

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST CYCLE

Schedule 13 Change Request for FY 08-09 Budget Request Cycle											
Request Title:		Decision Item FY 08-09		Base Reduction Item FY 08-09		Supplemental FY 07-08		Budget Request Amendment FY 08-09			
Department:		Updates to Children's Basic Health Plan Medical Premium and Dental Benefit Costs		Health Care Policy and Financing		Dept. Approval by: John Bartholomew		Date: February 15, 2008			
Priority Number:		S-3, BA-A3		OSP/B Approval:		<i>[Signature]</i>		Date: 2/15/08			
	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5)
Total of All Line Items	Total	107,967,627	93,569,872	27,081,307	120,651,179	98,507,771	33,995,928	132,503,699	16,430,360	148,934,059	48,043,865
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	11,243,215	11,011	0	11,011	22,762	2,382,423	2,405,185	0	2,405,185	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	232,136	246,943	43,631	290,574	248,694	59,962	308,656	25,550	334,206	85,512
	CFE	33,923,185	32,818,722	9,492,508	42,311,230	34,543,222	11,083,854	45,627,076	5,758,291	51,385,367	16,842,145
	FF	62,569,091	60,493,196	17,545,168	78,038,364	63,693,093	20,469,689	84,162,782	10,646,519	94,809,301	31,116,208
(4) Indigent Care Program HB 97-1304 Children's Basic Health Plan Trust	Total	11,475,351	256,475	45,110	301,585	271,456	2,442,385	2,713,841	25,550	2,739,391	85,512
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	11,243,215	11,011	0	11,011	22,762	2,382,423	2,405,185	0	2,405,185	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	232,136	245,464	45,110	290,574	248,694	59,962	308,656	25,550	334,206	85,512
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) Indigent Care Program Children's Basic Health Plan Premium Costs	Total	89,657,433	86,426,598	24,953,867	111,380,465	91,098,718	28,607,957	119,706,675	15,570,152	135,276,627	44,178,109
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	1,479	(1,479)	0	0	0	0	0	0	0
	CFE	31,530,990	30,408,342	8,763,693	39,172,035	32,045,063	10,052,899	42,097,962	5,466,161	47,564,123	15,519,060
	FF	58,126,443	56,016,777	16,191,653	72,208,430	59,053,655	18,555,058	77,608,713	10,103,991	87,712,704	26,659,049

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Schedule 13											
Change Request for FY 08-09 Budget Request Cycle											
Decision Item FY 08-09 <input type="checkbox"/>		Base Reduction Item FY 08-09 <input type="checkbox"/>		Supplemental FY 07-08 <input checked="" type="checkbox"/>			Budget Request Amendment FY 08-09 <input checked="" type="checkbox"/>				
Request Title:	Updates to Children's Basic Health Plan Medical Premium and Dental Benefit Costs										
Department:	Health Care Policy and Financing			Dept. Approval by: John Bartholomew				Date: February 15, 2008			
Priority Number:	S-3, BA-A3			OSPB Approval:				Date:			
		1	2	3	4	5	6	7	8	9	10
		Prior-Year		Supplemental	Total	Base	Decision/	November 1	Budget	Total	Change
		Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base
	Fund	FY 06-07	FY 07-08	FY 07-08	FY 07-08	FY 08-09	Reduction	FY 08-09	FY 08-09	FY 08-09	(Column 5)
											FY 09-10
(4) Indigent Care Program											
Children's Basic Health	Total	6,834,843	6,886,799	2,082,330	8,969,129	7,137,597	2,945,586	10,083,183	834,658	10,917,841	3,780,244
Plan Dental Benefit Costs	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	2,392,195	2,410,380	728,815	3,139,195	2,498,159	1,030,955	3,529,114	292,130	3,821,244	1,323,085
	FF	4,442,648	4,476,419	1,353,515	5,829,934	4,639,438	1,914,631	6,554,069	542,528	7,096,597	2,457,159
Letternote revised text:											
CF: Annual enrollment fees of CBHP enrollees. CFE: Tobacco Master Settlement Funds, Fund 11G (CBHP Trust Fund), Fund 18K (Health Care Expansion Fund), Supplemental Tobacco Litigation Settlement Account in the CBHP Trust Fund, and Colorado Immunization Fund; FF: Title XXI											
Cash Fund name/number, Federal Fund Grant name:											
IT Request: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Request Affects Other Departments: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, List Other Departments Here:											

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	S-3, BA-A3
Change Request Title:	Updates to Children's Basic Health Plan Medical Premium and Dental Benefit Costs

SELECT ONE (click on box):

- Decision Item FY 08-09
- Base Reduction Item FY 08-09
- Supplemental Request FY 07-08
- Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

This request is to increase the total funds appropriation for the Children’s Basic Health Plan Premium Costs by \$24,953,867 for FY 07-08 and by \$15,570,152 for FY 08-09. This request also seeks to increase the Children’s Basic Health Plan Dental Benefit Costs appropriation by \$2,082,330 for FY 07-08 and \$834,658 for FY 08-09. The adjustments requested for FY 07-08 are the net result of increased caseload estimates and higher medical and dental costs from the appropriation. The FY 08-09 requested adjustments are the result of higher than previously projected caseload. This request also seeks to increase the appropriation of Cash Funds for annual enrollment fees into the Children’s Basic Health Plan Trust Fund by \$45,110 in FY 07-08 and \$25,550 in FY 08-09.

Background and Appropriation History:

The Children’s Basic Health Plan, marketed as the Child Health Plan Plus, is a program that provides affordable health insurance to children under the age of 19 in low-income families (up to 200% of the federal poverty level), who do not qualify for Medicaid and do not have private insurance. The Children’s Basic Health Plan is a non-entitlement program with a defined benefit package that uses privatized administration. The federal

government implemented this program in 1997, giving states an enhanced match on State expenditures for the program. Colorado began serving children in April of 1998. Where available, children enroll in a health maintenance organization. The Plan also has an extensive self-insured managed care network that provides services to children until they enroll in a selected health maintenance organization, and to those children who do not have geographic access to a health maintenance organization.

In October 2002, under an expansion authorized by HB 02-1155 and a federal demonstration waiver, the program began offering health benefits to pregnant women earning up to 185% of the federal poverty level who are not eligible for Medicaid. Due to budget balancing, enrollment into the Prenatal and Delivery Program was suspended from May 2003 through June 2004, with SB 03-291. The Prenatal and Delivery Program stopped funding care in November 2003, when the remaining prenatal care, deliveries, and postpartum care became a responsibility of the State-Only Prenatal Program, until all enrolled women had delivered and received two months postpartum care. Also, the children's program was capped in November 2003. In July 2004, both programs began accepting new applicants again.

HB 05-1262 (Tobacco Tax bill) contained several provisions that affected enrollment in the Children's Basic Health Plan. The following have fiscal and caseload impacts to the Children's Basic Health Plan:

- Increase eligibility to 200% of the federal poverty level, which was implemented on July 1, 2005;
- Provide funding for enrollment above the FY 03-04 enrollment level;
- Provide funding for cost-effective marketing, which began on April 1, 2006, and;
- Remove the Medicaid asset test effective July 1, 2006, which has moved clients from the Children's Basic Health Plan to Medicaid.

The FY 07-08 Long Bill (SB 07-239) appropriated \$89,825,813 in total funds to the Children's Basic Health Plan Premium Costs. This appropriation was reduced by \$3,399,215 to \$86,426,598, with changes for the following five bills:

- SB 07-004, which requires the Children's Basic Health Plan to provide Early Intervention Services in line with those provided under Medicaid;
- SB 07-036, which mandates coverage of certain mental health disorders;
- SB 07-133, which moves the Children's Basic Health Plan Premium Costs line item to cash-based accounting, resulting in one-time savings;
- SB 07-097, which increases eligibility in the Children's Basic Health Plan to 205% of the federal poverty level, and;
- HB 07-1301, which requires that the cervical cancer immunization be provided in the Children's Basic Health Plan.

The dental benefit for children was added to the Children's Basic Health Plan on February 1, 2002. This benefit has been managed through a capitated contract with Delta Dental, a dental plan administrator. As such, the contracted administrator bears the risk associated with the dental benefit. The dental contract was re-bid for FY 07-08 and a new contract was executed with Delta Dental. The plan administrator has an extensive statewide network with over seven hundred providers. The Children's Basic Health Plan dental benefit is comprehensive, and limits each child to \$600 worth of services per year.

The FY 07-08 Long Bill (SB 07-239) appropriated \$7,104,840 in total funds to the Children's Basic Health Plan Dental Benefit Costs. This appropriation was reduced by \$218,041 to \$6,886,799, with changes for the following two bills:

- SB 07-133, which moves the Children's Basic Health Plan Dental Benefit Costs line item to cash-based accounting, resulting in one-time savings, and;
- SB 07-097, which increases eligibility in the Children's Basic Health Plan to 205% of the federal poverty level.

General Description of Request:

This request seeks:

- The funding necessary to allow natural enrollment growth for children and pregnant women;
- To adjust the per capita costs for medical and dental services in accordance with actuarial projections, and;

- To adjust the Cash Funds appropriation to the Children's Basic Health Plan Trust Fund for a revised estimate of enrollment fees.

I. Description of Request Related to Children's Premiums

Caseload Restatement (Exhibit C.12)

Through FY 06-07, the Children's Basic Health Plan Premiums Costs and Dental Benefit Costs line items were using accrual-based accounting. Caseload was adjusted for up to five months to include retroactive enrollments, as counted by capitation payments. SB 07-133 moved these line items to cash-based accounting beginning in FY 07-08. As a result, caseload will no longer be adjusted for retroactivity. Reported caseload will now be a snapshot of enrollment as of the end of the month, similar to the reporting of Medicaid caseload.

Due to this change, caseload is being restated back to FY 01-02. Because caseload will no longer take into account clients who become retroactively eligible in subsequent months, caseload will now be lower than previously reported estimates. Using reports generated from the Colorado Benefits Management System between January and June 2007, the Department estimates the non-retroactive caseload to be approximately 10.5% lower than the caseload previously reported. This estimate is used to restate the caseload, which included retroactivity, to one without retroactivity. Monthly caseload through FY 03-04 is reduced by 10.5%, and the new time-series is smoothed into the old caseload series over the course of FY 01-02 and FY 02-03. Please note that the caseload restatement affects the FY 03-04 enrollment level, above which all traditional children are funded through the Health Care Expansion Fund. This new restated level is 41,786, whereas the level was 46,694 under accrual-based accounting. The expansion children's caseload is restated back to the population's inception in July 2005 using the same estimate. Although the caseload is lower under cash-accounting, this does not mean that fewer children have been or will be served in the program. See Exhibit C.12 for a historical comparison of the capitation-based and restated caseloads, as well as a monthly

comparison for FY 06-07. Comparisons of these caseloads are also presented in graphical form in Exhibit C.11.

Caseload Projections (Exhibit C.6)

In FY 06-07, many factors caused unexpected volatility in the traditional children's caseload (up to 185% of the federal poverty level). The Medicaid asset test was removed on July 1, 2006, and was implemented gradually over the course of FY 06-07 as clients came up for their annual redetermination. The Department anticipated that the asset test would increase the number of low-income children moving from the Children's Basic Health Plan to Medicaid. The number of children exiting the Children's Basic Health Plan did in fact increase in the first three months of FY 06-07, but decreased in subsequent months. Because asset information is no longer collected at the client level, the Department cannot identify clients moving from the Children's Basic Health Plan to Medicaid specifically because of the removal of the asset test. However, as discussed in the Department's June 20, 2007 FY 06-07 Emergency Supplemental #1, "Adjustments to the FY 06-07 Children's Basic Health Plan Caseload and Costs", the number of low-income children leaving the Children's Basic Health Plan was lower than anticipated.

In addition to the removal of the asset test, which was expected to decrease caseload, two factors were expected to have a positive effect on the traditional children's caseload. First, the citizenship requirements of the Deficit Reduction Act of 2005 may have had a positive impact on the Children's Basic Health Plan caseload. Children who do not provide proper proof of citizenship may not gain Medicaid eligibility, but would still be eligible for the Children's Basic Health Plan, which is not subject to the Deficit Reduction Act. The Department clarified this policy in late October 2006 and established more specific procedures to accomplish this. The Department currently has no way to quantify this impact because the documentation process is manual and is not yet incorporated into the Colorado Benefits Management System.

Second, marketing of the Children's Basic Health Plan began in April 1, 2006. The marketing campaign has been successful and the Department believes that it has had a

positive effect on caseload in both the children and prenatal programs. A new marketing campaign began on January 29, 2007. This television and radio campaign was launched statewide targeting low-income and Hispanic populations. The Department believes that the strong caseload growth during the second half of the fiscal year is indicative that recent marketing is having a positive and stronger than previously experienced effect on caseload.

Caseload for expansion children (between 186% and 200% of the federal poverty level) has not been affected by either the removal of the Medicaid asset test or the citizenship requirements of the Deficit Reduction Act. Regardless of whether the child's family has assets, the family's income would be too high for the child to be eligible for Medicaid, which goes up to 100% or 133% of the federal poverty level, depending on age. In addition, if a child otherwise eligible for Medicaid cannot produce proper documentation, the child would be eligible for the traditional children's population in the Children's Basic Health Plan, as their income would be too low to enter the expansion population.

Between October 2006 and June 2007, the traditional children's caseload increased by an average of 1.9% per month. This is the net effect of the removal of the asset test, the documentation requirements of the Deficit Reduction Act, natural population growth, and marketing. During the same period, the expansion population increased by an average of 2.4% per month. As discussed above, the expansion population is not affected by either the asset test removal or the Deficit Reduction Act, so this growth is due to marketing and natural population increases. The average monthly growth in the traditional and expansion populations are relatively close, which seems to imply that the effects of the asset test removal and the Deficit Reduction Act are nearly offsetting. The slightly stronger monthly growth in the expansion population is largely due to high growth in October 2006, and the monthly growth rate moderated markedly over the course of FY 06-07.

Net of the effects of policy changes, it is reasonable to expect the caseloads in Medicaid Eligible Children and the Children's Basic Health Plan to partially move in opposite directions. In times of economic growth or stability, Medicaid caseload is expected to decrease as income and employment levels increase. Some children whose family income

is now too high for Medicaid eligibility may be within the Children's Basic Health Plan income guidelines. So as Medicaid caseload declines, the Children's Basic Health Plan caseload may increase. The Children's Basic Health Plan caseload would not be expected to increase by the same magnitude as the Medicaid children's caseload is dropping, because some children in the higher income levels of the Children's Basic Health Plan may also lose eligibility due to the economic conditions. As seen in the Department's February 15, 2008 Budget Request, Exhibit B, page EB-1, the Medicaid Eligible Children caseload is projected to decline by 8,635 children in FY 07-08, a 4.19% decrease over FY 06-07. This caseload is projected to decline at a moderating pace in FY 08-09, with a 2.32% decrease from FY 07-08.

In FY 07-08, the number of children leaving the traditional children's population in the Children's Basic Health Plan due to the removal of the asset test should decline, as all children will have undergone an annual eligibility redetermination by the end of FY 06-07. In addition, all Medicaid children will have undergone an annual redetermination under the Deficit Reduction Act rules by October 2007, so the number of children moving from Medicaid to the traditional children's population in the Children's Basic Health Plan should decrease in FY 07-08. As previously discussed, the Department believes that the 1.9% monthly growth experienced between October 2006 and June 2007 was due to marketing and natural growth, owing to factors such as the improved economy and general population growth, and the forecasted declines in the Medicaid Eligible Children's caseload supports a relatively healthy caseload projection in Children's Basic Health Plan children. Due to recent volatility in the traditional children's caseload, the Department opted to model the forecasted FY 07-08 caseload growth on data from FY 01-02. Current economic conditions are similar to those from this period of time, and there was marketing of the Children's Basic Health Plan. During this fiscal year, monthly growth averaged 1.6%. The Department has adjusted this average forecasted monthly growth rate to 1.8% for the remainder of FY 07-08 based on a comparison of the average growth rate in the first half of FY 07-08 to that from FY 01-02. The monthly variations in growth rates are retained from FY 01-02, and are due to factors such as the distribution of annual redeterminations and seasonality in caseload caused by strong marketing around the beginning of the traditional school year.

In FY 08-09, the Department anticipates the average monthly growth to decrease from that in FY 07-08. The moderation in the declines in the Medicaid Eligible Children caseload, from a decrease of 4.19% in FY 07-08 to a decrease of 2.32% in FY 08-09, should slow growth in the Children's Basic Health Plan children's populations. Extending the FY 07-08 forecast, the Department's FY 08-09 forecast is modeled after the caseload growth experienced during FY 02-03. During FY 02-03, monthly growth averaged 1.2% per month. The Department believes that it is reasonable to expect that caseload growth in FY 08-09 would be lower than that in FY 02-03 given that caseload is significantly higher and potentially approaching a saturation point. Based on this, the Department projects that the traditional children's caseload will increase by an average of 0.7% per month. The pattern of monthly variations in growth rates is retained from the FY 07-08 forecast, for the reasons outlined above.

As previously discussed, FY 06-07 monthly growth in the expansion children's caseload was approximately the same as that for the traditional children once effects of the asset test removal and the Deficit Reduction Act began to offset. The expansion population has now been in place for two years, and the Department believes that the converging of growth rates is reflective of a maturing population that is approaching a stable long-term growth rate. This trend has been illustrated in the first half of FY 07-08, as monthly growth has averaged 1.86% for traditional children and 1.87% for expansion children. As such, the Department projects that the expansion population will grow at the same rate as the traditional children throughout the forecast period, or an average of 1.8% per month in FY 07-08 and 0.7% per month in FY 08-09. For the reasons outlined above, the monthly variations in the growth rates are retained in the forecast for expansion children.

Caseload Adjustments

In addition to the base caseload outlined above, there are two bottom line adjustments to the children's caseload for the forecast period. HB 06-1270 (*Public School Eligibility Determinations*) directs the Department to establish medical assistance sites in public schools to allow qualified personnel to make Medicaid eligibility determinations. Based

on the fiscal note for HB 06-1270, which assumes the participation of three school districts, the total children’s caseload forecast is increased by 102 clients in FY 07-08 and 121 in FY 08-09. The adjustment is split between traditional and expansion populations based on the relative size of each group.

The Department is implementing income disregards to allow for eligibility up to an equivalent of 205% of the federal poverty level. SB 07-097 provides Supplemental Tobacco Litigation Settlement funding for the medical and dental costs for these new clients. The fiscal note for this bill included an inflation factor to adjust for retroactivity in CHP+ caseload. However, with the move to cash-based accounting in the Children's Basic Health Plan, caseload no longer includes retroactivity. After removing this factor, the children’s caseload forecast is increased by 108 clients in FY 07-08 and 235 in FY 08-09. These clients are included in the expansion population projections.

Total Children’s Caseload Projection

The total FY 07-08 children’s caseload forecast (including adjustments) is 58,940, a 25.3% increase over the FY 06-07 restated caseload of 47,047. While this growth rate is high, had caseload increased by 2.1% per month for all of FY 06-07 (as experienced between November 2006 and June 2007), the growth rate in total children would have been approximately 32.0%. The total FY 08-09 children’s forecast is 67,653, a 14.8% increase over FY 07-08. Please see Exhibit C.6 for children’s caseload history and detailed projections.

Children's Caseload Summary	FY 07-08 Appropriated Caseload	FY 07-08 Revised Caseload	FY 08-09 November 1, 2007 Budget Request (DI-3)	FY 08-09 Revised Request
Traditional Children	49,364	55,182	58,382	63,228
Expansion Children	4,352	3,758	4,099	4,425
Final Caseload Forecast	53,716	58,940	62,481	67,653

Children's Rates (Exhibit C.5)

Children's Basic Health Plan children are served by either a health maintenance organization (HMO) at a fixed monthly cost, or by Anthem, which is a no-risk provider that maintains the State's managed care network and bills the State directly for all costs incurred (self-funded). In FY 05-06 and FY 06-07, approximately 58.0% of Children's Basic Health Plan children were served by an HMO, while the remaining 42.0% were in the self-funded network. Actual and estimated caseload ratios between HMOs and the self-funded network are used to develop blended capitation rates.

The Children's Basic Health Plan is responsible for all costs incurred by members in the State's self-funded network, including any extraordinary health care services. While the per member per month medical cost includes some variability in costs per client, a single child with catastrophic health care claims (such as a life-threatening illness or severe auto accident) could cost the program potentially hundreds of thousands of dollars. Unlike Medicaid, the Children's Basic Health Plan is not an entitlement program and the Department does not have overexpenditure authority for this program; the Children's Basic Health Plan must pay all claims incurred through its annual appropriation. Presently, the Department mitigates this risk by purchasing reinsurance. Reinsurance protects insurers from catastrophic claims by paying for claims over a predetermined dollar amount. Reinsurance premiums are paid by a per member per month charge. Like the State, health maintenance organizations are responsible for covering claims for catastrophic cases enrolled in their plans, and often use reinsurance coverage to mitigate their financial risk in this area as well.

For the development of the FY 07-08 rate for children in the self-funded network, the Plan's contracted actuary assumed that health care costs would grow by an estimated 7.2% based on history, published surveys, and reports. In addition, the total administrative costs are projected to increase by 4.6% to \$31.43. This amount includes an estimated \$29.00 in claims and network administration costs and \$2.43 in reinsurance costs per client per month in the self-funded program. The resulting FY 07-08 base per month cost for each child in the self-funded network is a total of \$129.64, a 7.0% increase

over the FY 06-07 rate. This is higher than that previously reported in the Department's November 1, 2006 FY 07-08 Budget Request DI-3, as an income rating category was omitted from the original actuarial rates in anticipation that the removal of the Medicaid asset test would eliminate all clients under 100% of the federal poverty level.

In the development of the FY 07-08 rate for each HMO client, the contracted actuary also assumed growth in health care costs of 7.2%. Administrative costs are projected to increase by 5.6% to \$14.42 per member per month. The resulting FY 07-08 base per month cost for each child in an HMO is \$107.87, a 12.9% increase over the FY 06-07 rate. This increase is due largely to higher claims costs during the base period used to calculate the FY 07-08 rates relative to that for the FY 06-07 rates. In addition, the HMO rate increased by an average of 4.1% per year between FY 03-04 and FY 06-07, compared to average growth of 8.9% per year in the self-funded rate. As with the self-funded rate, the FY 07-08 rate is higher than previously reported for the reasons already outlined. While similar assumptions are used to derive both the self-funded and HMO rates, it should be noted that the HMOs define their own benefit structures and, as such, can offer more benefits than the Department requires. In calculating the HMO rates, the contracted actuary disregards the additional benefits and costs of services provided above and beyond those required by the Department.

The Department estimates that approximately 42.0% of children will be served in the self-funded network in FY 07-08 and the remaining 58.0% will be enrolled in an HMO. This assumption is based on historical experience as well as the expectation that the growth in children new to the Children's Basic Health Plan will support a higher percentage of children in the self-funded network, as new children are often in the self-funded network for a number of months prior to enrolling in an HMO. Applying these weights to the actuarial rates yields a blended rate of \$117.01 for all children in FY 07-08. This is an increase of 10.5% over the FY 06-07 blended rate of \$105.85, as calculated using the actual caseload mix between self-funded and HMO.

The following four bills were passed in the 2007 legislative session and have impacts on the FY 07-08 benefit package and capitation rates in Children's Basic Health Plan:

- SB 07-004: Mandates that the Children's Basic Health Plan provide Early Intervention Services in line with those provided in Medicaid. The Children's Basic Health Plan will begin providing physical, occupational, and speech therapies for children under the age of 3 who have developmental delays. This change to the benefit package is effective November 1, 2007.
- SB 07-036: Mandates coverage of certain mental health disorders, including but not limited to general anxiety disorder, post traumatic stress disorder, and drug and alcohol disorders. Coverage of the certain mental health disorders is required to be no less extensive than that provided for physical illness. This change to the benefit package is effective January 1, 2008.
- HB 07-1301: Mandates coverage for the full cost of the cervical cancer vaccination for all females for whom a vaccination is recommended, generally at age 11 to 12, as well as older women who have not previously been vaccinated. This change to the benefit package is effective January 1, 2008.
- SB 07-097: Provides Supplemental Tobacco Litigation Settlement funding to expand eligibility in the Children's Basic Health Plan from 200% to 205% of the federal poverty level. This change in eligibility is effective March 1, 2008.

The following table shows a comparison of the estimated change in the capitation rate that was used to appropriate funds for the implementation of each bill to the actual change in the blended rate:

	Estimated (Appropriated) Impact on Rate from Fiscal Note	Actual Rate Impact	Difference
SB 07-004 Early Intervention Services	\$0.10	\$2.50	(\$2.40)
SB 07-036 Mandatory Coverage of Mental Health Disorders	\$0.08	\$0.16	(\$0.08)
HB 07-1301 Cervical Cancer Immunizations	\$1.99	\$3.98	(\$1.99)
SB 07-097 Allocation of Tobacco Litigation Settlement Monies	\$0.00	\$0.00	\$0.00

The final impact on the children's capitation rate for SB 07-004 (Early Intervention Services) is significantly higher than that included in the fiscal note estimate. The current

benefit package provides physical, occupational, and speech therapies only in cases where such therapy is medically needed due to illness or injury, and the benefits are limited to 30 visits. However, per the current benefit package, specifically excluded are “therapies for learning disorders, developmental delays, stuttering, voice disorders, or rhythm disorders”. In estimating the fiscal note, only the cost of removing the cap on visits was included. The higher than estimated cost for adding these benefits is because the exclusion of developmentally delayed clients is being removed, and unlimited therapies for these clients will be provided beginning November 1, 2007. The assumed utilization and cost per therapeutic visit assumed by the contracted actuary are in line with those experienced in the comparable population in Medicaid.

The final impact on the children’s rate for the cervical cancer immunization is also notably different than the fiscal note estimate. In the calculation of the per member per month increase due to the benefit, the contracted actuary’s assumed cost for the immunization series, including that of administering the vaccine, exceeds that used in the fiscal note estimate by 11.6%. In addition, the utilization rate assumed by the contracted actuary is 50% of females aged 11 through 18, whereas the fiscal note assumed 40.9% utilization.

The final FY 07-08 blended rate, including the legislative impacts outlined above, adjusted for effective dates, is \$120.75 per member per month. This is a 14.1% increase over the FY 06-07 blended rate of \$105.85, as calculated using the actual caseload mix between self-funded and HMO. See Exhibit C.5, page C.5-2 for calculations.

For the rates effective in FY 08-09, the Department contracted with the same actuary to develop the self-funded (Anthem) and HMO rates. As with the FY 07-08 rates, the contracted actuaries based rates on history and industry trend sources, and assumed that health care costs would grow by 6.7% in the self-funded network, down from a 7.2% trend in FY 07-08. In addition, total administrative costs are projected to increase by 4.2% to \$32.75. This amount includes an estimated \$30.45 in administrative costs and \$2.30 in reinsurance costs per client per month in the self-funded program. The resulting projected FY 08-09 self-funded rate is \$141.54 per member per month, a 5.9% increase over the FY 07-08 Anthem rate of \$133.71 (blended to include all legislative impacts).

The contracted actuary utilized historical Children's Basic Health Plan data in the FY 08-09 HMO rate development. Based on claims costs incurred in 2005 and 2006, the contracted actuary assumed a cost trend of 6.9% for the HMOs, which is in line with other industry studies. The rates were also adjusted for the impacts of the 2007 legislation outlined above, as these costs were not already included in the claims costs from which the FY 08-09 costs are projected. However, the current FY 08-09 rate does not incorporate the impact of SB 07-004 (Early Intervention), as the contracted actuary will be monitoring the utilization and cost for the new benefits and adjusting the FY 08-09 rate toward the end of FY 07-08. Based on recent growth, administrative costs are projected to increase by 14.1% to \$16.46 per member per month. The resulting FY 08-09 HMO rate is \$109.65, a 1.5% decrease from the FY 07-08 HMO rate of \$111.37 (blended to include all legislative impacts). This overall decrease is largely due to a projected reduction in costs for children under age 6, which comprise approximately 20% of children enrolled in the HMOs, as well as the exclusion of costs associated with SB 07-004 (Early Intervention). For the purposes of budgeting accuracy, the Department has adjusted the current FY 08-09 actuarially set HMO rate to incorporate the anticipated costs associated with SB 07-004. The Department assumes that the impact of SB 07-004 in FY 08-09 will be the same percent increase as in FY 07-08, resulting in a 1.8% increase in the FY 08-09 rate to \$111.63. This, however, is a Department assumption and not an actuarially set rate, and the Department will incorporate the updated actuarial rate when it becomes available.

As previously discussed, the Department estimates that 42.0% of children will be served in the self-funded network in FY 07-08 and the remaining 58.0% will be enrolled in an HMO. The Department assumes that this enrollment mix will remain constant in FY 08-09, for the reasons outlined above. Applying these weights to the actuarial rates yields a blended rate of \$124.19 for all children in FY 08-09. This is an increase of 2.9% over the FY 07-08 blended rate of \$120.75, which includes all legislative impacts adjusted for effective dates. This is also an increase from the rate presented in the Department's November 1, 2007 Budget Request, Decision Item #3, as the Department did not

previously adjust the FY 08-09 children's HMO rate to incorporate an estimated impact from SB 07-004 (Early Intervention).

Children's Per Capita (Exhibit C.5)

In prior years, the Children's Basic Health Plan Premium Costs projections for children were calculated by first forecasting caseload, which included retroactivity, and multiplying by twelve to estimate the number of member months for which capitation payments would be made in the year. This estimate of total member months was then multiplied by per member per month capitation rates to project the total expenditures. However, this methodology using forecasted member months incorporates the impact of retroactive payments, which is inconsistent with the move to cash-based accounting. Beginning in FY 07-08, the Children's Basic Health Plan Premium Costs projections will no longer be directly calculated based on per member per month capitation rates, but rather using per capita costs.

The Department has analyzed cash-based expenditures as reported from the Colorado Financial Reporting System, and the restated non-retroactive caseload to estimate historical children's per capitas. While the expenditure projections will no longer be directly calculated with capitation rates, growth in historical per capita has tracked with growth in the blended capitation rate over recent years. Given this and the short per capita history, the Department's FY 07-08 and FY 08-09 forecasted per capita growth rates mirror those of the actuarially developed rates. This forecast assumes that the capitation rate for the self-funded network is indeed in line with the costs incurred for these children, and that other factors that may affect per capita costs remain constant from FY 06-07. Examples of other factors that may affect per capita costs include the length of stay in the program, enrollment mix between the more expensive self-funded network and HMOs, and the average length of time taken for a child to enroll in an HMO.

As discussed in the Department's June 20, 2007 FY 06-07 Emergency Supplemental #1, "Adjustments to the FY 06-07 Children's Basic Health Plan Caseload and Costs", the Department booked an accounts receivable for overpayments to Anthem in FY 05-06. It

was discovered during the FY 05-06 cost settlement with Anthem that the Department had over-estimated this amount, and the accounts receivable had to be reversed and the expenditures accounted for in FY 06-07. In effect, this artificially pushed FY 05-06 expenditures into FY 06-07, thus inflating the FY 06-07 cash-based expenditures from the Colorado Financial Reporting System, and therefore the calculated per capita. The reversed accounts receivable affected only the children's expenditures, and accounted for approximately 5.2% of the accrual-based expenditures for children in FY 06-07. The FY 06-07 cash-based children's medical expenditures from the Colorado Financial Reporting System are decreased by a like amount in order to approximate the FY 06-07 expenditures without the artificial inflation. These adjusted expenditures are used to calculate the FY 06-07 per capita of \$1,385.96, from which the FY 07-08 and FY 08-09 per capitas are projected.

The growth in the FY 07-08 blended capitation rate is used to project the FY 07-08 per capita. The base growth of 10.5% is applied to the calculated FY 06-07 per capita to estimate a base per capita. For the impacts of the legislative changes discussed above, the percent change in the per member per month rate relative to the base FY 07-08 rate is calculated for each change in benefits. These percentages are then applied to the base per capita and adjusted for partial years according to effective dates, to estimate the final per capita. The FY 07-08 estimated children's per capita, adjusted for all legislation and the corresponding effective dates, is \$1,581.01.

Similar to FY 07-08, the growth in the FY 08-09 blended capitation rate is used to project the FY 08-09 per capita. The blended rate increase is estimated to be 2.9% in FY 08-09. Applying this growth to the final blended FY 07-08 per capita yields an estimated FY 08-09 per capita of \$1,626.07. This includes the Department's assumption that the impact of SB 07-004 in FY 08-09 will be the same 1.8% increase as in FY 07-08. This, however, is a Department assumption and not actuarially set, and the Department will incorporate the updated actuarially set costs when they become available. See Exhibit C.5 for per capita history and detailed projections.

II. Description of Request Related to the Prenatal Program

Caseload Restatement (Exhibit C.12)

As with the children's population, the prenatal caseload is being restated back to the program's inception due to the change to cash-based accounting. Because caseload will no longer take into account clients who become retroactively eligible in subsequent months, caseload will now be lower than previously reported estimates. In addition, prenatal caseload was previously reported in total member months, due to the fact that pregnant women do not receive eligibility in the program for a full year. Prenatal caseload will now be reported and forecasted at the client level, yielding a caseload similar to that for children.

Using reports generated from the Colorado Benefits Management System between January and June 2007, the Department estimates the non-retroactive caseload to be approximately 15.2% lower than the caseload previously reported. This estimate is used to restate the prior caseload, which included retroactivity, to one without retroactivity. Monthly caseload through the program's inception in October 2002 is reduced by 15.2%. Please note that the caseload restatement affects the FY 03-04 enrollment level, above which all traditional prenatal clients are funded through the Health Care Expansion Fund. This new restated level is 101, whereas the level was 119 under accrual-based accounting. The expansion prenatal caseload is restated back to the population's inception in July 2005 using the same estimate. Although the caseload is lower under cash-accounting, this does not mean that fewer prenatal women have been or will be served in the program. See Exhibit C.12 for a historical comparison of the capitation-based and restated caseloads, as well as a monthly comparison for FY 06-07. Comparisons of these caseloads are also presented in graphical form in Exhibit C.11.

Caseload Projections (Exhibit C.7)

In FY 06-07, the Children's Basic Health Plan prenatal population did not experience the volatility in caseload that was seen in the children's population. The removal of the Medicaid asset test did not affect this population, as pregnant women were never subject to asset limitations to qualify for the Baby and Kid Care Program in Medicaid. In addition, the prenatal population was subject to the identification requirements of HB 06S-1023. With the passage of SB 07-211, the CHP+ prenatal population was exempted from the HB 06S-1023 identification requirements beginning July 1, 2008, which may increase the monthly growth rate above that experienced in FY 06-07. However, as evidenced by the children's population, the effects of such a policy change are difficult to predict or quantify. The Department believes that pregnant adults are more likely than children to have proper identification documentation, so the effects may be mitigated from those experienced in the children's population.

The Department has seen growth in the traditional prenatal program accelerate in the first half of FY 07-08 relative to FY 06-07, a trend also experienced in Medicaid's Baby-Care Program Adults, which are pregnant women up to 133% of the federal poverty level. During this period, caseload has increased by an average of 46 clients, or 4.1% per month. The Department speculates that the impact of the identification exemption enacted by SB 07-211 may be partially responsible for the strong growth, but it is not known at this time. The Department sees no compelling reason that growth for the remainder of FY 07-08 will not remain high and in line with recent trends. The Department's forecast for the remainder of FY 07-08 is based on growth experienced between May and November 2007. During this time period, caseload increased by an average of 3.7% per month. Monthly variations that were previously included in this caseload forecast have been removed, as these trends did not appear to be representative of actual growth experienced in the first half of FY 07-08. The growth in the traditional prenatal population is forecasted to moderate in FY 08-09, as this population should have an upper boundary based on the number of pregnant women in this income range in Colorado. Based on monthly growth rates experienced in FY 06-07, the Department projects that the traditional prenatal caseload will increase by an average of 1.0% per month in FY 08-09.

As with the FY 07-08 forecast, all monthly variations used in previous forecasts have been removed. The Department believes that the volatile caseload history in this group, caused by policy changes and the enrollment cap in FY 03-04, may have prevented stable monthly trends from being established, as has occurred with the children's population.

While the expansion prenatal population has been in place for the same amount of time as the expansion children, its growth rate is not converging with the traditional prenatal population, as is observed with the child populations. In the first half of FY 07-08, average monthly growth in the expansion prenatal was 1.1%, much lower than that seen in the traditional population. Similar to the traditional population, the Department sees no compelling reason to deviate from forecasts based on recent growth trends. The Department's forecast for the remainder of FY 07-08 is based on the growth experienced between July 2006 and December 2007, during which monthly increases averaged 1.6%. As with the traditional prenatal population, monthly variations used in previous forecasts have been removed, as the trends did not appear to be representative of the actual caseload growth experienced thus far in FY 07-08. The Department projects the growth from the second half of FY 07-08 growth to continue into FY 08-09, as the forecast yields moderate growth.

Caseload Adjustments

In addition to the base caseload outlined above, there is a bottom line adjustment to the prenatal caseload for the forecast period for SB 07-097, which expands eligibility in the Children's Basic Health Plan to 205% of the federal poverty level. The fiscal note for this bill included an inflation factor to adjust for retroactivity in CHP+ caseload. However, with the move to cash-based accounting in Children's Basic Health Plan, caseload no longer includes retroactivity. After removing this factor, the prenatal caseload forecast is increased by 7 clients in FY 07-08 and 19 in FY 08-09. These clients are included in the expansion population projections.

Total Prenatal Caseload Projection

The total FY 07-08 prenatal caseload forecast is 1,539 clients, a 31.5% increase over the FY 06-07 restated caseload of 1,170. The FY 08-09 total prenatal forecast is 1,986 clients, a 29.0% increase over FY 07-08. Please see Exhibit C.7 for children’s caseload history and detailed projections.

Prenatal Caseload Summary	FY 07-08 Appropriated Caseload	FY 07-08 Revised Caseload	FY 08-09 November 1, 2007 Budget Request (DI-3)	FY 08-09 Revised Request
Traditional Prenatal	1,175	1,325	1,214	1,720
Expansion Prenatal	482	214	283	266
Final Caseload Forecast	1,657	1,539	1,497	1,986

Prenatal Rates (Exhibit C.5)

All clients in the prenatal program are served by the self-funded program (Anthem) and the costs of their services are billed in full directly to the State. For the development of the FY 07-08 rates, the contracted actuary did not have multiple years of claims experience to develop cost trends, so the same trends by category of service from the self-funded network’s children population were used for the prenatal program. Applying these trends by service category yielded an estimated average growth rate in health care costs of 4.7%. The actuarial analysis also assumes that 95% of all pregnant women in the prenatal program will have deliveries in the Children's Basic Health Plan, and that the average length of stay will be 7.8 months. As with the children’s rates, the total administrative costs are projected to increase by 4.6% to \$31.43, which includes an estimated \$29.00 in claims and network administration costs and \$2.43 in reinsurance costs per client per month (see Children’s Rates, Section I). The FY 07-08 base prenatal rate developed by the contracted actuary is \$864.09, a 17.4% decrease from the FY 06-07 rate. This decrease is due to a decline in the claims costs during the base periods from which the rates are trended. The FY 07-08 rate is lower than that previously reported in the Department’s November 1, 2006 FY 07-08 Budget Request DI-3 for the reasons outlined in Children’s Rates, Section I.

The Department is implementing income disregards to allow for eligibility up to an equivalent of 205% of the federal poverty level. SB 07-097 provides Supplemental Tobacco Litigation Settlement funding for these new clients. This change in eligibility is effective March 1, 2008. While the fiscal note for this bill assumed that the addition of this population would not change the capitation rate, the contracted actuary adjusted the FY 07-08 rates down slightly. The final FY 07-08 blended rate, after adjusting for the effective date of SB 07-097, is \$864.08 per member per month.

Similar to the development of FY 08-09 rates for the children's population, the contracted actuaries based prenatal rates on history and industry trend sources. The assumed growth in health care costs in FY 08-09 is 6.7% for prenatal women in the self-funded network, up from a 4.7% trend in FY 07-08. Utilization assumptions were retained from FY 07-08, and the actuarial analysis assumes that 95% of all pregnant women in the prenatal program will have deliveries in the Children's Basic Health Plan, and that the average length of stay will be 7.8 months. As in the children's self-funded rates, total administrative costs are projected to increase by 4.2% to \$32.75, which includes an estimated \$30.45 in administrative costs and \$2.30 in reinsurance costs per client per month. The resulting projected FY 08-09 prenatal rate is \$921.30 per member per month, a 6.6% increase over the final FY 07-08 prenatal rate of \$864.07 (including the impact of SB 07-097).

Prenatal Per Capita (Exhibit C.5)

Similar to the children's projections, the Children's Basic Health Plan Premium Costs estimate for the prenatal program in prior years was calculated by first projecting caseload in total member months, which included retroactivity. This estimate of total member months was then multiplied by per member per month capitation rates to estimate the total expenditures. However, this methodology using projected member months incorporates the impact of retroactive payments, which is inconsistent with the move to cash-based accounting. Beginning in FY 07-08, the Children's Basic Health Plan Premiums Costs projections will no longer be directly calculated based on per member per month capitation rates, but rather using per capita costs.

The Department has analyzed cash-based expenditures as reported from the Colorado Financial Reporting System, and the restated non-retroactive caseload to estimate historical prenatal per capitas. While the expenditure projections will no longer be directly calculated with capitation rates, growth in historical per capita has tracked with growth in the prenatal capitation rate over recent years. Given this and the short per capita history, the Department's FY 07-08 and FY 08-09 forecasted per capita growth rates mirror those of the actuarially developed rates, similar to the methodology used in the children's population. This forecast assumes that the capitation rate is indeed in line with the costs incurred for prenatal clients in the self-funded program, and that other factors that may affect per capita costs, such as the length of stay in the program, remain constant from FY 06-07.

The FY 06-07 calculated prenatal per capita is \$14,438.28. The calculated FY 06-07 per capita is decreased by the base decline of 17.4% in capitation rates to estimate a base per capita for FY 07-08. The change to the capitation rate for SB 07-097 was so slight that it did not change the per capita. The FY 07-08 estimated prenatal per capita is \$11,933.24.

Similar to FY 07-08, the growth in the FY 08-09 prenatal capitation rate is used to project the FY 08-09 per capita. The capitation rate increase is estimated to be 6.6% in FY 08-09. Applying this growth to the FY 07-08 per capita yields an estimated FY 08-09 per capita of \$12,723.22. There are no adjustments for changes in either eligibility or benefits packages in FY 08-09.

III. Description of Request Related to the Children's Dental Benefit Costs

Dental Caseload (Exhibit C.6)

Children who qualify for the Children's Basic Health Plan are eligible to receive dental benefits in addition to medical benefits. There are consistently fewer members enrolled in the dental program than in the medical plan, because new members do not receive dental

coverage during their pre-HMO enrollment period. Previously, the Department calculated a ratio of dental enrollment to medical enrollment to project dental caseload and costs.

Through FY 06-07, the Children's Basic Health Plan Premiums Costs and Dental Benefit Costs line items were using accrual-based accounting. SB 07-133 moved these line items to cash-based accounting beginning in FY 07-08. As a result, the Department will no longer estimate a separate children's dental caseload. Rather, the dental caseload will be the same as the medical caseload, and the per capita will incorporate a lower cost per client due to a shorter length of stay in the dental program.

Dental Rates (Exhibit C.5)

The actuarially developed dental capitation rate presented in the Department's November 1, 2006 FY 07-08 Budget Request DI-3 was \$13.97 per member per month for FY 07-08. The dental vendor contract was re-bid for FY 07-08, and a new contract was executed with Delta Dental at a negotiated rate of \$13.84 for FY 07-08. This is an increase of 4.1% over the FY 05-06 capitation rate. As part of the re-bid process, Delta Dental was also able to offer an increased benefits package. These changes include increasing the cap on dental benefits from \$500 to \$600 per year, removing the age limit on sealants and fluoride varnishes, and increasing the cap on fluoride varnishes from one to two per year.

For the development of the FY 08-09 dental capitation rate, the contracted actuary assumed a cost trend of 3.0%, based on historical dental claims data as well as industry publications. The FY 08-09 actuarially developed dental rate is \$14.66 per member per month, an increase of 5.9% over the FY 07-08 rate. This rate assumes the continuation of the enhanced benefits package described above, as well as an estimated \$1.09 in administrative costs per member per month.

Dental Per Capita (Exhibit C.5)

In prior years, the dental caseload was estimated to be a fixed percent of the medical caseload for expenditure projections, typically around 80%. As with the medical projections, this estimated caseload, which included retroactivity, was then multiplied by twelve to estimate the number of member months for which capitation payments would be made in the year. This estimate of total member months was then multiplied by per member per month capitation rates to project the total expenditures. However, this methodology using projected member months incorporates the impact of retroactive payments, which is inconsistent with the move to cash-based accounting. Beginning in FY 07-08, the Children's Basic Health Plan Dental Benefit Costs projections will no longer be directly calculated based on per member per month capitation rates, but rather using per capita costs.

The Department has analyzed cash-based expenditures as reported from the Colorado Financial Reporting System, and the restated non-retroactive caseload to estimate historical dental per capitas. Rather than estimating dental caseload as a percent of medical caseload, the historic and projected per capitas are based on the medical caseload. While the expenditure projections will no longer be directly calculated with capitation rates, growth in historical per capita has tracked with growth in the capitation rate over the recent years. Given this and the short per capita history, the Department's FY 07-08 and FY 08-09 forecasted per capita growth rates mirror those of the actuarially developed rates. This forecast assumes that other factors that may affect per capita costs, such as the length of stay in the Children's Basic Health Plan and the average length of time taken for a child to receive dental benefits, remain constant from FY 06-07.

The FY 06-07 calculated dental per capita is \$146.42. Base growth of 4.1% from the capitation rate is applied to the calculated FY 06-07 per capita to estimate the FY 07-08 per capita of \$152.36.

Similar to FY 07-08, the growth in the FY 08-09 dental capitation rate is used to project the FY 08-09 per capita. The capitation rate increase is estimated to be 5.9% in FY 08-

09. Applying this growth to the FY 07-08 per capita yields an estimated FY 08-09 per capita of \$161.38.

IV. Description of Request Related to the Trust Fund (Exhibit C.1)

Expenditures from the Trust Fund include program expenses from the Children's Basic Health Plan premiums, dental, and administration line items, as well as a portion of the Department's internal administration expenses allocated to the Children's Basic Health Plan. The program expenses and projection of the Trust Fund balance are presented in Exhibit C.1.

The Children's Basic Health Plan Trust Fund is funded primarily through Tobacco Master Settlement appropriations and General Fund (when necessary); however, enrollment fees from clients of the program and interest earnings on the Fund's balance also serve to subsidize the Trust. In FY 05-06, \$900,000 was refunded to the Trust in January of 2006, as repayment for a 2002 transfer to the Department of Treasury used to reduce the State's General Fund deficit. In the FY 07-08 Long Bill Add-ons, the Trust was appropriated \$11,243,215 General Fund with the intent of providing funding for traditional clients that are paid for from the Trust Fund through FY 07-08.

The Trust Fund has received a base Tobacco Master Settlement allocation of \$20,406,406 in FY 07-08, which is approximately \$294,000 higher than the original forecast for the base FY 07-08 allocation. In addition to this base payment, HB 07-1359 accelerated payments from the Strategic Contribution Fund in the Master Settlement Agreement, which is forecasted to provide an additional allocation of \$1,500,000 in April 2008.

HB 07-1359 also created an account known as the Health Care Supplemental Appropriations and Overexpenditure Account and allows up to \$6,200,000 in this account to be appropriated to the Children's Basic Health Plan Trust Fund in FY 06-07 and FY 07-08 to cover overexpenditures and supplemental appropriations from the Trust Fund in those years. The Department's June 20, 2007 1331 Emergency Supplemental for FY 06-07 increased the spending authority to both the Children's Basic Health Plan Premium

Costs and Dental Benefit Costs line items, with \$1,236,129 to come from the Children's Basic Health Plan Trust Fund. In the Department's January 23, 2008 Supplemental Hearing, the Joint Budget Committee staff recommended and the Joint Budget Committee approved that this amount be appropriated from the Health Care Supplemental Appropriations and Overexpenditure Account, to be included in the FY 07-08 Supplemental Bill.

Based on all current estimates, the Trust Fund balance is expected to be sufficient to cover the FY 07-08 and FY 08-09 program costs. However, if the Tobacco Master Settlement allocation is lower than currently forecasted or the appropriation from the Health Care Supplemental Appropriations and Overexpenditure Account to the Trust Fund is not included in the FY 07-08 Supplemental Bill, the Department anticipates that an additional General Fund appropriation would be required to balance the Trust Fund in FY 08-09.

The Department is requesting increases to the Cash Funds appropriation for annual enrollment fees to the Children's Basic Health Plan Trust Fund of \$45,110 in FY 07-08 and \$25,550 in FY 08-09 due to increased caseload forecasts.

Consequences if Not Funded:

If this request is not funded, the Children's Basic Health Plan would have insufficient spending authority in the Premium Costs and Dental Benefit Costs line items to support the projected caseload growth and per capita increases, despite the positive balance in the Trust Fund and the available funding from the Health Care Expansion Fund. As such, enrollment in the Children's Basic Health Plan would have to be capped. If the appropriation is insufficient to support the costs for traditional children, the prenatal program would be suspended because it is an optional program. However, because of the size of the prenatal program relative to the children's program and the timing of a potential enrollment cap, suspending the prenatal program would do little to help prevent an overexpenditure.

Children's enrollment may be capped in two ways. First, the program may be closed to new applicants, and redeterminations would be allowed to continue. The attrition rate of this method would be slower than a strict cap on the program, as those who are still

eligible at their redetermination would be allowed to stay on the program. However, the date to apply the cap would have to be sooner. Second, the program may be closed to new clients as well as redeterminations. Clients would be disenrolled in the program when they came up for redetermination. The attrition rate of this method is faster than the previous method and may allow the Department to implement the cap later in the year. The Department can not disenroll existing children in the program that are not due for an annual redetermination, as children are guaranteed 12-months continuous enrollment per 25.5-8-109 (4), C.R.S. (2007).

The Department believes that the earliest it could implement an enrollment cap if this request is not approved is April 1, 2009. If the prenatal program were suspended immediately, average monthly caseload could be reduced to 1,089 in FY 07-08. There would still be a shortfall of \$19,636,597 in the Premium Costs line item, and an additional cap on the children's program would be required. In order to stay within the appropriation, children's enrollment would have to be capped at a monthly average of approximately 54,665 in FY 07-08. Given the actual and projected growth, the Department estimates that approximately 4,945 children would need to be disenrolled per month between April and June 2008 to reach this average monthly caseload. The Department does not anticipate this many children to have an annual redetermination in the potential capped months, and therefore does not believe that this caseload limit is attainable for FY 07-08.

If the Department's FY 08-09 request is not funded, the children's program would need to be capped to prevent an overexpenditure in the Dental Benefits line item. To do so, enrollment in the children's program would have to be capped at 62,481, thus denying benefits to an estimated 5,172 children per month in FY 08-09. This enrollment cap would also reduce the medical costs for children by enough to prevent an overexpenditure in the Premium Costs line item. However, the cap on children's enrollment would also require the optional prenatal program to be suspended, and a projected average of 1,986 pregnant women per month would no longer receive services in FY 08-09.

Calculations for Request:

Summary of Request FY 07-08	Total Funds	General Fund	Cash Funds	Cash Funds Exempt
(4) Indigent Care Program- HB 97-1304 Children's Basic Health Plan Trust				
FY 07-08 Final Appropriation (Column 2)	\$256,475	\$11,011	\$245,464	\$0
FY 07-08 Supplemental Request (Column 3)	\$45,110	\$0	\$45,110	\$0
FY 07-08 Total Revised Request (Column 4)	\$301,585	\$11,011	\$290,574	\$0

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds
(4) Indigent Care Program- HB 97-1304 Children's Basic Health Plan Trust			
FY 08-09 Base Request (Column 5)	\$271,456	\$22,762	\$248,694
FY 08-09 November 1, 2007 DI-3 (Column 6)	\$2,442,385	\$2,382,423	\$59,962
FY 08-09 Requested Budget Amendment (Column 8)	\$25,550	\$0	\$25,550
Total FY 08-09 Revised Request (Column 9)	\$2,739,391	\$2,405,185	\$334,206

Summary of Request FY 07-08	Total Funds	Cash Funds	Cash Funds Exempt	Federal Funds
(4) Indigent Care Program- Children's Basic Health Plan Premium Costs				
FY 07-08 Final Appropriation (Column 2)	\$86,426,598	\$1,479	\$30,408,342	\$56,016,777
FY 07-08 Supplemental Request (Column 3)	\$24,953,867	(\$1,479)	\$8,763,693	\$16,191,653
FY 07-08 Total Revised Request (Column 4)	\$111,380,465	\$0	\$39,172,035	\$72,208,430

Summary of Request FY 08-09	Total Funds	Cash Funds	Cash Funds Exempt	Federal Funds
(4) Indigent Care Program- Children's Basic Health Plan Premium Costs				
FY 08-09 Base Request (Column 5)	\$91,098,718	\$0	\$32,045,063	\$59,053,655
FY 08-09 November 1, 2007 DI-3 (Column 6)	\$28,607,957	\$0	\$10,052,899	\$18,555,058
FY 08-09 Requested Budget Amendment (Column 8)	\$15,570,152	\$0	\$5,466,161	\$10,103,991
Total FY 08-09 Revised Request (Column 9)	\$135,276,827	\$0	\$47,564,123	\$87,712,704

Summary of Request FY 07-08	Total Funds	Cash Funds Exempt	Federal Funds
(4) Indigent Care Program- Children's Basic Health Plan Dental Benefit Costs			
FY 07-08 Final Appropriation (Column 2)	\$6,886,799	\$2,410,380	\$4,476,419
FY 07-08 Supplemental Request (Column 3)	\$2,082,330	\$728,815	\$1,353,515
FY 07-08 Total Revised Request (Column 4)	\$8,969,129	\$3,139,195	\$5,829,934

Summary of Request FY 08-09	Total Funds	Cash Funds Exempt	Federal Funds
(4) Indigent Care Program- Children's Basic Health Plan Dental Benefit Costs			
FY 08-09 Base Request (Column 5)	\$7,137,597	\$2,498,159	\$4,639,438
FY 08-09 November 1, 2007 DI-3 (Column 6)	\$2,945,586	\$1,030,955	\$1,914,631
FY 08-09 Requested Budget Amendment (Column 8)	\$834,658	\$292,130	\$542,528
Total FY 08-09 Revised Request (Column 9)	\$10,917,841	\$3,821,244	\$7,096,597

Assumptions for Calculations:

All calculations and assumptions are presented in Exhibits C.1 through C.12 included with this request. Detailed caseload and per capita assumptions are outlined below.

Assumptions for Caseload Restatement: Exhibit C.12

- The Department assumes that historical enrollment without retroactivity would follow a similar pattern to that observed in the second half of FY 06-07. Thus, it is assumed that the non-retroactive children's caseload is a constant 10.5% lower per month than the reported caseload which included retroactivity. Similarly, the non-retroactive prenatal caseload is assumed to be a constant 15.3% lower per month than the reported caseload which included retroactivity. Due to the enrollment cap at the beginning of FY 03-04, the annual caseload is restated downward by 15.1%.
- HB 05-1262 provided funding from the Health Care Expansion Fund for enrollment of traditional clients (up to 185% of the federal poverty level) above the FY 03-04 level. This enrollment level is being restated downward for children by 10.5% from 46,694 to 41,786. The prenatal enrollment level is being restated downward by 15.1% from 119 to 101.

Assumptions for Children's Caseload Projections

FY 07-08 and FY 08-09 Enrollment Projection: Exhibit C.6

- The Department assumes that any positive effect on the FY 06-07 traditional children's caseload from the identification requirements of the Deficit Reduction Act was approximately offset by the negative effect of the removal of the Medicaid asset test. The remaining caseload growth is assumed to be due to economic factors, including a declining Medicaid Eligible Children's caseload, population growth, and increased marketing of the Children's Basic Health Plan.
- The Department's FY 07-08 caseload forecast is based on FY 01-02, during which economic conditions approximated those currently seen and the Children's Basic Health Plan had marketing. During FY 01-02, monthly growth averaged 1.6%. The Department has adjusted this average forecasted monthly growth rate to 1.8% for the remainder of FY 07-08 based on a comparison of the average growth rate in the first half of FY 07-08 to that from FY 01-02. Further, the Department assumes that the monthly growth rates will vary and follow the same distribution as experienced in FY 01-02.
- The Department assumes that the monthly growth rate in traditional children will moderate in FY 08-09, as the declines in the Medicaid Eligible Children's caseload are forecasted to moderate. Continuing the FY 07-08 forecast, the Department's FY 08-09 caseload forecast is modeled after FY 02-03, during which monthly growth averaged 1.2% per month. It is reasonable to expect that caseload growth would be lower than this given that caseload is at a much higher level and potentially approaching a saturation point. Based on this, the Department projects that the traditional children's caseload growth in FY 08-09 will be approximately 60% of that experienced in FY 02-03, and will increase by an average of 0.7% per month. The monthly variations in the growth rates are retained from the FY 07-08 forecast.
- Given the decreasing monthly growth rates for the expansion children in FY 06-07 and FY 07-08, as well as the convergence of the growth rates between the two children's populations, the Department assumes that the expansion population has reached a

level of maturity where large monthly increases are not expected simply due to the newness of the program. The Department assumes that the expansion population's growth will mirror that seen in the traditional children, and that caseload will increase by an average of 1.8% per month for the remainder of FY 07-08 and 0.7% in FY 08-09. Additionally, the monthly variations in the growth rates are retained in the expansion children's forecasts.

Assumptions for Prenatal Caseload Projections (Exhibit C.7)

- The Department assumes that the average growth in the traditional prenatal population for the remainder of FY 07-08 will be similar to that experienced between May and November 2007, during which caseload increased by an average of 3.7% per month. Monthly variations previously included in caseload projections have been removed, as the assumed trends have not been representative of actual growth experienced thus far in FY 07-08.
- Growth is expected to moderate in FY 08-09, as this population should have an upper boundary based on the number of pregnant women in Colorado within the applicable income range. Based on average growth experienced in FY 06-07, the Department forecasts the traditional prenatal population to increase by an average of 1.0% per month in FY 08-09. As with FY 07-08, monthly variations previously incorporated have been removed.
- The growth in the expansion prenatal population does not appear to be converging with that in the traditional population, as is observed with the child populations. The Department forecasts that the traditional prenatal caseload will increase by an average of 1.6% per month for the remainder of FY 07-08, based on growth experienced between July 2006 and December 2007. The Department assumes this growth will continue in FY 08-09, as it yields moderate growth. As with the traditional prenatal population, all monthly variations have been removed from caseload forecasts.

Assumptions for Per Capita Projections (Exhibit C.5)

- The forecasted children’s and prenatal per capitas assume that the actuarially developed self-funded program capitation rates are indeed in line with the costs incurred by clients served in the network.
- All forecasted per capitas assume that growth will mirror that in the actuarially developed capitation rates. Thus, the Department assumes that factors other than the capitation rate that may effect the per capita remain constant from FY 06-07. Such factors may include the children’s caseload mix between the self-funded network and HMOs, average length of time to enroll in an HMO or to receive dental benefits, and the average length of stay in the Children's Basic Health Plan.

Impact on Other Government Agencies: Not applicable.

Cost Benefit Analysis:

FY 07-08 Cost	FY 07-08 Benefit
\$9,492,508 Cash Funds Exempt, including \$6,936,286 from the Health Care Expansion Fund	The Department would be able to provide health care and dental services in FY 07-08 to an estimated 58,940 children, and medical services to 1,089 pregnant women in the Children's Basic Health Plan. The Department would not have to suspend the prenatal program and place an enrollment cap on the children’s program in FY 07-08 in an attempt to prevent overexpenditures. This would allow an estimated monthly average of 450 prenatal women and 4,275 children to receive medical services in FY 07-08 above what current funding would allow.

FY 08-09 Cost	FY 08-09 Benefit
\$5,758,291 Cash Funds Exempt, including \$5,585,870 from the Health Care Expansion Fund	The Department would be able to provide health care and dental services in FY 08-09 to an estimated 67,653 children, and medical services to 1,986 pregnant women in the Children's Basic Health Plan. The Department would not have to suspend the prenatal program and place an enrollment cap on the children’s program for all of FY 08-09 in an attempt to prevent overexpenditures. This would allow an estimated monthly average of 1,986 prenatal women and 5,172 children to receive services in FY 08-09 above what the Department’s current FY 08-09 requested funding would allow.

Implementation Schedule:

Not applicable. This request is only to update caseload and per capita costs, and does not have any programmatic changes to implement.

Statutory and Federal Authority:

Children's Health Insurance Program is established in federal law in the Social Security Act, Title XXI (42 U.S.C. 1397aa through 1397jj). SEC. 2101. [42 U.S.C. 1397aa] (a) *PURPOSE-The purpose of this title is to provide funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children. Such assistance shall be provided primarily for obtaining health benefits coverage...*

25.5-8-105 C.R.S. (2007) (1) *A fund to be known as the Children's Basic Health Plan Trust is hereby created... all monies deposited in the trust and all interest earned on the moneys in the Trust shall remain in the Trust for the purposes set forth...*

25.5-8-109 C.R.S. (2007) (3) *The Department may establish procedures such that children with family incomes that exceed one hundred eighty-five percent of the federal poverty guidelines may enroll in the plan, but are not eligible for subsidies from the Department; ... (5) (a) (I), . . . Once determined eligible for the plan, a pregnant woman shall be considered to be continuously eligible throughout the pregnancy and for the sixty days following the pregnancy, even if the woman's eligibility would otherwise terminate during such period due to an increase in income. Upon birth, a child born to a woman eligible for the plan shall be eligible for the plan and shall be automatically enrolled in the plan . . .*

25.5-8-107 (1) (a) (II), C.R.S. (2007) (1) *In addition to any other duties pursuant to this article, the department shall have the following duties: (a) (II) In addition to the items specified in subparagraph (I) of this paragraph (a) and any additional items approved by the medical services board, on and after January 1, 2001, the medical services board shall include dental services in the schedule of health care services upon a finding by the board that: (A) An adequate number of dentists are willing to provide services to eligible*

children; and (B) The financial resources available to the program are sufficient to fund such services.

24-22-117 (2) (a) (II), C.R.S. (2007) ...moneys in the Health Care Expansion Fund shall be annually appropriated by the general assembly to the Department of Health Care Policy and Financing for the following purposes: (A) To increase eligibility in the Children's Basic Health Plan, Article 19 of Title 25.5, C.R.S., for Children and Pregnant women from one hundred eighty-five percent to two hundred percent of the federal poverty level; (B) To remove the asset test under the Medical Assistance program, Article 4 of Title 25.5, C.R.S., for children and families; ... (F) To pay for enrollment increases above the average enrollment for state fiscal year 2003-04 in the Children's Basic Health Plan, Article 19 of Title 25.5, C.R.S.

Performance Measures:

The Department believes that avoidance of an enrollment cap can be achieved by providing funding to support natural caseload growth in children and prenatal women in the Children's Basic Health Plan. This would ensure continuity of care, and clients in the program would have better health outcomes and show a high level of satisfaction with their care. As such, the Department believes that this request supports the following Performance Measures:

- Increase the number of clients served through targeted, integrated care management programs.
- Increase the number of children served through a dedicated medical home service delivery model.

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

	Actual	Actual	Actual	Requested	Requested	
	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Source
PROGRAM REVENUES						
A Beginning Balance	\$5,389,901	\$9,025,270	\$4,411,882	\$7,776,123	\$3,312,696	Actual and X
B General Fund Appropriations/Request ¹	\$3,296,346	\$2,000,000	\$11,243,215	\$1,239,129	\$2,382,423	Footnote 1
C January 2006 transfer from the State Controller	\$0	\$900,000	\$0	\$0	\$0	Actual
D Tobacco Master Settlement Funds to Trust ²	\$20,629,548	\$20,927,529	\$19,214,822	\$21,906,406	\$23,310,564	Footnote 2
E Annual Enrollment Fees	\$122,626	\$191,726	\$232,136	\$290,574	\$334,206	Exhibits C.2 and C.3
F Interest Earnings	\$587,893	\$752,518	\$367,880	\$519,010	\$472,908	Exhibit C.9
G Accounts Payable Reversions from Prior Year	\$156,901	\$45,896	\$10,591	\$0	\$0	Actual
H Health Care Expansion Fund ³	\$0	\$5,108,706	\$9,557,980	\$16,677,592	\$24,618,633	Footnote 3
I Supplemental Tobacco Litigation Settlement Account ^{2,4}	\$0	\$0	\$0	\$481,424	\$759,491	Footnote 2
J Colorado Immunization Fund ⁵	\$0	\$0	\$0	\$380,330	\$391,202	Footnote 5
K Federal Match Earnings ⁶	\$40,591,092	\$50,509,127	\$65,616,702	\$83,276,065	\$99,926,424	Footnote 6
L Total Revenues	\$70,774,307	\$89,460,772	\$110,655,208	\$132,546,653	\$155,508,547	Sum A:K
PROGRAM EXPENDITURES						
M Program Cash Funds Exempt Estimated Expenditures from Trust Fund ⁶	\$21,157,945	\$21,331,057	\$27,704,403	\$28,418,546	\$29,197,724	Footnote 6
N Program Cash Funds Exempt Estimated Expenditures from Health Care Expansion Fund ^{3,6}	\$0	\$5,108,706	\$9,557,980	\$16,677,592	\$24,618,633	Footnotes 3, 6
O Program Cash Funds Exempt Estimated Expenditures from Supplemental Tobacco Litigation Settlement Account ^{4,6}	\$0	\$0	\$0	\$481,424	\$759,491	Footnotes 4, 6
P Program Cash Funds Exempt Estimated Expenditure from Colorado Immunization Fund ^{5,6}	\$0	\$0	\$0	\$380,330	\$391,202	Footnotes 5, 6
Q Federal Match Expenditures ⁶	\$40,591,092	\$50,509,127	\$65,616,702	\$83,276,065	\$99,926,424	Footnote 6
R SB 05-211 Transfer to General Fund	\$0	\$8,100,000	\$0	\$0	\$0	Actual
S Total Expenditures	\$61,749,037	\$85,048,890	\$102,879,085	\$129,233,957	\$154,893,474	Sum M:R
T Remaining Balance in Trust Fund	\$9,025,270	\$4,411,882	\$7,776,123	\$3,312,696	\$615,073	L - S
U Total General Fund Requested	\$0	\$0	\$0	\$0	\$0	Exhibit C.9
V Additional Interest Earnings if General Fund is Appropriated	\$0	\$0	\$0	\$0	\$0	Exhibit C.9
W Final Ending Balance of Trust Fund	\$9,025,270	\$4,411,882	\$7,776,123	\$3,312,696	\$615,073	Sum T:V

¹ FY 04-05 to FY 07-08 are actual appropriations. FY 07-08 is the amount recommended by the Joint Budget Committee for the Department's June 20, 2007 1331 Emergency Supplemental to come from the Health Care Supplemental Appropriations and Expenditures Account per HB 07-1359, to be included in the FY 07-08 Supplemental Bill. If this amount is not included in the Supplemental bill, an additional General Fund appropriation would be required to balance the Trust Fund in FY 08-09. FY 08-09 is the amount requested in the Department's November 1, 2007 DI 3.

² FY 04-05 to FY 06-07 are actual appropriations/transfers. FY 07-08 and FY 08-09 are forecasts from Legislative Council (July 2007).

³ FY 05-06 and FY 06-07 are actual expenditures and revenues transferred from the Health Care Expansion Fund for expansion clients. FY 07-08 and FY 08-09 are projections from Exhibits C.2 and C.3, respectively.

⁴ Projected program expenditures to come from the Supplemental Tobacco Litigation Settlement Account created in SB 07-097 for expansion clients as well as estimated State expenditures for early intervention services. See Exhibits C.2 and C.3.

⁵ Portion of estimated State expenditures to come from the Colorado Immunization Fund for the cervical cancer immunization. See Exhibits C.2 and C.3.

⁶ Figures for FY 04-05 through FY 06-07 are actuals, while figures for FY 07-08 and FY 08-09 are projections. See Exhibits C.2 and C.3.

Exhibit C.2 - FY 07-08 Children's Basic Health Plan Program Expenditures

FY 07-08 Children's Medical, Prenatal, Dental, Administration Request and Funding Splits						
	Reference	Traditional up to FY 03-04 Level ¹	Traditional Above FY 03-04 Level ²	Expansion to 200% ²	Expansion to 205% ³	Total
FY 07-08 CBHP Children's Medical Expenditures						
FY 07-08 Enrollment Estimate	Exhibit C.6	41,786	13,396	3,650	108	58,940
Medical Per Capita	Exhibit C.5	\$1,581.01	\$1,581.01	\$1,581.01	\$527.00	\$1,581.01
Total Children's Medical Expenditures		\$66,064,084	\$21,179,210	\$5,770,687	\$56,916	\$93,070,897
Annual Enrollment Fee Collection Per Enrollee ⁴						\$4.93
Total Annual Enrollment Fee Collections (Cash Funds ⁵)		\$206,005	\$66,042	\$17,995	\$532	\$290,574
Expenditures To Be Matched by Federal Funds		\$65,858,079	\$21,113,168	\$5,752,692	\$56,384	\$92,780,323
	Title XXI Federal Funds	\$42,807,751	\$13,723,559	\$3,739,250	\$36,650	\$60,307,210
	Cash Funds Exempt	\$23,050,328	\$7,389,609	\$2,013,442	\$19,734	\$32,473,113
FY 07-08 CBHP Prenatal Services Expenditures						
FY 07-08 Prenatal Enrollment Estimate	Exhibit C.7	101	1,224	207	7	1,539
Prenatal Medical Per Capita	Exhibit C.5	\$11,933.24	\$11,933.24	\$11,933.24	\$3,977.75	\$11,933.24
Total Prenatal Medical Expenditures		\$1,205,257	\$14,606,286	\$2,470,181	\$27,844	\$18,309,568
	Title XXI Federal Funds	\$783,417	\$9,494,086	\$1,605,618	\$18,099	\$11,901,220
	Cash Funds Exempt	\$421,840	\$5,112,200	\$864,563	\$9,745	\$6,408,348
FY 07-08 Children's Basic Health Plan Premiums Costs		\$67,269,341	\$35,785,496	\$8,240,868	\$84,760	\$111,380,465
	Title XXI Federal Funds	\$43,591,168	\$23,217,645	\$5,344,868	\$54,749	\$72,208,430
	Cash Funds Exempt ⁶	\$23,678,173	\$12,567,851	\$2,896,000	\$30,011	\$39,172,035
FY 07-08 CBHP Dental Expenditures						
FY 07-08 Enrollment Estimate	Exhibit C.6	41,786	13,396	3,650	108	58,940
Dental Per Capita	Exhibit C.5	\$152.36	\$152.36	\$152.36	\$50.79	\$152.36
FY 07-08 Children's Basic Health Plan Dental Benefit Costs		\$6,366,515	\$2,041,015	\$556,114	\$5,485	\$8,969,129
	Title XXI Federal Funds	\$4,138,235	\$1,326,660	\$361,474	\$3,565	\$5,829,934
	Cash Funds Exempt	\$2,228,280	\$714,355	\$194,640	\$1,920	\$3,139,195
FY 07-08 Children's Basic Health Plan Administration						
FY 07-08 External Administration Expenditures	Exhibit C.4	\$4,195,590	\$0	\$1,340,000	\$6,000	\$5,541,590
	Title XXI Federal Funds	\$623,012	\$0	\$656,305	\$3,605	\$1,282,922
	Title XIX Federal Funds	\$1,618,556	\$0	\$165,150	\$227	\$1,783,933
	Cash Funds Exempt	\$1,954,022	\$0	\$518,545	\$2,168	\$2,474,735
FY 07-08 Internal Administration Expenditures	Exhibit C.8	\$3,342,773	\$0	\$0	\$0	\$3,342,773
	Title XXI Federal Funds	\$2,170,846	\$0	\$0	\$0	\$2,170,846
	Cash Funds Exempt	\$1,171,927	\$0	\$0	\$0	\$1,171,927
Total FY 07-08 Children's Basic Health Plan Expenditures		\$81,174,219	\$37,826,511	\$10,136,982	\$96,245	\$129,233,957
	Title XXI and Title XIX Federal Funds	\$52,141,817	\$24,544,305	\$6,527,797	\$62,146	\$83,276,065
	Cash Funds Exempt	\$29,032,402	\$13,282,206	\$3,609,185	\$34,099	\$45,957,892

¹ The source of the Cash Funds Exempt for traditional clients up to the FY 03-04 enrollment level is the Children's Basic Health Plan Trust Fund.

² The source of the Cash Funds Exempt for the traditional clients above the FY 03-04 enrollment level and the expansion clients between 186% and 200% of the federal poverty level is the Health Care Expansion Fund.

³ The source of the Cash Funds Exempt for the expansion clients between 201% and 205% of the federal poverty level is the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust Fund. This expansion population is effective March 1, 2008. All per capitas for this population have been adjusted for a partial year.

⁴ Annual enrollment fees per enrollee is estimated based on the actual collections in FY 06-07 for all children (\$232,1362 / 47,047 in total enrollment = \$4.93 per client). This amount is adjusted by the forecasted increase in the share of expansion clients through FY 07-08, all of which pay enrollment fees, resulting in an estimate of \$4.93 per child for the entire children's population.

⁵ Cash Funds from annual enrollment fees are not eligible for a federal match.

⁶ This amount includes the Cash Funds from enrollment fees, as all enrollment fees collected are appropriated as Cash Funds Exempt from the Trust Fund.

Exhibit C.2 - FY 07-08 Children's Basic Health Plan Program Expenditures

FY 07-08 Calculation of State Funding					
	Total Cash Funds Exempt	Children's Basic Health Plan Trust Fund ¹	Health Care Expansion Fund ²	Supplemental Tobacco Litigation Settlement Account ³	Colorado Immunization Fund ⁴
Children's Medical					
Traditional up to FY 03-04 Level	\$23,256,333	\$22,557,908	\$0	\$318,095	\$380,330
Traditional Above FY 03-04 Level	\$7,455,651	\$66,042	\$7,287,632	\$101,977	\$0
Expansion to 200%	\$2,031,437	\$17,995	\$1,985,657	\$27,785	\$0
Expansion to 205%	\$20,266	\$532	\$0	\$19,734	\$0
Total	\$32,763,687	\$22,642,477	\$9,273,289	\$467,591	\$380,330
Prenatal					
Traditional up to FY 03-04 Level	\$421,840	\$421,840	\$0	\$0	\$0
Traditional Above FY 03-04 Level	\$5,112,200	\$0	\$5,112,200	\$0	\$0
Expansion to 200%	\$864,563	\$0	\$864,563	\$0	\$0
Expansion to 205%	\$9,745	\$0	\$0	\$9,745	\$0
Total	\$6,408,348	\$421,840	\$5,976,763	\$9,745	\$0
Total Premiums					
Traditional up to FY 03-04 Level	\$23,678,173	\$22,979,748	\$0	\$318,095	\$380,330
Traditional Above FY 03-04 Level	\$12,567,851	\$66,042	\$12,399,832	\$101,977	\$0
Expansion to 200%	\$2,896,000	\$17,995	\$2,850,220	\$27,785	\$0
Expansion to 205%	\$30,011	\$532	\$0	\$29,479	\$0
Total	\$39,172,035	\$23,064,317	\$15,250,052	\$477,336	\$380,330
Dental					
Traditional up to FY 03-04 Level	\$2,228,280	\$2,228,280	\$0	\$0	\$0
Traditional Above FY 03-04 Level	\$714,355	\$0	\$714,355	\$0	\$0
Expansion to 200%	\$194,640	\$0	\$194,640	\$0	\$0
Expansion to 205%	\$1,920	\$0	\$0	\$1,920	\$0
Total Dental	\$3,139,195	\$2,228,280	\$908,995	\$1,920	\$0
¹ The Children's Basic Health Plan Trust Fund is the Cash Funds Exempt source for the following: Enrollment of all traditional clients (up to 185% of the federal poverty level) up to the FY 03-04 level, and; enrollment fees for all children. ² The Health Care Expansion Fund is the Cash Funds Exempt source for the following: Enrollment of all expansion clients between 186% and 200% of the federal poverty level and enrollment above the FY 03-04 level. ³ The Supplemental Tobacco Litigation Settlement Account in the Trust Fund is the Cash Funds Exempt source for the following: Enrollment of all expansion clients between 201% and 205% of the federal poverty level, and; 100% of the State costs associated with the enhanced early intervention services benefit, which accounts for approximately 1.38% of the children's per capita. ⁴ The Colorado Immunization Fund is the Cash Funds Exempt source for the State costs for traditional children associated with the cervical cancer immunization, which accounts for approximately 1.65% of the children's per capita.					

Exhibit C.3 - FY 08-09 Children's Basic Health Plan Program Expenditures

FY 08-09 Children's Medical, Prenatal, Dental, Administration Request and Funding Splits						
	Reference	Traditional up to FY 03-04 Level ¹	Traditional Above FY 03-04 Level ²	Expansion to 200% ²	Expansion to 205% ³	Total
FY 08-09 CBHP Children's Medical Expenditures						
FY 08-09 Enrollment Estimate	Exhibit C.6	41,786	21,442	4,190	235	67,653
Medical Per Capita	Exhibit C.5	\$1,626.07	\$1,626.07	\$1,626.07	\$1,626.07	\$1,626.07
Total Children's Medical Expenditures		\$67,946,961	\$34,866,193	\$6,813,233	\$382,126	\$110,008,513
Annual Enrollment Fee Collection Per Enrollee ⁴						\$4.94
Total Annual Enrollment Fee Collections (Cash Funds ⁵)		\$206,423	\$105,923	\$20,699	\$1,161	\$334,206
Expenditures To Be Matched by Federal Funds		\$67,740,538	\$34,760,270	\$6,792,534	\$380,965	\$109,674,307
	Title XXI Federal Funds	\$44,031,350	\$22,594,176	\$4,415,147	\$247,627	\$71,288,300
	Cash Funds Exempt	\$23,709,188	\$12,166,094	\$2,377,387	\$133,338	\$38,386,007
FY 08-09 CBHP Prenatal Services Expenditures						
FY 08-09 Prenatal Enrollment Estimate	Exhibit C.7	101	1,619	247	19	1,986
Prenatal Medical Per Capita	Exhibit C.5	\$12,723.22	\$12,723.22	\$12,723.22	\$12,723.22	\$12,723.22
Total Prenatal Medical Expenditures		\$1,285,045	\$20,598,893	\$3,142,635	\$241,741	\$25,268,314
	Title XXI Federal Funds	\$835,279	\$13,389,280	\$2,042,713	\$157,132	\$16,424,404
	Cash Funds Exempt	\$449,766	\$7,209,613	\$1,099,922	\$84,609	\$8,843,910
FY 08-09 Children's Basic Health Plan Premiums Costs		\$69,232,006	\$55,465,086	\$9,955,868	\$623,867	\$135,276,827
	Title XXI Federal Funds	\$44,866,629	\$35,983,456	\$6,457,860	\$404,759	\$87,712,704
	Cash Funds Exempt ⁶	\$24,365,377	\$19,481,630	\$3,498,008	\$219,108	\$47,564,123
FY 08-09 CBHP Dental Expenditures						
FY 08-09 Enrollment Estimate	Exhibit C.6	41,786	21,442	4,190	235	67,653
Dental Per Capita	Exhibit C.5	\$161.38	\$161.38	\$161.38	\$161.38	\$161.38
FY 08-09 Children's Basic Health Plan Dental Benefit Costs		\$6,743,425	\$3,460,310	\$676,182	\$37,924	\$10,917,841
	Title XXI Federal Funds	\$4,383,226	\$2,249,202	\$439,518	\$24,651	\$7,096,597
	Cash Funds Exempt	\$2,360,199	\$1,211,108	\$236,664	\$13,273	\$3,821,244
FY 07-08 Children's Basic Health Plan Administration						
FY 08-09 External Administration Expenditures	Exhibit C.4	\$4,195,590	\$0	\$1,340,000	\$1,000	\$5,536,590
	Title XXI Federal Funds	\$623,011	\$0	\$656,305	\$502	\$1,279,818
	Title XIX Federal Funds	\$1,618,557	\$0	\$165,150	\$114	\$1,783,821
	Cash Funds Exempt	\$1,954,022	\$0	\$518,545	\$384	\$2,472,951
FY 08-09 Internal Administration Expenditures	Exhibit C.8	\$3,162,216	\$0	\$0	\$0	\$3,162,216
	Title XXI Federal Funds	\$2,053,484	\$0	\$0	\$0	\$2,053,484
	Cash Funds Exempt	\$1,108,732	\$0	\$0	\$0	\$1,108,732
Total FY 08-09 Children's Basic Health Plan Expenditures		\$83,333,237	\$58,925,396	\$11,972,050	\$662,791	\$154,893,474
	Title XXI and Title XIX Federal Funds	\$53,544,907	\$38,232,658	\$7,718,833	\$430,026	\$99,926,424
	Cash Funds Exempt	\$29,788,330	\$20,692,738	\$4,253,217	\$232,765	\$54,967,050

¹ The source of the Cash Funds Exempt for traditional clients up to the FY 03-04 enrollment level is the Children's Basic Health Plan Trust Fund.

² The source of the Cash Funds Exempt for the traditional clients above the FY 03-04 enrollment level and the expansion clients between 186% and 200% of the federal poverty level is the Health Care Expansion Fund.

³ The source of the Cash Funds Exempt for the expansion clients between 201% and 205% of the federal poverty level is the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust Fund. This expansion population is effective March 1, 2008. All per capitas for this population have been adjusted for a partial year.

⁴ Annual enrollment fees per enrollee is estimated based on the actual collections in FY 06-07 for all children (\$232,1362 / 47,047 in total enrollment = \$4.93 per client). This amount is adjusted by the forecasted increase in the share of expansion clients through FY 07-08, all of which pay enrollment fees, resulting in an estimate of \$4.94 per child for the entire children's population.

⁵ Cash Funds from annual enrollment fees are not eligible for a federal match.

⁶ This amount includes the Cash Funds from enrollment fees, as all enrollment fees collected are appropriated as Cash Funds Exempt from the Trust Fund.

Exhibit C.3 - FY 08-09 Children's Basic Health Plan Program Expenditures

FY 08-09 Calculation of State Funding					
	Total Cash Funds Exempt	Children's Basic Health Plan Trust Fund ¹	Health Care Expansion Fund ²	Supplemental Tobacco Litigation Settlement Account ³	Colorado Immunization Fund ⁴
Children's Medical					
Traditional up to FY 03-04 Level	\$23,915,611	\$23,197,222	\$0	\$327,187	\$391,202
Traditional Above FY 03-04 Level	\$12,272,017	\$105,923	\$11,998,202	\$167,892	\$0
Expansion to 200%	\$2,398,086	\$20,699	\$2,344,579	\$32,808	\$0
Expansion to 205%	\$134,499	\$1,161	\$0	\$133,338	\$0
Total	\$38,720,213	\$23,325,005	\$14,342,781	\$661,225	\$391,202
Prenatal					
Traditional up to FY 03-04 Level	\$449,766	\$449,766	\$0	\$0	\$0
Traditional Above FY 03-04 Level	\$7,209,613	\$0	\$7,209,613	\$0	\$0
Expansion to 200%	\$1,099,922	\$0	\$1,099,922	\$0	\$0
Expansion to 205%	\$84,609	\$0	\$0	\$84,609	\$0
Total	\$8,843,910	\$449,766	\$8,309,535	\$84,609	\$0
Total Premiums					
Traditional up to FY 03-04 Level	\$24,365,377	\$23,646,988	\$0	\$327,187	\$391,202
Traditional Above FY 03-04 Level	\$19,481,630	\$105,923	\$19,207,815	\$167,892	\$0
Expansion to 200%	\$3,498,008	\$20,699	\$3,444,501	\$32,808	\$0
Expansion to 205%	\$219,108	\$1,161	\$0	\$217,947	\$0
Total	\$47,564,123	\$23,774,771	\$22,652,316	\$745,834	\$391,202
Dental					
Traditional up to FY 03-04 Level	\$2,360,199	\$2,360,199	\$0	\$0	\$0
Traditional Above FY 03-04 Level	\$1,211,108	\$0	\$1,211,108	\$0	\$0
Expansion to 200%	\$236,664	\$0	\$236,664	\$0	\$0
Expansion to 205%	\$13,273	\$0	\$0	\$13,273	\$0
Total Dental	\$3,821,244	\$2,360,199	\$1,447,772	\$13,273	\$0
¹ The Children's Basic Health Plan Trust Fund is the Cash Funds Exempt source for the following: Enrollment of all traditional clients (up to 185% of the federal poverty level) up to the FY 03-04 level, and; enrollment fees for all children. ² The Health Care Expansion Fund is the Cash Funds Exempt source for the following: Enrollment of all expansion clients between 186% and 200% of the federal poverty level, and; enrollment above the FY 03-04 level. ³ The Supplemental Tobacco Litigation Settlement Account in the Trust Fund is the Cash Funds Exempt source for the following: Enrollment of all expansion clients between 201% and 205% of the federal poverty level, and; 100% of the State costs associated with the enhanced early intervention services benefit, which accounts for approximately 1.38% of the children's per capita. ⁴ The Colorado Immunization Fund is the Cash Funds Exempt source for the State costs for traditional children associated with the cervical cancer immunization, which accounts for approximately 1.65% of the children's per capita.					

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

Children's Basic Health Plan Administration Line Item					
Line	External Administration Costs	FY 07-08 Appropriation	FY 08-09 Base Request	FY 08-09 Incremental Request	FY 08-09 Total Request
	Costs paid through the Children's Basic Health Plan Trust Fund				
1	Children's Operating Costs	\$3,652,612	\$3,652,612	\$0	\$3,652,612
2	Prenatal Operational Costs	\$125,478	\$125,478	\$0	\$125,478
3	Customer Service	\$102,500	\$101,500	\$0	\$101,500
4	Subtotal Primary Administration (sum of lines 1 - 3)	\$3,880,590	\$3,879,590	\$0	\$3,879,590
5	Actuarial Services	\$96,000	\$92,000	\$0	\$92,000
6	Quality Assurance	\$125,000	\$125,000	\$0	\$125,000
7	Claims Audit	\$100,000	\$100,000	\$0	\$100,000
8	Subtotal Professional Services (sum of lines 5 - 7)	\$321,000	\$317,000	\$0	\$317,000
9	Subtotal External Administration (line 4 + line 8)	\$4,201,590	\$4,196,590	\$0	\$4,196,590
	Adjustments from HB 05-1262 (Tobacco Tax)				
10	Marketing	\$1,300,000	\$1,300,000	\$0	\$1,300,000
11	Application Redesign and Printing	\$40,000	\$40,000	\$0	\$40,000
12	Subtotal HB 05-1262 (Tobacco Tax) Administration (line 10 + line 11)	\$1,340,000	\$1,340,000	\$0	\$1,340,000
13	Total External Administration (Line 9 + Line 12)	\$5,541,590	\$5,536,590	\$0	\$5,536,590
14	Federal Funds	\$3,066,855	\$3,063,639	\$0	\$3,063,639
15	Cash Funds Exempt	\$2,474,735	\$2,472,951	\$0	\$2,472,951

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

FY 07-08 External Administration Funding Splits (State Funds from Children's Basic Health Plan Trust)					
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	Cash Funds Exempt @ 35%
Children's Operating Costs (Line 1)	\$3,652,612	12.0%	\$438,315	\$284,905	\$153,410
Prenatal Operating Costs (Line 2)	\$125,478	100.0%	\$125,478	\$81,561	\$43,917
Customer Service (Line 3)	\$102,500	77.3%	\$79,232	\$51,501	\$27,731
Professional Services (Line 8)	\$321,000	100.0%	\$321,000	\$208,650	\$112,350
Total Title XXI (Primary Administration)	\$4,201,590		\$964,025	\$626,617	\$337,408
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	Cash Funds Exempt @ 50%
Eligibility and Enrollment (Line 1)	\$3,652,612	88.0%	\$3,214,297	\$1,607,149	\$1,607,148
Customer Service (Line 3)	\$102,500	22.7%	\$23,268	\$11,634	\$11,634
Total Title XIX (Primary Administration)	\$3,755,112		\$3,237,565	\$1,618,783	\$1,618,782
FY 07-08 External Administration Funding Splits (State Funds From Health Care Expansion Fund)					
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	Cash Funds Exempt @ 35%
Marketing (Line 10)	\$1,300,000	77.3%	\$1,004,900	\$653,185	\$351,715
Application Redesign and Printing (Line 11)	\$40,000	12.0%	\$4,800	\$3,120	\$1,680
Total Title XXI (HB 05-1262 Administration)	\$1,340,000		\$1,009,700	\$656,305	\$353,395
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	Cash Funds Exempt @ 50%
Marketing (Line 10)	\$1,300,000	22.7%	\$295,100	\$147,550	\$147,550
Application Redesign and Printing (Line 11)	\$40,000	88.0%	\$35,200	\$17,600	\$17,600
Total Title XIX (HB 05-1262 Administration)	\$1,340,000		\$330,300	\$165,150	\$165,150
	Total Funds	FF	CFE Total	CFE- Trust Fund *	CFE-HCEF
Total FY 07-08 Appropriation Fund Splits	\$5,541,590	\$3,066,855	\$2,474,735	\$1,956,190	\$518,545
* Includes \$2,168 from the Supplemental Tobacco Litigation Settlement Account in the Trust for the implementation of SB 07-004 and SB 07-097.					

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

FY 08-09 External Funding Splits (State funds from Children's Basic Health Plan Trust)					
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	Cash Funds Exempt @ 35%
Eligibility and Enrollment (Line 1)	\$3,652,612	12.0%	\$438,313	\$284,903	\$153,410
Prenatal (Line 2)	\$125,478	100.0%	\$125,478	\$81,561	\$43,917
Customer Service (Line 3)	\$101,500	77.3%	\$78,460	\$50,999	\$27,461
Professional Services (Line 8)	\$317,000	100.0%	\$317,000	\$206,050	\$110,950
Total Title XXI (Primary Administration)	\$418,500		\$959,251	\$623,513	\$335,738
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	Cash Funds Exempt @ 50%
Eligibility and Enrollment (Line 1)	\$3,652,612	88.0%	\$3,214,299	\$1,607,150	\$1,607,149
Customer Service (Line 3)	\$101,500	22.7%	\$23,041	\$11,521	\$11,520
Total Title XIX (Primary Administration)	\$418,500		\$3,237,340	\$1,618,671	\$1,618,669
FY 08-09 External Funding Splits (State Funds From Health Care Expansion Fund)					
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	Cash Funds Exempt @ 35%
Marketing (Line 10)	\$1,300,000	77.3%	\$1,004,900	\$653,185	\$351,715
Application Redesign and Printing (Line 11)	\$40,000	12.0%	\$4,800	\$3,120	\$1,680
Total Title XXI (HB 05-1262 Administration)	\$1,340,000		\$1,009,700	\$656,305	\$353,395
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	Cash Funds Exempt @ 50%
Marketing (Line 10)	\$1,300,000	22.7%	\$295,100	\$147,550	\$147,550
Application Redesign and Printing (Line 11)	\$40,000	88.0%	\$35,200	\$17,600	\$17,600
Total Title XIX (HB 05-1262 Administration)	\$1,340,000		\$330,300	\$165,150	\$165,150
FY 08-09 Total Request Fund Splits					
	Total Funds	FF	CFE Total	CFE- Trust Fund *	CFE-HCEF
	\$5,536,590	\$3,063,639	\$2,472,951	\$1,954,406	\$518,545

* Includes \$384 from the Supplemental Tobacco Litigation Settlement Account in the Trust for the implementation of SB 07-097.

Exhibit C.5 - Per Capita Costs History and Projections

Children's Medical	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Cash-based Expenditures ¹	\$50,550,660	\$43,330,612	\$56,713,621	\$65,205,431		
Caseload ²	41,786	35,800	41,945	47,047	58,940	67,653
Per Capita	\$1,209.75	\$1,210.35	\$1,352.09	\$1,385.96	\$1,581.01	\$1,626.07
% Per Capita Change	-	0.05%	11.71%	2.51%	14.07%	2.85%
Blended Rate ³	\$88.10	\$92.01	\$102.12	\$105.85	\$119.10	\$124.19
% Blended Rate Change		4.44%	10.99%	3.65%	12.52%	4.27%
 						
Prenatal Medical	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Cash-based Expenditures ¹	\$1,226,490	\$6,685,402	\$11,612,272	\$16,892,791		
Caseload ²	101	472	963	1,170	1,539	1,986
Per Capita	\$12,143.47	\$14,163.99	\$12,058.43	\$14,438.28	\$11,933.24	\$12,723.22
% Per Capita Change	-	16.64%	-14.87%	19.74%	-17.35%	6.62%
Rate		\$888.49	\$816.97	\$1,045.44	\$864.08	\$921.30
% Rate Change	-	-	-8.05%	27.97%	-17.35%	6.62%
 						
Children's Dental	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09
Cash-based Expenditures ¹	\$5,405,336	\$4,656,589	\$5,707,513	\$6,888,782		
Caseload ²	41,786	35,800	41,945	47,047	58,940	67,653
Per Capita	\$129.36	\$130.07	\$136.07	\$146.42	\$152.36	\$161.38
% Per Capita Change	-	0.55%	4.61%	7.61%	4.06%	5.92%
Rate	\$10.95	\$11.31	\$11.82	\$13.30	\$13.84	\$14.66
% Rate Change	-	3.29%	4.51%	12.52%	4.06%	5.92%
<p>¹ Cash-based expenditures from the Colorado Financial Reporting System (COFRS). In children's medical only, the reversal of the FY 05-06 accounts receivable in the amount of \$4,661,297 artificially pushed expenditures from FY 05-06 to FY 06-07. The FY 05-06 accounts receivable accounted for approximately 5.2% of the accrual-based expenditures in FY 06-07. The FY 06-07 cash-based expenditures for children's medical from COFRS are decreased by a like amount in order to approximate the FY 06-07 expenditures without the artificial inflation. The FY 06-07 expenditures reported here are adjusted.</p> <p>² Reported caseload is the restated caseload found in Exhibit C.6. See narrative for details regarding the caseload restatement.</p> <p>³ Calculated blended rate for FY 03-04 through FY 06-07 based on final caseload shares in Anthem and HMOs. Projected blended rates for FY 07-08 and FY 08-09 assume that 42.0% of children will be in Anthem and 58.0% will be in HMOs. See narrative for details.</p>						

Exhibit C.5 - Per Capita Costs History and Projections

FY 07-08 Capitation Rates			
	Kids- Blended	Prenatal	Dental
FY 06-07 Rate	\$105.85	\$1,045.44	\$13.30
FY 07-08 Base Rate	\$117.01	\$864.09	\$13.84
Base Growth	10.54%	-17.35%	4.06%
SB 07-004 (Early Intervention Services, effective November 1, 2007)	\$2.50	\$0.00	\$0.00
SB 07-004 Growth from Base	2.14%	0.00%	0.00%
November 1, 2007 Rate	\$119.51	\$864.09	\$13.84
SB 07-036 (Mandatory Coverage of Mental Health Disorders, effective January 1, 2008)	\$0.16	\$0.00	\$0.00
SB 07-036 Growth from Base	0.14%	0.00%	0.00%
HB 07-1301 (Cervical Cancer Immunizations, effective January 1, 2008)	\$3.98	\$0.00	\$0.00
HB 07-1301 Growth from Base	3.40%	0.00%	0.00%
January 1, 2008 Rate	\$123.65	\$864.09	\$13.84
SB 07-097 (Allocation of Tobacco Litigation Settlement Moneys, effective March 1, 2008)	\$0.00	(\$0.02)	\$0.00
SB 07-097 Growth from Base	0.00%	0.00%	0.00%
March 1, 2008 Rate	\$123.65	\$864.07	\$13.84
Blended FY 07-08 Rate	\$120.75	\$864.08	\$13.84
FY 07-08 Final Blended Rate Growth Rate	14.07%	-17.35%	4.06%
FY 07-08 Per Capita Calculations			
	Kids (Blended)	Prenatal	Dental
FY 06-07 Per Capita *	\$1,385.96	\$14,438.28	\$146.42
FY 07-08 Base Growth	10.54%	-17.35%	4.06%
FY 07-08 Base Per Capita	\$1,532.04	\$11,933.24	\$152.36
SB 07-004 Growth	2.14%	0.00%	0.00%
SB 07-004 Increase (adjusted for partial year)	\$21.86	\$0.00	\$0.00
SB 07-036 Growth	0.14%	0.00%	0.00%
SB 07-036 Increase (adjusted for partial year)	\$1.07	\$0.00	\$0.00
HB 07-1301 Growth	3.40%	0.00%	0.00%
HB 07-1301 Increase (adjusted for partial year)	\$26.04	\$0.00	\$0.00
SB 07-097 Growth	0.00%	0.00%	0.00%
SB 07-097 Increase (adjusted for partial year)	\$0.00	\$0.00	\$0.00
Total Projected FY 07-08 Per Capita	\$1,581.01	\$11,933.24	\$152.36
Change from FY 06-07	14.07%	-17.35%	4.06%
* See Footnote 1 on page C.5-1.			
FY 08-09 Capitation Rates			
	Kids- Blended	Prenatal	Dental
Final FY 07-08 Rate	\$120.75	\$864.08	\$13.84
FY 08-09 Rate	\$124.19	\$921.30	\$14.66
Base Growth	2.85%	6.62%	5.92%
FY 08-09 Per Capita Calculations			
	Kids (Blended)	Prenatal	Dental
FY 07-08 Per Capita	\$1,581.01	\$11,933.24	\$152.36
FY 08-09 Base Growth	2.85%	6.62%	5.92%
Projected FY 08-09 Base Per Capita	\$1,626.07	\$12,723.22	\$161.38

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

	Historical Monthly Caseload								Projections										
	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06			FY 06-07			FY 07-08			FY 08-09		
								Traditional	Expansion	Total Children	Traditional	Expansion	Total Children	Traditional	Expansion	Total Children	Traditional	Expansion	Total Children
July	8,263	19,233	25,070	33,773	40,834	46,397	33,254	36,038	659	36,697	43,360	2,338	45,698	49,726	3,248	52,974	60,748	4,025	64,773
August	8,956	20,397	25,186	34,592	41,929	46,395	37,118	34,621	727	35,348	42,094	2,477	44,571	50,877	3,343	54,220	61,362	4,066	65,428
September	9,649	20,889	25,372	35,014	42,770	46,200	37,009	35,068	804	35,872	41,181	2,616	43,797	51,493	3,383	54,876	61,669	4,086	65,755
October	10,347	21,906	25,826	35,922	43,939	46,968	31,638	37,459	1,064	38,523	41,188	2,926	44,114	53,144	3,557	56,701	62,335	4,130	66,465
November	11,082	22,698	26,626	36,404	44,345	45,534	33,382	38,882	1,206	40,088	42,150	3,049	45,199	53,860	3,565	57,425	62,684	4,153	66,837
December	11,704	22,944	27,050	36,522	44,717	43,851	34,038	39,768	1,310	41,078	42,263	3,141	45,404	54,383	3,602	57,985	62,765	4,158	66,923
January	12,649	23,652	27,827	37,176	45,800	42,200	33,996	41,119	1,466	42,585	43,297	3,207	46,504	55,433	3,672	59,105	63,229	4,189	67,418
February	13,798	23,997	29,317	37,297	46,086	40,249	36,342	42,329	1,571	43,900	44,640	3,235	47,875	55,788	3,696	59,484	63,318	4,195	67,513
March	15,074	24,491	30,433	38,467	46,197	38,462	38,782	45,014	1,690	46,704	45,983	3,204	49,187	57,506	3,810	61,316	64,141	4,250	68,391
April	16,603	24,801	31,559	39,360	46,365	37,007	39,532	45,069	1,759	46,828	46,236	3,179	49,415	58,863	3,900	62,763	64,757	4,291	69,048
May	17,341	25,015	32,498	39,870	46,101	35,000	37,325	45,685	1,895	47,580	47,611	3,244	50,855	59,722	3,957	63,679	65,107	4,314	69,421
June	18,436	25,196	33,091	40,112	46,115	33,173	37,185	46,102	2,041	48,143	48,713	3,226	51,939	60,236	3,991	64,227	65,270	4,325	69,595
Average Monthly Caseload	12,825	22,935	28,321	37,042	44,600	41,786	35,800	40,596	1,349	41,945	44,060	2,987	47,047	55,086	3,644	58,730	63,115	4,182	67,297
Annual Growth	-	78.8%	23.5%	30.8%	20.4%	-6.3%	-14.3%	13.4%	-	17.2%	8.5%	121.4%	12.2%	25.0%	22.0%	24.8%	14.6%	14.8%	14.6%
Adjustments ¹														96	114	210	113	243	356
Final Caseload with Adjustments																			
Adjustments	12,825	22,935	28,321	37,042	44,600	41,786	35,800			41,945			47,047	55,182	3,758	58,940	63,228	4,425	67,653
Annual Growth	-	78.8%	23.5%	30.8%	20.4%	-6.3%	-14.3%			17.2%			12.2%	25.2%	25.8%	25.3%	14.6%	17.7%	14.8%

¹ FY 07-08 adjustments include 102 children from HB 06-1270 and 108 from SB 07-097. These are increased to 121 and 235 children, respectively, in FY 08-09. Please see narrative for details. HB 06-1270 adjustments are split between traditional and expansion based on relative caseload shares, and SB 07-097 adjustments are included in the expansion children.

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

FY 07-08 Projection									
	Prior Month Traditional Caseload	Traditional Base Growth ¹	Traditional Monthly Change	Traditional Children Actuals/ Projection	Prior Month Expansion Caseload	Expansion Base Growth ²	Expansion Monthly Change	Expansion Children Actuals/ Projection	FY 07-08 Total Children's Caseload (Pre-adjustments)
July	48,713	2.1%	1,013	49,726	3,226	0.7%	22	3,248	52,974
August	49,726	2.3%	1,151	50,877	3,248	2.9%	95	3,343	54,220
September	50,877	1.2%	616	51,493	3,343	1.2%	40	3,383	54,876
October	51,493	3.2%	1,651	53,144	3,383	5.1%	174	3,557	56,701
November	53,144	1.4%	716	53,860	3,557	0.2%	8	3,565	57,425
December	53,860	1.0%	523	54,383	3,565	1.0%	37	3,602	57,985
January	54,383	1.9%	1,050	55,433	3,602	1.9%	70	3,672	59,105
February	55,433	0.6%	355	55,788	3,672	0.6%	24	3,696	59,484
March	55,788	3.1%	1,718	57,506	3,696	3.1%	114	3,810	61,316
April	57,506	2.4%	1,357	58,863	3,810	2.4%	90	3,900	62,763
May	58,863	1.5%	859	59,722	3,900	1.5%	57	3,957	63,679
June	59,722	0.9%	514	60,236	3,957	0.9%	34	3,991	64,227
Average Monthly Growth Rate		1.8%	960	55,086		1.8%	64	3,644	58,730
				25.0%				22.0%	24.8%
* Bold denotes forecast									
FY 08-09 Projection									
	Prior Month Traditional Caseload	Traditional Base Growth ¹	Traditional Monthly Change	Traditional Children Projection	Prior Month Expansion Caseload	Expansion Base Growth ²	Expansion Monthly Change	Expansion Children Projection	FY 08-09 Total Children's Caseload (Pre-adjustments)
July	60,236	0.9%	512	60,748	3,991	0.9%	34	4,025	64,773
August	60,748	1.0%	614	61,362	4,025	1.0%	41	4,066	65,428
September	61,362	0.5%	307	61,669	4,066	0.5%	20	4,086	65,755
October	61,669	1.1%	666	62,335	4,086	1.1%	44	4,130	66,465
November	62,335	0.6%	349	62,684	4,130	0.6%	23	4,153	66,837
December	62,684	0.1%	81	62,765	4,153	0.1%	5	4,158	66,923
January	62,765	0.7%	464	63,229	4,158	0.7%	31	4,189	67,418
February	63,229	0.1%	89	63,318	4,189	0.1%	6	4,195	67,513
March	63,318	1.3%	823	64,141	4,195	1.3%	55	4,250	68,391
April	64,141	1.0%	616	64,757	4,250	1.0%	41	4,291	69,048
May	64,757	0.5%	350	65,107	4,291	0.5%	23	4,314	69,421
June	65,107	0.3%	163	65,270	4,314	0.3%	11	4,325	69,595
Average Monthly Growth Rate		0.7%	420	63,115		0.7%	28	4,182	67,297
				14.6%				14.8%	14.6%
¹ The traditional children's caseload is forecasted to increase by an average of 1.7% per month for the remainder of FY 07-08. The forecasted growth rate and the monthly variations are based on experience from FY 01-02, during which caseload increased by an average of 1.6% per month, which is adjusted based on a comparison of the growth in the first half of these fiscal years. Similarly, the forecasted FY 08-09 caseload growth of an average of 0.7% per month is based on experience from FY 02-03, during which the average growth moderated to 1.2% per month. This growth rate is reduced by approximately 40% due to the assumption that caseload is approaching a saturation point. The FY 07-08 monthly variations are retained in the FY 08-09 forecast.									
² The expansion children caseload forecasts for both FY 07-08 and FY 08-09 mirror those for traditional children. Thus, the expansion children's caseload is forecasted to increase by an average of 1.7% per month for the remainder of FY 07-08 and 0.7% per month in FY 08-09, with the monthly variations retained.									

Exhibit C.7 - Prenatal Caseload History and Projections

Historical Monthly Caseload									Projections						
	FY 02-03	FY 03-04	FY 04-05	FY 05-06			FY 06-07			FY 07-08			FY 08-09		
				Traditional	Expansion	Total Prenatal	Traditional	Expansion	Total Prenatal	Traditional	Expansion	Total Prenatal	Traditional	Expansion	Total Prenatal
July		347	0	835	24	859	933	165	1,098	1,071	193	1,264	1,628	225	1,853
August		284	157	818	34	852	952	186	1,138	1,138	204	1,342	1,644	229	1,873
September		212	221	848	46	894	931	211	1,142	1,137	204	1,341	1,660	233	1,893
October	183	148	254	857	58	915	945	246	1,191	1,197	201	1,398	1,677	237	1,914
November	374	105	337	863	65	928	959	247	1,206	1,220	205	1,425	1,694	241	1,935
December	485	69	430	880	74	954	945	239	1,184	1,294	202	1,496	1,711	245	1,956
January	552	34	516	939	100	1,039	935	232	1,167	1,342	205	1,547	1,728	249	1,977
February	597	12	606	927	104	1,031	956	226	1,182	1,392	208	1,600	1,745	253	1,998
March	637	0	729	898	108	1,006	981	203	1,184	1,444	211	1,655	1,762	257	2,019
April	705	0	791	885	126	1,011	946	208	1,154	1,498	214	1,712	1,780	261	2,041
May	531	0	816	874	133	1,007	980	198	1,178	1,554	217	1,771	1,798	265	2,063
June	405	0	809	903	157	1,060	1,017	190	1,207	1,612	221	1,833	1,816	269	2,085
Average Monthly Caseload	497	101	472	877	86	963	957	213	1,170	1,325	207	1,532	1,720	247	1,967
Annual Growth		-79.7%	367.3%	85.8%	-	104.0%	9.1%	147.7%	21.5%	38.5%	-2.8%	30.9%	29.8%	19.3%	28.4%
Adjustments ¹										0	7	7	0	19	19
Final Caseload with Adjustments	497	101	472			963			1,170	1,325	214	1,539	1,720	266	1,986
Annual Growth	-	-79.7%	367.3%			104.0%			21.5%	38.5%	0.5%	31.5%	29.8%	24.3%	29.0%

¹ Adjustment for SB 07-097. See narrative for details.

Exhibit C.7 - Prenatal Caseload History and Projections

FY 07-08 Projection									
	Prior Month Traditional Caseload	Traditional Base Growth ¹	Traditional Monthly Change	Traditional Prenatal Actuals/ Projection	Prior Month Expansion Caseload	Expansion Base Growth ²	Expansion Monthly Change	Expansion Prenatal Actuals/ Projection	FY 07-08 Total Prenatal Caseload (Pre-adjustments)
July	1,017	5.3%	54	1,071	190	1.6%	3	193	1,264
August	1,071	6.3%	67	1,138	193	5.7%	11	204	1,342
September	1,138	-0.1%	(1)	1,137	204	0.0%	0	204	1,341
October	1,137	5.3%	60	1,197	204	-1.5%	(3)	201	1,398
November	1,197	1.9%	23	1,220	201	2.0%	4	205	1,425
December	1,220	6.1%	74	1,294	205	-1.5%	(3)	202	1,496
January	1,294	3.7%	48	1,342	202	1.6%	3	205	1,547
February	1,342	3.7%	50	1,392	205	1.6%	3	208	1,600
March	1,392	3.7%	52	1,444	208	1.6%	3	211	1,655
April	1,444	3.7%	54	1,498	211	1.6%	3	214	1,712
May	1,498	3.7%	56	1,554	214	1.6%	3	217	1,771
June	1,554	3.7%	58	1,612	217	1.6%	4	221	1,833
Average Monthly		3.9%	50	1,325		1.3%	3	207	1,532
Annual Growth				38.5%				-2.8%	30.9%
* Bold denotes forecast									
FY 08-09 Projection									
	Prior Month Traditional Caseload	Traditional Base Growth ¹	Traditional Monthly Change	Traditional Prenatal Projection	Prior Month Expansion Caseload	Expansion Base Growth ²	Expansion Monthly Change	Expansion Prenatal Projection	FY 08-09 Total Prenatal Caseload (Pre-adjustments)
July	1,612	1.0%	16	1,628	221	1.6%	4	225	1,853
August	1,628	1.0%	16	1,644	225	1.6%	4	229	1,873
September	1,644	1.0%	16	1,660	229	1.6%	4	233	1,893
October	1,660	1.0%	17	1,677	233	1.6%	4	237	1,914
November	1,677	1.0%	17	1,694	237	1.6%	4	241	1,935
December	1,694	1.0%	17	1,711	241	1.6%	4	245	1,956
January	1,711	1.0%	17	1,728	245	1.6%	4	249	1,977
February	1,728	1.0%	17	1,745	249	1.6%	4	253	1,998
March	1,745	1.0%	17	1,762	253	1.6%	4	257	2,019
April	1,762	1.0%	18	1,780	257	1.6%	4	261	2,041
May	1,780	1.0%	18	1,798	261	1.6%	4	265	2,063
June	1,798	1.0%	18	1,816	265	1.6%	4	269	2,085
Average Monthly		1.0%	17	1,720		1.6%	4	247	1,967
Annual Growth				29.8%				19.3%	28.4%
¹ The traditional prenatal forecast for the remainder of FY 07-08 is based on growth experienced between May and November 2007, during which caseload increased by an average of 3.7% per month. The FY 08-09 traditional prenatal forecast assumes that monthly growth will moderate to 1.0% per month, which is based on average growth in FY 06-07. ² The expansion prenatal caseload forecast for the remainder of FY 07-08 is based on growth experienced between July 2006 and December 2007, during which caseload increased by an average of 1.6% per month.									

Exhibit C.8 - Children's Basic Health Plan Internal Administration

Internal Administration Appropriation and Request				
Cash Funds Exempt From Children's Basic Health Plan Trust Fund	FY 07-08 Year-to-date Appropriation	FY 08-09 Base Request	Source	
Personal Services	\$212,646	\$212,646	FY 07-08: Letternotes to HB 06-1385 (Long Bill) Plus Special Bills	
Health, Life, and Dental	\$12,383	\$12,383		
Short-term Disability	\$267	\$267		
Salary Survey and Senior Executive Survey	\$8,621	\$8,621		
Performance-based Pay	\$3,553	\$3,553		
SB 04-257 Amortization Equalization Disbursement	\$2,467	\$2,467		
SB 06-235 Supplemental Amortization Equalization Disbursement	\$514	\$514		
Operating Expenses	\$701	\$701		
Legal Services and Third Party Recovery Legal Services	\$6,319	\$6,319		FY 08-09: Base Request
Medicaid Management Information System Contract (FY 05-06 Long Bill SB 05-209)	\$350,087	\$286,892		
School District Eligibility Determinations	\$18,098	\$18,098		
Payment Error Rate Measurement Project	\$77,240	\$77,240		
Colorado Benefits Management System	\$476,771	\$476,771		
Colorado Benefits Management System - SAS 70 Audit	\$2,260	\$2,260		
Total from the Children's Basic Health Plan Trust Fund	\$1,171,927	\$1,108,732		
Matching Federal Funds	\$2,170,846	\$2,053,484		
Total Internal Administration Costs	\$3,342,773	\$3,162,216		

Exhibit C.9 - Children's Basic Health Plan Trust Fund Interest Earnings

Estimation of Interest Earnings to the Trust Fund	
FY 04-05	
Interest Earned in FY 04-05	\$587,893
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$29,438,421
Ratio of Interest Earned	2.00%
FY 05-06	
Interest Earned in FY 05-06	\$752,518
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$33,044,525
Ratio of Interest Earned	2.28%
FY 06-07	
Interest Earned	\$367,880
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$35,102,055
Ratio of Interest Earned	1.05%
FY 07-08	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$31,212,232
Estimated Ratio of Interest Earned	1.78%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$519,010
FY 08-09	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$29,339,889
Estimated Ratio of Interest Earned	1.78%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$472,908

Exhibit C.10 - SCHIP Federal Allotment Forecast

SCHIP Federal Allotment Forecast for Colorado as of February 15, 2008							
State Fiscal Year (July 1 - June 30)	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Children's Medical Premiums							
Children's Caseload ^{1,2}	41,945	47,047	58,940	67,653	72,653	75,341	78,129
Caseload Growth Rate	17.2%	12.2%	25.3%	14.8%	7.4%	3.7%	3.7%
Children's Per Capita ¹	\$1,352.09	\$1,385.96	\$1,581.01	\$1,626.07	\$1,691.11	\$1,758.75	\$1,829.10
Per Capita Growth Rate ³	11.7%	2.5%	14.1%	2.9%	4.0%	4.0%	4.0%
Children's Premiums Total Funds	\$56,713,415	\$65,205,260	\$93,070,897	\$110,008,513	\$122,864,215	\$132,505,984	\$142,905,754
Less Annual Enrollment Fees (No Federal Match)	\$191,726	\$232,136	\$290,574	\$334,206	\$358,906	\$372,185	\$385,958
Children's Dental Premiums							
Children's Caseload ^{1,2}	41,945	47,047	58,940	67,653	72,653	75,341	78,129
Dental Per Capita ¹	\$136.07	\$146.42	\$152.36	\$161.38	\$170.93	\$181.05	\$191.77
Per Capita Growth Rate ³	4.6%	7.6%	4.1%	5.9%	5.9%	5.9%	5.9%
Children's Dental Total Funds	\$5,707,456	\$6,888,622	\$8,969,129	\$10,917,841	\$12,418,577	\$13,640,488	\$14,982,798
Prenatal And Delivery Costs							
Prenatal Caseload ^{1,2}	963	1,170	1,539	1,986	2,274	2,439	2,616
Caseload Growth Rate	104.0%	21.5%	31.5%	29.0%	14.5%	7.3%	7.3%
Prenatal Per Capita ¹	\$12,058.43	\$14,438.28	\$11,933.24	\$12,723.22	\$13,565.50	\$14,463.54	\$15,421.03
Per Capita Growth Rate ³	-14.9%	19.7%	-17.3%	6.6%	6.6%	6.6%	6.6%
Subtotal Prenatal and Delivery Costs	\$11,612,268	\$16,892,788	\$18,309,568	\$25,268,314	\$30,847,947	\$35,276,574	\$40,341,414
Subtotal Medical Expenses	\$74,033,139	\$88,986,670	\$120,349,594	\$146,194,668	\$166,130,739	\$181,423,046	\$198,229,966
Administration							
Annual Administration increase ^{4,5}					2.60%	2.60%	2.60%
Administration Expenditures	\$4,567,827	\$6,151,625	\$8,884,363	\$8,698,806	\$8,923,775	\$9,155,615	\$9,393,478
Total Funds	\$78,600,966	\$95,138,295	\$129,233,957	\$154,893,474	\$175,054,514	\$190,578,661	\$207,623,444
Federal Funds at 65%	\$51,090,628	\$61,839,892	\$84,002,072	\$100,680,758	\$113,785,434	\$123,876,130	\$134,955,239
Federal Fiscal Year (Oct - Sep)							
	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	FFY 2012
Total Funds ⁶	\$92,673,334	\$101,409,555	\$135,648,836	\$159,933,734	\$178,935,551	\$190,578,661	\$207,623,444
Federal Funds ⁶	\$60,237,667	\$65,916,210	\$88,171,744	\$103,956,927	\$116,308,108	\$123,876,130	\$134,955,239
Federal Allotment ⁷	\$57,951,287	\$71,544,798	\$71,544,798	\$71,544,798	\$71,544,798	\$71,544,798	\$71,544,798
Redistributions ⁸	(\$5,707,946)	\$0	\$0	\$0	\$0	\$0	\$0
Available from Prior Years	\$107,905,572	\$99,911,246	\$105,539,834	\$88,912,888	\$56,500,759	\$11,737,449	\$0
Total Federal Funds Available	\$160,148,913	\$171,456,044	\$177,084,632	\$160,457,686	\$128,045,557	\$83,282,247	\$71,544,798
Unspent / (Amount needed)	\$99,911,246	\$105,539,834	\$88,912,888	\$56,500,759	\$11,737,449	(\$40,593,883)	(\$63,410,441)

¹ Caseload and per capitas for FY 07-08 and FY 08-09 are from Exhibits C.2 and C.3.

² Caseload growth for both the children and prenatal populations assume the growth rate will decrease by 50% from the FY 08-09 rate for FY 09-10, by a further 50% in FY 10-11, and remain constant in FY 11-12.

³ The inflation rate used for medical premiums is the average Consumer Price Index for medical costs between 1997 and 2006 for Denver-Boulder-Greeley. The FY 08-09 per capita projection is increased by this percent to estimate FY 09-10 through FY 11-12

⁴ The inflation rate used for administrative expenses is the average Consumer Price Index for all items between 1996 and 2007 for Denver-Boulder-Greeley. The FY 08-09 administration estimate is increased by this percent to estimate FY 09-10 through FY 11-12.

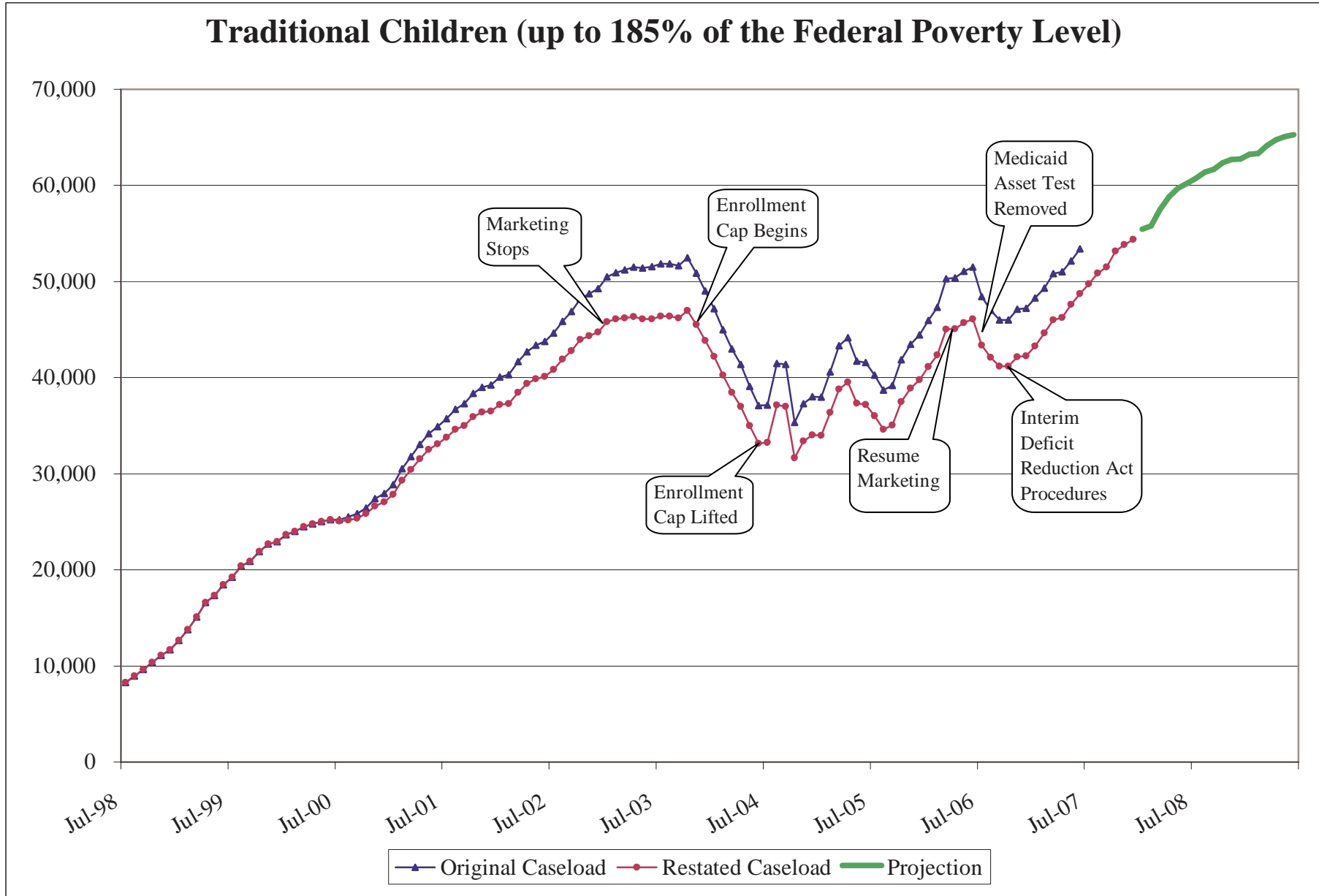
⁵ The administration expenditures for FY 05-06 and FY 06-07 include the Administration line item and the allocation of other Internal Administration expenses. FY 07-08 and FY 08-09 estimates are taken from Exhibits C.4 and C.8.

⁶ For FFY 2006 and 2007, 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.

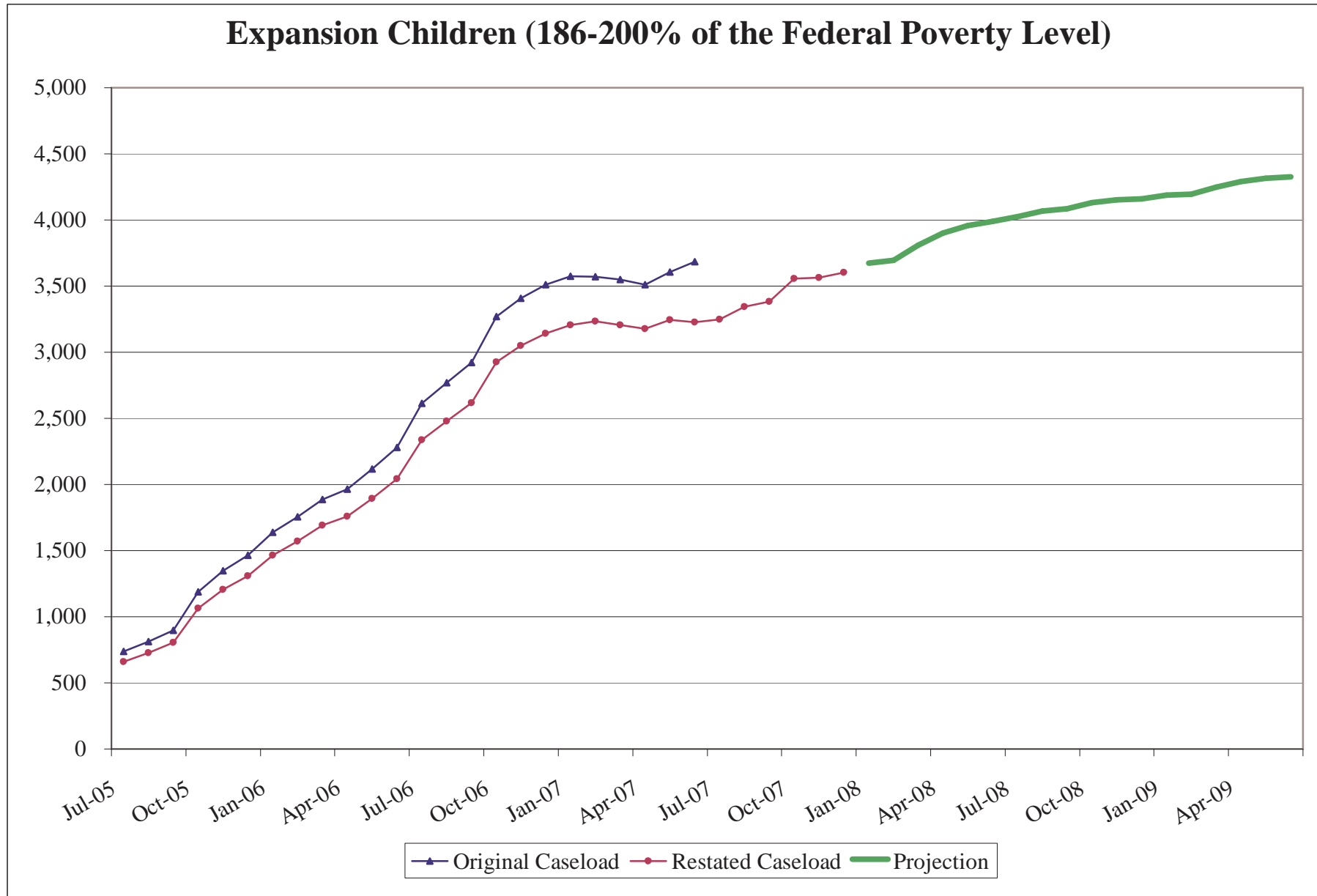
⁷ The federal allotment past FFY 2007 is kept constant at the same level for illustrative purposes. This will be updated to reflect any future federal legislation regarding reauthorization of the program.

⁸ The negative distribution in FFY 2006 is per the National Institutes of Health Reform Act of 2006, and reflects an early partial redistribution of FFY 2005 federal funds.

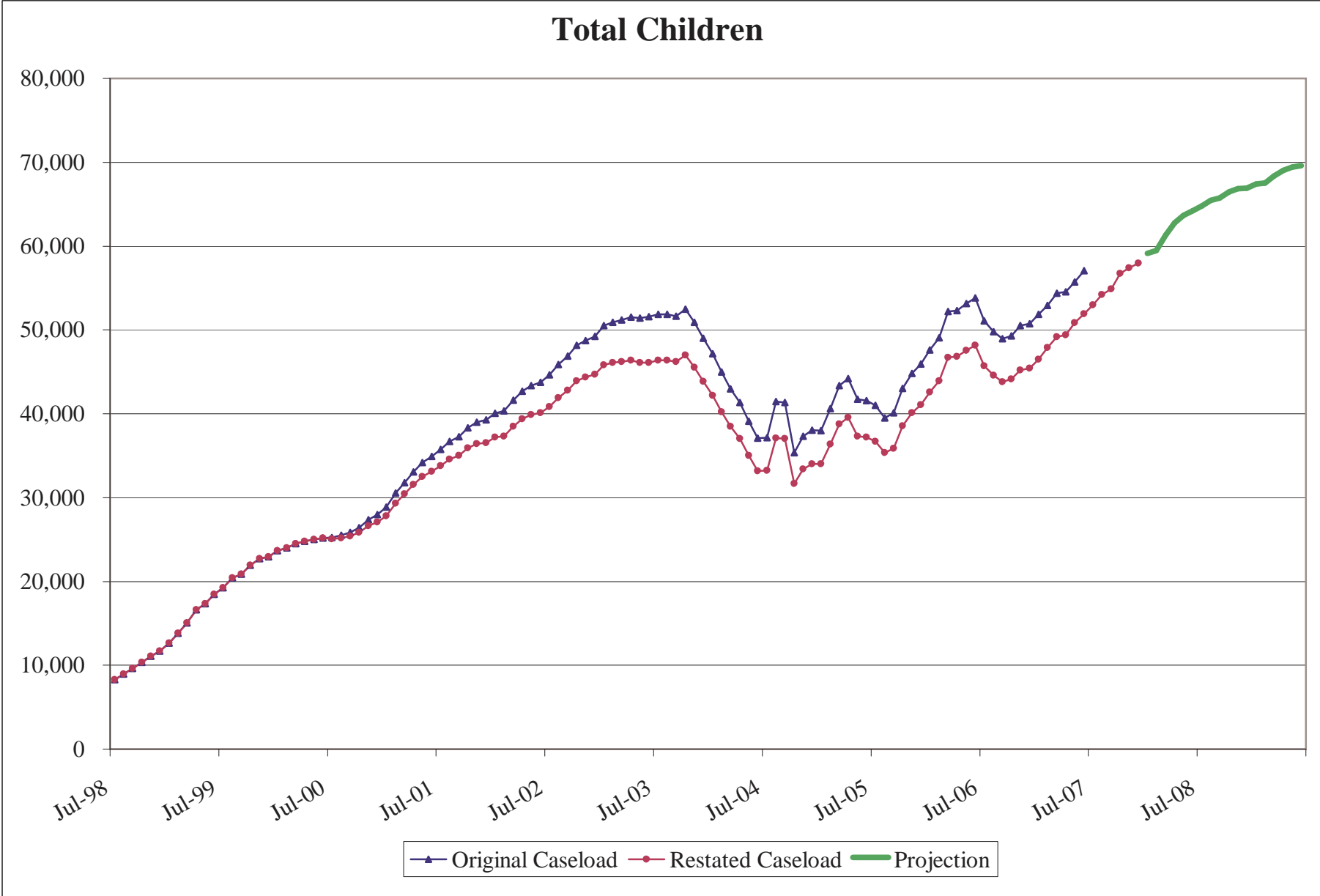
Exhibit C.11 - Children's Basic Health Plan Caseload Graphs



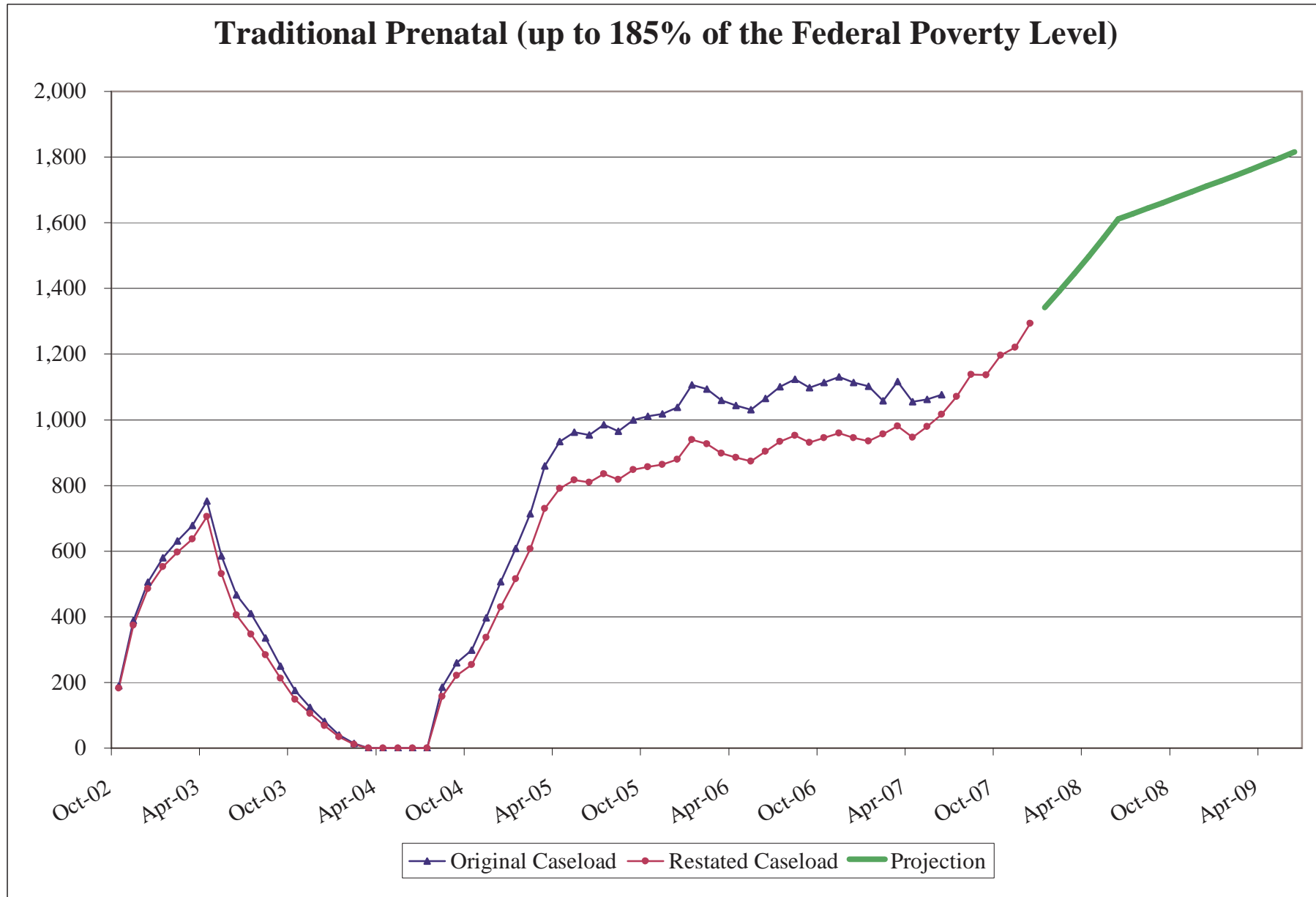
Children's Basic Health Plan Caseload Graphs



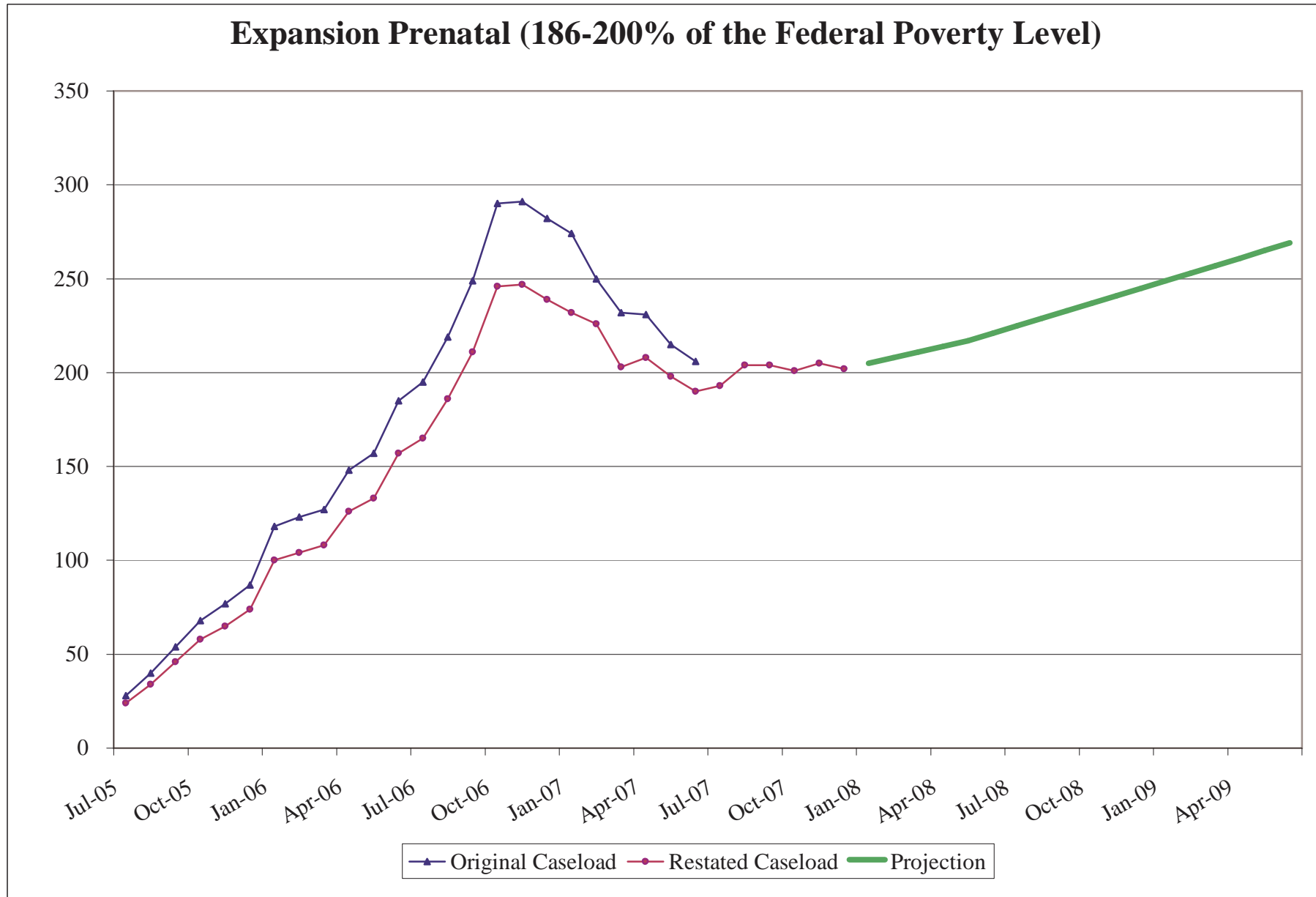
Children's Basic Health Plan Caseload Graphs



Children's Basic Health Plan Caseload Graphs



Children's Basic Health Plan Caseload Graphs



Children's Basic Health Plan Caseload Graphs

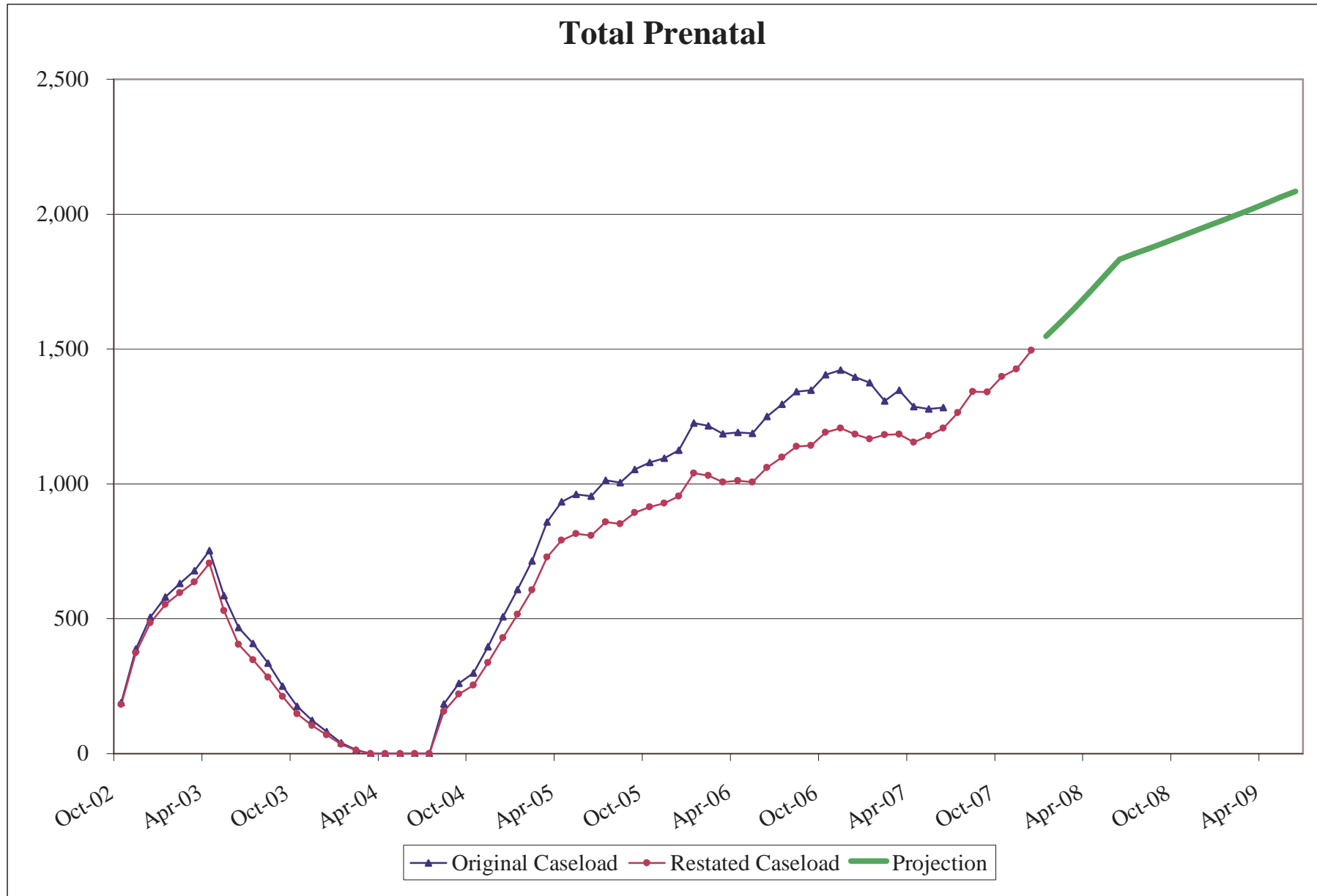


Exhibit C.12 - Children's Basic Health Plan Caseload Restatement Comparison

	Traditional Children Capitations	Traditional Children Restated	Traditional Children Revision	Expansion Children Capitations	Expansion Children Restated	Expansion Children Revision	Total Children Capitations	Total Children Restated	Total Children Revision
FY 98-99	12,825	12,825	0	0	0	0	12,825	12,825	0
% Change from FY 97-98	-	-	-	0.0%	0.0%	-	-	-	-
FY 99-00	22,935	22,935	0	0	0	0	22,935	22,935	0
% Change from FY 98-99	78.8%	78.8%	0.0%	0.0%	0.0%	0.0%	78.8%	78.8%	0.0%
FY 00-01	29,305	28,321	(984)	0	0	0	29,305	28,321	(984)
% Change from FY 99-00	27.8%	23.5%	-3.4%	0.0%	0.0%	0.0%	27.8%	23.5%	-3.4%
FY 01-02	39,843	37,042	(2,801)	0	0	0	39,843	37,042	(2,801)
% Change from FY 00-01	36.0%	30.8%	-7.0%	0.0%	0.0%	0.0%	36.0%	30.8%	-7.0%
FY 02-03	49,216	44,600	(4,616)	0	0	0	49,216	44,600	(4,616)
% Change from FY 01-02	23.5%	20.4%	-9.4%	0.0%	0.0%	0.0%	23.5%	20.4%	-9.4%
FY 03-04	46,694	41,786	(4,908)	0	0	0	46,694	41,786	(4,908)
% Change from FY 02-03	-5.1%	-6.3%	-10.5%	0.0%	0.0%	0.0%	-5.1%	-6.3%	-10.5%
FY 04-05	40,005	35,800	(4,205)	0	0	0	40,005	35,800	(4,205)
% Change from FY 03-04	-14.3%	-14.3%	-10.5%	0.0%	0.0%	0.0%	-14.3%	-14.3%	-10.5%
FY 05-06	45,364	40,596	(4,768)	1,508	1,349	(159)	46,872	41,945	(4,927)
% Change from FY 04-05	13.4%	13.4%	-10.5%	-	-	-10.5%	17.2%	17.2%	-10.5%
FY 06-07	48,903	44,060	(4,843)	3,333	2,987	(346)	52,236	47,047	(5,189)
% Change from FY 05-06	7.8%	8.5%	-9.9%	121.0%	121.4%	-10.4%	11.4%	12.2%	-9.9%

	Traditional Prenatal Capitations	Traditional Prenatal Restated	Traditional Prenatal Revision	Expansion Prenatal Capitations	Expansion Prenatal Restated	Expansion Prenatal Revision	Total Prenatal Capitations	Total Prenatal Restated	Total Prenatal Revision
FY 02-03	531	497	(34)	0	0	0	531	497	(34)
% Change from FY 01-02	-	-	-6.4%	0.0%	0.0%	0.0%	-	-	-6.4%
FY 03-04	119	101	(18)	0	0	0	119	101	(18)
% Change from FY 02-03	-77.6%	-79.7%	-15.1%	0.0%	0.0%	0.0%	-77.6%	-79.7%	-15.1%
FY 04-05	557	472	(85)	0	0	0	557	472	(85)
% Change from FY 03-04	368.0%	367.3%	-15.3%	0.0%	0.0%	0.0%	368.1%	367.3%	-15.3%
FY 05-06	1,035	877	(158)	101	86	(15)	1,136	963	(173)
% Change from FY 04-05	85.8%	85.8%	-15.3%	-	-	-14.9%	103.9%	104.0%	-15.2%
FY 06-07	1,096	957	(139)	245	213	(32)	1,341	1,170	(171)
% Change from FY 05-06	5.9%	9.1%	-12.7%	142.6%	147.7%	-13.1%	18.0%	21.5%	-12.8%

Exhibit C.12 - Children's Basic Health Plan Caseload Restatement Comparison

	Traditional Children Capitations	Traditional Children Restated	Traditional Children Revision	Traditional Children Percent Revision	Expansion Children Capitations	Expansion Children Restated	Expansion Children Revision	Expansion Children Percent Revision	Total Children Capitations	Total Children Restated	Total Children Revision	Total Children Percent Revision
July-06	48,452	43,360	(5,092)	-10.5%	2,613	2,338	(275)	-10.5%	51,065	45,698	(5,367)	-10.5%
August-06	47,038	42,094	(4,944)	-10.5%	2,768	2,477	(291)	-10.5%	49,806	44,571	(5,235)	-10.5%
September-06	46,017	41,181	(4,836)	-10.5%	2,923	2,616	(307)	-10.5%	48,940	43,797	(5,143)	-10.5%
October-06	46,025	41,188	(4,837)	-10.5%	3,270	2,926	(344)	-10.5%	49,295	44,114	(5,181)	-10.5%
November-06	47,100	42,150	(4,950)	-10.5%	3,407	3,049	(358)	-10.5%	50,507	45,199	(5,308)	-10.5%
December-06	47,226	42,263	(4,963)	-10.5%	3,510	3,141	(369)	-10.5%	50,736	45,404	(5,332)	-10.5%
January-07	48,280	43,297	(4,983)	-10.3%	3,575	3,207	(368)	-10.3%	51,855	46,504	(5,351)	-10.3%
February-07	49,331	44,640	(4,691)	-9.5%	3,570	3,235	(335)	-9.4%	52,901	47,875	(5,026)	-9.5%
March-07	50,813	45,983	(4,830)	-9.5%	3,542	3,204	(338)	-9.5%	54,355	49,187	(5,168)	-9.5%
April-07	51,039	46,236	(4,803)	-9.4%	3,479	3,179	(300)	-8.6%	54,518	49,415	(5,103)	-9.4%
May-07	52,114	47,611	(4,503)	-8.6%	3,488	3,244	(244)	-7.0%	55,602	50,855	(4,747)	-8.5%
June-07	53,395	48,713	(4,682)	-8.8%	3,417	3,226	(191)	-5.6%	56,812	51,939	(4,873)	-8.6%

* Reported capitations from the July 16, 2007 Joint Budget Committee Footnote 20 Report.

** The restated children's caseload includes the CHP+ at Work program beginning in January 2007. The percentage used to restate caseload was calculated prior to this adjustment.

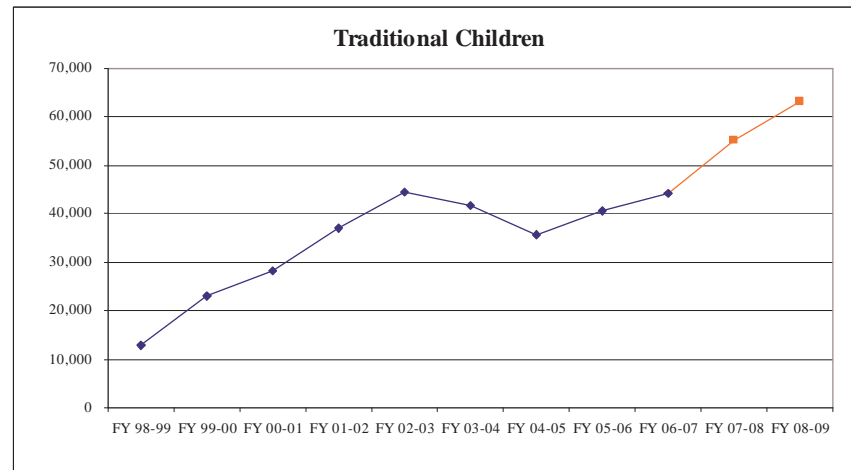
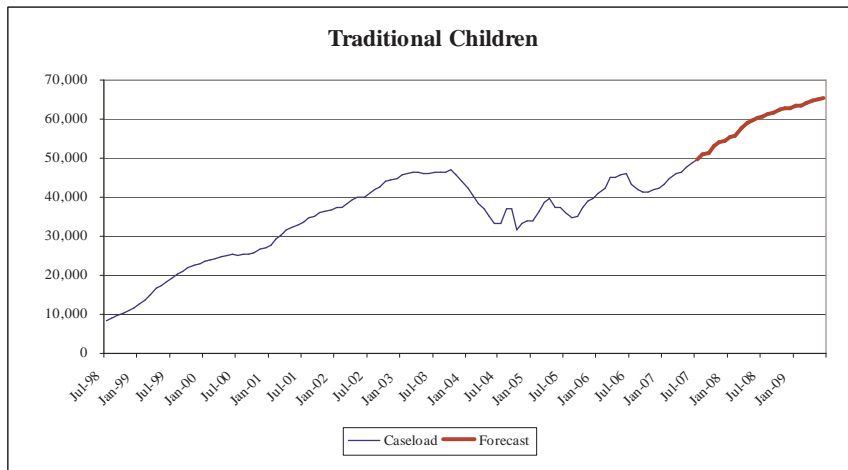
	Traditional Prenatal Capitations	Traditional Prenatal Restated	Traditional Prenatal Revision	Traditional Prenatal Percent Revision	Expansion Prenatal Capitations	Expansion Prenatal Restated	Expansion Prenatal Revision	Expansion Prenatal Percent Revision	Total Prenatal Capitations	Total Prenatal Restated	Total Prenatal Revision	Total Prenatal Percent Revision
July-06	1,100	933	(167)	-15.2%	195	165	(30)	-15.4%	1,295	1,098	(197)	-15.2%
August-06	1,123	952	(171)	-15.2%	219	186	(33)	-15.1%	1,342	1,138	(204)	-15.2%
September-06	1,098	931	(167)	-15.2%	249	211	(38)	-15.3%	1,347	1,142	(205)	-15.2%
October-06	1,114	945	(169)	-15.2%	290	246	(44)	-15.2%	1,404	1,191	(213)	-15.2%
November-06	1,131	959	(172)	-15.2%	291	247	(44)	-15.1%	1,422	1,206	(216)	-15.2%
December-06	1,114	945	(169)	-15.2%	282	239	(43)	-15.3%	1,396	1,184	(212)	-15.2%
January-07	1,102	935	(167)	-15.2%	274	232	(42)	-15.3%	1,376	1,167	(209)	-15.2%
February-07	1,061	956	(105)	-9.9%	252	226	(26)	-10.3%	1,313	1,182	(131)	-10.0%
March-07	1,114	981	(133)	-11.9%	237	203	(34)	-14.4%	1,351	1,184	(167)	-12.4%
April-07	1,052	946	(106)	-10.1%	237	208	(29)	-12.2%	1,289	1,154	(135)	-10.5%
May-07	1,041	980	(61)	-5.9%	223	198	(25)	-11.2%	1,264	1,178	(86)	-6.8%
June-07	1,021	1,017	(4)	-0.4%	208	190	(18)	-8.7%	1,229	1,207	(22)	-1.8%

Exhibit C.13

Children's Basic Health Plan Caseload Forecast:

February 15, 2008

Traditional Children



- Growth in traditional children in the first half of FY 07-08 has been nearly twice as strong as the Department's November 1, 2007 forecast. Caseload has increased by an average of 945 children, or 1.86%, per month.
- Between June and September 2006, the traditional children's caseload declined by nearly 5,000 clients. Budget believes that this was the effects of the removal of the Medicaid asset test. The Department clarified the citizenship and identification policy for Medicaid and distributed procedures to counties and medical assistance sites in October 2006.
- The expansion children population is not affected by either the Deficit Reduction Act or the Medicaid asset test removal. If a child in Medicaid can not produce proper documentation at redetermination and moves to CHP+, the child would be under income for this population and would become a traditional child instead. Similarly, the children in the expansion population have too much income to move to Medicaid, regardless of the assets of the family.
- Once the citizenship and identification procedures began, the caseload declines in the traditional children ceased. Between October 2006 and June 2007, the traditional children's caseload increased by an average of 1.9% per month. During this same period of time, the expansion children's caseload increased by an average of 2.4% per month. Because the two populations grew by nearly the same monthly rates and the expansion children are not affected by either policy change, this implies that the impacts of these policies are nearly offsetting. The growth seen in both populations is then due to factors such as the improving economy and marketing, which are expected to affect both populations in a similar fashion. The strong effects of these two policy changes should decrease in FY 07-08, as both will have been in place for a year.
- Because of this, and because the volatility in the recent caseload, the traditional children's caseload forecast is modeled after growth experienced in FY 01-02. This year is used because of the similar economic conditions and the presence of marketing in CHP+. The monthly variations in the growth rates are retained, as these are due to expected factors such as the distribution of annual redeterminations and seasonality revolving around the traditional school year. The Department has adjusted this average

Exhibit C.13 - FY 07-08 and FY 08-09 Children's Basic Health Plan Caseload Forecasts

monthly growth rate to 1.79% based on a comparison of the average growth rate in the first half of FY 07-08 to that from FY 01-02. This forecast results in average monthly growth of 976 children for the remainder of FY 07-08.

- The FY 08-09 forecasted growth rate moderates from the FY 07-08 forecast. The Medicaid Eligible Children caseload is forecasted to moderate along with the economic conditions, which should decrease the monthly growth rate in CHP+. The FY 08-09 forecasted monthly growth rate is modeled after that experienced in FY 02-03, during which caseload increased by an average of 1.17% per month. The Department assumes that the average monthly growth rate in FY 08-09 will be approximately 60% of that experienced in FY 02-03, as caseload is expected to increase at a slower rate as it approaches a saturation point.

	Actuals	Monthly Change	% Change
Dec-05	39,768	-	-
Jan-06	41,119	1,351	3.40%
Feb-06	42,329	1,210	2.94%
Mar-06	45,014	2,685	6.34%
Apr-06	45,069	55	0.12%
May-06	45,685	616	1.37%
Jun-06	46,102	417	0.91%
Jul-06	43,360	(2,742)	-5.95%
Aug-06	42,094	(1,266)	-2.92%
Sep-06	41,181	(913)	-2.17%
Oct-06	41,188	7	0.02%
Nov-06	42,150	962	2.34%
Dec-06	42,263	113	0.27%
Jan-07	43,297	1,034	2.45%
Feb-07	44,640	1,343	3.10%
Mar-07	45,983	1,343	3.01%
Apr-07	46,236	253	0.55%
May-07	47,611	1,375	2.97%
Jun-07	48,713	1,102	2.31%
Jul-07	49,726	1,013	2.08%
Aug-07	50,877	1,151	2.31%
Sep-07	51,493	616	1.21%
Oct-07	53,144	1,651	3.21%
Nov-07	53,860	716	1.35%
Dec-07	54,383	523	0.97%
Jan-08	55,433	1,050	1.93%
Feb-08	55,788	355	0.64%
Mar-08	57,506	1,718	3.08%
Apr-08	58,863	1,357	2.36%
May-08	59,722	859	1.46%
Jun-08	60,236	514	0.86%

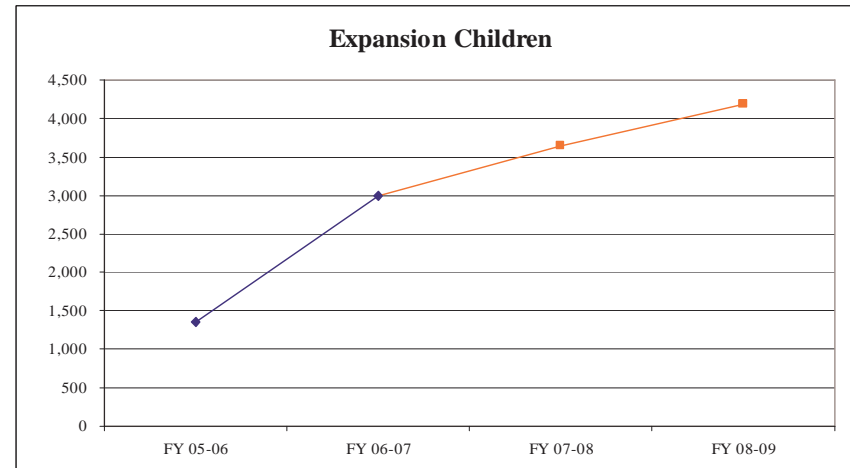
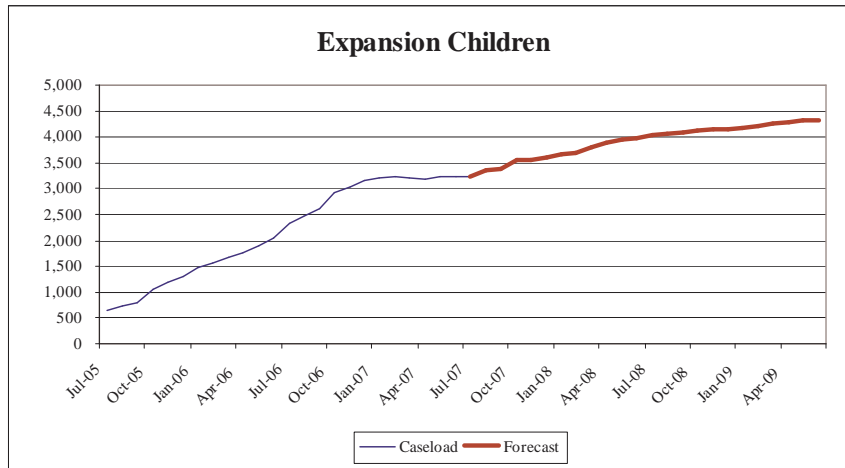
* Bold denotes forecast

	Caseload	% Change	Level Change
FY 98-99	12,825	-	-
FY 99-00	22,935	78.83%	10,110
FY 00-01	28,321	23.48%	5,386
FY 01-02	37,042	30.79%	8,721
FY 02-03	44,600	20.40%	7,558
FY 03-04	41,786	-6.31%	(2,814)
FY 04-05	35,800	-14.33%	(5,986)
FY 05-06	40,596	13.40%	4,796
FY 06-07	44,060	8.53%	3,464
FY 07-08	55,086	25.02%	11,026
FY 08-09	63,115	14.58%	8,029

November 2007 Trend Selections			
FY 07-08	52,628	19.45%	8,568
FY 08-09	58,269	10.72%	5,641

Actuals		
	Monthly Change	% Change
6-month average	945	1.86%
12-month average	1,010	2.13%
18-month average	460	0.95%
24-month average	577	1.34%
FY 07-08 Year-to-date	52,247	18.58%

Expansion Children



- As with traditional children, growth in expansion children in the first half of FY 07-08 has been nearly twice as strong as the Department's November 1, 2007 forecast. Caseload has increased by an average of 63 children, or 1.87%, per month.
- The expansion children population has now been in place for a few years, and because the monthly growth rate has converged with that seen in the traditional children, the Department believes that the two populations will grow at similar rates. Therefore, the expansion children's forecast mirrors that for the traditional children.
- The FY 07-08 forecast is for average monthly growth of 1.79%. This forecast results in average monthly growth of 65 children for the remainder of FY 07-08. The growth rate is forecasted to moderate in FY 08-09 to 1.10% per month.

Exhibit C.13 - FY 07-08 and FY 08-09 Children's Basic Health Plan Caseload Forecasts

	Actuals	Monthly Change	% Change
Dec-05	1,310	-	-
Jan-06	1,466	156	11.91%
Feb-06	1,571	105	7.16%
Mar-06	1,690	119	7.57%
Apr-06	1,759	69	4.08%
May-06	1,895	136	7.73%
Jun-06	2,041	146	7.70%
Jul-06	2,338	297	14.55%
Aug-06	2,477	139	5.95%
Sep-06	2,616	139	5.61%
Oct-06	2,926	310	11.85%
Nov-06	3,049	123	4.20%
Dec-06	3,141	92	3.02%
Jan-07	3,207	66	2.10%
Feb-07	3,235	28	0.87%
Mar-07	3,204	(31)	-0.96%
Apr-07	3,179	(25)	-0.78%
May-07	3,244	65	2.04%
Jun-07	3,226	(18)	-0.55%
Jul-07	3,248	22	0.68%
Aug-07	3,343	95	2.92%
Sep-07	3,383	40	1.20%
Oct-07	3,557	174	5.14%
Nov-07	3,565	8	0.22%
Dec-07	3,602	37	1.04%
Jan-08	3,672	70	1.94%
Feb-08	3,696	24	0.65%
Mar-08	3,810	114	3.08%
Apr-08	3,900	90	2.36%
May-08	3,957	57	1.46%
Jun-08	3,991	34	0.86%

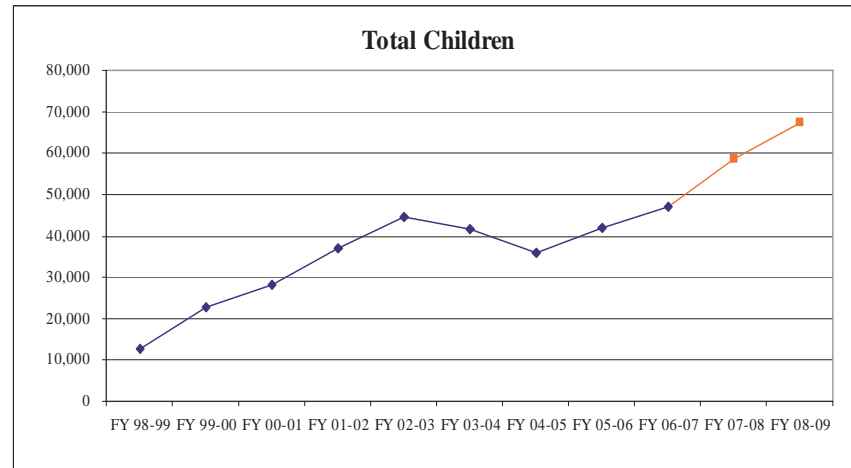
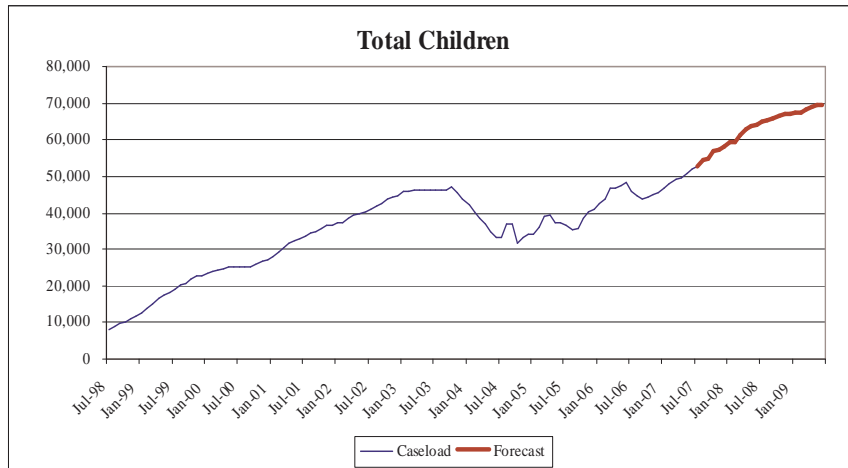
* Bold denotes forecast

	Caseload	% Change	Level Change
FY 05-06	1,349	-	-
FY 06-07	2,987	121.42%	1,638
FY 07-08	3,644	22.00%	657
FY 08-09	4,182	14.76%	538

November 2007 Trend Selections			
FY 07-08	3,485	16.67%	498
FY 08-09	3,856	10.65%	371

Actuals		
	Monthly Change	% Change
6-month average	63	1.87%
12-month average	38	1.16%
18-month average	87	3.28%
24-month average	93	4.39%
FY 07-08 Year-to-date	3,450	15.50%

Total Children



- The final FY 07-08 children's caseload forecast is 58,730, a 24.8% increase over the FY 06-07 restated caseload of 47,047. This forecast results in average monthly growth of 1,040 children for the remainder of FY 07-08. The FY 08-09 final children's forecast is 67,297, a 14.6% increase over FY 07-08.

Exhibit C.13 - FY 07-08 and FY 08-09 Children's Basic Health Plan Caseload Forecasts

	Actuals	Monthly Change	% Change
Dec-05	41,078	-	-
Jan-06	42,585	1,507	3.67%
Feb-06	43,900	1,315	3.09%
Mar-06	46,704	2,804	6.39%
Apr-06	46,828	124	0.27%
May-06	47,580	752	1.61%
Jun-06	48,143	563	1.18%
Jul-06	45,698	(2,445)	-5.08%
Aug-06	44,571	(1,127)	-2.47%
Sep-06	43,797	(774)	-1.74%
Oct-06	44,114	317	0.72%
Nov-06	45,199	1,085	2.46%
Dec-06	45,404	205	0.45%
Jan-07	46,504	1,100	2.42%
Feb-07	47,875	1,371	2.95%
Mar-07	49,187	1,312	2.74%
Apr-07	49,415	228	0.46%
May-07	50,855	1,440	2.91%
Jun-07	51,939	1,084	2.13%
Jul-07	52,974	1,035	1.99%
Aug-07	54,220	1,246	2.35%
Sep-07	54,876	656	1.21%
Oct-07	56,701	1,825	3.33%
Nov-07	57,425	724	1.28%
Dec-07	57,985	560	0.98%
Jan-08	59,105	1,120	1.93%
Feb-08	59,484	379	0.64%
Mar-08	61,316	1,832	3.08%
Apr-08	62,763	1,447	2.36%
May-08	63,679	916	1.46%
Jun-08	64,227	548	0.86%

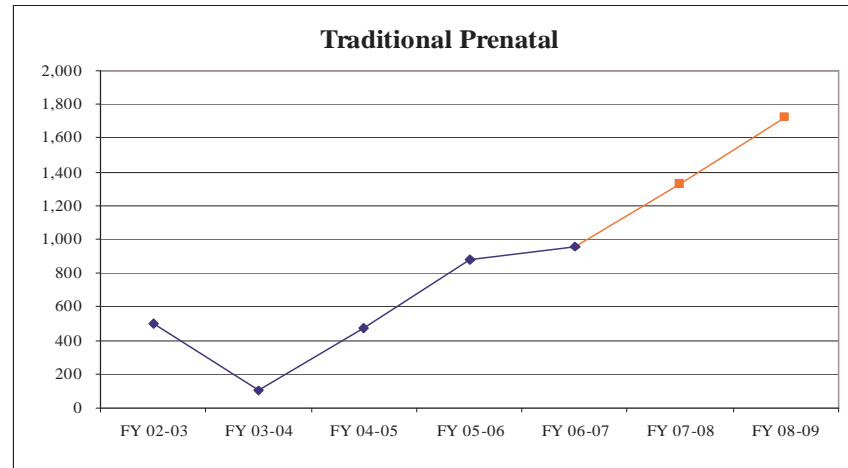
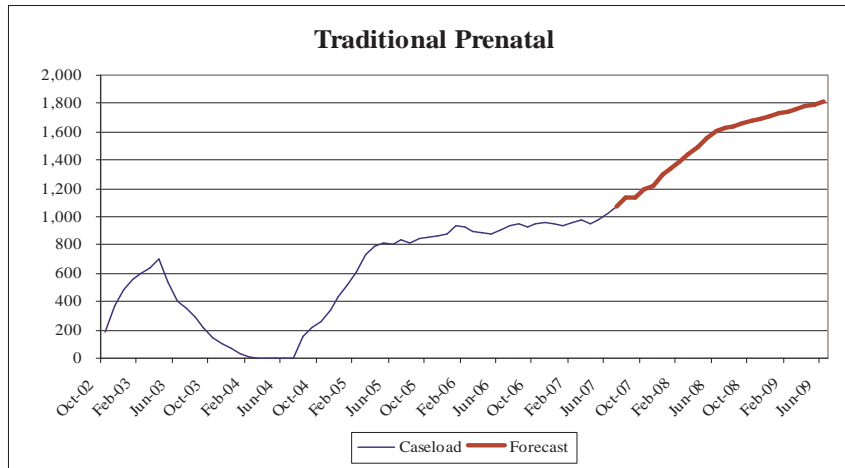
* Bold denotes forecast

	Caseload	% Change	Level Change
FY 98-99	12,825	-	-
FY 99-00	22,935	78.83%	10,110
FY 00-01	28,321	23.48%	5,386
FY 01-02	37,042	30.79%	8,721
FY 02-03	44,600	20.40%	7,558
FY 03-04	41,786	-6.31%	(2,814)
FY 04-05	35,800	-14.33%	(5,986)
FY 05-06	41,946	17.17%	6,146
FY 06-07	47,047	12.16%	5,101
FY 07-08	58,730	24.83%	11,683
FY 08-09	67,297	14.59%	8,567

November 2007 Trend Selections			
FY 07-08	56,113	19.27%	9,066
FY 08-09	62,125	10.71%	6,012

Actuals		
	Monthly Change	% Change
6-month average	1,008	1.86%
12-month average	1,048	2.06%
18-month average	547	1.06%
24-month average	670	1.47%
FY 07-08 Year-to-date	55,697	18.39%

Traditional Prenatal



- In FY 06-07, the CHP+ prenatal population was subject to the identification requirements of HB 06S-1023, and so did not experience the increases that were seen in children's population. With the passage of SB 07-211, the CHP+ prenatal population will be exempted from the HB 06S-1023 identification requirements, which may increase the monthly growth above that experienced in FY 06-07. However, as evidenced by the children's population, the effects of such a policy change are difficult to predict or quantify.
- Caseload growth in traditional prenatal in the first half of FY 07-08 has been 4 times the November 1, 2007 forecast. Caseload has increased by an average of 46 clients, or 4.13% per month. The Department sees no compelling reason that growth for the remainder of FY 07-08 will not remain high. Based on growth experienced between May and November 2007, the forecast is for average monthly growth of 3.72% for the remainder of FY 07-08. This forecast results in average monthly growth of 53 clients for the remainder of FY 07-08.
- The traditional prenatal caseload is forecasted to moderate in FY 08-09, as this population should have an upper boundary based on the number of pregnant women in this income range in the State. Based on average growth in FY 06-07, the Department forecasts the traditional prenatal population to increase by an average of 1.00% per month in FY 08-09. The monthly variations used in the November 1, 2007 forecast to not appear to be applicable, so this has been removed.

Exhibit C.13 - FY 07-08 and FY 08-09 Children's Basic Health Plan Caseload Forecasts

	Actuals	Monthly Change	% Change
Dec-05	880	-	-
Jan-06	939	59	6.70%
Feb-06	927	(12)	-1.28%
Mar-06	898	(29)	-3.13%
Apr-06	885	(13)	-1.45%
May-06	874	(11)	-1.24%
Jun-06	903	29	3.32%
Jul-06	933	30	3.32%
Aug-06	952	19	2.04%
Sep-06	931	(21)	-2.21%
Oct-06	945	14	1.50%
Nov-06	959	14	1.48%
Dec-06	945	(14)	-1.46%
Jan-07	935	(10)	-1.06%
Feb-07	956	21	2.25%
Mar-07	981	25	2.62%
Apr-07	946	(35)	-3.57%
May-07	980	34	3.59%
Jun-07	1,017	37	3.78%
Jul-07	1,071	54	5.31%
Aug-07	1,138	67	6.26%
Sep-07	1,137	(1)	-0.09%
Oct-07	1,197	60	5.28%
Nov-07	1,220	23	1.92%
Dec-07	1,294	74	6.07%
Jan-08	1,342	48	3.71%
Feb-08	1,392	50	3.73%
Mar-08	1,444	52	3.74%
Apr-08	1,498	54	3.74%
May-08	1,554	56	3.74%
Jun-08	1,612	58	3.73%

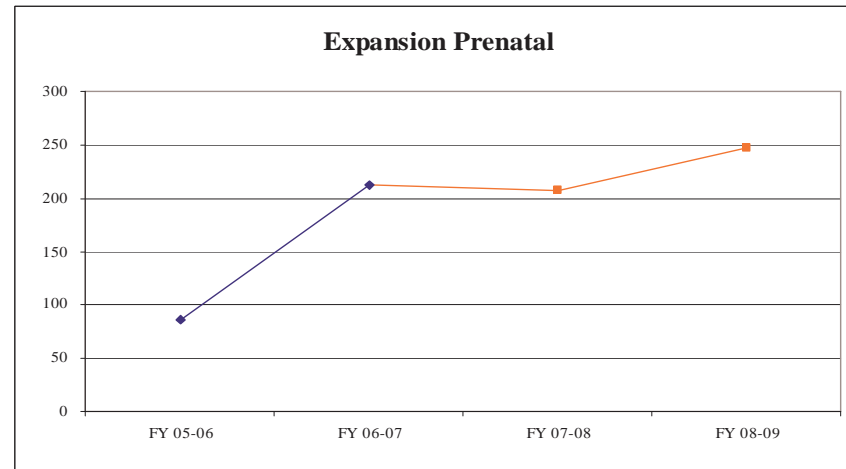
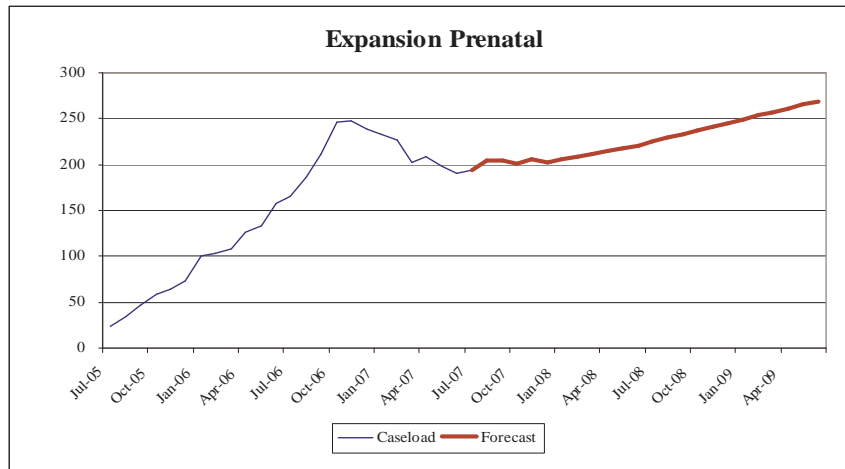
* Bold denotes forecast

	Caseload	% Change	Level Change
FY 02-03	372	-	-
FY 03-04	101	-72.85%	(271)
FY 04-05	472	367.33%	371
FY 05-06	877	85.81%	405
FY 06-07	957	9.12%	80
FY 07-08	1,325	38.45%	368
FY 08-09	1,720	29.81%	395

November 2007 Trend Selections			
FY 07-08	1,078	12.64%	121
FY 08-09	1,214	12.62%	136

Actuals		
	Monthly Change	% Change
6-month average	46	4.13%
12-month average	29	2.70%
18-month average	22	2.06%
24-month average	15	1.66%
FY 07-08 Year-to-date	1,176	22.88%

Expansion Prenatal



- While the expansion prenatal population has been in place for the same amount of time as the expansion children, its growth rate is not converging with the traditional prenatal population, as is occurring with the children's populations.
- Growth in the expansion prenatal population has been half of the November 1, 2007 forecast. Caseload has increased by an average of 2 clients, or 1.06% per month. The Department's forecast for the remainder of FY 07-08 as well as FY 08-09 is based on the growth experienced between July 2006 and December 2007, during which monthly increases averaged 1.63%. This forecast results in average monthly growth of 3 clients for the remainder of FY 07-08. The monthly variations used in the November 1, 2007 forecast to not appear to be applicable, so this has been removed.

Exhibit C.13 - FY 07-08 and FY 08-09 Children's Basic Health Plan Caseload Forecasts

	Actuals	Monthly Change	% Change
Dec-05	74	-	-
Jan-06	100	26	35.14%
Feb-06	104	4	4.00%
Mar-06	108	4	3.85%
Apr-06	126	18	16.67%
May-06	133	7	5.56%
Jun-06	157	24	18.05%
Jul-06	165	8	5.10%
Aug-06	186	21	12.73%
Sep-06	211	25	13.44%
Oct-06	246	35	16.59%
Nov-06	247	1	0.41%
Dec-06	239	(8)	-3.24%
Jan-07	232	(7)	-2.93%
Feb-07	226	(6)	-2.59%
Mar-07	203	(23)	-10.18%
Apr-07	208	5	2.46%
May-07	198	(10)	-4.81%
Jun-07	190	(8)	-4.04%
Jul-07	193	3	1.58%
Aug-07	204	11	5.70%
Sep-07	204	0	0.00%
Oct-07	201	(3)	-1.47%
Nov-07	205	4	1.99%
Dec-07	202	(3)	-1.46%
Jan-08	205	3	1.49%
Feb-08	208	3	1.46%
Mar-08	211	3	1.44%
Apr-08	214	3	1.42%
May-08	217	3	1.40%
Jun-08	221	4	1.84%

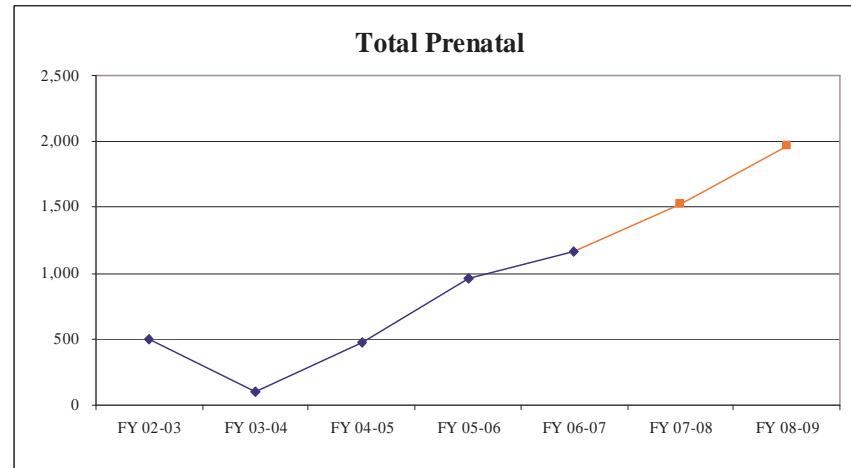
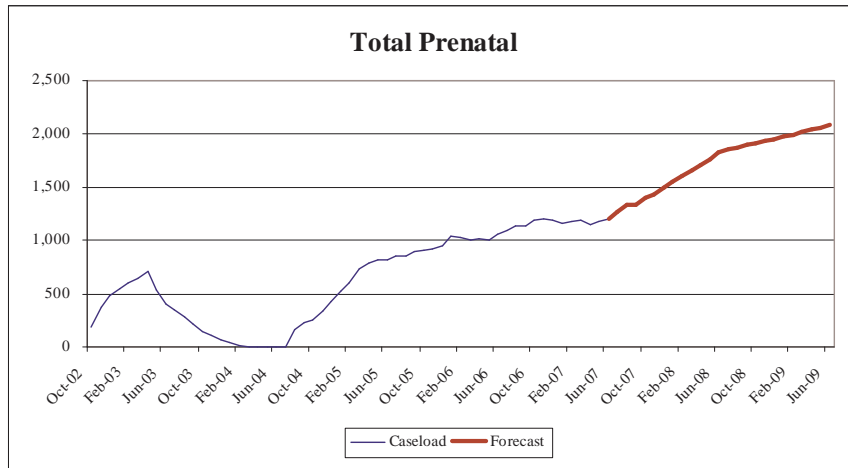
* Bold denotes forecast

	Caseload	% Change	Level Change
FY 05-06	86	-	-
FY 06-07	213	147.67%	127
FY 07-08	207	-2.82%	(6)
FY 08-09	247	19.32%	40

November 2007 Trend Selections			
FY 07-08	212	-0.47%	(1)
FY 08-09	264	24.53%	52

Actuals		
	Monthly Change	% Change
6-month average	2	1.06%
12-month average	(3)	-1.31%
18-month average	3	1.63%
24-month average	4	4.69%
FY 07-08 Year-to-date	202	-5.16%

Total Prenatal



- The final FY 07-08 prenatal caseload forecast is 1,532, a 30.9% increase over the FY 06-07 restated caseload of 1,170. This forecast results in average monthly growth of 58 clients for the remainder of FY 07-08. The FY 08-09 final prenatal forecast is 1,967, a 28.4% increase over FY 07-08.

Exhibit C.13 - FY 07-08 and FY 08-09 Children's Basic Health Plan Caseload Forecasts

	Actuals	Monthly Change	% Change
Dec-05	954	-	-
Jan-06	1,039	85	8.91%
Feb-06	1,031	(8)	-0.77%
Mar-06	1,006	(25)	-2.42%
Apr-06	1,011	5	0.50%
May-06	1,007	(4)	-0.40%
Jun-06	1,060	53	5.26%
Jul-06	1,098	38	3.58%
Aug-06	1,138	40	3.64%
Sep-06	1,142	4	0.35%
Oct-06	1,191	49	4.29%
Nov-06	1,206	15	1.26%
Dec-06	1,184	(22)	-1.82%
Jan-07	1,167	(17)	-1.44%
Feb-07	1,182	15	1.29%
Mar-07	1,184	2	0.17%
Apr-07	1,154	(30)	-2.53%
May-07	1,178	24	2.08%
Jun-07	1,207	29	2.46%
Jul-07	1,207	0	0.00%
Aug-07	1,264	57	4.72%
Sep-07	1,342	78	6.17%
Oct-07	1,341	(1)	-0.07%
Nov-07	1,398	57	4.25%
Dec-07	1,425	27	1.93%
Jan-08	1,496	71	4.98%
Feb-08	1,547	51	3.41%
Mar-08	1,600	53	3.43%
Apr-08	1,655	55	3.44%
May-08	1,712	57	3.44%
Jun-08	1,771	59	3.45%

* Bold denotes forecast

	Caseload	% Change	Level Change
FY 02-03	497	-	-
FY 03-04	101	-79.68%	(396)
FY 04-05	472	367.33%	371
FY 05-06	963	104.03%	491
FY 06-07	1,170	21.50%	207
FY 07-08	1,532	30.94%	362
FY 08-09	1,967	28.39%	435

November 2007 Trend Selections			
FY 07-08	1,290	10.26%	120
FY 08-09	1,478	14.57%	188

Actuals		
	Monthly Change	% Change
6-month average	36	2.83%
12-month average	20	1.59%
18-month average	20	1.69%
24-month average	17	1.73%
FY 07-08 Year-to-date	1,330	13.68%