COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

March 17, 2008

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 21 of the Long Bill, SB 07-239:

> *"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 February 29, 2008 coinciding with the close of Period 8 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 the monthly growth rate. Year to date caseload averages for clients in health maintenance organizations and the Primary Care Physician Program appear in the Medicaid caseload worksheet.

In February 2008, Eligible Children caseload increased by 1,120 which the Department believes is partially due to the implementation of presumptive eligibility for this population. The Department believes that the 605 client increase in the Baby Care Adults caseload is largely due to the implementation of presumptive eligibility. Prior to January 2008, all functions for presumptive eligibility for pregnant women in Medicaid were performed by an external contractor. The Department now completes eligibility determinations in the Colorado Benefits Management System and claims processing through the Medicaid Management Information System, which is expected to cause a one-time increase in caseload. Expenditures for this population are already incorporated into Medical Services Premiums.

The Department has included a page for Medicaid Mental Health Community Program Expenditures. The caseload for the mental health programs is already included in the Medicaid

caseload that has been reported continuously on page 2 of this report. All FY 07-08 monthly Medicaid Mental Health expenditures have been restated in this report, as previously reported expenditures were not being done so on a strict cash accounting basis as is done with Medicaid Medical Services Premiums.

The Children's Basic Health Plan reported caseload is a snapshot of enrollment as of the end of the month, similar to the reporting of Medicaid caseload. Children's Basic Health Plan caseload is reported using eligibility data from the Colorado Benefits Management System. Since the Children's Basic Health Plan uses cash accounting, current caseload no longer reflects retroactivity. For reference, this report includes a page to restate caseload from the prior fiscal year for comparison.

The January 2008 caseload for both children and prenatal women is being restated in this report due to a misclassification of clients among income groups. While the total caseloads for January 2008 were accurate, this misclassification caused the expansion caseloads to be understated relative to the traditional populations.

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
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