Department of Health Care Policy and Financing
Medicaid Caseload
FY 2014-15 Budget Request

November 1, 2013

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MEDICAID CASELOAD

INTRODUCTION

Biannually, the Department of Health Care Policy and Financing ("the Department") submits its estimated funding need for the Medical Services Premiums line item. The first step in generating the November and February submissions is to project the Medicaid caseload. Medicaid caseload does not represent the number of uninsured individuals in Colorado, nor does it represent the number of Colorado residents living in poverty. Caseload figures only represent individuals that the Department expects will enroll in Medicaid because they meet specific eligibility requirements in one of three groups: 1) Families, Pregnant Women, and Children; 2) Aged and Disabled; or 3) Other.

Federal Medicaid statute defines over 50 groups of individuals that may qualify for Medicaid. Some groups are mandatory, while others are optional and each state decides which of the optional groups it will cover. From the inception of Medicaid in 1965 (Public Law 89-97) to the 1980s, the program was targeted at low-income families, the elderly, and the disabled. During the 1980s, Medicaid expanded to include pregnant women and children with greater income levels, as well as some optional elderly and disabled groups. In 2000, Medicaid coverage was extended to women with breast and cervical cancer. From the 1990s to the present, other Medicaid categories have been added through State-initiated waivers. All eligibility categories have specific income limits, and some have additional criteria such as age, resources or disability status. For budgetary purposes, the Department groups together clients with similar characteristics and costs. For example, clients grouped in the Eligible Children category have similar characteristics and costs but might have gained Medicaid eligibility through different criteria. Since each category of eligibility is affected by unique factors, the Department projects each category separately. Projecting an aggregate caseload would be easier but could be less precise.

Historic caseload data are used in conjunction with economic data to project caseload in each category. To make a projection, the Department uses several different statistical techniques (as described in the Methodology section below) and chooses the projection that best fits the data. After projections are chosen for each category, the Department presents its recommendations to the Office of State Planning and Budgeting (OSPB). The Department then meets with OSPB, and the two agencies agree on an Executive caseload proposal. It is important to note that the methodology the Department used to generate its projections is not wholly reflected by the Executive caseload proposal presented in this document, since those figures are often the result of compromises with OSPB.

In 2003, the process of projecting the Medicaid caseload was drastically affected by SB 03-196, which mandated that the Department transition from accrual to cash-based accounting. From that point forward, caseload numbers no longer incorporated retroactivity. Retroactivity caused historical adjustments to caseload to account for clients who were found to be eligible for Medicaid for past months, thus increasing the count of persons eligible for Medicaid. Since most clients are eligible back to the date of their application, retroactivity adjustments assured that all months were accounted for. However, this caused variability in the caseload reports, as monthly caseload was adjusted for months, even years, after the month had ended. It also required special manually run reports to make these adjustments. Under the cash accounting system, a monthly caseload report is created from the Medicaid Management Information System (MMIS) and that caseload is considered final.

If the Department had only applied the accounting conversion to the FY 2003-04 caseload projection, this would have produced an artificial drop in caseload relative to the prior year when retroactivity was still applicable. To control for this manufactured decrease in caseload, and to develop a more accurate portrayal of history, the Department recreated 10 years of Medicaid caseload history without retroactivity.

By rebuilding the caseload without retroactivity, the Department was able to put the FY 2003-04 projection in perspective and test the historical data for accuracy. Medicaid eligibility, retroactive back to the date of application, is still in effect; however, it is no longer reported in caseload. For a complete explanation of how the historical data was rebuilt and tested, refer to the November 3, 2003 Budget Request, pages K-98 and K-99.

Through June 2008, the Department utilized the REX01/COLD (MARS) R-464600 report for caseload levels, which is a standard report from the MMIS. Eligibility information included in MMIS is fluid and is updated from the Colorado Benefits Management System on a daily basis. This report is run on the Friday before the last Tuesday of every month and does not incorporate eligibility changes that occurred between the run date and the last day of the given month. In addition, the report is a one-time snapshot and cannot be replicated in the future because of the dynamic nature of eligibility. The limitations of this report prevent the Department from analyzing caseload by characteristics other than eligibility types such as gender, county of residence, or age.

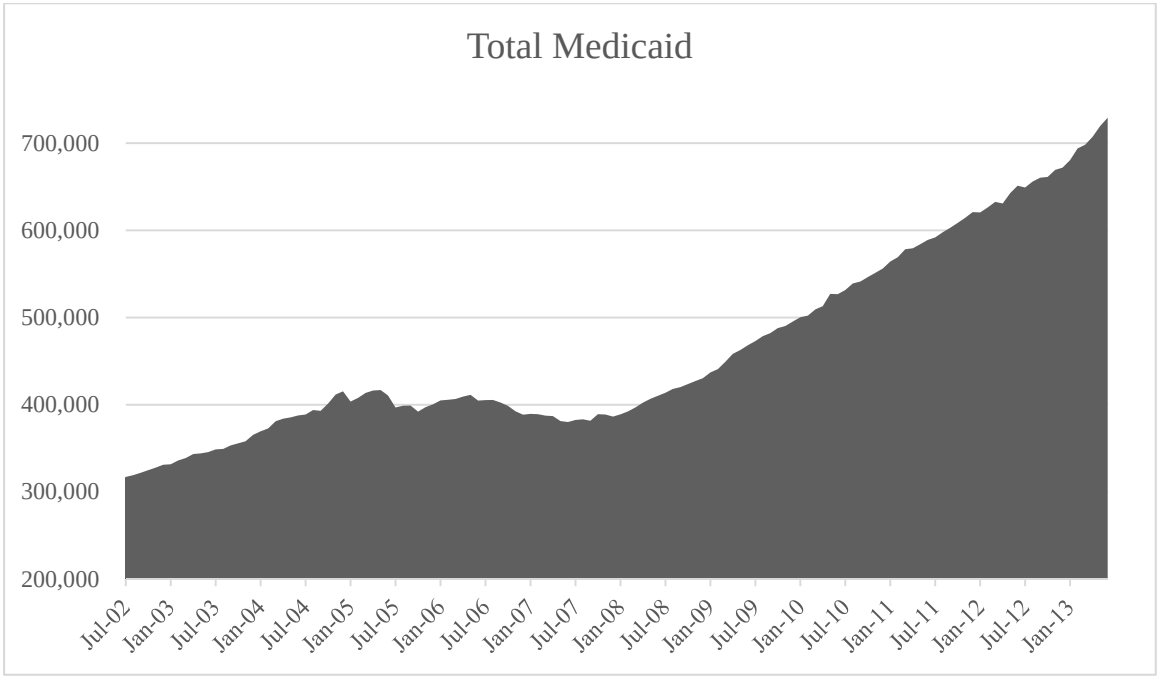
The Department has developed a new caseload report that it believes measures caseload more accurately: the REX01/COLD (MARS) R-474701. This report captures eligibility movements for the entire month in question and also stores the data table that underlies the report. As a result, the Department is able to analyze caseload by many other demographic and geographic characteristics while still balancing to the official Medicaid caseload. The Department began to use this new caseload report with the July 2008 caseload report to the Joint Budget Committee. Because of the differences between the methodologies used in the original and new caseload reports, the Department restated historical Medicaid caseload through FY 2002-03. All caseload history and forecasts included in the following narrative, as well as the Medical Services Premiums and Medicaid Mental Health projections, are the official restated caseload.

In addition to estimating the funding need for the Medical Services Premiums line item, Medicaid caseload is used to determine the funding need for the Medicaid Mental Health Community Programs. Comprehensive mental health services are available to eligible Medicaid clients. Thus, the Medicaid Mental Health caseload is the Medicaid caseload less Partial Dual Eligibles and Non-Citizens, which are not eligible for full Medicaid benefits. The following table displays a comparison of historical caseloads in Medicaid Medical Services Premiums and Mental Health.

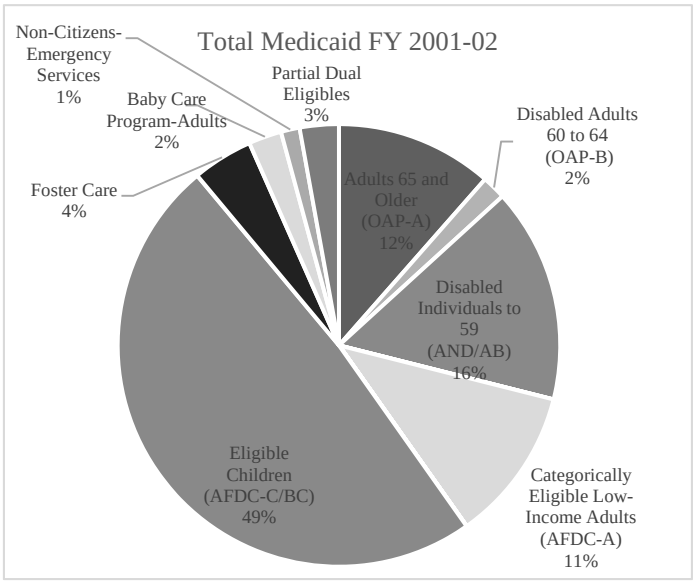
Fiscal Year	Medical Services Premiums Caseload	Less: Mental Health Ineligible Categories	Mental Health Caseload
FY 2002-03	331,800	(13,072)	318,728
FY 2003-04	367,559	(14,635)	352,924
FY 2004-05	406,024	(14,755)	391,269
FY 2005-06	402,218	(17,304)	384,914
FY 2006-07	392,228	(18,109)	374,119
FY 2007-08	391,962	(18,405)	373,557
FY 2008-09	436,812	(19,062)	417,750
FY 2009-10	498,797	(19,612)	479,185
FY 2010-11	560,759	(20,303)	540,456
FY 2011-12	619,963	(21,641)	598,322
FY 2012-13	682,994	(23,890)	659,104

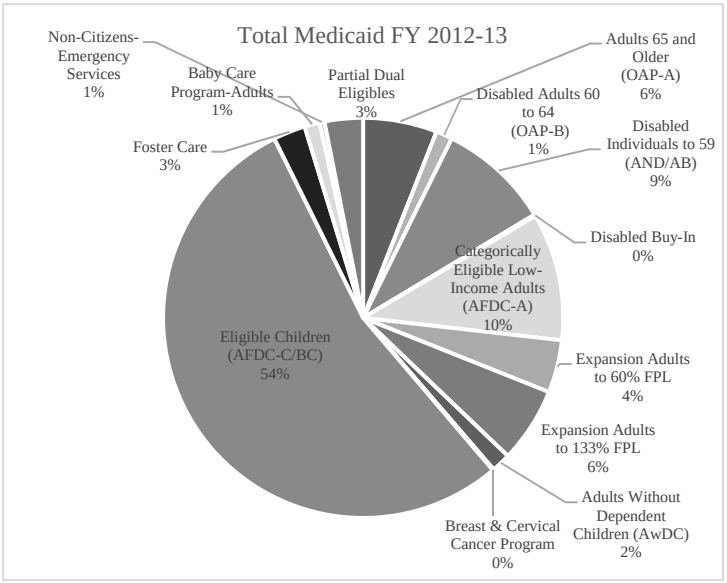
Recent Caseload History

Exhibit B tabulates actual caseload figures and growth rates by eligibility category from FY 1995-96 to FY 2012-13. Projections for FY 2013-14 to FY 2015-16 are also presented in the table and will be discussed in the Categorical Projections section of this document. A graphical representation of aggregate Medicaid caseload history from FY 2002-03 is shown below. Medicaid in Colorado had double-digit growth rates in FY 2003-04 and FY 2004-05 of 10.78% and 10.48%, respectively. These high rates of growth ceased in FY 2005-06, and caseload declined by 0.95% in FY 2005-06 and by a further 2.48% in FY 2006-07. Monthly declines continued in the first half of FY 2007-08 but reversed in the second half, resulting in a nearly flat decline of 0.07% for the fiscal year. With the weak economy, caseload has continued to grow at double digit rates, with in annual growth of 11.44% in FY 2008-09, 14.19% in FY 2009-10, 12.42% in FY 2010-11, 10.56% in FY 2011-12, and 10.17% in FY 2012-13. Reasons for these recent growth rates will be discussed below.



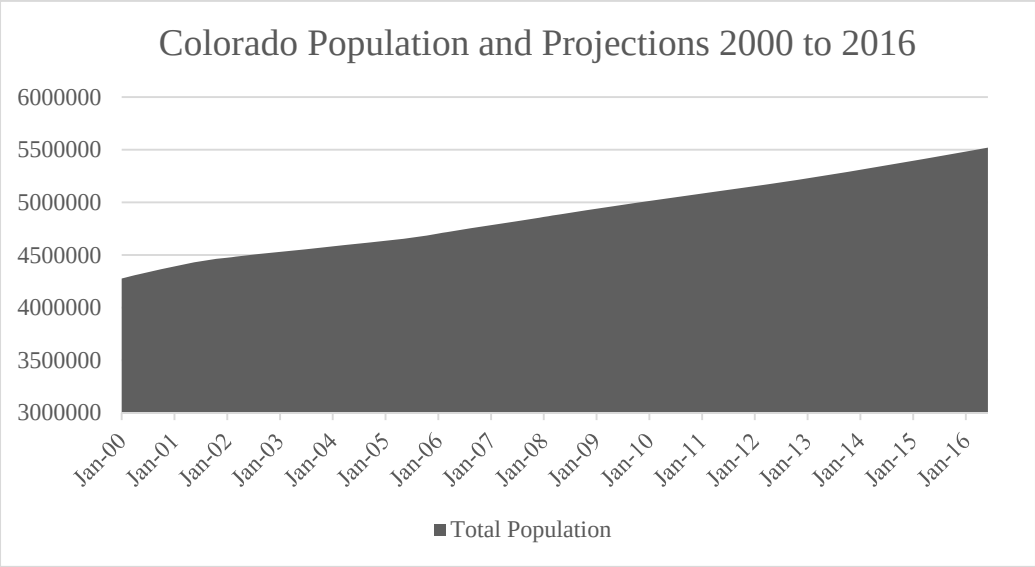
The following charts show a side-by-side comparison of the Medicaid caseload by category as a percentage of the overall caseload for FY 2001-02 and FY 2012-13. As a percentage of the entire Medicaid caseload, Eligible Children has increased by five percentage points, the largest gain when compared with all other categories. Despite strong growth in recent years, the percentage of overall caseload in the Disabled Individuals to 59 (AND/AB) category has declined by approximately six percentage points, and Adults 65 and Older (OAP-A) has decreased by five percentage points. This change in case mix implies that increases in a less expensive category (Eligible Children) has been coupled with decreases in more expensive categories (Disabled Individuals to 59 (AND/AB) Adults 65 and Older (OAP-A)) over the last 10 years.





Medicaid caseload trends are influenced by a number of factors including: population trends, in-State migration, age of the population, length of stay, economic conditions, and State and federal policy changes. Projecting annual caseload is complicated by the fact that each of these factors can contribute to categorical changes, some of which may be contradictory. For example, the State may enact legislation that removes clients from a Medicaid category who are aged 65 and older, while the population of adults aged 65 and older is increasing. Therefore, projections represent the *net effect* of what the Department expects will happen. Each factor and its expected impact on the Medicaid caseload are discussed below.

Population - Colorado's total population has increased by approximately 16.94% from July of 2002 to July of 2013, an average rate of 1.31% per year. The Department of Local Affairs forecasts that Colorado's population will increase a further 4.93% from July of 2013 to July of 2016, with annual growth rates in line with historical trends. As the overall population has grown, so too has Medicaid caseload. This positive correlation implies that if population is projected to grow in the future, Medicaid caseload may also increase.



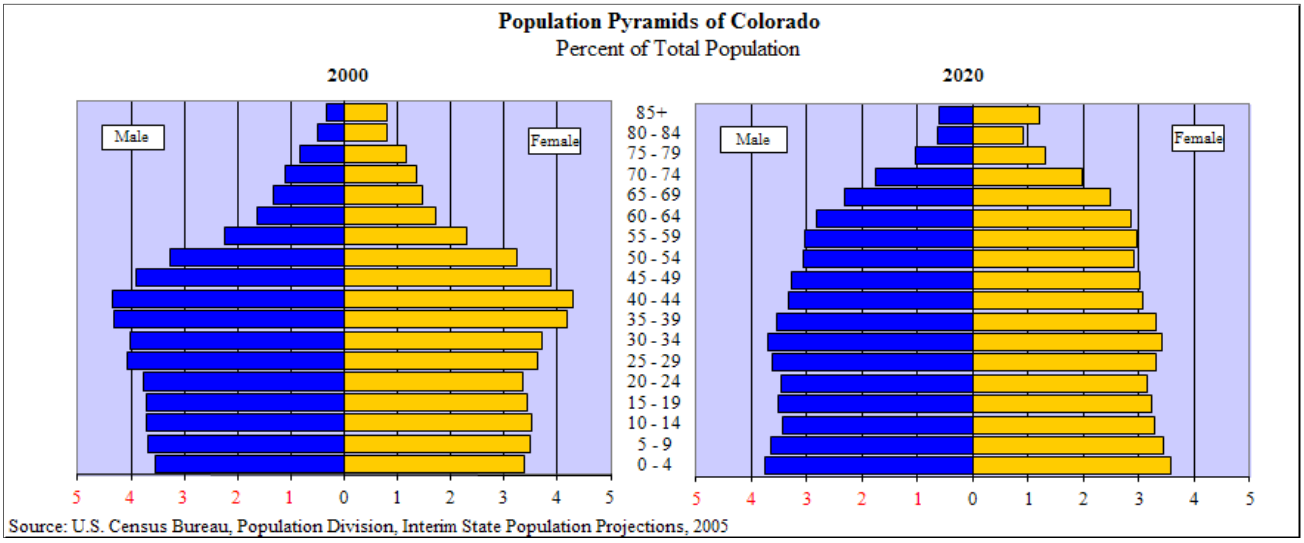
When using population data to project caseload, the Department marries population subgroups to their appropriate Medicaid category. For example, when projecting caseload for Eligible Children, the Department uses population statistics for Colorado residents aged 0 to 18. By using subgroups instead of total population figures, the Department is able to capture subgroup specific trends.

In-State Migration - Like population, in-state migration is positively correlated with Medicaid caseload. As more individuals move to Colorado from other states, Medicaid caseloads will increase. During economic downturns, people usually move from states with worse economic conditions to states with better conditions in search of jobs. Although Colorado experienced economic conditions in line with the overall conditions in the United States during the recent recession, net migration remained positive in 2010 at approximately 70,000[1]. An increase of 70,000 persons in a population of over 5.1 million may not be significant, but a positive migration rate means more people who could conceivably be eligible for Medicaid. According to 2010 estimates from the Census Bureau, Colorado experienced the sixth highest migration rate in the United States.[2] Conversely, as the economy recovers, in-state migration is expected to increase. Net migration grew to an estimated 52,346 in 2006, overtaking natural increase (births minus deaths) as the major component of population growth. Though in-state migration is projected decrease over the forecast period, the number of individuals moving into the state is expected to remain positive, buoyed by rates of unemployment and housing value deflation that are lower than the national average.

Age - The age of the population can provide some insight as to why Medicaid caseloads have been increasing. As the population ages, so too does the demand for medical care. Generally, as individuals age, their health becomes more fragile and the more likely they are to seek health care. From 2002 to 2012, Colorado's median age increased by 1.9 years, a 5.4% increase[3]. This may be the result of retirees moving to the State, increased longevity, or fewer births. Regardless of the reason, an aging population has a direct effect on the demand for medical services, though not necessarily Medicaid. According to data from the United States Census Bureau, Colorado had the 10th lowest median age in 2010 and the 4th lowest old-age dependency ratio in 2009 (defined as the population 65 and older as a percent of population 18 to 64) in the nation.[4] The population over 60 in Colorado is has increased by 59.55% between 2002 and 2013, which is expected to cause an increase in the State's median age. Additionally, Colorado's old-

[1] Source: Department of Local Affairs, Demography Division
[2] Source: 2010 American Community Survey http://www.census.gov/acs/www/
[3] Source: Department of Local Affairs, Demography Division
[4] Source: 2010 American Community Survey http://www.census.gov/acs/www/

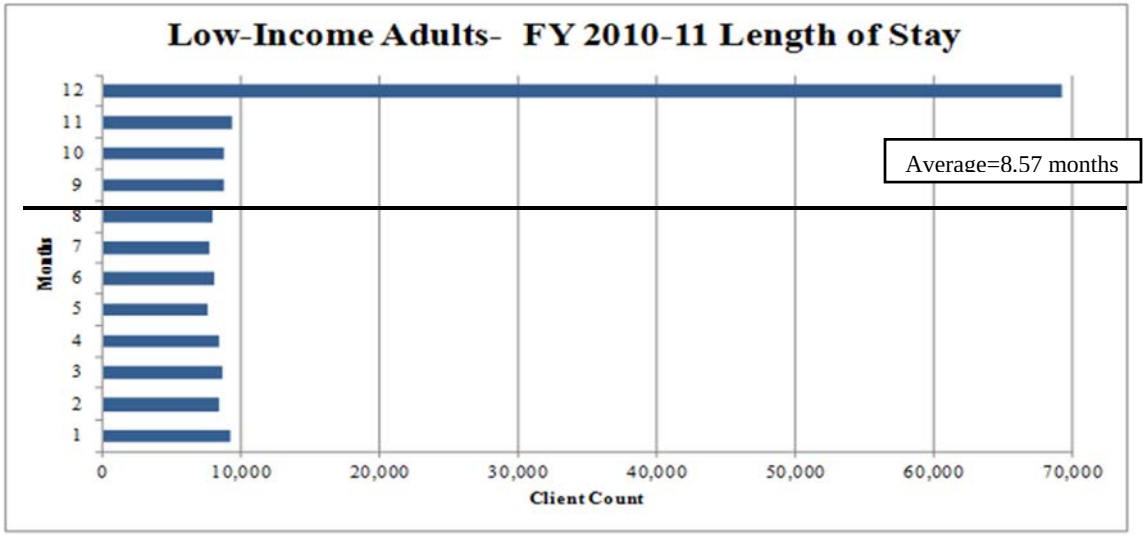
age dependency ratio is projected to increase from 15.6 in 2000 to 24.6 in 2020, a 57.2% increase.[5] This growth is significantly higher than the national average, which is projected to increase by 34.8% over the same timeframe. This suggests that Colorado will be aging faster than the average state over the forecast period. Since 2009, Colorado has experienced increases in the eligibility categories that include older individuals, though the growth was not as high as population growth in the general population aged 60 and over. This may be the result of a healthier aging population and demographic factors, such as the elderly population working longer and some of the baby-boom generation not yet reaching retirement age.

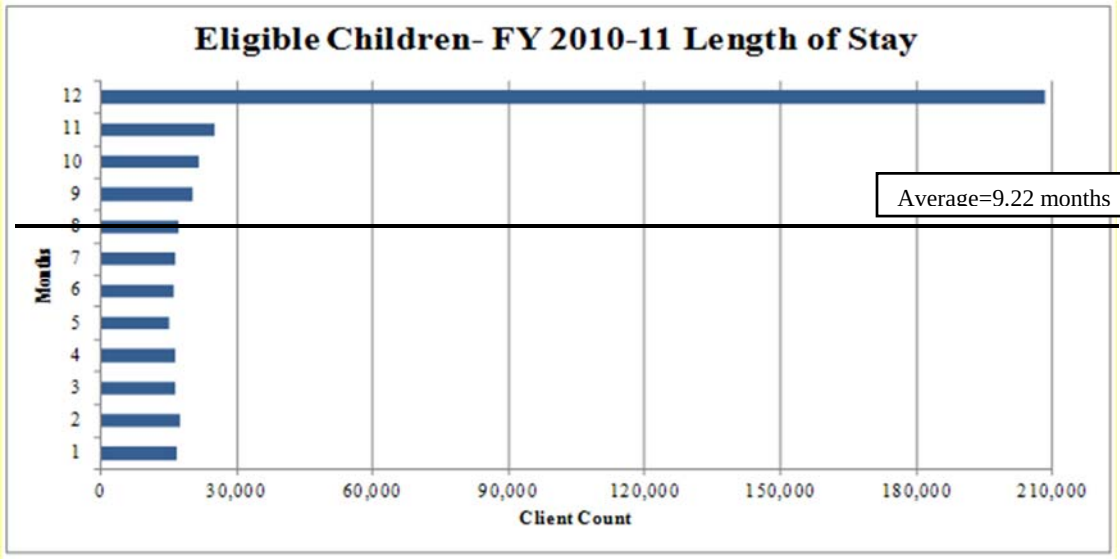


Length of Stay- Medicaid caseload is not only affected by the number of individuals served but also the length of time they remain in the program. The severity and length of the recent economic downturn has prolonged the average amount of time clients remain on the Medicaid caseload. The table below shows that the average number of months on Medicaid dropped by 10.6% for adults and 8.5% for children between FY 2003-04 FY 2004-05 and in FY 2005-06 increased to levels near those for FY 2003-04. As caseload declined in FY 2006-07 and FY 2007-08, the average length of stay also declined. While the average length of stay for low-income adults declined in FY 2009-10, this was solely due to the implementation of the expansion to 100% of the federal poverty level in May 2009, which artificially reduced the average number of months of enrollment as these clients were eligible for only two months. Excluding these clients, the Department estimates that the average length of stay for low-income adults was approximately 7.91 months. In FY 2010-11, the average length of stay increased for both low-income adults and children, which is expected during periods of economic weakness. As can be seen in the table and charts that follow, enrollment in Medicaid averaged 8.57 months for low-income adults and 9.22 months for Eligible Children in FY 2010-11. The distribution of length of enrollment, however, is heavily weighted toward enrollment for the full year. This calculation, however, only considers enrollment in a given year in isolation, and does not account for clients that have eligibility that overlaps multiple fiscal years due to the timing of their eligibility determination. The Department believes that in FY 2011-12, 47% of low income adults and 60% of eligible children had a length of stay lasting more than 12 months. The Department will continue to refine this analysis to account for the clients with a length of stay lasting longer than a fiscal year to provide a more accurate picture of the amount of time that individuals are enrolled in Medicaid.

[5] Source: U.S. Census Bureau, Population Division, Interim State Population Projections, 2005 http://www.census.gov/population/www/projections/index.html

Average Number of Months on Medicaid		
Fiscal Year	**Low-Income Adults**	**Eligible Children**
FY 1999-00	6.78	8.29
FY 2000-01	6.87	8.29
FY 2001-02	7.20	8.51
FY 2002-03	7.66	8.71
FY 2003-04	7.84	8.99
FY 2004-05	7.01	8.23
FY 2005-06	7.85	8.72
FY 2006-07	7.73	8.57
FY 2007-08	7.62	8.42
FY 2008-09	7.77	8.61
FY 2009-10	7.63	9.01
FY 2010-11	8.57	9.22
FY 2011-12	9.26	10.17
FY 2012-13	8.25	8.39





Economic Conditions - Economic indicators partially explain why some Medicaid caseload trends occur. Since Medicaid is a needs-based program where clients must meet income limits, it follows that caseload for families and children should be countercyclical to economic conditions. For example, as the state experiences recessionary conditions, the Medicaid caseload will increase. After the recession that ended in the early 1990s, Colorado enjoyed almost ten years of economic expansion. The terror attacks on the United States in 2001 combined with the bursting of the stock market bubble in late 2000 brought that expansion to a halt. For the first time in more than a decade, Colorado experienced significant job losses coupled with falling wages. In mid-2003, the Colorado economy hit bottom after the decline that started in early 2001. Due to seasonal fluctuations and wide confidence intervals for over the month changes, employment data is best analyzed by comparing the same month for different years. The first post-recession over-the-year gain in non-agricultural employment occurred in March of 2004. The State officially entered an expansionary period in early 2006, as employment surpassed the late 2000 peak. The recovery period lasted 30 months, one of the longest on record. Employment began to soften in October 2008, when 4,600 jobs were shed over the year. The State experienced over-the-year job losses for two years and the annual contractions appear to have peaked in September 2009, when job losses numbered 128,400 (5.5%) over the year. The State has seen very moderate over-the-year employment increases as of September 2010. As of December 2012, the over-the-year jobs gain was estimated to be 51,300, or 2.26%[6]. Current economic forecasts project very moderate increases in employment throughout the forecast period.

The table that follows shows historical and projected unemployment rates, non-agricultural employment, and job growth statistics.[7]

Year	Wage and Salary Income (billions)	Non-Agricultural Employment	Employment Growth	Unemployment Rate
2004	$92.1	2,179,600	1.2%	5.6%
2005	$98.9	2,226,000	2.1%	5.1%
2006	$105.8	2,279,100	2.4%	4.4%
2007	$113.0	2,331,300	2.3%	3.7%
2008	$117.0	2,350,400	0.8%	4.8%
2009	$112.6	2,245,200	-4.5%	8.1%
2010	$114.2	2,220,400	-1.1%	8.9%
2011	$119.2	2,257,600	1.7%	8.3%
2012	$124.6	2,305,600	2.1%	8.0%
2013	$128.8	2,333,800	1.2%	7.5%
2014	$135.0	2,372,000	1.6%	7.2%
2015	$142.8	2,472,400	2.3%	6.6%

The timing of an economic cycle is important in estimating the impact on the Medicaid caseload. As the economy recovers from a downturn, workers need to find jobs in order to withdraw from the Medicaid rolls. Jobs that primarily affect family and children Medicaid populations[8] are hourly and concentrated in the service industry. These employment types are often the last to benefit from improving economic conditions. Therefore, any economic impact on the Medicaid caseload will have a lagged effect. Second, as workers find jobs they do not instantaneously lose their Medicaid eligibility. Since 1990, states have been federally required to provide Transitional Medical Assistance (known as Transitional Medicaid)

[6] Source: United States Department of Labor, Bureau of Labor Statistics, Current Employment Statistics http://www.bls.gov/data/

[7] Source: Office of State Planning and Budgeting, December 2012 Revenue Forecast

[8] Projecting elderly and disabled client populations does not prioritize economic variables

benefits for up to one year to families who lost eligibility because of increased income due to employment. This policy was directed at clients who potentially might turn down employment for fear of losing their Medicaid benefits. To be eligible for Transitional Medicaid, a client must have been eligible in at least three of the preceding six months, though states may elect to reduce this requirement to fewer than three months. Clients may receive Transitional Medicaid as long as their income is below 185% of the federal poverty level, provided that the proper income reporting requirements are followed. Another small group of clients are eligible for Transitional Medicaid services that would otherwise lose their Medicaid benefits due to child or spousal support payments. Families in this group receive a four-month extension. Although this program has been set to expire many times, it has been renewed regularly, most recently through December 31, 2013. While the future of Transitional Medicaid is unknown once the federal Affordable Care Act is implemented, the Department assumed that the federal Transitional Medicaid program would continue throughout FY 2015-16 for the purposes of projecting caseload. As illustrated in the following table, the average number of adults and children on Transitional Medicaid increased dramatically in FY 2004-05. The Department suspects that the high growth in FY 2004-05 and FY 2005-06 may be partially related to large monthly increases that occurred around the implementation of the Colorado Benefits Management System. Monthly caseload declined between December 2005 and June 2008, but caseload increased throughout FY 2008-09 and FY 2009-10.

The Department implemented two changes that affected Transitional Medicaid in FY 2009-10. First, section 5004 of the American Recovery and Reinvestment Act of 2009 (ARRA) included options for states to modify eligibility for Transitional Medicaid, including waiving the requirement that the family was eligible for Medicaid in at least three of the preceding six months and extending families' eligibility to 12 months, rather than six months followed by a second six-month period that is dependent upon reporting, income, and technical eligibility requirements. Colorado elected the option to provide 12 months of Transitional Medicaid coverage, which was effective October 1, 2010. Finding #58a of the State of Colorado Statewide Single Audit for the Fiscal Year ending June 30, 2009 stated that the Department should address an issue in the Colorado Benefits Management System that prevented the prompt termination of Transitional Medicaid benefits if the proper reporting, income, and technical eligibility requirements were not met. The Department's response indicated that it was researching whether it would be more efficient for both county eligibility staff and clients, as well as from a fiscal standpoint, to grant 12 months of Transitional Medicaid eligibility with no reporting requirements. The Department determined that this was indeed more efficient and decided in 2010 to go forward with this option. Second, when the Department implemented the eligibility expansion for Medicaid Parents to 100% of the federal poverty level, the Department made modifications to the Colorado Benefits Management System to increase eligibility for all Family Medicaid clients to 100% of the federal poverty level. Previously, the Expansion Adults to 60% of the federal poverty level (FPL) group had its own eligibility requirements within Family Medicaid, which the Centers for Medicare and Medicaid Services indicated to the Department was incorrect. This change leads to income eligibility for Transitional Medicaid spanning 101% to 185% FPL, rather than the Aid to Families with Dependent Children (AFDC) level, which is currently approximately 26% FPL, through 185% FPL. This change will result in a lower Transitional Medicaid caseload beginning in May 2010. However, Transitional Medicaid caseload has steadily increased since this level shift, as is reflected in the table on the following page.

Fiscal Year	Average Number of Eligible Children on Transitional Medicaid	Average Number of Adults on Transitional Medicaid
FY 2002-03	7,645	4,689
FY 2003-04	7,349	4,709
FY 2004-05	10,776	6,586
FY 2005-06	16,749	10,745
FY 2006-07	16,065	9,968
FY 2007-08	13,000	7,778
FY 2008-09	13,489	7,905
FY 2009-10	13,582	8,099
FY 2010-11	11,042	6,173
FY 2011-12	21,311	11,171
FY 2012-13	16,544	8,643

Policy Changes - State and federal policy decisions can alter the Medicaid caseload. The following list briefly describes major State and federal policy changes that have affected Medicaid eligibility and, therefore, caseload. This list is not meant to be comprehensive in nature but a summary of major changes affecting eligibility since 2000.

- Breast and Cervical Cancer Prevention and Treatment Act of 2000, Public Law 106-354: Established a new group of eligibility for women under 65 who have been screened under the Centers for Disease Control and Prevention Board and need treatment for either diagnosis. Colorado implemented this optional eligibility group in July 2002 pursuant to SB 01S2-012.
- Medicare Prescription Drug, Improvement, and Modernization Act of 2003: This act causes more potential beneficiaries to be screened for Medicaid when they apply for this Medicare benefit.
- Presumptive eligibility for Medicaid pregnant women was discontinued on September 1, 2004. It was re-established by HB 05-1262 on July 1, 2005.
- HB 05-1262, the Tobacco Tax bill: This bill provided funding for the removal of the Medicaid asset test, the expansion of the income guideline used to establish eligibility for parents of children eligible for either Medicaid or the Children's Basic Health Plan to 60% of the federal poverty level (known as Expansion Adults to 60% FPL), and to expand the number of children enrolled in the Home- and Community-Based Services and the Children's Extensive Support Waiver.
- Deficit Reduction Act of 2005: This Act contained provisions related to premiums and cost sharing, benefits, and asset transfers that will have implications for Medicaid beneficiaries. In addition, the Deficit Reduction Act contained a provision requiring States to obtain satisfactory documentary evidence of citizenship and identity for all Medicaid applicants who have declared that they are citizens or nationals of the United States, with exemptions for individuals that are eligible for Medicaid and entitled to or enrolled in Medicare and those eligible for Medicaid by virtue of receiving Supplemental Security Income benefits.
- SB 07-211: Established presumptive eligibility for Medicaid children.
- HB 09-1293: The Colorado Health Care Affordability Act of 2009, authorizes the Department to collect hospital provider fees for the purpose of obtaining federal financial participation for the State's medical assistance programs and using the combined funds to: 1) increase reimbursement to hospitals for providing medical care under the medical assistance program and the Colorado Indigent Care Program; 2) increase the number of persons covered by public medical assistance; and 3) pay the administrative costs to the Department in implementing and administering the program. Populations that receive Hospital Provider Fee funding are disabled buy-in, adults without dependent children, expansion adults 60%-133%, and children and women who gain eligibility through SB 11-008 and SB 11-250. HB 09-1293 also established continuous eligibility for twelve months for children in Medicaid.

- HB 09-1353: Expanded Medicaid eligibility to pregnant women who are legal permanent residents that have been in the country for less than 5 years.
- SB 11-008: Increases Medicaid eligibility for children from six through 18 years of age to 133% FPL beginning in January 2013.
- SB 11-250: Increases Medicaid eligibility for pregnant women from 133% FPL to 185% FPL beginning in January 2013.
- SB 13-200: Increases Medicaid eligibility for expansion adults from 100% FPL to 133% FPL.

Oftentimes, a forecast cannot instantaneously incorporate policy changes even with the use of dummy or indicator variables. When this occurs, adjustments are made to the forecast off-line. Detailed accountings of off-line adjustments are in Exhibit B, page EB-2.

Off-line adjustments are made due to SB 11-008, which increases eligibility for children age 6 to 19 in Medicaid from 100% to 133% FPL, and SB 11-250, which increases eligibility for pregnant women in Medicaid from 133% to 185% FPL. The implementation date for both of these expansions was to be January 1, 2013. Pregnant women with income between 135% and 185% FPL that are currently eligible for CHP+ were moved immediately to Medicaid upon implementation, while children age 6 to 19 in CHP+ with income between 101% and 133% FPL will transition at their annual eligibility redetermination.

Under current Medicaid regulations, the rules for counting income vary from state to state and also differ based on the category through which an individual is eligible for the program. For example, Medicaid allows applicants to disregard some child support payments and the first $90 of earned income, and to deduct certain childcare expenses from income when determining eligibility for benefits. States also have the flexibility to disregard additional income and deduct other expenses, and a number of states have used this authority to expand Medicaid eligibility. States' use of deductions and income disregards has the effect of increasing income eligibility standards for many families, but they also have resulted in a somewhat more complex application and renewal process. This process is exacerbated by different income and household counting rules for federal CHIP programs, which often do not align with Medicaid rules. Pursuant to the federal Affordable Care Act (ACA), eligibility for Family Medicaid, CHIP and premium subsidies to purchase coverage in health insurance exchanges (the Colorado Health Benefit Exchange, or COHBE, in Colorado) will be determined using the Modified Adjusted Gross Income (MAGI) beginning January 1, 2014. MAGI is Adjusted Gross Income as determined under the federal income tax, plus various income amounts and adjustments, and is calculated for the household, defined as the tax filing unit. The family's assets will not be considered in determining eligibility, and a standard 5% of the federal poverty level disregard will be applied. The new rules also change how family size is calculated and how household income is defined. Currently under Medicaid and CHIP programs, states take different approaches to determining family size and which family members' income to count depending on who in the family is applying for benefits. Under the new rules, however, family size and household income will be based on the tax filing unit. All individuals claimed as a dependent on a taxpayer's return will be included in determining that taxpayer's family size. These new income eligibility rules generally will apply to all children (except foster children) who qualify for Medicaid and to all adults under age 65. The health reform law does not change Medicaid eligibility rules for beneficiaries who are 65 or older or those in eligibility categories based on disability, though those who qualify for Medicaid as a disabled individual may be determined with the new income eligibility rules temporarily until their disability determination has been completed.

The transition to MAGI will result in standardization of the definition and measurement of income, both across states and programs. This will result in streamlined eligibility determinations that are based solely on national tax filing standards rather than disparate methodologies. For example, in Colorado, Medicaid applies a mandatory minimum disregard to earnings, whereas CHP+ does not, and CHP+ disregards any

income earned by a child in the household, whereas Medicaid may count the child's income depending on the family circumstance.

In addition, Medicaid and CHP+ define the family unit differently. For Medicaid, the "family" is determined more like the "nuclear" approach. This would include a spouse, parents, and any dependent children in the home. For CHP+, the "family" is defined as all related family members in the household that receive at least 50% of their financial support from the household.

For example, take a family applying for coverage for a child in a household with a married couple, the dependent child, and a grandmother, and annual household income is $25,000. Under Medicaid rules, the grandmother is not counted in the household; therefore, the household size is three and the FPL of the child is approximately 135%, making the family over-income for Medicaid eligibility. Under CHP+ rules, the grandmother is counted in the household; therefore, the household size is four and the FPL of the child is approximately 112% and is eligible for CHP+.

As can be seen in the example above, these factors lead to individuals enrolled in CHP+ that appear to meet Medicaid income eligibility. In FY 2011-12, approximately 43% of children enrolled in CHP+ had income below 133% FPL and 67% of pregnant women had income below 185% FPL. Under the streamlined income and household counting rules of MAGI, there will no longer be any clients in CHP+ with income below 133% FPL for children and 185% FPL for pregnant women, and clients will be transitioned from CHP+ to Medicaid. The Department is including a bottom-line adjustment to reflect this change.

Please note that these estimates are initial and will change over the next year. The Centers for Medicare and Medicaid Services is still in the process of release guidance on how MAGI will be applied and implemented, and there is little information regarding how MAGI plus the 5% standard disregard compares to the variety of income disregards that Colorado currently has for Medicaid and CHP+.

The transition to MAGI will not only cause movement of clients from CHP+ to Medicaid, but will likely also result in significant movement within the low-income adults eligibility groups in Medicaid. Because all Family Medicaid clients will have their eligibility redetermined using the new MAGI standards, existing low-income adults will likely move between the Categorically Eligible Low-Income, Expansion Adults to 60% FPL, and Expansion Adults to 133% FPL categories. This is important as these categories have differing sources of state funding as well as federal medical assistance percentages (FMAP); the Categorically Eligible Low-Income and Expansion Adults to 60% FPL categories are funded with General Fund and Tobacco Tax at the standard 50% FMAP, whereas the Expansion Adults to 133% FPL category is funded with the Hospital Provider Fee and may be eligible for the enhanced FMAP under the federal Affordable Care Act. The Department anticipates a similar impact within the Baby Care Program-Adults category between clients up to 133% FPL and between 134% and 185% FPL, which have differing FMAPs (clients up to 133% FPL receive the standard 50% FMAP whereas those between 134% and 185% FPL will receive the CHP+ FMAP of 65% pursuant to a Section 1115 waiver). Because there is little information regarding how MAGI plus the 5% standard disregard compares to the variety of income disregards that Colorado currently has for Medicaid, the magnitude and direction of these impacts is unknown at this time. The Department will closely monitor movement within Medicaid when data becomes available in early 2014.

In addition to those for MAGI conversion, there is an ACA-related adjustment to the Foster Care eligibility type. Pursuant to the ACA, eligibility for children enrolled in Medicaid that turned 18 while in foster care will be increased to age 26 in January 2014. This expansion is mandatory and was not subject to the Supreme Court of the United States ruling which found the Medicaid expansion unconstitutionally

coercive of states. As such, the Department is including a bottom-line adjustment to account for the eligibility increase from age 21 to age 26 beginning January 1, 2014.

The combination of the aforementioned factors led to significant growth in the Medicaid caseload between FY 2002-03 and FY 2004-05. During this time, Medicaid caseload increased by 74,224 clients, growth of 22.37%. Caseload decreased in the subsequent years, resulting in a decline of 14,062, or 3.46%, between FY 2004-05 and FY 2007-08. The Department believes that the improving economic conditions were the driving factor in this decrease, as consistent monthly declines occurred in Categorically Eligible Low-Income Adults and Eligible Children, which are expected to be most affected by the economy. This trend reversed as of the second half of FY 2007-08, when the Eligible Children caseload started to show significant monthly increases. Strong increases continued in Medicaid in FY 2008-09, FY 2009-10, FY 2010-11, and FY 2011-12 with average monthly growth increasing at an increasing rate throughout the year, resulting in annual growth of 11.44%, 14.19%, 12.42%, and 10.56% respectively. Strong monthly growth continued in FY 2012-13, with annual caseload increasing by 10.17% to a new historical high of 682,994. Given the recent trends and projected economic conditions, base caseload is anticipated to continue growing at a decreasing rate through the forecast period, and large caseload increases are anticipated due to expansions from SB 11-008 SB 11-250 and the transition to MAGI calculations under the federal Affordability Care Act. The Department is forecasting Medicaid caseload to increase by 23.19% in FY 2013-14 to 826,780. In FY 2014-15, the trend is projected to be 18.96%, and caseload is forecasted to reach 983,536. The following table shows actual and projected aggregate Medicaid caseload from FY 2003-04 through FY 2015-16.

Fiscal Year	Medicaid Caseload	Growth Rate	Level Growth
FY 2003-04	367,559	10.78%	35,759
FY 2004-05	406,024	10.46%	38,465
FY 2005-06	402,218	-0.94%	(3,806)
FY 2006-07	392,228	-2.48%	(9,990)
FY 2007-08	391,962	-0.07%	(266)
FY 2008-09	436,812	11.44%	44,850
FY 2009-10	498,797	14.19%	61,985
FY 2010-11	560,759	12.42%	61,962
FY 2011-12	619,963	10.56%	59,204
FY 2012-13	682,994	10.17%	63,031
FY 2013-14 Projection	826,780	23.19%	143,786
FY 2014-15 Projection	983,536	18.96%	156,756
FY 2015-16 Projection	1,046,174	6.37%	62,638

METHODOLOGY

The Department's caseload projections utilize statistical forecasting methodologies to predict Medicaid caseload by eligibility category. Historical monthly caseload data from July 1993 to June 2013 and historical and forecasted economic and demographic data that were revised in December 2013 are used. Two forecasting methodologies are used: trend and regression. The software used by the Department for developing trend and regression forecasts is *Forecast Pro XE.*

Trend Models

Trend models have been very successful in forecasting select Medicaid caseloads. There are two types of trend models used to forecast caseload: Box Jenkins and Exponential Smoothing. Each model employs a different mathematical algorithm that uses only the trend history of the variable itself to predict future values. The choice of algorithm varies depending on the statistical properties of the time-series. For example, if a time-series exhibits seasonal patterns, the algorithm adjusts for those variations. *Forecast Pro XE* is programmed to recommend logarithmic and other exponential transformations to the data series when appropriate, and will recommend whether an Exponential Smoothing technique or the Box-Jenkins methodology is best for the particular series. Generally, both trend techniques are used to forecast caseload for each eligibility category. This allows for a greater choice of projections for the Department to consider.

Exponential Smoothing

For over 30 years, Exponential Smoothing models have been used to forecast data within a variety of applications. Considered simplistic, Exponential Smoothing models extract trend and seasonal patterns from a time-series to predict a future stream of values. One advantage of this model is that it produces robust results with limited data sets. This becomes invaluable for Medicaid eligibility categories that have not been in existence for very long, such as the Breast and Cervical Cancer Program category. There are two types of Exponential Smoothing models that address trend and seasonality in time-series data: Holt and Winters. The Holt Exponential Smoothing model adjusts for long-term linear trend in data, while the Winters Exponential Smoothing model adjusts for both trend and seasonal components of data. Both Holt and Winters use recursive equations to determine the estimated parameters of the model, giving more weight to recent observations and exponentially smaller weight to historically distant observations.

Box Jenkins

As compared to Exponential Smoothing models, Box-Jenkins models are more complex, but often produce results that are more accurate with a time-series that is longer and stable. Box-Jenkins models identify Autoregressive Integrated Moving Average processes that provide a good fit to a stationary time-series. The optimal model can contain numerous autoregressive terms, moving average terms, or combinations thereof, causing the Box-Jenkins models to be much more complex than their Exponential Smoothing counterparts. A minimum of 50 observations is recommended to perform a Box-Jenkins forecast.

Regression Models

Regression analysis, unlike trend analysis, incorporates independent variables when making projections. For example, a regression equation may include the unemployment rate if the forecaster expects that it has an effect on the caseload for Categorically Eligible Low-Income Adults. Statistically, the forecaster can test whether or not there is a relationship between independent variables and the caseload by constructing a correlation matrix. Variables that are highly correlated with the caseload are more likely to be predictive. Regression equations are useful in that they provide some insight into why the trend projection is increasing, decreasing, or static. Although regression equations help explain why trends occur, their value depends on the quality of the independent variables used. In order to project caseload, historical and forecasted values of the independent variables must be used. Therefore, the accuracy of the caseload forecast depends on the accuracy of the forecasted independent variables.

In June 2012, the Office of State Planning and Budgeting and the Colorado Department of Local Affairs' Demography Division supplied actual and forecasted values of the following independent variables, which were used in the regression models:

- Employment - level of employment, this variable is measured in thousands;
- Unemployment Rate - the number of unemployed divided by the number in the labor force, this variable is measured as a percent;
- Total Wages - level of total wages, this variable is measured in billions;
- Population by Age Group - level of population broken into specific age groupings;
- Births - number of births per thousand women; and,
- Migration - net increases or decreases in the State population adjusted for births and deaths.

The Department uses the June forecasts for variables because caseload estimates must be completed before September in order to calculate the November 1st request.

Trend vs. Regression Models

After several different forecasts are produced, the Department normally chooses one for each category. In most eligibility categories, trend and regression projections are considered. In the case of the Expansion Adults categories, statistical models cannot be applied and the estimate is based on the growth experienced since the implementation of the populations.

To determine which model is the best, the Department evaluates each model's forecast on two criteria: goodness of fit and expected growth patterns. *Forecast Pro XE* performs several statistical tests that evaluate the goodness of fit. These tests include: serial correlation of first and multiple orders, heteroskedasticity, robustness of error terms, and collinearity. Each model is judged on its statistical soundness, and models that perform poorly are eliminated. Elimination is subjective and directly related to the model's statistical performance. Finally, the Department is left with a reduced menu of forecasts to consider. Historical patterns, along with economic and policy expectations are considered, and one model is chosen to be the best. In some cases, the forecasts that are produced by the models are adjusted upward or downward based on information that is not internal to the model.

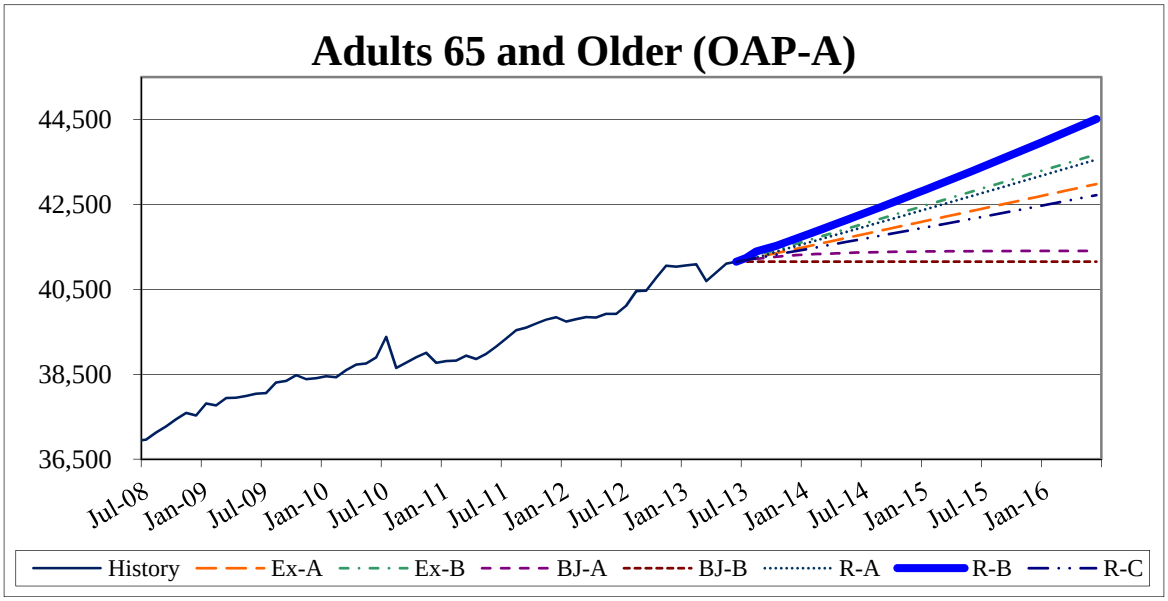
CATEGORICAL PROJECTIONS

This section details the caseload projections by eligibility category. For each category, the following are presented: a discussion of the category, model results, rationale for the forecast, statutory authority, and historical caseload and forecasts. FY 2015-16 projections are included for informational purposes. Graphical representations of caseload history to FY 2007-08 are included in each categorical section.

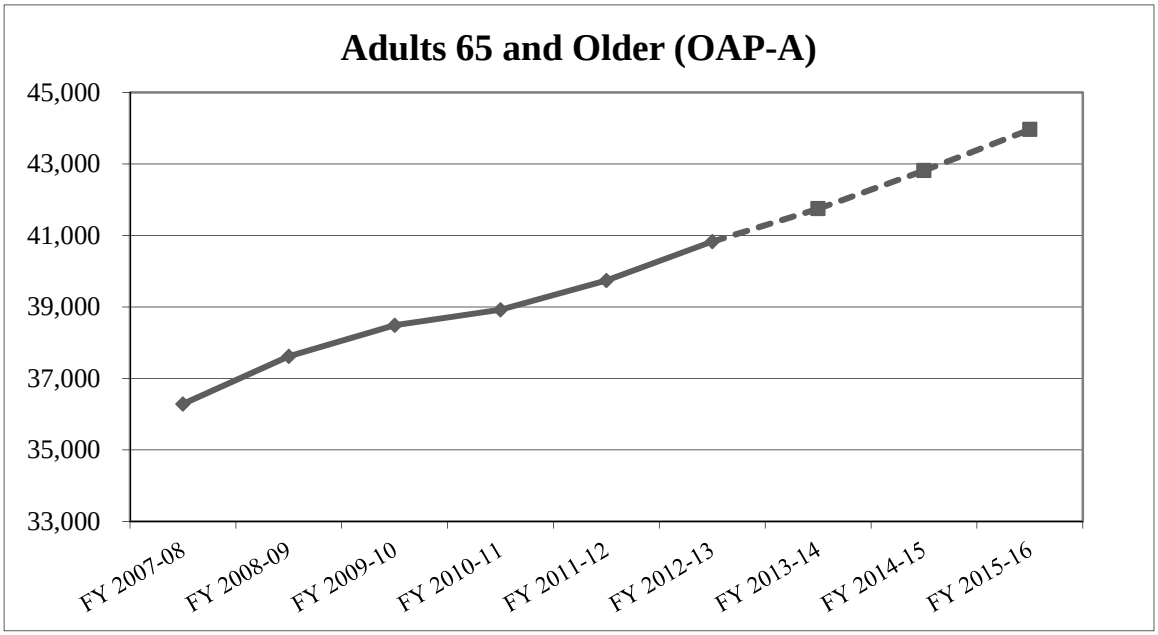
Adults 65 and Older

Colorado automatically provides Medicaid coverage to individuals who receive Supplemental Security Income. Supplemental Security Income, authorized under Title XVI of the Social Security Act of 1965, is a federal cash assistance program for persons aged 65 and older, blind, or disabled. An individual must have income below the federal monthly maximum Supplemental Security Income limit and limited resources. The Supplemental Security Income adults aged 65 and older are included in this category. Also included are individuals aged 65 and older who meet the Medicaid resource and income requirements, but are not receiving Supplemental Security Income. In addition, states may extend coverage to individuals with incomes above the Supplemental Security Income limit and who meet the nursing home level of care. Referred to as Three-hundred Percenters, these clients have incomes no more than three times the Supplemental Security Income maximum limit, and they meet the level of care to be in a nursing home.

Adults 65 and Older: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9976	
Exponential Smoothing B*	0.9894	
Box-Jenkins A	0.9976	
Box-Jenkins B	0.9889	
Regression A	0.9975	OAP-A [-1], OAP-A [-7], CBMS Dummy [-2], Systems Dummy
Regression B	0.9976	OAP-A [-1], Population 65+, CBMS Dummy, CBMS Dummy [-2], Auto [-5]
Regression C	0.9976	OAP-A [-1], Total Population, CBMS Dummy, Trend



Adults 65 and Older: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	39,740	40,827	1.61%	41,484	657	51
Exponential Smoothing B*	39,740	40,827	1.92%	41,611	784	70
Box Jenkins A	39,740	40,827	1.16%	41,301	474	18
Box Jenkins B	39,740	40,827	0.80%	41,154	327	0
Regression A	39,740	40,827	1.79%	41,558	731	64
Regression B	**39,740**	**40,827**	**2.25%**	**41,746**	**919**	**89**
Regression C	39,740	40,827	1.47%	41,427	600	42

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	40,827	41,746	1.47%	42,360	614	51
Exponential Smoothing B*	40,827	41,746	2.02%	42,589	843	70
Box Jenkins A	40,827	41,746	0.22%	41,838	92	3
Box Jenkins B	40,827	41,746	0.00%	41,746	0	0
Regression A	40,827	41,746	1.93%	42,552	806	68
Regression B	**40,827**	**41,746**	**2.56%**	**42,815**	**1,069**	**92**
Regression C	40,827	41,746	1.25%	42,268	522	43

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	41,746	42,815	1.45%	43,436	621	51
Exponential Smoothing B*	41,746	42,815	1.98%	43,663	848	70
Box Jenkins A	41,746	42,815	0.04%	42,832	17	0
Box Jenkins B	41,746	42,815	0.00%	42,815	0	0
Regression A	41,746	42,815	1.93%	43,641	826	69
Regression B	**41,746**	**42,815**	**2.68%**	**43,962**	**1,147**	**99**
Regression C	41,746	42,815	1.26%	43,354	539	45

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Adults 65 and Older: Trend Selections

FY 2013-14: 2.25%
FY 2014-15: 2.56%
FY 2015-16: 2.68%

Adults 65 and Older: Justifications

- This population will be effected by the "baby boomers", defined by the U.S. Census Bureau as the generation born between 1946 and 1964, beginning in approximately calendar year 2011.
- Regression analysis indicates that the caseload for this population is not significantly correlated with the size of the over-65 population or economic conditions. Data for FY 2011-12 indicate that approximately 29.8% of this eligibility type were automatically eligible for Medicaid due to their receipt of Supplemental Security Income (SSI). Additionally, 89.0% of this population were dual eligibles in FY 2010-11 and 32.7% were enrolled in Home- and Community-Based Services waivers (HCBS). Enrollment in waivers has increased by an average of 5.1% per year for the last three years. (Source: MARS 474701 report)
- This population may be effected by provisions in the Deficit Reduction Act of 2005, notably sections 6011 (lengthening of look-back period), 6012 (treatment of annuities), 6014 (disqualification of individuals with substantial home equity), 6015 (reform of asset test rules). These provisions may decrease the long-term growth rates as fewer people may now be eligible due to these provisions.
- The graph above shows that growth has been strong since FY 2007-08. Between FY 2002-03 and FY 2006-07, the caseload increased by an average of 19 clients per month, compared with 77 between FY 2007-08 and FY 2010-11. Historical growth rates are stable and tend to fluctuate between 1% and 2%. The Department suspects that the high growth rate in FY 2004-05 is due to the court order regarding the Colorado Benefits Management System. The Department speculates that the decline in FY 2006-07 may be indicative that the effects of the asset and annuities provisions in the Deficit Reduction Act may be stronger than expected. The Department has seen strong growth in the Home- and Community-Based Services for the Elderly, Blind, and Disabled waiver over the last four years. There has also been a large increase in the number of clients in this eligibility type who are not eligible for SSI or on a waiver. The Department believes this is related to caseload declines in the State-only Old Age Pension Health and Medical Care program, which were caused by the implementation of new requirements around Systematic Alien Verification for Entitlements (SAVE) to comply with HB 06S-1023 and Department regulations.
- Growth in FY 2012-13 was lower than the Department's February 2013 forecast, in which the annual caseload was projected to be 40,972 and average monthly growth was projected to be 132. The selected trend for FY 2013-14 is lower than that from the Department's February 2013 forecast, and would result in average growth of 89 per month for FY 2013-14.
- Out-year trends are positive to reflect the aging population, but are slightly lowered to reflect the Deficit Reduction provisions, which may negatively affect caseload.

25.5-5-101 (1), C.R.S.
(f) Individuals receiving supplemental security income;
(g) Individuals receiving mandatory state supplement, including but not limited to individuals receiving old age pensions;
(h) Institutionalized individuals who were eligible for medical assistance in December 1973;
(i) Individuals who would be eligible except for the increase in old-age, survivors, and disability insurance under P.L. 92-336;
(j) Individuals who become ineligible for cash assistance as a result of old-age, survivors, and disability insurance cost-of-living increases after April 1977;

25.5-5-201 (1), C.R.S.
(b) Individuals who would be eligible for cash assistance except for their institutionalized status;
(c) Individuals receiving home-and community-based services as specified in part 6 of this article;
(f) Individuals receiving only optional state supplement;
(g) Individuals in institutions who are eligible under a special income level. Colorado's program for citizens sixty-five years of age or older or physically disabled or blind, whose gross income does not exceed three hundred percent of the current federal supplemental security income benefit level, qualifies for federal funding under this provision;
(j) Individuals who are qualified aliens and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;

Adults 65 and Older: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	38,900	-	-
Jul-10	39,382	482	1.24%
Aug-10	38,648	(734)	-1.86%
Sep-10	38,774	126	0.33%
Oct-10	38,901	127	0.33%
Nov-10	39,009	108	0.28%
Dec-10	38,769	(240)	-0.62%
Jan-11	38,813	44	0.11%
Feb-11	38,823	10	0.03%
Mar-11	38,939	116	0.30%
Apr-11	38,861	(78)	-0.20%
May-11	38,981	120	0.31%
Jun-11	39,154	173	0.44%
Jul-11	39,341	187	0.48%
Aug-11	39,537	196	0.50%
Sep-11	39,600	63	0.16%
Oct-11	39,697	97	0.24%
Nov-11	39,789	92	0.23%
Dec-11	39,843	54	0.14%
Jan-12	39,742	(101)	-0.25%
Feb-12	39,800	58	0.15%
Mar-12	39,849	49	0.12%
Apr-12	39,837	(12)	-0.03%
May-12	39,924	87	0.22%
Jun-12	39,923	(1)	0.00%
Jul-12	40,117	194	0.49%
Aug-12	40,460	343	0.85%
Sep-12	40,468	8	0.02%
Oct-12	40,773	305	0.75%
Nov-12	41,059	286	0.70%
Dec-12	41,034	(25)	-0.06%
Jan-13	41,066	32	0.08%
Feb-13	41,093	27	0.07%
Mar-13	40,697	(396)	-0.96%
Apr-13	40,898	201	0.49%
May-13	41,108	210	0.51%
Jun-13	41,153	45	0.11%

	Caseload*	% Change	Level Change
FY 1995-96	31,321	-	-
FY 1996-97	32,080	2.42%	759
FY 1997-98	32,664	1.82%	584
FY 1998-99	33,007	1.05%	343
FY 1999-00	33,135	0.39%	128
FY 2000-01	33,649	1.55%	514
FY 2001-02	33,916	0.79%	267
FY 2002-03	34,704	2.32%	788
FY 2003-04	34,329	-1.08%	(375)
FY 2004-05	35,780	4.23%	1,451
FY 2005-06	36,207	1.19%	427
FY 2006-07	35,888	-0.88%	(319)
FY 2007-08	36,284	1.10%	396
FY 2008-09	37,619	3.68%	1,335
FY 2009-10	38,487	2.31%	868
FY 2010-11	38,921	1.13%	434
FY 2011-12	39,740	2.10%	819
FY 2012-13	40,827	2.74%	1,087
FY 2013-14	41,746	2.25%	919
FY 2014-15	42,815	2.56%	1,069
FY 2015-16	43,962	2.68%	1,147

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

February 2013 Trends			
FY 2011-12	39,740	2.10%	819
FY 2012-13	40,972	3.10%	1,232
FY 2013-14	42,119	2.80%	1,147
FY 2014-15	43,311	2.83%	1,192

Actuals		
	Monthly Change	% Change
6-month average	20	0.05%
12-month average	103	0.25%
18-month average	73	0.18%
24-month average	83	0.21%

Monthly Average Growth Comparisons		
February 2013 Forecast	132	0.34%
FY 2012-13 Actuals	103	0.25%
FY 2012-13 1st Half	185	0.46%
FY 2012-13 2nd Half	20	0.05%
FY 2013-14 Forecast	89	0.22%
February 2013 Forecast	95	0.24%
FY 2014-15 Forecast	92	0.22%

February 2013 Forecast	
Forecasted June 2013 Level	41,507

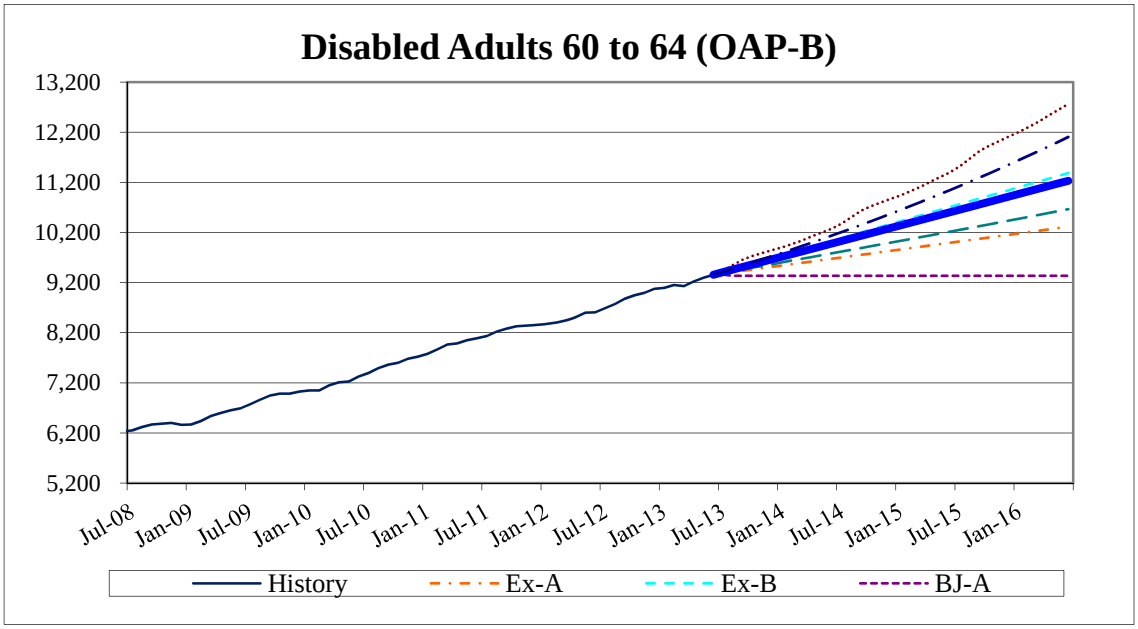
Base trend from June 2013 level			
FY 2013-14	41,153	0.80%	326

Disabled Adults 60 to 64

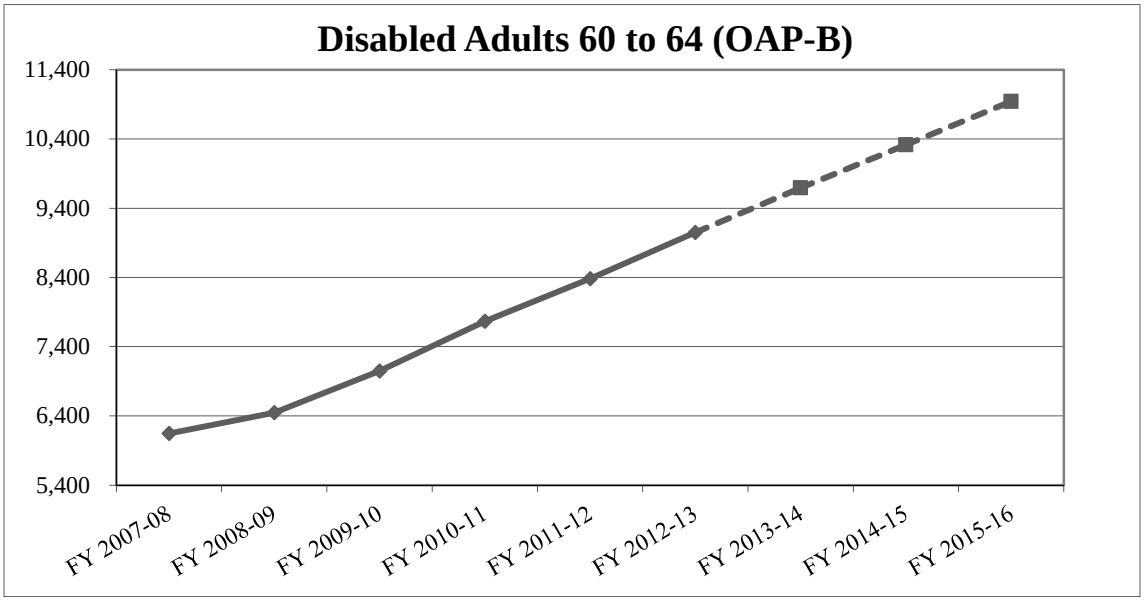
Colorado automatically provides Medicaid coverage to individuals who receive Supplemental Security Income. Supplemental Security Income, authorized under Title XVI of the Social Security Act of 1965, is a federal cash assistance program for persons aged 65 and older, blind, or disabled. An individual must have income below the federal monthly maximum Supplemental Security Income limit and limited resources. Disabled adults aged 60 to 64 who are eligible for Supplemental Security Income are included in this category. In addition, states may extend coverage to individuals with incomes above the Supplemental Security Income limit, and who meet the nursing home level of care. Referred to as Three-hundred Percenters, these clients have incomes no more than three times the Supplemental Security Income maximum limit, and they meet the level of care to be in a nursing home.

Quality control checks are completed from time to time to look for eligibility coding errors that commonly result in clients being misclassified between this Medicaid category and the State-only Old Age Pension Health and Medical Care program (non-Medicaid). Historical miscoding can make it difficult to forecast this Medicaid category as groups of individuals identified through this process may be abruptly moved in and out of this category.

Disabled Adults 60 to 64: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9942	
Exponential Smoothing B*	0.9989	
Box-Jenkins A	0.9943	
Box-Jenkins B	0.9989	
Regression A	0.9987	OAP-B [-1], OAP-B [-3], CBMS Dummy, Auto [-4]
Regression B	0.9993	OAP-B [-1], OAP-B [-2], Population 60-64, CBMS Dummy, CBMS Dummy [-2], Trend, Constant, Auto [-1]
Regression C	0.9992	OAP-B [-1], OAP-B [-2], Total Population, CBMS Dummy, CBMS Dummy [-2], Auto [-1]



Disabled Adults 60 to 64: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	8,383	9,051	5.30%	9,531	480	27
Exponential Smoothing B*	8,383	9,051	7.44%	9,724	673	56
Box Jenkins A	8,383	9,051	3.18%	9,339	288	(2)
Box Jenkins B	8,383	9,051	9.17%	9,881	830	77
Regression A	8,383	9,051	5.91%	9,586	535	36
Regression B	**8,383**	**9,051**	**7.12%**	**9,695**	**644**	**52**
Regression C	8,383	9,051	7.97%	9,772	721	65

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	9,051	9,695	3.35%	10,020	325	27
Exponential Smoothing B*	9,051	9,695	6.95%	10,369	674	56
Box Jenkins A	9,051	9,695	-0.02%	9,693	(2)	0
Box Jenkins B	9,051	9,695	10.43%	10,706	1,011	94
Regression A	9,051	9,695	4.51%	10,132	437	36
Regression B	**9,051**	**9,695**	**6.42%**	**10,317**	**622**	**52**
Regression C	9,051	9,695	8.69%	10,537	842	76

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	9,695	10,317	3.24%	10,651	334	27
Exponential Smoothing B*	9,695	10,317	6.50%	10,988	671	56
Box Jenkins A	9,695	10,317	0.00%	10,317	0	0
Box Jenkins B	9,695	10,317	11.49%	11,502	1,185	114
Regression A	9,695	10,317	4.40%	10,771	454	37
Regression B	**9,695**	**10,317**	**6.08%**	**10,944**	**627**	**52**
Regression C	9,695	10,317	9.29%	11,275	958	88

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Disabled Adults 60 to 64: Trend Selections

FY 2013-14: 7.12%
FY 2014-15: 6.42%
FY 2015-16: 6.08%

Disabled Adults 60 to 64: Justifications

- The 1,615 client caseload spike in November 2004 is directly related to the court order regarding the Colorado Benefits Management System. Of this group, 1,166 clients came from the Disabled Adults to 59 (AND/AB) population, while the remaining 449 clients came from the Adults 65 and Older (OAP-A) population. This has been corrected for in regressions.
- Historically, this category has displayed consistently slow growth, with caseload increasing by an average of 12 clients per month between FY 2002-03 and FY 2007-08, excluding the level shift that occurred from the court order regarding the Colorado Benefits Management System. Growth from FY 2008-09 through FY 2010-11 averaged 52 per month. This population, like the Adults 65 and Older category, may be affected by the asset and annuities provisions in the Deficit Reduction Act of 2005, which would promote low growth. This category began to be affected by the baby-boom generation, defined by the U.S. Census Bureau as the generation born between 1946 and 1964, in calendar year 2006, which may have resulted in higher growth. Population growth in this age group was 10.8% in 2009 and 7.1% in 2010. The Department has seen strong growth in the Home- and Community-Based Services (HCBS) for the Elderly, Blind, and Disabled waiver over the last four years. There has also been a large increase in the number of clients in this eligibility type who are not eligible for Supplemental Security Income (SSI) or on a waiver. The Department believes this is related to caseload declines in the State-only Old Age Pension Health and Medical Care program, which were caused by the implementation of new requirements around Systematic Alien Verification for Entitlements (SAVE) to comply with HB 06S-1023 and Department regulations.
- However, because this population is disabled, the effects of both the baby boom generation and the Deficit Reduction Act are likely to be mitigated. Data for FY 2011-12 indicate that approximately 53.8% of this eligibility type were automatically eligible for Medicaid due to their receipt of SSI. Additionally, 45.3% of this population were dual eligibles in FY 2011-12 and 33.4% were enrolled in HCBS waivers. Enrollment in waivers has increased by an average of 11.8% per year for the last three years. (Source: MARS 474701 report)
- Growth in FY 2012-13 was lower than the Department's February 2013 forecast, in which the annual caseload was projected to be 9,079 and average monthly growth was projected to be 66. The selected trend for FY 2013-14 is lower than that from the Department's February 2013 forecast, and would yield average growth of 52 per month for FY 2013-14.
- Out-year trends are moderately higher, as this population may become affected by a larger portion of the baby-boom generation over the next 5 years. Population growth in this age group is forecasted to slow, with projected increases of an average of approximately 4.0% per year over the forecast period.

25.5-5-101 (1), C.R.S.
(f) Individuals receiving supplemental security income;
(g) Individuals receiving mandatory state supplement, including but not limited to individuals receiving old age pensions;
(h) Institutionalized individuals who were eligible for medical assistance in December 1973;
(i) Individuals who would be eligible except for the increase in old-age, survivors, and disability insurance under P.L. 92-336;
(j) Individuals who become ineligible for cash assistance as a result of old-age, survivors, and disability insurance cost-of-living increases after April 1977;

25.5-5-201 (1), C.R.S.
(b) Individuals who would be eligible for cash assistance except for their institutionalized status;
(c) Individuals receiving home-and community-based services as specified in part 6 of this article;
(f) Individuals receiving only optional state supplement;
(g) Individuals in institutions who are eligible under a special income level. Colorado's program for citizens sixty-five years of age or older or physically disabled or blind, whose gross income does not exceed three hundred percent of the current federal supplemental security income benefit level, qualifies for federal funding under this provision;
(j) Individuals who are qualified aliens and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;

Disabled Adults 60 to 64: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jun-10	7,326	-	-
Jul-10	7,395	69	0.94%
Aug-10	7,492	97	1.31%
Sep-10	7,562	70	0.93%
Oct-10	7,602	40	0.53%
Nov-10	7,682	80	1.05%
Dec-10	7,721	39	0.51%
Jan-11	7,781	60	0.78%
Feb-11	7,870	89	1.14%
Mar-11	7,966	96	1.22%
Apr-11	7,987	21	0.26%
May-11	8,051	64	0.80%
Jun-11	8,089	38	0.47%
Jul-11	8,133	44	0.54%
Aug-11	8,222	89	1.09%
Sep-11	8,280	58	0.71%
Oct-11	8,328	48	0.58%
Nov-11	8,343	15	0.18%
Dec-11	8,355	12	0.14%
Jan-12	8,373	18	0.22%
Feb-12	8,401	28	0.33%
Mar-12	8,445	44	0.52%
Apr-12	8,507	62	0.73%
May-12	8,600	93	1.09%
Jun-12	8,605	5	0.06%
Jul-12	8,689	84	0.98%
Aug-12	8,771	82	0.94%
Sep-12	8,877	106	1.21%
Oct-12	8,949	72	0.81%
Nov-12	8,997	48	0.54%
Dec-12	9,077	80	0.89%
Jan-13	9,096	19	0.21%
Feb-13	9,152	56	0.62%
Mar-13	9,130	(22)	-0.24%
Apr-13	9,222	92	1.01%
May-13	9,295	73	0.79%
Jun-13	9,358	63	0.68%

	Caseload*	**% Change**	**Level Change**
FY 1995-96	4,261	-	-
FY 1996-97	4,429	3.94%	168
FY 1997-98	4,496	1.51%	67
FY 1998-99	4,909	9.19%	413
FY 1999-00	5,092	3.73%	183
FY 2000-01	5,157	1.28%	65
FY 2001-02	5,184	0.52%	27
FY 2002-03	5,431	4.76%	247
FY 2003-04	5,548	2.15%	117
FY 2004-05	6,082	9.63%	534
FY 2005-06	6,042	-0.66%	(40)
FY 2006-07	6,059	0.28%	17
FY 2007-08	6,146	1.44%	87
FY 2008-09	6,447	4.90%	301
FY 2009-10	7,049	9.34%	602
FY 2010-11	7,767	10.19%	718
FY 2011-12	8,383	7.93%	616
FY 2012-13	9,051	7.97%	668
FY 2013-14	9,695	7.12%	644
FY 2014-15	10,317	6.42%	622
FY 2015-16	10,944	6.08%	627

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

February 2013 Trends			
FY 2011-12	8,383	7.93%	616
FY 2012-13	9,079	8.30%	696
FY 2013-14	9,746	7.35%	667
FY 2014-15	10,397	6.68%	651

Monthly Average Growth Comparisons		
February 2013 Forecast	66	0.82%
FY 2012-13 Actuals	63	0.70%
FY 2012-13 1st Half	79	0.89%
FY 2012-13 2nd Half	47	0.51%
FY 2013-14 Forecast	52	0.60%
February 2013 Forecast	54	0.63%
FY 2014-15 Forecast	52	0.56%

Actuals		
	Monthly Change	**% Change**
6-month average	47	0.51%
12-month average	63	0.70%
18-month average	56	0.63%
24-month average	53	0.61%

February 2013 Forecast	
Forecasted June 2013 Level	9,397

Base trend from June 2013 level			
FY 2013-14	9,358	3.39%	307

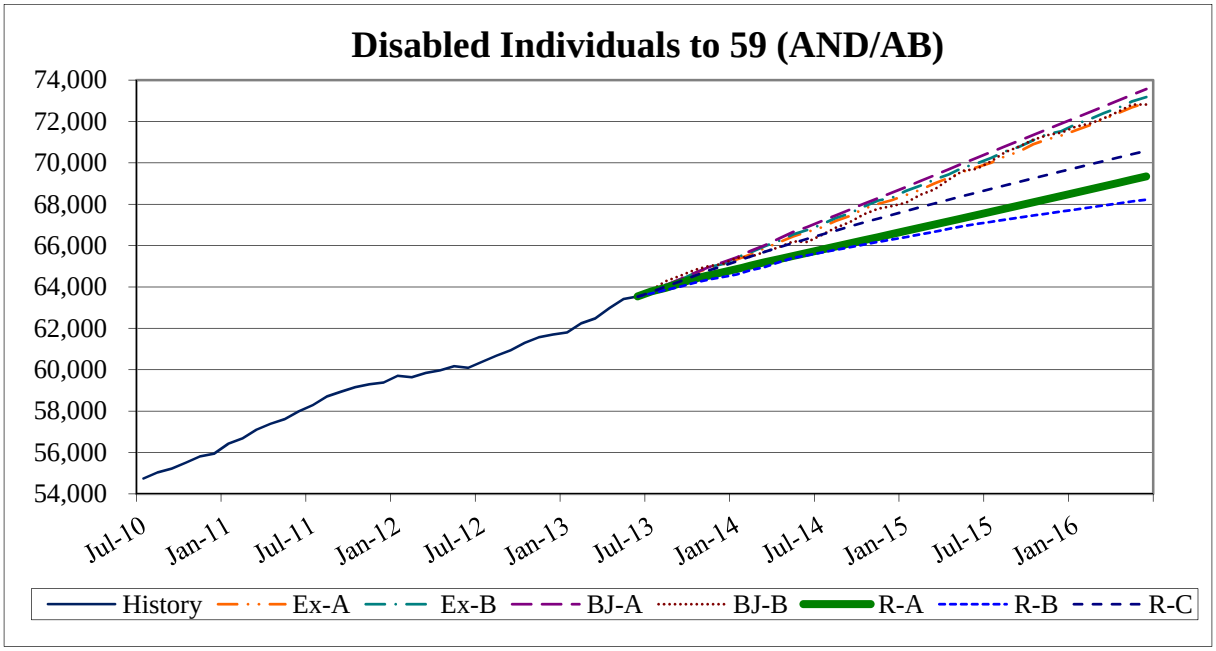
Disabled Individuals to 59

Colorado automatically provides Medicaid coverage to individuals who receive Supplemental Security Income. Supplemental Security Income, authorized under Title XVI of the Social Security Act of 1965, is a federal cash assistance program for persons aged 65 and older, blind, or disabled. An individual must have income below the federal monthly maximum Supplemental Security Income limit and limited resources. This category includes the disabled portion of this group through age 59. These individuals: are blind, have a physical or mental impairment that keeps them from performing substantial work expected to last 12 months or result in death, or are children who have a marked and severe functional limitation expected to last 12 months or until death. Children were added to the Title XVI Act in 1972. In addition, states may extend coverage to individuals with incomes too high for Supplemental Security Income, and who meet the nursing facility level of care. Referred to as Three-hundred Percenters, these clients have incomes no more than three times the Supplemental Security Income maximum limit, and they meet the level of care to be in a nursing home. Often, Three-hundred Percenters are enrolled in a Home- and Community-Based waiver program.

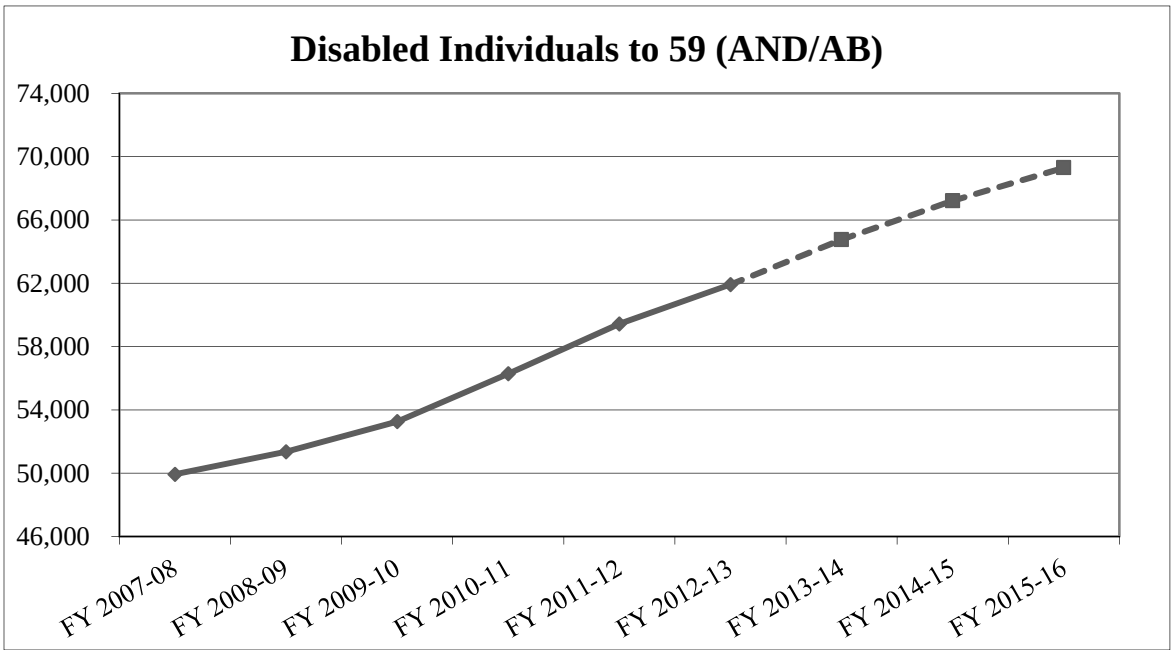
The 1990 outcome of the *Zebley v. Sullivan* lawsuit found that children could not be held to higher standard of disability than adults. Zebley required that children's disability be measured using child-appropriate activities. As a result, the number of children determined to be disabled significantly increased until 1996. Welfare reform in 1996 tightened the disability criteria for children. An Individual Evaluation Plan from the public school system was no longer sufficient to verify disability, and children were required to have a physician document their level of functional impairment. However, any child receiving Supplemental Security Income before 1996 who lost his/her Supplemental Security Income benefits due to the new rules is still eligible for Medicaid. This category also includes disabled adult children age 18 and older who lost their Supplemental Security Income eligibility due to their parents receiving Social Security Administration benefits and disabled widows and widowers aged 50 to 64 who lost Supplemental Security Income due to the receipt of Social Security Administration benefits.

In July 2001, the Med-9 disability determination application process was disbanded due to federal requirements. This process let individuals under 65 who were seeking Medicaid coverage because of a disability experience an expeditious application process as compared to other applicants. By discontinuing the Med-9, clients underwent a more rigorous eligibility determination and caseload fell slightly.

Disabled Individuals to 59: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9988	
Exponential Smoothing B*	0.9992	
Box-Jenkins A	0.9987	
Box-Jenkins B	0.9992	
Regression A	0.9985	AND/AB [-1], AND/AB [-3], Auto [-5]
Regression B	0.9985	AND/AB [-1], Unemployment Rate, CBMS Dummy, Auto [-12]
Regression C	0.9985	AND/AB [-1], AND/AB [-12], Auto [-6]



Disabled Individuals to 59: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	59,434	61,920	5.36%	65,239	3,319	260
Exponential Smoothing B*	59,434	61,920	5.47%	65,307	3,387	268
Box Jenkins A	59,434	61,920	5.55%	65,357	3,437	280
Box Jenkins B	59,434	61,920	5.32%	65,214	3,294	220
Regression A	**59,434**	**61,920**	**4.59%**	**64,762**	**2,842**	**176**
Regression B	59,434	61,920	4.32%	64,595	2,675	166
Regression C	59,434	61,920	5.14%	65,103	3,183	232

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	61,920	64,762	4.78%	67,858	3,096	260
Exponential Smoothing B*	61,920	64,762	4.92%	67,948	3,186	268
Box Jenkins A	61,920	64,762	5.13%	68,084	3,322	278
Box Jenkins B	61,920	64,762	4.47%	67,657	2,895	294
Regression A	61,920	64,762	2.89%	66,634	1,872	152
Regression B	61,920	64,762	2.74%	66,536	1,774	126
Regression C	**61,920**	**64,762**	**3.79%**	**67,216**	**2,454**	**187**

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	64,762	67,216	4.57%	70,288	3,072	260
Exponential Smoothing B*	64,762	67,216	4.69%	70,368	3,152	268
Box Jenkins A	64,762	67,216	4.85%	70,476	3,260	277
Box Jenkins B	64,762	67,216	5.10%	70,644	3,428	259
Regression A	64,762	67,216	2.77%	69,078	1,862	156
Regression B	64,762	67,216	2.01%	68,567	1,351	98
Regression C	**64,762**	**67,216**	**3.11%**	**69,306**	**2,090**	**168**

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Disabled Individuals to 59: Trend Selections

FY 2013-14: 4.59%
FY 2014-15: 3.79%
FY 2015-16: 3.11%

Disabled Individuals to 59: Justifications

- As the historical values below show, caseload growth through FY 2003-04 remained relatively constant, with average monthly growth of 32 clients in FY 2002-03 and FY 2003-04. The elimination of the Med-9 disability determination has also contributed to slower growth.
- HB 05-1262 expanded the number of children that can be enrolled in the Children's Home- and Community-Based Service (HCBS) Waiver Program and the Children's Extensive Support (CES) Waiver Program. The original expansion was 527 slots, which began to be filled in FY 2005-06. During the March 13, 2006 Figure Setting, the number of expansion slots funded under the Tobacco Tax bill was increased by 200 in the Children's HCBS Waiver Program and 30 in the CES Waiver Program. The Department received approval for the additional expansions from the Centers for Medicare and Medicaid Services in December 2006. All new expansion slots were filled by FY 2007-08.

- This population has historically been stable, having increased by approximately 5,000 clients between FY 1998-99 and FY 2007-08, or an average of 0.8% per year. However, growth rates in this population have increased significantly in the last four fiscal years, with caseload in HCBS waivers showing strong growth. In addition, over the last four years, the number of individuals eligible for Medicaid due to receipt of SSI has represented most of the growth in this eligibility group. The Department believes that this may be related to economic condition in that individuals with work-limiting disabilities who were employed prior to the recession and have exhausted their federally-extended unemployment benefits may now be applying for Supplemental Security Income (SSI) if they cannot find work. Data for FY 2011-12 indicate that approximately 68.8% of this eligibility type were automatically eligible for Medicaid due to their receipt of Supplemental Security Income (SSI). Additionally, 32.7% of this population were dual eligibles in FY 2011-12 and 28.5% were enrolled in Home- and Community-Based (HCBS) waivers. Enrollment in waivers has increased by an average of 4.3% per year for the last three years. (Source: MARS 474701 report)
- Growth in FY 2012-13 was higher than the Department's February 2013 forecast, in which the annual base caseload was projected to be 61,728 and average monthly growth was projected to be 230. The selected trend for FY 2013-14 is slightly higher than the Department's February 2013 forecast, and would yield average growth of 176 per month FY 2013-14.
- Out-year growth is projected to moderate and maintain a long-term trend.

25.5-5-101 (1), C.R.S.
(f) Individuals receiving supplemental security income;
(g) Individuals receiving mandatory state supplement, including but not limited to individuals receiving old age pensions;
(h) Institutionalized individuals who were eligible for medical assistance in December 1973;
(i) Individuals who would be eligible except for the increase in old-age, survivors, and disability insurance under P.L. 92-336;
(j) Individuals who become ineligible for cash assistance as a result of old-age, survivors, and disability insurance cost-of-living increases after April 1977;
(k) Disabled widows or widowers fifty through sixty years of age who have become ineligible for federal supplemental security income or state supplementation as a result of becoming eligible for federal social security survivor's benefits, in accordance with the social security act, 42 U.S.C. sec. 1383c;

25.5-5-201 (1), C.R.S.
(b) Individuals who would be eligible for cash assistance except for their institutionalized status;
(c) Individuals receiving home-and community-based services as specified in part 6 of this article;
(f) Individuals receiving only optional state supplement;
(g) Individuals in institutions who are eligible under a special income level. Colorado's program for citizens sixty-five years of age or older or physically disabled or blind, whose gross income does not exceed three hundred percent of the current federal supplemental security income benefit level, qualifies for federal funding under this provision;
(j) Individuals who are qualified aliens and were or would have been eligible for supplemental security income as a result of a disability but are not eligible for such supplemental security income as a result of the passage of the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", Public Law 104-193;

Disabled Individuals to 59: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	54,493	-	-
Jul-10	54,740	247	0.45%
Aug-10	55,032	292	0.53%
Sep-10	55,223	191	0.35%
Oct-10	55,508	285	0.52%
Nov-10	55,804	296	0.53%
Dec-10	55,937	133	0.24%
Jan-11	56,417	480	0.86%
Feb-11	56,671	254	0.45%
Mar-11	57,103	432	0.76%
Apr-11	57,385	282	0.49%
May-11	57,608	223	0.39%
Jun-11	57,986	378	0.66%
Jul-11	58,294	308	0.53%
Aug-11	58,712	418	0.72%
Sep-11	58,937	225	0.38%
Oct-11	59,159	222	0.38%
Nov-11	59,298	139	0.23%
Dec-11	59,384	86	0.15%
Jan-12	59,709	325	0.55%
Feb-12	59,635	(74)	-0.12%
Mar-12	59,847	212	0.36%
Apr-12	59,970	123	0.21%
May-12	60,167	197	0.33%
Jun-12	60,091	(76)	-0.13%
Jul-12	60,389	298	0.50%
Aug-12	60,680	291	0.48%
Sep-12	60,934	254	0.42%
Oct-12	61,303	369	0.61%
Nov-12	61,571	268	0.44%
Dec-12	61,699	128	0.21%
Jan-13	61,803	104	0.17%
Feb-13	62,245	442	0.72%
Mar-13	62,485	240	0.39%
Apr-13	62,976	491	0.79%
May-13	63,416	440	0.70%
Jun-13	63,540	124	0.20%

	Caseload*	% Change	Level Change
FY 1995-96	44,736	-	-
FY 1996-97	46,090	3.03%	1,354
FY 1997-98	46,003	-0.19%	(87)
FY 1998-99	46,310	0.67%	307
FY 1999-00	46,386	0.16%	76
FY 2000-01	46,046	-0.73%	(340)
FY 2001-02	46,349	0.66%	303
FY 2002-03	46,647	0.64%	298
FY 2003-04	46,789	0.30%	142
FY 2004-05	47,929	2.44%	1,140
FY 2005-06	47,855	-0.15%	(74)
FY 2006-07	48,799	1.97%	944
FY 2007-08	49,933	2.32%	1,134
FY 2008-09	51,355	2.85%	1,422
FY 2009-10	53,264	3.72%	1,909
FY 2010-11	56,285	5.67%	3,021
FY 2011-12	59,434	5.59%	3,149
FY 2012-13	61,920	4.18%	2,486
FY 2013-14	64,762	4.59%	2,842
FY 2014-15	67,216	3.79%	2,454
FY 2015-16	69,306	3.11%	2,090

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

February 2013 Trends			
FY 2011-12	59,434	5.59%	3,149
FY 2012-13	61,728	3.86%	2,294
FY 2013-14	63,956	3.61%	2,228
FY 2014-15	66,233	3.56%	2,277

Monthly Average Growth Comparisons		
February 2013 Forecast	230	0.40%
FY 2012-13 Actuals	287	0.47%
FY 2012-13 1st Half	268	0.44%
FY 2012-13 2nd Half	307	0.49%
FY 2013-14 Forecast	176	0.29%
February 2013 Forecast	166	0.28%
FY 2014-15 Forecast	187	0.29%

Actuals		
	Monthly Change	% Change
6-month average	307	0.49%
12-month average	287	0.47%
18-month average	231	0.38%
24-month average	231	0.38%

February 2013 Forecast	
Forecasted June 2013 Level	62,847

Base trend from June 2013 level			
FY 2013-14	63,540	2.62%	1,620

Disabled Buy-In

HB 09-1293 (Colorado Health Care Affordability Act) establishes the Buy-In Program for Individuals with Disabilities, which will allow individuals to pay a premium to purchase Medicaid coverage if they are over income or are otherwise ineligible for Medicaid. The Buy-In Program for Working Adults with Disabilities was implemented on March 1, 2012 and allows eligible clients age 16 to 65 with income up to 450% of the federal poverty level that have a qualifying disability and are working to receive Medicaid by paying a monthly premium based on their income. The Buy-In Program for Disabled Children was implemented on July 1, 2012. This program allows children under age 19 with a qualifying disability and family income up to 300% of the federal poverty level to receive Medicaid by paying a monthly premium based on their family income.

Disabled Buy-In: Trend Selections

FY 2013-14: 106.19%
FY 2014-15: 40.42%
FY 2015-16: 26.33%

Disabled Buy-In: Justifications

- HB 09-1293 establishes the Buy-In Program for Working Adults with Disabilities beginning March 1, 2012 and for Disabled Children July 1, 2012. This program allows individuals to pay a premium to purchase Medicaid coverage if they are over income or are otherwise ineligible for Medicaid.
- Growth in FY 2012-13 was lower than the Department's February 2013 forecast, in which the annual caseload was projected to be 890. The selected trend for FY 2013-14 is lower than the Department's February 2013 forecast and would yield average growth of 70 per month for FY 2013-14 and 56 per month in FY 2014-15. This lower monthly growth reflects actual experience both disabled working adults and children are gradually phased into the program.
- The Department's November 2013 forecast for this eligibility group was based on the Department's experience with this population since implementation in conjunction with analysis of the experience of other states. The Department analyzed the trend that has been developing, stratified by federal poverty level (FPL), and compared that to the analysis of other states with Medicaid Buy-in programs to estimate caseload. The forecast assumes that growth rates will be similar to what other states have experienced on average, will be weighted more heavily toward working adults ages 19-64, and will be phased-in on a monthly basis over approximately two years.

Disabled Buy-In: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jul-11	0	-	-
Aug-11	0	0	0.00%
Sep-11	0	0	0.00%
Oct-11	0	0	0.00%
Nov-11	0	0	0.00%
Dec-11	0	0	0.00%
Jan-12	0	0	0.00%
Feb-12	0	0	0.00%
Mar-12	51	51	0.00%
Apr-12	133	82	160.78%
May-12	202	69	51.88%
Jun-12	240	38	18.81%
Jul-12	338	98	40.83%
Aug-12	445	107	31.66%
Sep-12	539	94	21.12%
Oct-12	640	101	18.74%
Nov-12	753	113	17.66%
Dec-12	857	104	13.81%
Jan-13	988	131	15.29%
Feb-13	1,056	68	6.88%
Mar-13	1,125	69	6.53%
Apr-13	1,232	107	9.51%
May-13	1,318	86	6.98%
Jun-13	1,368	50	3.79%

Actuals		
	Monthly Change	**% Change**
6-month average	85	8.16%
12-month average	94	16.07%

	Caseload	**% Change**	**Level Change**
FY 2011-12	52	-	-
FY 2012-13	888	1607.69%	836
FY 2013-14	1,831	106.19%	943
FY 2014-15	2,571	40.42%	740
FY 2015-16	3,248	26.33%	677

February 2013 Trends			
FY 2011-12	52	-	-
FY 2012-13	890	1611.54%	838
FY 2013-14	1,928	116.63%	1,038
FY 2014-15	2,722	41.18%	794

Monthly Average Growth Comparisons		
February 2013 Forecast	97	16.31%
FY 2012-13 Actuals	94	16.07%
FY 2012-13 1st Half	103	23.97%
FY 2012-13 2nd Half	85	8.16%
FY 2013-14 Forecast	70	4.06%
February 2013 Forecast	60	2.27%
FY 2014-15 Forecast	56	2.25%

February 2013 Forecast	
Forecasted June 2013 Level	1,409

Base trend from June 2013 level			
FY 2013-14	1,368	54.05%	480

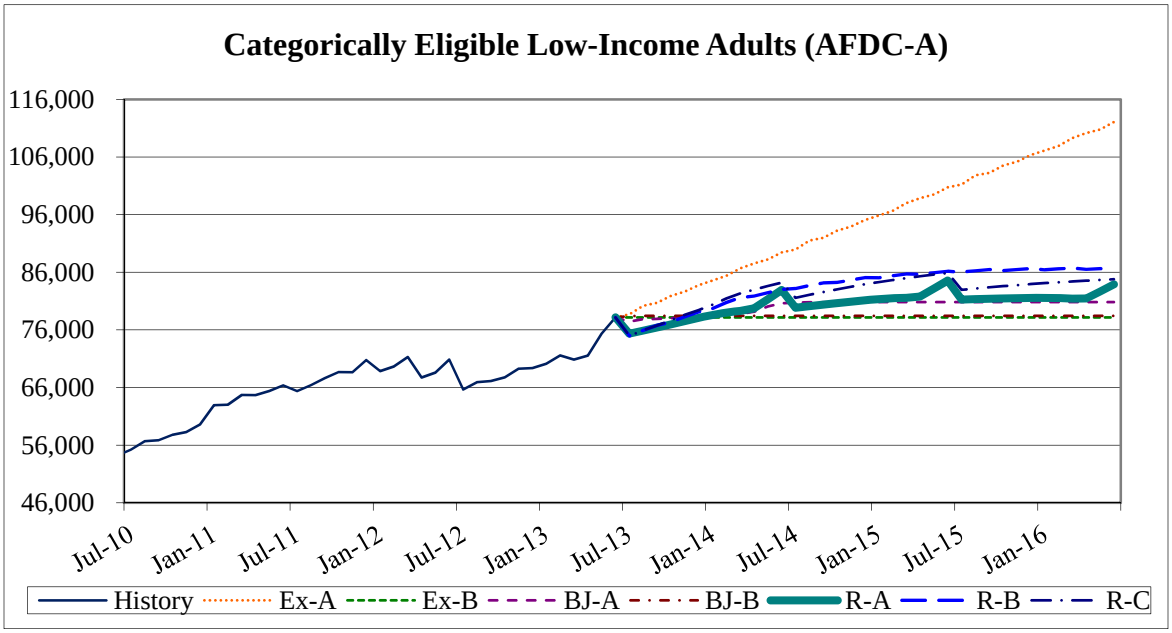
Categorically Eligible Low-Income Adults

One of the primary ways that adults qualify for Medicaid is through Section 1931 of the federal Medicaid statute. Under Section 1931, families who were eligible for cash welfare assistance under the Aid to Families with Dependent Children program are still eligible for Medicaid even after the Aid to Families with Dependent Children program was discontinued. Aid to Families with Dependent Children was replaced by the Temporary Assistance for Needy Families program (referred to as Colorado Works) on July 16, 1996. Clients enrolled in the Temporary Assistance for Needy Families program are no longer automatically eligible for Medicaid. Therefore, the Categorically Eligible Low-Income Adults category includes adults who receive Medicaid under Section 1931 and those families who receive Temporary Aid to Needy Families financial assistance coupled with Medicaid. Also included in this category are adults receiving Transitional Medicaid. Transitional Medicaid is available to adults in families who have received 1931 Medicaid in three of the past six months and become ineligible due to an increase in earned income. Adults may receive Transitional Medicaid benefits for one year. In FY 2011-12, there were an average of 11,171 adults in this program. Although this program has been set to expire many times, it has been renewed regularly, most recently through December 31, 2013. While the future of Transitional Medicaid is unknown once the federal Affordable Care Act is implemented, the Department assumed that the federal Transitional Medicaid program would continue throughout FY 2015-16 for the purposes of projecting caseload.

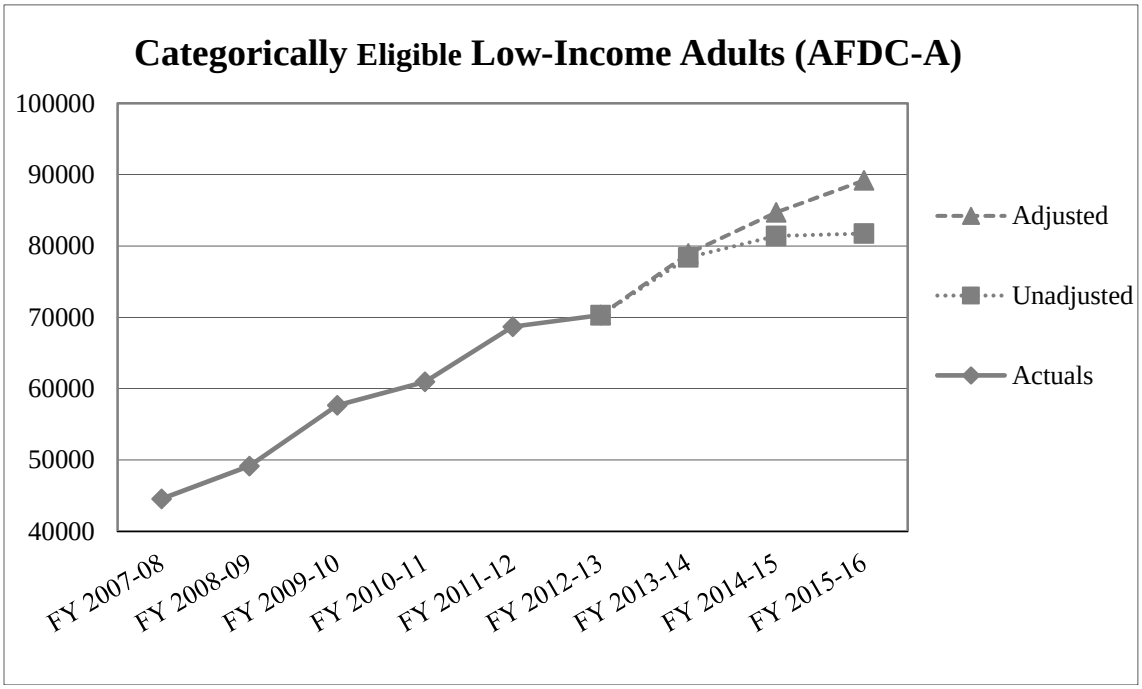
Before 1999, caseload in this category was falling. Decreases in caseload can be attributed to economic expansion and effects of the Personal Responsibility Work and Opportunity Reconciliation Act, known as welfare reform. When welfare reform was instituted in Colorado in 1997, the link between cash assistance for welfare and Medicaid was broken. When the Department implemented this change into the Client Oriented Information Network eligibility data system, it was estimated that 46,006[9] clients had their cases closed in error. In reaction, the Tatum lawsuit was brought against the State. Starting in May 2001, the Department began to reinstate clients who inadvertently lost their Medicaid eligibility. This may help to explain why from 1997 to 1999 caseload fell, and may have contributed to a spike in caseload in FY 2001-02. For a complete explanation of the Tatum lawsuit, see the November 1, 2001 Budget Request, pages A-37 to A-38.

[9] Source: November 1, 2001 Budget Request, page A-37

Categorically Eligible Low-Income Adults: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9941	
Exponential Smoothing B*	0.9731	
Box-Jenkins A	0.9960	
Box-Jenkins B	0.9733	
Regression A	0.9964	AFDC-A [-1], AFDC-A [-9], CBMS Dummy, CBMS Dummy [-2], Systems Dummy, July Dummy, May and June Dummy, Unemployment Rate, Total Population
Regression B	0.9961	AFDC-A [-1], AFDC-A [-9], Unemployment Rate, Total Wages, CBMS Dummy, CBMS Dummy [-2], Systems Dummy, IEVS Dummy, Auto [-9]
Regression C	0.9961	AFDC-A [-1], AFDC-A [-9], Unemployment Rate, Total Wages, CBMS Dummy, CBMS Dummy [-2], Systems Dummy, Auto[-9]



Categorically Eligible Low-Income Adults: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	68,689	70,307	19.70%	84,157	13,850	942
Exponential Smoothing B*	68,689	70,307	11.17%	78,160	7,853	0
Box Jenkins A	68,689	70,307	11.94%	78,702	8,395	206
Box Jenkins B	68,689	70,307	11.56%	78,434	8,127	23
Regression A	**68,689**	**70,307**	**11.54%**	**78,420**	**8,113**	**397**
Regression B	68,689	70,307	12.84%	79,334	9,027	406
Regression C	68,689	70,307	13.60%	79,869	9,562	504

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	70,307	78,420	13.42%	88,944	10,524	942
Exponential Smoothing B*	70,307	78,420	0.00%	78,420	0	0
Box Jenkins A	70,307	78,420	2.68%	80,522	2,102	15
Box Jenkins B	70,307	78,420	0.00%	78,420	0	0
Regression A	**70,307**	**78,420**	**3.82%**	**81,416**	**2,996**	**136**
Regression B	70,307	78,420	7.04%	83,941	5,521	263
Regression C	70,307	78,420	5.12%	82,435	4,015	140

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	78,420	81,416	11.83%	91,048	9,632	942
Exponential Smoothing B*	78,420	81,416	0.00%	81,416	0	0
Box Jenkins A	78,420	81,416	0.00%	81,416	0	0
Box Jenkins B	78,420	81,416	0.00%	81,416	0	0
Regression A	**78,420**	**81,416**	**0.41%**	**81,750**	**334**	**(55)**
Regression B	78,420	81,416	1.86%	82,930	1,514	48
Regression C	78,420	81,416	0.02%	81,432	16	(91)

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Categorically Eligible Low-Income Adults: Trend Selections

FY 2013-14: 11.54%
FY 2014-15: 3.82%
FY 2015-16: 0.41%

Categorically Eligible Low-Income Adults: Justifications

- Caseload trends in this category are highly affected by economic conditions, and tend to be positively correlated with the population of adults aged 19 to 59. Growth in the 19 to 59 population dropped from approximately 2.7% per year from FY 1995-96 to FY 2001-02 to 0.9% per year from FY 2002-03 to FY 2012-13. The growth in this population is projected to remain at an average of 0.9% over the forecast period[10]. The economy is projected remain relatively weak over the forecast period, with the unemployment rate to average 6.4% between 2013 and 2015. Wage and salary income is projected to increase by an average of 4.79% between 2013 and 2015.[10]
- There were large and consistent declines between July 2006 and December 2007, which seems to indicate that the improved economy was having the expected effect on caseload. There is evidence that a number of clients that left this eligibility category went to the Expansion Adults to 60% FPL, from both 1931 and Transitional Medicaid, due to increased income. Similarly, large and consistent increases since July 2008 indicate that the weakening economic conditions are impacting caseload in this eligibility type.
- The Department believes that economic conditions are largely responsible for the growth over the last four years, as the seasonally adjusted unemployment rate increased from a low of 3.5% in March 2007 to a high of 9.3% in February 2011 (source: Bureau of Labor Statistics). The unemployment rate is at the highest level in recent history, and has also remained at a high level for an unprecedented period of time. The unemployment rate has largely exceeded 8.0% since April 2009, and has only recently fallen below that level, in October 2012. During the 2001-2002 recession, the AFDC adults caseload was increasing by approximately 1.7% per month for 36 months. Caseload has increased by an average of 1.14% since January 2008, excluding outliers.
- Growth in FY 2012-13 was higher than the Department's February 2013 forecast, in which the annual caseload was projected to be 69,197 and average monthly growth was projected to be 65. Actual average monthly growth for the second half of FY 2012-13 was 1,464, largely due to the aggressive growth seen in May and June 2013. The selected trend for FY 2013-14 is higher than that from the Department's February 2013 forecast, and would yield average increases of 397 per month for FY 2013-14. The substantial increase in the selected growth trend for FY 2013-14 is due to the amount of growth that took place in the last two months of the fiscal year. This forecast is reflective of the consistent increases since the second half of FY 2007-08, which moderated in FY 2009-10 but increased once again beginning FY 2010-11. Because the economy is believed to be largely responsible this change, projected economic conditions give no indication that the trend will not continue to be positive throughout FY 2013-14. This eligibility category has had experienced volatile monthly growth since late 2011, which the Department believes may be related to the implementation of an automated income verification interface. The Department will continue to monitor caseload trends in this category, though overall positive caseload trends are expected to continue.
- Recent data indicate that economic conditions begun improving towards the end of 2012 and current forecasts indicate that this trend should continue. The selected out-year trend reflects this, and the monthly increases are forecasted to moderate over the forecast period.
- The last three fiscal years, caseload has shown strong growth in months May and June followed by a strong decrease in July. The projected growth in FY 2013-14 is a result of aggressive growth in May

[10] Source: Office of State Planning and Budgeting, September 2012 Revenue Forecast

and June 2013. The Department has assumed that the pattern of growth in May and June followed by a decline in July will hold in future years.

- There is an adjustment for clients that are eligible but not enrolled (EBNE) pursuant to the Affordable Care Act (ACA) in January 2014, which accounts for those clients who were eligible for Medicaid benefits but did not seek out the insurance package till the mandate to obtain health care coverage under the ACA and increased awareness due to the Medicaid expansions. This adjustment is in accordance with the Medicaid Expansion fiscal note.

25.5-5-101 (1), C.R.S.
(a) Individuals who meet the eligibility criteria for the aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;
(b) Families who meet the eligibility criteria for the aid to families with dependent children program established in rules that were in effect on July 16, 1996, and who subsequently would have become ineligible under such eligibility criteria because of increased earnings or increased hours of employment whose eligibility is specified for a period of time by the federal government;
(c) Qualified pregnant women . . . who meet the income resource requirements of the state's aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;

25.5-5-201 (1), C.R.S.
(a) Individuals who would be eligible for but are not receiving cash assistance;
(d) Individuals who would be eligible for aid to families with dependent children if child care were paid from earnings;
(h) Persons who are eligible for cash assistance under the works program pursuant to section 26-2-706;

Categorically Eligible Low-Income Adults: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	54,173	-	-
Jul-10	55,213	1,040	1.92%
Aug-10	56,687	1,474	2.67%
Sep-10	56,852	165	0.29%
Oct-10	57,801	949	1.67%
Nov-10	58,276	475	0.82%
Dec-10	59,591	1,315	2.26%
Jan-11	62,929	3,338	5.60%
Feb-11	63,025	96	0.15%
Mar-11	64,697	1,672	2.65%
Apr-11	64,673	(24)	-0.04%
May-11	65,402	729	1.13%
Jun-11	66,369	967	1.48%
Jul-11	65,372	(997)	-1.50%
Aug-11	66,406	1,034	1.58%
Sep-11	67,613	1,207	1.82%
Oct-11	68,677	1,064	1.57%
Nov-11	68,638	(39)	-0.06%
Dec-11	70,766	2,128	3.10%
Jan-12	68,831	(1,935)	-2.73%
Feb-12	69,644	813	1.18%
Mar-12	71,278	1,634	2.35%
Apr-12	67,739	(3,539)	-4.97%
May-12	68,601	862	1.27%
Jun-12	70,837	2,236	3.26%
Jul-12	65,652	(5,185)	-7.32%
Aug-12	66,921	1,269	1.93%
Sep-12	67,133	212	0.32%
Oct-12	67,763	630	0.94%
Nov-12	69,257	1,494	2.20%
Dec-12	69,380	123	0.18%
Jan-13	70,133	753	1.09%
Feb-13	71,566	1,433	2.04%
Mar-13	70,851	(715)	-1.00%
Apr-13	71,532	681	0.96%
May-13	75,331	3,799	5.31%
Jun-13	78,163	2,832	3.76%

	Caseload*	% Change	Level Change
FY 1995-96	36,690	-	-
FY 1996-97	33,250	-9.38%	(3,440)
FY 1997-98	27,179	-18.26%	(6,071)
FY 1998-99	22,852	-15.92%	(4,327)
FY 1999-00	23,515	2.90%	663
FY 2000-01	27,081	15.16%	3,566
FY 2001-02	33,347	23.14%	6,266
FY 2002-03	40,798	22.34%	7,451
FY 2003-04	47,562	16.58%	6,764
FY 2004-05	57,140	20.14%	9,578
FY 2005-06	58,885	3.05%	1,745
FY 2006-07	50,687	-13.92%	(8,198)
FY 2007-08	44,555	-12.10%	(6,132)
FY 2008-09	49,147	10.31%	4,592
FY 2009-10	57,661	17.32%	8,514
FY 2010-11	60,960	5.72%	3,299
FY 2011-12	68,689	12.68%	7,729
FY 2012-13	70,307	2.36%	1,618
FY 2013-14	78,420	11.54%	8,113
FY 2014-15	81,416	3.82%	2,996
FY 2015-16	81,750	0.41%	334

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

SB 13-200 Adjustment	
FY 2013-14	528
FY 2014-15	3,296
FY 2015-16	7,451

November 2013 Projections After Adjustments			
FY 2013-14	78,948	12.29%	8,641
FY 2014-15	84,712	7.30%	5,764
FY 2015-16	89,201	5.30%	4,489

February 2013 Trends			
FY 2011-12	68,689	12.68%	7,729
FY 2012-13	69,197	0.74%	508
FY 2013-14	73,217	5.81%	4,020
FY 2014-15	74,601	1.89%	1,384

Actuals		
	Monthly Change	% Change
6-month average	1,464	2.03%
12-month average	611	0.87%
18-month average	411	0.60%
24-month average	491	0.72%

February 2013 Forecast	
Forecasted June 2013 Level	71,615

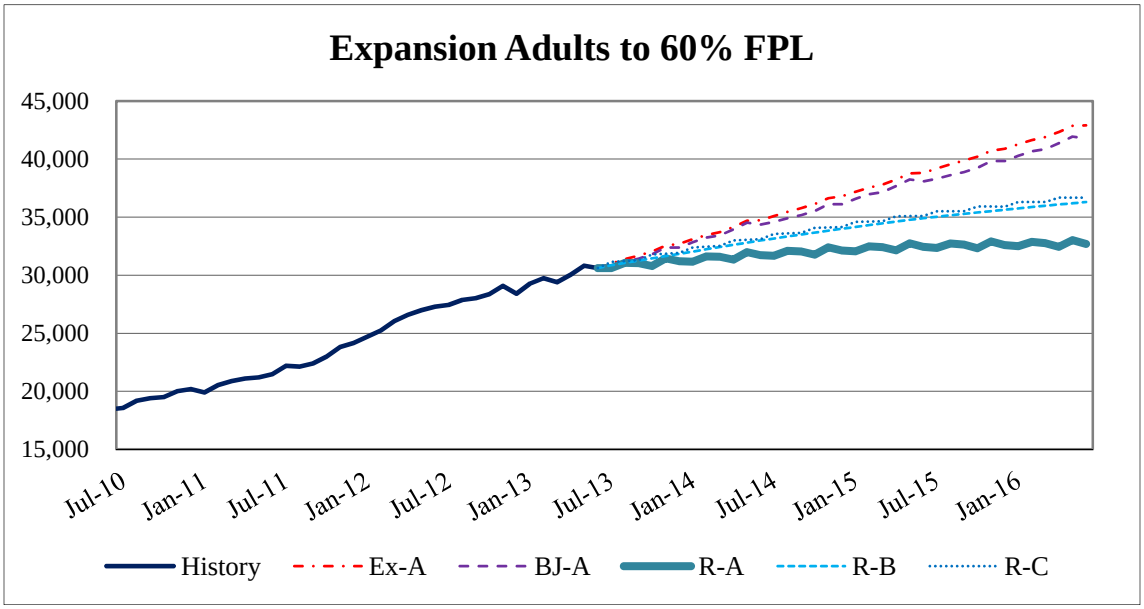
Base trend from June 2013 level			
FY 2013-14	78,163	11.17%	7,856

Monthly Average Growth Comparisons		
February 2013 Forecast	65	0.10%
FY 2012-13 Actuals	611	0.87%
FY 2012-13 1st Half	(243)	-0.29%
FY 2012-13 2nd Half	1,464	2.03%
FY 2013-14 Forecast	397	0.56%
February 2013 Forecast	217	0.31%
FY 2014-15 Forecast	136	0.17%

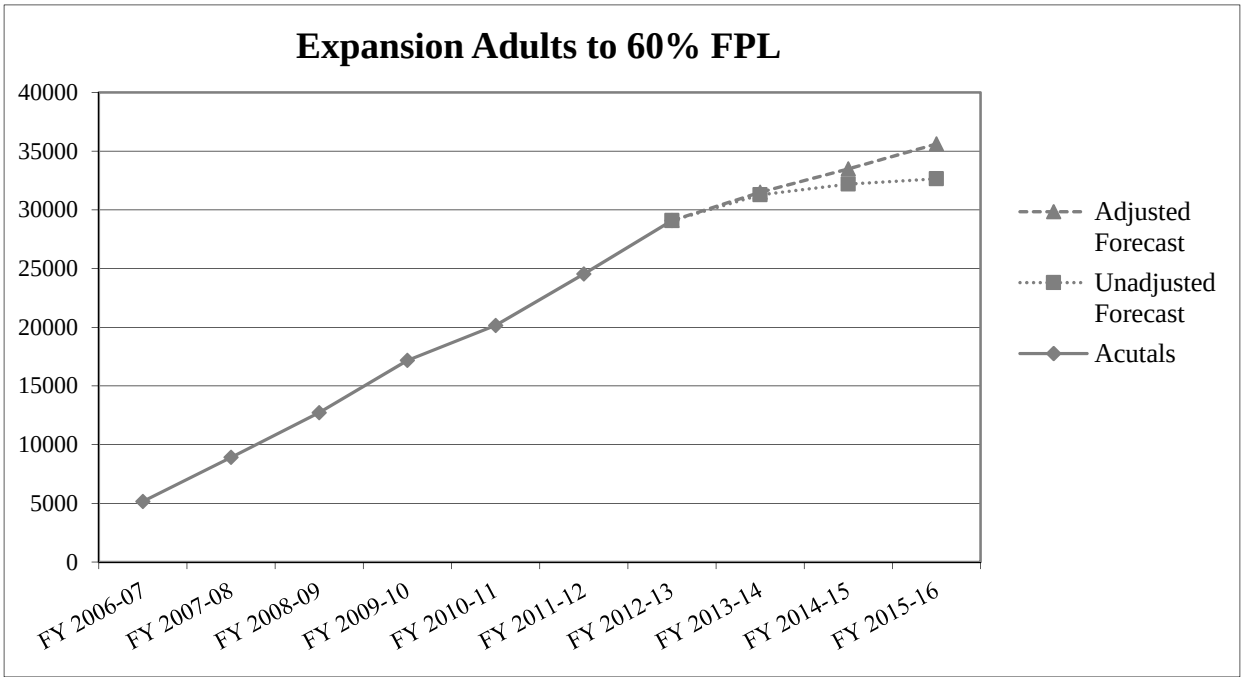
Expansion Adults to 60% FPL

HB 05-1262 (Tobacco Tax bill) allows for expanding Medicaid eligibility to parents of children enrolled in either Medicaid or the Children's Basic Health Plan up to 60% of the federal poverty level (FPL). The increase in the percentage of allowable federal poverty level was implemented on July 1, 2006. The Department has created a new category to track these clients, known as the Expansion Adults to 60% FPL.

Expansion Adults: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9965	
Box-Jenkins A	0.9965	
Regression A	0.9951	HELI [-2], Unemployment Rate, Systems Dummy, IEVS Dummy, Auto [-1]
Regression B	0.9962	HELI [-1], HELI [-3], Unemployment Rate, Systems Dummy, Auto [-1]
Regression C	0.9962	HELI [-1], Unemployment Rate, Total Wages, IEVS Dummy, Auto[-1]



Expansion Adults to 60% FPL: Historical Caseload and Projections						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	24,535	29,085	13.24%	32,936	3,851	343
Box Jenkins A	24,535	29,085	12.41%	32,694	3,609	313
Regression A	**24,535**	**29,085**	**7.59%**	**31,293**	**2,208**	**93**
Regression B	24,535	29,085	9.80%	31,935	2,850	198
Regression C	24,535	29,085	10.52%	32,145	3,060	208

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	29,085	31,293	12.42%	35,180	3,887	341
Box Jenkins A	29,085	31,293	11.43%	34,870	3,577	310
Regression A	**29,085**	**31,293**	**2.88%**	**32,194**	**901**	**59**
Regression B	29,085	31,293	6.67%	33,380	2,087	160
Regression C	29,085	31,293	6.87%	33,443	2,150	166

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	31,293	32,194	11.05%	35,751	3,557	341
Box Jenkins A	31,293	32,194	10.17%	35,468	3,274	308
Regression A	**31,293**	**32,194**	**1.40%**	**32,645**	**451**	**21**
Regression B	31,293	32,194	4.77%	33,730	1,536	116
Regression C	31,293	32,194	5.08%	33,829	1,635	131

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Expansion Adults to 60% FPL: Justification and Monthly Projections

- This population would be expected to have a high penetration rate, as these are parents of children in either the Children's Basic Health Plan or Medicaid, which have high enrollment rates.
- This population would be expected to be effected by the economy in similar ways as the AFDC-adult and children populations, although the effects are likely increased given that these clients are up to 60% of the federal poverty level, which would support higher growth rates.
- Growth in FY 2012-13 was higher than the Department's February 2013 forecast, in which the annual caseload was projected to be 28,717 and average monthly growth was projected to be 139. This was due to aggressive growth in the second half of FY 2012-13, where average monthly growth was 368 as compared to an average monthly growth of 187 in the first half of FY 2012-13. Given that the actual caseload for June 2013 was higher than previously forecasted, the selected trend for FY 2013-14 is slightly higher than that from the Department's February 2013 forecast, and would yield average growth of 93 per month for FY 2013-14.
- Recent data indicate that economic conditions begun improving towards the end of 2012 and current forecasts indicate that this trend should continue. The selected out-year trend reflects this, and the monthly increases are forecasted to moderate over the forecast period.
- There is an adjustment for clients that are eligible but not enrolled (EBNE) pursuant to the Affordable Care Act (ACA) in January 2014, which accounts for those clients who were eligible for Medicaid benefits but did not seek out the insurance package till the mandate to obtain health care coverage under the ACA and increased awareness due to the Medicaid expansions. This adjustment is in accordance with the Medicaid Expansion fiscal note.

25.5-5-201 (1), C.R.S.
(m) (I)(A) Parents of children who are eligible for the medical assistance program or the children's basic health plan, article 8 of this title, whose family income does not exceed a specified percent of the federal poverty level, adjusted for family size, as set by the state board by rule, which percentage shall be not less than one hundred percent;

Expansion Adults to 60% FPL: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jun-10	18,435	-	-
Jul-10	18,556	121	0.66%
Aug-10	19,176	620	3.34%
Sep-10	19,403	227	1.18%
Oct-10	19,490	87	0.45%
Nov-10	20,002	512	2.63%
Dec-10	20,182	180	0.90%
Jan-11	19,895	(287)	-1.42%
Feb-11	20,522	627	3.15%
Mar-11	20,877	355	1.73%
Apr-11	21,090	213	1.02%
May-11	21,194	104	0.49%
Jun-11	21,458	264	1.25%
Jul-11	22,184	726	3.38%
Aug-11	22,112	(72)	-0.32%
Sep-11	22,388	276	1.25%
Oct-11	22,985	597	2.67%
Nov-11	23,803	818	3.56%
Dec-11	24,150	347	1.46%
Jan-12	24,692	542	2.24%
Feb-12	25,224	532	2.15%
Mar-12	26,040	816	3.24%
Apr-12	26,578	538	2.07%
May-12	26,980	402	1.51%
Jun-12	27,283	303	1.12%
Jul-12	27,436	153	0.56%
Aug-12	27,856	420	1.53%
Sep-12	28,018	162	0.58%
Oct-12	28,350	332	1.18%
Nov-12	29,076	726	2.56%
Dec-12	28,404	(672)	-2.31%
Jan-13	29,271	867	3.05%
Feb-13	29,739	468	1.60%
Mar-13	29,396	(343)	-1.15%
Apr-13	30,044	648	2.20%
May-13	30,816	772	2.57%
Jun-13	30,610	(206)	-0.67%

Actuals		
	Monthly Change	**% Change**
6-month average	368	1.27%
12-month average	277	0.98%
18-month average	359	1.34%
24-month average	381	1.50%

	Caseload	**% Change**	**Level Change**
FY 2006-07	5,162	-	-
FY 2007-08	8,918	72.76%	3,756
FY 2008-09	12,727	42.71%	3,809
FY 2009-10	17,178	34.97%	4,451
FY 2010-11	20,154	17.32%	2,976
FY 2011-12	24,535	21.74%	4,381
FY 2012-13	29,085	18.54%	4,550
FY 2013-14	31,292	7.59%	2,207
FY 2014-15	32,194	2.88%	902
FY 2015-16	32,645	1.40%	451

SB 13-200 Adjustment	
FY 2013-14	210
FY 2014-15	1,304
FY 2015-16	2,975

November 2013 Projections After Adjustments			
FY 2013-14	31,502	8.31%	2,417
FY 2014-15	33,498	6.34%	1,996
FY 2015-16	35,620	6.33%	2,122

February 2013 Trends			
FY 2011-12	24,535	21.74%	4,381
FY 2012-13	28,717	17.05%	4,182
FY 2013-14	30,845	7.41%	2,128
FY 2014-15	31,739	2.90%	894

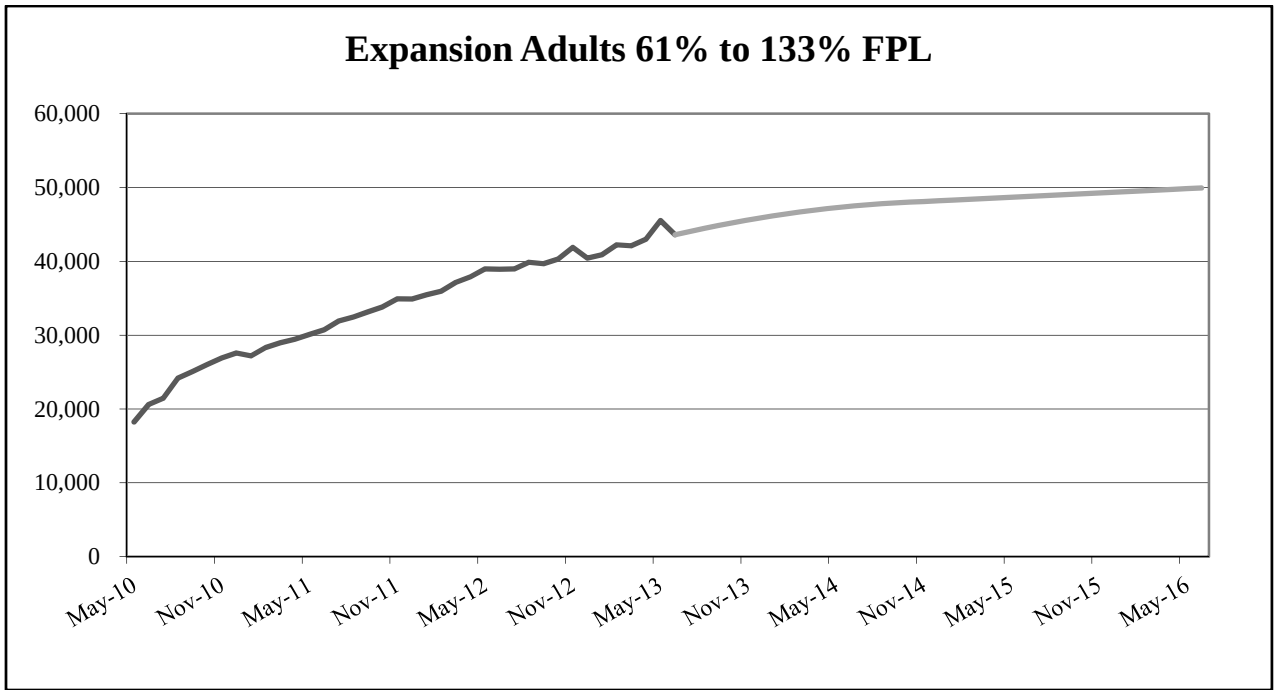
Monthly Average Growth Comparisons		
February 2013 Forecast	139	0.46%
FY 2012-13 Actuals	277	0.98%
FY 2012-13 1st Half	187	0.68%
FY 2012-13 2nd Half	368	1.27%
FY 2013-14 Forecast	93	0.25%
February 2013 Forecast	139	0.46%
FY 2014-15 Forecast	59	0.19%

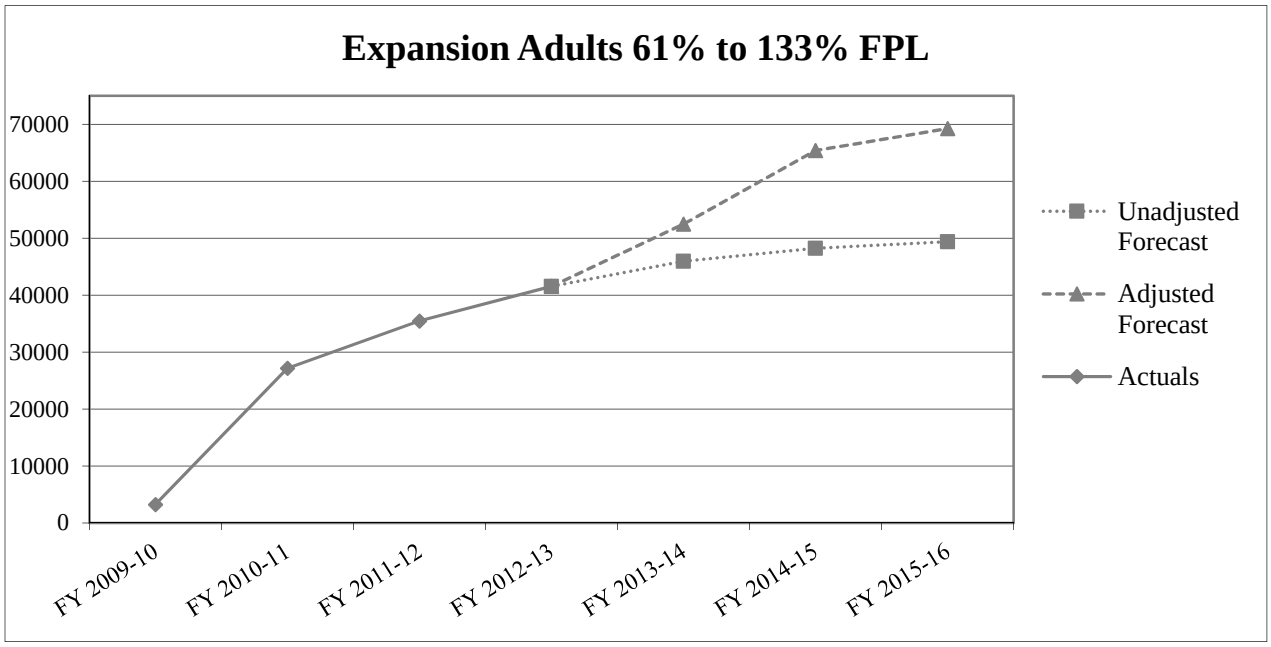
February 2013 Forecast	
Forecasted June 2013 Level	30,013

Base trend from June 2013 level			
FY 2013-14	30,610	5.24%	1,525

Expansion Adults 61% to 133% FPL

HB 09-1293 (Colorado Health Care Affordability Act) allows for expanding Medicaid eligibility to parents of children enrolled in either Medicaid or the Children's Basic Health Plan up to 100% of the federal poverty level (FPL). The increase in the percentage of allowable federal poverty level was implemented on May 1, 2010. Medicaid Expansion SB 13-200 further expanded this population to 133% and the Department has changed the category Expansion Adults to 100% FPL to Expansion Adults to 133% FPL to track these clients.





Expansion Adults 61% to 133% FPL: Justifications and Monthly Projections

- This eligibility type was created from HB 09-1293, which expands eligibility for parents of children in Medicaid from 60% to 100% of the federal poverty level. This increase was effective May 1, 2010.
- This eligibility type was expanded up to 133% FPL from SB 13-200 in accordance with the Affordable Care Act.
- The planned implementation for this group did not include redeterminations for current Family Medical cases. This population would have included only newly eligible individuals that had their applications processed on or after May 1, 2010. However, when the expansion was implemented, the Colorado Benefits Management System redetermined all existing Family Medical cases, as well as any cases that were denied in the previous three months. This resulted in a large number of individuals being immediately eligible for this population, and a May 2010 caseload of 18,253.
- Growth in FY 2012-13 was higher than the Department's February 2013 forecast, in which the annual caseload was projected to be 41,139 and average monthly growth was projected to be 355. The selected trend for FY 2013-14 is higher than that from the Department's February 2013 forecast, and would yield average growth of 323 per month for FY 2013-14. This eligibility category has had experienced volatile monthly growth over the last year, which the Department believes may be related to the implementation of an automated income verification interface. The Department will continue to monitor caseload trends in this category, though overall positive caseload trends are expected to continue. Thus, this forecast is based on the average monthly change experienced during 2011 and 2012. The forecast assumes that monthly growth will moderate over time as the population continues to mature, and will average 0.71% per month in FY 2013-14.
- The Department assumes that growth will continue to decrease throughout the forecast period, to an average of 0.71% per month in FY 2013-14 and 0.22% per month FY 2014-15. Recent data indicate that economic conditions begun improving towards the end of 2012 and current forecasts indicate that this trend should continue. The selected out-year trend reflects this, and the monthly increases are forecasted to moderate significantly over the forecast period.
- There is an adjustment for clients that are eligible but not enrolled (EBNE) pursuant to the Affordable Care Act (ACA) in January 2014, which accounts for those clients who were eligible for Medicaid benefits but did not seek out the insurance package till the mandate to obtain health care coverage under the ACA and increased awareness due to the Medicaid expansions. This adjustment is in accordance with the Medicaid Expansion fiscal note.

Expansion Adults 61% to 133% FPL: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jun-10	20,607	-	-
Jul-10	21,446	839	4.07%
Aug-10	24,193	2,747	12.81%
Sep-10	25,071	878	3.63%
Oct-10	26,016	945	3.77%
Nov-10	26,924	908	3.49%
Dec-10	27,596	672	2.50%
Jan-11	27,188	(408)	-1.48%
Feb-11	28,323	1,135	4.17%
Mar-11	28,968	645	2.28%
Apr-11	29,451	483	1.67%
May-11	30,102	651	2.21%
Jun-11	30,724	622	2.07%
Jul-11	31,920	1,196	3.89%
Aug-11	32,462	542	1.70%
Sep-11	33,152	690	2.13%
Oct-11	33,838	686	2.07%
Nov-11	34,915	1,077	3.18%
Dec-11	34,886	(29)	-0.08%
Jan-12	35,481	595	1.71%
Feb-12	35,962	481	1.36%
Mar-12	37,141	1,179	3.28%
Apr-12	37,902	761	2.05%
May-12	38,955	1,053	2.78%
Jun-12	38,921	(34)	-0.09%
Jul-12	38,961	40	0.10%
Aug-12	39,881	920	2.36%
Sep-12	39,689	(192)	-0.48%
Oct-12	40,302	613	1.54%
Nov-12	41,895	1,593	3.95%
Dec-12	40,442	(1,453)	-3.47%
Jan-13	40,895	453	1.12%
Feb-13	42,236	1,341	3.28%
Mar-13	42,110	(126)	-0.30%
Apr-13	42,997	887	2.11%
May-13	45,535	2,538	5.90%
Jun-13	43,600	(1,935)	-4.25%

Actuals		
	Monthly Change	**% Change**
6-month average	526	1.31%
12-month average	390	0.99%
18-month average	484	1.28%

	Caseload	**% Change**	**Level Change**
FY 2009-10	3,238	-	-
FY 2010-11	27,167	739.01%	23,929
FY 2011-12	35,461	30.53%	8,294
FY 2012-13	41,545	17.16%	6,084
FY 2013-14	45,964	10.64%	4,419
FY 2014-15	48,231	4.93%	2,267
FY 2015-16	49,396	2.42%	1,165

SB 13-200 Adjustment	
FY 2013-14	6,534
FY 2014-15	17,189
FY 2015-16	19,870

November 2013 Projections After Adjustments			
FY 2013-14	52,498	26.36%	10,953
FY 2014-15	65,420	24.61%	12,922
FY 2015-16	69,266	5.88%	3,846

February 2013 Trends			
FY 2011-12	35,461	30.53%	8,294
FY 2012-13	41,139	16.01%	5,678
FY 2013-14	45,195	9.86%	4,056
FY 2014-15	46,968	3.92%	1,773

Monthly Average Growth Comparisons		
February 2013 Forecast	355	1.26%
FY 2012-13 Actuals	390	0.99%
FY 2012-13 1st Half	254	0.67%
FY 2012-13 2nd Half	526	1.31%
FY 2013-14 Forecast	323	0.71%
February 2013 Forecast	269	0.60%
FY 2014-15 Forecast	107	0.22%

Base trend from June 2013 level			
FY 2013-14	43,600	4.95%	2,055

February 2013 Forecast	
Forecasted June 2013 Level	43,178

Monthly Growth Estimates		
FY 2012-13	390	0.99%
FY 2013-14	323	0.71%
FY 2014-15	107	0.22%
FY 2015-16	97	0.20%

Adults without Dependent Children

HB 09-1293 (Colorado Health Care Affordability Act) authorizes the Department to expand Medicaid eligibility to Adults without Dependent Children (AwDC) age 19 to 65 who are not eligible for Medicaid or Medicare with income up to 133% of the federal poverty level (FPL). The Department implemented the first stage of this expansion in May 2012, in which enrollment is initially opened to individuals with income up to 10% FPL and enrollment was limited to 10,000.

Due to the availability of funding in the FFY 2012-13 Hospital Provider Fee model, the Department is planning to gradually increase the number of AwDCs served under 10% FPL in FY 2012-13 and FY 2013-14. The Department intends to enroll an additional 3,000 individuals from the wait list in April 2013, followed by 1,250 additional individuals per month from May through September 2013.

Adults without Dependent Children: Justifications and Monthly Projections

- There are two adjustments for this population. The first adjustment is for clients that are eligible pursuant to the Affordable Care Act (ACA). Because the Department currently has a section 1115 waiver to cover AwDC with income up to 10% FPL with an enrollment cap, it would be necessary to revise its State Medical Services Board rules as well as submit a state plan amendment to increase eligibility to 100% FPL with no enrollment cap, and this will be done in conjunction with the expansion of AwDC to 133% FPL. The adjustment is in accordance with the Medicaid Expansion fiscal note. The second adjustment identifies the clients that were originally in Breast and Cervical Cancer Prevention (BCCP) category and are now eligible in AwDC due to Medicaid Expansion. This adjustment is calculated in accordance with analyses provided by Women's Wellness Connection (WWC).

Adults without Dependent Children: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jul-11	0	-	-
Aug-11	0	0	0.00%
Sep-11	0	0	0.00%
Oct-11	0	0	0.00%
Nov-11	0	0	0.00%
Dec-11	0	0	0.00%
Jan-12	0	0	0.00%
Feb-12	0	0	0.00%
Mar-12	0	0	0.00%
Apr-12	0	0	0.00%
May-12	5,860	5,860	0.00%
Jun-12	7,753	1,893	32.30%
Jul-12	9,652	1,899	24.49%
Aug-12	9,675	23	0.24%
Sep-12	9,880	205	2.12%
Oct-12	9,969	89	0.90%
Nov-12	9,972	3	0.03%
Dec-12	9,798	(174)	-1.74%
Jan-13	9,777	(21)	-0.21%
Feb-13	9,959	182	1.86%
Mar-13	9,621	(338)	-3.39%
Apr-13	12,076	2,455	25.52%
May-13	12,462	386	3.20%
Jun-13	14,772	2,310	18.54%

	Caseload	**% Change**	**Level Change**
FY 2011-12	1,134	-	-
FY 2012-13	10,634	837.74%	9,500
FY 2013-14	18,938	78.09%	8,304
FY 2014-15	19,250	1.65%	312
FY 2015-16	19,250	0.00%	0

SB 13-200 Adjustment	
FY 2013-14	54,834
FY 2014-15	144,244
FY 2015-16	166,748

BCCP to AwDC Adjustment	
FY 2013-14	246
FY 2014-15	510
FY 2015-16	525

November 2013 Projections After Adjustments			
FY 2013-14	74,018	63,384	596.05%
FY 2014-15	164,004	89,987	121.58%
FY 2015-16	186,523	22,518	13.73%

February 2013 Trends			
FY 2011-12	1,134	-	-
FY 2012-13	10,975	867.81%	9,841
FY 2013-14	18,938	72.56%	7,963
FY 2014-15	19,250	1.65%	312

Actuals		
	Monthly Change	**% Change**
6-month average	829	7.58%
12-month average	585	5.96%

February 2013 Forecast	
Forecasted June 2013 Level	15,500

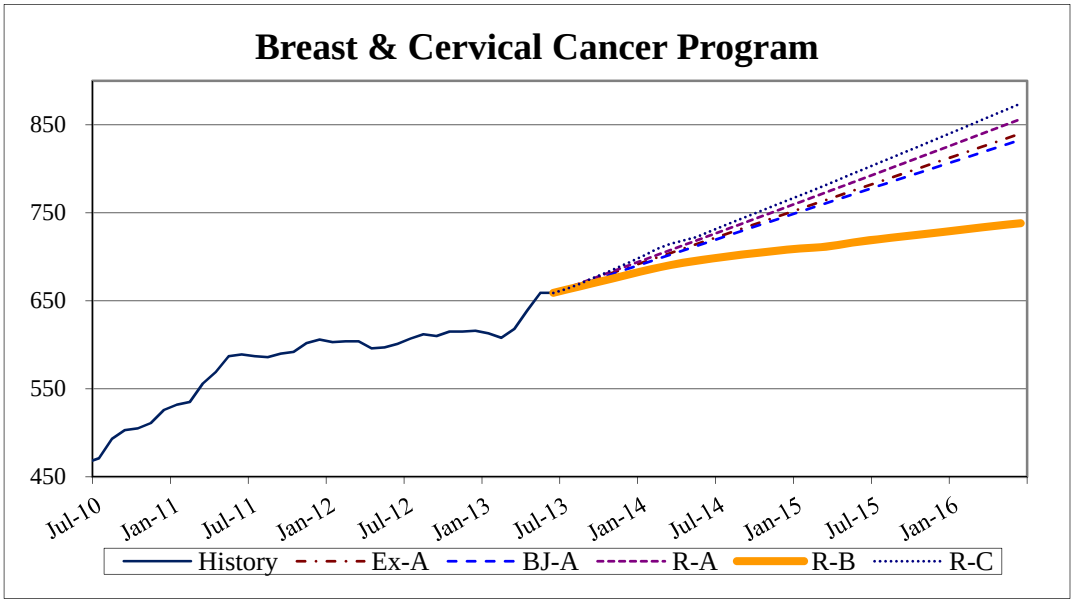
Base trend from June 2013 level			
FY 2013-14	14,772	364.90%	4,138

Monthly Average Growth Comparisons		
February 2012 Forecast	646	6.37%
FY 2012-13 Actuals	585	5.96%
FY 2012-13 1st Half	341	4.34%
FY 2012-13 2nd Half	829	7.58%
FY 2013-14 Forecast	217	1.60%
February 2013 Forecast	313	1.87%
FY 2014-15 Forecast	0	0.00%

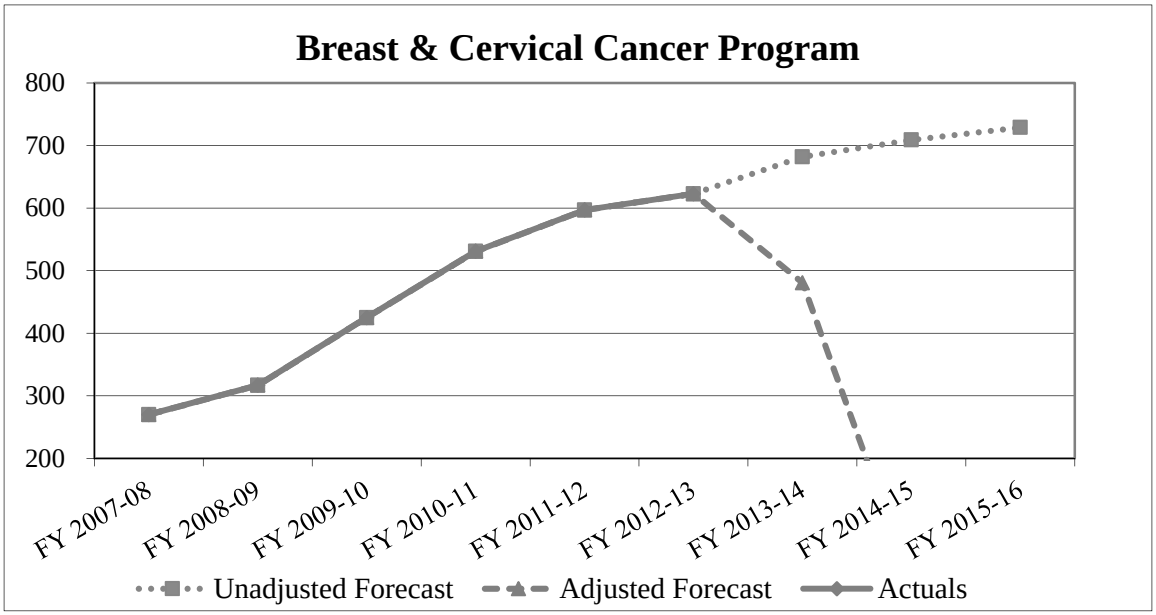
Breast and Cervical Cancer Program

The Breast and Cervical Cancer Treatment Program was authorized under SB 01S2-012 and began enrolling eligible women in July 2002. Women under this optional coverage group were screened using the Centers for Disease Control's national breast and cervical cancer early detection and prevention guidelines, and found to have breast or cervical cancer. These women are between the ages of 40 and 64, uninsured, and otherwise not eligible for Medicaid. The Colorado Department of Public Health and Environment administers the screening program as a grantee of the Centers of Disease Control. Regulations for the nationwide screening program indicate that the program is for low-income women, which the Department of Public Health and Environment has interpreted to be less than 250% of the federal poverty level. To date, all 50 states have approved the option of covering these women under Medicaid.

Breast and Cervical Cancer Program: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A	0.9987	
Box-Jenkins A*	0.9987	
Regression A	0.9987	BCCP [-1], Female Population 19-59
Regression B	0.9984	BCCP [-1], BCCP [-24], Unemployment Rate
Regression C	0.9985	BCCP [-1], Female Population 19-59, Auto [-1], Auto [-12]



Breast and Cervical Cancer Program: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing	597	623	11.08%	692	69	5
Box Jenkins *	597	623	10.75%	690	67	5
Regression A	597	623	11.40%	694	71	5
Regression B	**597**	**623**	**9.47%**	**682**	**59**	**3**
Regression C	597	623	11.88%	697	74	6

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing	623	682	8.67%	741	59	5
Box Jenkins *	623	682	8.55%	740	58	5
Regression A	623	682	9.51%	747	65	5
Regression B	**623**	**682**	**3.96%**	**709**	**27**	**2**
Regression C	623	682	10.04%	750	68	6

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing	682	709	8.11%	766	57	5
Box Jenkins *	682	709	7.74%	764	55	5
Regression A	682	709	8.68%	771	62	6
Regression B	**682**	**709**	**2.82%**	**729**	**20**	**2**
Regression C	682	709	9.52%	776	67	6

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Breast and Cervical Cancer Program: Trend Selections

FY 2013-14: 9.47%
FY 2014-15: 3.96%
FY 2015-16: 2.82%

Breast and Cervical Cancer Program: Justifications

- Clients in this eligibility type exceed Medicaid income guidelines, so it is reasonable to expect that the caseload will continue to grow, as they are not affected by the economy as much as low-income adults and children, and they do not have alternative insurance to utilize. These clients may be affected by economic conditions, though it may be mitigated by the specificity of the diagnoses required for eligibility.
- This program receives ongoing Tobacco Tax funding to subcontract with clinics that provide screenings.
- Caseload steadily increased from July of 2002 to December of 2004. At that time, the reported caseload decreased dramatically because of an issue within the Medicaid Management Information System that was used to report the data. Because of this issue within the Medicaid Management Information System, a more reliable source was utilized to create caseload figures. Until the problem was resolved, the Department obtained a caseload report directly from raw data in the Colorado Benefits Management System. This report was used from July 2005 through March 2006, when the reports from the Medicaid Management Information System and the Colorado Benefits Management System were synchronized. All subsequent monthly caseload data are obtained from the Medicaid Management Information System report that is used to report all other categories of Medicaid caseload. The caseload counts for the six months from January through June 2005 were left as originally reported. This explains the six months of unusually low figures that are shown in the graph.
- Growth in FY 2012-13 was in line with the Department's February 2013 forecast, in which the annual caseload was projected to be 622 and average monthly growth was projected to be 4. The selected trend for FY 2013-14 is higher than that from the Department's February 2013 forecast due to the unusually high growth seen in April and May of 2013, and would yield average growth of 3 per month for FY 2013-14.
- Out-year growth is projected to moderate over time. As a program matures, growth is expected to slow and stabilize. The Department believes that the Breast and Cervical Cancer program is approaching a level of maturity where, barring unforeseen circumstances or temporary additional funding, average growth of more than 2% per month should no longer expected.
- There are two adjustments for this population. The first adjustment identifies the clients that were originally in Breast and Cervical Cancer Prevention (BCCP) category and are now eligible in AwDC due to Medicaid Expansion. The second adjustment refers to the site expansion that allows women to be screened by provider's other than those under the centers for disease control and prevention's national breast and cervical cancer early detection program (CRS 25.5-5-308 (a) (I) (B)) as well as the repeal of BCCP funds beginning July 1, 2014.. Both adjustments are calculated in accordance with analyses provided by Women's Wellness Connection (WWC).

25.5-5-201 (1), C.R.S.
(i) Persons who are eligible for the breast and cervical cancer prevention and treatment program pursuant to section 25.5-5-308;

Breast and Cervical Cancer Program: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	466	-	-
Jul-10	471	5	1.07%
Aug-10	493	22	4.67%
Sep-10	503	10	2.03%
Oct-10	505	2	0.40%
Nov-10	511	6	1.19%
Dec-10	526	15	2.94%
Jan-11	532	6	1.14%
Feb-11	535	3	0.56%
Mar-11	556	21	3.93%
Apr-11	569	13	2.34%
May-11	587	18	3.16%
Jun-11	589	2	0.34%
Jul-11	587	(2)	-0.34%
Aug-11	586	(1)	-0.17%
Sep-11	590	4	0.68%
Oct-11	592	2	0.34%
Nov-11	602	10	1.69%
Dec-11	606	4	0.66%
Jan-12	603	(3)	-0.50%
Feb-12	604	1	0.17%
Mar-12	604	0	0.00%
Apr-12	596	(8)	-1.32%
May-12	597	1	0.17%
Jun-12	601	4	0.67%
Jul-12	607	6	1.00%
Aug-12	612	5	0.82%
Sep-12	610	(2)	-0.33%
Oct-12	615	5	0.82%
Nov-12	615	0	0.00%
Dec-12	616	1	0.16%
Jan-13	613	(3)	-0.49%
Feb-13	608	(5)	-0.82%
Mar-13	618	10	1.64%
Apr-13	639	21	3.40%
May-13	659	20	3.13%
Jun-13	659	0	0.00%

	Caseload	% Change	Level Change
FY 2002-03	47	-	-
FY 2003-04	105	123.40%	58
FY 2004-05	87	-17.14%	(18)
FY 2005-06	188	116.09%	101
FY 2006-07	228	21.28%	40
FY 2007-08	270	18.42%	42
FY 2008-09	317	17.41%	47
FY 2009-10	425	34.07%	108
FY 2010-11	531	24.94%	106
FY 2011-12	597	12.43%	66
FY 2012-13	623	4.36%	26
FY 2013-14	682	9.47%	59
FY 2014-15	709	3.96%	27
FY 2015-16	729	2.82%	20

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

SB 13-200 Adjustments*	
FY 2013-14	(246)
FY 2014-15	(510)
FY 2015-16	(525)

* Adjustments fo SB 13-200 show clients in BCCP moving to AwDc

Site Expansion Adjustments*	
FY 2013-14	44
FY 2014-15	(199)
FY 2015-16	(204)

*Adjustments include those associated with CRS 25.5-5-308 (8) (a) (I) and allow for the repeal of BCCP funds beginning July 1, 2014.

November 2013 Projections After Adjustments			
FY 2013-14	481	-22.82%	(142)
FY 2014-15	0	-100.00%	(481)
FY 2015-16	0	-	0

February 2013 Trends			
FY 2011-12	597	12.43%	66
FY 2012-13	622	4.19%	25
FY 2013-14	666	7.07%	44
FY 2014-15	691	3.75%	25

Actuals	Monthly Change	% Change
6-month average	7	1.15%
12-month average	5	0.78%
18-month average	3	0.47%
24-month average	3	0.47%

Monthly Average Growth Comparisons		
February 2013 Forecast	4	0.68%
FY 2012-13 Actuals	5	0.78%
FY 2012-13 1st Half	3	0.41%
FY 2012-13 2nd Half	7	1.15%
FY 2013-14 Forecast	3	0.50%
February 2013 Forecast	3	0.50%
FY 2014-15 Forecast	2	0.30%

February 2013 Forecast	
Forecasted June 2013 Level	643

Base trend from June 2013 level			
FY 2013-14	659	5.78%	36

Eligible Children

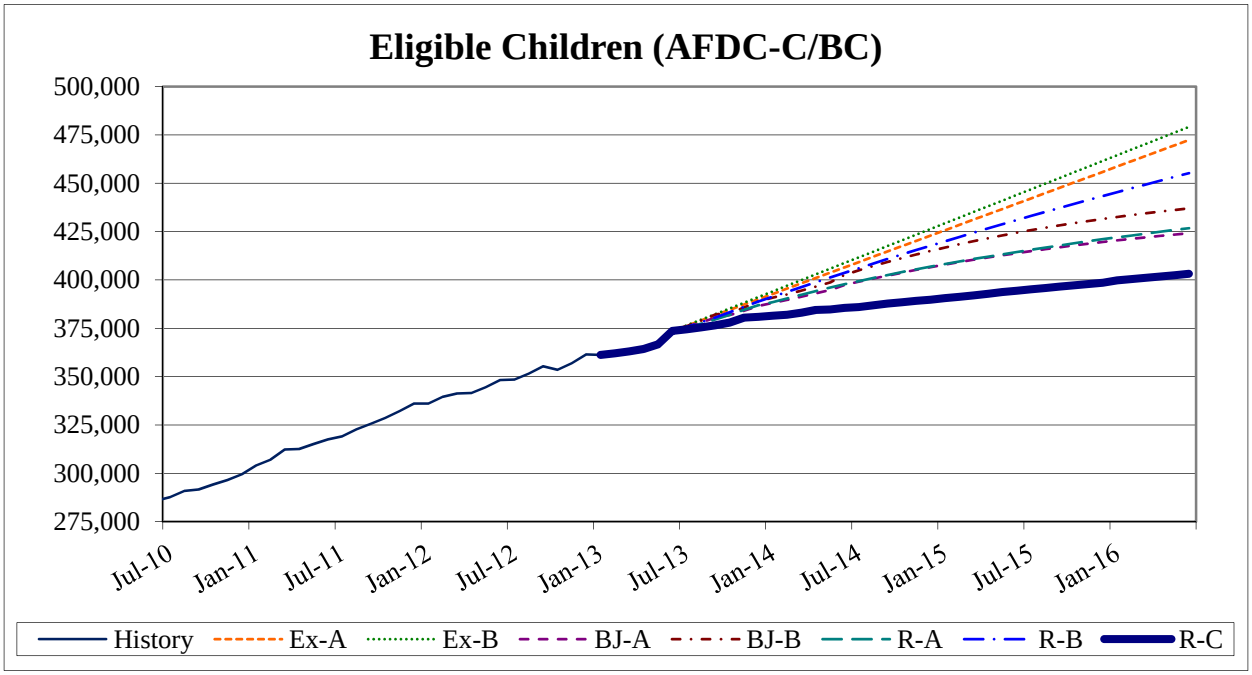
One of the primary ways that children qualify for Medicaid is through Section 1931 of the federal Medicaid statute. Under Section 1931, families who were eligible for cash welfare assistance under the Aid to Families with Dependent Children program are still eligible for Medicaid even after the Aid to Families with Dependent Children program was discontinued. Aid to Families with Dependent Children was replaced by the Temporary Assistance for Needy Families welfare program (referred to as Colorado Works) on July 16, 1996, and clients under the Temporary Assistance for Needy Families program were no longer automatically eligible for Medicaid. Per HB 09-1293 children enrolled in Medicaid will receive continuous eligibility for twelve months.

This category also includes children on Transitional Medicaid. Transitional Medicaid is available to children in families who have received 1931 Medicaid three of the past six months and become ineligible due to an increase in earned income. Children receive Transitional Medicaid benefits for one year. In FY 2011-12, there were an average of 21,311 children on Transitional Medicaid. Although this program has been set to expire many times, it has been renewed regularly, most recently through December 31, 2013. While the future of Transitional Medicaid is unknown once the federal Affordable Care Act is implemented, the Department assumed that the federal Transitional Medicaid program would continue throughout FY 2015-16 for the purposes of projecting caseload.

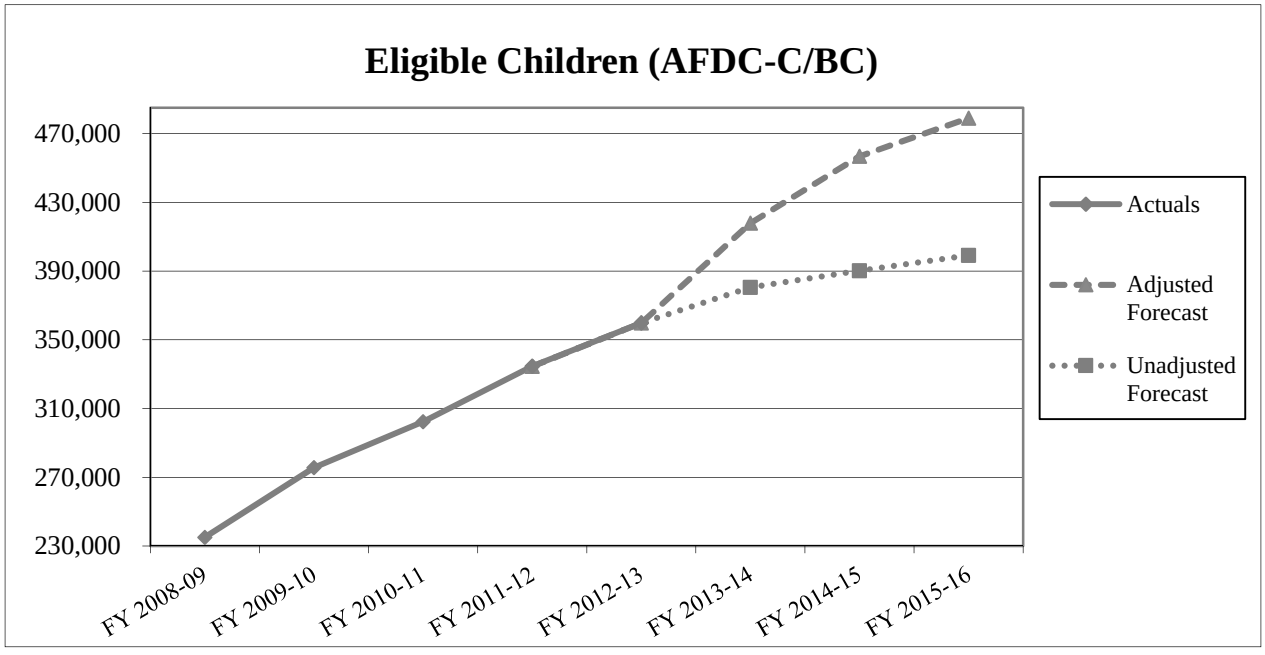
Children who are born to women enrolled in the Baby and Kid Care program are also included in this category. Between 1986 and 1991, Congress extended Medicaid to new groups of pregnant women and children. Referred to as Baby and Kid Care in Colorado, this program was authorized through the Medicare Catastrophic Coverage Act of 1988. The program enrolls Baby Care women (see the Baby Care-Adults section of this document for information on women) and Kid Care children. Kid Care children are born to women with incomes up to 133% of the federal poverty level, and are covered up to age six. The Baby and Kid Care Program serves a much higher income level than the 1931 Families program, and pregnant mothers are not subject to resource or asset limitations to qualify for the program. Moreover, the Baby and Kid Care Program has never had a cash-assistance component and was unaffected by welfare reform in 1996.

In previous years, this caseload was adjusted to include Ribicoff children. Ribicoff children were children aged six to 19, with incomes up to 100% of the federal poverty level with resources limited to $1,000 who were born after September 30, 1983. Beginning with age six, a new age cohort was phased-in each year. Caseload was adjusted upwards to include these children. However, the final cohort of children was phased-in during FY 2002-03, so no further caseload adjustments are needed. Therefore, the Eligible Children category includes: children in families who receive Medicaid under Section 1931, children in families who receive Temporary Aid to Needy Families financial assistance coupled with Medicaid, children who are eligible for Kid Care, Ribicoff children, and children who receive Transitional Medicaid.

Eligible Children: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9994	
Exponential Smoothing B*	0.9988	
Box-Jenkins A	0.9994	
Box-Jenkins B	0.9989	
Regression A	0.9994	KIDS [-7], Unemployment Rate, Total Wages, CBMS Dummy [-1], Trend, Auto [-1], Auto [-7]
Regression B	0.9995	KIDS [-1], KIDS [-7], Unemployment Rate, CBMS Dummy, CBMS Dummy [-1], Systems Dummy, Auto [-18]
Regression C	0.9993	KIDS [-5], Total Employment, CBMS Dummy [-1], Systems Dummy, Total Population, Auto [-1]



Eligible Children: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	334,633	359,843	8.85%	391,689	31,846	1,052
Exponential Smoothing B*	334,633	359,843	9.18%	392,876	33,033	1,240
Box Jenkins A	334,633	359,843	7.57%	387,083	27,240	294
Box Jenkins B	334,633	359,843	8.24%	389,494	29,651	724
Regression A	334,633	359,843	7.67%	387,443	27,600	323
Regression B	334,633	359,843	8.42%	390,142	30,299	815
Regression C	**334,633**	**359,843**	**5.87%**	**380,966**	**21,123**	**(701)**

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	359,843	380,966	8.35%	412,777	31,811	2,745
Exponential Smoothing B*	359,843	380,966	8.91%	414,910	33,944	2,934
Box Jenkins A	359,843	380,966	5.15%	400,586	19,620	1,373
Box Jenkins B	359,843	380,966	6.67%	406,376	25,410	1,821
Regression A	359,843	380,966	5.13%	400,510	19,544	1,386
Regression B	359,843	380,966	7.34%	408,929	27,963	2,275
Regression C	**359,843**	**380,966**	**2.43%**	**390,223**	**9,257**	**740**

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	380,966	390,223	7.76%	420,504	30,281	2,745
Exponential Smoothing B*	380,966	390,223	8.23%	422,338	32,115	2,934
Box Jenkins A	380,966	390,223	3.17%	402,593	12,370	856
Box Jenkins B	380,966	390,223	3.93%	405,559	15,336	1,047
Regression A	380,966	390,223	3.46%	403,725	13,502	1,034
Regression B	380,966	390,223	6.11%	414,066	23,843	2,023
Regression C	**380,966**	**390,223**	**2.29%**	**399,159**	**8,936**	**734**

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Eligible Children: Trend Selections

FY 2013-14: 2.00%
FY 2014-15: 2.00%
FY 2015-16: 2.00%

Eligible Children: Justifications

- This population is affected by economic conditions in similar ways as the Categorically Eligible Low-Income Adults and Baby Care-Adults, as children on Medicaid have eligibility granted as a function

of a parent or guardian in most cases. Caseload trends in this category are highly affected by economic conditions, and tend to be positively correlated with the population of children aged 0 to 18. Growth in the 0 to 18 population dropped from around 2.3% per year from FY 1995-96 to FY 2001-02 to about 0.9% per year from FY 2002-03 to FY 2011-12. The expansion in this age group is projected to average 1.4% throughout the forecast period.[11] The economy is projected remain relatively weak over the forecast period, with the unemployment rate to average 6.4% between 2013 and 2015. Wage and salary income is projected to increase by an average of 4.79% between 2013 and 2015.[12]

- Caseload declines occurred from 1993 to 1999 due to economic expansion and effects from the Tatum lawsuit (see Categorically Eligible Low-Income Adults section for more information on the lawsuit). When the Children's Basic Health Plan program was enacted in 1998, it required that children be screened for Medicaid before conferring Children's Basic Health Plan eligibility. As more children applied, many were found to be Medicaid eligible and were enrolled in Medicaid. Between FY 2002-03 and FY 2004-05, caseload in this category grew by 31.4%, which the Department believes is largely due to the state of the economy. The rate of growth fell drastically in FY 2005-06, and the caseload actually contracted by 3.74%. There were large and consistent declines between July 2006 and December 2007, which seems to indicate that the improved economy was having the expected effect on caseload. Similarly, large and consistent increases since January 2008 indicate that the weakening economic conditions are impacting caseload in this eligibility type.
- Changes to the rules regarding the citizenship requirements of the Deficit Reduction Act of 2005 may effect this population and result in higher growth. Children who cannot provide proper proof of citizenship will no longer automatically remain eligible for the Children's Basic Health Plan. This may increase growth in Medicaid as families find documents to ensure coverage of children.
- Adjusted growth in FY 2012-13 was slightly lower than the Department's February 2013 forecast, in which the annual base caseload was projected to be 361,872 and average monthly growth was projected to be 2,092. Caseload was adjusted by identifying those clients that are eligible for Medicaid under SB 11-008. These clients are identified as falling in the federal poverty line (FPL) bracket 101%-133%, ages 6 to 18, and have no other insurance. These criteria identify those clients that would have originally been eligible for CHP+ but were enrolled in Medicaid as a result of SB 11-008.
- The selected trends for FY 2013-14, FY 2014-15, and FY 2015-16 is held constant at 2.0%. The Department believes that trends derived from forecast analysis (seen above) include some of the effects of SB 11-008 and the Modified Adjusted Gross Income (MAGI), which are accounted for as bottom line adjustments. The Department believes that the base population will maintain a positive growth trend, but the trends derived from regression analysis do not reflect the true base population and produce an artificially high base trend. A trend less than those found through regression analysis have been chosen for the forecast years. This forecast is reflective of the consistent increases since the second half of FY 2007-08, which moderated in FY 2009-10 but increased in FY 2010-11. Because the economy is believed to be largely responsible this change, projected economic conditions give no indication that the trend will not continue to be positive throughout the forecast years. This eligibility category has had experienced volatile monthly growth since late 2011, which the Department believes may be related to the implementation of an automated income verification interface. The Department will continue to monitor caseload trends in this category, though overall positive caseload trends are expected to continue.
- There are three bottom-line adjustments to this eligibility type. First, SB 11-008 increases eligibility for children age 6 to 18 in Medicaid from 100% of federal poverty line (FPL) to 133% FPL effective January 2013. Second, there is an adjustment for the conversion to the Modified Adjusted Gross Income (MAGI) pursuant to the Affordable Care Act (ACA) in January 2014, which standardizes income calculations between Medicaid and CHP+ and will transition children with income under 133%

[11] Department of Local Affairs, Demography Division
[12] Source: Office of State Planning and Budgeting, September 2012 Revenue Forecast

FPL currently in CHP+ to Medicaid. Third, there is an adjustment for clients that are eligible but not enrolled (EBNE) pursuant to the Affordable Care Act (ACA) in January 2014, which accounts for those clients who were eligible for Medicaid benefits but did not seek out the insurance package till the mandate to obtain health care coverage under the ACA and increased awareness due to the Medicaid expansions. The SB 11-008 has been updated in accordance with caseload from the second half of FY 2012-13 and revised CHP+ caseload forecast, adjustment is based on clients in CHP+ with income between 100% and 133%. MAGI adjustments have been updated with a revised CHP+ caseload forecast and are based on the number of clients currently in CHP+ with income under 100% FPL. The EBNE adjustment has been updated in accordance with the Medicaid Expansion fiscal note.

25.5-5-101 (1), C.R.S.
(a) Individuals who meet the eligibility criteria for the aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;
(b) Families who meet the eligibility criteria for the aid to families with dependent children program established in rules that were in effect on July 16, 1996, and who subsequently would have become ineligible under such eligibility criteria because of increased earnings or increased hours of employment whose eligibility is specified for a period of time by the federal government;
(c) Qualified pregnant women, and children under the age of seven, who meet the income resource requirements of the state's aid to families with dependent children program pursuant to rules that were in effect on July 16, 1996;
(d) A newborn child born of a woman who is categorically needy. Such child is deemed Medicaid-eligible on the date of birth and remains eligible for one year so long as the woman remains categorically needy and the child is a member of her household;
(m) Low-income pregnant women, and children through the age of six, whose income is at or below a certain percentage of the federal poverty level as determined by the federal government;

25.5-5-201 (1), C.R.S.
(a) Individuals who would be eligible for but are not receiving cash assistance;
(d) Individuals who would be eligible for aid to families with dependent children if child care were paid from earnings;
(e) Individuals under the age of twenty-one who would be eligible for aid to families with dependent children but do not qualify as dependent children;
(h) Persons who are eligible for cash assistance under the works program pursuant to section 26-2-706, C.R.S.;

25.5-5-205 (3), C.R.S.
(a) On and after April 1, 1990, children under the age of six years and pregnant women shall be eligible for benefits under the baby and kid care program… (b) The percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this subsection (3) shall be one hundred thirty-three percent…;
(c) (I) On and after July 1, 1991, children born after September 30, 1983, who have attained age six but have not attained age nineteen shall be eligible for benefits under the baby and kid care program… (II) The percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this paragraph (c) shall be one hundred percent;

Eligible Children: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jun-10	285,778	-	-
Jul-10	287,674	1,896	0.66%
Aug-10	290,871	3,197	1.11%
Sep-10	291,592	721	0.25%
Oct-10	294,155	2,563	0.88%
Nov-10	296,482	2,327	0.79%
Dec-10	299,499	3,017	1.02%
Jan-11	304,042	4,543	1.52%
Feb-11	307,032	2,990	0.98%
Mar-11	312,300	5,268	1.72%
Apr-11	312,603	303	0.10%
May-11	315,116	2,513	0.80%
Jun-11	317,551	2,435	0.77%
Jul-11	319,065	1,514	0.48%
Aug-11	322,779	3,714	1.16%
Sep-11	325,673	2,894	0.90%
Oct-11	328,632	2,959	0.91%
Nov-11	332,183	3,551	1.08%
Dec-11	336,053	3,870	1.17%
Jan-12	336,096	43	0.01%
Feb-12	339,523	3,427	1.02%
Mar-12	341,274	1,751	0.52%
Apr-12	341,546	272	0.08%
May-12	344,523	2,977	0.87%
Jun-12	348,253	3,730	1.08%
Jul-12	348,510	257	0.07%
Aug-12	351,537	3,027	0.87%
Sep-12	355,312	3,775	1.07%
Oct-12	353,524	(1,788)	-0.50%
Nov-12	356,897	3,373	0.95%
Dec-12	361,446	4,549	1.27%
Jan-13	366,443	4,997	1.38%
Feb-13	375,487	9,044	2.47%
Mar-13	381,275	5,788	1.54%
Apr-13	384,333	3,058	0.80%
May-13	388,256	3,923	1.02%
Jun-13	393,931	5,675	1.46%

	Caseload*	**% Change**	**Level Change**
FY 1995-96	113,439	-	-
FY 1996-97	110,586	-2.52%	(2,853)
FY 1997-98	103,912	-6.04%	(6,674)
FY 1998-99	102,074	-1.77%	(1,838)
FY 1999-00	109,816	7.58%	7,742
FY 2000-01	123,221	12.21%	13,405
FY 2001-02	143,909	16.79%	20,688
FY 2002-03	169,311	17.65%	25,402
FY 2003-04	195,279	15.34%	25,968
FY 2004-05	222,472	13.93%	27,193
FY 2005-06	214,158	-3.74%	(8,314)
FY 2006-07	205,390	-4.09%	(8,768)
FY 2007-08	204,022	-0.67%	(1,368)
FY 2008-09	235,129	15.25%	31,107
FY 2009-10	275,672	17.24%	40,543
FY 2010-11	302,410	9.70%	26,738
FY 2011-12	334,633	10.66%	32,223
FY 2012-13**	359,843	7.53%	25,210
FY 2013-14	367,040	2.00%	7,197
FY 2014-15	374,380	2.00%	7,341
FY 2015-16	381,868	2.00%	7,488

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

**Caseload is adjusted to exclude children eligible by SB 11-008

SB 11-008 Adjustments	
FY 2012-13	8,237
FY 2013-14	25,600
FY 2014-15	26,987
FY 2015-16	26,987

MAGI Adjustments	
FY 2013-14	5,952
FY 2014-15	12,579
FY 2015-16	13,479

Medicaid Expansion Adjustments	
FY 2013-14	5,821
FY 2014-15	27,025
FY 2015-16	39,402

Actuals		
	Monthly Change	**% Change**
6-month average	5,414	1.45%
12-month average	3,807	1.03%
18-month average	3,215	0.89%
24-month average	3,183	0.90%

Monthly Average Growth Comparisons		
February 2013 Forecast	2,092	0.66%
FY 2012-13 Actuals	3,807	1.03%
FY 2012-13 1st Half	2,199	0.62%
FY 2012-13 2nd Half	5,414	1.45%
FY 2013-14 Forecast	600	0.17%
February 2013 Forecast	1,191	0.34%
FY 2014-15 Forecast	612	0.17%

November 2013 Projections After SB 11-008 Adjustments			
FY 2012-13*	368,079	9.99%	33,446
FY 2013-14	392,639	9.11%	32,796
FY 2014-15	401,367	2.22%	8,728
FY 2015-16	408,855	1.87%	7,488

*Value reported for FY 2012-13 is actual caseload

November 2013 Projections After Total Adjustments			
FY 2013-14	404,412	12.39%	44,569
FY 2014-15	440,971	9.04%	36,559
FY 2015-16	461,736	4.71%	20,765

Monthly Average Growth Comparisons*		
February 2013 Forecast	2,092	0.66%
FY 2012-13 Adjusted	2,113	0.59%
FY 2012-13 1st Half	2,199	0.62%
FY 2012-13 2nd Half	2,026	0.55%

*FY 2012-13 results are adjusted to exclude the population eligible by SB 11-008

February 2013 Forecast	
Forecasted June 2013 Level	373,362

Base trend from June 2013 level			
FY 2013-14	393,931	9.47%	34,088

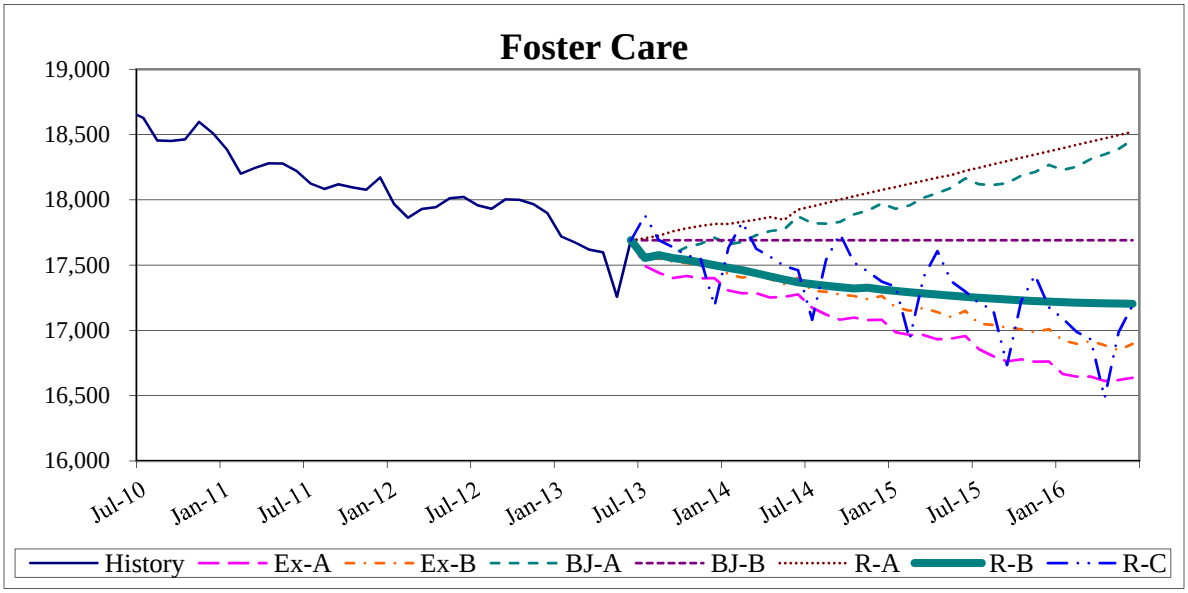
February 2013 Trends (BEFORE ADJUSTMENTS)			
FY 2011-12	334,633	10.66%	32,223
FY 2012-13	361,872	8.14%	27,239
FY 2013-14	381,992	5.56%	20,120
FY 2014-15	391,313	2.44%	9,321

February 2013 Trends (AFTER ADJUSTMENTS)			
FY 2012-13	364,502	8.93%	29,869
FY 2013-14	403,649	10.74%	39,147
FY 2014-15	424,262	5.11%	20,613

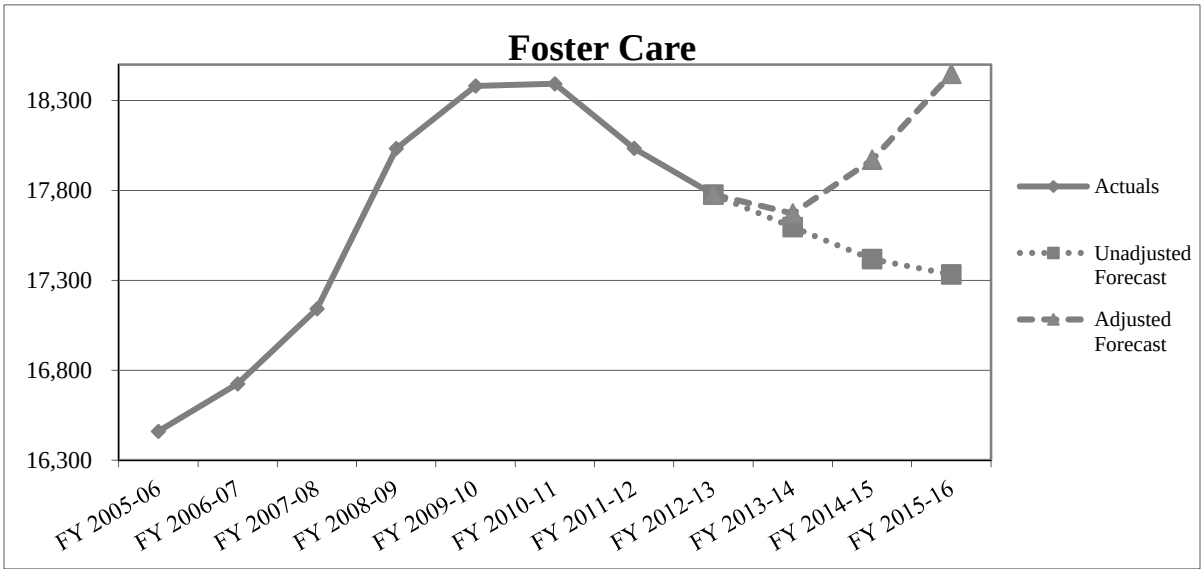
Foster Care

Federal law mandates that states provide Medicaid to individuals under Title IV-E of the Social Security Act (42 U.S.C. 470-479A) for adoption assistance and foster care. Title IV-E is a subpart of Title IV, Child Welfare, of the federal Social Security Act. Title IV-E provides federal reimbursement to states for the room and board costs of children placed in foster homes and other out-of-home placements. This is an entitlement program for children who are eligible and for whom the state can seek reimbursement. Eligibility is determined on family circumstances at the time when the child was removed from the home. Once eligible, the state determines if it can claim reimbursement for maintenance costs for the child. Adoption assistance is available for children with special health care needs who meet the same requirements. States have the option to extend Medicaid to former foster care children aged 18 through 20 years who were eligible for Title IV-E prior to their 18th birthday. During the 2007 legislative session, SB 07-002 was passed extending Medicaid eligibility through age 20 for children for whom adoption assistance or foster care maintenance payments are made under Title IV-E of the Social Security Act, which was implemented in July 2008. Eligibility for children receiving state subsidized adoption or foster care payments (non Title IV-E) was extended through age 20 in the 2008 Legislative Session through SB 08-099, which was implemented in July 2009.

Foster Care: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A	0.9990	
Exponential Smoothing B	0.9782	
Box-Jenkins A*	0.9989	
Box-Jenkins B*	0.9761	
Regression A	0.9986	FOSTER [-1], Population Under 19, Auto [-12]
Regression B	0.9985	FOSTER [-1], FOSTER [-18], Auto [-1]
Regression C	0.9943	FOSTER [-1], Population Under 19, Trend



Foster Care: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	18,034	17,777	-2.40%	17,350	(427)	(35)
Exponential Smoothing B	18,034	17,777	-1.76%	17,464	(313)	(24)
Box Jenkins A*	18,034	17,777	-0.52%	17,685	(92)	15
Box Jenkins B*	18,034	17,777	-0.48%	17,692	(85)	0
Regression A	18,034	17,777	0.19%	17,811	34	20
Regression B	18,034	17,777	-1.65%	17,484	(293)	(27)
Regression C	**18,034**	**17,777**	**-1.02%**	**17,596**	**(181)**	**(19)**

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	17,777	17,596	-1.84%	17,272	(324)	(27)
Exponential Smoothing B	17,777	17,596	-1.45%	17,341	(255)	(21)
Box Jenkins A*	17,777	17,596	1.54%	17,867	271	24
Box Jenkins B*	17,777	17,596	0.00%	17,596	0	0
Regression A	17,777	17,596	1.55%	17,869	273	25
Regression B	**17,777**	**17,596**	**-1.01%**	**17,418**	**(178)**	**(9)**
Regression C	17,777	17,596	-1.17%	17,390	(206)	(14)

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	17,596	17,418	-1.88%	17,091	(327)	(27)
Exponential Smoothing B	17,596	17,418	-1.47%	17,162	(256)	(21)
Box Jenkins A*	17,596	17,418	1.65%	17,705	287	25
Box Jenkins B*	17,596	17,418	0.00%	17,418	0	0
Regression A	17,596	17,418	1.65%	17,705	287	25
Regression B	**17,596**	**17,418**	**-0.49%**	**17,333**	**(85)**	**(4)**
Regression C	17,596	17,418	-1.95%	17,078	(340)	(9)

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Foster Care: Trend Selections
FY 2013-14: -1.02%
FY 2014-15: -1.01%
FY 2015-16: -0.49%

Foster Care: Justifications
- Caseload in this category is affected by programmatic changes initiated by the Department of Human Services who oversee the Child Welfare system. In January 2001, the Department of Human Services converted to a new data reporting system for children in foster care called Trails. The conversion may be partially responsible for unusually slow growth experienced in this category in FY 2001-02. Legislation in 2003 (HB 03-1004) made the manufacturing of controlled substances in the presence of children a felony, and deemed such actions child abuse. This may positively affect caseload in subsequent years, as more children are placed into state custody.
- Caseload in this category is only weakly correlated with population of children aged 0 to 18 and economic indicators. The graph above shows that growth in this category from FY 2005-06 to FY 2009-10 has been positive and stable, but has decreased in the last three years. Growth at the end of FY 2007-08 began to increase, which is partially due to the implementation of SB 07-002 and SB 08-099, which expanded eligibility for Foster Care through age 20. The reasons for the decreases over the last three years is still unknown and the Department will continue to monitor caseload trends in this category.
- Growth in FY 2012-13 was slightly lower than the Department's February 2013 forecast, in which the annual caseload was projected to be 17,928 due average declines projected to be 11 per month. The selected trend for FY 2013-14 is slightly lower than the Department's February 2013 forecast, and would yield average decreases of 19 per month for FY 2013-14.
- Out-year growth reflects a continuation of the monthly declines experienced over the last three years, which is expected to moderate over the forecast years.
- There is a bottom-line adjustment to this eligibility type. Pursuant to the Affordable Care Act (ACA), eligibility for children enrolled in Medicaid that turned 18 while in foster care will be increased to age 26 in January 2014. The Department's estimated caseload for this expansion is based on analysis of the expansion of Foster Care eligibility from age 18 to age 21 that was implemented in 2008 and 2009. The Department currently forecasts that the caseload for the age 19 through 21 Foster Care population will be approximately 1,400 in FY 2013-14. The Department assumes that the caseload for the age 22 to 26 Foster Care population will be similar to that for the younger age range; thus, the Department estimates that the ultimate enrollment level for this expansion will be 1,400. The Department assumes that approximately 5% of the ultimate enrollment level would enroll in the first year, 39% in the second year, 79% in the third, and 100% in the fourth year (known as 'phase-in rates'). These phase-in rates are based on those experienced when Foster Care eligibility was expanded from age 18 to 21.

25.5-5-101 (1), C.R.S.
(e) Children for whom adoption assistance or foster care maintenance payments are made under Title IV-E of the "Social Security Act", as amended;

25.5-5-201 (1), C.R.S.
(l) Children for whom subsidized adoption assistance payments are made by the state pursuant to article 7 of title 26, C.R.S, but who do not meet the requirements of Title IV-E of the "Social Security Act", as amended;
(n) Individuals under the age of twenty-one years eligible for medical assistance pursuant to paragraph (l) of this subsection (1) or section 25.5-5-101 (1) (e) immediately prior to attaining the age of eighteen years or otherwise becoming emancipated;

Foster Care: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	18,678	-	-
Jul-10	18,628	(50)	-0.27%
Aug-10	18,455	(173)	-0.93%
Sep-10	18,451	(4)	-0.02%
Oct-10	18,464	13	0.07%
Nov-10	18,597	133	0.72%
Dec-10	18,510	(87)	-0.47%
Jan-11	18,386	(124)	-0.67%
Feb-11	18,200	(186)	-1.01%
Mar-11	18,244	44	0.24%
Apr-11	18,280	36	0.20%
May-11	18,279	(1)	-0.01%
Jun-11	18,221	(58)	-0.32%
Jul-11	18,125	(96)	-0.53%
Aug-11	18,084	(41)	-0.23%
Sep-11	18,119	35	0.19%
Oct-11	18,096	(23)	-0.13%
Nov-11	18,077	(19)	-0.10%
Dec-11	18,172	95	0.53%
Jan-12	17,968	(204)	-1.12%
Feb-12	17,863	(105)	-0.58%
Mar-12	17,930	67	0.38%
Apr-12	17,944	14	0.08%
May-12	18,012	68	0.38%
Jun-12	18,022	10	0.06%
Jul-12	17,959	(63)	-0.35%
Aug-12	17,932	(27)	-0.15%
Sep-12	18,004	72	0.40%
Oct-12	18,000	(4)	-0.02%
Nov-12	17,967	(33)	-0.18%
Dec-12	17,898	(69)	-0.38%
Jan-13	17,720	(178)	-0.99%
Feb-13	17,673	(47)	-0.27%
Mar-13	17,619	(54)	-0.31%
Apr-13	17,598	(21)	-0.12%
May-13	17,257	(341)	-1.94%
Jun-13	17,691	434	2.51%

	Caseload*	% Change	Level Change
FY 1995-96	8,376	-	-
FY 1996-97	9,261	10.57%	885
FY 1997-98	10,453	12.87%	1,192
FY 1998-99	11,526	10.26%	1,073
FY 1999-00	12,474	8.22%	948
FY 2000-01	13,076	4.83%	602
FY 2001-02	13,121	0.34%	45
FY 2002-03	13,967	6.45%	846
FY 2003-04	14,914	6.78%	947
FY 2004-05	15,795	5.91%	881
FY 2005-06	16,460	4.21%	665
FY 2006-07	16,724	1.60%	264
FY 2007-08	17,141	2.49%	417
FY 2008-09	18,033	5.20%	892
FY 2009-10	18,381	1.93%	348
FY 2010-11	18,393	0.07%	12
FY 2011-12	18,034	-1.95%	(359)
FY 2012-13	17,777	-1.43%	(257)
FY 2013-14	17,596	-1.02%	(181)
FY 2014-15	17,418	-1.01%	(178)
FY 2015-16	17,333	-0.49%	(85)

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

Affordable Care Act Adjustments	
FY 2013-14	76
FY 2014-15	553
FY 2015-16	1,116

November 2013 Projections After Adjustments			
FY 2013-14	17,672	(105)	-0.59%
FY 2014-15	17,971	299	1.69%
FY 2015-16	18,449	478	2.66%

February 2013 Trends			
FY 2011-12	18,034	-1.95%	(359)
FY 2012-13	17,928	-0.59%	(106)
FY 2013-14	17,903	-0.14%	(25)
FY 2014-15	17,973	0.39%	70

Actuals	Monthly Change	% Change
6-month average	(35)	-0.18%
12-month average	(28)	-0.15%
18-month average	(27)	-0.15%
24-month average	(22)	-0.12%

Monthly Average Growth Comparisons		
February 2013 Forecast	(11)	-0.06%
FY 2012-13 Actuals	(28)	-0.15%
FY 2012-13 1st Half	(21)	-0.11%
FY 2012-13 2nd Half	(35)	-0.18%
FY 2013-14 Forecast	(19)	-0.11%
February 2013 Forecast	3	0.02%
FY 2014-15 Forecast	(9)	-0.05%

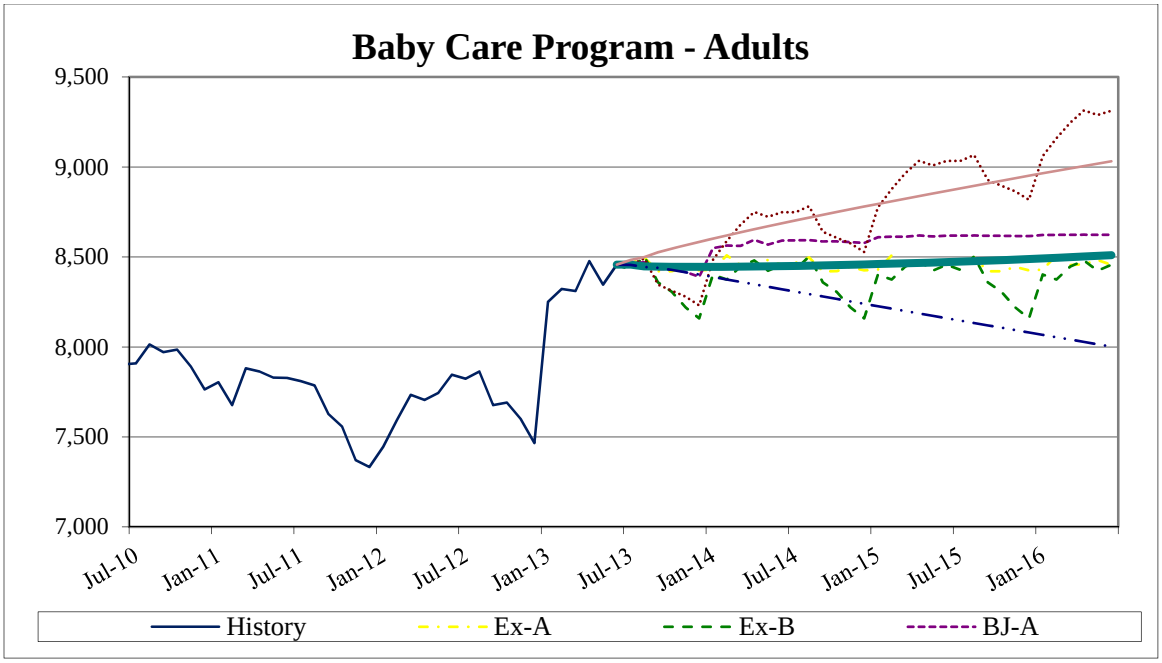
Base trend from June 2013 level			
FY 2013-14	17,691	-0.48%	(86)

February 2013 Forecast	
Forecasted June 2013 Level	17,884

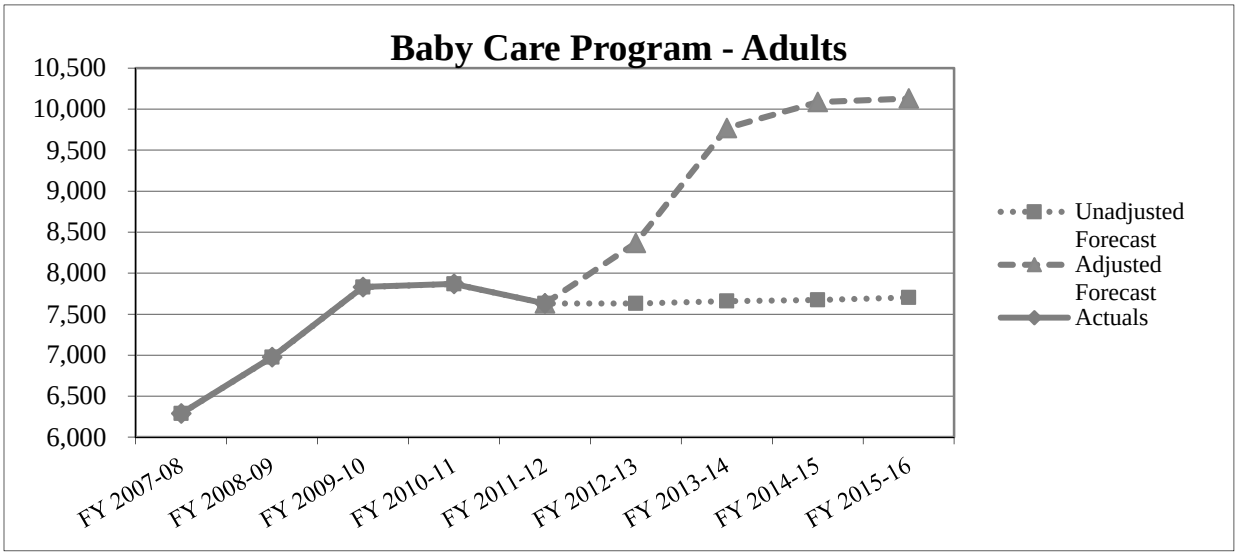
Baby Care-Adults

Between 1986 and 1991, Congress extended Medicaid to new groups of pregnant women and children. Referred to as Baby and Kid Care in Colorado, the program was authorized through the Medicare Catastrophic Coverage Act of 1988. The program enrolls Baby Care women and Kid Care children (see the Eligible Children section of this document for information on children). Baby Care-Adults are women with incomes up to 185% of the federal poverty level, beginning January 1, 2013. Coverage includes prenatal care and delivery services, plus 60 days of postpartum care. The Baby and Kid Care Program serves a much higher income level than the 1931 families program, and pregnant mothers were never subject to resource/asset limitations to qualify for the program. Moreover, the Baby and Kid Care Program has never had a cash-assistance component and was unaffected by welfare reform.

Baby Care Program- Adults: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A	0.9488	
Exponential Smoothing B	0.9728	
Box-Jenkins A*	0.9500	
Box-Jenkins B*	0.9781	
Regression A	0.951	BCA [-7], BCA Dummy, Auto [-1], Female Population 19-59, SB 11-250 Dummy
Regression B	0.9532	BCA Dummy, SB 11-250 Dummy, Total Population, Auto[-1], Auto[-4]
Regression C	0.9522	BCA Dummy, SB 11-250 Dummy, Auto[-1], Auto[-4]



Baby Care Program-Adults: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	7,630	7,630	10.82%	8,456	826	(72)
Exponential Smoothing B	7,630	7,630	9.83%	8,380	750	(72)
Box Jenkins A*	7,630	7,630	11.44%	8,503	873	(61)
Box Jenkins B*	7,630	7,630	11.51%	8,508	878	(48)
Regression A	**7,630**	**7,630**	**10.71%**	**8,447**	**817**	**(73)**
Regression B	7,630	7,630	12.57%	8,589	959	(53)
Regression C	7,630	7,630	10.00%	8,393	763	(83)

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	7,630	8,447	0.00%	8,447	0	0
Exponential Smoothing B	7,630	8,447	0.00%	8,447	0	0
Box Jenkins A*	7,630	8,447	1.15%	8,544	97	2
Box Jenkins B*	7,630	8,447	3.41%	8,735	288	24
Regression A	**7,630**	**8,447**	**0.15%**	**8,460**	**13**	**2**
Regression B	7,630	8,447	2.29%	8,640	193	15
Regression C	7,630	8,447	-1.89%	8,287	(160)	(13)

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	8,447	8,460	0.00%	8,460	0	0
Exponential Smoothing B	8,447	8,460	0.00%	8,460	0	0
Box Jenkins A*	8,447	8,460	0.23%	8,479	19	0
Box Jenkins B*	8,447	8,460	3.24%	8,734	274	23
Regression A	**8,447**	**8,460**	**0.37%**	**8,491**	**31**	**3**
Regression B	8,447	8,460	1.96%	8,626	166	14
Regression C	8,447	8,460	-1.94%	8,296	(164)	(13)

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Baby Care Program- Adults: Trend Selections

FY 2013-14: 10.71%
FY 2014-15: 0.15%
FY 2015-16: 0.37%

Baby Care Program- Adults: Justifications

- This population is affected by the economy in similar ways as the Low-Income Adults and Children populations, although the effects may be increased given that these clients have incomes up to 133% of the federal poverty level up to January 2013, and incomes up to 185% of the federal poverty level after January 2013.
- Presumptive eligibility allows pregnant women who had applied for Medicaid to receive services based on self-declaration until the status of their application has been determined. The State paid for all Medicaid costs during this time regardless of whether or not the woman was eventually found to be Medicaid eligible or not. On September 1, 2004, the Department discontinued this procedure, which explains the drop of nearly 2,500 clients in September and October 2004, as well as the corresponding decline in fiscal year average caseload. Presumptive eligibility was reinstated by HB 05-1262 (Tobacco Tax bill) effective July 1, 2005. Discounting these policy changes, caseload for this category is erratic and tends to be mired with spikes, as displayed in the graph above.
- Models in this aid category are heavily influenced by the caseload decline due to the end of the presumptive eligibility program in 2004. The exponential smoothing and Box-Jenkins models do not reflect the reimplementation of presumptive eligibility. The volatility in this population forces many forecasts to be flat, even after accounting for presumptive eligibility.
- In FY 2009-10, the Department received approval from the Centers for Medicare and Medicaid Services to grant full Medicaid eligibility to pregnant women who are legal permanent residents that have been in the country for less than 5 years, as authorized by the Children's Health Insurance Reauthorization Act of 2009 (CHIPRA). As a result, the Department has restated the FY 2009-10 monthly caseload for this eligibility type to include clients who had previously been in the State-only Prenatal population. These clients are now included in the base caseload.
- Adjusted growth in FY 2012-13 was higher than the Department's November 2012 forecast, in which the annual base caseload was projected to be 7,582 and average monthly decline was projected to be 30. Caseload was adjusted by identifying those clients that are eligible for Medicaid under SB 11-250. These clients are identified as falling in the federal poverty line (FPL) bracket 134%-185% and have no other insurance. These criteria identify those clients that would have originally been eligible for CHP+ but were enrolled in Medicaid as a result of SB 11-250.
- The selected base trend for FY 2013-14 is higher than that from the Department's February 2013 forecast, and would yield average declines of 73 per month for FY 2013-14. Caseload in this eligibility type has been volatile for 3 years, as can be seen in the tables on the next page. While the cause of the volatility is unknown at this time, the Department does not anticipate that either large decreases or increases in the base population will continue, and projects small moderating growth throughout the forecast period.
- The Colorado Department of Public Health & Environment Family Planning Initiative was awarded a grant for approximately $3.5 million to address the issue of unintended pregnancy in Colorado for Title X clients, the vast majority of which are under 200% of the federal poverty level. Out-year trends are moderate due to this Family Planning initiative (as well as the Family Planning waiver to be submitted by the Department pursuant to SB 08-003).
- There are two bottom-line adjustments to this eligibility type. First, SB 11-250 increases eligibility for clients in Medicaid from 133% of federal poverty line (FPL) to 185% FPL effective January 2013. This adjustment appears in two parts for clients from 134%-150% and clients from 151%-185%. Clients falling in the 134%-150% FPL bracket were identified and analyzed using the Medicaid caseload, but

clients 151%-185% cannot be identified in the Medicaid caseload since there is no applicable code for this bracket. The adjustments for these unidentifiable clients is assumed to be a level change identified by the calculated coefficient on a dummy variable starting on January 2013. Starting in October 2013, FPL codes will be updated and include codes that apply to those clients in the 151%-185% FPL range. SB 11-250 adjustment is based on clients in CHP+ with income between 133% and 185%. Second, there is an adjustment for the conversion to the Modified Adjusted Gross Income (MAGI) pursuant to the Affordable Care Act (ACA) in January 2014, which standardizes income calculations between Medicaid and CHP+ and will transition prenatal clients with income under 185% FPL currently in CHP+ to Medicaid. MAGI adjustments are based on the number of clients in CHP+ with incomes below 133%. These adjustments have been updated in accordance with a revised CHP+ caseload forecast.

25.5-5-101 (1), C.R.S.
(m) Low-income pregnant women, and children through the age of six, whose income is at or below a certain percentage of the federal poverty level as determined by the federal government;

25.5-5-201 (2), C.R.S.
(b) Notwithstanding the five-year waiting period established in paragraph (a) of this subsection (2), but subject to the availability of sufficient appropriations and the receipt of federal financial participation, the state department may provide benefits under this article and articles 4 and 6 of this title to a pregnant woman who is a qualified alien and a child under nineteen years of age who is a qualified alien so long as such woman or child meets eligibility criteria other than citizenship.

25.5-5-205 (3), C.R.S.
(a) On and after April 1, 1990, children under the age of six years and pregnant women shall be eligible for benefits under the baby and kid care program… (b) The percentage level of the federal poverty line, as defined pursuant to 42 U.S.C. sec. 9902 (2), used to determine eligibility under this subsection (3) shall be one hundred thirty-three percent…;

Baby Care Program-Adults: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	7,903	-	-
Jul-10	7,909	6	0.08%
Aug-10	8,014	105	1.33%
Sep-10	7,971	(43)	-0.54%
Oct-10	7,985	14	0.18%
Nov-10	7,891	(94)	-1.18%
Dec-10	7,764	(127)	-1.61%
Jan-11	7,804	40	0.52%
Feb-11	7,677	(127)	-1.63%
Mar-11	7,881	204	2.66%
Apr-11	7,864	(17)	-0.22%
May-11	7,830	(34)	-0.43%
Jun-11	7,828	(2)	-0.03%
Jul-11	7,810	(18)	-0.23%
Aug-11	7,786	(24)	-0.31%
Sep-11	7,628	(158)	-2.03%
Oct-11	7,558	(70)	-0.92%
Nov-11	7,371	(187)	-2.47%
Dec-11	7,333	(38)	-0.52%
Jan-12	7,445	112	1.53%
Feb-12	7,594	149	2.00%
Mar-12	7,734	140	1.84%
Apr-12	7,705	(29)	-0.37%
May-12	7,744	39	0.51%
Jun-12	7,846	102	1.32%
Jul-12	7,824	(22)	-0.28%
Aug-12	7,864	40	0.51%
Sep-12	7,677	(187)	-2.38%
Oct-12	7,691	14	0.18%
Nov-12	7,600	(91)	-1.18%
Dec-12	7,466	(134)	-1.76%
Jan-13	8,687	1,221	16.35%
Feb-13	8,853	166	1.91%
Mar-13	8,947	94	1.06%
Apr-13	9,207	260	2.91%
May-13	9,284	77	0.84%
Jun-13	9,320	36	0.39%

	Caseload*	% Change	Level Change
FY 1995-96	7,223	-	-
FY 1996-97	5,476	-24.19%	(1,747)
FY 1997-98	4,295	-21.57%	(1,181)
FY 1998-99	5,017	16.81%	722
FY 1999-00	6,174	23.06%	1,157
FY 2000-01	6,561	6.27%	387
FY 2001-02	7,131	8.69%	570
FY 2002-03	7,823	9.70%	692
FY 2003-04	8,398	7.35%	575
FY 2004-05	5,984	-28.74%	(2,414)
FY 2005-06	5,119	-14.46%	(865)
FY 2006-07	5,182	1.23%	63
FY 2007-08	6,288	21.34%	1,106
FY 2008-09	6,976	10.94%	688
FY 2009-10	7,830	12.24%	854
FY 2010-11	7,868	0.49%	38
FY 2011-12	7,630	-3.02%	(238)
FY 2012-13**	7,630	0.00%	0
FY 2013-14**	7,660	0.39%	30
FY 2014-15**	7,673	0.17%	13
FY 2015-16**	7,704	0.40%	31

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.
**FY 2012-13 and the following forecasts represent the population without clients eligible through SB 11-250.

January 2013 134%-150% FPL Bracket Adjustments*	
FY 2012-13	345
FY 2013-14	1,085
FY 2014-15	1,144
FY 2015-16	1,144

* Adjustments represent the population within the 134%-150% FPL bracket

January 2013 151%-185% FPL Bracket Coefficient*	
FY 2012-13	787

*Adjustment is coefficient on dummy variable used in regressions for the implementation of SB 11-250, starting January 1, 2013, and only represents the population falling in the 151%-185% FPL bracket

Actuals		
	Monthly Change	**% Change**
6-month average	309	3.91%
12-month average	123	1.55%
18-month average	110	1.41%
24-month average	62	0.79%

Monthly Average Growth Comparisons		
February 2013 Forecast	(30)	-0.38%
FY 2012-13 Actuals	123	1.55%
FY 2012-13 1st Half	(63)	-0.82%
FY 2012-13 2nd Half	309	3.91%
FY 2013-14 Forecast	(73)	-0.93%
February 2013 Forecast	4	0.05%
FY 2014-15 Forecast	2	0.02%

Monthly Average Growth Comparisons*		
February 2013 Forecast	(30)	-0.38%
FY 2012-13 Adjusted	(15)	-0.18%
FY 2012-13 1st Half	(63)	-0.82%
FY 2012-13 2nd Half	34	0.46%

*FY 2012-13 results are adjusted to exclude the population eligible by SB 11-250

Base trend from June 2013 level			
FY 2013-14	9,320	22.15%	1,690

MAGI Adjustments	
FY 2013-14	237
FY 2014-15	483
FY 2015-16	495

November 2013 Projections After Adjustments			
FY 2012-13	8,368	9.68%	738
FY 2013-14	9,769	16.74%	1,401
FY 2014-15	10,087	3.25%	317
FY 2015-16	10,130	0.43%	43

February 2013 Trends (BEFORE ADJUSTMENTS)			
FY 2011-12	7,630	-3.02%	(238)
FY 2012-13	7,582	-0.63%	(48)
FY 2013-14	7,515	-0.88%	(67)
FY 2014-15	7,568	0.71%	53

February 2013 Trends (AFTER ADJUSTMENTS)			
FY 2012-13	7,914	3.72%	284
FY 2013-14	8,370	5.76%	456
FY 2014-15	8,749	4.53%	380

February 2013 Forecast	
Forecasted June 2013 Level	7,487

Non-Citizens Emergency Services Only

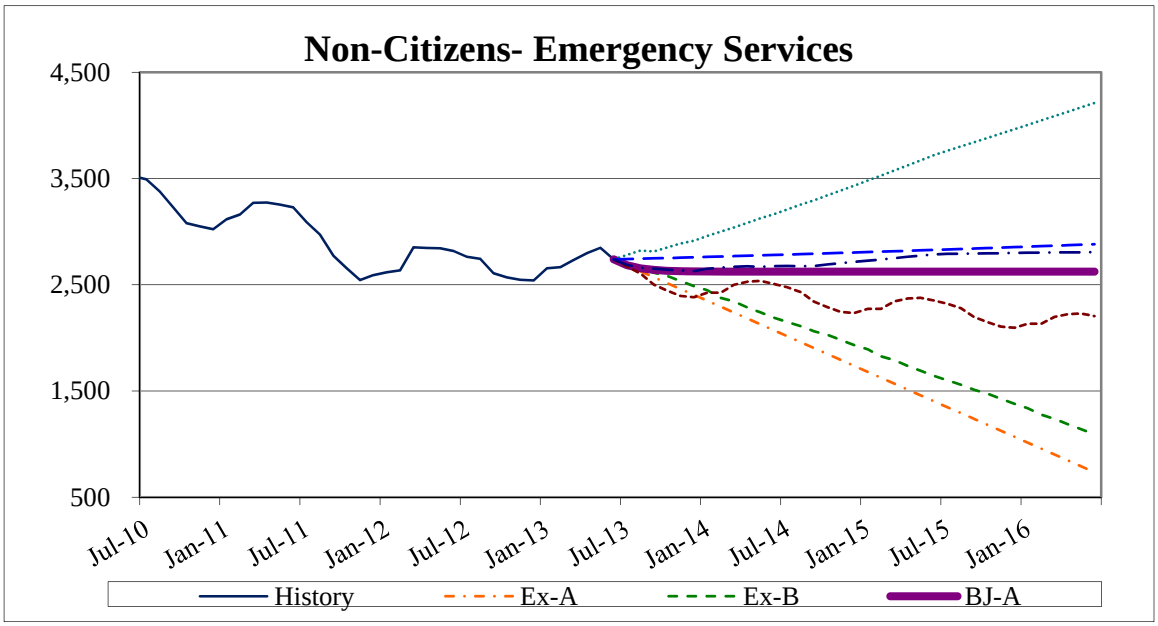
Section 403 of the Personal Responsibility Work Opportunity Reconciliation Act provides that certain immigrants arriving in the United States after August 22, 1996 are ineligible for full Medicaid benefits for their first five years of residence. The five-year ban only applies to immigrants who arrived in the United States after August 22, 1996. Full Medicaid coverage of individuals for the first five years is optional. Per federal regulations, states must provide mandatory full coverage for:

- Refugees for the first seven years after entry into the United States;
- Asylees for the first seven years after asylum is granted;
- Individuals whose deportation is being withheld for the first seven years after the initial withhold;
- Victims of trafficking;
- Lawful permanent residents who have 40 qualifying quarters of Social Security coverage;
- Cuban or Haitian entrants; and,
- Immigrants who are honorably discharged veterans of the United States military.

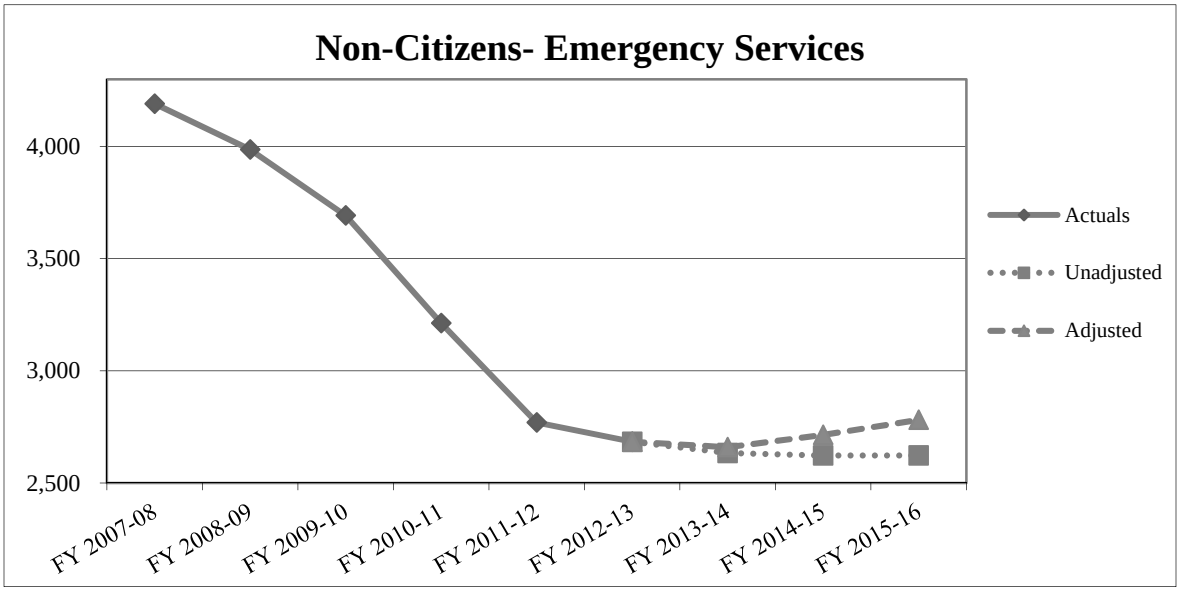
Regardless of whether the individual is an optional or mandatory immigrant, federal law requires all states to provide emergency medical services for individuals who otherwise meet Medicaid eligibility criteria, except for proof of U.S. citizenship.

In April 2001, an eligibility policy change was implemented such that clients are now only counted as eligible in the months they receive emergency medical care. Prior to this policy change, eligibility for this group continued as it would for any other category, although only for emergency medical services. For example, a Non-Citizen with an emergency visit on April 2000 could be eligible in that month, and continue to be eligible for as many months as he/she met other eligibility criteria. The same client would only be eligible for one month, had the emergency service occurred in April 2001. Thus, caseloads presented from April 2001 and forward are much lower than in previous years.

Non-Citizens- Emergency Services Only: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A	0.9690	
Exponential Smoothing B*	0.991	
Box-Jenkins A*	0.9827	
Box-Jenkins B	0.9936	
Regression A	0.9874	ALIEN [-1], Migration, Alien Dummy, Auto [-3], Auto [-12]
Regression B	0.9869	ALIEN [-1], Alien Dummy, Constant
Regression C	0.9895	ALIEN [-1], ALIEN[-2], Migration, Total Wages, Alien Dummy, Auto [-7], Auto [-16]



Non-Citizens- Emergency Services: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	2,770	2,684	-11.44%	2,377	(307)	(56)
Exponential Smoothing B	2,770	2,684	-8.49%	2,456	(228)	(46)
Box Jenkins A*	**2,770**	**2,684**	**-1.86%**	**2,634**	**(50)**	**(10)**
Box Jenkins B*	2,770	2,684	-7.08%	2,494	(190)	(19)
Regression A	2,770	2,684	10.06%	2,954	270	35
Regression B	2,770	2,684	2.87%	2,761	77	4
Regression C	2,770	2,684	-0.93%	2,659	(25)	(5)

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	2,684	2,634	-28.10%	1,894	(740)	(56)
Exponential Smoothing B	2,684	2,634	-22.48%	2,042	(592)	(46)
Box Jenkins A*	**2,684**	**2,634**	**-0.42%**	**2,623**	**(11)**	**0**
Box Jenkins B*	2,684	2,634	-6.42%	2,465	(169)	(13)
Regression A	2,684	2,634	17.16%	3,086	452	46
Regression B	2,684	2,634	1.63%	2,677	43	4
Regression C	2,684	2,634	2.44%	2,698	64	9

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A	2,634	2,623	-39.03%	1,599	(1,024)	(56)
Exponential Smoothing B	2,634	2,623	-28.99%	1,863	(760)	(46)
Box Jenkins A*	**2,634**	**2,623**	**0.00%**	**2,623**	**0**	**0**
Box Jenkins B*	2,634	2,623	-6.21%	2,460	(163)	(12)
Regression A	2,634	2,623	15.17%	3,021	398	41
Regression B	2,634	2,623	1.82%	2,671	48	4
Regression C	2,634	2,623	2.79%	2,696	73	2

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Non-Citizens: Trend Selections

FY 2013-14: -1.86%
FY 2014-15: -0.42%
FY 2015-16: 0.00%

Non-Citizens: Justifications

- Expenditures in this category did not decrease along with caseload in FY 2006-07 and FY 2007-08, indicating that the caseload decline was not occurring in clients that were utilizing services. Until October 2006, the eligibility spans for pregnant clients who delivered in Non-Citizens were left open for 60 days post-partum in case of an emergency. These clients, however, rarely utilized any services. The caseload declines in FY 2006-07 and FY 2007-08 may indicate that eligibility spans for the Non-Citizens clients are now being ended sooner, caused by eligibility technicians actively working more cases because they are required to collect citizenship information. In addition, it is possible that some undocumented citizens are not applying for Medicaid emergency services out of fear due to the Deficit Reduction Act and HB 06S-1023 identification requirements, even though the Medicaid application

clearly states that emergency services are exempt. Although the effects of these state and federal legislations, as well as the 60-day post-partum policy change, are unquantifiable, the Department believes that these large declines are unlikely to continue.

- The Department believes that the caseload volatility in this eligibility type beginning in FY 2008-09 are somewhat related to those experienced in the Baby Care-Adults caseload, as a large portion of the Non-Citizens caseload are pregnant women. Though the cause of this volatility is unknown at this time, the Department does not anticipate that large decreases will continue.
- Growth in FY 2012-13 was higher than the Department's February 2013 forecast, in which the annual caseload was projected to be 2,584 and average monthly caseload was projected to decline by 23. The selected trend for FY 2013-14 is in line than that from the Department's February 2013 forecast, and would yield average decline of 10 per month for FY 2013-14. The projected negative trend is reflective of the steep declines experienced in the first halves of FY 2010-11, FY 2011-12, and FY 2012-13.
- The out-year trends assume small monthly decreases throughout the forecast period. As discussed in the Baby Care-Adults section, a number of Family Planning initiatives will be implemented during the forecast period, which may be expected to decrease the number of pregnancies.
- This population includes one adjustment for Medicaid Expansion in accordance with the Medicaid Expansion fiscal note. The Department's estimated caseload adjustment for this population is based on analysis of the current Emergency Services Only caseload relative to total Medicaid caseload. From the Department's current caseload forecast, Emergency Services Only caseload is projected to be 0.4% of the total Medicaid caseload. The Department assumes that the Emergency Services Only caseload will increase by a similar amount with the expansions of Medicaid Parents and AwDC to 133% FPL. Thus, the Department's estimated caseload increase is 0.4% of the projections for these two populations. The Department will update these caseload estimates through the normal budget process as more data become available.

25.5-5-103 (3), C.R.S.

(a) Emergency medical assistance shall be provided to any person who is not a citizen of the United States, including undocumented aliens, aliens who are not qualified aliens, and qualified aliens who entered the United States on or after August 22, 1996, who has an emergency medical condition and meets one of the categorical requirements set forth in section 25.5-5-101; except that such persons shall not be required to meet any residency requirement other than that required by federal law.

Non-Citizens- Emergency Services: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jun-10	3,522	-	-
Jul-10	3,492	(30)	-0.85%
Aug-10	3,378	(114)	-3.26%
Sep-10	3,231	(147)	-4.35%
Oct-10	3,080	(151)	-4.67%
Nov-10	3,049	(31)	-1.01%
Dec-10	3,023	(26)	-0.85%
Jan-11	3,116	93	3.08%
Feb-11	3,161	45	1.44%
Mar-11	3,271	110	3.48%
Apr-11	3,274	3	0.09%
May-11	3,255	(19)	-0.58%
Jun-11	3,229	(26)	-0.80%
Jul-11	3,089	(140)	-4.34%
Aug-11	2,973	(116)	-3.76%
Sep-11	2,774	(199)	-6.69%
Oct-11	2,657	(117)	-4.22%
Nov-11	2,543	(114)	-4.29%
Dec-11	2,591	48	1.89%
Jan-12	2,617	26	1.00%
Feb-12	2,636	19	0.73%
Mar-12	2,852	216	8.19%
Apr-12	2,846	(6)	-0.21%
May-12	2,844	(2)	-0.07%
Jun-12	2,818	(26)	-0.91%
Jul-12	2,764	(54)	-1.92%
Aug-12	2,744	(20)	-0.72%
Sep-12	2,609	(135)	-4.92%
Oct-12	2,569	(40)	-1.53%
Nov-12	2,546	(23)	-0.90%
Dec-12	2,541	(5)	-0.20%
Jan-13	2,655	114	4.49%
Feb-13	2,666	11	0.41%
Mar-13	2,733	67	2.51%
Apr-13	2,798	65	2.38%
May-13	2,848	50	1.79%
Jun-13	2,739	(109)	-3.83%

	Caseload*	**% Change**	**Level Change**
FY 1995-96	4,100	-	-
FY 1996-97	4,610	12.44%	510
FY 1997-98	5,032	9.15%	422
FY 1998-99	5,799	15.24%	767
FY 1999-00	9,065	56.32%	3,266
FY 2000-01	12,451	37.35%	3,386
FY 2001-02	4,028	-67.65%	(8,423)
FY 2002-03	4,084	1.39%	56
FY 2003-04	4,793	17.36%	709
FY 2004-05	5,150	7.45%	357
FY 2005-06	6,212	20.62%	1,062
FY 2006-07	5,201	-16.27%	(1,011)
FY 2007-08	4,191	-19.42%	(1,010)
FY 2008-09	3,987	-4.87%	(204)
FY 2009-10	3,693	-7.37%	(294)
FY 2010-11	3,213	-13.00%	(480)
FY 2011-12	2,770	-13.79%	(443)
FY 2012-13	2,684	-3.10%	(86)
FY 2013-14	2,634	-1.86%	(50)
FY 2014-15	2,623	-0.42%	(11)
FY 2015-16	2,623	0.00%	0

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

Medicaid Expansion Adjustments	
FY 2013-14	26
FY 2014-15	92
FY 2015-16	159

November 2013 Projections After Adjustments			
FY 2013-14	2,660	-0.89%	(24)
FY 2014-15	2,715	2.07%	55
FY 2015-16	2,782	2.47%	67

February 2013 Trends			
FY 2011-12	2,770	-13.79%	(443)
FY 2012-13	2,584	-6.71%	(186)
FY 2013-14	2,537	-1.82%	(47)
FY 2014-15	2,533	-0.16%	(4)

Actuals		
	Monthly Change	**% Change**
6-month average	33	1.29%
12-month average	(7)	-0.20%
18-month average	8	0.35%
24-month average	(20)	-0.63%

Base trend from June 2013 level			
FY 2013-14	2,739	2.05%	55

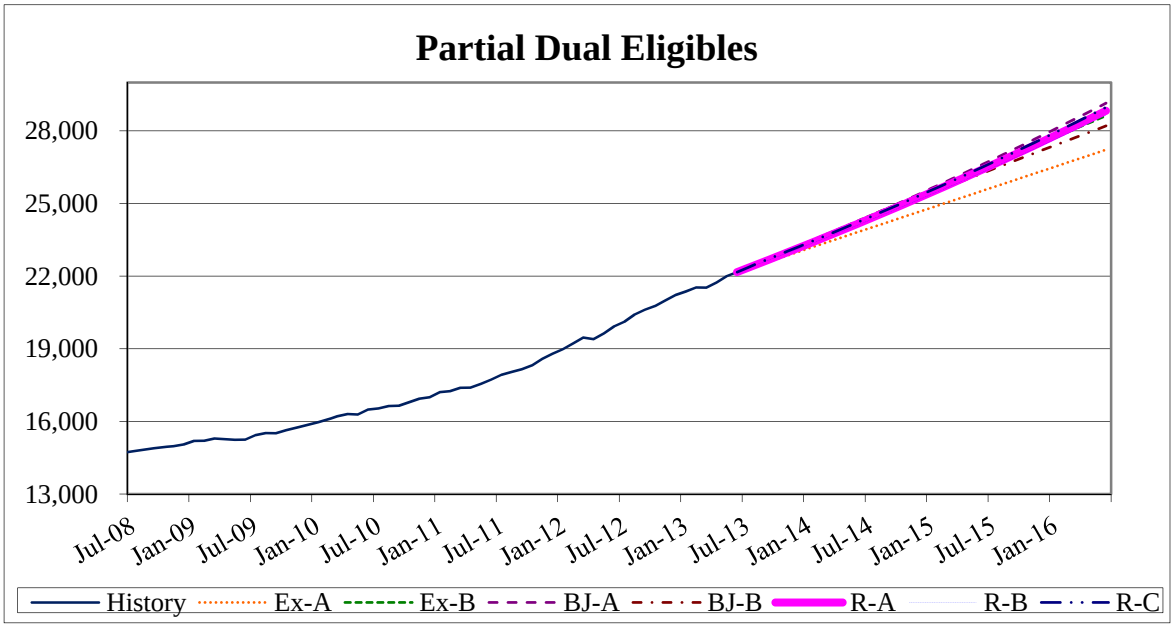
February 2013 Forecast	
Forecasted June 2013 Level	2,539

Monthly Average Growth Comparisons		
February 2013 Forecast	(23)	-0.71%
FY 2012-13 Actuals	(7)	-0.20%
FY 2012-13 1st Half	(46)	-1.70%
FY 2012-13 2nd Half	33	1.29%
FY 2013-14 Forecast	(10)	-0.35%
February 2013 Forecast	0	0.00%
FY 2014-15 Forecast	0	0.00%

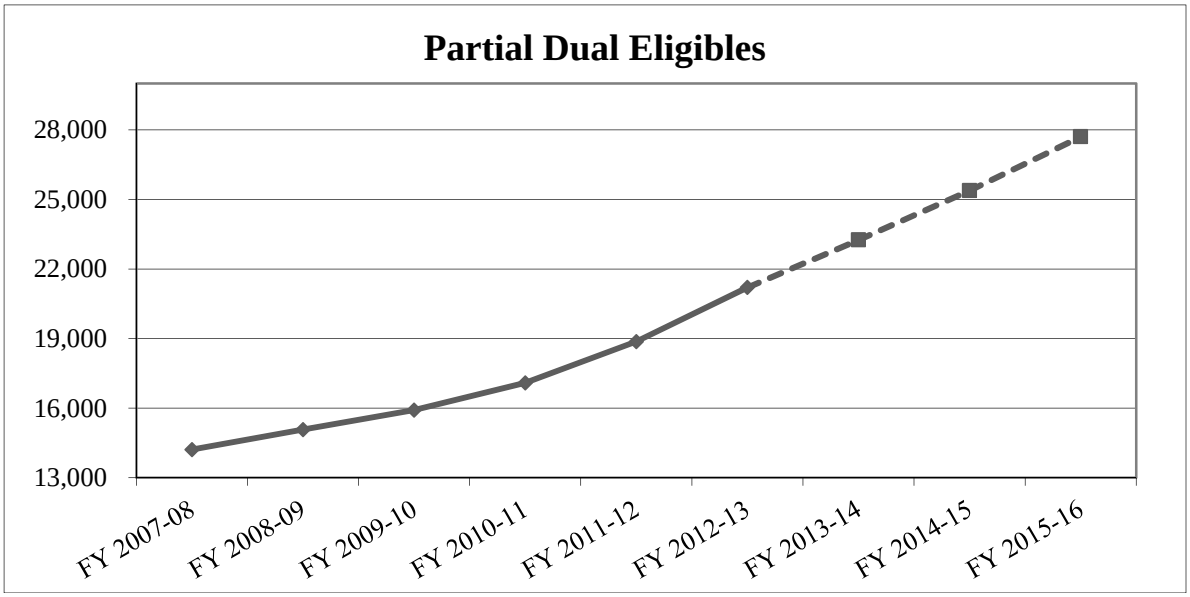
Partial Dual Eligibles

Medicare-eligible beneficiaries who have incomes at a certain federal poverty level and limited resources may qualify to have Medicaid cover some of their out-of-pocket expenses, such as their Medicare Part B premiums and other coinsurance and deductibles. The two groups of clients that qualify for this cost-sharing program are Qualified Medicare Beneficiaries and Special Low Income Medicare Beneficiaries. This group, formerly known as Qualified Medicare Beneficiaries/Special Low Income Medicare Beneficiaries, is now collectively known as Partial Dual Eligibles. Qualified Medicare Beneficiaries have incomes at or below 100% of the federal poverty level, and resources twice the standard allowed under the federal Supplemental Security Income program. These clients receive hospital insurance and supplementary medical insurance premium coverage along with Medicare coinsurance and deductibles. Special Low Income Medicare Beneficiaries have incomes greater than 100% of the federal poverty level, but less than 120%. For Special Low Income Medicare Beneficiaries, Medicaid only pays the supplementary medical insurance premiums.

Partial Dual Eligibles: Model Results



	Adjusted R^2	Notes
Exponential Smoothing A*	0.9989	
Exponential Smoothing B	0.9987	
Box-Jenkins A	0.9981	
Box-Jenkins B	0.9987	
Regression A	0.9996	PDE [-1], PDE Dummy, CBMS Dummy, Auto [-1]
Regression B	0.9996	PDE [-1], Population 65+, PDE Dummy, CBMS Dummy, Auto [-1]
Regression C	0.9996	PDE [-1], PDE [-2], PDE Dummy, CBMS Dummy, Auto [-3]



Partial Dual Eligibles: Model Results						
FY 2013-14	**FY 2011-12**	**FY 2012-13**	**Projected Growth Rate**	**Projected FY 2013-14 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	18,871	21,206	8.85%	23,083	1,877	140
Exponential Smoothing B*	18,871	21,206	10.04%	23,335	2,129	179
Box Jenkins A	18,871	21,206	9.93%	23,312	2,106	178
Box Jenkins B	18,871	21,206	9.90%	23,305	2,099	174
Regression A	**18,871**	**21,206**	**9.67%**	**23,257**	**2,051**	**169**
Regression B	18,871	21,206	9.56%	23,233	2,027	165
Regression C	18,871	21,206	9.91%	23,308	2,102	175

* Denotes Expert Selection, Bold denotes Trend Selection

FY 2014-15	**FY 2012-13**	**Projected FY 2013-14 Caseload**	**Projected Growth Rate**	**Projected FY 2014-15 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	21,206	23,257	7.30%	24,955	1,698	140
Exponential Smoothing B*	21,206	23,257	9.22%	25,401	2,144	179
Box Jenkins A	21,206	23,257	9.59%	25,487	2,230	194
Box Jenkins B	21,206	23,257	8.77%	25,297	2,040	168
Regression A	**21,206**	**23,257**	**9.15%**	**25,385**	**2,128**	**184**
Regression B	21,206	23,257	8.92%	25,332	2,075	179
Regression C	21,206	23,257	9.29%	25,418	2,161	187

FY 2015-16	**Projected FY 2013-14 Caseload**	**Projected FY 2014-15 Caseload**	**Projected Growth Rate**	**Projected FY 2015-16 Caseload**	**Level Change**	**Average Monthly Change [1]**
Exponential Smoothing A*	23,257	25,385	6.80%	27,111	1,726	140
Exponential Smoothing B*	23,257	25,385	8.44%	27,527	2,142	179
Box Jenkins A	23,257	25,385	9.51%	27,799	2,414	210
Box Jenkins B	23,257	25,385	7.78%	27,360	1,975	162
Regression A	**23,257**	**25,385**	**9.14%**	**27,705**	**2,320**	**201**
Regression B	23,257	25,385	8.90%	27,644	2,259	195
Regression C	23,257	25,385	9.27%	27,738	2,353	205

[1] Average monthly change is calculated as that between June of the respective fiscal year and June of the prior fiscal year. This is not directly comparable to the annual level change, which is calculated as the difference between the annual average caseload.

Partial Dual Eligibles: Trend Selections

FY 2013-14: 9.67%
FY 2014-15: 9.15%
FY 2015-16: 9.14%

Partial Dual Eligibles: Justification

- These clients have higher income than Adults 65 and Older or Disabled Adults 60 to 64, and are relatively healthy. Given the increased life expectancy, more people are living healthier longer, which would support strong growth rates in this population. In addition, this population may start to be effected by the "baby boomers", defined by the U.S. Census Bureau as the generation born between 1946 and 1964, beginning in calendar year 2006.
- Caseload trends are somewhat correlated with age and economic indicators. The assets and annuities provisions in the Deficit Reduction Act of 2005 may also contribute to growth in this category, as some clients who might have qualified for the Adults 65 and Older category now have too much income or assets.
- Caseload growth in this category was positive and steady between FY 1999-00 and FY 2003-04. Caseload experienced an unprecedented contraction on FY 2004-05, due to large monthly declines that occurred as a result of the court order regarding the Colorado Benefits Management System. The relatively strong growth since the beginning of FY 2005-06 may be due to a wood work effect from Medicare Modernization Act, under which Medicare Part D clients are screened for Medicaid as they apply for the low-income subsidy.
- Growth in FY 2012-13 was slightly higher than the Department's February 2013 forecast, in which the annual caseload was projected to be 21,245 and average monthly growth was projected to be 190. The selected trend for FY 2013-14 is in line with the Department's February 2013 forecast, and would yield average growth of 169 per month for FY 2013-14.
- Out-year trend selections are in line with recent rates, reflecting the complete incorporation of baby boomers and any clients affected by the Medicare Modernization Act.

25.5-5-101 (1), C.R.S.
(l) Individuals with income and resources at a level which qualifies them as Medicare-eligible under section 301 of Title III of the federal "Medicare Catastrophic Coverage Act".

25.5-5-104, C.R.S.
Qualified medicare beneficiaries are medicare-eligible individuals with income and resources at a level which qualifies them as eligible under section 301 of Title III of the federal "Medicare Catastrophic Coverage Act of 1988", as amended, or subsequent amending federal legislation.

25.5-5-105, C.R.S.
Qualified disabled and working individuals are persons with income and resources and disability status, as determined by the social security administration, which qualify them as "qualified disabled and working individuals" under sections 6012 and 6408 of the federal "Omnibus Budget Reconciliation Act of 1989", or subsequent amending federal legislation. The state department is hereby designated as the single state agency to administer benefits available to qualified disabled and working individuals. Such benefits are limited to medicare cost-sharing expenses as determined by the federal government.

Partial Dual Eligibles: Historical Caseload and Projections

	Actuals	Monthly Change	% Change
Jun-10	16,495	-	-
Jul-10	16,539	44	0.27%
Aug-10	16,634	95	0.57%
Sep-10	16,652	18	0.11%
Oct-10	16,794	142	0.85%
Nov-10	16,941	147	0.88%
Dec-10	17,002	61	0.36%
Jan-11	17,210	208	1.22%
Feb-11	17,249	39	0.23%
Mar-11	17,390	141	0.82%
Apr-11	17,399	9	0.05%
May-11	17,546	147	0.84%
Jun-11	17,727	181	1.03%
Jul-11	17,923	196	1.11%
Aug-11	18,046	123	0.69%
Sep-11	18,156	110	0.61%
Oct-11	18,314	158	0.87%
Nov-11	18,584	270	1.47%
Dec-11	18,798	214	1.15%
Jan-12	18,985	187	0.99%
Feb-12	19,220	235	1.24%
Mar-12	19,466	246	1.28%
Apr-12	19,396	(70)	-0.36%
May-12	19,640	244	1.26%
Jun-12	19,929	289	1.47%
Jul-12	20,117	188	0.94%
Aug-12	20,418	301	1.50%
Sep-12	20,615	197	0.96%
Oct-12	20,766	151	0.73%
Nov-12	20,998	232	1.12%
Dec-12	21,221	223	1.06%
Jan-13	21,366	145	0.68%
Feb-13	21,532	166	0.78%
Mar-13	21,530	(2)	-0.01%
Apr-13	21,738	208	0.97%
May-13	22,000	262	1.21%
Jun-13	22,170	170	0.77%

	Caseload*	% Change	Level Change
FY 1995-96	3,937	-	-
FY 1996-97	4,316	9.63%	379
FY 1997-98	4,560	5.65%	244
FY 1998-99	6,104	33.86%	1,544
FY 1999-00	7,597	24.46%	1,493
FY 2000-01	8,157	7.37%	560
FY 2001-02	8,428	3.32%	271
FY 2002-03	8,988	6.64%	560
FY 2003-04	9,842	9.50%	854
FY 2004-05	9,605	-2.41%	(237)
FY 2005-06	11,092	15.48%	1,487
FY 2006-07	12,908	16.37%	1,816
FY 2007-08	14,214	10.12%	1,306
FY 2008-09	15,075	6.06%	861
FY 2009-10	15,919	5.60%	844
FY 2010-11	17,090	7.36%	1,171
FY 2011-12	18,871	10.42%	1,781
FY 2012-13	21,206	12.37%	2,335
FY 2013-14	23,257	9.67%	2,051
FY 2014-15	25,385	9.15%	2,128
FY 2015-16	27,705	9.14%	2,320

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

February 2013 Trends			
FY 2011-12	18,871	10.42%	1,781
FY 2012-13	21,245	12.58%	2,374
FY 2013-14	23,291	9.63%	2,046
FY 2014-15	25,424	9.16%	2,133

Monthly Average Growth Comparisons		
February 2013 Forecast	190	1.07%
FY 2012-13 Actuals	187	0.89%
FY 2012-13 1st Half	215	1.05%
FY 2012-13 2nd Half	158	0.73%
FY 2013-14 Forecast	169	0.85%
February 2013 Forecast	170	0.85%
FY 2014-15 Forecast	184	0.83%

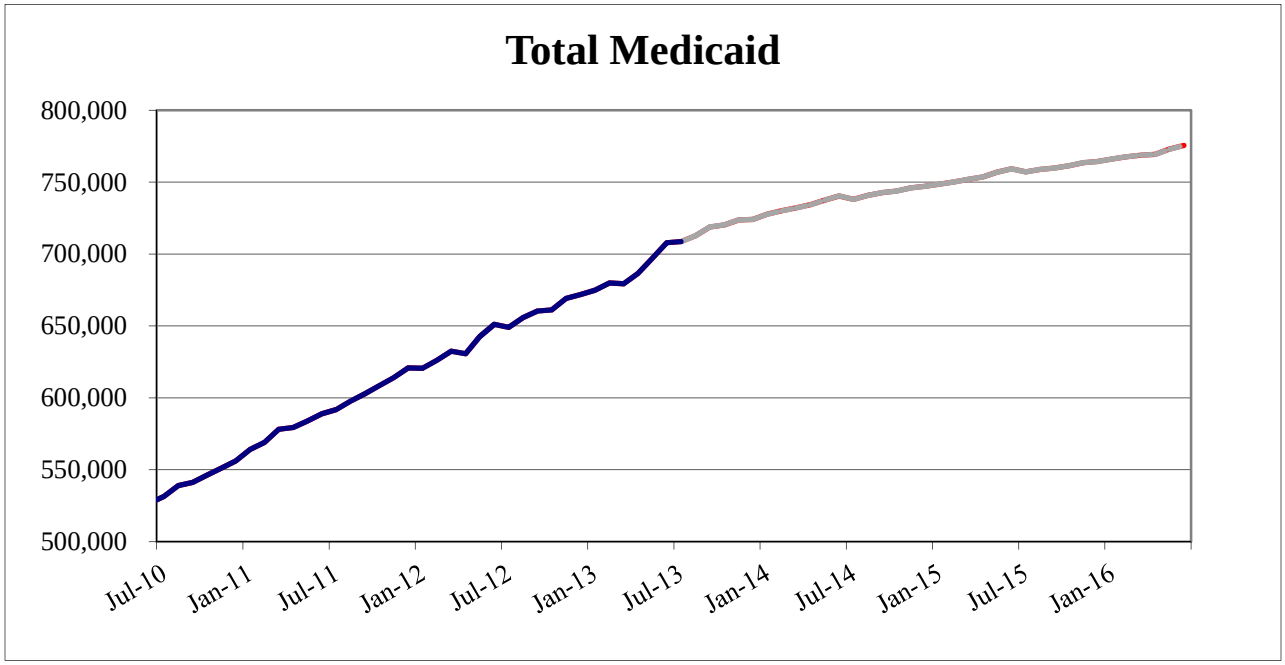
Actuals		
	Monthly Change	% Change
6-month average	158	0.73%
12-month average	187	0.89%
18-month average	187	0.92%
24-month average	185	0.94%

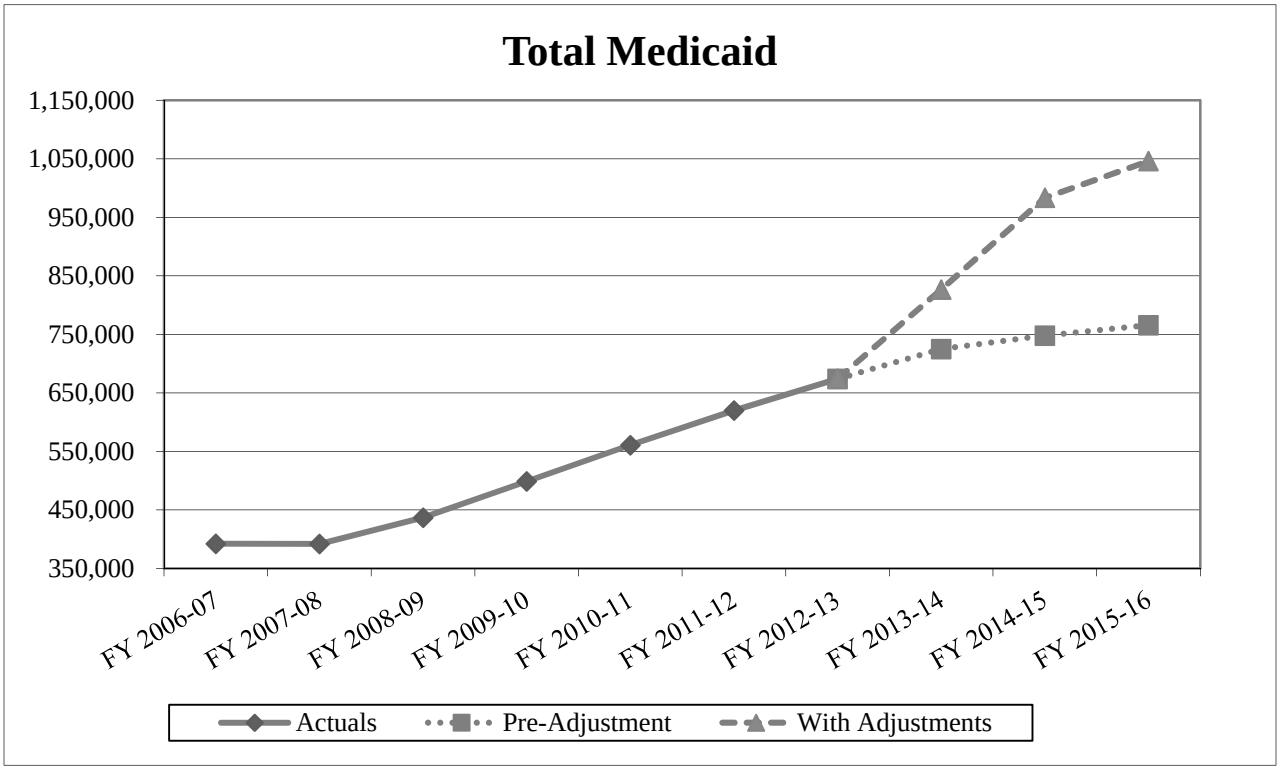
Base trend from June 2013 level			
FY 2013-14	22,170	4.55%	964

February 2013 Forecast	
Forecasted June 2013 Level	22,203

SUMMARY

The Department is forecasting a FY 2013-14 total Medicaid caseload of 677,492, a 9.28% increase from FY 2011-12. The trend is projected to continue in FY 2013-14 with caseload expected to increase by 9.59% to 742,436, with a large portion of the growth to come from the adjustments for SB 11-008, and SB 11-250, both of which are scheduled for implementation in January 2013, and the transition to MAGI and Foster Care expansion, which begin January 1, 2014.





Total Medicaid: Historical Caseload and Projections			
	Actuals	**Monthly Change**	**% Change**
Jun-10	526,776	-	-
Jul-10	531,445	4,669	0.89%
Aug-10	539,073	7,628	1.44%
Sep-10	541,285	2,212	0.41%
Oct-10	546,301	5,016	0.93%
Nov-10	551,168	4,867	0.89%
Dec-10	556,120	4,952	0.90%
Jan-11	564,115	7,995	1.44%
Feb-11	569,088	4,973	0.88%
Mar-11	578,192	9,104	1.60%
Apr-11	579,436	1,244	0.22%
May-11	583,951	4,515	0.78%
Jun-11	588,925	4,974	0.85%
Jul-11	591,843	2,918	0.50%
Aug-11	597,705	5,862	0.99%
Sep-11	602,910	5,205	0.87%
Oct-11	608,533	5,623	0.93%
Nov-11	614,146	5,613	0.92%
Dec-11	620,799	6,653	1.08%
Jan-12	620,542	(257)	-0.04%
Feb-12	626,106	5,564	0.90%
Mar-12	632,511	6,405	1.02%
Apr-12	630,699	(1,812)	-0.29%
May-12	642,649	11,950	1.89%
Jun-12	651,122	8,473	1.32%
Jul-12	649,015	(2,107)	-0.32%
Aug-12	655,796	6,781	1.04%
Sep-12	660,365	4,569	0.70%
Oct-12	661,214	849	0.13%
Nov-12	669,203	7,989	1.21%
Dec-12	671,879	2,676	0.40%
Jan-13	680,513	8,634	1.29%
Feb-13	693,865	13,352	1.96%
Mar-13	698,137	4,272	0.62%
Apr-13	707,290	9,153	1.31%
May-13	719,585	12,295	1.74%
Jun-13	729,074	9,489	1.32%
Jul-13	**708,616**	**(20,458)**	**-2.81%**
Aug-13	**712,693**	**4,077**	**0.58%**
Sep-13	**718,791**	**6,098**	**0.86%**
Oct-13	**720,239**	**1,448**	**0.20%**
Nov-13	**723,706**	**3,467**	**0.48%**
Dec-13	**724,031**	**325**	**0.04%**
Jan-14	**727,720**	**3,689**	**0.51%**
Feb-14	**730,112**	**2,392**	**0.33%**
Mar-14	**732,080**	**1,968**	**0.27%**
Apr-14	**734,333**	**2,253**	**0.31%**
May-14	**737,492**	**3,159**	**0.43%**
Jun-14	**740,389**	**2,897**	**0.39%**

**Bold denotes projection without adjustments

	Caseload*	**% Change**	**Level Change**
FY 1995-96	254,083	-	-
FY 1996-97	250,098	-1.57%	(3,985)
FY 1997-98	238,594	-4.60%	(11,504)
FY 1998-99	237,598	-0.42%	(996)
FY 1999-00	253,254	6.59%	15,656
FY 2000-01	275,399	8.74%	22,145
FY 2001-02	295,413	7.27%	20,014
FY 2002-03	331,800	12.32%	36,387
FY 2003-04	367,559	10.78%	35,759
FY 2004-05	406,024	10.46%	38,465
FY 2005-06	402,218	-0.94%	(3,806)
FY 2006-07	392,228	-2.48%	(9,990)
FY 2007-08	391,962	-0.07%	(266)
FY 2008-09	436,812	11.44%	44,850
FY 2009-10	498,797	14.19%	61,985
FY 2010-11	560,759	12.42%	61,962
FY 2011-12	619,963	10.56%	59,204
FY 2012-13**	674,019	8.72%	54,056
FY 2013-14	725,045	7.57%	51,026
FY 2014-15	748,052	3.17%	23,007
FY 2015-16	765,765	2.37%	17,713

* Medicaid caseload was restated back to FY 2002-03 effective July 1, 2008. Caseload prior to FY 2002-03 has not been restated and is not directly comparable to the restated caseload.

** Caseload for FY 2012-13 is adjusted for SB 11-008 and SB 11-250

Adjustments	
FY 2012-13	8,975
FY 2013-14	101,735
FY 2014-15	235,484
FY 2015-16	280,409

Projections After Adjustments			
FY 2012-13*	682,994	10.17%	63,031
FY 2013-14	826,780	23.19%	143,786
FY 2014-15	983,536	18.96%	156,756
FY 2015-16	1,046,174	6.37%	62,638

** Caseload for FY 2012-13 is reported actual

February 2013 Trends (BEFORE ADJUSTMENTS)			
FY 2012-13	674,530	8.80%	54,567
FY 2013-14	719,848	6.72%	45,318
FY 2014-15	740,723	2.90%	20,875

February 2013 Trends (AFTER ADJUSTMENTS)			
FY 2012-13	677,492	9.28%	57,529
FY 2013-14	742,436	9.59%	64,944
FY 2014-15	775,403	4.44%	32,967

Actuals		
	Monthly Change	**% Change**
6-month average	9,533	1.37%
12-month average	6,496	0.95%
18-month average	6,015	0.90%
24-month average	5,840	0.90%

Monthly Average Growth Comparisons		
February 2013 Forecast	4,022	0.60%
FY 2012-13 Actuals	6,496	0.95%
FY 2012-13 1st Half	3,460	0.53%
FY 2012-13 2nd Half	9,533	1.37%
FY 2013-14 Forecast	943	0.13%
February 2013 Forecast	2,700	0.38%
FY 2014-15 Forecast	1,570	0.21%

Base trend from June 2013 level			
FY 2013-14	729,074	8.17%	55,055

February 2013 Forecast		
Forecasted June 2013 Level		699,387