COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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

July 15, 2009

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 Legislative Request For Information #19:

"The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth 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 June 30, 2009 coinciding with the close of Period 12 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 and over-the-year growth rates. Year-to-date caseload averages for clients in health maintenance organizations and the Primary Care Physician Program appear in the Medicaid caseload worksheet.

Beginning with the August 15, 2008 report, the Department will be utilizing a new report for Medicaid caseload. This new report uses a more accurate methodology to measure caseload, and will allow the Department to analyze caseload by many other demographic and geographic characteristics. As a result of this new measurement methodology, the Department is restating historical Medicaid caseload through FY 2002-03. Please see page 6 of this report for original and restated monthly caseload by eligibility category for FY 2007-08 and page 7 for original and restated annual caseload by eligibility category back to FY 2002-03. The Department has included a detailed explanation of the methodology used to restate caseload in the Medicaid Caseload section of its November 3, 2008 Budget Request.

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. Beginning with the January 15, 2009 report, the Department is including Medicaid Mental Health expenditure and caseload by Behavioral Health Organization pursuant to the Department's response to Legislative Request For Information #26:

"The Department is requested to provide recommendations to the Joint Budget Committee by November 1, 2008 on whether greater budget accuracy would be achieved if caseload and capitation payments were estimated and tracked for each Regional Behavioral Center. In developing their recommendations, the Department will note any additional administrative costs associated with changing systems to track caseload data in this manner and to compile and report on the data."

The report also contains a separate worksheet for Children's Basic Health Plan expenditures caseload data by income grouping, which includes the monthly and over-the-year growth rates by aid category. Expenditures in the Children's Basic Health Plan Premiums Costs line are above average in May 2009 due largely to the final FY 2007-08 claims reconciliation payment for the State's self-funded network.

If you have any questions, please contact Jennifer St. Peter at (303) 866-3982.

Sincerely,

John Bartholomew
Budget Director

Cc: Senator Moe Keller, Joint Budget Committee Chairman
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