COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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John W. Hickenlooper, Governor • Susan E. Birch MBA, BSN, RN, Executive Director

April 15, 2013

Eric Kurtz
Joint Budget Committee Staff
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Mr. Kurtz:

Enclosed please find a report to the Joint Budget Committee on the Health Care Policy and Financing expenditures and caseload for Medicaid and the Children's Basic Health Plan pursuant to FY 2012-13 Legislative Request For Information #1:

"The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report."

The data contained in this month's Medicaid expenditure and caseload report is reflected as of March 31, 2013, coinciding with the start of Period 9 in the Colorado Financial Reporting System. The current report contains a separate worksheet for Medical Services Premiums expenditures by service category and Medicaid caseload data by eligibility category, which includes the monthly and over-the-year growth rates. Year-to-date caseload averages for clients in risk-based managed care organizations, non-risk based managed care organizations, and the Primary Care Physician Program appear in the Medicaid caseload worksheet. Beginning in FY 2012-13, the Department is reporting on the number of clients enrolled in the Accountable Care Collaborative. This count is based on capitations paid to a Regional Care Collaborative Organization (RCCO) for the month of service, and does not include clients who have been attributed to a RCCO but for whom a capitation has not been paid. This report also includes caseload and expenditure data for the Old Age Pension State Medical Program and the Medicare Modernization Act (MMA) State Contribution Payment.

In addition to the information requested in Legislative Request For Information #1, the Department is including Medicaid Mental Health expenditure and caseload by Behavioral Health Organization pursuant to the FY 2008-09 Legislative Request For Information #26:

"The Department is requested to provide recommendations to the Joint Budget Committee by November 1, 2008 on whether greater budget accuracy would be achieved if caseload and capitation payments were estimated and tracked for each Regional Behavioral Center. In developing their recommendations, the Department will note any additional administrative costs associated with changing systems to track caseload data in this manner and to compile and report on the data."

Of note, while caseload in the CHP+ program has decreased significantly in recent months due to implementation of SB 11-008 and SB 11-250, cash-based expenditures have not decreased as would be expected. This was primarily due to the Medicaid Management Information System (MMIS) update which moved the creation of enrollment spans for CHP+ from the Colorado Benefits Management System (CBMS) to the MMIS. The update increased the number of enrollment spans generated the MMIS, which generated additional capitation payments. While a portion of these were created correctly, a large number of retroactive medical capitation payments were generated erroneously. At the same time, dental capitations were significantly lower than anticipated. The Department is currently looking into these issues and implementing a solution for the MMIS, which is likely to affect expenditure in future months.

If you have any questions, please contact Josh Block at (303) 866-4116.

Sincerely,

Josh Block
Budget Director