

Schedule 13
Funding Request for the 2012-13 Budget Cycle

Department: Health Care Policy and Financing

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

Priority Number: R-3

Dept. Approval by: John Bartholomew *JM 10/20/11* Decision Item FY 2012-13
 Base Reduction Item FY 2012-13
 Supplemental FY 2011-12
 Budget Amendment FY 2012-13
Date

OSPB Approval by: *Ernest M. ...* *10/24/11*
Date

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	5
	Fund	Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	\$213,086,149	\$0	\$187,766,874	(\$3,434,456)	(\$3,434,456)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$29,551,808	\$0	\$25,066,119	\$0	\$0
	GFE	\$446,100	\$0	\$446,100	\$0	\$0
	CF	\$44,582,245	\$0	\$40,206,188	(\$862,887)	(\$862,887)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$138,505,996	\$0	\$122,048,467	(\$2,571,569)	(\$2,571,569)
(4) Indigent Care Program; Children's Basic Health Plan Medical and Dental Costs	Total	\$213,086,149	\$0	\$187,766,874	(\$3,434,456)	(\$3,434,456)
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$29,551,808	\$0	\$25,066,119	\$0	\$0
	GFE	\$446,100	\$0	\$446,100	\$0	\$0
	CF	\$44,582,245	\$0	\$40,206,188	(\$862,887)	(\$862,887)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$138,505,996	\$0	\$122,048,467	(\$2,571,569)	(\$2,571,569)

Letternote Text Revision Required? Yes: No: **If yes, describe the Letternote Text Revision:**
 FY 2012-13: Of this amount, \$27,555,780 \$27,714,771 shall be from the Children's Basic Health Plan Trust created in 25.5-8-105, C.R.S.; \$1 shall be from the Health Care Expansion Fund created in 24-22-117 (2) (a) (I), C.R.S.; ~~\$12,188,797~~ \$11,166,829 shall be from the Hospital Provider Fee Cash Fund created in 25.5-4-402.3 (4), C.R.S.; and \$461,700 shall be from the Colorado Immunization Fund created in 25-4-2301, C.R.S.
Cash or Federal Fund Name and COFRS Fund Number: CF: Children's Basic Health Plan Trust Fund 11G, Health Care Expansion Fund 18K, Hospital Provider Fee Cash Fund 24A and Colorado Immunization Fund; FF: Title XXI
Reappropriated Funds Source, by Department and Line Item Name:
Approval by OIT? Yes: No: **Not Required:**
Schedule 13s from Affected Departments: N/A
Other Information:



DEPARTMENT OF HEALTH CARE POLICY & FINANCING

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

*FY 2012-13 Funding Request
November 1, 2011*

Department Priority: R-3

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

Summary of Incremental Funding Change for FY 2012-13	Total Funds	General Fund	FTE
Children's Basic Health Plan Medical and Dental Costs	(\$3,434,456)	\$0	0.0

Request Summary:

The Department is requesting to adjust the Children's Basic Health Plan Medical and Dental Costs line item to account for updated caseload and per capita estimates. The FY 2012-13 request is a decrease of \$3,434,456 from the FY 2012-13 Base Request, and includes \$867,851 cash funds and \$2,580,789 federal funds. The updated FY 2011-12 estimate is lower than the current appropriation by \$29,617,060 total funds, of which \$10,057,404 is cash funds and \$19,559,656 is federal funds. The FY 2011-12 estimate is provided for informational purposes only.

The Department is not requesting any change to appropriations for the Children's Basic Health Plan Administration line item, though updated appropriations for internal administration (Personal Services, Operating Costs, Medicaid Management Information System, etc.) are incorporated in the Department's analysis of the Children's Basic Health Plan Trust Fund.

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

Department has revised its per capita estimates for FY 2011-12 downwards due to lower than forecasted per capita expenditures in FY 2010-11, combined with the actuarially calculated capitation rates for FY 2011-12.

The Department is requesting a decrease in FY 2012-13 from the base request. The Department's FY 2012-13 caseload forecast for CHP+ is also lower than its previous forecast as the downwards level shift from FY 2010-11 is carried forward into out-years. The Department's final caseload includes two bottom line adjustments from SB 11-008 and SB 11-250. SB 11-008 expands eligibility for children aged 6 through 18 in Medicaid to 133% of the Federal Poverty Level (FPL). SB 11-250 expands eligibility for pregnant women in Medicaid to 185% FPL. These expansions will take effect in January 2013, impacting CHP+ caseload negatively as these clients become eligible for and enroll in Medicaid.

The bottom line adjustments have been updated from the SB 11-008 and SB 11-250 estimates to account for the revised caseload forecasts with the same methodology used by the Department to estimate the fiscal impact for these bills. These updated negative adjustments are smaller due to the reduced caseload projections relative to the Department's November 2011 forecast, which

reduces the number of clients in these lower income categories.

The Department is also adjusting its FY 2011-12 and FY 2012-13 per capita estimates to account for the actual FY 2010-11 per capita costs and the actuarially set FY 2011-12 capitation rates. The updated medical per capita estimates for children and prenatal women are lower than the Department’s previous estimate, while the dental per capita estimates are higher.

The Department is requesting a decrease in the appropriation for the Children's Basic Health Plan Medical and Dental Costs from the Department’s FY 2012-13 base request to true up its latest expenditures forecast.

Anticipated Outcomes:

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

Assumptions for Calculations:

Please see Attachment A and Exhibits C.1 through C.8 for detailed descriptions of the assumptions and calculations for this request.

Consequences if not Funded:

Not applicable. Under the Patient Protection and Affordable Care Act of 2009, there is a Maintenance of Effort provision on CHP+ eligibility until September 31, 2019. As such, CHP+ resembles an entitlement program like Medicaid. If the funding were not appropriated to support the increased costs, the entire CHP+ program would have to be eliminated.

Cash Fund Projections:

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

Current Statutory Authority or Needed Statutory Change:

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

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

An “eligible person” for the program is defined in 25.5-8-103 (4) C.R.S. (2011).

25.5-8-107 (1) (a) (II), C.R.S. (2011) allows the Department to provide dental benefits though the Children's Basic Health Plan.

Attachment A

Children's Basic Health Plan Medical and Dental Costs

General Description of Request

The Children's Basic Health Plan, marketed as the Child Health Plan *Plus* or CHP+, is a program that provides affordable health insurance to children under the age of 19 and pregnant women in low-income families (up to 250% of the federal poverty level) who do not qualify for Medicaid and do not have private insurance. The Children's Basic Health Plan is a non-entitlement program with a defined benefit package that uses privatized administration. The federal government implemented this program in 1997, giving states an enhanced match on State expenditures for the program. Colorado began serving children in April of 1998. Where available, children enroll in a health maintenance organization. The Plan also has an extensive self-insured managed care network that provides services to children until they enroll in a selected health maintenance organization, and to those children who do not have geographic access to a health maintenance organization. All pregnant women enrolled in the Plan receive services through the State's self-funded network.

This request seeks:

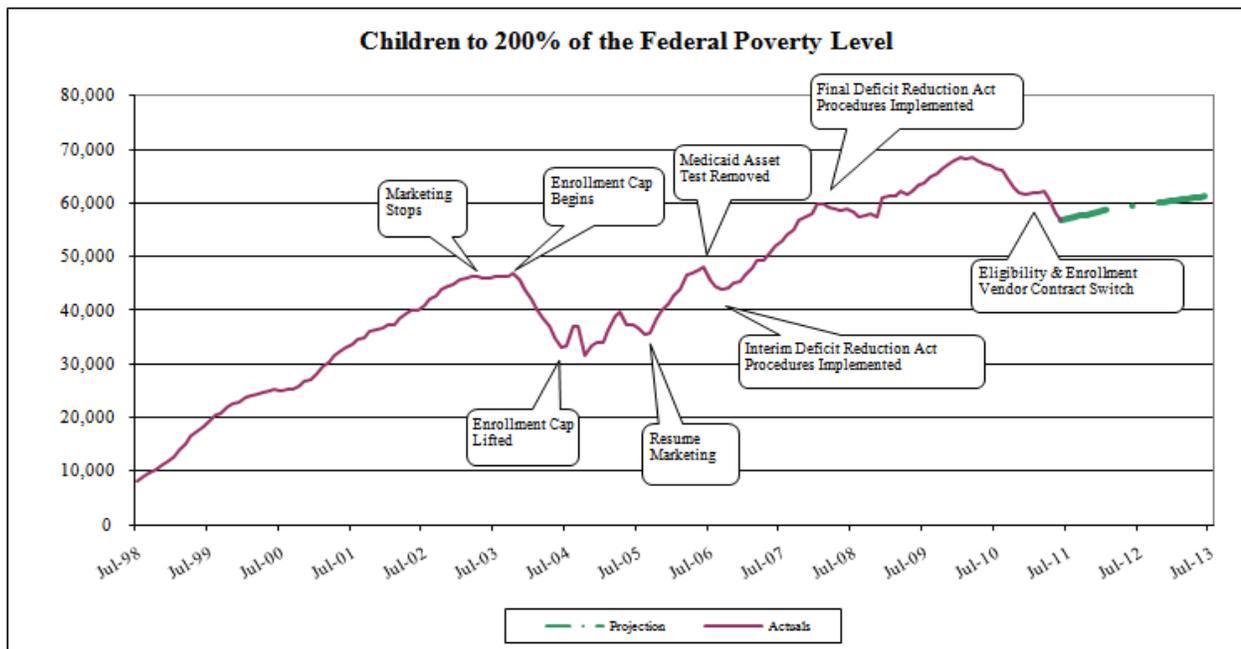
- To adjust the projected enrollment for children and pregnant women in the Plan; and,
- To adjust the per capita costs for medical and dental services in accordance with actuarial projections.

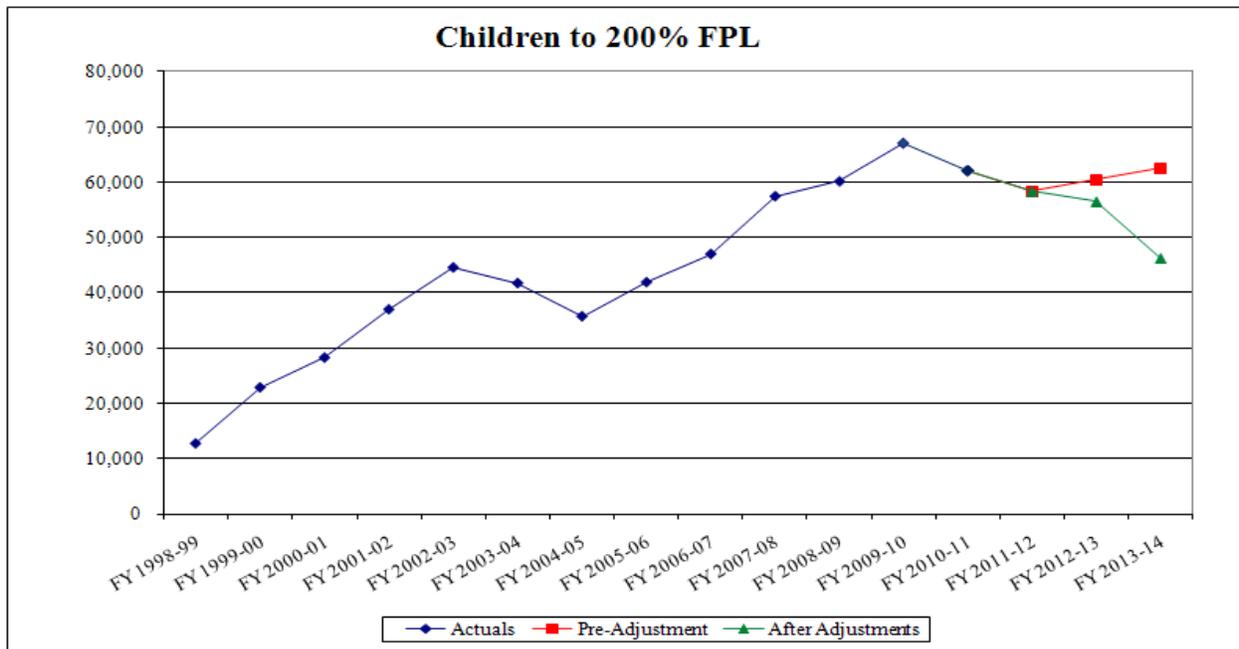
Please note that the Department is only requesting to adjust the FY 2012-13 budget and all FY 2011-12 estimates are provided for informational purposes only.

I. Description of Request Related to Children's Premiums

Children's Caseload Projections (Exhibit C.6)

Children to 200% FPL



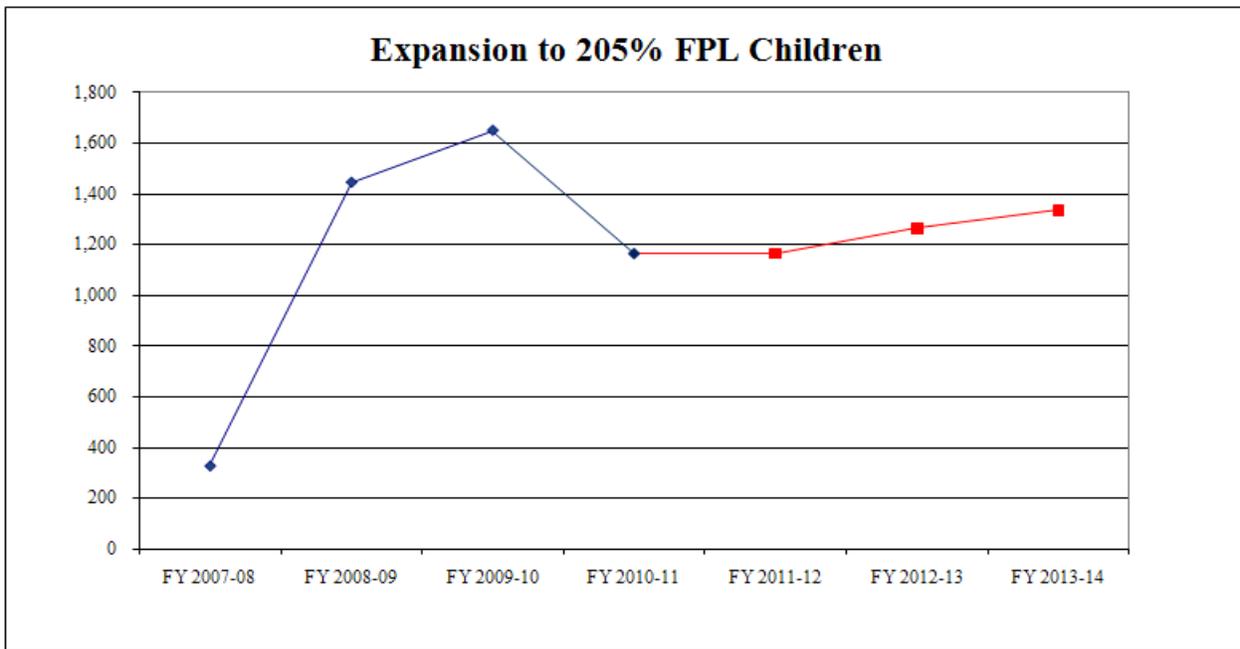
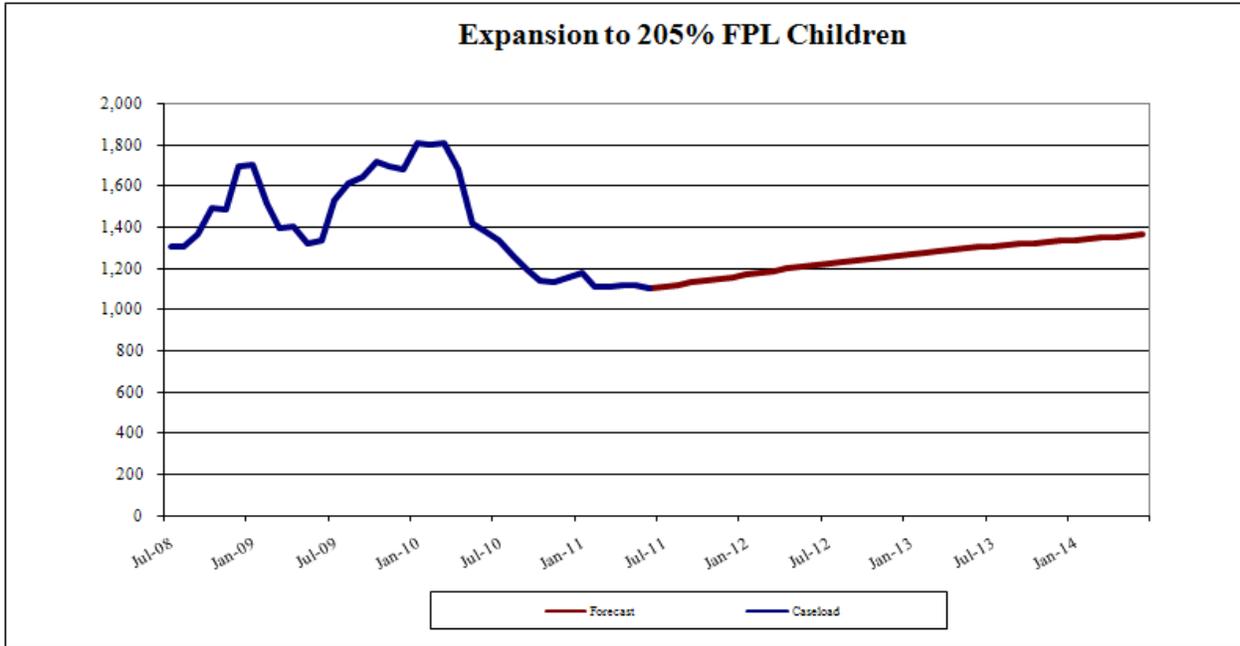


- The Department is combining the traditional children’s (up to 185% of federal poverty line (FPL)) caseload forecast with the children’s expansion to 200% FPL caseload forecast into one category beginning this year. The expansion to 200% FPL was implemented in July 2005, and is now exhibiting trends similar to the traditional children’s caseload. Thus, the Department is forecasting these categories together as “Children to 200% FPL.”
- Growth in children to 200% FPL in FY 2010-11 was significantly lower than the Department’s November 2010 forecast in which annual caseload was projected to be 68,377 and average monthly growth was projected to be 304. The actual caseload for FY 2010-11 decreased by an average of 849 children per month. The declines in caseload at the end of calendar year 2010 were due to a backlog of applications which resulted from the change in the program’s eligibility and enrollment vendor from Affiliated Computer Services to Maximus in late 2010. Once Maximus was able to resolve this backlog, the caseload began increasing as anticipated. During the past few months, however, the caseload has decreased significantly. The Department is currently investigating this unexpected decrease in caseload. Initial research suggests that some of this decrease is due to children in low-income FPL categories moving from CHP+ into Medicaid at a rate greater than the historical average.
- The selected trend for FY 2011-12 for children to 200% FPL is lower than the Department’s November 2010 forecast and would result in average growth of **230 per month**. This lower forecast is reflective of the monthly caseload decreases and moderate monthly growth seen over the course of FY 2010-11. The Department believes that projected economic conditions give no indication that caseload will not begin growing at a moderate pace as economic conditions improve over the next few years. The negative forecasted trend for FY 2011-12 is due to the level shift experienced at the end of FY 2010-11, which leaves caseload at a low starting point for the year.
- There is a bottom-line adjustment to CHP+ children’s caseload from SB 11-008, which increases Medicaid eligibility for children from six to 18 years of age to 133% FPL beginning in January 2013. This is expected to have a negative impact on CHP+ caseload as children that are currently in CHP+ become eligible for and enroll in Medicaid. This adjustment has been updated from the SB 11-008

estimate to account for the revised caseload forecasts with the same methodology used to estimate the fiscal impact of SB 11-008.

Children to 200% FPL							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-09	63,261	-	-	FY 1999-00	22,935	-	-
Jul-09	63,817	556	0.88%	FY 2000-01	28,321	23.48%	5,386
Aug-09	64,918	1,101	1.73%	FY 2001-02	37,042	30.79%	8,721
Sep-09	65,594	676	1.04%	FY 2002-03	44,600	20.40%	7,558
Oct-09	66,515	921	1.40%	FY 2003-04	41,786	-6.31%	(2,814)
Nov-09	67,312	797	1.20%	FY 2004-05	35,800	-14.33%	(5,986)
Dec-09	67,962	650	0.97%	FY 2005-06	41,946	17.17%	6,146
Jan-10	68,378	416	0.61%	FY 2006-07	47,047	12.16%	5,101
Feb-10	68,085	(293)	-0.43%	FY 2007-08	57,465	22.14%	10,418
Mar-10	68,406	321	0.47%	FY 2008-09	60,137	4.65%	2,672
Apr-10	67,985	(421)	-0.62%	FY 2009-10	66,939	11.31%	6,802
May-10	67,354	(631)	-0.93%	FY 2010-11	62,080	-7.26%	(4,859)
Jun-10	66,940	(414)	-0.61%	FY 2011-12	58,376	-5.97%	(3,704)
Jul-10	66,321	(619)	-0.92%	FY 2012-13	60,443	3.54%	2,067
Aug-10	66,126	(195)	-0.29%	FY 2013-14	62,513	3.42%	2,070
Sep-10	64,632	(1,494)	-2.26%	Monthly Average Growth Comparisons			
Oct-10	62,786	(1,846)	-2.86%	FY 2010-11 1st Half	(880)	-1.36%	
Nov-10	61,919	(867)	-1.38%	FY 2010-11 2nd Half	(818)	-1.36%	
Dec-10	61,662	(257)	-0.42%	November 2010 Forecast	304	0.45%	
Jan-11	61,925	263	0.43%	FY 2011-12 Forecast	230	0.40%	
Feb-11	61,822	(103)	-0.17%	November 2010 Forecast	255	0.35%	
Mar-11	62,097	275	0.44%	FY 2012-13 Forecast	144	0.24%	
Apr-11	60,829	(1,268)	-2.04%	November 2010 Forecast	193	0.26%	
May-11	58,089	(2,740)	-4.50%	Adjustments (SB 11-008)			
Jun-11	56,754	(1,335)	-2.30%	FY 2011-12	0		
Actuals				FY 2012-13	(3,951)		
		Monthly Change	% Change	FY 2013-14	(16,333)		
6-month average		(818)	-1.36%	Projections After Adjustments			
12-month average		(849)	-1.36%	FY 2011-12	58,376	-5.97%	(3,704)
18-month average		(623)	-0.99%	FY 2012-13	56,492	-3.23%	(1,884)
24-month average		(271)	-0.44%	FY 2013-14	46,180	-18.25%	(10,312)
November 2010 Trend Selections				Base trend from June 2011 level			
FY 2010-11	68,377	2.15%	1,438	FY 2011-12	56,754	-8.58%	(5,326)
FY 2011-12	72,672	6.28%	4,295				
FY 2012-13	74,988	3.19%	2,316				

Expansion to 205% FPL Children



- This population was created through SB 07-097, and was implemented beginning March 1, 2008. Children in this population have family income between 201-205% FPL.
- Growth in Expansion to 205% FPL children in FY 2010-11 was lower than the Department's November 2010 forecast, in which annual caseload was projected to be 1,504 and average monthly growth was projected to be 18. Similar to the caseload for Children to 200% FPL, the FY 2010-11 caseload for this population also decreased, albeit at a slower rate of an average of 1.83% per month. This population also exhibited fewer months of caseload declines compared to the Children to 200% FPL caseload. This population was also affected by the change in the program's eligibility and

enrollment vendor from Affiliated Computer Services to Maximus in late 2010. Once Maximus was able to resolve the backlog in application processing, the caseload began increasing as anticipated.

- The selected trend for FY 2011-12 for Expansion to 205% FPL children is lower than the Department's November 2010 forecast, and would result in average growth of **10 per month**. This is based on the average positive monthly growth ranging between 0.27% and 1.94% during FY 2010-11, adjusted for expectations for slightly improving economic conditions. The Department does not believe the caseload will continue to decrease as it did in FY 2010-11 as monthly declines have become more moderate or even reversed during the past few months. Growth is forecasted to average 0.83% per month in FY 2011-12 and 0.54% per month in FY 2012-13.

Expansion to 205% FPL Children			
	Actuals	Monthly Change	% Change
Jun-09	1,337	-	-
Jul-09	1,532	195	14.58%
Aug-09	1,613	81	5.29%
Sep-09	1,645	32	1.98%
Oct-09	1,719	74	4.50%
Nov-09	1,699	(20)	-1.16%
Dec-09	1,678	(21)	-1.24%
Jan-10	1,808	130	7.75%
Feb-10	1,802	(6)	-0.33%
Mar-10	1,806	4	0.22%
Apr-10	1,678	(128)	-7.09%
May-10	1,417	(261)	-15.55%
Jun-10	1,385	(32)	-2.26%
Jul-10	1,338	(47)	-3.39%
Aug-10	1,263	(75)	-5.61%
Sep-10	1,192	(71)	-5.62%
Oct-10	1,144	(48)	-4.03%
Nov-10	1,134	(10)	-0.87%
Dec-10	1,156	22	1.94%
Jan-11	1,178	22	1.90%
Feb-11	1,110	(68)	-5.77%
Mar-11	1,108	(2)	-0.18%
Apr-11	1,118	10	0.90%
May-11	1,121	3	0.27%
Jun-11	1,104	(17)	-1.52%

	Caseload	% Change	Level Change
FY 2007-08	330	-	-
FY 2008-09	1,445	337.88%	1,115
FY 2009-10	1,649	14.12%	204
FY 2010-11	1,164	-29.41%	(485)
FY 2011-12	1,165	0.09%	1
FY 2012-13	1,265	8.58%	100
FY 2013-14	1,336	5.61%	71

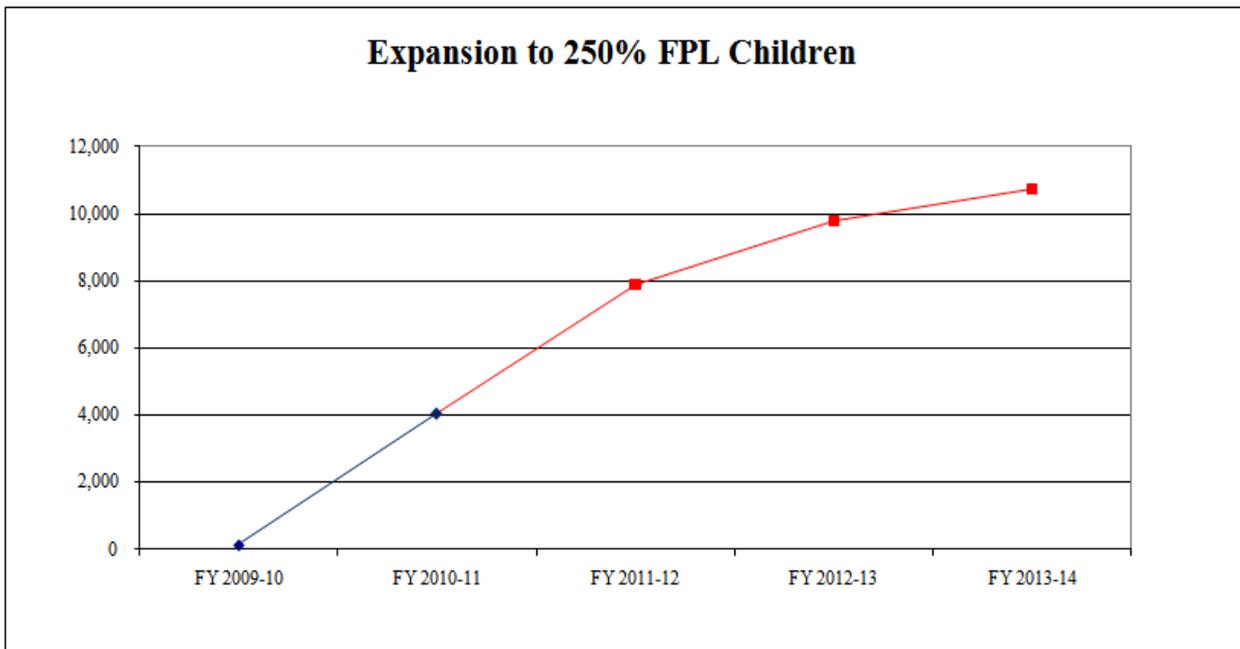
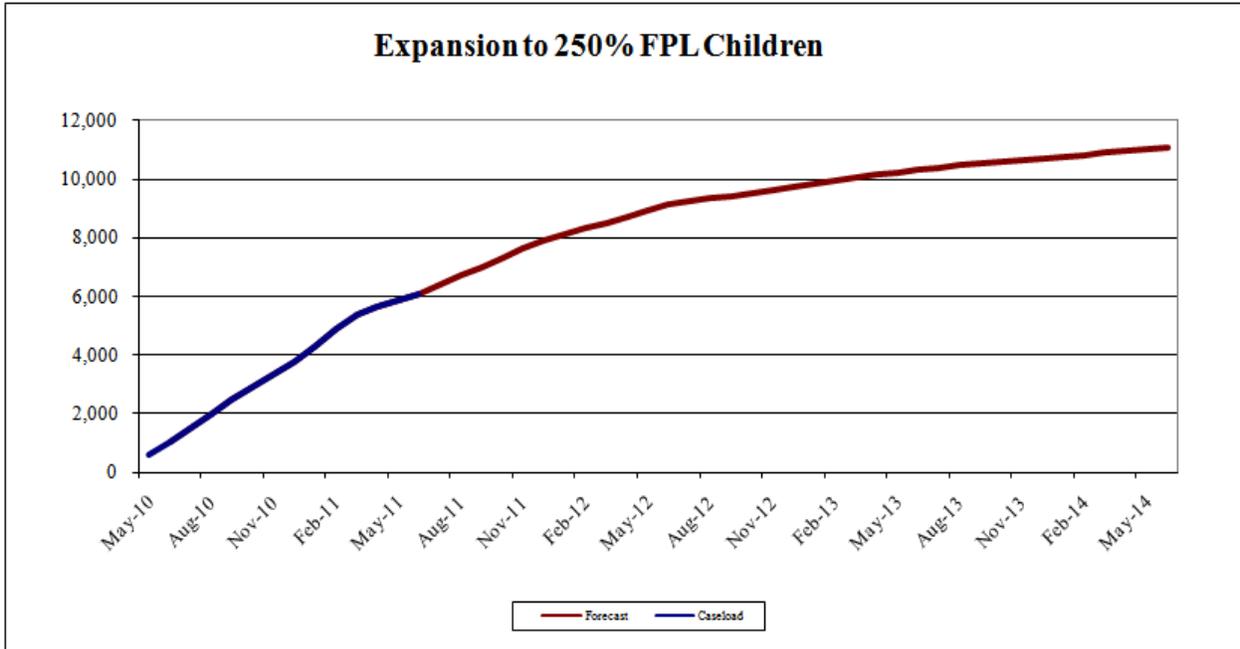
Monthly Average Growth Comparisons		
FY 2010-11 1st Half	(38)	-2.93%
FY 2010-11 2nd Half	(9)	-0.73%
November 2010 Forecast	18	1.19%
FY 2011-12 Forecast	10	0.83%
November 2010 Forecast	14	0.83%
FY 2012-13 Forecast	7	0.54%
November 2010 Forecast	10	0.54%

Actuals		
	Monthly Change	% Change
6-month average	(9)	-0.73%
12-month average	(23)	-1.83%
18-month average	(32)	-2.18%
24-month average	(10)	-0.64%

November 2010 Trend Selections			
FY 2010-11	1,504	-8.79%	(145)
FY 2011-12	1,691	12.43%	187
FY 2012-13	1,828	8.10%	137

Base trend from June 2011 level			
FY 2011-12	1,104	-5.15%	(60)

Expansion to 250% FPL Children



- This population was created through HB 09-1293, and was implemented beginning May 1, 2010. Children in this population have family income between 206-250% of the federal poverty level.
- Growth in FY 2010-11 was lower than the Department's November 2010 estimates in which annual caseload was projected to be 6,860 and average monthly growth was projected to be 897. As a result, the Department has decreased its caseload growth forecast. The selected trend for FY 2011-12 for Expansion to 250% FPL children is lower than the Department's November 2010 forecast, and would result in average growth of **253 per month**. This is based on the average monthly growth from between March 2011 and June 2011. This trend is expected to moderate further in the out-years, resulting in average monthly growth of 101 in FY 2012-13.

Expansion to 250% Children			
	Actuals	Monthly Change	% Change
May-10	600	-	-
Jun-10	1,029	429	71.50%
Jul-10	1,511	482	46.84%
Aug-10	2,018	507	33.55%
Sep-10	2,505	487	24.13%
Oct-10	2,935	430	17.17%
Nov-10	3,342	407	13.87%
Dec-10	3,759	417	12.48%
Jan-11	4,316	557	14.82%
Feb-11	4,888	572	13.25%
Mar-11	5,358	470	9.62%
Apr-11	5,674	316	5.90%
May-11	5,872	198	3.49%
Jun-11	6,098	226	3.85%

	Caseload	% Change	Level Change
FY 2009-10	136	-	-
FY 2010-11	4,023	2858.09%	3,887
FY 2011-12	7,891	96.15%	3,868
FY 2012-13	9,785	24.00%	1,894
FY 2013-14	10,737	9.73%	952

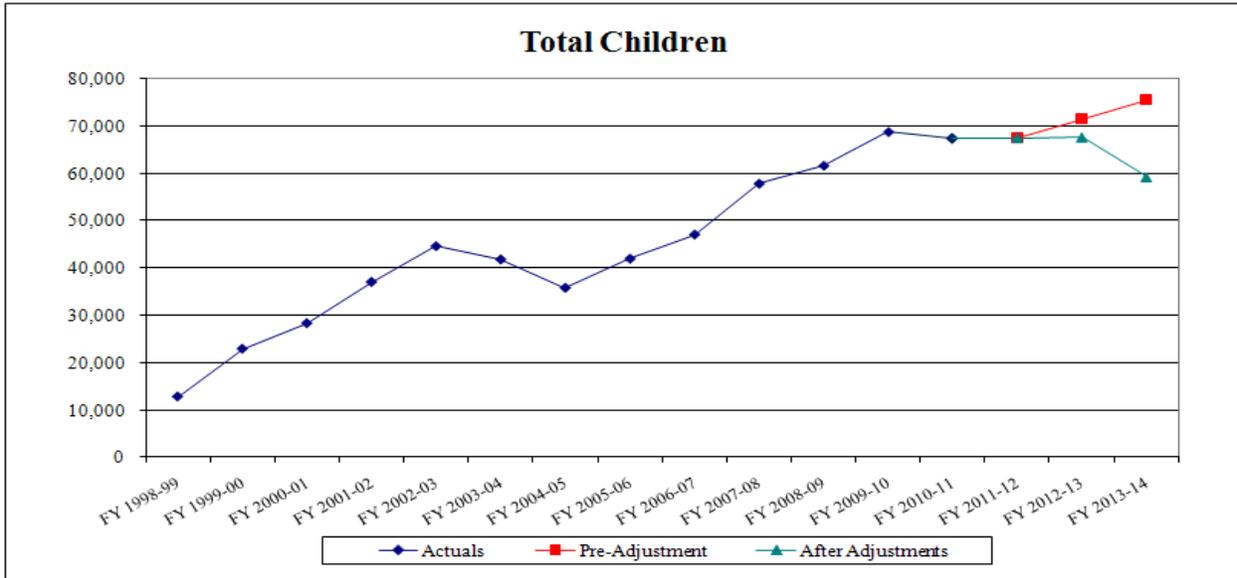
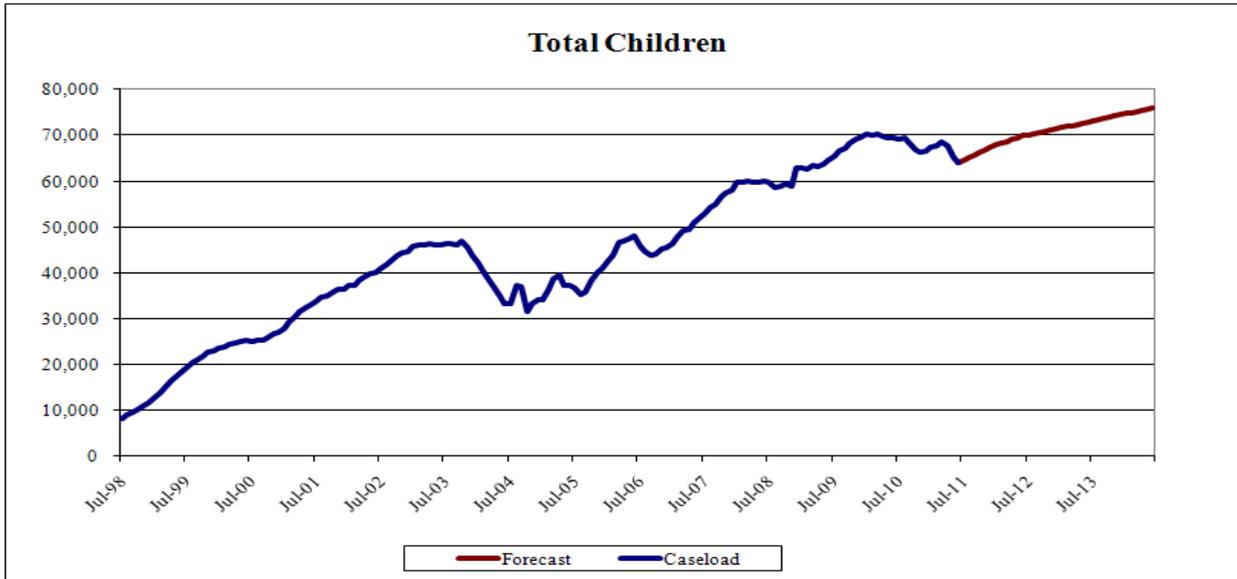
Monthly Average Growth Comparisons		
FY 2010-11 1st Half	455	24.67%
FY 2010-11 2nd Half	390	8.49%
November 2010 Forecast	897	24.13%
FY 2011-12 Forecast	253	3.42%
November 2010 Forecast	205	1.59%
FY 2012-13 Forecast	101	1.04%
November 2010 Forecast	79	0.54%

November 2010 Trend Selections			
FY 2010-11	6,860	4944.12%	6,724
FY 2011-12	13,126	91.34%	6,266
FY 2012-13	14,796	12.72%	1,670

Actuals		
	Monthly Change	% Change
6-month average	390	8.49%
12-month average	422	16.58%

Base trend from June 2011 level			
FY 2011-12	6,098	51.58%	2,075

Total Children



- In January 2011, the Department implemented a change to the Colorado Benefits Management System that allows the Department to remain in compliance with federal regulations, specifically Section 211 of the Children’s Health Insurance Program Reauthorization Act of 2009. This section expands Medicaid citizenship documentation requirements in the Deficit Reduction Act of 2005 to CHP+, thus requiring clients who declare to be a U.S. citizen or nation to present satisfactory documentary evidence of this before enrolling or re-enrolling in the program. The Department has included the effects of this new documentation requirement in this caseload forecast.
- The FY 2011-12 children’s caseload forecast is 67,432, a 0.25% increase over the FY 2010-11 caseload of 67,267. This forecast results in average increases of **492 (0.74%) per month** in FY 2011-12. The FY 2012-13 caseload is projected to increase by 6.02% to 71,493, and FY 2013-14 caseload is forecasted to grow 4.32% to 74,584. Total children’s caseload is projected to increase by 0.35% (252 clients) per month in FY 2012-13 and 0.36% (257 clients) per month in FY 2013-14.
- There is a bottom-line adjustment to the CHP+ children’s caseload from SB 11-008, which increases

Medicaid eligibility for children from six to 18 years of age up to 133% FPL beginning in January 2013. This is expected to have a negative impact on CHP+ caseload as children that are currently in CHP+ become eligible for and enroll in Medicaid. This adjustment has been updated from the SB 11-008 estimate to account for the revised caseload forecasts using the same methodology used by the Department to estimate the fiscal impact of SB 11-008. This adjustment decreases the FY 2012-13 caseload projection to 67,543 which is a 0.16% increase over FY 2011-12 forecast. This adjustment decreases the FY 2013-14 caseload projection to 58,251 which is a 13.76% decrease from the adjusted FY 2012-13 projection.

- As part of the Department's efforts to increase administrative efficiencies, it is implementing Express Lane Eligibility in FY 2011-12. This will allow the program to take utilize information in the Colorado Benefits Management System gathered for the free/reduced price lunch program to expedite eligibility processing for children potentially eligible for CHP+. The Department estimates that any caseload increases resulting from this initiative are negligible and has included them in its caseload forecast.

Total Children			
	Actuals	Monthly Change	% Change
Jun-09	64,598	-	-
Jul-09	65,349	751	1.16%
Aug-09	66,531	1,182	1.81%
Sep-09	67,239	708	1.06%
Oct-09	68,234	995	1.48%
Nov-09	69,011	777	1.14%
Dec-09	69,640	629	0.91%
Jan-10	70,186	546	0.78%
Feb-10	69,887	(299)	-0.43%
Mar-10	70,212	325	0.47%
Apr-10	69,663	(549)	-0.78%
May-10	69,371	(292)	-0.42%
Jun-10	69,354	(17)	-0.02%
Jul-10	69,170	(184)	-0.27%
Aug-10	69,407	237	0.34%
Sep-10	68,329	(1,078)	-1.55%
Oct-10	66,865	(1,464)	-2.14%
Nov-10	66,395	(470)	-0.70%
Dec-10	66,577	182	0.27%
Jan-11	67,419	842	1.26%
Feb-11	67,820	401	0.59%
Mar-11	68,563	743	1.10%
Apr-11	67,621	(942)	-1.37%
May-11	65,082	(2,539)	-3.75%
Jun-11	63,956	(1,126)	-1.73%

	Caseload	% Change	Level Change
FY 1998-99	12,825	-	-
FY 1999-00	22,935	78.83%	10,110
FY 2000-01	28,321	23.48%	5,386
FY 2001-02	37,042	30.79%	8,721
FY 2002-03	44,600	20.40%	7,558
FY 2003-04	41,786	-6.31%	(2,814)
FY 2004-05	35,800	-14.33%	(5,986)
FY 2005-06	41,946	17.17%	6,146
FY 2006-07	47,047	12.16%	5,101
FY 2007-08	57,795	22.85%	10,748
FY 2008-09	61,582	6.55%	3,787
FY 2009-10	68,725	11.60%	7,142
FY 2010-11	67,267	-2.12%	(1,457)
FY 2011-12	67,432	0.25%	165
FY 2012-13	71,493	6.02%	4,061
FY 2013-14	74,586	4.32%	3,091

Monthly Average Growth Comparisons		
FY 2010-11 1st Half	(463)	-0.67%
FY 2010-11 2nd Half	(437)	-0.65%
November 2010 Forecast	1,239	1.63%
FY 2011-12 Forecast	492	0.74%
November 2010 Forecast	474	0.55%
FY 2012-13 Forecast	252	0.35%
November 2010 Forecast	240	0.26%

November Trend Selections			
FY 2010-11	76,741	13.79%	9,474
FY 2011-12	87,489	14.01%	10,748
FY 2012-13	91,612	4.71%	4,123

Adjustments (SB 11-008)	
FY 2011-12	0
FY 2012-13	(3,951)
FY 2013-14	(16,333)

Actuals		
	Monthly Change	% Change
6-month average	(437)	-0.65%
12-month average	(450)	-0.66%
18-month average	(316)	-0.46%
24-month average	(27)	-0.03%

Projections After Adjustments			
FY 2011-12	67,432	0.25%	165
FY 2012-13	67,542	0.16%	111
FY 2013-14	58,253	-13.76%	(9,292)

Base trend from June 2011 level			
FY 2011-12	63,956	(3,311)	-4.92%

Children's Per Capita (Exhibit C.5)

CHP+ children are served by either a health maintenance organization (HMO) at a fixed monthly cost, or by the State's managed care network (SMCN), which is administered by a no-risk provider. Actual and estimated caseload ratios between HMOs and the self-funded network are used to develop blended capitation rates and per capita costs. The CHP+ Third Party Administrator (TPA) contract was re-bid for FY 2008-09, and Colorado Access was selected as the new vendor.

For projecting FY 2011-12 SMCN rates, the contracted actuary used actual claims data for FY 2008-09 and FY 2009-10. Following two years of large annual cost trends, the contracted actuary found a negative annual cost trend of 15.9% for FY 2011-12. This trend is driven primarily by the change in inpatient and outpatient reimbursement methodologies that occurred in July 2009, when the Department lowered its reimbursement to hospitals for these services from 66% to 44% of billed charges. Additionally, the reimbursement for the majority of CHP+ providers previously granted reimbursement exceptions was negotiated to 90% of Medicare Resource Based Relative Value Scale (RBRVS), effective November 2009. These decreases outweighed the increase in ambulatory services from 83% of Medicare RBRVS to 90% to result in a negative annual cost trend. The contracted actuary also reviewed published studies to determine industry norms for current and projected health care cost trends, which ranged from 4.40% to 11.20%. The actuarially set combined utilization and unit cost base trend across services is 17.7% for FY 2011-12.

Effective July 1, 2010, the Department implemented a new reimbursement schedule for hospital payments. While the hospitals were paid 44% of billed charges in FY 2009-10, in FY 2010-11 they were be paid 135% of the Colorado Medicaid Diagnosis Related Groups (DRGs) for inpatient services and 135% of the Colorado Medicaid Outpatient Cost-to-Charge ratio for outpatient services. This means that the program has essentially adopted the Medicaid reimbursement methodologies. This change in reimbursement methodologies resulted in significant savings in the SMCN, which is reflected in the negative trend in the children's per capita cost in FY 2010-11.

In July 2011, the Department is moving from a 30% discount of Cost-to-Charge ratio to a 30.7% discount. Actuarial analysis shows a 29% savings in outpatient claims and a 36% savings for inpatient claims, or a total decrease of 22.01% in the base monthly rate for children in the SMCN due to reimbursement changes.

The final FY 2011-12 SMCN children's per member per month rate is \$167.99, which includes administrative costs of \$24.22 for claims administration and case management and \$0.52 for medical home incentive payments. This is a 3.97% decrease from the final FY 2010-11 blended rate. The rate decrease is the result of fully accounting for the change in hospital reimbursement methodologies.

Effective July 1, 2011, the Department is implementing the 3% HMO rate cut that was part of its FY 2011-12 BRI-4 "CHP+ Program Reductions." To ensure that this reduced rate is reasonable, the Department asked the contracted actuary to set an actuarial sound rate range for HMO capitation rates for FY 2011-12 rather than a point estimate only. For projecting the FY 2011-12 HMO capitation rate, the contracted actuary used actual HMO experience in FY 2009-10 combined with published studies of health care cost trends. The range for the annual per member per month trend is 5.4% to 9.8%, with higher trends for both utilization and cost in both inpatient and outpatient hospital services due to long-term utilization patterns being high in these services.

After consultation with the HMOs, the Department decided to maintain the same administrative costs of \$12.11 from the previous year, which are estimated to be 8.5% of total costs based on expenses reported by the four HMOs operating in FY 2009-10. The final FY 2011-12 HMO children's per member per month

rate is \$151.82, which includes the 3% reduction taken from the base rate at the top of the calculated rate range which results in projected claims costs of \$139.32, administrative costs of \$12.11 and \$0.39 for medical home incentive payments. This is a 4.82% increase from the final FY 2010-11 blended rate.

For FY 2011-12, the Department estimates that approximately 30% of children will be served in the self-funded network and the remaining 70% will be enrolled in an HMO. This is based on historical experience as well as the expectation that the percentage of children in an HMO will continue to increase as the Plan's HMO expand to geographic areas that were previously served only by the SMCN. Applying these weights to the actuarial rates yields a blended rate of \$156.67 for all children in FY 2011-12. This is an increase of 1.44% over the final FY 2010-11 blended rate of \$154.45 (calculated based on actual caseload shares between HMOs and the self-funded network). See Exhibit C.5, page C.5-2 for calculations.

The Department's FY 2011-12 forecasted per capita growth rate mirrors that of the actuarially developed rate. This forecast assumes that the capitation rate for the self-funded network is indeed in line with the costs incurred for these children, and that other factors that may affect per capita costs remain constant from FY 2010-11. Examples of other factors that may affect per capita costs include the length of stay in the program, enrollment mix between the more expensive self-funded network and HMOs, and the average length of time taken for a child to enroll in an HMO.

The growth in the FY 2011-12 blended capitation rate is used to project the FY 2011-12 per capita. The base growth of 1.44% is applied to the calculated FY 2010-11 per capita to estimate a base per capita of \$2,129.17. There are no bottom line adjustments to the FY 2010-11 per capita at this time.

Since the Department instituted various reimbursement decreases that affected the FY 2011-12 SMCN rate, the Department is using the base growth in the HMO capitation rate in FY 2011-12 to project the FY 2012-13 blended rate. This results in an increase of 4.82% for FY 2012-13 from the FY 2012-13 base rate.

Similar to the FY 2011-12 per capita, the projected growth in the FY 2012-13 blended capitation rate is used to project the FY 2012-13 per capita as there are no signs that this trend will not continue. The Department applies the projected 4.82% growth to the FY 2011-12 estimated per capita of \$2,129.17 for a projected FY 2012-13 per capita of \$2,231.79. There are currently no adjustments to the FY 2012-13 per capita for programmatic changes.

The dental vendor contract was re-bid for FY 2007-08, and a new contract was executed with Delta Dental. As part of the re-bid process, Delta Dental was able to offer an increased benefits package. These changes include increasing the cap on dental benefits from \$500 to \$600 per year, removing the age limit on sealants and fluoride varnishes, and increasing the cap on fluoride varnishes from one to two per year.

The Department also asked the contracted actuary to set an actuarial sound rate range for dental rates for FY 2011-12. For the development of the FY 2011-12 dental capitation rate, the contracted actuary based the annual trend rate between 0.0% and 4.0%. The high end of this range is slightly lower than industry trends (between 4.2% and 6.6%). Combined with the projected change in the age and income distribution in the Plan, the projected capitation rate range is \$15.25 to \$15.98. The suggested actuarial rate of \$15.27 is a 6.04% decrease over the FY 2010-11 rate. The FY 2011-12 monthly rate includes \$1.12 in administrative costs.

The Department's FY 2011-12 forecasted per capita growth rate mirrors that of the actuarially developed rate. This forecast assumes that other factors that may affect per capita costs, such as the length of stay in the Children's Basic Health Plan and the average length of time taken for a child to receive dental benefits,

remain constant from FY 2009-10 base period. Base growth of 6.04% from the capitation rate is applied to the calculated FY 2010-11 per capita of \$159.35, resulting in a projected FY 2011-12 per capita of \$168.97.

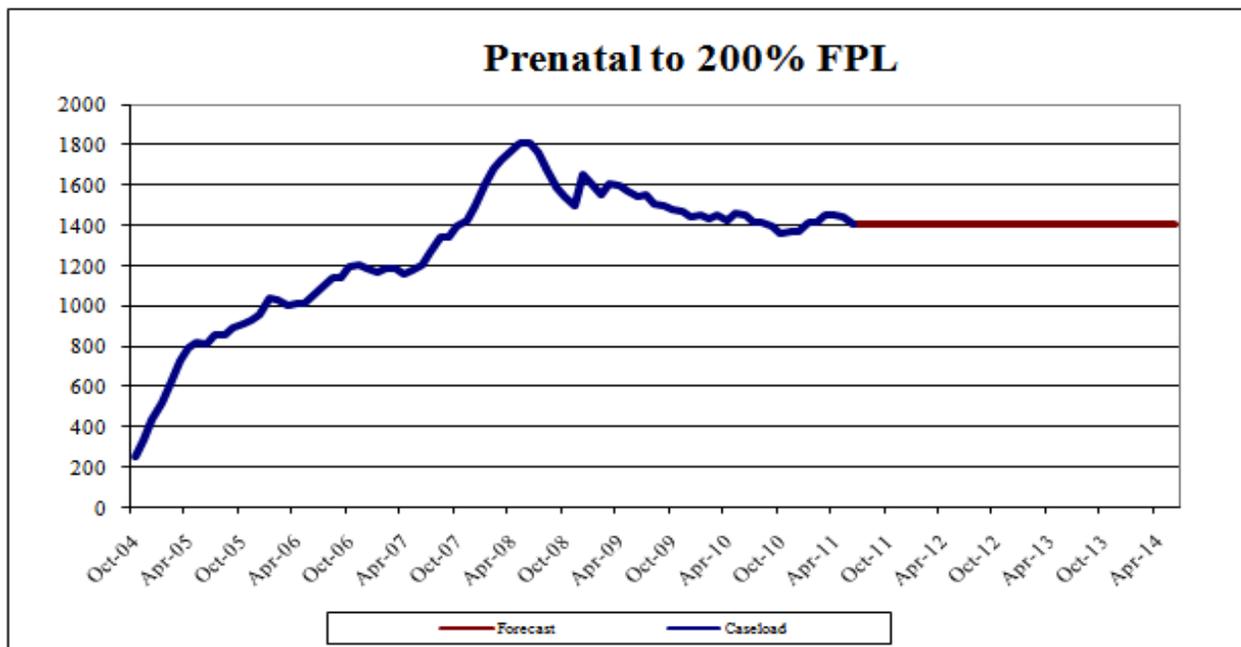
While discussing dental capitation rates with the contracted actuary, the Department performed an analysis of the dental rate expenditures and trends, which implied in a lower trend than the contracted actuary’s calculations. The Department believes that the FY 2009-10 dental claims data include anomalies that are not expected to continue in the future, and that the use of the FY 2009-10 claims data as the base year from which the rate is projected, as well as part of the calculation of the trend, is resulting in a capitation rate that is much higher than anticipated claims costs plus administration and an acceptable risk margin in FY 2011-12. After discussions with Delta Dental, the Department has included a provision in their contract that will assure a risk margin for Delta Dental but will allow the Department to recuperate reimbursements made above this risk margin. Per the contract between the Department and Delta Dental, if the amount paid in CHP+ dental claims for FY 2011-12 is less than 91.7% of the total per member per month capitation paid to Delta Dental in FY 2011-12, Delta Dental will return the difference to the Department. If that amount is greater than 91.7% there is no action. The Department believes this that measure protects the State from unnecessary expenditures while ensuring that Delta Dental receives an acceptable and agreed upon risk margin for the CHP+ line of business.

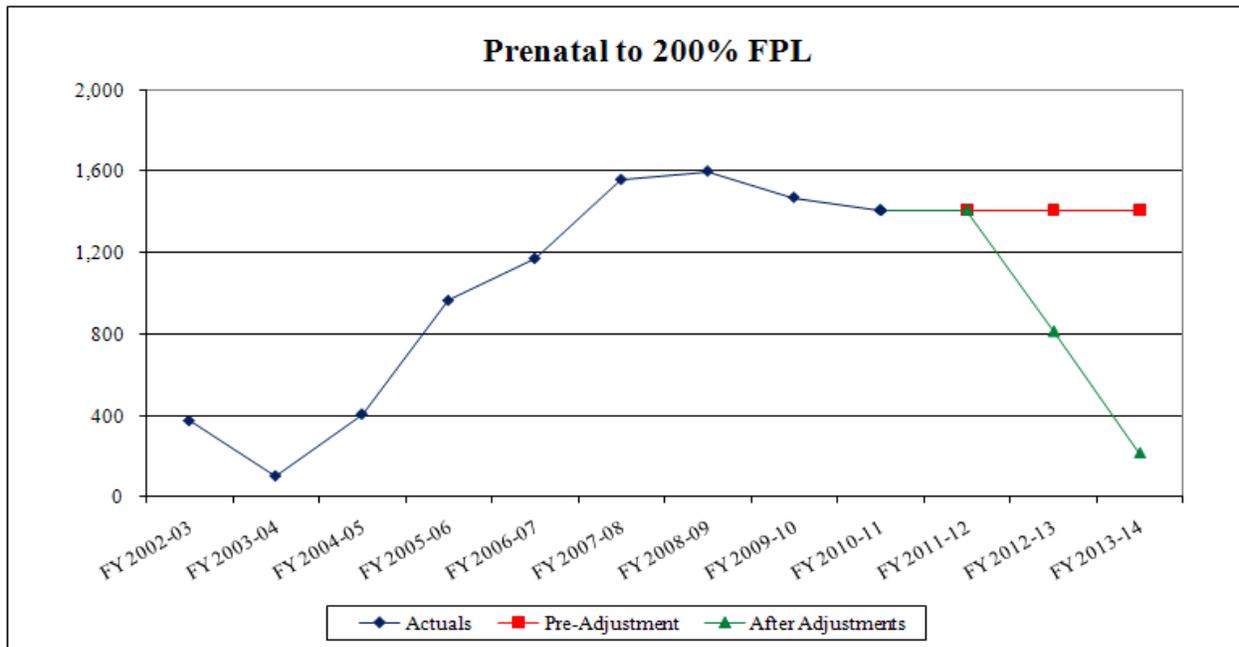
To estimate the FY 2012-13 per capita trends, the Department analyzed the historical growth in the dental rates. The Department has assumed that the growth rate for FY 2012-13 will approximate the average growth found in the literature, which averages at 4.0%. The projected FY 2012-13 per capita is \$175.73. There are no per capita adjustments for the dental program.

II. Description of Request Related to the Prenatal Program

Prenatal Caseload Projections (Exhibit C.7)

Prenatal to 200% FPL





- The Department is combining the traditional prenatal (up to 185% FPL) caseload forecast with the prenatal expansion to 200% FPL caseload to create a new FPL category beginning this year. The expansion to 200% FPL was implemented in July 2005 and is now exhibiting trends similar to the Traditional Prenatal caseload. Thus, the Department is forecasting these categories together as “Prenatal to 200% FPL.”
- Caseload growth in prenatal to 200% FPL in FY 2010-11 was lower than the Department’s November 2010 forecast, in which annual caseload was projected to be 1,459 and average monthly growth was projected to be 1. The caseload for FY 2010-11 actually decreased by an average of 4 women per month. The declines in caseload at the end of calendar year 2010 were due to a backlog of applications which resulted from the change in the program’s eligibility and enrollment vendor from Affiliated Computer Services to Maximus in late 2010. Due to the size of the prenatal caseload compared to the entire CHP+ caseload, this change did not affect prenatal caseload to the extent it affected the children’s caseload. Once Maximus was able to resolve this backlog, the caseload began increasing as anticipated. The Department is currently investigating the unexpected decrease in caseload which has occurred during the past few months.
- The Department is modeling the FY 2011-12 forecast for the prenatal to 200% FPL population on the monthly growth experienced between May 2010 and June 2011, during which caseload declined by an average of 0.08% per month. This forecast is lower than that from the Department’s November 2010 forecast, and would yield average growth of **0 per month**. The Department’s forecast assumes that the FY 2012-13 trend will continue in out years, with zero growth on average. Caseload in this eligibility type has been volatile for 3 years, as can be seen in the tables on the next page. While the cause of the volatility is unknown at this time, the Department does not anticipate that it will continue.
- There is a bottom-line adjustment to the CHP+ prenatal caseload from SB 11-250, which increases Medicaid eligibility for pregnant women from 133% FPL to 185% FPL beginning in January 2013. This is expected to have a negative impact on CHP+ caseload as pregnant women currently in CHP+ become eligible for and enroll in Medicaid. This adjustment has been updated from the SB 11-250 estimate to account for the revised caseload forecasts using the same methodology used by the Department to estimate the fiscal impact of SB 11-250.

Prenatal to 200% FPL							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-09	1,547	-	-	FY 2002-03	372	-	-
Jul-09	1,555	8	0.52%	FY 2003-04	101	-72.85%	(271)
Aug-09	1,505	(50)	-3.22%	FY 2004-05	405	300.99%	304
Sep-09	1,499	(6)	-0.40%	FY 2005-06	963	137.78%	558
Oct-09	1,478	(21)	-1.40%	FY 2006-07	1,169	21.39%	206
Nov-09	1,471	(7)	-0.47%	FY 2007-08	1,557	33.19%	388
Dec-09	1,443	(28)	-1.90%	FY 2008-09	1,598	2.63%	41
Jan-10	1,453	10	0.69%	FY 2009-10	1,469	-8.07%	(129)
Feb-10	1,437	(16)	-1.10%	FY 2010-11	1,409	-4.08%	(60)
Mar-10	1,448	11	0.77%	FY 2011-12	1,409	0.00%	0
Apr-10	1,428	(20)	-1.38%	FY 2012-13	1,409	0.00%	0
May-10	1,460	32	2.24%	FY 2013-14	1,409	0.00%	0
Jun-10	1,452	(8)	-0.55%				
Jul-10	1,419	(33)	-2.27%				
Aug-10	1,417	(2)	-0.14%				
Sep-10	1,396	(21)	-1.48%				
Oct-10	1,357	(39)	-2.79%				
Nov-10	1,367	10	0.74%				
Dec-10	1,370	3	0.22%				
Jan-11	1,413	43	3.14%				
Feb-11	1,415	2	0.14%				
Mar-11	1,453	38	2.69%				
Apr-11	1,452	(1)	-0.07%				
May-11	1,443	(9)	-0.62%				
Jun-11	1,409	(34)	-2.36%				

Monthly Average Growth Comparisons		
FY 2010-11 1st Half	(14)	-0.96%
FY 2010-11 2nd Half	7	0.49%
November 2010 Forecast	1	0.07%
FY 2011-12 Forecast	0	0.00%
November 2010 Forecast	1	0.07%
FY 2012-13 Forecast	0	0.00%
November 2010 Forecast	1	0.07%

Adjustments (SB 11-250)	
FY 2011-12	0
FY 2012-13	(597)
FY 2013-14	(1,194)

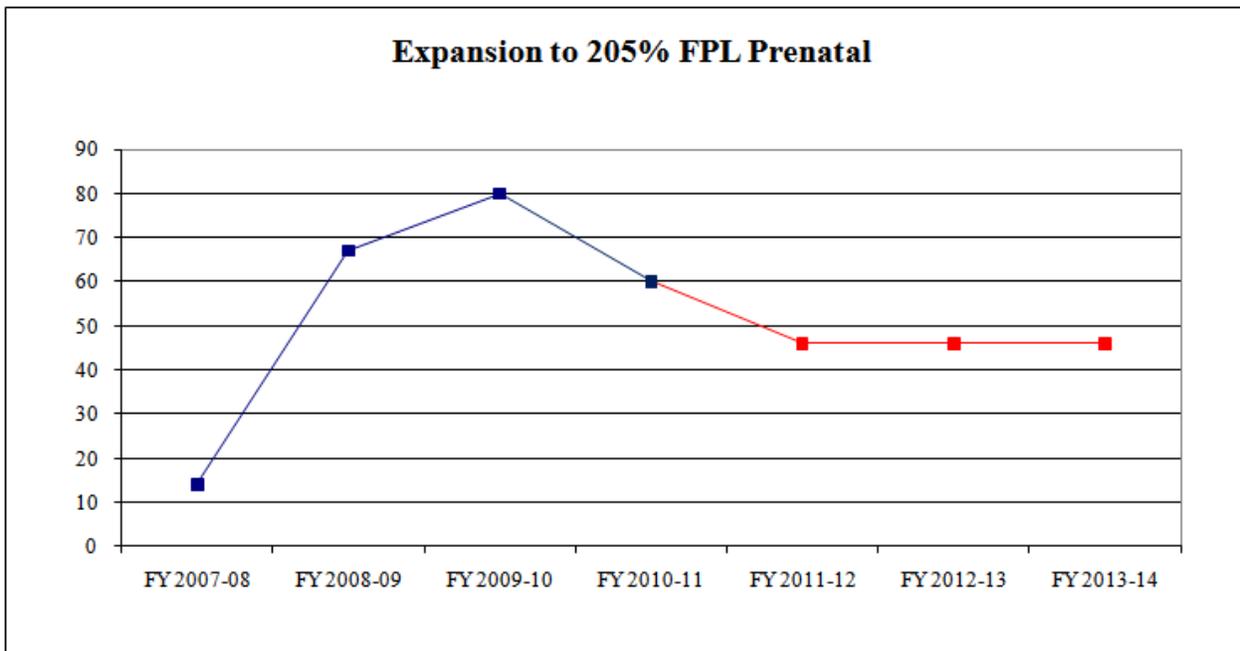
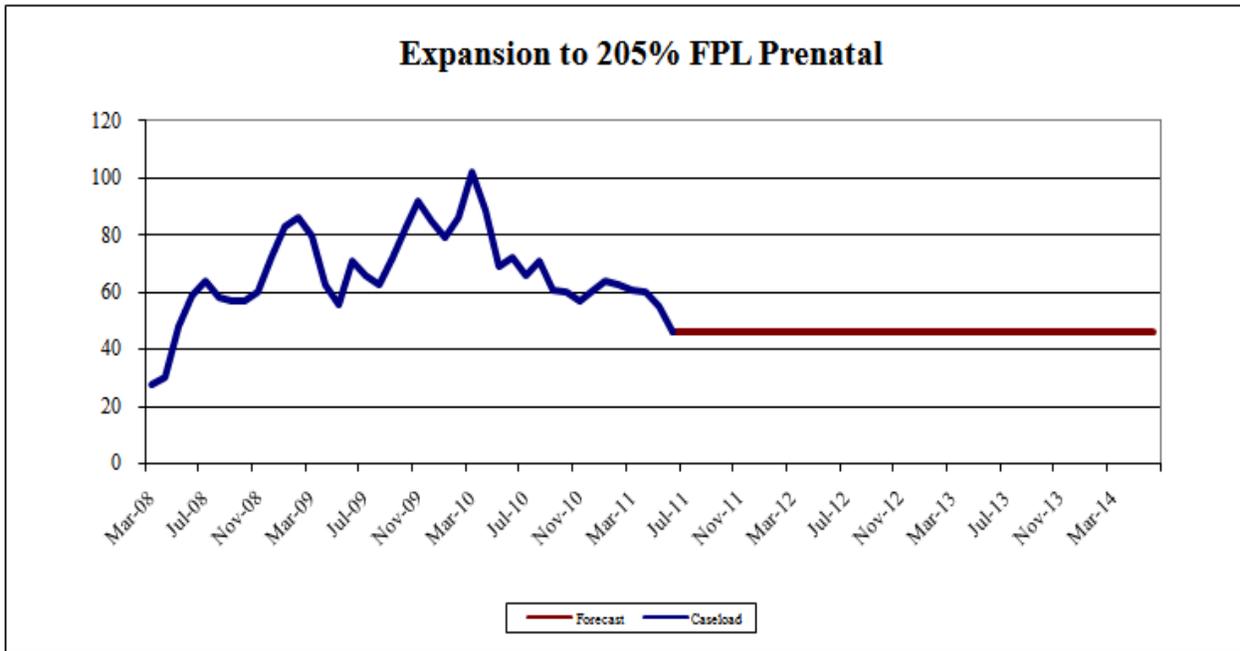
Projections After Adjustments			
FY 2011-12	1,409	0.00%	0
FY 2012-13	812	-42.37%	(597)
FY 2013-14	215	-73.54%	(597)

Actuals		
	Monthly Change	% Change
6-month average	7	0.49%
12-month average	(4)	-0.23%
18-month average	(2)	-0.12%
24-month average	(6)	-0.38%

November 2010 Trend Selections			
FY 2010-11	1,459	-0.68%	(10)
FY 2011-12	1,471	0.82%	12
FY 2012-13	1,483	0.82%	12

Base trend from June 2011 level			
FY 2011-12	1,409	0	0.00%

Expansion to 205% Prenatal



- Along with the Expansion to 205% FPL children, this population was created through SB 07-097 and was implemented beginning March 1, 2008. Prenatal women in this population have family income between 201-205% of the federal poverty level.
- Growth in Expansion to 205% FPL prenatal in FY 2010-11 was lower than the Department's November 2010 forecast in which annual caseload was projected to be 76 and average monthly growth was forecasted to be 1. The selected trend for FY 2011-12 for Expansion to 205% FPL prenatal is lower than the Department's November 2010 forecast, and would result in average growth **0 per month**. This is based on the average monthly caseload decrease of 0.02% that was experienced between July 2008

and June 2011. The negative forecasted trend for FY 2011-12 is due to the level shift experienced at the end of FY 2010-11, which leaves caseload at a low starting point for the year.

- The Department's forecast assumes that the FY 2012-13 trend will continue in out-years, with zero growth on average.

Expansion to 205% FPL Prenatal			
	Actuals	Monthly Change	% Change
Jun-09	71	-	-
Jul-09	66	(5)	-7.04%
Aug-09	63	(3)	-4.55%
Sep-09	72	9	14.29%
Oct-09	83	11	15.28%
Nov-09	92	9	10.84%
Dec-09	85	(7)	-7.61%
Jan-10	79	(6)	-7.06%
Feb-10	86	7	8.86%
Mar-10	102	16	18.60%
Apr-10	89	(13)	-12.75%
May-10	69	(20)	-22.47%
Jun-10	72	3	4.35%
Jul-10	66	(6)	-8.33%
Aug-10	71	5	7.58%
Sep-10	61	(10)	-14.08%
Oct-10	60	(1)	-1.64%
Nov-10	57	(3)	-5.00%
Dec-10	61	4	7.02%
Jan-11	64	3	4.92%
Feb-11	63	(1)	-1.56%
Mar-11	61	(2)	-3.17%
Apr-11	60	(1)	-1.64%
May-11	55	(5)	-8.33%
Jun-11	46	(9)	-16.36%

	Caseload	% Change	Level Change
FY 2007-08	14	-	-
FY 2008-09	67	378.57%	53
FY 2009-10	80	19.40%	13
FY 2010-11	60	-25.00%	(20)
FY 2011-12	46	-23.33%	(14)
FY 2012-13	46	0.00%	0
FY 2013-14	46	0.00%	0

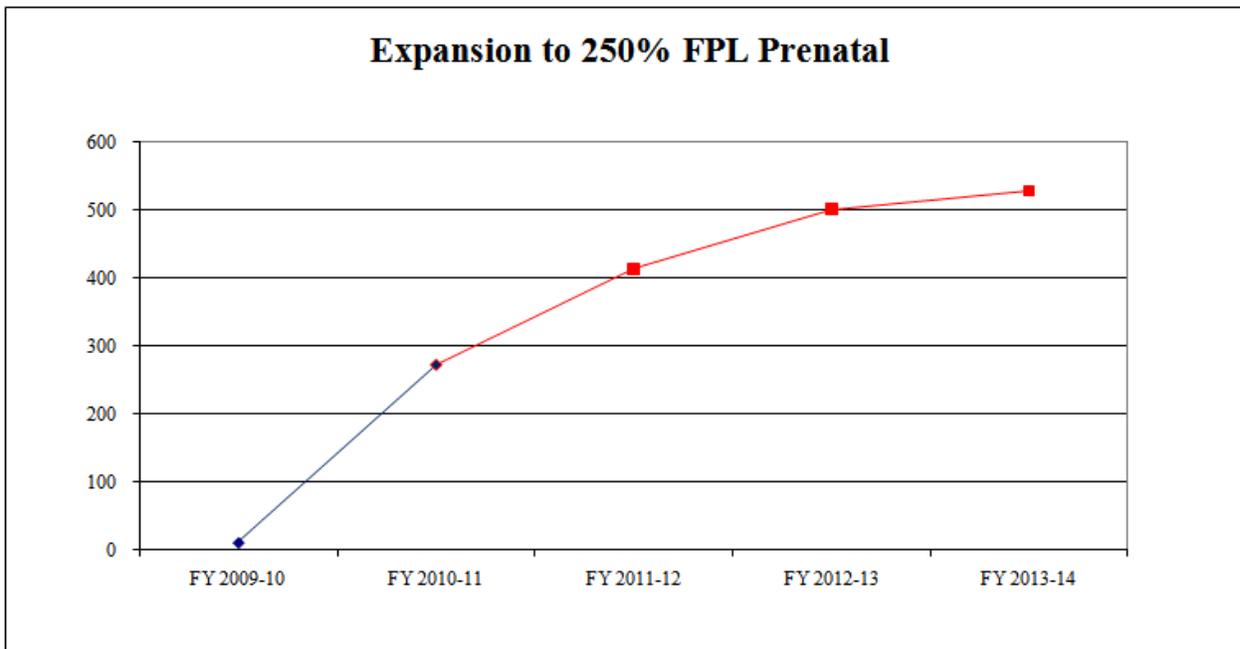
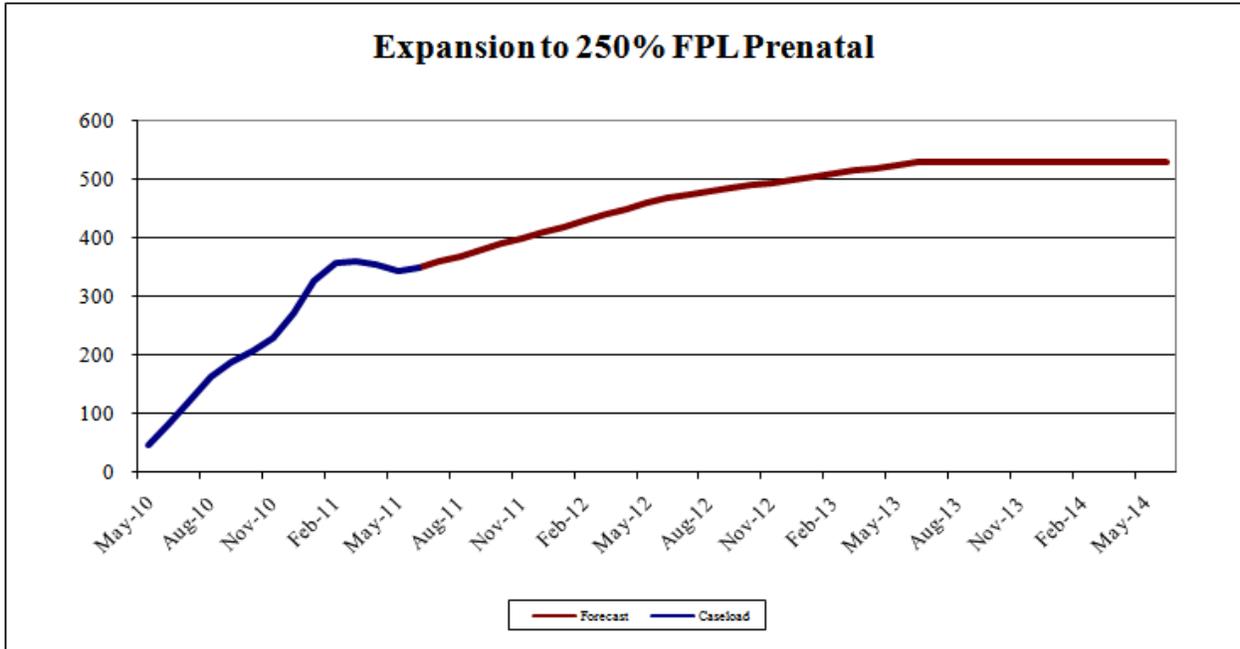
Actuals		
	Monthly Change	% Change
6-month average	(3)	-4.36%
12-month average	(2)	-3.38%
18-month average	(2)	-2.84%
24-month average	(1)	-1.24%

November 2010 Trend Selections			
FY 2010-11	76	-5.00%	(4)
FY 2011-12	82	7.89%	6
FY 2012-13	88	7.32%	6

Monthly Average Growth Comparisons		
FY 2010-11 1st Half	(2)	-2.41%
FY 2010-11 2nd Half	(3)	-4.36%
November 2010 Forecast	1	0.67%
FY 2011-12 Forecast	0	0.00%
November 2010 Forecast	1	0.62%
FY 2012-13 Forecast	0	0.00%
November 2010 Forecast	1	0.58%

Base trend from June 2011 level			
FY 2011-12	46	(14)	-23.33%

Expansion to 250% FPL Prenatal



- This population was created through HB 09-1293, and was implemented beginning May 1, 2010. Pregnant women in this population have family incomes between 206-250% of the federal poverty level.
- Growth in FY 2010-11 was lower than the Department’s November 2010 estimates in which annual caseload was projected to be 858 and average monthly growth was projected to be 119. The Department has decreased its caseload growth forecast to account for this lower growth.
- The selected trend for FY 2011-12 for Expansion to 250% FPL prenatal is lower than the Department’s November 2010 forecast, and would result in average growth of **10 per month**. This is based on the

average monthly growth between January 2011 and June 2011, adjusted for expectations for slightly improving economic conditions. This trend is expected to moderate further in the out-years, resulting in average monthly growth of 5 in FY 2012-13.

Expansion to 250% Prenatal			
	Actuals	Monthly Change	% Change
May-10	46	-	-
Jun-10	83	37	80.43%
Jul-10	124	41	49.40%
Aug-10	162	38	30.65%
Sep-10	187	25	15.43%
Oct-10	206	19	10.16%
Nov-10	228	22	10.68%
Dec-10	270	42	18.42%
Jan-11	325	55	20.37%
Feb-11	357	32	9.85%
Mar-11	361	4	1.12%
Apr-11	355	(6)	-1.66%
May-11	342	(13)	-3.66%
Jun-11	349	7	2.05%

	Caseload	% Change	Level Change
FY 2009-10	11	-	-
FY 2010-11	272	2372.73%	261
FY 2011-12	414	52.21%	142
FY 2012-13	502	21.26%	88
FY 2013-14	529	5.38%	27

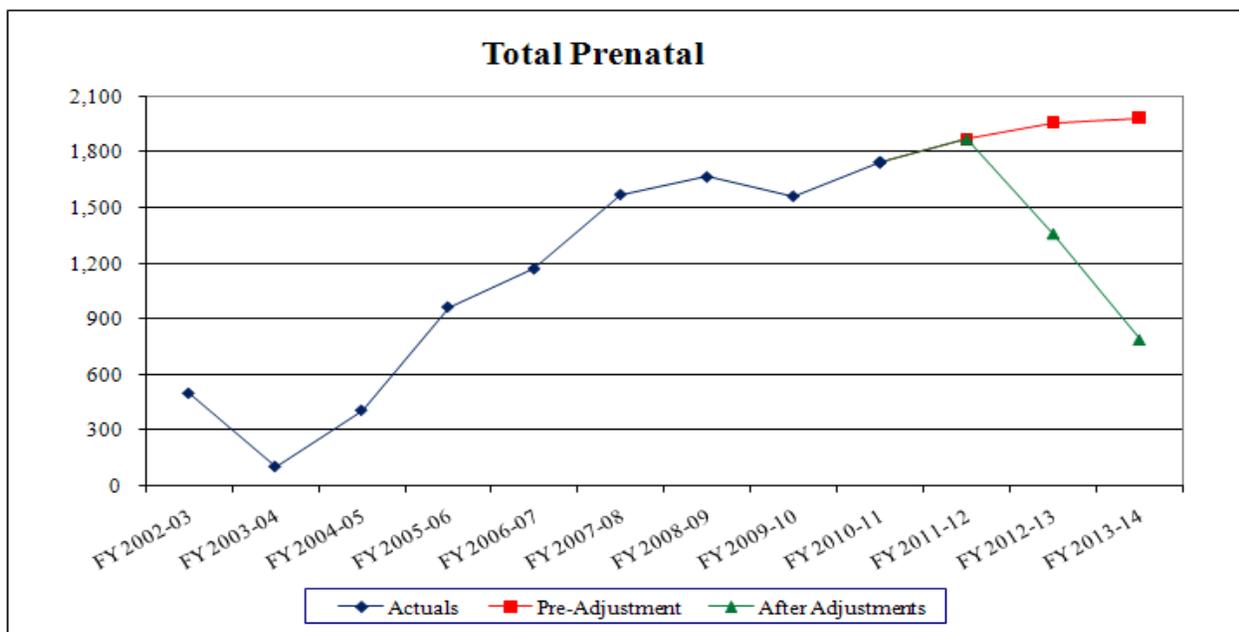
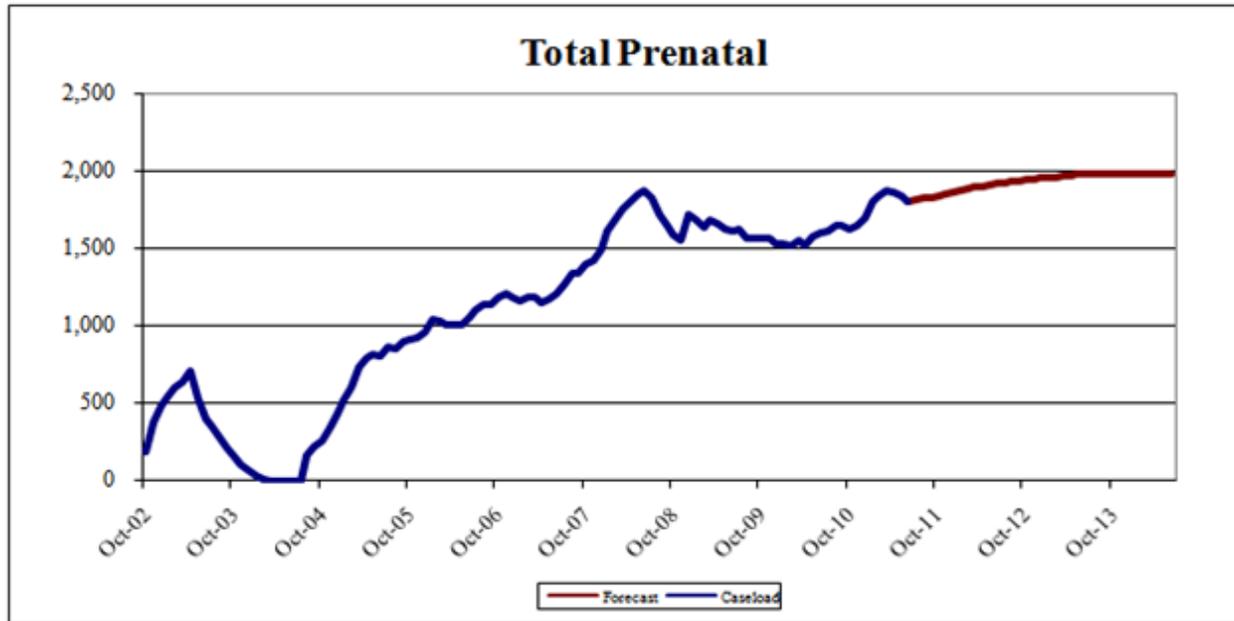
November 2010 Trend Selections			
FY 2010-11	858	1598.11%	847
FY 2011-12	1,750	103.96%	892
FY 2012-13	2,020	15.43%	270

Actuals		
	Monthly Change	% Change
6-month average	13	4.68%
12-month average	22	13.57%

Base trend from June 2011 level			
FY 2011-12	349	77	28.31%

Monthly Average Growth Comparisons		
FY 2010-11 1st Half	31	22.46%
FY 2010-11 2nd Half	13	4.68%
November 2010 Forecast	119	31.10%
FY 2011-12 Forecast	10	2.49%
November 2010 Forecast	36	2.13%
FY 2012-13 Forecast	5	1.01%
November 2010 Forecast	35	1.66%

Total Prenatal



- In January 2011, the Department implemented a change to the Colorado Benefits Management System that allows the Department to remain in compliance with federal regulations, specifically Section 211 of the Children’s Health Insurance Program Reauthorization Act of 2009. This section expands Medicaid citizenship documentation requirements in the Deficit Reduction Act of 2005 to CHP+, thus requiring clients who declare to be a U.S. citizen or nation to present satisfactory documentary evidence of this before enrolling or re-enrolling in the program. The Department has included the effects of this new documentation requirement in this caseload forecast.
- The FY 2011-12 total prenatal caseload forecast is 1,869, a 7.29% increase over the FY 2010-11 caseload of 1,742. This forecast includes average increases of **10 (0.54%) per month**. The FY 2012-

13 caseload is projected to increase 4.71% to 1,957, and FY 2013-14 caseload is forecasted to grow 1.38% to 1,984. Total prenatal caseload is projected to increase by 0.26% (5 clients) per month in FY 2012-13 and 0.11% (2 clients) per month in FY 2013-14.

- There is a bottom-line adjustment to the CHP+ prenatal caseload from SB 11-250, which increases Medicaid eligibility for pregnant women from 133% FPL to 185% FPL beginning in January 2013. This is expected to have a negative impact on CHP+ caseload as pregnant women currently in CHP+ become eligible for and enroll in Medicaid. This adjustment has been updated from the SB 11-250 estimate to account for the revised caseload forecasts using the same methodology used by the Department to estimate the fiscal impact of SB 11-250. This adjustment decreases the FY 2012-13 caseload projection to 1,360 which is a 27.24% decrease over the FY 2011-12 forecast. This adjustment decreases the FY 2013-14 caseload projection to 790 which is a 41.92% decrease from the adjusted FY 2012-13 projection.

Total Prenatal					Caseload	% Change	Level Change
	Actuals	Monthly Change	% Change				
Jun-09	1,618	-	-	FY 2002-03	497	-	-
Jul-09	1,621	3	0.19%	FY 2003-04	101	-79.68%	(396)
Aug-09	1,568	(53)	-3.27%	FY 2004-05	405	300.99%	304
Sep-09	1,571	3	0.19%	FY 2005-06	963	137.78%	558
Oct-09	1,561	(10)	-0.64%	FY 2006-07	1,169	21.39%	206
Nov-09	1,563	2	0.13%	FY 2007-08	1,570	34.30%	401
Dec-09	1,528	(35)	-2.24%	FY 2008-09	1,665	6.05%	95
Jan-10	1,532	4	0.26%	FY 2009-10	1,561	-6.25%	(104)
Feb-10	1,523	(9)	-0.59%	FY 2010-11	1,742	11.60%	181
Mar-10	1,550	27	1.77%	FY 2011-12	1,869	7.29%	127
Apr-10	1,517	(33)	-2.13%	FY 2012-13	1,957	4.71%	88
May-10	1,575	58	3.82%	FY 2013-14	1,984	1.38%	27
Jun-10	1,607	32	2.03%				
Jul-10	1,609	2	0.12%				
Aug-10	1,650	41	2.55%				
Sep-10	1,644	(6)	-0.36%				
Oct-10	1,623	(21)	-1.28%				
Nov-10	1,652	29	1.79%				
Dec-10	1,701	49	2.97%				
Jan-11	1,802	101	5.94%				
Feb-11	1,835	33	1.83%				
Mar-11	1,875	40	2.18%				
Apr-11	1,867	(8)	-0.43%				
May-11	1,840	(27)	-1.45%				
Jun-11	1,804	(36)	-1.96%				

Monthly Average Growth Comparisons		
FY 2010-11 1st Half	16	0.96%
FY 2010-11 2nd Half	17	1.02%
November 2010 Forecast	121	6.06%
FY 2011-12 Forecast	10	0.54%
November 2010 Forecast	66	2.26%
FY 2012-13 Forecast	5	0.26%
November 2010 Forecast	13	0.36%

Adjustments (SB 11-250)	
FY 2011-12	0
FY 2012-13	(597)
FY 2013-14	(1,194)

Actuals		
	Monthly Change	% Change
6-month average	17	1.02%
12-month average	16	0.99%
18-month average	15	0.95%
24-month average	8	0.48%

Projections After Adjustments			
FY 2011-12	1,869	7.29%	127
FY 2012-13	1,360	-27.24%	(509)
FY 2013-14	790	-41.92%	(570)

November 2010 Trend Selections			
FY 2010-11	2,393	53.30%	832
FY 2011-12	3,303	38.03%	910
FY 2012-13	3,591	8.72%	288

Base trend from June 2011 level			
FY 2011-12	1,804	62	3.56%

Prenatal Per Capita (Exhibit C.5)

All clients in the prenatal program are served by the self-funded program (SMCN) administered by Colorado Access and the costs of their services are billed in full directly to the State.

Similar to the SMCN children annual trend, the prenatal cost trend from FY 2008-09 to FY 2009-10 was -14.7%. This is a substantial drop from the large, positive annual cost trends from the previous two years. This trend is driven primarily by inpatient and outpatient reimbursement reduction that occurred in July 2009 when the Department lowered its reimbursement to hospitals for these services from 66% to 44% of billed charges. Additionally, the reimbursement for the majority of CHP+ providers previously granted reimbursement exceptions was negotiated to 90% of Medicare Resource Based Relative Value Scale (RBRVS), effective November 2009. These decreases outweighed the increase in ambulatory services from 83% of Medicare RBRVS to 90%. The contracted actuary also reviewed published studies to determine industry norms for current and projected health care cost trends, which ranged from 4.40% to 11.20%. The actuarially set combined utilization and unit cost base trend across services is 17.9% for FY 2011-12.

Effective July 1, 2010, the Department implemented a new reimbursement schedule for hospital payments. While the hospitals were paid 44% of billed charges in FY 2009-10, in FY 2010-11 they were paid 135% of the Colorado Medicaid DRGs for inpatient services and 135% of the Colorado Medicaid Outpatient Cost-to-Charge ratio for outpatient services. This means that the program has essentially adopted the Medicaid reimbursement methodologies. In July 2011, the Department is moving from a 30% discount of Cost-to-Charge ratio to a 30.7% discount. Actuarial analysis shows a 42% savings in outpatient claims and a 14% savings for inpatient claims, or a total decrease of 19.10% in the base monthly rate for pregnant women in the SMCN due to all reimbursement changes.

The final FY 2011-12 SMCN prenatal per member per month rate is \$1,144.27, which includes administrative costs of \$24.22 for claims administration and case management. This is a 4.70% increase from the final FY 2010-11 rate.

The Department's FY 2011-12 forecasted per capita growth rate mirrors that of the actuarially developed rate. This forecast assumes that the capitation rate for the self-funded network is indeed in line with the costs incurred for the women and that length of stay in the program remains constant from FY 2009-10. The base growth of 4.70% is applied to the calculated FY 2010-11 per capita of \$14,571.85 to estimate a base per capita of \$15,256.50. There are no bottom line adjustments to the FY 2011-12 per capita at this time.

The Department has used the FY 2011-12 per capita growth rate to project the FY 2012-13 self-funded rate as there are no signs that this trend will not continue. Similar to the FY 2012-13 per capita, the projected growth in the FY 2012-13 capitation rate is used to project the FY 2012-13 per capita. The Department applies the projected 4.70% growth to the FY 2011-12 estimated per capita of \$15,256.50 for a projected FY 2012-13 per capita of \$15,973.31. There are currently no adjustments to the FY 2011-12 per capita for programmatic changes.

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Exhibit C.1 - Children's Basic Health Plan Trust Fund Analysis

	Actual	Estimated	Requested	Estimated	Source							
PROGRAM REVENUES	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14		
A Beginning Balance	\$5,389,901	\$9,025,270	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$599,735	\$7,745,026	\$9,008,683	\$7,302,543	Actual and R	
B General Fund Appropriations/Request to Trust ¹	\$3,296,346	\$2,000,000	\$11,243,215	\$5,564,404	\$1,000,000	\$2,710,779	\$20,873,073	\$0	\$0	\$0	Footnote 1	
C Direct General Fund Appropriations ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,824,302	\$25,066,119	\$16,494,002	Footnote 1	
D January 2006 transfer from the State Controller	\$0	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Actual	
E Tobacco Master Settlement Funds to Trust ²	\$20,629,548	\$20,927,529	\$19,214,822	\$22,851,718	\$24,832,639	\$25,814,362	\$26,910,570	\$28,667,602	\$28,240,818	\$28,393,806	Footnote 2	
F Annual Enrollment Fees	\$122,626	\$191,726	\$232,136	\$283,367	\$328,499	\$346,589	\$428,326	\$474,720	\$521,805	\$551,320	Exhibits C.2, C.3	
G Interest Earnings	\$587,893	\$752,518	\$367,880	\$623,549	\$447,522	\$98,725	(\$1,693)	\$0	\$0	\$0	Exhibit C.1	
H Accounts Payable Reversions from Prior Year	\$156,901	\$45,896	\$10,591	\$3,180	\$0	\$0	\$36,191	\$0	\$0	\$0	Actual	
I Supplemental Tobacco Litigation Settlement Account ^{2,3}	\$0	\$0	\$0	\$480,157	\$1,841,459	\$0	\$0	\$0	\$0	\$0	Footnotes 2, 3	
J Colorado Immunization Fund ⁴	\$0	\$0	\$0	\$90,795	\$171,251	\$461,700	\$461,700	\$461,700	\$461,700	\$461,700	Footnote 4	
K Tobacco Tax to Trust ⁵	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000	\$446,100	\$446,100	\$446,100	Footnote 5	
L Federal Match Earnings ⁶	\$40,591,092	\$50,509,127	\$65,616,702	\$76,574,384	\$88,044,043	\$118,688,001	\$117,426,204	\$122,597,428	\$123,157,685	\$83,807,173	Footnote 6	
Total Revenues	\$30,183,215	\$33,842,939	\$35,480,526	\$37,673,294	\$37,852,448	\$36,040,218	\$50,807,901	\$67,619,450	\$63,745,225	\$53,649,471	Sum A:K	
PROGRAM EXPENDITURES												
M Program Expenditures from Trust Fund ⁶	\$21,157,945	\$21,331,057	\$27,704,403	\$27,962,060	\$29,862,571	\$34,978,783	\$42,601,175	\$58,149,067	\$55,980,982	\$45,803,571	Footnote 6	
N Program Expenditures from Supplemental Tobacco Litigation Settlement Account ^{3,6}	\$0	\$0	\$0	\$480,157	\$1,381,814	\$0	\$0	\$0	\$0	\$0	Footnotes 3, 6	
O Estimated Program Expenditure from Colorado Immunization Fund ^{5,6}	\$0	\$0	\$0	\$90,795	\$171,251	\$461,700	\$461,700	\$461,700	\$461,700	\$461,700	Footnotes 4, 6	
P Federal Match Expenditures ⁶	\$40,591,092	\$50,509,127	\$65,616,702	\$76,574,384	\$88,044,043	\$118,688,001	\$117,426,204	\$122,597,428	\$123,157,685	\$83,807,173	Footnote 6	
Q SB 05-211 Transfer to General Fund	\$0	\$8,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Actual	
Total Expenditures	\$21,157,945	\$29,431,057	\$27,704,403	\$28,442,217	\$31,244,385	\$35,440,483	\$43,062,875	\$58,610,767	\$56,442,682	\$46,265,271	Sum M:P	
R Remaining Balance in Trust Fund	\$9,025,270	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$599,735	\$7,745,026	\$9,008,683	\$7,302,543	\$7,384,200	L - Q	

¹ FY 2004-05 to FY 2010-11 are actual appropriations to the Trust Fund. During the 2011 Legislative Session, JBC Staff recommended that General Fund appropriations for Children's Basic Health Plan expenditures be made directly to the Children's Basic Health Plan Medical and Dental Costs line item beginning in FY 2011-12.

² FY 2004-05 to FY 2010-11 are actual revenue transferred. SB 11-216 increased the amount of Master Tobacco Settlement Tier 1 monies into the Trust from 24% to 27% and Tier 2 monies from 13.5% to 14.5% beginning in FY 2011-12. FY 2011-12 and FY 2012-13 are forecasts from Legislative Council (January 2011).

³ FY 2007-08 and FY 2008-09 are actual revenues transferred from the Supplemental Tobacco Litigation Settlement Account created in SB 07-097 for Supplemental Expansion clients as well as estimated State expenditures for early intervention services. This Account was eliminated in FY 2009-10 through SB 09-210, and revenues are now transferred directly to the Children's Basic Health Plan Trust Fund.

⁴ FY 2007-08, FY 2009-10 and FY 2010-11 are actual revenues transferred from the Colorado Immunization Fund for the cervical cancer immunization. FY 2011-12 and FY 2012-13 are projections historical revenues.

⁵ FY 2010-11 is additional revenue transferred from the Health Care Expansion Fund. SB 11-216 diverts 0.3% of tobacco tax funds from the Pediatric Specialty Hospital Fund beginning in FY 2011-12. FY 2011-12 and FY 2012-13 are forecasts from Legislative Council (January 2011).

⁶ Figures for FY 2004-05 through FY 2010-11 are actuals, while figures for FY 2011-12 through FY 2013-14 are projections. See Exhibits C.2 and C.3.

Exhibit C.1 - Children's Basic Health Plan Trust Fund Interest Earnings

Estimation of Interest Earnings to the Trust Fund	
FY 2006-07- Actual	
Interest Earned	\$367,880
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$35,102,055
Ratio of Interest Earned	1.05%
FY 2007-08- Actual	
Interest Earned	\$623,549
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$36,475,612
Ratio of Interest Earned	1.71%
FY 2008-09- Actual	
Interest Earned	\$447,522
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$35,392,215
Ratio of Interest Earned	1.26%
FY 2009-10- Actual	
Interest Earned	\$98,725
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$35,479,793
Ratio of Interest Earned	0.28%
FY 2010-11- Actual	
Interest Earned	(\$1,693)
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$48,811,703
Ratio of Interest Earned	0.00%
FY 2011-12- Projection	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$66,711,650
Estimated Ratio of Interest Earned	0.00%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$0
FY 2012-13- Projection	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$62,837,425
Ratio of Interest Earned	0.00%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$0
* Actual Interest earnings as reported in the Colorado Financial Reporting System.	

Exhibit C.2 - FY 2011-12 Expenditures

FY 2011-12 Children's Medical, Prenatal, Dental, Administration Request and Funding Splits					
	Reference	Caseload up to 200% FPL ¹	Expansion to 205% FPL ¹	Expansion to 250% FPL ²	Total
FY 2011-12 CBHP Children's Medical Expenditures					
FY 2011-12 Enrollment Estimate	Exhibit C.6	58,376	1,165	7,891	67,432
Medical Per Capita	Exhibit C.5	\$2,129.17	\$2,129.17	\$2,129.17	\$2,129.17
Dental Per Capita	Exhibit C.5	\$168.97	\$168.97	\$168.97	\$168.97
Total Children's Expenditures		\$134,156,221	\$2,677,333	\$18,134,623	\$154,968,177
Annual Enrollment Fee Collection Per Enrollee ³		\$5.32	\$18.11	\$18.11	\$7.04
Total Annual Enrollment Fee Collections (Cash Funds ⁴)		\$310,755	\$21,093	\$142,872	\$474,720
Expenditures to Be Matched by Federal Funds		\$133,845,466	\$2,656,240	\$17,991,751	\$154,493,457
Title XXI Federal Funds		\$86,999,553	\$1,726,556	\$11,694,638	\$100,420,747
State Funds		\$46,845,913	\$929,684	\$6,297,113	\$54,072,710
FY 2011-12 CBHP Prenatal Services Expenditures					
FY 2011-12 Prenatal Enrollment Estimate	Exhibit C.7	1,409	46	414	1,869
Prenatal Medical Per Capita	Exhibit C.5	\$15,256.50	\$15,256.50	\$15,256.50	\$15,256.50
Total Prenatal Medical Expenditures		\$21,496,409	\$701,799	\$6,316,191	\$28,514,399
Title XXI Federal Funds		\$13,972,666	\$456,169	\$4,105,524	\$18,534,359
State Funds		\$7,523,743	\$245,630	\$2,210,667	\$9,980,040
FY 2012-13 Children's Basic Health Plan Premiums Costs		\$155,652,630	\$3,379,132	\$24,450,814	\$183,482,576
Title XXI Federal Funds		\$100,972,219	\$2,182,725	\$15,800,162	\$118,955,106
State Funds ⁵		\$54,680,411	\$1,196,407	\$8,650,652	\$64,527,470
FY 2011-12 Children's Basic Health Plan Administration					
FY 2011-12 External Administration Expenditures					
Title XXI Federal Funds	Exhibit C.4	\$4,869,577	\$0	\$24,833	\$4,894,410
Title XIX Federal Funds		\$964,301	\$0	\$16,141	\$980,442
State Funds		\$1,693,020	\$0	\$0	\$1,693,020
State Funds		\$2,212,256	\$0	\$8,692	\$2,220,948
FY 2011-12 Internal Administration Expenditures					
Title XXI Federal Funds	Exhibit C.4	\$1,490,554	\$0	\$0	\$1,490,554
State Funds		\$968,860	\$0	\$0	\$968,860
State Funds		\$521,694	\$0	\$0	\$521,694
FY 2011-12 Children's Basic Health Plan Expenditures		\$162,012,761	\$3,379,132	\$24,475,647	\$189,867,540
Title XXI and Title XIX Federal Funds		\$104,598,400	\$2,182,725	\$15,816,303	\$122,597,428
State Funds		\$57,414,361	\$1,196,407	\$8,659,344	\$67,270,112

¹ Clients up to 205% of the federal poverty level are funded from the Children's Basic Health Plan Trust Fund.

² Expansion clients between 206% and 250% of the federal poverty level are funded from the Hospital Provider Fee (HB 09-1293).

³ Annual enrollment fees per enrollee for clients is the weighted average estimates by federal poverty level category. These estimates are based on the actual collections in FY 2010-11, adjusted for the projected share of clients required to pay the fee. The annual enrollment fee in the Total column is the weighted average for all clients.

⁴ Annual enrollment fees are not eligible for a federal match.

⁵ This amount includes the enrollment fees, as all enrollment fees collected are appropriated from the Trust Fund for use in the Premiums Costs.

Exhibit C.3 - FY 2012-13 Expenditures

FY 2012-13 Children's Medical, Prenatal, Dental, Administration Request and Funding Splits					
	Reference	Caseload up to 200% FPL ¹	Expansion to 205% FPL ¹	Expansion to 250% FPL ²	Total
FY 2012-13 CBHP Children's Medical Expenditures					
FY 2012-13 Enrollment Estimate	Exhibit C.6	56,492	1,265	9,785	67,542
Medical Per Capita	Exhibit C.5	\$2,231.79	\$2,231.79	\$2,231.79	\$2,231.79
Dental Per Capita	Exhibit C.5	\$175.73	\$175.73	\$175.73	\$175.73
Total Children's Medical Expenditures		\$136,005,620	\$3,045,513	\$23,557,583	\$162,608,716
Annual Enrollment Fee Collection Per Enrollee ³		\$5.70	\$18.11	\$18.11	\$7.73
Total Annual Enrollment Fee Collections (Cash Funds ⁴)		\$321,725	\$22,905	\$177,175	\$521,805
Expenditures to Be Matched by Federal Funds		\$135,683,895	\$3,022,608	\$23,380,408	\$162,086,911
Title XXI Federal Funds		\$88,194,532	\$1,964,695	\$15,197,265	\$105,356,492
State Funds		\$47,489,363	\$1,057,913	\$8,183,143	\$56,730,419
FY 2012-13 CBHP Prenatal Services Expenditures					
FY 2012-13 Prenatal Enrollment Estimate	Exhibit C.7	812	46	502	1,360
Prenatal Medical Per Capita	Exhibit C.5	\$15,973.31	\$15,973.31	\$15,973.31	\$15,973.31
Total Prenatal Medical Expenditures		\$12,970,328	\$734,772	\$8,018,602	\$21,723,702
Title XXI Federal Funds		\$8,430,713	\$477,602	\$5,212,091	\$14,120,406
State Funds		\$4,539,615	\$257,170	\$2,806,511	\$7,603,296
FY 2012-13 Children's Basic Health Plan Premiums Costs		\$148,975,948	\$3,780,285	\$31,576,185	\$184,332,418
Title XXI Federal Funds		\$96,625,245	\$2,442,297	\$20,409,356	\$119,476,898
State Funds ⁵		\$52,350,703	\$1,337,988	\$11,166,829	\$64,855,520
FY 2012-13 Children's Basic Health Plan Administration					
FY 2012-13 Children's Basic Health Plan Administration	Exhibit C.4	\$4,871,577	\$0	\$26,745	\$4,898,322
Title XXI Federal Funds		\$965,601	\$0	\$17,384	\$982,985
Title XIX Federal Funds		\$1,693,020	\$0	\$0	\$1,693,020
State Funds		\$2,212,956	\$0	\$9,361	\$2,222,317
FY 2012-13 Internal Administration Expenditures	Exhibit C.8	\$1,545,818	\$0	\$0	\$1,545,818
Title XXI Federal Funds		\$1,004,782	\$0	\$0	\$1,004,782
State Funds		\$541,036	\$0	\$0	\$541,036
FY 2012-13 Children's Basic Health Plan Expenditures		\$155,393,343	\$3,780,285	\$31,602,930	\$190,776,558
Title XXI and Title XIX Federal Funds		\$100,288,648	\$2,442,297	\$20,426,740	\$123,157,685
State Funds		\$55,104,695	\$1,337,988	\$11,176,190	\$67,618,873
<p>¹ Clients up to 205% of the federal poverty level are funded from the Children's Basic Health Plan Trust Fund.</p> <p>² Expansion clients between 206% and 250% of the federal poverty level are funded from the Hospital Provider Fee (HB 09-1293).</p> <p>³ Annual enrollment fees per enrollee for clients is the weighted average estimates by federal poverty level category. These estimates are based on the actual collections in FY 2010-11, adjusted for the projected share of clients required to pay the fee. The annual enrollment fee in the Total column is the weighted average for all clients.</p> <p>⁴ Annual enrollment fees are not eligible for a federal match.</p> <p>⁵ This amount includes the enrollment fees, as all enrollment fees collected are appropriated from the Trust Fund for use in the Premiums Costs.</p>					

Exhibit C.4 - Children's Basic Health Plan Administration

Children's Basic Health Plan Administration Line Item							
Line	External Administration Costs	FY 2011-12 Appropriation	FY 2011-12 Supplemental Request	FY 2011-12 Total Request	FY 2012-13 Base Request	FY 2012-13 Incremental Request	FY 2012-13 Total Request
	Costs paid through the Children's Basic Health Plan Trust Fund						
1	Children's Operating Costs	\$3,692,612	\$0	\$3,692,612	\$3,692,612	\$0	\$3,692,612
2	Prenatal Operational Costs	\$126,478	\$0	\$126,478	\$126,478	\$0	\$126,478
3	Customer Service	\$101,500	\$0	\$101,500	\$101,500	\$0	\$101,500
4	Subtotal Primary Administration (sum of Lines 1 - 3)	\$3,920,590	\$0	\$3,920,590	\$3,920,590	\$0	\$3,920,590
5	Actuarial Services	\$169,000	\$0	\$169,000	\$171,000	\$0	\$171,000
6	Quality Assurance	\$217,597	\$0	\$217,597	\$217,597	\$0	\$217,597
7	Claims Audit, Miscellaneous Administrative Costs	\$62,390	\$0	\$62,390	\$62,390	\$0	\$62,390
8	Subtotal Professional Services (sum of Lines 5 - 7)	\$448,987	\$0	\$448,987	\$450,987	\$0	\$450,987
9	Hospital Provider Fee Administration	\$24,833	\$0	\$24,833	\$26,745	\$0	\$26,745
10	Outreach	\$500,000	\$0	\$500,000	\$500,000	\$0	\$500,000
11	Total External Administration (Line 4 + Line 8 + Line 9 + Line 10)	\$4,894,410	\$0	\$4,894,410	\$4,898,322	\$0	\$4,898,322
12	Federal Funds	\$2,673,462	\$0	\$2,673,462	\$2,676,005	\$0	\$2,676,005
13	Cash Funds	\$2,220,948	\$0	\$2,220,948	\$2,222,317	\$0	\$2,222,317

Exhibit C.4 - Children's Basic Health Plan Administration

FY 2011-12 External Administration Funding Splits						
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	State Funds @ 35%	Fund Source
Children's Operating Costs (Line 1)	\$3,692,612	12.0%	\$443,115	\$288,025	\$155,090	Trust
Prenatal Operating Costs (Line 2)	\$126,478	100.0%	\$126,478	\$82,211	\$44,267	Trust
Customer Service (Line 3)	\$101,500	77.3%	\$78,459	\$50,998	\$27,461	Trust
Professional Services (Line 8)	\$448,987	100.0%	\$448,987	\$291,842	\$157,145	Trust
Hospital Provider Fee Administration (Line 9)	\$24,833	100.0%	\$24,833	\$16,141	\$8,692	Hospital Fee
Outreach (Line 10)	\$500,000	77.3%	\$386,500	\$251,225	\$135,275	General Fund
Total Title XXI	\$4,894,410		\$1,508,372	\$980,442	\$527,930	
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	State Funds @ 50%	
Eligibility and Enrollment (Line 1)	\$3,692,612	88.0%	\$3,249,497	\$1,624,749	\$1,624,748	Trust
Prenatal Operating Costs (Line 2)	\$126,478	0.0%	\$0	\$0	\$0	Trust
Customer Service (Line 3)	\$101,500	22.7%	\$23,041	\$11,521	\$11,520	Trust
Professional Services (Line 8)	\$448,987	0.0%	\$0	\$0	\$0	Trust
Hospital Provider Fee Administration (Line 9)	\$24,833	0.0%	\$0	\$0	\$0	Hospital Fee
Outreach (Line 10)	\$500,000	22.7%	\$113,500	\$56,750	\$56,750	General Fund
Total Title XIX	\$4,894,410		\$3,386,038	\$1,693,020	\$1,693,018	
	Total Funds	FF	Total State	General Fund	Trust Fund	Hospital Fee
Total FY 2011-12 Appropriation Fund Splits	\$4,894,410	\$2,673,462	\$2,220,948	\$192,025	\$2,020,231	\$8,692
FY 2012-13 External Administration Funding Splits						
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	State Funds @ 35%	Fund Source
Children's Operating Costs (Line 1)	\$3,692,612	12.0%	\$443,115	\$288,025	\$155,090	Trust
Prenatal Operating Costs (Line 2)	\$126,478	100.0%	\$126,478	\$82,211	\$44,267	Trust
Customer Service (Line 3)	\$101,500	77.3%	\$78,459	\$50,998	\$27,461	Trust
Professional Services (Line 8)	\$450,987	100.0%	\$450,987	\$293,142	\$157,845	Trust
Hospital Provider Fee Administration (Line 9)	\$26,745	100.0%	\$26,745	\$17,384	\$9,361	Hospital Fee
Outreach (Line 10)	\$500,000	77.3%	\$386,500	\$251,225	\$135,275	General Fund
Total Title XXI	\$4,898,322		\$1,512,284	\$982,985	\$529,299	
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	State Funds @ 50%	
Eligibility and Enrollment (Line 1)	\$3,692,612	88.0%	\$3,249,497	\$1,624,749	\$1,624,748	Trust
Prenatal Operating Costs (Line 2)	\$126,478	0.0%	\$0	\$0	\$0	Trust
Customer Service (Line 3)	\$101,500	22.7%	\$23,041	\$11,521	\$11,520	Trust
Professional Services (Line 8)	\$450,987	0.0%	\$0	\$0	\$0	Trust
Hospital Provider Fee Administration (Line 9)	\$26,745	0.0%	\$0	\$0	\$0	Hospital Fee
Outreach (Line 10)	\$500,000	22.7%	\$113,500	\$56,750	\$56,750	General Fund
Total Title XIX	\$4,898,322		\$3,386,038	\$1,693,020	\$1,693,018	
	Total Funds	FF	Total State	General Fund	Trust Fund	Hospital Fee
Total FY 2012-13 Request Fund Splits	\$4,898,322	\$2,676,005	\$2,222,317	\$192,025	\$2,020,931	\$9,361

Exhibit C.4 - Children's Basic Health Plan Administration

Internal Administration Appropriation and Request			
Funds From Children's Basic Health Plan Trust Fund	FY 2011-12 Year-to-date Appropriation	FY 2012-13 Request	Source
General Administration; Personal Services	\$252,721	\$252,721	FY 11-10 Letternotes to SB 11-209 (Long Bill) Plus Special Bills
General Administration; Operating Expenses	\$768	\$768	
General Administration; Legal Service and Third Party Recovery Legal Services	\$6,933	\$6,933	
Information Technology Contracts and Projects	\$246,755	\$246,828	
Provider Audits and Services, Professional Audit Contracts	\$0	\$0	
Colorado Benefits Management System	\$14,428	\$14,834	
Colorado Benefits Management System - SAS 70 Audit	\$89	\$89	
Colorado Benefits Management System Client Services Improvement Project	\$0	\$0	
Total from the Children's Basic Health Plan Trust Fund	\$521,694	\$529,545	
Matching Federal Funds	\$968,860	\$983,441	
Total Internal Administration Costs	\$1,490,554	\$1,512,986	

Exhibit C.5 - Per Capita Costs History and Projections

Children's Medical	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Cash-based Expenditures ¹	\$43,330,612	\$56,713,621	\$65,205,431	\$91,693,631	\$100,411,637	\$150,306,188	\$141,195,482		
Caseload ²	35,800	41,945	47,047	57,795	61,582	68,725	67,267	67,432	67,542
Per Capita	\$1,210.35	\$1,352.09	\$1,385.96	\$1,586.53	\$1,630.54	\$2,187.07	\$2,099.03	\$2,129.17	\$2,231.79
% Per Capita Change	0.05%	11.71%	2.51%	14.47%	2.77%	34.13%	-4.03%	1.44%	4.82%
Blended Base Rate ²	\$92.01	\$102.12	\$105.85	\$119.78	\$122.11	\$145.34	\$154.45	\$156.67	\$164.22
% Blended Rate Change	4.44%	10.99%	3.65%	13.16%	1.94%	19.03%	6.27%	1.44%	4.82%
Children's Dental	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Cash-based Expenditures ¹	\$4,656,589	\$5,707,513	\$6,888,782	\$8,735,185	\$9,876,754	\$10,766,208	\$10,718,975		
Caseload	35,800	41,945	47,047	57,795	61,582	68,725	67,267	67,432	67,542
Per Capita	\$130.07	\$136.07	\$146.42	\$151.14	\$160.38	\$156.66	\$159.35	\$168.97	\$175.73
% Per Capita Change	0.55%	4.61%	7.61%	3.22%	6.11%	-2.32%	1.72%	6.04%	4.00%
Rate	\$11.31	\$11.82	\$13.30	\$13.84	\$14.66	\$14.81	\$14.40	\$15.27	\$15.88
% Rate Change	3.29%	4.51%	12.52%	4.06%	5.92%	1.02%	-2.77%	6.04%	4.00%
Prenatal Medical	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Cash-based Expenditures ¹	\$6,685,402	\$11,612,272	\$16,892,791	\$17,798,749	\$19,437,577	\$17,356,024	\$25,369,597		
Caseload	472	963	1,170	1,570	1,665	1,561	1,741	1,869	1,360
Per Capita	\$14,163.99	\$12,058.43	\$14,438.28	\$11,336.78	\$11,674.22	\$11,118.53	\$14,571.85	\$15,256.50	\$15,973.31
% Per Capita Change	16.64%	-14.87%	19.74%	-21.48%	2.98%	-4.76%	31.06%	4.70%	4.70%
Base Rate	\$888.49	\$816.97	\$1,045.44	\$864.09	\$915.80	\$821.35	\$1,092.92	\$1,144.27	\$1,198.03
% Rate Change	-	-8.05%	27.97%	-17.35%	5.98%	-10.31%	33.06%	4.70%	4.70%

¹ Cash-based expenditures from the Colorado Financial Reporting System (COFRS). In children's medical only, the reversal of the FY 2005-06 accounts receivable in the amount of \$4,661,297 artificially pushed expenditures from FY 2005-06 to FY 2006-07. The FY 2005-06 accounts receivable accounted for approximately 5.2% of the accrual-based expenditures in FY 2006-07. The FY 2006-07 cash-based expenditures for children's medical from COFRS are decreased by a like amount in order to approximate the FY 2006-07 expenditures without the artificial inflation. The FY 2006-07 expenditures reported here are adjusted.

² Calculated blended rate for FY 2004-05 through FY 2010-11 based on final caseload shares in the ASO and HMOs. Projected blended base rates for FY 2011-12 and FY 2012-13 assume that 30.0% of children will be in the State's managed care network, with the remainder in HMOs.

Exhibit C.5 - Per Capita Costs History and Projections

FY 2011-12 Capitation Rates					
	Kids- ASO	Kids- HMO	Kids- Blended ¹	Prenatal	Dental
FY 2010-11 Base Rate (Includes Facility and Physician Reimbursement Changes)	\$174.93	\$144.84	\$154.45	\$1,092.92	\$14.40
FY 2011-12 Base Rate (Includes Facility and Physician Reimbursement Changes)	\$167.99	\$151.82	\$156.67	\$1,144.27	\$15.27
FY 2011-12 Base Growth	-3.97%	4.82%	1.44%	4.70%	6.04%
Total FY 2011-12 Rate	\$167.99	\$151.82	\$156.67	\$1,144.27	\$15.27
FY 2011-12 Per Capita Calculations					
			Kids (Blended)	Prenatal	Dental
FY 2010-11 Total Per Capita			\$2,099.03	\$14,571.85	\$159.35
FY 2011-12 Base Growth			1.44%	4.70%	6.04%
Projected FY 2011-12 Base Per Capita			\$2,129.17	\$15,256.50	\$168.97
Projected FY 2011-12 Final Per Capita			\$2,129.17	\$15,256.50	\$168.97
¹ Projected blended rates for FY 2011-12 assume that 30.0% of children will be in the State's managed care network, with the remainder in HMOs.					
FY 2012-13 Per Capita Calculations					
			Kids (Blended)	Prenatal	Dental
FY 2011-12 Total Per Capita			\$2,129.17	\$15,256.50	\$168.97
FY 2012-13 Base Growth Projection			4.82%	4.70%	4.00%
Projected FY 2012-13 Base Per Capita			\$2,231.79	\$15,973.31	\$175.73
Projected FY 2012-13 Final Per Capita			\$2,231.79	\$15,973.31	\$175.73

Exhibit C.6 - Children's Caseload History and Projections

Historical Monthly Caseload												
	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Average Monthly Caseload	12,825	22,935	28,321	37,042	44,600	41,786	35,800	41,945	47,047	57,795	61,582	68,725
Annual Growth	-	78.83%	23.48%	30.79%	20.40%	-6.31%	-14.33%	17.16%	12.16%	22.85%	6.55%	11.60%
	Historical Monthly Caseload				Projections							
	FY 2010-11				FY 2011-12				FY 2012-13			
	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Children	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Children	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Children
July	66,321	1,338	1,511	69,170	57,024	1,113	6,401	64,538	59,656	1,226	9,229	70,111
August	66,126	1,263	2,018	69,407	57,295	1,122	6,704	65,121	59,798	1,233	9,330	70,361
September	64,632	1,192	2,505	68,329	57,568	1,131	7,007	65,706	59,940	1,240	9,431	70,611
October	62,786	1,144	2,935	66,865	57,842	1,140	7,310	66,292	60,083	1,247	9,532	70,862
November	61,919	1,134	3,342	66,395	58,117	1,149	7,613	66,879	60,226	1,254	9,633	71,113
December	61,662	1,156	3,759	66,577	58,394	1,159	7,916	67,469	60,369	1,261	9,734	71,364
January	61,925	1,178	4,316	67,419	58,579	1,169	8,118	67,866	60,513	1,268	9,835	71,616
February	61,822	1,110	4,888	67,820	58,765	1,179	8,320	68,264	60,657	1,275	9,936	71,868
March	62,097	1,108	5,358	68,563	58,951	1,189	8,522	68,662	60,801	1,282	10,037	72,120
April	60,829	1,118	5,674	67,621	59,138	1,199	8,724	69,061	60,946	1,289	10,138	72,373
May	58,089	1,121	5,872	65,082	59,326	1,209	8,926	69,461	61,091	1,296	10,239	72,626
June	56,754	1,104	6,098	63,956	59,514	1,219	9,128	69,861	61,236	1,303	10,340	72,879
Average Monthly Caseload	62,080	1,164	4,023	67,267	58,376	1,165	7,891	67,432	60,443	1,265	9,785	71,493
Annual Growth				-2.12%	-5.97%	0.09%	96.15%	0.25%	3.54%	8.58%	24.00%	6.02%
SB 11-008 Adjustments¹									(3,951)	0	0	(3,951)
Final Caseload with Adjustments									56,492	1,265	9,785	67,542
Annual Growth									-3.23%	8.58%	24.00%	0.16%

¹ Adjustment for SB 11-008 is added to the children to 200% FPL population beginning in FY 2012-13. This bill increases Medicaid eligibility for children aged 6 to 18 to 185% FPL, resulting in decreased enrollment in the Children's Basic Health Plan. See Appendix A for details.

Exhibit C.6 - Children's Caseload History and Projections

FY 2011-12 Projection													
	Prior Month Caseload to 200% FPL Caseload	Caseload to 200% FPL Base Growth ¹	Caseload to 200% FPL Monthly Change	Caseload to 200% FPL Children Projection	Prior Month Expansion to 205% FPL Caseload	Expansion to 205% FPL Base Growth ²	Expansion to 205% FPL Monthly Change	Expansion to 205% FPL Children Projection	Prior Month Expansion to 250% FPL Caseload	Expansion to 250% FPL Base Growth ³	Expansion to 250% FPL Monthly Change	Expansion to 250% FPL Children Projection	FY 2011-12 Total Children's Caseload (Pre-adjustments)
July	56,754	0.5%	270	57,024	1,104	0.8%	9	1,113	6,098	5.0%	303	6,401	64,538
August	57,024	0.5%	271	57,295	1,113	0.8%	9	1,122	6,401	4.7%	303	6,704	65,121
September	57,295	0.5%	273	57,568	1,122	0.8%	9	1,131	6,704	4.5%	303	7,007	65,706
October	57,568	0.5%	274	57,842	1,131	0.8%	9	1,140	7,007	4.3%	303	7,310	66,292
November	57,842	0.5%	275	58,117	1,140	0.8%	9	1,149	7,310	4.1%	303	7,613	66,879
December	58,117	0.5%	277	58,394	1,149	0.9%	10	1,159	7,613	4.0%	303	7,916	67,469
January	58,394	0.3%	185	58,579	1,159	0.9%	10	1,169	7,916	2.6%	202	8,118	67,866
February	58,579	0.3%	186	58,765	1,169	0.9%	10	1,179	8,118	2.5%	202	8,320	68,264
March	58,765	0.3%	186	58,951	1,179	0.8%	10	1,189	8,320	2.4%	202	8,522	68,662
April	58,951	0.3%	187	59,138	1,189	0.8%	10	1,199	8,522	2.4%	202	8,724	69,061
May	59,138	0.3%	188	59,326	1,199	0.8%	10	1,209	8,724	2.3%	202	8,926	69,461
June	59,326	0.3%	188	59,514	1,209	0.8%	10	1,219	8,926	2.3%	202	9,128	69,861
Average Monthly Caseload		0.4%	230	58,376		0.8%	10	1,165		3.4%	253	7,891	67,432
Growth Rate				-6.0%				0.1%				96.1%	0.2%
FY 2012-13 Projection													
	Prior Month Caseload to 200% FPL Caseload	Caseload to 200% FPL Base Growth ¹	Caseload to 200% FPL Monthly Change	Caseload to 200% FPL Children Projection	Prior Month Expansion to 205% FPL Caseload	Expansion to 205% FPL Base Growth ²	Expansion to 205% FPL Monthly Change	Expansion to 205% FPL Children Projection	Prior Month Expansion to 250% FPL Caseload	Expansion to 250% FPL Base Growth ³	Expansion to 250% FPL Monthly Change	Expansion to 250% FPL Children Projection	FY 2012-13 Total Children's Caseload (Pre-adjustments)
July	59,514	0.2%	142	59,656	1,219	0.6%	7	1,226	9,128	1.1%	101	9,229	70,111
August	59,656	0.2%	142	59,798	1,226	0.6%	7	1,233	9,229	1.1%	101	9,330	70,361
September	59,798	0.2%	142	59,940	1,233	0.6%	7	1,240	9,330	1.1%	101	9,431	70,611
October	59,940	0.2%	143	60,083	1,240	0.6%	7	1,247	9,431	1.1%	101	9,532	70,862
November	60,083	0.2%	143	60,226	1,247	0.6%	7	1,254	9,532	1.1%	101	9,633	71,113
December	60,226	0.2%	143	60,369	1,254	0.6%	7	1,261	9,633	1.0%	101	9,734	71,364
January	60,369	0.2%	144	60,513	1,261	0.6%	7	1,268	9,734	1.0%	101	9,835	71,616
February	60,513	0.2%	144	60,657	1,268	0.6%	7	1,275	9,835	1.0%	101	9,936	71,868
March	60,657	0.2%	144	60,801	1,275	0.5%	7	1,282	9,936	1.0%	101	10,037	72,120
April	60,801	0.2%	145	60,946	1,282	0.5%	7	1,289	10,037	1.0%	101	10,138	72,373
May	60,946	0.2%	145	61,091	1,289	0.5%	7	1,296	10,138	1.0%	101	10,239	72,626
June	61,091	0.2%	145	61,236	1,296	0.5%	7	1,303	10,239	1.0%	101	10,340	72,879
Average Monthly Caseload		0.2%	144	60,443		0.6%	7	1,265		1.0%	101	9,785	71,493
Growth Rate				3.5%				8.6%				24.0%	6.0%

¹ The FY 2011-12 children's caseload up to 200% FPL is forecasted to increase by an average of 0.4% per month. This forecast is based on statistical analysis of caseload data since FY 2002-03. The FY 2012-13 caseload is forecasted to increase an average of 0.2% per month. See Appendix A for details.

² The Expansion to 205% FPL Children caseload is forecasted to increase by an average of 0.8% per month in FY 2011-12. The FY 2012-13 forecast assumes that monthly growth would decrease to an average of 0.6% per month. See Appendix A for details.

Exhibit C.7 - Prenatal Caseload History and Projections

Historical Monthly Caseload												
	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09			FY 2009-10			
						Caseload to 200% FPL	Expansion to 205% FPL	Total Prenatal	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Prenatal
July	347	0	859	1,098	1,264	1,766	64	1,830	1,555	66	0	1,621
August	284	157	852	1,138	1,342	1,660	58	1,718	1,505	63	0	1,568
September	212	221	894	1,142	1,341	1,590	57	1,647	1,499	72	0	1,571
October	148	254	915	1,191	1,398	1,539	57	1,596	1,478	83	0	1,561
November	105	337	928	1,206	1,425	1,497	60	1,557	1,471	92	0	1,563
December	69	430	954	1,184	1,496	1,651	72	1,723	1,443	85	0	1,528
January	34	516	1,039	1,167	1,611	1,599	83	1,682	1,453	79	0	1,532
February	12	606	1,031	1,182	1,683	1,551	86	1,637	1,437	86	0	1,523
March	0	729	1,006	1,184	1,754	1,609	80	1,689	1,448	102	0	1,550
April	0	791	1,011	1,154	1,801	1,596	63	1,659	1,428	89	0	1,517
May	0	816	1,007	1,178	1,857	1,568	56	1,624	1,460	69	46	1,575
June	0	809	1,060	1,207	1,872	1,547	71	1,618	1,452	72	83	1,607
Average Monthly Caseload	101	472	963	1,170	1,570	1,598	67	1,665	1,470	80	11	1,561
Annual Growth	-79.68%	367.33%	104.03%	21.50%	34.19%			6.05%	-8.01%	19.40%		-6.25%
	Historical Monthly Caseload				Projections							
	FY 2010-11				FY 2011-12				FY 2012-13			
	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Prenatal	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Prenatal	Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Prenatal
July	1,419	66	124	1,609	1,409	46	359	1,814	1,409	46	474	1,929
August	1,417	71	162	1,650	1,409	46	369	1,824	1,409	46	479	1,934
September	1,396	61	187	1,644	1,409	46	379	1,834	1,409	46	484	1,939
October	1,357	60	206	1,623	1,409	46	389	1,844	1,409	46	489	1,944
November	1,367	57	228	1,652	1,409	46	399	1,854	1,409	46	494	1,949
December	1,370	61	270	1,701	1,409	46	409	1,864	1,409	46	499	1,954
January	1,413	64	325	1,802	1,409	46	419	1,874	1,409	46	504	1,959
February	1,415	63	357	1,835	1,409	46	429	1,884	1,409	46	509	1,964
March	1,453	61	361	1,875	1,409	46	439	1,894	1,409	46	514	1,969
April	1,452	60	355	1,867	1,409	46	449	1,904	1,409	46	519	1,974
May	1,443	55	342	1,840	1,409	46	459	1,914	1,409	46	524	1,979
June	1,409	46	349	1,804	1,409	46	469	1,924	1,409	46	529	1,984
Average Monthly Caseload	1,409	60	272	1,741	1,409	46	414	1,869	1,409	46	502	1,957
Annual Growth	-4.15%	-25.00%	2372.73%	11.53%	0.00%	-23.33%	52.21%	7.35%	0.00%	0.00%	21.26%	4.71%
SB 11-250 Adjustments ¹									(597)	0	0	(597)
Final Caseload with Adjustments									812	46	502	1,360
Annual Growth									-42.37%	0.00%	21.26%	-27.23%

¹ Adjustment for SB 11-250 is added to the Prenatal to 200% FPL population beginning in FY 2012-13. This bill increases Medicaid eligibility for pregnant women up to 185% FPL, resulting in decreased enrollment in the Children's Basic Health Plan. See Appendix A for details.

Exhibit C.7 - Prenatal Caseload History and Projections

FY 2011-12 Projection													
	Prior Month Caseload to 200% FPL Caseload	Caseload to 200% FPL Base Growth ¹	Caseload to 200% FPL Monthly Change	Caseload to 200% FPL Prenatal Projection	Prior Month Expansion to 205% FPL Caseload	Expansion to 205% FPL Base Growth ²	Expansion to 205% FPL Monthly Change	Expansion to 205% FPL Prenatal Projection	Prior Month Expansion to 250% FPL Caseload	Expansion to 250% FPL Base Growth ³	Expansion to 250% FPL Monthly Change	Expansion to 250% FPL Prenatal Projection	FY 2011-12 Total Prenatal Caseload
July	1,409	0.0%	0	1,409	46	0.0%	0	46	349	2.9%	10	359	1,814
August	1,409	0.0%	0	1,409	46	0.0%	0	46	359	2.8%	10	369	1,824
September	1,409	0.0%	0	1,409	46	0.0%	0	46	369	2.7%	10	379	1,834
October	1,409	0.0%	0	1,409	46	0.0%	0	46	379	2.6%	10	389	1,844
November	1,409	0.0%	0	1,409	46	0.0%	0	46	389	2.6%	10	399	1,854
December	1,409	0.0%	0	1,409	46	0.0%	0	46	399	2.5%	10	409	1,864
January	1,409	0.0%	0	1,409	46	0.0%	0	46	409	2.4%	10	419	1,874
February	1,409	0.0%	0	1,409	46	0.0%	0	46	419	2.4%	10	429	1,884
March	1,409	0.0%	0	1,409	46	0.0%	0	46	429	2.3%	10	439	1,894
April	1,409	0.0%	0	1,409	46	0.0%	0	46	439	2.3%	10	449	1,904
May	1,409	0.0%	0	1,409	46	0.0%	0	46	449	2.2%	10	459	1,914
June	1,409	0.0%	0	1,409	46	0.0%	0	46	459	2.2%	10	469	1,924
Average Monthly Caseload		0.0%	0	1,409		0.0%	0	46		2.5%	10	414	1,869
Annual Growth				0.0%				-23.3%				52.2%	19.7%
FY 2012-13 Projection													
	Prior Month Caseload to 200% FPL Caseload	Caseload to 200% FPL Base Growth ¹	Caseload to 200% FPL Monthly Change	Caseload to 200% FPL Prenatal Projection	Prior Month Expansion to 205% FPL Caseload	Expansion to 205% FPL Base Growth ²	Expansion to 205% FPL Monthly Change	Expansion to 205% FPL Prenatal Projection	Prior Month Expansion to 250% FPL Caseload	Expansion to 250% FPL Base Growth ³	Expansion to 250% FPL Monthly Change	Expansion to 250% FPL Prenatal Projection	FY 2012-13 Total Prenatal Caseload
July	1,409	0.0%	0	1,409	46	0.0%	0	46	469	1.1%	5	474	1,929
August	1,409	0.0%	0	1,409	46	0.0%	0	46	474	1.1%	5	479	1,934
September	1,409	0.0%	0	1,409	46	0.0%	0	46	479	1.0%	5	484	1,939
October	1,409	0.0%	0	1,409	46	0.0%	0	46	484	1.0%	5	489	1,944
November	1,409	0.0%	0	1,409	46	0.0%	0	46	489	1.0%	5	494	1,949
December	1,409	0.0%	0	1,409	46	0.0%	0	46	494	1.0%	5	499	1,954
January	1,409	0.0%	0	1,409	46	0.0%	0	46	499	1.0%	5	504	1,959
February	1,409	0.0%	0	1,409	46	0.0%	0	46	504	1.0%	5	509	1,964
March	1,409	0.0%	0	1,409	46	0.0%	0	46	509	1.0%	5	514	1,969
April	1,409	0.0%	0	1,409	46	0.0%	0	46	514	1.0%	5	519	1,974
May	1,409	0.0%	0	1,409	46	0.0%	0	46	519	1.0%	5	524	1,979
June	1,409	0.0%	0	1,409	46	0.0%	0	46	524	1.0%	5	529	1,984
Average Monthly Caseload		0.0%	0	1,409		0.0%	0	46		1.0%	5	502	1,957
Annual Growth				0.0%				0.0%				21.3%	4.7%

¹ The FY 2011-12 Prenatal caseload to 200% FPL is forecasted to decrease by slightly less than an average of 0.0% per month. This forecast is based on growth experienced between January 2009 and July 2010. The FY 2012-13 monthly growth rate is projected to remain the same at slightly below 0.0%. See Appendix A for details.

² The Expansion to 205% FPL Prenatal caseload is forecasted to increase by an average of 0% per month. This forecast is based on experience from July 2009 and June 2011. The FY 2012-13 forecast assumes that monthly growth would remain the same. See Appendix A for details.

³ The Expansion to 250% FPL Prenatal caseload is forecasted to increase by an average of 2.5% per month in FY 2011-12. Growth is anticipated to decrease to an average of 0.9% per month in FY 2012-13. See Appendix A for details.

Exhibit C.8 - SCHIP Federal Allotment Forecast

SCHIP Federal Allotment Forecast for Colorado as of November 1, 2011										
State Fiscal Year (July 1 - June 30)	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Children's Medical Premiums										
Children's Caseload ¹	47,047	57,795	61,582	68,725	67,267	67,432	67,542	58,253	61,527	63,256
Caseload Growth Rate ²	12.16%	22.85%	6.55%	11.60%	-2.12%	0.25%	0.16%	-13.75%	5.62%	2.81%
Children's Per Capita ¹	\$1,385.96	\$1,586.53	\$1,630.54	\$2,187.07	\$2,099.03	\$2,129.17	\$2,231.79	\$2,326.98	\$2,426.23	\$2,529.71
Per Capita Growth Rate ³	2.51%	14.47%	2.77%	34.13%	-4.03%	1.44%	4.82%	4.27%	4.27%	4.27%
Subtotal Children's Premiums	\$65,205,260	\$91,693,501	\$100,411,914	\$150,306,188	\$141,195,482	\$143,574,191	\$150,739,560	\$135,553,566	\$149,278,213	\$160,018,633
Less Annual Enrollment Fees (No Federal Match)	\$232,136	\$283,367	\$328,499	\$346,589	\$428,326	\$474,720	\$521,805	\$410,100	\$475,334	\$445,319
Children's Dental Premiums										
Children's Caseload ^{1,2}	47,047	57,795	61,582	68,725	67,267	67,432	67,542	58,253	61,527	63,256
Dental Per Capita ¹	\$146.42	\$151.14	\$160.38	\$156.66	\$159.35	\$168.97	\$175.73	\$183.22	\$191.03	\$199.18
Per Capita Growth Rate ³	7.61%	3.22%	6.11%	-2.32%	1.72%	6.04%	4.00%	4.27%	4.27%	4.27%
Subtotal Children's Dental	\$6,888,622	\$8,735,136	\$9,876,521	\$10,766,208	\$10,718,975	\$11,393,985	\$11,869,156	\$10,673,115	\$11,753,468	\$12,599,275
Prenatal And Delivery Costs										
Prenatal Caseload ¹	1,170	1,570	1,665	1,561	1,741	1,869	1,360	790	801	807
Caseload Growth Rate ²	21.50%	34.19%	6.05%	-6.25%	11.53%	7.35%	-27.23%	-41.91%	1.38%	0.69%
Prenatal Per Capita ¹	\$14,438.28	\$11,336.78	\$11,674.22	\$11,118.53	\$14,571.85	\$15,256.50	\$15,973.31	\$16,654.57	\$17,364.89	\$18,105.50
Per Capita Growth Rate ³	19.74%	-21.48%	2.98%	-4.76%	31.06%	4.70%	4.70%	4.27%	4.27%	4.27%
Subtotal Prenatal and Delivery Costs	\$16,892,788	\$17,798,745	\$19,437,576	\$17,356,024	\$25,369,597	\$28,514,399	\$21,723,702	\$13,157,110	\$13,909,277	\$14,611,139
Subtotal Medical Expenses	\$88,986,670	\$118,227,382	\$129,726,011	\$178,428,420	\$177,284,054	\$183,482,575	\$184,332,418	\$159,383,791	\$174,940,958	\$187,229,047
Administration										
Annual Administration increase ⁴								2.17%	2.17%	2.17%
Administration Expenditures	\$6,151,625	\$6,621,395	\$7,577,554	\$6,792,199	\$6,209,573	\$6,384,964	\$6,444,140	\$6,477,684	\$6,477,684	\$6,477,684
Total Program Costs	\$95,138,295	\$124,848,777	\$137,303,565	\$185,220,619	\$183,493,627	\$189,867,539	\$190,776,558	\$165,861,475	\$181,418,642	\$193,706,731
Federal Funds at 65%	\$61,839,892	\$81,151,705	\$89,247,317	\$120,393,402	\$119,270,858	\$123,413,900	\$124,004,763	\$107,809,959	\$117,922,117	\$125,909,375
Federal Fiscal Year (October 1 - September 30)										
	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012	FFY 2013	FFY 2014	FFY 2015	FFY 2016
Total Program Costs ⁵	\$101,409,555	\$126,894,270	\$157,460,910	\$177,848,289	\$183,493,627	\$189,867,539	\$190,776,558	\$165,861,475	\$181,418,642	\$193,706,731
Federal Funds ⁵	\$65,916,210	\$82,481,275	\$102,349,530	\$115,601,855	\$119,270,858	\$123,413,900	\$124,004,763	\$107,809,959	\$117,922,117	\$125,909,375
Federal Allotment ⁶	\$71,544,798	\$71,544,798	\$100,696,200	\$122,851,760	\$123,498,650	\$129,930,082	\$136,916,333	\$144,373,944	\$152,325,257	\$158,821,929
Redistributions ⁷	(\$5,707,946)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Available from Prior Years	\$99,770,178	\$99,690,820	\$88,754,343	\$87,101,013	\$94,350,918	\$98,578,710	\$105,094,892	\$118,006,462	\$154,570,447	\$188,973,587
Total Federal Funds Available	\$165,607,030	\$171,235,618	\$189,450,543	\$209,952,773	\$217,849,568	\$228,508,792	\$242,011,225	\$262,380,406	\$306,895,704	\$347,795,516
Unspent / (Amount needed)	\$99,690,820	\$88,754,343	\$87,101,013	\$94,350,918	\$98,578,710	\$105,094,892	\$118,006,462	\$154,570,447	\$188,973,587	\$221,886,141

¹ Caseload and per capitas for FY 2011-12 and FY 2012-13 are from Exhibits C.2 and C.3.

² Caseload growth for both children and prenatal women in FY 2014-15 is assumed to be the same as projected growth in FY 2013-14 before bottom-line adjustments from SB 11-008 and SB 11-250 which increased Medicaid eligibility for children and pregnant women. The FY 2015-16 caseload is assumed to decrease by 50% from the forecasted FY 2014-15 growth.

³ The inflation rate used for medical premiums is the average Consumer Price Index for medical costs between 2001 and 2010 for Denver-Boulder-Greeley. The FY 2012-13 per capita projections are increased by this percent to estimate FY 2013-14 through FY 2015-16.

⁴ The administration expenditures for FY 2006-07 to FY 2010-11 include the Administration line item and the allocation of other Internal Administration expenses. FY 2011-12 and FY 2012-13 estimates are taken from Exhibit C.4. The inflation rate used for administrative expenses are based on Consumer Price Index for all items between 2001 and 2010 for Denver-Boulder-Greeley. The FY 2012-13 administration estimate is increased by the 5-year average percent to estimate internal administration through FY 2015-16.

⁵ For FFY 2006 through 2010, Total and Federal Funds are actuals from CMS-21 Reports. Forecasts for federal funds expenditures are estimated using 75% of one State Fiscal Year and 25% of the next.

⁶ FFY 2011 allocation from CMS. FFY 2012 is rebased to FFY 2011 expenditures increased by the FFY 2011-FFY 2012 inflation factor. FFY 2014 is rebased to FFY 2013 expenditures increased by the FFY 2012-FFY 2013 inflation factor. FFY 2013 through FFY 2016 allotments are based on prior year increased by the respective inflation factor.

⁷ The negative distribution in FFY 2007 is per the National Institutes of Health Reform Act of 2006, and reflects an early partial redistribution of FFY 2005 federal funds.