COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

April 15, 2010

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 expenditures and caseload for Medicaid and the Children's Basic Health Plan pursuant to Legislative Request For Information #17:

"The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation 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 data contained in this month's Medicaid expenditure and caseload report is reflected as of March 31, 2010 coinciding with the close of Period 9 in the Colorado Financial Reporting System. The current report contains a separate worksheet for Medical Services Premiums expenditures by service category and Medicaid caseload data by eligibility category, which includes the monthly and over-the-year growth rates. Year-to-date caseload averages for clients in health maintenance organizations and the Primary Care Physician Program appear in the Medicaid caseload worksheet.

Pursuant to the FY 2009-10 Legislative Request For Information #17, the Department is reporting caseload and expenditure data for the Old Age Pension State Medical Program and expenditures for the Medicare Modernization Act State Contribution Payments beginning with the August 17, 2009 report.

On February 18, 2010, the federal Department of Health and Human Services determined that the enhanced Federal Medicaid Assistance Percentage provided under the American Recovery and Reinvestment Act of 2009 (ARRA) should have been applied to the Medicare Modernization Act State Contribution Payments. The federal Centers for Medicare and

Medicaid Services (CMS) is applying the adjustment retroactively to payments going back to the original implementation of ARRA in October 2008 and has credited the retroactive amount to the State. Due to this credit, the Department does not anticipate any further Medicare Modernization Act State Contribution Payments in FY 2009-10.

In addition to the information requested in FY 2009-10 Legislative Request For Information #17, the Department is including Medicaid Mental Health expenditure and caseload by Behavioral Health Organization pursuant to the FY 2008-09 Legislative Request For Information #26:

"The Department is requested to provide recommendations to the Joint Budget Committee by November 1, 2008 on whether greater budget accuracy would be achieved if caseload and capitation payments were estimated and tracked for each Regional Behavioral Center. In developing their recommendations, the Department will note any additional administrative costs associated with changing systems to track caseload data in this manner and to compile and report on the data."

Please note that all year-to-date appropriations include the FY 2010-11 Long Bill Add-ons (HB 10-1376). In addition, with the approval of the Hospital Provider Fee, the Department received an appropriation of approximately $274 million for supplemental payments to hospitals, which will be paid in installments for the remainder of FY 2009-10. Appropriations to Medical Services Premiums, Medicaid Mental Health, and the Children's Basic Health Plan are impacted by the managed care and Medicaid Management Information System payment delays required in SB 09-265. There is proposed 2010 legislation that may repeal these payment delays, which would result in increases to these FY 2009-10 appropriations.

If you have any questions, please contact Jennifer St. Peter at (303) 866-3982.

Sincerely,

John Bartholomew
Budget Director

Cc: Representative Jack Pommer, Chairman, Joint Budget Committee
Senator Moe Keller, Vice-Chairman, Joint Budget Committee
Senator Abel Tapia, Joint Budget Committee
Senator Al White, Joint Budget Committee
Representative Mark Ferrandino, Joint Budget Committee
Representative Kent Lambert, Joint Budget Committee
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Representative Terrance Carroll, Speaker of the House
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