COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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John W. Hickenlooper, Governor • Susan E. Birch MBA, BSN, RN, Acting Executive Director

January 16, 2011

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 expenditures and caseload for Medicaid and the Children's Basic Health Plan pursuant to FY 2010-11 Legislative Request For Information #13:

"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, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report."

The data contained in this month's Medicaid expenditure and caseload report is reflected as of December 31, 2010 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 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. Please note that the total expenditures for November 2010 in Medical Services Premiums has been corrected in this report. Due to an accounting coding change, enhanced federal match from ARRA was not included in expenditures reported in the report dated December 17, 2010, which resulted in expenditures being underreported by approximately $27.5 million. In addition, Hospital Supplemental Medicaid payments in Medical Services Premiums increased by approximately $50 million in December 2010. The Department received federal approval for the FFY 2010-11 hospital provider fee model in December 2010, and the Department made reconciliation payments retroactive to October 2010 in December 2010. Beginning in January 2011, the Hospital Supplemental Medicaid payments will decrease to the regular FFY 2010-11 payments of approximately $40 million per month.

Pursuant to section 214 of the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009, states were given the option to waive the 5 year delay in coverage for legal

permanent resident children or pregnant women and provide full Medicaid or CHP+ coverage to such individuals. Colorado historically has provided coverage to legal permanent resident pregnant women up to 133% of the federal poverty level who have been in the country for less than 5 years through the Prenatal State-only program, funded entirely by General Fund. In September 2009, the Department submitted a Medicaid State Plan Amendment to grant full Medicaid eligibility to this group. This State Plan Amendment was approved retroactively to July 1, 2009, and expenditures for this population became eligible for federal financial participation. As such, the caseload and expenditures for this population will now be included in the Baby Care Adults group in Medicaid. Because the State Plan Amendment was effective for all of FY 2009-10, the Department is restating FY 2009-10 Baby Care Adults caseload beginning in this report to include this population.

Pursuant to the Legislative Request For Information #13, this report also includes caseload and expenditure data for the Old Age Pension State Medical Program and expenditures for the Medicare Modernization Act State Contribution Payments.

In addition to the information requested in Legislative Request For Information #13, the Department is including Medicaid Mental Health expenditure and caseload by Behavioral Health Organization pursuant to the FY 2008-09 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."

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

Sincerely,

John Bartholomew
Budget Director

Cc: Senator Mary Hodge, Chair, Joint Budget Committee
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Senator Pat Steadman, Joint Budget Committee
Senator Kent Lambert, Joint Budget Committee
Representative Jon Becker, Joint Budget Committee
Representative Mark Ferrandino, Joint Budget Committee
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