# STATE OF COLORADO

**DEPARTMENT OF HEALTH CARE POLICY & FINANCING**

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Bill Ritter
Governor

Joan Henneberry
Executive Director

January 12, 2007

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 December 31, 2006, 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 the monthly growth rate

It has come to light that the monthly client count for the fee-for-service program has been understated and the count for the Primary Care Physician Program (PCPP) has been overstated since May 2006. As an internal manual process, potential passive enrollment clients, who have elected to stay fee-for-service, have been assigned a "dummy" provider number associated with the PCPP. Unfortunately, these clients have been counted and reported as enrolled in the PCPP since passive enrollment began, when in fact they are enrolled in the fee-for-service program. The PCPP caseload is not reported this month, and the Department is working to correct this situation. The correction of Health Maintenance Organization (HMO) caseload reporting is also in process.

For the Children's Basic Health Plan, 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.

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
Representative Bernie Buescher, Joint Budget Committee Vice-Chairman
John Ziegler, Staff Director, Joint Budget Committee Staff
Todd Saliman, Director, OSPB
Luke Huwar, Budget Analyst, OSPB
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