

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Cash Fund Insolvency True-Up
Department: Health Care Policy and Financing
Priority Number: S-10. BA-11
Dept. Approval by: John Bartholomew *JB*
OSPB Approval: *[Signature]*
Date: February 15 2011 *2/7/11*
Date: *2/7/11*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	57 624 126	70 700 172	0	70 700 172	39 106 681	0	89 106 681	0	89 106 681	0
	FTE	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
	GF	57 624 126	70 700 172	(16 671 182)	54 028 990	39 106 681	0	89 106 681	(28 129 494)	60 977 187	(34 899 101)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	16 671 182	16 671 182	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	28 129 494	28 129 494	34 899 101
	FF	0	0	0	0	0	0	0	0	0	0
(5) Other Medical Services; Medicaid Modernization Act of 2003 State Contribution Payment	Total	57 624 126	70 700 172	0	70 700 172	39 106 681	0	89 106 681	0	89 106 681	0
	FTE	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
	GF	57 624 126	70 700 172	(16 671 182)	54 028 990	39 106 681	0	89 106 681	(28 129 494)	60 977 187	(34 899 101)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	16 671 182	16 671 182	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	0	0	28 129 494	28 129 494	34 899 101
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: FY 2011-12 The Department is requesting a transfer of \$38 884 678 General Fund to the Health Care Expansion Fund (18K)
 FY 2012-13 The Department is requesting a transfer of \$86 928 651 General Fund to the Health Care Expansion Fund (18K)

Letternote Revised Text: This amount shall be from the Department of Health Care Policy and Financing Cash Fund (23G)

Cash or Federal Fund Name and COFRS Fund Number: CF Department of Health Care Policy and Financing Cash Fund (23G)

Reappropriated Funds Source, by Department and Line Item Name: None

Approval by OIT? Yes: No: N/A:

Schedule 13s from Affected Departments: N/A

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	S-10, BA-11
Change Request Title:	Cash Fund Insolvency True-Up

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department requests to increase the cash fund appropriation to the Medicare Modernization Act of 2003 State Contribution Payment line item by \$16,671,182 in FY 2010-11, \$28,129,494 in FY 2011-12, and \$34,899,101 in FY 2012-13, along with corresponding General Fund decreases. The source of these cash funds are the CHIPRA bonus payments which were accounted for in the Department's November 1, 2010 DI-6 "Cash Fund Insolvency Financing" as a revenue transfer to the Health Care Expansion Fund. Subsequent to the Department's request, it received notification that these funds could not use the funds for this purpose due to the fact that the expenditures from the Health Care Expansion Fund draw federal funds. In addition, the Department requests net decreases to General Fund transfers of \$2,829,693 in FY 2011-12 and \$3,469,260 in FY 2012-13. This request is incremental to the Department's November 1, 2010 DI-6 "Cash Fund Insolvency Financing," and ensures the solvency of the Health Care Expansion Fund.

General Description of Request:

CHIPRA Bonus Payment Update

On November 1, 2010, the Department requested a transfer to the Health Care Expansion Fund in the amount of \$41,714,371 total funds, including \$15,046,971 General Fund and \$26,667,400 cash funds from the CHIPRA bonus payment to ensure the solvency of the Health Care Expansion fund in FY 2011-12. Similarly, the Department requests a transfer to the Health Care Expansion Fund in the amount of \$90,397,911 total funds, including \$61,026,270 General Fund and \$29,371,641 cash funds from the CHIPRA bonus payment to ensure the solvency of the Health Care Expansion fund in FY 2012-13. Subsequent to the submission of the Department's DI-6, the Department became aware that the CHIPRA bonus payment is not as flexible as the Department believed. The Department was notified that because all expenditures from the Health Care Expansion Fund draw matching federal funds, the CHIPRA bonus payment cannot be used as a revenue offset to address the insolvency of the Health Care Expansion Fund; this action would lead to federal revenue drawing matching federal funds.

As such, the Department is requesting to utilize the CHIPRA bonus as a General Fund offset in the Department's Medicare Modernization Act of 2003 State Contribution Payment line item. On January 1, 2006, the Centers for Medicare and Medicaid Services assumed responsibility for the Part D prescription drug benefit, replacing Medicaid prescription drug coverage for clients dually eligible for both Medicare and Medicaid benefits. In lieu of the obligation of states to cover prescription drugs for this population, the Centers for Medicare and Medicaid Services began requiring states to pay a portion of what their anticipated dual eligible drug cost would have been had this cost shift not occurred. This is known as the "clawback" payment. For calendar year 2006, states were to pay 90% of the federal portion of their average dual eligible drug benefit from calendar year 2003, inflated to 2006 using the National Healthcare Expenditure average growth rate. As each calendar year passes, the 90% factor is reduced, or "phased down," by 1.67% each year, until it reaches 75% in 2015, where it will remain on a go-forward basis. The funding source for this line item is entirely General Fund.

Prior to the submission of the November 1, 2010 DI-6, the Department had submitted an application for the FFY 2010 CHIPRA bonus payment, but was unsure of the status of

this application. The Department received notification that it had qualified for the FFY 2010 payment on December 23, 2010, and is requesting to utilize this payment to offset General Fund expenditures in the Department's Medicare Modernization Act of 2003 State Contribution Payment line item as discussed above.

Subsequent to the November 1, 2010 DI-6, the Department received further information regarding the calculation and payment schedule of the CHIPRA bonus payments. The CHIPRA bonuses are made in two distinct payments- an initial payment in the December following the end of the federal fiscal year for which the bonus payment is being made, and a second payment in approximately the following April. For the FFY 2010 bonus payment, the Department received the first payment of \$13,671,043 in late December 2010, and the second payment will be received in approximately April 2011. The second payment is made in order to allow for retroactive enrollments or disenrollments to occur, which makes the enrollment number used to calculate the payment more comparable to the baseline enrollment level. The baseline enrollment used to calculate the FFY 2010 bonus is 263,497, which does include 6 months of retroactivity. The December 2010 payment was based on actual enrollment of 313,759, which does not include retroactivity. Based on the Department's analysis, the FFY 2010 enrollment including 6 months of retroactivity will be 318,660. Using this higher caseload estimate, the Department estimates that the State will be eligible to receive a total CHIPRA bonus payment of \$16,671,182 in FFY 2010. Please see Table 1 on page 8 and 9 for calculations.

The estimated CHIPRA bonus payments for FFY 2011 and FFY 2012 included in the November 1, 2010 DI-6 were based on Medicaid caseload projections from the November 1, 2010 Budget Request. The Department has updated its Medicaid caseload projections for the Medical Services Premiums and Medicaid Mental Health Community Programs Long Bill groups submitted in the Department's February 15, 2011 Budget Request. As such, the Department has also updated its projected enrollment for FFY 2012 and FFY 2013. The Department has also applied the same retroactivity factor of 1.14% from the FFY 2010 payment estimate to the projected final enrollment estimates for FFY 2012 and FFY 2013. These updates have increased the estimated bonus payments for FFY 2012 from \$26,667,400 to \$28,129,494, and from \$29,371,641 to

\$34,899,101 in FFY 2013. Please see Table 2 on page 9 for details. These bonus payments will be received in FY 2011-12 and FY 2012-13, respectively. For more information on the CHIPRA Bonus Payment, please see the Department's November 1, 2010 DI-6.

As such, the Department is requesting to increase the cash fund appropriation to the Medicare Modernization Act of 2003 State Contribution Payment line item by \$16,671,182 in FY 2010-11, \$28,129,494 in FY 2011-12, and \$34,899,101 in FY 2012-13, along with corresponding General Fund decreases.

Health Care Expansion Fund Insolvency Update

The Department's DI-6 was calculated using expenditure projections from the Department's November 1, 2010 Budget Request. The purpose of this request is to adjust the Department's request in DI-6 to account for the revised expenditure projections for the Medical Services Premiums and Medicaid Mental Health Community Programs Long Bill groups submitted in the Department's February 15, 2011 Budget Request.

Between the November 1, 2010 and the February 15, 2011 Budget Requests, the projected Medicaid caseload funded through the Health Care Expansion Fund has remained relatively constant in FY 2010-11 through FY 2012-12. However, the projected per capita costs for both Medical Services Premiums and Medicaid Mental Health for these populations have decreased. The net result of these changes are slightly lower projected expenditures from the Health Care Expansion Fund for the Medicaid expansion populations authorized under HB 05-1262. As can be seen in Table 3 on page 10, the FY 2011-12 Health Care Expansion Fund deficit has decreased from \$41,714,371 in the Department's November 1, 2010 Budget Request to \$38,884,678, resulting in a net decrease of \$2,829,693 needed to balance the Fund. Similarly, the FY 2012-13 deficit has decreased from \$90,397,911 to \$86,928,651, resulting in a net decrease of \$3,469,260 needed to balance the Fund. As discussed in the CHIPRA Bonus Payment section above, the amounts needed to balance the Fund are 100% General Fund, as the CHIPRA Bonus Payment cannot be used as a revenue offset to the Health Care Expansion Fund.

Beginning in June 2010, it came to the Department’s attention that expenditures for the removal of the Medicaid asset test, which is funded through the Health Care Expansion Fund, began decreasing. Between the quarter ending March 31, 2010 and quarter ending December 31, 2010, quarterly expenditures decreased from \$19,471,945 total funds to \$7,624,377, a 60.8% decrease over three quarters. The Department believes that this may be an unintended outcome of the implementation of the eligibility expansion for Medicaid parents effective May 1, 2010. The Department is still investigating the cause of these decreases in order to more accurately forecast asset test expenditures. As such, the Department and the Office of State Planning and Budgeting have decided to keep asset test transfers at the levels forecasted in the November 1, 2010 Budget Request.

Consequences if Not Funded:

If not funded, the Health Care Expansion Fund will not have enough money to support the expenditures currently forecasted for FY 2011-12 and FY 2012-13. This will result in the Department being in violation of the Patient Protection and Affordable Care Act of 2010 (ACA) and the imposed Maintenance of Effort (MOE) provisions on Medicaid, as the funds would not be able to support the eligibility standards, methodologies, and procedures that were in effect under the State Plan as of the passage of ACA on March 23, 2010.

Calculations for Request:

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Federal Funds
Total Request	\$0	(\$16,671,182)	\$16,671,182	\$0
(5) Other Medical Services; Medicaid Modernization Act of 2003 State Contribution Payment	\$0	(\$16,671,182)	\$16,671,182	\$0
Cash Fund Transfer	\$0	\$0	\$0	\$0

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Federal Funds
Total Request	(\$2,829,693)	(\$30,959,187)	\$28,129,494	\$0
(5) Other Medical Services; Medicaid Modernization Act of 2003 State Contribution Payment	\$0	(\$28,129,494)	\$28,129,494	\$0
Cash Fund Transfer	(\$2,829,693)	(\$2,829,693)	\$0	\$0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Federal Funds
Total Request	(\$3,469,260)	(\$38,368,361)	\$34,899,101	\$0
(5) Other Medical Services; Medicaid Modernization Act of 2003 State Contribution Payment	\$0	(\$34,899,101)	\$34,899,101	\$0
Cash Fund Transfer	(\$3,469,260)	(\$3,469,260)	\$0	\$0

Cash Funds Projections:

The following cash funds projections table assumes that all Department requests through the Department’s February 15, 2011 Budget Request are approved as written, including the November 1, 2011 DI-6, “Cash Fund Insolvency Financing.” Thus, the positive balances shown in FY 2011-12 and FY 2012-13 represent the Department’s incremental reduction in the General Fund requested to balance the Fund.

This request is a Cash Fund transfer from General Fund to the Health Care Expansion Fund.

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures	FY 2009-10 End of Year Cash Balance	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate	FY 2012-13 End of Year Cash Balance Estimate
Health Care Expansion Fund	18K	\$111,444,298	\$79,234,953	\$38,462,532	\$2,829,693	\$3,469,260

Assumptions for Calculations:

The CHIPRA Enrollment and Retention Bonus amount, which is the cash funds the Department is requesting, is based on the statutory formula in CHIPRA. Tables 1a through 1c on the following pages display the assumptions behind the bonus payment, which include the enrollment level calculations and per capita calculations. As discussed in the Department’s November 1, 2010 DI-6, these estimates have been reviewed by the Georgetown University Center for Children and Families, and they are in agreement that they are accurate.

Table 1a: CHIPRA Bonus Caseload Calculations- Initial Payment				
	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Baseline Enrollment	263,497	276,400	288,230	300,912
Estimated Child Population Growth Factor ¹	4.90%	4.28%	4.40%	4.07%
Tier 1 Bonus Target Enrollment Estimate ²	276,400	288,230	300,912	313,159
Tier 2 Bonus Target Enrollment Estimate ³	304,040	317,053	331,003	344,475
Projected Enrollment	313,759	337,451	355,551	368,137
Projected Tier 1 Bonus Enrollment	27,640	28,823	30,091	31,316
Projected Tier 2 Bonus Enrollment	9,719	20,398	24,548	23,662
¹ Estimated Child population growth equals estimated population growth for age 0-18 from the U.S. Census Bureau plus 3.5% in FFY 2011 through FFY 2012, and 3.0% in FFY 2013 thereafter. The FFY 2010 estimate is provided by the Centers for Medicare and Medicaid Services.				
² Tier 1 Bonus target is the Baseline Enrollment increased by the Estimated Child Population Growth Factor.				
³ Tier 2 Bonus target is 10% above the Tier 2 Bonus Enrollment target.				
Table 1b: CHIPRA Bonus Per Capita Calculations				
	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Kaiser State Health Facts CO Child Medicaid Cost ⁴	\$2,478.75	\$2,675.28	\$2,887.39	\$3,116.32
Estimated Increase in National Health Expenditures	7.93%	7.93%	7.93%	7.93%
State FMAP Rate	50.00%	50.00%	50.00%	50.00%
Applicable Per Capita	\$1,337.64	\$1,443.70	\$1,558.16	\$1,681.70
⁴ Per capita costs used to calculate the bonus payment is the average cost of a non-SSI, non-waiver child in Medicaid including retroactivity. Because the Department does not report a similar per capita cost in its budget, the Kaiser State Health Facts CO Child Medicaid Cost is used as the closest available proxy to that used by the Centers for Medicare and Medicaid Services to calculate the payment.				
Table 1c: CHIPRA Bonus Payment Calculation- Initial Payment				
	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Projected Tier 1 Bonus Enrollment	27,640	28,823	30,091	31,316
Projected Tier 1 Per Capita Bonus ⁵	\$200.65	\$216.56	\$233.72	\$252.26
Projected Tier 1 Bonus Payment	\$5,545,855	\$6,241,765	\$7,032,989	\$7,899,618
Projected Tier 2 Bonus Enrollment	9,719	20,398	24,548	23,662
Projected Tier 2 Per Capita Bonus ⁵	\$836.03	\$902.31	\$973.85	\$1,051.06
Projected Tier 2 Bonus Payment	\$8,125,327	\$18,405,370	\$23,906,070	\$24,870,241
Projected Total CHIPRA Bonus Payment	\$13,671,182	\$24,647,135	\$30,939,059	\$32,769,859
⁵ Projected Tier 1 Bonus Per Capita is equal to the estimated base per capita cost for Medicaid children multiplied by the State's FMAP rate multiplied by 15%. Projected Tier 2 Bonus Per Capita is equal to the estimated base per capita cost for Medicaid children multiplied by the State's FMAP rate multiplied by 62.5%.				

Table 1d: CHIPRA Bonus Payment Calculation- Final Caseload Projections				
Projected Enrollment with Retroactivity ⁶	317,347	341,310	359,617	372,347
Projected Tier 1 Bonus Enrollment	27,640	28,823	30,091	31,316
Projected Tier 2 Bonus Enrollment	13,307	24,257	28,614	27,872
Applicable Per Capita	\$1,337.64	\$1,443.70	\$1,558.16	\$1,681.70

⁶ Based on enrollment data from the MMIS for January through December 2009, the Department estimates that 6 months of retroactivity will result in an increase in enrollment of approximately 1.14%.

Table 1e: CHIPRA Bonus Payment Calculation- Final Payment				
	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Projected Tier 1 Bonus Enrollment	27,640	28,823	30,091	31,316
Projected Tier 1 Per Capita Bonus	\$200.65	\$216.56	\$233.72	\$252.26
Projected Tier 1 Bonus Payment	\$5,545,855	\$6,241,765	\$7,032,989	\$7,899,618
Projected Tier 2 Bonus Enrollment	13,307	24,257	28,614	27,872
Projected Tier 2 Per Capita Bonus	\$836.03	\$902.31	\$973.85	\$1,051.06
Projected Tier 2 Bonus Payment	\$11,125,327	\$21,887,729	\$27,866,112	\$29,295,553
Projected Total CHIPRA Bonus Payment	\$16,671,182	\$28,129,494	\$34,899,101	\$37,195,171

Table 2: CHIPRA Bonus Estimate Comparisons			
	FY 2010-11	FY 2011-12	FY 2012-13
November 1, 2010 Estimate	\$0	\$26,667,400	\$29,371,641
February 15, 2011 Estimate	\$16,671,182	\$28,129,494	\$34,899,101
Incremental Increase	\$16,671,182	\$1,462,094	\$5,527,460

Table 3: Health Care Expansion Fund Insolvency Update		
	FY 2011-12	FY 2012-13
Base Health Care Expansion Fund Deficit- November 1, 2010 Budget Request	\$50,020,351	\$93,621,924
FY 2011-12 BRI-2 "Medicaid Fee-For-Service Payment Delay"	(\$1,699,936)	(\$180,855)
FY 2011-12 BRI-4 "CHP+ Program Reductions"	(\$1,355,622)	(\$2,096,813)
FY 2011-12 BRI-5 "Medicaid Reductions"	(\$383,068)	(\$572,067)
FY 2011-12 BRI-6 "Delay Managed Care Payments"	(\$4,867,354)	(\$374,278)
Estimated Health Care Expansion Fund Deficit- November 1, 2010 Budget Request	\$41,714,371	\$90,397,911
FY 2011-12 BA#1: "Request for Medical Services Premiums"	(\$978,480)	(\$1,085,769)
FY 2011-12 BA#2: "Medicaid Mental Health Community Programs"	\$258,605	\$255,134
FY 2011-12 S#8, BA#6: "Medicaid Fee-For-Service Payment Delay True-Up"	(\$3,160)	(\$101,367)
FY 2011-12 S#8A, BA#6A: "Medicaid Fee-For-Service Payment Delay Update"	(\$29,080)	\$21,064
FY 2011-12 S#9, BA#7: "Medicaid Managed Care Payment Delay True-Up"	\$603,335	(\$102,290)
FY 2010-11 S#9, BA#7A: "Medicaid Managed Care Payment Delay Update"	(\$24,417)	(\$27,239)
FY 2011-12 BA#9: "Medicaid Budget Balancing Reductions"	(\$532,018)	(\$725,314)
Revenue Adjustment	(\$2,124,478)	(\$1,703,479)
Estimated Health Care Expansion Fund Deficit- February 15, 2011 Budget Request	\$38,884,678	\$86,928,651
Incremental Request for Health Care Expansion Fund Transfer	(\$2,829,693)	(\$3,469,260)

Impact on Other Government Agencies: None.

Cost Benefit Analysis: Not applicable.

Implementation Schedule: Not applicable.

Statutory and Federal Authority: 25.5-1-105, C.R.S. (2010) Transfer of functions

(4) The executive director, or a designee of the executive director, may accept, on behalf of and in the name of the state, gifts, donations, and grants for any purpose connected with the work and programs of the state department. Any property so given shall be held by the state treasurer, but the executive director, or the designee thereof, shall have the

power to direct the disposition of any property so given for any purpose consistent with the terms and conditions under which such gift was created.

24-22-117, C.R.S. (2010) Tobacco tax cash fund – accounts – creation – legislative declaration – repeal

(2) (a) (I) The health care expansion fund to be administered by the department of health care policy and financing. The state treasurer and the controller shall transfer an amount equal to forty-six percent of the moneys deposited into the cash fund, plus forty-six percent of the interest and income earned on the deposit and investment of moneys in the cash fund, to the health care expansion fund; except that, for fiscal year 2004-05, the state treasurer and the state controller shall transfer an amount equal to forty-six percent of the moneys deposited into the cash fund less the amount of money sufficient to fund the reinstatement of medical assistance benefits for legal immigrants as provided for in House Bill 05-1086, enacted at the first regular session of the sixty-fifth general assembly, and except that, for the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years, the state treasurer and the controller shall transfer to the health care expansion fund only an amount equal to forty-six percent of the moneys deposited into the cash fund. All interest and income derived from the deposit and investment of moneys in the health care expansion fund shall be credited to the health care expansion fund; except that all interest and income derived from the deposit and investment of moneys in the health care expansion fund during the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years shall be credited to the general fund. Any unexpended and unencumbered moneys remaining in the health care expansion fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or any other fund.

(II) Except as provided in subparagraphs (III) and (IV) of this paragraph (a), for fiscal year 2005-06 and each fiscal year thereafter, moneys in the health care expansion fund shall be annually appropriated by the general assembly to the department of health care policy and financing for the following purposes:

A) To increase eligibility in the children's basic health plan, article 8 of title 25.5, C.R.S., for children and pregnant women from one hundred eighty-five percent to two hundred percent of the federal poverty level;

(B) To remove the asset test under the medical assistance program, articles 4, 5, and 6 of title 25.5, C.R.S., for children and families;

(C) To expand the number of children that can be enrolled in the children's home- and community-based service waiver program, section 25.5-6-901, C.R.S., and the children's extensive support waiver program;

(D) To increase eligibility in the medical assistance program, articles 4, 5, and 6 of title 25.5, C.R.S., to at least sixty percent of the federal poverty level for a parent of a child who is eligible for the medical assistance program or the children's basic health plan, article 8 of title 25.5, C.R.S.;

(E) To fund medical assistance to legal immigrants pursuant to section 25.5-5-201, C.R.S.;

(F) To pay for enrollment increases above the average enrollment for state fiscal year 2003-04 in the children's basic health plan, article 8 of title 25.5, C.R.S.;

(G) To provide up to five hundred forty thousand dollars for cost-effective marketing to increase the enrollment of eligible children and pregnant women in the children's basic health plan, article 8 of title 25.5, C.R.S.;

(H) To provide presumptive eligibility to pregnant women under the medical assistance program, articles 4, 5, and 6 of title 25.5, C.R.S.; and

(I) To provide funding for extending medicaid eligibility for persons who are in the foster care system immediately prior to emancipation, as set forth in section 25.5-5-201 (1) (n), C.R.S.

(III) Moneys transferred to the health care expansion fund in fiscal year 2004-05, less the amount necessary for the administrative costs of the department of health care policy and financing to facilitate the program expansions specified in subparagraph (II) of this paragraph (a), shall remain in the health care expansion fund as a reserve. Beginning in fiscal year 2005-06 and for each fiscal year thereafter, ten percent of the moneys transferred in each fiscal year to the health care expansion fund and any unexpended and unencumbered moneys remaining in the health care expansion fund at the end of a fiscal

year shall remain in the fund and be added to the reserve until the first time the reserve balance is equal to the amount annually transferred to the health care expansion fund. Moneys in the health care expansion fund that are designated as reserve moneys, up to one-half of the amount annually transferred to the health care expansion fund, may be expended only if the appropriations necessary to sustain the populations specified in subparagraph (II) of this paragraph (a) exceed the annual transfer of moneys to the health care expansion fund.

42 U.S.C. 1397ee(a)(3) Performance bonus payment to offset additional Medicaid and CHIP child enrollment costs resulting from enrollment and retention efforts

(A) In addition to the payments made under paragraph (1), for each fiscal year (beginning with fiscal year 2009 and ending with fiscal year 2013), the Secretary shall pay from amounts made available under subparagraph (E), to each State that meets the condition under paragraph (4) for the fiscal year, an amount equal to the amount described in subparagraph (B) for the State and fiscal year. The payment under this paragraph shall be made, to a State for a fiscal year, as a single payment not later than the last day of the first calendar quarter of the following fiscal year.

Performance Measures:

Not applicable.