COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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

December 17, 2012

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 November 30, 2012, coinciding with the close of Period 5 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.

To date, the Department has not received federal approval for its State Plan Amendment (SPA) for outpatient hospital supplemental payments for federal fiscal year (FFY) 2011-12. From October 2011 through March 2012, the Department was making outpatient and inpatient hospital supplemental payments at the FFY 2010-11 levels in anticipation of federal approval of the new hospital provider fee model. However, because the Department is in ongoing negotiations for approval of the outpatient SPA and cannot anticipate when it will be approved, the Department has opted to make interim payments back to October 2011. The interim

payments incorporate the approved inpatient payments and interim outpatient payments while SPA negotiations continue. The Department will continue to make these interim payments until the FFY 2011-12 hospital provider fee model is approved.

This report also includes caseload and expenditure data for the Old Age Pension State Medical Program and the Medicare Modernization Act State Contribution Payments.

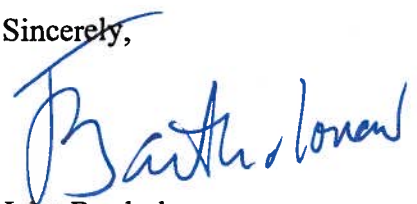
In addition to the information requested in Legislative Request For Information #1, the Department is including Medicaid Mental Health expenditure and caseload by Behavioral Health Organization pursuant to the FY 2008-09 Legislative Request For Information #26:

"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."

Due to an accounting error, the total of expenditures by Behavioral Health Organization will not match the total expenditures reported for Medical Health Capitation Payments in September 2012. This has been corrected and will be included in the October 2012 expenditure report.

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

Sincerely,



John Bartholomew
Budget Director