

**Schedule 13
Funding Request for the 2012-13 Budget Cycle**

Department: Health Care Policy and Financing

Request Title: Children's Basic Health Plan Medical and Dental Costs

Priority Number: S-3

Dept. Approval by: John Bartholomew *JTB* 12/23/11
Date

OSPB Approval by: Grant M. Schum 12/27/11
Date

<input type="checkbox"/>	Decision Item FY 2012-13
<input type="checkbox"/>	Base Reduction Item FY 2012-13
<input checked="" type="checkbox"/>	Supplemental FY 2011-12
<input type="checkbox"/>	Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	5
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	\$213,086,149	(\$29,603,573)	\$187,766,874	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$29,551,808	\$0	\$25,066,119	\$0	\$0
	GFE	\$446,100	\$0	\$446,100	\$0	\$0
	CF	\$44,582,245	(\$10,052,683)	\$40,206,188	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$138,505,996	(\$19,550,890)	\$122,048,467	\$0	\$0
(4) Indigent Care Program; Children's Basic Health Plan Medical and Dental Costs	Total	\$213,086,149	(\$29,603,573)	\$187,766,874	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$29,551,808	\$0	\$25,066,119	\$0	\$0
	GFE	\$446,100	\$0	\$446,100	\$0	\$0
	CF	\$44,582,245	(\$10,052,683)	\$40,206,188	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$138,505,996	(\$19,550,890)	\$122,048,467	\$0	\$0

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

Of this amount, \$38,727,097 \$22,413,342 shall be from the Children's Basic Health Plan Trust created in Section 25.5-8-105 (1) C.R.S., \$12,389,580 \$8,650,652 shall be from the Hospital Provider Fee Cash Fund created in Section 25.5-4-402.3 (4), C.R.S., \$461,700 shall be from the Colorado Immunization Fund created in Section 25-4-2301, C.R.S., and \$1 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2) (a) (I), C.R.S.

Cash or Federal Fund Name and COFRS Fund Number: CF: Children's Basic Health Plan Trust Fund 11G, Health Care Expansion Fund 18K, Hospital Provider Fee Cash Fund 24A and Colorado Immunization Fund; FF: Title XXI

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information:



DEPARTMENT OF HEALTH CARE POLICY & FINANCING

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

*FY 2011-12 Supplemental Request
January 3, 2012*

Department Priority: S-3

Request Title: Children's Basic Health Plan Medical Premium and Dental Benefit Costs

Summary of Incremental Funding Change for FY 2011-12	Total Funds	General Fund	FTE
Children's Basic Health Plan Medical and Dental Costs	(\$29,603,573)	\$0	0.0

Request Summary:

The Department is requesting to adjust the Children's Basic Health Plan Medical and Dental Costs line item to account for updated caseload and per capita estimates. The FY 2011-12 request is a decrease of \$29,603,573 from the current FY 2011-12 appropriation, of which \$10,052,683 is cash funds and \$19,550,890 is federal funds. The request for FY 2012-13 funding is included in the Department's November 1, 2011 FY 2012-13 Budget Request R-3 "Children's Basic Health Plan Medical and Dental Costs."

The Department is not requesting any change to appropriations for the Children's Basic Health Plan Administration line item, though updated appropriations for internal administration (Personal Services, Operating Costs, Medicaid Management Information System, etc.) are incorporated in the Department's analysis of the Children's Basic Health Plan Trust Fund in its November 1, 2011 Budget Request R-3 "Children's Basic Health Plan Medical and Dental Costs."

The Department's decreased estimate for funding for the Children's Basic Health Plan, marketed as the Child Health Plan *Plus* (CHP+), for FY 2011-12 is the result of two factors. First, the caseload decrease during FY 2010-11 left caseload at a low starting point for FY 2011-12. To account for this downwards level shift, the

Department's latest caseload estimate is lower than its previous forecast. Second, the Department has revised its per capita estimates for FY 2011-12 downwards due to lower than forecasted per capita expenditures in FY 2010-11, combined with the actuarially calculated capitation rates for FY 2011-12. The updated medical per capita estimates for children and prenatal women are lower than the Department's previous estimate, while the dental per capita estimates are higher.

These updated caseload and per capita estimates have led to lower forecasted expenditures for the CHP+ program compared to the Department's previous estimate. Thus, the Department is requesting a decrease to the current FY 2011-12 appropriation for the Children's Basic Health Plan Medical and Dental Costs to true up its latest expenditures forecast.

Anticipated Outcomes:

This request would result in an appropriation to the Children's Basic Health Plan Medical and Dental Costs line item that accounts for the Department's latest expenditures forecast.

Assumptions for Calculations:

Please see Attachment A and Exhibits C.1 through C.8 in the Department's November 1, 2011 FY 2012-13 Budget Request R-3 "Children's Basic Health Plan Medical and

Dental Costs” for detailed descriptions of the assumptions and calculations for this request.

Consequences if not Funded:

Not applicable. Under the Patient Protection and Affordable Care Act of 2009, there is a Maintenance of Effort provision on CHP+ eligibility until September 30, 2019. As such, CHP+ resembles an entitlement program like Medicaid. If the funding were not appropriated to support any increased costs, the entire CHP+ program would have to be eliminated.

“eligible person” for the program is defined in 25.5-8-103 (4) C.R.S. (2011). 25.5-8-107 (1) (a) (II), C.R.S. (2011) allows the Department to provide dental benefits through the Children's Basic Health Plan.

Cash Fund Projections:

Cash Fund Name	Children's Basic Health Plan Trust Fund	Hospital Provider Fee Cash Fund
Cash Fund Number	11G	24A
FY 2010-11 Expenditures	\$43,062,875	\$426,069,052
FY 2010-11 End of Year Cash Balance	\$7,745,026	\$22,198,436
FY 2011-12 End of Year Cash Balance Estimate	\$9,332,096	\$22,198,436
FY 2012-13 End of Year Cash Balance Estimate	\$8,036,989	\$22,198,436
FY 2013-14 End of Year Cash Balance Estimate	\$6,924,385	\$22,198,436

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

New data has resulted in a substantive change in funding need.

Current Statutory Authority or Needed Statutory Change:

Children's Health Insurance Program is established in federal law in the Social Security Act, Title XXI (42 U.S.C. 1397aa through 1397jj).

The Children's Basic Health Plan Trust fund is created by 25.5-8-105 C.R.S. (2011). An