

DDRC
General Budget Assumptions
FYE 6/30/2011

State Revenue

State Revenue: Based on the base State Contract with the addition of the remainder of the American Recovery and Reinvestment Act of 2009 dollars.

Case Management – State General Fund: Budget does include case management revenue related to CCB Non-Medicaid Functions performed by case management in the amount of \$109,000.

Medicaid Revenue:

Comprehensive Revenue: Revenue is based on the final rates that take effect July 1, 2010 for services that are fee for service including, residential, day program, transportation, and behavioral. These rates include the 2.5% rate reduction from the 2009-2010 fiscal year and an adjustment for the 2% rate reduction effective July 1, 2010. For all the individuals that we bill for, we have built in a vacancy factor of approximately 2%. The revenue is based on a summary of all of the individuals prior authorization requests (PAR).

For comprehensive agencies that bill Medicaid direct neither the revenue nor expense have been included in the budget.

Items that are on a cost reimbursement basis include dental, vision and specialized medical equipment, revenue has been budgeted to equal the expense. For external service agencies the revenue and expenses are based on a summary of all of the individuals PARs.

Case Management: – Effective July 1, 2009, Targeted Case Management (TCM) changed the way it was to be billed. In the past DDRC received TCM funding on a per person per month basis for every individual enrolled in a Medicaid program who received a TCM activity. We are required to bill all TCM activities on a 15 minute per unit basis. The initial unit rate developed for TCM in the prior fiscal year did not adequately address the productivity factor. This rate was subsequently adjusted for in October 2009 for the 2009-2010 fiscal year. In the prior year we had projected a significant loss in TCM revenue. With the change in the TCM rate, to include the productivity factor, and a year of billing under the new methodology, we anticipate we will draw down essentially the same dollars as we had in the past under the per member per month reimbursement. In addition, the budget no longer includes the TCM revenue associated with the Wheat Ridge Regional Center transition.

Supported Living Services (SLS) and Children's Extensive Support (CES): Effective July 1, 2009 the SLS and CES program underwent significant changes. These changes included the use of the SIS (for SLS only), new standardized rates, revised service definitions, individual service caps and overall service plan authorization limits under the waiver. The previous years budget was built on the base number of resources in our contract times the annual resource amount. As we discussed throughout the previous fiscal year we saw significant underutilization with the changes that were made to the program. Statewide underutilization in the SLS program was near 30%. Because of the changes and utilization problems there was a change in the way SLS and CES have been budgeted for the current year. In the proposed budget we have based the revenue and expense on utilization. Basing the budget on utilization has created a significant decrease from the prior year budget in both revenue and expense.

Jefferson County Revenue: Revenue for the entire fiscal year is based on the current contract amount of \$7,165,562, which is for the calendar year 12/31/2010.

Expenses

Health Insurance: Includes an increase of 6% in health insurance for the fiscal year with and expected increase of 12% for the 2011 calendar year.

Purchase of Service: Included in the budget as purchase of service expense are four risk pools that had been used in comprehensive service in the past to match Medicaid dollars, as originally approved by the Board. The county funds set aside for these risk pools are: Risk pool comprehensive \$100,000, High needs support \$75,000, Medical needs \$37,500 and Risk pool attrition \$37,500. These items are no longer eligible for the Medicaid match. The current year budget includes just the county portion of these funds, \$183,000 in total, in the residential purchase of service line item. Three years ago the Board approved the use of \$67,000 from these funds for a Behavioral Analyst FTE.

DEVELOPMENTAL DISABILITIES RESOURCE CENTER
PRELIMINARY BUDGET
YEAR ENDING JUNE 30, 2011

	FY 09-10 BUDGET	FY 10-11 BUDGET
REVENUE	\$ 47,520,514	\$ 40,747,209
EXPENSES:		
PERSONNEL	19,031,571	19,604,210
OPERATING	14,321,382	13,137,641
PURCHASE OF SERVICES	12,355,436	6,333,941
HOST HOMES	1,500,816	1,555,217
TOTALS	<u>47,209,205</u>	<u>40,631,009</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ 311,309</u>	<u>\$ 116,200</u>

REVENUE SOURCE	FY 09-10 BUDGET	FY 10-11 BUDGET	PERCENT CHANGE	DOLLAR CHANGE	
STATE COMPREHENSIVE	132,456	132,456	0.0%	-	
STATE SUPPORT					
EARLY INTERVENTION / PART C	1,552,634	1,517,416	-2.3%	(35,218)	
FAMILY SUPPORT	679,772	649,182	-4.5%	(30,590)	
ADULT SUPPORT LIVING	636,575	600,723	-5.6%	(35,852)	
UNASSIGNED MEDICAID COMPREHENSIVE	23,472,450	17,609,841	-25.0%	(5,862,609)	1
CASE MGMT					
STATE GENERAL FUND	570,283	640,774	12.4%	70,491	2
MEDICAID	1,756,944	2,138,657	21.7%	381,713	3
MEDICAID SUPPORT SERVICES					
SUPPORTED LIVING SERVICES	5,551,359	4,702,968	-15.3%	(848,391)	4
CHILDREN'S EXTENSIVE SUPPORT	1,050,780	643,682	-38.7%	(407,098)	5
MANAGEMENT FEE & ADMINISTRATION					
STATE	504,908	497,259	-1.5%	(7,649)	
JEFFERSON COUNTY	6,968,405	7,165,562	2.8%	197,157	
ROOM AND BOARD	1,441,040	1,330,056	-7.7%	(110,984)	
HUD SUBSIDIES	96,173	109,200	13.5%	13,027	6
PRIVATE PAY	64,000	70,000	9.4%	6,000	
WORK CONTRACTS	325,306	298,990	-8.1%	(26,316)	
GRANTS AND DONATIONS	67,350	20,000	-70.3%	(47,350)	7
INTEREST	60,000	20,000	-66.7%	(40,000)	8
RENTAL REVENUE	556,994	551,121	-1.1%	(5,873)	
GAIN (LOSS) ON SALE	15,000	15,000	0.0%	-	
GAP - EBD	135,192	129,135	-4.5%	(6,057)	
MISCELLANEOUS	3,900	4,500	15.4%	600	
TOTAL EXTERNAL REVENUE	<u>45,641,521</u>	<u>38,846,522</u>	<u>-14.9%</u>	<u>(6,794,999)</u>	
INTERNAL REVENUE	<u>1,878,993</u>	<u>1,900,687</u>	<u>1.2%</u>	<u>21,694</u>	
TOTAL REVENUE	<u>47,520,514</u>	<u>40,747,209</u>	<u>-14.3%</u>	<u>(6,773,305)</u>	

DEVELOPMENTAL DISABILITIES RESOURCE CENTER
PRELIMINARY BUDGET
YEAR ENDING JUNE 30, 2011

EXPENSES DEPARTMENT/SECTION/UNIT	FY 09-10 BUDGET	FY 10-11 BUDGET	PERCENT CHANGE	DOLLAR CHANGE	
EARLY INTERVENTION / PART C / CENTERS					
PERSONNEL	1,247,475	1,376,544	10.3%	129,069	1
OPERATING	1,231,182	1,299,855	5.6%	68,673	
PURCHASE OF SERVICES	95,990	97,587	1.7%	1,597	
TOTALS	2,574,647	2,773,986	7.7%	199,339	
ADULT DAY PROGRAM					
PERSONNEL	3,990,673	4,229,447	6.0%	238,774	
OPERATING	1,045,966	1,063,562	1.7%	17,596	
PURCHASE OF SERVICES	2,049,094	1,340,340	-34.6%	(708,754)	2
TOTALS	7,085,733	6,633,349	-6.4%	(452,384)	
ADMINISTRATION & DEVELOPMENT					
PERSONNEL	2,602,802	2,718,905	4.5%	116,103	
OPERATING	1,178,480	1,173,283	-0.4%	(5,197)	
TOTALS	3,781,282	3,892,188	2.9%	110,906	
RECREATION					
PERSONNEL	406,097	374,006	-7.9%	(32,091)	
OPERATING	76,907	80,363	4.5%	3,456	
TOTALS	483,004	454,369	-5.9%	(28,635)	
GENERAL SERVICES					
PERSONNEL	262,469	239,115	-8.9%	(23,354)	
OPERATING	61,027	52,332	-14.2%	(8,695)	
TOTALS	323,496	291,447	-9.9%	(32,049)	
TRANSPORTATION					
PERSONNEL	416,235	426,928	2.6%	10,693	
OPERATING	298,806	302,342	1.2%	3,536	
PURCHASE OF SERVICES	406,176	298,870	-26.4%	(107,306)	3
TOTALS	1,121,217	1,028,140	-8.3%	(93,077)	
RESOURCE COORDINATION					
PERSONNEL	1,870,780	1,990,323	6.4%	119,543	
OPERATING	233,308	234,325	0.4%	1,017	
TOTALS	2,104,088	2,224,648	5.7%	120,560	
CHILDREN AND FAMILY SERVICES					
PERSONNEL	842,362	776,381	-7.8%	(65,981)	
OPERATING	91,189	91,831	0.7%	642	
DIRECT FAMILY PAYMENTS - STATE	679,772	649,182	-4.5%	(30,590)	
JEFFCO CFS FUND	0	0	#DIV/0!	-	
TOTALS	1,613,323	1,517,394	-5.9%	(95,929)	

DEVELOPMENTAL DISABILITIES RESOURCE CENTER
PRELIMINARY BUDGET
YEAR ENDING JUNE 30, 2011

EXPENSES (CONTINUED) DEPARTMENT/SECTION/UNIT	FY 09-10 BUDGET	FY 10-11 BUDGET	PERCENT CHANGE	DOLLAR CHANGE	
RESIDENTIAL - ALL					
PERSONNEL	5,691,584	5,817,697	2.2%	126,113	
OPERATING	2,576,395	2,469,299	-4.2%	(107,096)	
PURCHASE OF SERVICES	9,804,176	4,597,144	-53.1%	(5,207,032)	4
HOST HOME EXPENSE	1,500,816	1,555,217	3.6%	54,401	
TOTALS	19,572,971	14,439,357	-26.2%	(5,133,614)	
SUPPORTED LIVING SERVICES					
PERSONNEL	1,298,261	1,311,361	1.0%	13,100	
OPERATING & POS	6,385,363	5,257,180	-17.7%	(1,128,183)	5
TOTALS	7,683,624	6,568,541	-14.5%	(1,115,083)	
GRANTS					
PERSONNEL	192,472	137,652	-28.5%	(54,820)	6
OPERATING	13,254	9,702	-26.8%	(3,552)	
TOTALS	205,726	147,354	-28.4%	(58,372)	
BEHAVIORAL HEALTH					
PERSONNEL	210,361	205,851	-2.1%	(4,510)	
OPERATING	149,733	154,385	3.1%	4,652	
	360,094	360,236	0.0%	142	
SELF DETERMINATION					
OPERATING	300,000	300,000	0.0%	-	
SUMMARY					
PERSONNEL	\$ 19,031,571	\$ 19,604,210	3.0%	572,639	
OPERATING	14,321,382	13,137,641	-8.3%	(1,183,741)	
PURCHASE OF SERVICES	12,355,436	6,333,941	-48.7%	(6,021,495)	
HOST HOMES	1,500,816	1,555,217	3.6%	54,401	
TOTALS	<u>\$ 47,209,205</u>	<u>\$ 40,631,009</u>	<u>-13.9%</u>	<u>(6,578,196)</u>	

DDRC
BUDGET VARIANCE EXPLANATIONS
6/30/2011

Revenue

1. Medicaid Comprehensive: During the 2009-2010 fiscal year several comprehensive agencies elected to bill Medicaid direct. The 2009-2010 fiscal year budget included both the revenue and expense associated with these services. The proposed budget adjusts both the revenue and expense for these providers that are billing direct. Neither the revenue nor expense associated with these services is included in the proposed budget. The net impact to DDRC is the loss of the billing fee associated with these providers. The estimated billing fee for these providers for both residential and day services on an annual basis is approximately \$89,000. The proposed budget has been adjusted accordingly. In addition, revenue has been adjusted for the 2.5% rate reduction that occurred in the prior fiscal year and the 2% rate reduction that is effective July 1, 2010.
2. Case Management – State General Fund: Included in the proposed budget is \$109,000 of State General fund revenue for non-Medicaid case management functions. This was not included in the prior year base contract, however was ultimately added.
3. Case Management – Medicaid: Effective July 1, 2009, Targeted Case Management (TCM) changed the way it was to be billed. In the past DDRC received TCM funding on a per person per month basis for every individual enrolled in a Medicaid program who received a TCM activity. We are required to bill all TCM activities on a 15 minute per unit basis. The initial unit rate developed for TCM in the prior fiscal year did not adequately address the productivity factor. This rate was subsequently adjusted for in October 2009 for the 2009-2010 fiscal year. In the prior we had projected a significant loss in TCM revenue. With the change in the TCM rate, to include the productivity factor, and a year of billing under the new methodology, we anticipate we will draw down essentially the same dollars as we had in the past under the per member per month reimbursement. In addition, the budget no longer includes the TCM revenue associated with the Wheat Ridge Regional Center transition.
4. Medicaid Support Services – Supported Living Services: Effective July 1, 2009 the SLS and CES program underwent significant changes. These changes included the use of the SIS (for SLS only), new standardized rates, revised service definitions, individual service caps and overall service plan authorization limits under the waiver. The previous years budget was built on the base number of resources in our contract times the annual resource amount. As we discussed throughout the previous fiscal year we saw significant underutilization with the changes that were made to the program. Statewide underutilization in the SLS program was near 30%. Because of the changes and utilization problems there was a change in the way SLS and CES have been budgeted for the current year. In the proposed budget we have based the revenue and expense on utilization. Basing the budget on utilization has created a significant decrease from the prior year budget in both revenue and expense.
5. Medicaid Support Services – Children’s Extensive Support: See Medicaid SLS revenue.
6. HUD Subsidies: During the year DDRC received an additional 3 section 8 vouchers for individuals in Quality Living Options.
7. Grants and Donations: In the 2009-2010 fiscal year we received a CSBG grant from the County for a Community Liaison type program. The grant was for approximately \$47,000 and was not renewed by the County for the 2010-2011 fiscal year (see variance in Grants – Personnel).
8. Interest: Interest is based on current rates.

Expenses

Early Intervention / Part C / Centers:

1. Personnel: The proposed budget primarily includes targeted salary adjustments for Early Intervention therapists to assist in recruitment and retention as approved by the Board.

Adult Day Program

2. Purchase of Service: During the 2009-2010 fiscal year several comprehensive agencies elected to bill Medicaid direct. The 2009-2010 fiscal year budget included both the revenue and expense associated with these services. The proposed budget adjusts for these providers billing direct. Neither the revenue nor expense associated with these services is included in the proposed budget. The net impact to DDRC is the loss of the billing fee associated with these providers. The estimated billing fee for these providers for day services on an annual basis is approximately \$11,000. The proposed budget has been adjusted accordingly. In addition, the purchase of service expense has been adjusted for the 2.5% rate reduction that occurred in the prior fiscal year and the 2% rate reduction that is effective July 1, 2010.

Transportation

3. Purchase of Service: During the 2009-2010 fiscal year several comprehensive agencies elected to bill Medicaid direct. The 2009-2010 fiscal year budget included both the revenue and expense associated with these services. The proposed budget adjusts for these providers billing direct. Neither the revenue nor expense associated with these services is included in the proposed budget. The net impact to DDRC is the loss of the billing fee associated with these providers. The estimated billing fee for these providers for transportation services on an annual basis is approximately \$2,000. The proposed budget has been adjusted accordingly. In addition, the purchase of service expense has been adjusted for the 2.5% rate reduction that occurred in the prior fiscal year and the 2% rate reduction that is effective July 1, 2010.

Residential

4. Purchase of Service: During the 2009-2010 fiscal year several comprehensive agencies elected to bill Medicaid direct. The 2009-2010 fiscal year budget included both the revenue and expense associated with these services. The proposed budget adjusts for these providers billing direct. Neither the revenue nor expense associated with these services is included in the proposed budget. The net impact to DDRC is the loss of the billing fee associated with these providers. The estimated billing fee for these providers for residential services on an annual basis is approximately \$78,000. The proposed budget has been adjusted accordingly. In addition, the purchase of service expense has been adjusted for the 2.5% rate reduction that occurred in the prior fiscal year and the 2% rate reduction that is effective July 1, 2010.

Supported Living Services

5. Operating & POS: See Medicaid SLS revenue.

Grants

6. Personnel: In the prior year we received a CSBG grant from the County for a Community Liaison program. For the 2009-2010 fiscal year the grant was for approximately \$47,000 and was not renewed by the County for the 2010-2011 fiscal year. We had transferred one of our SLS program managers into this position in the prior year. This position has now transferred back to the SLS department

Scope +/- 10% +/- \$10,000