

Schedule 13 Funding Request for the 2013-14 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 *JB* 10/26/12
Date
OSPB Approval by: *Grant N. Smith* 10/30/12
Date

<input checked="" type="checkbox"/> Decision Item FY 2013-14
<input type="checkbox"/> Base Reduction Item FY 2013-14
<input type="checkbox"/> Supplemental FY 2012-13
<input type="checkbox"/> Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	5
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	\$182,543,053	\$0	\$133,286,320	\$60,591,910	\$60,591,910
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$21,787,355	\$0	\$20,781,279	\$1,923,755	\$1,923,755
	GFE	\$441,600	\$0	\$441,600	\$0	\$0
	CF	\$42,220,291	\$0	\$26,007,927	\$19,735,056	\$19,735,056
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$118,093,807	\$0	\$86,055,514	\$38,933,099	\$38,933,099
(4) Indigent Care Program; Children's Basic Health Plan Medical and Dental Costs	Total	\$182,543,053	\$0	\$133,286,320	\$60,591,910	\$60,591,910
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$21,787,355	\$0	\$20,781,279	\$1,923,755	\$1,923,755
	GFE	\$441,600	\$0	\$441,600	\$0	\$0
	CF	\$42,220,291	\$0	\$26,007,927	\$19,735,056	\$19,735,056
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$118,093,807	\$0	\$86,055,514	\$38,933,099	\$38,933,099

Letternote Text Revision Required? Yes: No: **If yes, describe the Letternote Text Revision:**
 FY 2013-14: Of this amount, \$27,490,196 shall be from the Children's Basic Health Plan Trust crated in Section 25 5-8-105 (1), C.R.S., \$18,031,151 shall be from the Hospital Provider Fee Cash Fund created in Section 25 5-4-402.3 (4), C.R.S., \$213,493 shall be from the Colorado Immunization Fund crated in Section 25-4-2301, C.R.S., and \$1 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2)(a)(I), C.R.S.
Cash or Federal Fund Name and COFRS Fund Number: CF: Children's Basic Health Plan Trust Fund 11G, Health Care Expansion Fund 18K, Hospital Provider Fee Cash Fund 24A and Colorado Immunization Fund; FF: Title XXI
Reappropriated Funds Source, by Department and Line Item Name:
Approval by OIT? Yes: No: Not Required:
Schedule 13s from Affected Departments: N/A
Other Information:



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

John W. Hickenlooper
Governor

FY 2013-14 Funding Request
November 1, 2012

Susan E. Birch
Executive Director

Signature

10/23/12
Date

Department Priority: R-3

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

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	FTE
Children's Basic Health Plan Medical and Dental Costs	\$60,591,910	\$1,923,755	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 2013-14 request is an increase of \$60,591,910 from the FY 2013-14 base request, and includes \$1,923,755 General Fund, \$19,735,056 cash funds and \$38,933,099 federal funds. The updated FY 2012-13 estimate is higher than the current appropriation by \$15,361,657 total funds, of which \$4,708,298 is General Fund, \$912,354 is cash funds and \$9,741,005 is federal funds. FY 2012-13 estimates are 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 increased estimate for funding for the Children's Basic Health Plan, marketed as the Child Health Plan *Plus* (CHP+), for FY 2012-13 is due to the caseload increase during FY

2011-12, which left caseload at a higher starting point for FY 2012-13. To account for this level shift, the Department's latest caseload estimate is higher than its previous forecast. This impact is somewhat moderated by low and negative growth trends in the Department's updated FY 2012-13 children's and prenatal per capitas.

The Department's FY 2012-13 caseload estimate includes bottom line adjustments from SB 11-008 and SB 11-250. SB 11-008 increases eligibility for children aged 6 through 18 in Medicaid to 133% of the Federal Poverty Level (FPL). SB 11-250 implements a federal mandate to increase eligibility for pregnant women in Medicaid to 185% FPL. These changes will take effect in January 2013, impacting CHP+ caseload negatively as these clients become eligible for and enroll in Medicaid.

These two bottom line adjustments have been updated from the Department's previous estimates to account for the revised caseload forecast and guidance from the Centers for Medicare and Medicaid Services (CMS). Both adjustments maintain the same methodology used by the Department to estimate the fiscal impact for the bills, but reflect an updated timeline for moving these populations into Medicaid. The

Department's updated estimate of SB 11-008 reflects CMS guidance that existing CHP+ children who become eligible for Medicaid may be phased into Medicaid at their annual redetermination date. In contrast, the updated SB 11-250 estimate accounts for CMS guidance that all pregnant women in this income range will enroll in Medicaid immediately upon implementation, even if they are enrolled in CHP+ at that time. As a result, the updated SB 11-008 adjustment is a smaller negative relative to the Department's November 2011 forecast, while the SB 11-250 adjustment is a larger negative.

The Department is requesting an increase in FY 2013-14 from the base request. The FY 2013-14 caseload forecast for CHP+ is also higher than its previous forecast as the upward level shift from FY 2011-12 is carried forward into out-years. The Department's final caseload also includes two bottom line adjustments from SB 11-008 and SB 11-250.

In FY 2013-14, there is an additional bottom line adjustment to the Department's caseload estimate to account for the implementation of the Modified Adjusted Gross Income (MAGI) required by the Affordable Care Act of 2010 (ACA). The Department anticipates this will negatively impact CHP+ caseload. Please see Attachment A for details.

The Department is also adjusting its FY 2012-13 and FY 2013-14 per capita estimates to account for actual FY 2011-12 per capita costs and the actuarially set FY 2012-13 capitation rates. The updated children's medical and prenatal per capita estimates are lower than the Department's previous estimates, while the dental per capita estimate remains relatively flat.

Problem or Opportunity:

The FY 2013-14 base request is insufficient to fully fund the CHP+ program. Under the ACA, there are Maintenance of Effort (MOE) provisions on eligibility for pregnant women in CHP+ until December 31, 2013 and for children

in CHP+ until September 30, 2019. As such, CHP+ resembles an entitlement program like Medicaid. The Department cannot limit enrollment or eliminate the program until after these MOE provisions expire.

Brief Background:

CHP+ 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. CHP+ offers 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. CHP+ 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 CHP+ receive services through the State's self-funded network.

The number of CHP+ enrollees and their per capita costs fluctuate due to changes in economic conditions, federal and state policies, and a number of other factors, resulting in changes in CHP+ program expenditures. Changes in funding from sources such as the Tobacco Master Settlement Agreement and Tobacco Taxes also increase the volatility in funding needs. Thus, the Department periodically updates its caseload and expenditure forecast based on recent experience and submits funding requests to the General Assembly. This ensures that the Department has sufficient spending authority to cover expenditures for CHP+ clients and the program's administration. The Department will submit a separate supplemental request to true up its most recent estimates for FY 2012-13 in January 2013.

For the last two years, the Department has not submitted a request to re-estimate caseload and per capita costs for CHP+ in its February 15 Budget Request as it does for the Medicaid program at the request of the Joint Budget Committee staff. Due to the recent volatility in both caseload and expenditures experienced over the last two years, the Department will be submitting revised estimates in its February 15 Budget Request in order to ensure that the Joint Budget Committee staff has the most recent data available before Figure Setting.

Proposed Solution:

The Department is requesting an increase of \$60,591,910 total funds in FY 2013-14 from the base request for the Children's Basic Health Plan Medical and Dental Costs to true up its latest expenditures forecast.

Anticipated Outcomes:

Approval of this request would fully fund the Children's Basic Health Plan Medical and Dental Costs line item in accordance with the Department's latest expenditure 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 ACA, there are MOE provisions on CHP+ eligibility until September 30, 2019. As such, CHP+ resembles an

entitlement program like Medicaid. The Department cannot limit enrollment or eliminate the program until after these MOE provisions expire.

Cash Fund Projections:

This request includes Cash Funds from the Children's Basic Health Plan Trust and the Hospital Provider Fee Cash Fund. For information on associated revenues, expenditures, and cash fund balances, please see the Schedule 9 "Cash Funds Report" in Section O of this Budget Request.

Relation to Performance Measures:

Federal mandate.

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. (2012).

An "eligible person" for the program is defined in 25.5-8-103 (4) C.R.S. (2012).

25.5-8-107 (1) (a) (II), C.R.S. (2012) allows the Department to provide dental benefits through the Children's Basic Health Plan.

Attachment A Children's Basic Health Plan Medical and Dental Costs

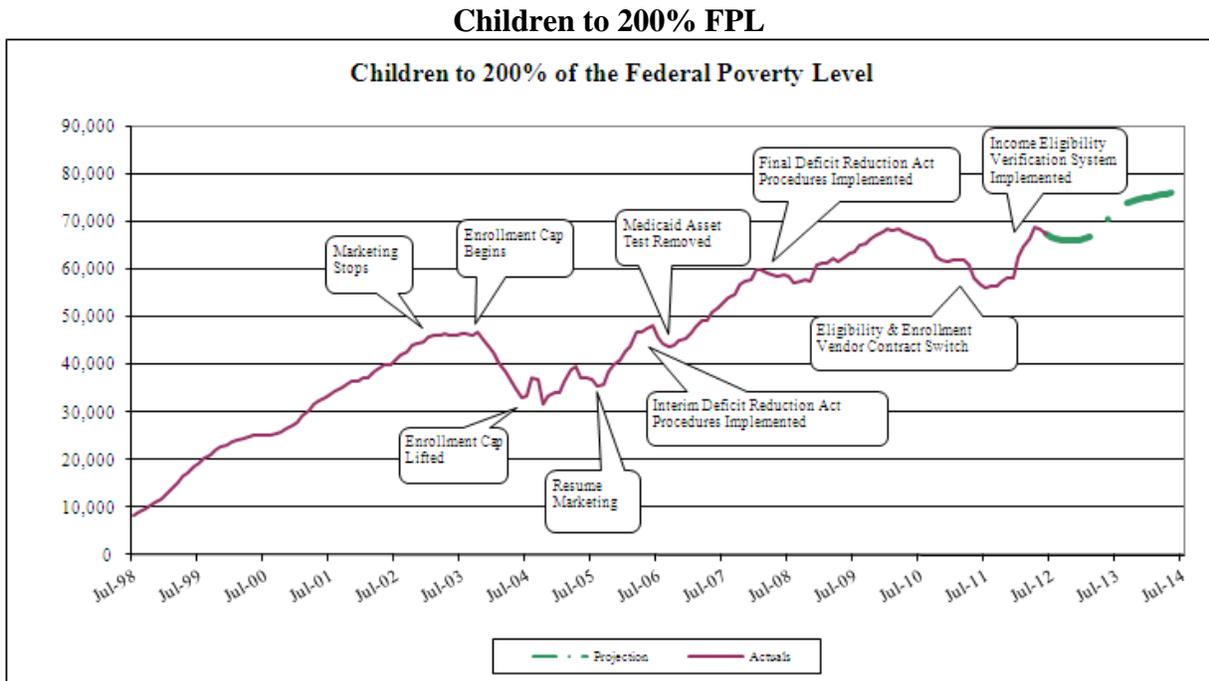
Purpose of Request

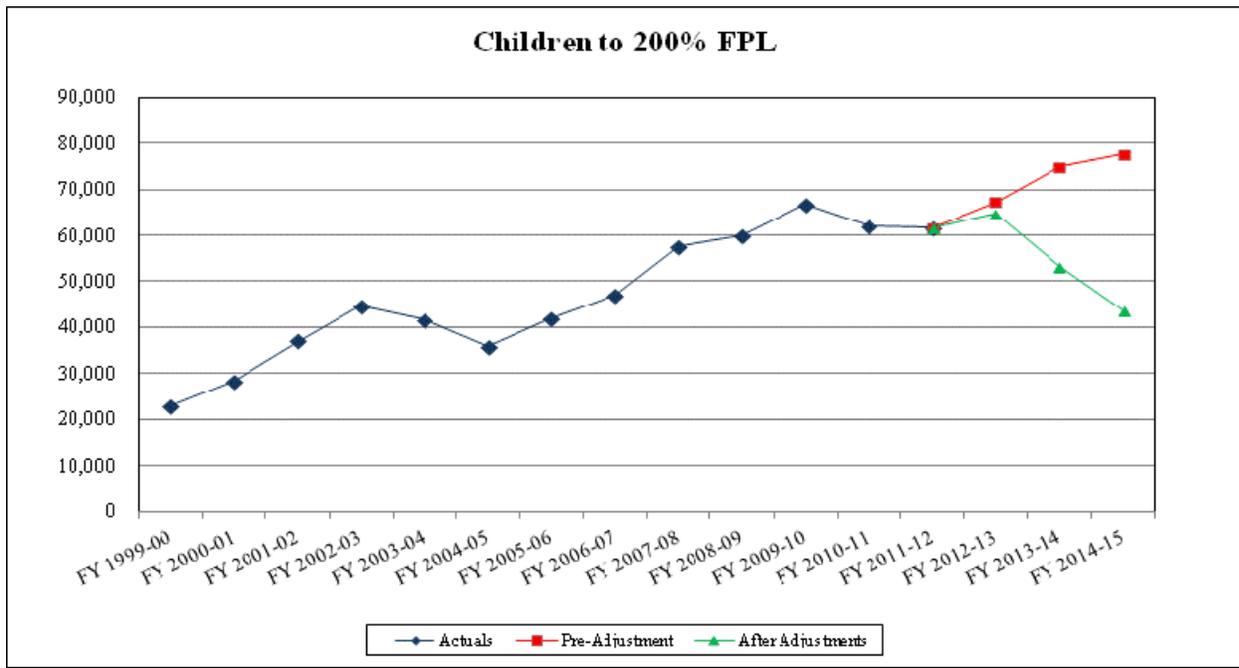
- To adjust the projected enrollment for children and pregnant women in the Plan; and,
- To adjust the per capita costs for medical and dental services in accordance with actuarial projections.

Please note that the Department is only requesting to adjust the FY 2013-14 and all FY 2012-13 estimates are provided for informational purposes only..

I. Description of Request Related to Children's Premiums

Children's Caseload Projections (Exhibit C.6)





- Growth in children to 200% FPL in FY 2011-12 was significantly higher than the Department’s November 2011 forecast, in which annual caseload was projected to be 58,376 and average monthly growth was projected to be 230. The actual caseload for FY 2011-12 increased by an average of 883 children per month. Monthly caseload changes during FY 2011-12 were greater than the long-term average. The Department believes this may be related to the implementation of the federally required Income Eligibility Verification System (IEVS) in August 2011. Per Section 1137 of the Social Security Act, States must use IEVS to request information from other Federal and State agencies to verify applicants’ income and resources. IEVS extracts wage information reported by employers to the Colorado Department of Labor and Employment each month to update family incomes for the previous quarter. Since individual and family incomes may vary frequently, even from month to month, the implementation of IEVS has resulted in an increased number of children in low-income FPL categories moving between Medicaid and CHP+ each month. The increase in CHP+ caseload in this category during the first part of calendar year 2012 suggests that the incomes of low-income families may have increased during that time period.
- The selected trend for FY 2012-13 for Children to 200% FPL is higher than the Department’s November 2011 forecast and would result in average growth of 373 per month. This higher forecast is reflective of the higher average monthly growth over FY 2011-12. The Department believes that caseload will continue to grow, but at a lower rate as economic conditions are projected to continue to show slow improvement over the next few years. Growth is forecasted to average 0.54% per month in FY 2012-13.
- The Department’s existing Section 1115 waiver, which covers the Premium Assistance Program and pregnant women in CHP+, will expire on December 31, 2012. Any eligible CHP+ at Work clients will transition to direct coverage in the CHP+ program beginning in January 2013.
- The FY 2013-14 forecast for the Children to 200% FPL assumes that the slow improvement in economic conditions will continue, resulting in lower caseload growth compared to FY 2012-13. The projected average growth is 374 (0.51%) per month in FY 2013-14.

- There is a bottom-line adjustment to the Children to 200% FPL caseload from SB 11-008, which increases Medicaid eligibility for children from six through 18 years of age to 133% FPL beginning in January 2013. This is expected to have a negative impact on 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. The adjustment also reflects guidance from CMS that allows the Department to phase in existing CHP+ clients into Medicaid upon their redetermination to allow for greater continuity of coverage.
- Another bottom-line adjustment to the Children to 200% caseload accounts for anticipated changes in eligibility and enrollment resulting from the implementation of a new income definition, the Modified Adjusted Gross Income (MAGI), required by the Affordable Care Act of 2010 (ACA) beginning in January 2014. States will be required to use this new income and a standardized household size definition to determine eligibility for low-income subsidies in health care Exchanges, as well as Medicaid and federal CHIP programs. Due to differences in household size and income calculations that currently exist between Colorado's Medicaid and CHP+ programs, a number of clients with reported household incomes within the official Medicaid eligibility range are actually eligible for CHP+. In FY 2011-12, 22.8% of children in the Children to 200% FPL category reported family incomes under 100% FPL and 51.8% reported family incomes under 133% FPL. Due to the number of children under existing Medicaid income limits, the Department believes the potential impact of MAGI is significant. The Department assumes that with the implementation of MAGI no clients with Medicaid-eligible incomes will remain in CHP+, thus negatively impacting the caseload for children whose incomes are currently documented at or below 133% FPL in CHP+. Although the exact effect of the implementation of MAGI is unknown at this time, the Department has included a negative adjustment to its caseload forecast for FY 2013-14 forward.

Children to 200% FPL							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-10	66,940	-	-	FY 1999-00	22,935	-	-
Jul-10	66,321	(619)	-0.92%	FY 2000-01	28,321	23.48%	5,386
Aug-10	66,126	(195)	-0.29%	FY 2001-02	37,042	30.79%	8,721
Sep-10	64,632	(1,494)	-2.26%	FY 2002-03	44,600	20.40%	7,558
Oct-10	62,786	(1,846)	-2.86%	FY 2003-04	41,786	-6.31%	(2,814)
Nov-10	61,919	(867)	-1.38%	FY 2004-05	35,800	-14.33%	(5,986)
Dec-10	61,662	(257)	-0.42%	FY 2005-06	41,946	17.17%	6,146
Jan-11	61,925	263	0.43%	FY 2006-07	47,047	12.16%	5,101
Feb-11	61,822	(103)	-0.17%	FY 2007-08	57,465	22.14%	10,418
Mar-11	62,097	275	0.44%	FY 2008-09	60,137	4.65%	2,672
Apr-11	60,829	(1,268)	-2.04%	FY 2009-10	66,939	11.31%	6,802
May-11	58,089	(2,740)	-4.50%	FY 2010-11	62,080	-7.26%	(4,859)
Jun-11	56,754	(1,335)	-2.30%	FY 2011-12	61,815	-0.43%	(265)
Jul-11	56,237	(517)	-0.91%	FY 2012-13	67,311	8.89%	5,496
Aug-11	56,495	258	0.46%	FY 2013-14	74,907	11.28%	7,596
Sep-11	56,349	(146)	-0.26%	FY 2014-15	77,812	3.88%	2,905
Oct-11	57,549	1,200	2.13%				
Nov-11	58,238	689	1.20%				
Dec-11	58,258	20	0.03%				
Jan-12	62,736	4,478	7.69%				
Feb-12	64,579	1,843	2.94%				
Mar-12	66,466	1,887	2.92%				
Apr-12	69,001	2,535	3.81%				
May-12	68,520	(481)	-0.70%				
Jun-12	67,346	(1,174)	-1.71%				

Actuals			
	Monthly Change	% Change	
6-month average	1,515	2.49%	
12-month average	883	1.47%	
18-month average	316	0.53%	
24-month average	17	0.06%	

Base trend from June 2012 level			
	Actuals	Monthly Change	% Change
FY 2012-13	67,346	-0.05%	(35)

November 2011 Trend Selections			
	Actuals	Monthly Change	% Change
FY 2011-12	58,376	-5.97%	(3,704)
FY 2012-13	60,443	3.54%	2,067
FY 2013-14	62,513	3.42%	2,070

November 2011 Trend Selections			
	Actuals	Monthly Change	% Change
FY 2011-12	58,376	-5.97%	(3,704)
FY 2012-13	60,443	3.54%	2,067
FY 2013-14	62,513	3.42%	2,070

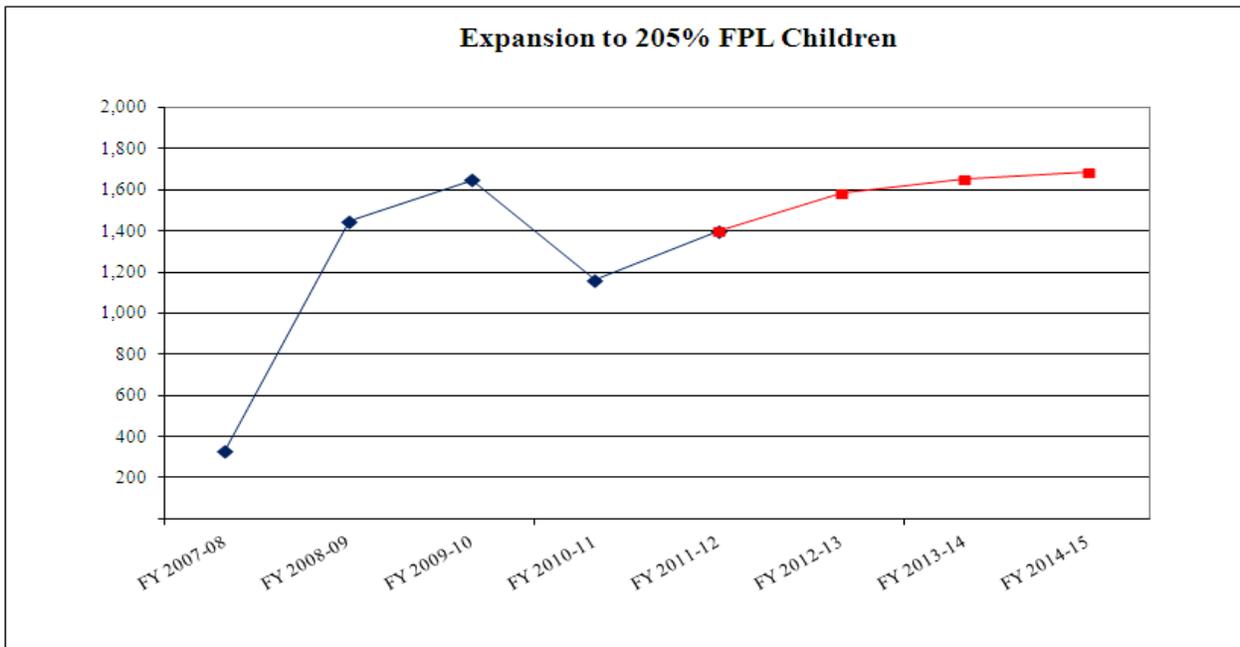
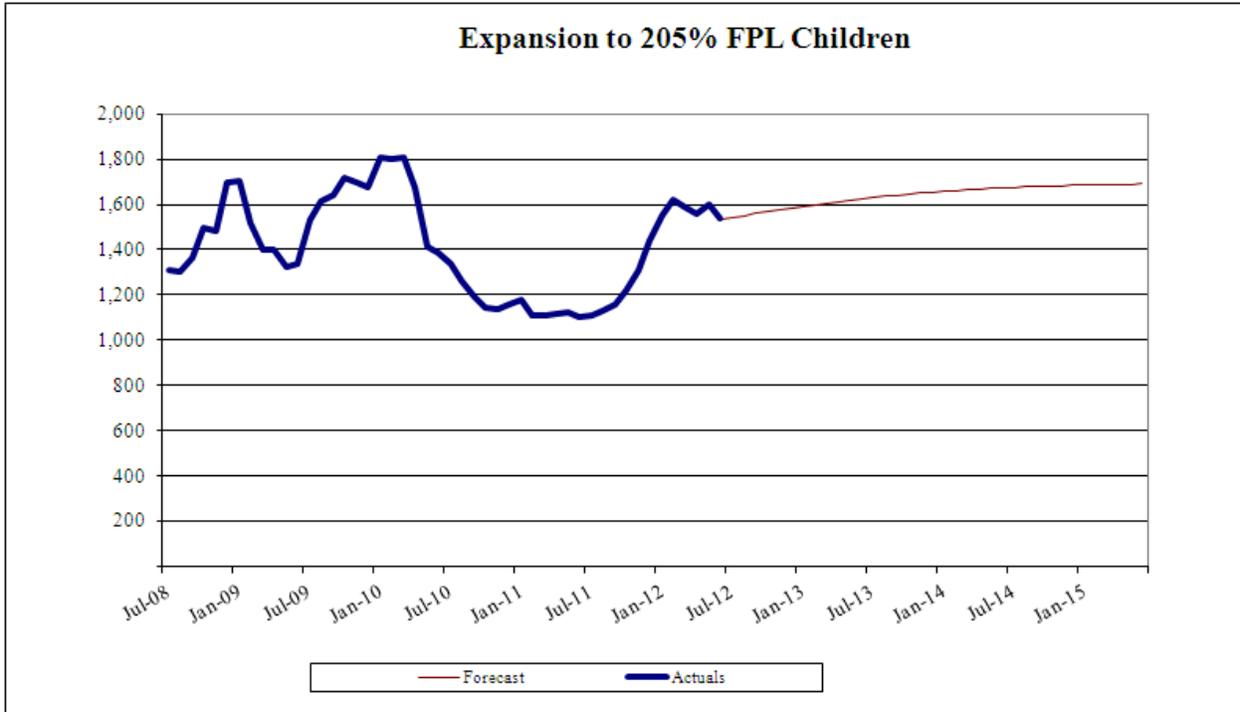
Monthly Average Growth Comparisons		
	Monthly Change	% Change
FY 2011-12 1st Half	251	0.44%
FY 2011-12 2nd Half	1,515	2.49%
November 2011 Forecast	230	0.40%
FY 2012-13 Forecast	373	0.54%
November 2011 Forecast	144	0.24%
FY 2013-14 Forecast	374	0.51%
November 2011 Forecast	198	0.32%

SB 11-008 Adjustment	
	Monthly Change
FY 2012-13	(2,449)
FY 2013-14	(16,320)
FY 2014-15	(18,887)

MAGI Adjustment	
	Monthly Change
FY 2012-13	0
FY 2013-14	(5,434)
FY 2014-15	(15,189)

Projections After Adjustments			
	Caseload	% Change	Level Change
FY 2012-13	64,862	4.93%	3,047
FY 2013-14	53,153	-18.05%	(11,709)
FY 2014-15	43,736	-17.72%	(9,417)

Expansion to 205% FPL Children



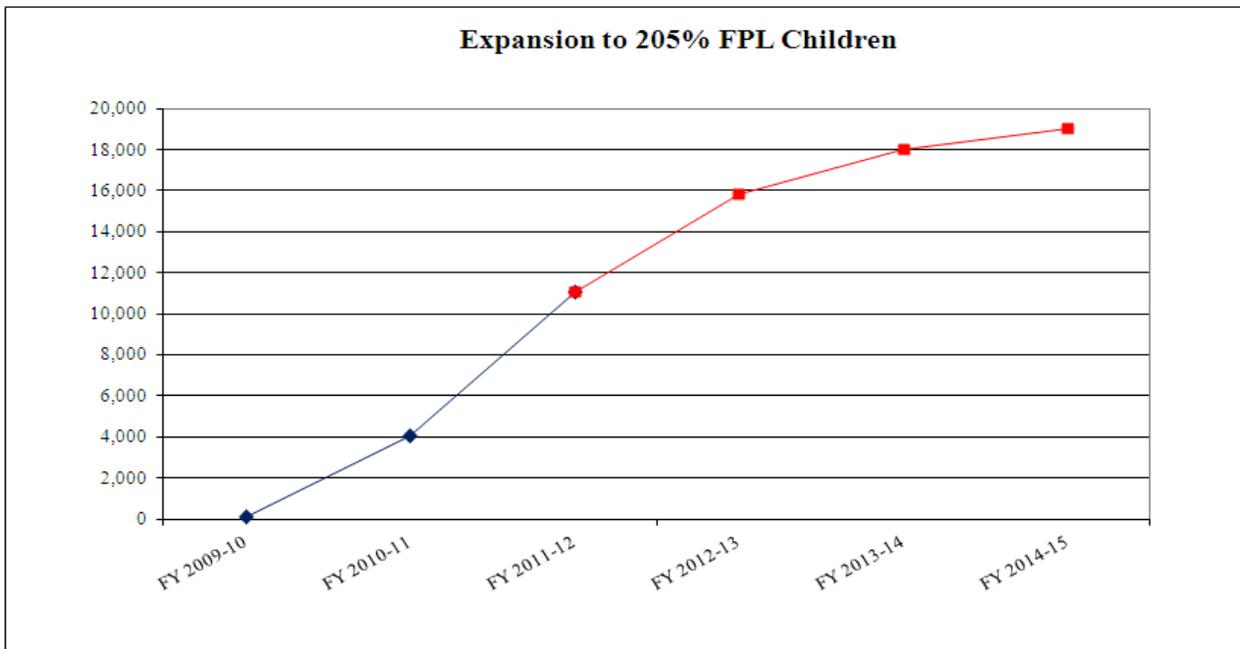
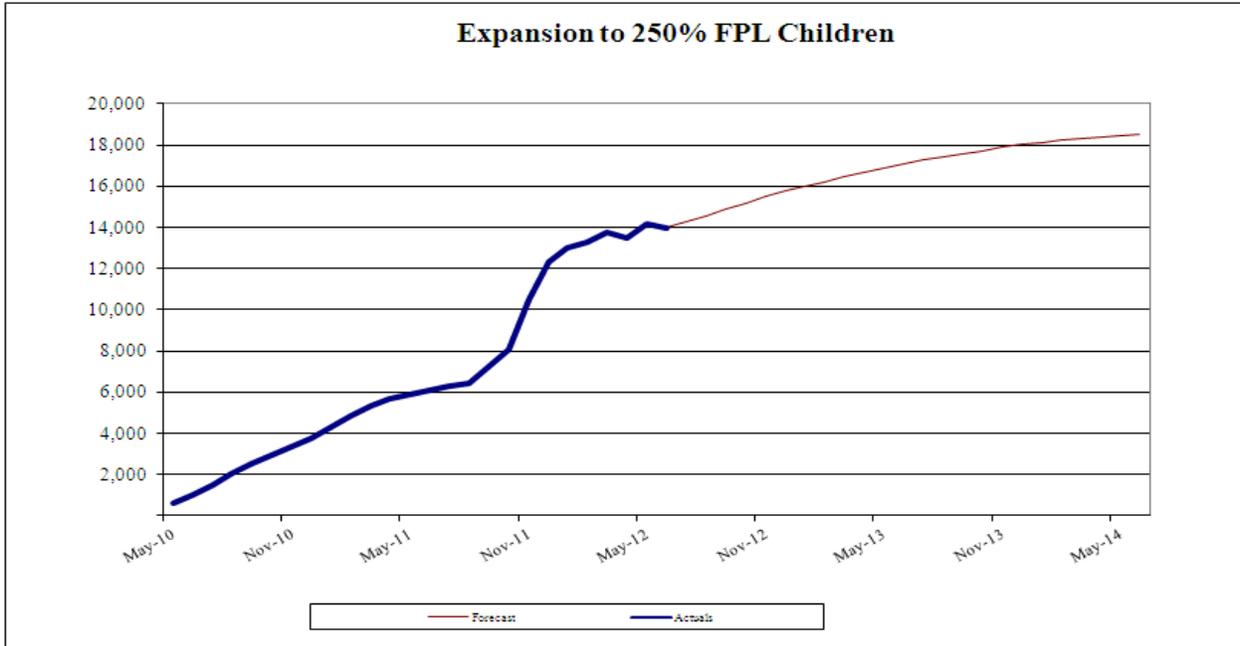
- This population was created through SB 07-097, and was implemented beginning March 1, 2008. Children in this population have family incomes between 201 and 205% FPL.
- Growth in Expansion to 205% FPL children in FY 2011-12 was higher than the Department's November 2011 forecast, in which annual caseload was projected to be 1,165 and average monthly growth was projected to be 10. Similar to the caseload for Children to 200% FPL, the FY 2011-12 caseload for this population also increased, albeit at a higher rate of an average of 2.87% per month.

This population also exhibited fewer months of caseload declines compared to the Children to 200% FPL caseload.

- The selected trend for FY 2012-13 for Expansion to 205% FPL children is slightly lower than the Department’s November 2011 forecast, and would result in average growth of 8 per month. The Department does not believe the caseload will continue to increase as it did in FY 2011-12 as some of the monthly growth was reversed towards the end of the year. Thus, the trend experienced during FY 2011-12 was adjusted downwards to account for the relatively high caseload and negative monthly growth trend experienced at the end of FY 2011-12. Growth is forecasted to average 0.48% per month in FY 2012-13.
- The FY 2013-14 forecast for the Expansion to 205% FPL assumes that the slow improvement in economic conditions will continue, resulting in lower caseload growth compared to FY 2012-13. The resulting average growth is 4 (0.24%) per month in FY 2013-14.

Expansion to 205% FPL Children							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-10	1,385	(32)	-2.26%	FY 2007-08	330	-	-
Jul-10	1,338	(47)	-3.39%	FY 2008-09	1,445	337.88%	1,115
Aug-10	1,263	(75)	-5.61%	FY 2009-10	1,649	14.12%	204
Sep-10	1,192	(71)	-5.62%	FY 2010-11	1,164	-29.41%	(485)
Oct-10	1,144	(48)	-4.03%	FY 2011-12	1,402	20.45%	238
Nov-10	1,134	(10)	-0.87%	FY 2012-13	1,585	13.05%	183
Dec-10	1,156	22	1.94%	FY 2013-14	1,654	4.35%	69
Jan-11	1,178	22	1.90%	FY 2014-15	1,684	1.81%	30
Feb-11	1,110	(68)	-5.77%	Monthly Average Growth Comparisons			
Mar-11	1,108	(2)	-0.18%	FY 2011-12 1st Half	56	4.59%	
Apr-11	1,118	10	0.90%	FY 2011-12 2nd Half	16	1.14%	
May-11	1,121	3	0.27%	November 2011 Forecast	10	0.83%	
Jun-11	1,104	(17)	-1.52%	FY 2012-13 Forecast	8	0.48%	
Jul-11	1,112	8	0.72%	November 2011 Forecast	10	0.54%	
Aug-11	1,130	18	1.62%	FY 2013-14 Forecast	4	0.24%	
Sep-11	1,157	27	2.39%	November 2011 Forecast	5	0.36%	
Oct-11	1,217	60	5.19%	Actuals			
Nov-11	1,313	96	7.89%		Monthly Change	% Change	
Dec-11	1,441	128	9.75%	6-month average	16	1.14%	
Jan-12	1,553	112	7.77%	12-month average	36	2.87%	
Feb-12	1,620	67	4.31%	18-month average	21	1.67%	
Mar-12	1,585	(35)	-2.16%	24-month average	6	0.52%	
Apr-12	1,559	(26)	-1.64%	November 2011 Trend Selections			
May-12	1,601	42	2.69%	FY 2011-12	1,165	0.09%	1
Jun-12	1,535	(66)	-4.12%	FY 2012-13	1,265	8.58%	100
Base trend from June 2012 level				FY 2013-14	1,336	5.61%	71
FY 2012-13	1,535	3.26%	50				

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 incomes between 206 and 250% of the federal poverty level.
- Growth in FY 2011-12 was higher than the Department's November 2011 estimates in which annual caseload was projected to be 7,891 and average monthly growth was projected to be 253. Actual FY 2011-12 caseload was 11,049 and average monthly growth was 656. The Department has incorporated this substantial level shift upwards and increased its caseload growth forecast to account for the high growth experienced in FY 2011-12. The selected trend for FY 2012-13 for Expansion to 250% FPL children is 1.71%, and would result in average growth of 262 per month. This is based on the average monthly growth from between January 2012 and June 2012.

- The FY 2013-14 forecast for the Expansion to 250% FPL incorporates the substantial level shift upwards and high monthly growth that occurred in FY 2011-12, which was also included in FY 2012-13. The Department assumes that the slow improvement in economic conditions will continue, resulting in lower caseload growth compared to FY 2012-13. This results in average monthly growth of 119 (0.67%) in FY 2013-14.

Expansion to 250% Children			
	Actuals	Monthly Change	% Change
Jun-10	1,029	-	-
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%
Jul-11	6,320	222	3.64%
Aug-11	6,444	124	1.96%
Sep-11	7,275	831	12.90%
Oct-11	8,075	800	11.00%
Nov-11	10,493	2,418	29.94%
Dec-11	12,338	1,845	17.58%
Jan-12	12,985	647	5.24%
Feb-12	13,250	265	2.04%
Mar-12	13,774	524	3.95%
Apr-12	13,492	(282)	-2.05%
May-12	14,169	677	5.02%
Jun-12	13,975	(194)	-1.37%

	Caseload	% Change	Level Change
FY 2009-10	136	-	-
FY 2010-11	4,023	2858.09%	3,887
FY 2011-12	11,049	174.65%	7,026
FY 2012-13	15,795	42.95%	4,746
FY 2013-14	18,002	13.97%	2,207
FY 2014-15	19,045	5.79%	1,043

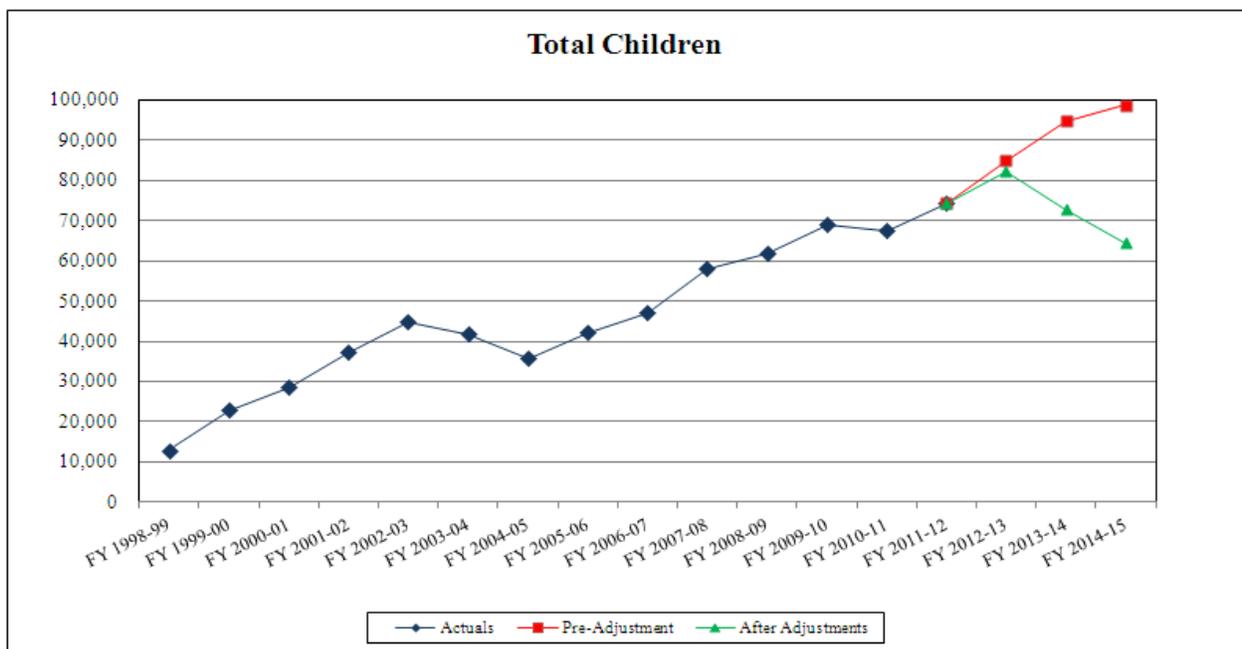
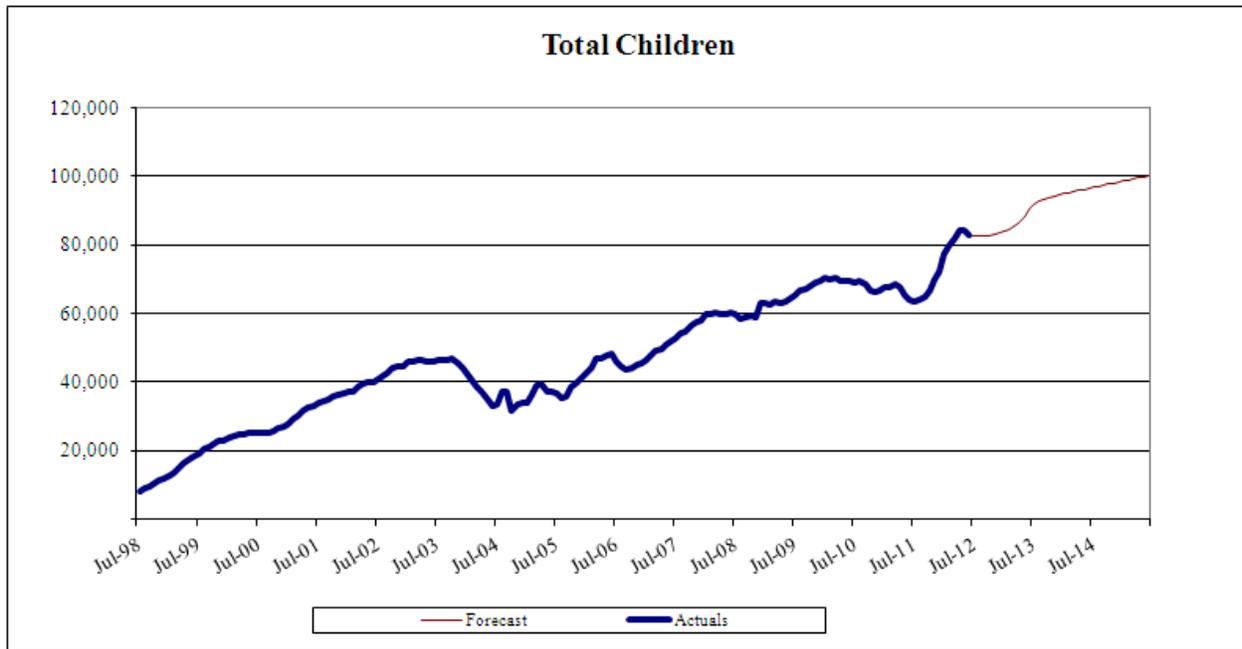
Monthly Average Growth Comparisons		
FY 2011-12 1st Half	1,040	12.84%
FY 2011-12 2nd Half	273	2.14%
November 2011 Forecast	253	3.42%
FY 2012-13 Forecast	262	1.71%
November 2011 Forecast	101	1.04%
FY 2013-14 Forecast	119	0.67%
November 2011 Forecast	61	0.57%

Actuals		
	Monthly Change	% Change
6-month average	273	2.14%
12-month average	656	7.49%
18-month average	568	7.82%
24-month average	539	12.03%

November 2011 Trend Selections			
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

Base trend from June 2012 level			
FY 2012-13	13,975	13.02%	1,820

Total Children



- The FY 2012-13 children's caseload forecast is 84,691, a 14.04% increase over the FY 2011-12 caseload of 74,266. This forecast results in average increases of 643 (0.75%) per month in FY 2012-13.
- The Department estimates that the slow improvement in economic conditions will continue, resulting in lower growth in the CHP+ children caseload compared to FY 2012-13. The annual FY 2013-14 caseload is projected to increase by 11.66% to 94,563, and the FY 2014-15 caseload is forecasted to grow 4.21% to 98,541. Total children's caseload is projected to increase by 0.53% (498 clients) per month in FY 2013-14 and 0.31% (308 clients) per month in FY 2014-15.

- In January 2013, the Department will allow the children of State employees eligible for CHP+ to enroll in the program. Although this policy change is anticipated to have a positive impact on children's caseload, the effects are difficult to anticipate. Per state statute at 25.5-8-109 (1) C.R.S. (2012), the newly eligible children must still comply with a waiting period that requires that they are not insured by a comparable health plan during the three months prior to enrolling in CHP+. The Department believes that the growth rates it has incorporated into the forecast will account for any increases due to this policy change.
- As described in the CHP+ Children to 200% FPL section, there is a bottom-line adjustment to the CHP+ children's caseload from SB 11-008, which increases Medicaid eligibility for children from six through 18 years of age up to 133% FPL beginning in January 2013. This is expected to have a negative impact on CHP+ caseload as some children that would otherwise be eligible for 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. The adjustment also reflects guidance from CMS that allows the Department to phase in existing CHP+ clients into Medicaid upon their redetermination to allow for greater continuity of coverage.
- Another bottom-line adjustment to the CHP+ children's caseload accounts for anticipated changes in eligibility and enrollment resulting from the implementation of MAGI in January 2014 as required by the ACA. As described in the CHP+ Children to 200% FPL section, the Department assumes that with the implementation of MAGI no clients with Medicaid-eligible incomes will remain in CHP+. The Department believes this will have a negative impact on the caseload for children whose incomes are currently documented at or below 133% FPL in CHP+. Although the exact effect of MAGI is unknown at this time, the Department has included a negative adjustment to its caseload forecast for FY 2013-14 forward.
- The adjustment for SB 11-008 decreases the FY 2012-13 caseload projection to 82,242 which is a 10.74% increase over FY 2011-12 caseload. The SB 11-008 and MAGI adjustments decrease the FY 2013-14 caseload projection to 72,809, which is an 11.47% decrease from the adjusted FY 2012-13 projection. Both adjustments also decrease the FY 2014-15 caseload projection to 64,465, which is an 11.46% decrease from the adjusted FY 2013-14 projection.

Total Children							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-10	69,354	-	-	FY 1998-99	12,825	-	-
Jul-10	69,170	(184)	-0.27%	FY 1999-00	22,935	78.83%	10,110
Aug-10	69,407	237	0.34%	FY 2000-01	28,321	23.48%	5,386
Sep-10	68,329	(1,078)	-1.55%	FY 2001-02	37,042	30.79%	8,721
Oct-10	66,865	(1,464)	-2.14%	FY 2002-03	44,600	20.40%	7,558
Nov-10	66,395	(470)	-0.70%	FY 2003-04	41,786	-6.31%	(2,814)
Dec-10	66,577	182	0.27%	FY 2004-05	35,800	-14.33%	(5,986)
Jan-11	67,419	842	1.26%	FY 2005-06	41,945	17.16%	6,145
Feb-11	67,820	401	0.59%	FY 2006-07	47,047	12.16%	5,102
Mar-11	68,563	743	1.10%	FY 2007-08	57,795	22.85%	10,748
Apr-11	67,621	(942)	-1.37%	FY 2008-09	61,582	6.55%	3,787
May-11	65,082	(2,539)	-3.75%	FY 2009-10	68,725	11.60%	7,143
Jun-11	63,956	(1,126)	-1.73%	FY 2010-11	67,267	-2.12%	(1,458)
Jul-11	63,669	(287)	-0.45%	FY 2011-12	74,266	10.40%	6,999
Aug-11	64,069	400	0.63%	FY 2012-13	84,691	14.04%	10,425
Sep-11	64,781	712	1.11%	FY 2013-14	94,563	11.66%	9,872
Oct-11	66,841	2,060	3.18%	FY 2014-15	98,541	4.21%	3,978
Nov-11	70,044	3,203	4.79%				
Dec-11	72,037	1,993	2.85%				
Jan-12	77,274	5,237	7.27%				
Feb-12	79,449	2,175	2.81%				
Mar-12	81,825	2,376	2.99%				
Apr-12	84,052	2,227	2.72%				
May-12	84,290	238	0.28%				
Jun-12	82,856	(1,434)	-1.70%				

Monthly Average Growth Comparisons		
FY 2011-12 1st Half	1,347	2.02%
FY 2011-12 2nd Half	1,803	2.40%
November 2011 Forecast	492	0.74%
FY 2012-13 Forecast	643	0.75%
November 2011 Forecast	252	0.35%
FY 2013-14 Forecast	498	0.53%
November 2011 Forecast	264	0.35%

Actuals		
	Monthly Change	% Change
6-month average	1,803	2.40%
12-month average	1,575	2.21%
18-month average	904	1.25%
24-month average	563	0.77%

Base trend from June 2012 level			
FY 2012-13	82,856	2.21%	1,835

November 2011 Trend Selections			
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

SB 11-208 Adjustments	
FY 2012-13	(2,449)
FY 2013-14	(16,320)
FY 2014-15	(18,887)

MAGI Adjustments	
FY 2012-13	0
FY 2013-14	(5,434)
FY 2014-15	(15,189)

Projections After Adjustments			
FY 2012-13	82,242	10.74%	7,976
FY 2013-14	72,809	-11.47%	(9,433)
FY 2014-15	64,465	-11.46%	(8,344)

Children's Medical 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 2012-13 SMCN rates, the contracted actuary used actual claims data for FY 2009-10 and FY 2010-11. As the actuary was developing rates for CHP+ during FY 2011-12, data from FY 2011-12 was not available for use in rate-setting. The large annual negative cost trend the contracted actuary found for FY 2009-10 continued into FY 2010-11, becoming more negative at 30.8%. This trend is driven primarily by the change in the hospital reimbursement schedule that was effective on July 1, 2010. While the hospitals were paid 44% of billed charges in FY 2009-10, beginning in FY 2010-11 they are now reimbursed at 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. Although the FY 2011-12 rates were adjusted to include the projected impact of this change, actual changes in hospital charges could not be included in the base data until the FY 2012-13 rate-setting, which was able to incorporate data from FY 2010-11 when the reimbursement change was in effect. These new reimbursement methodologies resulted in significant savings in the SMCN, which is reflected in the negative annual cost trend for FY 2010-11. The contracted actuary also reviewed published studies to determine industry norms for current and projected health care cost trends, which ranged from 6.0% to 11.6%. To account for the larger than anticipated cost savings generated by the change in hospital reimbursement in the SMCN, the actuary set the unit cost base trend across services at 0.0%. Along with an annual utilization trend of 3.0%, the actuarially set combined utilization and unit cost base trend across services is 3.0% for FY 2012-13.

The FY 2012-13 SMCN children's per member per month rate is \$135.21, which includes administrative costs of \$24.22 for claims administration and case management and \$0.57 for medical home incentive payments. This is a 19.51% decrease from the final FY 2011-12 SMCN rate. The rate decrease is the result of fully accounting for the change in hospital reimbursement methodologies. When SB 11-008, which transitions children aged six to 18 from 100% FPL to 133% FPL from CHP+ to Medicaid, is implemented on January 1, 2013, the enrollment distribution of CHP+ children will change. Although rates set for the individual age and income groups will not change, the blended rate is expected to change as the number of children with incomes between 101% and 133% FPL in CHP+ decreases. The contracted actuary has estimated that the new combined per member per month rate beginning in January 2013 will change only slightly to \$136.66, based on anticipated changes in the enrollment distribution of CHP+ children. As a result, the average children's per member per month SMCN rate for FY 2012-13 is \$135.95.

The Department is continuing the 3% HMO rate cut that was part of its November 1, 2011 FY 2011-12 Budget Request BRI-4 "CHP+ Program Reductions" and incorporating it into the FY 2012-13 rates. 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 2012-13 rather than a point estimate. For projecting the FY 2012-13 HMO capitation rate, the contracted actuary used actual HMO experience in FY 2009-10 and FY 2010-11 combined with published studies of health care cost trends. Data from FY 2011-12 was not available for use in rate-setting as the actuary was developing rates for CHP+ during FY 2011-12. The range for the annual per member per month trend is 5.5% to 13.4%, with higher cost trends in outpatient hospital services and higher cost and utilization trends in prescription drugs due to high long-term

utilization patterns in these services. For the FY 2012-13 rate setting, the mid range trend was used, which includes average combined utilization and unit cost trend of 9.4%.

With agreement from participating HMOs, the administrative load of 8.5% of total costs is maintained from the previous year. The FY 2012-13 HMO children's per member per month rate is \$157.86. This includes the 3% reduction taken from the base rate at the middle of the calculated rate range which results in projected claims costs of \$144.54, administrative costs of \$12.91 and \$0.41 for medical home incentive payments. This is a 3.98% increase from the final FY 2011-12 HMO rate. Similar to the SMCN rates, the Department's actuary has estimated a new combined rate that will result from implementation of SB 11-008 in January 2013. As children previously eligible for CHP+ in the 101% to 133% FPL range move to Medicaid, the overall CHP+ caseload distribution will change. The contracted actuary has estimated that the new combined per member per month rate beginning in January 2013 will change only slightly, to \$158.02, based on anticipated changes in the enrollment distribution of CHP+ children. As a result, the average children's per member per month HMO rate for FY 2012-13 is \$157.94.

Based on historical experience, the Department estimates that approximately 19% of children will be served in the self-funded network and the remaining 81% will be enrolled in an HMO during FY 2012-13. The Department continues to work with HMOs to expand into geographical areas that were previously served only by the SMCN. The Department is currently working with Colorado Access to expand its CHP+ HMO line of business into El Paso and Teller counties. As Colorado Access and other CHP+ HMOs continue to expand, the estimated percentage of children in HMOs will increase. Since the effects are unknown at this time, the Department is maintaining its conservative estimate of 81% HMO enrollment and will update this figure as more information becomes available. Applying these weights to the actuarial rates yields a blended rate of \$153.74 for all children in FY 2012-13. This is a decrease of 1.87% over the final FY 2011-12 blended rate of \$156.67 (calculated based on actual caseload shares between HMOs and the self-funded network). See Exhibit C.5, page C.5-2 for calculations.

On July 1, 2012, the Department implemented the increased copayments for CHP+ children with incomes above 100% FPL that were described in the Department's November 1, 2011 FY 2012-13 Budget Request R-7 "Cost Sharing for Medicaid and CHP+." The contracted actuary has included these increases in the 2012-13 SMCN and HMO rates.

Per Section 503 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), which amended section 2107(e)(1) of the Social Security Act, federal CHIP programs are required to reimburse Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) prospectively on a per-visit basis, beginning October 1, 2009. The per-visit rate is specified in the Section 702 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). Through this prospective payment system (PPS), states are required to reimburse FQHCs and RHCs at 100% of their average cost of providing services during certain "base years," which are adjusted annually by a health care costs index. States are allowed to use the Medicaid PPS or design another prospective payment methodology, including one that is incentive-based, as long as these reimburse at least at the BIPA minimum. After on-going discussions since the fall of 2009, the Department was unable to reach an agreement with FQHCs and RHCs on an incentive-based alternative payment system. In order to be in compliance with federal regulations, however, the Department requested an additional \$1,650,176 total funds in FY 2011-12 in its January 3, 2012 FY 2011-12 Budget Request S-11 "Federally Mandated CHP+ PPS Payments" to bring payments for services provided by FQHCs and RHCs from October 2009 to June 30, 2012 to the Medicaid BIPA minimum rate. The Department also anticipated implementing a PPS methodology in a budget-neutral fashion beginning in FY 2012-13.

Some challenges, however, presented themselves as the Department approached the end of FY 2011-12 which delayed the implementation of the PPS going forward. Inconsistencies in the way FQHCs and RHCs were identified by individual CHP+ HMOs were discovered. As a result, the contracted actuary's initial calculation of retroactive payments did not include all FQHC and RHC claims. The Department has begun working with its new contracted actuary to update the calculation of the retroactive payment amount and implement a PPS methodology going forward. As the Department continues to collaborate with FQHCs and RHCs on a PPS methodology, the original implementation date has been postponed. The Department plans to implement a new PPS methodology and make any additional payments during FY 2012-13 to remain compliant with federal regulations. The Department will request any additional funds necessary to make these payments through the supplemental budget process.

The children's medical per capita for FY 2011-12 exhibited a decline from FY 2010-11 and was lower than the Department's November 2011 forecast. This is the result of systems issues that began in the summer of 2011 and affected the number of capitations paid through the Medicaid Management Information System (MMIS). Due to differences between the eligibility determination system, the Colorado Benefits Management System (CBMS), and the MMIS, processing issues occur when loading data from CBMS into the MMIS. Although eligibility information, which shows the period for which a client is eligible for CHP+ benefits is loaded correctly into the MMIS, enrollment information, which shows which managed care plan the client is enrolled in and triggers the generation of a capitation payment, may not complete the loading process. As a result, the number of capitations generated by the MMIS is lower than actual CHP+ enrollment. The problem of enrollment spans in the MMIS, however, has not impacted eligibility determinations for the program.

The Department has established a number of processes to alleviate the cash flow issues for the CHP+ health plans. These ensure that they have accurate records of their enrollees and are receiving appropriate reimbursement for the children that they serve. Moreover, the Department is currently in the process of implementing a systems change that will resolve this issue on an on-going basis. A manual reconciliation process was established when the Department began using CBMS and has been operational for years to address the discrepancy in capitation payments to the participating health plans. This manual reconciliation process is part of the contract with all CHP+ HMOs and requires a 6-month runout period to allow for retroactive enrollments and disenrollments to accurately measure enrollment in the plan for any given month. For a number of years, the level of discrepancy was relatively constant. However, during the summer of 2011, the proportion of capitations being generated out of the MMIS relative to total CHP+ caseload decreased by approximately 20% to 30% and has remained relatively steady since then. While the number of medical capitations being paid for children and pregnant women has decreased, children's dental capitations have remained unaffected.

In order to further alleviate the cash flow issues created for the CHP+ HMOs since the summer of 2011, the Department began making interim reconciliation payments during the last quarter of FY 2011-12 based on enrollment estimates prior to the 6-month runout period. Although this mitigated a portion of the decrease in overall expenditures for the program, the children's medical per capita was still lower than it would have been if the number of capitations generated by the system had not decreased so significantly. The large increase in children's caseload over that year also contributed to the lower per capita in FY 2011-12.

The Department's FY 2012-13 forecasted per capita is based on the actuarially developed capitation rate and the Department's caseload projections. This forecast assumes that the FY 2012-13 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 2011-12. Examples of other factors that may affect per capita costs include the length of stay in the program and the enrollment mix between the SMCN

and HMOs. The low growth forecasted for the FY 2012-13 per capita is the result of three factors. First, the negative growth in the blended capitation rate results in a lower per capita. Second, by making interim reconciliation payments to CHP+ MCOs, expenditures in FY 2011-12 more accurately reflect the services rendered during that year as some of the payments that would have been made during FY 2012-13 due to the six month runout period for the final enrollment reconciliations were made in FY 2011-12. This results in a lower FY 2012-13 per capita that does not include these payments for services rendered in FY 2011-12. The downward pressure on the per capita is mitigated by the third factor, the permanent fix to the capitations issue discussed above. The Department has been working with the Office of Information Technology to implement a permanent solution which it believes will be in place in January 2013. At this time, the Department anticipates that the number of MMIS capitations being generated will increase substantially. The more accurate enrollment records will result not only in an increase in the number of concurrent capitations, it should also result in the generation of retroactive capitations that were not paid in the previous five months for eligible children. This permanent solution will also greatly reduce the volume of reconciliation payments made to HMOs as the correct number of capitations will be generated automatically, which will eliminate the need to wait until the end of the 6-month runout period for HMOs to receive the correct payments. This results in more predictable cash flow for both the Department and the HMOs. The Department anticipates that most of the relatively large reconciliation payments will be finalized and paid in FY 2012-13.

Due to the interaction between these factors, the Department estimates that the children's medical per capita will experience slight growth of 0.25% over the FY 2011-12 per capita of \$1,957.63 for a projected FY 2012-13 per capita of \$1,962.55.

The Department assumes that the FY 2012-13 capitation rates have captured all relevant reimbursement and policy changes, so that the volatility experienced during recent years will even out and resume normal trends in FY 2013-14. Based on research and historical experience, the Department believes the children's medical capitation rate will grow by 4.0% in FY 2013-14. As explained above, the changes in cash flow that have occurred due to systems issues and the Department's efforts to mitigate and resolve them have led to low expenditure and per capita growth estimates for FY 2012-13. After a transition period following the implementation of the systems fix for the capitation issue, the Department believes that expenditures will begin to follow caseload plus the growth in the capitation rate more closely, and that expenditures will even out in FY 2013-14 forward. Due to this change in expenditures, along with the estimated children's medical capitation rate, the per capita for FY 2013-14 is projected to be \$2,201.30, an increase of 12.17% from the previous year. This per capita accounts for the correction in expenditures that is projected to occur in FY 2013-14 and only appears large when compared to the minimal growth in prior years, particularly FY 2012-13. In addition, the high growth rate is largely driven by the relatively low per capita in FY 2012-13 discussed above.

Children's Dental Per Capita (Exhibit C.5)

For the development of the FY 2012-13 dental per member per month capitation rate, the contracted actuary used actual claims data from FY 2008-09 and FY 2009-10 to estimate an annual unit cost trend of 2% and an annual utilization trend of 3.5%. As the actuary was developing rates for CHP+ during FY 2011-12, data from FY 2011-12 was not available for use in rate-setting. The annual utilization trend was increased from the base data estimate to reflect Department initiatives aimed specifically at increasing dental service utilization in Colorado. The actuarial set rate of \$16.08 is a 4.9% increase over the FY 2011-12 rate. The FY 2012-13 monthly capitation rate includes \$1.14 in administrative costs and a 1% fully insured risk margin. Similar to the children's medical rates, the Department's actuary has estimated a new combined dental rate that will result from implementation of SB 11-008 in January 2013. As children

previously eligible for CHP+ in the 101% to 133% FPL range move to Medicaid, the overall CHP+ caseload distribution will change. The contracted actuary has estimated that the new combined per member per month rate beginning in January 2013 will change only slightly, to \$15.96, based on anticipated changes in the enrollment distribution of CHP+ children. As a result, the average per member per month dental rate for FY 2012-13 is \$16.02.

The Department's FY 2012-13 forecasted dental 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 CHP+ and the average length of time taken for a child to receive dental benefits, remain constant from the FY 2010-11 base period. Additionally, dental capitations have not been affected by the same systems issue that has decreased the number of medical capitations generated over the past year. The base growth of 4.91% from the capitation rate is applied to the calculated FY 2011-12 per capita of \$167.16, resulting in a projected FY 2012-13 per capita of \$175.37.

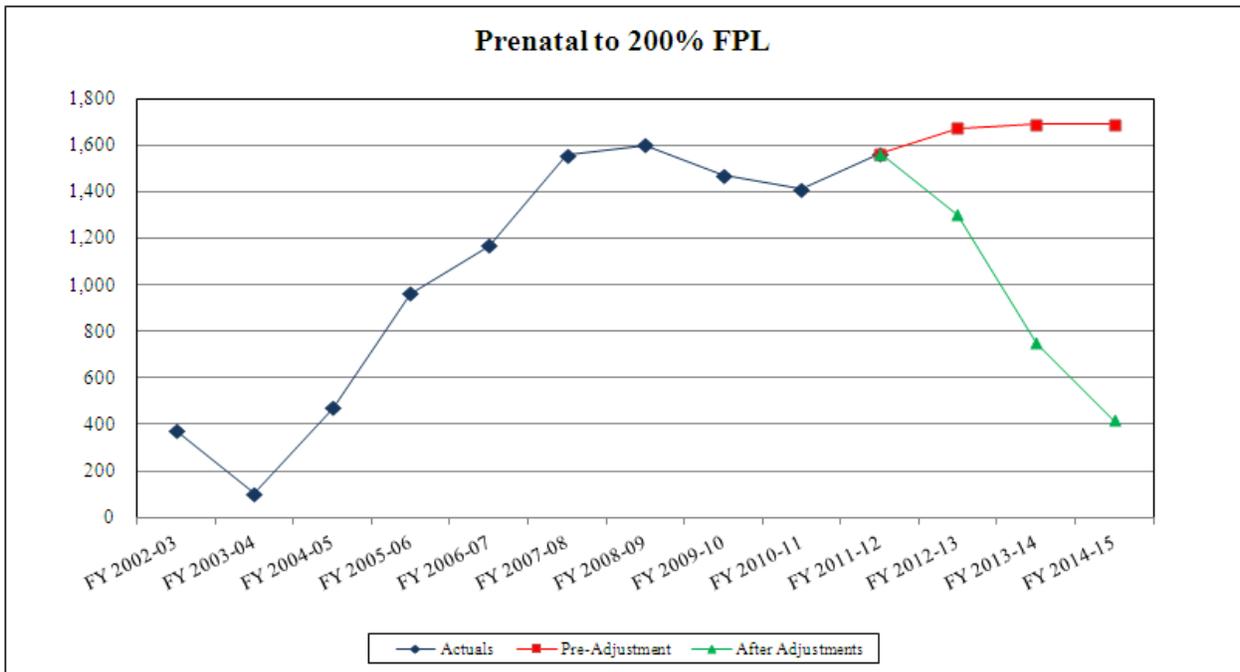
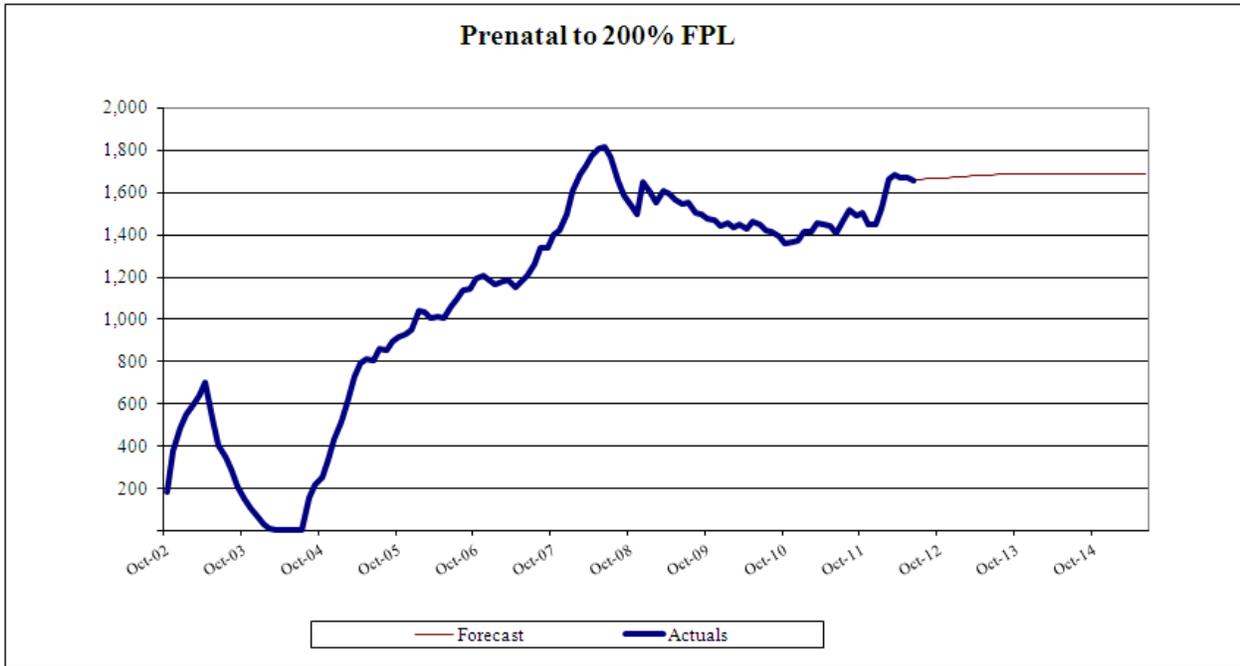
After discussions with Delta Dental, the Department included a provision in their contract that assures a risk margin for Delta Dental but allows the Department to recuperate reimbursements made above this margin. Per the contract between the Department and Delta Dental, if the amount paid in CHP+ dental 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 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. The Department will begin making this calculation in January 2013, to allow for six months of dental claims runout.

To estimate the FY 2013-14 per capita trends, the Department analyzed the historical growth in dental rates. Given the negative trend in adjusted claims cost for the base period for the FY 2012-13 rates, the Department has assumed that the growth rate for FY 2013-14 will be slightly lower than the average growth found in the literature, which averages at 4.0%. Thus, the projected FY 2013-14 per capita is \$180.63, which is 3.0% higher than the FY 2012-13 estimate.

II. Description of Request Related to the Prenatal Program

Prenatal Caseload Projections (Exhibit C.7)

Prenatal to 200% FPL



- Caseload growth in Prenatal to 200% FPL in FY 2011-12 was higher than the Department’s November 2011 forecast, in which annual caseload was projected to be 1,409 and average monthly growth was projected to be 0. The Prenatal to 200% FPL caseload for FY 2011-12 experienced growth similar to the Children to 200% FPL, increasing by an average of 1.43% per month. The Department believes

this may be related to the implementation of the federally required Income Eligibility Verification System (IEVS) in August 2011. Per Section 1137 of the Social Security Act, States must use IEVS to request information from other Federal and State agencies to verify applicants' income and resources. IEVS extracts wage information reported by employers to the Colorado Department of Labor and Employment each month to update family incomes for the previous quarter. Since individual and family incomes may vary frequently, even from month to month, the implementation of IEVS has resulted in an increased number of pregnant women in low-income FPL categories moving between Medicaid and CHP+ each month. The increase in CHP+ caseload in this category during the first part of calendar year 2012 suggests that the incomes of low-income families may have increased during that time period.

- The Department is modeling the FY 2012-13 forecast for the Prenatal to 200% FPL population on the monthly growth experienced between January 2012 and June 2012, during which large initial increases were followed by more moderate declines. Thus, this forecast is slightly higher than the Department's November 2011 forecast, and would yield average growth of 2 per month. The Department's forecast assumes that the FY 2012-13 trend will decrease slowly in out years as caseload in this eligibility group has been volatile for 3 years, yet has exhibited a slightly positive trend overall. Growth is forecasted to average 2 clients (0.12%) per month in FY 2012-13.
- The FY 2013-14 forecast for the Prenatal to 200% FPL assumes that the slow improvement in economic conditions will continue, resulting in lower caseload growth compared to FY 2012-13. The resulting average growth is 0.03%, or 1 per month.
- 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 to comply with federal mandate. This is expected to have a negative impact on CHP+ caseload as pregnant women who would otherwise be in CHP+ become eligible for Medicaid. This adjustment has been updated from the SB 11-250 estimate to account for the revised caseload forecasts and recent guidance from CMS. CMS has directed the Department to move all pregnant women who meet this income requirement in January 2013 into Medicaid immediately upon implementation, including the women who are enrolled in CHP+ at that time. This differs from the Department's initial assumption that new prenatal clients under 185% FPL would be enrolled in Medicaid upon implementation, while existing CHP+ clients would remain in CHP+ for the term of their pregnancy and the guaranteed 60 days of post-partum care. This has resulted in larger adjustments than previously estimated.
- Similar to the Children's caseload, another bottom-line adjustment to the Prenatal to 200% caseload accounts for anticipated changes in eligibility and enrollment resulting from the implementation of MAGI in January 2014 as required by the ACA. States will be required to use this new income and a standardized household size definition to determine eligibility for low-income subsidies in health Exchanges, as well as Medicaid and federal CHIP programs. Due to differences in household size and income calculations that currently exist between Colorado's Medicaid and CHP+ programs, a number of clients with household incomes within the official Medicaid eligibility range are actually eligible for CHP+. In FY 2011-12, for example, 39.0% of clients in the Prenatal to 200% caseload reported family incomes within the existing Medicaid eligibility limit of 133% FPL and 88.7% reported family incomes under 185% FPL. The Department assumes that with the implementation of MAGI no clients with Medicaid-eligible incomes will remain in CHP+. The Department believes this will have a negative impact on the caseload for pregnant women whose incomes are documented at or below 185% FPL in CHP+ prior to the change. Although the exact effect of the implementation of MAGI is unknown at this time, the Department has included an adjustment to its caseload forecast for FY 2013-14 forward.

Prenatal to 200% FPL							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-10	1,452	-	-	FY 2002-03	372	-	-
Jul-10	1,419	(33)	-2.27%	FY 2003-04	101	-72.85%	(271)
Aug-10	1,417	(2)	-0.14%	FY 2004-05	472	367.33%	371
Sep-10	1,396	(21)	-1.48%	FY 2005-06	963	104.03%	491
Oct-10	1,357	(39)	-2.79%	FY 2006-07	1,169	21.39%	206
Nov-10	1,367	10	0.74%	FY 2007-08	1,557	33.19%	388
Dec-10	1,370	3	0.22%	FY 2008-09	1,598	2.63%	41
Jan-11	1,413	43	3.14%	FY 2009-10	1,469	-8.07%	(129)
Feb-11	1,415	2	0.14%	FY 2010-11	1,409	-4.08%	(60)
Mar-11	1,453	38	2.69%	FY 2011-12	1,563	10.93%	154
Apr-11	1,452	(1)	-0.07%	FY 2012-13	1,673	7.04%	110
May-11	1,443	(9)	-0.62%	FY 2013-14	1,689	0.96%	16
Jun-11	1,409	(34)	-2.36%	FY 2014-15	1,690	0.06%	1
Jul-11	1,468	59	4.19%				
Aug-11	1,516	48	3.27%				
Sep-11	1,490	(26)	-1.72%				
Oct-11	1,507	17	1.14%				
Nov-11	1,446	(61)	-4.05%				
Dec-11	1,451	5	0.35%				
Jan-12	1,528	77	5.31%				
Feb-12	1,664	136	8.90%				
Mar-12	1,682	18	1.08%				
Apr-12	1,674	(8)	-0.48%				
May-12	1,671	(3)	-0.18%				
Jun-12	1,660	(11)	-0.66%				

Monthly Average Growth Comparisons		
FY 2011-12 1st Half	7	0.53%
FY 2011-12 2nd Half	35	2.33%
November 2011 Forecast	0	0.00%
FY 2012-13 Forecast	2	0.12%
November 2011 Forecast	0	0.00%
FY 2013-14 Forecast	1	0.03%
November 2011 Forecast	0	0.00%

Actuals		
	Monthly Change	% Change
6-month average	35	2.33%
12-month average	21	1.43%
18-month average	16	1.12%
24-month average	9	0.60%

Base trend from June 2012 level			
FY 2012-13	1,660	0.78%	13

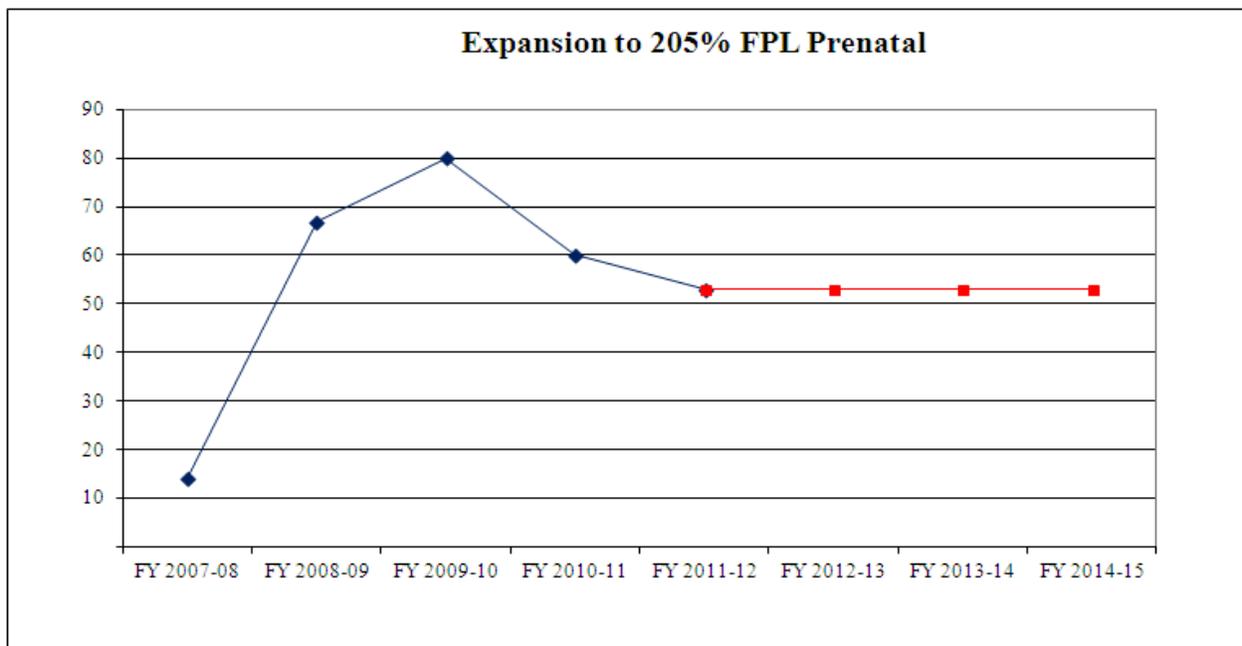
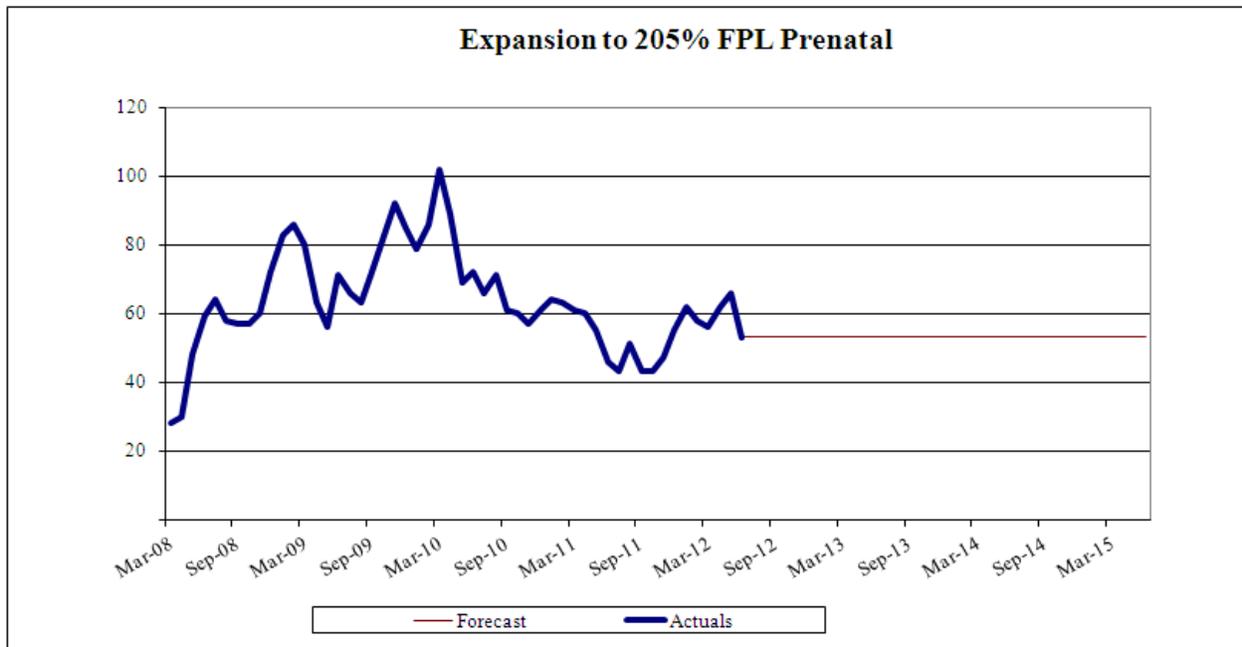
November 2011 Trend Selections			
FY 2011-12	1,409	0.00%	0
FY 2012-13	1,409	0.00%	0
FY 2013-14	1,409	0.00%	0

SB 11-250 Adjustment	
FY 2012-13	(372)
FY 2013-14	(749)
FY 2014-15	(750)

MAGI Adjustment	
FY 2012-13	0
FY 2013-14	(192)
FY 2014-15	(524)

Projections After Adjustments			
FY 2012-13	1,301	-16.78%	(262)
FY 2013-14	748	-42.51%	(553)
FY 2014-15	416	-44.37%	(332)

Expansion to 205% Prenatal



- Along with the children’s expansion to 205% FPL, this population was created through SB 07-097 and was implemented beginning March 1, 2008. Prenatal women in this population have family incomes between 201 and 205% of the federal poverty level.
- Growth in the Expansion to 205% FPL Prenatal in FY 2011-12 was higher than the Department’s November 2011 forecast, in which annual caseload was projected to be 46 and average monthly growth was forecasted to be 0. The selected trend for FY 2012-13 for Expansion to 205% FPL Prenatal is the same as the Department’s November 2011 forecast, and would result in average growth of 0 per month. This is based on the average monthly caseload decrease of 0.17% that was experienced between

January 2011 and June 2012 and increased monthly volatility during the first part of calendar year 2012.

- 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-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%
Jul-11	43	(3)	-6.52%
Aug-11	51	8	18.60%
Sep-11	43	(8)	-15.69%
Oct-11	43	0	0.00%
Nov-11	47	4	9.30%
Dec-11	55	8	17.02%
Jan-12	62	7	12.73%
Feb-12	58	(4)	-6.45%
Mar-12	56	(2)	-3.45%
Apr-12	62	6	10.71%
May-12	66	4	6.45%
Jun-12	53	(13)	-19.70%

Expansion to 205% FPL Prenatal			
	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	53	-11.67%	(7)
FY 2012-13	53	0.00%	0
FY 2013-14	53	0.00%	0
FY 2014-15	53	0.00%	0

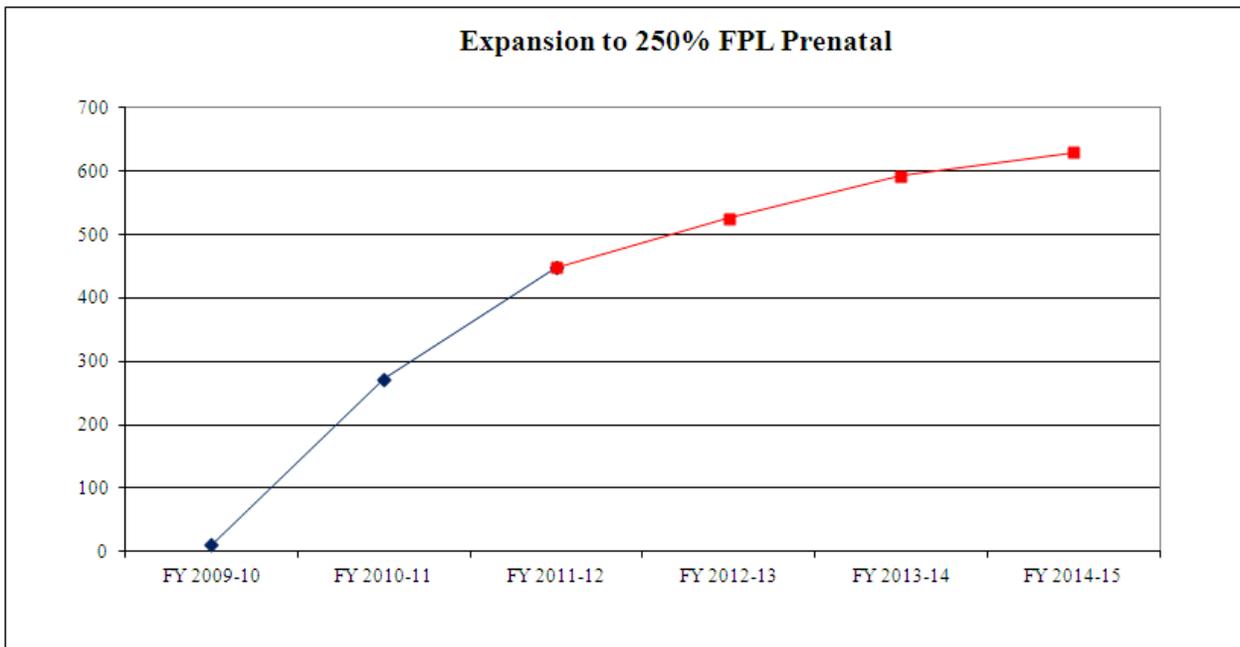
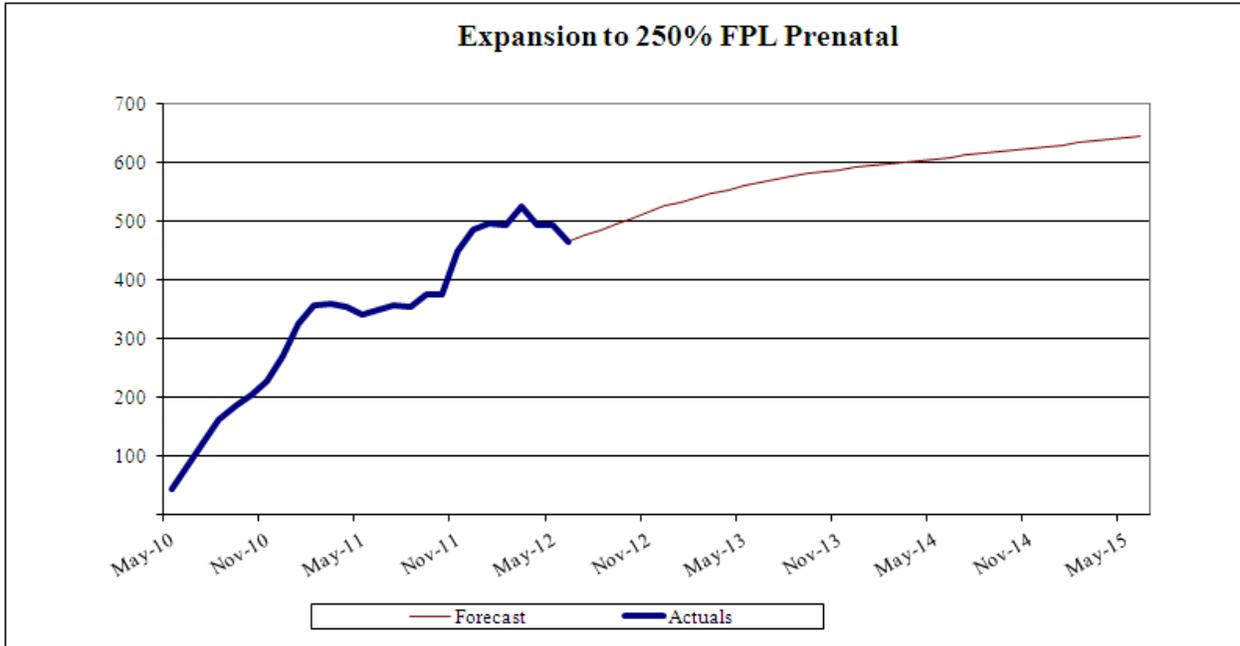
Monthly Average Growth Comparisons		
FY 2011-12 1st Half	2	3.79%
FY 2011-12 2nd Half	0	0.05%
November 2011 Forecast	0	0.00%
FY 2012-13 Forecast	53	0.00%
November 2011 Forecast	0	0.00%
FY 2013-14 Forecast	53	0.00%
November 2011 Forecast	0	0.00%

Actuals		
	Monthly Change	% Change
6-month average	0	0.05%
12-month average	1	1.92%
18-month average	0	-0.17%
24-month average	(1)	-0.73%

November 2011 Trend Selections			
FY 2011-12	46	-23.33%	(14)
FY 2012-13	46	0.00%	0
FY 2013-14	46	0.00%	0

Base trend from June 2012 level			
FY 2012-13	53	0.00%	0

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 and 250% of the federal poverty level.
- Growth in FY 2011-12 was higher than the Department's November 2011 estimates in which annual caseload was projected to be 414 and average monthly growth was projected to be 10. The Department has increased its caseload growth forecast to account for this higher growth.
- The selected trend for FY 2012-13 for Expansion to 250% FPL Prenatal is higher than the Department's November 2011 forecast, and would result in average growth of 9 per month. This is

based on the average monthly growth between July 2011 and June 2012 and results in average growth of 1.66% per month in FY 2012-13.

- The FY 2013-14 forecast for the Expansion to 250% FPL Prenatal assumes that the slow improvement in economic conditions will continue, resulting in lower caseload growth compared to FY 2012-13. The average monthly growth is estimated at 4 (0.60%) in FY 2013-14.

Expansion to 250% Prenatal			
	Actuals	Monthly Change	% Change
Jun-10	83	-	-
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%
Jul-11	357	8	2.29%
Aug-11	355	(2)	-0.56%
Sep-11	377	22	6.20%
Oct-11	375	(2)	-0.53%
Nov-11	451	76	20.27%
Dec-11	487	36	7.98%
Jan-12	498	11	2.26%
Feb-12	494	(4)	-0.80%
Mar-12	525	31	6.28%
Apr-12	494	(31)	-5.90%
May-12	494	0	0.00%
Jun-12	466	(28)	-5.67%

Expansion to 250% Prenatal			
	Caseload	% Change	Level Change
FY 2009-10	11	-	-
FY 2010-11	272	2372.73%	261
FY 2011-12	448	64.71%	176
FY 2012-13	526	17.41%	78
FY 2013-14	593	12.74%	67
FY 2014-15	630	6.24%	37

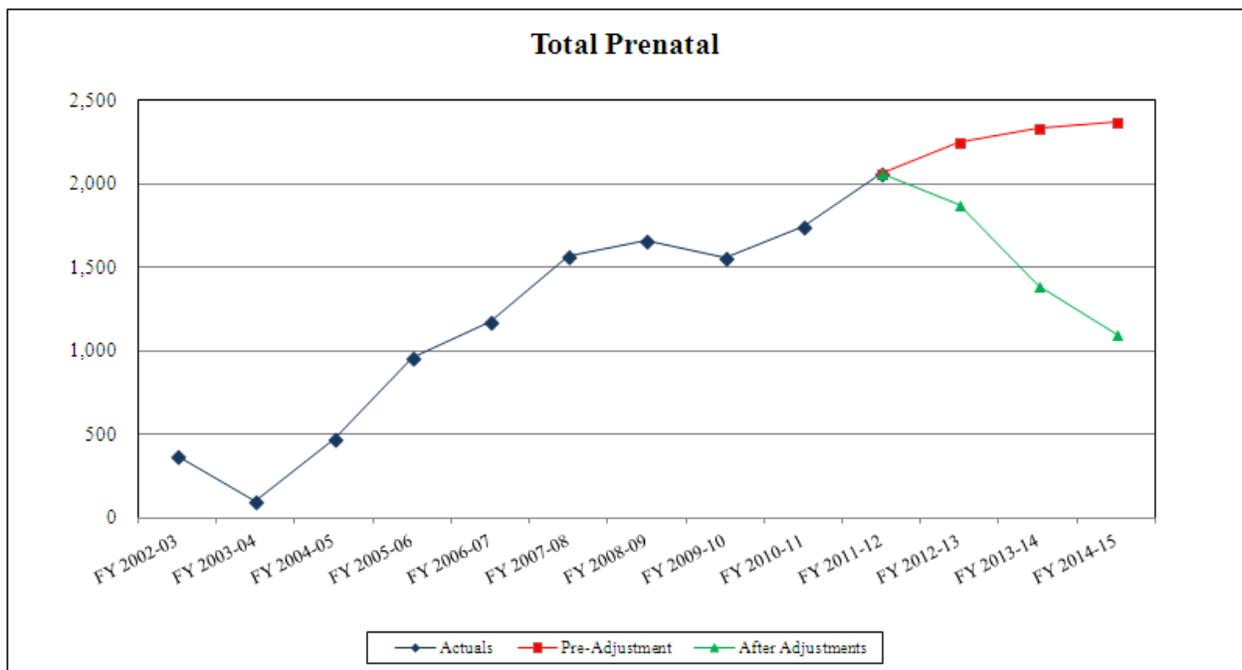
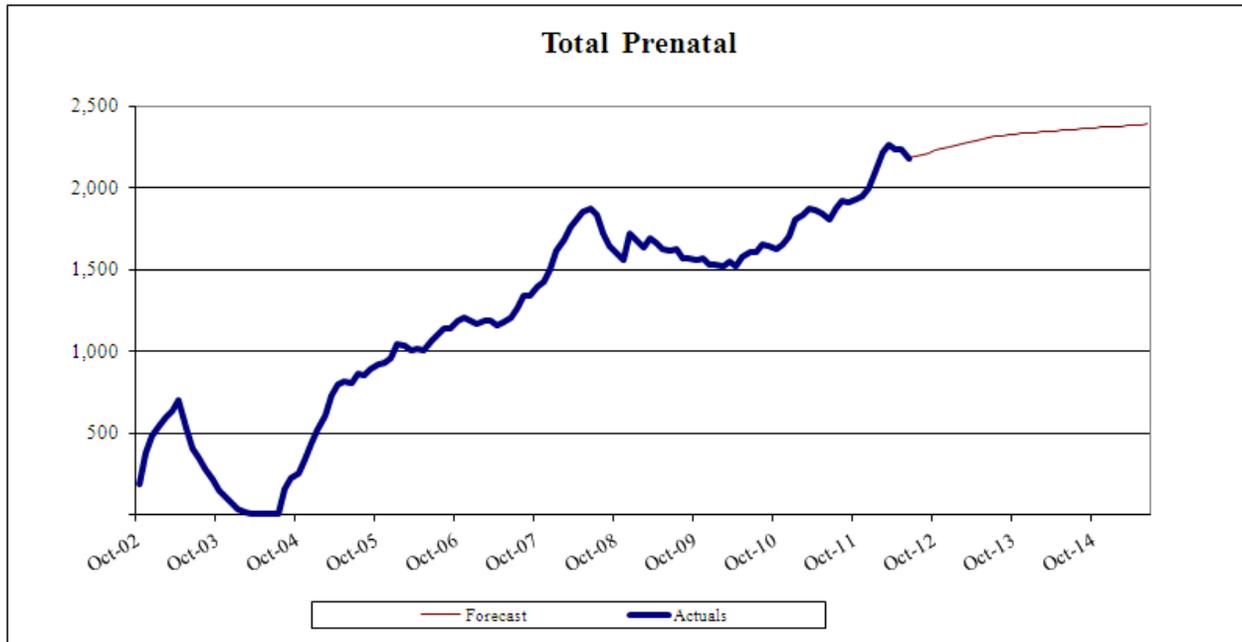
Monthly Average Growth Comparisons		
FY 2011-12 1st Half	23	5.94%
FY 2011-12 2nd Half	(4)	-0.64%
November 2011 Forecast	10	2.49%
FY 2012-13 Forecast	9	1.66%
November 2011 Forecast	5	1.01%
FY 2013-14 Forecast	4	0.60%
November 2011 Forecast	0	0.00%

Actuals		
	Monthly Change	% Change
6-month average	(4)	-0.64%
12-month average	10	2.65%
18-month average	11	3.33%
24-month average	16	8.11%

November 2011 Trend Selections			
FY 2011-12	414	52.21%	142
FY 2012-13	502	21.26%	88
FY 2013-14	529	5.38%	27

Base trend from June 2012 level			
FY 2012-13	466	12.88%	60

Total Prenatal



- The FY 2012-13 total prenatal caseload forecast is 2,252, a 9.11% increase over the FY 2011-12 caseload of 2,064. This forecast includes average increases of 11 (0.47%) per month.
- The Department estimates that the slow improvement in economic conditions will continue, resulting in lower growth in the CHP+ prenatal caseload in out-years. The FY 2013-14 caseload is projected to increase 3.69% to 2,335, and FY 2014-15 caseload is forecasted to grow 1.63% to 2,373. Total prenatal caseload is projected to increase by 0.17% (4 clients) per month in FY 2013-14 and 0.13% (3 clients) per month in FY 2014-15.

- As described in the CHP+ Prenatal to 200% FPL section, there is a bottom-line adjustment to the CHP+ prenatal caseload from SB 11-250, which increases Medicaid eligibility for pregnant women from 133% to 185% FPL beginning in January 2013. This is expected to have a negative impact on CHP+ caseload as pregnant women who would otherwise enroll 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 and recent guidance from CMS that all pregnant women that fall under the new Medicaid income threshold be enrolled in Medicaid beginning in January 2013, including existing clients who are enrolled in CHP+ at the time of implementation. As a result, the Department's updated adjustment estimate is a larger negative than previously estimated.
- Another bottom-line adjustment to the CHP+ prenatal caseload accounts for anticipated changes in eligibility and enrollment resulting from the implementation of MAGI in January 2014 as required by the ACA. As described in the CHP+ Prenatal to 200% FPL section, the Department assumes that with the implementation of MAGI no clients with Medicaid-eligible incomes will remain in CHP+. The Department believes this will have a negative impact on the caseload for pregnant women whose incomes are documented at or below 185% FPL in CHP+ prior to this change. Although the exact effect of the implementation of MAGI is unknown at this time, the Department has adjusted its caseload forecast downwards for FY 2013-14 forward.
- The adjustment for SB 11-250 decreases the FY 2012-13 caseload projection to 1,880 which is a 8.93% decrease over FY 2011-12 caseload. The SB 11-250 and MAGI adjustments decrease the FY 2013-14 caseload projection to 1,394, which is a 25.85% decrease from the adjusted FY 2012-13 projection. Both adjustments also decrease the FY 2014-15 caseload projection to 1,099, which is a 21.15% decrease from the adjusted FY 2013-14 projection.

Total Prenatal							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Jun-10	1,607	-	-	FY 2002-03	372	-	-
Jul-10	1,609	2	0.12%	FY 2003-04	101	-72.85%	(271)
Aug-10	1,650	41	2.55%	FY 2004-05	472	367.33%	371
Sep-10	1,644	(6)	-0.36%	FY 2005-06	963	104.03%	491
Oct-10	1,623	(21)	-1.28%	FY 2006-07	1,170	21.50%	207
Nov-10	1,652	29	1.79%	FY 2007-08	1,570	34.19%	400
Dec-10	1,701	49	2.97%	FY 2008-09	1,665	6.05%	95
Jan-11	1,802	101	5.94%	FY 2009-10	1,560	-6.31%	(105)
Feb-11	1,835	33	1.83%	FY 2010-11	1,741	11.60%	181
Mar-11	1,875	40	2.18%	FY 2011-12	2,064	18.55%	323
Apr-11	1,867	(8)	-0.43%	FY 2012-13	2,252	9.11%	188
May-11	1,840	(27)	-1.45%	FY 2013-14	2,335	3.69%	83
Jun-11	1,804	(36)	-1.96%	FY 2014-15	2,373	1.63%	38
Jul-11	1,868	64	3.55%				
Aug-11	1,922	54	2.89%				
Sep-11	1,910	(12)	-0.62%				
Oct-11	1,925	15	0.79%				
Nov-11	1,944	19	0.99%				
Dec-11	1,993	49	2.52%				
Jan-12	2,088	95	4.77%				
Feb-12	2,216	128	6.13%				
Mar-12	2,263	47	2.12%				
Apr-12	2,230	(33)	-1.46%				
May-12	2,231	1	0.04%				
Jun-12	2,179	(52)	-2.33%				

Monthly Average Growth Comparisons		
FY 2011-12 1st Half	32	1.68%
FY 2011-12 2nd Half	31	1.55%
November 2011 Forecast	10	0.54%
FY 2012-13 Forecast	11	0.47%
November 2011 Forecast	5	0.26%
FY 2013-14 Forecast	4	0.17%
November 2011 Forecast	0	0.00%

Actuals		
	Monthly Change	% Change
6-month average	31	1.55%
12-month average	31	1.62%
18-month average	27	1.42%
24-month average	24	1.30%

Base trend from June 2012 level			
FY 2012-13	2,179	3.35%	73

November 2011 Trend Selections			
FY 2011-12	1,869	7.29%	127
FY 2012-13	1,957	4.71%	88
FY 2013-14	1,984	1.38%	27

SB 11-250 Adjustments	
FY 2012-13	(372)
FY 2013-14	(749)
FY 2014-15	(750)

MAGI Adjustments	
FY 2012-13	0
FY 2013-14	(192)
FY 2014-15	(524)

Projections After Adjustments			
FY 2012-13	1,880	-8.93%	(184)
FY 2013-14	1,394	-25.85%	(486)
FY 2014-15	1,099	-21.15%	(295)

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 2009-10 to FY 2010-11 was negative, at 14.4%. As the actuary was developing rates for CHP+ during FY 2011-12, data from FY 2011-12 was not available for use in rate-setting. This is also similar to the negative trend experienced in the previous year. This trend is driven primarily by the change in the hospital reimbursement schedule that was effective on July 1, 2010. While the hospitals were paid 44% of billed charges in FY 2009-10, beginning in FY 2010-11 they are 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. Although the FY 2011-12 rates were adjusted to include the projected impact of this change, actual changes in hospital charges were not included in the base data until the FY 2012-13 rate-setting, which was able to incorporate data from FY 2010-11 when the reimbursement change was in effect. This change in reimbursement methodologies resulted in significant savings in the SMCN, which is reflected in the negative annual cost trend for FY 2010-11.

The contracted actuary also reviewed published studies to determine industry norms for current and projected health care cost trends, which ranged from 6.0% to 11.6%. To account for the larger than anticipated cost savings generated by the change in hospital reimbursement in the SMCN, the actuary set the unit cost base trend across services at 0.0%. The actuarially set combined utilization and unit cost base trend across services is 3.0% for FY 2012-13.

The FY 2012-13 prenatal per member per month rate is \$930.32, which includes administrative costs of \$24.22 for claims administration and case management. This is an 18.70% decrease from the final FY 2011-12 rate. The decrease is the result of fully accounting for the change in hospital reimbursement methodologies. The Department believes that once SB 11-250, which increases Medicaid eligibility for pregnant women from 133% to 185% FPL to comply with federal mandate, is implemented on January 1, 2013, the enrollment distribution of CHP+ prenatal clients will change as these women move into Medicaid. Although rates set for the various income groups will not change, the combined rate is expected to change as the decreased number of pregnant women with incomes between 134% and 185% FPL alters the distribution of the CHP+ prenatal population. The contracted actuary has estimated that the new combined per member per month rate beginning in January 2013 will change only slightly, to \$927.03, based on anticipated changes in the enrollment distribution of CHP+ prenatal clients. As a result, the average prenatal per member per month rate for FY 2012-13 is \$928.65.

The Department's FY 2012-13 forecasted per capita is based on the actuarially developed rate. This forecast assumes that the FY 2012-13 prenatal capitation rate is indeed in line with the costs incurred for these women. The negative growth forecasted for the FY 2012-13 per capita is mostly the result of the significant negative trend in the prenatal rate. The downward pressure on the per capita is mitigated by another factor, the permanent fix to the MMIS capitation issue. Although the Department is not making interim reconciliation payments to the SMCN, prenatal capitations will still be affected by the systems fix implemented in January 2013. As the MMIS is able to generate a more accurate number of capitations for the month, as well as retroactive capitations that were not generated in the previous five months for enrolled prenatal clients, expenditures that would have been incurred in the manual reconciliation 6 months out will be shifted to FY 2012-13. Due to the interaction of these factors, the Department estimates that the

prenatal per capita will experience a decrease of 6.48% over the FY 2011-12 per capita of \$11,702.58 for a projected FY 2012-13 per capita of \$10,944.36.

The Department assumes that the FY 2012-13 capitation rates have captured all relevant reimbursement and policy changes, so that the volatility experienced during recent years will even out and resume normal trends in FY 2013-14. Based on research and historical experience, the Department believes the prenatal capitation rate will grow by 3.0% in FY 2013-14. This is consistent with historical annual growth in capitation rates that has ranged from -17.35% to 33.06%. The Department believes that the fix for the capitation issue will result in expenditures that more closely follow caseload, allowing expenditures for the program to even out in FY 2013-14 forward. Thus, the per capita for FY 2013-14 is projected to increase to \$13,337.05, an increase of 21.86% from the previous year. This per capita accounts for the correction in expenditures that is projected to occur in FY 2013-14 and only appears large when compared to the decreases experienced in the prior two years. In addition, the high growth rate is largely driven by the relatively low per capita in FY 2012-13 discussed above.

III. Other CHP+ Updates

The Department's estimates include only anticipated program expenditures to be incurred in FY 2012-13 forward. In recent conversations with CMS, the Department was notified that its CHP+ eligibility expansion for pregnant women from 206% to 250% FPL was not authorized in the Standard Terms and Conditions (STCs) outlined in its existing Section 1115 waiver. Due to political uncertainties around the time of the waiver's expiration date of October 1, 2009, CMS requested that the Department not immediately renew the waiver, which covered prenatal women in CHP+ up to 205% FPL. At that time, the Children's Health Insurance Program Reauthorization Act (CHIPRA) was being debated in Congress. Since the future provisions of the law were uncertain, CMS specifically requested that the Department not submit a renewal waiver until CHIPRA was passed. Since then, the Department has worked closely with CMS to implement a new waiver for the prenatal population. In the meantime, CMS approved monthly extensions of Colorado's waiver while the state implemented HB 09-1293 which expanded CHP+ eligibility from 205% to 250% FPL beginning in May 2010. Since receiving notice from CMS that the prenatal clients from 206% to 250% FPL that are not explicitly covered under the STCs of the expired waiver were not authorized to receive federal matching funds, the Department has been communicating with CMS to understand the policy and financial implications of this notice. A new Section 1115 waiver was approved effective August 1, 2012 that includes STCs that authorize pregnant women in CHP+ up to 250% FPL.

The Department has recently resolved an issue that has been pending since 2006. In its November 1, 2006 FY 2007-08 Budget Request DI-3 "Adjust Children's Basic Health Plan Medical Premium and Dental Costs for Caseload and Rate Changes," the Department notified the General Assembly of a potential liability regarding CHP+ administrative costs. When the federal government enacted the State Children's Health Insurance Plan in 1997, it stipulated that administrative costs up to 10% of total program expenditures would be matched by the federal government. CHP+ is the State of Colorado's version of the State Children's Health Insurance Plan, and in the early years the Department experienced administrative costs that were in excess of the 10% cap and was therefore entitled to claim the entire amount of federal matching funds available. In subsequent years, however, the Department continued to draw federal matching funds on 10% of its budgeted program expenditures, even though actual administrative costs as a portion of total expenditures decreased considerably. As a result, the Department received federal matching funds in excess of what it was entitled to for FY 2004-05 and FY 2005-06. The Department discovered this error in September 2006 and took immediate steps to correct the federal draw going forward. The Department has been working with the Department of Health and Human Services and the

Office of Inspector General on this issue since its discovery. In May 2012, the Office of Inspector General's final audit findings regarding the overdrawn federal funds for the CHP+ administration were published. The Department agreed to refund the federal government the entirety of the \$2,837,860 incorrectly claimed as the federal share of CHP+ expenditures though FY 2005-2006. The Department made this payment with monies from the CHP+ Trust Fund in June 2012. This payment was not counted against FY 2011-12 CHP+ Administrative expenditures but rather as a prior period adjustment in the state's accounting system. This payment did, however, decrease the balance of the CHP+ Trust Fund by \$2,837,860. This payment is thus included in Exhibit C.1 "Children's Basic Health Plan Trust Fund Analysis."

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Exhibits for R-3, "Children's Basic Health Plan Medical and Dental Costs"

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

	Actual	Estimated	Requested	Estimated	Source							
PROGRAM REVENUES	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	
A Beginning Balance	\$9,025,270	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$599,735	\$7,745,026	\$5,811,404	\$4,000,000	\$4,000,000	\$4,000,000	Actual and R
B General Fund Appropriations/Request to Trust ¹	\$2,000,000	\$11,243,215	\$5,564,404	\$1,000,000	\$2,710,779	\$20,873,073	\$0	\$0	\$0	\$0	\$0	Footnote 1
C Direct General Fund Appropriations ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$30,131,801	\$26,495,653	\$22,705,034	\$14,810,895	\$0	Footnote 1
D January 2006 transfer from the State Controller	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Actual
E Tobacco Master Settlement Funds to Trust ²	\$20,927,529	\$19,214,822	\$22,851,718	\$24,832,639	\$25,814,362	\$26,910,570	\$28,322,469	\$28,155,121	\$27,909,028	\$27,439,174	\$0	Footnote 2
F Annual Enrollment Fees	\$191,726	\$232,136	\$283,367	\$328,499	\$346,589	\$428,326	\$620,097	\$1,235,770	\$1,588,055	\$1,822,615	\$0	Exhibits C.2, C.3
G Interest Earnings	\$752,518	\$367,880	\$623,549	\$447,522	\$98,725	(\$1,693)	\$22,220	\$16,673	\$11,476	\$11,476	\$0	Exhibit C.1
H Accounts Payable Reversions from Prior Year	\$45,896	\$10,591	\$3,180	\$0	\$0	\$36,191	\$3,533	\$0	\$0	\$0	\$0	Actual
I Supplemental Tobacco Litigation Settlement Account ^{2,3}	\$0	\$0	\$480,157	\$1,841,459	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Footnotes 2, 3
J Colorado Immunization Fund ⁴	\$0	\$0	\$90,795	\$171,251	\$461,700	\$461,700	\$461,700	\$221,386	\$213,493	\$203,906	\$0	Footnote 4
K Tobacco Tax to Trust ⁵	\$0	\$0	\$0	\$0	\$0	\$1,500,000	\$446,100	\$441,600	\$441,600	\$441,600	\$0	Footnote 5
Total Revenues	\$33,842,939	\$35,480,526	\$37,673,294	\$37,852,448	\$36,040,218	\$50,807,901	\$67,752,946	\$62,377,607	\$56,868,686	\$48,729,666		Sum A:K
PROGRAM EXPENDITURES												
M Program Expenditures from Trust Fund ⁶	\$21,331,057	\$27,704,403	\$27,962,060	\$29,862,571	\$34,978,783	\$42,601,175	\$58,141,982	\$58,156,221	\$52,655,193	\$44,525,760	\$0	Footnote 6
N Program Expenditures from Supplemental Tobacco Litigation Settlement Account ^{3,6}	\$0	\$0	\$480,157	\$1,381,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Footnotes 3, 6
O Estimated Program Expenditure from Colorado Immunization Fund ⁴	\$0	\$0	\$90,795	\$171,251	\$461,700	\$461,700	\$461,700	\$221,386	\$213,493	\$203,906	\$0	Footnotes 4, 6
P Transfers from the Trust Fund ⁷	\$8,100,000	\$0	\$0	\$0	\$0	\$0	\$3,337,860	\$0	\$0	\$0	\$0	Actual
Total Expenditures	\$29,431,057	\$27,704,403	\$28,442,217	\$31,244,385	\$35,440,483	\$43,062,875	\$61,941,542	\$58,377,607	\$52,868,686	\$44,729,666		Sum M:P
R Remaining Balance in Trust Fund	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$599,735	\$7,745,026	\$5,811,404	\$4,000,000	\$4,000,000	\$4,000,000		L - Q

¹ FY 2005-06 to FY 2011-12 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 2005-06 to FY 2011-12 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 2012-13 through FY 2014-15 are forecasts from Legislative Council (January 2012).

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 through FY 2011-12 are actual revenues transferred from the Colorado Immunization Fund for the cervical cancer immunization. Beginning in FY 2012-13, the Children's Basic Health Plan Trust Fund receives 19.5% of Colorado Immunization Fund revenues. FY 2012-13 through FY 2014-15 are forecasts from Legislative Council (January 2012).

⁵ FY 2010-11 forward has 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 2012-13 through FY 2014-15 are forecasts from Legislative Council (January 2012).

⁶ FY 2005-06 through FY 2011-12 are actuals. FY 2012-13 through FY 2014-15 are projections. See Exhibits C.2 and C.3.

⁷ FY 2005-06 figure is a transfer to the General Fund per SB 05-211. FY 2011-12 figure includes a payment of \$2,837,860 made to the Federal government in response to an audit finding by the Office of Inspector General in May 2012 for incorrectly claimed CHP+ Administrative expenditures for FY 1997-1998 through FY 2005-2006. FY 2011-12 figure also includes a \$500,000 transfer to the Disaster Emergency Fund per Executive Order.

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

Estimation of Interest Earnings to the Trust Fund	
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- Actual	
Interest Earned	\$22,220
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$9,621,494
Ratio of Interest Earned	0.23%
FY 2012-13- Projection	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$15,249,886
Ratio of Interest Earned	0.11%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$16,673
FY 2013-14- Projection	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$19,640,044
Ratio of Interest Earned	0.06%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$11,476
* Actual Interest earnings as reported in the Colorado Financial Reporting System.	

Exhibit C.2 - 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	64,862	1,585	15,795	82,242
Medical Per Capita	Exhibit C.5	\$1,962.55	\$1,962.55	\$1,962.55	\$1,962.55
Dental Per Capita	Exhibit C.5	\$175.37	\$175.37	\$175.37	\$175.37
Total Children's Expenditures		\$138,669,767	\$3,388,603	\$33,768,446	\$175,826,816
Annual Enrollment Fee Collection Per Enrollee ³		\$15.03	\$15.03	\$15.03	\$15.03
Total Annual Enrollment Fee Collections (Cash Funds ⁴)		\$974,618	\$23,816	\$237,336	\$1,235,770
Expenditures to Be Matched by Federal Funds		\$137,695,149	\$3,364,787	\$33,531,110	\$174,591,046
Title XXI Federal Funds		\$89,501,847	\$2,187,112	\$21,795,222	\$113,484,181
State Funds		\$48,193,302	\$1,177,675	\$11,735,888	\$61,106,865
FY 2012-13 CBHP Prenatal Services Expenditures					
FY 2012-13 Prenatal Enrollment Estimate	Exhibit C.7	1,301	53	526	1,880
Prenatal Medical Per Capita	Exhibit C.5	\$10,944.36	\$10,944.36	\$10,944.36	\$10,944.36
Total Prenatal Medical Expenditures		\$14,234,964	\$580,051	\$5,756,733	\$20,571,748
Title XXI Federal Funds		\$9,252,727	\$377,033	\$3,741,876	\$13,371,636
State Funds		\$4,982,237	\$203,018	\$2,014,857	\$7,200,112
FY 2012-13 Children's Basic Health Plan Premiums Costs					
Title XXI Federal Funds		\$152,904,731	\$3,968,654	\$39,525,179	\$196,398,564
State Funds ⁵		\$98,754,574	\$2,564,145	\$25,537,098	\$126,855,817
State Funds ⁵		\$54,150,157	\$1,404,509	\$13,988,081	\$69,542,747
FY 2012-13 Children's Basic Health Plan Administration					
FY 2012-13 External Administration Expenditures					
Title XXI Federal Funds	Exhibit C.4	\$5,108,248	\$0	\$26,745	\$5,134,993
Title XIX Federal Funds		\$1,119,437	\$0	\$17,384	\$1,136,821
State Funds		\$1,693,020	\$0	\$0	\$1,693,020
State Funds		\$2,295,791	\$0	\$9,361	\$2,305,152
FY 2012-13 Internal Administration Expenditures					
Title XXI Federal Funds	Exhibit C.4	\$1,506,146	\$0	\$0	\$1,506,146
State Funds		\$978,995	\$0	\$0	\$978,995
State Funds		\$527,151	\$0	\$0	\$527,151
FY 2012-13 Children's Basic Health Plan Expenditures					
Title XXI and Title XIX Federal Funds		\$159,519,125	\$3,968,654	\$39,551,924	\$203,039,703
State Funds		\$102,546,026	\$2,564,145	\$25,554,482	\$130,664,653
State Funds		\$56,973,099	\$1,404,509	\$13,997,442	\$72,375,050

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 for all children. These estimates are based on the actual collections in FY 2011-12, adjusted for the projected share of clients required to pay the fee.

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 2013-14 Expenditures

FY 2013-14 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 2013-14 CBHP Children's Medical Expenditures					
FY 2013-14 Enrollment Estimate	Exhibit C.6	53,153	1,654	18,002	72,809
Medical Per Capita	Exhibit C.5	\$2,201.30	\$2,201.30	\$2,201.30	\$2,201.30
Dental Per Capita	Exhibit C.5	\$180.63	\$180.63	\$180.63	\$180.63
Total Children's Medical Expenditures		\$126,606,726	\$3,939,712	\$42,879,504	\$173,425,942
Annual Enrollment Fee Collection Per Enrollee ³		\$21.81	\$21.81	\$21.81	\$21.81
Total Annual Enrollment Fee Collections (Cash Funds ⁴)		\$1,159,333	\$36,076	\$392,646	\$1,588,055
Expenditures to Be Matched by Federal Funds		\$125,447,393	\$3,903,636	\$42,486,858	\$171,837,887
Title XXI Federal Funds		\$81,540,805	\$2,537,363	\$27,616,458	\$111,694,626
State Funds		\$43,906,588	\$1,366,273	\$14,870,400	\$60,143,261
FY 2013-14 CBHP Prenatal Services Expenditures					
FY 2013-14 Prenatal Enrollment Estimate	Exhibit C.7	748	53	593	1,394
Prenatal Medical Per Capita	Exhibit C.5	\$13,337.05	\$13,337.05	\$13,337.05	\$13,337.05
Total Prenatal Medical Expenditures		\$9,972,779	\$706,864	\$7,908,871	\$18,588,514
Title XXI Federal Funds		\$6,482,306	\$459,462	\$5,140,766	\$12,082,534
State Funds		\$3,490,473	\$247,402	\$2,768,105	\$6,505,980
FY 2013-14 Children's Basic Health Plan Premiums Costs		\$136,579,505	\$4,646,576	\$50,788,375	\$192,014,456
Title XXI Federal Funds		\$88,023,111	\$2,996,825	\$32,757,224	\$123,777,160
State Funds ⁵		\$48,556,394	\$1,649,751	\$18,031,151	\$68,237,296
FY 2013-14 Children's Basic Health Plan Administration					
FY 2013-14 Children's Basic Health Plan Administration	Exhibit C.4	\$4,292,334	\$0	\$26,745	\$4,319,079
Title XXI Federal Funds		\$589,093	\$0	\$17,384	\$606,477
Title XIX Federal Funds		\$1,693,020	\$0	\$0	\$1,693,020
State Funds		\$2,010,221	\$0	\$9,361	\$2,019,582
FY 2013-14 Internal Administration Expenditures	Exhibit C.8	\$1,863,774	\$0	\$0	\$1,863,774
Title XXI Federal Funds		\$1,211,453	\$0	\$0	\$1,211,453
State Funds		\$652,321	\$0	\$0	\$652,321
FY 2013-14 Children's Basic Health Plan Expenditures		\$142,735,613	\$4,646,576	\$50,815,120	\$198,197,309
Title XXI and Title XIX Federal Funds		\$91,516,677	\$2,996,825	\$32,774,608	\$127,288,110
State Funds		\$51,218,936	\$1,649,751	\$18,040,512	\$70,909,199

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 for all children. These estimates are based on the actual collections in FY 2011-12, adjusted for the projected share of clients required to pay the fee.

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.4 - Children's Basic Health Plan Administration

Children's Basic Health Plan Administration Line Item							
Line	External Administration Costs	FY 2012-13 Appropriation	FY 2012-13 Supplemental Request	FY 2012-13 Total Request	FY 2013-14 Base Request	FY 2013-14 Incremental Request	FY 2013-14 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	SB 11-008 Adjustment	\$0	\$0	\$0	(\$813,914)	\$0	(\$813,914)
5	Subtotal Primary Administration (sum of Lines 1 - 3)	\$3,920,590	\$0	\$3,920,590	\$3,920,590	\$0	\$3,106,676
6	Actuarial Services	\$171,000	\$0	\$171,000	\$169,000	\$0	\$169,000
7	Quality Assurance	\$454,268	\$0	\$454,268	\$454,268	\$0	\$454,268
8	Claims Audit, Miscellaneous Administrative Costs	\$62,390	\$0	\$62,390	\$62,390	\$0	\$62,390
9	Subtotal Professional Services (sum of Lines 5 - 7)	\$687,658	\$0	\$687,658	\$685,658	\$0	\$685,658
10	Hospital Provider Fee Administrator	\$26,745	\$0	\$26,745	\$26,745	\$0	\$26,745
11	Outreach	\$500,000	\$0	\$500,000	\$500,000	\$0	\$500,000
12	Total External Administration (Line 4 + Line 8 + Line 9 + Line 10)	\$5,134,993	\$0	\$5,134,993	\$5,132,993	\$0	\$4,319,079
13	Federal Funds	\$2,829,841	\$0	\$2,829,841	\$2,299,497	\$0	\$2,299,497
14	Cash Funds	\$2,305,152	\$0	\$2,305,152	\$2,019,582	\$0	\$2,019,582

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

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 9)	\$687,658	100.0%	\$687,658	\$446,978	\$240,680	Trust
Hospital Provider Fee Administration (Line 10)	\$26,745	100.0%	\$26,745	\$17,384	\$9,361	Hospital Fee
Outreach (Line 11)	\$500,000	77.3%	\$386,500	\$251,225	\$135,275	General Fund
Total Title XXI	\$5,134,993		\$1,748,955	\$1,136,821	\$612,134	
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 9)	\$687,658	0.0%	\$0	\$0	\$0	Trust
Hospital Provider Fee Administration (Line 10)	\$26,745	0.0%	\$0	\$0	\$0	Hospital Fee
Outreach (Line 11)	\$500,000	22.7%	\$113,500	\$56,750	\$56,750	General Fund
Total Title XIX	\$5,134,993		\$3,386,038	\$1,693,020	\$1,693,018	
		Total Funds	FF	Total State Funds	Trust Fund	Hospital Fee
Total FY 2012-13 Appropriation Fund Splits		\$5,134,993	\$2,829,841	\$2,305,152	\$2,295,791	\$9,361
FY 2013-14 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
SB 11-008 Adjustment (Line 4)	-\$813,914	100.0%	-\$813,914	-\$529,044	-\$284,870	Trust
Professional Services (Line 9)	\$685,658	100.0%	\$685,658	\$445,678	\$239,980	Trust
Hospital Provider Fee Administration (Line 10)	\$26,745	100.0%	\$26,745	\$17,384	\$9,361	Hospital Fee
Outreach (Line 11)	\$500,000	77.3%	\$386,500	\$251,225	\$135,275	General Fund
Total Title XXI	\$4,319,079		\$933,041	\$606,477	\$326,564	
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 9)	\$685,658	0.0%	\$0	\$0	\$0	Trust
Hospital Provider Fee Administration (Line 10)	\$26,745	0.0%	\$0	\$0	\$0	Hospital Fee
Outreach (Line 11)	\$500,000	22.7%	\$113,500	\$56,750	\$56,750	General Fund
Total Title XIX	\$5,132,993		\$3,386,038	\$1,693,020	\$1,693,018	
		Total Funds	FF	Total State Funds	Trust Fund	Hospital Fee
Total FY 2013-14 Request Fund Splits		\$4,319,079	\$2,299,497	\$2,019,582	\$2,010,221	\$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 2012-13 Year-to-date Appropriation	FY 2013-14 Request	Source
General Administration; Personal Services	\$255,242	\$255,242	FY 12-13 Letternotes to HB 12-1335 (Long Bill) Plus Special Bills
General Administration; Operating Expenses	\$768	\$768	
General Administration; Legal Service and Third Party Recovery Legal Services	\$7,074	\$7,074	
Information Technology Contracts and Projects	\$246,828	\$248,956	
MMIS Reprocurement Contracts	\$0	\$99,422	
MMIS Reprocurement Contracted Staff	\$0	\$23,620	
Provider Audits and Services, Professional Audit Contracts	\$0	\$0	
Colorado Benefits Management System	\$17,150	\$17,150	
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	\$527,151	\$652,321	FY 2013-14: Base Request Plus Decision Items
Matching Federal Funds	\$978,995	\$1,211,453	
Total Internal Administration Costs	\$1,506,146	\$1,863,774	

Exhibit C.5 - Per Capita Costs History and Projections

Children's Medical	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
Cash-based Expenditures ¹	\$56,713,621	\$65,205,431	\$91,693,631	\$100,411,637	\$150,306,188	\$141,195,482	\$145,385,611		
Caseload ²	41,945	47,047	57,795	61,582	68,725	67,267	74,266	82,242	72,809
Per Capita	\$1,352.09	\$1,385.96	\$1,586.53	\$1,630.54	\$2,187.07	\$2,099.03	\$1,957.63	\$1,962.55	\$2,201.30
% Per Capita Change	11.71%	2.51%	14.47%	2.77%	34.13%	-4.03%	-6.74%	0.25%	12.17%
Blended Base Rate ²	\$102.12	\$105.85	\$119.78	\$122.11	\$145.34	\$154.45	\$156.67	\$153.74	\$159.89
% Blended Rate Change	10.99%	3.65%	13.16%	1.94%	19.03%	6.27%	1.44%	-1.87%	4.00%
Children's Dental	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
Cash-based Expenditures ¹	\$5,707,513	\$6,888,782	\$8,735,185	\$9,876,754	\$10,766,208	\$10,718,975	\$12,414,377		
Caseload	41,945	47,047	57,795	61,582	68,725	67,267	74,266	82,242	72,809
Per Capita	\$136.07	\$146.42	\$151.14	\$160.38	\$156.66	\$159.35	\$167.16	\$175.37	\$180.63
% Per Capita Change	4.61%	7.61%	3.22%	6.11%	-2.32%	1.72%	4.90%	4.91%	3.00%
Rate	\$11.82	\$13.30	\$13.84	\$14.66	\$14.81	\$14.40	\$15.27	\$16.02	\$16.50
% Rate Change	4.51%	12.52%	4.06%	5.92%	1.02%	-2.77%	6.04%	4.91%	3.00%
Prenatal Medical	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
Cash-based Expenditures ¹	\$11,612,272	\$16,892,791	\$17,798,749	\$19,437,577	\$17,356,024	\$25,369,597	\$24,154,135		
Caseload	963	1,170	1,570	1,665	1,561	1,741	2,064	1,880	1,394
Per Capita	\$12,058.43	\$14,438.28	\$11,336.78	\$11,674.22	\$11,118.53	\$14,571.85	\$11,702.58	\$10,944.36	\$13,337.05
% Per Capita Change	-14.87%	19.74%	-21.48%	2.98%	-4.76%	31.06%	-19.69%	-6.48%	21.86%
Base Rate	\$816.97	\$1,045.44	\$864.09	\$915.80	\$821.35	\$1,092.92	\$1,144.27	\$928.65	\$956.51
% Rate Change	-8.05%	27.97%	-17.35%	5.98%	-10.31%	33.06%	4.70%	-18.84%	3.00%

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 2006-07 through FY 2011-12 based on final caseload shares in the State's managed care network and HMOs. Projected blended base rates for FY 2012-13 and FY 2013-14 assume that 19.1% 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 2012-13 Capitation Rates					
	Kids- SMCN	Kids- HMO	Kids- Blended ¹	Prenatal	Dental
FY 2011-12 Base Rate (Includes Facility and Physician Reimbursement Changes)	\$167.99	\$151.82	\$156.67	\$11,702.58	\$167.16
FY 2012-13 Base Rate (Includes Facility and Physician Reimbursement Changes)	\$135.95	\$157.94	\$153.74	\$10,944.36	\$175.37
FY 2012-13 Base Growth	-19.07%	4.03%	-1.87%	-6.48%	4.91%
Total FY 2012-13 Rate	\$135.95	\$157.94	\$153.74	\$10,944.36	\$175.37
FY 2012-13 Per Capita Calculations					
			Kids (Blended) ¹	Prenatal	Dental
FY 2011-12 Total Per Capita			\$1,957.63	\$11,702.58	\$167.16
FY 2012-13 Base Growth			0.25%	-6.48%	4.91%
Projected FY 2012-13 Base Per Capita			\$1,962.55	\$10,944.36	\$175.37
Projected FY 2012-13 Final Per Capita			\$1,962.55	\$10,944.36	\$175.37
FY 2013-14 Per Capita Calculations					
			Kids (Blended) ¹	Prenatal	Dental
FY 2012-13 Total Per Capita			\$1,962.55	\$10,944.36	\$175.37
FY 2013-14 Base Growth Projection			12.17%	21.86%	3.00%
Projected FY 2013-14 Base Per Capita			\$2,201.30	\$13,337.05	\$180.63
Projected FY 2013-14 Final Per Capita			\$2,201.30	\$13,337.05	\$180.63
¹ Projected blended rates for FY 2012-13 and FY 2013-14 rates assume that 19.1% of children will be in the State's managed care network, with the remainder in HMOs. See narrative for details.					

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

Historical Monthly Caseload												
	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	FY 2010-11
Average Monthly Caseload	22,935	28,321	37,042	44,600	41,786	35,800	41,945	47,047	57,795	61,582	68,725	67,267
Annual Growth	78.83%	23.48%	30.79%	20.40%	-6.31%	-14.33%	17.16%	12.16%	22.85%	6.55%	11.60%	-2.12%
	Historical Monthly Caseload				Projections							
	FY 2011-12				FY 2012-13				FY 2013-14			
	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	56,237	1,112	6,320	63,669	66,700	1,543	14,276	82,519	72,959	1,630	17,270	91,859
August	56,495	1,130	6,444	64,069	66,377	1,551	14,577	82,505	73,527	1,635	17,421	92,583
September	56,349	1,157	7,275	64,781	66,215	1,559	14,878	82,652	74,037	1,640	17,572	93,249
October	57,549	1,217	8,075	66,841	66,107	1,567	15,179	82,853	74,337	1,645	17,723	93,705
November	58,238	1,313	10,493	70,044	66,161	1,575	15,480	83,216	74,637	1,650	17,874	94,161
December	58,258	1,441	12,338	72,037	66,258	1,583	15,781	83,622	74,937	1,655	18,025	94,617
January	62,736	1,553	12,985	77,274	66,428	1,590	16,004	84,022	75,167	1,658	18,146	94,971
February	64,579	1,620	13,250	79,449	66,726	1,597	16,227	84,550	75,397	1,661	18,247	95,305
March	66,466	1,585	13,774	81,825	67,248	1,604	16,450	85,302	75,627	1,664	18,323	95,614
April	69,001	1,559	13,492	84,052	68,135	1,611	16,673	86,419	75,857	1,667	18,399	95,923
May	68,520	1,601	14,169	84,290	69,554	1,618	16,896	88,068	76,087	1,670	18,475	96,232
June	67,346	1,535	13,975	82,856	71,824	1,625	17,119	90,568	76,317	1,673	18,551	96,541
Average Monthly Caseload	61,815	1,402	11,049	74,266	67,311	1,585	15,795	84,691	74,907	1,654	18,002	94,563
Annual Growth				10.40%	8.89%	13.05%	42.95%	14.04%	11.28%	4.35%	13.97%	11.66%
SB 11-008 Adjustments¹					(2,449)	0	0	(2,449)	(16,320)	0	0	(16,320)
MAGI Adjustments²					0	0	0	0	(5,434)	0	0	(5,434)
Final Caseload with					64,862	1,585	15,795	82,242	53,153	1,654	18,002	72,809
Annual Growth					4.93%	13.05%	42.95%	10.74%	-18.05%	4.35%	13.97%	-11.47%

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 133% FPL, resulting in decreased enrollment in the Children's Basic Health Plan. See Appendix A for details.

² Adjustment for new Modified Adjusted Gross Income (MAGI) methodology is added to the Children to 200% FPL population beginning in FY 2013-14. Due to differences in family size and income determinations between Medicaid and the Children's Basic Health Plan, some children reporting incomes within the official Medicaid eligibility level have remained in the Children's Basic Health Plan. Once MAGI is implemented for both Medicaid and CHP+ in January 2014, this discrepancy will be eliminated. The Department anticipates that this will result in decreased enrollment in the Children's Basic Health Plan and a corresponding increase in Medicaid enrollment. See Appendix A for details.

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

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	67,346	-1.0%	(646)	66,700	1,535	0.5%	8	1,543	13,975	2.2%	301	14,276	82,519
August	66,700	-0.5%	(323)	66,377	1,543	0.5%	8	1,551	14,276	2.1%	301	14,577	82,505
September	66,377	-0.2%	(162)	66,215	1,551	0.5%	8	1,559	14,577	2.1%	301	14,878	82,652
October	66,215	-0.2%	(108)	66,107	1,559	0.5%	8	1,567	14,878	2.0%	301	15,179	82,853
November	66,107	0.1%	54	66,161	1,567	0.5%	8	1,575	15,179	2.0%	301	15,480	83,216
December	66,161	0.1%	97	66,258	1,575	0.5%	8	1,583	15,480	1.9%	301	15,781	83,622
January	66,258	0.3%	170	66,428	1,583	0.4%	7	1,590	15,781	1.4%	223	16,004	84,022
February	66,428	0.4%	298	66,726	1,590	0.4%	7	1,597	16,004	1.4%	223	16,227	84,550
March	66,726	0.8%	522	67,248	1,597	0.4%	7	1,604	16,227	1.4%	223	16,450	85,302
April	67,248	1.3%	887	68,135	1,604	0.4%	7	1,611	16,450	1.4%	223	16,673	86,419
May	68,135	2.1%	1,419	69,554	1,611	0.4%	7	1,618	16,673	1.3%	223	16,896	88,068
June	69,554	3.3%	2,270	71,824	1,618	0.4%	7	1,625	16,896	1.3%	223	17,119	90,568
Average Monthly Caseload		0.5%	373	67,311		0.5%	8	1,585		1.7%	262	15,795	84,691
Growth Rate				8.9%				13.1%				43.0%	14.0%
FY 2013-14 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 2013-14 Total Children's Caseload (Pre-adjustments)
July	71,824	1.6%	1,135	72,959	1,625	0.3%	5	1,630	17,119	0.9%	151	17,270	91,859
August	72,959	0.8%	568	73,527	1,630	0.3%	5	1,635	17,270	0.9%	151	17,421	92,583
September	73,527	0.7%	510	74,037	1,635	0.3%	5	1,640	17,421	0.9%	151	17,572	93,249
October	74,037	0.4%	300	74,337	1,640	0.3%	5	1,645	17,572	0.9%	151	17,723	93,705
November	74,337	0.4%	300	74,637	1,645	0.3%	5	1,650	17,723	0.9%	151	17,874	94,161
December	74,637	0.4%	300	74,937	1,650	0.3%	5	1,655	17,874	0.8%	151	18,025	94,617
January	74,937	0.3%	230	75,167	1,655	0.2%	3	1,658	18,025	0.7%	121	18,146	94,971
February	75,167	0.3%	230	75,397	1,658	0.2%	3	1,661	18,146	0.6%	101	18,247	95,305
March	75,397	0.3%	230	75,627	1,661	0.2%	3	1,664	18,247	0.4%	76	18,323	95,614
April	75,627	0.3%	230	75,857	1,664	0.2%	3	1,667	18,323	0.4%	76	18,399	95,923
May	75,857	0.3%	230	76,087	1,667	0.2%	3	1,670	18,399	0.4%	76	18,475	96,232
June	76,087	0.3%	230	76,317	1,670	0.2%	3	1,673	18,475	0.4%	76	18,551	96,541
Average Monthly Caseload		0.5%	374	74,907		0.2%	4	1,654		0.7%	119	18,002	94,563
Growth Rate				11.3%				4.4%				14.0%	11.7%

¹ The FY 2012-13 children's caseload up to 200% FPL is forecasted to increase by an average of 0.5% per month. This forecast is based on statistical analysis of caseload data since FY 2002-03. The FY 2013-14 caseload is forecasted to increase an average of 0.5% per month. See Appendix A for details.

² The Expansion to 205% FPL Children caseload is forecasted to increase by an average of 0.5% per month in FY 2012-13. The FY 2013-14 forecast assumes that monthly growth would decrease to an average of 0.2% per month. See Appendix A for details.

³ The Expansion to 250% FPL Children caseload is forecasted to increase by an average of 1.7% per month in FY 2012-13. Growth is anticipated to decrease to an average of 0.7% per month in FY 2013-14. See Appendix A for details.

Exhibit C.7 - Prenatal Caseload History and Projections

Historical Monthly Caseload												
	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11			
									Caseload to 200% FPL	Expansion to 205% FPL	Expansion to 250% FPL	Total Prenatal
July	-	347	0	859	1,098	1,264	1,830	1,621	1,419	66	124	1,609
August	-	284	157	852	1,138	1,342	1,718	1,568	1,417	71	162	1,650
September	-	212	221	894	1,142	1,341	1,647	1,571	1,396	61	187	1,644
October	183	148	254	915	1,191	1,398	1,596	1,561	1,357	60	206	1,623
November	374	105	337	928	1,206	1,425	1,557	1,563	1,367	57	228	1,652
December	485	69	430	954	1,184	1,496	1,723	1,528	1,370	61	270	1,701
January	552	34	516	1,039	1,167	1,611	1,682	1,532	1,413	64	325	1,802
February	597	12	606	1,031	1,182	1,683	1,637	1,523	1,415	63	357	1,835
March	637	0	729	1,006	1,184	1,754	1,689	1,550	1,453	61	361	1,875
April	705	0	791	1,011	1,154	1,801	1,659	1,517	1,452	60	355	1,867
May	531	0	816	1,007	1,178	1,857	1,624	1,575	1,443	55	342	1,840
June	405	0	809	1,060	1,207	1,872	1,618	1,607	1,409	46	349	1,804
Average Monthly Caseload	372	101	472	963	1,170	1,570	1,665	1,560	1,409	60	272	1,741
Annual Growth		-72.85%	367.33%	104.03%	21.50%	34.19%	6.05%	-6.31%				11.60%
	Historical Monthly Caseload				Projections							
	FY 2011-12				FY 2012-13				FY 2013-14			
	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	1,468	43	357	1,868	1,662	53	476	2,191	1,685	53	573	2,311
August	1,516	51	355	1,922	1,664	53	486	2,203	1,686	53	578	2,317
September	1,490	43	377	1,910	1,666	53	496	2,215	1,687	53	583	2,323
October	1,507	43	375	1,925	1,668	53	506	2,227	1,688	53	586	2,327
November	1,446	47	451	1,944	1,670	53	516	2,239	1,689	53	589	2,331
December	1,451	55	487	1,993	1,672	53	526	2,251	1,690	53	592	2,335
January	1,528	62	498	2,088	1,674	53	533	2,260	1,690	53	595	2,338
February	1,664	58	494	2,216	1,676	53	540	2,269	1,690	53	598	2,341
March	1,682	56	525	2,263	1,678	53	547	2,278	1,690	53	601	2,344
April	1,674	62	494	2,230	1,680	53	554	2,287	1,690	53	604	2,347
May	1,671	66	494	2,231	1,682	53	561	2,296	1,690	53	607	2,350
June	1,660	53	466	2,179	1,684	53	568	2,305	1,690	53	610	2,353
Average Monthly Caseload	1,563	53	448	2,064	1,673	53	526	2,252	1,689	53	593	2,335
Annual Growth	10.93%	-11.67%	64.71%	18.55%	7.04%	0.00%	17.41%	9.11%	0.96%	0.00%	12.74%	3.69%
SB 11-250 Adjustments¹					(372)	0	0	(372)	(749)	0	0	(749)
MAGI Adjustments²					0	0	0	0	(192)	0	0	(192)
Final Caseload with Adjustments					1,301	53	526	1,880	748	53	593	1,394
Annual Growth					-16.78%	0.00%	17.41%	-8.93%	-42.51%	0.00%	12.74%	-25.85%

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.

² Adjustment for new Modified Adjusted Gross Income (MAGI) methodology is added to the Prenatal to 200% FPL population beginning in FY 2013-14. Due to differences in family size and income determinations between Medicaid and the Children's Basic Health Plan, some prenatal clients reporting incomes within the official Medicaid eligibility level have remained in the Children's Basic Health Plan. Once MAGI is implemented for both Medicaid and CHP+ in January 2014, this discrepancy will be eliminated. The Department anticipates that this will result in decreased enrollment in the Children's Basic Health Plan and a corresponding increase in Medicaid enrollment. See Appendix A for details.

Exhibit C.7 - Prenatal Caseload History and Projections

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 (Pre-adjustments)
July	1,660	0.1%	2	1,662	53	0.0%	0	53	466	2.1%	10	476	2,191
August	1,662	0.1%	2	1,664	53	0.0%	0	53	476	2.1%	10	486	2,203
September	1,664	0.1%	2	1,666	53	0.0%	0	53	486	2.1%	10	496	2,215
October	1,666	0.1%	2	1,668	53	0.0%	0	53	496	2.0%	10	506	2,227
November	1,668	0.1%	2	1,670	53	0.0%	0	53	506	2.0%	10	516	2,239
December	1,670	0.1%	2	1,672	53	0.0%	0	53	516	1.9%	10	526	2,251
January	1,672	0.1%	2	1,674	53	0.0%	0	53	526	1.3%	7	533	2,260
February	1,674	0.1%	2	1,676	53	0.0%	0	53	533	1.3%	7	540	2,269
March	1,676	0.1%	2	1,678	53	0.0%	0	53	540	1.3%	7	547	2,278
April	1,678	0.1%	2	1,680	53	0.0%	0	53	547	1.3%	7	554	2,287
May	1,680	0.1%	2	1,682	53	0.0%	0	53	554	1.3%	7	561	2,296
June	1,682	0.1%	2	1,684	53	0.0%	0	53	561	1.2%	7	568	2,305
Average Monthly Caseload		0.1%	2	1,673		0.0%	0	53		1.7%	9	526	2,252
Annual Growth				7.0%				0.0%				17.4%	29.4%

FY 2013-14 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 2013-14 Total Prenatal Caseload (Pre-adjustments)
July	1,684	0.1%	1	1,685	53	0.0%	0	53	568	0.9%	5	573	2,311
August	1,685	0.1%	1	1,686	53	0.0%	0	53	573	0.9%	5	578	2,317
September	1,686	0.1%	1	1,687	53	0.0%	0	53	578	0.9%	5	583	2,323
October	1,687	0.1%	1	1,688	53	0.0%	0	53	583	0.5%	3	586	2,327
November	1,688	0.1%	1	1,689	53	0.0%	0	53	586	0.5%	3	589	2,331
December	1,689	0.1%	1	1,690	53	0.0%	0	53	589	0.5%	3	592	2,335
January	1,690	0.0%	0	1,690	53	0.0%	0	53	592	0.5%	3	595	2,338
February	1,690	0.0%	0	1,690	53	0.0%	0	53	595	0.5%	3	598	2,341
March	1,690	0.0%	0	1,690	53	0.0%	0	53	598	0.5%	3	601	2,344
April	1,690	0.0%	0	1,690	53	0.0%	0	53	601	0.5%	3	604	2,347
May	1,690	0.0%	0	1,690	53	0.0%	0	53	604	0.5%	3	607	2,350
June	1,690	0.0%	0	1,690	53	0.0%	0	53	607	0.5%	3	610	2,353
Average Monthly Caseload		0.0%	1	1,689		0.0%	0	53		0.6%	4	593	2,335
Annual Growth				1.0%				0.0%				12.7%	3.7%

¹ The FY 2012-13 Prenatal caseload to 200% FPL is forecasted to increase by an average of 0.1% per month. This forecast is based on growth experienced between July 2010 and June 2012. The FY 2013-14 monthly growth rate is projected to decrease to slightly above 0.0%. See Appendix A for details.

² The Expansion to 205% FPL Prenatal caseload is forecasted to increase by an average of 0.0% per month in FY 2012-13. This forecast is based on experience from July 2009 and June 2012. The FY 2013-14 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 1.7% per month in FY 2012-13. Growth is anticipated to decrease to an average of 0.6% per month in FY 2013-14. See Appendix A for details.

Exhibit C.8 - SCHIP Federal Allotment Forecast

CHIP Federal Allotment Forecast for Colorado as of November 1, 2012											
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	FY 2016-17
Children's Medical Premiums											
Children's Caseload ¹	47,047	57,795	61,582	68,725	67,267	74,266	84,691	89,129	83,352	85,019	86,719
Caseload Growth Rate ²	12.16%	22.85%	6.55%	11.60%	-2.12%	10.40%	14.04%	5.24%	-6.48%	2.00%	2.00%
Children's Per Capita ¹	\$1,385.96	\$1,586.53	\$1,630.54	\$2,187.07	\$2,099.03	\$1,957.63	\$1,962.55	\$2,201.30	\$2,266.02	\$2,332.64	\$2,401.22
Per Capita Growth Rate ³	2.51%	14.47%	2.77%	34.13%	-4.03%	-6.74%	0.25%	12.17%	2.94%	2.94%	2.94%
Subtotal Children's Premiums	\$65,205,260	\$91,693,501	\$100,411,914	\$150,306,188	\$141,195,482	\$145,385,611	\$166,210,322	\$196,199,668	\$188,877,151	\$198,318,742	\$208,232,299
Less Annual Enrollment Fees (No Federal Match)	\$232,136	\$283,367	\$328,499	\$346,589	\$428,326	\$620,097	\$1,235,770	\$744,199	\$1,216,232	\$709,882	\$1,265,368
Children's Dental Premiums											
Children's Caseload ^{1,2}	47,047	57,795	61,582	68,725	67,267	74,266	84,691	89,129	83,352	85,019	86,719
Dental Per Capita ¹	\$146.42	\$151.14	\$160.38	\$156.66	\$159.35	\$167.16	\$175.37	\$180.63	\$185.94	\$191.41	\$197.04
Per Capita Growth Rate ³	7.61%	3.22%	6.11%	-2.32%	1.72%	4.90%	4.91%	3.00%	2.94%	2.94%	2.94%
Subtotal Children's Dental	\$6,888,622	\$8,735,136	\$9,876,521	\$10,766,208	\$10,718,975	\$12,414,377	\$14,852,261	\$16,099,371	\$15,498,471	\$16,273,494	\$17,087,195
Prenatal And Delivery Costs											
Prenatal Caseload ¹	1,170	1,570	1,665	1,560	1,741	2,064	2,252	2,143	1,849	1,862	1,875
Caseload Growth Rate ²	21.50%	34.19%	6.05%	-6.31%	11.60%	0.00%	0.00%	11.60%	1.38%	0.69%	0.69%
Prenatal Per Capita ¹	\$14,438.28	\$11,336.78	\$11,674.22	\$11,118.53	\$14,571.85	\$11,702.58	\$10,944.36	\$13,337.05	\$13,729.16	\$14,132.80	\$14,548.30
Per Capita Growth Rate ³	19.74%	-21.48%	2.98%	-4.76%	31.06%	-19.69%	-6.48%	21.86%	2.94%	2.94%	2.94%
Subtotal Prenatal and Delivery Costs	\$16,892,788	\$17,798,745	\$19,437,576	\$17,344,906	\$25,369,597	\$24,154,135	\$24,646,699	\$28,581,298	\$25,385,217	\$26,315,274	\$27,278,063
Subtotal Medical Expenses	\$88,986,670	\$118,227,382	\$129,726,011	\$178,417,302	\$177,284,054	\$181,954,123	\$205,709,282	\$240,880,337	\$229,760,839	\$240,907,510	\$252,597,557
Administration											
Annual Administration increase ⁴									2.20%	2.20%	2.20%
Administration Expenditures	\$6,151,625	\$6,621,395	\$7,577,554	\$6,792,199	\$6,209,573	\$6,273,842	\$6,641,139	\$6,182,853	\$6,223,856	\$6,223,856	\$6,223,856
Total Program Costs	\$95,138,295	\$124,848,777	\$137,303,565	\$185,209,501	\$183,493,627	\$188,227,965	\$212,350,421	\$247,063,190	\$235,984,695	\$247,131,366	\$258,821,413
Federal Funds at 65%	\$61,839,892	\$81,151,705	\$89,247,317	\$120,386,176	\$119,270,858	\$122,348,177	\$138,027,774	\$160,591,074	\$153,390,052	\$160,635,388	\$168,233,918
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	FFY 2017
Total Program Costs ⁵	\$101,409,555	\$126,894,270	\$157,460,910	\$177,848,289	\$183,493,627	\$188,227,965	\$212,350,421	\$247,063,190	\$235,984,695	\$247,131,366	\$258,821,413
Federal Funds ⁵	\$65,916,210	\$82,481,275	\$102,349,530	\$115,601,855	\$119,270,858	\$122,348,177	\$138,027,774	\$160,591,074	\$153,390,052	\$160,635,388	\$168,233,918
Federal Allotment ⁶	\$71,544,798	\$71,544,798	\$100,696,200	\$122,851,760	\$123,498,650	\$130,419,874	\$127,345,984	\$132,547,947	\$167,399,283	\$174,577,497	\$182,297,333
Redistributions ⁷	(\$5,707,946)	\$0	\$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	\$106,650,407	\$95,968,617	\$67,925,490	\$81,934,721	\$95,876,830
Total Federal Funds Available	\$165,607,030	\$171,235,618	\$189,450,543	\$209,952,773	\$217,849,568	\$228,998,584	\$233,996,391	\$228,516,564	\$235,324,773	\$256,512,218	\$278,174,163
Unspent / (Amount needed)	\$99,690,820	\$88,754,343	\$87,101,013	\$94,350,918	\$98,578,710	\$106,650,407	\$95,968,617	\$67,925,490	\$81,934,721	\$95,876,830	\$109,940,245

¹ Caseload for FY 2012-13 and FY 2013-14 are from Exhibits C.6 and C.7. The caseload numbers presented here do not match those in Exhibits C.2 and C.3. The children and pregnant women moving to Medicaid as a result of SB 11-008 and SB 11-250 will continue to be receive Title XXI funding through the CHIP Allotment and the CHIP FMAP of 65%. As a result, Colorado's CHIP program will become a combination program and these populations that become newly eligible for Medicaid are included in this Exhibit. Per capita for FY 2012-13 and FY 2013-14 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 lower than 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 and FY 2016-17 children's caseload is assumed to level out at a modest 2% growth rate estimated based on historical trends. Growth in prenatal caseload in FY 2015-16 and FY 2016-17 is assumed to decrease by 50% from the forecasted FY 2014-15 growth rate.

³ The inflation rate used for medical premiums is the average Consumer Price Index for medical costs between 2009 and 2011 for Denver-Boulder-Greeley. The FY 2013-14 per capita projections are increased by this percent to estimate FY 2014-15 through FY 2016-17.

⁴ The administration expenditures for FY 2006-07 to FY 2011-12 include the Administration line item and the allocation of other Internal Administration expenses. FY 2012-13 and FY 2013-14 estimates are taken from Exhibit C.4. The inflation rate used for administrative expenses are based on Consumer Price Index for all items between 2007 and 2011 for Denver-Boulder-Greeley. The FY 2013-14 administration estimate is increased by the 5-year average percent to estimate internal administration through FY 2016-17.

⁵ For FFY 2006 through 2011, 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 2012 allocation from CMS. FFY 2013 is rebased to FFY 2012 expenditures increased by the FFY 2011-FFY 2012 inflation factor. FFY 2014, FFY 2016 and FFY 2017 allotments are based on prior year allotments increased by the respective inflation factor. FFY 2015 is rebased to FFY 2014 expenditures increased by the FFY 2013-FFY 2014 inflation factor.