



COLORADO

**Department of Health Care
Policy & Financing**

Department of Health Care Policy and Financing
Medicaid Caseload
FY 2015-16 Supplemental/Budget Amendment

February 2015

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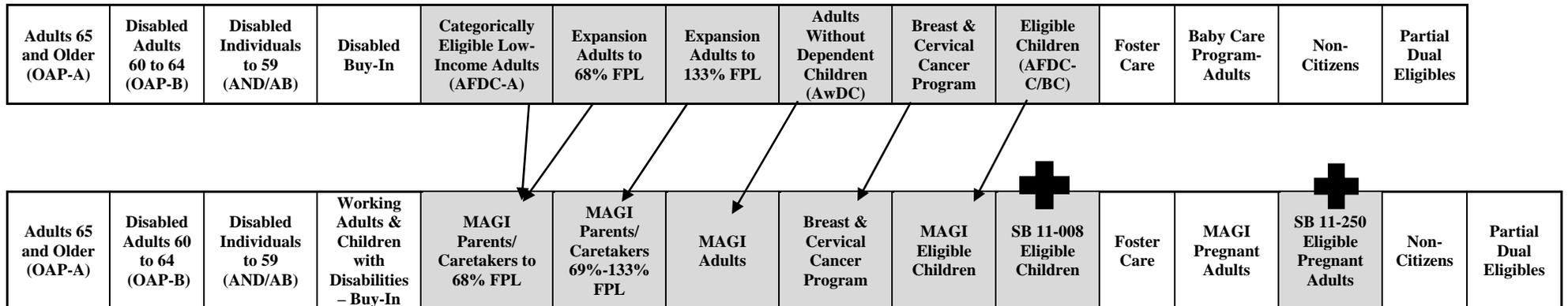
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CHANGES FROM THE NOVEMBER 2014 FORECAST

Changes to the Eligibility Categories

The Department of Health Care Policy and Financing (“the Department”) has chosen to alter the eligibility categories to reflect the different Federal Medical Assistance Percentage (FMAP) that is applied to different categories. Several steps in Medicaid expansion (described below) introduced new categories with an enhanced FMAP. Forecasting caseload by eligibility and FMAP categories allows for a more accurate expenditure estimate for each funding source. Beginning with the August 2014 JBC Monthly Report, caseload is restated to align with the eligibility categories described below.

- “Categorically Eligible Low-Income Adults” and “Expansion Adults to 68%” were combined into one category called “MAGI Parents/Caretakers to 68% FPL.”
- “Expansion Adults to 133% FPL” is now titled “MAGI Parents/Caretakers 69%-133% FPL”
- On January 1, 2013, Colorado implemented SB 11-008 and SB 11-250 which expanded Medicaid Eligible Children to 133% FPL (142% FPL with MAGI disregards after October 2013) for all ages and expanded Baby-Care Adults to 185% FPL (195% FPL with MAGI disregards after October 2013). The incremental increase in eligibility receives an enhanced match equal to the CHP+ FMAP. Eligible Children and Baby-Care Adults are now separated into two categories each; MAGI Eligible Children and SB 11-008 Eligible Children, and MAGI Pregnant Adults and SB 11-250 Eligible Pregnant Adults.



Differences between November 2014 Forecast and February 2015 Forecast

- MAGI Parents/Caretakers:
 - The Department has revised estimates of the Welcome-Mat Effect, referred to as the Eligible But Not Enrolled (EBNE) Clients in the February 2014 request. While it is difficult to estimate this effect in isolation, the Department does believe that clients are responding more quickly to the insurance mandate than previously predicted in the fiscal note for SB 13-200. The adjustments have been altered to reflect this estimated response rate.
 - The expansion from 108% FPL to 133% FPL is happening at a faster rate than predicted in SB 13-200. The Department previously predicted the average monthly caseload of MAGI Parents/Caretakers from 108%-133% to be 21,849 in FY 2014-15. The average for the first half of FY 2014-15 was 23,771. The Department has increased this estimate accordingly.
- Average monthly caseload in the first half of FY 2014-15 for MAGI Adults was 214,360, which was 1,656 clients, or 0.78% above what was forecasted in November 2014. Currently, the forecast is less than a percentage point different from the actuals, but the Department has raised the forecast for this population due to the growth seen in December 2014. This population grew by 14,580 clients in December 2014, though it only grew by 4,062 in the previous month. The Department believes this is due to open enrollment, and has predicted aggressive growth for the remainder of the open enrollment period (through February 2015).
- The Department implemented continuous eligibility for Medicaid and CHP+ eligible Children in March 2014. Initially, the logic used to identify MAGI Eligible Children and SB 11-008 Eligible Children was not sophisticated enough to appropriately classify the clients that were enrolled due to continuous eligibility. The Department has since revised its caseload estimates for MAGI Eligible Children and SB 11-008 Eligible Children to appropriately identify clients that are enrolled in Medicaid due to continuous eligibility. This has resulted in an increased estimate of MAGI Eligible Children and a decreased estimate of SB 11-008 Eligible Children. Forecasts have changed accordingly.
- Requirements of the Affordable Care Act also changed the maximum age for Foster Care client coverage in Medicaid from 21 to 26. The Department projected an average monthly caseload in FY 2014-15 of 2,035 for Foster Care clients aged 22 to 26. Actual average monthly caseload for clients aged 22 to 26 in the first half of FY 2014-15 was 1,846. The Department has decreased this bottom line adjustment accordingly.
- Non-Citizens – Emergency Services was also expanded from 108% FPL to 133% FPL. The November 2014 forecast predicted an average monthly caseload of 430 in FY 2014-15 that could be attributed to the expansion to 133% FPL. The actual average monthly growth for clients above 108% FPL for the first half of FY 2014-15 was 475. The Department has increased this adjustment accordingly.

MEDICAID CASELOAD

INTRODUCTION

Biannually, the Department submits its estimated funding need for the Medical Services Premiums line item. The first step in generating the November and February submissions is to project the Medicaid caseload. Medicaid caseload does not represent the number of uninsured individuals in Colorado, nor does it represent the number of Colorado residents living in poverty. Caseload figures only represent individuals that the Department expects will enroll in Medicaid because they meet specific eligibility requirements in one of three groups: 1) Families, Pregnant Women, and Children; 2) Aged and Disabled; or 3) Other.

Federal Medicaid statute defines over 50 groups of individuals that may qualify for Medicaid. Some groups are mandatory, while others are optional and each state decides which of the optional groups it will cover. From the inception of Medicaid in 1965 (Public Law 89-97) to the 1980s, the program was targeted at low-income families, the elderly, and the disabled. During the 1980s, Medicaid expanded to include pregnant women and children with greater income levels, as well as some optional elderly and disabled groups. In 2000, Medicaid coverage was extended to women with breast and cervical cancer. From the 1990s to the present, other Medicaid categories have been added through State-initiated waivers. All eligibility categories have specific income limits, and some have additional criteria such as age, resources or disability status. For budgetary purposes, the Department groups together clients with similar characteristics and costs. For example, clients grouped in the Eligible Children category have similar characteristics and costs but might have gained Medicaid eligibility through different criteria. Since each category of eligibility is affected by unique factors, the Department projects each category separately. Projecting an aggregate caseload would be easier but could be less precise.

Historic caseload data are used in conjunction with economic data to project caseload in each category. To make a projection, the Department uses several different statistical techniques (as described in the Forecast Models section) and chooses the projection that best fits the data. After projections are chosen for each category, the Department presents its recommendations to the Office of State Planning and Budgeting (OSPB). The Department then meets with OSPB, and the two agencies agree on an Executive caseload proposal. It is important to note that the methodology the Department used to generate its projections is not wholly reflected by the Executive caseload proposal presented in this document, since those figures are often the result of compromises with OSPB.

In 2003, the process of projecting the Medicaid caseload was drastically affected by SB 03-196, which mandated that the Department transition from accrual to cash-based accounting. From that point forward, caseload numbers no longer incorporated retroactivity. Retroactivity caused historical adjustments to caseload to account for clients who were found to be eligible for Medicaid for past months, thus increasing the count of persons eligible for Medicaid. Since most clients are eligible back to the date of their application, retroactivity adjustments assured that all months were accounted for. However, this caused variability in the caseload reports, as monthly caseload was adjusted for months, even years, after the month had ended. It also required special manually run reports to make these adjustments. Under the cash accounting system, a monthly caseload report is created from the Medicaid Management Information System (MMIS) and that caseload is considered final.

If the Department had only applied the accounting conversion to the FY 2003-04 caseload projection, this would have produced an artificial drop in caseload relative to the prior year when retroactivity was still applicable. To control for this manufactured decrease in caseload, and to develop a more accurate portrayal of history, the Department recreated 10 years of Medicaid caseload history without retroactivity. By rebuilding the caseload without retroactivity, the Department was able to put the FY 2003-04 projection in perspective and test the historical data for accuracy. Medicaid eligibility, retroactive back to the date of application, is still in effect; however, it is no longer reported in caseload. For a complete explanation of how the historical data was rebuilt and tested, refer to the November 3, 2003 Budget Request, pages K-98 and K-99.

Through June 2008, the Department utilized the REX01/COLD (MARS) R-464600 report for caseload levels, which is a standard report from the MMIS. Eligibility information included in MMIS is fluid and is updated from the Colorado Benefits Management System on a daily basis. This report is run on the Friday before the last Tuesday of every month and does not incorporate eligibility changes that occurred between the run date and the last day of the given month. In addition, the report is a one-time snapshot and cannot be replicated in the future because of the dynamic nature of eligibility. The limitations of this report prevent the Department from analyzing caseload by characteristics other than eligibility types such as gender, county of residence, or age.

The Department has developed a new caseload report that it believes measures caseload more accurately: the REX01/COLD (MARS) R-474701. This report captures eligibility movements for the entire month in question and also stores the data table that underlies the report. As a result, the Department is able to analyze caseload by many other demographic and geographic characteristics while still balancing to the official Medicaid caseload. The Department began to use this new caseload report with the July 2008 caseload report to the Joint Budget Committee. Because of the differences between the methodologies used in the original and new caseload reports, the Department restated historical Medicaid caseload through FY 2002-03. All caseload history and forecasts included in the following narrative, as well as the Medical Services Premiums and Medicaid Mental Health projections, are the official restated caseload.

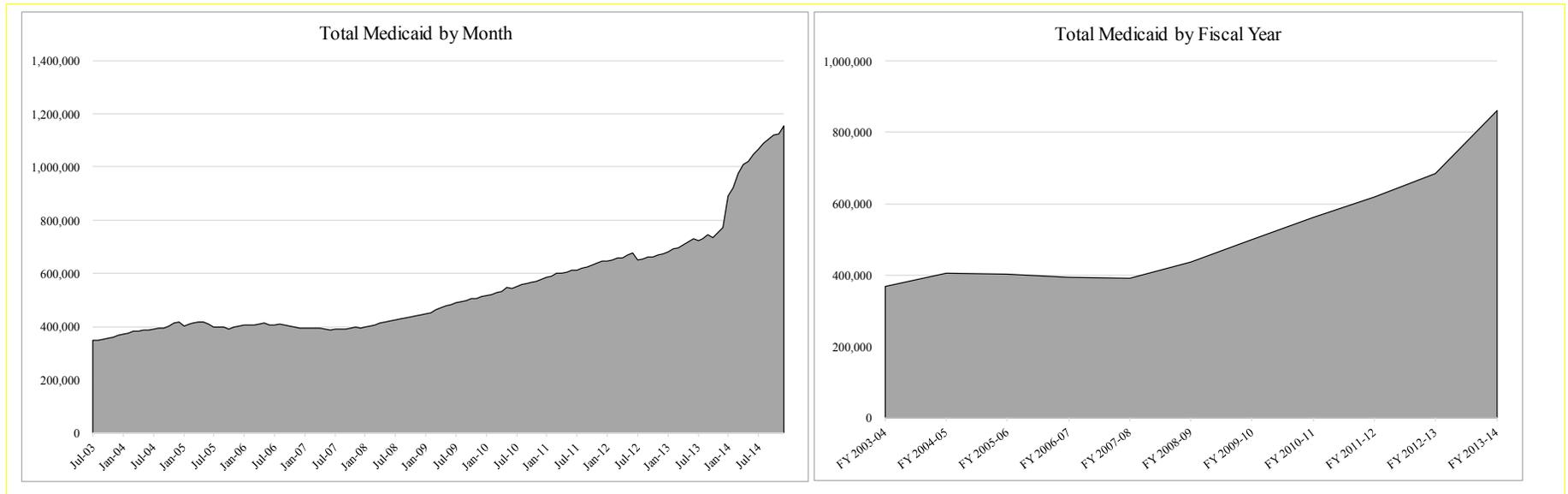
In addition to estimating the funding need for the Medical Services Premiums line item, Medicaid caseload is used to determine the funding need for the Medicaid Mental Health Community Programs. Comprehensive mental health services are available to eligible Medicaid clients. Thus, the Medicaid Mental Health caseload is the Medicaid caseload less Partial Dual Eligibles and Non-Citizens, which are not eligible for full Medicaid benefits. The following table displays a comparison of historical caseloads in Medicaid Medical Services Premiums and Mental Health.

Fiscal Year	Medical Services Premiums Caseload	Less: Mental Health Ineligible Categories	Mental Health Caseload
FY 2002-03	331,800	(13,072)	318,728
FY 2003-04	367,559	(14,635)	352,924
FY 2004-05	406,024	(14,755)	391,269
FY 2005-06	402,218	(17,304)	384,914
FY 2006-07	392,228	(18,109)	374,119
FY 2007-08	391,962	(18,405)	373,557
FY 2008-09	436,812	(19,062)	417,750
FY 2009-10	498,797	(19,612)	479,185
FY 2010-11	560,759	(20,303)	540,456
FY 2011-12	619,963	(21,641)	598,322
FY 2012-13	682,994	(23,890)	659,104
FY 2013-14	860,957	(25,859)	835,098

Recent Caseload History

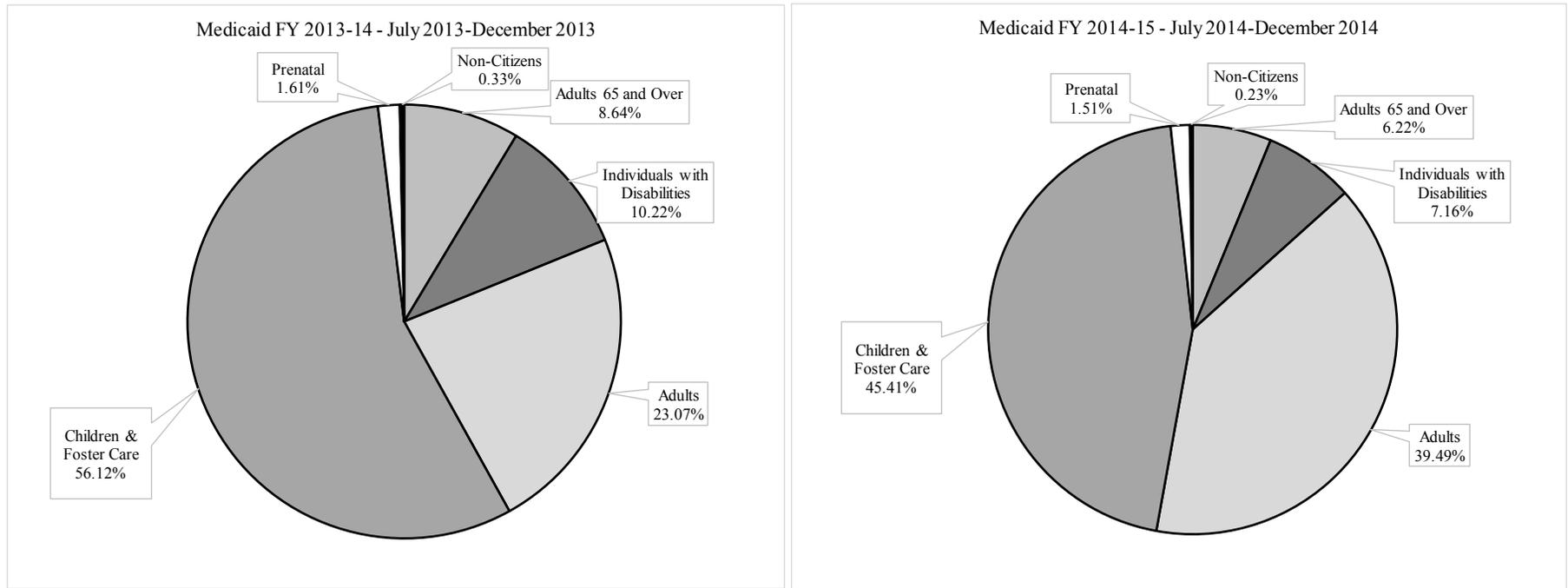
Total Medicaid Caseload

Exhibit B tabulates actual caseload figures and growth rates by eligibility category from FY 1996-97 to FY 2013-14. Projections for FY 2014-15 through FY 2016-17 are also presented in the table and will be discussed in the Categorical Projections section of this document. A graphical representation of aggregate Medicaid caseload history from FY 2003-04 is shown below. Total Medicaid caseload had an average yearly growth of 11.76% over the 5 years preceding FY 2013-14. As can be seen in the graph below, Medicaid expansion began in January 2014. The average monthly caseload for total Medicaid in FY 2013-14 increased by 26.06% from FY 2012-13. Overall, the caseload growth that is attributable to Medicaid expansion has been much greater than projected in February 2014.



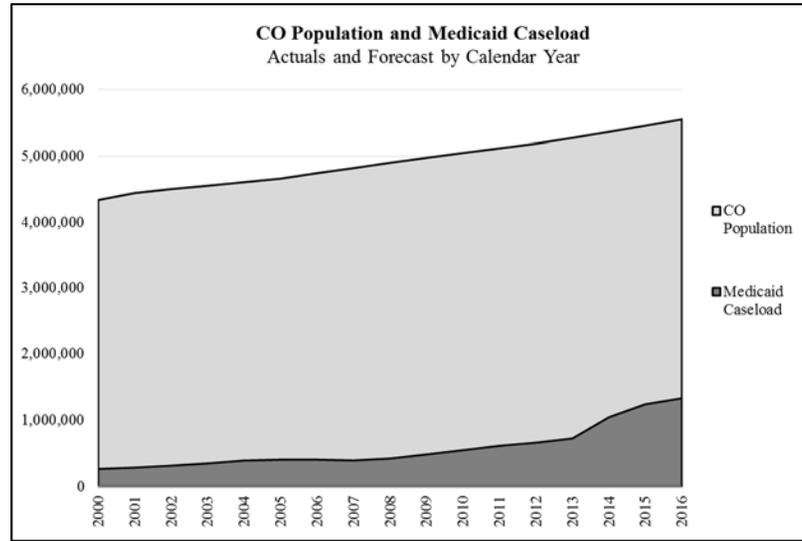
Composition of Medicaid Caseload

Medicaid Expansion resulted in significant changes in the composition of Medicaid caseload, mainly for Medicaid Adults. The following charts show a side-by-side comparison of the Medicaid caseload by category as a percentage of the overall caseload for the first half of FY 2013-14 (pre-expansion) and the first half of FY 2014-15 (post-expansion). Medicaid adults have increased their share of caseload by more than sixteen percentage points, an increase attributable to lifting the enrollment cap in MAGI Adults and expanding eligibility for adults to 133% FPL. Children and Foster Care has lost more than ten percentage points and is now less than half of the composition of Medicaid. Adults ages 65 and Over and Individuals with Disabilities have also lost a portion of their share. These declines in the proportion of caseload is not due to declines in the individual eligibilities themselves, rather it is due to the large increase in Medicaid Adults.



Medicaid caseload trends are influenced by a number of factors including: population trends, in-State migration, age of the population, length of stay, economic conditions, and State and federal policy changes. Projecting annual caseload is complicated by the fact that each of these factors can contribute to categorical changes, some of which may be contradictory. For example, the State may enact legislation that removes clients from a Medicaid category who are aged 65 and older, while the population of adults aged 65 and older is increasing. Therefore, projections represent the *net effect* of what the Department expects will happen. Each factor and its expected impact on the Medicaid caseload are discussed below.

Population - Colorado’s total population is estimated to have increased 4.8% from 2010 to 2013, while the population increase for the total US was 2.4%¹. The Department of Local Affairs forecasts that Colorado’s population will increase a further 5.39% from 2013 to 2016². As the overall population has grown, so too has Medicaid caseload. This positive correlation implies that if population is projected to grow in the future, Medicaid caseload may also increase. The graph below shows the Department of Local Affairs forecast for Colorado’s population with the Department’s Medicaid Caseload forecast by calendar year.



When using population data to project caseload, the Department marries population subgroups to their appropriate Medicaid category. For example, when projecting caseload for MAGI Eligible Children, the Department uses population statistics for Colorado residents aged 0 to 18. By using subgroups instead of total population figures, the Department is able to capture subgroup specific trends.

In-State Migration - Like population, in-state migration is positively correlated with Medicaid caseload. As discussed above, Colorado’s population from 2010 to 2013 grew at a faster rate than the population of the US. As more individuals move to Colorado from other states, Medicaid caseloads will increase. During economic downturns, people usually move from states with worse economic conditions to states with better conditions in search of jobs. Although Colorado experienced economic conditions in line with the overall conditions in the United States during the recent recession, net migration remained positive in 2010 at approximately 70,000³. An increase of 70,000 persons in a population of over 5.1 million may not be significant, but a positive migration rate means more people who could conceivably be eligible for Medicaid.

¹ <http://quickfacts.census.gov/qfd/states/08000.html>

² Source: Department of Local Affairs, Demography Division;

<http://www.colorado.gov/cs/Satellite?c=Page&childpagename=DOLA-Main%2FCBONLayout&cid=1251593346834&pagename=CBONWrapper>

³ Source: Department of Local Affairs, Demography Division;

According to 2010 estimates from the Census Bureau, Colorado experienced the sixth highest migration rate in the United States.⁴ Conversely, as the economy recovers, in-state migration is expected to increase. Net migration grew to an estimated 52,346 in 2006, overtaking natural increase (births minus deaths) as the major component of population growth. Though in-state migration is projected decrease over the forecast period, the number of individuals moving into the state is expected to remain positive, buoyed by rates of unemployment and housing value deflation that are lower than the national average.

Age - The age of the population can provide some insight as to why Medicaid caseloads have been increasing. As the population ages, so too does the demand for medical care. Generally, as individuals age, their health becomes more fragile and the more likely they are to seek health care. From 2002 to 2012, Colorado’s median age increased by 1.9 years, a 5.4% increase⁵. This may be the result of retirees moving to the State, increased longevity, or fewer births. Regardless of the reason, an aging population has a direct effect on the demand for medical services, though not necessarily Medicaid. According to data from the United States Census Bureau, Colorado had the 10th lowest median age in 2010 and the 4th lowest old-age dependency ratio in 2009 (defined as the population 65 and older as a percent of population 18 to 64) in the nation.⁶ The population over 60 in Colorado is has increased by 59.55% between 2002 and 2013, which is expected to cause an increase in the State’s median age. Additionally, Colorado’s old-age dependency ratio is projected to increase from 15.6 in 2000 to 24.6 in 2020, a 57.2% increase.⁷ This growth is significantly higher than the national average, which is projected to increase by 34.8% over the same timeframe. This suggests that Colorado will be aging faster than the average state over the forecast period. Since 2009, Colorado has experienced increases in the eligibility categories that include older individuals, though the growth was not as high as population growth in the general population aged 60 and over. This may be the result of a healthier aging population and demographic factors, such as the elderly population working longer and some of the baby-boom generation not yet reaching retirement age. Below is a chart comparing population by age group for Colorado and the United States. The next page shows the population pyramid from the 2010 Census Summary.

Population by Age Group: 2010										
	Total Population	Under 18 years		18 to 44 Years		45 to 64 Years		65 Years and Over		Median Age
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	
United States	308,745,538	74,181,467	24.0%	112,806,642	36.5%	81,489,445	26.4%	40,267,984	13.0%	37.2
Colorado	5,029,196	1,225,609	24.4%	1,913,620	38.1%	1,340,342	26.7%	549,625	10.9%	36.1

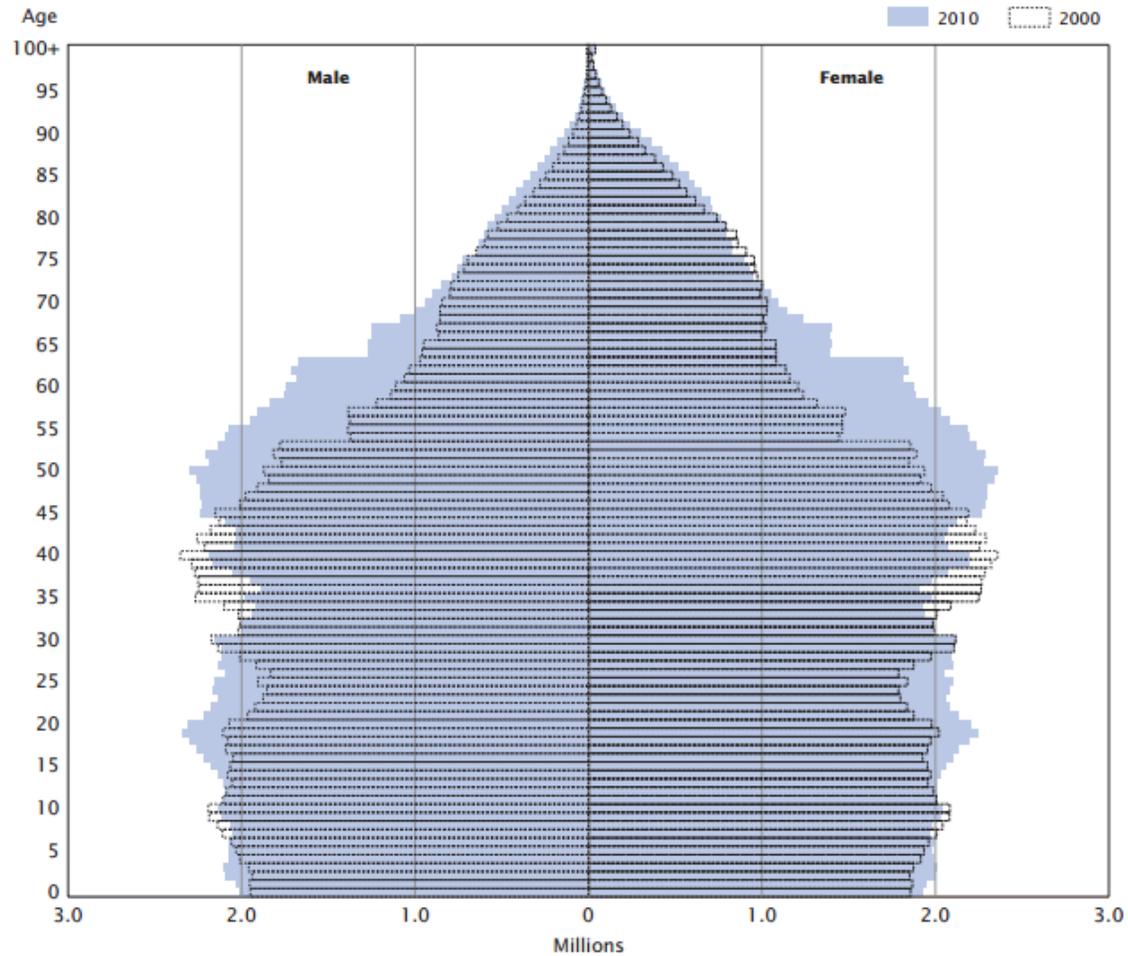
⁴ Source: 2010 American Community Survey <http://www.census.gov/acs/www/>

⁵ Source: Department of Local Affairs, Demography Division

⁶ Source: 2010 American Community Survey <http://www.census.gov/acs/www/>

⁷ Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005 <http://www.census.gov/population/www/projections/index.html>

Figure 2.
Population by Age and Sex: 2000 and 2010
(For information on confidentiality protection, nonsampling error, and definitions, see www.census.gov/prod/cen2010/doc/sf1.pdf)



Sources: U.S. Census Bureau, *Census 2000 Summary File 1* and *2010 Census Summary File 1*.

Length of Stay- Medicaid caseload is not only affected by the number of individuals served but also the length of time they remain in the program. The calculation used in the past for length of stay only considered enrollment in a given year in isolation, and did not account for clients that have eligibility that overlaps multiple fiscal years due to the timing of their eligibility determination. The Department has refined this analysis to account for the clients with a length of stay lasting longer than a fiscal year to provide a more accurate picture of the amount of time that individuals are enrolled in Medicaid. The table below shows the average length of stay in months, as well as the percent of clients that stay on Medicaid for longer than one year. The calculation for FY 2012-13 (shaded) may not be complete due to run-out and these averages could increase as more data is accrued. For the two fiscal years prior to FY 2012-13, MAGI Parents/Caretakers have an average length of stay around 14 months and MAGI Eligible Children have an average of about 17 months. The Department expects length of stay to increase for MAGI Eligible Children after the implementation of continuous eligibility in March 2014. The Department also expects length of stay to increase for Foster Care now that the maximum age has been increased from 21 to 26.

Average Length of Stay in Months by Eligibility														
		Adults 65 and Older	Disabled Adults 60 to 64	Disabled Individuals to 59	Disabled Buy-In	MAGI Parents/ Caretakers to 68% FPL	MAGI Parents/ Caretakers to 133% FPL	MAGI Adults	Breast and Cervical Cancer Program	Eligible Children	Foster Care	Baby Care Program Adults	Non-Citizens	Partial Dual-Eligibles
FY 2008-09	Avg LOS Mo's	58.09	54.49	74.38	-	13.12	-	-	34.59	16.73	50.19	9.81	6.77	53.24
	% > 12 Mo's	87.44%	85.37%	91.99%	-	41.47%	-	-	76.11%	60.61%	88.71%	18.84%	2.45%	89.41%
FY 2009-10	Avg LOS Mo's	58.38	56.98	71.02	-	15.68	11.47	-	33.52	20.28	46.36	10.12	6.67	50.93
	% > 12 Mo's	91.00%	89.60%	93.05%	-	51.08%	36.12%	-	80.10%	72.42%	86.00%	19.41%	1.42%	90.65%
FY 2010-11	Avg LOS Mo's	54.82	50.16	66.28	-	14.08	12.31	-	32.44	16.63	43.91	10.49	6.57	47.04
	% > 12 Mo's	90.82%	90.52%	93.20%	-	53.18%	48.42%	-	81.99%	67.07%	87.18%	25.16%	1.51%	89.86%
FY 2011-12	Avg LOS Mo's	51.03	44.97	61.25	13.52	14.45	13.90	10.11	30.99	17.76	42.67	10.66	6.38	42.71
	% > 12 Mo's	90.93%	90.11%	93.11%	32.61%	58.37%	62.77%	39.27%	83.96%	76.42%	88.94%	27.06%	1.35%	90.40%
FY 2012-13	Avg LOS Mo's	43.32	35.46	55.11	12.78	13.90	12.50	9.28	25.99	16.62	37.29	9.07	5.84	34.46
	% > 12 Mo's	86.05%	86.40%	90.21%	30.65%	53.55%	48.93%	32.93%	70.65%	68.90%	90.21%	16.16%	0.92%	78.52%

Economic Conditions - Economic indicators partially explain why some Medicaid caseload trends occur. Since Medicaid is a needs-based program where clients must meet income limits, it follows that caseload for families and children should be countercyclical to economic conditions. For example, as the state experiences recessionary conditions, the Medicaid caseload will increase. After the recession that ended in the early 1990s, Colorado enjoyed almost ten years of economic expansion. The terror attacks on the United States in 2001 combined with the bursting of the stock market bubble in late 2000 brought that expansion to a halt. For the first time in more than a decade, Colorado experienced significant job losses coupled with falling wages. In mid-2003, the Colorado economy hit bottom after the decline that started in early 2001. Due to seasonal fluctuations and wide confidence intervals for over the month changes, employment data is best analyzed by comparing the same month for different years. The first post-recession over-the-year gain in non-agricultural employment occurred in March of 2004. The State officially entered an expansionary period in early 2006, as employment surpassed the late 2000 peak. The recovery period lasted 30 months, one of the longest on record. Employment began to soften in October 2008, when 4,600 jobs were shed over the year. The State experienced over-the-year job losses for two years and the annual contractions appear to have peaked in September 2009, when job losses numbered 128,400 (5.5%) over the year. The State has seen very moderate over-the-year employment increases as of September 2010. As of December 2012, the over-the-year jobs gain was estimated to be 51,300, or 2.26%⁸. The unemployment rate for the US in 2013 was estimated at 7.4%⁹ while Colorado's unemployment rate for the same year was 6.8%.

The table that follows shows historical and projected (shaded) wage and salary income, non-agricultural employment, and unemployment rates.¹⁰

Year	Wage and Salary Income (billions)	Non-Agricultural Employment	Unemployment Rate
2007	\$ 112.5	2,331,300	3.8%
2008	\$ 116.7	2,350,300	4.8%
2009	\$ 112.3	2,245,600	8.1%
2010	\$ 113.8	2,222,300	9.0%
2011	\$ 118.7	2,258,600	8.5%
2012	\$ 125.1	2,313,000	7.8%
2013	\$ 130.0	2,382,100	6.8%
2014	\$ 138.1	2,456,600	5.8%
2015	\$ 146.4	2,526,000	5.1%
2016	\$ 154.9	2,592,300	4.7%

⁸ Source: United States Department of Labor, Bureau of Labor Statistics, Current Employment Statistics <http://www.bls.gov/data/>

⁹ Source: <http://www.bls.gov/cps/>

¹⁰ Source: Office of State Planning and Budgeting, June 2014 Economic and Fiscal Review, page 56

The timing of an economic cycle is important in estimating the impact on the Medicaid caseload, excluding elderly eligibilities and clients with disabilities. As the economy recovers from a downturn, workers need to find jobs in order to withdraw from the Medicaid rolls. Jobs that primarily affect family and children Medicaid populations are hourly and concentrated in the service industry. These employment types are often the last to benefit from improving economic conditions. Therefore, any economic impact on the Medicaid caseload will have a lagged effect. Second, as workers find jobs they do not instantaneously lose their Medicaid eligibility. Since 1990, states have been federally required to provide Transitional Medical Assistance (known as Transitional Medicaid) benefits for up to one year to families who lost eligibility because of increased income due to employment. This policy was directed at clients who potentially might turn down employment for fear of losing their Medicaid benefits. To be eligible for Transitional Medicaid, a client must have been eligible in at least three of the preceding six months, though states may elect to reduce this requirement to fewer than three months. Clients may receive Transitional Medicaid as long as their income is below 185% of the federal poverty level, provided that the proper income reporting requirements are followed. Another small group of clients are eligible for Transitional Medicaid services that would otherwise lose their Medicaid benefits due to child or spousal support payments. Families in this group receive a four-month extension. Although this program has been set to expire many times, it has been renewed regularly, most recently through March 31, 2015. While the future of Transitional Medicaid is unknown once the federal Affordable Care Act (ACA) is implemented, the Department assumed that the federal Transitional Medicaid program would continue throughout FY 2016-17 for the purposes of projecting caseload. As illustrated in the following table, the average number of adults and children on Transitional Medicaid increased dramatically in FY 2004-05. The Department suspects that the high growth in FY 2004-05 and FY 2005-06 may be partially related to large monthly increases that occurred around the implementation of the Colorado Benefits Management System. Monthly caseload declined between December 2005 and June 2008, but caseload increased throughout FY 2008-09 and FY 2009-10. Transitional Medicaid increased again in FY 2013-14 for adults, which is likely due to both expansion and an improving economy.

While economy is projected to continue improving, the Department does not anticipate declines in caseload. The Affordable Care Act expands State provided medical coverage, implements an insurance mandate, and changes the way poverty levels are measured (MAGI conversion). Despite the improving economy, these policy changes are resulting in aggressive caseload growth. As discussed above, many of the expansion groups in Medicaid caseload grew much faster than originally predicted. More details will be presented in the Categorical Projections section. The improving economy is better demonstrated in the average monthly caseload that is on Transitional Medicaid, see chart on the next page.

The Department implemented two changes that affected Transitional Medicaid in FY 2009-10. First, section 5004 of the American Recovery and Reinvestment Act of 2009 (ARRA) included options for states to modify eligibility for Transitional Medicaid, including waiving the requirement that the family was eligible for Medicaid in at least three of the preceding six months and extending families' eligibility to 12 months, rather than six months followed by a second six-month period that is dependent upon reporting, income, and technical eligibility requirements. Colorado elected the option to provide 12 months of Transitional Medicaid coverage, which was effective October 1, 2010. Finding #58a of the State of Colorado Statewide Single Audit for the Fiscal Year ending June 30, 2009 stated that the Department should address an issue in the Colorado Benefits Management System that prevented the prompt termination of Transitional Medicaid benefits if the proper reporting, income, and technical eligibility requirements were not met. The Department's response indicated that it was researching whether it would be more efficient for both county eligibility staff and clients, as well as from a fiscal standpoint, to grant 12 months of Transitional Medicaid eligibility with no reporting requirements. The Department determined that this was indeed more efficient and decided in 2010 to go

forward with this option. Second, when the Department implemented the eligibility expansion for Medicaid Parents/Caretakers to 100% of the federal poverty level, the Department made modifications to the Colorado Benefits Management System to increase eligibility for all Family Medicaid clients to 100% of the federal poverty level. Previously, the Expansion Adults to 60% of the federal poverty level (FPL) group had its own eligibility requirements within Family Medicaid, which the Centers for Medicare and Medicaid Services indicated to the Department was incorrect. This change leads to income eligibility for Transitional Medicaid spanning 101% to 185% FPL, rather than the Aid to Families with Dependent Children (AFDC) level, which is currently approximately 26% FPL, through 185% FPL. This change will result in a lower Transitional Medicaid caseload beginning in May 2010. However, Transitional Medicaid caseload has steadily increased since this level shift, as is reflected in the table below. The number of adults on Transitional Medicaid nearly doubled in FY 2013-14. The Department believes this is due to the MAGI conversion and the mass update that was completed in March 2014. The MAGI conversion was implemented in October 2013 and changed the income determination for certain populations, including parents/caretakers. The Department ran a systems update in March 2014 to redetermine all clients under the MAGI rules. As clients income level changed with the new MAGI determination, many parents/caretakers experienced an increase in measured income and were then identified as eligible for transitional Medicaid. This similar increase was not identified in children’s categories because of the implementation of continuous eligibility for children.

Fiscal Year	Average Number of Eligible Children on Transitional Medicaid	Average Number of Parents/Caretakers on Transitional Medicaid
FY 2002-03	7,645	4,689
FY 2003-04	7,349	4,709
FY 2004-05	10,776	6,586
FY 2005-06	16,749	10,745
FY 2006-07	16,065	9,968
FY 2007-08	13,000	7,778
FY 2008-09	13,489	7,905
FY 2009-10	13,582	8,099
FY 2010-11	11,042	6,173
FY 2011-12	21,311	11,171
FY 2012-13	16,544	8,643
FY 2013-14	16,335	16,668

Policy Changes - State and federal policy decisions can alter the Medicaid caseload. The following list briefly describes major State and federal policy changes that have affected Medicaid eligibility and, therefore, caseload. This list is not meant to be comprehensive in nature but a summary of major changes affecting eligibility since 2000.

- Breast and Cervical Cancer Prevention and Treatment Act of 2000, Public Law 106-354: Established a new group of eligibility for women under 65 who have been screened under the Centers for Disease Control and Prevention Board and need treatment for either diagnosis. Colorado implemented this optional eligibility group in July 2002 pursuant to SB 01S2-012.
- Medicare Prescription Drug, Improvement, and Modernization Act of 2003: This act causes more potential beneficiaries to be screened for Medicaid when they apply for this Medicare benefit.
- Presumptive eligibility for Medicaid pregnant women was discontinued on September 1, 2004. It was re-established by HB 05-1262 on July 1, 2005.
- HB 05-1262, the Tobacco Tax bill: This bill provided funding for the removal of the Medicaid asset test, the expansion of the income guideline used to establish eligibility for parents of children eligible for either Medicaid or the Children's Basic Health Plan to 60% of the federal poverty level (known as Expansion Adults to 60% FPL), and to expand the number of children enrolled in the Home- and Community-Based Services and the Children's Extensive Support Waiver.
- Deficit Reduction Act of 2005: This Act contained provisions related to premiums and cost sharing, benefits, and asset transfers that will have implications for Medicaid beneficiaries. In addition, the Deficit Reduction Act contained a provision requiring States to obtain satisfactory documentary evidence of citizenship and identity for all Medicaid applicants who have declared that they are citizens or nationals of the United States, with exemptions for individuals that are eligible for Medicaid and entitled to or enrolled in Medicare and those eligible for Medicaid by virtue of receiving Supplemental Security Income benefits.
- SB 07-211: Established presumptive eligibility for Medicaid children.
- HB 09-1293: The Colorado Health Care Affordability Act of 2009, authorizes the Department to collect hospital provider fees for the purpose of obtaining federal financial participation for the State's medical assistance programs and using the combined funds to: 1) increase reimbursement to hospitals for providing medical care under the medical assistance program and the Colorado Indigent Care Program; 2) increase the number of persons covered by public medical assistance; and 3) pay the administrative costs to the Department in implementing and administering the program. Populations that receive Hospital Provider Fee funding are disabled buy-in, adults without dependent children, and expansion adults 60%-133%. HB 09-1293 also established continuous eligibility for twelve months for children in Medicaid.
- HB 09-1353: Expands Medicaid eligibility to pregnant women who are legal permanent residents that have been in the country for less than 5 years.
- SB 11-008: Increases Medicaid eligibility for children from 6 through 18 years of age to 133% FPL beginning in January 2013 (142% FPL after MAGI disregards in October 2013). These clients are identified separately in the JBC monthly report and in the caseload forecast. They are the clients that are Medicaid eligible children between the ages of 6 and 18, FPL within 108% and 142%, and have no other insurance. These clients receive the CHP+ enhanced Federal match.
- SB 11-250: Increases Medicaid eligibility for pregnant women from 142% FPL to 185% FPL beginning in January 2013 (195% FPL after MAGI disregards in October 2013). These clients are identified separately in the JBC monthly report and in the caseload forecast. They are

the clients that are Medicaid eligible pregnant adults that are within 142% FPL and 195% FPL and have no other insurance. These clients receive the CHP+ enhanced Federal match.

- SB 13-200: Increases Medicaid eligibility for expansion adults from 100% FPL to 133% FPL and lifts the enrollment cap on MAGI Adults.
- Continuous eligibility for Medicaid Eligible Children and CHP+ Children was implemented March 2014. Clients on Medicaid or CHP+ that are determined over the income threshold will have an additional 12 months of eligibility before losing benefits. This reduces churn between Medicaid and CHP+ as well as the client's ability to maintain continuous medical coverage as they churn from Medicaid or CHP+ into the Marketplace. This change results in an increased length of stay for MAGI Eligible Children and SB 11-008 Eligible Children.
- HB 14-1045: Extends funding for the Breast and Cervical Cancer Program through FY 2018-19.
- HB 14-1252: Increases the system capacity for home and community-based intellectual and developmental disabilities programs, services, and supports.

Oftentimes, a forecast cannot instantaneously incorporate policy changes even with the use of dummy or indicator variables. When this occurs, adjustments are made to the forecast off-line. Detailed accountings of off-line adjustments are in Exhibit B, page EB-2.

Under Medicaid regulations before January 2014, the rules for counting income vary from state to state and also differ based on the category through which an individual is eligible for the program. For example, Medicaid allows applicants to disregard some child support payments and the first \$90 of earned income, and to deduct certain childcare expenses from income when determining eligibility for benefits. States also have the flexibility to disregard additional income and deduct other expenses, and a number of states have used this authority to expand Medicaid eligibility. States' use of deductions and income disregards has the effect of increasing income eligibility standards for many families, but they also have resulted in a somewhat more complex application and renewal process. This process is exacerbated by different income and household counting rules for federal CHIP programs, which often do not align with Medicaid rules. Pursuant to the federal Affordable Care Act (ACA), eligibility for Family Medicaid, CHIP and premium subsidies to purchase coverage in health insurance exchanges (the Colorado Health Benefit Exchange, or COHBE, in Colorado) will be determined using the Modified Adjusted Gross Income (MAGI) beginning January 1, 2014. MAGI is Adjusted Gross Income as determined under the federal income tax, plus various income amounts and adjustments, and is calculated for the household, defined as the tax filing unit. The family's assets will not be considered in determining eligibility, and a standard 5% of the federal poverty level disregard will be applied. The new rules also change how family size is calculated and how household income is defined. Currently under Medicaid and CHIP programs, states take different approaches to determining family size and which family members' income to count depending on who in the family is applying for benefits. Under the new rules, however, family size and household income will be based on the tax filing unit. All individuals claimed as a dependent on a taxpayer's return will be included in determining that taxpayer's family size. These new income eligibility rules generally will apply to all children (except foster children) who qualify for Medicaid and to all adults under age 65. The health reform law does not change Medicaid eligibility rules for beneficiaries who are 65 or older or those in eligibility categories based on disability, though those who qualify for Medicaid as a disabled individual may be determined with the new income eligibility rules temporarily until their disability determination has been completed.

The transition to MAGI resulted in standardization of the definition and measurement of income, both across states and programs. This resulted in streamlined eligibility determinations that are based solely on national tax filing standards rather than disparate methodologies. For example,

in Colorado, Medicaid applied a mandatory minimum disregard to earnings, whereas CHP+ did not, and CHP+ disregards any income earned by a child in the household, whereas Medicaid may count the child's income depending on the family circumstance.

In addition, Medicaid and CHP+ defined the family unit differently. For Medicaid, the "family" was determined more like the "nuclear" approach. This would include a spouse, parents, and any dependent children in the home. For CHP+, the "family" was defined as all related family members in the household that receive at least 50% of their financial support from the household.

For example, take a family applying for coverage for a child in a household with a married couple, the dependent child, and a grandmother, and annual household income is \$25,000. Under the Medicaid rules prior to October 2013, the grandmother is not counted in the household; therefore, the household size is three and the FPL of the child is approximately 135%, making the family over-income for Medicaid eligibility. Under the CHP+ rules prior to October 2013, the grandmother is counted in the household; therefore, the household size is four and the FPL of the child is approximately 112% and is eligible for CHP+.

As can be seen in the example above, these factors lead to individuals enrolled in CHP+ that appear to meet Medicaid income eligibility. In FY 2011-12, approximately 43% of children enrolled in CHP+ had income below 133% FPL and 67% of pregnant women had income below 185% FPL. Under the streamlined income and household counting rules of MAGI, there should no longer be any clients in CHP+ with income below 133% FPL (142% FPL after MAGI disregards in October 2013) for children and 185% FPL (195% FPL after MAGI disregards in October 2013) for pregnant women, and clients should have transitioned from CHP+ to Medicaid. The Department included a bottom-line adjustment to reflect this change in the February 2014 forecast. The Department believes that the transition due to MAGI is complete and is no longer including this as a bottom line adjustment.

The transition to MAGI not only caused movement of clients from CHP+ to Medicaid, but also resulted in significant movement within the MAGI Parents/Caretakers eligibility groups in Medicaid. After the implementation of MAGI in October 2013, a large number of MAGI Parents/Caretakers 69% to 133% FPL moved to the lower FPL category MAGI Parents/Caretakers to 68% FPL. This is important as these categories have differing sources of state funding as well as federal medical assistance percentages (FMAP); the MAGI Parents/Caretakers to 68% FPL categories are funded with General Fund and Tobacco Tax at the standard 50% FMAP, whereas the MAGI Parents/Caretakers 69% to 133% FPL category is currently eligible for the enhanced FMAP under the federal Affordable Care Act (ACA). This shift is accounted for as a bottom line adjustment. There is a positive impact to the MAGI Parents/Caretakers to 68% FPL and a negative impact to the MAGI Parents/Caretakers 69% to 133% FPL. The sum of these two adjustments is equal to zero to show the net movement between the two categories. Such movement was included in the February 2014 forecast, but not of the same magnitude. The Department was aware of the movement, but did not believe it was entirely accurate due to known issues with the available data. A systems fix was scheduled for March 2014 and the Department believed that the majority of the movement would revert after the systems fix went into place. Clients did not return to their original categories after March 2014. The Department has included the full effect of this shifting between categories in this November 2014 forecast. This change has resulted in a large increase to the forecast for MAGI Parents/Caretakers to 68% FPL. Given the large magnitude of this shift, the Department doing further research on the effects of the new MAGI rules.

There is also an ACA-related adjustment to the Foster Care eligibility type. Pursuant to the ACA, eligibility for children enrolled in Medicaid that turned 21 while in foster care will be increased to age 26 in January 2014. This expansion is mandatory and was not subject to the Supreme Court of the United States ruling which found the Medicaid expansion unconstitutionally coercive of states. The Department is including a bottom-line adjustment to account for the eligibility increase from age 21 to age 26 beginning January 1, 2014. The Department had predicted and average monthly growth in FY 2013-14 of 76 due to increasing the age from 21 to 26. By June 2014, the Department identified 1,891 clients in the Foster Care eligibility that were over age 21. The average monthly caseload growth in FY 2013-14 attributable to this expansion was 432. The Department has increased the estimated bottom-line adjustment considerably to align with the actual numbers seen in the second half of FY 2013-14.

Caseload decreased from FY 2004-05 through FY 2007-08, resulting in a decline of 14,062, or 3.46%, between these fiscal years. The Department believes that the improving economic conditions were the driving factor in this decrease, as consistent monthly declines occurred in MAGI Parents/Caretakers and MAGI Eligible Children, which are expected to be most affected by the economy. This trend reversed as of the second half of FY 2007-08, when the Eligible Children caseload started to show significant monthly increases. Strong increases continued in Medicaid in FY 2008-09, FY 2009-10, FY 2010-11, FY 2011-12, and FY 2012-13, with annual growth of 11.44%, 14.19%, 12.42%, 10.56%, and 10.17% respectively. With Medicaid expansion beginning in January 2014, the second half of FY 2013-14, caseload has increased by 26.06% between FY 2012-13 and FY 2013-14. The Department is forecasting Medicaid caseload to continue to increase by 34.87% in FY 2014-15 to 1,161,133. In FY 2015-16 and FY 2016-17, the trends are projected to be 11.05% and 6.06% respectively. Medicaid caseload is expected to increase at a decreasing rate as the expansionary period comes to an end and the economy continues to improve. The following table shows actual and projected aggregate Medicaid caseload from FY 2004-05 through FY 2016-17.

Fiscal Year	Medicaid Caseload	Growth Rate	Level Growth
FY 2004-05	406,024	10.46%	38,465
FY 2005-06	402,218	-0.94%	(3,806)
FY 2006-07	392,228	-2.48%	(9,990)
FY 2007-08	391,962	-0.07%	(266)
FY 2008-09	436,812	11.44%	44,850
FY 2009-10	498,797	14.19%	61,985
FY 2010-11	560,759	12.42%	61,962
FY 2011-12	619,963	10.56%	59,204
FY 2012-13	682,994	10.17%	63,031
FY 2013-14	860,957	26.06%	177,963
FY 2014-15 Projection	1,161,133	34.87%	300,176
FY 2015-16 Projection	1,289,493	11.05%	128,360
FY 2016-17 Projection	1,367,679	6.06%	78,186

FORECAST MODELS

The Department's caseload projections utilize statistical forecasting methodologies to predict Medicaid caseload by eligibility category. Historical monthly caseload data from July 1993 to June 2014 and historical and forecasted economic data (revised in June 2014) and demographic data (revised in December 2013) are used. The following forecasting models are used in this forecast: trend and monthly seasonal dummy variables, ARIMA models, trend stationary, difference stationary, regression analysis with explanatory variables, and vector auto regression models. In the past, the software used by the Department for developing trend and regression forecasts is *Forecast Pro XE*. The Department is now using *EViews 6*.

Trend and Seasonality Model

Medicaid caseload is a non-stationary series with a positive trend and many of the categories experience some level of seasonality. One of the models used will incorporate a time trend and monthly seasonal dummy variables.

ARIMA Model

ARIMA models, also referred to as Box-Jenkins models, rely on the past behavior of the series being forecasted. Relying on the past behavior of a series mandates that a series be stationary. Most of the eligibilities in Medicaid caseload have a positive growth trend (non-stationary) and require differencing to be made stationary.

Trend Stationary and Difference Stationary

Series that are stationary have a constant mean, caseload series frequently do not have this characteristic and often have a trending mean. Two popular models used for non-stationary series with a trending mean are trend stationary and difference stationary. The trend stationary serves as an effective model if the series has a deterministic trend. The difference stationary model is useful when the trend be stochastic. Differencing the dependent variable gives a stationary series. The basic forms of the two models are listed below, where y is the dependent variable. Lags of the dependent variable are added to clear up serial correlation within the series.

- Trend Stationary: $\log(y) = c + \text{trend} + \varepsilon$
- Difference Stationary: $\text{differenced}(\log(y)) = c + \varepsilon$

Regression Models

Regression analysis, unlike trend analysis, incorporates independent variables when making projections. For example, a regression equation may include the unemployment rate if the forecaster expects that it has an effect on the caseload for MAGI Parents/Caretakers. Statistically, the forecaster can test whether or not there is a relationship between independent variables and the caseload by constructing a correlation matrix. Variables that are highly correlated with the caseload are more likely to be predictive. Regression equations are useful in that they provide some insight into why the trend projection is increasing, decreasing, or static. Although regression equations help explain why trends occur, their value depends on the quality of the independent variables used. In order to project caseload, historical and forecasted values of the independent variables must be used. Therefore, the accuracy of the caseload forecast depends on the accuracy of the forecasted independent variables. In December 2013, the Colorado Department of Local Affairs' Demography Division supplied actual and forecasted values of different populations

by age. In June 2014, the Office of State Planning and Budgeting and the Colorado Department of Local Affairs' Demography Division supplied actual and forecasted values of the unemployment rate, which was used in the regression models.

Vector Auto Regression Models (VARs)

The Department has frequently used regression analysis to forecast caseload. Regression analysis, as described above, incorporates independent variables when making projections. Regression analysis has the unfortunate requirement that the independent variables used are exogenous to the dependent variable, or only allows the independent variable on the right-hand side of the equation to have an effect on the dependent variable on the left-hand side of the equation. This is unlikely in reality as most factors are interrelated and may affect each other simultaneously. Vector Auto Regression (VAR) models are simultaneous equations, allowing the different variables to affect each other equally. In other words, both variables are dependent and are able to change over time together in the forecast. The simultaneous process is better able to capture a long-term relationship between multiple variables and does not restrict one variable to the right hand side of the equation.¹¹ This can serve as a better reflection of reality rather than forcing the assumption that a variable is exogenous to Medicaid caseload.

Exponential Smoothing

For over 30 years, Exponential Smoothing models have been used to forecast data within a variety of applications. Considered simplistic, Exponential Smoothing models extract trend and seasonal patterns from a time-series to predict a future stream of values. There are two types of Exponential Smoothing models that address trend and seasonality in time-series data: Holt and Winters. The Holt Exponential Smoothing model adjusts for long-term linear trend in data, while the Winters Exponential Smoothing model adjusts for both trend and seasonal components of data. Both Holt and Winters use recursive equations to determine the estimated parameters of the model, giving more weight to recent observations and exponentially smaller weight to historically distant observations. One advantage of this model is that it produces robust results with limited data sets. This is very useful Medicaid eligibility categories that have not been in existence for very long. While the Department has used this model in the past, the November 2014 forecast does not utilize exponential smoothing.

¹¹ Sims, Chris "Macroeconomics and Reality." *Econometrica*. Volume. 48 No.1 (1980)

Model Selection

After several different forecasts are produced, the Department normally chooses one for each category. Several statistics are produced to grade and compare the forecast models. The three statistics provided in the narrative are the Schwartz Info Criterion (SIC), Akaike Info Criterion (AIC), and the adjusted R^2 . The SIC and the AIC provide a means for model selection. Both statistics include a trade-off between the goodness of fit of the model and the complexity of the model by applying a penalty for using up degrees of freedom (adding independent variables). These measures encourage the use of simpler models. The closer the SIC or AIC are to negative infinity, the better the model. The adjusted R^2 measures the goodness of fit of the model in-sample, the closer the R^2 statistic is to one the better the goodness of fit. The calculation of the adjusted R^2 contains the most lenient penalty for using up the degrees of freedom in the model. It is important to note that this measure is not reliable when forecasting the differences of a series. When differencing a series to make it stationary, fitting a model becomes incredibly difficult and the R^2 value drops. This does not indicate a poor model, it is simply a result of differencing a series. For models where the dependent variable is differenced, the AIC and SIC prove much more useful for comparing different models than the R^2 . When selecting a model, the Department closely analyzes the historical data, possible future impacts like the predicted state of the economy, and the above mentioned statistics.

CATEGORICAL PROJECTIONS

This next section details the caseload projections by eligibility category. For each category, the following are presented: a discussion of the category, statutory authority, model results, rationale for the forecast, and historical caseload and forecasts. FY 2016-17 projections are included for informational purposes.

Adults Over 65 (OAP-A)

Colorado automatically provides Medicaid coverage to individuals who receive Supplemental Security Income. Supplemental Security Income, authorized under Title XVI of the Social Security Act of 1965, is a federal cash assistance program for persons aged 65 and older, blind, or disabled. An individual must have income below the federal monthly maximum Supplemental Security Income limit and limited resources. The Supplemental Security Income adults aged 65 and older are included in this category. Also included are individuals aged 65 and older who meet the Medicaid resource and income requirements, but are not receiving Supplemental Security Income. In addition, states may extend coverage to individuals with incomes above the Supplemental Security Income limit and who meet the nursing home level of care. Referred to as 'Three-hundred Percenters', these clients have incomes no more than three times the Supplemental Security Income maximum limit, and they meet the level of care to be in a nursing home.

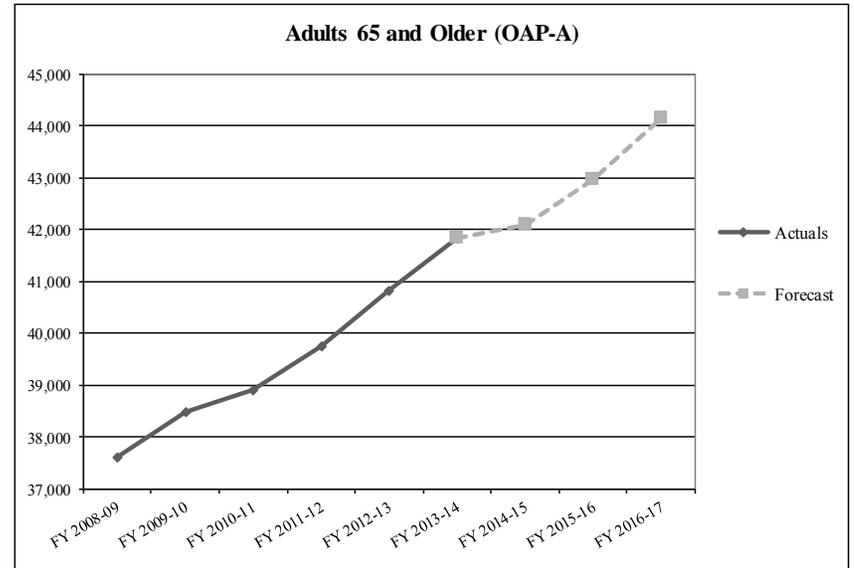
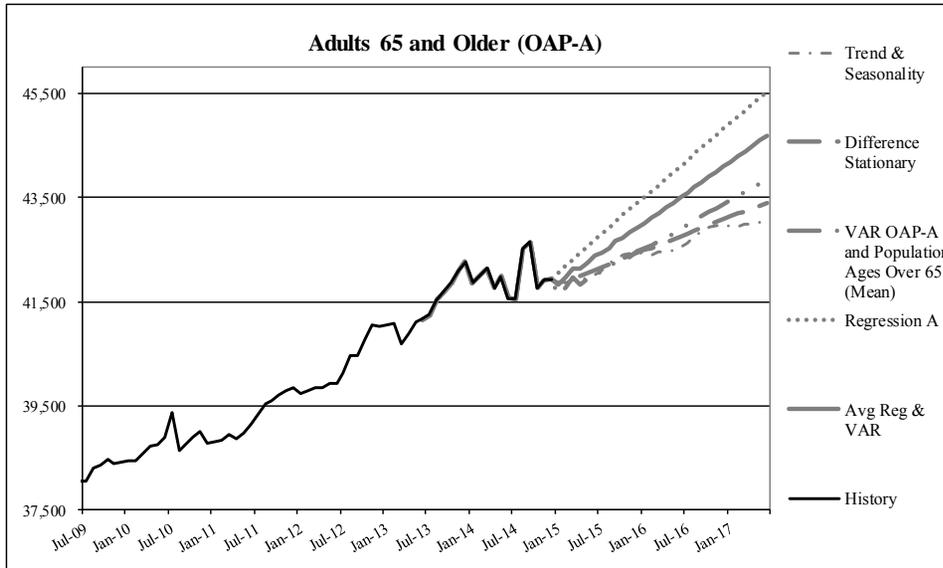
25.5-5-101 (1), C.R.S.

- (f) Individuals receiving supplemental security income;*
- (g) Individuals receiving mandatory state supplement, including but not limited to individuals receiving old age pensions;*
- (h) Institutionalized individuals who were eligible for medical assistance in December 1973;*
- (i) Individuals who would be eligible except for the increase in old-age, survivors, and disability insurance under P.L. 92-336;*
- (j) Individuals who become ineligible for cash assistance as a result of old-age, survivors, and disability insurance cost-of-living increases after April 1977;*

25.5-5-201 (1), C.R.S.

- (b) Individuals who would be eligible for cash assistance except for their institutionalized status;*
- (c) Individuals receiving home-and community-based services as specified in part 6 of this article;*
- (f) Individuals receiving only optional state supplement;*
- (g) Individuals in institutions who are eligible under a special income level. Colorado's program for citizens sixty-five years of age or older or physically disabled or blind, whose gross income does not exceed three hundred percent of the current federal supplemental security income benefit level, qualifies for federal funding under this provision;*
- (j) Individuals who are qualified aliens and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;*

Adults 65 and Older (OAP-A): Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, trend, monthly seasonal dummy variables.	15.95	15.78	0.9668
ARIMA	Differenced Caseload	Constant, AR(2) MA(1)	13.22	13.16	-0.001
Trend Stationary	log(Caseload)	Constant, trend, 4 lags of the dependent variable.	-7.84	-7.92	0.9977
Difference Stationary	Differenced log(Caseload)	Constant, 3 lags of the dependent variable.	-7.85	-7.90	0.0059
Regression A	Caseload	Constant, population over Age 65, 1 lag on the dependent variable.	13.20	13.16	0.9974
VAR OAP-A and Population Ages Over 65 (Mean)	Caseload	NA	13.37	13.18	0.0388
	Population Over Age 65	NA	15.71	15.51	0.6903
Avg Reg & VAR			NA	NA	NA

Adults 65 and Older: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	40,827	41,836	0.36%	41,986	150	37
ARIMA	40,827	41,836	0.53%	42,057	221	51
Trend Stationary	40,827	41,836	0.33%	41,974	138	35
Difference Stationary	40,827	41,836	0.44%	42,020	184	46
Regression A	40,827	41,836	0.90%	42,212	376	93
VAR OAP-A and Population Ages Over 65 (Mean)	40,827	41,836	0.29%	41,957	121	43
Avg Reg & VAR	40,827	41,836	0.60%	42,087	251	68

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	41,836	42,087	0.95%	42,487	400	44
ARIMA	41,836	42,087	0.99%	42,504	417	46
Trend Stationary	41,836	42,087	0.73%	42,394	307	47
Difference Stationary	41,836	42,087	1.04%	42,525	438	53
Regression A	41,836	42,087	2.94%	43,324	1,237	119
VAR OAP-A and Population Ages Over 65 (Mean)	41,836	42,087	1.26%	42,617	530	69
Avg Reg & VAR	41,836	42,087	2.10%	42,971	884	94

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	42,087	42,487	1.26%	43,022	535	44
ARIMA	42,087	42,504	1.29%	43,052	548	46
Trend Stationary	42,087	42,394	1.43%	43,000	606	52
Difference Stationary	42,087	42,525	1.52%	43,171	646	54
Regression A	42,087	43,324	3.28%	44,745	1,421	119
VAR OAP-A and Population Ages Over 65 (Mean)	42,087	42,617	2.17%	43,542	925	80
Avg Reg & VAR	42,087	42,971	2.73%	44,144	1,173	99

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Adults 65 and Older (OAP-A): Trend Selections

FY 2014-15: 0.60%
FY 2015-16: 2.10%
FY 2016-17: 2.73%

Adults 65 and Older (OAP-A): Justifications

- Average monthly caseload in the first half of FY 2014-15 for Adults 65 and Older was 42,053, which was 290 clients, or 0.69%, over what was forecasted in November 2014. This is due to an unusual increase seen in August 2014, followed by a decrease of similar proportion in October 2014. Consequently, the selected trends for FY 2014-15 in the February 2015 forecast are slightly higher than what was previously projected. The projected percent growth for FY 2014-15 is just over half of a percent.
- This population will be affected by the “baby boomers”, defined by the U.S. Census Bureau as the generation born between 1946 and 1964. The Department believes this increase could be seen in Adults 60 to 64 with Disabilities (OAP-B) over FY 2013-14. This population actually saw declines in the second half of FY 2013-14. The Department, however, has selected aggressive growth trends for FY 2015-16 and FY 2016-17 to account for the expected baby boomers. A population pyramid is available for review on page MC-12.
- This population may be affected by provisions in the Deficit Reduction Act of 2005, notably sections 6011 (lengthening of look-back period), 6012 (treatment of annuities), 6014 (disqualification of individuals with substantial home equity), 6015 (reform of asset test rules). These provisions may decrease the long-term growth rates as fewer people may now be eligible due to these provisions.
- The graph above shows that growth has been strong since FY 2011-12. Historical growth rates are stable and tend to fluctuate between 1% and 2%. The Department suspects that the high growth rate in FY 2004-05 is due to the court order regarding the Colorado Benefits Management System. The Department speculates that the decline in FY 2006-07 may be indicative that the effects of the asset and annuities provisions in the Deficit Reduction Act may be stronger than expected. The Department has seen strong growth in the Home- and Community-Based Services for the Elderly, Blind, and Disabled waiver over the last four years. There has also been a large increase in the number of clients in this eligibility type who are not eligible for SSI or on a waiver. The Department believes this is related to caseload declines in the State-only Old Age Pension Health and Medical Care program, which were caused by the implementation of new requirements around Systematic Alien Verification for Entitlements (SAVE) to comply with HB 06S-1023 and Department regulations.

Adults 65 and Older: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	41,034	-	-	FY 2002-03	34,704	-	-
Jan-13	41,066	32	0.08%	FY 2003-04	34,329	-1.08%	(375)
Feb-13	41,093	27	0.07%	FY 2004-05	35,780	4.23%	1,451
Mar-13	40,697	(396)	-0.96%	FY 2005-06	36,207	1.19%	427
Apr-13	40,898	201	0.49%	FY 2006-07	35,888	-0.88%	(319)
May-13	41,108	210	0.51%	FY 2007-08	36,284	1.10%	396
Jun-13	41,153	45	0.11%	FY 2008-09	37,619	3.68%	1,335
Jul-13	41,243	90	0.22%	FY 2009-10	38,487	2.31%	868
Aug-13	41,540	297	0.72%	FY 2010-11	38,921	1.13%	434
Sep-13	41,696	156	0.38%	FY 2011-12	39,740	2.10%	819
Oct-13	41,861	165	0.40%	FY 2012-13	40,827	2.74%	1,087
Nov-13	42,098	237	0.57%	FY 2013-14	41,836	2.47%	1,009
Dec-13	42,265	167	0.40%	FY 2014-15	42,087	0.60%	251
Jan-14	41,861	(404)	-0.96%	FY 2015-16	42,971	2.10%	884
Feb-14	42,003	142	0.34%	FY 2016-17	44,144	2.73%	1,173
Mar-14	42,145	142	0.34%				
Apr-14	41,762	(383)	-0.91%				
May-14	41,991	229	0.55%				
Jun-14	41,564	(427)	-1.02%				
Jul-14	41,551	(13)	-0.03%				
Aug-14	42,513	962	2.32%				
Sep-14	42,643	130	0.31%				
Oct-14	41,763	(880)	-2.06%				
Nov-14	41,918	155	0.37%				
Dec-14	41,927	9	0.02%				

November 2014 Projection			
FY 2013-14	41,836	2.47%	1,009
FY 2014-15	41,932	0.23%	96
FY 2015-16	43,060	2.69%	1,128
FY 2016-17	44,025	2.24%	965

Actuals		
	Monthly Change	% Change
6-month average	61	0.15%
12-month average	(28)	-0.06%
18-month average	43	0.11%
24-month average	37	0.09%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	34	0.08%
FY 2013-14 1st Half	185	0.45%
FY 2013-14 2nd Half	(117)	-0.28%
FY 2014-15 1st Half Actuals	61	0.15%
FY 2014-15 2nd Half Forecast	76	0.18%
FY 2014-15 Forecast	68	0.17%
November 2014 Forecast	57	0.14%
FY 2015-16 Forecast	94	0.22%
November 2014 Forecast	126	0.19%

November 2014 Forecast	
Forecasted December 2014 Level	41,901

Base trend from December 2014 level			
FY 2014-15	41,990	0.37%	154

Adults 60 to 64 with Disabilities (OAP-B)

Colorado automatically provides Medicaid coverage to individuals who receive Supplemental Security Income. Supplemental Security Income, authorized under Title XVI of the Social Security Act of 1965, is a federal cash assistance program for persons aged 65 and older, blind, or disabled. An individual must have income below the federal monthly maximum Supplemental Security Income limit and limited resources. Disabled adults aged 60 to 64 who are eligible for Supplemental Security Income are included in this category. In addition, states may extend coverage to individuals with incomes above the Supplemental Security Income limit, and who meet the nursing home level of care. Referred to as ‘Three-hundred Percenters’, these clients have incomes no more than three times the Supplemental Security Income maximum limit, and they meet the level of care to be in a nursing home.

Quality control checks are completed from time to time to look for eligibility coding errors that commonly result in clients being misclassified between this Medicaid category and the State-only Old Age Pension Health and Medical Care program (non-Medicaid). Historical miscoding can make it difficult to forecast this Medicaid category as groups of individuals identified through this process may be abruptly moved in and out of this category.

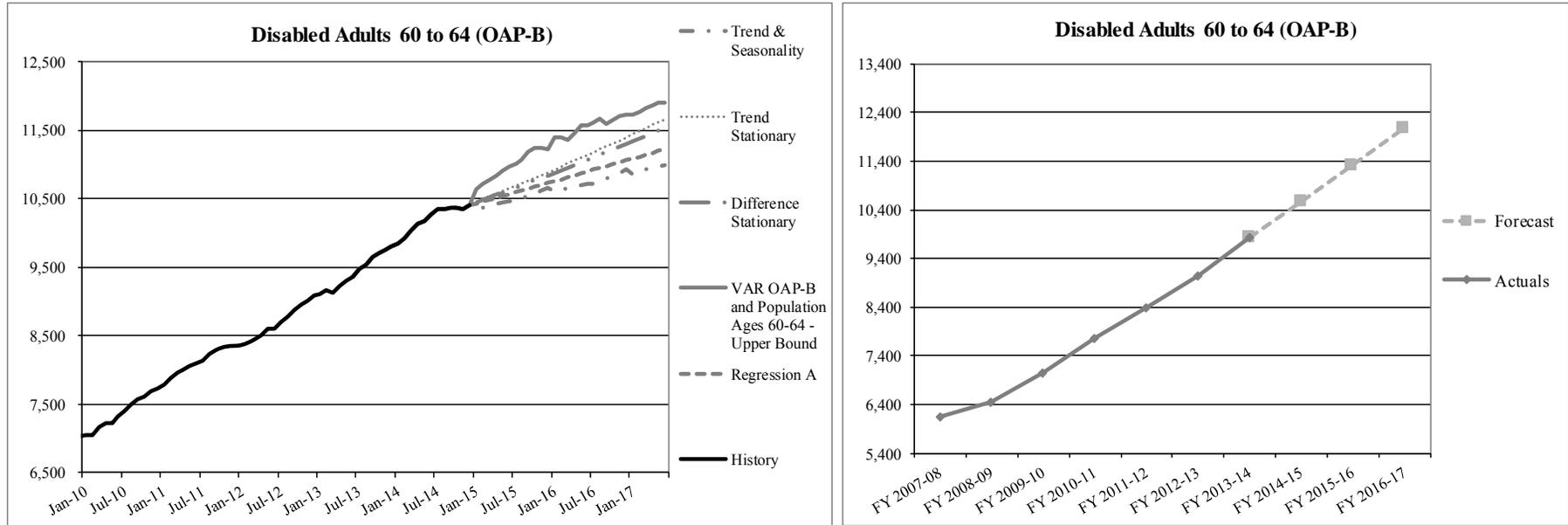
25.5-5-101 (1), C.R.S.

- (f) Individuals receiving supplemental security income;*
- (g) Individuals receiving mandatory state supplement, including but not limited to individuals receiving old age pensions;*
- (h) Institutionalized individuals who were eligible for medical assistance in December 1973;*
- (i) Individuals who would be eligible except for the increase in old-age, survivors, and disability insurance under P.L. 92-336;*
- (j) Individuals who become ineligible for cash assistance as a result of old-age, survivors, and disability insurance cost-of-living increases after April 1977;*

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- (b) Individuals who would be eligible for cash assistance except for their institutionalized status;*
- (c) Individuals receiving home-and community-based services as specified in part 6 of this article;*
- (f) Individuals receiving only optional state supplement;*
- (g) Individuals in institutions who are eligible under a special income level. Colorado’s program for citizens sixty-five years of age or older or physically disabled or blind, whose gross income does not exceed three hundred percent of the current federal supplemental security income benefit level, qualifies for federal funding under this provision;*
- (j) Individuals who are qualified aliens and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;*

Adults 60 to 64 with Disabilities (OAP-B): Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, CBMS dummy, trend, monthly seasonal dummy variables.	15.83	15.64	0.8881
ARIMA	Differenced Caseload	Constant, CBMS dummy, AR(1) MA(1)	11.43	11.37	0.5922
Trend Stationary	log(Caseload)	Constant, CBMS dummy, trend, 3 lags on the dependent variable.	-5.62	-5.7	0.9975
Difference Stationary	dlog(OAP-A)	Constant, CBMS dummy, 2 lags on the dependent variable.	-5.66	-5.71	0.5310
Regression A	Caseload	Constant, CBMS dummy, population ages 60-64, 1 lag on the dependent variable	13.37	13.18	0.0388
VAR OAP-B and Population Ages 60-64 - Upper Bound	Caseload	NA	12.03	11.95	0.1573
	Population Ages 60-64	NA	15.40	15.32	0.4717

Disabled Adults 60 to 64: Model Results¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change²
Trend & Seasonality	9,051	9,853	5.34%	10,379	526	16
ARIMA	9,051	9,853	6.12%	10,456	603	33
Trend Stationary	9,051	9,853	6.08%	10,452	599	32
Difference Stationary	9,051	9,853	6.02%	10,446	593	30
Regression A	9,051	9,853	5.83%	10,428	575	25
VAR OAP-B and Population Ages 60-64 - Upper Bound	9,051	9,853	7.39%	10,581	728	59

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change²
Trend & Seasonality	9,853	10,379	2.21%	10,608	229	22
ARIMA	9,853	10,456	4.36%	10,912	456	39
Trend Stationary	9,853	10,452	4.33%	10,905	453	41
Difference Stationary	9,853	10,446	3.95%	10,859	413	37
Regression A	9,853	10,428	2.99%	10,740	312	28
VAR OAP-B and Population Ages 60-64 - Upper Bound	9,853	10,581	6.86%	11,307	726	49

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change²
Trend & Seasonality	10,379	10,608	2.46%	10,869	261	22
ARIMA	10,456	10,912	4.04%	11,353	441	35
Trend Stationary	10,452	10,905	4.69%	11,416	511	44
Difference Stationary	10,446	10,859	4.16%	11,311	452	38
Regression A	10,428	10,740	3.07%	11,070	330	27
VAR OAP-B and Population Ages 60-64 - Upper Bound	10,581	11,307	3.84%	11,741	434	28
Prior Year's Growth Trend	10,581	11,307	6.86%	12,083	776	80

¹ Bold denotes trend selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Adults 60 to 64 with Disabilities (OAP-B): Trend Selections

FY 2014-15: 7.39%
FY 2015-16: 6.86%
FY 2016-17: 6.86%

Adults 60 to 64 with Disabilities (OAP-B): Justifications

- Average monthly caseload in the first half of FY 2014-15 for Adults 60 to 64 with Disabilities was 10,360, which was 309 clients, or 2.90%, under what was forecasted in November 2014. After analyzing the most recent monthly data and the 2010 population pyramid from the 2010 Census (see page MC-12), the Department anticipates aggressive growth in the coming years for this population. An aggressive growth trend has been selected for this category in FY 2014-15 for this February 2015 forecast, however the trend has decreased due to the actuals seen in the first half of FY 2014-15.
- Average monthly growth for FY 2013-14 was 75 clients per month. This aggressive growth seems to have slowed, the average monthly growth in the first half of FY 2014-15 was 24. Consequently the Department has selected a lower growth trend.
- Similar to Adults Over 65 (OAP-A), the Department ran a vector auto regression (VAR) model for this eligibility and the forecasted population from age 60 to 64. The model produced median trends that were similar to the other models presented above, so the Department took the upper-bound that the VAR produced. This is the selected model for FY 2014-15 and FY 2015-16. The Department selected the projected growth trend in FY 2015-16 to continue in FY 2016-17.
- Historically, this category has displayed consistently slow growth, with caseload increasing by an average of 12 clients per month between FY 2002-03 and FY 2007-08, excluding the level shift that occurred from the court order regarding the Colorado Benefits Management System. Growth from FY 2008-09 through FY 2010-11 averaged 52 per month. This population, like the Adults 65 and Older category, may be affected by the asset and annuities provisions in the Deficit Reduction Act of 2005, which would promote low growth. This category began to be affected by the baby-boom generation, defined by the U.S. Census Bureau as the generation born between 1946 and 1964, in calendar year 2006, which may have resulted in higher growth. Population growth in this age group was 10.8% in 2009 and 7.1% in 2010. The Department has seen strong growth in the Home-and Community-Based Services (HCBS) for the Elderly, Blind, and Disabled waiver over the last four years. There has also been a large increase in the number of clients in this eligibility type who are not eligible for Supplemental Security Income (SSI) or on a waiver. The Department believes this is related to caseload declines in the State-only Old Age Pension Health and Medical Care program, which were caused by the implementation of new requirements around Systematic Alien Verification for Entitlements (SAVE) to comply with HB 06S-1023 and Department regulations.
- However, because this population is disabled, the effects of both the baby boom generation and the Deficit Reduction Act are likely to be mitigated. Data for FY 2011-12 indicate that approximately 53.8% of this eligibility type were automatically eligible for Medicaid due to their receipt of SSI. Additionally, 45.3% of this population were dual eligibles in FY 2011-12 and 33.4% were enrolled in HCBS waivers. Enrollment in waivers has increased by an average of 11.8% per year for the last three years. (Source: MARS 474701 report)

Disabled Adults 60 to 64: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	9,077	-	-	FY 2002-03	5,431	-	-
Jan-13	9,096	19	0.21%	FY 2003-04	5,548	2.15%	117
Feb-13	9,152	56	0.62%	FY 2004-05	6,082	9.63%	534
Mar-13	9,130	(22)	-0.24%	FY 2005-06	6,042	-0.66%	(40)
Apr-13	9,222	92	1.01%	FY 2006-07	6,059	0.28%	17
May-13	9,295	73	0.79%	FY 2007-08	6,146	1.44%	87
Jun-13	9,358	63	0.68%	FY 2008-09	6,447	4.90%	301
Jul-13	9,466	108	1.15%	FY 2009-10	7,049	9.34%	602
Aug-13	9,538	72	0.76%	FY 2010-11	7,767	10.19%	718
Sep-13	9,641	103	1.08%	FY 2011-12	8,383	7.93%	616
Oct-13	9,709	68	0.71%	FY 2012-13	9,051	7.97%	668
Nov-13	9,748	39	0.40%	FY 2013-14	9,853	8.86%	802
Dec-13	9,797	49	0.50%	FY 2014-15	10,581	7.39%	728
Jan-14	9,838	41	0.42%	FY 2015-16	11,307	6.86%	726
Feb-14	9,919	81	0.82%	FY 2016-17	12,083	6.86%	776
Mar-14	10,027	108	1.09%				
Apr-14	10,129	102	1.02%				
May-14	10,162	33	0.33%				
Jun-14	10,263	101	0.99%				
Jul-14	10,346	83	0.81%				
Aug-14	10,350	4	0.04%				
Sep-14	10,362	12	0.12%				
Oct-14	10,355	(7)	-0.07%				
Nov-14	10,341	(14)	-0.14%				
Dec-14	10,404	63	0.61%				

November 2014 Projection			
FY 2013-14	9,853	8.86%	802
FY 2014-15	10,838	10.00%	985
FY 2015-16	11,442	5.57%	604
FY 2016-17	11,975	4.66%	533

Actuals		
	Monthly Change	% Change
6-month average	24	0.23%
12-month average	51	0.50%
18-month average	58	0.59%
24-month average	55	0.57%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	75	0.77%
FY 2013-14 1st Half	73	0.77%
FY 2013-14 2nd Half	78	0.78%
FY 2014-15 1st Half Actuals	24	0.23%
FY 2014-15 2nd Half Forecast	94	0.88%
FY 2014-15 Forecast	59	0.56%
November 2014 Forecast	74	0.69%
FY 2015-16 Forecast	49	0.44%
November 2014 Forecast	48	0.42%

November 2014 Forecast	
Forecasted December 2014 Level	10,865

Base trend from December 2014 level			
FY 2014-15	10,382	5.37%	529

Individuals to 59 with Disabilities (AND/AB)

Colorado automatically provides Medicaid coverage to individuals who receive Supplemental Security Income. Supplemental Security Income, authorized under Title XVI of the Social Security Act of 1965, is a federal cash assistance program for persons aged 65 and older, blind, or disabled. An individual must have income below the federal monthly maximum Supplemental Security Income limit and limited resources. This category includes the disabled portion of this group through age 59. These individuals: are blind, have a physical or mental impairment that keeps them from performing substantial work expected to last 12 months or result in death, or are children who have a marked and severe functional limitation expected to last 12 months or until death. Children were added to the Title XVI Act in 1972. In addition, states may extend coverage to individuals with incomes too high for Supplemental Security Income, and who meet the nursing facility level of care. Referred to as ‘Three-hundred Percenters’, these clients have incomes no more than three times the Supplemental Security Income maximum limit, and they meet the level of care to be in a nursing home. Often, ‘Three-hundred Percenters’ are enrolled in a Home- and Community-Based waiver program.

The 1990 outcome of the *Zebley v. Sullivan* lawsuit found that children could not be held to higher standard of disability than adults. *Zebley* required that children’s disability be measured using child-appropriate activities. As a result, the number of children determined to be disabled significantly increased until 1996. Welfare reform in 1996 tightened the disability criteria for children. An Individual Evaluation Plan from the public school system was no longer sufficient to verify disability, and children were required to have a physician document their level of functional impairment. However, any child receiving Supplemental Security Income before 1996 who lost his/her Supplemental Security Income benefits due to the new rules is still eligible for Medicaid. This category also includes disabled adult children age 18 and older who lost their Supplemental Security Income eligibility due to their parents receiving Social Security Administration benefits and disabled widows and widowers aged 50 to 64 who lost Supplemental Security Income due to the receipt of Social Security Administration benefits.

In July 2001, the Med-9 disability determination application process was disbanded due to federal requirements. This process let individuals under 65 who were seeking Medicaid coverage because of a disability experience an expeditious application process as compared to other applicants. By discontinuing the Med-9, clients underwent a more rigorous eligibility determination and caseload fell slightly.

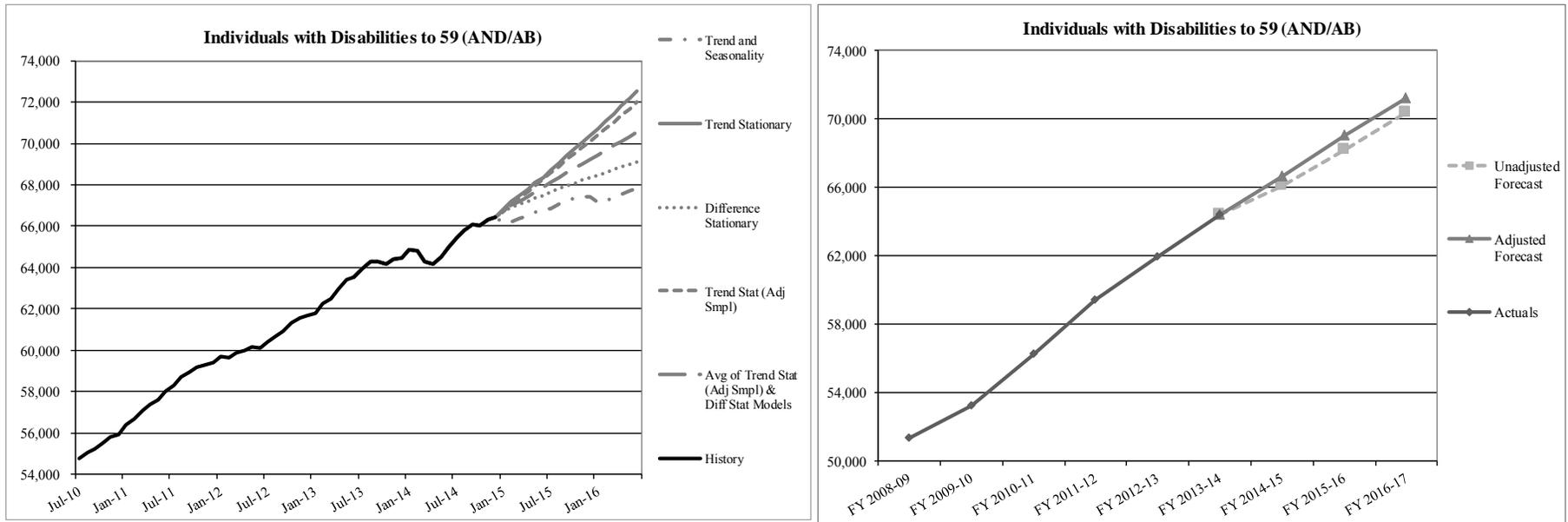
25.5-5-101 (1), C.R.S.

- (f) Individuals receiving supplemental security income;*
- (g) Individuals receiving mandatory state supplement, including but not limited to individuals receiving old age pensions;*
- (h) Institutionalized individuals who were eligible for medical assistance in December 1973;*
- (i) Individuals who would be eligible except for the increase in old-age, survivors, and disability insurance under P.L. 92-336;*
- (j) Individuals who become ineligible for cash assistance as a result of old-age, survivors, and disability insurance cost-of-living increases after April 1977;*
- (k) Disabled widows or widowers fifty through sixty years of age who have become ineligible for federal supplemental security income or state supplementation as a result of becoming eligible for federal social security survivor's benefits, in accordance with the social security act, 42 U.S.C. sec. 1383c;*

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- (b) Individuals who would be eligible for cash assistance except for their institutionalized status;*
- (c) Individuals receiving home-and community-based services as specified in part 6 of this article;*
- (f) Individuals receiving only optional state supplement;*
- (g) Individuals in institutions who are eligible under a special income level. Colorado's program for citizens sixty-five years of age or older or physically disabled or blind, whose gross income does not exceed three hundred percent of the current federal supplemental security income benefit level, qualifies for federal funding under this provision;*
- (j) Individuals who are qualified aliens and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;*

Individuals to 59 with Disabilities (AND/AB): Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend and Seasonality	Caseload	Constant, trend, monthly seasonal dummy variables.	18.98	18.81	0.8296
ARIMA	Differenced Caseload	Constant, AR(1) MA(1)	13.81	13.76	0.0704
Trend Stationary	log(Caseload)	Constant, Mar-Apr 2014 dummy, trend, 7 lag on the dependent variable.	-8.20	-8.36	0.9990
Difference Stationary	Differenced log(Caseload)	Constant, 6 lag on the dependent variable.	-8.18	-8.29	0.1168
Average of Trend Stat & Diff Stat Models			NA	NA	NA
Trend Stat (Adj Smpl)	Log(Caseload)	Constant, Mar-Apr 2014 dummy, trend, 1 lag on the dependent variable.	-8.65	-8.74	0.9993
Avg of Trend Stat (Adj Smpl) & Diff Stat Models			NA	NA	NA

Individuals with Disabilities to Age 59: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend and Seasonality	61,920	64,424	2.81%	66,234	1,810	154
ARIMA	61,920	64,424	3.26%	66,524	2,100	206
Trend Stationary	61,920	64,424	3.72%	66,821	2,397	283
Difference Stationary	61,920	64,424	3.33%	66,569	2,145	209
Average of Trend Stat & Diff Stat Models	61,920	64,424	3.52%	66,692	2,268	246
Trend Stat (Adj Smpl)	61,920	64,424	3.63%	66,763	2,339	275
Avg of Trend Stat (Adj Smpl) & Diff Stat Models	61,920	64,424	3.48%	66,666	2,242	242

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend and Seasonality	64,424	66,821	1.66%	67,930	1,109	83
ARIMA	64,424	66,821	2.94%	68,786	1,965	157
Trend Stationary	64,424	66,821	5.65%	70,596	3,775	348
Difference Stationary	64,424	66,821	2.75%	68,659	1,838	136
Average of Trend Stat & Diff Stat Models	64,424	66,821	4.20%	69,627	2,806	242
Trend Stat (Adj Smpl)	64,424	66,821	5.26%	70,336	3,515	309
Avg of Trend Stat (Adj Smpl) & Diff Stat Models	64,424	66,821	4.01%	69,501	2,680	223

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend and Seasonality	66,821	69,501	1.48%	70,530	1,029	83
ARIMA	66,821	69,501	2.65%	71,343	1,842	147
Trend Stationary	66,821	69,501	6.29%	73,873	4,372	392
Difference Stationary	66,821	69,501	2.22%	71,044	1,543	124
Average of Trend Stat & Diff Stat Models	66,821	69,501	4.29%	72,483	2,982	258
Trend Stat (Adj Smpl)	66,821	69,501	5.35%	73,219	3,718	317
Avg of Trend Stat (Adj Smpl) & Diff Stat Models	66,821	69,501	3.81%	72,149	2,648	221

¹ Bold denotes trend selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Individuals to 59 with Disabilities (AND/AB): Trend Selections

FY 2014-15: 3.72%
FY 2015-16: 4.01%
FY 2016-17: 3.81%

Individuals to 59 with Disabilities (AND/AB): Justifications

- Average monthly caseload in the first half of FY 2014-15 for AND/AB was 66,015, which was 116, or 0.18%, under what was forecasted in November 2014. The Department has selected the model that predicts a level shift between fiscal year monthly averages that are comparable to the previous 4 fiscal years.
- This category includes one adjustment that accounts for the plans to eliminate the waitlist for Supported Living Services (SLS) and Developmental Disabilities (DD) waiver services. This bottom-line adjustment represents the caseload impacts from HB 14-1252 “Intellectual and Developmental Disabilities and Service System Capacity” and the changes requests submitted in FY 2013-14; R-7 Supported Living Services Waiting List Elimination and Service Plan Reauthorization Limits Increase and R-8 Developmental Disabilities New Full Program Equivalents.
- HB 05-1262 expanded the number of children that can be enrolled in the Children’s Home- and Community-Based Service (HCBS) Waiver Program and the Children’s Extensive Support (CES) Waiver Program. The original expansion was 527 slots, which began to be filled in FY 2005-06. During the March 13, 2006 Figure Setting, the number of expansion slots funded under the Tobacco Tax bill was increased by 200 in the Children’s HCBS Waiver Program and 30 in the CES Waiver Program. The Department received approval for the additional expansions from the Centers for Medicare and Medicaid Services in December 2006. All new expansion slots were filled by FY 2007-08.
- This population has historically been stable, having increased by approximately 5,000 clients between FY 1998-99 and FY 2007-08, or an average of 0.8% per year. However, growth rates in this population have increased significantly in the last four fiscal years, with caseload in HCBS waivers showing strong growth. In addition, over the last four years, the number of individuals eligible for Medicaid due to receipt of SSI has represented most of the growth in this eligibility group. The Department believes that this may be related to economic condition in that individuals with work-limiting disabilities who were employed prior to the recession and have exhausted their federally-extended unemployment benefits may now be applying for Supplemental Security Income (SSI) if they cannot find work. Data for FY 2011-12 indicate that approximately 68.8% of this eligibility type were automatically eligible for Medicaid due to their receipt of Supplemental Security Income (SSI). Additionally, 32.7% of this population were dual eligibles in FY 2011-12 and 28.5% were enrolled in Home- and Community-Based (HCBS) waivers. Enrollment in waivers has increased by an average of 4.3% per year for the last three years. (Source: MARS 474701 report)

Individuals with Disabilities to age 59: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	61,699	-	-	FY 2002-03	46,647	-	-
Jan-13	61,803	104	0.17%	FY 2003-04	46,789	0.30%	142
Feb-13	62,245	442	0.72%	FY 2004-05	47,929	2.44%	1,140
Mar-13	62,485	240	0.39%	FY 2005-06	47,855	-0.15%	(74)
Apr-13	62,976	491	0.79%	FY 2006-07	48,799	1.97%	944
May-13	63,416	440	0.70%	FY 2007-08	49,933	2.32%	1,134
Jun-13	63,540	124	0.20%	FY 2008-09	51,355	2.85%	1,422
Jul-13	63,919	379	0.60%	FY 2009-10	53,264	3.72%	1,909
Aug-13	64,281	362	0.57%	FY 2010-11	56,285	5.67%	3,021
Sep-13	64,309	28	0.04%	FY 2011-12	59,434	5.59%	3,149
Oct-13	64,151	(158)	-0.25%	FY 2012-13	61,920	4.18%	2,486
Nov-13	64,396	245	0.38%	FY 2013-14	64,424	4.04%	2,504
Dec-13	64,478	82	0.13%	FY 2014-15	66,465	3.17%	2,041
Jan-14	64,838	360	0.56%	FY 2015-16	69,121	4.00%	2,656
Feb-14	64,798	(40)	-0.06%	FY 2016-17	71,697	3.73%	2,576
Mar-14	64,312	(486)	-0.75%				
Apr-14	64,148	(164)	-0.26%				
May-14	64,492	344	0.54%				
Jun-14	64,968	476	0.74%				
Jul-14	65,459	491	0.76%				
Aug-14	65,785	326	0.50%				
Sep-14	66,054	269	0.41%				
Oct-14	66,009	(45)	-0.07%				
Nov-14	66,343	334	0.51%				
Dec-14	66,441	98	0.15%				

November 2014 Trend Selections Before Adjustments			
FY 2013-14	64,424	4.04%	2,504
FY 2014-15	66,125	2.64%	1,701
FY 2015-16	68,221	3.17%	2,096
FY 2016-17	70,384	3.17%	2,163

SLS & DD Waitlist Reduction Adjustment	
FY 2013-14	-
FY 2014-15	356
FY 2015-16	380
FY 2016-17	452

SLS & DD Waitlist Reduction Adjustment	
FY 2013-14	-
FY 2014-15	523
FY 2015-16	821
FY 2016-17	821

February 2015 Trend Selections After Adjustments			
FY 2013-14	64,424	4.04%	2,504
FY 2014-15	66,821	3.72%	2,397
FY 2015-16	69,501	4.01%	2,680
FY 2016-17	72,149	3.81%	2,648

November 2014 Trend Selections After Adjustments			
FY 2013-14	64,424	4.04%	2,504
FY 2014-15	66,648	3.45%	2,224
FY 2015-16	69,042	3.59%	2,394
FY 2016-17	71,205	3.13%	2,163

November 2014 Forecast	
Forecasted December 2014 Level	66,562

Base trend from December 2014 level			
FY 2014-15	66,228	2.80%	1,804

Actuals		
	Monthly Change	% Change
6-month average	246	0.37%
12-month average	164	0.25%
18-month average	161	0.25%
24-month average	198	0.31%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	119	0.19%
FY 2013-14 1st Half	156	0.24%
FY 2013-14 2nd Half	82	0.13%
FY 2014-15 1st Half Actuals	246	0.37%
FY 2014-15 2nd Half Forecast	323	0.48%
FY 2014-15 Forecast	284	0.43%
November 2014 Forecast	176	0.27%
FY 2015-16 Forecast	173	0.25%
November 2014 Forecast	177	0.26%

Working Adults and Children with Disabilities – Buy-In

HB 09-1293 (Colorado Health Care Affordability Act) establishes the Buy-In Program for Individuals with Disabilities, which will allow individuals to pay a premium to purchase Medicaid coverage if they are over income or are otherwise ineligible for Medicaid. The Buy-In Program for Working Adults with Disabilities was implemented on March 1, 2012 and allows eligible clients age 16 to 65 with income up to 450% of the federal poverty level that have a qualifying disability and are working to receive Medicaid by paying a monthly premium based on their income. The Buy-In Program for Disabled Children was implemented on July 1, 2012. This program allows children under age 19 with a qualifying disability and family income up to 300% of the federal poverty level to receive Medicaid by paying a monthly premium based on their family income.

25.5-5-206 (1), C.R.S.

(a) Subject to available appropriations, the state department is authorized to seek federal authorization to and to establish a Medicaid buy-in program or programs for:

(I) Disabled children; or

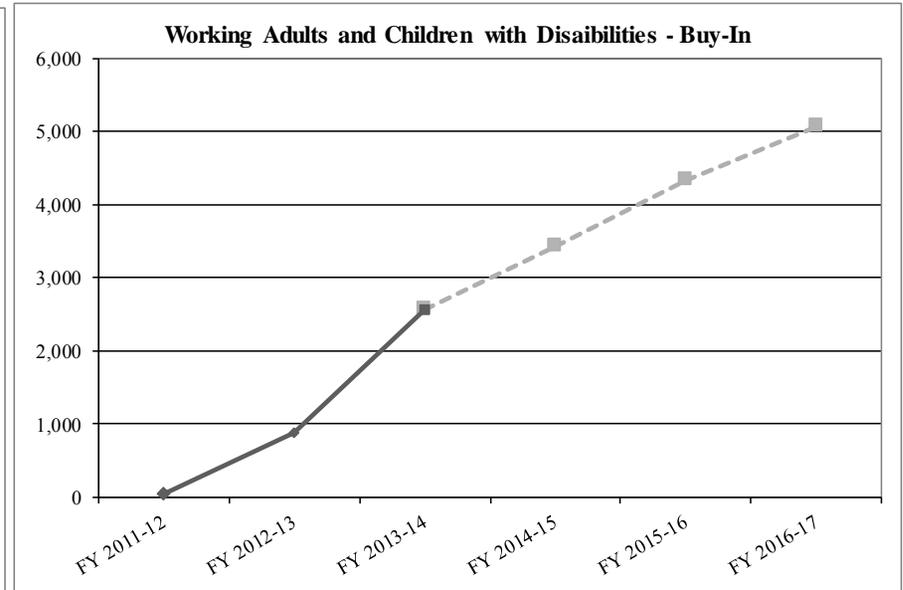
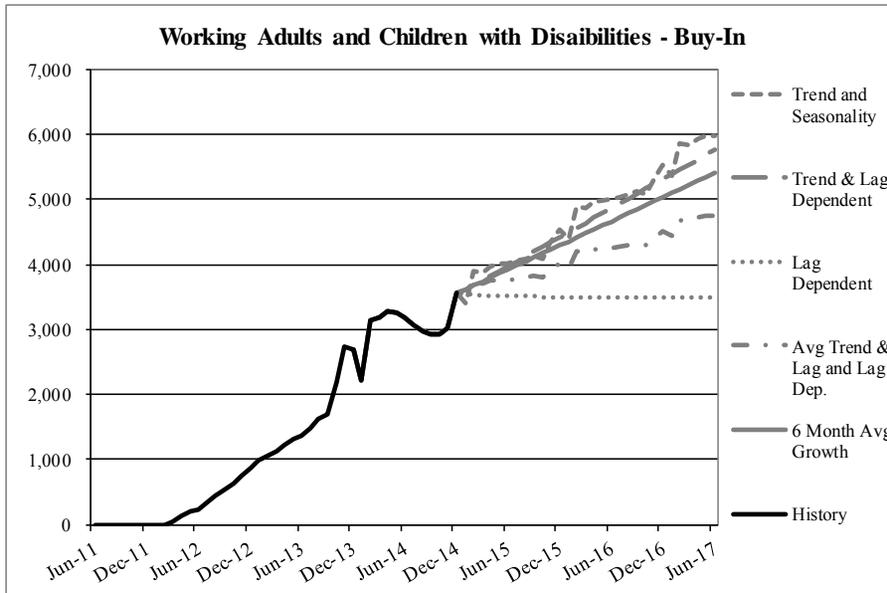
(II) Disabled adults who do not qualify for the Medicaid buy-in program established pursuant to part 14 of article 6 of this title.

(b) The Medicaid buy-in program or programs established pursuant to paragraph (a) of this subsection (1) may provide for premium and cost-sharing charges on a sliding fee scale based upon a family's income.

25.5-5-206 (2), C.R.S.

The state board shall promulgate rules consistent with any federal authorization to implement and administer the Medicaid buy-in program or programs established pursuant to paragraph (a) of subsection (1) of this section.

Working Adults and Children with Disabilities – Buy-In: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend and Seasonality	Caseload	Constant, Oct 2013 dummy, trend, monthly seasonal dummy variables.	14.63	14.00	0.9608
Trend & Lag Dependent	Caseload	Constant, Oct 2013 dummy, trend, 1 lag on the dependent variable.	13.74	13.56	0.9685
Lag Dependent	Caseload	Constant, Oct 2013 dummy, 1 lag on the dependent variable.	13.89	13.75	0.9609
Average Trend & Seas and Lag Dep Model			NA	NA	NA
6 Month Avg Growth			NA	NA	NA

Working Adults and Children with Disabilities - Buy-In: Model Results¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change²
Trend and Seasonality	888	2,560	35.58%	3,471	911	81
Trend & Lag Dependent	888	2,560	34.09%	3,433	873	77
Lag Dependent	888	2,560	29.02%	3,303	743	39
Average Trend & Seas and Lag Dep Model	888	2,560	32.30%	3,387	827	60
6 Month Avg Growth	888	2,560	33.79%	3,425	865	73

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change²
Trend and Seasonality	2,560	3,425	30.49%	4,469	1,044	82
Trend & Lag Dependent	2,560	3,425	29.77%	4,445	1,020	75
Lag Dependent	2,560	3,425	6.11%	3,634	209	(1)
Average Trend & Seas and Lag Dep Model	2,560	3,425	18.60%	4,062	637	40
6 Month Avg Growth	2,560	3,425	26.34%	4,327	902	62

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change²
Trend and Seasonality	3,425	4,469	21.71%	5,439	970	82
Trend & Lag Dependent	3,425	4,445	20.09%	5,338	893	75
Lag Dependent	3,425	3,634	-0.14%	3,629	(5)	0
Average Trend & Seas and Lag Dep Model	3,425	4,062	12.18%	4,557	495	41
6 Month Avg Growth	3,425	4,327	17.10%	5,067	740	62

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Working Adults and Children with Disabilities – Buy-In: Trend Selections

FY 2014-15: 33.79%

FY 2015-16: 26.34%

FY 2016-17: 17.10%

Working Adults and Children with Disabilities – Buy-In: Justifications

- Average monthly caseload in the first half of FY 2014-15 for Working Adults and Children with Disabilities – Buy-In was 3,077, which was 434 clients, or 12.36%, under what was forecasted in November 2014. This population has seen unusual volatility since October 2013. The Department has selected the average monthly growth for the last 6 months for the forecast and will closely monitor this population.
- HB 09-1293 establishes the Buy-In Program for Working Adults with Disabilities beginning March 1, 2012 and for Disabled Children July 1, 2012. This program allows individuals to pay a premium to purchase Medicaid coverage if they are over income or are otherwise ineligible for Medicaid.

Disabled Buy-In: Historical Caseload and Projections							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	857	-	-	FY 2011-12	52	-	-
Jan-13	988	131	15.29%	FY 2012-13	888	1607.69%	836
Feb-13	1,056	68	6.88%	FY 2013-14	2,560	188.29%	1,672
Mar-13	1,125	69	6.53%	FY 2014-15	3,425	33.79%	865
Apr-13	1,232	107	9.51%	FY 2015-16	4,327	26.34%	902
May-13	1,318	86	6.98%	FY 2016-17	5,067	17.10%	740
Jun-13	1,368	50	3.79%				
Jul-13	1,494	126	9.21%				
Aug-13	1,616	122	8.17%				
Sep-13	1,692	76	4.70%				
Oct-13	2,200	508	30.02%				
Nov-13	2,749	549	24.95%				
Dec-13	2,690	(59)	-2.15%				
Jan-14	2,217	(473)	-17.58%				
Feb-14	3,146	929	41.90%				
Mar-14	3,188	42	1.34%				
Apr-14	3,288	100	3.14%				
May-14	3,257	(31)	-0.94%				
Jun-14	3,186	(71)	-2.18%				
Jul-14	3,065	(121)	-3.80%				
Aug-14	2,971	(94)	-3.07%				
Sep-14	2,925	(46)	-1.55%				
Oct-14	2,927	2	0.07%				
Nov-14	3,023	96	3.28%				
Dec-14	3,556	533	17.63%				

Actuals		
	Monthly Change	% Change
6-month average	62	2.09%
12-month average	72	3.19%
18-month average	122	6.29%
24-month average	112	6.76%

November 2014 Forecast	
Forecasted December 2014 Level	3,686

Base trend from December 2014 level			
FY 2014-15	3,317	29.57%	757

November 2014 Trend Selections			
FY 2013-14	2,560	188.24%	1,672
FY 2014-15	3,700	44.52%	1,140
FY 2015-16	4,359	17.81%	659
FY 2016-17	4,951	13.58%	592

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	152	8.38%
FY 2013-14 1st Half	220	12.49%
FY 2013-14 2nd Half	83	4.28%
FY 2014-15 1st Half Actuals	62	2.09%
FY 2014-15 2nd Half Forecast	62	1.66%
FY 2014-15 Forecast	62	1.88%
November 2014 Forecast	70	1.98%
FY 2015-16 Forecast	62	1.45%
November 2014 Forecast	50	1.17%

MAGI Parents/Caretakers to 68% FPL

One of the primary ways that adults qualify for Medicaid is through Section 1931 of the federal Medicaid statute. Under Section 1931, families who were eligible for cash welfare assistance under the Aid to Families with Dependent Children program are still eligible for Medicaid even after the Aid to Families with Dependent Children program was discontinued. Aid to Families with Dependent Children was replaced by the Temporary Assistance for Needy Families program (referred to as Colorado Works) on July 16, 1996. Clients enrolled in the Temporary Assistance for Needy Families program are no longer automatically eligible for Medicaid. Therefore, the MAGI Parents/Caretakers to 68% FPL category includes adults who receive Medicaid under Section 1931 and those families who receive Temporary Aid to Needy Families financial assistance coupled with Medicaid. Also included in this category are adults receiving Transitional Medicaid. Transitional Medicaid is available to adults in families who have received 1931 Medicaid in three of the past six months and become ineligible due to an increase in earned income. Adults may receive Transitional Medicaid benefits for one year. In FY 2011-12, there were an average of 11,171 adults in this program. Although this program has been set to expire many times, it has been renewed regularly, most recently through March 31, 2015. While the future of Transitional Medicaid is unknown once the federal Affordable Care Act is implemented, the Department assumed that the federal Transitional Medicaid program would continue throughout FY 2016-17 for the purposes of projecting caseload.

Before 1999, caseload in this category was falling. Decreases in caseload can be attributed to economic expansion and effects of the Personal Responsibility Work and Opportunity Reconciliation Act, known as welfare reform. When welfare reform was instituted in Colorado in 1997, the link between cash assistance for welfare and Medicaid was broken. When the Department implemented this change into the Client Oriented Information Network eligibility data system, it was estimated that 46,006¹² clients had their cases closed in error. In reaction, the Tatum lawsuit was brought against the State. Starting in May 2001, the Department began to reinstate clients who inadvertently lost their Medicaid eligibility. This may help to explain why from 1997 to 1999 caseload fell, and may have contributed to a spike in caseload in FY 2001-02. For a complete explanation of the Tatum lawsuit, see the November 1, 2001 Budget Request, pages A-37 to A-38.

HB 05-1262 (Tobacco Tax bill) allows for expanding Medicaid eligibility to parents of children enrolled in either Medicaid or the Children's Basic Health Plan up to 60% of the federal poverty level (FPL). The increase in the percentage of allowable federal poverty level was implemented on July 1, 2006. The Department has created a new category to track these clients, known as the Expansion Adults to 60% FPL.

¹² Source: November 1, 2001 Budget Request, page A-37

25.5-5-101 (1), C.R.S.

- (a) Individuals who meet the eligibility criteria for the aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;*
- (b) Families who meet the eligibility criteria for the aid to families with dependent children program established in rules that were in effect on July 16, 1996, and who subsequently would have become ineligible under such eligibility criteria because of increased earnings or increased hours of employment whose eligibility is specified for a period of time by the federal government;*
- (c) Qualified pregnant women . . . who meet the income resource requirements of the state's aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;*

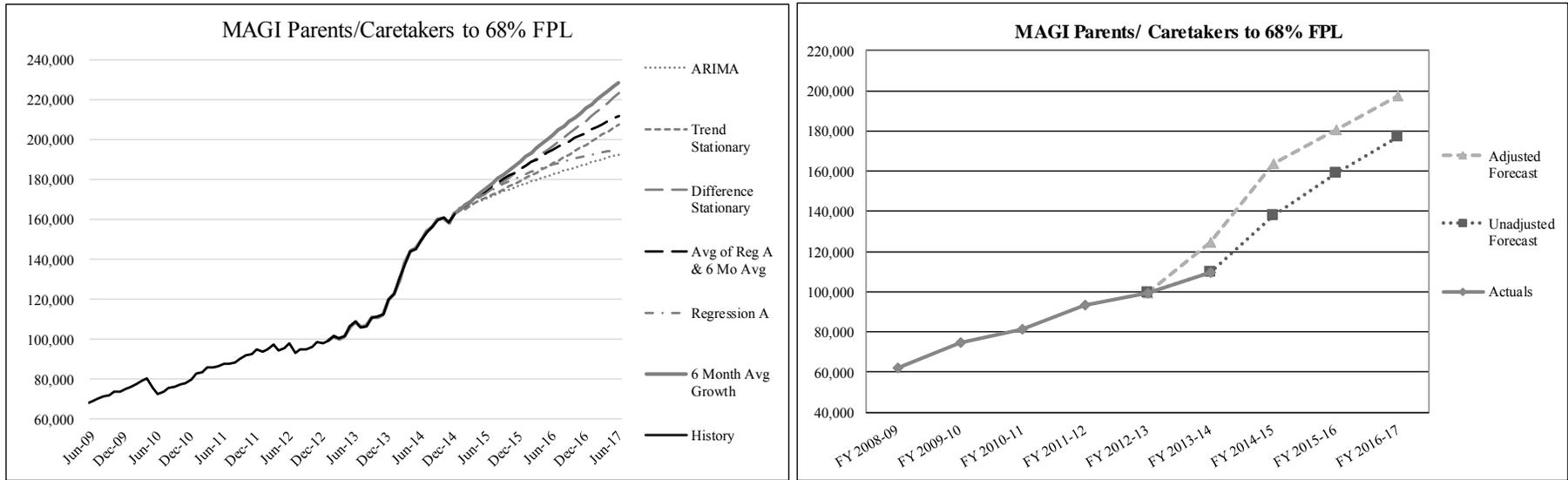
25.5-5-201 (1), C.R.S.

- (a) Individuals who would be eligible for but are not receiving cash assistance;*
- (d) Individuals who would be eligible for aid to families with dependent children if child care were paid from earnings;*
- (h) Persons who are eligible for cash assistance under the works program pursuant to section 26-2-706;*

25.5-5-201 (1), C.R.S.

- (m) (I)(A) Parents of children who are eligible for the medical assistance program or the children's basic health plan, article 8 of this title, whose family income does not exceed a specified percent of the federal poverty level, adjusted for family size, as set by the state board by rule, which percentage shall be not less than one hundred percent;*

MAGI Parents/Caretakers to 68% FPL: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, Jan 2014 dummy, trend, and seasonal dummy variables	20.82	20.58	0.9553
ARIMA	Differenced Caseload	Constant, AR(3) MA(2)	17.58	17.48	0.2272
Trend Stationary	Log(Caseload)	Constant, trend, 4 lags of the dependent variable	-4.83	-4.93	0.9984
Difference Stationary	Differenced Log(Caseload)	Constant, 3 lags of the dependent variable	-4.87	-4.94	0.0767
Avg of Reg A & 6 Mo Avg			NA	NA	NA
Regression A	Caseload	Constant, Oct 2013 dummy, unemployment rate, interaction of Oct 2013 dummy and unemployment rate, 1 lag on the dependent variable.	17.53	17.44	0.9980
6 Month Avg Growth			NA	NA	NA

MAGI Parents/ Caretakers to 68% FPL: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	99,392	124,679	28.80%	160,587	35,908	1,235
ARIMA	99,392	124,679	30.84%	163,130	38,451	1,764
Trend Stationary	99,392	124,679	30.92%	163,230	38,551	1,792
Difference Stationary	99,392	124,679	31.50%	163,953	39,274	2,012
Avg of Reg A & 6 Mo Avg	99,392	124,679	31.67%	164,165	39,486	2,083
Regression A	99,392	124,679	31.39%	163,816	39,137	1,968
6 Month Avg Growth	99,392	124,679	31.95%	164,514	39,835	2,197

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	124,679	164,514	4.08%	171,226	6,712	460
ARIMA	124,679	164,514	8.74%	178,893	14,379	984
Trend Stationary	124,679	164,514	10.27%	181,410	16,896	1,403
Difference Stationary	124,679	164,514	13.47%	186,674	22,160	1,929
Avg of Reg A & 6 Mo Avg	124,679	164,514	13.24%	186,296	21,782	1,692
Regression A	124,679	164,514	10.88%	182,413	17,899	1,187
6 Month Avg Growth	124,679	164,514	15.60%	190,178	25,664	2,197

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	164,514	186,296	3.30%	192,444	6,148	460
ARIMA	164,514	186,296	5.99%	197,455	11,159	838
Trend Stationary	164,514	186,296	10.17%	205,242	18,946	1,641
Difference Stationary	164,514	186,296	13.27%	211,017	24,721	2,176
Avg of Reg A & 6 Mo Avg	164,514	186,296	9.82%	204,590	18,294	1,410
Regression A	164,514	186,296	5.58%	196,691	10,395	622
6 Month Avg Growth	164,514	186,296	13.86%	212,117	25,821	2,197

¹ Bold denotes trend selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

MAGI Parents/Caretakers to 68% FPL: Trend Selections

FY 2014-15: 31.95%
FY 2015-16: 13.24%
FY 2016-17: 9.82%

MAGI Parents/Caretakers to 68% FPL: Justifications

- Average monthly caseload in the first half of FY 2014-15 for MAGI Parents/Caretakers to 68% FPL was 158,621, which was 6,463 clients, or 4.25%, above what was forecasted in November 2014. This large difference can be attributed to two different factors:
 - The first is the change in calculated FPL after the implementation of MAGI in October 2013. Many clients began moving from MAGI Parents/Caretakers 69%-133% FPL to MAGI Parents/Caretakers to 68% FPL when the new rules were implemented and when a systems update was completed in March 2014. Applying the new MAGI rules resulted in a large number of clients having an increase in measured income and becoming eligible for transitional Medicaid. Clients that are in transitional Medicaid receive the standard Federal Medical Assistance Percentage (FMAP) and are placed into the MAGI Parents/Caretakers to 68% FPL category.
 - The second factor is the Welcome-Mat Effect, formerly referred to as the Eligible But Not Enrolled Clients. The Department has attempted to estimate this effect in isolation and believes that clients are responding more quickly to the insurance mandate than previously predicted in the fiscal note for SB 13-200 Medicaid Expansion. This bottom-line adjustment has been altered to reflect this estimated response rate.
- There are three bottom line adjustments for this population. Two are described above; the churn that resulted from the MAGI rules change in October 2013, and the Welcome-Mat Effect. The third is the implementation of the 5% disregard. With the MAGI conversion, the Department began applying the 5% disregard to all clients. It was discovered that this 5% disregard was only to be applied to the maximum income limit for applying clients. A client that is within 5 percentage points of the upper limit of Medicaid eligibility will still be considered eligible for Medicaid. This results in clients moving from the MAGI Parents/Caretakers to 68% FPL over to MAGI Parents/Caretakers 69%-133% FPL.
- Recent data indicate that economic conditions began improving towards the end of 2012 and current forecasts indicate that this trend should continue. This economic recovery, however, is not projected to have a negative impact on caseload. SB 13-200 Medicaid Expansion was implemented January 2014 and the MAGI conversion was implemented in October 2013. These two factors have changed the population considerably. The Department believes it will see aggressive growth continue in FY 2014-15, which will moderate but remain relatively high in the out-years.
- The Department believes that economic conditions are largely responsible for the growth from FY 2008-09 to FY 2011-12, as the seasonally adjusted unemployment rate increased from a low of 3.5% in March 2007 to a high of 9.3% in February 2011 (source: Bureau of Labor Statistics). The unemployment rate has largely exceeded 8.0% since April 2009, and has only recently fallen below that level, in October 2012. Unemployment is projected to continue falling for the next three fiscal years, but a declining caseload is not expected to accompany the improving economy as Medicaid is undergoing an expansionary period.

MAGI Parents/ Caretakers to 68% FPL							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	97,784	-	-	FY 2002-03	40,798	-	-
Jan-13	99,404	1,620	1.66%	FY 2003-04	47,562	16.58%	6,764
Feb-13	101,305	1,901	1.91%	FY 2004-05	57,140	20.14%	9,578
Mar-13	100,247	(1,058)	-1.04%	FY 2005-06	58,885	3.05%	1,745
Apr-13	101,576	1,329	1.33%	FY 2006-07	55,850	-5.15%	(3,035)
May-13	106,147	4,571	4.50%	FY 2007-08	53,473	-4.26%	(2,377)
Jun-13	108,773	2,626	2.47%	FY 2008-09	61,874	15.71%	8,401
Jul-13	105,843	(2,930)	-2.69%	FY 2009-10	74,839	20.95%	12,965
Aug-13	106,672	829	0.78%	FY 2010-11	81,114	8.38%	6,275
Sep-13	110,929	4,257	3.99%	FY 2011-12	93,224	14.93%	12,110
Oct-13	111,274	345	0.31%	FY 2012-13	99,392	6.62%	6,168
Nov-13	112,290	1,016	0.91%	FY 2013-14	109,816	10.49%	10,424
Dec-13	119,836	7,546	6.72%	FY 2014-15	137,752	25.44%	27,936
Jan-14	122,548	2,712	2.26%	FY 2015-16	158,642	15.16%	20,890
Feb-14	129,759	7,211	5.88%	FY 2016-17	176,801	11.45%	18,159
Mar-14	138,165	8,406	6.48%	SB 13-200 Expansion Adjustment - Welcome Mat Effect			
Apr-14	144,089	5,924	4.29%	FY 2013-14			4,802
May-14	145,211	1,122	0.78%	FY 2014-15			11,343
Jun-14	149,545	4,334	2.98%	FY 2015-16			12,597
Jul-14	153,837	4,292	2.87%	FY 2016-17			13,013
Aug-14	156,343	2,506	1.63%	MAGI Adjustment			
Sep-14	159,740	3,397	2.17%	FY 2013-14			10,062
Oct-14	160,707	967	0.61%	FY 2014-15			15,419
Nov-14	158,375	(2,332)	-1.45%	FY 2015-16			15,057
Dec-14	162,727	4,352	2.75%	FY 2016-17			14,776
November 2014 Forecast				MAGI Adjustment			
Forecasted December 2014 Level			155,369	FY 2013-14			10,062
Base trend from Adjusted December level				MAGI Adjustment			
FY 2014-15	134,559	22.53%	24,743	FY 2014-15			14,357
Base trend from Actual December level				MAGI Adjustment			
FY 2014-15	160,674	28.87%	35,994	FY 2015-16			15,749
Monthly Average Growth Comparisons				February 2014 Projection After Adjustments			
FY 2013-14 Actuals		3,398	2.73%	FY 2013-14	124,680	25.44%	25,288
FY 2013-14 1st Half		1,844	1.67%	FY 2014-15	163,685	31.28%	39,005
FY 2013-14 2nd Half		4,952	3.78%	FY 2015-16	180,612	10.34%	16,927
FY 2014-15 1st Half Actuals		2,197	1.43%	FY 2016-17	197,447	9.32%	16,835
FY 2014-15 2nd Half Forecast		1,720	1.03%	Actuals			
FY 2014-15 Forecast		1,959	1.23%		Monthly Change	% Change	
November 2014 Forecast		2,582	2.07%	6-month average	2,197	1.43%	
FY 2015-16 Forecast		1,163	0.65%	12-month average	3,574	2.60%	
November 2014 Forecast		1,272	0.82%	18-month average	2,997	2.29%	
				24-month average	2,706	2.17%	
November 2014 Projection Before Adjustments				SB 13-200 Expansion Adjustment - Welcome Mat Effect			
FY 2013-14	109,816	10.49%	10,424	FY 2013-14			4,802
FY 2014-15	133,525	21.59%	23,709	FY 2014-15			7,785
FY 2015-16	146,637	9.82%	13,112	FY 2015-16			8,549
FY 2016-17	160,465	9.43%	13,828	FY 2016-17			9,355

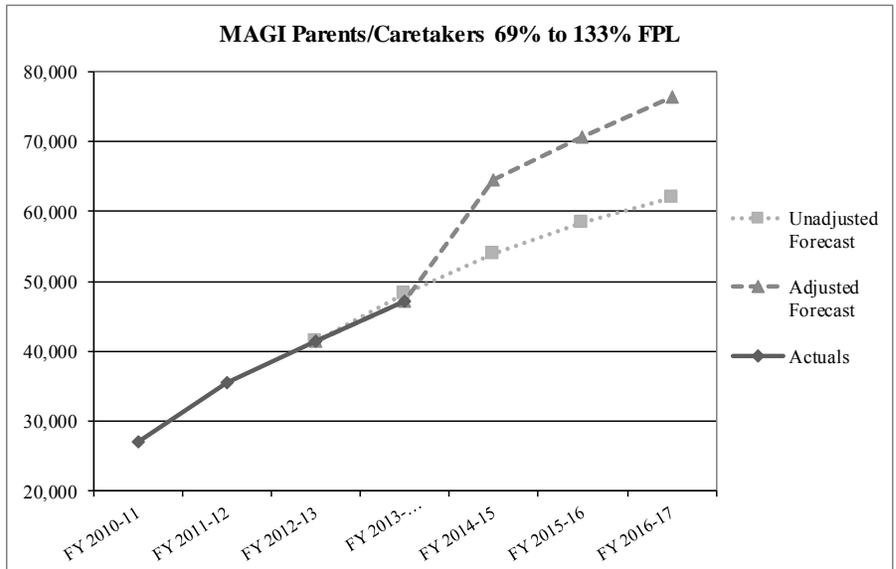
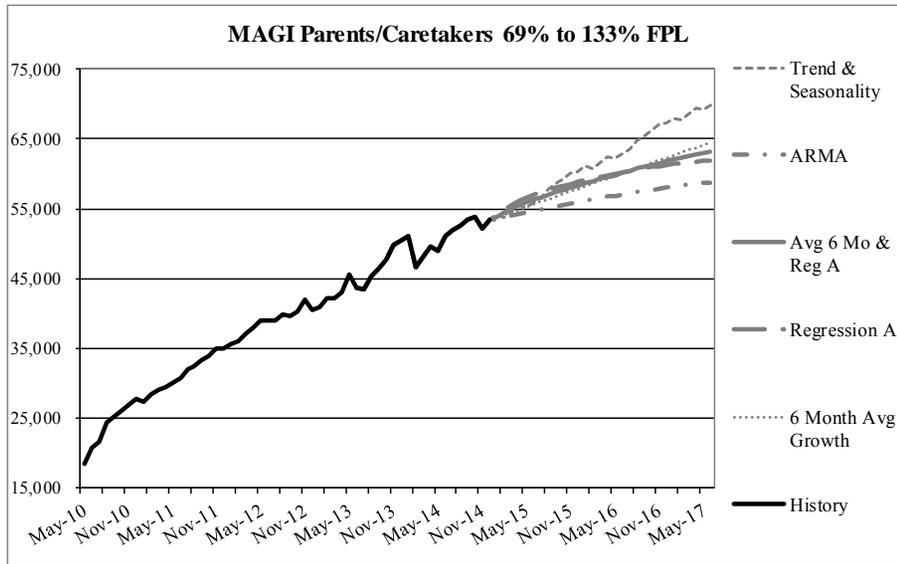
MAGI Parents/Caretakers 69% to 133% FPL

HB 09-1293 (Colorado Health Care Affordability Act) allows for expanding Medicaid eligibility to parents of children enrolled in either Medicaid or the Children's Basic Health Plan up to 100% of the federal poverty level (FPL). The increase in the percentage of allowable federal poverty level was implemented on May 1, 2010. Medicaid Expansion SB 13-200 further expanded this population to 133% and the Department has changed the category Expansion Adults to 100% FPL to MAGI Parents/Caretakers 69% to 133% FPL to track these clients.

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(m) Parents and caretaker relatives of children who are eligible for the medical assistance program whose family income does not exceed one hundred thirty-three percent of the federal poverty line, adjusted for family size;

MAGI Parents/Caretakers 69% to 133% FPL: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, AR(1) MA(1)	18.15	17.67	0.9754
ARMA	Caseload	Constant, 3 lags of the dependent variable	17.02	16.91	0.9858
Avg 6 Mo & Reg A			NA	NA	NA
Regression A	Caseload	Constant, unemployment rate, 1 lag of the dependent variable	16.96	16.85	0.9866
6 Month Avg Growth			NA	NA	NA

MAGI Parents/ Caretakers 69% to 133% FPL: Model Results¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	41,545	48,186	11.78%	53,862	5,676	(216)
ARMA	41,545	48,186	11.00%	53,486	5,300	(320)
Avg 6 Mo & Reg A	41,545	48,186	12.10%	54,016	5,830	(189)
Regression A	41,545	48,186	12.64%	54,276	6,090	(131)
6 Month Avg Growth	41,545	48,186	11.56%	53,756	5,570	(247)

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	48,186	54,016	11.95%	60,471	6,455	581
ARMA	48,186	54,016	4.78%	56,598	2,582	196
Avg 6 Mo & Reg A	48,186	54,016	8.24%	58,467	4,451	324
Regression A	48,186	54,016	8.55%	58,634	4,618	274
6 Month Avg Growth	48,186	54,016	7.93%	58,299	4,283	374

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	54,016	58,467	11.56%	65,226	6,759	581
ARMA	54,016	58,467	3.57%	60,554	2,087	144
Avg 6 Mo & Reg A	54,016	58,467	5.88%	61,905	3,438	257
Regression A	54,016	58,467	4.05%	60,835	2,368	140
6 Month Avg Growth	54,016	58,467	7.73%	62,986	4,519	374

¹ Bold denotes trend selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

MAGI Parents/Caretakers 69% to 133% FPL: Trend Selections

FY 2014-15: 12.10%
 FY 2015-16: 8.24%
 FY 2016-17: 5.88%

MAGI Parents/Caretakers 69% to 133% FPL: Justifications and Monthly Projections

- Average monthly caseload in the first half of FY 2014-15 for MAGI Parents/Caretakers 69% to 133% FPL was 65,032, which was 1,653 clients, or 2.61% over what was forecasted in November 2014.
- There are two notable factors impacting caseload growth for this eligibility:
 - The first is the change in calculated FPL after the implementation of MAGI in October 2013. Many clients began moving from MAGI Parents/Caretakers 69%-133% FPL to MAGI Parents/Caretakers to 68% FPL when the new rules were implemented and when a systems update was completed in March 2014. Applying the new MAGI rules resulted in a large number of clients having an increase in measured income and becoming eligible for transitional Medicaid. Clients that are in transitional Medicaid receive the standard Federal Medical Assistance Percentage (FMAP) and are placed into the MAGI Parents/Caretakers to 68% FPL category.
 - The second factor is the Welcome-Mat Effect, formerly referred to as the Eligible But Not Enrolled Clients. The Department has attempted to estimate this effect in isolation and believes that clients are responding more quickly to the insurance mandate than previously predicted in the fiscal note for SB 13-200 Medicaid Expansion. This bottom-line adjustment has been altered to reflect this estimated response rate.
- There are four bottom line adjustments for this eligibility. Two are described above; the churn that resulted from the MAGI rules change in October 2013, and the Welcome-Mat Effect. The third is the expansion from 100% FPL to 133% FPL. In November 2014, the Department had estimated an average monthly caseload of 21,849 in FY 2014-15 to be attributable to this expansion. The average monthly caseload in the first half of FY 2014-15 for clients in this expansion group was 23,771. This bottom-line adjustment has been altered accordingly. The fourth is the implementation of the 5% disregard. With the MAGI conversion, the Department began applying the 5% disregard to all clients. It was discovered that this 5% disregard was only to be applied to the maximum income limit for applying clients. A client that is within 5 percentage points of the upper limit of Medicaid eligibility will still be considered eligible for Medicaid. This results in clients moving from the MAGI Parents/Caretakers to 68% FPL over to MAGI Parents/Caretakers 69%-133% FPL.

SB 13-200 Medicaid Expansion Actuals	
Jul-14	21,051
Aug-14	22,011
Sep-14	22,748
Oct-14	23,570
Nov-14	25,346
Dec-14	27,899
Base Trend from December 2014 Level	
FY 2014-15	25,835

Expansion Adults to 133% FPL: Historical Caseload and Projections							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	40,442	-	-	FY 2009-10	3,238		
Jan-13	40,895	453	1.12%	FY 2010-11	27,167	-	-
Feb-13	42,236	1,341	3.28%	FY 2011-12	35,461	30.53%	8,294
Mar-13	42,110	(126)	-0.30%	FY 2012-13	41,545	17.16%	6,084
Apr-13	42,997	887	2.11%	FY 2013-14	48,187	15.99%	6,642
May-13	45,535	2,538	5.90%	FY 2014-15	54,016	12.10%	5,829
Jun-13	43,600	(1,935)	-4.25%	FY 2015-16	58,467	8.24%	4,451
Jul-13	43,321	(279)	-0.64%	FY 2016-17	61,905	5.88%	3,438
Aug-13	45,336	2,015	4.65%				
Sep-13	43,247	(2,089)	-4.61%				
Oct-13	37,094	(6,153)	-14.23%				
Nov-13	41,332	4,238	11.43%				
Dec-13	40,228	(1,104)	-2.67%				
Jan-14	40,659	431	1.07%				
Feb-14	51,272	10,613	26.10%				
Mar-14	53,923	2,651	5.17%				
Apr-14	55,524	1,601	2.97%				
May-14	54,497	(1,027)	-1.85%				
Jun-14	58,549	4,052	7.44%				
Jul-14	60,981	2,432	4.15%				
Aug-14	62,711	1,730	2.84%				
Sep-14	63,847	1,136	1.81%				
Oct-14	65,552	1,705	2.67%				
Nov-14	66,811	1,259	1.92%				
Dec-14	70,288	3,477	5.20%				

November 2014 Projection Before Adjustments			
FY 2013-14	48,187	15.99%	6,642
FY 2014-15	54,344	12.78%	6,157
FY 2015-16	59,441	9.38%	5,097
FY 2016-17	64,375	8.30%	4,934

SB 13-200 Expansion Adjustment - Over 108% FPL			
FY 2013-14			7,144
FY 2014-15			27,235
FY 2015-16			32,007
FY 2016-17			33,150

MAGI Adjustment			
FY 2013-14			(10,062)
FY 2014-15			(15,419)
FY 2015-16			(15,057)
FY 2016-17			(14,776)

SB 13-200 Expansion Adjustment - Welcome Mat Effect			
FY 2013-14			1,813
FY 2014-15			4,284
FY 2015-16			4,489
FY 2016-17			4,649

Implementation of 5% Disregard			
FY 2013-14			0
FY 2014-15			784
FY 2015-16			5,405
FY 2016-17			6,829

February 2015 Projection After Adjustments			
FY 2013-14	47,082	13.33%	5,537
FY 2014-15	70,900	50.59%	23,818
FY 2015-16	85,311	20.33%	14,411
FY 2016-17	91,757	7.56%	6,446

November 2014 Projection After Adjustments			
FY 2013-14	47,083	13.33%	5,538
FY 2014-15	64,563	37.13%	17,480
FY 2015-16	70,573	9.31%	6,010
FY 2016-17	76,305	8.12%	5,732

November 2014 Forecast			
Forecasted December 2014 Level			64,613

Base trend from Adjusted December 2014 level			
FY 2014-15	53,103	10.20%	4,916

Base trend from Actual December 2014 level			
FY 2014-15	67,660	43.71%	20,578

Monthly Average Growth Comparisons			
FY 2013-14 Actuals	1,246	2.90%	
FY 2013-14 1st Half	(562)	-1.01%	
FY 2013-14 2nd Half	3,054	6.82%	
FY 2014-15 1st Half Actuals	1,957	3.10%	
FY 2014-15 2nd Half Forecast	1,852	2.48%	
FY 2014-15 Forecast	1,904	2.79%	
November 2014 Forecast	1,457	3.09%	
FY 2015-16 Forecast	602	0.71%	
November 2014 Forecast	501	0.78%	

Actuals		
	Monthly Change	% Change
6-month average	1,957	3.10%
12-month average	2,505	4.96%
18-month average	1,483	2.97%
24-month average	1,244	2.55%

MAGI Adults

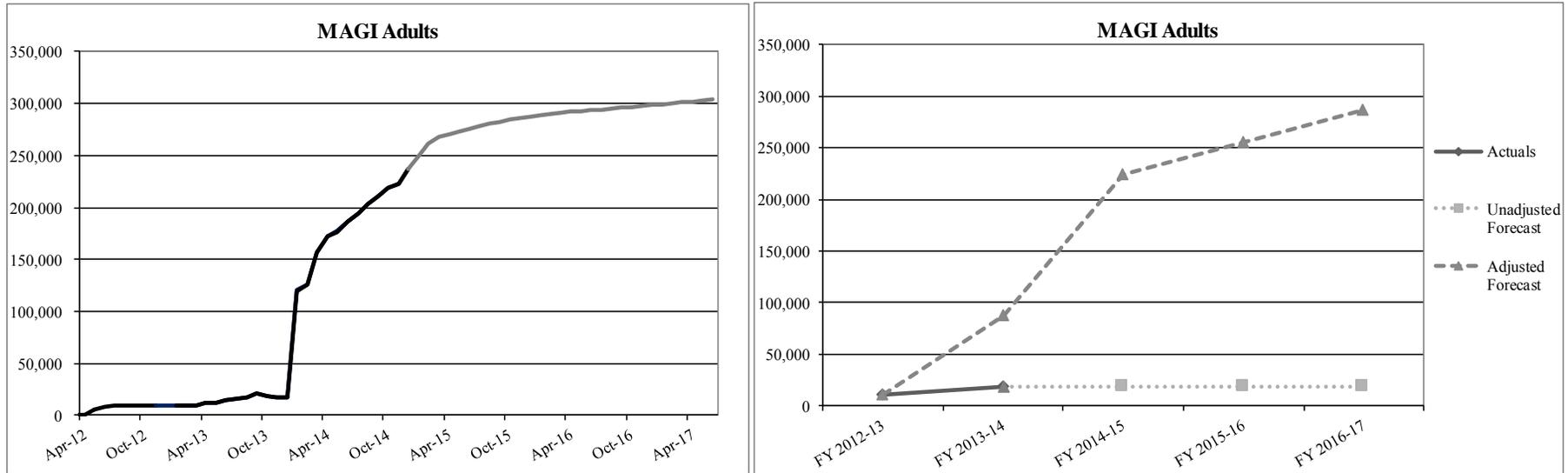
HB 09-1293 (Colorado Health Care Affordability Act) authorizes the Department to expand Medicaid eligibility to Adults without Dependent Children (AwDC), now referred to as MAGI Adults, age 19 to 65 who are not eligible for Medicaid or Medicare with income up to 133% of the federal poverty level (FPL). The Department implemented the first stage of this expansion in May 2012, in which enrollment is initially opened to individuals with income up to 10% FPL and enrollment was limited to 10,000.

Due to the availability of funding in the FFY 2012-13 Hospital Provider Fee model, the Department is planned to gradually increase the number of MAGI Adults served under 10% FPL in FY 2012-13 and FY 2013-14. The Department intended to enroll an additional 3,000 individuals from the wait list in April 2013, followed by 1,250 additional individuals per month from May through September 2013, setting the enrollment cap at 19,250 clients.

Beginning in January 2014, this enrollment cap was lifted. Aggressive growth has been seen for this eligibility over the six months following the implementation of Medicaid expansion.

25.5-5-201 (1), C.R.S.

(p) Subject to federal approval, adults who are childless or without a dependent child in the home, as described in section 1902 (a) (10) (A) (i) (VIII) of the social security act, 42 U.S.C. sec. 1396a, who have attained nineteen years of age but have not attained sixty-five years of age, and whose family income does not exceed one hundred thirty-three percent of the federal poverty line, adjusted for family size;



MAGI Adults: Justifications and Monthly Projections

- Average monthly caseload in the first half of FY 2014-15 for MAGI Adults was 214,360, which was 1,656 clients, or 0.78% above what was forecasted in November 2014. The Department believes that clients are responding more quickly to the insurance mandate than originally anticipated. The Department also believes that there will be aggressive growth from December 2014 through February 2015 due to open enrollment. After this, the Department expects the growth to slow considerably. The Department has increased the caseload estimate to account for this, but does believe these growth trends will begin to slow down in FY 2015-16 and FY 2016-17.
- There is one adjustment for this population. The adjustment is for clients that are eligible pursuant to the Affordable Care Act (ACA). The base caseload reflects the enrollment cap that was in effect prior to the expansion in January 2014. The adjustment has been altered from the November 2014 forecast to account for the rapid growth seen in December 2014.

MAGI Adults: Historical Caseload and Projections							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	9,798	-	-	FY 2011-12	1,134	-	-
Jan-13	9,777	(21)	-0.21%	FY 2012-13	10,634	837.74%	9,500
Feb-13	9,959	182	1.86%	FY 2013-14	18,679	75.65%	8,045
Mar-13	9,621	(338)	-3.39%	FY 2014-15	19,250	3.06%	571
Apr-13	12,076	2,455	25.52%	FY 2015-16	19,250	0.00%	0
May-13	12,462	386	3.20%	FY 2016-17	19,250	0.00%	0
Jun-13	14,772	2,310	18.54%				
Jul-13	16,073	1,301	8.81%				
Aug-13	17,388	1,315	8.18%				
Sep-13	20,951	3,563	20.49%				
Oct-13	19,168	(1,783)	-8.51%				
Nov-13	17,976	(1,192)	-6.22%				
Dec-13	17,092	(884)	-4.92%				
Jan-14	120,068	102,976	602.48%				
Feb-14	125,369	5,301	4.41%				
Mar-14	157,246	31,877	25.43%				
Apr-14	171,950	14,704	9.35%				
May-14	176,827	4,877	2.84%				
Jun-14	186,802	9,975	5.64%				
Jul-14	194,454	7,652	4.10%				
Aug-14	202,825	8,371	4.30%				
Sep-14	210,970	8,145	4.02%				
Oct-14	218,403	7,433	3.52%				
Nov-14	222,465	4,062	1.86%				
Dec-14	237,045	14,580	6.55%				

SB 13-200 Medicaid Expansion Adjustment			
FY 2013-14			68,564
FY 2014-15			221,112
FY 2015-16			267,989
FY 2016-17			279,857

February 2015 Trend Selections After Adjustments			
FY 2013-14	87,243	720.42%	76,609
FY 2014-15	240,362	175.51%	153,119
FY 2015-16	287,239	19.50%	46,877
FY 2016-17	299,107	4.13%	11,868

November 2014 Trend Selections Before Adjustments			
FY 2013-14	18,679	75.65%	8,045
FY 2014-15	19,250	3.06%	571
FY 2015-16	19,250	0.00%	0
FY 2016-17	19,250	0.00%	0

November 2014 Trend Selections After Adjustments			
FY 2013-14	87,243	720.41%	76,609
FY 2014-15	223,775	156.50%	136,533
FY 2015-16	255,924	14.37%	32,149
FY 2016-17	286,845	12.08%	30,921

Actuals		
	Monthly Change	% Change
6-month average	8,374	4.06%
12-month average	18,329	56.21%
18-month average	12,349	38.46%
24-month average	9,469	30.74%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	14,336	55.67%
FY 2013-14 1st Half	387	2.97%
FY 2013-14 2nd Half	28,285	108.36%
FY 2014-15 1st Half Actuals	8,374	4.06%
FY 2014-15 2nd Half Forecast	6,501	2.59%
FY 2014-15 Forecast	7,437	3.32%
November 2014 Forecast	4,472	2.14%
FY 2015-16 Forecast	1,464	0.52%
November Forecast	2,421	0.96%

November 2014 Forecast	
Forecasted December 2014 level	226,417

Base trend from December 2014 level		
FY 2014-15	225,703	158.71%
		138,460

Breast and Cervical Cancer Program

The Breast and Cervical Cancer Treatment Program (BCCP) was authorized under SB 01S2-012 and began enrolling eligible women in July 2002. Women under this optional coverage group were screened using the Centers for Disease Control's national breast and cervical cancer early detection and prevention guidelines, and found to have breast or cervical cancer. These women are between the ages of 40 and 64, uninsured, and otherwise not eligible for Medicaid. The Colorado Department of Public Health and Environment administers the screening program as a grantee of the Centers of Disease Control. Regulations for the nationwide screening program indicate that the program is for low-income women, which the Department of Public Health and Environment has interpreted to be less than 250% of the federal poverty level. To date, all 50 states have approved the option of covering these women under Medicaid.

25.5-5-308 (1), C.R.S.

The general assembly hereby finds and declares that breast and cervical cancer are significant health problems for women in this state. The general assembly further finds and declares that these cancers can and should be prevented and treated whenever possible. It is therefore the intent of the general assembly to enact this section to provide for the prevention and treatment of breast and cervical cancer to women where it is not otherwise available for reasons of cost.

25.5-5-308 (2), C.R.S.

As used in this section, unless the context otherwise requires:

(a) "Eligible person" means a person who:

(I)(A) Has been screened for breast or cervical cancer under the centers for disease control and prevention's national breast and cervical cancer early detection program established under Title XV of the federal "Public Health Service Act", 42 U.S.C. sec. 300k et seq., in accordance with the requirements of section 1504 of such act, 42 U.S.C. sec. 300n, on or after July 1, 2002, unless the centers for Medicare and Medicaid services approves the state department's amendment to the medical assistance plan and the state department is able to implement the breast and cervical cancer prevention and treatment program before such date, then the person must be screened on or after the implementation date of such program;
or

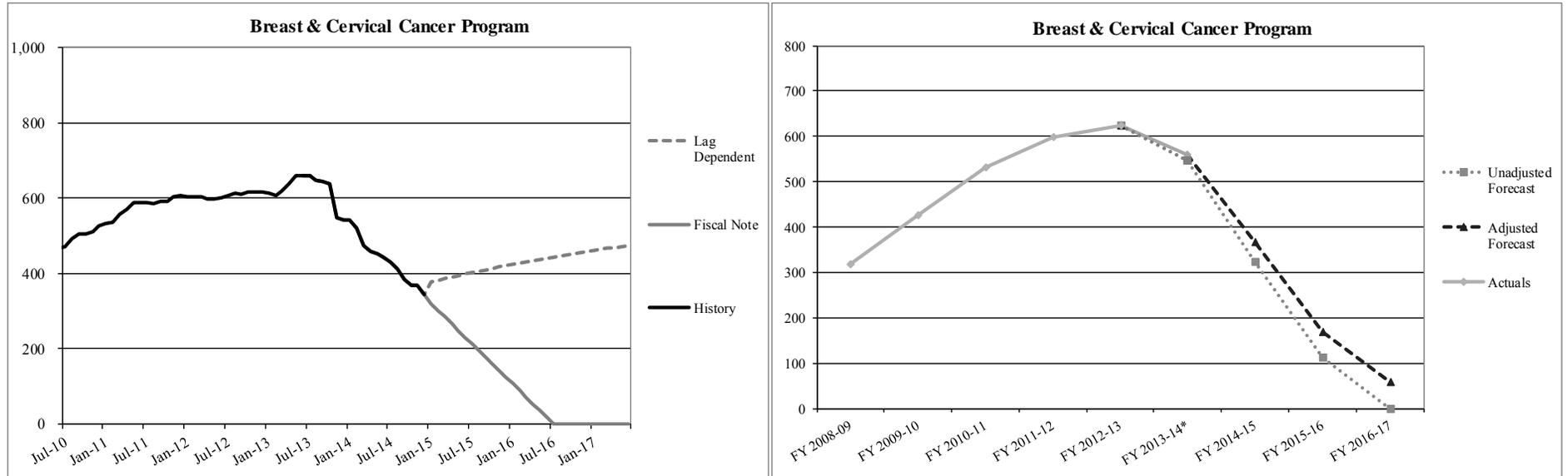
(B) Has been screened for breast or cervical cancer by a provider who does not receive funds through the centers for disease control and prevention's national breast and cervical cancer early detection program but whose screening activities are recognized by the department of public health and environment as part of screening activities under the centers for disease control and prevention's national breast and cervical cancer early detection program. This sub-subparagraph (B) shall apply only if the state department receives authority to receive federal financial participation for such persons. The state department shall request authority for federal financial participation when the state department determines that the amount of moneys accumulated in the eligibility expansion account created in paragraph (c) of subsection (8) of this section, including any amounts pledged or promised through a gift, grant, or donation, is sufficient to sustain the projected number of additional persons who would be eligible for the program under this sub-subparagraph (B).

(II) Has been diagnosed with breast or cervical cancer and is in need of breast or cervical cancer treatment;

(III) Has not yet attained sixty-five years of age; and

(IV) Does not have any creditable coverage as defined under federal law pursuant to 42 U.S.C. sec. 300gg (c).

Breast and Cervical Cancer Program: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Lag Dependent	Caseload	Constant, BCCP Dummy, 1 lag on the dependent variable.	8.81	8.75	0.9913
Fiscal Note			NA	NA	NA

Breast and Cervical Cancer Program: Attrition Rate for Population Below 133% FPL

FY 2014-15: -41.16%
FY 2015-16: -65.02%
FY 2016-17: -100.00%

Breast and Cervical Cancer Program: Trend Selections for Population Above 133% FPL

FY 2014-15: 375.00%
FY 2015-16: 15.79%
FY 2016-17: 9.09%

Breast and Cervical Cancer Program: Justifications

- Average monthly caseload in the first half of FY 2014-15 for BCCP was 437, which was 16 clients, or 3.80%, over what was forecasted in November 2014. The forecast has been adjusted accordingly.
- The expansion in MAGI Adults has resulted in many new clients that would have formerly been placed in BCCP are now being placed in MAGI Adults. The Department expects declines to continue for clients with FPL below 133%.
- There are two adjustments for this population. The first adjustment identifies the clients that are above 133% FPL. The expansion of MAGI Adults is expected to result in decreases for this population under 133% FPL. Clients that are new to Medicaid that would have been eligible in BCCP can now receive coverage in the MAGI Adults category. The expected new clients to this eligibility are those above 133% FPL because they will not qualify as MAGI Adults. The Department has used an attrition rate to predict the decline of the caseload that is beneath 133% FPL and the lag dependent model to predict the increases in clients above 133% FPL. The second adjustment refers to the site expansion that allows women to be screened by provider's other than those under the centers for disease control and prevention's national breast and cervical cancer early detection program (CRS 25.5-5-308 (a) (I) (B)). This was calculated in accordance with analyses provided by Women's Wellness Connection (WWC) for the February 2014 forecast. These calculations have been adjusted by the projected proportion of women that will be above 133% FPL.
- Clients in this eligibility type exceed Medicaid income guidelines, so it is reasonable to expect that the caseload will continue to grow, as they are not affected by the economy as much as parents/caretakers and children, and they do not have alternative insurance to utilize.
- This program receives ongoing Tobacco Tax funding to subcontract with clinics that provide screenings.
- Beginning January 2005, the reported caseload decreased dramatically because of an issue within the Medicaid Management Information System (MMIS) that was used to report the data. Because of this issue within the MMIS, the Department obtained a caseload report directly from raw data in the Colorado Benefits Management System. This report was used from July 2005 through March 2006. All subsequent monthly caseload data are obtained from the MMIS report that is used to report all other categories of Medicaid caseload. The caseload counts for the six months from January through June 2005 were left as originally reported, which explains the decrease seen in FY 2004-05.

Breast and Cervical Cancer Program: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	616	-	-	FY 2002-03	47	-	-
Jan-13	613	(3)	-0.49%	FY 2003-04	105	123.40%	58
Feb-13	608	(5)	-0.82%	FY 2004-05	87	-17.14%	(18)
Mar-13	618	10	1.64%	FY 2005-06	188	116.09%	101
Apr-13	639	21	3.40%	FY 2006-07	228	21.28%	40
May-13	659	20	3.13%	FY 2007-08	270	18.42%	42
Jun-13	659	0	0.00%	FY 2008-09	317	17.41%	47
Jul-13	660	1	0.15%	FY 2009-10	425	34.07%	108
Aug-13	648	(12)	-1.82%	FY 2010-11	531	24.94%	106
Sep-13	645	(3)	-0.46%	FY 2011-12	597	12.43%	66
Oct-13	639	(6)	-0.93%	FY 2012-13	623	4.36%	26
Nov-13	547	(92)	-14.40%	FY 2013-14	547	-12.20%	(76)
Dec-13	540	(7)	-1.28%	FY 2014-15	322	-41.16%	(225)
Jan-14	543	3	0.56%	FY 2015-16	113	-65.02%	(209)
Feb-14	527	(16)	-2.95%	FY 2016-17	0	-100.00%	(113)
Mar-14	498	(29)	-5.50%				
Apr-14	492	(6)	-1.20%				
May-14	488	(4)	-0.81%				
Jun-14	477	(11)	-2.25%				
Jul-14	472	(5)	-1.05%				
Aug-14	463	(9)	-1.91%				
Sep-14	439	(24)	-5.18%				
Oct-14	424	(15)	-3.42%				
Nov-14	425	1	0.24%				
Dec-14	396	(29)	-6.82%				

November 2014 Projection Before Adjustments			
FY 2013-14	547	-12.25%	(76)
FY 2014-15	327	-40.18%	(220)
FY 2015-16	115	-64.83%	(212)
FY 2016-17	0	-100.00%	(115)

Site Expansion Adjustments	
FY 2013-14	0
FY 2014-15	3
FY 2015-16	12
FY 2016-17	12

Population Above 133% FPL	
FY 2013-14	12
FY 2014-15	54
FY 2015-16	54
FY 2016-17	60

November 2014 Projection After Adjustments	
FY 2013-14	0
FY 2014-15	3
FY 2015-16	12
FY 2016-17	12

February 2015 Projection After Adjustments	
FY 2013-14	559
FY 2014-15	379
FY 2015-16	179
FY 2016-17	72

November 2014 Projection After Adjustments	
FY 2013-14	559
FY 2014-15	368
FY 2015-16	169
FY 2016-17	59

November 2014 Forecast			
Forecasted December 2014 Level			377

Base trend from December 2014 level			
FY 2014-15	416	-25.54%	(143)

Monthly Average Growth Comparisons			
FY 2013-14 Actuals	(15)		-2.58%
FY 2013-14 1st Half	(20)		-3.12%
FY 2013-14 2nd Half	(11)		-2.03%
FY 2014-15 1st Half Actuals	(14)		-3.02%
FY 2014-15 2nd Half Forecast	(21)		-6.28%
FY 2014-15 Forecast	(17)		-4.65%
November 2014 Forecast	(16)		-2.84%
FY 2015-16 Forecast	(14)		-7.61%
November 2014 Forecast	(17)		-4.51%

Actuals		
	Monthly Change	% Change
6-month average	(14)	-3.02%
12-month average	(12)	-2.53%
18-month average	(15)	-2.72%
24-month average	(9)	-1.76%

MAGI Eligible Children

One of the primary ways that children qualify for Medicaid is through Section 1931 of the federal Medicaid statute. Under Section 1931, families who were eligible for cash welfare assistance under the Aid to Families with Dependent Children program are still eligible for Medicaid even after the Aid to Families with Dependent Children program was discontinued. Aid to Families with Dependent Children was replaced by the Temporary Assistance for Needy Families welfare program (referred to as Colorado Works) on July 16, 1996, and clients under the Temporary Assistance for Needy Families program were no longer automatically eligible for Medicaid. Per HB 09-1293 children enrolled in Medicaid will receive continuous eligibility for twelve months.

This category also includes children on Transitional Medicaid. Transitional Medicaid is available to children in families who have received 1931 Medicaid three of the past six months and become ineligible due to an increase in earned income. Children receive Transitional Medicaid benefits for one year. In FY 2013-14, there were an average of 16,335 children on Transitional Medicaid. Although this program has been set to expire many times, it has been renewed regularly, most recently through March 31, 2015. While the future of Transitional Medicaid is unknown once the federal Affordable Care Act is implemented, the Department assumed that the federal Transitional Medicaid program would continue throughout FY 2016-17 for the purposes of projecting caseload.

Children who are born to women enrolled in the Baby and Kid Care program (MAGI Eligible Pregnant Adults) are also included in this category. Between 1986 and 1991, Congress extended Medicaid to new groups of pregnant women and children. Referred to as Baby and Kid Care in Colorado, this program was authorized through the Medicare Catastrophic Coverage Act of 1988. The program enrolls Baby Care women (see the MAGI Eligible Pregnant Adults section of this document for information on women) and Kid Care children. Kid Care children are born to women with incomes up to 142% of the federal poverty level. The Baby and Kid Care Program serves a much higher income level than the 1931 Families program, and pregnant mothers are not subject to resource or asset limitations to qualify for the program. Moreover, the Baby and Kid Care Program has never had a cash-assistance component and was unaffected by welfare reform in 1996.

In previous years, this caseload was adjusted to include Ribicoff children. Ribicoff children were children aged six to 19, with incomes up to 100% of the federal poverty level with resources limited to \$1,000 who were born after September 30, 1983. Beginning with age six, a new age cohort was phased-in each year. Caseload was adjusted upwards to include these children. However, the final cohort of children was phased-in during FY 2002-03, so no further caseload adjustments are needed. Therefore, the MAGI Eligible Children category includes: children in families who receive Medicaid under Section 1931, children in families who receive Temporary Aid to Needy Families financial assistance coupled with Medicaid, children who are eligible for Kid Care, Ribicoff children, and children who receive Transitional Medicaid.

SB 11-008 expanded Medicaid eligibility to children of all ages with incomes up to 133% FPL (142% FPL after October 2013 due to income disregards for MAGI) in January 2013. Children ages 6 and up with incomes from 108% FPL to 142% FPL with no other insurance are considered SB 11-008 eligible children and receive the enhanced CHP+ federal match, since these children would have otherwise been eligible for CHP+. There are, however, children that do not receive the enhanced CHP+ federal match that are over age 6 with incomes from 108% FPL to 142% FPL, these are the children with other insurance that would not have otherwise qualified for CHP+.

25.5-5-101 (1), C.R.S.

- (a) Individuals who meet the eligibility criteria for the aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;*
- (b) Families who meet the eligibility criteria for the aid to families with dependent children program established in rules that were in effect on July 16, 1996, and who subsequently would have become ineligible under such eligibility criteria because of increased earnings or increased hours of employment whose eligibility is specified for a period of time by the federal government;*
- (c) Qualified pregnant women, and children under the age of seven, who meet the income resource requirements of the state's aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;*
- (d) A newborn child born of a woman who is categorically needy. Such child is deemed Medicaid-eligible on the date of birth and remains eligible for one year so long as the woman remains categorically needy and the child is a member of her household;*
- (m) Low-income pregnant women, and children through the age of six, whose income is at or below a certain percentage of the federal poverty level as determined by the federal government;*

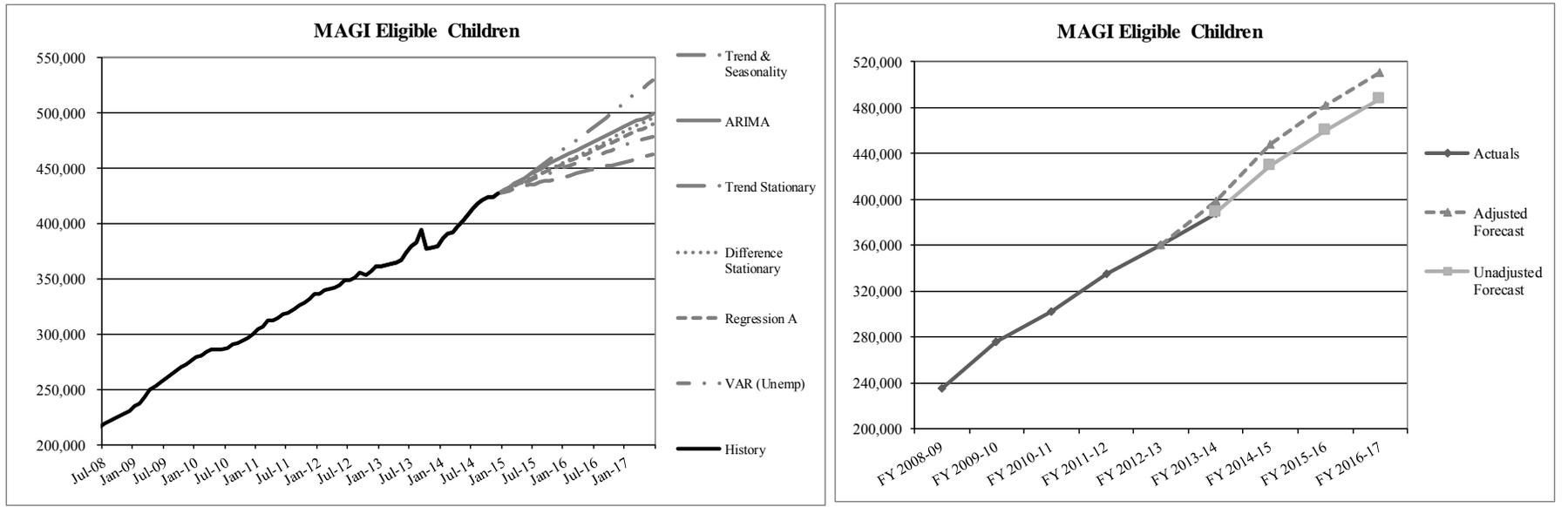
25.5-5-201 (1), C.R.S.

- (a) Individuals who would be eligible for but are not receiving cash assistance;*
- (d) Individuals who would be eligible for aid to families with dependent children if child care were paid from earnings;*
- (e) Individuals under the age of twenty-one who would be eligible for aid to families with dependent children but do not qualify as dependent children;*
- (h) Persons who are eligible for cash assistance under the works program pursuant to section 26-2-706, C.R.S.;*

25.5-5-205 (3), C.R.S.

- (a) On and after April 1, 1990, children under the age of six years and pregnant women shall be eligible for benefits under the baby and kid care program... (b) The percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this subsection (3) shall be one hundred thirty-three percent...;*
- (c) (I) On and after September 1, 2011, children born after September 30, 1983, who have attained six years of age but have not attained nineteen years of age shall be eligible for benefits under the baby and kid care program. For the purpose of eligibility under this paragraph (c) only, such individual's family income shall exceed the eligibility threshold used in determining eligibility for aid to families with dependent children assistance pursuant to rules in effect on July 16, 1996, and the method adopted by the state board pursuant to sections 25.5-5-101 (4) (c) and 25.5-5-201 (5) (c), but shall not exceed the equivalent of the percentage level of the federal poverty line that is specified pursuant to subparagraph (II) of this paragraph (c).*
- (II) The percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this paragraph (c) shall be equivalent to the family income eligibility threshold applied to children under six years of age pursuant to paragraph (b) of this subsection (3).*

MAGI Eligible Children: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, trend, monthly seasonal dummy variables.	24.02	23.85	0.8543
ARIMA	Differenced Caseload	Constant, AR(1) MA(1)	18.48	18.44	0.1724
Trend Stationary	Log(Caseload)	Constant, trend, 4 lags of the dependent variable.	-6.12	-6.20	0.9994
Difference Stationary	Differenced Log(Caseload)	Constant, 3 lags of the dependent variable.	-6.13	-6.19	0.1797
Avg Trend Stat. & Diff Stat.			NA	NA	NA
Regression A	Caseload	Constant, unemployment rate, 1 lag of the dependent variable.	18.51	18.47	0.9993
VAR (Unemp)	Caseload	NA	18.72	18.50	0.1749
	Unemployment	NA	-2.17	-2.39	0.7322

MAGI Eligible Children: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	359,843	388,842	9.74%	426,715	37,873	1,263
ARIMA	359,843	388,842	10.38%	429,204	40,362	2,002
Trend Stationary	359,843	388,842	10.40%	429,282	40,440	2,077
Difference Stationary	359,843	388,842	10.12%	428,193	39,351	1,730
Avg Trend Stat. & Diff Stat.	359,843	388,842	10.26%	428,737	39,895	1,903
Regression A	359,843	388,842	10.09%	428,076	39,234	1,688
VAR (Unemp)	359,843	388,842	10.02%	427,804	38,962	1,587

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	388,842	426,715	3.58%	441,991	15,276	1,133
ARIMA	388,842	429,204	7.16%	459,935	30,731	2,435
Trend Stationary	388,842	429,282	8.59%	466,157	36,875	3,366
Difference Stationary	388,842	428,193	6.25%	454,955	26,762	2,237
Avg Trend Stat. & Diff Stat.	388,842	428,737	7.42%	460,549	31,812	2,801
Regression A	388,842	428,076	5.95%	453,547	25,471	2,075
VAR (Unemp)	388,842	427,804	5.18%	449,964	22,160	1,724

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	426,715	441,991	3.08%	455,604	13,613	1,133
ARIMA	429,204	459,935	5.94%	487,255	27,320	2,161
Trend Stationary	429,282	466,157	9.18%	508,950	42,793	3,720
Difference Stationary	428,193	454,955	6.08%	482,616	27,661	2,363
Avg Trend Stat. & Diff Stat.	428,737	460,549	7.64%	495,735	35,186	3,042
Regression A	428,076	453,547	5.49%	478,447	24,900	2,084
VAR (Unemp)	427,804	449,964	4.49%	470,167	20,203	1,621

¹Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

MAGI Eligible Children: Trend Selections

FY 2014-15: 10.38%
FY 2015-16: 7.16%
FY 2016-17: 5.94%

MAGI Eligible Children: Justifications

- Average monthly caseload in the first half of FY 2014-15 for MAGI Eligible Children was 439,472, which was 9,304 clients, or 2.16%, over what was forecasted in November 2014. This difference is due to an adjustment that was made to account for the clients that are enrolled in Medicaid due to continuous eligibility. This adjustment increased caseload for MAGI Eligible Children and decreased caseload for SB 11-008 Eligible Children. The forecasts have been altered accordingly.
- Continuous eligibility was implemented March 2014 for this population. Rather than accounting for continuous eligibility as a bottom line adjustment, the Department has selected aggressive trends to account for the additional member months. The Department believes that the reduction in clients leaving Medicaid is having a significant effect on most of the models seen above, and assumes the trend selected will be able predict the changes in enrollment due to continuous eligibility. The Department will continue to research the effect that continuous eligibility has on this population.
- Three adjustments are included in this February 2015 forecast. The first is the Welcome-Mat Effect, formerly referred to as the eligible but not enrolled (EBNE) population. The Department has attempted to track the increase in caseload that would be attributable to the clients who were eligible for Medicaid benefits but did not seek out the insurance package till the mandate to obtain health care coverage under the ACA and increased awareness about coverage due to the Medicaid expansions. While this effect is difficult to isolate, the Department does believe the response rate of this population is faster than originally anticipated. The second bottom-line adjustment is for the removal of the 5 year bar on legal immigrant children (HB 09-1353). The Department originally predicted implementation in FY 2014-15, but after further analysis has determined implementation would be in FY 2015-16. The third adjustment pertains to the FPL limit between eligible children that are considered Title XIX or Title XXI. In January 2013, the Department expanded Medicaid children's eligibility to 133% FPL for ages 6 through 18. These children that would have otherwise been eligible for CHP+ (SB 11-008 Eligible Children) are considered Title XXI, and receive the enhanced CHP+ Federal Medical Assistance Percentage. Upon additional review of the income level conversion calculated for MAGI, CMS determined that there was an error in the calculation for the Title XXI income levels. Title XXI income levels are to be decreased by one percentage point. The maximum poverty level for CHP+ will change from 260% to 259%, and the maximum income level between Title XIX and Title XXI will be changed from 107% to 106%. This change results in children ages 6 to 18, with income levels equal to 107%, and with no other insurance to be moved over to the SB 11-008 Eligible Children population. The Department currently expects implementation in September 2015.
- This population is affected by economic conditions in similar ways as the MAGI Parents/Caretakers, as children on Medicaid have eligibility granted as a function of a parent or guardian in most cases. Caseload trends in this category are highly affected by economic conditions, and tend to be positively correlated with the population of children aged 0 to 18. Growth in the 0 to 18 population dropped from around 2.3% per year from FY 1995-96 to FY 2001-02 to about 0.9% per year from FY 2002-03 to FY 2011-12. The economy is expected to continue

improving (see page MC-14)¹³, but the Department does not expect this to be accompanied by a declining Medicaid caseload due to expansionary policy changes.

- Caseload declines occurred from 1993 to 1999 due to economic expansion and effects from the Tatum lawsuit (see MAGI Parents/Caretakers to 68% FPL section for more information on the lawsuit). When the Children's Basic Health Plan program was enacted in 1998, it required that children be screened for Medicaid before conferring Children's Basic Health Plan eligibility. As more children applied, many were found to be Medicaid eligible and were enrolled in Medicaid. Between FY 2002-03 and FY 2004-05, caseload in this category grew by 31.4%, which the Department believes is largely due to the state of the economy. The rate of growth fell drastically in FY 2005-06, and the caseload actually contracted by 3.74%. There were large and consistent declines between July 2006 and December 2007, which seems to indicate that the improved economy was having the expected effect on caseload. Similarly, large and consistent increases since January 2008 indicate that the weakening economic conditions are impacting caseload in this eligibility type.
- Changes to the rules regarding the citizenship requirements of the Deficit Reduction Act of 2005 may affect this population and result in higher growth. Children who cannot provide proper proof of citizenship will no longer automatically remain eligible for the Children's Basic Health Plan. This may increase growth in Medicaid as families find documents to ensure coverage of children.

¹³ Source: Office of State Planning and Budgeting, June 2014 Economic and Fiscal Review, page 56

MAGI Eligible Children: Historical Caseload and Projections							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	361,446	-	-	FY 2002-03	169,311	-	-
Jan-13	361,220	(226)	-0.06%	FY 2003-04	195,279	15.34%	25,968
Feb-13	362,024	804	0.22%	FY 2004-05	222,472	13.93%	27,193
Mar-13	363,012	988	0.27%	FY 2005-06	214,158	-3.74%	(8,314)
Apr-13	364,317	1,305	0.36%	FY 2006-07	205,390	-4.09%	(8,768)
May-13	366,710	2,393	0.66%	FY 2007-08	204,022	-0.67%	(1,368)
Jun-13	373,604	6,894	1.88%	FY 2008-09	235,129	15.25%	31,107
Jul-13	379,057	5,453	1.46%	FY 2009-10	275,672	17.24%	40,543
Aug-13	382,925	3,868	1.02%	FY 2010-11	302,410	9.70%	26,738
Sep-13	394,462	11,537	3.01%	FY 2011-12	334,633	10.66%	32,223
Oct-13	382,709	(11,753)	-2.98%	FY 2012-13	359,843	7.53%	25,210
Nov-13	386,326	3,617	0.95%	FY 2013-14	388,842	8.06%	28,999
Dec-13	389,900	3,574	0.93%	FY 2014-15	429,204	10.38%	40,362
Jan-14	398,421	8,521	2.19%	FY 2015-16	459,935	7.16%	30,731
Feb-14	403,896	5,475	1.37%	FY 2016-17	487,255	5.94%	27,320
Mar-14	408,289	4,393	1.09%				
Apr-14	415,665	7,376	1.81%				
May-14	420,784	5,119	1.23%				
Jun-14	425,951	5,167	1.23%				
Jul-14	431,202	5,251	1.23%				
Aug-14	436,076	4,874	1.13%				
Sep-14	438,991	2,915	0.67%				
Oct-14	442,075	3,084	0.70%				
Nov-14	442,141	66	0.01%				
Dec-14	446,352	4,211	0.95%				

November 2014 Trend Selections Before Adjustments			
FY 2013-14	387,172	7.59%	27,329
FY 2014-15	424,031	9.52%	36,859
FY 2015-16	451,254	6.42%	27,223
FY 2016-17	478,735	6.09%	27,481

SB 13-200 Expansion Adjustment - Welcome Mat Effect		
FY 2013-14		10,190
FY 2014-15		19,122
FY 2015-16		20,476
FY 2016-17		20,991

HB 09-1353 Removing Bar on Legal Immigrants Adjustment		
FY 2013-14		0
FY 2014-15		0
FY 2015-16		1,518
FY 2016-17		2,320

November 2014 Forecast		
Forecasted December 2014 Level		437,609

Adjusting Title XIX FPL Limit			
FY 2013-14			0
FY 2014-15			0
FY 2015-16			(1,607)
FY 2016-17			(1,929)

February 2015 Trend Selections After Adjustments			
FY 2013-14	399,032	10.89%	39,189
FY 2014-15	448,326	12.35%	49,294
FY 2015-16	480,322	7.14%	31,996
FY 2016-17	508,637	5.90%	28,315

November 2014 Trend Selections After Adjustments			
FY 2013-14	397,362	10.43%	37,519
FY 2014-15	439,097	10.50%	41,735
FY 2015-16	468,884	6.78%	29,787
FY 2016-17	498,180	6.25%	29,296

Base trend from Adjusted December 2014 level			
FY 2014-15	424,405	9.15%	35,563

Base trend from Actual December 2014 level			
FY 2014-15	442,912	11.00%	43,880

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	4,362	1.11%
FY 2013-14 1st Half	2,716	0.73%
FY 2013-14 2nd Half	6,009	1.49%
FY 2014-15 1st Half Actuals	3,400	0.78%
FY 2014-15 2nd Half Forecast	3,093	0.68%
FY 2014-15 Forecast	3,247	0.73%
November 2014 Forecast	2,353	0.54%
FY 2015-16 Forecast	2,371	0.50%
November 2014 Forecast	2,269	0.54%

Actuals		
	Monthly Change	% Change
6-month average	3,400	0.78%
12-month average	4,704	1.13%
18-month average	4,042	1.00%
24-month average	3,538	0.89%

SB 11-008 Eligible Children

Prior to the implementation of SB 11-008 in January 2013, children ages 0 to 5 whose family income was under 133% FPL were eligible for Medicaid, and children ages 6 to 18 whose family income was under 100% FPL were eligible for Medicaid. SB 11-008 increased the FPL threshold for children ages 6 to 18 up to 133% FPL, 142% FPL with income disregards applied after October 2013. Services for clients that would have been eligible for CHP+, before the implementation of SB 11-008, receive the enhanced CHP+ federal match. These clients are identified as Medicaid eligible children that are over the age of 6, with incomes above 108% FPL, and have no other insurance.

25.5-5-205 (3), C.R.S.

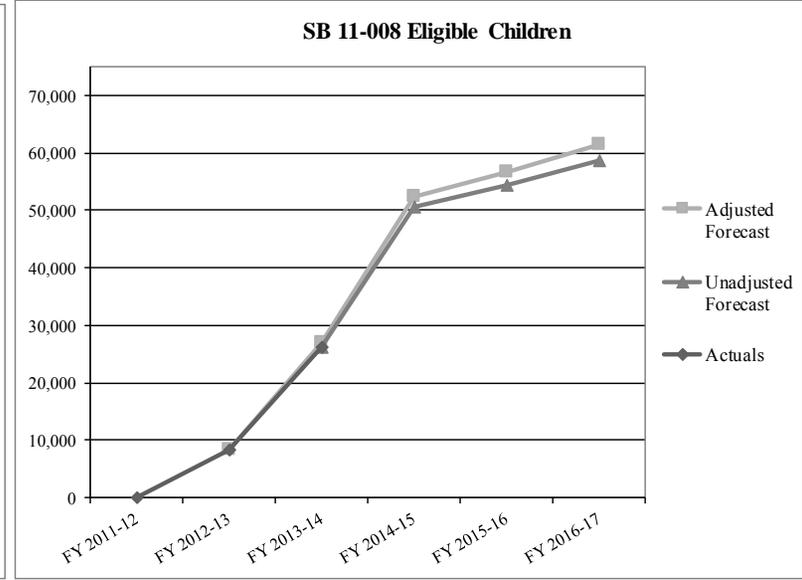
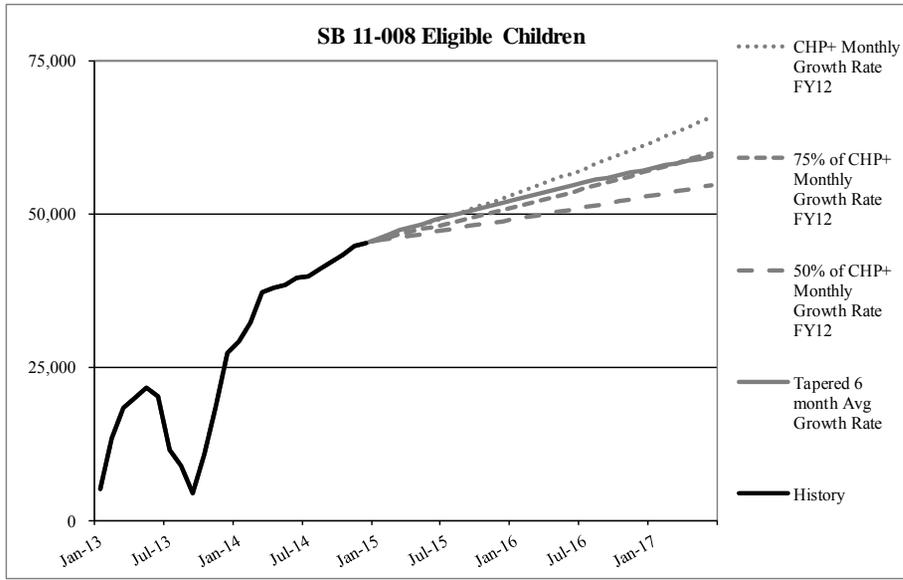
(b) (I) For children under six years of age, the percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this subsection (3) shall be one hundred thirty-three percent. If the federal government establishes a new federal minimum percentage level of the federal poverty line used to determine eligibility under this subsection (3) that is different from the level set in this subparagraph (I), the state department is authorized to meet such federal minimum level without requiring additional legislation; however, such minimum federal level shall be established by rule of the state board.

25.5-5-205 (3), C.R.S.

(c) (I) On and after September 1, 2011, children born after September 30, 1983, who have attained six years of age but have not attained nineteen years of age shall be eligible for benefits under the baby and kid care program. For the purpose of eligibility under this paragraph (c) only, such individual's family income shall exceed the eligibility threshold used in determining eligibility for aid to families with dependent children assistance pursuant to rules in effect on July 16, 1996, and the method adopted by the state board pursuant to sections 25.5-5-101 (4) (c) and 25.5-5-201 (5) (c), but shall not exceed the equivalent of the percentage level of the federal poverty line that is specified pursuant to subparagraph (II) of this paragraph (c).

(II) The percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this paragraph (c) shall be equivalent to the family income eligibility threshold applied to children under six years of age pursuant to paragraph (b) of this subsection (3).

SB 11-008 Eligible Children: Model Results



SB 11-008 Eligible Children: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
CHP+ Monthly Growth Rate FY12	8,236	24,651	82.63%	45,020	20,369	152
75% of CHP+ Monthly Growth Rate FY12	8,236	24,651	81.59%	44,764	20,113	78
50% of CHP+ Monthly Growth Rate FY12	8,236	24,651	80.58%	44,515	19,864	5
Tapered 6 month Avg Growth Rate	8,236	24,651	82.99%	45,109	20,458	166

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
CHP+ Monthly Growth Rate FY12	24,651	45,109	17.58%	53,039	7,930	653
75% of CHP+ Monthly Growth Rate FY12	24,651	45,109	13.72%	51,298	6,189	473
50% of CHP+ Monthly Growth Rate FY12	24,651	45,109	10.05%	49,642	4,533	307
Tapered 6 month Avg Growth Rate	24,651	45,109	15.44%	52,074	6,965	482

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
CHP+ Monthly Growth Rate FY12	45,109	52,074	16.08%	60,447	8,373	759
75% of CHP+ Monthly Growth Rate FY12	45,109	52,074	11.85%	58,245	6,171	529
50% of CHP+ Monthly Growth Rate FY12	45,109	52,074	7.83%	56,151	4,077	331
Tapered 6 month Avg Growth Rate	45,109	52,074	9.91%	57,235	5,161	386

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

SB 11-008 Eligible Children: Justifications

- Average monthly caseload in the first half of FY 2014-15 for SB 11-008 Eligible Children was 44,581, which was 5,210 clients, or 10.46%, under what was forecasted in November 2014. This difference is due to an adjustment that was made to appropriately account for the clients that are enrolled in Medicaid due to continuous eligibility. This adjustment increased caseload for MAGI Eligible Children and decreased caseload for SB 11-008 Eligible Children. The forecasts have been altered accordingly.
- Three adjustments are included in this February 2015 forecast. The first is the Welcome-Mat Effect, formerly referred to as the eligible but not enrolled (EBNE) population. The Department has attempted to track the increase in caseload that would be attributable to the clients who were eligible for Medicaid benefits but did not seek out the insurance package till the mandate to obtain health care coverage under the ACA and increased awareness about coverage due to the Medicaid expansions. While this effect is difficult to isolate, the Department does believe the response rate of this population is faster than originally anticipated. The second bottom-line adjustment is for the removal of the 5 year bar on legal immigrant children (HB 09-1353). The Department originally predicted implementation in FY 2014-15, but after further analysis has determined implementation would be in FY 2015-16. The third adjustment pertains to the FPL limit between eligible children that are considered Title XIX or Title XXI. In January 2013, the Department expanded Medicaid children's eligibility to 133% FPL for ages 6 through 18. These children that would have otherwise been eligible for CHP+ (SB 11-008 Eligible Children) are considered Title XXI, and receive the enhanced CHP+ Federal Medical Assistance Percentage. Upon additional review of the income level conversion calculated for MAGI, CMS determined that there was an error in the calculation for the Title XXI income levels. Title XXI income levels are to be decreased by one percentage point. The maximum poverty level for CHP+ will change from 260% to 259%, and the maximum income level between Title XIX and Title XXI will be changed from 107% to 106%. This change results in children ages 6 to 18, with income levels equal to 107%, and with no other insurance to be moved over to the SB 11-008 Eligible Children population. The Department currently expects implementation in September 2015.
- Data issues from July 2013 through November 2013 prevented the Department from identifying these clients, significant drops in caseload can be seen for these months. These data issues left inaccurate data points for the February 2014 forecast. The Department believes that these issues have been resolved and all appropriate clients can now be identified.
- The Department believes that this eligibility is affected by continuous eligibility and the Welcome-Mat effect, aggressive trends are selected to account for continuous eligibility and a bottom-line adjustment for the Welcome-Mat effect is included. The Department is researching the extent of the effects of continuous eligibility on this category.
- These clients are identified as Medicaid eligible children over age 6, incomes above 108% FPL, with no other insurance.

SB 11-008 Eligible Children: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Dec-12	0	-	-
Jan-13	5,223	5,223	
Feb-13	13,463	8,240	157.76%
Mar-13	18,263	4,800	35.65%
Apr-13	20,016	1,753	9.60%
May-13	21,546	1,530	7.64%
Jun-13	20,327	(1,219)	-5.66%
Jul-13	11,487	(8,840)	-43.49%
Aug-13	8,984	(2,503)	-21.79%
Sep-13	4,348	(4,636)	-51.60%
Oct-13	11,153	6,805	156.51%
Nov-13	18,980	7,827	70.18%
Dec-13	28,057	9,077	47.82%
Jan-14	29,967	1,910	6.81%
Feb-14	33,255	3,288	10.97%
Mar-14	38,399	5,144	15.47%
Apr-14	39,129	730	1.90%
May-14	39,626	497	1.27%
Jun-14	40,755	1,129	2.85%
Jul-14	41,551	796	1.95%
Aug-14	42,751	1,200	2.89%
Sep-14	44,001	1,250	2.92%
Oct-14	45,249	1,248	2.84%
Nov-14	46,654	1,405	3.11%
Dec-14	47,277	623	1.34%

	Caseload	% Change	Level Change
FY 2011-12	-	-	-
FY 2012-13	8,236	-	-
FY 2013-14	24,652	199.32%	16,416
FY 2014-15	45,109	82.99%	20,457
FY 2015-16	52,074	15.44%	6,965
FY 2016-17	57,235	9.91%	5,161

November 2014 Trend Selections Before Adjustments			
FY 2013-14	26,322	219.60%	18,086
FY 2014-15	50,530	91.97%	24,208
FY 2015-16	54,486	7.83%	3,956
FY 2016-17	58,752	7.83%	4,266

SB 13-200 Expansion Adjustment - Welcome Mat Effect		
FY 2013-14		693
FY 2014-15		1,998
FY 2015-16		2,256
FY 2016-17		2,329

SB 13-200 Expansion Adjustment - Welcome Mat Effect		
FY 2013-14		693
FY 2014-15		1,774
FY 2015-16		2,059
FY 2016-17		2,390

HB 09-1353 Removing 5-year Bar on Legal Immigrants		
FY 2013-14		0
FY 2014-15		0
FY 2015-16		181
FY 2016-17		280

HB 09-1353 Removing 5-year Bar on Legal Immigrants		
FY 2013-14		0
FY 2014-15		0
FY 2015-16		181
FY 2016-17		280

Adjusting Title XIX FPL Limit		
FY 2013-14		0
FY 2014-15		0
FY 2015-16		1,607
FY 2016-17		1,929

November 2014 Trend Selections After Adjustments			
FY 2013-14	27,015	228.01%	18,779
FY 2014-15	52,304	93.61%	25,289
FY 2015-16	56,726	8.45%	4,422
FY 2016-17	61,422	8.28%	4,696

November 2014 Forecast	
Forecasted December 2014 Level	51,921

Base trend from December 2014 level			
FY 2014-15	45,929	81.21%	20,584

November 2014 Trend Selections After Adjustments			
FY 2013-14	25,345	207.73%	17,109
FY 2014-15	47,107	85.86%	21,762
FY 2015-16	56,118	19.13%	9,011
FY 2016-17	61,773	10.08%	5,655

Actuals		
	Monthly Change	% Change
6-month average	1,087	2.51%
12-month average	1,602	4.53%
18-month average	1,497	11.77%
24-month average	1,970	18.13%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	1,702	16.41%
FY 2013-14 1st Half	1,288	26.27%
FY 2013-14 2nd Half	2,116	6.54%
FY 2014-15 1st Half Actuals	1,087	2.51%
FY 2014-15 2nd Half Forecast	673	1.38%
FY 2014-15 Forecast	880	1.94%
November 2014 Forecast	2,107	7.80%
FY 2015-16 Forecast	739	1.34%
November 2014 Forecast	369	0.70%

Foster Care

Federal law mandates that states provide Medicaid to individuals under Title IV-E of the Social Security Act (42 U.S.C. 470-479A) for adoption assistance and foster care. Title IV-E is a subpart of Title IV, Child Welfare, of the federal Social Security Act. Title IV-E provides federal reimbursement to states for the room and board costs of children placed in foster homes and other out-of-home placements. This is an entitlement program for children who are eligible and for whom the state can seek reimbursement. Eligibility is determined on family circumstances at the time when the child was removed from the home. Once eligible, the state determines if it can claim reimbursement for maintenance costs for the child. Adoption assistance is available for children with special health care needs who meet the same requirements. States have the option to extend Medicaid to former foster care children aged 18 through 20 years who were eligible for Title IV-E prior to their 18th birthday. During the 2007 legislative session, SB 07-002 was passed extending Medicaid eligibility through age 20 for children for whom adoption assistance or foster care maintenance payments are made under Title IV-E of the Social Security Act, which was implemented in July 2008. Eligibility for children receiving state subsidized adoption or foster care payments (non Title IV-E) was extended through age 20 in the 2008 Legislative Session through SB 08-099, which was implemented in July 2009.

25.5-5-101 (1), C.R.S.

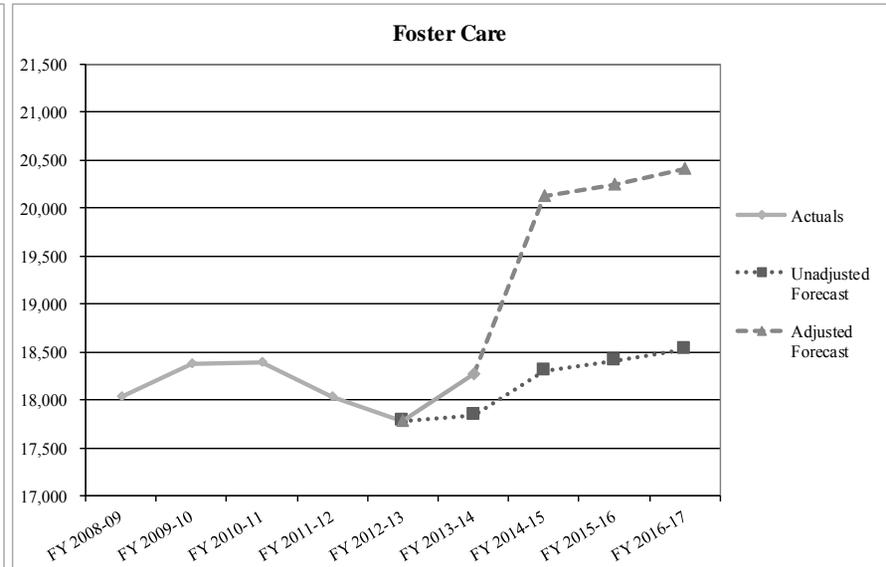
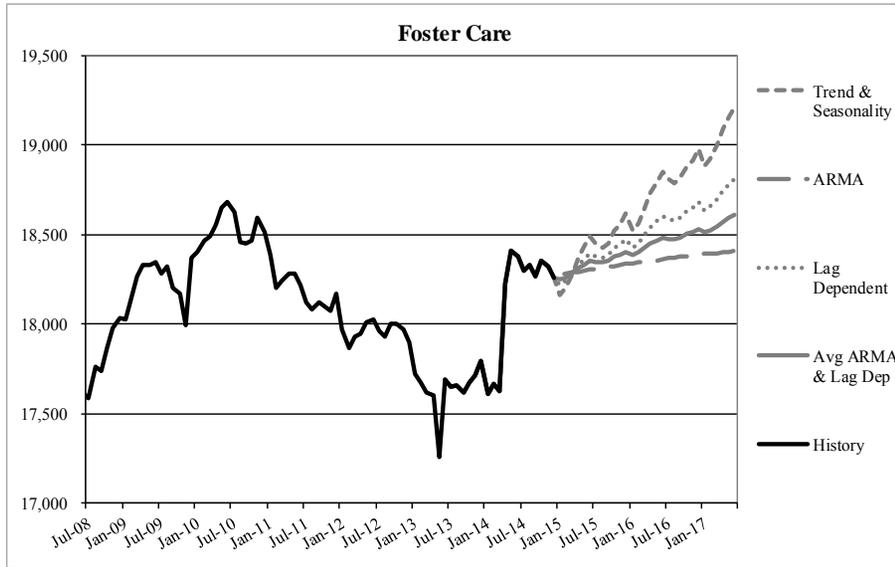
(e) Children for whom adoption assistance or foster care maintenance payments are made under Title IV-E of the “Social Security Act”, as amended;

25.5-5-201 (1), C.R.S.

(l) Children for whom subsidized adoption assistance payments are made by the state pursuant to article 7 of title 26, C.R.S, but who do not meet the requirements of Title IV-E of the “Social Security Act”, as amended;

(n) Individuals under the age of twenty-one years eligible for medical assistance pursuant to paragraph (l) of this subsection (1) or section 25.5-5-101 (1) (e) immediately prior to attaining the age of eighteen years or otherwise becoming emancipated;

Foster Care: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, trend, monthly seasonal dummy variables.	16.48	16.23	0.7488
ARMA	Caseload	Constant, AR(1) MA(1)	12.61	12.55	0.9933
Lag Dependent	Caseload	Constant, 1 lag on the dependent variable.	12.61	12.57	0.9931
Avg ARMA & Lag Dep			NA	NA	NA

Foster Care: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	17,777	17,835	2.68%	18,313	478	(148)
ARMA	17,777	17,835	2.59%	18,297	462	(164)
Lag Dependent	17,777	17,835	2.64%	18,306	471	(156)
Avg ARMA & Lag Dep	17,777	17,835	2.62%	18,302	467	(160)

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	17,835	18,313	1.52%	18,591	278	30
ARMA	17,835	18,297	0.21%	18,335	38	5
Lag Dependent	17,835	18,306	0.87%	18,465	159	17
Avg ARMA & Lag Dep	17,835	18,302	0.54%	18,401	99	11

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	18,313	18,591	1.94%	18,952	361	30
ARMA	18,297	18,335	0.28%	18,386	51	4
Lag Dependent	18,306	18,465	1.12%	18,672	207	17
Avg ARMA & Lag Dep	18,302	18,401	0.70%	18,530	129	10

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Foster Care: Trend Selections

FY 2013-14: 2.62%
 FY 2014-15: 0.54%
 FY 2015-16: 0.70%

Foster Care: Justifications

- Average monthly caseload in the first half of FY 2014-15 for Foster Care was 20,152, which was 400 clients, or 1.95%, under what was forecasted in November 2014. The Department projected an average monthly growth in FY 2014-15 of 196 for Foster Care clients and the average monthly growth in the first half of FY 2014-15 was negative 35. Actual caseload for clients aged 22 to 26 in the first half of FY 2014-15 was 1,846, monthly actuals can be seen in the chart below. Should this group see zero growth for the remainder of the year, the average caseload adjustment would be 1,824. This population has been in decline over the last six months. The Department has changed this bottom line adjustment accordingly.

SB 13-200 Medicaid Expansion Actuals	
Jul-14	1,889
Aug-14	1,881
Sep-14	1,857
Oct-14	1,831
Nov-14	1,816
Dec-14	1,802
Base Trend from December 2014 Level	
FY 2014-15	1,824

- Caseload in this category is affected by programmatic changes initiated by the Department of Human Services who oversee the Child Welfare system. In January 2001, the Department of Human Services converted to a new data reporting system for children in foster care called Trails. The conversion may be partially responsible for unusually slow growth experienced in this category in FY 2001-02. Legislation in 2003 (HB 03-1004) made the manufacturing of controlled substances in the presence of children a felony, and deemed such actions child abuse. This may positively affect caseload in subsequent years, as more children are placed into state custody.
- Caseload at the end of FY 2007-08 and FY 2008-09 began to increase, which is partially due to the implementation of SB 07-002 and SB 08-099, which expanded eligibility for Foster Care through age 20. The reasons for the decreases in FY 2011-12 and FY 2012-13 is still unknown and the Department will continue to monitor caseload trends in this category.

Foster Care: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Dec-12	17,898	-	-
Jan-13	17,720	(178)	-0.99%
Feb-13	17,673	(47)	-0.27%
Mar-13	17,619	(54)	-0.31%
Apr-13	17,598	(21)	-0.12%
May-13	17,257	(341)	-1.94%
Jun-13	17,691	434	2.51%
Jul-13	17,652	(39)	-0.22%
Aug-13	17,659	7	0.04%
Sep-13	17,619	(40)	-0.23%
Oct-13	17,675	56	0.32%
Nov-13	17,712	37	0.21%
Dec-13	17,793	81	0.46%
Jan-14	17,684	(109)	-0.61%
Feb-14	17,744	60	0.34%
Mar-14	17,704	(40)	-0.23%
Apr-14	19,526	1,822	10.29%
May-14	20,168	642	3.29%
Jun-14	20,268	100	0.50%
Jul-14	20,190	(78)	-0.38%
Aug-14	20,213	23	0.11%
Sep-14	20,124	(89)	-0.44%
Oct-14	20,187	63	0.31%
Nov-14	20,140	(47)	-0.23%
Dec-14	20,056	(84)	-0.42%

	Caseload	% Change	Level Change
FY 2002-03	13,967	-	-
FY 2003-04	14,914	6.78%	947
FY 2004-05	15,795	5.91%	881
FY 2005-06	16,460	4.21%	665
FY 2006-07	16,724	1.60%	264
FY 2007-08	17,141	2.49%	417
FY 2008-09	18,033	5.20%	892
FY 2009-10	18,381	1.93%	348
FY 2010-11	18,393	0.07%	12
FY 2011-12	18,034	-1.95%	(359)
FY 2012-13	17,777	-1.43%	(257)
FY 2013-14	17,835	0.33%	58
FY 2014-15	18,302	2.62%	467
FY 2015-16	18,401	0.54%	99
FY 2016-17	18,530	0.70%	129

November 2014 Projection Before Adjustments			
FY 2013-14	17,835	0.33%	58
FY 2014-15	18,579	4.17%	744
FY 2015-16	18,819	1.29%	240
FY 2016-17	19,043	1.19%	224

SB 13-200 Medicaid Expansion Adjustment		
FY 2013-14		432
FY 2014-15		1,827
FY 2015-16		1,836
FY 2016-17		1,872

SB 13-200 Medicaid Expansion Adjustment		
FY 2013-14		432
FY 2014-15		2,035
FY 2015-16		2,101
FY 2016-17		2,161

February 2015 Projection After Adjustments			
FY 2013-14	18,267	2.76%	490
FY 2014-15	20,129	10.19%	1,862
FY 2015-16	20,237	0.54%	108
FY 2016-17	20,402	0.82%	165

November 2014 Projection After Adjustments			
FY 2013-14	18,267	2.76%	490
FY 2014-15	20,614	12.85%	2,347
FY 2015-16	20,920	1.48%	306
FY 2016-17	21,204	1.36%	284

November 2014 Forecast	
Forecasted December 2014 Level	20,603

Base trend from Adjusted December 2014 level			
FY 2014-15	18,280	2.49%	445
Base trend from Actual December 2014 level			
FY 2014-15	20,104	10.06%	1,837

Actuals		
	Monthly Change	% Change
6-month average	(35)	-0.17%
12-month average	189	1.04%
18-month average	131	0.73%
24-month average	90	0.50%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	215	1.18%
FY 2013-14 1st Half	17	0.10%
FY 2013-14 2nd Half	413	2.26%
FY 2014-15 1st Half Actuals	(35)	-0.17%
FY 2014-15 2nd Half Forecast	14	0.07%
FY 2014-15 Forecast	(10)	-0.05%
November 2014 Forecast	196	1.07%
FY 2015-16 Forecast	15	0.07%
November 2014 Forecast	26	0.12%

MAGI Eligible Pregnant Adults

Between 1986 and 1991, Congress extended Medicaid to new groups of pregnant women and children. Referred to as Baby and Kid Care in Colorado, the program was authorized through the Medicare Catastrophic Coverage Act of 1988. The program enrolls Baby Care women and Kid Care children (see the Eligible Children section of this document for information on children). Baby Care-Adults are women with incomes up to 185% FPL beginning January 1, 2013 (195% FPL after income disregards are applied in October 2013). Coverage includes prenatal care and delivery services, plus 60 days of postpartum care. The Baby and Kid Care Program serves a much higher income level than the 1931 families program, and pregnant mothers were never subject to resource/asset limitations to qualify for the program. Moreover, the Baby and Kid Care Program has never had a cash-assistance component and was unaffected by welfare reform.

25.5-5-101 (1), C.R.S.

(m) Low-income pregnant women, and children through the age of six, whose income is at or below a certain percentage of the federal poverty level as determined by the federal government;

25.5-5-201 (2), C.R.S.

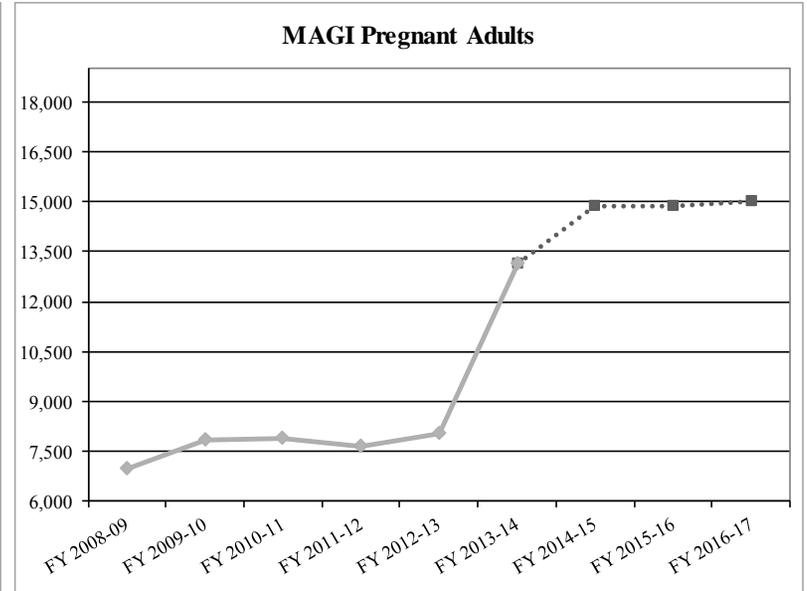
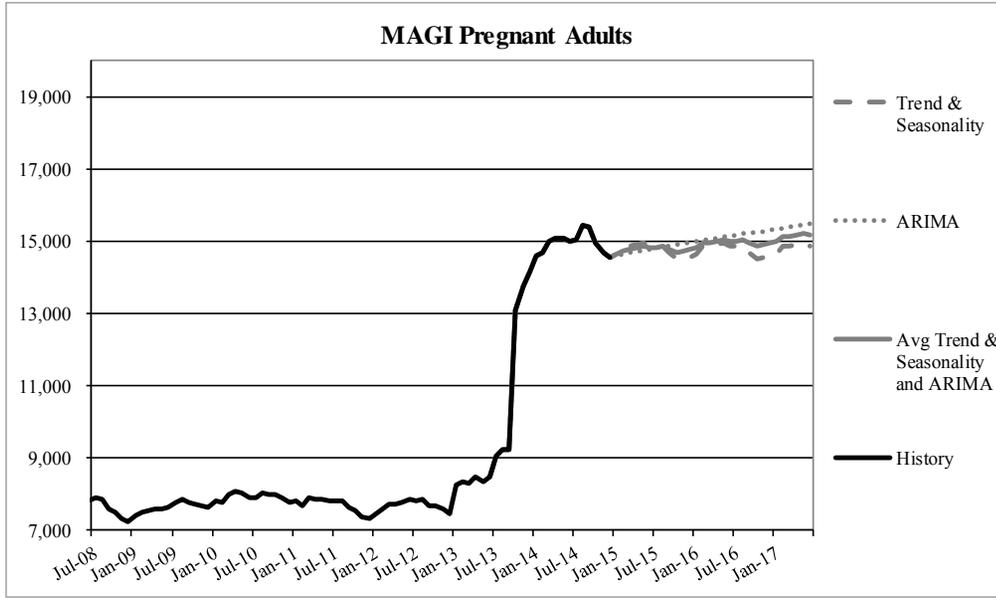
(b) Notwithstanding the five-year waiting period established in paragraph (a) of this subsection (2), but subject to the availability of sufficient appropriations and the receipt of federal financial participation, the state department may provide benefits under this article and articles 4 and 6 of this title to a pregnant woman who is a qualified alien and a child under nineteen years of age who is a qualified alien so long as such woman or child meets eligibility criteria other than citizenship.

25.5-5-205 (3), C.R.S.

(a) On and after April 1, 1990, children under the age of six years and pregnant women shall be eligible for benefits under the baby and kid care program...

(II) For pregnant women, the percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this subsection (3) shall be one hundred eighty-five percent. If the federal government establishes a new federal minimum percentage level of the federal poverty line used to determine eligibility under this subsection (3) that is different from the level set in this subparagraph (II), the state department is authorized to meet such federal minimum level without requiring additional legislation; however, such minimum federal level shall be established by rule of the state board.

MAGI Pregnant Adults: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, SB 11-250 dummy, Oct 2013 dummy, trend, monthly seasonal dummy variables.	17.39	17.19	0.6516
ARIMA	Differenced Caseload	Constant, Oct 2013 dummy, AR(1) MA(1)	14.57	14.46	0.4341
Avg Trend & Seasonality and ARIMA			NA	NA	NA

MAGI Pregnant Adults: Model Results ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	8,024	13,160	13.38%	14,921	1,761	(13)
ARIMA	8,024	13,160	12.80%	14,845	1,685	(19)
Avg Trend & Seasonality and ARIMA	8,024	13,160	13.09%	14,883	1,723	(16)

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	13,160	14,921	-1.14%	14,751	(170)	0
ARIMA	13,160	14,845	0.87%	14,974	129	30
Avg Trend & Seasonality and ARIMA	13,160	14,883	-0.14%	14,862	(21)	15

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	14,921	14,751	0.01%	14,752	1	0
ARIMA	14,845	14,974	2.28%	15,315	341	28
Avg Trend & Seasonality and ARIMA	14,883	14,862	1.16%	15,034	172	14

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

MAGI Pregnant Adults: Trend Selections

FY 2014-15: 13.09%

FY 2015-16: -0.14%

FY 2016-17: 1.16%

MAGI Pregnant Adults: Justifications

- Average monthly caseload in the first half of FY 2014-15 for MAGI Pregnant Adults was 15,005, which was only 6 clients, or 0.04%, above what was forecasted in November 2014. The Department has kept similar trends compared to what was forecasted in November 2014.
- In October 2013, over 3,000 clients were moved from MAGI Parents/Caretakers categories into MAGI Pregnant Adults. This was a one-time change in how pregnant adults were categorized by eligibility.
- Presumptive eligibility allows pregnant women who had applied for Medicaid to receive services based on self-declaration until the status of their application has been determined. The State paid for all Medicaid costs during this time regardless of whether or not the woman was eventually found to be Medicaid eligible or not. On September 1, 2004, the Department discontinued this procedure, which explains the drop of nearly 2,500 clients in September and October 2004, as well as the corresponding decline in fiscal year average caseload. Presumptive eligibility was reinstated by HB 05-1262 (Tobacco Tax bill) effective July 1, 2005.
- In FY 2009-10, the Department received approval from the Centers for Medicare and Medicaid Services to grant full Medicaid eligibility to pregnant women who are legal permanent residents that have been in the country for less than 5 years, as authorized by the Children's Health Insurance Reauthorization Act of 2009 (CHIPRA). As a result, the Department has restated the FY 2009-10 monthly caseload for this eligibility type to include clients who had previously been in the State-only Prenatal population. These clients are now included in the base caseload.
- The Colorado Department of Public Health & Environment Family Planning Initiative was awarded a grant for approximately \$3.5 million to address the issue of unintended pregnancy in Colorado for Title X clients, the vast majority of which are under 200% of the federal poverty level. Out-year trends are moderate due to this Family Planning initiative (as well as the Family Planning waiver to be submitted by the Department pursuant to SB 08-003).

MAGI Pregnant Adults: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	7,466	-	-	FY 2002-03	7,823	-	-
Jan-13	8,250	784	10.50%	FY 2003-04	8,398	7.35%	575
Feb-13	8,322	72	0.87%	FY 2004-05	5,984	-28.74%	(2,414)
Mar-13	8,311	(11)	-0.13%	FY 2005-06	5,119	-14.46%	(865)
Apr-13	8,477	166	2.00%	FY 2006-07	5,182	1.23%	63
May-13	8,346	(131)	-1.55%	FY 2007-08	6,288	21.34%	1,106
Jun-13	8,457	111	1.33%	FY 2008-09	6,976	10.94%	688
Jul-13	9,053	596	7.05%	FY 2009-10	7,830	12.24%	854
Aug-13	9,219	166	1.83%	FY 2010-11	7,868	0.49%	38
Sep-13	9,240	21	0.23%	FY 2011-12	7,630	-3.02%	(238)
Oct-13	13,079	3,839	41.55%	FY 2012-13	8,024	5.16%	394
Nov-13	13,740	661	5.05%	FY 2013-14	13,160	64.01%	5,136
Dec-13	14,140	400	2.91%	FY 2014-15	14,883	13.09%	1,723
Jan-14	14,582	442	3.13%	FY 2015-16	14,862	-0.14%	(21)
Feb-14	14,691	109	0.75%	FY 2016-17	15,034	1.16%	172
Mar-14	14,991	300	2.04%				
Apr-14	15,093	102	0.68%				
May-14	15,086	(7)	-0.05%				
Jun-14	15,007	(79)	-0.52%				
Jul-14	15,038	31	0.21%				
Aug-14	15,436	398	2.65%				
Sep-14	15,386	(50)	-0.32%				
Oct-14	14,938	(448)	-2.91%				
Nov-14	14,691	(247)	-1.65%				
Dec-14	14,542	(149)	-1.01%				

November 2014 Trend Selections			
FY 2013-14	13,160	64.01%	5,136
FY 2014-15	15,124	14.92%	1,964
FY 2015-16	15,333	1.38%	209
FY 2016-17	15,503	1.11%	170

Actuals		
	Monthly Change	% Change
6-month average	(78)	-0.51%
12-month average	34	0.25%
18-month average	338	3.42%
24-month average	295	3.11%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	546	5.39%
FY 2013-14 1st Half	947	9.77%
FY 2013-14 2nd Half	145	1.00%
FY 2014-15 1st Half Actuals	(78)	-0.51%
FY 2014-15 2nd Half Forecast	47	0.32%
FY 2014-15 Forecast	(15)	-0.09%
November 2014 Forecast	24	0.16%
FY 2015-16 Forecast	14	0.10%
November Forecast	15	0.10%

November 2014 Forecast	
Forecasted December 2014 level	15,001

Base trend from December 2014 level			
FY 2014-15	14,774	12.26%	1,614

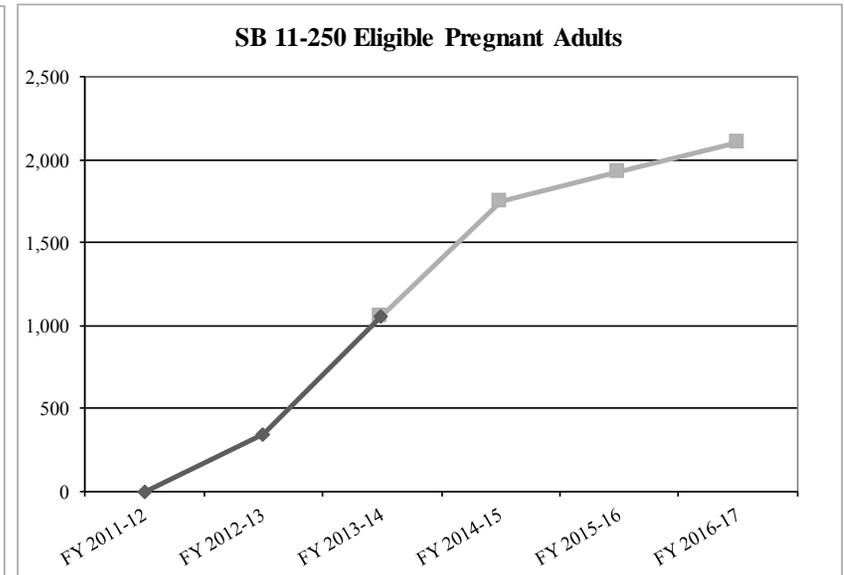
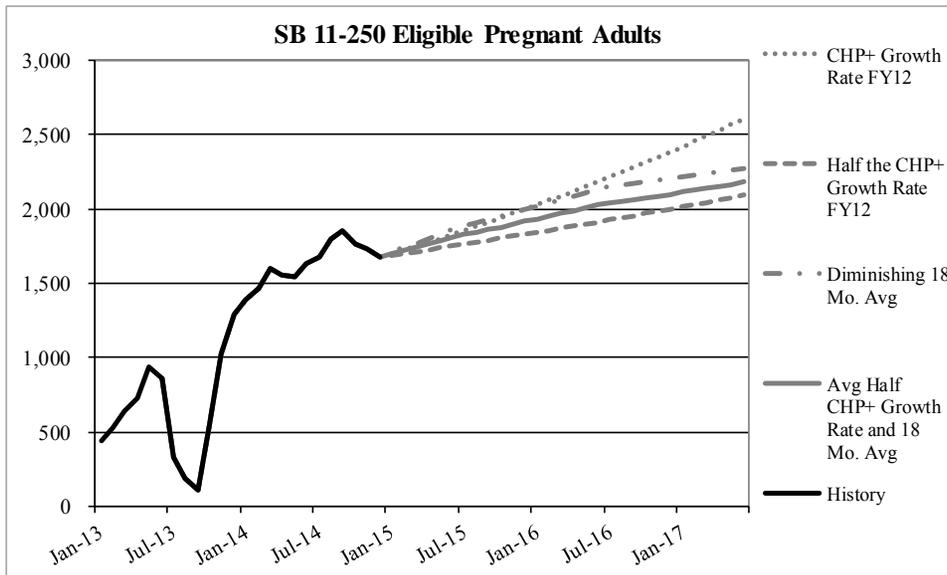
SB 11-250 Eligible Pregnant Adults

Prior to the implementation of SB 11-250 in January 2013, pregnant adults whose family income was under 133% FPL were eligible for Medicaid. SB 11-250 increased the FPL threshold up to 185% FPL, 195% FPL with income disregards applied after October 2013. Services for clients that would have been eligible for CHP+, before the implementation of SB 11-008, receive the enhanced CHP+ federal match. These clients are identified as Medicaid eligible pregnant adults with incomes above 142% FPL and have no other insurance.

25.5-5-205 (3), C.R.S.

(b) (II) For pregnant women, the percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this subsection (3) shall be one hundred eighty-five percent. If the federal government establishes a new federal minimum percentage level of the federal poverty line used to determine eligibility under this subsection (3) that is different from the level set in this subparagraph (II), the state department is authorized to meet such federal minimum level without requiring additional legislation; however, such minimum federal level shall be established by rule of the state board.

SB 11-250 Eligible Pregnant Adults: Model Results



SB 11-250 Eligible Pregnant Adults ¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
CHP+ Growth Rate FY12	344	1,057	66.19%	1,757	700	16
Half the CHP+ Growth Rate FY12	344	1,057	64.06%	1,735	678	10
Diminishing 18 Mo. Avg	344	1,057	67.20%	1,768	711	19
Avg Half CHP+ Growth Rate and 18 Mo. Avg	344	1,057	65.66%	1,751	694	14

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
CHP+ Growth Rate FY12	1,057	1,757	14.68%	2,015	258	29
Half the CHP+ Growth Rate FY12	1,057	1,735	5.91%	1,838	103	13
Diminishing 18 Mo. Avg	1,057	1,768	13.71%	2,010	242	23
Avg Half CHP+ Growth Rate and 18 Mo. Avg	1,057	1,751	9.82%	1,923	172	18

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
CHP+ Growth Rate FY12	1,757	2,015	19.28%	2,403	388	35
Half the CHP+ Growth Rate FY12	1,735	1,838	9.25%	2,008	170	15
Diminishing 18 Mo. Avg	1,768	2,010	9.79%	2,207	197	11
Avg Half CHP+ Growth Rate and 18 Mo. Avg	1,751	1,923	9.52%	2,106	183	13

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

SB 11-250 Eligible Pregnant Adults: Trend Selections

FY 2014-15: 65.66%

FY 2015-16: 9.82%

FY 2016-17: 9.52%

SB 11-250 Eligible Pregnant Adults: Justifications

- Average monthly caseload in the first half of FY 2014-15 for SB 11-250 Eligible Pregnant Adults was 1,751, which was 46 clients, or 2.70%, over what was forecasted in November 2014. The Department has kept a similar forecast compared to what was estimated in November 2014.
- Data issues from July 2013 through November 2013 prevented the Department from identifying these clients, significant drops in caseload can be seen for these months. The Department believes that these issues have been resolved and all appropriate clients can now be identified.
- These clients are identified as Medicaid eligible pregnant adults with incomes above 142% FPL and no other insurance.
- SB 11-250 was implemented in January 2013 and this population only has 18 observations. The Department has used growth trends from the applicable CHP+ population from FY 2011-12 as well as the most recent monthly average growth to analyze the trend for this population.

SB 11-250 Eligible Pregnant Women: Historical Caseload and Projections							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	0	-	-		FY 2011-12	-	-
Jan-13	437	437			FY 2012-13	344	-
Feb-13	531	94	21.51%		FY 2013-14	1,057	207.27%
Mar-13	636	105	19.77%		FY 2014-15	1,751	65.66%
Apr-13	730	94	14.78%		FY 2015-16	1,923	9.82%
May-13	938	208	28.49%		FY 2016-17	2,106	9.52%
Jun-13	863	(75)	-8.00%				
Jul-13	334	(529)	-61.30%				
Aug-13	186	(148)	-44.31%				
Sep-13	105	(81)	-43.55%				
Oct-13	549	444	422.86%				
Nov-13	1,022	473	86.16%				
Dec-13	1,293	271	26.52%				
Jan-14	1,390	97	7.50%				
Feb-14	1,471	81	5.83%				
Mar-14	1,596	125	8.50%				
Apr-14	1,559	(37)	-2.32%				
May-14	1,549	(10)	-0.64%				
Jun-14	1,634	85	5.49%				
Jul-14	1,672	38	2.33%				
Aug-14	1,800	128	7.66%				
Sep-14	1,854	54	3.00%				
Oct-14	1,769	(85)	-4.58%				
Nov-14	1,733	(36)	-2.04%				
Dec-14	1,675	(58)	-3.35%				

Actuals		
	Monthly Change	% Change
6-month average	7	0.50%
12-month average	32	2.28%
18-month average	45	22.99%
24-month average	70	21.32%

November 2014 Forecast		
Forecasted December 2014 level		1,756

Base trend from December 2014 level			
	Caseload	% Change	Level Change
FY 2014-15	1,713	62.04%	656

November 2014 Trend Selections			
	Caseload	% Change	Level Change
FY 2013-14	1,057	207.74%	714
FY 2014-15	1,767	67.12%	710
FY 2015-16	1,971	11.54%	204
FY 2016-17	2,120	7.56%	149

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	64	34.23%
FY 2013-14 1st Half	72	64.40%
FY 2013-14 2nd Half	57	4.06%
FY 2014-15 1st Half Actuals	7	0.50%
FY 2014-15 2nd Half Forecast	22	1.28%
FY 2014-15 Forecast	14	0.89%
November 2014 Forecast	59	17.31%
FY 2015-16 Forecast	18	0.95%
November 2014 Forecast	17	0.96%

Non-Citizens – Emergency Services Only

Section 403 of the Personal Responsibility Work Opportunity Reconciliation Act provides that certain immigrants arriving in the United States after August 22, 1996 are ineligible for full Medicaid benefits for their first five years of residence. The five-year ban only applies to immigrants who arrived in the United States after August 22, 1996. Full Medicaid coverage of individuals for the first five years is optional. Per federal regulations, states must provide mandatory full coverage for:

- Refugees for the first seven years after entry into the United States;
- Asylees for the first seven years after asylum is granted;
- Individuals whose deportation is being withheld for the first seven years after the initial withhold;
- Victims of trafficking;
- Lawful permanent residents who have 40 qualifying quarters of Social Security coverage;
- Cuban or Haitian entrants; and,
- Immigrants who are honorably discharged veterans of the United States military.

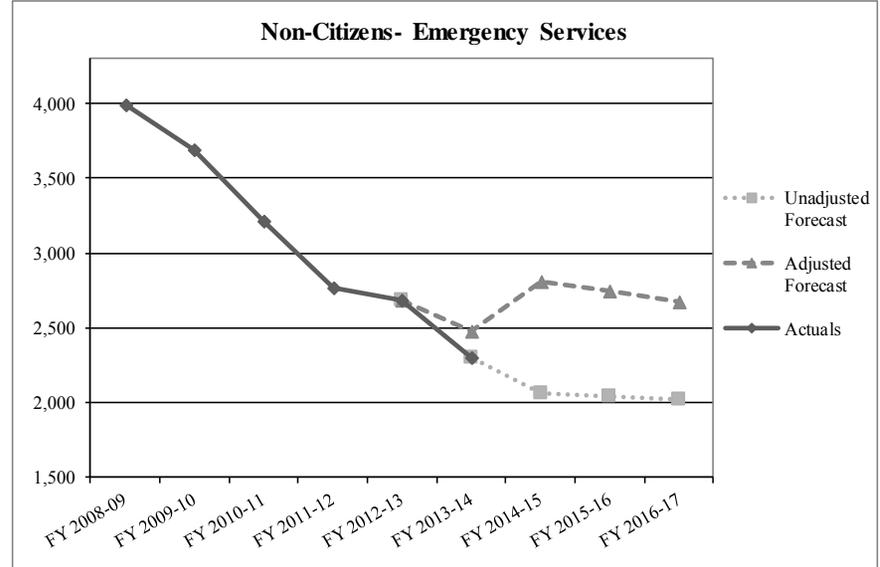
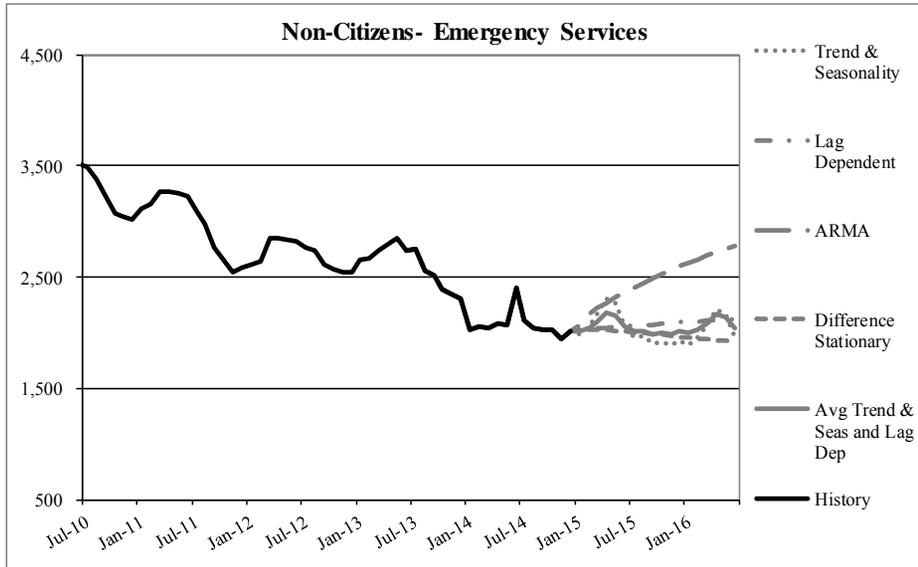
Regardless of whether the individual is an optional or mandatory immigrant, federal law requires all states to provide emergency medical services for individuals who otherwise meet Medicaid eligibility criteria, except for proof of U.S. citizenship.

In April 2001, an eligibility policy change was implemented such that clients are now only counted as eligible in the months they receive emergency medical care. Prior to this policy change, eligibility for this group continued as it would for any other category, although only for emergency medical services. For example, a Non-Citizen with an emergency visit on April 2000 could be eligible in that month, and continue to be eligible for as many months as he/she met other eligibility criteria. The same client would only be eligible for one month, had the emergency service occurred in April 2001. Thus, caseloads presented from April 2001 and forward are much lower than in previous years.

25.5-5-103 (3), C.R.S.

(a) Emergency medical assistance shall be provided to any person who is not a citizen of the United States, including undocumented aliens, aliens who are not qualified aliens, and qualified aliens who entered the United States on or after August 22, 1996, who has an emergency medical condition and meets one of the categorical requirements set forth in section 25.5-5-101; except that such persons shall not be required to meet any residency requirement other than that required by federal law.

Non-Citizens- Emergency Services Only: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, trend, monthly seasonal dummy variables.	18.57	18.39	0.0244
Lag Dependent	Caseload	Constant, 1 lag on the dependent variable.	13.46	13.42	0.9714
ARMA	Caseload	Constant, AR(1) MA(2)	13.27	13.19	0.9775
Difference Stationary	Differenced log(Caseload)	Constant, 2 lags on the dependent variable.	-3.57	-3.63	0.2690
Avg Trend & Seas and Lag Dep			NA	NA	NA

Non-Citizens- Emergency Services: Model Results						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	2,684	2,297	-9.24%	2,085	(212)	(64)
Lag Dependent	2,684	2,297	-11.31%	2,037	(260)	(64)
ARMA	2,684	2,297	-7.16%	2,133	(164)	(38)
Difference Stationary	2,684	2,297	-11.76%	2,027	(270)	(68)
Avg Trend & Seas and Lag Dep	2,684	2,297	-10.28%	2,061	(236)	(64)

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	2,297	2,085	-4.76%	1,986	(99)	(8)
Lag Dependent	2,297	2,037	2.82%	2,094	57	5
ARMA	2,297	2,133	22.15%	2,605	472	35
Difference Stationary	2,297	2,027	-3.19%	1,962	(65)	(7)
Avg Trend & Seas and Lag Dep	2,297	2,061	-1.01%	2,040	(21)	(1)

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change ²
Trend & Seasonality	2,085	1,986	-4.79%	1,891	(95)	(8)
Lag Dependent	2,037	2,094	2.79%	2,152	58	4
ARMA	2,133	2,605	12.09%	2,920	315	20
Difference Stationary	2,027	1,962	-4.47%	1,874	(88)	(7)
Avg Trend & Seas and Lag Dep	2,061	2,040	-0.90%	2,022	(18)	(2)

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Non-Citizens: Trend Selections

FY 2013-14: -10.28%
 FY 2014-15: -1.01%
 FY 2015-16: -0.90%

Non-Citizens: Justifications

- Average monthly caseload in the first half of FY 2014-15 for Non-Citizens was 2,506, which was 277 clients, or 9.95%, under what was forecasted in November 2014. The average monthly growth of the last 6 months of FY 2013-14 was 85, compared to the average monthly growth for the first 6 months of FY 2014-15 which was negative 47. The Department believes that this negative trend will slow and the growth in this eligibility will remain relatively flat. The Department believes there is some growth in this eligibility that is attributable to the expansion to 133% FPL, see monthly actuals in chart below. Should this group see zero growth for the remainder of the year, the average caseload adjustment would be 497. This is higher than the estimated adjustment that was forecasted in November 2014. The Department has changed this adjustment accordingly.

SB 13-200 Medicaid Expansion Actuals	
Jul-14	433
Aug-14	454
Sep-14	449
Oct-14	500
Nov-14	493
Dec-14	520
Base Trend from December 2014 Level	
FY 2014-15	497

- The caseload declines in FY 2006-07 and FY 2007-08 may indicate that eligibility spans for the Non-Citizens clients are now being ended sooner, caused by eligibility technicians actively working more cases because they are required to collect citizenship information. In addition, it is possible that some undocumented citizens are not applying for Medicaid emergency services out of fear due to the Deficit Reduction Act and HB 06S-1023 identification requirements, even though the Medicaid application clearly states that emergency services are exempt. Although the effects of these state and federal legislations, as well as the 60-day post-partum policy change, are unquantifiable, the Department believes that these large declines are unlikely to continue.
- The Department believes that the caseload volatility in this eligibility type beginning in FY 2008-09 are somewhat related to those experienced in the Baby Care-Adults caseload, as a large portion of the Non-Citizens caseload are pregnant women. Though the cause of this volatility is unknown at this time, the Department does not anticipate that large decreases will continue.

Non-Citizens- Emergency Services: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	2,541	-	-	FY 2002-03	4,084	-	-
Jan-13	2,655	114	4.49%	FY 2003-04	4,793	17.36%	709
Feb-13	2,666	11	0.41%	FY 2004-05	5,150	7.45%	357
Mar-13	2,733	67	2.51%	FY 2005-06	6,212	20.62%	1,062
Apr-13	2,798	65	2.38%	FY 2006-07	5,201	-16.27%	(1,011)
May-13	2,848	50	1.79%	FY 2007-08	4,191	-19.42%	(1,010)
Jun-13	2,739	(109)	-3.83%	FY 2008-09	3,987	-4.87%	(204)
Jul-13	2,754	15	0.55%	FY 2009-10	3,693	-7.37%	(294)
Aug-13	2,562	(192)	-6.97%	FY 2010-11	3,213	-13.00%	(480)
Sep-13	2,511	(51)	-1.99%	FY 2011-12	2,770	-13.79%	(443)
Oct-13	2,392	(119)	-4.74%	FY 2012-13	2,684	-3.10%	(86)
Nov-13	2,352	(40)	-1.67%	FY 2013-14	2,297	-14.42%	(387)
Dec-13	2,311	(41)	-1.74%	FY 2014-15	2,061	-10.28%	2,061
Jan-14	2,309	(2)	-0.09%	FY 2015-16	2,040	-1.01%	(21)
Feb-14	2,374	65	2.82%	FY 2016-17	2,022	-0.90%	(18)
Mar-14	2,426	52	2.19%				
Apr-14	2,467	41	1.69%				
May-14	2,487	20	0.81%				
Jun-14	2,821	334	13.43%				
Jul-14	2,551	(270)	-9.57%				
Aug-14	2,494	(57)	-2.23%				
Sep-14	2,474	(20)	-0.80%				
Oct-14	2,533	59	2.38%				
Nov-14	2,444	(89)	-3.51%				
Dec-14	2,541	97	3.97%				

November 2014 Projection Before Adjustments			
FY 2013-14	2,297	-14.42%	(387)
FY 2014-15	2,378	3.53%	81
FY 2015-16	2,293	-3.57%	(85)
FY 2016-17	2,208	-3.71%	(85)

SB 13-200 Medicaid Expansion Adjustment			
FY 2013-14			184
FY 2014-15			512
FY 2015-16			511
FY 2016-17			486

February 2015 Projection After Adjustments			
FY 2013-14	2,481	-7.56%	(203)
FY 2014-15	2,573	3.71%	92
FY 2015-16	2,551	-0.86%	(22)
FY 2016-17	2,508	-1.69%	(43)

November 2014 Projection After Adjustments			
FY 2013-14	2,481	-7.56%	(203)
FY 2014-15	2,808	13.18%	327
FY 2015-16	2,742	-2.35%	(66)
FY 2016-17	2,677	-2.37%	(65)

November 2014 Forecast		
Forecasted December 2014 level		2,781

Base trend from Adjusted December 2014 level			
FY 2014-15	2,026	-11.79%	(271)

Base trend from Actual December 2014 level			
FY 2014-15	2,524	1.72%	43

Actuals			
	Monthly Change	% Change	
6-month average	(47)	-1.63%	
12-month average	19	0.92%	
18-month average	(11)	-0.30%	
24-month average	0	0.09%	

Monthly Average Growth Comparisons			
FY 2013-14 Actuals	7	0.36%	
FY 2013-14 1st Half	(71)	-2.76%	
FY 2013-14 2nd Half	85	3.47%	
FY 2014-15 1st Half Actuals	(47)	-1.63%	
FY 2014-15 2nd Half Forecast	28	1.08%	
FY 2014-15 Forecast	(9)	-0.27%	
November 2014 Forecast	27	1.10%	
FY 2015-16 Forecast	(25)	-0.95%	
November 2014 Forecast	(6)	-0.20%	

Partial Dual Eligibles

Medicare-eligible beneficiaries who have incomes at a certain federal poverty level and limited resources may qualify to have Medicaid cover some of their out-of-pocket expenses, such as their Medicare Part B premiums and other coinsurance and deductibles. The two groups of clients that qualify for this cost-sharing program are Qualified Medicare Beneficiaries and Special Low Income Medicare Beneficiaries. This group, formerly known as Qualified Medicare Beneficiaries/Special Low Income Medicare Beneficiaries, is now collectively known as Partial Dual Eligibles. Qualified Medicare Beneficiaries have incomes at or below 100% of the federal poverty level, and resources twice the standard allowed under the federal Supplemental Security Income program. These clients receive hospital insurance and supplementary medical insurance premium coverage along with Medicare coinsurance and deductibles. Special Low Income Medicare Beneficiaries have incomes greater than 100% of the federal poverty level, but less than 120%. For Special Low Income Medicare Beneficiaries, Medicaid only pays the supplementary medical insurance premiums.

25.5-5-101 (1), C.R.S.

(1) Individuals with income and resources at a level which qualifies them as Medicare-eligible under section 301 of Title III of the federal "Medicare Catastrophic Coverage Act".

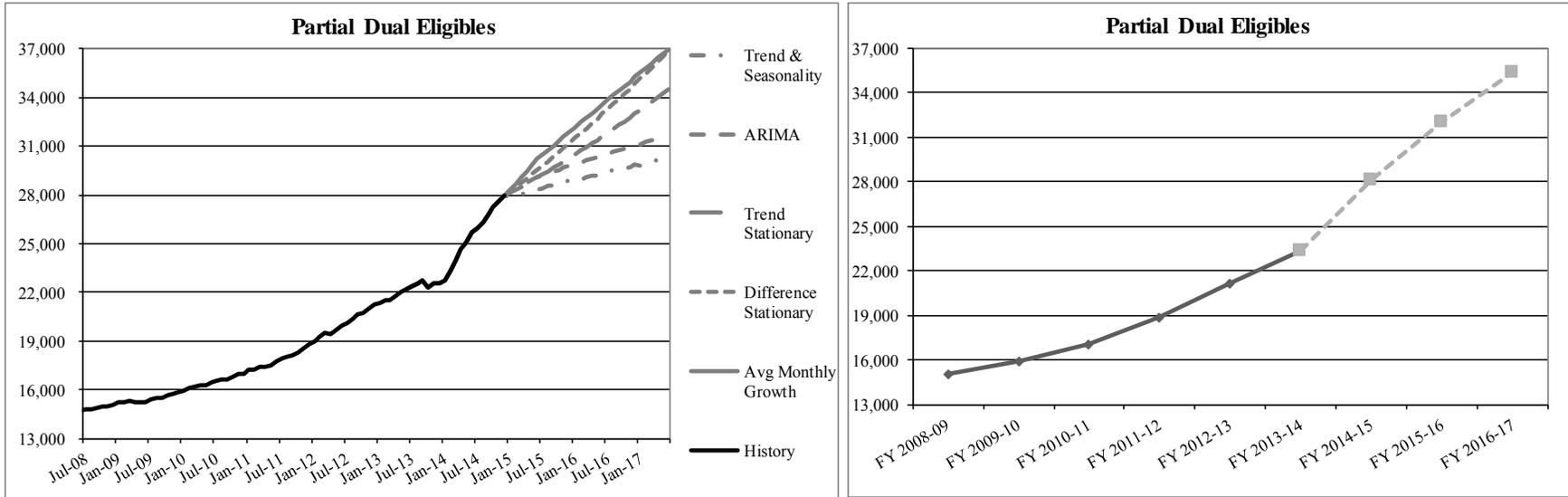
25.5-5-104, C.R.S.

Qualified medicare beneficiaries are medicare-eligible individuals with income and resources at a level which qualifies them as eligible under section 301 of Title III of the federal "Medicare Catastrophic Coverage Act of 1988", as amended, or subsequent amending federal legislation.

25.5-5-105, C.R.S.

Qualified disabled and working individuals are persons with income and resources and disability status, as determined by the social security administration, which qualify them as "qualified disabled and working individuals" under sections 6012 and 6408 of the federal "Omnibus Budget Reconciliation Act of 1989", or subsequent amending federal legislation. The state department is hereby designated as the single state agency to administer benefits available to qualified disabled and working individuals. Such benefits are limited to medicare cost-sharing expenses as determined by the federal government.

Partial Dual Eligibles: Model Results



Model	Dependent Variable	Independent Variables	Schwarz Info Criterion	Akaike Info Criterion	Adjusted R ²
Trend & Seasonality	Caseload	Constant, trend, monthly seasonal dummy variables.	17.75	17.57	0.9418
ARIMA	Differenced Caseload	Constant, AR(1) MA(1)	13.30	13.25	0.1126
Trend Stationary	Log(Caseload)	Constant, trend, 1 lag on the dependent variable.	-4.46	-4.50	0.9985
Difference Stationary	Differenced Log(Caseload)	Constant, 1 lag on the dependent variable.	-4.47	-4.50	0.0070
Avg Monthly Growth			NA	NA	NA

Partial Dual Eligibles: Model Results¹						
FY 2014-15	FY 2012-13	FY 2013-14	Projected Growth Rate	Projected FY 2014-15 Caseload	Level Change	Average Monthly Change²
Trend & Seasonality	21,206	23,378	17.83%	27,546	4,168	222
ARIMA	21,206	23,378	18.99%	27,817	4,439	282
Trend Stationary	21,206	23,378	18.86%	27,787	4,409	283
Difference Stationary	21,206	23,378	19.45%	27,925	4,547	322
Avg Monthly Growth	21,206	23,378	20.30%	28,123	4,745	378

FY 2015-16	FY 2013-14	Projected FY 2014-15 Caseload	Projected Growth Rate	Projected FY 2015-16 Caseload	Level Change	Average Monthly Change²
Trend & Seasonality	23,378	28,123	4.82%	29,479	1,356	81
ARIMA	23,378	28,123	7.23%	30,156	2,033	113
Trend Stationary	23,378	28,123	9.44%	30,778	2,655	210
Difference Stationary	23,378	28,123	12.34%	31,593	3,470	287
Avg Monthly Growth	23,378	28,123	13.90%	32,032	3,909	280

FY 2016-17	Projected FY 2014-15 Caseload	Projected FY 2015-16 Caseload	Projected Growth Rate	Projected FY 2016-17 Caseload	Level Change	Average Monthly Change²
Trend & Seasonality	28,123	32,032	3.39%	33,118	1,086	81
ARIMA	28,123	32,032	4.20%	33,377	1,345	101
Trend Stationary	28,123	32,032	8.92%	34,889	2,857	240
Difference Stationary	28,123	32,032	11.66%	35,767	3,735	320
Avg Monthly Growth	28,123	32,032	10.49%	35,392	3,360	280

¹ Bold denotes Trend Selection

² Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Partial Dual Eligibles: Trend Selections

FY 2014-15: 20.30%

FY 2015-16: 13.90%

FY 2016-17: 10.49%

Partial Dual Eligibles: Justification

- Average monthly caseload in the first half of FY 2014-15 for Partial Dual Eligibles was 26,979, which was 460 clients, or 1.73%, above what was forecasted in November 2014. This is due to the aggressive growth seen in the last 12 months. The 6 month average monthly growth for this eligibility was 378, while the 12 month average monthly growth was 451. The Department is using the average monthly growth for the last 6 months to predict the caseload growth for the remainder of the year. FY 2015-16 and FY 2016-17 are predicted by the average monthly growth over the last 24 months. The Department is researching reasons for this recent aggressive growth.
- These clients have higher income than Adults 65 and Older or Disabled Adults 60 to 64, and are relatively healthy. Given the increased life expectancy, more people are living healthier longer, which would support strong growth rates in this population. In addition, this population may start to be effected by the “baby boomers”, defined by the U.S. Census Bureau as the generation born between 1946 and 1964, beginning in calendar year 2006.
- Caseload trends are somewhat correlated with age and economic indicators. The assets and annuities provisions in the Deficit Reduction Act of 2005 may also contribute to growth in this category, as some clients who might have qualified for the Adults 65 and Older category now have too much income or assets.
- Caseload growth in this category was positive and steady between FY 1999-00 and FY 2003-04. Caseload experienced an unprecedented contraction on FY 2004-05, due to large monthly declines that occurred as a result of the court order regarding the Colorado Benefits Management System. The relatively strong growth since the beginning of FY 2005-06 may be due to a wood work effect from Medicare Modernization Act, under which Medicare Part D clients are screened for Medicaid as they apply for the low-income subsidy.

Partial Dual Eligibles: Historical Caseload and Projections

	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Dec-12	21,221	-	-	FY 2002-03	8,988	-	-
Jan-13	21,366	145	0.68%	FY 2003-04	9,842	9.50%	854
Feb-13	21,532	166	0.78%	FY 2004-05	9,605	-2.41%	(237)
Mar-13	21,530	(2)	-0.01%	FY 2005-06	11,092	15.48%	1,487
Apr-13	21,738	208	0.97%	FY 2006-07	12,908	16.37%	1,816
May-13	22,000	262	1.21%	FY 2007-08	14,214	10.12%	1,306
Jun-13	22,170	170	0.77%	FY 2008-09	15,075	6.06%	861
Jul-13	22,368	198	0.89%	FY 2009-10	15,919	5.60%	844
Aug-13	22,539	171	0.76%	FY 2010-11	17,090	7.36%	1,171
Sep-13	22,690	151	0.67%	FY 2011-12	18,871	10.42%	1,781
Oct-13	22,299	(391)	-1.72%	FY 2012-13	21,206	12.37%	2,335
Nov-13	22,539	240	1.08%	FY 2013-14	23,378	10.24%	2,172
Dec-13	22,534	(5)	-0.02%	FY 2014-15	28,124	20.30%	4,746
Jan-14	22,740	206	0.91%	FY 2015-16	32,033	13.90%	3,909
Feb-14	23,302	562	2.47%	FY 2016-17	35,393	10.49%	3,360
Mar-14	24,063	761	3.27%				
Apr-14	24,662	599	2.49%				
May-14	25,120	458	1.86%				
Jun-14	25,676	556	2.21%				
Jul-14	25,963	287	1.12%				
Aug-14	26,347	384	1.48%				
Sep-14	26,787	440	1.67%				
Oct-14	27,229	442	1.65%				
Nov-14	27,601	372	1.37%				
Dec-14	27,944	343	1.24%				

November 2014 Trend Selections			
FY 2013-14	23,378	10.24%	2,172
FY 2014-15	27,261	16.61%	3,883
FY 2015-16	29,785	9.26%	2,524
FY 2016-17	32,600	9.45%	2,815

Actuals		
	Monthly Change	% Change
6-month average	378	1.42%
12-month average	451	1.81%
18-month average	321	1.30%
24-month average	280	1.16%

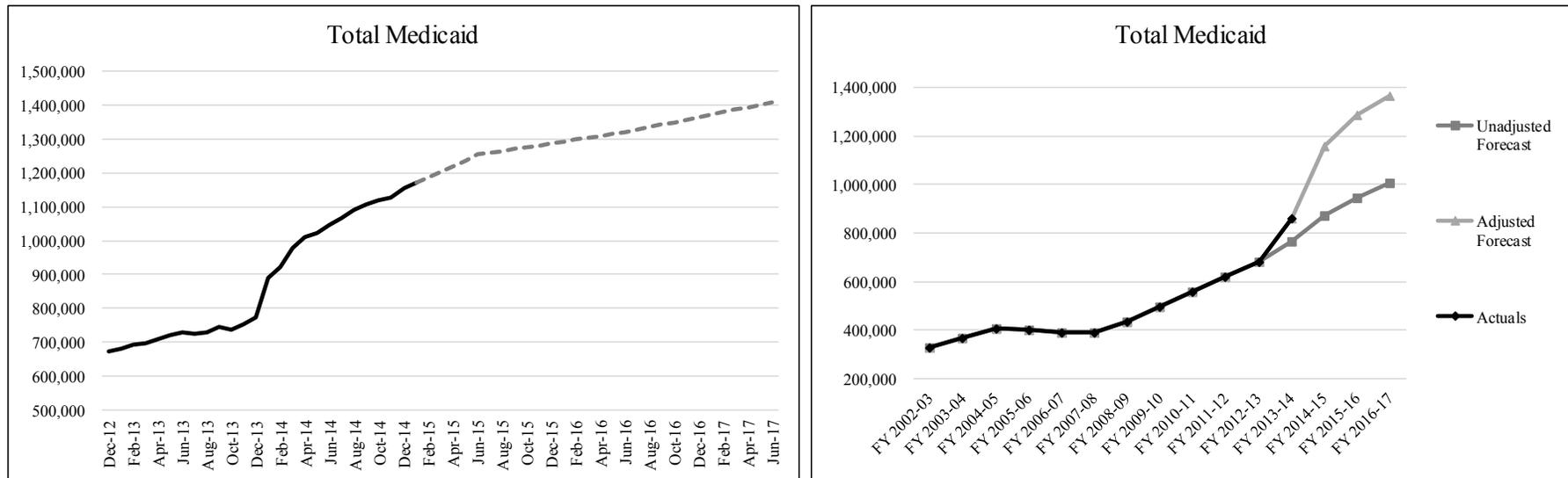
Monthly Average Growth Comparisons		
FY 2013-14 Actuals	292	1.24%
FY 2013-14 1st Half	61	0.28%
FY 2013-14 2nd Half	524	2.20%
FY 2014-15 1st Half Actuals	378	1.42%
FY 2014-15 2nd Half Forecast	378	1.31%
FY 2014-15 Forecast	378	1.37%
November 2014 Forecast	247	0.92%
FY 2015-16 Forecast	280	0.88%
November 2014 Forecast	218	0.75%

November 2014 Forecast	
Forecasted December 2014 level	27,124

Base trend from December 2014 level		
FY 2014-15	27,461	17.47%
		4,083

TOTAL MEDICAID SUMMARY

Average monthly caseload for total Medicaid in the first half of FY 2014-15 was 1,110,401, which was 13,148 clients, or 1.20% over what was forecasted in November 2014. This is largely attributable to expansion populations growing faster than originally anticipated, in particular was MAGI Adults. All adjustments for expansion populations have been changed to match actual observations from July 2014 through December 2014. The Department is forecasting average monthly caseload in FY 2014-15 for total Medicaid to be 1,161,133, a 34.87% increase from FY 2013-14. This large increase is due to the continuing expansionary period that began on January 1, 2014. The Department believes that this aggressive caseload growth will stabilize by FY 2015-16. Average monthly caseload for total Medicaid in FY 2015-16 is projected to grow by 11.05% from FY 2014-15, and then 6.06% from FY 2015-16 to FY 2016-17.



Total Medicaid Populations			
	Actuals	Monthly Change	% Change
Dec-12	671,879	-	-
Jan-13	680,513	8,634	1.29%
Feb-13	693,865	13,352	1.96%
Mar-13	698,137	4,272	0.62%
Apr-13	707,290	9,153	1.31%
May-13	719,585	12,295	1.74%
Jun-13	729,074	9,489	1.32%
Jul-13	724,724	(4,350)	-0.60%
Aug-13	731,093	6,369	0.88%
Sep-13	744,085	12,992	1.78%
Oct-13	735,952	(8,133)	-1.09%
Nov-13	753,807	17,855	2.43%
Dec-13	772,954	19,147	2.54%
Jan-14	889,665	116,711	15.10%
Feb-14	923,526	33,861	3.81%
Mar-14	976,972	53,446	5.79%
Apr-14	1,009,483	32,511	3.33%
May-14	1,021,745	12,262	1.21%
Jun-14	1,047,466	25,721	2.52%
Jul-14	1,068,332	20,866	1.99%
Aug-14	1,089,078	20,746	1.94%
Sep-14	1,106,597	17,519	1.61%
Oct-14	1,120,120	13,523	1.22%
Nov-14	1,125,105	4,985	0.45%
Dec-14	1,153,171	28,066	2.49%

Total Medicaid Populations			
	Caseload	% Change	Level Change
FY 2002-03	331,800	-	-
FY 2003-04	367,559	10.78%	35,759
FY 2004-05	406,024	10.46%	38,465
FY 2005-06	402,218	-0.94%	(3,806)
FY 2006-07	392,229	-2.48%	(9,989)
FY 2007-08	391,962	-0.07%	(267)
FY 2008-09	436,812	11.44%	44,850
FY 2009-10	498,797	14.19%	61,985
FY 2010-11	560,759	12.42%	61,962
FY 2011-12	619,963	10.56%	59,204
FY 2012-13	682,994	10.17%	63,031
FY 2013-14	767,123	12.32%	84,129
FY 2014-15	873,332	13.85%	106,209
FY 2015-16	945,466	8.26%	72,134
FY 2016-17	1,008,522	6.67%	63,056

November 2014 Trend Selections Before Adjustments			
FY 2013-14	767,123	12.32%	84,129
FY 2014-15	869,711	13.37%	102,588
FY 2015-16	926,466	6.53%	56,755
FY 2016-17	984,386	6.25%	57,920

Total Adjustments	
FY 2013-14	93,834
FY 2014-15	287,801
FY 2015-16	344,027
FY 2016-17	359,157

Total Adjustments	
FY 2013-14	93,835
FY 2014-15	256,755
FY 2015-16	295,399
FY 2016-17	331,688

February 2015 Trend Selections After Adjustments			
FY 2013-14	860,957	26.06%	177,963
FY 2014-15	1,161,133	34.87%	300,176
FY 2015-16	1,289,493	11.05%	128,360
FY 2016-17	1,367,679	6.06%	78,186

November 2014 Trend Selections After Adjustments			
FY 2013-14	860,957	26.06%	177,963
FY 2014-15	1,126,466	30.84%	265,509
FY 2015-16	1,221,865	8.47%	95,399
FY 2016-17	1,316,074	7.71%	94,209

November 2014 Forecast	
Forecasted December 2014 Level	1,126,585

Base trend from Adjusted December 2014 level			
FY 2014-15	863,831	12.61%	96,708

Base trend from Actual December 2014 level			
FY 2014-15	1,131,786	31.46%	270,829

Actuals		
	Monthly Change	% Change
6-month average	17,618	1.62%
12-month average	31,685	3.45%
18-month average	23,561	2.63%
24-month average	20,054	2.32%

Monthly Average Growth Comparisons		
FY 2013-14 Actuals	26,533	3.14%
FY 2013-14 1st Half	7,313	0.99%
FY 2013-14 2nd Half	45,752	5.29%
FY 2014-15 1st Half Actuals	17,618	1.62%
FY 2014-15 2nd Half Forecast	14,862	1.25%
FY 2014-15 Forecast	16,240	1.43%
November 2014 Forecast	10,704	0.97%
FY 2015-16 Forecast	7,004	0.55%
November 2014 Forecast	6,996	0.58%