STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Stephen C. Tool
Executive Director

August 23, 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 20 of the Long Bill, H.B. 06-1385:

> *"The Department is requested to submit monthly Medicaid expenditure 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 July 31, 2006, coinciding with the close of Period 1 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 HMO's year to date average data on the Medicaid Caseload page of the report is not included this month as the Department is doing further research on those particular numbers. The other items reported for Medicaid caseload are included with this report.

For the Children's Basic Health Plan, the caseload figures shown for the current month 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 will be updated in next month's report to reflect the impact of actual

retroactive capitations made. Because the last five months in the prior fiscal year will continu to experience retroactivity, an additional page will be included in this report until all retroactivity for FY 05-06 has been reported.

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
Henry Sobanet, Director, OSPB
Luke Huwar, Budget Analyst, OSPB
Maria Coe, Economist, OSPB
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