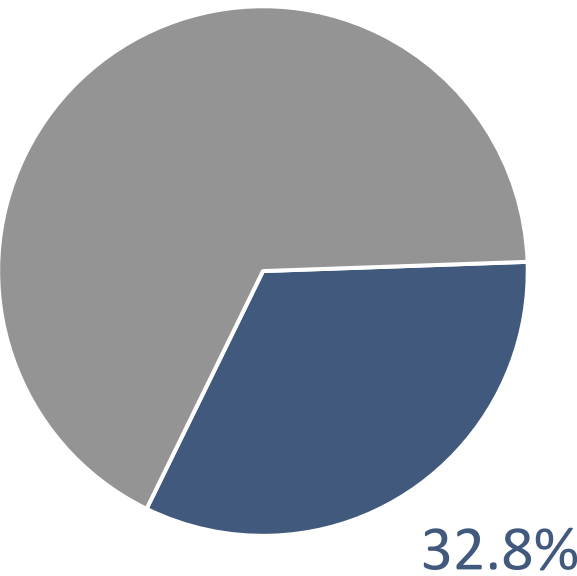
Funding Source	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 [1]
General Fund [2]	\$3,675,376,287	\$4,621,062,389	\$4,988,234,973	\$5,419,424,041
Cash Funds	1,858,468,793	1,820,552,803	1,790,865,897	1,962,437,858
Reappropriated Funds	95,031,721	117,280,880	137,606,638	119,331,118
Federal Funds	9,054,693,848	8,672,401,300	9,043,840,556	9,943,998,584
Total Funds	\$14,683,570,649	\$15,231,297,372	\$15,960,548,064	\$17,445,191,601
Full Time Equivalent Staff	745.0	805.5	844.5	858.7

[1] Requested appropriation.

[2] Includes General Fund exempt.

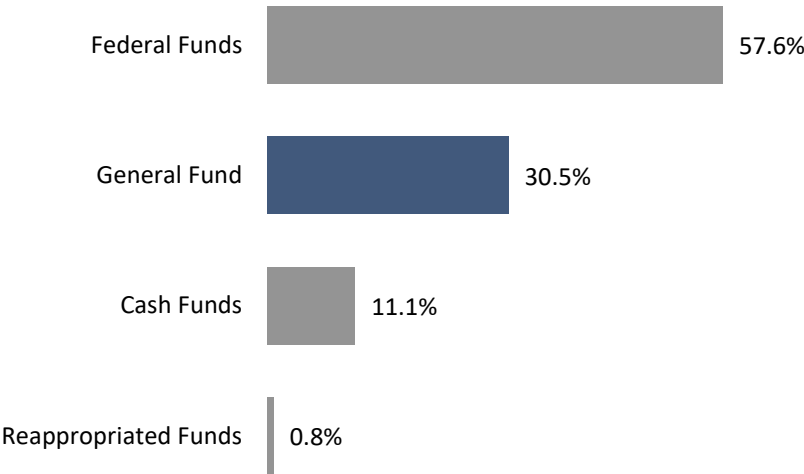
Graphic Overview

Department's Share of Statewide General Fund



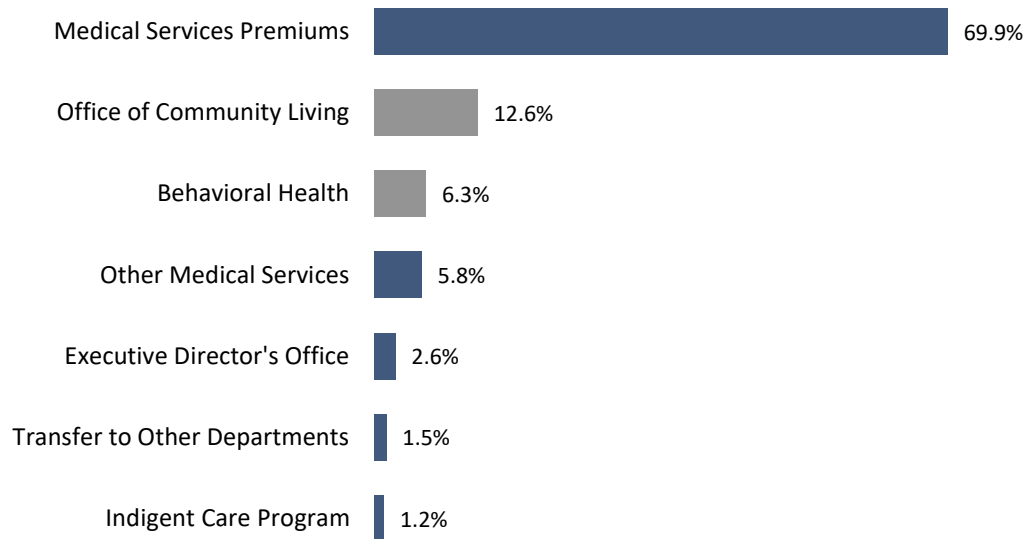
Based on the FY 2025-26 appropriation.

Department Funding Sources



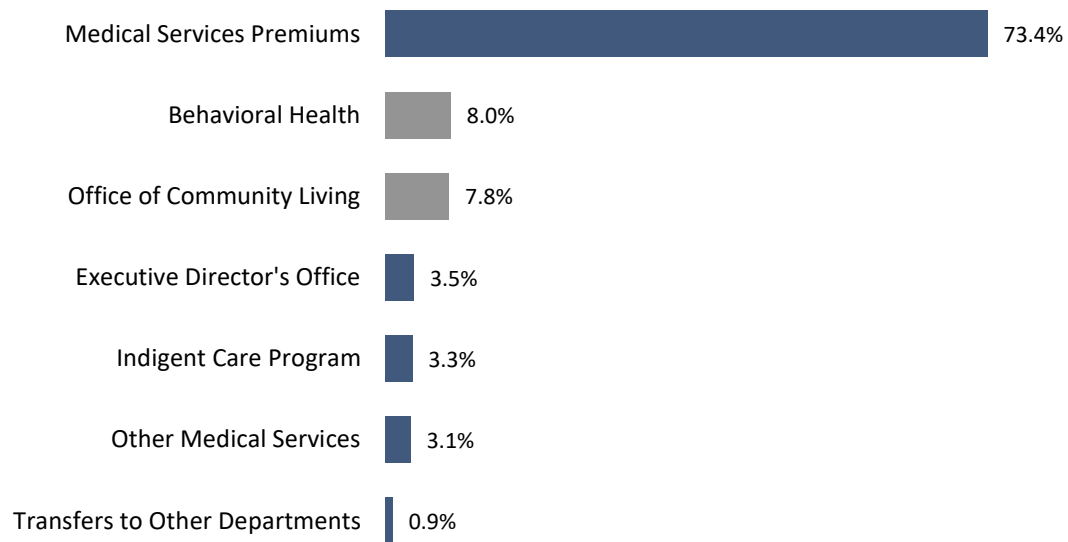
Based on the FY 2025-26 appropriation.

Distribution of General Fund by Division



Based on the FY 2025-26 Appropriation

Distribution of Total Funds by Division



Based on the FY 2025-26 Appropriation

Cash Funds Detail

Cash Funds Appropriation Detail

Fund Name	FY 25-26 Approp.	Note	Primary Sources	Primary Uses (in this Department)
Hospital Provider Fee	1,468,726,142	[1]	Hospital fees	Increase hospital reimbursements (\$710M); eligibility expansions (\$693M); General Fund relief (\$16M); and admin related to the above (\$50M)
Certified public expenditures	193,028,258	[1]	Local government expenditures for Medicaid that are certified by the state as eligible for a federal match	Reimbursements to school districts (\$99M), emergency medical transport providers (\$61M), and hospitals, nursing homes, and Connect for Health (\$33M)
Adult Dental Fund	73,962,514		Unclaimed Property Trust Fund	Adult dental benefit
Tobacco taxes	67,356,229	[1]	Tobacco taxes to: Health Care Expansion Fund (\$47M); Primary Care Fund (\$18M); Tobacco Tax Cash Fund (\$2M); Tobacco Ed Programs (\$1M)	Eligibility and benefit expansions and primary care grants
Nursing provider fees	65,136,502	[1]	Fees on nursing for the elderly (\$63M) and for people with intellectual and developmental disabilities (\$2M)	Increase nursing provider reimbursements
Recoveries and recoupments	55,793,070	[1]	Recoveries from overpayments, 3rd party insurance, and estates	Offset the cost of Medicaid services
Provider Stabilization Fund	25,000,000	[1]	Loan from the Unclaimed Property Trust Fund	Grants to primary care and behavioral health providers
Local funds	22,358,429	[1]	County funds	County administration of eligibility determinations for health benefits
RAC Recoveries Cash Fund	20,900,588	[1]	A subset of recoveries and recoupments specifically from the recovery audit contractor	Offset the cost of Medicaid services
Children's Basic Health Plan Trust	14,681,288	[1]	Tobacco settlement	Children's Basic Health Plan (marketed as the Child Health Plan Plus or CHP+)
Old Age Pension Health & Medical	10,000,000	[1]	Constitutional allocation from General Fund	Offsets Medicaid costs for people who qualify for the state old age pension
Medicaid Buy-in	6,660,761	[1]	Premiums from people with disabilities who "buy-in" to Medicaid	Offsets Medicaid services for people with disabilities
Affordable Housing Support	2,218,592	[1]	Income taxes retained per Proposition 123 (2022)	Housing and related supports for Medicaid clients
Marijuana Tax Cash Fund	1,500,000	[1]	Marijuana taxes	Screening, Brief Intervention, and Referral to Treatment (SBIRT) training grants
Breast & Cervical Cancer Prev & Treatment Fund	934,559		Specialty license plate surcharge and interest on tobacco settlement	Breast and cervical cancer prevention and treatment
Intergovernmental transfer from Denver Health	700,000	[1]	Payment from Denver Health	Increase payments to private nursing facilities for admitting difficult to discharge patients from hospitals
HCPF Fund	625,749		Federally required provider enrollment fees	Offset to administration
Reinvestment funds	561,391	[1]	State savings from the federal match for health-related social needs (HRSN) and reentry services	Enhance HRSN and reentry services
Nursing Home Penalty Cash Fund	135,505		Civil penalties for violating state and federal regulations	Administration and emergency closures
Total	\$2,030,279,577			

[1] TABOR exempt.

Additional detail for select funds

Exempt from TABOR: Much of the Department's cash funds are exempt from TABOR. The bullets below describe the reasons for the exemptions:

- Hospital provider fee revenue is exempt as part of an enterprise
- Certified public expenditures are exempt as expenditures by local governments; they might be subject to local TABOR limits
- Tobacco taxes that support HCPF are exempt by voter approval; not all tobacco taxes statewide are exempt
- Nursing provider fees are exempt as part of an enterprise
- Recoveries and recoupments from overpayments were counted against the TABOR limit when the money was first collected but not again when it is returned; 3rd party insurance and estate recoveries are offsets to what the Department owes
- Provider Stabilization Fund revenue is exempt as an interfund loan
- Local funds are exempt as expenditures by local governments; they might be subject to local TABOR limits
- RAC Recoveries Cash Fund revenue was counted against the TABOR limit when the money was first collected but not again when it is returned
- Children's Basic Health Plan Trust receives mostly tobacco settlement revenue that is exempt as part of a court-ordered settlement
- Old Age Pension Health and Medical revenues were counted against the TABOR limit when the General Fund was collected but not a second time when the constitution diverts the General Fund to this purpose
- Medicaid Buy-in revenue is exempt as part of an enterprise
- Affordable Housing Support Fund revenue is exempt by voter approval
- Marijuana Tax Cash Fund revenue is exempt by voter approval
- Intergovernmental transfer from Denver Health revenue is exempt as part of an enterprise
- Reinvestment funds were counted against the TABOR limit when the General Fund was collected but not again when it flows to the cash funds or gets spent from the cash funds

Hospital Provider Fee: The hospital provider fee is the largest source of cash funds for the Department. Hospitals pay fees that are matched with federal funds and returned with the federal funds to the hospitals through supplemental payments. The Department makes supplemental payments in proportion to the indigent care provided. Fees paid by a hospital might not match the supplemental payments received by that hospital.

In addition, a portion of the hospital provider fee pays for expansion populations (primarily for adults without children and higher income parents). To the extent hospitals serve the expansion populations, they receive Medicaid and CHP+ reimbursements.

The General Assembly designated the hospital provider fee a TABOR enterprise, exempting the revenue from TABOR. The enterprise's board sets the fees annually to maximize supplemental payments while not exceeding federal regulatory limits. The fee pays for administrative costs related to the uses described above.

General Factors Driving the Budget

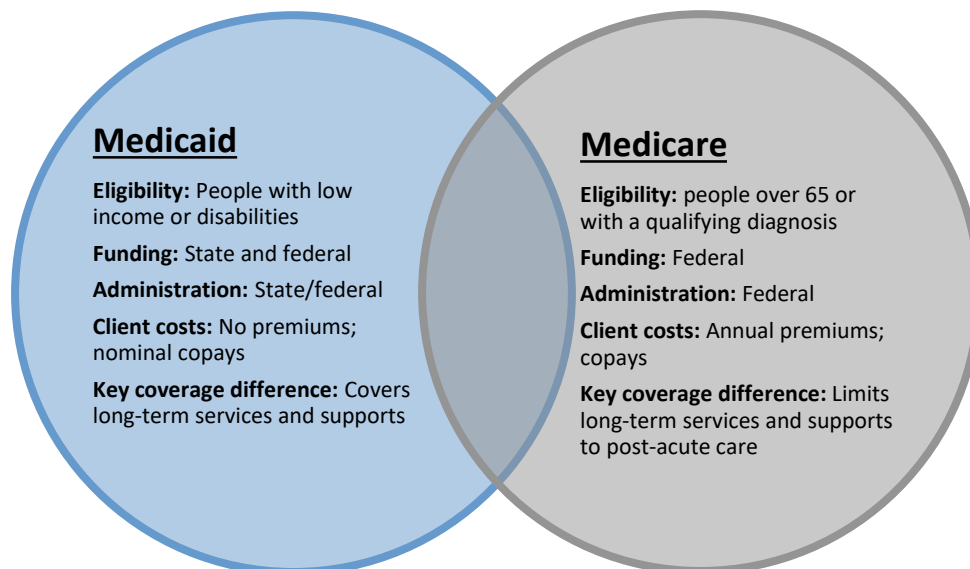
Medicaid

Medicaid provides health insurance to people with low income or disabilities. Participants do not pay annual premiums¹. Copayments are either nominal or not required. The federal and state government share the cost and administration.

Medicaid and Medicare

Medicaid differs from the similarly named Medicare. Medicare provides insurance for people who are elderly or with a specific eligible diagnosis regardless of income. The federal government administers Medicare and finances it with federal funds and annual premiums.

Some people qualify for both Medicaid, due to their income, and Medicare, due to their age. For people dually eligible, Medicaid pays the Medicare premiums and may help with copayments, depending on the person's income. Medicaid covers some services not covered by Medicare. Most notably, Medicaid covers long-term services and supports (LTSS) while Medicare limits coverage to post-acute care. Nearly all Medicaid clients over 65 and some younger Medicaid clients with disabilities qualify for Medicare.



Federal match rates

The federal government matches state expenditures for Medicaid. The match rate varies based on economic conditions in the state, the type of service provided, the population served, and federal policies.

¹ A voluntary "buy-in" program for people with disabilities with income up to 400 percent of the federal poverty guidelines requires a premium.

The standard federal match for state fiscal year 2025-26 for most Colorado Medicaid expenditures is 50.00 percent. Colorado received a higher federal match during the public health emergency for COVID-19. Small changes in the federal match rate drive large changes in state expenditures.

Standard Medicaid Federal Match

State Fiscal Year	Ave. Match	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
FY 18-19	50.00	50.00	50.00	50.00	50.00
FY 19-20	53.10	50.00	50.00	56.20	56.20
FY 20-21	56.20	56.20	56.20	56.20	56.20
FY 21-22	56.20	56.20	56.20	56.20	56.20
FY 22-23	55.90	56.20	56.20	56.20	55.00
FY 23-24	51.00	52.50	51.50	50.00	50.00
FY 24-25	50.00	50.00	50.00	50.00	50.00
FY 25-26	50.00	50.00	50.00	50.00	50.00
FY 26-27	50.00	50.00	50.00	50.00	50.00

States receives a 90.0 percent federal match for adults newly eligible through the federal Affordable Care Act. For Colorado, this includes adults without children with income to 138 percent of the federal poverty guidelines and parents with income from 69 percent to 138 percent of the federal poverty guidelines².

Overexpenditures

The Department has statutory authority to overexpend the Medicaid appropriation.³ This is because Medicaid operates as an entitlement program, meaning the people deemed eligible have a legal right to the plan benefits.⁴ If the eligible population or services utilized exceed the assumptions used for the appropriation, then the state and federal government must pay the higher cost.

Eligibility

Medicaid effectively covers people to 138 percent of the federal poverty guidelines, after accounting for federally required income disregards, or an annual income of \$21,567 for an individual and \$36,777 for a family of three. The Medicaid eligibility limits are slightly higher for children and pregnant women and if these populations earn income above the Medicaid limits they can still qualify for the Children's Basic Health Plan up to effectively 265 percent of the federal poverty guidelines, or \$70,623 annual income for a family of three.

Annual Income Limits for Medicaid and CHP+ 2025

Population	Individual	Family of Three
Adults < 65	\$21,597	\$36,777
Children or Pregnant Women	\$41,473	\$70,623

There are special eligibility rules for the elderly, people with disabilities, and some smaller populations that are summarized in the table below.

² In statute the income limit is 133 percent of the federal poverty guidelines but the effective income limit is 138 percent after federally mandated standard income disregards.

³ Section 24-75-109 (1)(a), C.R.S.

⁴ Except where federal waivers allow enrollment and expenditure caps for certain populations and services.

Special Medicaid Eligibility Categories

Category	Eligibility Standard
Adults 65+ years	Qualify for federal Supplemental Security Income (SSI) = standard Medicaid benefit 100% FPL = assistance with Medicare premiums and coinsurance 135% FPL = assistance with Medicare premiums
People with disabilities (not otherwise qualified)	450% FPL = may "buy in" to Medicaid with premiums on a sliding scale based on income
Nursing home level of care	300% of SSI income threshold
Breast or cervical cancer	250% of FPL
Former foster children	To age 26 regardless of income
Non-citizens	If otherwise qualified for Medicaid = emergency services only

Enrollment trends

The biggest driver of Medicaid expenditures is enrollment. Factors influencing enrollment include:

- the state population and demographics
- economic conditions that affect who meets the income eligibility criteria
- state and federal policy changes regarding eligibility

State expenditures can vary significantly based on where enrollment occurs. The hospital provider fee pays the state match for certain expansion populations, including adults without children and higher income parents. The hospital provider fee is exempt from TABOR as part of an enterprise. As a result, enrollment changes in these expansion populations do not impact General Fund expenditures.

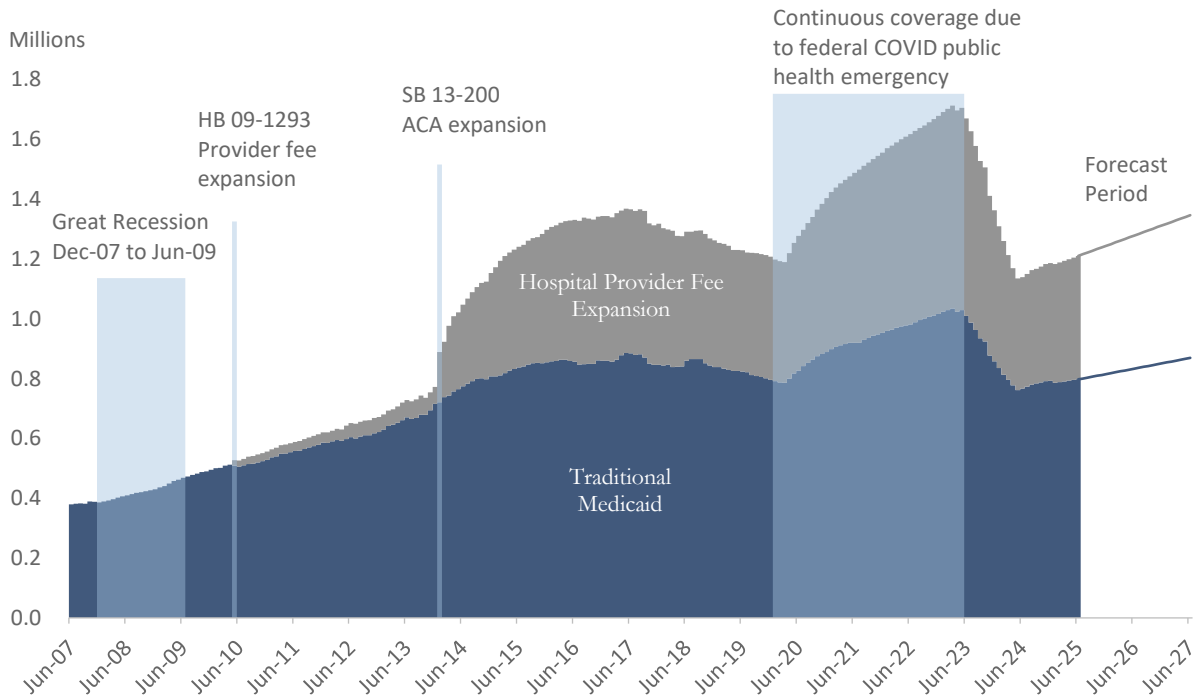
General Fund expenditures are driven by the traditional Medicaid populations. These include people with disabilities, the elderly, children, and very low-income parents.

The table below shows enrollment over time separated into traditional populations and expansion populations. The chart includes labels for major events, such as eligibility expansions, recessions, and the COVID-19 public health emergency. Federal policy protected people from losing Medicaid coverage during the public health emergency.

Medicaid enrollment of 1,210,638 as of June 2025

412,577 Hospital provider fee expansion

798,060 Traditional Medicaid (General Fund and non-hospital provider fee sources)



During the continuous coverage period Medicaid enrollment soared to cover nearly 30 percent of Colorado's population. The projected enrollment for FY 2025-26 is closer to 20 percent of Colorado's population. The percentage of the population enrolled in Medicaid varies significantly by county with the highest percentages in rural counties.

Medical Services Premiums

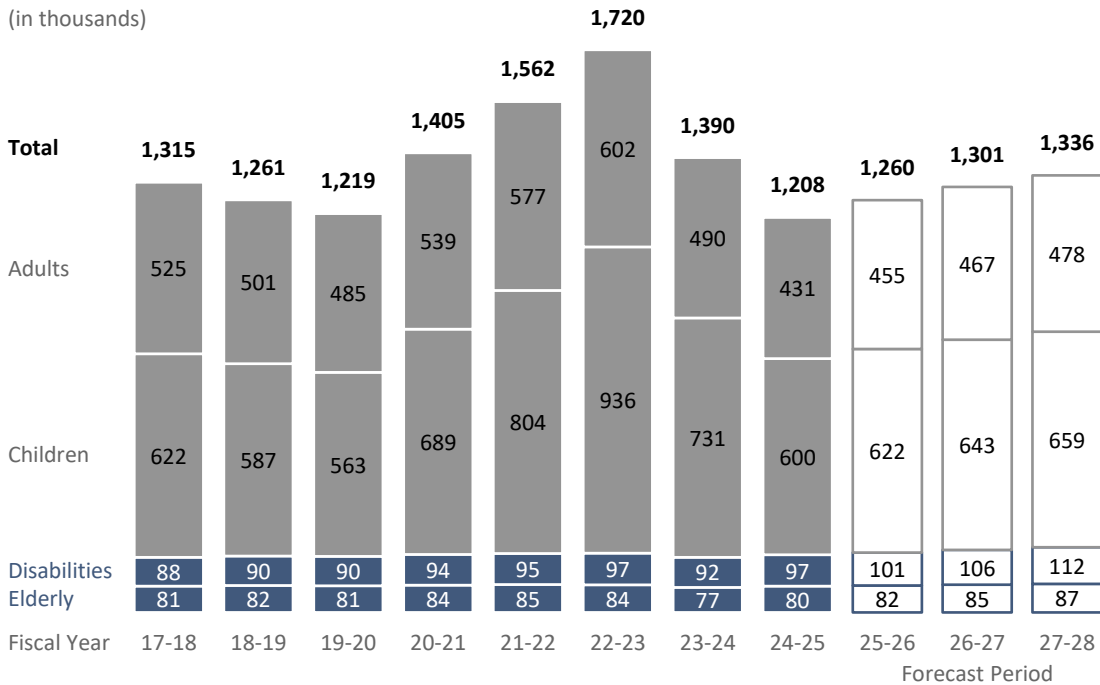
Medical Services Premiums is a subset of Medicaid expenditures that pays for physical health care and most long-term services and supports. Medical Services Premiums can be further divided into services and special financing. Service expenditures are driven by the number of Medicaid clients, the costs of services, and the utilization of services. Special financing includes supplemental payments to providers that serve a large number of indigent patients. The category also includes miscellaneous small fund source adjustments that are not services. Special financing expenditures are more dependent on state and federal policies and limitations than on enrollment, costs, or utilization.

Services

Medicaid serves a large number of low-income children and adults.

Medicaid Enrollment by Population

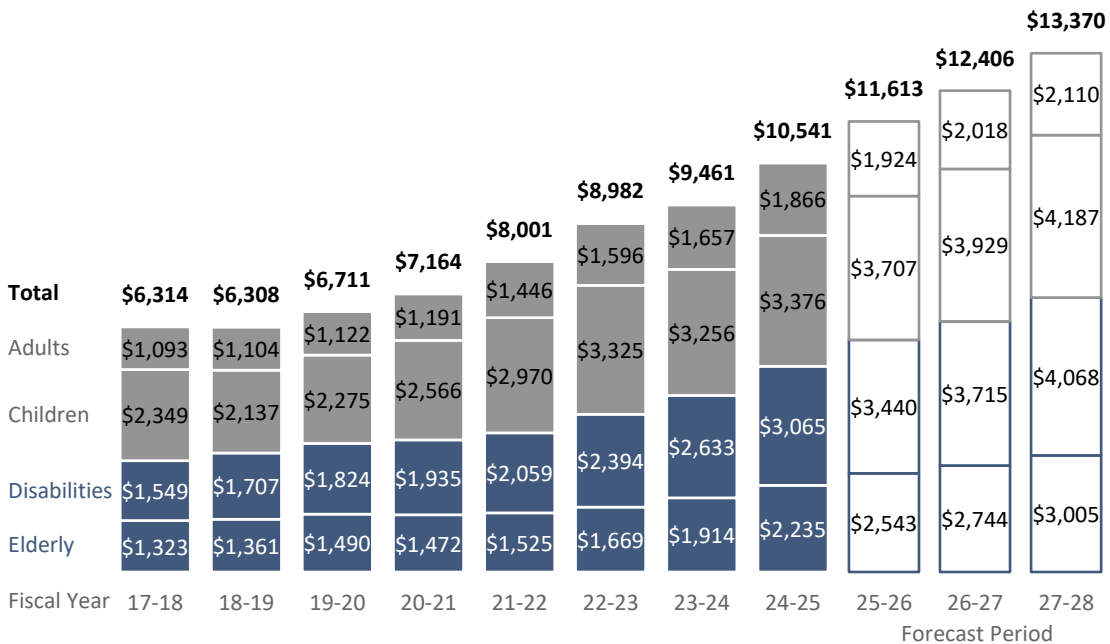
November 2025 forecast
(in thousands)



However, people with disabilities and the elderly drive a disproportionate share of service expenditures.

Medical Services Premiums Service Expenditures by Population

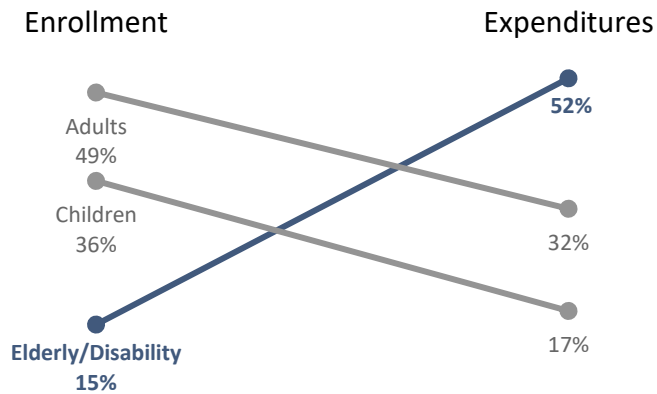
November 2025 forecast
(in millions)



The elderly and people with disabilities represent only 15 percent of enrollment but 52 percent of service expenditures in Medical Services Premiums. This is partly due to higher acuity and medical costs but also to their utilization of long-term services and supports.

The elderly and people with disabilities represent 15% of enrollment but 52% of expenditures

FY 26-27 Medical Services Premiums, excluding special financing
November 2025 forecast



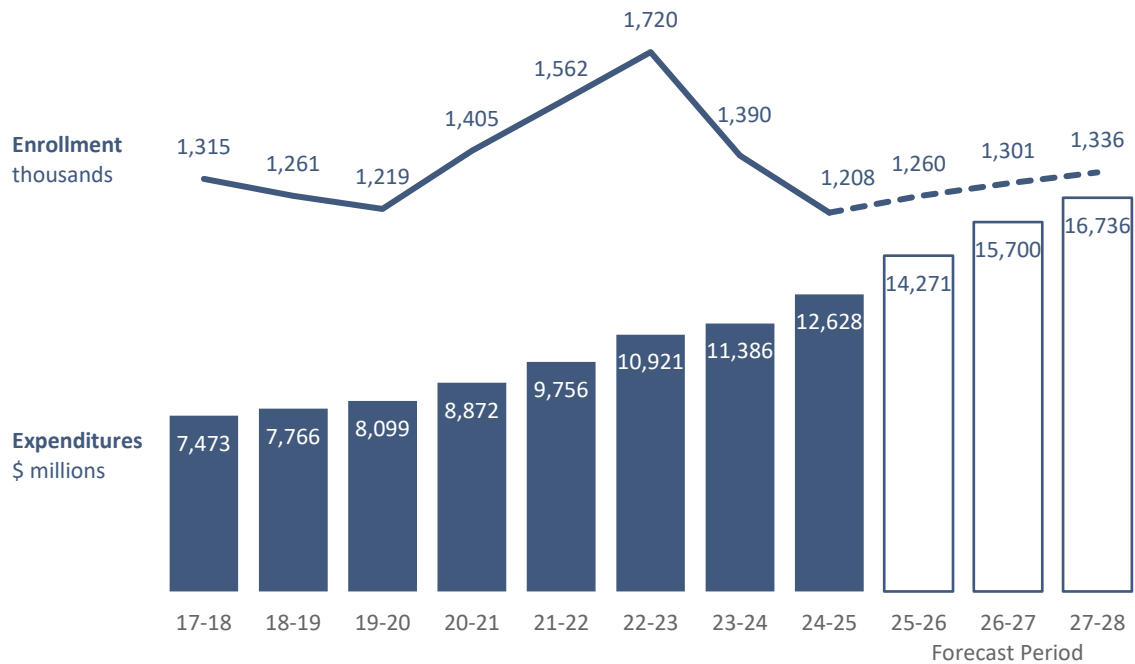
The elderly and people with disabilities represent an even larger share of General Fund expenditures. General Fund costs get reduced for some services to adults and children that receive higher federal match rates and/or cash funds. For example, there are no General Fund costs for expansion adults. In Medical Services Premiums the elderly and people with disabilities represent 15 percent of enrollment but nearly 74 percent of General Fund service costs.

In addition to acuity, long-term services and supports explain the higher costs for the elderly and people with disabilities. Long-term services and supports include nursing homes, in-home nursing assistance, in-home therapy services, and home- and community-based services (HCBS) that help people with medical needs stay at home rather than in an institution. The biggest components of HCBS are personal care and homemaker services that help with feeding, bathing, dressing, and cleaning. Other parts of HCBS include transportation, adult day centers, respite care, and hospice. In Medical Services Premiums the long-term services and supports represent almost 30 percent of total funds and nearly 50 percent of General Fund expenditures for services.

Medical Service Premiums expenditures often follow enrollment. During the continuous coverage period Medicaid enrollment grew faster than expenditures. When the continuous coverage period ended, enrollment dropped precipitously but expenditures continued to grow. The population that gained continuous coverage were low utilizers of Medicaid services.

Medical Services Premiums Enrollment and Expenditures

November 2025 forecast

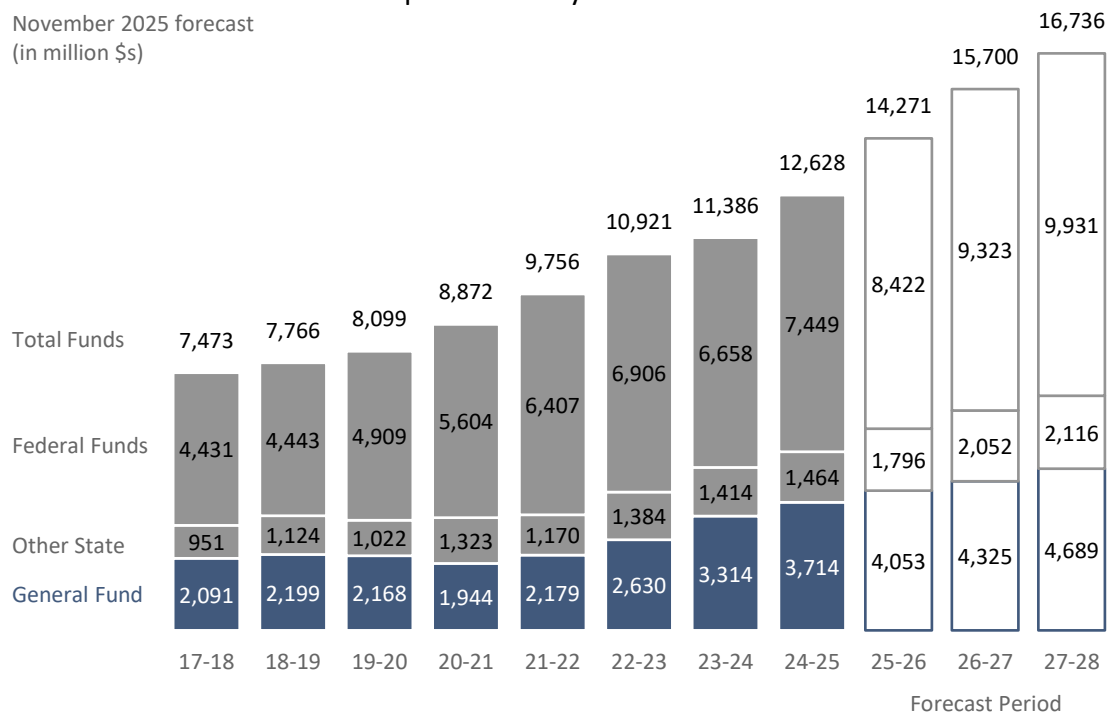


General Fund trends for Medical Services Premiums follow the enrollment trends for the elderly and people with disabilities more than overall enrollment. A higher federal match rate and temporary financing from the HAS Fee reduced General Fund during the public health emergency.

Medical Services Premiums Expenditures by Fund Source

November 2025 forecast

(in million \$s)



Special financing

Special financing supports supplemental payments for providers who serve large numbers of indigent patients. The supplemental payments are in addition to what the providers normally earn from seeing Medicaid patients.

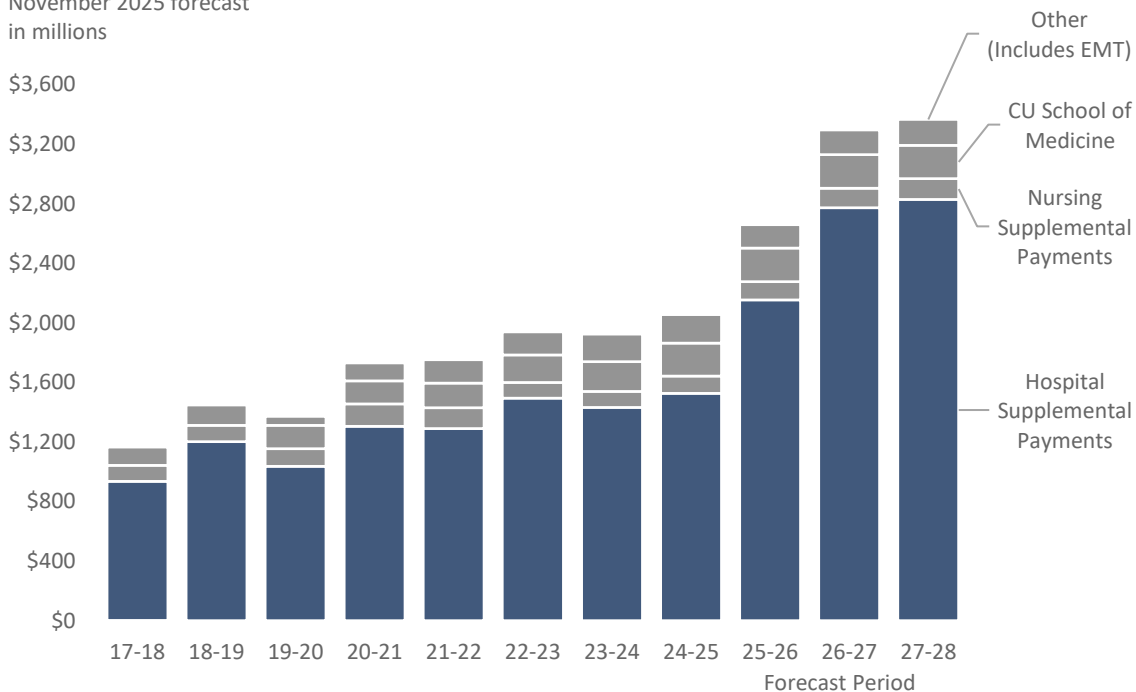
The largest supplemental payments go to hospitals. The State collects a hospital provider fee that is exempt from TABOR as part of an enterprise. A portion of the hospital provider fee pays for enrollment expansion. The majority of the fee matches federal funds for supplemental payments back to the hospitals based on the services they provided to indigent patients. In aggregate, the hospitals earn significantly more from the supplemental payments and expansion populations than they pay through the hospital provider fee. The hospital provider fee collections and payments are limited by federal and state policy and often vary by state fiscal year based on the timing of federal approvals.

Other supplemental payments go to nursing homes, the University of Colorado's providers, and public emergency medical transportation providers. Nursing provider fees support supplemental payments to nursing facilities. The nursing provider fees operate similar to the hospital provider fee but on a much smaller scale. For the supplemental payments to physicians of the University of Colorado's School of Medicine, the state match comes from higher education funding. Beginning in FY 2019-20, Colorado started certifying public expenditures by local public emergency transportation providers to draw additional federal matching funds for these providers.

Special financing expenditures can move with enrollment, but federal and state policies setting parameters on these types of special financing tend to influence expenditures more than enrollment, service utilization, or service costs. For example, the dramatic increase in hospital supplemental payments beginning in FY 2025-26 is primarily due to a change in state policy that authorizes state directed payments. Previously, hospital supplemental payments were constrained by a federal upper payment limit that was calculated based on hospital fee-for-service activity. The state directed payments use a federal upper payment limit calculated based on hospital managed care activity. Also, the upper payment limit for state directed payments allows higher payments, at least until provisions in H.R. 1 take effect.

Medical Services Premiums Special Financing Expenditures

November 2025 forecast
in millions



Behavioral Health

Behavioral health services, which include both mental health and substance use-related services, are provided to Medicaid clients through a statewide managed care or "capitated" program. The Department contracts with Regional Accountable Entities (RAEs) to provide behavioral health services for clients enrolled with each RAE. Each RAE receives a pre-determined monthly amount for each behavioral health Medicaid client. Rates paid to each RAE are unique for each service and geographic region. These rates are periodically adjusted based on actual utilization and expenses.

Behavioral health services are primarily supported by the General Fund and federal funds. Capitated behavioral health program expenditures are driven by changes to caseload, rates, economic conditions, and services eligible for coverage. The state receives a 90 percent federal match for adults who are "newly eligible" pursuant to the federal Affordable Care Act. Services for these adults represents a significant portion of caseload, but expenditures tend to be driven by higher cost populations such as children and people with disabilities.

For more information on what drives behavioral health expenditures, see the behavioral health briefing.

Office of Community Living

The Office of Community Living provides long-term services and supports for people with intellectual and developmental disabilities. The federal government provided waivers so Colorado can earn a federal match on services that go above and beyond standard Medicaid. The waivers require Colorado to demonstrate that the services are cost neutral or provide a savings compared to other services covered by Medicaid, such as nursing home care. Because these services are provided through waivers, rather than standard Medicaid, the State can limit eligibility, services, and expenditures. This is how Colorado is able to have a waitlist for adult residential services. Colorado offers residential and nonresidential services to children and adults through the waivers.

In addition to the waiver services, Colorado provides state funding for services with no federal match.

For more information on what drives expenditures for the Office of Community Living, see the Office of Community Living briefing.

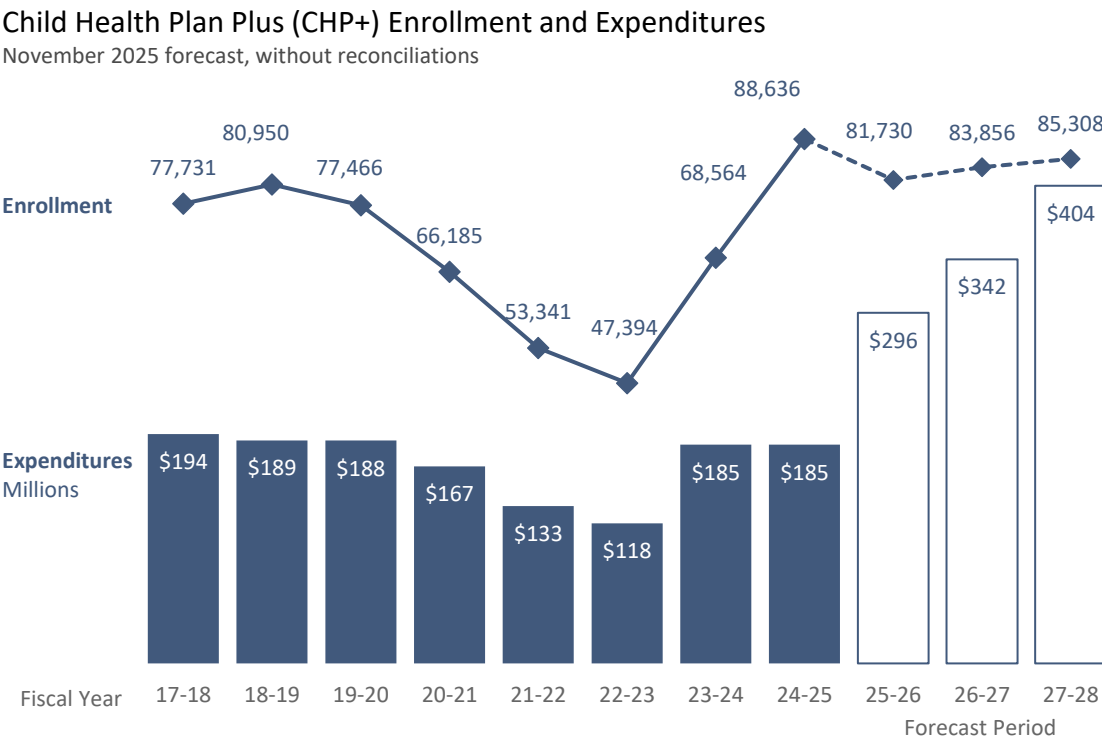
Child Health Plan Plus

The Child Health Plan Plus (CHP+) compliments the Medicaid program by providing low-cost health insurance for children and pregnant women in families with more income than the Medicaid eligibility criteria allow. CHP+ is the marketing name the Department uses for what state statutes call the Children's Basic Health Plan and federal statutes call the Children's Health Insurance Program. CHP+ covers children and pregnant women to effectively 265 percent of the federal poverty guidelines, or \$70,623 annually for a family of three.

Historically, enrollment in CHP+ has been highly changeable, in part because eligibility for the program is sandwiched between an upper income limit and a lower income limit below which an applicant is eligible for Medicaid and not eligible for CHP+. Sometimes when Medicaid enrollment decreases CHP+ enrollment increases, and vice versa, as people transition between the two programs. In addition, CHP+ has experienced frequent adjustments to state and federal eligibility criteria and to administrative procedures for handling eligibility determinations.

Federal funds match state funds for program costs. The federal match rate for CHP+ is derived from the standard match for Medicaid. Federal policies provided a temporary boost to the match rates for federal fiscal years 2015-16 through 2019-20. The federal match for FY 2025-26 is 65 percent

CHP+ typically receives roughly \$15 million in revenue from the tobacco master settlement agreement distribution formula and some of the state match for higher income children and pregnant adults comes from the hospital provider fee. Any remaining state match comes from the General Fund.



Other Programs and Services

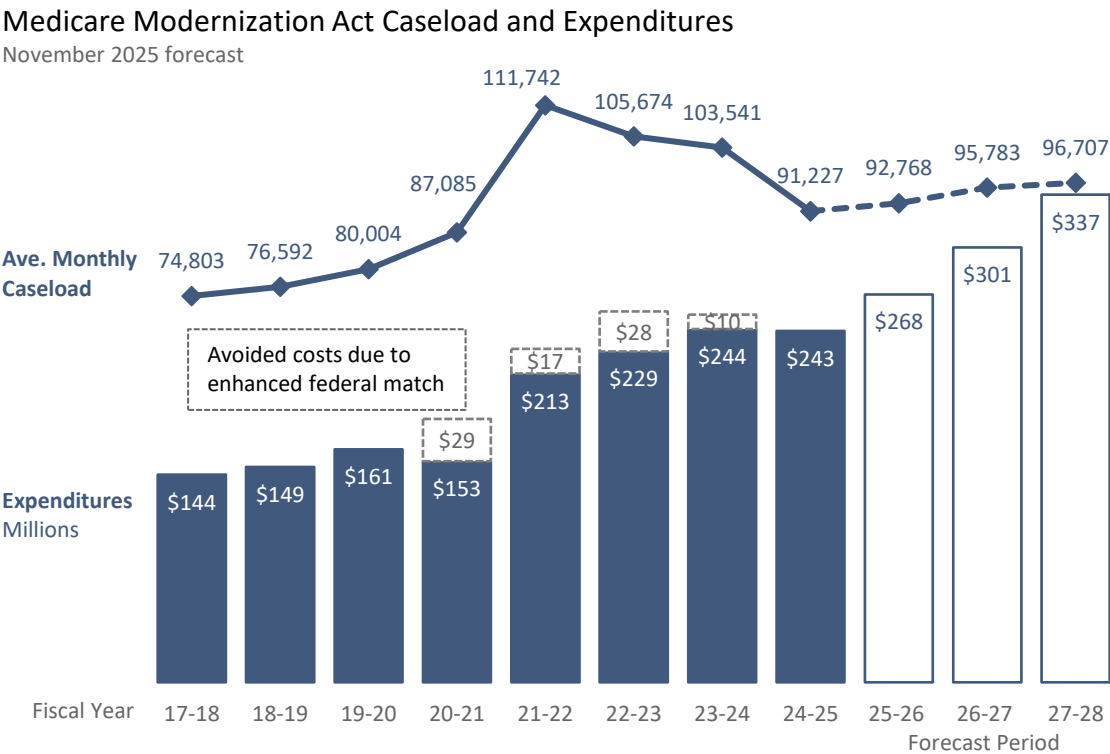
This Department forecasts expenditures for miscellaneous other programs that are not part of the categories above but operate like an entitlement program. The two largest are the Medicare Modernization Act and health services for children lacking access due to their immigration status.

Medicare Modernization Act

The federal Medicare Modernization Act (MMA) requires states to reimburse the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. In 2006 Medicare took over responsibility for these drug benefits, but to defray federal costs the federal legislation required states to make an annual payment based on a percentage of what states would have paid in Medicaid, as estimated by a federal formula.

The state's obligation is influenced by the number of people dually eligible for Medicare and Medicaid and estimates in the federal formula of drug prices and utilization. Expenditures have been growing faster than caseload due to increasing prices for pharmaceuticals.

This is a state obligation with no federal match, but the federal match rate for Medicaid does impact the calculation of how much the state owes.

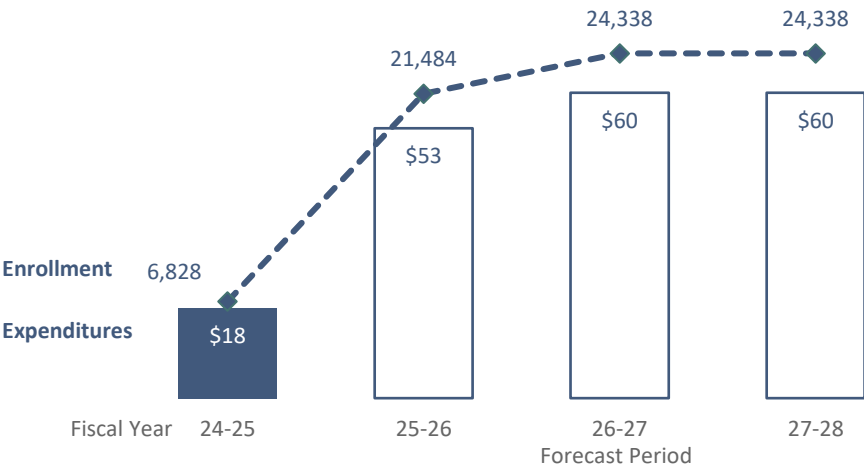


Health Services for Children Lacking Access Due to Immigration Status

The Department provides health insurance coverage to children who would otherwise qualify for Medicaid or CHP+ except for their immigration status. The services are paid with the General Fund. There is no federal

match. The benefits mirror Medicaid and CHP+. The Department has overexpenditure authority if the cost of services exceeds the appropriation. The program started in January 2025.

Health services for children lacking access due to immigration status
November 2025 forecast



Sustainability

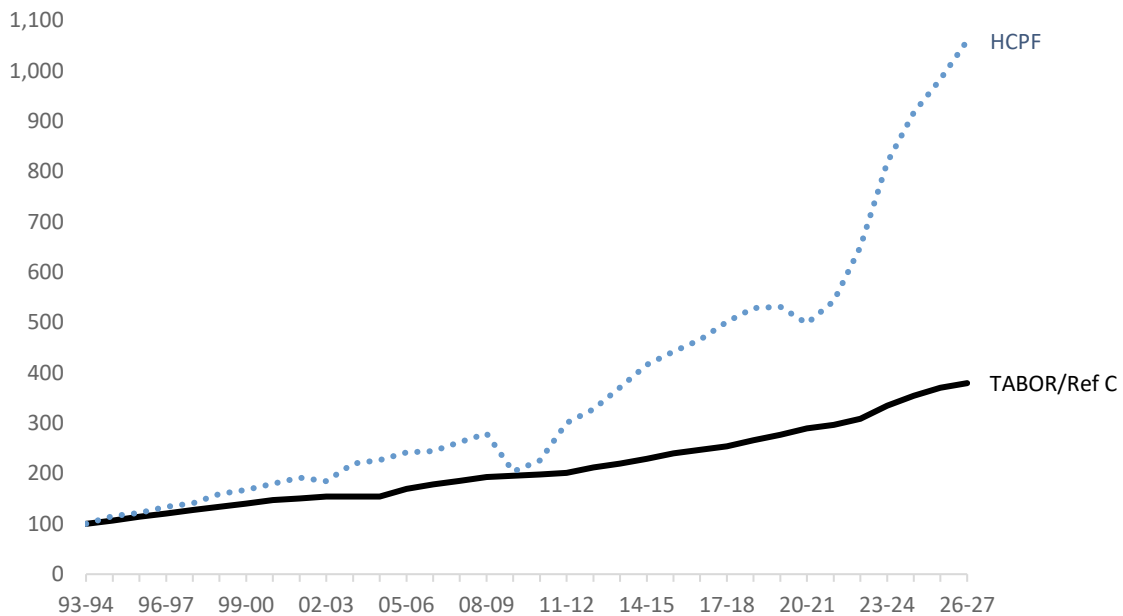
General Fund for the Department is growing faster than the TABOR limit. The primary reason is increases in the costs of medical services due to changes in enrollment, changes in the services used per member, and changes in the cost per unit of service.

This puts pressure on the legislature to contain costs in other areas of the budget, or to identify ways to relieve the constraints of the TABOR limit. Policies like the budget stabilization factor in education or the rapid tuition growth in higher education could be attributed indirectly to HCPF growing faster than the TABOR limit. The growth of HCPF was not directly cited as a reason the legislature created major enterprises, such as the higher education enterprise or the Colorado Healthcare Affordability and Sustainability Enterprise, but HCPF's growth put pressure on the state budget that may have encouraged the creation of major enterprises.

The graph below indexes the TABOR limit and General Fund appropriations for HCPF to 100 in FY 1993-94 and then shows the growth of each through the Department's FY 2026-27 request. Both the Department of Health Care Policy and Financing and the TABOR limit began in FY 1993-94. The three dips in the trend line for HCPF all correspond with federal policies that temporarily increased the federal match rate for Medicaid to provide budget relief to states during economic downturns.

General Fund appropriations for Health Care Policy and Financing (HCPF) are growing faster than the TABOR/Referendum C limit

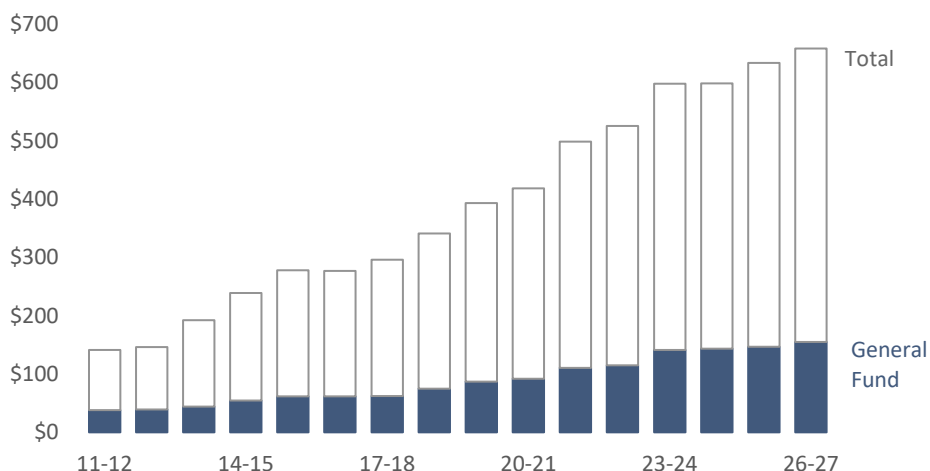
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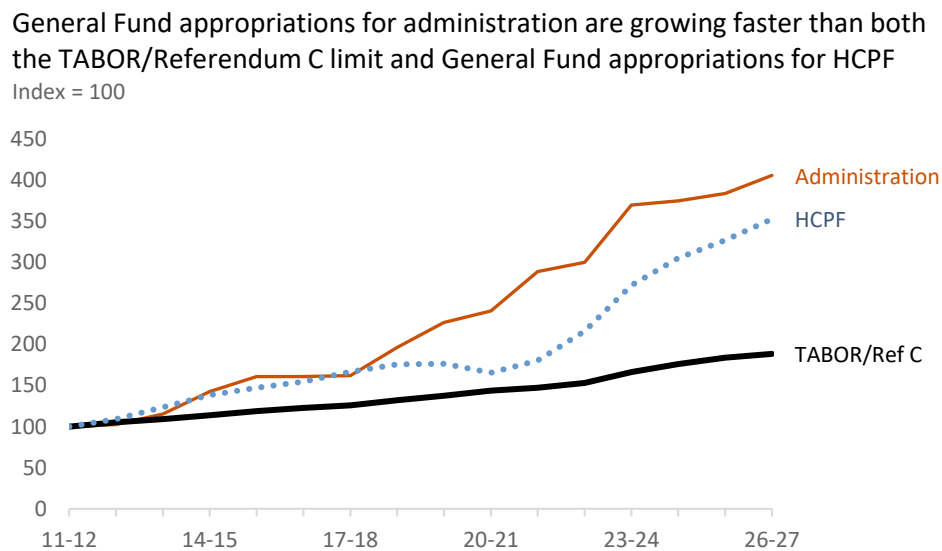
Is Administration the Problem?

The next chart shows appropriations for the Executive Director's Office and captures almost all the costs that could be called administration. The chart reflects that a lot of the growth in administration has been for information technology and expansion populations. The state receives favorable federal match rates for investments in information technology, with a 90 percent match for development work and a 75 percent match for maintenance. The federal match for administration is based on the type of service, rather than the population served. So, Colorado can't claim a 90 percent federal match for administration related to the expansion populations. However, the state share of the administrative costs for expansion populations comes from the hospital provider fee.

General Fund and Total Appropriations for Health Care Policy and Financing
(in millions)

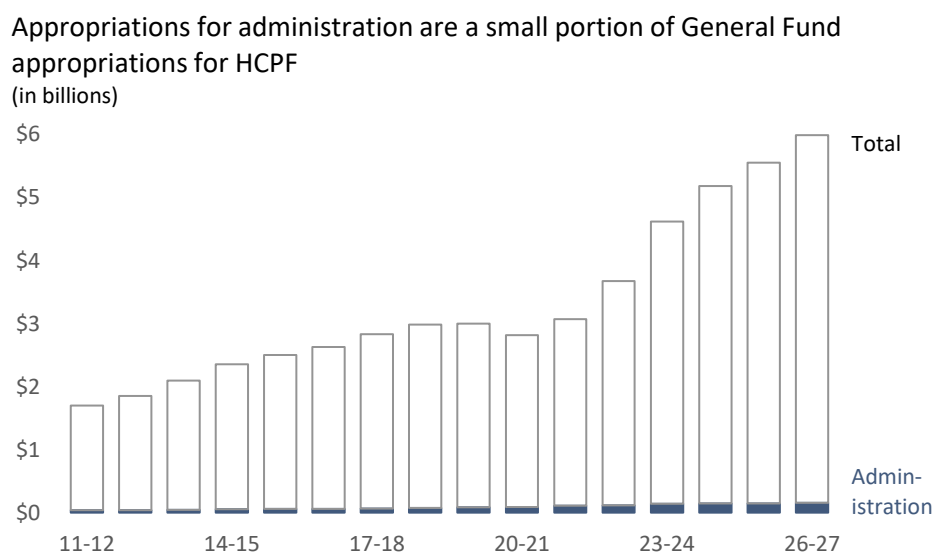


The graph below indexes the TABOR limit and the General Fund appropriations for administration and for HCPF to 100 in FY 2011-12 and then shows the growth of each through the Department's FY 2026-27 request. The index year is approximately when appropriations for the Department recovered to the trend prior to the 2009 recession. If it is useful context, Director Bimestefer started in 2018 and Governor Polis in 2019.



While General Fund appropriations for administration are growing faster than both the TABOR limit and the General Fund appropriations for the entire department, it is important to keep in mind that a lot of strategies for reducing service expenditure trends require investments in administration.

Also, appropriations for administration are a very small portion of the Department's General Fund budget and a very small contributor to the overall General Fund growth in absolute dollars. In FY 2025-26, General Fund appropriations for administration represent 2.9 percent of the total General Fund appropriations for the Department. In the chart below, the General Fund appropriations for administration are the barely perceptible blue smear at the bottom of the bar chart.



Summary of Request – by priority number

Department of Health Care Policy and Financing

Item	Total Funds	General Fund [1]	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$18,217,290,946	\$5,554,316,022	\$2,030,279,577	\$144,020,883	\$10,488,674,464	843.2
Total	\$18,217,290,946	\$5,554,316,022	\$2,030,279,577	\$144,020,883	\$10,488,674,464	843.2
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$18,217,290,946	\$5,554,316,022	\$2,030,279,577	\$144,020,883	\$10,488,674,464	843.2
R1 Medical Services Premiums	2,282,305,964	431,286,496	443,437,319	0	1,407,582,149	0.0
R2 Behavioral Health	343,831,232	68,242,986	30,852,643	0	244,735,603	0.0
R3 Child Health Plan Plus	22,659,762	2,757,097	5,173,820	0	14,728,845	0.0
R4 Other programs & services	56,180,311	56,180,311	0	0	0	0.0
R5 Office of Community Living	136,855,181	72,893,346	-1,713,868	0	65,675,703	0.0
R6 Spending reductions	-530,764,043	-196,124,715	-26,777,929	0	-307,861,399	7.0
R7 Eligibility administration	16,626,704	1,503,264	1,560,567	2,455,447	11,107,426	3.0
R8 Single assessment	-11,668,682	-6,192,265	60,986	0	-5,537,403	2.7
R9 Provider directory	5,955,875	451,455	248,360	0	5,256,060	0.0
R10.1 Disability determinations	1,381,020	837,000	-146,491	0	690,511	0.0
R10.2 3rd party insurance	0	-781,598	-418,965	0	1,200,563	1.8
R11 Salesforce support	700,172	223,727	120,059	0	356,386	1.8
R12 Home health admin	95,738	31,237	16,631	0	47,870	1.0
R13 Denver Health fed funds	11,331,455	0	3,527,482	0	7,803,973	0.0
R14.1 Chronic pain management	615,320	203,628	24,453	0	387,239	0.0
R14.2 IV nutrition	290,738	94,867	50,502	0	145,369	1.0
R15 Home health/nurse rates	-26,582,980	-13,670,319	160,503	0	-13,073,164	1.0
R16 Unspent grant admin	0	-800,000	800,000	0	0	0.0
R17 Community connector age	-5,229,310	-2,632,702	17,147	0	-2,613,755	0.0
R18 3D mammograms	635,758	128,456	37,885	0	469,417	0.0
R19 Line item consolidation	0	0	0	0	0	0.0
R20 CHP+ Trust consolidation	0	0	0	0	0	0.0
Prior year actions	37,382,050	15,219,353	-4,075,326	-1,652,006	27,890,029	-2.6
Employee compensation common policies	8,693,320	2,544,524	1,436,917	0	4,711,879	0.0
Operating common policies	4,277,298	1,280,829	473,422	-13,427	2,536,474	0.0
Impacts driven by other agencies	1,890,335	852,076	93,091	0	945,168	1.8
Total	\$20,574,754,164	\$5,988,845,075	\$2,485,238,785	\$144,810,897	\$11,955,859,407	861.7
Increase/-Decrease	\$2,357,463,218	\$434,529,053	\$454,959,208	\$790,014	\$1,467,184,943	18.5
Percentage Change	12.9%	7.8%	22.4%	0.5%	14.0%	2.2%

[1] Includes General Fund Exempt.

Summary of Request – by type

Department of Health Care Policy and Financing

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Appropriation	\$18,217,290,946	\$5,554,316,022	\$2,030,279,577	\$144,020,883	\$10,488,674,464	843.2
Total	\$18,217,290,946	\$5,554,316,022	\$2,030,279,577	\$144,020,883	\$10,488,674,464	843.2
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$18,217,290,946	\$5,554,316,022	\$2,030,279,577	\$144,020,883	\$10,488,674,464	843.2
Medical forecast	2,841,332,450	630,860,236	477,749,914	0	1,732,722,300	0.0
Eligibility & benefit changes	-203,585,062	-82,866,991	-5,345,281	0	-115,372,790	7.0
Provider rates	-341,182,268	-126,227,926	-17,665,178	0	-197,289,164	1.0
Administration	8,655,095	-7,133,048	2,291,649	2,455,447	11,041,047	11.3
Prior year actions	37,382,050	15,219,353	-4,075,326	-1,652,006	27,890,029	-2.6
Employee compensation common policies	8,693,320	2,544,524	1,436,917	0	4,711,879	0.0
Operating common policies	4,277,298	1,280,829	473,422	-13,427	2,536,474	0.0
Impacts driven by other agencies	1,890,335	852,076	93,091	0	945,168	1.8
Total	\$20,574,754,164	\$5,988,845,075	\$2,485,238,785	\$144,810,897	\$11,955,859,407	861.7
Increase/-Decrease	\$2,357,463,218	\$434,529,053	\$454,959,208	\$790,014	\$1,467,184,943	18.5
Percentage Change	12.9%	7.8%	22.4%	0.5%	14.0%	2.2%

Medical forecast

The Department requests an increase for projected medical expenditures under current law and policy.

Medical forecast

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE	JBC Lead
R1 Medical Services Premiums	\$2,282,305,964	\$431,286,496	\$443,437,319	\$0	\$1,407,582,149	0.0	EK
R2 Behavioral health	343,831,232	68,242,986	30,852,643	0	244,735,603	0.0	EP
R5 Office of Community Living	136,855,181	72,893,346	-1,713,868	0	65,675,703	0.0	TD
R4 Other programs & services	56,180,311	56,180,311	0	0	0	0.0	EK
R3 Child Health Plan Plus	22,659,762	2,757,097	5,173,820	0	14,728,845	0.0	EK
R6.05 Immigrant family planning	-500,000	-500,000	0	0	0	0.0	EK
Total	\$2,841,332,450	\$630,860,236	\$477,749,914	\$0	\$1,732,722,300	0.0	

Eligibility & benefit changes

Eligibility and benefit changes

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	JBC Lead
R18 3D mammograms	\$635,758	\$128,456	\$37,885	\$469,417	0.0	EK
R6.09 Outpatient psychotherapy prior authorization	-31,330,942	-12,241,619	-959,135	-18,130,188	0.0	EP
R6.04 Continuous coverage	-27,209,010	-11,226,343	-716,877	-15,265,790	0.0	EK
R6.10 Pediatric behavioral therapy reviews	-20,000,000	-10,000,000	0	-10,000,000	0.0	EP
R6.17 IDD youth transitions	-15,261,376	-7,630,688	0	-7,630,688	1.0	TD
R6.34 Community connector units	-15,092,224	-7,546,112	0	-7,546,112	1.0	TD
R6.08 Tests for specific drugs	-14,106,232	-1,876,129	-1,035,397	-11,194,706	0.0	EK
R6.30 HCBS hours soft cap	-13,891,297	-6,945,648	0	-6,945,649	3.0	TD
R6.20 Community health workers	-13,385,549	-3,196,962	-803,013	-9,385,574	0.0	EK
R6.36 IDD cost share	-12,641,818	-6,320,909	0	-6,320,909	0.0	TD
R6.25 Biosimilars	-12,316,324	-2,357,591	-1,240,468	-8,718,265	0.0	EK
R6.26 3rd party pay for drugs	-9,770,846	-2,944,176	-645,423	-6,181,247	0.0	EK
R6.18 IDD waitlist	-6,497,170	-3,248,585	0	-3,248,585	1.0	TD
R17 Community connector age limit	-5,229,310	-2,632,702	17,147	-2,613,755	0.0	TD
R6.29 LTSS presumptive eligibility	-2,775,871	-1,471,558	0	-1,304,313	0.0	TD
R6.31 Caregiving hours soft cap	-2,266,749	-1,133,374	0	-1,133,375	1.0	TD
R6.19 Senior dental grants	-2,000,000	-2,000,000	0	0	0.0	EK
R6.32 Homemaker hours soft cap	-446,102	-223,051	0	-223,051	0.0	TD
Total	-\$203,585,062	-\$82,866,991	-\$5,345,281	-\$115,372,790	7.0	

R18 3D Mammograms: The Department seeks to expand Medicaid benefits to cover three dimensional (3D) mammography for earlier and more accurate detection of breast cancer.

Year 1: The Department projects the new benefit will cost \$635,758 total funds, including \$128,456 General Fund.

The Department describes the request as evidence-informed. Studies show 3D mammograms improve cancer detection and reduce false-positive rates compared to 2D mammograms, especially in women with dense breast tissue. According to the Department, dense breast tissue is more prevalent in some ethnic groups, making 3D mammography an important tool for equitable care. However, randomized control trials comparing long-term outcomes and cost-effectiveness remain limited. The Centers for Disease Control and Prevention, US Preventive Services Task Force, and American College of Radiology identify 3D mammography as an effective screening tool. According to the Department, 3D mammography is the standard of care adopted by commercial insurers.

R6.04 Continuous coverage: The federal government rescinded the Department's authorization to provide continuous coverage for children to age three and for adults for one year after release from prison.

The federal action reduces the Department's forecast by:

- Current year: \$13.6 million total funds, including \$5.6 million General Fund
- Year 1: \$27.2 million total funds, including \$11.2 million General Fund

House Bill 23-1300 required the Department to seek federal authorization to provide this continuous coverage. The Centers for Medicare and Medicaid Services (CMS) initially approved the waiver but has since withdrawn the approval. In a [July 17 letter to states](#) CMS argued that continuous eligibility can lead to overpayment and unsustainable expenditures for people who would not normally be eligible.

R6.08 Tests for specific drugs: The Department implemented prior authorization requirements before paying for more than 16 urine tests in a year that determine the specific drugs in a patient.

The Department implemented the limit October 1, 2025. The limit reduces the Department's forecast by:

- Current year: \$12.9 million total funds, including \$1.7 million General Fund.
- Year 1: \$14.1 million total funds, including \$1.9 million General Fund.

From 2021 to 2024 the members receiving these services nearly doubled from 22,813 to 43,194. Spending increased 4.5 times from \$12 million to \$54 million. Based on medical guidelines, the Department believes much of the testing is unnecessary and lacks clinical justification.

R6.20 Community health workers: The Department proposes further delaying the start of coverage for community health workers from January 1, 2026 to January 1, 2028.

The request temporarily reduces the Department's forecast by:

- Current year: \$5.7 million total funds, including \$1.4 million General Fund
- Year 1: \$13.4 million total funds, including \$3.2 million General Fund
- Year 2: 7.7 million total funds, including \$1.8 million General Fund

Community health workers provide education, care coordination, and navigation to connect Medicaid members and underserved populations to health and social services. Senate Bill 23-002 directed Medicaid to cover community health worker services and then S.B. 25-229 delayed the implementation from July 1, 2025 to January 1, 2026.

The Department didn't identify this as requiring a bill, but the delay last year was done through a bill. The language added by S.B. 25-229 says the Department will reimburse community health workers beginning January 1, 2026, "subject to available appropriations, upon receiving any necessary federal authorization". The Department argues that if there are no appropriations they don't need to implement the reimbursements by January 1, 2026, and therefore the proposed delay can be accomplished through the budget process.

R6.25 Biosimilars: The Department is developing policies that will require people to try certain lower cost biosimilar drugs before approving higher cost branded biologic drugs.

The Department implemented the first limitations July 15, 2025, and plans to issue further restrictions by January 1, 2026. The limits reduce the Department's forecast by:

- Current year: \$5.1 million total funds, including \$982,330 General Fund
- Year 1: \$12.3 million total funds, including \$2.4 million General Fund

Similar to generic drugs, biosimilars have no clinically meaningful differences in safety, purity, or effectiveness. Unlike generics, biosimilars are not chemically identical to the original. The biosimilars are made from living cells and there are non-clinically meaningful variations.

R6.26 3rd party pay for drugs: The Department will no longer pay as the primary insurer for drugs when a member has 3rd party insurance but uses a pharmacy that is out-of-network for that 3rd party insurer.

The Department plans to implement the limit January 1, 2026. The new limit reduces the Department's forecast by:

- Current year: \$4.1 million total funds, including \$1.2 million General Fund
- Year 1: \$9.8 million total funds, including \$2.9 million General Fund

If a Medicaid member has 3rd party insurance and that 3rd party insurer has a closed pharmacy network, such as Kaiser, then the member will no longer be able to get full coverage for prescriptions at any pharmacy that might be convenient to them, such as Walgreens or King Soopers. Instead, they will need to go to an in-network pharmacy that might be less convenient to them. The 3rd party insurer will pay as the primary insurer and then Medicaid, as the secondary insurer, will cover any additional costs that are part of the Medicaid benefit but not part of the 3rd party insurer's benefit.

R6.19 Senior dental grants: The Department proposes reducing senior dental grants.

Current year: The Department proposes a reduction of \$500,000 General Fund in the current year.

Year1: The proposed reduction increases to \$2,000,000 General Fund in FY 2026-27 and thereafter.

The senior dental grants currently provide approximately \$4.0 million annually to community health centers, nonprofit dental clinics, and public health agencies. The grant recipients use the money for dental care to low-income elderly people. To receive services, a client must be 60 or over, must have income under 250 percent of the federal poverty guidelines, and must not have other insurance. The [Dental Health Care Program for Low Income Seniors Annual Report](#) indicates 25 grantees served 4,657 seniors in FY 2024-25.

Provider rates

Provider rates

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	JBC Lead
R13 Denver Health fed funds	\$11,331,455	\$0	\$3,527,482	\$7,803,973	0.0	EK
R14.2 IV nutrition rates	615,320	203,628	24,453	387,239	0.0	EP
R6.11 Provider rates -1.6%	-160,972,816	-56,992,200	-8,810,550	-95,170,066	0.0	EK
R6.23 Rates above 85% Medicare	-53,241,533	-15,046,057	-3,780,149	-34,415,327	0.0	EK
R15 Home health/nurse rates	-26,582,980	-13,670,319	160,503	-13,073,164	1.0	TD
R6.16 Dental rates	-20,668,949	-3,774,150	-3,121,011	-13,773,788	0.0	EK
R6.33 Community connector -23%	-18,331,864	-9,165,932	0	-9,165,932	0.0	TD
R6.24 Drug rates	-15,805,934	-3,772,279	-1,178,513	-10,855,142	0.0	EK
R6.15 Pediatric behavioral therapy rates	-13,057,068	-6,528,534	0	-6,528,534	0.0	EP
R6.02 Behavioral health incentives	-12,644,332	-3,000,000	-3,322,166	-6,322,166	0.0	EP
R6.12 Community connector -15%	-12,052,939	-6,026,469	0	-6,026,470	0.0	TD
R6.13 Nursing minimum wage	-8,719,922	-4,359,961	0	-4,359,961	0.0	EK
R6.14 Individual residential srvc & supports	-5,801,116	-2,284,479	-616,079	-2,900,558	0.0	TD
R6.01 Accountable care incentives	-2,325,290	-750,000	-412,645	-1,162,645	0.0	EK
R6.28 Drug dispensing fees	-1,690,905	-509,509	-111,694	-1,069,702	0.0	EK
R6.35 Movement therapy rates	-716,467	-358,234	0	-358,233	0.0	EP
R6.27 Specialty drug rates	-516,928	-193,431	-24,809	-298,688	0.0	EK
R6.03 Primary care stabilization	0	0	0	0	0.0	EK
Total	-\$341,182,268	-\$126,227,926	-\$17,665,178	-\$197,289,164	1.0	

R13 Denver Health fed funds [legislation]: The Department requests spending authority to use public funds that Denver Health transfers to the state to draw additional federal funds for Denver Health. The supplemental payments would support physician services provided by Denver Health.

Year 1: The Department seeks an increase of \$3.5 million cash funds and \$7.8 million federal funds. The cash funds would come from Denver Health.

House Bill 25-1213 authorized similar financing for hospitals, but an additional statutory change is needed to authorize payments specifically for physician services. The proposed legislation would use the same legal arguments as H.B. 25-1213 to classify Denver Health's transfers as exempt from TABOR. As a result, Denver Health would receive \$7.8 million in new federal funds at no cost to the General Fund.

To receive the federal funds, Denver Health must:

- expand the number of physicians and eligible practitioners
- support graduate medical education
- increase screenings for breast cancer, for colorectal cancer, and for depression and follow up plans

R6.11 Provider rates -1.6%: The Department is undoing the 1.6 percent provider rate increase for Medicaid providers that was appropriated in FY 2025-26.

The Department reverted to the FY 2024-25 rates effective October 1, 2025. The rate decrease reduces the Department's forecast by:

- Current year: \$108.2 million total funds, including \$38.3 million General Fund
- Year 1: \$161.0 million total funds, including \$57.0 million General Fund

The adjustment does not apply to behavioral health and managed care providers or providers with rates set by state or federal law.

R6.23 Rates above 85% Medicare: The Department proposes reducing rates to 85 percent of the Medicare benchmark.

The reductions would take effect April 1, 2026, and reduce the forecast by:

- Current year: \$12.3 million total funds, including \$3.5 million General Fund
- Year 1: \$53.2 million total funds, including \$15.0 million General Fund

This only applies to rates with a Medicare benchmark and it excludes primary care and evaluation and management services. The reduction is applied only if the rate is above 85 percent after the 1.6 percent across-the-board reduction. It does not reduce the rates to 85 percent of the benchmark and then apply another 1.6 percent reduction.

R6.16 Dental rates: The Department is implementing a 15.5 percent reduction for dental rates.

The Department implemented the reductions October 1, 2025. The rate reductions decrease the Department's forecast by:

- Current year: \$13.8 million total funds, including \$2.5 million General Fund
- Year 1: \$20.7 million total funds, including \$3.8 million General Fund

The reduction applies to codes that received a large targeted rate increase in FY 2024-25.

R6.24 Drug rates: The Department proposes changing the methodology used to determine drug rates in order to reduce expenditures.

Pending federal approval, the changes would take effect April 1, 2026, and reduce the forecast by:

- Current year: \$2.6 million total funds, including \$628,713 General Fund
- Year 1: \$15.8 million total funds, including \$3.8 million General Fund

Based on federal guidance, the Department must pay for most drugs at cost, but there are different ways to determine the "cost". The Department currently uses the actual acquisition cost in Colorado, or an alternative based on the National Average Drug Acquisition Cost. Pharmacies voluntarily contribute data for the actual acquisition cost. When there is insufficient data to determine the actual acquisition cost or the alternative, maybe because the drug is new or low volume, the Department uses the wholesale acquisition cost but applies a discount. The wholesale acquisition cost is known to overstate the actual acquisition cost, but the amount varies by drug. The federal Centers for Medicare and Medicaid Services must approve any change to this drug payment methodology. The proposed new methodology would first increase the discount applied to the wholesale acquisition cost from 3.5 percent to 4.0 percent for branded drugs and from 20.0 percent to 22.0 percent for generic drugs. Then, the methodology would reimburse for all drugs using the lesser of the actual acquisition cost, the National Average Drug Acquisition Cost, or the wholesale acquisition cost less the discount.⁵ If approved, the Department projects that the number of drugs paying at the wholesale acquisition cost less the discount will increase from 1.0 percent to about 10.0 percent.

R6.13 Nursing minimum wage [legislation]: The Department is ending a supplemental payment to nursing facilities that commit to pay all employees at least \$15 per hour.

The Department implemented the reduction retroactively for FY 2025-26. Ending the supplemental payment reduces the forecast by:

- Current year: \$8.7 million total funds, including \$4.4 million General Fund
- Year 1: \$8.7 million total funds, including \$4.4 million General Fund

The statewide minimum wage will exceed \$15 per hour in 2026. Statute says the supplemental payment is in effect, "as long as the statewide minimum wage is less than fifteen dollars per hour". The statute also says the supplemental payment is, "subject to available appropriations".

Originally, the supplemental payment went to nursing facilities impacted by local minimum wage requirements. House Bill 19-1210 required supplemental payments when a nursing facility had to comply with a local minimum wage or was located nearby and chose to match the minimum wage. House Bill 22-1333 changed the supplemental payment so that any nursing facility statewide that paid employees at least \$15 per hour could qualify. Only 3 nursing facilities did not claim the supplemental payment in calendar year 2024.

The proposed reduction is approximately 0.85% of total Medicaid reimbursement to nursing homes. The impacted nursing homes will see reductions ranging from 0.3 percent to 1.7 percent.

To put the reduction in context, it is helpful to know that the process for setting nursing facility rates is changing from a statutory formula to the annual budget process. Prior to H.B. 23-1228, the statutory formula effectively resulted in 3.0 percent increases in per diem rates every year. House Bill 23-1228 removed the statutory formula and set the increases at 10 percent in FY 2023-24, 3 percent in FY 2024-25, 1.5 percent in FY 2025-26, and by amounts determined through the annual budget process in FY 2026-27 and thereafter. The Department did not include nursing rates in the 1.6 percent reduction or the 85 percent of Medicare reduction. The Department did not request an increase in the per diem rates for FY 2026-27. Thus, for FY 2025-26 the nursing homes received a

⁵ The Department refers to the wholesale acquisition cost less the discount as the maximum allowable cost. So, restating the Department's request using the most possible acronyms would look something like: Pending CMS approval, HCPF wants to pay for drugs at the lesser of the AAC, the NADAC, or the WAC minus the discount (AKA the MAC). Despite appearances, these are acronyms for different measures of drug costs, rather than college football conferences.

1.5 percent increase that this proposal would partially offset with a decrease that varies by provider but is 0.85 percent in aggregate.

R6.01 Accountable care incentives: The Department is reducing incentive payments through the Accountable Care Collaborative.

The Department implemented the reduction retroactively for FY 2025-26. Reducing the incentive payments decreases the forecast by:

- Current year: \$2.3 million total funds, including \$750,000 General Fund
- Year 1: \$2.3 million total funds, including \$750,000 General Fund

The Primary Care Medical Providers (PCMPs) and Regional Accountable Entities (RAEs) can earn the incentive payments by improving health outcomes to meet performance goals.

The Department's forecast has savings built into it from the historic performance of the Accountable Care Collaborative in improving health outcomes and reducing expenditures. Ostensibly, the incentive payments motivate and finance the PCMPs and RAEs to innovate, perform interventions, provide the preventive care that leads to better outcomes. The Department does not expect a decrease in the savings from better health outcomes as a result of the proposed decrease in incentive payments.

R6.28 Drug dispensing fees: The Department seeks to reduce drug dispensing fees for the highest volume pharmacies.

The Department proposes reducing the dispensing fees April 1, 2026. Reducing the dispensing fees decreases the forecast by:

- Current year: \$281,817 total funds, including \$84,918 General Fund
- Year 1: \$1.7 million total funds, including \$509,509 General Fund

The Department pays pharmacies for the ingredients (the drugs) plus a dispensing fee for each prescription filled. The dispensing fees are tiered based on volume. The highest volume providers with the most economies of scale get paid the lowest dispensing fees. For the highest volume tier, the Department proposes reducing the dispensing fee from \$9.31 to \$8.72, or a 6.3 percent reduction. For the second highest volume tier, the Department proposes reducing the dispensing fee from \$10.25 to \$9.93, or a 3.1 percent reduction. This primarily impacts large chain pharmacies, but some independent pharmacies with large volumes will see reductions.

R6.27 Specialty drug rates: The Department proposes reducing rates paid to hospitals for a handful of specialty drugs delivered during outpatient care.

The reductions would take effect April 1, 2026, and they reduce the forecast by:

- Current year: \$86,155 total funds, including \$32,238 General Fund
- Year 1: \$516,928 total funds, including \$193,431 General Fund

Most hospital drug costs get captured in the bundled payment model, but the Department pays directly for these newer drugs. Otherwise, the hospital payment model would not accurately capture the extremely high costs for these drugs, because the model relies on historic information.

These drugs have special requirements around handling, monitoring, patient education, and compliance such that they are delivered in a hospital, rather than a pharmacy or clinic. The drugs impacted by this change cost

more than \$75,000 for one dose therapy, or \$32,000 per dose for multi-dose therapies, or \$22,000 per dose for therapies costing more than \$125,000 per year.

The Department would decrease rates from 100 percent to 92 percent of cost. This partially unwinds an increase from 90 percent to 100 percent of costs that occurred in January 2024. The decrease primarily impacts Children's Hospital.

R6.03 Primary care stabilization: The Department is delaying the start of annual primary care stabilization payments to small, pediatric, or rural providers that do not receive cost-based reimbursements.

The Department is delaying the start of the payments from the budgeted July 1, 2025 to January 1, 2026.

Current year: One-time savings of \$4.6 million total funds, including \$1.5 million General Fund.

The stabilization payments are a new component of Phase III of the Accountable Care Collaborative. They are not the same as the payments from the Provider Stabilization Fund authorized by S.B. 25-290 that use a loan from the Unclaimed Property Trust Fund. These payments will go to primary care providers that are not Federally Qualified Health Centers (FQHCs) or Rural Health Centers (RHCs). The FQHCs and RHCs receive cost-based reimbursements. The Department estimates 271 primary care providers will qualify for the primary care stabilization payments.

Administration

Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE	JBC Lead
R7 Eligibility administration	\$16,626,704	\$1,503,264	\$1,560,567	\$2,455,447	\$11,107,426	3.0	TD
R9 Provider directory	5,955,875	451,455	248,360	0	5,256,060	0.0	EK
R10.1 Disability determinations	1,381,020	837,000	-146,491	0	690,511	0.0	TD
R11 Salesforce support	700,172	223,727	120,059	0	356,386	1.8	EK
R14.1 Chronic pain management	290,738	94,867	50,502	0	145,369	1.0	EP
R12 Home health administration	95,738	31,237	16,631	0	47,870	1.0	EK
R8 Single assessment	-11,668,682	-6,192,265	60,986	0	-5,537,403	2.7	TD
R6.21 Children in Rocky PRIME	-3,476,470	-1,738,235	0	0	-1,738,235	0.0	EK
R6.07 Immigrant services outreach	-750,000	-262,500	0	0	-487,500	0.0	EK
R6.06 SBIRT training grants	-500,000	-500,000	0	0	0	0.0	EP
R16 Unspent grant admin	0	-800,000	800,000	0	0	0.0	EP
R10.2 3rd party insurance	0	-781,598	-418,965	0	1,200,563	1.8	EK
R6.22 Provider credentialing ACC	0	0	0	0	0	0.0	EK
R19 Line item consolidation	0	0	0	0	0	0.0	TD
R20 CHP+ Trust consolidation	0	0	0	0	0	0.0	EK
Total	\$8,655,095	-\$7,133,048	\$2,291,649	\$2,455,447	\$11,041,047	11.3	

R9 Provider directory: The Department wants money to improve the provider directory to meet federal standards. In addition, the Department requests a net neutral transfer of funds from OIT to where contract services will actually be purchased for usability testing, interface updates, feedback loops, and directory performance evaluation.

Year 1: The Department requests \$6.0 million total funds, including \$451,455 General Fund.

Year 2: The estimated ongoing costs are \$1.9 million total funds, including \$311,355 General Fund.

The provider directory helps members, providers, care coordinators, and call center staff locate participating providers for referrals. Recent federal guidance increased minimum requirements around mobile useability, quarterly updates, cultural and linguistic detail, interoperability with other software, user-friendly search features, and accessibility. The directory must now include fee-for-service providers and not just managed care providers.

Historically, the provider directory has been problematic. Providers don't consistently update their information, so the directory includes providers who have moved or closed. The directory doesn't say how many Medicaid patients a provider sees or if they have openings. The Department says the changes will make limited improvements to these fundamental challenges. The improved system will incorporate data from the Regional Accountable Entities for primary care and behavioral health providers and flag duplicate, conflicting, or incomplete records to improve the accuracy of the directory. It will allow members to flag inaccurate information and that will trigger a follow up. The improved system will prioritize search results to show providers who recently Medicaid claims at the top, making it more likely that an inquiry will identify a provider who actually sees Medicaid patients. The system will comply with federal regulations, reduce the administrative burden on providers for updates, and include some performance enhancements, but the provider directory will likely remain a blunt and limited tool.

R11 Salesforce support: The Department requests funds for licenses, data storage, and staff to maintain and support Salesforce systems.

Year 1: The request costs \$700,172 total funds, including \$223,727 General Fund, and 1.8 FTE.

More of the Department's programs are using Salesforce. According to the Department, each individual expansion was properly funded, but the cumulative effect of many programs adopting the same platform led the Department to conclude that more support is needed. The Department points to:

- Growing expectations for digital services and automation
- More complex integrations with other systems
- A larger and more diverse user base across programs
- More sophisticated business needs

R12 Home health administration: The Department requests one new position for policy oversight of long-term home health and one term-limited position for a projected surge in appeals.

- Current year: \$38,022 total funds, including 12,405 General Fund and 0.3 FTE
- Year 1: \$95,738 total funds, including \$31,237 general Fund, and 1.0 FTE
- Year 2: \$128,278 total funds, including \$41,856 General Fund, and 1.2 FTE
- Year 3: \$113,357 total funds, including \$36,986 General Fund, and 1. FTE

In August 2025, the Department started new reviews of medical necessity for long-term home health. A big part of the medical necessity reviews is a new assessment where trained nurses use a standardized tool to evaluate the needs of members wanting in-home nursing. The Department believes the new nursing assessment is more consistent, reliable, supported by evidence, and equitable in identifying the needs of clients than the various program-specific assessments it replaces. The Department expects an increase in full and partial denials of service.

As people get reassessed and gain or lose benefits compared to what they previously received, the Department expects a temporary surge in appeals. To help manage the expected surge in appeals, the Department requests one term-limited position from March 2026 through February 2028.

The Department's November forecast assumes savings from the nursing assessments. In FY 2025-26 the Department projects savings of \$14.3 million total funds, including \$7.1 million General Fund. In FY 2026-27, the Department projects savings of \$48.1 million total funds, including \$24.1 million General Fund. If the Department is unable to resolve appeals in a timely manner, some of the projected savings could be in jeopardy. For example, private duty nursing for one member for 16 hours per day for six months while an appeal is pending would cost \$154,000. Through long-term home health a certified nurse assistant for 8 hours per day for six months while an appeal is pending would cost \$59,000.

In addition, the Department requests one on-going position to help manage and continually improve the in-home nursing benefits. The Department wants to make sure it has the resources to listen to stakeholders, work through problems, and actively manage the high cost benefit.

R6.21 Children in Rocky PRIME: The Department no longer plans to expand the managed care contract with Rocky Mountain Health PRIME to include children. Instead, the children will continue to receive Medicaid coverage on a fee-for-service basis.

Year 1: This reduces the Department's forecast by \$3.5 million total funds, including \$1.7 million General Fund.

The Department previously planned to include children in Rocky Mountain Health PRIME beginning in FY 2026-27 as part of Phase III of the Accountable Care Collaborative. The current administrative structure sometimes causes confusion for families and providers when the payment procedures are different for children and parents in the same family. The Department estimated that the managed care rates would be higher due to expectations for greater care coordination. In addition, the Department identified one-time costs from paying prospectively through managed care rather than after service delivery. However, the Department expected the one-time costs could get absorbed through the structure of the contract with Rocky PRIME. Absorbing the one-time costs proved infeasible under federal regulations and the Department projects lower annual costs from keeping the children in fee-for-service.

R6.07 Immigrant services outreach: The Department wants to stop three grants to nonprofits that pay for outreach related to health services for undocumented children and pregnant people.

The Department proposes ending the outreach contracts effective January 1, 2026, saving:

- Current year: \$375,000 total funds, including 131,250 General Fund
- Year 1: \$750,000 total funds, including \$262,500 General Fund

The Department argues the outreach is not necessary. The providers and community are aware of the program and there is significant demand for the services, as evidenced by enrollment continuing to exceed expectations.

R10.2 3rd party insurance: The Department wants to shift money from a vendor that checks claims after they are paid to information technology systems that stop improper payments in cases where a third-party insurer should pay, not Medicaid.

Year 1: No change in total funds, but a decrease of \$781,599 General Fund and an increase of 1.8 FTE.

The Department argues pre-payment claims reviews are more efficient and might lead to lower costs, but that is not the source of the savings in the request. Rather, the state gets a better federal match for information technology systems than for post-payment claims reviews.

R6.22 Provider credentialing ACC: The Department no longer plans to implement a centralized, statewide program for credentialing behavioral health providers for participation with all Regional Accountable Entities (RAEs).

Current year: The one-time savings from avoided system costs is \$650,000 total funds, including \$40,950 General Fund.

The change was intended to reduce the administrative burden on providers by allowing them to complete credentialing once for participation with all RAEs, rather than separate credentialing with different forms and potentially different rules for each RAE. The Department says this is a lower priority with the same businesses winning the bids for multiple RAEs.

R20 CHP+ Trust consolidation: The Department proposes a net zero change to consolidate appropriations from the Children's Basic Health Plan (CHP+) Trust in the line item that pays for services.

The CHP+ Trust receives 18 percent of the revenue from the tobacco master settlement. In some prior years, the revenue was more than enough for services and it paid for administration directly related to CHP+. For the foreseeable future, the Department projects service costs will exceed tobacco revenue. The General Fund will need to pay the difference. Putting all the appropriations from the CHP+ Trust in one line item simplifies the accounting. Under the proposal, administrative costs for CHP+ will appear as a General Fund expense, which more accurately reflects the source of funds for any incremental increase in administrative costs for CHP+. The General Assembly already approved a similar consolidation of appropriations from the Health Care Expansion Fund. Once the annual service costs exceeded the revenue, the cash funds became merely an offset to the General Fund, rather than the sole source of funds.

Prior year actions

The request includes a net increase of \$37.4 million for the impact of prior year budget decisions and legislation. Items with no priority number or bill number were initiated by the General Assembly through the budget process.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reappropri. Funds	Federal Funds	FTE
HB 23-1300 Continuous eligibility	\$13,604,506	\$5,613,172	\$358,438	\$0	\$7,632,896	0.0
FY 25-26 Provider rates 1.6% adjustment	12,242,841	4,361,085	645,728	0	7,236,028	0.0
FY 23-24 BA7 Community access	10,775,256	-300,890	714,063	0	10,362,083	0.1
SB 24-116 Discounts for indigent patients	7,906,592	846,995	621,261	0	6,438,336	0.0
SB 25-229 Community health workers	5,713,346	1,364,558	342,750	0	4,006,038	0.0
HB 24-1038 High acuity youth	4,354,000	2,177,000	0	0	2,177,000	0.0
FY 25-26 Early intervention	4,000,000	2,000,000	0	0	2,000,000	0.0
HB 24-1045 Substance use disorder	3,986,324	807,379	236,968	0	2,941,977	0.0
FY 25-26 R6 Accountable Care Collaborative	2,617,821	1,500,829	-314,251	0	1,431,243	0.0
SB 23-002 Community health services	1,958,861	467,847	117,514	0	1,373,500	0.0
SB 24-168 Remote monitoring	1,711,462	98,758	102,872	0	1,509,832	-0.3

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 23-1136 Prosthetic devices	1,526,304	0	152,630	0	1,373,674	0.0
SB 24-110 Limit prior authorization	358,420	94,020	21,541	0	242,859	0.0
FY 25-26 BA14 All Payer Claims Database	234,118	195,701	20,073	0	18,344	0.0
SB 25-084 Parenteral nutrition	109,662	54,831	0	0	54,831	0.0
FY 25-26 BA10 System of care	95,000	47,500	0	0	47,500	0.0
FY 25-26 R14 Change contracts to FTE	82,974	7,869	4,021	35,937	35,147	0.7
FY 24-25 BA9 Adj community access	64,886	28,707	0	0	36,179	0.2
FY 25-26 Step Plan	0	0	0	0	0	0.0
FY 25-26 Salary survey	0	0	0	0	0	0.0
FY 25-26 R7 Eligibility determinations	-8,316,037	-237,034	-165,266	-1,687,943	-6,225,794	0.5
SB 25-290 Safety net stabilization	-5,000,000	0	-5,000,000	0	0	0.0
FY 25-26 BA7 HRSN & reentry services	-3,989,194	-810,485	-236,789	0	-2,941,920	0.0
FY 24-25 R10 3rd party pay for nursing	-3,791,834	-947,958	0	0	-2,843,876	0.0
FY 25-26 R9 Provider rates	-3,789,154	-1,133,482	-762,495	0	-1,893,177	0.0
FY 25-26 R11 OCL benefits	-2,442,608	-1,081,304	0	0	-1,361,304	0.0
FY 24-25 Stabilize case management	-2,156,548	-258,705	0	0	-1,897,843	-2.0
FY 25-26 BA12 Transport true up	-1,659,650	-497,895	-331,930	0	-829,825	0.0
FY 25-26 R10 HAS fee admin & refinance	-990,438	0	-495,219	0	-495,219	0.3
HB 22-1302 Practice transformation	-610,441	-305,221	0	0	-305,220	-2.5
FY 25-26 R13 Contract true up	-340,000	-170,000	0	0	-170,000	0.0
FY 24-25 R9 Access to benefits	-307,039	-153,520	0	0	-153,519	-1.0
SB 25-183 Pregnancy-related services	-286,250	1,476,896	-41,650	0	-1,721,496	0.0
SB 25-308 HRSN & reentry services	-102,460	0	-51,230	0	-51,230	0.0
FY 25-26 Update payment rules	-94,298	-28,289	-6,601	0	-59,408	0.0
FY 24-25 BA7 Transport credentials	-32,317	-9,695	-6,463	0	-16,159	-0.5
HB 25-1328 Direct care workers	-30,036	16,415	0	0	-46,451	0.5
FY 25-26 R8 IT administration	-11,446	-1,145	-590	0	-9,711	1.4
FY 25-26 BA17 Personal service reduction	-10,573	-4,586	-701	0	-5,286	0.0
Total	\$37,382,050	\$15,219,353	-\$4,075,326	-\$1,652,006	\$27,890,029	-2.6

Employee compensation common policies

The request includes a net increase of \$8.7 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Health, life, and dental	\$4,028,172	\$1,064,199	\$736,760	\$2,227,213	0.0
Salary survey	3,153,644	1,229,899	260,274	1,663,471	0.0
Unfunded liability amortization payments	1,362,879	227,601	400,858	734,420	0.0
Step plan	71,157	26,074	8,287	36,796	0.0
Paid family and medical leave insurance	40,013	10,241	7,382	22,390	0.0
PERA direct distribution	23,966	-15,026	18,419	20,573	0.0
Short-term disability	13,489	1,536	4,937	7,016	0.0
Total	\$8,693,320	\$2,544,524	\$1,436,917	\$4,711,879	0.0

Operating common policies

The request includes a net increase of \$4.3 million for operating common policies.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$2,912,252	\$827,101	\$210,456	\$0	\$1,874,695	0.0
Legal services	1,949,354	643,287	331,390	0	974,677	0.0
Workers' compensation	136,364	47,238	24,334	-6,781	71,573	0.0
State accounting system (CORE)	133,091	43,921	22,625	0	66,545	0.0
Administrative law judge services	-720,345	-237,715	-122,458	0	-360,172	0.0
Risk management & property	-133,418	-43,003	7,075	-6,646	-90,844	0.0
Total	\$4,277,298	\$1,280,829	\$473,422	-\$13,427	\$2,536,474	0.0

Impacts driven by other agencies

Impacts driven by other agencies: The request includes a net increase of \$1.9 million for requests from other state agencies. These are also called “non-prioritized requests.”

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Human Services programs	5,160,862	2,612,431	-32,000	2,580,431	0.0
NP Eligibility appeals	722,970	234,966	126,519	361,485	0.0
NP7B SB24-205 AI compliance	233,962	76,342	40,639	116,981	1.8
NP7A SB24-205 AI compliance	97,883	32,301	16,640	48,942	0.0
NP Statewide enable AI	49,119	16,209	8,350	24,560	0.0
NP State accounting system (CORE) staff	27,459	9,061	4,669	13,729	0.0
NP IT accessibility	20,000	10,000	0	10,000	0.0
NP Underspent early intervention funds	-4,000,000	-2,000,000	0	-2,000,000	0.0
NP IT efficiencies	-298,178	-98,399	-50,690	-149,089	0.0
NP IT operating offset	-123,742	-40,835	-21,036	-61,871	0.0
Total	\$1,890,335	\$852,076	\$93,091	\$945,168	1.8

Future budget reductions

The Governor's budget transmittal letter and executive orders reference some additional budget reductions that were not captured in the Department's November 1 request. The Department explains that these items will be included in January budget amendments.

Cap dental services [legislation]: The Department proposes capping dental services at \$3,000 per year for Medicaid adults and \$750 per year for Cover All Coloradoans. The later would require legislation to provide different benefits from standard Medicaid.

Current year: The [Spending Reduction Letter](#) estimated the adult dental cap would save \$250,000 General Fund and the Cover All Coloradoans cap would contain future growth.

Year 1: The budget amendment will include the projected savings for FY 2026-27.

Behavioral health for immigrants [legislation]: For people eligible through Cover All Coloradoans, the Department proposes paying for behavioral health on a fee-for-service basis rather than through managed care.

Current year: The Spending Reduction Letter estimated this will save \$75,000 General Fund.

Year 1: The budget amendment will include the projected savings for FY 2026-27.

The change will require legislation to provide different benefits from standard Medicaid. People eligible through Cover All Coloradoans use fewer behavioral health services than the standard Medicaid population. Paying for behavioral health on a fee-for-service basis will avoid managed care administrative costs. At the same time, the Department will not pay a third party to manage the care of the members. Part of the theory behind managed care is that it improves health outcomes.

Additional reductions: The Department plans to submit additional budget reductions in January totaling \$124.3 million General Fund. The Governor's budget transmittal letter assumes these savings.

The request mentions that the Department plans to review provider fees for ways to address budget sustainability but provides no further details.

Controlling growth [legislation]: The Department plans to request legislation in January to establish a year-over-year growth rate target for Medicaid General Fund. The Department says the target growth rate should align with growth in the TABOR cap.

Forecast overview

Requests R1 through R5 are based on the Department's most recent forecasts of enrollment and expenditures under current law and policy. Combined they drive a \$2.8 billion increase in total funds, including a \$630.2 million increase in General Fund, in FY 2026-27. This issue brief discusses the major contributors to the increase in the forecast.

Summary

- For the line items with overexpenditure authority, the Department spent more in FY 2024-25 than the appropriation by \$54.0 million General Fund, or 1.1 percent.
- For FY 2025-26, the Department increased the projection by \$230.7 million General Fund, or 4.3 percent. Major contributing factors include:
 - Higher costs in FY 2024-25
 - Increased use of acute care, especially of physician services by the elderly and people with disabilities
 - Increased nursing bed days
- For FY 2026-27, the Department projects year-over-year growth of \$418.0 million General Fund, or 7.2 percent. Major contributing factors include:
 - Increased enrollment of the elderly and people with disabilities
 - Increased use of services, especially of long-term care by the elderly and people with disabilities
 - The continued ramp up of health services for children lacking access due to their immigration status
- Some changes in federal match rates are influencing the General Fund projection. In particular:
 - A temporary increase in the federal match for emergency services to noncitizens decreases the General Fund in FY 2025-26 but increases the General Fund in FY 2026-27 when it phases out pursuant to H.R. 1
 - The additional 6 percentage point federal match for Community First Choice is reducing the General Fund increase for home- and community-based services

Discussion

Requests R1 through R5 are based on the Department's most recent forecasts of enrollment and expenditures under current law and policy. It is important to understand these requests from the perspective of knowing what drives the budget and how different laws or policies might change the trends. However, these requests are, for the most part, non-discretionary, as they represent the expected costs the Department will incur absent a change in law or policy. The difficult decisions the JBC will make during figure setting will be less about these forecast requests and more about changes to law or policy intended to influence the trends.

FY 2024-25

Before discussing the forecast requests, it is worth noting where the Department ended FY 2024-25. Across all the forecasted items, the Department spent more than the appropriation by \$141.2 million total funds, including \$54.0 million General Fund. That is a forecast error of 0.9 percent total funds and 1.1 percent General Fund.

FY 2024-25

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Appropriation					
Medical Services Premiums	12,458,605,335	3,668,240,126	1,424,116,912	119,588,730	7,246,659,567
Behavioral Health	1,268,663,537	313,997,916	108,885,124	0	845,780,497
Child Health Plan Plus	287,385,214	49,960,249	50,689,576	0	186,735,389
Other Programs and Services	261,065,264	261,065,264	0	0	0
Office of Community Living	1,342,339,710	651,608,392	30,271,434	0	660,459,884
Total - Appropriation	\$15,618,059,060	\$4,944,871,947	\$1,613,963,046	\$119,588,730	\$8,939,635,337
Actual					
Medical Services Premiums	12,627,795,252	3,714,393,403	1,346,192,427	118,098,773	7,449,110,649
Behavioral Health	1,236,486,969	319,161,820	99,753,308	0	817,571,841
Child Health Plan Plus	267,886,766	44,496,147	49,177,855	0	174,212,764
Other Programs and Services	260,730,225	260,730,225	0	0	0
Office of Community Living	1,366,364,388	660,120,270	32,195,150	0	674,048,968
Total - Actual	\$15,759,263,600	\$4,998,901,865	\$1,527,318,740	\$118,098,773	\$9,114,944,222
Actual Higher/-Lower than Appropriation					
Medical Services Premiums	169,189,917	46,153,277	-77,924,485	-1,489,957	202,451,082
Behavioral Health	-32,176,568	5,163,904	-9,131,816	0	-28,208,656
Child Health Plan Plus	-19,498,448	-5,464,102	-1,511,721	0	-12,522,625
Other Programs and Services	-335,039	-335,039	0	0	0
Office of Community Living	24,024,678	8,511,878	1,923,716	0	13,589,084
Total - Difference	\$141,204,540	\$54,029,918	-\$86,644,306	-\$1,489,957	\$175,308,885
Percent Difference					
Medical Services Premiums	1.4%	1.3%	-5.5%	-1.2%	2.8%
Behavioral Health	-2.5%	1.6%	-8.4%	n/a	-3.3%
Child Health Plan Plus	-6.8%	-10.9%	-3.0%	n/a	-6.7%
Other Programs and Services	-0.1%	-0.1%	n/a	n/a	n/a
Office of Community Living	1.8%	1.3%	6.4%	n/a	2.1%
Total - Percent Change	0.9%	1.1%	-5.4%	-1.2%	2.0%

The higher expenditure trends in FY 2024-25 inform the Department's forecast for FY 2025-26 and FY 2026-27 and explain a large part of why the Department raised the projections for FY 2025-26.

Summary of All the Forecasts

The amounts requested in R1 through R5 are actually the projected cumulative change over two years. Part of the requests are attributable to the Department's revised forecasts of FY 2025-26 expenditures. The requests for changes in FY 2025-26 will be officially submitted in January and until then the Governor's budget includes a placeholder for the FY 2025-26 fiscal impact of the forecasts. The amounts in R1 through R5 are also the net remaining change after annualizations. The tables below separate the changes by fiscal year and add in the annualizations. Note that the table for FY 2025-26 shows the change from the appropriation and not the change from FY 2024-25.

FY 2025-26

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 25-26 Appropriation					
Medical Services Premiums	\$13,367,552,286	\$3,883,441,698	\$1,481,967,035	\$124,197,922	\$7,877,945,631
Behavioral Health	1,463,021,776	352,571,292	122,653,551		987,796,933
Child Health Plan Plus	321,488,177	59,616,174	52,969,688	0	208,902,315
Other Programs and Services	329,839,664	321,795,204	0	0	8,044,460
Office of Community Living	1,419,773,498	698,068,372	20,943,946	0	700,761,180
Total - Appropriation	\$16,901,675,401	\$5,315,492,740	\$1,678,534,220	\$124,197,922	\$9,783,450,519
FY 25-26 Projection (Nov)					
Medical Services Premiums	\$14,271,058,833	\$4,053,137,079	\$1,672,104,340	\$124,197,922	\$8,421,619,492
Behavioral Health	1,592,830,950	371,152,278	129,289,180	0	1,092,389,492
Child Health Plan Plus	300,162,557	53,086,157	52,035,738	0	195,040,662
Other Programs and Services	346,547,333	338,502,873	0	0	8,044,460
Office of Community Living	1,479,074,672	730,361,910	20,827,862	0	727,884,900
Total - Actual	\$17,989,674,345	\$5,546,240,297	\$1,874,257,120	\$124,197,922	\$10,444,979,006
Projection Higher/-Lower than Appropriation					
Medical Services Premiums	\$903,506,547	\$169,695,381	\$190,137,305	\$0	\$543,673,861
Behavioral Health	129,809,174	18,580,986	6,635,629	0	104,592,559
Child Health Plan Plus	-21,325,620	-6,530,017	-933,950	0	-13,861,653
Other Programs and Services	16,707,669	16,707,669	0	0	0
Office of Community Living	59,301,174	32,293,538	-116,084	0	27,123,720
Total - Difference	\$1,087,998,944	\$230,747,557	\$195,722,900	\$0	\$661,528,487
Percent Change					
Medical Services Premiums	6.8%	4.4%	12.8%	0.0%	6.9%
Behavioral Health	8.9%	5.3%	5.4%	n/a	10.6%
Child Health Plan Plus	-6.6%	-11.0%	-1.8%	n/a	-6.6%
Other Programs and Services	5.1%	5.2%	n/a	n/a	0.0%
Office of Community Living	4.2%	4.6%	-0.6%	n/a	3.9%
Total - Percent Change	6.4%	4.3%	11.7%	0.0%	6.8%

FY 2026-27

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 25-26 Projection (Nov)					
Medical Services Premiums	14,271,058,833	4,053,137,079	1,672,104,340	124,197,922	8,421,619,492
Behavioral Health	1,592,830,950	371,152,278	129,289,180	0	1,092,389,492
Child Health Plan Plus	300,162,557	53,086,157	52,035,738	0	195,040,662
Other Programs and Services	346,547,333	338,502,873	0	0	8,044,460
Office of Community Living	1,479,074,672	730,361,910	20,827,862	0	727,884,900
Total - Appropriation	\$17,989,674,345	\$5,546,240,297	\$1,874,257,120	\$124,197,922	\$10,444,979,006
FY 26-27 Projection (Nov)					
Medical Services Premiums	15,700,427,566	4,325,351,817	1,927,708,998	124,197,922	9,323,168,829
Behavioral Health	1,812,315,770	423,542,085	153,507,010	0	1,235,266,675
Child Health Plan Plus	345,395,307	62,645,541	58,307,817	0	224,441,949
Other Programs and Services	388,948,775	380,904,315	0	0	8,044,460
Office of Community Living	1,558,735,372	771,837,902	19,255,481	0	767,641,989

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Total - Actual	\$19,805,822,790	\$5,964,281,660	\$2,158,779,306	\$124,197,922	\$11,558,563,902
FY 26-27 Higher/-Lower than FY 25-26					
Medical Services Premiums	1,429,368,733	272,214,738	255,604,658	0	901,549,337
Behavioral Health	219,484,820	52,389,807	24,217,830	0	142,877,183
Child Health Plan Plus	45,232,750	9,559,384	6,272,079	0	29,401,287
Other Programs and Services	42,401,442	42,401,442	0	0	0
Office of Community Living	79,660,700	41,475,992	-1,572,381	0	39,757,089
Total - Difference	\$1,816,148,445	\$418,041,363	\$284,522,186	\$0	\$1,113,584,896
Percent Change					
Medical Services Premiums	10.0%	6.7%	15.3%	0.0%	10.7%
Behavioral Health	13.8%	14.1%	18.7%	n/a	13.1%
Child Health Plan Plus	15.1%	18.0%	12.1%	n/a	15.1%
Other Programs and Services	12.2%	12.5%	n/a	n/a	0.0%
Office of Community Living	5.4%	5.7%	-7.5%	n/a	5.5%
Total - Percent Change	10.1%	7.5%	15.2%	0.0%	10.7%

The forecasts reflect actual enrollment and expenditure data through June 2025. In mid-February the Department will submit revised forecasts incorporating enrollment and expenditure data through December 2025. The mid-February forecasts will come after deadlines for the Governor to submit supplemental budget requests and budget amendments. Typically, governors do not submit official revised requests based on the mid-February forecasts, neither do they submit official adjustments to other areas of the budget to fit the revised forecasts. Sometimes, governors make their priorities known through unofficial channels. Despite the lack of an official request, the JBC typically uses the mid-February forecast for the budget, because it is the most recent data available. If the mid-February forecast is higher than the November forecast, then the JBC makes adjustments elsewhere in the budget to accommodate it. If the mid-February forecast is lower than the request, then the JBC has more money to increase reserves or allocate for other priorities.

The forecast requests covered in this briefing include R1 Medical Services Premiums, R3 Child Health Plan Plus, and R4 Other Programs and Services. See the briefings for Behavioral Health and the Office of Community Living for discussions of the other forecast requests.

R1 Medical Services Premiums

The forecast does not include the impacts of any of the Governor's executive orders, even though the Department has already implemented many of the changes. The impacts from the Governor's executive orders are included in R6. The forecast reflects what the department expects to spend absent the executive orders.

FY 2025-26

The projection for FY 2025-26 is up \$903.5 million total funds or 7.5 percent, including an increase in General Fund of \$169.7 million or 4.7 percent. The table below shows the major contributors to the change from the FY 2025-26 appropriation to the Department's November 2025 forecast for FY 2025-26. It does not show differences from FY 2024-25 expenditures.

FY 2025-26 Medical Services Premiums Enrollment/Utilization Trends

Item	Total Funds	General Fund	Other State	Federal Funds
FY 2025-26 Appropriation	\$12,086,735,818	\$3,625,759,766	\$1,519,647,523	\$6,941,328,529
Acute care				
Enrollment	-248,336,409	-26,940,192	-27,845,808	-193,550,409
Per capita	<u>290,920,955</u>	<u>110,876,847</u>	<u>10,887,662</u>	<u>169,156,446</u>
<i>Subtotal - Acute Care</i>	<i>42,584,546</i>	<i>83,936,655</i>	<i>-16,958,146</i>	<i>-24,393,963</i>
Long-term care programs				
Home- and community-based services	117,336,291	24,739,258	20,720,505	71,876,528
Long-Term Home Health/PDN/Hospice	12,218,453	6,109,226	0	6,109,227
Nursing homes	86,515,860	42,931,202	180,793	43,403,865
PACE	<u>5,475,328</u>	<u>2,737,664</u>	<u>0</u>	<u>2,737,664</u>
<i>Subtotal - Long-term Care Programs</i>	<i>221,545,932</i>	<i>76,517,350</i>	<i>20,901,298</i>	<i>124,127,284</i>
Federal match changes				
Non-citizen emergency services	0	-28,019,225	6,049,794	21,969,431
Non-emergency medical transport - error	0	0	-46,118,977	46,118,977
Pregnant 134%-185% FPL	<u>0</u>	<u>10,754,619</u>	<u>0</u>	<u>-10,754,619</u>
<i>Subtotal - federal match changes</i>	<i>0</i>	<i>-17,264,606</i>	<i>-40,069,183</i>	<i>57,333,789</i>
Medicare & private premiums	16,732,068	7,533,859	0	9,198,209
Service management	29,784,574	13,017,572	1,520,155	15,246,847
Hospital supplemental payments	549,465,215	0	199,922,150	349,543,065
Recoveries	0	-12,998,165	25,996,330	-12,998,165
Community First Choice	46,459,584	20,442,217	0	26,017,367
Other financing	-3,065,373	-1,489,502	-1,175,299	-400,572
Total	\$12,990,242,364	\$3,795,455,146	\$1,709,784,828	\$7,485,002,390
Increase/(Decrease)	\$903,506,546	\$169,695,380	\$190,137,305	\$543,673,861
Percentage Change	7.5%	4.7%	12.5%	7.8%

Acute care

Increased expenditures per capita are the primary cause for the change in the FY 2025-26 forecast. People are using more services than the Department expected, particularly people with disabilities under the age of 59. This population is large and uses a lot of services, so variations in per capita expenditures drive significant dollar changes. A lot of the increase in the FY 2025-26 forecast is due to the actual expenditures for this eligibility category coming in higher in FY 2024-25 than expected. Utilization of physician services by people with disabilities increased 5 percent from FY 2023-24 to FY 2024-25.

Enrollment is trending slightly less than one percent below the assumption in the appropriation. The enrollment for children is up slightly due to shifts from CHP+ to Medicaid.

Long-term care programs

The biggest change is an increase in nursing home bed days. The Department attributes this to a rebound from COVID. Use of health services decreased during COVID, but the trends for most services recovered quickly. Use of nursing home services remained low for several years after COVID, leading to speculation that this was a lasting cultural shift. Cost reports submitted to the Department show that nursing homes experienced acute labor shortages that constrained capacity. The Department believes a combination of increased capacity from nursing homes filling positions and an aging population with increased acuity caused nursing bed days to start increasing again after several years of almost flat growth. The state demographer projects the 75+ population

will grow from around 330,000 to over 500,000 before 2030, a 28.5% increase over 5 years. Similarly, the demographer projects the 85+ community to grow from 100,000 in 2025 to almost 130,000 by 2030, or a 28% increase. These populations have increasingly high levels of care as people live longer with chronic conditions, mobility limitations, and cognitive impairments.

In addition, the Department under forecasted home- and community-based services (HCBS). These services assist the elderly and people with disabilities with activities of daily living, so that they can live in the community instead of an institutional setting. The services are either non-medical services or routine and repetitive health maintenance services that do not require clinical judgement or assessment. Examples of the services include assistance with bathing, meals, or cleaning.

Federal match changes

The forecast uses new federal match rates for some services.

Federal law requires states to cover emergency services for people who would otherwise qualify for Medicaid except for their citizenship status. When Colorado expanded Medicaid eligibility, there was a secondary impact that more noncitizens became eligible for these limited emergency services. Some states were interpreting the additional noncitizens as "newly eligible" pursuant to the Affordable Care Act (ACA), and claiming the 90 percent federal match for "newly eligible" populations. Colorado did not realize there was an opportunity to claim a 90 percent federal match until H.R. 1 included a provision ending the enhanced match for noncitizens. The Department submitted a retroactive claim for the 90 percent for the last two years (the maximum time for a retroactive claim) and was able to increase the federal funds and decrease the General Fund at the end of FY 2024-25. The November forecast reflects the projected additional General Fund savings for claims in FY 2025-26. The Department will continue drawing the enhanced federal match until October 2026 when H.R. 1 reduces the match to 50 percent.

The Department went a step further and used the hospital provider fee, rather than the General Fund, as the state match for the "newly eligible" noncitizens who get the 90 percent federal match. This further increased the General Fund savings at the expense of hospitals. Using the hospital provider fee for emergency services to noncitizens may not align with the allowable uses of the hospital provider fee in statute. The JBC staff has asked Legislative Legal Services for feedback.

For non-emergency medical transportation (NEMT), the Department's November forecast shifted \$46.1 million in expected costs from the hospital provider fee to federal funds. A subset of NEMT services are to expansion populations that earn a 90 percent federal match. However, this was an error. The NEMT services are defined in federal statute as an administrative service and get a 50 percent federal match, regardless of the population served. The Department will correct the error in the February forecast. It does not change the projected General Fund, but it is a significant error in the projection of hospital provider fee expenditures.

For pregnant women with income from 134 percent to 185 percent of the federal poverty guidelines, the Department changed the projected federal match from 65 percent to 50 percent. Colorado originally covered this population on CHP+ and earned a 65 percent federal match. Senate Bill 11-250 moved the population from CHP+ to Medicaid. The federal government continued to provide a 65 percent federal match. Recently, the federal government informed the Department that they would no longer provide a 65 percent federal match. There are some differences in coverage between Medicaid and CHP+. The JBC staff has asked the Department if it is possible and makes sense to move the population back to CHP+ to earn a higher federal match.

Other noteworthy changes

The Department increased the projection for service management in FY 2025-26. Through the Accountable Care Collaborative (ACC), the Department pays Regional Accountable Entities (RAEs) to manage services for Medicaid members. Part of the payment is built into the managed care contracts for behavioral health but the part for managing physical health is paid from Medical Services Premiums. The Department pays the RAEs per member per month, so the service management costs usually change in unison with changes in enrollment. However, the Department says that during the transition from Phase II to Phase III of the ACC, some unanticipated technical issues are causing the timing of incentive payments to shift between fiscal years. The combined change over FY 2025-26 and FY 2026-27 is still aligned with enrollment.

Most of the large increase in hospital supplemental payments is due to the Department implementing new state directed payments pursuant to H.B. 25-1213. The Department's previous method for calculating supplemental payments to hospitals was limited by the amount of fee-for-service activity of the hospitals. The state directed payments allow the Department to include managed care activities by hospitals. Also, federal limits on state directed payments are temporarily higher until provisions in H.R. 1 ratchet them down. The state directed payments are increasing hospital supplemental payments by \$389.6 million total funds in FY 2025-26.

The forecast includes \$46.5 million total funds for Community First Choice but this is just a shift from the Office of Community Living with no net increase in expenditures across the whole department. Under Community First Choice, certain services are moving from benefits that are available only through a waiver to services that are available to all Medicaid clients through the state plan. Some of the Community First Choice services are provided to people with intellectual and developmental disabilities. The money for those services was appropriated to the Office of Community Living. After the budget was adopted, the Department realized it would need programming changes to the billing and accounting systems to continue paying for these services from the Office of Community Living. All other state plan services are paid from the Medical Services Premiums line item. These system changes would be expensive and necessary only to achieve an administrative goal of conforming with the format of appropriations in the Long Bill. There would be no change in the Department's ability to track and report the expenditures or in the services to members. Rather than incurring these programming costs, the Department decided to bill the services to the Medical Services Premiums line. The forecast reflects this change in procedure and the Department will request the corresponding appropriation change in a supplemental.

The biggest services that are moving are personal care and homemaker services. Clients must still complete assessments to determine the services are necessary, but the Department expects more people will qualify for the services due to the easier eligibility procedures. At the same time, the federal government is paying an additional 6 percentage points federal match for these services. The General Fund savings from the higher federal match more than offsets the expected cost increase from the easier eligibility procedures.

FY 2026-27

The Department projects expenditures will increase a net \$1.4 billion total funds, including an increase of \$272.2 million General Fund from FY 2025-26 to FY 2026-27. The graph below shows the major contributors to the General Fund change.

FY 2026-27 Medical Services Premiums Enrollment/Utilization Trends

Item	Total Funds	General Fund	Other State	Federal Funds
FY 2025-26 Projection	\$12,990,242,364	\$3,795,455,146	\$1,709,784,828	\$7,485,002,390
Acute Care				
Enrollment	237,572,606	69,398,319	16,585,795	151,588,493
Per capita	<u>256,298,508</u>	<u>74,790,327</u>	<u>18,404,040</u>	<u>163,104,140</u>
<i>Subtotal - Acute Care</i>	<i>493,871,114</i>	<i>144,188,646</i>	<i>34,989,835</i>	<i>314,692,633</i>
Long-term Care Programs				
Home- and community-based services	172,112,395	38,971,261	4,735,417	128,405,717
Long-Term Home Health/PDN/Hospice	43,245,535	21,622,767	0	21,622,768
Nursing homes	40,189,055	20,053,302	-100,626	20,236,379
PACE	<u>9,008,205</u>	<u>4,504,102</u>	<u>0</u>	<u>4,504,103</u>
<i>Subtotal - Long-term Care Programs</i>	<i>264,555,190</i>	<i>85,151,432</i>	<i>4,634,791</i>	<i>174,768,967</i>
Federal match changes				
Non-citizen emergency services	0	21,014,419	-4,202,884	-16,811,535
Adults 65+ - error	<u>0</u>	<u>0</u>	<u>-17,751,289</u>	<u>17,751,289</u>
<i>Subtotal - federal match changes</i>	<i>0</i>	<i>21,014,419</i>	<i>-21,954,173</i>	<i>939,754</i>
Medicare & private premiums	34,915,531	21,616,090	0	13,299,441
Service management	-316,147	-1,022,076	-390,002	1,095,931
Hospital supplemental payments	620,100,000	0	229,437,000	390,663,000
Nursing supplemental payments	7,996,098	0	3,998,049	3,998,049
EMT supplemental payments	6,824,988	825,617	4,125,271	1,874,100
Other financing	1,421,960	440,610	763,888	217,462
Total	\$14,419,611,098	\$4,067,669,885	\$1,965,389,487	\$8,386,551,727
Increase/(Decrease)	\$1,429,368,734	\$272,214,738	\$255,604,659	\$901,549,337
<i>Percentage Change</i>	<i>11.0%</i>	<i>7.2%</i>	<i>14.9%</i>	<i>12.0%</i>

Acute care

The Department projects that overall enrollment will increase 3.2 percent. However, the Department is projecting that enrollment of the elderly and people with disabilities will increase 4.5 percent. The elderly and people with disabilities account for \$40.5 million, or 58.4 percent, of the General Fund growth attributable to enrollment.

A similar pattern emerges for per capita expenditures. The elderly and people with disabilities account for \$32.3 million, or 43.2 percent, of the General Fund growth attributable to changes in per capita expenditures.

Long-term care programs

The Department projects a 9.5 percent increase in expenditures for home- and community-based services (HCBS). The Department projects a 7.2 percent increase in the population using services and a 2.0 percent increase in the cost per person.

The additional 6 percentage point federal match for Community First Choice services dampens the General Fund forecast. The biggest Community First Choice services are personal care and homemaker. Without the enhanced match through Community First Choice, the projected increase in costs attributed to the General Fund would be higher and the federal funds lower by \$41.3 million.

HCBS assist the elderly and people with disabilities with activities of daily living, so that they can live in the community instead of an institutional setting. The services are either non-medical services or routine and

repetitive health maintenance services that do not require clinical judgement or assessment. Examples of the services include assistance with bathing, meals, or cleaning.

For long-term home health and private duty nursing the Department's forecast assumes savings from the new nursing assessment. For FY 2025-26 the Department projects savings from the nursing assessment of \$14.3 million total funds, including \$7.1 million General Fund. For FY 2026-27, the Department projects savings from the nursing assessment of \$48.1 million total funds, including \$24.1 million General Fund. Without the nursing assessments, the projected growth would be much higher.

For nursing facilities the Department projects a 5.0 percent increase in patient bed days but no increase in the per diem rates. Prior to H.B. 23-1228, a statutory formula effectively resulted in 3.0 percent increases in per diem rates every year. House Bill 23-1228 removed the statutory formula and set the increases at 10 percent in FY 2023-24, 3 percent in FY 2024-25, 1.5 percent in FY 2025-26, and by amounts determined through the annual budget process in FY 2026-27 and thereafter.

Federal match changes

The enhanced federal match for emergency services to certain noncitizens ends October 2026. The enhanced match is described in more detail under the changes for FY 2025-26. The expiration of the enhanced match causes a shift in financing from federal funds and the hospital provider fee to the General Fund.

The Department's forecast attributed a 90 percent federal match for services to certain adults 65 and older. This caused a shift from the hospital provider fee to federal funds. However, it was an error, because services for this population earn a 50 percent federal match. The Department's February forecast will correct the error. There is no General Fund impact.

Other noteworthy changes

Almost all the increase in hospital supplemental payments is due to implementation of the state directed payments authorized by H.B. 25-1213. The Department's previous method for calculating supplemental payments to hospitals was limited by the amount of fee-for-service activity of the hospitals. The state directed payments allow the Department to include managed care activities by hospitals. Also, federal limits on state directed payments are temporarily higher until provisions in H.R. 1 ratchet them down. The state directed payments are increasing hospital supplemental payments by \$585.0 million total funds in FY 2026-27.

R3 Child Health Plan Plus

The projection for FY 2025-26 is down \$21.3 million total funds, including a decrease of \$6.5 million General Fund. The table below shows the major contributors to the change from the FY 2025-26 appropriation to the Department's November 2025 forecast for FY 2025-26. It does not show differences from FY 2024-25 expenditures.

FY 2025-26 Child Health Plan Plus Enrollment/Utilization Trends

Item	Total Funds	General Fund	Other State	Federal Funds
FY 2025-26 Appropriation	\$287,385,214	\$49,960,249	\$50,689,576	\$186,735,389
Enrollment	-56,448,036	-6,530,017	-13,226,795	-36,691,224
Per capita	35,122,416	0	12,292,845	22,829,571
FY 2025-26 Projection	\$266,059,594	\$43,430,232	\$49,755,626	\$172,873,736

Item	Total Funds	General Fund	Other State	Federal Funds
Increase/(Decrease)	-\$21,325,620	-\$6,530,017	-\$933,950	-\$13,861,653
Percentage Change	-7.4%	-13.1%	-1.8%	-7.4%

From FY 2025-26 to FY 2026-27 the Department projects expenditures will increase \$45.2 million total funds, including an increase of \$9.6 million General Fund. The table below shows the major contributors to the General Fund change.

FY 2026-27 Child Health Plan Plus Enrollment/Utilization Trends

Item	Total Funds	General Fund	Other State	Federal Funds
FY 2025-26 Projection	\$266,059,594	\$43,430,232	\$49,755,626	\$172,873,736
Enrollment	9,186,029	0	3,215,110	5,970,919
Per capita	36,046,722	9,559,384	3,056,969	23,430,369
FY 2026-27 Projection	\$311,292,345	\$52,989,616	\$56,027,705	\$202,275,024
Increase/(Decrease)	\$45,232,751	\$9,559,384	\$6,272,079	\$29,401,288
Percentage Change	17.0%	22.0%	12.6%	17.0%

R4 Other programs and services

The Department is expanding the services it forecasts. The Department has long prepared a forecast for the Medicare Modernization Act. The health services for children lacking access due to their immigration status is a new program where the Department needs to project the costs. In addition, there are some smaller programs the Department has not historically projected that the Department plans to start forecasting. The Department didn't update the expected expenditures for these smaller programs in the November forecast, but it says it plans to submit a projection with the February forecast. All of these programs operate as entitlement programs. The Department has statutory authority to overexpend the appropriation for all of them except for the reproductive health for people not eligible for Medicaid.

FY 2024-25

The projection for FY 2025-26 is up \$16.7 million General Fund or 5.2 percent. The table below shows the major contributors to the change from the FY 2025-26 appropriation to the Department's November 2025 forecast for FY 2025-26. It does not show differences from FY 2024-25 expenditures.

FY 2025-26

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 25-26 Appropriation					
Medicare Modernization Act	\$272,802,633	\$272,802,633	\$0	\$0	\$0
Children Lacking Access Due to Immigration	32,075,606	32,075,606	0	0	0
Reproductive Health	2,614,490	2,614,490	0	0	0
Abortion Care	2,928,800	2,928,800	0	0	0
Health-Related Social Needs (HRSN)	12,900,408	7,622,681	0	0	5,277,727
Reentry Services	6,517,727	3,750,994	0	0	2,766,733
Total - Appropriation	\$329,839,664	\$321,795,204	\$0	\$0	\$8,044,460

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 25-26 Projection (Nov)					
Medicare Modernization Act	\$268,225,649	\$268,225,649	\$0	\$0	\$0
Children Lacking Access Due to Immigration	53,360,259	53,360,259	0	0	0
Reproductive Health	2,614,490	2,614,490	0	0	0
Abortion Care	2,928,800	2,928,800	0	0	0
Health-Related Social Needs (HRSN)	12,900,408	7,622,681	0	0	5,277,727
Reentry Services	6,517,727	3,750,994	0	0	2,766,733
Total - FY 25-26 Projection	\$346,547,333	\$338,502,873	\$0	\$0	\$8,044,460
Projection Higher/-Lower than Appropriation					
Medicare Modernization Act	-\$4,576,984	-\$4,576,984	\$0	\$0	\$0
Children Lacking Access Due to Immigration	21,284,653	21,284,653	0	0	0
Reproductive Health	0	0	0	0	0
Abortion Care	0	0	0	0	0
Health-Related Social Needs (HRSN)	0	0	0	0	0
Reentry Services	0	0	0	0	0
Total - Difference	\$16,707,669	\$16,707,669	\$0	\$0	\$0
Percent Change					
Medicare Modernization Act	-1.7%	-1.7%	n/a	n/a	n/a
Children Lacking Access Due to Immigration	66.4%	66.4%	n/a	n/a	n/a
Reproductive Health	0.0%	0.0%	n/a	n/a	n/a
Abortion Care	0.0%	0.0%	n/a	n/a	n/a
Health-Related Social Needs (HRSN)	0.0%	0.0%	n/a	n/a	0.0%
Reentry Services	0.0%	0.0%	n/a	n/a	0.0%
Total - Percent change	5.1%	5.2%	n/a	n/a	0.0%

FY 2026-27

The Department projects expenditures will increase \$42.4 million General Fund from FY 2025-26 to FY 2026-27. The table below shows the major contributors to the General Fund change.

FY 2026-27

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 25-26 Projection (Nov)					
Medicare Modernization Act	\$268,225,649	\$268,225,649	\$0	\$0	\$0
Children Lacking Access Due to Immigration	53,360,259	53,360,259	0	0	0
Reproductive Health	2,614,490	2,614,490	0	0	0
Abortion Care	2,928,800	2,928,800	0	0	0
Health-Related Social Needs (HRSN)	12,900,408	7,622,681	0	0	5,277,727
Reentry Services	6,517,727	3,750,994	0	0	2,766,733
Total - FY 25-26 Projection	\$346,547,333	\$338,502,873	\$0	\$0	\$8,044,460
FY 26-27 Projection (Nov)					
Medicare Modernization Act	\$300,722,794	\$300,722,794	\$0	\$0	\$0
Children Lacking Access Due to Immigration	60,335,756	60,335,756	0	0	0
Reproductive Health	2,614,490	2,614,490	0	0	0
Abortion Care	5,857,600	5,857,600	0	0	0
Health-Related Social Needs (HRSN)	12,900,408	7,622,681	0	0	5,277,727

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Reentry Services	6,517,727	3,750,994	0	0	2,766,733
Total - FY 26-27 Projection	\$388,948,775	\$380,904,315	\$0	\$0	\$8,044,460
FY 26-27 Higher/-Lower than FY 25-26					
Medicare Modernization Act	\$32,497,145	\$32,497,145	\$0	\$0	\$0
Children Lacking Access Due to Immigration	6,975,497	6,975,497	0	0	0
Reproductive Health	0	0	0	0	0
Abortion Care	2,928,800	2,928,800	0	0	0
Health-Related Social Needs (HRSN)	0	0	0	0	0
Reentry Services	0	0	0	0	0
Total - Difference	\$42,401,442	\$42,401,442	\$0	\$0	\$0
Percent Change					
Medicare Modernization Act	12.1%	12.1%	n/a	n/a	n/a
Children Lacking Access Due to Immigration	13.1%	13.1%	n/a	n/a	n/a
Reproductive Health	0.0%	0.0%	n/a	n/a	n/a
Abortion Care	100.0%	100.0%	n/a	n/a	n/a
Health-Related Social Needs (HRSN)	0.0%	0.0%	n/a	n/a	0.0%
Reentry Services	0.0%	0.0%	n/a	n/a	0.0%
Total - Percent change	12.2%	12.5%	n/a	n/a	0.0%

Medicare Modernization Act

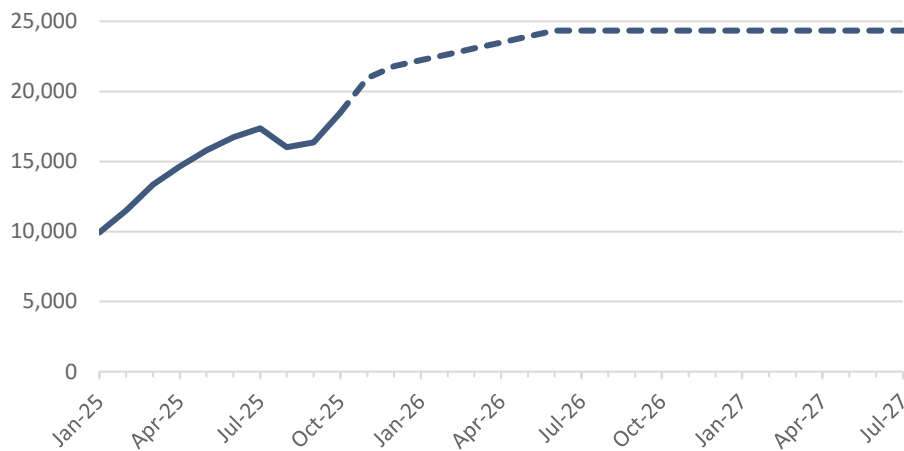
The Department slightly tweaked the forecast for FY 2025-26 and is projecting a \$32.5 million General Fund increase for FY 2026-27 for the state obligation under the Medicare Modernization Act. This act requires states to pay the federal government a portion of prescription drug costs for people dually eligible for Medicaid and Medicare. Of the projected FY 2026-27 increase, \$11.0 million is attributable to enrollment and \$23.0 million is attributable to increases in prescription drug costs.

Health Benefits for Children Lacking Access Due to Immigration

The Department increased the forecast for FY 2025-26 by \$21.3 million General Fund, or 66.4 percent. This is almost entirely a function of enrollment. Actual expenditures per capita are tracking close to the assumptions in the appropriation. Enrollment continues to far exceed expectations. The original fiscal note assumed 1,311 children. The appropriation for FY 2025-26 was based on a projection of 12,570 children. The actual enrollment in October 2025 was 18,494 children. The November forecast assumes the average enrollment for FY 2025-26 will be 21,484. However, preliminary data at the time of this briefing indicates November enrollment exceeds 25,000, suggesting that the Department will need to raise the forecast again in February. The graph below shows the November forecast of enrollment by month in the new benefit.

Health services for children lacking access monthly enrollment

November 2025 forecast



For FY 2026-27 the Department's November forecast assumes enrollment will stabilize. The Department projects an expenditure increase of \$7.0 million, or 13.1 percent, over FY 2025-26. However, that forecast might be too low based on the preliminary November data.

Key Medicaid provisions in H.R. 1

This issue brief summarizes the major changes to Medicaid policy in H.R. 1 and the fiscal years when those new policies take effect. It highlights the work requirements for their impact on eligibility and the provider fee phase down for the fiscal impact.

Summary

The two provisions in H.R. 1 with the largest impact are:

- the work requirements in FY 2026-27 for their impact on eligibility and insurance rates
- the provider fee phase down for the significant reduction in federal funds

Recommendation

The General Assembly should start planning now for the provider fee phase down. The phase down does not take effect until October 2027, but it is such a large reduction that the legislature may need multiple years to sort through the policy ramifications and develop a response.

Discussion

The recently passed H.R. 1 – 119th Congress (2025-2026), or H.R. 1, makes many changes to Medicaid but in particular the Committee needs to note and plan for the new work requirements in FY 2026-27 and the very large provider fee phase down in FY 2027-28.

The sections below summarize the major changes the Committee will need to consider, organized by the fiscal year when the changes take effect.

FY 2025-26

Eligibility and payment system changes

The Department will need to begin making changes to eligibility and payment systems to comply with several of the new federal requirements described below, particularly the work requirements that take effect December 31, 2026. The Department will submit a supplemental request.

The total funds and FTE could be significant, but most of the changes relate to the expansion populations, where the hospital provider fee pays the state share of costs. Also, the state gets a favorable federal match for information technology, with federal funds paying 90 percent for initial development costs and 75 percent for ongoing maintenance.

There might be some costs attributable to the General Fund. For example, the bill requires a few technical changes to enrollment procedures that impact populations financed from the General Fund and makes changes to eligibility and benefits for noncitizens.

The Department's November request includes R7 to centralize select eligibility processes. Part of the motivation is efficiency, but the Department also wants to reduce the administrative burden on counties and improve performance. The Department is anticipating significant new work and challenges associated with renewing eligibility every six months and verifying that expansion populations meet the work requirements. The Department has hinted that more proposals to centralize eligibility procedures will come in the supplemental and budget amendment package.

Rural health funding

The bill created a \$50 billion Rural Health Transformation Program that will distribute funding to states from federal fiscal year 2025-26 through 2029-30. The federal Department of Health and Human Services (HHS) will distribute half the money in equal portions to states. HHS will distribute the remaining half taking into account the percentage of the state living in rural areas, the portion of rural health facilities in the state relative to other states, the situation of rural hospitals in the state, and other criteria identified by the director. Colorado's share is at least \$500 million with additional amounts dependent on federal distribution decisions.

There are federal guidelines around the use of the rural health funding and the JBC staff assumes the executive branch will treat the money as custodial funds. However, some legislators may have legal questions about the General Assembly's ability to control and direct the money through appropriations and/or statutory guidance.

The Department's [Colorado Rural Health Transformation Program](#) website has information on the submitted application. The federal government says it will announce awards by December 31, 2025.

Payments to providers that offer abortions

The bill included a one-year ban on Medicaid payments for family planning and reproductive healthcare to nonprofit providers above a dollar threshold who also perform abortions. The ban took effect on passage but a court injunction barred enforcement. The availability of matching federal funds remains in question as that case gets worked out. However, the Department is continuing to pay for services as S.B. 25B-002 directed the Department to use General Fund if federal funding is prohibited.

Provider fee freeze

The bill froze the assessment rates for provider fees upon passage. This did not impact Colorado's hospital provider fee. The Department implemented emergency rules prior to passage of the bill to set the hospital provider fee rate at the federal maximum 6.0 percent of net patient revenues.

The freeze does limit the State's ability to increase the nursing provider fees, which was something the General Assembly discussed as a future budget balancing strategy during the 2025 legislative session. Without the provider fee freeze, a potential future increase in nursing provider fees could have generated in the range of \$28.5 million additional federal funds for nursing providers.

Nor can Colorado implement a new provider fee, such as for emergency medical transportation. Some states use provider fees to leverage additional federal funds for emergency medical transportation.

FY 2026-27

Work requirements and six-month eligibility redeterminations

Beginning in 2027, H.R. 1 requires expansion adults eligible through the Affordable Care Act (ACA) to:

- engage in work, education and training, or community service for 80 hours each month
- renew their eligibility every six-months

County administration costs will increase to determine member compliance with the work requirements and redetermine eligibility more frequently, but the state share of costs will come from the hospital provider fee, because the provisions apply to the expansion populations. The Department notes that it already checks income eligibility quarterly between renewals. Therefore, the Department expects the work requirement will have the larger impact on eligibility.

Some members will not meet the work requirements or will not submit the proper documentation, resulting in lower enrollment. This will reduce service expenditures by the state, but the savings will be to the hospital provider fee, rather than the General Fund, because the impacted population is the expansion population. The service savings are likely to outweigh the increased administrative costs.

Members will face new administrative requirements to prove eligibility.

Decreased Medicaid eligibility will likely result in higher uncompensated care costs for providers. This will particularly impact hospitals and safety net providers, where people typically go for needed care when they don't have insurance.

Decreased eligibility will likely result in less use of preventive care. Primary care safety net providers may need to contract operations. Population health may decrease. That could lead to higher acuity when people do seek care and higher health care costs.

The Department says it was unable to estimate the impacts of H.R. 1 on caseload for the November forecast due to a lack of timely guidance from the federal government and poorly fitting precedents to inform forecasting.

The delay in the forecast is not as problematic for the budget as it might appear. The major eligibility changes impact ACA expansion populations. These populations receive a 90 percent federal match and the state match comes from the hospital provider fee. For these populations there is no General Fund impact. There are administrative costs and some of the administrative changes the Department wants to make may require General Fund. The Department will request the administrative changes in the supplemental and budget amendment package.

The bigger problem is a lack of data to inform policy discussions about things like how the changes may impact access to services or provider costs for uncompensated care or county eligibility administration.

When asked to elaborate on why the Department was unable to estimate the impact of H.R. 1 in the November forecast, the Department said:

- In mid-September CMS communicated that states should not expect waivers to secure additional time to build requirements into eligibility systems. CMS also stated that they were seeking states to build a “Minimum Viable Product” (MVP) by Jan. 1, 2027 with ex parte verifications built into the systems afterwards. However, at this time, HCPF still does not know what is needed for the MVP or when ex parte verifications need to be built into the systems.
- As of mid-November, HCPF had received no additional guidance after the federal government shutdown began Oct.1st.
- Work requirement final guidance is expected from CMS in June 2026 when H.R. 1 requires that CMS issue final rule on implementation.

Services for immigrants

The bill lowers the federal match rate for emergency services to noncitizens who became eligible as a result of the Affordable Care Act. Effective October 1, 2026, the match will be based on the standard federal match rate. Colorado was claiming a 50 percent federal match for this population. Based on this provision, Colorado became aware that other states were receiving a 90 percent federal match and submitted retroactive claims back to FY 2023-24. Based on this provision, Colorado actually gained more federal funds, albeit temporarily.

In addition, the bill narrows the noncitizens who qualify for emergency medical services, effective October 1, 2026.

Technical changes to enrollment procedures

The bill makes several technical changes to enrollment procedures regarding things like address verifications, comparisons to prevent enrollment in multiple states, home equity limits for long-term care, and retroactive coverage periods. The Department will need to make system changes and clients and providers may need to follow different processes to ensure reimbursement. The changes to retroactive coverage periods are the most administratively burdensome for providers and clients and may result in some increase in uncompensated care. However, the Department expects clients and providers will adapt and expedite eligibility applications. The Department expects the population with different eligibility outcomes from these changes will be relatively small and the implementation costs will be small.

FY 2027-28

Provider fee phase down

Beginning October 2027, the bill reduces the maximum hospital provider fee revenue by 0.5 percent each year until it reaches 3.5 percent. This provision does not affect nursing provider fees.

Hospital provider fee financing is constrained by federal limits on expenditures and on revenues. For expenditures, states cannot pay hospitals more than the upper payment limit (UPL). The UPL is an approximation of what Medicare would have paid for similar services and it limits the supplemental payments to hospitals. The UPL for traditional hospital supplemental payments does not change under H.R. 1. For revenues,

Colorado cannot collect more than 6.0 percent of net patient revenues from hospitals. The constraint on revenue affects the money available for both supplemental payments and services to expansion populations. The revenue limit is what H.R. 1 decreases by 0.5 percent each year until it reaches 3.5 percent.

The table below provides a very rough projection of net patient revenues and the impact on fee collections of reducing the revenue limit. The corresponding loss in matching federal funds will depend on how the State implements the change and whether the reductions come from supplemental payments or the eligibility and benefits for expansion populations.

New Limit on Hospital Provider Fee under H.R. 1

Federal Fiscal Year	Net Patient Revenue (NPR)	Max Fee at 6% NPR	New Limit	Max Fee at New Limit	Fee Difference	Federal Funds at 63.00% match	Federal Funds at 82.05% match
FFY 2025-26	25,450.6	1,527.0	6.0%	1,527.0	0.0		
FFY 2026-27	26,723.1	1,603.4	6.0%	1,603.4	0.0		
FFY 2027-28	28,059.3	1,683.6	5.5%	1,543.3	-140.3	-238.9	-641.4
FFY 2028-29	29,462.3	1,767.7	5.0%	1,473.1	-294.6	-501.6	-1,346.8
FFY 2029-30	30,935.4	1,856.1	4.5%	1,392.1	-464.0	-790.1	-2,121.2
FFY 2030-31	32,482.2	1,948.9	4.0%	1,299.3	-649.6	-1,106.1	-2,969.6
FFY 2031-32	34,106.3	2,046.4	3.5%	1,193.7	-852.7	-1,451.9	-3,898.1

If the State reduces expansion eligibility and benefits, the state could miss out on \$3.9 billion federal funds when the decrease in the revenue limit is fully implemented. The federal match for the hospital provider fee expansion populations is mostly 90 percent but there are some exceptions. The most notable exception is the buy-in program for people with disabilities that is expensive and earns a 50 percent federal match. The Department's November forecast assumes an average match rate for all the expansion populations of 82.05 percent.

Current law requires the Department to "maximize" supplemental payments to the hospitals. It instructs the Department to reduce expansion eligibility and benefits if there are insufficient revenues to maximize the supplemental payments. Note that current law has the Department make the decisions on what expansion eligibility and benefits to reduce, rather than the legislature. It does not define what it means to "maximize" supplemental payments. This is a significant delegation of decision making to the executive branch that the General Assembly may want to revisit.

If the state reduces supplemental payments to the hospitals, the state could miss out on \$1.5 billion in federal funds when the decrease in the revenue limit is fully implemented. The federal match for supplemental payments depends on the match for all patients served by the hospitals. This includes traditional Medicaid populations that earn a 50 percent match and expansion populations that earn a 90 percent federal match. The Department's November forecast assumes an average federal match for supplemental payments of 63 percent.

This is such a large reduction in federal funds with such large impacts on providers and services that the legislature should start planning now. There are scenarios where the State could put off deciding between supplemental payments and expansion eligibility and benefits for a year or two. The analysis depends on factors such as how the costs for expansion populations change relative to net patient revenues and what happens to the UPL. Policies like the work requirement of H.R. 1 might reduce the costs for expansion populations, the UPL, and the net patient revenues. There is also a possibility that the federal government could revisit this policy.

Colorado is not the only state heavily impacted. However, the need for major decisions is on the horizon and it is worthwhile for the legislature to start planning.

The table below summarizes how the hospital provider fee is currently used, based on the Department's November forecast for FY 2026-27.

Hospital Provider Fee Projected Allocation FY 2026-27 (in millions; not including pending requests)

Item	Enroll- ment	Total Funds	General Fund	Hospital Provider Fee	Disability Buy-in	Federal Funds	Federal Match
Supplemental Payments							
Fee-for-service		\$1,799.4	\$0.0	\$665.8	\$0.0	\$1,133.6	63.00%
Managed care		974.6	0.0	360.6	0.0	614.0	63.00%
Disproportionate Share Hospital		226.6	0.0	113.3	0.0	113.3	50.00%
Subtotal - Supplemental Payments		\$3,000.6	\$0.0	\$1,139.7	\$0.0	\$1,860.9	62.02%
Expansion Populations							
<u>Medicaid</u>							
Parents 60-138% FPL	52,884	\$425.2	\$0.0	\$68.1	\$0.0	\$357.2	83.99%
Buy-in for people with disabilities	28,587	473.5	0.0	233.5	6.7	233.4	49.29%
Adults without children 0-138% FPL	334,417	3,219.3	0.0	391.6	0.0	2,827.7	87.83%
Continuous eligibility for children	18,927	54.9	0.0	27.5	0.0	27.5	50.00%
Non-citizen emergency services	43,072	14.0	0.0	1.7	0.0	12.3	88.01%
CHP+			0.0	0.0	0.0	0.0	
Children 206-260%	30,916	118.1	0.0	41.3	0.0	76.8	65.00%
Pregnant 206-260% FPL	1,518	13.9	0.0	4.9	0.0	9.0	65.00%
Subtotal - Expansion Populations	510,321	\$4,319.1	\$0.0	\$768.5	\$6.7	\$3,543.8	82.05%
Offset revenue loss		0.0	-15.7	15.7	0.0	0.0	0.00%
Administration		177.4	0.0	52.6	0.0	124.9	70.38%
Total	510,321	\$7,497.0	-\$15.7	\$1,976.5	\$6.7	\$5,529.6	73.76%

The average federal match for the expansion populations is clearly better than the average match for the supplemental payments, resulting in significantly more federal funds for the state. The hospitals receive a significant benefit from the expansion populations. The Department's [2025 Colorado Health Care Affordability and Sustainability Enterprise Annual Report](#) estimated that 31 percent of the expenditures for expansion populations go to the hospitals. However, the hospitals make more money from the supplemental payments.

Item	Percent	Dollars
Net <u>hospital</u> benefit from expansion		
Expansion \$ to hospitals at	31.0%	\$1,338,907,283
Fees for expansion services		
		\$768,548,075
Fees for administration		
		52,554,613
Fee cost to finance expansion		
		\$821,102,688
Net <u>hospital</u> benefit from expansion		
		\$517,804,595
Supplemental payments		
		\$3,000,560,308
Fees for supplemental payments		
		1,139,666,654
Net benefit supplemental payments		
		\$1,860,893,654

State directed payments

Beginning January 1, 2028, the bill begins reducing the upper payment limit on state directed payments from the average commercial rate to the Medicare rate, so it is more in line with other types of supplemental payments. The reduction is 10 percentage points per year. State directed payments are new in Colorado after H.B. 25-1213 authorized them. The Department projects state directed payments will bring in \$614 million federal funds in FY 2026-27. That amount will decrease beginning in January 1, 2028, pursuant to the new federal limit.

FY 2028-29

Cost sharing for expansion populations

Beginning in October 2028, expansion population adults earning more than 100 percent of the federal poverty guideline must be charged copays on certain services. Notably, primary care and behavioral health are among the services with no copay requirements. The copays can be up to \$35 and may not exceed 5 percent of the family's income, but they could be as small as a penny. The fiscal impact will depend on federal regulations and General Assembly decisions. Colorado currently only charges copays for non-emergent visits to the emergency room.

Any savings from an increase in copays will accrue to the Hospital Provider Fee and federal funds. The impacts on members and providers will depend on how providers respond. Many providers argue that copays are equivalent to provider rate cuts, because the administrative burden of collecting nominal copays from Medicaid members exceeds the revenue and many Medicaid members can't or don't pay. Some providers do not pursue collections from Medicaid members. To the extent providers pursue collections, there might be an increase in adverse credit scores for members who cannot or do not pay.

Budget Reduction Options

The Executive Budget Request includes reductions of \$220.2 million General Fund for the Department of Health Care Policy and Financing, representing 4.0 percent of the current General Fund appropriations in this section of the budget.⁶ This issue brief reviews these proposals.

Summary

The Department represents 32.8 percent of total state General Fund appropriations in FY 2025-26. The Executive budget request includes proposed reductions of \$220.2 million, representing 4.0 percent of the General Fund appropriations in this section of the budget. These reductions are offset by proposed increases, mostly for the forecasts of expenditures under current law and policy. The Department requests a total General Fund increase of 7.8 percent.

Discussion

Funding History FY 2018-19 to FY 2025-26

The Department represents one third (32.8 percent) of total state General Fund appropriations in FY 2025-26. As reflected in the table below, General Fund in this section of the budget has increased by 42.9 percent since FY 2018-19 after adjusting for inflation. This is more than the statewide increase of 13.6 percent over the same period.

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

Fund	FY 2018-19 Nominal	FY 2018-19 Adjusted	FY 2025-26	\$ Change from FY 2018-19 Adjusted	% Change from FY 2018-19 Adjusted
General Fund	\$2,985,709,605	\$3,885,508,605	\$5,554,316,022	\$1,668,807,417	42.9%
Total Funds	\$10,403,998,605	\$13,539,436,668	\$18,217,290,946	\$4,677,854,278	34.5%

Budget Requests for General Fund Relief

For this section of the budget, the budget request includes proposals for General Fund relief totaling \$220.2 million, representing 4.0 percent of the FY 2025-26 General Fund appropriation. These reductions are offset by proposed increases, so that the Department requests a net 7.8 percent General Fund increase. The proposals for General Fund relief are summarized in the table below. Some of the proposals require statutory change.

Budget Requests for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				

⁶ Current FY 2025-26 appropriations do not include mid-year reductions in executive orders.

Option	General Fund	Other Funds	Bill? Y/N	Description
None	0	0	N	
Expenditure Reductions				
R6.11 Provider rates -1.6%	-\$56,992,200	-\$103,980,616		Undo the 1.6 percent provider rate increase
R6.23 Rates above 85% Medicare	-\$15,046,057	-\$38,195,476		Reduce rates to 85 percent of Medicare, excluding primary care
R6.09 Outpatient psychotherapy prior authorization	-\$12,241,619	-\$19,089,323	Y	Undo statutory prohibition on outpatient psychotherapy PAR from S.B. 22-156
R6.04 Continuous coverage	-\$11,226,343	-\$15,982,667		No to continuous coverage for children < 3 or adults 1 year after release from prison
R15 Home health/nurse rates	-\$13,670,319	-\$12,912,661		Establish a per-diem blended rate for private duty nursing and update rate structure for home health and Community First Choice benefits
R6.16 Dental rates	-\$3,774,150	-\$16,894,799		Reduce dental rates 15.5%
R6.10 Pediatric behavioral therapy reviews	-\$10,000,000	-\$10,000,000		Assumed savings from pending audit review
R6.33 Community connector -23%	-\$9,165,932	-\$9,165,932		Align rate with the Tier 3 supported community connections rate
R6.24 Drug rates	-\$3,772,279	-\$12,033,655		Change formula for cost to reduce rates
R6.17 IDD youth transitions	-\$7,630,688	-\$7,630,688		End automatic enrollment for youth aging out of CES waiver
R6.34 Community connector units	-\$7,546,112	-\$7,546,112		Reduce annual cap on number of units covered
R6.08 Tests for specific drugs	-\$1,876,129	-\$12,230,103		PARs for > 16 urine tests for drugs in a year
R6.30 HCBS hours soft cap	-\$6,945,648	-\$6,945,649		Cap annual hours for personal care, homemaker, and health maintenance activities
R6.20 Community health workers	-\$3,196,962	-\$10,188,587		Delay start to 1/1/28
R6.15 Pediatric behavioral therapy rates	-\$6,528,534	-\$6,528,534		Reduce PBT rates to 95% of new all state benchmark
R6.02 Behavioral health incentives	-\$3,000,000	-\$9,644,332		Reduce behavioral health RAE incentive payments
R6.36 IDD cost share	-\$6,320,909	-\$6,320,909		Require members on DD waiver to contribute financially to their residential services
R6.25 Biosimilars	-\$2,357,591	-\$9,958,733		Try biosimilars before higher cost branded drugs
R6.12 Community connector -15%	-\$6,026,469	-\$6,026,470		Reduce community connector rate by 15.0%
R8 Single assessment	-\$6,192,265	-\$5,476,417		Deploy single assessment tool in compliance with S.B. 16-192, replaces multiple assessment tools
R6.26 3rd party pay for drugs	-\$2,944,176	-\$6,826,670		Stop paying when the pharmacy is out-of-network for 3rd party insurance
R6.13 Nursing minimum wage	-\$4,359,961	-\$4,359,961	Y	End extra money for nursing facilities that pay at least \$15/hour
R6.18 IDD waitlist	-\$3,248,585	-\$3,248,585		Reduce DD enrollments from waitlist by 50%
R6.14 Individual residential srvc & supports	-\$2,284,479	-\$3,516,637		Align family caregiver rate with host home rate
R17 Community connector age limit	-\$2,632,702	-\$2,596,608		Limit community connector services to children 6 year of age and older
R6.21 Children in Rocky PRIME	-\$1,738,235	-\$1,738,235		Cover children in fee-for-service, rather than adding them to Rocky PRIME
R6.29 LTSS presumptive eligibility	-\$1,471,558	-\$1,304,313		Delay start until 7/1/27
R6.01 Accountable care incentives	-\$750,000	-\$1,575,290		Reduce performance incentives
R6.31 Caregiving hours soft cap	-\$1,133,374	-\$1,133,375		Cap paid weekly hours per caregiver
R6.19 Senior dental grants	-\$2,000,000	\$0		Cut grants for dental seniors for low-income seniors not eligible for Medicaid
R6.28 Drug dispensing fees	-\$509,509	-\$1,181,396		Reduce dispensing fees for the highest volume pharmacies.
R6.07 Immigrant services outreach	-\$262,500	-\$487,500		Stop grants for outreach related to immigrant health services

Option	General Fund	Other Funds	Bill? Y/N	Description
R6.35 Movement therapy rates	-\$358,234	-\$358,233		Reduce rate to align with HCPF rate review methodologies
R6.27 Specialty drug rates	-\$193,431	-\$323,497		Reduce rates to hospitals for specialty drugs
R6.05 Immigrant family planning	-\$500,000	\$0		True up the forecast for immigrant family planning
R6.06 SBIRT training grants	-\$500,000	\$0	Y	33% cut to SBIRT training grants
R6.32 Homemaker hours soft cap	-\$223,051	-\$223,051		Cap paid weekly hours for legally responsible persons providing services
R16 Unspent grant admin	-\$800,000	\$800,000		Use ARPA reversion for MSP
R10.2 3rd party insurance	-\$781,598	\$781,598		Shift from post-payment reviews to IT systems that stop pay when there is a 3rd party insurer
R6.03 Primary care stabilization	\$0	\$0		Delay primary care stabilization payments for one-time \$1.5M GF savings in current year
R6.22 Provider credentialing ACC	\$0	\$0		Stop developing centralized credentialing for ACC, for one-time IT savings of \$40,950 in current year
Subtotal - Expenditures	-\$220,201,599	-\$354,043,416		
Net General Fund Relief	-\$220,201,599			

Department's prioritization criteria

The Department's request and the Governor's executive orders include several reductions that would not have felt possible last year. For example, the policies in *R6.17 IDD youth transitions* and in *R6.18 IDD waitlist* will intentionally and indefinitely increase the waitlist for residential services for adults with intellectual and developmental disabilities. Neither the Department nor the legislature has ever considered policies that intentionally increase the waitlists for services for people with intellectual and developmental disabilities. Rather, the General Assembly has consistently chipped away at the waitlists for services. The General Assembly has eliminated all the waitlists for services except the most expensive one for adult residential services and it has bought down the size of that waitlist. An intentional policy to increase the waitlists is unprecedented.

This begs the question of what the Department will propose in the January budget amendment package. The Governor's budget assumes the Department will identify another \$124.3 million in General Fund reductions to balance.

At the same time, the request and executive orders include haircuts to programs that were on the table for elimination last year. For example, in *R6.06 SBIRT training grants* the Department proposes a \$500,000 reduction to grants that train providers in screening, brief intervention, and referral to treatment (SBIRT) for substance use. Last year, the JBC staff recommended eliminating the \$1.5 million program. It is a grant program. It supports training, rather than direct services. There is no federal match. Medicaid would continue to reimburse services for Medicaid clients. The trainees do not work exclusively with Medicaid clients and there are no means tests on the people they serve. Providers can pay for their own professional development.

All this caused the JBC staff to ask what criteria the Department was using to prioritize the reductions it requested. Here is the Department's response:

As the state continues to grapple with Medicaid's significant budget pressures, we are committed to following a core set of principles while considering targeted budget reductions, including maximizing coverage, prioritizing high-value services that keep people healthy, enhancing program efficiencies and integrity, and promoting long-term savings over short-term cuts.

In line with the core principles, our Medicaid Sustainability Framework helps us better manage Medicaid trends and avoid draconian cuts:

1. Address Drivers of Trend: Better address all the controllable factors that drive Medicaid cost trends
2. Maximize Federal Funding: Leverage and maximize HCPF's ability to draw down additional federal dollars
3. Invest in Coloradans: Continue investing in initiatives to drive a Colorado economy and educational system to reduce the demand for Medicaid over the long term as Coloradans rise and thrive
4. Make Reasonable Medicaid Cuts or Adjustments: Identify where programs, benefits, and reimbursements are comparative outliers or designed in such a way that we are seeing - or will experience - higher than intended trends or unintended consequences
5. Reassess New Policies: Consider pausing or adjusting recently passed policies not yet implemented
6. Exercise Caution in Crafting Increases to the Medicaid program going forward

The numbered list comes straight from the Department's [FY 2025-26 Performance Plan](#).

Many of these align with criteria used by the JBC staff last year. For example, the JBC staff prioritized reductions to programs that were recently or not yet started over well established programs. This last-in-first-out approach aligns with the Department's criteria to reassess new policies. Similarly, the JBC staff prioritized reductions to programs with no federal match over programs that leverage federal funding. This aligns with the Department's criteria to maximize federal funding.

One of the criteria the JBC staff used last year that does not feature in the Department's list was to do the least harm. The JBC staff tried to look at how many people would be injured by a policy, the severity of those injuries, and any mitigating factors, such as alternative sources of care. This principle often prioritized reductions for very narrow or niche services used by small populations. It also probably explains why the legislature tends to turn to provider rate reductions so often when trying to reduce the Medicaid budget. Rate reductions directly harm providers. The impacts on clients are indirect. Often providers earn revenue from other sources, mitigating the impacts.

The Department's number one criteria to focus on drivers of trend was not a big factor in the JBC staff's analysis last year. It makes sense for trying to bend the cost curve and achieve the biggest long-term changes. However, it potentially runs counter to the goal of doing the least harm. Most of the services driving trend are high demand services used by a lot of people. The Department notes that residential services for adults with intellectual and developmental disabilities are among the most expensive and fastest growing services the Department funds.

The Department's third criteria of investing in Coloradoans is informative. The Department is prioritizing the economy and educational systems and sees these as reducing the need for Medicaid. If this aligns with the Governor's priorities, it may help explain the balance of proposed reductions to Medicaid versus K12 and higher education.

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the Long Bill to:

- set forth purposes, conditions, or limitations;
- explain assumptions; or
- express legislative intent.

This section discusses a subset of the footnotes relevant to the divisions covered in the briefing. For a full list of footnotes, see the end of each departmental section of the [2026 Long Bill](https://leg.colorado.gov/bills/sb25-206) (<https://leg.colorado.gov/bills/sb25-206>).

- 18 Department of Health Care Policy and Financing, Executive Director's Office, Information Technology Contracts and Projects, Colorado Benefits Management Systems, Operating and Contract Expenses; Colorado Benefits Management Systems, Health Care and Economic Security Staff Development Center - In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department may transfer up to 5.0 percent of the total appropriations within the line items designated with this footnote. The Department is also authorized to transfer up to 5.0 percent of the total appropriations within the line items designated with this footnote to line item appropriations within the Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System subsection.

Comment: This footnote provides transfer authority for a limited portion of the appropriations for the Colorado Benefits Management System to address mismatches between where costs actually occur and the assumptions used for the appropriation. The Department is complying with the footnote.

- 19 Department of Health Care Policy and Financing, Executive Director's Office, Information Technology Contracts and Projects, Colorado Benefits Management Systems, Operating and Contract Expenses; Colorado Benefits Management Systems, Health Care and Economic Security Staff Development Center - Of this appropriation, \$2,500,000 remains available for expenditure until the close of the 2025-26 state fiscal year.

Comment: This footnote provides roll-forward authority for a limited portion of the appropriations for the Colorado Benefits Management System. The Department is complying with the footnote.

- 20 Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities, Medicaid Programs -- It is the General Assembly's intent that expenditures for these services be recorded only against the Long Bill group total for Medicaid Programs.

Comment: This footnote provides flexibility for the Department to move money between line items within the Office of Community Living. The Department is complying with the footnote.

- 21 Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities, State-only Programs -- It is the General Assembly's intent that expenditures for these services be recorded only against the Long Bill group total for State-only Programs.

Comment: This footnote provides flexibility for the Department to move money between line items within the Office of Community Living. The Department is complying with the footnote.

- 22 Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities, State-only Programs, Preventive Dental Hygiene -- It is the General Assembly's intent that this appropriation be used to provide special dental services for persons with intellectual and developmental disabilities.

Comment: This footnote describes the purpose of the appropriation. The Department is complying with the footnote.

- 23 Department of Health Care Policy and Financing, Other Medical Services, Screening, Brief Intervention, and Referral to Treatment Training Grant Program -- It is the General Assembly's intent that this appropriation be used to sustain the grant program for screening, brief intervention, and referral to treatment for individuals at risk of substance abuse that is authorized in Section 25.5-5-208, C.R.S., in accordance with the requirements set forth in that section.

Comment: This footnote describes the purpose of the appropriation. The Department is complying with the footnote.

- 24 Department of Health Care Policy and Financing, Transfers to Other State Department Medicaid-Funded Programs, Human Services, Executive Director's Office -- The appropriation in this Health Care Policy and Financing line item corresponds to the Medicaid funding in the Department of Human Services, Executive Director's Office, General Administration. As such, the appropriation contains amounts that correspond to centralized appropriation amounts in the Department of Human Services. Consistent with section 24-75-105, C.R.S., the Department of Human Services may transfer the centralized appropriations to other line item appropriations in the Department of Human Services. In order to aid budget reconciliation between the Department of Health Care Policy and Financing and the Department of Human Services, the Department of Health Care Policy and Financing may make line item transfers out of this appropriation to other Department of Human Services Medicaid-funded programs appropriations in this section (7) in amounts equal to the centralized appropriation transfers made by the Department of Human Services for Medicaid-funded programs in the Department of Human Services.

Comment: This footnote provides flexibility for the Department to move money between line items in Human Services and in Health Care Policy and Financing. The Department is complying with the footnote.

- 25 Department of Health Care Policy and Financing, Totals; Department of Higher Education, College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs; Governing Boards, Regents of the University of Colorado -- The Department of Higher Education shall transfer \$900,000 to the Department of Health Care Policy and Financing for administrative costs and family medicine residency placements associated with care provided by the faculty of the health sciences center campus at the University of Colorado that are eligible for payment pursuant to Section 25.5-4-401, C.R.S. If the federal Centers for Medicare and Medicaid services continues to allow the Department of Health Care Policy and Financing to make supplemental payments to the University of Colorado School of Medicine, the Department of Higher Education shall transfer the amount approved, up to \$112,280,907, to the Department of Health Care Policy and Financing pursuant to Section 23-18-304(1)(c), C.R.S. If permission is discontinued, or is

granted for a lesser amount, the Department of Higher Education shall transfer any portion of the \$112,280,907 that is not transferred to the Department of Health Care Policy and Financing to the Regents of the University of Colorado.

Comment: This footnote explains the General Assembly's assumptions about supplemental payments to the University of Colorado School of Medicine. The Department is complying with the footnote.

Update on Requests for Information

The Joint Budget Committee may submit requests for information (RFIs) to departments. The Joint Budget Committee must prioritize the requests per Section 2-3-203 (3), C.R.S.

This section discusses a subset of the RFIs relevant to the divisions covered in the briefing. For a full list of RFIs, see the [letters requesting information](https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf) (https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf).

Requests Affecting Multiple Departments

- 7 Department of Health Care Policy and Financing, Executive Director's Office and Department of Higher Education, Governing Boards, Regents of the University of Colorado – Based on agreements between the University of Colorado and the Department of Health Care Policy and Financing regarding the use of Anschutz Medical Campus Funds as the State contribution to the Upper Payment Limit, the General Assembly anticipates various public benefits. The General Assembly further anticipates that any increases to funding available for this program will lead to commensurate increases in public benefits. The University of Colorado and the Department of Health Care Policy and Financing are requested to submit a report to the Joint Budget Committee about the program and these benefits by October 1 each year.

Comment: The Department submitted the [FY 2024-25 University of Colorado School of Medicine Interagency Agreement Report](#) as requested.

Through the agreement, the Department uses General Fund appropriated to the Department of Higher Education for the University of Colorado School of Medicine (CUSOM) to match federal funds and increase Medicaid payments to CUSOM providers. In FY 2024-25, the agreement drew \$112.1 million federal funds that would not otherwise have been available.

- 8 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of Human Services, Division of Child Welfare, Tony Grampsas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of Personnel, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of Public Health and Environment, Disease Control and Public Health Response Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention

Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office – Each Department is requested to provide the following information to the Joint Budget Committee by October 1st of each year 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.

Comment: See the briefing for tobacco-related programs for a discussion of this request for information.

- 9 All Departments – The Departments are requested to provide by November 1 of each fiscal year responses to the following:
- a. Based on the Department's most recent available record, what is the FTE vacancy and turnover rate: (1) by department; (2) by division; (3) by program for programs with at least 20 FTE; and (4) by occupational class for classes that are located within a larger occupational group containing at least 20 FTE.
 - b. To what does the Department attribute this turnover/vacancy experience?
 - c. Do the statewide compensation policies or practices administered by the Department of Personnel help or hinder the department in addressing vacancy or turnover issues?

Comment: See the figure setting for the compensation common policies for a discussion of this request for information.

Department of Health Care Policy and Financing

- 1 Department of Health Care Policy and Financing, Executive Director's Office – The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums, behavioral health capitation, and the intellectual and developmental disabilities line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report. The Department is also requested to include in the report the number of applications and the number of approvals for new intermediate care facilities for individuals with intellectual disabilities, including the number of beds and the cost of those beds.

Comment: The Department continues to submit the monthly expenditure and caseload reports as requested. See the issue brief “Forecast Overview” for more information.

- 2 Department of Health Care Policy and Financing, Behavioral Health Community Programs –The Department is requested to submit a report by November 1, discussing member utilization of capitated behavioral health services in the prior fiscal year and the Regional Accountable Entity's (RAE's) performance on network provider expansion, timeliness of processing provider claims within contract requirements, and timeliness of credentialing and contracting network providers. The report should include aggregated data on the number of members accessing inpatient and residential mental health treatment, inpatient and residential substance use disorder treatment, outpatient mental health and

substance use disorder services, and alternative services allowed under the Department's waiver with the Centers for Medicare and Medicaid Services. For Calendar Year 2023, the Department shall report aggregated provider data by quarter showing changes in the number of providers contracted, monthly claims processing timeframes by each RAE, and timeliness of provider credentialing and contracting by each RAE. Also, please discuss differences in the performance of the RAEs, how the Department monitors these performance measures, and any actions the Department has taken to improve RAE performance and client behavioral health outcomes.

Comment: See the briefing for Behavioral Health for a discussion of this request for information.

- 3 Department of Health Care Policy and Financing, Medical Services Premiums – The Joint Budget Committee requests that the Department submit reports by November 1, 2025, and November 1, 2026, describing how the funding for prepayment claims reviews is getting used, including the services prioritized for prepayment claims reviews and why, and the savings achieved.

Comment: The Department submitted the [FY 2024-25 High-Risk Provider & Services Prepayment Review Report](#) as requested.

- 4 Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services – The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health services program. The report is requested to include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that were distributed to each school under the program. The report should also include information on how many children were served by the program.

Comment: The Department submitted the [FY 2025-26 Public School Health Services Report](#) as requested.

Through the School Health Services Program, school districts and BOCES are allowed to identify their expenses in support of Medicaid eligible children with an Individual Education Plan (IEP) or Individualized Family Services Plan (IFSP) and claim federal Medicaid matching funds for these costs. Beginning in FY 2020-21, the program expanded to include services outside an IEP or IFSP that are included in other student health plans, such as a 504 disability plan, behavior plan, nursing plan, physician order, or crisis intervention services.

Participating school districts and BOCES report their allowable expenses to the Department according to a federally-approved methodology and the Department submits them as certified public expenditures to claim the federal matching funds. The federal matching funds, less administrative expenses, are then disbursed to the school districts and BOCES and may be used to offset their costs of providing services or to expand services for low-income, under or uninsured children and to improve coordination of care between school districts and health providers.

- 5 Department of Health Care Policy and Financing, Behavioral Health Community Programs – The Department is requested to provide, by November 1, a report on implementation of the youth system of care pursuant to GA v Bimestefer. The report should include, but is not limited to, the following information:
 - a. A description of the implementation plan as approved by the plaintiffs. The description should include the services included in the plan, implementation phases, and the services included in each phase.
 - b. The number of youth expected to be served in each implementation phase.

- c. Estimated funding required to fully implement the system of care plan.
- d. The number of high fidelity wraparound and intensive care coordination providers, and the number of youth that received these services in FY 2024-25.

Comment: See the briefing for Behavioral Health for a discussion of this request for information.

- 6 Department of Health Care Policy and Financing, Behavioral Health Community Programs – The Department is requested to provide, by June 6, 2025, a description of efforts to implement Section 25.5-5.202, C.R.S., related to the transition of residential treatment for child welfare youth to behavioral health capitation. The Department is requested to collaborate with other state departments and stakeholders as necessary to develop responses. The report should include the following information.
 - a. Information regarding the current utilization of youth residential treatment, including:
 - A) The total number of child welfare and non-child welfare youth in QRTP and PRTF placements in the prior fiscal year;
 - B) The average length of stay for child welfare and non-child welfare youth in QRTP and PRTF placements in the prior fiscal year;
 - C) The number of youth who were determined to not meet medical necessity, but no step-down service was available in the prior fiscal year;
 - D) The number of youth who re-entered the hospital or emergency services within 3 months of discharge from a QRTP or PRTF in the prior fiscal year;
 - E) A description of the availability of step-down services across the state.
 - b. The process for determining medical necessity, including but not limited to:
 - A) A description of the factors considered for determining medical necessity;
 - B) How the availability of appropriate step-down services factors into medical necessity determinations;
 - C) The anticipated length of time from medical necessity determination to discharge;
 - D) The Department's efforts to collaborate with QRTP and PRTF providers, hospitals, county departments of human services, and families to determine medical necessity procedures.
 - c. The anticipated process for discharge, transition, and aftercare planning, including but not limited to:
 - A) How and when discharge, transition, and aftercare plans will be developed; and
 - B) Efforts to include families, providers, hospitals, and counties in collaborative treatment teams, transition, discharge, and aftercare planning.
 - 2) The anticipated financing structure, including but not limited to:
 - A) The anticipated timing of payments and authorizations from RAEs to residential providers;
 - B) Efforts to assist providers, counties, and families in connecting with RAEs to ensure access to benefits;
 - C) Efforts to ensure sustainable, long-term funding for child welfare youth in need of residential treatment.

Comment: See the briefing for Behavioral Health for a discussion of this request for information.

Department Annual Performance Report

Departments must publish an **Annual Performance Report**⁷ for the *previous state fiscal year* by November 1 of each year. This report summarizes the Department's performance plan and most recent performance evaluation. In addition, departments develop and submit a **Performance Plan**⁸ for the *current fiscal year* to the Joint Budget Committee and the relevant Joint Committee of Reference by July 1 of each year.

Per statute⁹, the Joint Budget Committee must consider performance plans submitted by departments and may prioritize budget requests intended to enhance productivity, improve efficiency, reduce costs, and eliminate waste. To find the performance plans, search the Office of State Planning and Budgeting website and select the [performance plan](http://www.colorado.gov/pacific/performancemanagement/department-performance-plans) (www.colorado.gov/pacific/performancemanagement/department-performance-plans).

⁷ Section 2-7-205, C.R.S.

⁸ Section 2-7-204 (3)(a), C.R.S.

⁹ Section 2-7-204 (6), C.R.S.

Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. Appendix A organizes this information by line item and fund source.

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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Department of Health Care Policy and Financing Kim Bimestefer, Executive Director

(1) Executive Director's Office

Primary functions: Provides all of the administrative, audit and oversight functions for the Department.

(A) General Administration

Personal Services	<u>80,135,753</u>	<u>112,250,662</u>	<u>76,602,942</u>	<u>84,065,612</u> *
FTE	805.2	840.7	800.7	858.7
General Fund	28,314,157	40,937,179	29,477,201	32,923,139
Cash Funds	7,604,505	9,317,990	6,407,940	6,574,375
Reappropriated Funds	2,070,808	3,270,441	3,155,881	3,211,037
Federal Funds	42,146,283	58,725,052	37,561,920	41,357,061
Health, Life, and Dental	<u>10,639,237</u>	<u>12,911,669</u>	<u>12,823,330</u>	<u>17,153,686</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	4,148,063	5,465,466	5,434,254	6,623,747
Cash Funds	849,729	854,712	702,241	1,445,080
Reappropriated Funds	221,797	59,708	0	0
Federal Funds	5,419,648	6,531,783	6,686,835	9,084,859
Short-term Disability	<u>100,903</u>	<u>65,134</u>	<u>51,482</u>	<u>66,074</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	38,739	52,016	23,801	25,867
Cash Funds	8,239	8,218	427	5,293
Reappropriated Funds	1,911	568	0	0
Federal Funds	52,014	4,332	27,254	34,914

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Paid Family and Medical Leave Insurance	<u>0</u>	<u>363,855</u>	<u>377,655</u>	<u>424,359</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	156,036	152,639	166,036	
Cash Funds	0	21,973	27,098	34,275	
Reappropriated Funds	0	1,705	0	0	
Federal Funds	0	184,141	197,918	224,048	
S.B. 04-257 Amortization Equalization Disbursement	<u>3,356,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,293,879	0	0	0	
Cash Funds	269,385	0	0	0	
Reappropriated Funds	62,817	0	0	0	
Federal Funds	1,730,594	0	0	0	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>3,356,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,293,878	0	0	0	
Cash Funds	269,386	0	0	0	
Reappropriated Funds	62,817	0	0	0	
Federal Funds	1,730,594	0	0	0	
Unfunded Liability Amortization Equalization Disbursement Payments	<u>0</u>	<u>8,616,195</u>	<u>7,918,630</u>	<u>9,430,282</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	3,467,483	3,391,947	3,682,768	
Cash Funds	0	753,289	365,358	768,632	
Reappropriated Funds	0	37,888	0	0	
Federal Funds	0	4,357,535	4,161,325	4,978,882	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Salary Survey	<u>3,665,128</u>	<u>2,734,825</u>	<u>2,299,634</u>	<u>3,153,644</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,410,514	1,174,883	931,069	1,229,899	
Cash Funds	269,531	162,995	166,773	260,274	
Reappropriated Funds	53,934	12,853	0	0	
Federal Funds	1,931,149	1,384,094	1,201,792	1,663,471	
Step Pay	<u>0</u>	<u>834,248</u>	<u>151,359</u>	<u>71,157</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	358,393	58,370	26,074	
Cash Funds	0	49,721	10,885	8,287	
Reappropriated Funds	0	3,921	0	0	
Federal Funds	0	422,213	82,104	36,796	
PERA Direct Distribution	<u>187,622</u>	<u>1,448,480</u>	<u>1,638,429</u>	<u>1,662,395</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	77,283	622,267	663,317	651,784	
Cash Funds	13,659	86,329	118,817	133,743	
Reappropriated Funds	2,869	6,808	0	0	
Federal Funds	93,811	733,076	856,295	876,868	
Temporary Employees Related to Authorized Leave	<u>5,978</u>	<u>5,978</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,414	2,414	0	0	
Cash Funds	400	400	0	0	
Reappropriated Funds	112	112	0	0	
Federal Funds	3,052	3,052	0	0	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Worker's Compensation	<u>184,274</u>	<u>254,896</u>	<u>230,107</u>	<u>366,471</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	68,015	92,516	93,242	141,027	
Cash Funds	16,898	27,708	18,755	42,542	
Reappropriated Funds	7,224	7,224	6,781	0	
Federal Funds	92,137	127,448	111,329	182,902	
Operating Expenses	<u>3,167,767</u>	<u>3,023,583</u>	<u>3,400,167</u>	<u>3,590,889</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	1,429,780	1,331,689	1,344,473	1,565,900	
Cash Funds	341,279	304,097	296,462	259,700	
Reappropriated Funds	13,921	61,415	50,071	30,852	
Federal Funds	1,382,787	1,326,382	1,709,161	1,734,437	
Legal Services	<u>1,814,684</u>	<u>2,825,964</u>	<u>2,824,915</u>	<u>4,774,269</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	663,061	1,014,264	879,508	1,567,650	
Cash Funds	197,130	327,629	532,950	819,485	
Reappropriated Funds	47,151	71,089	0	0	
Federal Funds	907,342	1,412,982	1,412,457	2,387,134	
Administrative Law Judge Services	<u>544,650</u>	<u>822,526</u>	<u>2,172,417</u>	<u>2,175,042</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	198,961	300,504	732,301	766,899	
Cash Funds	59,203	89,409	264,067	230,781	
Reappropriated Funds	14,161	21,350	0	0	
Federal Funds	272,325	411,263	1,176,049	1,177,362	

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Payment to Risk Management and Property Funds	<u>567,472</u>	<u>249,606</u>	<u>280,008</u>	<u>146,590</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	233,022	87,782	91,378	48,911	
Cash Funds	40,825	27,132	18,381	24,920	
Reappropriated Funds	9,889	9,889	6,646	0	
Federal Funds	283,736	124,803	163,603	72,759	
Leased Space	<u>2,677,250</u>	<u>1,715,440</u>	<u>3,700,205</u>	<u>3,793,205</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	1,138,701	533,761	1,482,562	1,524,119	
Cash Funds	190,024	285,110	322,276	321,049	
Reappropriated Funds	9,900	38,849	38,849	38,849	
Federal Funds	1,338,625	857,720	1,856,518	1,909,188	
Payments to OIT	<u>9,133,004</u>	<u>7,945,372</u>	<u>17,787,189</u>	<u>19,136,160</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	3,239,622	2,496,498	7,168,016	7,610,658	
Cash Funds	1,190,936	1,444,834	1,437,336	1,606,073	
Reappropriated Funds	29,027	30,266	512,320	512,320	
Federal Funds	4,673,419	3,973,774	8,669,517	9,407,109	
IT Accessibility	<u>17,682</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	8,841	0	0	10,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	8,841	0	0	10,000	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
CORE Operations	<u>134,190</u>	<u>35,330</u>	<u>35,879</u>	<u>168,970</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	49,530	8,631	14,538	58,544	
Cash Funds	14,586	3,773	2,924	25,464	
Reappropriated Funds	5,261	5,261	1,058	1,058	
Federal Funds	64,813	17,665	17,359	83,904	
CORE Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,459</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	9,061	
Cash Funds	0	0	0	4,669	
Federal Funds	0	0	0	13,729	
General Professional Services and Special Projects	<u>46,946,295</u>	<u>38,155,777</u>	<u>45,936,358</u>	<u>43,146,228</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	6,874,711	8,714,623	16,663,486	15,513,959	
Cash Funds	7,833,874	2,606,625	3,629,148	3,384,851	
Reappropriated Funds	15,000	81,000	81,000	81,000	
Federal Funds	32,222,710	26,753,529	25,562,724	24,166,418	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
ARPA Appropriations	<u>14,188,392</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	14,188,392	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) General Administration	180,823,631	194,259,540	178,230,706	193,372,492	8.5%
FTE	<u>805.2</u>	<u>840.7</u>	<u>800.7</u>	<u>858.7</u>	<u>7.2%</u>
General Fund	50,483,171	66,816,405	68,602,102	74,146,042	8.1%
Cash Funds	33,357,981	16,371,944	14,321,838	15,949,493	11.4%
Reappropriated Funds	2,628,599	3,720,347	3,852,606	3,875,116	0.6%
Federal Funds	94,353,880	107,350,844	91,454,160	99,401,841	8.7%

(B) Transfers to Other Departments

Public School Health Services Administration, Education	<u>193,940</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	96,970	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	96,970	0	0	0	
Early Intervention, Early Childhood	<u>4,299,441</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,102,358	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	2,197,083	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Nurse Home Visitor Program, Early Childhood	<u>221,455</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	98,964	0	0	0	
Federal Funds	122,491	0	0	0	
Host Home Regulation, Local Affairs	<u>122,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	61,050	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	61,050	0	0	0	
Home Modifications Benefit Administration and Housing Assistance Payments, Local Affairs	<u>187,466</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	93,733	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	93,733	0	0	0	
Facility Survey and Certification, Public Health and Environment	<u>7,653,916</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,895,627	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,758,289	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Prenatal Statistical Information, Public Health and Environment	<u>5,888</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	2,944	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	2,944	0	0	0	
Nurse Aide Certification, Regulatory Agencies	<u>324,042</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	147,370	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	14,651	0	0	0	
Federal Funds	162,021	0	0	0	
Reviews, Regulatory Agencies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Transfers to Other Departments	13,008,248	0	0	0	0.0%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	5,400,052	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	113,615	0	0	0	0.0%
Federal Funds	7,494,581	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(C) Information Technology Contracts and Projects

Medicaid Management Information System Maintenance and Projects

	<u>79,066,420</u>	<u>80,852,539</u>	<u>104,857,279</u>	<u>113,174,936</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	8,677,661	4,356,286	14,958,219	16,682,236
Cash Funds	4,774,968	3,971,114	10,671,589	9,873,348
Reappropriated Funds	0	0	12,204	12,204
Federal Funds	65,613,791	72,525,139	79,215,267	86,607,148

Colorado Benefits Management Systems, Operating and Contract Expenses

	<u>61,220,523</u>	<u>85,260,978</u>	<u>88,214,394</u>	<u>80,369,770</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	11,157,074	11,159,695	12,900,116	13,318,607
Cash Funds	6,542,630	5,534,149	8,079,990	6,956,916
Reappropriated Funds	6,398,330	29,242,847	15,526,968	13,839,025
Federal Funds	37,122,489	39,324,287	51,707,320	46,255,222

Colorado Benefits Management Systems, Health Care and Economic Security Staff Development Center

	<u>1,827,327</u>	<u>1,985,108</u>	<u>2,173,592</u>	<u>2,173,592</u>
FTE	0.0	0.0	0.0	0.0
General Fund	559,052	651,890	693,353	714,464
Cash Funds	353,592	341,957	379,255	358,144
Reappropriated Funds	73	73	73	73
Federal Funds	914,610	991,188	1,100,911	1,100,911

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Office of eHealth Innovations Operations	<u>5,366,706</u>	<u>5,292,688</u>	<u>8,812,035</u>	<u>10,486,312</u>	
FTE	0.0	0.0	3.0	3.0	
General Fund	2,869,668	2,564,753	2,450,382	2,868,951	
Cash Funds	0	0	671,985	671,985	
Reappropriated Funds	0	0	0	0	
Federal Funds	2,497,038	2,727,935	5,689,668	6,945,376	
All-Payer Claims Database	<u>8,249,242</u>	<u>8,552,676</u>	<u>9,619,029</u>	<u>9,853,147</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	4,354,828	4,359,356	3,541,068	3,736,769	
Cash Funds	0	0	685,936	706,009	
Reappropriated Funds	0	0	0	0	
Federal Funds	3,894,414	4,193,320	5,392,025	5,410,369	
SUBTOTAL - (C) Information Technology Contracts and Projects	155,730,218	181,943,989	213,676,329	216,057,757	1.1%
FTE	<u>0.0</u>	<u>0.0</u>	<u>3.0</u>	<u>3.0</u>	<u>0.0%</u>
General Fund	27,618,283	23,091,980	34,543,138	37,321,027	8.0%
Cash Funds	11,671,190	9,847,220	20,488,755	18,566,402	(9.4%)
Reappropriated Funds	6,398,403	29,242,920	15,539,245	13,851,302	(10.9%)
Federal Funds	110,042,342	119,761,869	143,105,191	146,319,026	2.2%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(D) Eligibility Determinations and Client Services					
Contracts for Special Eligibility Determinations	<u>3,859,251</u>	<u>7,208,794</u>	<u>5,588,957</u>	<u>6,969,977</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	948,563	934,171	1,234,071	2,071,071	
Cash Funds	514,330	2,217,887	913,169	766,678	
Reappropriated Funds	0	0	0	0	
Federal Funds	2,396,358	4,056,736	3,441,717	4,132,228	
County Administration	<u>113,295,137</u>	<u>129,241,764</u>	<u>136,311,489</u>	<u>132,495,560</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	20,478,568	21,004,349	21,555,147	19,257,016	
Cash Funds	20,118,688	32,228,364	30,777,803	30,361,711	
Reappropriated Funds	0	0	0	0	
Federal Funds	72,697,881	76,009,051	83,978,539	82,876,833	
Call Center Shared Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,284,069</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	1,380,838	
Cash Funds	0	0	0	686,827	
Reappropriated Funds	0	0	0	2,085,608	
Federal Funds	0	0	0	6,130,796	
Medical Assistance Sites	<u>820,540</u>	<u>757,058</u>	<u>1,531,968</u>	<u>1,072,378</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	402,983	373,323	402,984	282,089	
Reappropriated Funds	0	0	0	0	
Federal Funds	417,557	383,735	1,128,984	790,289	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Quality Assurance Shared Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,109,441</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	368,655	
Cash Funds	0	0	0	182,554	
Federal Funds	0	0	0	558,232	
Member Case Integrity Shared Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,817,060</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	603,788	
Cash Funds	0	0	0	298,991	
Federal Funds	0	0	0	914,281	
Document Management Shared Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,823,658</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	267,545	
Cash Funds	0	0	0	132,965	
Reappropriated Funds	0	0	0	369,839	
Federal Funds	0	0	0	1,053,309	
Centralized Eligibility Vendor Contract Project	<u>6,813,178</u>	<u>6,882,800</u>	<u>7,959,455</u>	<u>7,720,671</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	2,249,919	2,321,723	2,753,409	2,670,807	
Reappropriated Funds	0	0	0	0	
Federal Funds	4,563,259	4,561,077	5,206,046	5,049,864	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Connect for Health Colorado Eligibility Determination	<u>8,242,386</u>	<u>7,939,905</u>	<u>11,174,846</u>	<u>11,174,846</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	4,746,203	4,680,430	4,995,156	4,995,156	
Reappropriated Funds	0	0	0	0	
Federal Funds	3,496,183	3,259,475	6,179,690	6,179,690	
Administrative Case Management	<u>599,592</u>	<u>685,220</u>	<u>869,744</u>	<u>869,744</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	299,796	342,610	434,872	434,872	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	299,796	342,610	434,872	434,872	
Customer Outreach	<u>3,217,570</u>	<u>3,246,926</u>	<u>3,461,519</u>	<u>3,461,519</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,275,230	1,286,863	1,141,090	1,141,090	
Cash Funds	333,555	336,600	589,670	589,670	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,608,785	1,623,463	1,730,759	1,730,759	
Eligibility Overflow Processing Center	<u>1,540,773</u>	<u>1,660,262</u>	<u>1,904,677</u>	<u>1,333,274</u> *	
FTE	0.0	0.0	0.0	0.0	
General Fund	230,808	248,707	313,938	219,756	
Cash Funds	154,385	166,358	162,231	113,562	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,155,580	1,245,197	1,428,508	999,956	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Returned Mail Processing	<u>2,567,981</u>	<u>2,246,974</u>	<u>3,298,808</u>	<u>3,298,808</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	811,112	814,688	979,135	1,017,871	
Cash Funds	184,978	175,226	251,592	212,856	
Reappropriated Funds	58,051	67,154	111,942	111,942	
Federal Funds	1,513,840	1,189,906	1,956,139	1,956,139	
Work Number Verification	<u>1,908,503</u>	<u>6,003,199</u>	<u>11,341,713</u>	<u>11,341,713</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	639,539	919,991	1,869,398	1,869,398	
Cash Funds	314,712	580,809	966,030	966,030	
Reappropriated Funds	0	0	0	0	
Federal Funds	954,252	4,502,399	8,506,285	8,506,285	
Non-emergent Medical Transportation Broker	<u>0</u>	<u>3,815,556</u>	<u>3,950,066</u>	<u>4,024,327</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	1,117,765	1,185,020	1,222,150	
Cash Funds	0	790,013	790,013	790,013	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	1,907,778	1,975,033	2,012,164	
SUBTOTAL - (D) Eligibility Determinations and Client Services	142,864,911	169,688,458	187,393,242	198,797,045	6.1%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	24,683,616	26,669,144	28,712,671	29,854,050	4.0%
Cash Funds	29,019,753	43,870,733	42,602,057	43,049,909	1.1%
Reappropriated Funds	58,051	67,154	111,942	2,567,389	2193.5%
Federal Funds	89,103,491	99,081,427	115,966,572	123,325,697	6.3%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(E) Utilization and Quality Review Contracts

Professional Service Contracts	<u>19,494,073</u>	<u>21,440,984</u>	<u>38,038,830</u>	<u>34,246,996</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	5,243,412	5,338,923	10,008,906	9,125,391	
Cash Funds	1,590,445	1,764,670	2,223,661	2,159,218	
Reappropriated Funds	0	0	0	0	
Federal Funds	12,660,216	14,337,391	25,806,263	22,962,387	
SUBTOTAL - (E) Utilization and Quality Review Contracts	19,494,073	21,440,984	38,038,830	34,246,996	(10.0%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	5,243,412	5,338,923	10,008,906	9,125,391	(8.8%)
Cash Funds	1,590,445	1,764,670	2,223,661	2,159,218	(2.9%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	12,660,216	14,337,391	25,806,263	22,962,387	(11.0%)

(F) Provider Audits and Services

Professional Audit Contracts	<u>3,533,858</u>	<u>3,570,220</u>	<u>4,708,809</u>	<u>4,368,809</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,446,790	1,482,816	1,845,401	1,778,389	
Cash Funds	320,139	302,294	579,974	476,986	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,766,929	1,785,110	2,283,434	2,113,434	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (F) Provider Audits and Services	3,533,858	3,570,220	4,708,809	4,368,809	(7.2%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	1,446,790	1,482,816	1,845,401	1,778,389	(3.6%)
Cash Funds	320,139	302,294	579,974	476,986	(17.8%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	1,766,929	1,785,110	2,283,434	2,113,434	(7.4%)

(G) Recoveries and Recoupment Contract Costs

Estate Recovery	<u>675,394</u>	<u>668,030</u>	<u>1,165,841</u>	<u>1,165,841</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	0	0	0	
Cash Funds	337,697	334,015	582,920	582,920	
Reappropriated Funds	0	0	0	0	
Federal Funds	337,697	334,015	582,921	582,921	
Third-Party Liability Cost Avoidance Contract	<u>3,064,990</u>	<u>2,690,376</u>	<u>8,838,738</u>	<u>8,838,738</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	1,021,143	887,824	2,916,784	2,916,784	
Cash Funds	511,352	457,364	1,502,585	1,502,585	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,532,495	1,345,188	4,419,369	4,419,369	
SUBTOTAL - (G) Recoveries and Recoupment Contract Costs	3,740,384	3,358,406	10,004,579	10,004,579	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	1,021,143	887,824	2,916,784	2,916,784	0.0%
Cash Funds	849,049	791,379	2,085,505	2,085,505	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	1,870,192	1,679,203	5,002,290	5,002,290	0.0%

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(H) Indirect Cost Assessment

Indirect Cost Assessment	<u>1,113,873</u>	<u>923,528</u>	<u>881,600</u>	<u>881,600</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	196,956	276,775	277,887	277,887	
Reappropriated Funds	93,623	113,548	79,516	79,516	
Federal Funds	823,294	533,205	524,197	524,197	
SUBTOTAL - (H) Indirect Cost Assessment	1,113,873	923,528	881,600	881,600	0.0%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	196,956	276,775	277,887	277,887	0.0%
Reappropriated Funds	93,623	113,548	79,516	79,516	0.0%
Federal Funds	823,294	533,205	524,197	524,197	0.0%
TOTAL - (1) Executive Director's Office	520,309,196	575,185,125	632,934,095	657,729,278	3.9%
FTE	<u>805.2</u>	<u>840.7</u>	<u>803.7</u>	<u>861.7</u>	<u>7.2%</u>
General Fund	115,896,467	124,287,092	146,629,002	155,141,683	5.8%
Cash Funds	77,005,513	73,225,015	82,579,677	82,565,400	(0.0%)
Reappropriated Funds	9,292,291	33,143,969	19,583,309	20,373,323	4.0%
Federal Funds	318,114,925	344,529,049	384,142,107	399,648,872	4.0%

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(2) Medical Services Premiums

Primary functions: Provides acute care medical and long-term care services to individuals eligible for Medicaid.

Medical and Long-Term Care Services for Medicaid

Eligible Individuals	<u>11,386,151,835</u>	<u>12,627,795,252</u>	<u>13,367,552,286</u>	<u>16,692,215,837</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	2,134,324,780	2,465,553,736	2,590,473,389	3,569,204,663
General Fund Exempt	1,179,901,546	1,248,839,667	1,292,968,309	1,292,968,309
Cash Funds	1,314,296,704	1,346,192,427	1,481,967,035	1,929,237,159
Reappropriated Funds	99,207,497	118,098,773	124,197,922	124,197,922
Federal Funds	6,658,421,308	7,449,110,649	7,877,945,631	9,776,607,784

TOTAL - (2) Medical Services Premiums	11,386,151,835	12,627,795,252	13,367,552,286	16,692,215,837	24.9%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	2,134,324,780	2,465,553,736	2,590,473,389	3,569,204,663	37.8%
General Fund Exempt	1,179,901,546	1,248,839,667	1,292,968,309	1,292,968,309	0.0%
Cash Funds	1,314,296,704	1,346,192,427	1,481,967,035	1,929,237,159	30.2%
Reappropriated Funds	99,207,497	118,098,773	124,197,922	124,197,922	0.0%
Federal Funds	6,658,421,308	7,449,110,649	7,877,945,631	9,776,607,784	24.1%

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(3) Behavioral Health Community Programs

Healthcare Affordability and Sustainability Cash Fund.

Behavioral Health Capitation Payments	<u>1,028,527,782</u>	<u>1,226,649,604</u>	<u>1,451,675,162</u>	<u>1,788,875,268</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	257,694,490	316,708,617	349,844,933	417,947,986	
Cash Funds	75,710,138	99,160,135	121,980,456	149,544,400	
Reappropriated Funds	0	0	0	0	
Federal Funds	695,123,154	810,780,852	979,849,773	1,221,382,882	
Behavioral Health Fee-for-service Payments	<u>10,956,804</u>	<u>3,717,365</u>	<u>11,346,614</u>	<u>7,405,015</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	2,563,728	2,453,203	2,726,359	1,507,129	
Cash Funds	665,268	593,173	673,095	67,688	
Reappropriated Funds	0	0	0	0	
Federal Funds	7,727,808	670,989	7,947,160	5,830,198	

TOTAL - (3) Behavioral Health Community Programs	1,039,484,586	1,230,366,969	1,463,021,776	1,796,280,283	22.8%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	260,258,218	319,161,820	352,571,292	419,455,115	19.0%
Cash Funds	76,375,406	99,753,308	122,653,551	149,612,088	22.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	702,850,962	811,451,841	987,796,933	1,227,213,080	24.2%

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(4) Office of Community Living

(A) Division for Individuals with Intellectual and Developmental Disabilities

(i) Administrative Costs

Personal Services	<u>3,469,613</u>	<u>3,469,613</u>	<u>3,469,613</u>	<u>0</u> *
FTE	39.3	41.5	39.5	0.0
General Fund	1,858,480	1,858,480	1,858,480	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	1,611,133	1,611,133	1,611,133	0
Operating Expenses	<u>151,897</u>	<u>253,680</u>	<u>281,510</u>	<u>0</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	75,948	202,136	164,636	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	75,949	51,544	116,874	0
Community and Contract Management System	<u>65,743</u>	<u>0</u>	<u>137,480</u>	<u>0</u> *
FTE	0.0	0.0	0.0	0.0
General Fund	32,871	0	89,362	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	32,872	0	48,118	0

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Support Level Administration	<u>58,350</u>	<u>58,350</u>	<u>58,350</u>	0	*
FTE	0.0	0.0	0.0	0.0	
General Fund	28,920	28,920	28,920	0	
Cash Funds	255	255	255	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	29,175	29,175	29,175	0	
SUBTOTAL -	3,745,603	3,781,643	3,946,953	0	(100.0%)
FTE	<u>39.3</u>	<u>41.5</u>	<u>39.5</u>	<u>0.0</u>	<u>(100.0%)</u>
General Fund	1,996,219	2,089,536	2,141,398	0	(100.0%)
Cash Funds	255	255	255	0	(100.0%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	1,749,129	1,691,852	1,805,300	0	(100.0%)
Medicaid Programs					
Adult Comprehensive Waiver Services	<u>755,547,913</u>	<u>921,442,636</u>	<u>943,198,318</u>	(-1)	*
FTE	0.0	0.0	0.0	0.0	
General Fund	369,480,850	444,252,759	469,997,259	5	
Cash Funds	6,388,274	13,706,609	1,601,900	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	379,678,789	463,483,268	471,599,159	(6)	
Adult Supported Living Waiver Services	<u>90,499,263</u>	<u>113,944,257</u>	<u>125,347,265</u>	0	*
FTE	0.0	0.0	0.0	0.0	
General Fund	34,458,327	43,965,673	47,026,926	0	
Cash Funds	9,486,360	12,391,494	14,346,101	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	46,554,576	57,587,090	63,974,238	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Children's Extensive Support Services	<u>76,703,034</u>	<u>142,581,791</u>	<u>147,638,446</u>	0	*
FTE	0.0	0.0	0.0	0.0	
General Fund	37,666,925	70,634,623	72,523,503	1	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	39,036,109	71,947,168	75,114,943	(1)	
Children's Habilitation Residential Program	<u>14,430,139</u>	<u>24,562,757</u>	<u>31,570,797</u>	0	*
FTE	0.0	0.0	0.0	0.0	
General Fund	7,079,937	12,104,032	15,784,057	0	
Cash Funds	1,171	120,362	1,342	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	7,349,031	12,338,363	15,785,398	0	
Case Management for People with IDD	<u>110,074,949</u>	<u>142,075,488</u>	<u>149,895,987</u>	0	*
FTE	0.0	0.0	0.0	0.0	
General Fund	50,107,475	67,405,726	70,613,942	0	
Cash Funds	5,020,810	5,976,685	4,994,603	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	54,946,664	68,693,077	74,287,442	0	
SUBTOTAL -	1,047,255,298	1,344,606,929	1,397,650,813	(1)	(100.0%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	498,793,514	638,362,813	675,945,687	6	(100.0%)
Cash Funds	20,896,615	32,195,150	20,943,946	0	(100.0%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	527,565,169	674,048,966	700,761,180	(7)	(100.0%)

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
State-only Programs					
Family Support Services Program	<u>10,885,327</u>	<u>9,936,117</u>	<u>11,436,277</u>	<u>0</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	10,885,327	9,936,117	11,436,277	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
State Supported Living Services	<u>5,676,143</u>	<u>6,985,943</u>	<u>5,375,632</u>	<u>0</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	5,676,143	6,985,943	5,375,632	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
State Supported Living Services Case Management	<u>4,568,635</u>	<u>4,770,504</u>	<u>5,238,505</u>	<u>0</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	4,568,635	4,770,504	5,238,505	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Preventive Dental Hygiene	<u>64,894</u>	<u>64,894</u>	<u>72,271</u>	<u>0</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	64,894	64,894	72,271	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Supported Employment Provider and Certification					
Reimbursement	<u>176,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	176,100	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL -	21,371,099	21,757,458	22,122,685	0	(100.0%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	21,371,099	21,757,458	22,122,685	0	(100.0%)
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - (4) Office of Community Living	1,072,372,000	1,370,146,030	1,423,720,451	(1)	(100.0%)
FTE	<u>39.3</u>	<u>41.5</u>	<u>39.5</u>	<u>0.0</u>	<u>(100.0%)</u>
General Fund	522,160,832	662,209,807	700,209,770	6	(100.0%)
Cash Funds	20,896,870	32,195,405	20,944,201	0	(100.0%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	529,314,298	675,740,818	702,566,480	(7)	(100.0%)

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(5) Indigent Care Program

Safety Net Provider Payments	<u>246,618,300</u>	<u>267,103,696</u>	<u>226,610,308</u>	<u>226,610,308</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	122,034,489	133,551,848	113,305,154	113,305,154	
Reappropriated Funds	0	0	0	0	
Federal Funds	124,583,811	133,551,848	113,305,154	113,305,154	
 Pediatric Specialty Hospital	 <u>10,764,010</u>	 <u>13,455,012</u>	 <u>13,455,012</u>	 <u>13,455,012</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	5,274,365	6,727,506	6,727,506	6,727,506	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	5,489,645	6,727,506	6,727,506	6,727,506	
 Appropriation from Tobacco Tax Fund to the General Fund	 <u>303,203</u>	 <u>291,034</u>	 <u>293,077</u>	 <u>293,077</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	303,203	291,034	293,077	293,077	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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Primary Care Fund	<u>53,474,732</u>	<u>50,008,989</u>	<u>34,771,339</u>	<u>34,771,339</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	7,000,000	6,500,000	0	0	
Cash Funds	19,608,672	18,584,947	17,516,461	17,516,461	
Reappropriated Funds	0	0	0	0	
Federal Funds	26,866,060	24,924,042	17,254,878	17,254,878	
Children's Basic Health Plan Administration	<u>1,674,518</u>	<u>1,652,111</u>	<u>3,864,405</u>	<u>3,864,405</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	1,347,131	
Cash Funds	577,578	578,239	1,352,542	5,411	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,096,940	1,073,872	2,511,863	2,511,863	
Children's Basic Health Plan Medical and Dental Costs	<u>184,933,218</u>	<u>266,234,655</u>	<u>317,623,772</u>	<u>338,588,633</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	22,640,521	44,496,147	59,323,097	58,064,758	
General Fund Exempt	303,203	0	293,077	293,077	
Cash Funds	40,743,413	48,599,616	51,617,146	60,213,187	
Reappropriated Funds	0	0	0	0	
Federal Funds	121,246,081	173,138,892	206,390,452	220,017,611	
TOTAL - (5) Indigent Care Program	497,767,981	598,745,497	596,617,913	617,582,774	3.5%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	34,914,886	57,723,653	66,050,603	66,139,395	0.1%
General Fund Exempt	303,203	0	293,077	293,077	0.0%
Cash Funds	183,267,355	201,605,684	184,084,380	191,333,290	3.9%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	279,282,537	339,416,160	346,189,853	359,817,012	3.9%

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(6) Other Medical Services

Old Age Pension State Medical	<u>589,696</u>	<u>845,722</u>	<u>10,000,000</u>	<u>10,000,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	589,696	845,722	10,000,000	10,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Senior Dental Program	<u>3,930,117</u>	<u>3,973,964</u>	<u>3,990,358</u>	<u>1,990,358</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	3,930,117	3,962,510	3,962,510	1,962,510	
Cash Funds	0	11,454	27,848	27,848	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Commission on Family Medicine Residency Training Programs	<u>9,490,170</u>	<u>9,490,170</u>	<u>9,490,170</u>	<u>9,490,170</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	4,430,100	4,520,085	4,520,085	4,520,085	
Cash Funds	0	0	0	0	
Reappropriated Funds	220,500	225,000	225,000	225,000	
Federal Funds	4,839,570	4,745,085	4,745,085	4,745,085	

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Medicare Modernization Act State Contribution Payment	<u>244,361,309</u>	<u>242,949,385</u>	<u>272,802,633</u>	<u>300,722,794</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	244,361,309	242,949,385	272,802,633	300,722,794	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Public School Health Services Contract Administration	<u>1,253,344</u>	<u>950,336</u>	<u>2,000,000</u>	<u>2,000,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	626,672	475,168	1,000,000	1,000,000	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	626,672	475,168	1,000,000	1,000,000	
Public School Health Services	<u>191,357,388</u>	<u>222,351,721</u>	<u>198,563,973</u>	<u>198,563,973</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	90,710,963	110,582,434	99,281,987	99,281,987	
Reappropriated Funds	0	0	0	0	
Federal Funds	100,646,425	111,769,287	99,281,986	99,281,986	
Rural Provider Access and Affordability Fund, Created in Section 25.5-1-207 (6)(a), C.R.S.	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,000,000	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Screening, Brief Intervention, and Referral to Treatment					
Training Grant Program	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,000,000</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	1,500,000	1,500,000	1,500,000	1,000,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Reproductive Health Care for Individuals Not Eligible for					
Medicaid	<u>1,356,927</u>	<u>1,893,286</u>	<u>2,614,490</u>	<u>2,114,490</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,356,927	1,893,286	2,614,490	2,114,490	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
ARPA HCBS State-only Funds	<u>21,418,222</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	21,418,222	0	0	0	
Denver Health and Hospital Authority	<u>1,000,000</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,000,000	5,000,000	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Health Benefits for Colorado Children and Pregnant Persons	<u>0</u>	<u>17,780,840</u>	<u>32,075,606</u>	<u>60,335,756</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	17,780,840	32,075,606	60,335,756	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Telehealth Remote Monitoring Grant Program	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	500,000	0	
Abortion care	<u>0</u>	<u>0</u>	<u>2,928,800</u>	<u>5,857,600</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	2,928,800	5,857,600	
Safety net provider stabilization payments	<u>0</u>	<u>0</u>	<u>24,845,595</u>	<u>19,858,935</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	24,845,595	19,858,935	
State Only Home & Community Based Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,800,705</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	21,800,705	
TOTAL - (6) Other Medical Services	477,257,173	506,735,424	561,311,625	633,734,781	12.9%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	256,705,125	276,581,274	320,404,124	398,313,940	24.3%
Cash Funds	114,218,881	112,939,610	135,655,430	130,168,770	(4.0%)
Reappropriated Funds	220,500	225,000	225,000	225,000	0.0%
Federal Funds	106,112,667	116,989,540	105,027,071	105,027,071	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(7) Department of Human Services Medicaid-Funded Programs

(A) Executive Director's Office - Medicaid Funding

TOTAL - (7) Department of Human Services Medicaid-Funded Programs	95,424,956	0	0	0	0.0%
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0%
General Fund	44,853,892	0	0	0	0.0%
Cash Funds	1,935,723	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	48,635,341	0	0	0	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(7) Transfers to Other State Department Medicaid-Funded Programs

Primary functions: Provides all of the administrative, audit and oversight functions for the Department.

(A) Corrections

Administration	<u>0</u>	<u>0</u>	<u>554,080</u>	<u>491,640</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	277,040	245,820	
Federal Funds	0	0	277,040	245,820	
Reentry Services	<u>0</u>	<u>0</u>	<u>6,517,727</u>	<u>6,517,727</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	3,750,994	3,750,994	
Federal Funds	0	0	2,766,733	2,766,733	

SUBTOTAL - (A) Corrections	0	0	7,071,807	7,009,367	(0.9%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	0	3,750,994	3,750,994	0.0%
Cash Funds	0	0	277,040	245,820	(11.3%)
Federal Funds	0	0	3,043,773	3,012,553	(1.0%)

(B) Early Childhood

Early Intervention	<u>0</u>	<u>4,256,570</u>	<u>5,940,111</u>	<u>5,940,111</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	2,128,285	2,970,056	2,970,056	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	2,128,285	2,970,055	2,970,055	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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SUBTOTAL - (B) Early Childhood	0	4,256,570	5,940,111	5,940,111	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	2,128,285	2,970,056	2,970,056	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	2,128,285	2,970,055	2,970,055	0.0%

(C) Education

Public School Health Services	<u>0</u>	<u>173,412</u>	<u>208,269</u>	<u>208,269</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	86,706	104,135	104,135	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	86,706	104,134	104,134	

SUBTOTAL - (C) Education	0	173,412	208,269	208,269	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	86,706	104,135	104,135	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	86,706	104,134	104,134	0.0%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(D) Human Services

(I) Executive Director's Office

Executive Director's Office	<u>0</u>	<u>17,003,357</u>	<u>17,980,137</u>	<u>23,801,521</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	8,501,679	8,971,079	11,881,771	
Cash Funds	0	0	18,990	18,990	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	8,501,678	8,990,068	11,900,760	

SUBTOTAL -	<u>0</u>	<u>17,003,357</u>	<u>17,980,137</u>	<u>23,801,521</u>	<u>32.4%</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	8,501,679	8,971,079	11,881,771	32.4%
Cash Funds	0	0	18,990	18,990	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	8,501,678	8,990,068	11,900,760	32.4%

(II) Office of Children, Youth, and Families

Child Welfare Administration	<u>0</u>	<u>137,326</u>	<u>352,543</u>	<u>356,117</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	68,663	145,627	147,414	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	68,663	206,916	208,703	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
Child Welfare Services	<u>0</u>	<u>21,187,188</u>	<u>14,383,230</u>	<u>14,383,230</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	10,591,900	7,191,615	7,191,615	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	10,595,288	7,191,615	7,191,615	
Division of Youth Services	<u>0</u>	<u>736,945</u>	<u>758,785</u>	<u>762,131</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	368,472	379,394	381,067	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	368,473	379,391	381,064	
Health-Related Social Needs	<u>0</u>	<u>0</u>	<u>1,142,323</u>	<u>1,142,323</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	761,549	761,549	
Federal Funds	0	0	380,774	380,774	
Reentry Services	<u>0</u>	<u>0</u>	<u>84,352</u>	<u>84,352</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	56,235	56,235	
Federal Funds	0	0	28,117	28,117	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL -	0	22,061,459	16,721,233	16,728,153	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	11,029,035	8,534,420	8,537,880	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	11,032,424	8,186,813	8,190,273	0.0%
(III) Office of Economic Security					
Administration	<u>0</u>	<u>0</u>	<u>240,000</u>	<u>80,000</u> *	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	0	72,180	24,180	
Cash Funds	0	0	47,820	15,820	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	120,000	40,000	
Systemic Alien Verification for Eligibility	<u>0</u>	<u>67,422</u>	<u>116,804</u>	<u>157,731</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	33,711	58,403	78,866	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	33,711	58,401	78,865	
SUBTOTAL -	0	67,422	356,804	237,731	(33.4%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	33,711	130,583	103,046	(21.1%)
Cash Funds	0	0	47,820	15,820	(66.9%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	33,711	178,401	118,865	(33.4%)

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(IV) Behavioral Health Administration					
Community Behavioral Health Administration	<u>0</u>	<u>503,686</u>	<u>926,843</u>	<u>952,468</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	251,843	463,421	476,233	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	251,843	463,422	476,235	
Children and Youth Mental Health Treatment Act	<u>0</u>	<u>0</u>	<u>137,680</u>	<u>137,680</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	68,840	68,840	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	68,840	68,840	
SUBTOTAL -	0	503,686	1,064,523	1,090,148	2.4%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	251,843	532,261	545,073	2.4%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	251,843	532,262	545,075	2.4%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(V) Office of Behavioral Health					
Mental Health Institutes	<u>0</u>	<u>13,266,244</u>	<u>8,762,879</u>	<u>10,046,849</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	6,633,122	4,381,439	5,023,424	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	6,633,122	4,381,440	5,023,425	
Mental Health Transitional Living Homes	<u>0</u>	<u>0</u>	<u>5,165,032</u>	<u>5,165,032</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	2,582,516	2,582,516	
Federal Funds	0	0	2,582,516	2,582,516	
Mental Health Transitional Living Homes	<u>0</u>	<u>2,582,515</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	1,291,257	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	1,291,258	0	0	
SUBTOTAL -	0	15,848,759	13,927,911	15,211,881	9.2%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	0	7,924,379	6,963,955	7,605,940	9.2%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	7,924,380	6,963,956	7,605,941	9.2%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(VI) Office of Adults, Aging, and Disability Services					
Administration	<u>0</u>	<u>505,357</u>	<u>503,562</u>	<u>503,562</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	252,678	251,781	251,781	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	252,679	251,781	251,781	
Regional Centers for People with Developmental					
Disabilities	<u>0</u>	<u>53,967,621</u>	<u>59,760,345</u>	<u>60,843,664</u>	*
FTE	0.0	0.0	0.0	0.0	
General Fund	0	25,151,982	27,991,270	28,532,930	
Cash Funds	0	1,888,903	1,888,903	1,888,903	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	26,926,736	29,880,172	30,421,831	
Community Services for the Elderly					
	<u>0</u>	<u>997,590</u>	<u>1,001,800</u>	<u>1,001,800</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	498,795	500,900	500,900	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	498,795	500,900	500,900	
SUBTOTAL -	<u>0</u>	<u>55,470,568</u>	<u>61,265,707</u>	<u>62,349,026</u>	1.8%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	0	25,903,455	28,743,951	29,285,611	1.9%
Cash Funds	0	1,888,903	1,888,903	1,888,903	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	27,678,210	30,632,853	31,174,512	1.8%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(VII) Other					
Federal Medicaid Indirect Cost Reimbursement for					
Human Services Programs	<u>0</u>	<u>1,595,011</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	1,595,011	0	0	
Department of Human Services Indirect Cost Assessment	<u>0</u>	<u>16,969,736</u>	<u>24,117,640</u>	<u>21,176,357</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	8,484,868	12,058,820	10,588,179	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	8,484,868	12,058,820	10,588,178	
SUBTOTAL -	0	18,564,747	24,117,640	21,176,357	(12.2%)
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	0	8,484,868	12,058,820	10,588,179	(12.2%)
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	10,079,879	12,058,820	10,588,178	(12.2%)
SUBTOTAL - (D) Human Services	0	129,519,998	135,433,955	140,594,817	3.8%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	0	62,128,970	65,935,069	68,547,500	4.0%
Cash Funds	0	1,888,903	1,955,713	1,923,713	(1.6%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	65,502,125	67,543,173	70,123,604	3.8%

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
(E) Local Affairs					
Administration	<u>0</u>	<u>0</u>	<u>225,100</u>	<u>205,090</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	112,550	102,545	
Federal Funds	0	0	112,550	102,545	
Home Modifications Benefit Administration	<u>0</u>	<u>278,322</u>	<u>313,881</u>	<u>313,881</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	139,161	156,941	156,941	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	139,161	156,940	156,940	
Host Home Regulation	<u>0</u>	<u>89,865</u>	<u>325,578</u>	<u>325,578</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	89,865	162,789	162,789	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	162,789	162,789	
Health-Related Social Needs	<u>0</u>	<u>0</u>	<u>12,900,408</u>	<u>12,900,408</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	7,622,681	7,622,681	
Federal Funds	0	0	5,277,727	5,277,727	

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	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
SUBTOTAL - (E) Local Affairs	0	368,187	13,764,967	13,744,957	(0.1%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	229,026	7,942,411	7,942,411	0.0%
Cash Funds	0	0	112,550	102,545	(8.9%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	139,161	5,710,006	5,700,001	(0.2%)
(F) Public Health and Environment					
Facility Survey and Certification	<u>0</u>	<u>8,039,935</u>	<u>9,279,704</u>	<u>9,279,704</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	3,020,180	3,861,449	3,861,449	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	5,019,755	5,418,255	5,418,255	
Prenatal Statistical Information	<u>0</u>	<u>6,196</u>	<u>6,196</u>	<u>6,196</u>	
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	0	3,098	3,098	3,098	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	3,098	3,098	3,098	
SUBTOTAL - (F) Public Health and Environment	0	8,046,131	9,285,900	9,285,900	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	3,023,278	3,864,547	3,864,547	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	5,022,853	5,421,353	5,421,353	0.0%

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(G) Regulatory Agencies

Sunset Reviews	<u>0</u>	<u>0</u>	<u>3,750</u>	<u>3,750</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	1,875	1,875	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	1,875	1,875	
 Nurse Aide Certification	 <u>0</u>	 <u>309,390</u>	 <u>324,041</u>	 <u>324,041</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	147,369	147,369	147,369	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	14,652	14,652	
Federal Funds	0	162,021	162,020	162,020	

SUBTOTAL - (G) Regulatory Agencies	0	309,390	327,791	327,791	0.0%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	0	147,369	149,244	149,244	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	14,652	14,652	0.0%
Federal Funds	0	162,021	163,895	163,895	0.0%

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
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(H) Revenue

Hospital Tax Exemptions	0	100,000	100,000	100,000	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	50,000	50,000	50,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	50,000	50,000	50,000	

SUBTOTAL - (H) Revenue	0	100,000	100,000	100,000	0.0%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	0	0	0	0	0.0%
Cash Funds	0	50,000	50,000	50,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	50,000	50,000	50,000	0.0%

TOTAL - (7) Transfers to Other State Department					
Medicaid-Funded Programs	0	142,773,688	172,132,800	177,211,212	3.0%
FTE	0.0	0.0	0.0	0.0	0.0%
General Fund	0	67,743,634	84,716,456	87,328,887	3.1%
Cash Funds	0	1,938,903	2,395,303	2,322,078	(3.1%)
Reappropriated Funds	0	0	14,652	14,652	0.0%
Federal Funds	0	73,091,151	85,006,389	87,545,595	3.0%

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	Request vs. Appropriation
TOTAL - Department of Health Care Policy and Financing	15,088,767,727	17,051,747,985	18,217,290,946	20,574,754,164	12.9%
<i>FTE</i>	<u>844.5</u>	<u>882.2</u>	<u>843.2</u>	<u>861.7</u>	<u>2.2%</u>
General Fund	3,369,114,200	3,973,261,016	4,261,054,636	4,695,583,689	10.2%
General Fund Exempt	1,180,204,749	1,248,839,667	1,293,261,386	1,293,261,386	0.0%
Cash Funds	1,787,996,452	1,867,850,352	2,030,279,577	2,485,238,785	22.4%
Reappropriated Funds	108,720,288	151,467,742	144,020,883	144,810,897	0.5%
Federal Funds	8,642,732,038	9,810,329,208	10,488,674,464	11,955,859,407	14.0%

NOTE: An asterisk (*) indicates that the FY 2025-26 request for a line item is affected by one or more decision items.