STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Stephen C. Tool
Executive Director

November 21, 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 October 31, 2005, coinciding with the close of Period 4 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.

Systems upgrades created fluctuations in Medicaid caseload for October. These upgrades affecting caseload may be completed by December.

The Children's Basic Health Plan caseload reporting was temporarily suspended in August 2005 when a data problem that tended to overstate enrollment was discovered. Since August, the Department has worked to develop an alternative reporting mechanism using Business Objects America queries of data from the Medicaid Management Information System to restate the Children's Basic Health Plan caseload for the months from October 2004 to October 2005. The query counts the number of capitation payments made for the Children's Basic Health Plan. Within each month's capitation, payments are made to reflect retroactivity for up to six months. Figures shown for the current month and the five previous months include a manual adjustment for anticipated retroactivity. Recent experience of retroactive capitation payments is used as a guide for estimating the manual adjustment each month. Client counts for the current month and for the five previous months will be updated in next month's report to reflect the impact of actual retroactive capitation payments made in November. Figures shown in bold font are not expected to change in subsequent reporting periods.

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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