

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST; TOBACCO TAX UPDATE

Health Care Expansion Fund: Outlook 2006-2012						
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
A. Tobacco Tax Revenues						
Tax Revenue ¹	\$168,168,586	\$165,000,000	\$162,200,000	\$160,100,000	\$158,300,000	\$157,400,000
	\$31,952,031	\$31,350,000	\$30,818,000	\$30,419,000	\$30,077,000	\$29,906,000
B. Health Care Expansion Fund						
Transfer (46%)	\$77,357,550	\$75,900,000	\$74,612,000	\$73,646,000	\$72,818,000	\$72,404,000
Less 10% Reserve Requirement ²	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned ³	\$2,645,628	\$2,595,780	\$2,551,730	\$2,518,693	\$2,490,376	\$2,476,217
Health Care Expansion Funds Available	\$80,003,178	\$78,495,780	\$77,163,730	\$76,164,693	\$75,308,376	\$74,880,217
C. Health Care Expansion Fund Reserve Balance						
Previous Year's Reserve Fund Ending Balance	\$94,635,520	\$130,690,918	\$169,102,472	\$159,611,636	\$139,460,203	\$110,607,758
Previous Year's Unspent Health Care Expansion Fund Balance	N/A	\$32,817,917	\$1,457,098	\$0	\$0	\$0
10% of Yearly Appropriation to the Health Care Expansion Fund	\$0	\$0	\$0	\$0	\$0	\$0
Fund Required from the Reserve Balance in the Current Year ⁴	\$0	\$0	(\$16,227,630)	(\$24,764,552)	(\$32,511,171)	(\$40,182,560)
Interest Earned ³	\$3,237,481	\$5,593,637	\$5,279,696	\$4,613,119	\$3,658,726	\$2,409,246
Health Care Expansion Fund Year-End Reserve Balance	\$97,873,001	\$169,102,472	\$159,611,636	\$139,460,203	\$110,607,758	\$72,834,444
D. Health Care Expansion Fund Expenditures						
(1) Executive Director's Office	\$472,310	\$558,551	\$558,551	\$558,551	\$558,551	\$558,551
Personal Services	\$121,796	\$156,809	\$156,809	\$156,809	\$156,809	\$156,809
Operating Expenses	\$4,120	\$4,365	\$4,365	\$4,365	\$4,365	\$4,365
Commercial Leased Space	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
Acute Care Utilization Review	\$14,346	\$16,520	\$16,520	\$16,520	\$16,520	\$16,520
Long Term Care Utilization Review	\$38,429	\$38,429	\$38,429	\$38,429	\$38,429	\$38,429
Medicaid Identification Cards	\$10,247	\$10,759	\$10,759	\$10,759	\$10,759	\$10,759
SB 97-05 Enrollment Broker	\$18,908	\$33,514	\$33,514	\$33,514	\$33,514	\$33,514
School District Eligibility Determinations	\$0	\$7,756	\$7,756	\$7,756	\$7,756	\$7,756
Medicaid Management Information System Contract	\$258,964	\$284,899	\$284,899	\$284,899	\$284,899	\$284,899
(2) Medical Service Premiums	\$34,342,956	\$54,596,561	\$59,255,042	\$62,812,319	\$66,466,124	\$70,200,026
(3) Medicaid Mental Health Community Programs	\$2,475,031	\$7,208,074	\$8,497,256	\$9,027,907	\$9,565,206	\$10,109,763
(4) Indigent Care Program	\$9,557,980	\$14,037,434	\$23,875,258	\$27,325,215	\$30,024,414	\$32,989,185
Children's Basic Health Plan Administration	\$518,545	\$518,545	\$540,000	\$540,000	\$540,000	\$540,000
Children's Basic Health Plan Premium Costs	\$8,770,576	\$12,749,448	\$21,727,752	\$24,877,798	\$27,347,535	\$30,058,925
Children's Basic Health Plan Dental Benefit Costs	\$268,859	\$769,441	\$1,607,506	\$1,907,417	\$2,136,879	\$2,390,260
(6) Department of Human Services Medicaid Funded Programs	\$336,984	\$638,062	\$1,205,253	\$1,205,253	\$1,205,253	\$1,205,253
DHS: Colorado Benefits Management System, BRI #1	\$62,864	\$62,864	\$630,055	\$630,055	\$630,055	\$630,055
DHS: Colorado Benefits Management System SAS-70	\$0	\$618	\$618	\$618	\$618	\$618
DHS: Adult Community Services	\$32,364	\$574,580	\$574,580	\$574,580	\$574,580	\$574,580
DHS: Services for Family & Children	\$241,756	\$0	\$0	\$0	\$0	\$0
Total Health Care Expansion Fund Expenditures	\$47,185,261	\$77,038,682	\$93,391,360	\$100,929,245	\$107,819,547	\$115,062,777
E. Health Care Expansion Fund Reserve Balance - Increase / (Decrease)	\$32,817,917	\$1,457,098	(\$16,227,630)	(\$24,764,552)	(\$32,511,171)	(\$40,182,560)

- Notes: 1) Tobacco Tax revenue projections are from the latest Amendment 35 Revenue Forecast completed by Legislative Council.
 2) The 10% reserve requirement is not required beginning in FY 06-07 based on the sum of the previous year's reserve fund ending balance and the unspent Health Care Expansion Fund, summing to an amount greater than the 46% transfer.
 3) The projected interest rate is assumed to be the same rate earned in FY 06-07. Department assumes interest on Tobacco Tax Revenues is already included in the Legislative Council's Projection.
 4) Beginning in FY 07-08, the Department projects that the 46% transfer will not be sufficient to fund projected expenditures, and existing Health Care Expansion Fund Reserve Balance funds will need to be appropriated.
 5) The Department's FY 09-10 expenditure projections include a trend factor and will not match the figure provided in the Schedule 9 Fund 18k, November 1, 2007 FY 08-09 Budget Request.

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST; TOBACCO TAX UPDATE

Medical Services Premiums - Rate, Caseload, and Expenditure Forecast								
	Expansion Adults ¹	Presumptive Eligibility ²	Legal Immigrants ³	Medicaid Asset Test Children & Adults ⁴	Children's Home and Community Based Services Waiver ⁵	Children's Extensive Support Waiver ⁵	Foster Care	Total
A. FY 06-07 Health Care Expansion Fund Actuals	\$3,688,933	\$3,924,672	\$6,216,752	\$16,232,525	\$3,871,520	\$408,554	N/A	\$34,342,956
B. FY 07-08 Health Care Expansion Fund Projection								
Per Capita	\$1,562.70	\$3,798.36	\$3,301.97		\$27,203.05	\$45,039.85	\$3,446.82	
Caseload	7,886	1,649	3,512		678	59	1,226	
Total Estimated Health Care Expansion Fund Expenditures	\$6,161,740	\$3,131,748	\$6,216,752	\$26,422,911	\$9,221,834	\$1,328,676	\$2,112,900	\$54,596,561
C. Per Capita								
FY 08-09 Base	\$1,640.14	\$4,081.92	\$3,301.97		\$29,014.77	\$47,071.15	\$3,598.01	
% Change from FY 07-08	4.95%	7.50%	0.00%		6.66%	4.51%	4.39%	
Projected FY 09-10	\$1,728.75	\$4,170.50	\$3,301.97		\$30,947.15	\$49,194.06	\$3,775.34	
% Change from FY 08-09	5.40%	2.17%	0.00%		6.66%	4.51%	4.93%	
Projected FY 10-11	\$1,822.10	\$4,261.00	\$3,301.97		\$33,008.23	\$51,412.71	\$3,961.46	
% Change from FY 09-10	5.40%	2.17%	0.00%		6.66%	4.51%	4.93%	
Projected FY 11-12	\$1,920.49	\$4,353.46	\$3,301.97		\$35,206.58	\$53,731.42	\$4,156.76	
% Change from FY 10-11	5.40%	2.17%	0.00%		6.66%	4.51%	4.93%	
D. Expansion Client Caseload								
FY 08-09 Base	9,462	1,708	3,512		678	59	1,678	
% Change from FY 07-08	19.98%	3.59%	0.00%		N/A	20.41%	36.87%	
Projected FY 09-10	10,518	1,756	3,512		678	59	1,710	
% Change from FY 08-09	11.16%	2.81%	0.00%		N/A	N/A	2.12%	
Projected FY 10-11	11,402	1,805	3,512		678	59	1,746	
% Change from FY 09-10	8.40%	2.81%	0.00%		N/A	N/A	2.12%	
Projected FY 11-12	12,120	1,856	3,512		678	59	1,783	
% Change from FY 10-11	6.30%	2.81%	0.00%		N/A	N/A	2.12%	
E. Total Health Care Expansion Fund Expenditures (A x B) * 50%								
Projected FY 08-09 ⁶	\$7,759,518	\$3,485,958	\$6,216,752	\$27,267,620	\$9,836,007	\$1,388,599	\$3,018,730	\$59,255,042
Projected FY 09-10 ⁶	\$9,091,496	\$3,661,699	\$6,216,752	\$28,390,289	\$10,491,084	\$1,451,225	\$3,227,916	\$62,812,319
Projected FY 10-11 ⁶	\$10,387,792	\$3,845,553	\$6,216,752	\$29,569,349	\$11,189,790	\$1,516,675	\$3,458,355	\$66,466,124
Projected FY 11-12 ⁶	\$11,638,169	\$4,040,011	\$6,216,752	\$30,797,376	\$11,935,031	\$1,585,077	\$3,705,752	\$70,200,026

- Notes:
- 1) Per capita rates for the expansion adults for FY 08-09 and FY 09-10 are from Exhibit EC-1 in this November 1, 2007 Budget Request, Expansion Adults column. For FY 10-11 and FY 11-12, the per capita grows by the rate of change between the FY 08-09 and FY 09-10 growth rates. Caseload is expected to grow 19.98% between FY 07-08 and FY 08-09, per Exhibit EB-1 in this November 1, 2007 Budget Request. For years after FY 09-10, the caseload growth rate is expected to decay by 25% each year as expansion adult caseload normalizes to the general behavior of Medical Services Premiums behavior.
 - 2) Presumptive eligibility per capita growth rates can be found in Exhibit EC-1 in this November 1, 2007 Budget Request, Baby Care Program Adults column. Based on preliminary information from the cost reconciliation process, the Department selected a trend factor of 7.50% to trend both the per capita and the estimated reconciliation in FY 08-09. The Department cautions that this is a preliminary figure based on a partially complete data set; the Department will re-estimate both caseload and per capita in the February 15, 2008 Budget Request. The Department used a growth rate of 2.17% to project expenditures from FY 09-10 to FY 11-12.
 - 3) Per Capita and caseload growth rates for optional legal immigrants were calculated as the percent growth in caseload between FY 06-07 and FY 07-08.
 - 4) Please refer to the Tobacco Tax Update narrative preceding this appendix for an explanation of Medicaid asset test removal projections.
 - 5) The Children's Extensive Support and Children's Home and Community Based Services waiver programs' per capita rates are estimated as the per capita growth rate from FY 06-07 to FY 07-08. No growth rates for the Children's Extensive Support program and the Children's Home and Community Based Services program are provided as both waiver programs will have reached their caps by FY 07-08 and FY 08-09, respectively. There is a noticeable increase from FY 06-07 to FY 07-08 expenditures due to the fact that FY 06-07 is a caseload building year, and FY 07-08 represents the first year of full caseload.

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST; TOBACCO TAX UPDATE

Medicaid Mental Health - Rate, Caseload, and Expenditure Forecast						
	Expansion Adults¹	Asset Test Removal - Adults and Children²	Children's Home and Community Based Services³	Children's Extensive Support³	Foster Children⁴	Total
A. FY 06-07 Health Care Expansion Fund Actuals	\$514,324	\$1,639,228	\$209,101	\$112,378	N/A	\$2,475,031
B. FY 07-08 Health Care Expansion Fund Estimate						
Per Capita	\$216.28		\$1,374.26	\$1,374.26	\$3,668.72	
Caseload	7,886		678	59	1,226	
Total Estimated Health Care Expansion Fund Expenditures	\$852,792	\$3,599,941	\$465,874	\$40,541	\$2,248,925	\$7,208,074
B. Per Capita						
FY 08-09 Base	\$224.75		\$1,427.81	\$1,427.81	\$3,811.15	
Growth Rate ³	3.92%		3.90%	3.90%	3.88%	
Projected FY 09-10	\$233.56		\$1,483.49	\$1,483.49	\$3,959.02	
Projected FY 10-11	\$242.72		\$1,541.35	\$1,541.35	\$4,113.42	
Projected FY 11-12	\$252.23		\$1,601.46	\$1,601.46	\$4,273.85	
C. Expansion Client Caseload						
Projected FY 08-09	9,462		678	59	1,678	
% Change from FY 07-08	19.98%		33.73%	20.41%	36.87%	
Projected FY 09-10	10,518		678	59	1,710	
% Change from FY 08-09	11.16%		N/A	N/A	1.91%	
Projected FY 10-11	11,402		678	59	1,743	
% Change from FY 09-10	8.40%		N/A	N/A	1.91%	
Projected FY 11-12	12,120		678	59	1,776	
% Change from FY 10-11	6.30%		N/A	N/A	1.91%	
D. Total Health Care Expansion Fund Expenditures (A x B) * 50%						
Projected FY 08-09	\$1,063,293	\$3,710,260	\$484,028	\$42,120	\$3,197,555	\$8,497,256
Projected FY 09-10	\$1,228,292	\$3,867,983	\$502,905	\$43,763	\$3,384,964	\$9,027,907
Projected FY 10-11	\$1,383,747	\$4,028,622	\$522,518	\$45,470	\$3,584,849	\$9,565,206
Projected FY 11-12	\$1,528,514	\$4,195,933	\$542,896	\$47,243	\$3,795,177	\$10,109,763

- Notes:
- 1) Expansion adults caseload growth is estimated to be 19.98% from FY 07-08 to FY 08-09 per Exhibit EB-1 in this November 1, 2007 Budget Request. The Department assumes that this growth rate will decay by 50% each year thereafter, as the expansion adults caseload behavior begins to approximate that of total Medical Services Premiums caseload.
 - 2) FY 07-08 per capitas taken from Exhibit F.EE-3 in this November 1, 2007 Budget Request.
 - 3) No growth rates for the Children's Extensive Support program and the Children's Home and Community Based Services program are provided as both waiver programs will have reached their caps by FY 07-08 and FY 08-09, respectively.
 - 4) Per capitas are taken from Exhibit F.DD-2 in the November 1, 2007 Budget Request. The caseload figures are taken from Exhibit E, page EB-2 in the November 1, 2007 Budget Request.

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST; TOBACCO TAX UPDATE

Children's Basic Health Plan - Rate, Caseload, and Expenditure Forecast					
		Premiums	Prenatal	Dental	Total
	A. FY 06-07 Health Care Expansion Fund Actual Expenditures	\$1,457,096	\$7,832,025	\$268,859	\$9,557,980
	B. FY 07-08 Health Care Expansion Fund Projection				
1	Per Capita ¹	\$1,581.01	\$11,933.24	\$152.36	
2	Less Enrollment Fees (For FY 08-09 forward, Fees are \$4.94 per year) ²	(\$4.93)	\$0.00	\$0.00	
3	Adjusted Per Capita	\$1,576.08	\$11,933.24	\$152.36	
4	Portion Attributable to Expansion Population ³	97.18%	100.00%	100.00%	
5	Final Per Capita	\$1,531.63	\$11,933.24	\$152.36	
6	Caseload ⁴	14,429	1,189	14,429	
7	Projected Need	\$7,783,431	\$4,966,017	\$769,441	
	C. Per Capita Development⁵				
8	FY 08-09 Base	\$1,560.82	\$12,723.22	\$161.38	
9	Partial funding for Cervical Cancer Immunizations	\$3.37	\$0.00	\$0.00	
10	% Change from FY 07-08	1.90%	6.62%	5.92%	
11	Projected FY 09-10	\$1,590.56	\$13,565.50	\$170.93	
12	Partial funding for Cervical Cancer Immunizations	\$3.44	\$0.00	\$0.00	
13	% Change from FY 08-09	1.90%	6.62%	5.92%	
14	Projected FY 10-11	\$1,620.87	\$14,463.54	\$181.05	
15	Partial funding for Cervical Cancer Immunizations	\$3.50	\$0.00	\$0.00	
16	% Change from FY 09-10	1.90%	6.62%	5.92%	
17	Projected FY 11-12	\$1,651.77	\$15,421.03	\$191.77	
18	Partial funding for Cervical Cancer Immunizations	\$3.57	\$0.00	\$0.00	
19	% Change from FY 10-11	1.90%	6.62%	5.92%	
	D. Caseload Development⁶				
	FY 08-09 Caseload				
20	Total Caseload	62,481	1,497	62,481	
21	Up to FY 03-04 Enrollment	(41,786)	(101)	(41,786)	
22	Expansion to 205%	(235)	(19)	(235)	
23	Decision Item #3A, FY 08-09 Budget Request	8,000	0	8,000	
24	Health Care Expansion Fund Caseload	28,460	1,377	28,460	
	FY 09-10 Caseload				
25	Caseload Growth Rate	5.50%	7.70%	5.50%	
26	Total Caseload (Row 16 * (1 + Row 20))	65,917	1,612	65,917	
27	Up to FY 03-04 Enrollment	(41,786)	(101)	(41,786)	
28	Expansion to 205% (Row 18 * (1 + Row 20))	(248)	(20)	(248)	
29	Decision Item #3A, FY 08-09 Budget Request	8,000	0	8,000	
30	Health Care Expansion Fund Caseload	31,883	1,491	31,883	

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST; TOBACCO TAX UPDATE

Children's Basic Health Plan - Rate, Caseload, and Expenditure Forecast					
		Premiums	Prenatal	Dental	Total
FY 10-11 Caseload					
31	Caseload Growth Rate	2.80%	7.70%	2.80%	
32	Total Caseload (Row 21 * (1 + Row 25))	67,763	1,736	67,763	
33	Up to FY 03-04 Enrollment	(41,786)	(101)	(41,786)	
34	Expansion to 205% (Row 23 * (1 + Row 25))	(255)	(22)	(255)	
35	Decision Item #3A, FY 08-09 Budget Request	8,000	0	8,000	
36	Health Care Expansion Fund Caseload	33,722	1,613	33,722	
FY 11-12 Caseload					
37	Caseload Growth Rate	2.80%	7.70%	2.80%	
38	Total Caseload (Row 26 * (1 + Row 30))	69,660	1,870	69,660	
39	Up to FY 03-04 Enrollment	(41,786)	(101)	(41,786)	
40	Expansion to 205% (Row 28 * (1 + Row 30))	(262)	(24)	(262)	
41	Decision Item #3A, FY 08-09 Budget Request	8,000	0	8,000	
42	Health Care Expansion Fund Caseload	35,612	1,745	35,612	
43	E. Health Care Expansion Fund Expenditures (C * D) * 35%⁷				
44	Projected FY 08-09	\$15,595,797	\$6,131,955	\$1,607,506	\$23,335,258
45	Projected FY 09-10	\$17,798,642	\$7,079,156	\$1,907,417	\$26,785,215
46	Projected FY 10-11	\$19,182,143	\$8,165,392	\$2,136,879	\$29,484,414
47	Projected FY 11-12	\$20,640,531	\$9,418,394	\$2,390,260	\$32,449,185

- Notes: 1) Per Capitas are from the November 1, 2007 Children's Basic Health Plan request (DI - 3), Exhibit C.10.
- 2) The annual enrollment fee is removed from the per capita, as this amount is not eligible for federal match. See November 1, 2007 DI-3, Exhibits C.2 and C.3, pages C.2-1 and C.3-1.
- 3) For clients financed mainly from the Health Care Expansion Fund, 1.38% of the per capita is funded from the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust Fund for Early Intervention Services (SB 07-004), and 1.44% of the per capita is funded from the Colorado Immunization Fund for cervical cancer immunizations (HB 07-1301). The remaining 97.18% of the per capita is funded from the Health Care Expansion Fund. See the November 1, 2007 DI-3, Exhibits C.3 and C.5, pages C.3-2 and C.5-2 for details.
- 4) FY 07-08 caseload figures are from the November 1, 2007 Children's Basic Health Plan request (DI - 3), page C.2-1.
- 5) Total per capitas and growth rates can be found in Exhibit C.10 of the November 1, 2007 Children's Basic Health Plan request. For the calculation of the costs attributable to the Health Care Expansion Fund for expansion clients to 200% of the federal poverty level, enrollment fees are subtracted, and the remainder is multiplied by 97.18% (see footnote 3). In addition, 0.21% of the per capita for all other clients is funded from the Health Care Expansion Fund for HB 07-1301 (Cervical Cancer Immunizations).
- 6) The FY 08-09 caseload base and caseload growth rates can be found in Exhibit C.10 of the November 1, 2007 Children's Basic Health Plan Request. The Department assumes that the expansion populations will grow at a rate equal to that of the total Children's Basic Health Plan caseload for years after FY 08-09.
- 7) Children's Basic Health Plan expenditures receive an enhanced federal match rate of 65% thus requiring 35% State match.