STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Stephen C. Tool
Executive Director

June 19, 2006

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 May 31, 2006, coinciding with the close of Period 11 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 monthly growth rate and Managed Care Enrollment Status.

The Department revised its policy on May 1, 2006 to encourage client participation in a Medicaid managed care health plan by offering newly eligible clients the opportunity to enroll in a managed care plan if they reside in Adams, Arapahoe, Denver, or Jefferson counties. Clients will be notified by mail that they may choose a managed care plan or a fee-for-service plan. Those who do not respond with a choice within 30 days will be assigned passively to a managed care plan. If clients are unhappy with the assignment, they may make another choice within 90 days. This arrangement is referred to as passive enrollment. Over time, the effect will be to increase gradually the enrollment in managed care plans.

The Department has not included the Children's Basic Health Plan data with the month's report. This data is still under analysis to insure that accurate reporting will occur. The Department will share the data with the Joint Budget Committee as soon as accuracy has been achieved.

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

Sincerely,

John Bartholomew
Director, Budget Division

Cc: Representative Bernie Buescher, Joint Budget Committee Chairman
John Ziegler, Staff Director, Joint Budget Committee Staff
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