

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13 Change Request for FY 2010-11 Budget Request Cycle											
Decision Item FY 2010-11		Base Reduction Item FY 2010-11			Supplemental FY 2009-10			Budget Amendment FY 2010-11			
Request Title:	Children's Basic Health Plan Medical Premium and Dental Benefit Costs				Dept. Approval by:	John Bartholomew <i>JB</i>		Date:	November 2, 2009 <i>10/15/09</i>		
Department:	Health Care Policy and Financing				OSP/B Approval:	<i>JNU</i>		Date:	<i>10-21-09</i>		
Priority Number:	DI-3										
		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
Total of All Line Items	Total	131,199,962	146,001,217	0	146,001,217	208,469,896	27,066,326	235,536,222	0	235,536,222	17,630,643
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	4,525,182	2,500,000	0	2,500,000	0	9,435,683	9,435,683	0	9,435,683	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	42,104,333	47,939,304	0	47,939,304	73,343,931	(3,287,635)	70,056,296	0	70,056,296	6,148,048
	CFE/RF	0	2,500,000	0	2,500,000	0	9,435,683	9,435,683	0	9,435,683	0
	FF	84,570,447	93,061,913	0	93,061,913	135,125,965	11,482,595	146,608,560	0	146,608,560	11,482,595
(4) Indigent Care Program; H.B. 97-1304 Children's Basic Health Plan Trust	Total	513,604	2,500,000	0	2,500,000	0	9,435,683	9,435,683	0	9,435,683	0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	4,525,182	2,500,000	0	2,500,000	0	9,435,683	9,435,683	0	9,435,683	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	(4,011,578)	0	0	0	0	0	0	0	0	0
	CFE/RF	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	120,809,604	133,438,868	0	133,438,868	195,047,718	17,258,761	212,306,479	0	212,306,479	17,258,761
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	42,659,047	44,417,482	0	44,417,482	68,646,168	(3,417,793)	65,228,375	0	65,228,375	6,017,890
	CFE/RF	0	2,500,000	0	2,500,000	0	9,435,683	9,435,683	0	9,435,683	0
	FF	78,150,557	86,521,386	0	86,521,386	126,401,550	11,240,871	137,642,421	0	137,642,421	11,240,871

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

Schedule 13												
Change Request for FY 2010-11 Budget Request Cycle												
Decision Item FY 2010-11 <input checked="" type="checkbox"/>		Base Reduction Item FY 2010-11 <input type="checkbox"/>			Supplemental FY 2009-10 <input type="checkbox"/>			Budget Amendment FY 2010-11 <input type="checkbox"/>				
Request Title:		Children's Basic Health Plan Medical Premium and Dental Benefit Costs										
Department:		Health Care Policy and Financing			Dept. Approval by:			John Bartholomew		Date:		November 2, 2009
Priority Number:		DI-3			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 2008-09	FY 2009-10	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	(Column 5) FY 2011-12	
(4) Indigent Care Program; Children's Basic Health Plan Dental Benefits Costs		Total	9,876,754	10,062,349	0	10,062,349	13,422,178	371,882	13,794,060	0	13,794,060	371,882
		FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		GF	0	0	0	0	0	0	0	0	0	0
		GFE	0	0	0	0	0	0	0	0	0	0
		CF	3,456,864	3,521,822	0	3,521,822	4,697,763	130,158	4,827,921	0	4,827,921	130,158
		CFE/RF	0	0	0	0	0	0	0	0	0	0
		FF	6,419,890	6,540,527	0	6,540,527	8,724,415	241,724	8,966,139	0	8,966,139	241,724
Non-Line Item Request:		None.										
Letternote Revised Text:		<p>a Of this amount, \$22,957,302 shall be from the Children's Basic Health Plan Trust created in 25.5-8-105, C.R.S.; \$24,393,132 shall be from the Health Care Expansion Fund created in 24-22-117 (2) (a) (i), C.R.S.; \$17,379,010 shall be from the Hospital Provider Fee Cash Fund created in 25.5-4-402.3 (4), C.R.S.; and \$498,931 shall be from the Colorado Immunization Fund created in 25-4-2301, C.R.S. Reappropriated Funds shall be from the Children's Basic Health Plan Trust created in 25.5-8-105, C.R.S.</p> <p>b Of this amount, \$2,489,401 shall be from the Children's Basic Health Plan Trust created in 25.5-8-105, C.R.S.; \$1,492,939 shall be from the Health Care Expansion Fund created in 24-22-117 (2) (a) (i), C.R.S.; and \$84,5581 shall be from the Hospital Provider Fee Cash Fund created in 25.5-4-402.3 (4), C.R.S.</p>										
Cash or Federal Fund Name and COFRS Fund Number:				CF: Children's Basic Health Plan Trust Fund 11G, Health Care Expansion Fund 18K, Hospital Provider Fee Cash Fund, and Colorado Immunization Fund; FF: Title XXI								
Reappropriated Funds Source, by Department and Line Item Name:				RF: General Fund from Fund 11G.								
Approval by OIT?		Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>	N/A: <input checked="" type="checkbox"/>								
Schedule 13s from Affected Departments:			None.									

CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	DI-3
Change Request Title:	Children's Basic Health Plan Medical Premium and Dental Benefit Costs

SELECT ONE (click on box):

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

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 \$17,258,761 from the FY 2010-11 Base Request of \$195,047,718. This request also seeks to increase the Children’s Basic Health Plan Dental Benefit Costs appropriation by \$371,882 from the FY 2010-11 Base Request of \$13,422,178. The adjustments requested for FY 2010-11 are the result of decreased caseload estimates and higher medical and dental costs. This request also seeks a General Fund appropriation to the Children’s Basic Health Plan Trust Fund in the amount of \$9,435,683 for FY 2010-11. The requested General Fund appropriation is from a Base Request of \$0, and is required to balance the Trust Fund due to increased expenditures for the fixed number of traditional clients funded through the Trust.

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 205% 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.

Many programmatic changes occurred in the 2007 and 2008 Legislative Sessions. In 2007, services provided to Children's Basic Health Plan children were expanded to include

Early Intervention Services in line with those provided under Medicaid, mandated coverage of certain mental health disorders, and cervical cancer immunizations. In addition, SB 07-097 expanded eligibility for both children and prenatal women from 200% of the federal poverty level to 205%, which was effective March 1, 2008.

The Department requested funding to implement multiple changes to the Children's Basic Health Plan in FY 2008-09. Pursuant to the Department's FY 2008-09 BA-A1A ("Building Blocks"), the Department was appropriated funding to implement a Medical Home initiative in the Children's Basic Health Plan. Along with funding for the increased per capita costs, the Department was also appropriated funding for a projected caseload increase from this initiative, as it is anticipated to improve retention in the program. The Department was also appropriated \$1,400,000 in its Children's Basic Health Plan Administration line item for expanded outreach in the Children's Basic Health Plan (the Department's FY 2008-09 DI-3A, "Additional Children's Basic Health Plan Outreach"). The Department was appropriated funding for anticipated caseload growth due to this expanded outreach.

During the 2008 Legislative Session, the following three bills impacted the Children's Basic Health Plan:

- SB 08-057, which requires the Children's Basic Health Plan to provide coverage for medically appropriate hearing aids for children with medically verified hearing loss, and;
- SB 08-160, which includes the following provisions:
 - Expands eligibility for children in the Children's Basic Health Plan to 225% of the federal poverty level effective March 1, 2009;
 - Expands eligibility for pregnant women in the Children's Basic Health Plan to 225% of the federal poverty level effective October 1, 2009, and;
 - Expands mental health benefits provided to children in the Children's Basic Health Plan by requiring parity with the mental health benefit provided in Medicaid.

- SB 08-022, which granted the Department overexpenditure authority for the Children's Basic Health Plan with a General Fund limit of \$250,000.

In response to State budgetary concerns, the Department submitted a number of supplemental requests in FY 2008-09 to reduce costs in the Plan. In its January 15, 2009 S-13 "Suspend Outreach Efforts", the Department requested the suspension of the funding appropriated in FY 2008-09 for expanded outreach in the Children's Basic Health Plan (the Department's FY 2008-09 DI-3A, "Additional Children's Basic Health Plan Outreach"). This reduction to the Administration line item is \$600,000 in FY 2008-09 and \$1,400,000 in FY 2009-10. Accompanying the Department's FY 2008-09 Supplemental #23, SB 09-211 was passed during the 2009 Legislative Session to eliminate the eligibility expansion to 225% of the federal poverty level. The Premiums Costs appropriation was also decreased by \$2,900,000 pursuant to the Department's FY 2009-10 Budget Amendment #33, "Provider Volume and Rate Reductions", as a result of additional reinsurance recoupments and participation in the Vaccines for Children program.

The FY 2009-10 Long Bill (SB 09-259) appropriated \$145,664,212 in total funds to the Children's Basic Health Plan Premium Costs. The passage of SB 09-265 "Timing of Medicaid Payments" resulted in a one-time decrease to this appropriation of \$12,225,334 as managed care capitations are moved from a prospective to a concurrent payment schedule. In addition HB 09-1293 "Health Care Affordability Act" (also known as the Hospital Provider Fee) was passed, which increases eligibility in the Children's Basic Health Plan from 205% to 250% of the federal poverty level effective April 1, 2010. The appropriation for this expansion is conditional upon federal approval of the hospital provider fee, which the Department anticipates to receive by April 1, 2010.

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 plan administrator has an extensive statewide network with over seven hundred providers. The Children's Basic Health Plan dental benefit is comprehensive, and now limits each child to \$600 worth of services per year.

The appropriation to the Dental Benefits line item was decreased in FY 2008-09 due to the passage of SB 09-211, which eliminated the eligibility expansion to 225% of the federal poverty level. The FY 2009-10 Long Bill (SB 09-259) appropriated \$10,948,462 in total funds to the Children's Basic Health Plan Dental Benefit Costs. In addition HB 09-1293 "Health Care Affordability Act" (also known as the Hospital Provider Fee) was passed, which increases eligibility in the Children's Basic Health Plan from 205% to 250% of the federal poverty level effective April 1, 2010. The appropriation for this expansion is conditional upon federal approval of the hospital provider fee, which the Department anticipates to receive by April 1, 2010.

General Description of Request:

This request seeks:

- To adjust the projected enrollment for children and pregnant women in the Plan;
- To adjust the per capita costs for medical and dental services in accordance with actuarial projections, and;
- A General Fund appropriation to balance the Trust Fund in FY 2010-11.

I. Description of Request Related to Children's Premiums

Caseload Projections (Exhibit C.6)

Many factors have caused volatility in the traditional children's caseload (up to 185% of the federal poverty level) since FY 2006-07. The Medicaid asset test was removed on July 1, 2006, and was implemented gradually over the course of FY 2006-07 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 2006-07, but decreased in subsequent months.

In addition, 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 (DRA) 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 issued its final Deficit Reduction Act rules effective January 1, 2008, which include citizenship and identification requirements for children in the Children's Basic Health Plan. The Department currently has no way to quantify the impacts of these policy changes because the documentation process is manual and is not yet incorporated into the Colorado Benefits Management System. With the passage of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), the DRA citizenship documentation requirements for Medicaid are now required for children in the Children's Basic Health Plan, and the Department anticipates full implementation in the Colorado Benefits Management System by February 1, 2010. 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. Television and radio campaigns have been running statewide, and have targeted low-income and Hispanic populations. Outreach efforts were expanded in FY 2008-09 through many initiatives, including trainings, enrollment fairs, issuance of community grants, and Spanish translation of brochures.

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 drop with employment or income increases. Some children whose family income is now too high for Medicaid eligibility may be within the Children's Basic Health Plan income guidelines. Similarly, in times of economic decline, Medicaid caseload is expected to increase, with some children entering Medicaid rather than the Children's Basic Health Plan. So as Medicaid caseload increases, the Children's Basic Health Plan caseload may increase at a slower rate. As seen in the Department's November 2, 2009 Budget Request, Exhibit B, page EB-1, Medicaid Eligible Children caseload increased by 31,107 in FY 2008-09, a 15.25% increase from FY 2007-08. Children's caseload in the Children's Basic Health Plan increased by only 3,787 in FY 2008-09, or 6.55%. The base

Medicaid Eligible Children caseload is projected to grow by a further 42,676 children, or 18.15%, in FY 2009-10 and 9.75% in FY 2010-11.

The Department's February 16, 2009 forecast for traditional children was for annual average caseload of 56,504, which was very close to the actual monthly average of 56,513. The Department anticipates that the traditional children caseload will continue to experience moderate increases in FY 2009-10. The impacts from policy changes discussed above were completed in FY 2008-09. Growth in FY 2009-10 should be due to marketing and natural growth, owing to factors such as the economic conditions and general population growth. The Department believes that growth in the Children's Basic Health Plan will be reduced with the approval of the Department's FY 2008-09 S-13 "Suspend Outreach Efforts", which eliminated the FY 2009-10 appropriation for expanded outreach in the Plan, and strong projected caseload growth in Medicaid Eligible Children may slow the growth in the Children's Basic Health Plan.

Due to volatility in recent children's caseload history, the Department based its forecast for FY 2007-08 on growth experienced in FY 2001-02 and FY 2002-03. This time period was used due to similar economic conditions and the presence of Children's Basic Health Plan marketing. Based on growth between July 2002 and January 2004, the Department forecasts traditional children's caseload to increase by an average of 0.28% per month in FY 2009-10. This forecast incorporates a moderating trend over the last year, and also includes monthly variations in growth based on the pattern from FY 2001-02. These monthly variations 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 2010-11, the Department anticipates the average monthly growth to increase from that in FY 2009-10. Current forecasts indicate that economic conditions will begin to improve beginning in 2010, and growth in Medicaid Eligible Children caseload is projected to moderate from 18.15% in FY 2009-10 to 9.75% in FY 2010-11. These factors are anticipated to increase the number of children eligible for the Children's Basic Health Plan rather than Medicaid. The Department forecasts that the traditional children caseload will

increase by 0.51% per month in FY 2010-11, based on growth experienced between August 2002 and December 2003. Economic conditions were better during this shorter timeframe than that used to model FY 2009-10.

After accounting for policy changes that affected traditional and expansion populations over the last two years, monthly growth in the expansion children's caseload was approximately the same as that for the traditional children in FY 2006-07 and FY 2007-08. The expansion population has now been in place for three 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. As such, the Department anticipates that growth in expansion children will mirror that in traditional children in both FY 2009-10 and FY 2010-11. This forecast results in average monthly growth of 0.28% per month in FY 2009-10 and 0.51% per month in FY 2010-11, with monthly variations based on experience from the traditional children in FY 2001-02.

Eligibility in the Children's Basic Health Plan was expanded from 200% to 205% of the federal poverty level through SB 07-097 (known as Supplemental Expansion Children), and was implemented beginning March 1, 2008. Growth in this population in FY 2007-08 was significantly higher than the forecast included in the fiscal note for SB 07-097. The Department was appropriated resources for 36 children in FY 2007-08. The Department believes that this higher than anticipated growth is due largely to the number of children that moved within CHP+ from lower income groupings. Between January and June 2009, caseload in this group decreased by an average of 3.76% per month. The Department believes that this may be partially due to economic conditions, as declining employment or wage and salary income tends to increase the lower income groups at the expense of higher income categories.

The Department's FY 2009-10 forecast for this population is based on growth experienced between August 2008 and June 2009, during which caseload increased by an average of 0.44% per month. This revised forecast for FY 2009-10 is much lower than the Department's February 16, 2009 forecast, and is reflective of the recent trends and the expected correlation with economic conditions. Out-year trends are slightly higher, as

current forecasts indicate that economic conditions should begin to improve in 2010. Growth is forecasted to increase to 0.87% per month in FY 2010-11.

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, both from the passage of the Health Care Affordability Act, HB 09-1293. Effective April 1, 2010, eligibility in the Plan will be increased from 205% to 250% of the federal poverty level. The legislation also extends 12-month guaranteed eligibility to children in Medicaid beginning in January 2012, which is anticipated to decrease the length of stay in the Children's Basic Health Plan as fewer children move between programs and result in a caseload decrease beginning in FY 2011-12.

Total Children’s Caseload Projection

The total FY 2009-10 children’s caseload forecast is 72,159, a 17.18% increase over the FY 2008-09 caseload of 61,582. The total FY 2010-11 children’s forecast 83,931, a 16.31% increase over the FY 2009-10 projection. The expansion to 250% of the federal poverty level effective in April 2010 is responsible for most of the high trend in both years. Please see Exhibit C.6 for children’s caseload history and detailed projections.

Children's Caseload Summary	FY 2009-10 Appropriated Caseload	FY 2009-10 Revised Caseload	FY 2010-11 Requested Caseload
Traditional Children (up to 185% FPL)	60,090	60,453	63,508
Expansion Children (186-200% FPL)	4,596	4,030	4,232
Supplemental Expansion Children (201-205% FPL)	2,466	1,376	1,491
Expansion Children (206-250% FPL)	6,300	6,300	14,700
Final Caseload Forecast	73,452	72,159	83,931

Children’s Per Capita (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 the State's managed care network, which is administered by a no-risk provider. Actual and estimated caseload ratios between HMOs and the self-funded network are used to develop blended capitation rates and per capita costs. The Children's Basic Health Plan Administrative Services Organization contract was re-bid for FY 2008-09, and Colorado Access was selected as the new vendor. With this change, the schedule of claims reconciliations has changed from annually to monthly. This will reduce the large year-end payments that have occurred in past years, and should help the Department identify changes in utilization trends sooner.

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; the Children's Basic Health Plan must pay all claims incurred through its annual appropriation and has only limited overexpenditure authority. 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.

Beginning with FY 2009-10, the Department and its contracted actuary have changed the schedule for developing capitation rates. Previously, rates were calculated one year in advance, which required the actuary to rely on utilization data from at least two years prior to the year in question. For example, the original FY 2008-09 HMO rates were developed in July 2007 and were based on claims costs incurred in 2005 and 2006. The rate development now begins 6 months later, which allows the actuaries to use the entire prior fiscal year of utilization data in its calculation. This change should decrease the variation in rates between years, as well as making the rates more accurate.

The contracted actuary has not regularly incorporated claims data specific to the Plan since 2004 due to enrollment and utilization data quality issues. As a result, the capitation rates have regularly been increased by industry trend for the last four fiscal years, and have not been able to account for actual changes in utilization or unit cost due to the quality of the data. For the calculation of the FY 2009-10 rates, the contracted actuary was able to use data specific to the Plan's enrollees to establish the base per member per month cost using FY 2007-08 data. In doing so, the contracted actuary has shown large increases in costs in both the State's self-funded network and the HMOs. The following have been identified as possible causes of these increased costs:

- Children's enrollment has increased significantly since the base capitation rates were set. The highest growth was seen in children age 0 through 2, which is the age group with the highest cost;
- Utilization of services (such as number of doctor visits, prescriptions filled, etc) has been increasing. The contracted actuary found significant increases in inpatient hospital utilization of 16.50% in the State's self-funded network and 41.80% in the HMOs. There were also increases in the number of high cost children enrolled in the Plan;
- Both the self-funded network and the HMOs have experienced large increases in unit cost, which measures the mix of services obtained as well as the underlying fee schedule and billed charges where applicable, and;
- A number of benefit expansions were implemented in FY 2007-08, including enhanced early intervention services, expanded mental health benefits, and coverage of the cervical cancer vaccine.

In addition to these identifiable impacts, the Department implemented presumptive eligibility for children effect January 1, 2008. Although the Department can not quantify the impact of this policy change at this time, the contracted actuary believes that this may be partially responsible for the increased utilization seen for emergent type services. In addition, historic capitation rates for the self-funded network have been too low, resulting in significant year-end claims reconciliations. The Department believes that by trending these rates forward, there has been a compounding effect on the inadequacy of the rates.

With the move to cash accounting and the switch in ASO vendors, the Department is now reconciling claims incurred in both FY 2007-08 and FY 2008-09 in FY 2009-10. These factors may result in larger than anticipated reconciliation payments in FY 2009-10.

At this time, it is unknown whether the recent cost increases are an anomaly or a trend. The contracted actuary has opted to use the FY 2007-08 costs as the base, but have assumed normal trends going forward rather than the high trend experienced in FY 2007-08. For projecting to FY 2009-10, the contracted actuary reviewed published studies to determine industry norms for current and projected health care cost trends. Based on surveys reporting trends ranging from 6.70% to 10.80%, the contracted actuary estimates an average industry trend of 9.00%, which is consistent with the trend experienced in the Children's Basic Health Plan children in the first half of FY 2007-08. This trend is applied to the FY 2007-08 base to estimate the FY 2009-10 capitation rates for both the self-funded network and the HMOs, and incorporates a 2.20% utilization trend and a 6.50% unit cost trend.

For the development of the FY 2009-10 self-funded network rate for children, the Plan's contracted actuary applied the 9.00% trend to the FY 2007-08 base costs. The total projected administrative cost of \$26.83 includes \$24.19 for the contracted claims and network administration costs per the Administrative Services Organization contract and an estimated \$2.64 in reinsurance costs per client per month. The resulting base FY 2009-10 per month cost for each child in the self-funded network is a total of \$194.88 excluding 2008 legislative impacts, a 38.19% increase over the final FY 2008-09 rate effective January 1, 2009. This estimate implies an increase of 28.21% due solely to an increase in base costs.

The Department has been working on revising its facility reimbursement methodology for two years, and the plan was effective July 1, 2009. Previously, the Department reimbursed inpatient hospitals at an approximate average of 65% of billed charges for the Children's Basic Health Plan self-funded network, whereas Medicaid reimburses at a much lower rate. The Children's Basic Health Plan will reimburse hospitals at 44% of billed charges for both outpatient and inpatient services. In addition, all hospital charge masters

were frozen at the July 1, 2009 level, which caps the charges that hospitals can bill the Department. In conjunction with this, the Department is increasing its physician reimbursement from 80% to 90% of the Medicare rate. These changes bring the Children's Basic Health Plan reimbursements to a closer level to those in Medicaid.

The contracted actuary projects that these payment methodology changes will result in a 19.84% decrease in the base monthly rate for children in the Self-funded network to \$156.22. This FY 2009-10 base rate is a 12.03% increase over the FY 2008-09 base rate (excluding the impacts of 2008 legislation).

As with the self-funded rate, the Plan's contracted actuary applied the 9.00% trend to the FY 2007-08 base costs in the development of the FY 2009-10 HMO rate for children. Because the HMOs are at-risk entities, there is no adjustment to the rates for the change in hospital reimbursement methodology. Using the same estimation methodology described for the FY 2008-09 rate development, administrative costs are estimated to be 13.30% of total costs in FY 2009-10, or \$18.66 per month. The resulting FY 2009-10 per month cost for each child in an HMO is a total of \$132.97, a 19.45% increase over the final FY 2008-09 rate. This estimate implies an increase of 12.28% due solely to an increase in base costs.

For FY 2009-10, the Department estimates that approximately 39% of children will be served in the self-funded network and the remaining 61% will be enrolled in an HMO. This is based on historical experience as well as the expectation that the percentage of children in an HMO will stabilize and decrease as caseload experiences moderate growth. In addition, one of the Plan's HMOs will be expanding into an area currently served only by the self-funded network. Applying these weights to the actuarial rates yields a blended rate of \$142.04 for all children in FY 2009-10. This is an increase of 16.32% over the final FY 2008-09 base rate of \$122.11 (calculated based on actual caseload shares between HMOs and the self-funded network). See Exhibit C.5, page C.5-2 for calculations.

The Department's FY 2009-10 forecasted per capita growth rate mirrors that of the actuarially developed rate. 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 2008-09. 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.

The growth in the FY 2009-10 blended capitation rate is used to project the FY 2009-10 per capita. The base growth of 16.32% is applied to the calculated FY 2008-09 per capita to estimate a base per capita of \$1,842.50. In addition to the base, there are three required adjustments to the per capita costs for programmatic changes.

First, the Department was appropriated funding to implement a Medical Home initiative in the Children's Basic Health Plan through to the Department's FY 2008-09 BA-A1A ("Building Blocks"), with funding effective July 1, 2008. To estimate the per capita cost, the Department assumed that a managed care organization would be paid an additional \$10 for each code that identifies a medical home procedure. Further, utilization targets of medical home for children in an HMO are 80% for children under age 2 and 60% for children older. The utilization target for children in the state's self-funded network is 20% for all ages, as most clients that pass through the network move quickly into an HMO, which artificially deflates the utilization of well-child visits. The resulting estimated per capita cost is \$6.88 in FY 2009-10 (see the Department's February 15, 2008 BA-A1A, Table D.3-1, page S.1A-D5).

Second, SB 08-057 (Hearing Aids for Minors) mandates coverage for medically appropriate hearing aids for children whose hearing loss is verified by a physician or audiologist. The Children's Basic Health Plan had limited annual benefits for hearing aids to \$800. Effective January 1, 2009, the Children's Basic Health Plan no longer caps the annual benefits for hearing aids, which is expected to increase the average cost as the Plan begins covering the entire cost of more expensive hearing aids. In addition, the Department will remove the requirement that the hearing impairment must be due to

congenital defect or traumatic injury, which may increase the number of children receiving hearing aids. Based on analysis of encounter data from the Plan's managed care organizations, the Department's contracted actuary estimates that the per member per month rate will increase by approximately \$0.13. In the fiscal note for SB 08-057, the Department estimated that this translates into a per capita cost of \$1.77 in FY 2009-10.

Third, SB 08-160 (Health Care for Children) mandates mental health benefits in the Children's Basic Health Plan that are equivalent to those offered in Medicaid effective January 1, 2009. The Department's estimate for the per capita cost to provide expanded mental health services is based on that for Medicaid Eligible Children. However, because children in the Children's Basic Health Plan will continue to receive mental health services through their physical health system rather than a dedicated behavioral health organization, the Department assumes that utilization will be 20% lower than that in Medicaid. The Department worked with its contracted actuary to identify mental health costs already included in the children's capitation rate, and removed this from the total cost. As outlined in the fiscal note for SB 08-160, the Department estimated the additional per capita cost for the enhanced mental health benefits to be \$80.76 in FY 2009-10.

The final projected FY 2009-10 per capita is \$1,931.91. This is a 18.48% increase over the FY 2008-09 calculated per capita of \$1,630.54.

To estimate the FY 2010-11 per capita trend, the Department analyzed the historical growth in the self-funded network and HMO rates. The Department has used a five-year average growth rate to project the FY 2010-11 HMO and self-funded rates separately. The blended rate is then calculated assuming that 39.0% of children will be served in the self-funded network in FY 2008-09 and the remaining 61.0% will be enrolled in an HMO. This results in an increase of 12.57% for FY 2010-11 from the FY 2009-10 base blended rate, and an increase of 7.36% in the final rate. This relatively high trend incorporates all prior year legislative impacts and the correction of trends that have historically been too low.

Similar to the FY 2009-10 per capita, the projected growth in the FY 2010-11 blended capitation rate is used to project the FY 2010-11 per capita. The Department applies the projected 7.36% growth to the total FY 2009-10 per capita of \$1,931.91 to estimate a FY 2010-11 per capita of \$2,074.10. There are currently no adjustments to the FY 2010-11 per capita for programmatic changes.

II. Description of Request Related to the Prenatal Program

Caseload Projections (Exhibit C.7)

In FY 2006-07 and FY 2007-08, 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 is exempted from the HB 06S-1023 identification requirements beginning July 1, 2007, which may be partially responsible for some of the strong growth in FY 2007-08.

Similarly to the Baby and Kid Care Program Adults in Medicaid, the traditional prenatal population experienced unusually strong growth in FY 2007-08 and a negative trend in the first half of FY 2008-09. Traditional prenatal caseload in the Children's Basic Health Plan continued to exhibit declines in the last half of FY 2008-09. Pregnant women in Medicaid are required to provide proof of citizenship and identification under the Deficit Reduction Act. Strong growth in the Medicaid population and the negative trend in FY 2008-09 indicate that the exemption of the prenatal population in the Children's Basic Health Plan from similar requirements under HB 06S-1023 was not the sole driver behind the large increases in FY 2007-08. Prior to January 2008, all functions for presumptive eligibility for pregnant women in the Children's Basic Health Plan were performed by an external contractor. Presumptive eligibility is now processed in the Colorado Benefits Management System, which may impact the growth trends by moving clients from presumptive eligibility into the Plan immediately upon full eligibility determination.

Caseload trends for pregnant women in Medicaid and the Children's Basic Health Plan have mirrored each other closely since FY 2005-06 (after the enrollment cap in Children's Basic Health Plan was lifted). Though the cause of the recent declines is unknown at this time, the Department does not anticipate that the decreases in these populations will continue. The Department has modeled the FY 2009-10 projection for the traditional prenatal population on the projected average monthly growth of 0.34% from Medicaid Baby Care Adults. This forecast is lower than that from the Department's February 2009 forecast, reflecting the lower than anticipated growth in FY 2008-09. Similarly, the Department is modeling the out-year trends after the forecast for Medicaid Baby Care Adults. Moderate growth of 0.18% per month is projected for FY 2010-11.

The Colorado Department of Public Health and Environment Family Planning Initiative was recently awarded a grant for approximately \$3.5 million to address the issue of unintended pregnancy in Colorado. This funding will provide local Title X Family Planning clinics with money to purchase long acting methods of contraception, funding for sterilizations and funding to expand clinic capacity to see more Title X clients. The vast majority of Title X clients are under 200% of the federal poverty level. This Family Planning initiative as well as the Family Planning waiver that was submitted by the Department in accordance with SB 08-003, and assuming a stable economy, support moderate trends in the traditional prenatal 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 occurring with the child populations. As with the children's populations, it appears that the expansion to 205% of the federal poverty level (known as Supplemental Expansion Prenatal) is partially responsible for the caseload decline in March 2008. This effect is expected to be mitigated in the prenatal population, as there is no period of guaranteed eligibility that would allow for movement within the program.

The Department does not anticipate that the flat to negative trend experienced since FY 2007-08 in this population to continue given the growth trends in Medicaid Baby Care

Adults and the Children's Basic Health Plan traditional prenatal, as well as the level of community-based outreach for this program. The Department's forecast for FY 2009-10 for expansion prenatal is based on growth experienced in FY 2008-09, during which the monthly increases averaged 0.32%. The Department projects that this moderate growth will continue in FY 2010-11.

Eligibility in the Children's Basic Health Plan was expanded from 200% to 205% of the federal poverty level through SB 07-097 (known as Supplemental Expansion Prenatal), and was implemented beginning March 1, 2008. Growth in this population in FY 2007-08 was significantly higher than the forecast included in the fiscal note for SB 07-097. The Department was appropriated resources for 2 prenatal women in FY 2007-08. The Department believes that this higher than anticipated growth is partially due to the women moving within the Children's Basic Health Plan from lower income groupings.

The Department's FY 2009-10 forecast for this population is based on growth experienced between August 2008 and June 2009, during which caseload increased by an average of 1.86% per month. This revised forecast for FY 2009-10 is much lower than the Department's February 16, 2009 forecast, and is reflective of the recent trends and the expected correlation with economic conditions. The Department assumes that this moderate growth will continue in FY 2010-11.

Caseload Adjustments

In addition to the base caseload outlined above, there is a bottom line adjustment to the prenatal caseload for the forecast period from the passage of the Health Care Affordability Act, HB 09-1293. Effective April 1, 2010, eligibility in the Plan will be increased from 205% to 250% of the federal poverty level.

Total Prenatal Caseload Projection

The total FY 2009-10 prenatal caseload forecast is 2,406 clients, a 44.50% increase over the FY 2008-09 caseload of 1,665. The FY 2010-11 total prenatal forecast is 3,473 clients, a 44.35% increase over FY 2009-10. The expansion to 250% of the federal poverty level effective in April 2010 is responsible for most of the high trend in both years. Please see Exhibit C.7 for children’s caseload history and detailed projections.

Prenatal Caseload Summary	FY 2009-10 Appropriated Caseload	FY 2009-10 Revised Caseload	FY 2010-11 Requested Caseload
Traditional Prenatal (up to 185% FPL)	1,507	1,405	1,440
Expansion Prenatal (186-200% FPL)	203	173	185
Supplemental Expansion Prenatal (201-205% FPL)	111	78	98
Expansion Children (206-250% FPL)	750	750	1,750
Final Caseload Forecast	2,571	2,406	3,473

Prenatal Per Capita (Exhibit C.5)

All clients in the prenatal program are served by the self-funded program (now administered by Colorado Access) and the costs of their services are billed in full directly to the State. As discussed in Children’s Rates in Section I, the contracted actuary has not regularly incorporated claims data specific to the Plan since 2004 due to enrollment and utilization data quality issues. As a result, the capitation rates have been increased by industry trend for the last four fiscal years, and have not been able to account for actual changes in utilization or unit cost. For the calculation of the FY 2009-10 rates, the contracted actuary was able to use data specific to the Plan’s enrollees to establish the base per member per month cost using FY 2007-08 data. In doing so, the contracted actuary has shown large increases in costs in the State’s self-funded network. Specifically, inpatient hospital utilization in the prenatal program increased by 27.9% in FY 2007-08.

At this time, it is unknown whether the recent cost increases are an anomaly or a trend. The contracted actuary has opted to use the FY 2007-08 costs as the base, but have assumed normal trends going forward rather than the high trend experienced in FY 2007-

08. For projecting to FY 2009-10, the contracted actuary reviewed published studies to determine industry norms for current and projected health care cost trends. As discussed in the children's section, the contracted actuary estimates an average industry trend of 9.00%. This trend is applied to the FY 2007-08 base to estimate the FY 2009-10 capitation rates for pregnant women in the self-funded network, and incorporates a 2.30% utilization trend and a 6.60% unit cost trend.

The resulting base FY 2009-10 per month cost for each pregnant woman in the self-funded network is a total of \$1,051.67 excluding 2008 legislative impacts, a 14.80% increase from the final FY 2008-09 rate. The total projected administrative cost of \$26.83 includes \$24.19 for the contracted claims and network administration costs per the Administrative Services Organization contract and an estimated \$2.64 in reinsurance costs per client per month. This estimate implies an increase of 5.35% due solely to an increase in base costs.

As discussed in the children's section, the Department has revised its facility reimbursement methodology for clients in the State's managed care network. Because the proportion of hospital claims is much higher in the prenatal population than in the children's population, the negative impact to the prenatal rate is much larger.

The contracted actuary projects that these payment methodology changes will result in a 21.89% decrease in the base monthly capitation rate for prenatal women in the self-funded network to \$821.48. This FY 2009-10 base rate is a 10.30% decrease from the FY 2008-09 base rate (excluding the impacts of 2008 legislation).

Similar to the FY 2008-09 per capita, the projected growth in the FY 2009-10 prenatal capitation rate is used to project the FY 2009-10 per capita. The Department applies the projected 10.30% decrease to the calculated base FY 2008-09 per capita of \$11,674.22 to estimate a base FY 2009-10 per capita of \$10,471.87. In addition, there is an adjustment for SB 08-160, which mandates mental health parity between the Children's Basic Health Plan and Medicaid. This was originally excluded from the Department's calculations erroneously. The Department assumes that the per capita cost for this benefit in the

prenatal program will be equal to that for children, or \$80.76 in FY 2009-10. The final projected FY 2009-10 per capita is \$10,552.63. This is a decrease of 9.61% from the FY 2008-09 calculated per capita of \$11,674.22.

As discussed in Children's Rates in Section I, beginning with FY 2009-10, the Department and its contracted actuary are changing the schedule for developing capitation rates and the FY 2010-11 rates have not yet been developed.

To estimate the FY 2010-11 per capita trend, the Department analyzed the historical growth in the prenatal rates. The Department has used a three-year average growth rate to project the FY 2010-11 rate, which results in forecasted base growth of 5.53% for FY 2010-11. The projected FY 2010-11 per capita is \$11,006.39. There are no per capita adjustments for the prenatal program.

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. Beginning in FY 2007-08, the Department no longer estimates a separate 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 Per Capita (Exhibit C.5)

The dental vendor contract was re-bid for FY 2007-08, and a new contract was executed with Delta Dental. As part of the re-bid process, Delta Dental was 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 2009-10 dental capitation rate, the contracted actuary used an industry trend to project costs because the FY 2007-08 claims trend of 8.30% was greatly influenced by the increase in benefits. The assumed cost trend is 4.20%, which includes 2.10% annual utilization trend and 2.10% unit cost trend. Combined with the projected change in the age and income distribution in the Plan, the projected capitation rate of \$14.84 is a 1.23% increase over the FY 2008-09 capitation. The FY 2009-10 monthly rate assumes the continuation of the benefit package expansion, as well as an estimated \$1.13 in administrative costs.

The Department's FY 2009-10 forecasted per capita growth rates mirrors that of the actuarially developed rate. This forecast assumes that other factors that may affect per capita costs, such as the length of stay in the Children's Basic Health Plan and the average length of time taken for a child to receive dental benefits, remain constant from FY 2008-09. Base growth of 1.23% from the capitation rate is applied to the calculated FY 2008-09 per capita of \$160.38, resulting in a projected FY 2009-10 per capita of \$162.35.

As discussed in Children's Rates in Section I, beginning with FY 2009-10, the Department and its contracted actuary have changed the schedule for developing capitation rates and the FY 2010-11 rates have not yet been developed.

To estimate the FY 2009-10 per capita trend, the Department analyzed the historical growth in the dental rates. The Department has assumed that the growth rate for FY 2009-10 will remain constant in FY 2010-11, as historical trends are greatly influenced by benefit changes. The projected FY 2010-11 per capita is \$164.35. There are no per capita adjustments for the dental program.

IV. Reprourement of Eligibility and Enrollment Vendor

The Department currently contracts with Affiliated Computer Services to process applications for the Children's Basic Health Plan, complete the enrollment process, provide customer service, and other various administrative services for the Plan. This contract was scheduled for re-bid after FY 2007-08, but the Request For Proposals (RFP) was cancelled by the State Controller's Office after the award was appealed and protested. These administrative functions will now be included as part of a larger RFP for the Eligibility and Enrollment Services for Medical Assistance Programs that is anticipated to be released in early FY 2009-10. As stipulated in the RFP, the cost for the Children's Basic Health Plan administrative functions is not to exceed \$3,816,240, which is the current contract amount. Thus, there is no anticipated need for additional funds due to the re-bid of this contract.

V. 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 2005-06, \$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 FY 2006-07 and FY 2007-08, the Trust was appropriated \$11,243,215 and \$5,564,404 General Fund, respectively, with the intent of providing funding for traditional clients that are paid for from the Trust Fund. While the Trust Fund did not receive a General Fund appropriation in FY 2008-09, the State Treasurer

transferred \$1,000,000 from the General Fund to the Trust Fund pursuant to SB 09-269. This amount is an offset to the anticipated decrease in revenues to the Trust Fund due to a cap on Master Settlement allocations included in the bill.

The estimated Tobacco Master Settlement base allocations (Tier 1) to the Trust Fund are \$21,096,701 in FY 2009-10 and \$20,931,828 in FY 2010-11. In addition, HB 07-1359 accelerated payments from the Strategic Contribution Fund in the Master Settlement Agreement, which increases the Trust's allocation further by \$3,696,000 per year. The estimated Tier 2 distributions to the Supplemental Tobacco Litigation Account in the Trust Fund are \$1,776,793 in FY 2009-10 and \$1,709,513 in FY 2010-11. SB 09-269 caps the amount of Tobacco Settlement revenue allocated to Tobacco Settlement programs at \$100.0 million for FY 2009-10, which is anticipated to decrease the Fund's allocation by \$820,212 in FY 2009-10. Accounting for the Trust's portion of the State Auditor's Office payment, the current total forecasted Tobacco Master Settlement allocations to the Trust are \$25,705,183 in FY 2009-10 and \$26,293,535 in FY 2010-11.

While the Trust Fund balance is expected to be sufficient for the FY 2009-10 program costs, the Trust Fund is forecasted to have a shortfall in FY 2010-11. Based on total projected program expenses of \$233,342,646 for FY 2010-11 and total revenues (including the beginning balance, Health Care Expansion Fund monies, Hospital Provider Fee monies, Supplemental Tobacco Litigation Settlement account funds, and federal matching funds) of \$223,786,186, there would be a Trust Fund balance shortfall of \$9,556,460 for FY 2010-11. Due to the fact that the funds would collect interest while in the Trust, the Department estimates a need of \$9,435,683 in General Fund for FY 2010-11 to balance the Trust (see Exhibit C.1, line W).

Caseload funded from the Trust Fund for traditional children is maximized because the Department is projecting the traditional caseload for both children and prenatal to exceed the FY 2003-04 enrollment levels of 41,786 and 101, respectively. However, increases in the per capita will continue to drive increasing expenditures for these clients from the Trust Fund. The forecasted increases in the children's, prenatal, and dental per capitae are increasing costs beyond the Tobacco Master Settlement funding, resulting in the

forecasted shortfall in the Trust Fund. While the amount of Master Settlement funding varies based on payments received in the prior year, growth in the Tier 1 allocation averaged only 0.53% per year from FY 2005-06 to FY 2008-09, and is forecasted to show contractions of an average 0.23% per year in FY 2009-10 to FY 2011-12 (excluding the impacts of HB 07-1359 and SB 09-269). Per capita growth has been significantly higher than this, with average annual from growth from FY 2005-06 through FY 2008-09 of 6.56% for children's medical, 5.65% for dental, and 0.41% for prenatal medical. From FY 2009-10 to FY 2011-12, per capita costs are forecasted to increase by an average of 10.17% for children's medical, 2.38% for dental, and prenatal medical is projected to show a large decrease in FY 2009-10 followed by growth above 4.00% in subsequent years.

Consequences if Not Funded:

If this request is not funded, the Children's Basic Health Plan would have insufficient funding to support the projected caseload growth and per capita increases. As such, enrollment in the Children's Basic Health Plan would have to be capped. If the funding 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. In addition, children above 185% of the federal poverty level that are supported through the Health Care Expansion Fund would have to be capped, as children at higher income levels can not retain eligibility while a cap is in place for lower income clients.

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).

Due to the projected positive balance in the Trust Fund at the end of FY 2009-10, the Department assumes an enrollment cap would be effective July 1, 2009. If the prenatal program were suspended immediately, there would still be a shortfall of approximately \$9,000,000, and an additional cap on the children's program would be required. In order to balance the Trust Fund expenditures, enrollment for children under 185% of the federal poverty level would need to be capped at approximately 30,300. This would eliminate coverage for approximately 53,700 children and 3,500 prenatal women.

Calculations for Request:

Summary of Request FY 2010-11 (4) Indigent Care Program, HB 97-1304 Children's Basic Health Plan Trust	Total Funds	General Fund	Cash Funds
FY 2009-10 Final Appropriation (Column 2)	\$2,500,000	\$2,500,000	\$0
Remove One-time Appropriation from Trust	(\$2,500,000)	(\$2,500,000)	\$0
FY 2010-11 Base Request (Column 5)	\$0	\$0	\$0
FY 2010-11 November 2, 2009 DI-3 (Column 6)	\$9,435,683	\$9,435,683	\$0
Total FY 2010-11 Revised Request (Column 9)	\$9,435,683	\$9,435,683	\$0

Summary of Request FY 2011-12 (4) Indigent Care Program, HB 97-1304 Children's Basic Health Plan Trust	Total Funds	General Fund	Cash Funds
FY 2009-10 Final Appropriation (Column 2)	\$2,500,000	\$2,500,000	\$0
FY 2010-11 Base Request (Column 5)	\$0	\$0	\$0
FY 2010-11 November 3, 2008 DI-3 (Column 6)	\$9,435,683	\$9,435,683	\$0
Remove One-time Appropriation from Trust	(\$9,435,683)	(\$9,435,683)	\$0
FY 2011-12 Change from Base (Column 10)	\$0	\$0	\$0

Summary of Request FY 2010-11 (4) Indigent Care Program, Children's Basic Health Plan Premium Costs	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds
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STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

FY 2009-10 Final Appropriation (Column 2)	\$133,438,868	\$44,417,482	\$2,500,000	\$86,521,386
HB 09-1293 Annualization (Hospital Provider Fee)	\$49,383,506	\$17,449,815	\$0	\$31,933,691
SB 09-265 Annualization (Delay Managed Care Payments)	\$12,225,344	\$4,278,871	\$0	\$7,946,473
Remove One-time Appropriation from Trust	\$0	\$2,500,000	(\$2,500,000)	\$0
FY 2010-11 Base Request (Column 5)	\$195,047,718	\$68,646,168	\$0	\$126,401,550
FY 2010-11 November 2, 2009 DI-3 (Column 6)	\$17,258,761	(\$3,417,793)	\$9,435,683	\$11,240,871
Total FY 2010-11 Revised Request (Column 9)	\$212,306,479	\$65,228,375	\$9,435,683	\$137,642,421

Summary of Request FY 2011-12 (4) Indigent Care Program, Children's Basic Health Plan Premium Costs	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2009-10 Final Appropriation (Column 2)	\$133,438,868	\$44,417,482	\$2,500,000	\$86,521,386
FY 2010-11 Base Request (Column 5)	\$195,047,718	\$68,646,168	\$0	\$126,401,550
FY 2010-11 November 2, 2009 DI-3 (Column 6)	\$17,258,761	(\$3,417,793)	\$9,435,683	\$11,240,871
Remove One-time Appropriation from Trust	\$0	\$9,435,683	(\$9,435,683)	\$0
FY 2011-12 Change from Base (Column 10)	\$17,258,761	\$6,017,890	\$0	\$11,240,871

Summary of Request FY 2010-11 (4) Indigent Care Program, Children's Basic Health Plan Dental Benefit Costs	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2009-10 Final Appropriation (Column 2)	\$10,062,349	\$3,521,822	\$0	\$6,540,527
HB 09-1293 Annualization (Hospital Provider Fee)	\$2,473,716	\$865,801	\$0	\$1,607,915
SB 09-265 Annualization (Delay Managed Care Payments)	\$886,113	\$310,140	\$0	\$575,973
FY 2010-11 Base Request (Column 5)	\$13,422,178	\$4,697,763	\$0	\$8,724,415
FY 2010-11 November 2, 2009 DI-3 (Column 6)	\$371,882	\$130,158	\$0	\$241,724
Total FY 2010-11 Revised Request (Column 9)	\$13,794,060	\$4,827,921	\$0	\$8,966,139

Summary of Request FY 2011-12 (4) Indigent Care Program, Children's Basic Health Plan Dental Benefit Costs	Total Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2009-10 Final Appropriation (Column 2)	\$10,062,349	\$3,521,822	\$0	\$6,540,527

STATE OF COLORADO FY 2010-11 BUDGET REQUEST CYCLE: DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

FY 2010-11 Base Request (Column 5)	\$13,422,178	\$4,697,763	\$0	\$8,724,415
FY 2010-11 November 2, 2009 DI-3 (Column 6)	\$371,882	\$130,158	\$0	\$241,724
FY 2011-12 Change from Base (Column 10)	\$371,882	\$130,158	\$0	\$241,724

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2008-09 Expenditures	FY 2008-09 End of Year Cash Balance	FY 2009-10 End of Year Cash Balance Estimate	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate
Children's Basic Health Plan Trust	11G	\$32,626,199	\$6,608,063	\$817,042	\$2,586,082	(\$7,626,685)
Health Care Expansion Fund	18K	\$94,003,143	\$119,601,623	\$81,320,908	\$34,980,659	(\$22,867,838)
Hospital Provider Fee Cash Fund	-	-	-	-	-	-
Colorado Immunization Fund (CDPHE)	-	-	-	-	-	-

Assumptions for Calculations:

All calculations and assumptions are presented in Exhibits C.1 through C.10 included with this request. Detailed caseload and per capita assumptions are outlined below.

Assumptions for Children's Caseload Projections

FY 2009-10 and FY 2010-11 Enrollment Projection: Exhibit C.6

- The Department's FY 2009-10 forecast assumes that the monthly growth rate will increase to 0.28% per month, based on growth experienced from July 2002 and January 2004. This forecast incorporates a moderating trend over the last year, and also includes monthly variations in growth based on the pattern from FY 2001-02. Growth in FY 2009-10 should be due to marketing and natural growth, owing to factors such as the economic conditions and general population growth.
- Current forecasts indicate that economic conditions will begin to improve beginning in 2010, and growth in Medicaid Eligible Children caseload is projected to moderate

from 18.15% in FY 2009-10 to 9.75% in FY 2010-11. These factors are anticipated to increase the number of children eligible for the Children's Basic Health Plan rather than Medicaid. The Department forecasts that the traditional children caseload will increase by 0.51% per month in FY 2010-11, based on growth experienced between August 2002 and December 2003.

- After accounting for policy changes that affected traditional and expansion populations over the last two years, monthly growth in the expansion children's caseload was approximately the same as that for the traditional children in FY 2006-07 and FY 2007-08. The expansion population has now been in place for three 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. As such, the Department anticipates that growth in expansion children will mirror that in traditional children in both FY 2009-10 and FY 2010-11. This forecast results in average monthly growth of 0.28% per month in FY 2009-10 and 0.51% per month in FY 2010-11, with monthly variations based on experience from the traditional children in FY 2001-02.
- Eligibility in the Children's Basic Health Plan was expanded from 200% to 205% of the federal poverty level through SB 07-097 (known as Supplemental Expansion Children), and was implemented beginning March 1, 2008. The Department's FY 2009-10 forecast for this population is based on growth experienced between August 2008 and June 2009, during which caseload increased by an average of 0.44% per month. This revised forecast for FY 2009-10 is much lower than the Department's February 16, 2009 forecast, and is reflective of the recent trends and the expected correlation with economic conditions. Out-year trends are slightly higher, as current forecasts indicate that economic conditions should begin to improve in 2010. Growth is forecasted to increase to 0.87% per month in FY 2010-11.

Assumptions for Prenatal Caseload Projections (Exhibit C.7)

- The Department has modeled the FY 2009-10 projection for the traditional prenatal population on the projected average monthly growth of 0.34% from Medicaid Baby

Care Adults. This forecast is lower than that from the Department's February 2009 forecast, reflecting the lower than anticipated growth in FY 2008-09. Similarly, the Department is modeling the out-year trends after the forecast for Medicaid Baby Care Adults. Moderate growth of 0.18% per month is projected for FY 2010-11.

- 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 child populations. The Department's forecast for FY 2009-10 for expansion prenatal is based on growth experienced in FY 2008-09, during which the monthly increases averaged 0.32%. The Department projects that this moderate growth will continue in FY 2010-11.
- Eligibility in the Children's Basic Health Plan was expanded from 200% to 205% of the federal poverty level through SB 07-097 (known as Supplemental Expansion Prenatal), and was implemented beginning March 1, 2008. The Department's FY 2009-10 forecast for this population is based on growth experienced between August 2008 and June 2009, during which caseload increased by an average of 1.86% per month. This revised forecast for FY 2009-10 is much lower than the Department's February 16, 2009 forecast, and is reflective of the recent trends and the expected correlation with economic conditions. The Department assumes that this moderate growth will continue in FY 2010-11.

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 2002008-09. 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: Not applicable. This request is only to update caseload and per capita costs, and does not require a cost benefit analysis.

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. (2009) (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...*

25.5-8-103 (4) C.R.S., (2009) *"Eligible person" means: (a) A person who is less than nineteen years of age, whose family income does not exceed two hundred fifty percent of the federal poverty level, adjusted for family size...; or (b) A pregnant woman whose family income does not exceed two hundred fifty percent of the federal poverty level, adjusted for family size.*

25.5-8-107 (1) (a) (II), C.R.S. (2009) (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. (2009) ...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:

- Expand coverage in the Children's Basic Health Plan.
- 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	Actual	Actual	Estimated	Requested	
PROGRAM REVENUES	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Source
A Beginning Balance	\$5,389,901	\$9,025,270	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$817,042	Actual and U
B General Fund Appropriations/Request ¹	\$3,296,346	\$2,000,000	\$11,243,215	\$5,564,404	\$1,000,000	\$2,500,000	\$0	Footnote 1
C January 2006 transfer from the State Controller	\$0	\$900,000	\$0	\$0	\$0	\$0	\$0	Actual
D Tobacco Master Settlement Funds to Trust ²	\$20,629,548	\$20,927,529	\$19,214,822	\$22,851,718	\$24,832,639	\$23,928,390	\$24,584,022	Footnote 2
E Annual Enrollment Fees	\$122,626	\$191,726	\$232,136	\$283,367	\$328,499	\$429,347	\$548,909	Exhibits C.2, C.3
F Interest Earnings	\$587,893	\$752,518	\$367,880	\$623,549	\$447,522	\$428,231	\$317,583	Exhibit C.1
G Accounts Payable Reversions from Prior Year	\$156,901	\$45,896	\$10,591	\$3,180	\$0	\$0	\$0	Actual
H Health Care Expansion Fund ³	\$0	\$5,108,706	\$9,557,980	\$15,005,337	\$18,093,822	\$22,236,727	\$26,289,323	Footnote 3
I Hospital Provider Fee Fund ⁴	\$0	\$0	\$0	\$0	\$0	\$7,412,275	\$18,231,565	
J Supplemental Tobacco Litigation Settlement Account ^{2,5}	\$0	\$0	\$0	\$480,157	\$1,841,459	\$1,776,793	\$1,709,513	Footnote 2
K Colorado Immunization Fund ⁶	\$0	\$0	\$0	\$90,795	\$171,251	\$464,761	\$498,931	Footnote 5
L Federal Match Earnings ⁷	\$40,591,092	\$50,509,127	\$65,616,702	\$76,574,384	\$88,044,043	\$118,351,990	\$150,789,298	Footnote 6
M Total Revenues	\$70,774,307	\$89,460,772	\$110,655,208	\$129,253,015	\$143,990,312	\$184,136,577	\$223,786,186	
PROGRAM EXPENDITURES								
N Estimated Program Expenditures from Trust Fund ⁷	\$21,157,945	\$21,331,057	\$27,704,403	\$27,871,265	\$29,691,320	\$33,076,989	\$35,824,016	Footnote 6
O Estimated Program Expenditures from Health Care Expansion Fund ^{3,7}	\$0	\$5,108,706	\$9,557,980	\$15,005,337	\$18,093,822	\$22,236,727	\$26,289,323	Footnotes 3, 6
P Hospital Provider Fee Fund ⁴	\$0	\$0	\$0	\$0	\$0	\$7,412,275	\$18,231,565	
Q Estimated Program Expenditures from Supplemental Tobacco Litigation Settlement Account ^{5,7}	\$0	\$0	\$0	\$480,157	\$1,381,814	\$1,776,793	\$1,709,513	Footnotes 4, 6
R Estimated Program Expenditure from Colorado Immunization Fund ^{6,7}	\$0	\$0	\$0	\$90,795	\$171,251	\$464,761	\$498,931	Footnotes 5, 6
S Federal Match Expenditures ⁷	\$40,591,092	\$50,509,127	\$65,616,702	\$76,574,384	\$88,044,043	\$118,351,990	\$150,789,298	Footnote 6
T SB 05-211 Transfer to General Fund	\$0	\$8,100,000	\$0	\$0	\$0	\$0	\$0	Actual
U Total Expenditures	\$61,749,037	\$85,048,890	\$102,879,085	\$120,021,938	\$137,382,250	\$183,319,535	\$233,342,646	Sum M:R
V Remaining Balance in Trust Fund	\$9,025,270	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$817,042	(\$9,556,460)	L - S
W Total General Fund Requested	\$0	\$0	\$0	\$0	\$0	\$0	\$9,435,683	T - V
X Additional Interest Earnings if General Fund is Appropriated	\$0	\$0	\$0	\$0	\$0	\$0	\$120,777	Exhibit C.1
Y Final Ending Balance of Trust Fund	\$9,025,270	\$4,411,882	\$7,776,123	\$9,231,077	\$6,608,063	\$817,042	\$0	Sum T:V

¹ FY 2004-05 to FY 2008-09 are actual appropriations. FY 2008-09 transfer pursuant to SB 09-269, and FY 2009-10 appropriation is from the Long Bill (SB 09-259).

² FY 2004-05 to FY 2008-09 are actual appropriations/transfers. FY 2009-10 and FY 2010-11 are forecasts from Legislative Council (February 2009).

³ FY 2005-06 through FY 2008-09 are actual expenditures and revenues transferred from the Health Care Expansion Fund for expansion clients. FY 2009-10 and FY 2010-11 are projections from Exhibits C.2 and C.3, respectively.

⁴ FY 2009-10 and FY 2010-11 estimates from the fiscal note for HB 09-1293.

⁵ FY 2007-08 and FY 2008-09 are actual revenues transferred from the Supplemental Tobacco Litigation Settlement Account created in SB 07-097 for Supplemental Expansion clients as well as estimated State expenditures for early intervention services. FY 2009-10 and FY 2010-11 are projections from Exhibits C.2 and C.3, respectively. The Department assumes that any expenditure beyond the forecasted revenue would come from the Trust Fund.

⁶ FY 2007-08 and FY 2008-09 are actual revenues transferred from the Colorado Immunization Fund for the cervical cancer immunization. FY 2009-10 and FY 2010-11 are projections from Exhibits C.2 and C.3.

⁷ Figures for FY 2004-05 through FY 2008-09 are actuals, while figures for FY 2009-10 and FY 2010-11 are projections. See Exhibits C.2 and C.3.

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

Estimation of Interest Earnings to the Trust Fund	
FY 2005-06	
Interest Earned	\$752,518
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$33,044,525
Ratio of Interest Earned	2.28%
FY 2006-07	
Interest Earned	\$367,880
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$35,102,055
Ratio of Interest Earned	1.05%
FY 2007-08	
Interest Earned	\$623,549
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$36,475,612
Ratio of Interest Earned	1.71%
FY 2008-09	
Interest Earned	\$447,522
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$35,063,716
Ratio of Interest Earned	1.28%
FY 2009-10	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$33,036,453
Estimated Ratio of Interest Earned	1.28%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$428,231
FY 2010-11	
Beginning Balance, Non-Interest Deposits, Appropriations to the Trust	\$25,401,064
Estimated Ratio of Interest Earned	1.28%
Estimated Interest Earnings (adjusted for partial years where applicable)	\$317,583

Exhibit C.2 - FY 2009-10 Children's Basic Health Plan Program Expenditures

FY 2009-10 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	Expansion to 250% ⁴	Total
FY 2009-10 CBHP Children's Medical Expenditures							
FY 2009-10 Enrollment Estimate	Exhibit C.6	41,786	18,667	4,030	1,376	6,300	72,159
Medical Per Capita	Exhibit C.5	\$1,931.91	\$1,931.91	\$1,931.91	\$1,931.91	\$1,931.91	\$1,931.91
Total Children's Medical Expenditures		\$80,726,791	\$36,062,964	\$7,785,597	\$2,658,308	\$12,171,033	\$139,404,693
Annual Enrollment Fee Collection Per Enrollee ⁵							\$5.95
Total Annual Enrollment Fee Collections (Cash Funds ⁶)		\$248,627	\$111,069	\$23,979	\$8,187	\$37,485	\$429,347
Expenditures To Be Matched by Federal Funds		\$80,478,164	\$35,951,895	\$7,761,618	\$2,650,121	\$12,133,548	\$138,975,346
	Title XXI Federal Funds	\$52,310,807	\$23,368,732	\$5,045,052	\$1,722,579	\$7,886,806	\$90,333,976
	State Funds	\$28,167,357	\$12,583,163	\$2,716,566	\$927,542	\$4,246,742	\$48,641,370
FY 2009-10 CBHP Prenatal Services Expenditures							
FY 2009-10 Prenatal Enrollment Estimate	Exhibit C.7	101	1,304	173	78	750	2,406
Prenatal Medical Per Capita	Exhibit C.5	\$10,552.63	\$10,552.63	\$10,552.63	\$10,552.63	\$10,552.63	\$10,552.63
Total Prenatal Medical Expenditures		\$1,065,816	\$13,760,630	\$1,825,605	\$823,105	\$7,914,473	\$25,389,629
	Title XXI Federal Funds	\$692,780	\$8,944,410	\$1,186,643	\$535,018	\$5,144,407	\$16,503,258
	State Funds	\$373,036	\$4,816,220	\$638,962	\$288,087	\$2,770,066	\$8,886,371
FY 2009-10 Children's Basic Health Plan Premiums Costs		\$81,792,607	\$49,823,594	\$9,611,202	\$3,481,413	\$20,085,506	\$164,794,322
	Title XXI Federal Funds	\$53,003,587	\$32,313,142	\$6,231,695	\$2,257,597	\$13,031,213	\$106,837,234
	State Funds ⁷	\$28,789,020	\$17,510,452	\$3,379,507	\$1,223,816	\$7,054,293	\$57,957,088
FY 2009-10 CBHP Dental Expenditures							
FY 2009-10 Enrollment Estimate	Exhibit C.6	41,786	18,667	4,030	1,376	6,300	72,159
Dental Per Capita	Exhibit C.5	\$162.35	\$162.35	\$162.35	\$162.35	\$162.35	\$162.35
FY 2009-10 Children's Basic Health Plan Dental Benefit Costs		\$6,783,957	\$3,030,587	\$654,271	\$223,394	\$1,022,805	\$11,715,014
	Title XXI Federal Funds	\$4,409,572	\$1,969,881	\$425,276	\$145,206	\$664,823	\$7,614,758
	State Funds	\$2,374,385	\$1,060,706	\$228,995	\$78,188	\$357,982	\$4,100,256
FY 2009-10 Children's Basic Health Plan Administration							
FY 2009-10 External Administration Expenditures	Exhibit C.4	\$4,236,590	\$0	\$1,050,000	\$0	\$0	\$5,286,590
	Title XXI Federal Funds	\$626,634	\$0	\$527,573	\$0	\$0	\$1,154,207
	Title XIX Federal Funds	\$1,636,270	\$0	\$119,175	\$0	\$0	\$1,755,445
	State Funds	\$1,973,686	\$0	\$403,252	\$0	\$0	\$2,376,938
FY 2009-10 Internal Administration Expenditures	Exhibit C.4	\$1,523,609	\$0	\$0	\$0	\$0	\$1,523,609
	Title XXI Federal Funds	\$990,346	\$0	\$0	\$0	\$0	\$990,346
	State Funds	\$533,263	\$0	\$0	\$0	\$0	\$533,263
Total FY 2009-10 Children's Basic Health Plan Expenditures		\$94,336,763	\$52,854,181	\$11,315,473	\$3,704,807	\$21,108,311	\$183,319,535
	Title XXI and Title XIX Federal Funds	\$60,666,409	\$34,283,023	\$7,303,719	\$2,402,803	\$13,696,036	\$118,351,990
	State Funds	\$33,670,354	\$18,571,158	\$4,011,754	\$1,302,004	\$7,412,275	\$64,967,545
¹ Traditional clients up to the FY 2003-04 enrollment level are funded from the Children's Basic Health Plan Trust Fund. ² Traditional clients above the FY 2003-04 enrollment level and the expansion clients between 186% and 200% of the federal poverty level are funded from the Health Care Expansion Fund. ³ Expansion clients between 201% and 205% of the federal poverty level are funded from the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust Fund. ⁴ Expansion clients between 206% and 250% of the federal poverty level are funded from the Hospital Provider Fee (HB 09-1293). ⁵ Annual enrollment fees per enrollee for existing clients is estimated to be \$5.95 based on the actual collections in FY 2008-09, adjusted for the projected share of clients required to pay the fee. ⁶ Annual enrollment fees are not eligible for a federal match. ⁷ This amount includes the enrollment fees, as all enrollment fees collected are appropriated from the Trust Fund for use in the Premiums Costs.							

Exhibit C.2 - FY 2009-10 Children's Basic Health Plan Program Expenditures

FY 2009-10 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	Hospital Provider Fee ⁴	Colorado Immunization Fund ⁵
Children's Medical						
Traditional up to FY 2003-04 Level	\$28,415,984	\$27,562,513	\$0	\$388,710	\$0	\$464,761
Traditional Above FY 2003-04 Level	\$12,694,232	\$111,069	\$12,409,515	\$173,648	\$0	\$0
Expansion to 200%	\$2,740,545	\$23,979	\$2,679,077	\$37,489	\$0	\$0
Expansion to 205%	\$935,729	\$8,187	\$0	\$927,542	\$0	\$0
Expansion to 250%	\$4,284,227	\$37,485	\$0	\$0	\$4,246,742	\$0
Total	\$49,070,717	\$27,743,233	\$15,088,592	\$1,527,389	\$4,246,742	\$464,761
Prenatal						
Traditional up to FY 2003-04 Level	\$373,036	\$373,036	\$0	\$0	\$0	\$0
Traditional Above FY 2003-04 Level	\$4,816,220	\$0	\$4,816,220	\$0	\$0	\$0
Expansion to 200%	\$638,962	\$0	\$638,962	\$0	\$0	\$0
Expansion to 205%	\$288,087	\$0	\$0	\$288,087	\$0	\$0
Expansion to 250%	\$2,770,066	\$0	\$0	\$0	\$2,770,066	\$0
Total	\$8,886,371	\$373,036	\$5,455,182	\$288,087	\$2,770,066	\$0
Total Premiums						
Traditional up to FY 2003-04 Level	\$28,789,020	\$27,935,549	\$0	\$388,710	\$0	\$464,761
Traditional Above FY 2003-04 Level	\$17,510,452	\$111,069	\$17,225,735	\$173,648	\$0	\$0
Expansion to 200%	\$3,379,507	\$23,979	\$3,318,039	\$37,489	\$0	\$0
Expansion to 205%	\$1,223,816	\$8,187	\$0	\$1,215,629	\$0	\$0
Expansion to 250%	\$7,054,293	\$0	\$0	\$0	\$7,054,293	\$0
Total	\$57,957,088	\$28,078,784	\$20,543,774	\$1,815,476	\$7,054,293	\$464,761
Dental						
Traditional up to FY 2003-04 Level	\$2,374,385	\$2,374,385	\$0	\$0	\$0	\$0
Traditional Above FY 2003-04 Level	\$1,060,706	\$0	\$1,060,706	\$0	\$0	\$0
Expansion to 200%	\$228,995	\$0	\$228,995	\$0	\$0	\$0
Expansion to 205%	\$78,188	\$0	\$0	\$78,188	\$0	\$0
Expansion to 250%	\$357,982	\$0	\$0	\$0	\$357,982	\$0
Total Dental	\$4,100,256	\$2,374,385	\$1,289,701	\$78,188	\$357,982	\$0

¹ The Children's Basic Health Plan Trust Fund is the source for the following: Enrollment of all traditional clients (up to 185% of the federal poverty level) up to the FY 2003-04 level and enrollment fees for all children.

² The Health Care Expansion Fund is the source for the following: Enrollment of all expansion clients between 186% and 200% of the federal poverty level and enrollment above the FY 2003-04 level.

³ The Supplemental Tobacco Litigation Settlement Account in the Trust Fund is the 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 Hospital Provider Fee is the source of funding for all expansion clients between 206% and 250% of the federal poverty level.

⁵ The Colorado Immunization Fund is the source for the State costs for associated with the cervical cancer immunization, which accounts for approximately 1.65% of the children's per capita. This applies only to traditional children normally funded from the Children's Basic Health Plan Trust Fund.

Exhibit C.3 - FY 2010-11 Children's Basic Health Plan Program Expenditures

FY 2010-11 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	Expansion to 250% ⁴	Total
FY 2010-11 CBHP Children's Medical Expenditures							
FY 2010-11 Enrollment Estimate	Exhibit C.6	41,786	21,722	4,232	1,491	14,700	83,931
Medical Per Capita	Exhibit C.5	\$2,074.10	\$2,074.10	\$2,074.10	\$2,074.10	\$2,074.10	\$2,074.10
Total Children's Medical Expenditures		\$86,668,343	\$45,053,600	\$8,777,591	\$3,092,483	\$30,489,270	\$174,081,287
Annual Enrollment Fee Collection Per Enrollee ⁵							\$6.54
Total Annual Enrollment Fee Collections (Cash Funds ⁶)		\$273,281	\$142,062	\$27,677	\$9,751	\$96,138	\$548,909
Expenditures To Be Matched by Federal Funds		\$86,395,062	\$44,911,538	\$8,749,914	\$3,082,732	\$30,393,132	\$173,532,378
Title XXI Federal Funds		\$56,156,790	\$29,192,500	\$5,687,444	\$2,003,776	\$19,755,536	\$112,796,046
State Funds		\$30,238,272	\$15,719,038	\$3,062,470	\$1,078,956	\$10,637,596	\$60,736,332
FY 2010-11 CBHP Prenatal Services Expenditures							
FY 2010-11 Prenatal Enrollment Estimate	Exhibit C.7	101	1,339	185	98	1,750	3,473
Prenatal Medical Per Capita	Exhibit C.5	\$11,006.39	\$11,006.39	\$11,006.39	\$11,006.39	\$11,006.39	\$11,006.39
Total Prenatal Medical Expenditures		\$1,111,645	\$14,737,556	\$2,036,182	\$1,078,626	\$19,261,183	\$38,225,192
Title XXI Federal Funds		\$722,570	\$9,579,411	\$1,323,518	\$701,107	\$12,519,769	\$24,846,375
State Funds		\$389,075	\$5,158,145	\$712,664	\$377,519	\$6,741,414	\$13,378,817
FY 2010-11 Children's Basic Health Plan Premiums Costs		\$87,779,988	\$59,791,156	\$10,813,773	\$4,171,109	\$49,750,453	\$212,306,479
Title XXI Federal Funds		\$56,879,360	\$38,771,911	\$7,010,962	\$2,704,883	\$32,275,305	\$137,642,421
State Funds ⁷		\$30,900,628	\$21,019,245	\$3,802,811	\$1,466,226	\$17,475,148	\$74,664,058
FY 2010-11 CBHP Dental Expenditures							
FY 2009-10 Enrollment Estimate	Exhibit C.6	41,786	21,722	4,232	1,491	14,700	83,931
Dental Per Capita	Exhibit C.5	\$164.35	\$164.35	\$164.35	\$164.35	\$164.35	\$164.35
FY 2010-11 Children's Basic Health Plan Dental Benefit Costs		\$6,867,529	\$3,570,011	\$695,529	\$245,046	\$2,415,945	\$13,794,060
Title XXI Federal Funds		\$4,463,894	\$2,320,507	\$452,094	\$159,280	\$1,570,364	\$8,966,139
State Funds		\$2,403,635	\$1,249,504	\$243,435	\$85,766	\$845,581	\$4,827,921
FY 2010-11 Children's Basic Health Plan Administration							
FY 2010-11 External Administration Expenditures	Exhibit C.4	\$4,236,590	\$0	\$1,050,000	\$0	\$19,926	\$5,306,516
Title XXI Federal Funds		\$626,634	\$0	\$527,573	\$0	\$12,952	\$1,167,159
Title XIX Federal Funds		\$1,636,270	\$0	\$119,175	\$0	\$0	\$1,755,445
State Funds		\$1,973,686	\$0	\$403,252	\$0	\$6,974	\$2,383,912
FY 2010-11 Internal Administration Expenditures	Exhibit C.4	\$1,935,591	\$0	\$0	\$0	\$0	\$1,935,591
Title XXI Federal Funds		\$1,258,134	\$0	\$0	\$0	\$0	\$1,258,134
State Funds		\$677,457	\$0	\$0	\$0	\$0	\$677,457
FY 2010-11 Children's Basic Health Plan Expenditures		\$100,819,698	\$63,361,167	\$12,559,302	\$4,416,155	\$52,186,324	\$233,342,646
Title XXI and Title XIX Federal Funds		\$64,864,292	\$41,092,418	\$8,109,804	\$2,864,163	\$33,858,621	\$150,789,298
State Funds		\$35,955,406	\$22,268,749	\$4,449,498	\$1,551,992	\$18,327,703	\$82,553,348

¹ Traditional clients up to the FY 2003-04 enrollment level are funded from the Children's Basic Health Plan Trust Fund.

² Traditional clients above the FY 2003-04 enrollment level and the expansion clients between 186% and 200% of the federal poverty level are funded from the Health Care Expansion Fund.

³ Expansion clients between 201% and 205% of the federal poverty level are funded from the Supplemental Tobacco Litigation Settlement Account in the Children's Basic Health Plan Trust Fund.

⁴ Expansion clients between 206% and 250% of the federal poverty level are funded from the Hospital Provider Fee (HB 09-1293).

⁵ Annual enrollment fees per enrollee for existing clients is estimated to be \$6.54 based on the actual collections in FY 2008-09, adjusted for the projected share of clients required to pay the fee.

⁶ Annual enrollment fees are not eligible for a federal match.

⁷ This amount includes the enrollment fees, as all enrollment fees collected are appropriated from the Trust Fund for use in the Premiums Costs.

Exhibit C.3 - FY 2010-11 Children's Basic Health Plan Program Expenditures

FY 2010-11 Calculation of State Funding						
	Total State Funds	Children's Basic Health Plan Trust Fund ¹	Health Care Expansion Fund ²	Supplemental Tobacco Litigation Settlement Account ³	Hospital Provider Fee ⁴	Colorado Immunization Fund ⁵
Children's Medical						
Traditional up to FY 2003-04 Level	\$30,511,553	\$29,595,334	\$0	\$417,288	\$0	\$498,931
Traditional Above FY 2003-04 Level	\$15,861,100	\$142,062	\$15,502,115	\$216,923	\$0	\$0
Expansion to 200%	\$3,090,147	\$27,677	\$3,020,208	\$42,262	\$0	\$0
Expansion to 205%	\$1,088,707	\$9,751	\$0	\$1,078,956	\$0	\$0
Expansion to 250%	\$10,733,734	\$96,138	\$0	\$0	\$10,637,596	\$0
Total	\$61,285,241	\$29,870,962	\$18,522,323	\$1,755,429	\$10,637,596	\$498,931
Prenatal						
Traditional up to FY 2003-04 Level	\$389,075	\$389,075	\$0	\$0	\$0	\$0
Traditional Above FY 2003-04 Level	\$5,158,145	\$0	\$5,158,145	\$0	\$0	\$0
Expansion to 200%	\$712,664	\$0	\$712,664	\$0	\$0	\$0
Expansion to 205%	\$377,519	\$0	\$0	\$377,519	\$0	\$0
Expansion to 250%	\$6,741,414	\$0	\$0	\$0	\$6,741,414	\$0
Total	\$13,378,817	\$389,075	\$5,870,809	\$377,519	\$6,741,414	\$0
Total Premiums						
Traditional up to FY 2003-04 Level	\$30,900,628	\$29,984,409	\$0	\$417,288	\$0	\$498,931
Traditional Above FY 2003-04 Level	\$21,019,245	\$142,062	\$20,660,260	\$216,923	\$0	\$0
Expansion to 200%	\$3,802,811	\$27,677	\$3,732,872	\$42,262	\$0	\$0
Expansion to 205%	\$1,466,226	\$9,751	\$0	\$1,456,475	\$0	\$0
Expansion to 250%	\$17,475,148	\$96,138	\$0	\$0	\$17,379,010	\$0
Total	\$74,664,058	\$30,260,037	\$24,393,132	\$2,132,948	\$17,379,010	\$498,931
Dental						
Traditional up to FY 2003-04 Level	\$2,403,635	\$2,403,635	\$0	\$0	\$0	\$0
Traditional Above FY 2003-04 Level	\$1,249,504	\$0	\$1,249,504	\$0	\$0	\$0
Expansion to 200%	\$243,435	\$0	\$243,435	\$0	\$0	\$0
Expansion to 205%	\$85,766	\$0	\$0	\$85,766	\$0	\$0
Expansion to 250%	\$845,581	\$0	\$0	\$0	\$845,581	\$0
Total Dental	\$4,827,921	\$2,403,635	\$1,492,939	\$85,766	\$845,581	\$0
¹ The Children's Basic Health Plan Trust Fund is the source for the following: Enrollment of all traditional clients (up to 185% of the federal poverty level) up to the FY 2003-04 level and enrollment fees for all children. ² The Health Care Expansion Fund is the source for the following: Enrollment of all expansion clients between 186% and 200% of the federal poverty level and enrollment above the FY 2003-04 level. ³ The Supplemental Tobacco Litigation Settlement Account in the Trust Fund is the 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 Hospital Provider Fee is the source of funding for all expansion clients between 206% and 250% of the federal poverty level. ⁵ The Colorado Immunization Fund is the source for the State costs for associated with the cervical cancer immunization, which accounts for approximately 1.65% of the children's per capita. This applies only to traditional children normally funded from the Children's Basic Health Plan Trust Fund.						

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

Children's Basic Health Plan Administration Line Item					
Line	External Administration Costs	FY 2009-10 Appropriation	FY 2009-10 Total Request	FY 2010-11 Base Request	FY 2010-11 Total Request
	Costs paid through the Children's Basic Health Plan Trust Fund				
1	Children's Operating Costs	\$3,692,612	\$3,692,612	\$3,692,612	\$3,692,612
2	Prenatal Operational Costs	\$126,478	\$126,478	\$126,478	\$126,478
3	Customer Service	\$101,500	\$101,500	\$101,500	\$101,500
4	Subtotal Primary Administration (sum of Lines 1 - 3)	\$3,920,590	\$3,920,590	\$3,920,590	\$3,920,590
5	Actuarial Services	\$169,000	\$169,000	\$169,000	\$169,000
6	Quality Assurance	\$84,610	\$84,610	\$84,610	\$84,610
7	Claims Audit, Miscellaneous Administrative Costs	\$62,390	\$62,390	\$62,390	\$62,390
8	Subtotal Professional Services (sum of Lines 5 - 7)	\$316,000	\$316,000	\$316,000	\$316,000
9	Hospital Provider Fee Administration	\$0		\$19,926	\$19,926
10	Tobacco Tax Administration (Outreach)	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000
11	Total External Administration (Line 10 + Line 12)	\$5,286,590	\$5,286,590	\$5,306,516	\$5,306,516
12	Federal Funds	\$2,909,652	\$2,909,652	\$2,922,604	\$2,922,604
13	Cash Funds Exempt	\$2,376,938	\$2,376,938	\$2,383,912	\$2,383,912

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

FY 2009-10 External Administration Funding Splits (State Funds from Children's Basic Health Plan Trust)						
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	State Funds @ 35%	Fund Source
Children's Operating Costs (Line 1)	\$3,692,612	12.0%	\$443,115	\$288,025	\$155,090	Trust
Prenatal Operating Costs (Line 2)	\$126,478	100.0%	\$126,478	\$82,211	\$44,267	Trust
Customer Service (Line 3)	\$101,500	77.3%	\$78,459	\$50,998	\$27,461	Trust
Professional Services (Line 8)	\$316,000	100.0%	\$316,000	\$205,400	\$110,600	Trust
Hospital Provider Fee Administration (Line 9)	\$0	100.0%	\$0	\$0	\$0	Hospital Fee
Tobacco Tax Administration (Line 10)	\$1,050,000	77.3%	\$811,650	\$527,573	\$284,077	HCEF
Total Title XXI	\$5,286,590		\$1,775,702	\$1,154,207	\$621,495	
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	State Funds @ 50%	Fund Source
Eligibility and Enrollment (Line 1)	\$3,692,612	88.0%	\$3,249,497	\$1,624,749	\$1,624,748	Trust
Customer Service (Line 3)	\$101,500	22.7%	\$23,041	\$11,521	\$11,520	Trust
Tobacco Tax Administration (Line 10)	\$1,050,000	22.7%	\$238,350	\$119,175	\$119,175	HCEF
Total Title XIX	\$4,844,112		\$3,510,888	\$1,755,445	\$1,755,443	
	Total Funds	FF	Total State Funds	Trust Fund	HCEF	Hospital Fee
Total FY 2009-10 Appropriation Fund Splits	\$5,286,590	\$2,909,652	\$2,376,938	\$1,973,686	\$403,252	\$0
FY 2010-11 External Administration Funding Splits (State Funds from Children's Basic Health Plan Trust)						
Title XXI Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 65%	State Funds @ 35%	Fund Source
Children's Operating Costs (Line 1)	\$3,692,612	12.0%	\$443,115	\$288,025	\$155,090	Trust
Prenatal Operating Costs (Line 2)	\$126,478	100.0%	\$126,478	\$82,211	\$44,267	Trust
Customer Service (Line 3)	\$101,500	77.3%	\$78,459	\$50,998	\$27,461	Trust
Professional Services (Line 8)	\$316,000	100.0%	\$316,000	\$205,400	\$110,600	Trust
Hospital Provider Fee Administration (Line 9)	\$19,926	100.0%	\$19,926	\$12,952	\$6,974	Hospital Fee
Tobacco Tax Administration (Line 10)	\$1,050,000	77.3%	\$811,650	\$527,573	\$284,077	HCEF
Total Title XXI	\$5,306,516		\$1,795,628	\$1,167,159	\$628,469	
Title XIX Federal Match	Request	Allocation	Dollars Matched	Federal Funds @ 50%	State Funds @ 50%	Fund Source
Eligibility and Enrollment (Line 1)	\$3,692,612	88.0%	\$3,249,497	\$1,624,749	\$1,624,748	Trust
Customer Service (Line 3)	\$101,500	22.7%	\$23,041	\$11,521	\$11,520	Trust
Tobacco Tax Administration (Line 10)	\$1,050,000	22.7%	\$238,350	\$119,175	\$119,175	HCEF
Total Title XIX	\$4,844,112		\$3,510,888	\$1,755,445	\$1,755,443	
	Total Funds	FF	Total State Funds	Trust Fund	HCEF	Hospital Fee
Total FY 2010-11 Request Fund Splits	\$5,306,516	\$2,922,604	\$2,383,912	\$1,973,686	\$403,252	\$6,974

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

Internal Administration Appropriation and Request			
Funds From Children's Basic Health Plan Trust Fund	FY 2009-10 Year-to-date Estimate	FY 2010-11 Request	Source
General Administration; Personal Services	\$245,072	\$248,552	FY 2009-10: Letternotes to SB 09-259 (Long Bill) Plus Special Bills
General Administration; Operating Expenses	\$768	\$768	
General Administration; Legal Service and Third Party Recovery Legal Services	\$6,633	\$6,633	
Information Technology Contracts and Projects	\$251,859	\$288,358	
Provider Audits and Services, Professional Audit Contracts	\$0	\$102,988	
Colorado Benefits Management System	\$28,787	\$30,014	FY 2010-11: Base Request Plus Decision Items
Colorado Benefits Management System - SAS 70 Audit	\$144	\$144	
Total from the Children's Basic Health Plan Trust Fund	\$533,263	\$677,457	
Matching Federal Funds	\$990,346	\$1,258,134	
Total Internal Administration Costs	\$1,523,609	\$1,935,591	

Exhibit C.5 - Per Capita Costs History and Projections

Children's Medical	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Cash-based Expenditures ¹	\$50,550,660	\$43,330,612	\$56,713,621	\$65,205,431	\$91,693,631	\$100,411,637		
Caseload ²	44,600	41,786	41,945	47,047	57,795	61,582	72,159	83,931
Per Capita	\$1,133.42	\$1,036.96	\$1,352.09	\$1,385.96	\$1,586.53	\$1,630.54	\$1,931.91	\$2,074.10
% Per Capita Change	-	-8.51%	30.39%	2.51%	14.47%	2.77%	18.48%	7.36%
Blended Base Rate ²	\$88.10	\$92.01	\$102.12	\$105.85	\$119.78	\$122.11	\$142.04	\$159.89
% Blended Rate Change		4.44%	10.99%	3.65%	13.16%	1.94%	16.32%	12.57%
Prenatal Medical	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Cash-based Expenditures ¹	\$1,226,490	\$6,685,402	\$11,612,272	\$16,892,791	\$17,798,749	\$19,437,577		
Caseload	101	472	963	1,170	1,570	1,665	2,406	3,473
Per Capita	\$12,143.47	\$14,163.99	\$12,058.43	\$14,438.28	\$11,336.78	\$11,674.22	\$10,552.63	\$11,006.39
% Per Capita Change	-	16.64%	-14.87%	19.74%	-21.48%	2.98%	-9.61%	4.30%
Base Rate		\$888.49	\$816.97	\$1,045.44	\$864.09	\$915.80	\$821.48	\$866.94
% Rate Change	-	-	-8.05%	27.97%	-17.35%	5.98%	-10.30%	5.53%
Children's Dental	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Cash-based Expenditures ¹	\$5,405,336	\$4,656,589	\$5,707,513	\$6,888,782	\$8,735,185	\$9,876,754		
Caseload	44,600	41,786	41,945	47,047	57,795	61,582	72,159	83,931
Per Capita	\$121.20	\$111.44	\$136.07	\$146.42	\$151.14	\$160.38	\$162.35	\$164.35
% Per Capita Change	-	-8.05%	22.10%	7.61%	3.22%	6.11%	1.23%	1.23%
Rate	\$10.95	\$11.31	\$11.82	\$13.30	\$13.84	\$14.66	\$14.84	\$15.02
% Rate Change	-	3.29%	4.51%	12.52%	4.06%	5.92%	1.23%	1.23%
<p>¹ Cash-based expenditures from the Colorado Financial Reporting System (COFRS). In children's medical only, the reversal of the FY 2005-06 accounts receivable in the amount of \$4,661,297 artificially pushed expenditures from FY 2005-06 to FY 2006-07. The FY 2005-06 accounts receivable accounted for approximately 5.2% of the accrual-based expenditures in FY 2006-07. The FY 2006-07 cash-based expenditures for children's medical from COFRS are decreased by a like amount in order to approximate the FY 2006-07 expenditures without the artificial inflation. The FY 2006-07 expenditures reported here are adjusted.</p> <p>² Calculated blended rate for FY 2003-04 through FY 2008-09 based on final caseload shares in the ASO and HMOs. Projected blended base rates for FY 2009-10 and FY 2010-11 assume that 39.0% of children will be in the State's managed care network, with the remainder in HMOs. See narrative for details.</p>								

Exhibit C.5 - Per Capita Costs History and Projections

FY 2009-10 Capitation Rates					
	Kids- ASO	Kids- HMO	Kids- Blended ¹	Prenatal	Dental
FY 2008-09 Rate	\$139.45	\$111.32	\$122.11	\$915.80	\$14.66
FY 2009-10 Base Rate (Includes Facility and Physician Reimbursement Changes)	\$156.22	\$132.97	\$142.04	\$821.48	\$14.84
Base Growth	12.03%	19.45%	16.32%	-10.30%	1.23%
SB 08-057 Increase (Full Year Impact)	\$0.26	\$0.14	\$0.19	\$0.00	\$0.00
SB 08-160 Increase- Mental Health (Full Year Impact)	\$6.70	\$6.70	\$6.70	\$9.75	\$0.00
Total FY 2009-10 Rate	\$163.18	\$139.81	\$148.93	\$831.23	\$14.84
FY 2009-10 Per Capita Calculations					
			Kids- Blended ¹	Prenatal	Dental
FY 2008-09 Base Per Capita			\$1,583.94	\$11,674.22	\$160.38
FY 2009-10 Base Growth			16.32%	-10.30%	1.23%
Projected FY 2009-10 Base Per Capita (Includes Facility and Physician Reimbursement Changes)			\$1,842.50	\$10,471.87	\$162.35
FY 2008-09 BA-A1A Medical Home Increase (Full Year Impact)			\$6.88	\$0.00	\$0.00
SB 08-057 Hearing Aids Increase (Full Year Impact)			\$1.77	\$0.00	\$0.00
SB 08-160 Mental Health Increase (Full Year Impact)			\$80.76	\$80.76	\$0.00
Total Projected FY 2009-10 Per Capita			\$1,931.91	\$10,552.63	\$162.35
Final FY 2008-09 Per Capita			\$1,630.54	\$11,674.22	\$160.38
Projected FY 2009-010 Change from FY 2008-09			18.48%	-9.61%	1.23%
¹ Projected blended rates for FY 2009-10 and FY 2010-11 assume that 39.0% of children will be in the State's managed care network, with the remainder in HMOs. See narrative for details.					
FY 2010-11 Per Capita Calculations					
			Kids (Blended)	Prenatal	Dental
FY 2009-10 Total Per Capita			\$1,931.91	\$10,552.63	\$162.35
FY 2010-11 Base Growth			7.36%	4.30%	1.23%
Projected FY 2010-11 Base Per Capita			\$2,074.10	\$11,006.39	\$164.35
Projected FY 2009-10 Final Per Capita			\$2,074.10	\$11,006.39	\$164.35

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

Historical Monthly Caseload																	
	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06			FY 2006-07						
								Traditional	Expansion	Total Children	Traditional	Expansion	Total Children				
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				
Annual Growth	-	78.83%	23.48%	30.79%	20.40%	-6.31%	-14.33%	13.40%	-	17.16%	8.53%	121.42%	12.16%				
Historical Monthly Caseload														Projections			
	FY 2007-08				FY 2008-09				FY 2009-10				FY 2010-11				
	Traditional	Expansion	Supplemental Expansion	Total Children	Traditional	Expansion	Supplemental Expansion	Total Children	Traditional	Expansion	Supplemental Expansion	Total Children	Traditional	Expansion	Supplemental Expansion	Total Children	
July	49,726	3,248	0	52,974	55,089	3,347	1,308	59,744	59,503	3,967	1,343	64,813	61,686	4,111	1,421	67,218	
August	50,877	3,343	0	54,220	53,882	3,371	1,303	58,556	59,717	3,981	1,349	65,047	62,093	4,138	1,433	67,664	
September	51,493	3,383	0	54,876	54,260	3,391	1,368	59,019	59,830	3,989	1,355	65,174	62,310	4,152	1,445	67,907	
October	53,144	3,557	0	56,701	54,411	3,566	1,494	59,471	60,129	4,009	1,361	65,499	62,883	4,190	1,458	68,531	
November	53,860	3,565	0	57,425	53,940	3,580	1,484	59,004	60,255	4,017	1,367	65,639	63,122	4,206	1,471	68,799	
December	54,383	3,602	0	57,985	57,334	3,749	1,695	62,778	60,345	4,023	1,373	65,741	63,299	4,218	1,484	69,001	
January	56,131	3,651	0	59,782	57,411	3,806	1,705	62,922	60,526	4,035	1,379	65,940	63,647	4,241	1,497	69,385	
February	56,126	3,725	0	59,851	57,522	3,631	1,519	62,672	60,587	4,039	1,385	66,011	63,762	4,249	1,510	69,521	
March	55,867	3,394	846	60,107	58,626	3,538	1,397	63,561	60,878	4,058	1,391	66,327	64,323	4,286	1,523	70,132	
April	55,422	3,361	900	59,683	57,949	3,688	1,402	63,039	61,103	4,073	1,397	66,573	64,754	4,315	1,536	70,605	
May	55,396	3,314	1,059	59,769	58,430	3,863	1,322	63,615	61,244	4,082	1,403	66,729	65,026	4,333	1,549	70,908	
June	55,665	3,347	1,154	60,166	59,307	3,954	1,337	64,598	61,324	4,087	1,409	66,820	65,189	4,344	1,562	71,095	
Average Monthly Caseload	54,008	3,458	330	57,795	56,513	3,624	1,445	61,582	60,453	4,030	1,376	65,859	63,508	4,232	1,491	69,231	
Annual Growth	22.58%	15.77%	-	22.85%	4.64%	4.80%	337.88%	6.55%	6.97%	11.20%	-4.78%	6.95%	5.05%	5.01%	8.36%	5.12%	
Adjustments ¹									0	0	0	6,300	0	0	0	14,700	
Final Caseload with Adjustments									60,453	4,030	1,376	72,159	63,508	4,232	1,491	83,931	
Annual Growth									6.97%	11.20%	-4.78%	17.18%	5.05%	5.01%	8.36%	16.31%	

¹ Adjustment for eligibility expansion to 250% FPL from HB 09-1293 is added to total caseload.

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

FY 2009-10 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	Prior Month Supplemental Expansion Caseload	Supplemental Expansion Base Growth ³	Supplemental Expansion Monthly Change	Supplemental Expansion Children Projection	FY 2009-10 Total Children's Caseload (Pre-adjustments)
July	59,307	0.33%	196	59,503	3,954	0.33%	13	3,967	1,337	0.44%	6	1,343	64,813
August	59,503	0.36%	214	59,717	3,967	0.36%	14	3,981	1,343	0.44%	6	1,349	65,047
September	59,717	0.19%	113	59,830	3,981	0.19%	8	3,989	1,349	0.44%	6	1,355	65,174
October	59,830	0.50%	299	60,129	3,989	0.50%	20	4,009	1,355	0.44%	6	1,361	65,499
November	60,129	0.21%	126	60,255	4,009	0.21%	8	4,017	1,361	0.44%	6	1,367	65,639
December	60,255	0.15%	90	60,345	4,017	0.15%	6	4,023	1,367	0.44%	6	1,373	65,741
January	60,345	0.30%	181	60,526	4,023	0.30%	12	4,035	1,373	0.44%	6	1,379	65,940
February	60,526	0.10%	61	60,587	4,035	0.10%	4	4,039	1,379	0.44%	6	1,385	66,011
March	60,587	0.48%	291	60,878	4,039	0.48%	19	4,058	1,385	0.44%	6	1,391	66,327
April	60,878	0.37%	225	61,103	4,058	0.37%	15	4,073	1,391	0.44%	6	1,397	66,573
May	61,103	0.23%	141	61,244	4,073	0.23%	9	4,082	1,397	0.44%	6	1,403	66,729
June	61,244	0.13%	80	61,324	4,082	0.13%	5	4,087	1,403	0.44%	6	1,409	66,820
Average Monthly		0.28%	168	60,453		0.28%	11	4,030		0.44%	6	1,376	65,860
Growth Rate				6.97%				11.20%				-4.78%	6.95%
FY 2010-11 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	Prior Month Supplemental Expansion Caseload	Supplemental Expansion Base Growth ³	Supplemental Expansion Monthly Change	Supplemental Expansion Children Projection	FY 2010-11 Total Children's Caseload (Pre-adjustments)
July	61,324	0.59%	362	61,686	4,087	0.59%	24	4,111	1,409	0.87%	12	1,421	67,218
August	61,686	0.66%	407	62,093	4,111	0.66%	27	4,138	1,421	0.87%	12	1,433	67,664
September	62,093	0.35%	217	62,310	4,138	0.35%	14	4,152	1,433	0.87%	12	1,445	67,907
October	62,310	0.92%	573	62,883	4,152	0.92%	38	4,190	1,445	0.87%	13	1,458	68,531
November	62,883	0.38%	239	63,122	4,190	0.38%	16	4,206	1,458	0.87%	13	1,471	68,799
December	63,122	0.28%	177	63,299	4,206	0.28%	12	4,218	1,471	0.87%	13	1,484	69,001
January	63,299	0.55%	348	63,647	4,218	0.55%	23	4,241	1,484	0.87%	13	1,497	69,385
February	63,647	0.18%	115	63,762	4,241	0.18%	8	4,249	1,497	0.87%	13	1,510	69,521
March	63,762	0.88%	561	64,323	4,249	0.88%	37	4,286	1,510	0.87%	13	1,523	70,132
April	64,323	0.67%	431	64,754	4,286	0.67%	29	4,315	1,523	0.87%	13	1,536	70,605
May	64,754	0.42%	272	65,026	4,315	0.42%	18	4,333	1,536	0.87%	13	1,549	70,908
June	65,026	0.25%	163	65,189	4,333	0.25%	11	4,344	1,549	0.87%	13	1,562	71,095
Average Monthly		0.51%	322	63,508		0.51%	21	4,232		0.87%	13	1,491	69,231
Growth Rate				5.05%				5.01%				8.36%	5.12%

¹ The FY 2009-10 traditional children's caseload is forecasted to increase by an average of 0.3% per month. This forecast is based on experience from July 2002 and January 2004 and the monthly variations are based on experience from FY 2002 03. The FY 2010-11 caseload growth is forecasted to remain constant at an average of 0.3% per month, with monthly variations are retained in the FY 2009-10 forecast.

² The expansion children caseload forecasts for both FY 2009-10 and FY 2010-11 mirror those for traditional children. Thus, the expansion children's caseload is forecasted to increase by an average of 0.3% per month in both years, with the monthly variations retained.

³ The supplemental expansion children caseload is forecasted to increase by an average of 0.4% per month. This forecast is based on experience from August 2008 to June 2009. The FY 2010-11 forecast assumes that monthly growth would increase to an average of 0.9% per month due to improving economic conditions.

Exhibit C.7 - Prenatal Caseload History and Projections

Historical Monthly Caseload													
	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06			FY 2006-07			FY 2007-08			
				Traditional	Expansion	Total Prenatal	Traditional	Expansion	Total Prenatal	Traditional	Expansion	Supplemental Expansion	Total Prenatal
July	-	347	0	835	24	859	933	165	1,098	1,071	193	0	1,264
August	-	284	157	818	34	852	952	186	1,138	1,138	204	0	1,342
September	-	212	221	848	46	894	931	211	1,142	1,137	204	0	1,341
October	183	148	254	857	58	915	945	246	1,191	1,197	201	0	1,398
November	374	105	337	863	65	928	959	247	1,206	1,220	205	0	1,425
December	485	69	430	880	74	954	945	239	1,184	1,294	202	0	1,496
January	552	34	516	939	100	1,039	935	232	1,167	1,394	217	0	1,611
February	597	12	606	927	104	1,031	956	226	1,182	1,464	219	0	1,683
March	637	0	729	898	108	1,006	981	203	1,184	1,533	193	28	1,754
April	705	0	791	885	126	1,011	946	208	1,154	1,602	169	30	1,801
May	531	0	816	874	133	1,007	980	198	1,178	1,645	164	48	1,857
June	405	0	809	903	157	1,060	1,017	190	1,207	1,649	164	59	1,872
Average Monthly Caseload	497	101	472	877	86	963	957	213	1,170	1,362	195	14	1,570
Annual Growth		-79.68%	367.33%	85.81%	-	104.03%	9.12%	147.67%	21.50%	42.32%	-8.45%	-	34.19%
	Historical Monthly Caseload				Projections								
	FY 2008-09				FY 2009-10				FY 2010-11				
	Traditional	Expansion	Supplemental Expansion	Total Prenatal	Traditional	Expansion	Supplemental Expansion	Total Prenatal	Traditional	Expansion	Supplemental Expansion	Total Prenatal	
July	1,600	166	64	1,830	1,386	167	72	1,625	1,427	179	87	1,693	
August	1,489	171	58	1,718	1,390	168	73	1,631	1,430	180	89	1,699	
September	1,421	169	57	1,647	1,391	169	74	1,634	1,433	181	91	1,705	
October	1,372	167	57	1,596	1,394	170	75	1,639	1,435	182	93	1,710	
November	1,340	157	60	1,557	1,398	171	76	1,645	1,437	183	95	1,715	
December	1,467	184	72	1,723	1,406	172	77	1,655	1,440	184	97	1,721	
January	1,417	182	83	1,682	1,407	173	78	1,658	1,442	185	99	1,726	
February	1,375	176	86	1,637	1,409	174	79	1,662	1,445	186	101	1,732	
March	1,444	165	80	1,689	1,417	175	80	1,672	1,447	187	103	1,737	
April	1,424	172	63	1,659	1,419	176	81	1,676	1,449	188	105	1,742	
May	1,385	183	56	1,624	1,422	177	83	1,682	1,451	189	107	1,747	
June	1,381	166	71	1,618	1,424	178	85	1,687	1,453	190	109	1,752	
Average Monthly Caseload	1,426	172	67	1,665	1,405	173	78	1,656	1,440	185	98	1,723	
Annual Growth	4.70%	-11.79%	378.57%	6.05%	-1.47%	0.58%	16.42%	-0.54%	2.49%	6.94%	25.64%	4.05%	
Adjustments ¹					0	0	0	750	0	0	0	1,750	
Final Caseload with Adjustments					1,405	173	78	2,406	1,440	185	98	3,473	
Annual Growth					-1.47%	0.58%	16.42%	44.50%	2.49%	6.94%	25.64%	44.35%	

¹ Adjustment for eligibility expansion to 250% FPL from HB 09-1293 is added to total caseload.

Exhibit C.7 - Prenatal Caseload History and Projections

FY 2009-10 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	Prior Month Supplemental Expansion Caseload	Supplemental Expansion Base Growth ³	Supplemental Expansion Monthly Change	Supplemental Expansion Prenatal Projection	FY 2009-10 Total Prenatal Caseload (Pre-adjustments)
July	1,381	0.35%	5	1,386	166	0.32%	1	167	71	1.86%	1	72	1,625
August	1,386	0.28%	4	1,390	167	0.32%	1	168	72	1.86%	1	73	1,631
September	1,390	0.05%	1	1,391	168	0.32%	1	169	73	1.86%	1	74	1,634
October	1,391	0.23%	3	1,394	169	0.32%	1	170	74	1.86%	1	75	1,639
November	1,394	0.31%	4	1,398	170	0.32%	1	171	75	1.86%	1	76	1,645
December	1,398	0.56%	8	1,406	171	0.32%	1	172	76	1.86%	1	77	1,655
January	1,406	0.04%	1	1,407	172	0.32%	1	173	77	1.86%	1	78	1,658
February	1,407	0.13%	2	1,409	173	0.32%	1	174	78	1.86%	1	79	1,662
March	1,409	0.55%	8	1,417	174	0.32%	1	175	79	1.86%	1	80	1,672
April	1,417	0.12%	2	1,419	175	0.32%	1	176	80	1.86%	1	81	1,676
May	1,419	0.23%	3	1,422	176	0.32%	1	177	81	1.86%	2	83	1,682
June	1,422	0.16%	2	1,424	177	0.32%	1	178	83	1.86%	2	85	1,687
Average Monthly Caseload		0.25%	4	1,405		0.32%	1	173		1.86%	1	78	1,656
Annual Growth				-1.47%				0.58%				16.42%	-0.54%
FY 2010-11 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	Prior Month Supplemental Expansion Caseload	Supplemental Expansion Base Growth ³	Supplemental Expansion Monthly Change	Supplemental Expansion Prenatal Projection	FY 2010-11 Total Prenatal Caseload (Pre-adjustments)
July	1,424	0.19%	3	1,427	178	0.32%	1	179	85	1.86%	2	87	1,693
August	1,427	0.19%	3	1,430	179	0.32%	1	180	87	1.86%	2	89	1,699
September	1,430	0.23%	3	1,433	180	0.32%	1	181	89	1.86%	2	91	1,705
October	1,433	0.16%	2	1,435	181	0.32%	1	182	91	1.86%	2	93	1,710
November	1,435	0.17%	2	1,437	182	0.32%	1	183	93	1.86%	2	95	1,715
December	1,437	0.22%	3	1,440	183	0.32%	1	184	95	1.86%	2	97	1,721
January	1,440	0.16%	2	1,442	184	0.32%	1	185	97	1.86%	2	99	1,726
February	1,442	0.18%	3	1,445	185	0.32%	1	186	99	1.86%	2	101	1,732
March	1,445	0.16%	2	1,447	186	0.32%	1	187	101	1.86%	2	103	1,737
April	1,447	0.17%	2	1,449	187	0.32%	1	188	103	1.86%	2	105	1,742
May	1,449	0.17%	2	1,451	188	0.32%	1	189	105	1.86%	2	107	1,747
June	1,451	0.17%	2	1,453	189	0.32%	1	190	107	1.86%	2	109	1,752
Average Monthly Caseload		0.18%	2	1,440		0.32%	1	185		1.86%	2	98	1,723
Annual Growth				2.49%				6.94%				25.64%	4.05%
¹ The FY 2009-10 traditional prenatal caseload is forecasted to increase by an average of 0.3% per month. This forecast is based on the Medicaid Baby Care Adults forecast, due to the comparability of recent trends. The FY 2010-11 monthly growth rate is projected to decrease to an average of 0.2% per month. ² The FY 2009-10 expansion prenatal caseload forecast is based on growth experienced in FY 2008-09, during which caseload increased by an average of 0.3% per month. The FY 2010-11 forecast assumes that monthly growth will stay constant from that in FY 2009-10. ³ The supplemental expansion prenatal caseload is forecasted to increase by an average of 1.9% per month. This forecast is based on experience from August 2008 to June 2009. The FY 2010-11 forecast assumes that monthly growth would remain constant from FY 2009-10.													

Exhibit C.8 - SCHIP Federal Allotment Forecast

SCHIP Federal Allotment Forecast for Colorado as of November 2, 2009									
State Fiscal Year (July 1 - June 30)	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Children's Medical Premiums									
Children's Caseload ¹	41,945	47,047	57,795	61,582	72,159	83,931	92,541	99,280	105,535
Caseload Growth Rate ²	17.16%	12.16%	22.85%	6.55%	17.18%	16.31%	10.26%	7.28%	6.30%
Children's Per Capita ¹	\$1,352.09	\$1,385.96	\$1,586.53	\$1,630.54	\$1,931.91	\$2,074.10	\$2,170.86	\$2,272.13	\$2,378.12
Per Capita Growth Rate ³	30.39%	2.51%	14.47%	2.77%	18.48%	7.36%	4.67%	4.67%	4.67%
Subtotal Children's Premiums	\$56,713,415	\$65,205,260	\$91,693,501	\$100,411,914	\$139,404,694	\$174,081,287	\$200,893,555	\$225,577,066	\$250,974,894
Less Annual Enrollment Fees (No Federal Match)	\$191,726	\$232,136	\$283,367	\$328,499	\$429,347	\$499,391	\$550,621	\$590,718	\$627,936
Children's Dental Premiums									
Children's Caseload ^{1,2}	41,945	47,047	57,795	61,582	72,159	83,931	92,541	99,280	105,535
Dental Per Capita ¹	\$136.07	\$146.42	\$151.14	\$160.38	\$162.35	\$164.35	\$172.02	\$180.04	\$188.44
Per Capita Growth Rate ³	22.10%	7.61%	3.22%	6.11%	1.23%	1.23%	4.67%	4.67%	4.67%
Subtotal Children's Dental	\$5,707,456	\$6,888,622	\$8,735,136	\$9,876,521	\$11,715,014	\$13,794,060	\$15,918,903	\$17,874,371	\$19,887,015
Prenatal And Delivery Costs									
Prenatal Caseload ¹	963	1,170	1,570	1,665	2,406	3,473	4,035	4,349	4,506
Caseload Growth Rate ²	104.03%	21.50%	34.19%	6.05%	44.50%	44.35%	16.18%	7.78%	3.60%
Prenatal Per Capita ¹	\$12,058.43	\$14,438.28	\$11,336.78	\$11,674.22	\$10,552.63	\$11,006.39	\$11,519.84	\$12,057.24	\$12,619.71
Per Capita Growth Rate ³	-14.87%	19.74%	-21.48%	2.98%	-9.61%	4.30%	4.67%	4.67%	4.67%
Subtotal Prenatal and Delivery Costs	\$11,612,268	\$16,892,788	\$17,798,745	\$19,437,576	\$25,389,628	\$38,225,192	\$46,482,554	\$52,436,937	\$56,864,413
Subtotal Medical Expenses	\$74,033,139	\$88,986,670	\$118,227,382	\$129,726,011	\$176,509,336	\$226,100,539	\$263,295,012	\$295,888,374	\$327,726,322
Administration									
Annual Administration increase ⁴							2.64%	2.64%	2.64%
Administration Expenditures	\$4,567,827	\$6,151,625	\$6,621,395	\$7,577,554	\$6,810,199	\$7,242,107	\$7,298,114	\$7,298,114	\$7,298,114
Total Program Costs	\$78,600,966	\$95,138,295	\$124,848,777	\$137,303,565	\$183,319,535	\$233,342,646	\$270,593,126	\$303,186,488	\$335,024,436
Federal Funds at 65%	\$51,090,628	\$61,839,892	\$81,151,705	\$89,247,317	\$119,157,698	\$151,672,720	\$175,885,532	\$197,071,217	\$217,765,883
Federal Fiscal Year (October 1 - September 30)									
Total Program Costs ⁵	\$92,673,334	\$101,409,555	\$126,894,270	\$148,807,558	\$195,825,313	\$233,342,646	\$270,593,126	\$303,186,488	\$335,024,436
Federal Funds ⁵	\$60,237,667	\$65,916,210	\$82,481,275	\$96,724,912	\$127,286,454	\$151,672,720	\$175,885,532	\$197,071,217	\$217,765,883
Federal Allotment ⁶	\$57,951,287	\$71,544,798	\$71,544,798	\$100,696,200	\$105,000,000	\$133,224,367	\$139,439,284	\$184,090,592	\$192,678,418
Redistributions ⁷	\$0	(\$5,707,946)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Available from Prior Years	\$102,056,558	\$99,770,178	\$99,690,820	\$88,754,343	\$92,725,631	\$70,439,177	\$51,990,824	\$51,990,824	\$15,544,576
Total Federal Funds Available	\$160,007,845	\$165,607,030	\$171,235,618	\$189,450,543	\$197,725,631	\$203,663,544	\$191,430,108	\$236,081,416	\$208,222,994
Unspent / (Amount needed)	\$99,770,178	\$99,690,820	\$88,754,343	\$92,725,631	\$70,439,177	\$51,990,824	\$15,544,576	\$39,010,199	(\$9,542,889)

¹ Caseload and per capitas for FY 2009-10 and FY 2010-11 are from Exhibits C.2 and C.3.

² Caseload growth for the children is assumed to be 6.30% in FY 2011-12 to FY 2013-14, based on the trend for FY 2010-11 without adjustments. Caseload growth for the prenatal is assumed to be 3.60% in FY 2011-12 to FY 2013-14, based on the trend for FY 2010-11 without adjustments.

³ The inflation rate used for medical premiums is the average Consumer Price Index for medical costs between 1998 and 2008 for Denver-Boulder-Greeley. The FY 2010-11 per capita projections are increased by this percent to estimate FY 2011-12 through FY 2013-14.

⁴ The administration expenditures for FY 2005-06 to FY 2008-09 include the Administration line item and the allocation of other Internal Administration expenses. FY 2009-10 and FY 2010-11 estimates are taken from Exhibit C.4. The inflation rate used for administrative expenses is the average Consumer Price Index for all items between 1998 and 2008 for Denver-Boulder-Greeley. The FY 2010-11 administration estimate is increased by this percent to estimate FY 2011-12 through FY 2013-14.

⁵ For FFY 2006 through 2008, Total and Federal Funds are actuals from CMS-21 Reports. Forecasts for federal funds expenditures are estimated using 75% of one State Fiscal Year and 25% of the next.

⁶ FFY 2009 allocation from CMS. FFY 2010 estimates from Centers on Budget and Policy Priorities. FFY 2011 rebased to FFY 2010 expenditures, increased by the FFY 2009-FFY 2010 inflation factor. FFY 2012 allotment based on FFY 2011 increased by the FFY 2010 inflation factor.

⁷ 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.9 - Children's Basic Health Plan Caseload Graphs

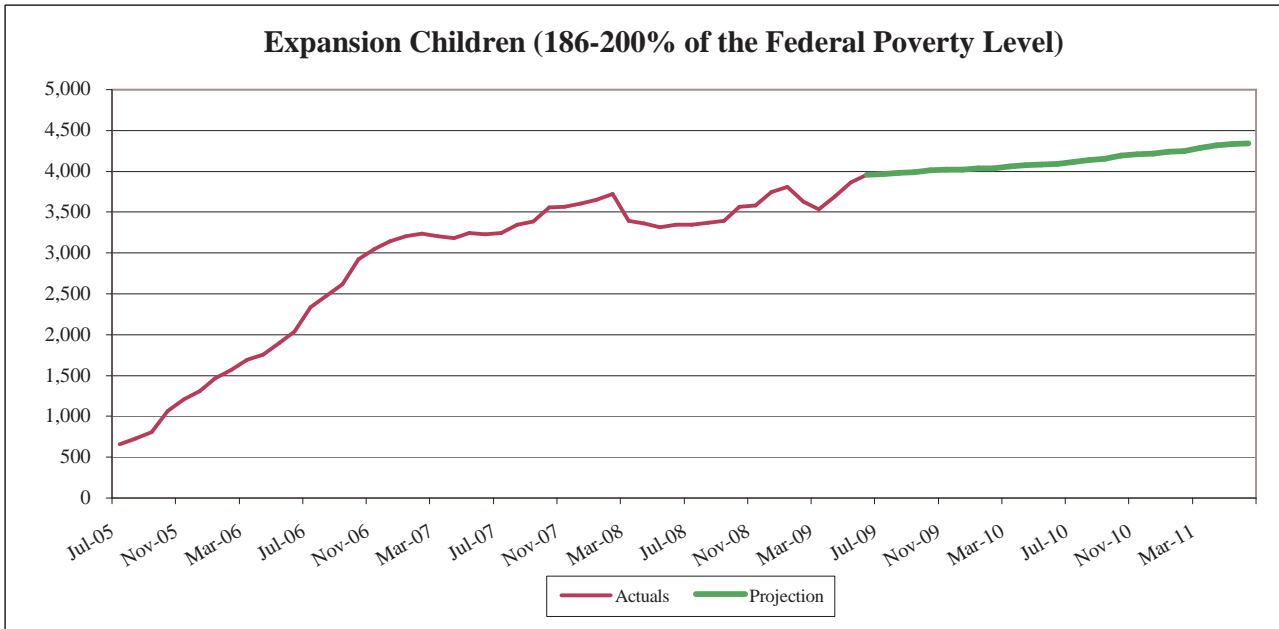
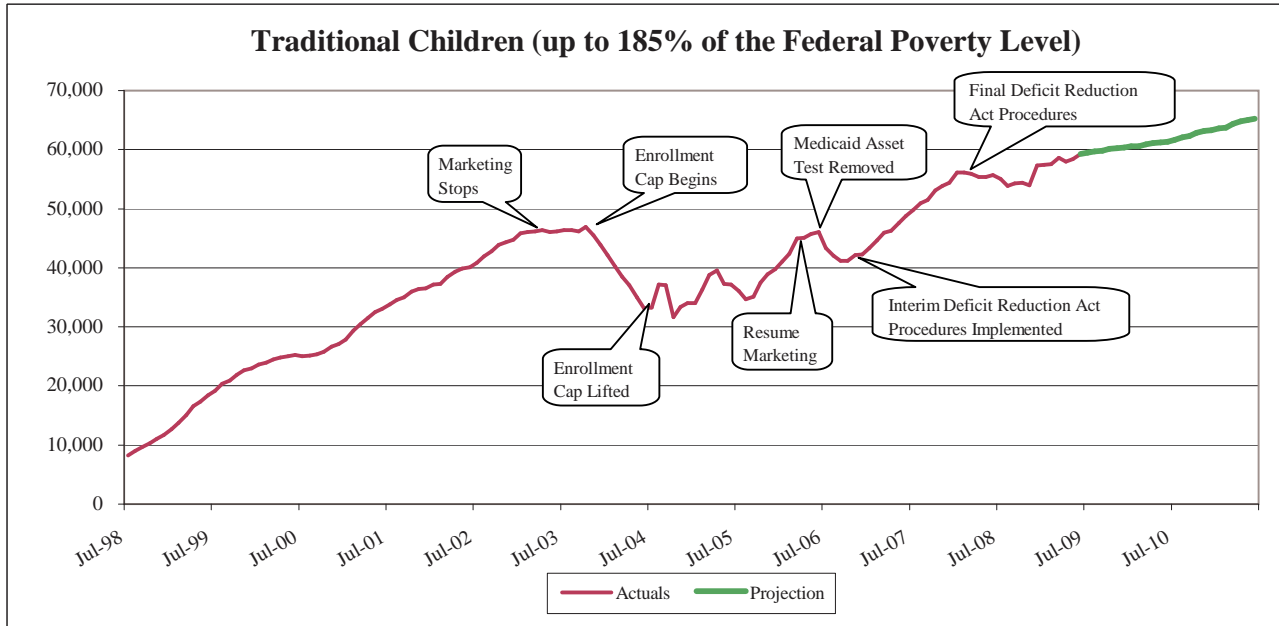


Exhibit C.9 - Children's Basic Health Plan Caseload Graphs

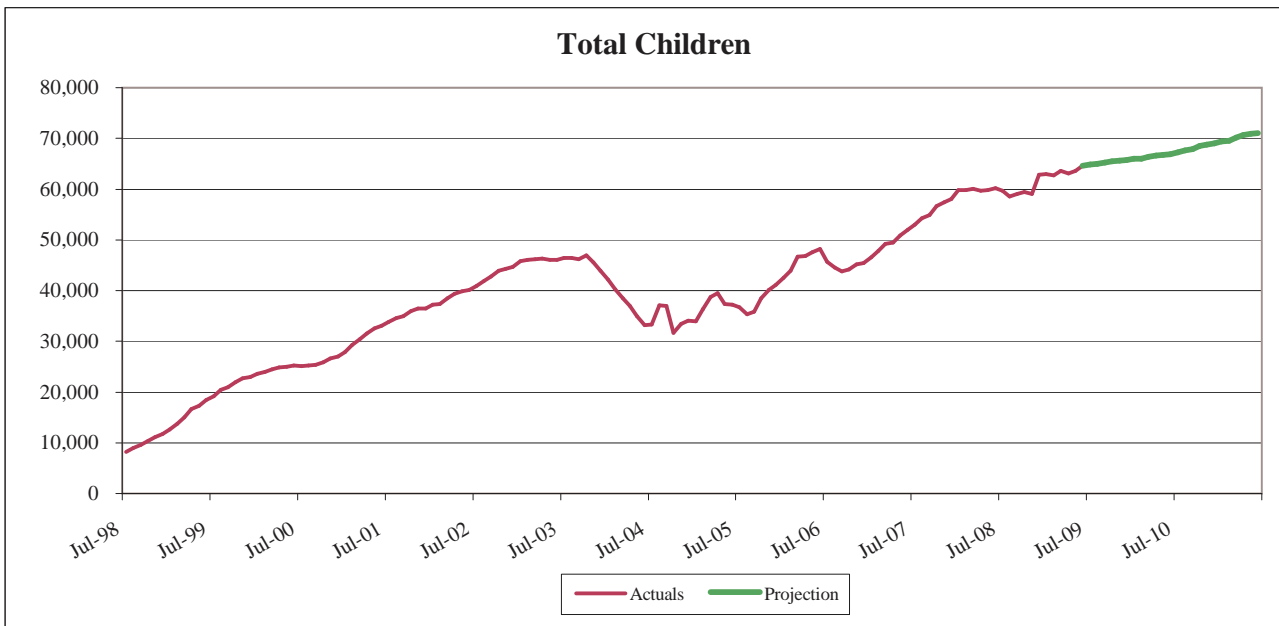
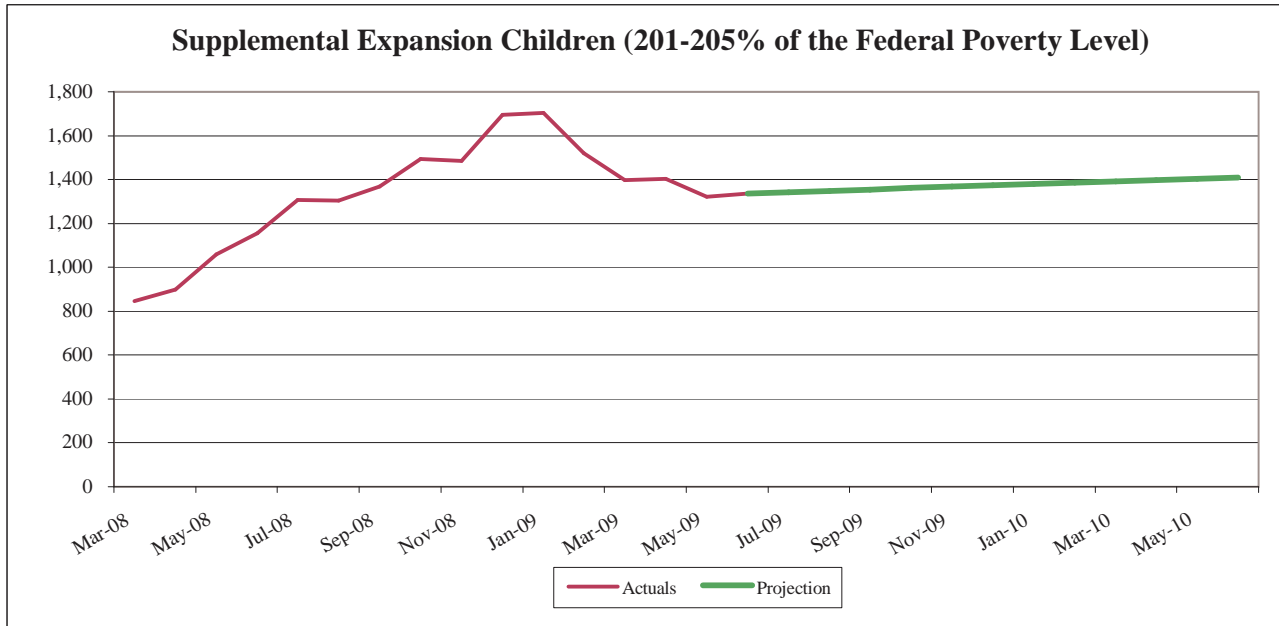


Exhibit C.9 - Children's Basic Health Plan Caseload Graphs

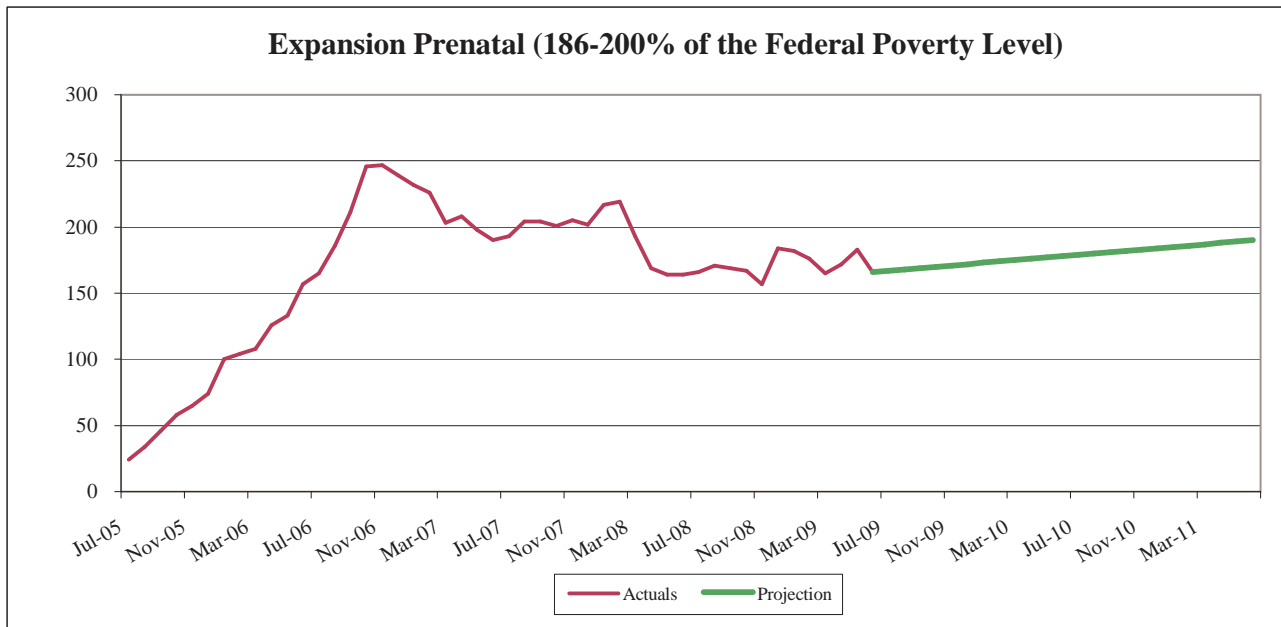
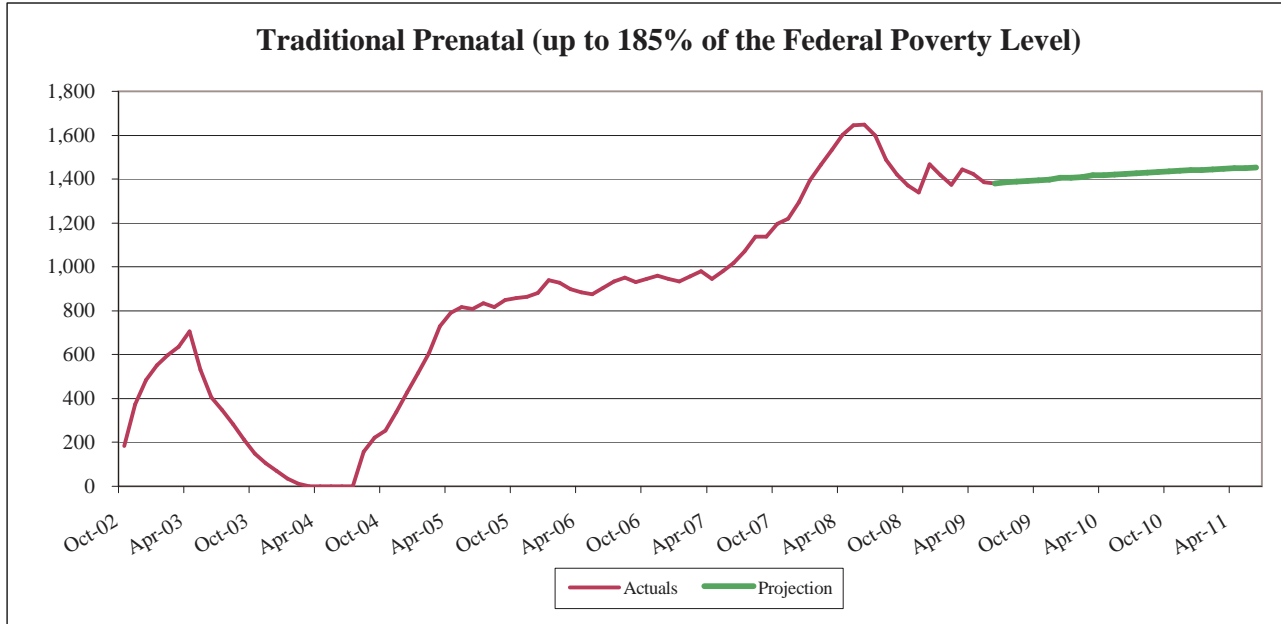


Exhibit C.9 - Children's Basic Health Plan Caseload Graphs

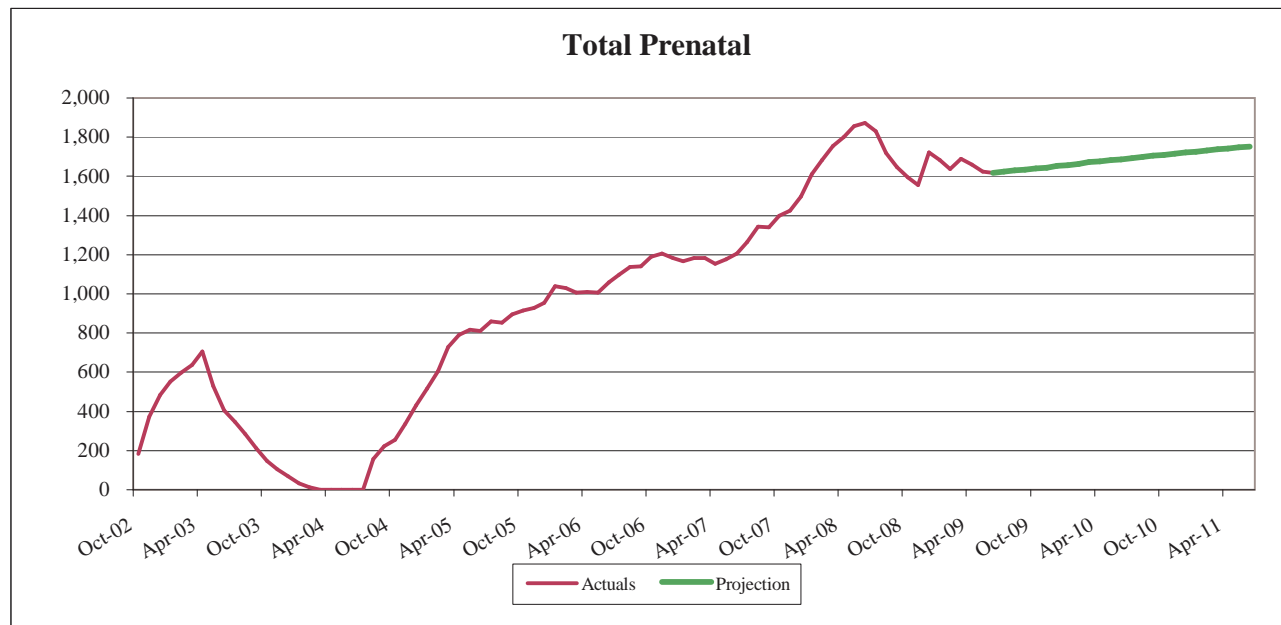
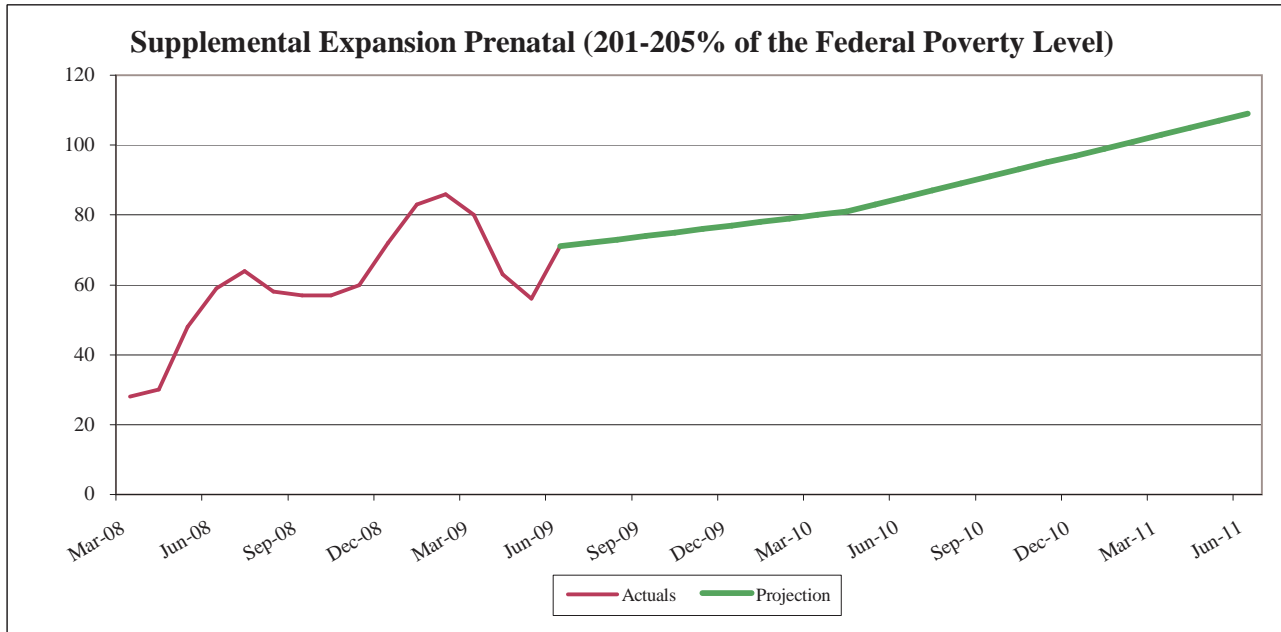
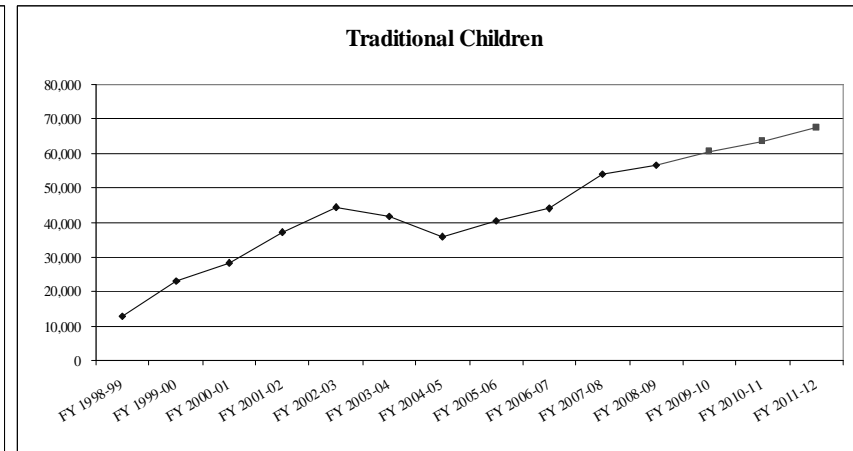
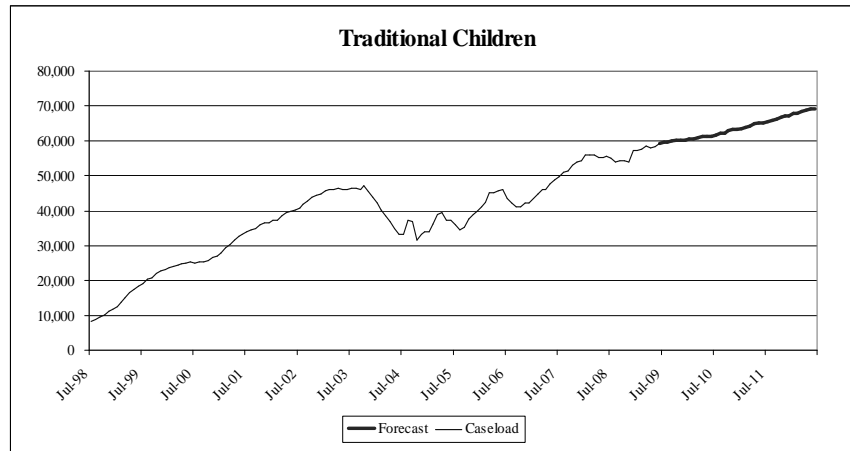


Exhibit C.10

Children's Basic Health Plan Caseload Forecast:

November 6, 2009

Traditional Children



- Increases in the traditional children’s caseload averaged 1,060 per month between July 2007 and January 2008. Caseload reversed trend after this, resulting in an average decline of 321 children per month from February to August 2008. The Department believes that there are three main factors behind this shift in trend. First, the implementation of the expansion to 205% of the federal poverty level was partially responsible for the declines that occurred from March to May 2008. Second, the Department believes that economic conditions are also partially responsible for the slowdown in caseload growth. Lastly, the Department believes that its issuance of the final Deficit Reduction Act rules is responsible for the change in trend. This policy was effective January 1, 2008, and includes citizenship and identification requirements for children in CHP+. While the Department does not know the magnitude of the caseload declines anticipated from this policy change, caseload is expected to continue to decline for at least one year from the date of implementation as all children that would be impacted undergo an annual redetermination.
- Growth in traditional children in FY 2008-09 was in line with the Department’s February 2009 forecast, in which annual caseload was projected to be 56,504. The selected trend for FY 2009-10 for traditional children is slightly higher than the Department’s February 2009 forecast, and would result in average growth of **168 per month**. This is based on the average monthly growth of 0.28% that was experienced between July 2002 and January 2004. The forecast also includes monthly variations in growth based on the pattern from FY 2001-02. The Department anticipates that monthly growth with decline from that experienced in FY 2008-09 due to the elimination of the Department’s expanded outreach efforts.
- Current forecasts indicate that economic conditions should begin to improve in 2010. Thus, out-year trends assume moderate growth of 0.51% (332 clients) per month in both FY 2010-11 and FY 2011-12.

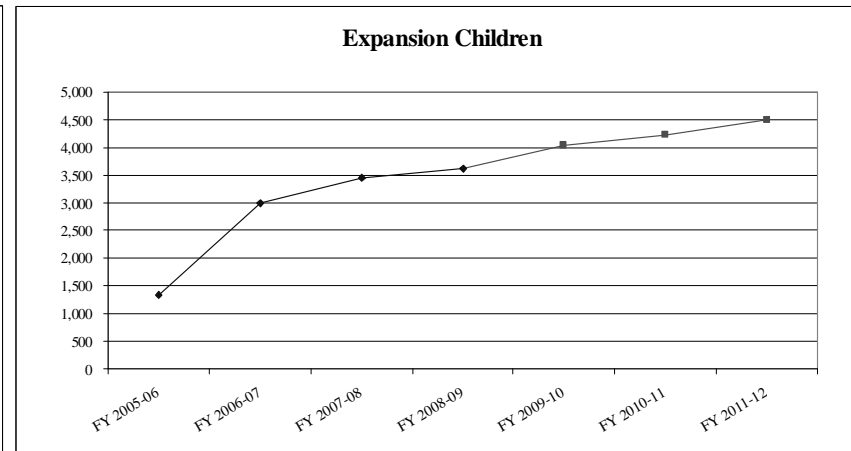
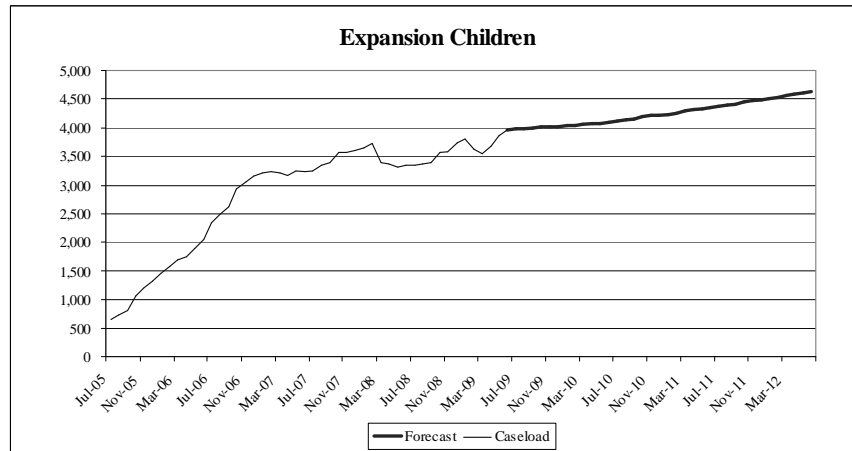
Traditional Children			
	Actuals	Monthly Change	% Change
Jun-07	48,713	-	-
Jul-07	49,726	1,013	2.08%
Aug-07	50,877	1,151	2.31%
Sep-07	51,493	616	1.21%
Oct-07	53,144	1,651	3.21%
Nov-07	53,860	716	1.35%
Dec-07	54,383	523	0.97%
Jan-08	56,131	1,748	3.21%
Feb-08	56,126	(5)	-0.01%
Mar-08	55,867	(259)	-0.46%
Apr-08	55,422	(445)	-0.80%
May-08	55,396	(26)	-0.05%
Jun-08	55,665	269	0.49%
Jul-08	55,089	(576)	-1.03%
Aug-08	53,882	(1,207)	-2.19%
Sep-08	54,260	378	0.70%
Oct-08	54,411	151	0.28%
Nov-08	53,940	(471)	-0.87%
Dec-08	57,334	3,394	6.29%
Jan-09	57,411	77	0.13%
Feb-09	57,522	111	0.19%
Mar-09	58,626	1,104	1.92%
Apr-09	57,949	(677)	-1.15%
May-09	58,430	481	0.83%
Jun-09	59,307	877	1.50%

February 2009 Trend Selections (AFTER adjustments)			
	Caseload	% Change	Level Change
FY 1998-99	12,825	-	-
FY 1999-00	22,935	78.83%	10,110
FY 2000-01	28,321	23.48%	5,386
FY 2001-02	37,042	30.79%	8,721
FY 2002-03	44,600	20.40%	7,558
FY 2003-04	41,786	-6.31%	(2,814)
FY 2004-05	35,800	-14.33%	(5,986)
FY 2005-06	40,596	13.40%	4,796
FY 2006-07	44,060	8.53%	3,464
FY 2007-08	54,008	22.58%	9,948
FY 2008-09	56,513	4.64%	2,505
FY 2009-10	60,453	6.97%	3,940
FY 2010-11	63,508	5.05%	3,055
FY 2011-12	67,511	6.30%	4,003

Actuals			
	Monthly Change	% Change	
6-month average	329	0.57%	
12-month average	304	0.55%	
18-month average	274	0.50%	
24-month average	441	0.84%	

Base trend if caseload were to stay at the June 2009 level			
	Actuals	Monthly Change	% Change
FY 2009-10	59,307	2,794	4.94%

Expansion Children



- As with traditional children, growth in expansion children in FY 2008-09 was in line with the Department's February 2009 forecast, in which annual caseload was projected to be 3,695. The expansion population has now been in place for four 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. The selected trend for expansion children for FY 2009-10 is slightly higher than that from the Department's February 2009 forecast, and would result in average growth of **11 per month**. This projection mirrors that for traditional children, so assumes monthly growth of 0.28%.
- As with FY 2009-10, the out-year trends for expansion children of 0.51% (22 clients) per month in FY 2010-11 and FY 2011-12 mirror those in traditional children.

Expansion Children			
	Actuals	Monthly Change	% Change
Jun-07	3,226	-	-
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	3,651	49	1.36%
Feb-08	3,725	74	2.03%
Mar-08	3,394	(331)	-8.89%
Apr-08	3,361	(33)	-0.97%
May-08	3,314	(47)	-1.40%
Jun-08	3,347	33	1.00%
Jul-08	3,347	0	0.00%
Aug-08	3,371	24	0.72%
Sep-08	3,391	20	0.59%
Oct-08	3,566	175	5.16%
Nov-08	3,580	14	0.39%
Dec-08	3,749	169	4.72%
Jan-09	3,806	57	1.52%
Feb-09	3,631	(175)	-4.60%
Mar-09	3,538	(93)	-2.56%
Apr-09	3,688	150	4.24%
May-09	3,863	175	4.75%
Jun-09	3,954	91	2.36%

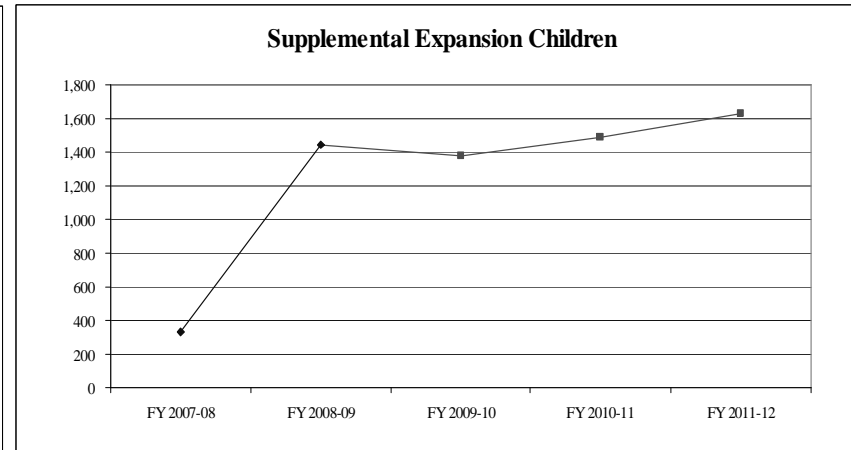
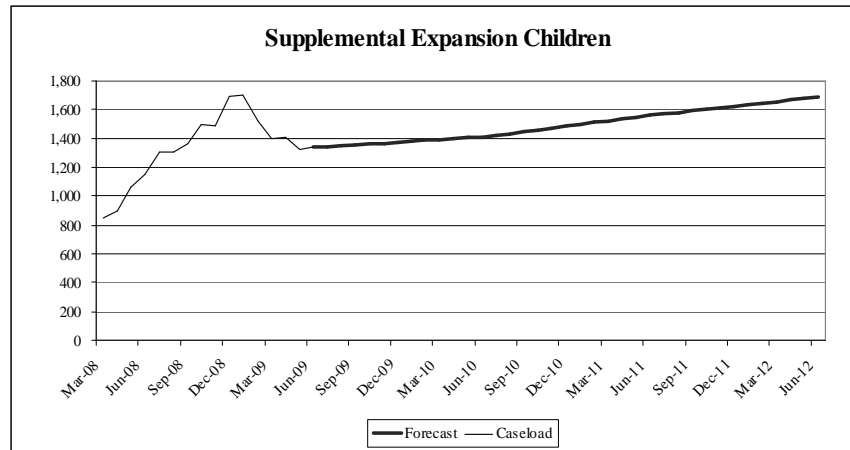
	Caseload	% Change	Level Change
FY 2005-06	1,349	-	-
FY 2006-07	2,987	121.42%	1,638
FY 2007-08	3,458	15.77%	471
FY 2008-09	3,624	4.80%	166
FY 2009-10	4,030	11.20%	406
FY 2010-11	4,232	5.01%	202
FY 2011-12	4,500	6.33%	268

February 2009 Trend Selections (AFTER adjustments)			
FY 2008-09	3,695	6.85%	237
FY 2009-10	4,015	8.66%	320
FY 2010-11	4,143	3.19%	128

Actuals		
	Monthly Change	% Change
6-month average	34	0.95%
12-month average	51	1.44%
18-month average	20	0.58%
24-month average	30	0.90%

Base trend if caseload were to stay at the June 2009 level			
FY 2009-10	3,954	330	9.11%

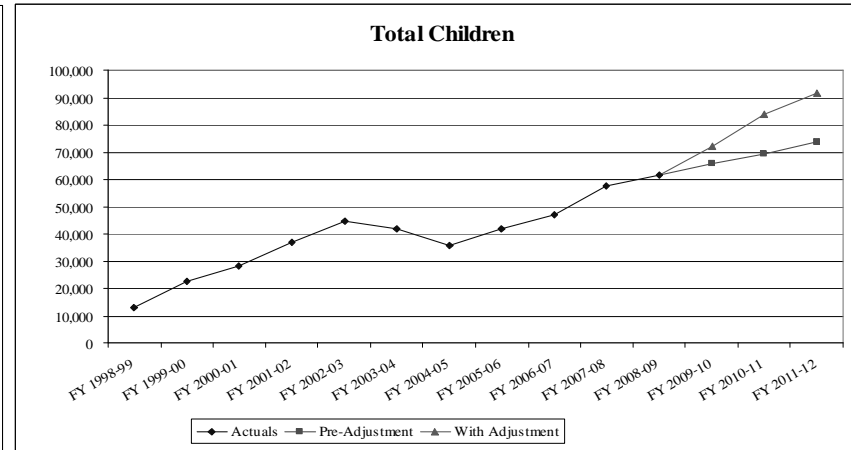
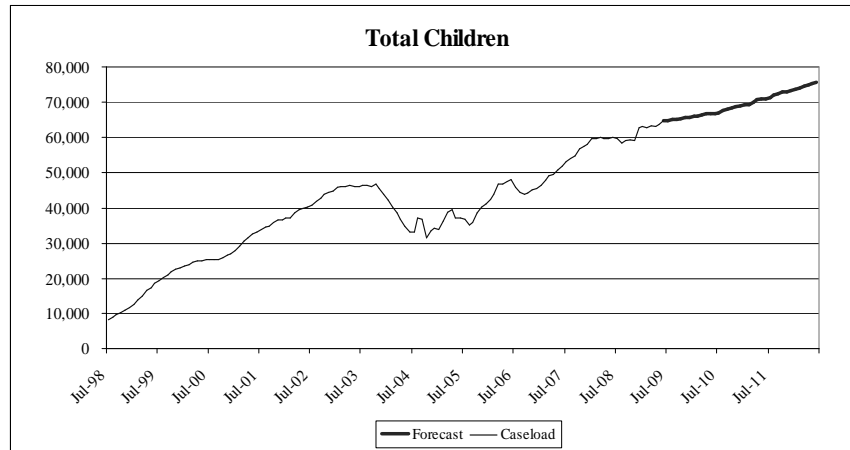
Supplemental Expansion Children



- This population was created through SB 07-097, and was implemented beginning March 1, 2008. Children in this population have family income between 201-205% of the federal poverty level.
- Growth in this population in FY 2007-08 was significantly higher than the forecast included in the fiscal note for FY 07-097. The Department was appropriated resources for 108 children in FY 2007-08. The Department believes that this higher than anticipated growth in FY 2007-08 was due largely to the number of children that moved within CHP+, from lower income groupings.
- Between January and June 2009, caseload in this group has decreased by an average of 3.76% per month. The Department believes that this may be partially due to economic conditions, as declining employment or wage and salary income tends to increase the lower income groups at the expense of higher income categories.
- Growth in supplemental expansion children in FY 2008-09 was much lower than the Department's February 2009 forecast, in which annual caseload was projected to be 1,732. The selected trend for FY 2009-10 for supplemental expansion children is much lower than the Department's February 2009 forecast, and would result in average growth of **6 per month**. This is based on the average monthly growth of 0.44% that was experienced between August 2008 and June 2009.
- Out-year trends are slightly higher, as current forecasts indicate that economic conditions should begin to improve in 2010. Growth is forecasted to increase to 0.87% (13 clients) per month in FY 2010-11 and 0.65% (11 clients) per month in FY 2011-12.

Supplemental Expansion Children							
	Actuals	Monthly Change	% Change		Caseload	% Change	Level Change
Mar-08	846	-	-	FY 2007-08	330	-	-
Apr-08	900	54	6.38%	FY 2008-09	1,445	337.88%	1,115
May-08	1,059	159	17.67%	FY 2009-10	1,376	-4.78%	(69)
Jun-08	1,154	95	8.97%	FY 2010-11	1,491	8.36%	115
Jul-08	1,308	154	13.34%	FY 2011-12	1,629	9.26%	138
Aug-08	1,303	(5)	-0.38%				
Sep-08	1,368	65	4.99%				
Oct-08	1,494	126	9.21%				
Nov-08	1,484	(10)	-0.67%				
Dec-08	1,695	211	14.22%				
Jan-09	1,705	10	0.59%				
Feb-09	1,519	(186)	-10.91%				
Mar-09	1,397	(122)	-8.03%				
Apr-09	1,402	5	0.36%				
May-09	1,322	(80)	-5.71%				
Jun-09	1,337	15	1.13%				
February 2009 Trend Selections (AFTER adjustments)							
				FY 2008-09	1,732	424.85%	1,402
				FY 2009-10	2,369	36.78%	637
				FY 2010-11	2,445	3.21%	76
Actuals							
					Monthly Change	% Change	
				6-month average	(60)	-3.76%	
				9-month average	(3)	0.02%	
				12-month average	15	1.51%	
				15-month average	33	3.41%	
Base trend if caseload were to stay at the June 2009 level							
FY 2009-10	1,337	(108)	-7.47%				

Total Children



- The FY 2009-10 children’s caseload forecast is 65,859, a 6.95% increase over the FY 2008-09 caseload of 61,582. This forecast results in average increases of **185 (0.28%) per month**. The FY 2010-11 caseload is projected to increase 5.12% to 69,231, and FY 2011-12 caseload is forecasted to grow 6.37% to 73,639. Total children’s caseload is projected to increase by 0.52% (356 clients) per month in FY 2010-11 and 0.51% (376 clients) per month in FY 2011-12. Caseload growth in CHP+ is expected to accelerate as the caseload increases in Medicaid children moderate.
- There are bottom-line adjustments to the total children’s forecast from HB 09-1293. Eligibility will be increased in the Plan to 250% of the federal poverty level effective April 1, 2010. The legislation also extends 12-month guaranteed eligibility to children in Medicaid beginning in January 2012, which is anticipated to decrease the length of stay in the Children's Basic Health Plan as fewer children move between programs and result in a caseload decrease beginning in FY 2011-12.

Total Children			
	Actuals	Monthly Change	% Change
Jun-07	51,939	-	-
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	59,782	1,797	3.10%
Feb-08	59,851	69	0.12%
Mar-08	60,107	256	0.43%
Apr-08	59,683	(424)	-0.71%
May-08	59,769	86	0.14%
Jun-08	60,166	397	0.66%
Jul-08	59,744	(422)	-0.70%
Aug-08	58,556	(1,188)	-1.99%
Sep-08	59,019	463	0.79%
Oct-08	59,471	452	0.77%
Nov-08	59,004	(467)	-0.79%
Dec-08	62,778	3,774	6.40%
Jan-09	62,922	144	0.23%
Feb-09	62,672	(250)	-0.40%
Mar-09	63,561	889	1.42%
Apr-09	63,039	(522)	-0.82%
May-09	63,615	576	0.91%
Jun-09	64,598	983	1.55%

	Actuals	Monthly Change	% Change
6-month average		303	0.48%
12-month average		369	0.61%
18-month average		367	0.62%
24-month average		527	0.93%

	Caseload	% Change	Level Change
FY 1998-99	12,825	-	-
FY 1999-00	22,935	78.83%	10,110
FY 2000-01	28,321	23.48%	5,386
FY 2001-02	37,042	30.79%	8,721
FY 2002-03	44,600	20.40%	7,558
FY 2003-04	41,786	-6.31%	(2,814)
FY 2004-05	35,800	-14.33%	(5,986)
FY 2005-06	41,946	17.17%	6,146
FY 2006-07	47,047	12.16%	5,101
FY 2007-08	57,795	22.85%	10,748
FY 2008-09	61,582	6.55%	3,787
FY 2009-10	65,859	6.95%	4,277
FY 2010-11	69,231	5.12%	3,372
FY 2011-12	73,639	6.37%	4,408

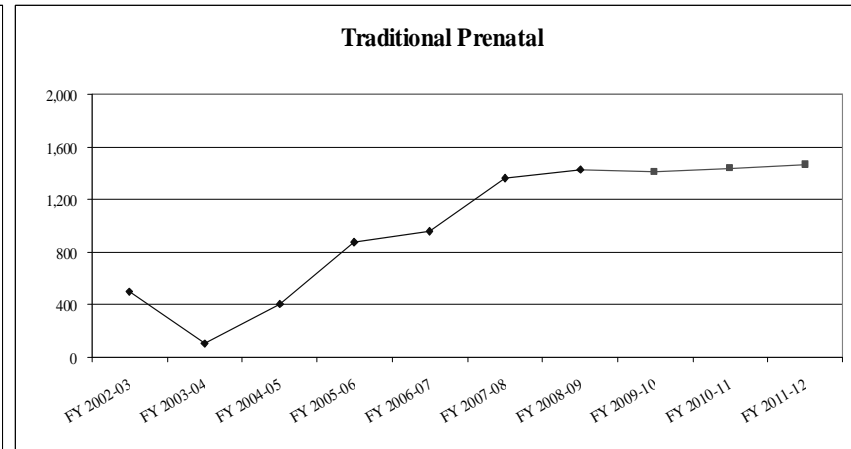
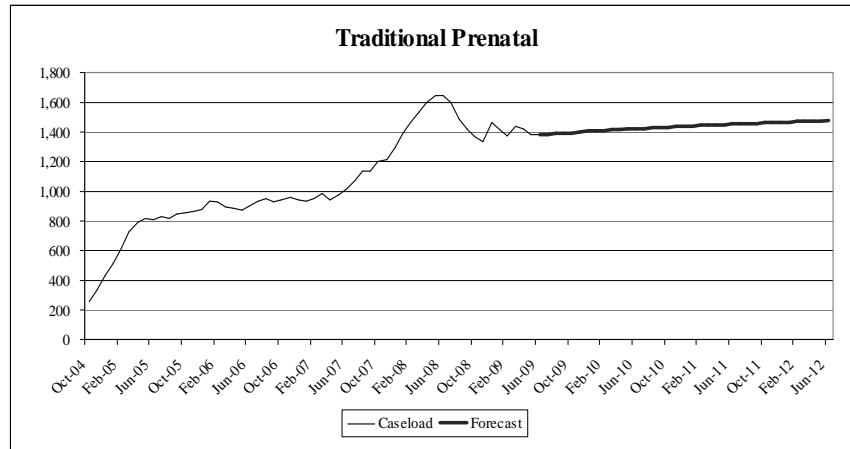
Adjustments (HB 09-1293)	
FY 2009-10	6,300
FY 2010-11	14,700
FY 2011-12	18,025

Projections After Adjustments			
FY 2009-10	72,159	17.18%	10,577
FY 2010-11	83,931	16.31%	11,772
FY 2011-12	91,664	9.21%	7,733

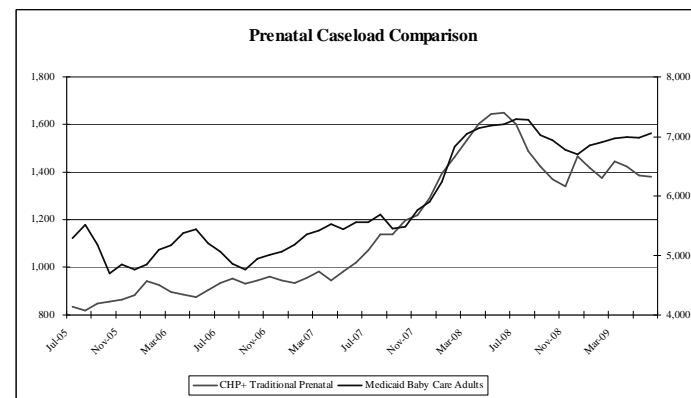
February 2009 Trend Selections (AFTER adjustments)			
FY 2008-09	61,931	7.16%	4,136
FY 2009-10	65,882	6.38%	3,951
FY 2010-11	67,984	3.19%	2,102

Base trend if caseload were to stay at the June 2009 level			
FY 2009-10	64,598	3,016	4.90%

Traditional Prenatal



- Caseload growth in traditional prenatal in FY 2008-09 was lower than the Department's February 2009 forecast, in which annual caseload was projected to be 1,461. Similar to Baby and Kid Care Adults in Medicaid, which are pregnant women up to 133% of the federal poverty level, caseload exhibited unusually strong growth in FY 2007-08 and a negative trend in the first half of FY 2008-09. Traditional prenatal in CHP+ continued to exhibit declines in the last half of FY 2008-09.
- As can be seen in the graph below, caseload trends for pregnant women in Medicaid and CHP+ have mirrored each other closely since FY 2005-06 (after the enrollment cap in CHP+ was lifted). Though the cause of the recent declines is unknown at this time, the Department does not anticipate that the decreases in these populations will continue. The Department has modeled the FY 2009-10 projection for the traditional prenatal population on the projected average monthly growth of 0.34% from Medicaid Baby Care Adults. This forecast is lower than that from the Department's February 2009 forecast, and would yield average growth of **4 per month**.



- Similarly, the Department is modeling the out-year trends after the forecast for Medicaid Baby Care Adults. Moderate growth of 0.18% (2 clients) per month is projected for FY 2010-11, with similar growth for FY 2011-12.
- The Colorado Department of Public Health & Environment Family Planning Initiative was recently awarded a grant for approximately \$3.5 million to address the issue of unintended pregnancy in Colorado. This funding will provide local Title X Family Planning clinics with methods money to purchase long acting methods of contraception, funding for sterilizations and funding to expand clinic capacity to see more Title X clients. The vast majority of Title X clients are under 200% of the federal poverty level. These initiatives may reduce out-year trends.

Traditional Prenatal			
	Actuals	Monthly Change	% Change
Jun-07	1,017	-	-
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	1,394	100	7.73%
Feb-08	1,464	70	5.02%
Mar-08	1,533	69	4.71%
Apr-08	1,602	69	4.50%
May-08	1,645	43	2.68%
Jun-08	1,649	4	0.24%
Jul-08	1,600	(49)	-2.97%
Aug-08	1,489	(111)	-6.94%
Sep-08	1,421	(68)	-4.57%
Oct-08	1,372	(49)	-3.45%
Nov-08	1,340	(32)	-2.33%
Dec-08	1,467	127	9.48%
Jan-09	1,417	(50)	-3.41%
Feb-09	1,375	(42)	-2.96%
Mar-09	1,444	69	5.02%
Apr-09	1,424	(20)	-1.39%
May-09	1,385	(39)	-2.74%
Jun-09	1,381	(4)	-0.29%

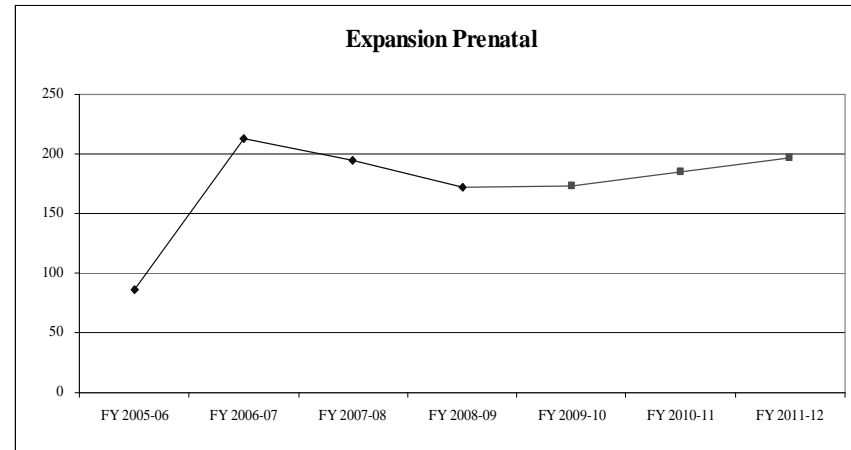
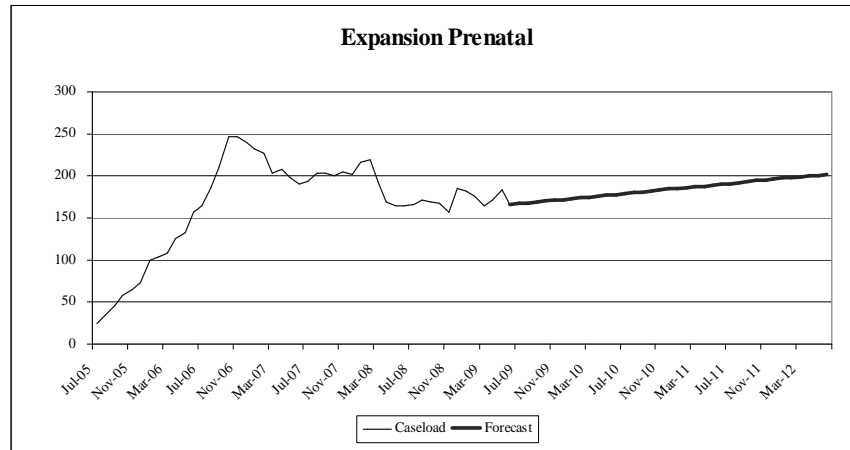
	Caseload	% Change	Level Change
FY 2002-03	497	-	-
FY 2003-04	101	-79.68%	(396)
FY 2004-05	405	300.99%	304
FY 2005-06	877	116.54%	472
FY 2006-07	957	9.12%	80
FY 2007-08	1,362	42.32%	405
FY 2008-09	1,426	4.70%	64
FY 2009-10	1,405	-1.47%	(21)
FY 2010-11	1,441	2.56%	36
FY 2011-12	1,466	1.73%	25

February 2009 Trend Selections (AFTER adjustments)			
FY 2008-09	1,461	7.27%	99
FY 2009-10	1,488	1.85%	27
FY 2010-11	1,527	2.62%	39

Actuals		
	Monthly Change	% Change
6-month average	(14)	-0.96%
12-month average	(22)	-1.38%
18-month average	5	0.46%
24-month average	15	1.38%

Base trend if caseload were to stay at the June 2009 level			
FY 2009-10	1,381	(45)	-3.16%

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 expansion prenatal population in FY 2008-09 was lower than the Department's February 2009 forecast, in which annual caseload was projected to be 178. As with Medicaid Baby Care Adults and CHP+ traditional prenatal, the Department does not anticipate that the recent negative trend in this population will continue. Moderate out-year growth trends are anticipated due to the Family Planning initiatives discussed previously.
- The Department's forecast for FY 2009-10 is based on the growth experienced in FY 2008-09, during which monthly increases averaged 0.32%. The Department projects that this moderate growth will continue in FY 2009-10. The selected trend is lower than that from the Department's February 2009 forecast, and results in average growth of 1 client per month.
- The Department assumes that this moderate growth will continue in both FY 2010-11 and FY 2011-12.

Expansion Prenatal			
	Actuals	Monthly Change	% Change
Jun-07	190	-	-
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	217	15	7.43%
Feb-08	219	2	0.92%
Mar-08	193	(26)	-11.87%
Apr-08	169	(24)	-12.44%
May-08	164	(5)	-2.96%
Jun-08	164	0	0.00%
Jul-08	166	2	1.22%
Aug-08	171	5	3.01%
Sep-08	169	(2)	-1.17%
Oct-08	167	(2)	-1.18%
Nov-08	157	(10)	-5.99%
Dec-08	184	27	17.20%
Jan-09	182	(2)	-1.09%
Feb-09	176	(6)	-3.30%
Mar-09	165	(11)	-6.25%
Apr-09	172	7	4.24%
May-09	183	11	6.40%
Jun-09	166	(17)	-9.29%

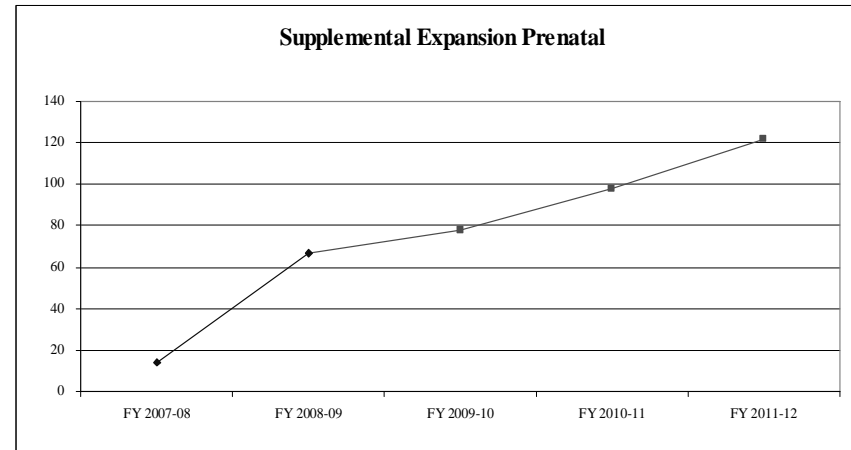
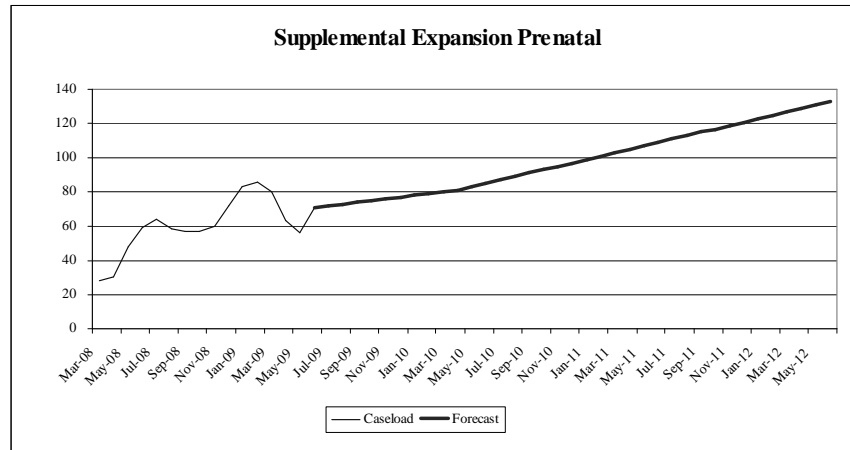
	Caseload	% Change	Level Change
FY 2005-06	86	-	-
FY 2006-07	213	147.67%	127
FY 2007-08	195	-8.45%	(18)
FY 2008-09	172	-11.79%	(23)
FY 2009-10	173	0.58%	1
FY 2010-11	185	6.94%	12
FY 2011-12	197	6.49%	12

February 2009 Trend Selections (AFTER adjustments)			
FY 2008-09	178	-8.72%	(17)
FY 2009-10	197	10.67%	19
FY 2010-11	202	2.54%	5

Actuals		
	Monthly Change	% Change
6-month average	(3)	-1.55%
12-month average	0	0.32%
18-month average	(2)	-0.84%
24-month average	(1)	-0.37%

Base trend if caseload were to stay at the June 2009 level			
FY 2009-10	166	(6)	-3.49%

Supplemental Expansion Prenatal



- Along with the supplemental expansion children, this population was created through SB 07-097 and was implemented beginning March 1, 2008. Prenatal women in this population have family income between 201-205% of the federal poverty level.
- Growth in this population in FY 2007-08 was significantly higher than the forecast included in the fiscal note for FY 07-097. The Department was appropriated resources for 7 prenatal women in FY 2007-08. The Department believes that this higher than anticipated growth is partially due to the women moving within CHP+, from lower income groupings.
- As with the supplemental expansion children, caseload in this group displayed decreases in the second half of FY 2008-09.. The Department believes that this may be partially due to economic conditions, as declining employment or wage and salary income tends to increase the lower income groups at the expense of higher income categories.
- Growth in supplemental expansion prenatal in FY 2008-09 was lower than the Department's February 2009 forecast, in which annual caseload was projected to be 75. The selected trend for FY 2009-10 for supplemental expansion prenatal is lower than the Department's February 2009 forecast, and would result in average growth of **1 per month**. This is based on the average monthly growth of 1.86% that was experienced between August 2008 and June 2009.
- The Department assumes that this moderate growth will continue in FY 2010-11 and FY 2011-12.

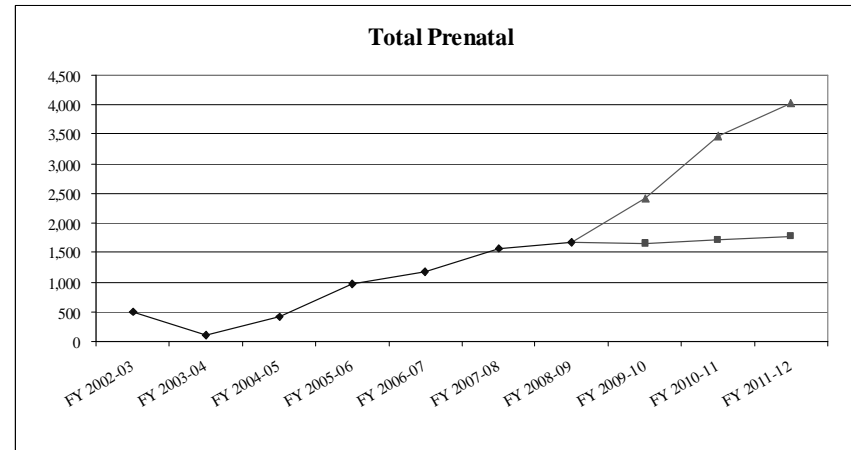
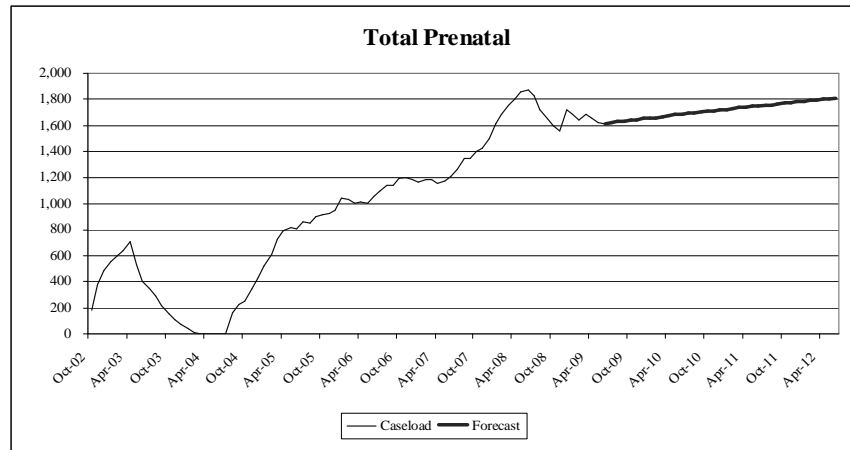
Supplemental Expansion Prenatal			
	Actuals	Monthly Change	% Change
Mar-08	28	-	-
Apr-08	30	2	7.14%
May-08	48	18	60.00%
Jun-08	59	11	22.92%
Jul-08	64	5	8.47%
Aug-08	58	(6)	-9.38%
Sep-08	57	(1)	-1.72%
Oct-08	57	0	0.00%
Nov-08	60	3	5.26%
Dec-08	72	12	20.00%
Jan-09	83	11	15.28%
Feb-09	86	3	3.61%
Mar-09	80	(6)	-6.98%
Apr-09	63	(17)	-21.25%
May-09	56	(7)	-11.11%
Jun-09	71	15	26.79%

February 2009 Trend Selections (AFTER adjustments)			
FY 2008-09	75	435.71%	61
FY 2009-10	120	60.00%	45
FY 2010-11	123	2.50%	3

Actuals			
	Monthly Change	% Change	
6-month average	0	1.06%	
9-month average	2	3.51%	
12-month average	1	2.41%	
15-month average	3	7.94%	

Base trend if caseload were to stay at the June 2009 level			
FY 2009-10	71	4	5.97%

Total Prenatal



- The FY 2009-10 prenatal caseload forecast is 1,656, a 0.54% decrease over the FY 2008-09 caseload of 1,665. The negative trend is due to the decreases experienced over the course of FY 2008-09, which leaves caseload at a low starting point for FY 2009-10. This forecast includes average increases of **6 (0.35%) per month**. The FY 2010-11 caseload is projected to increase 4.05% to 1,723, and FY 2011-12 caseload is forecasted to grow 3.60% to 1,785. Total prenatal caseload is projected to increase by 0.32% (5 clients) per month in FY 2010-11 and 0.28% (5 clients) per month in FY 2011-12.
- There is a bottom-line adjustment to the total prenatal forecast from HB 09-1293. Eligibility will be increased in the Plan to 250% of the federal poverty level effective April 1, 2010.

Total Prenatal			
	Actuals	Monthly Change	% Change
Jun-07	1,207	-	-
Jul-07	1,264	57	4.72%
Aug-07	1,342	78	6.17%
Sep-07	1,341	(1)	-0.07%
Oct-07	1,398	57	4.25%
Nov-07	1,425	27	1.93%
Dec-07	1,496	71	4.98%
Jan-08	1,611	115	7.69%
Feb-08	1,683	72	4.47%
Mar-08	1,754	71	4.22%
Apr-08	1,801	47	2.68%
May-08	1,857	56	3.11%
Jun-08	1,872	15	0.81%
Jul-08	1,830	(42)	-2.24%
Aug-08	1,718	(112)	-6.12%
Sep-08	1,647	(71)	-4.13%
Oct-08	1,596	(51)	-3.10%
Nov-08	1,557	(39)	-2.44%
Dec-08	1,723	166	10.66%
Jan-09	1,682	(41)	-2.38%
Feb-09	1,637	(45)	-2.68%
Mar-09	1,689	52	3.18%
Apr-09	1,659	(30)	-1.78%
May-09	1,624	(35)	-2.11%
Jun-09	1,618	(6)	-0.37%

	Caseload	% Change	Level Change
FY 2002-03	497	-	-
FY 2003-04	101	-79.68%	(396)
FY 2004-05	405	300.99%	304
FY 2005-06	963	137.78%	558
FY 2006-07	1,169	21.39%	206
FY 2007-08	1,570	34.30%	401
FY 2008-09	1,665	6.05%	95
FY 2009-10	1,656	-0.54%	(9)
FY 2010-11	1,723	4.05%	67
FY 2011-12	1,785	3.60%	62

Adjustments (HB 09-1293)	
FY 2009-10	750
FY 2010-11	1,750
FY 2011-12	2,250

Projections After Adjustments			
FY 2009-10	2,406	44.50%	741
FY 2010-11	3,473	44.35%	1,067
FY 2011-12	4,035	16.18%	562

February 2009 Trend Selections (AFTER adjustments)			
FY 2008-09	1,714	9.17%	144
FY 2009-10	1,805	5.31%	91
FY 2010-11	1,852	2.60%	47

Actuals		
	Monthly Change	% Change
6-month average	(18)	-1.02%
12-month average	(21)	-1.13%
18-month average	7	0.53%
24-month average	17	1.31%

Base trend if caseload were to stay at the June 2009 level			
FY 2009-10	1,618	(47)	-2.82%