STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Stephen C. Tool
Executive Director

January 17, 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 December 31, 2005, coinciding with the close of Period 6 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 Breast and Cervical Cancer Prevention and Treatment Program caseload has been reported for the past several months from a source that is not the best for the information. Caseload as reported to the Joint Budget Committee has been significantly lower than anecdotal reports from program staff. The Department has determined that a problem exists, but the exact nature of the problem is not yet known. For this month and for months going forward, until the problem is resolved, the Department will obtain a caseload report directly from raw data in the Colorado Benefits Management System. The Department's intention is to restate the caseload number for the Breast and Cervical Cancer clients back to the beginning of the current fiscal year. However

at this time, only the December 2005 caseload number for the Breast and Cervical Cancer clients has been restated using the new source.

For the Children's Basic Health Plan, the caseload 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 January.

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

Sincerely,

John Bartholomew
Director, Budget Division

Cc: Representative Tom Plant, 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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