STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Stephen C. Tool
Executive Director

October 17, 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 September 30, 2005, coinciding with the close of Period 3 in the Colorado Financial Reporting System. The current report contains a separate worksheet for Medical Services Premiums Expenditures by service category. The Medicaid caseload date by eligibility category, which includes monthly growth rate and Managed Care Enrollment Status, is based on a Business Objects America query. Due to a known problem with the usual source for caseload data, the MARS 4600 Report, the Business Objects America query report was used instead. The MARS 4600 Report indicated a caseload of 382,033, but the Business Objects America query report, run nine days later after the problem was corrected, tabulated a caseload of 398,226 for September, a corrected difference of 16,193.

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 by October reporting. 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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