DENVER HEALTH
Level One Care for ALL

June 16, 2009

Joan Henneberry
Executive Director
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203-1818

RE: Certification Amendment

Dear Ms. Henneberry:

Denver Health is submitting the proposed capitation rates (Attachment A) and an actuarial certification from Milliman, Inc., dated June 15, 2009. The actuarial certification is submitted pursuant to C.R.S. 25.5-5-404(k.1) to the Colorado Department of Health Care Policy and Financing for consideration. If approved, these rates are anticipated to be in effect for the period July 1, 2009 through December 31, 2009.

Pursuant to C.R.S. 25.5-5-404(k), Denver Health certifies that the proposed rates are sufficient to assure the financial stability of Denver Health with respect to delivery of services to the Medicaid recipients covered in the contract.

Should you require any additional information regarding Denver Health's certification, please contact me at (303) 436-6611 or email me at Patricia.Gabow@dhha.org.

Sincerely,

Patricia A. Gabow, M.D.,
Chief Executive Officer
Denver Health & Hospital Authority

Enclosure

Denver Health and Hospital Authority
Actuarial Certification of Rates

I, Jonathan L. Shreve, a member of the American Academy of Actuaries, am associated with the firm of Milliman, Inc., which has been retained by Denver Health and Hospital Authority (DHHA) to issue this certification. I meet the Academy qualification standards for making the certification and am familiar with the Colorado statues related to the preparation of Colorado Medicaid MCO capitation rates.

Attachment A to this opinion shows the rates being proposed by DHHA for the period for July 1, 2009 to December 31, 2009. Pursuant to C.R.S. 25.5-5-404(1)(1), I certify that the proposed capitation rates in Attachment A comply with all applicable federal and state requirements that govern said capitation payments.

The proposed capitation rates in Attachment A comply with C.R.S. 25.5-5-408(9) and HB 1346 in that they do not exceed 100% of the direct health care cost of providing these same services on an actuarially equivalent Colorado Medicaid population group consisting of unassigned recipients and recipients in the primary physician program provided in C.R.S. Section 25.5-5-407, and because of a downward bias in the selection of trends, they are likely to be lower than 100%. The rates were developed using data for the FY03-FY05 (July 2002 – June 2005) as the base period, to develop rates for an effective period of CY09 (January 1, 2009 – December 31, 2009). The rates effective July 1, 2009 – December 31, 2009 include an updated adjustment for public policy changes effective July 1, 2009. I am unaware of any other applicable state requirements governing the proposed capitation payments.

In my opinion, the applicable parts of the federal requirements governing capitation payments are those included in the CMS Rate Setting Checklist. This checklist includes requirements that the state must follow and then document for CMS. Based on information provided to us by the State of Colorado Department of Health Care Policy and Financing (HCPF), they have followed these requirements. I have relied upon HCPF's assertion that they have also provided this applicable information to CMS.

In forming my opinion on the proposed capitation rates referenced above, I relied upon documents prepared by HCPF. The rate development relied on trend assumptions developed by Lewin & Associates, which I reviewed without access to the methods used.

This certification does not express an opinion as to the items related to C.R.S. 25.5-5-404(1)(k) and for which DHHA is to provide certain certifications separate from this actuarial certification.

Jonathan L. Shreve

Jonathan L. Shreve, FSA, MAAA
Consulting Actuary

Milliman, Inc.
1099 Eighteenth Street, Suite 3100
Denver, CO 80202-1931
Phone: (303) 672-9090

June 15, 2009

Attachment

Attachment A

Eligibility Category	July 1, 2009 – December 31, 2009 Capitation Rate
AFDC -A - F - Metro	$ 257.03
AFDC -A - M - Metro	$ 205.13
BCKC - A - Metro	$ 285.96
Child - C - Metro	$ 77.27
Child - U - Metro	$ 213.15
Foster Care - Metro	$ 251.41
OAP-A - Metro - Non-Institutional	$ 213.03
OAP-A - Metro -Institutional	$ 223.84
OAP-B,AND/AB - Metro - Non-Institutional Medicaid Only	$ 702.97
OAP-B,AND/AB - Metro - Non-Institutional TPL	$ 159.35
OAP-B,AND/AB - Metro -Institutional Medicaid Only	$1,762.45
OAP-B,AND/AB - Metro -Institutional TPL	$ 172.48
Delivery	$4,927.32