# STATE OF COLORADO

**DEPARTMENT OF HEALTH CARE POLICY & FINANCING**

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Bill Owens
Governor

Stephen C. Tool
Executive Director

September 19, 2005

Melodie Beck
Joint Budget Committee Staff
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Ms. Beck:

Enclosed please find a report to the Joint Budget Committee on the Health Care Policy and Financing Medical Services Premiums expenditures and Medicaid Caseload pursuant to Footnote 32 of the Long Bill, S.B. 05-209:

> *"The Department is requested to submit monthly Medicaid expenditures and Caseload reports on the Medical Services Premiums budget to the Joint Budget Committee, by the third Monday 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 within the monthly report."*

The data contained in this month's Medicaid Expenditure and Caseload report is reflected as of August 31, 2005, coinciding with the close of Period 2 in the Colorado Financial Reporting System. The current report contains a separate worksheet for Medical Services Premiums Expenditures by service category and Medicaid caseload date by eligibility category, which includes monthly growth rate and Managed Care Enrollment Status.

Due to technical difficulties experienced with the Colorado Financial Reporting System, Period 1 expenditures reported in the Department's August 15, 2005 Monthly Medical Services Premiums Expenditure Report for FY 05-06 were understated. The Period 2 August 2005 Monthly Medical Services Premiums Expenditure Report attached to this letter restates the amounts, by Organization Number, in Column (D) Cumulative All Prior Months of Fiscal Year Cash Basis. It was necessary to restate the amount to properly report the Year-To-Date actuals that appear in Column (E) Sum of All Months Cash Basis.

For the Children's Basic Health Plan, the Department previously has reported caseload using data from the R4300 COLD since March 2005. The R4300 COLD report states caseload for the current payment cycle and retroactive adjustments to caseload for the previous five payment cycles. However, the Department recently discovered a problem with the R4300 report while researching some anomalies generated during the August payment cycle. The retroactive caseload adjustments include some denied capitation payments, resulting in overstating the retroactive caseload adjustments relative to actual expenditures to some degree. The Department is currently working on an alternative reporting mechanism, and anticipates that caseload reporting will resume within two months. The Department will continue to report the Children's Basic Health Plan expenditures, as these figures are actual expenditures from COFRS, and they are not affected by the reporting issues from the caseload report described above.

If you have any questions, please contact me at (303) 866-2854.

Sincerely,

John Bartholomew
Director, Budget Division

Cc: Senator Abel Tapia, Joint Budget Committee Chairman
John Ziegler, Staff Director, Joint Budget Committee Staff
Henry Sobanet, Director, OSPB
Luke Huwar, Budget Analyst, OSPB
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