Children's Basic Health Plan

Annual Report
State Fiscal Year 2006

Submitted by
The Medical Services Board

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PREFACE

The Medical Services Board respectfully submits the following annual report to the Joint Budget Committee and the Health and Human Services Committees of the Colorado General Assembly. The report covers State fiscal year (SFY) 2006, which spans from July 1, 2005 to June 30, 2006, and is in accordance with C.R.S. 25.5-1-303 (7) (2005). The statute states the following:

> …the board shall report annually to the Joint Budget Committee of the General Assembly and the Health, Environment, Children and Families Committee of the Senate and the Health, Environment, Welfare and Institutions Committee of the House of Representatives on the implementation and performance of the Children's Basic Health Plan program, including but not limited to the extent to which private sector strategies and resources are effectively used as part of the program.

In response to this legislative mandate, the Medical Services Board requested the assistance of staff at the State of Colorado Department of Health Care Policy and Financing. Information for this report was obtained by reviewing all relevant documents and interviewing key individuals involved in the administration of the plan.

EXECUTIVE SUMMARY

The Children's Basic Health Plan was enacted through C.R.S. 25.5-8-101, et seq. (2006), and is marketed as the Child Health Plan *Plus* (CHP+). CHP+ is a public/private partnership providing health insurance for children in low-income families. These families have incomes at or below 200% of the federal poverty level (FPL) and are not eligible for Medicaid. Most CHP+ parents work full time, but have low-wage jobs that do not offer health insurance for their children. As a result, these parents are able to insure their children through the CHP+ program.

The program is administered by the Department of Health Care Policy and Financing, which contracts with private vendors for many program services. Contracting with private vendors allows the CHP+ program to combine the best practices of both government and private businesses. In fact, this "public/private partnership" is written into CHP+ law.

SFY 2006 began with a comprehensive marketing and outreach strategy to strengthen community-based organizations and partnerships. Additionally, CHP+ targeted television, radio, print, and billboards with the campaign theme "KEEPING COLORADO KIDS HEALTHY, from their pearly whites to their piggily wigglies" representing the program's interest in reaching families in every way possible.

In SFY 2006, the program served an average of 46,755[1] children per month and served 13,552[1] member months for pregnant women in the program. The legislature appropriated $76,960,890 for program costs to serve 44,177 children per month and 14,447 member months for pregnant women.

During SFY 2006, the Department proposed Colorado Family Care, a unified health care program created to streamline the process of providing health care benefits to low-income children, pregnant women and families. Although the specific waiver proposal did not pass, the Department remains committed to its goal to find cost-effective strategies to streamline Medicaid and CHP+. The desired outcome of combining the best aspects of the private and public sectors is to ease the burden of as many working families as possible.

> "Your program enabled us to have health insurance for our two children. They have had all of their vaccination shots and are happy and healthy. Your program assisted us in a time of need and we wanted to say, 'Thank you'." –CHP+ Mom

A COMMITMENT TO CHILDREN: PROGRAM OVERVIEW

State Children's Health Insurance Programs Nationwide

Created in 1997 under Title XXI of the Social Security Act, the State Children's Health Insurance Program was allocated $48 billion nationally, over 10 years, to expand health care coverage to uninsured children. The program enables states to insure children from working families with incomes or resources too high to qualify for Medicaid, but too low to afford private health insurance, with some latitude to adjust upper-income limits.

The authorizing federal legislation allows states considerable discretion in designing a program to meet their particular needs. As of July 1, 2006, all 50 states, the District of Columbia, and five U.S. Territories had implemented a State Children's Health Insurance Program covering over four million children. Of these states, 19 have created a stand alone child health insurance program, 11 have expanded Medicaid, and 20 have developed a combination of the two.

Children's Basic Health Plan of Colorado

The State of Colorado has a stand-alone Children's Health Insurance Plan; it is not a Medicaid expansion program. The program was enacted as the Children's Basic Health Plan (CBHP) through C.R.S. 25.5-8-101, et seq. (2006), and is marketed as the Child Health Plan *Plus* (CHP+).

The enabling legislation directed the Department of Health Care Policy and Financing to create a program that is a non-Medicaid program with the following principles:

- Provide commercial-like insurance;
- Administer the program privately; and

[1] Enrollments are estimated using capitation payments and include projected retroactive adjustments. The total was derived from summing across all months in SFY 2006. Source: JBC Monthly Report, July 17, 2006.

- Involve public and private sector partners.

In SFY 2006, CHP+ provided statewide-subsidized health insurance coverage for low-income children under 19 years of age and pregnant women who are not eligible for Medicaid whose families have incomes at or below 200% of the federal poverty level (FPL). For example, a family of four can make up to $3,333 per month and still qualify for CHP+. The program offers a wide variety of services including:

- Preventive care and immunizations;
- Other doctor visits;
- Specialty care;
- Hospital services;
- Prescriptions;
- Mental health services;
- Hearing aids;
- Eyeglasses; and
- Dental care.

Program Goals

During SFY 2006, CHP+ focused on the following goals:

- Improve health status for participants by assuring access to appropriate health care services;
- Effectively increase program enrollment;
- Reinstate coverage for pregnant women with incomes between 133% to 200% of FPL; and
- Maximize the effectiveness of CHP+ as a public/private partnership.

CHP+ ADMINISTRATION

The CHP+ program, by statute and operation, is a non-entitlement, commercial-coverage health plan with a largely privatized administration (See *Figure 1*, page 4). Public/private collaboration and co- operation continue to be the hallmarks of CHP+.

Department of Health Care Policy and Financing

The Department of Health Care Policy and Financing is the agency responsible for three of Colorado's major, publicly funded health care programs:

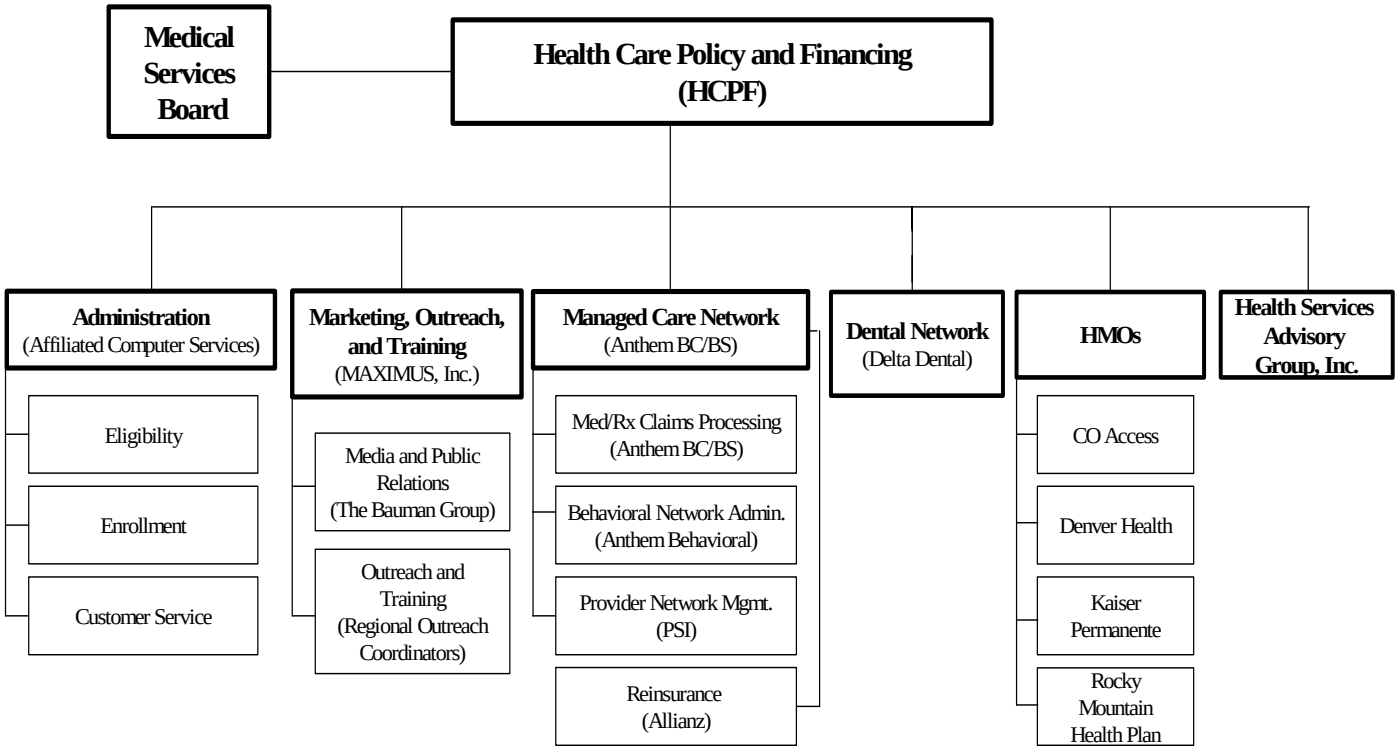
- The Children's Basic Health Plan;
- The Colorado Indigent Care Program; and
- Medicaid.

In SFY 2006, the Department was appropriated $76,960,890 for CHP+ administration and medical and dental benefit costs for children and pregnant women[2]. By statute, the Department performs the following functions:

- Establishes the schedule of benefits, rules and cost-sharing structures, and submission to the Medical Services Board for approval;
- Manages administrative and health-related service contractors;
- Conducts program evaluation and development;
- Coordinates with other public and private health care delivery and financing programs; and
- Assures compliance with all related federal and state laws and regulations.

[2] For more information on funding sources, please refer to the report section entitled, "The Costs of Covering Children."

Figure 1: SFY 2006 CHP+ Administrative Structure



During the 2006 Colorado State legislative session, S.B. 06-219 was created to reorganize and streamline statutes relating to all programs administered by the Department of Health Care Policy and Financing under C.R.S. 25.5-1-201 (2006). The purpose of the legislation is to allow the Department to manage county administrative and fiscal responsibilities that currently reside in the Department of Human Services. The reorganization:

- Is designed to allow the Department of Health Care Policy and Financing to manage county administrative and fiscal responsibilities that currently reside in the Department of Human Services;
- Allows the Department to be responsible for county social services and medical assistance departments in relation to Medicaid, CHP+, and the Old Age Pension State Medical Program;
- Transfers Home Care Allowance and Adult Foster Care cash assistance programs to the Department of Human Services allowing all cash assistance programs to reside under one department; and
- Repeals outdated references and obsolete citations.

Eligibility and Member Services

Currently, the Department contracts with Affiliated Computer Services (ACS) to provide eligibility, enrollment, and member services with operations beginning on August 1, 2003. This contract ends on June 30, 2007 and will be re-bid during SFY 2007. ACS fulfills the following contractual obligations:

- Eligibility and enrollment, including the processing of mail-in applications;
- Outreach, and coordination of CHP+ appeals;

- Statewide customer service, including application assistance, information, and problem resolution for CHP+ plan members and agencies; and
- Family enrollment fee administration.

The Department re-implemented marketing for CHP+ in SFY 2006 with a private vendor using funding from H.B. 05-1262.

PRIVATE SECTOR PARTNERSHIPS

Marketing

A cornerstone of the CHP+ enrollment strategy is marketing and community outreach. With the passage of H.B. 05-1262, the CHP+ program was appropriated $1,300,000 for marketing and outreach in order to continue building and maintaining community partnerships.

On January 19, 2006, a contract was signed between the Department of Health Care Policy and Financing and MAXIMUS, Inc. The contract includes marketing, outreach, and training with the objectives of increasing awareness of the CHP+ program and application submission. Additionally, the major foci of the MAXIMUS contract include advertising, media relations, outreach, training, development of marketing materials, and program evaluation. After a plan and strategy were developed and approved, marketing began in April 2006.

Television, radio, print, and billboards were developed in SFY 2006 with the campaign theme "KEEPING COLORADO KIDS HEALTHY, from their pearly whites to their piggily wigglies". All marketing materials are developed in both English and Spanish and are reviewed by the *Center for Health Literacy and Communications Technology*, that specializes in research and development materials for the populations served by the CHP+ program.

The ultimate goal of the marketing and outreach strategy is to increase CHP+ program enrollment and to promote statewide program awareness. Based on U.S. Census Bureau data and the number of impressions from each advertising outlet, the CHP+ target market, specifically families and single mothers with children 18 years of age and younger, saw a CHP+ ad approximately nine times. Since marketing began in April 2006:

- Application submissions increased 30%;
- Application downloads from the CHP+ website increased 45%;
- The program website URL was transferred to www.CHPplus.org for ease of access; and
- Partnerships have been developed with all of the participating managed care organizations.

Community Outreach

A central focus of the marketing and outreach plan is the existence of six Regional Outreach Coordinators (ROCs) stationed around the State. They act as liaisons between the community

organizations and the CHP+ program, work with organizations to increase their understanding of the program, and provide help to various organizations to enroll children and pregnant women. Currently, there is one ROC for each of the following regions:

- Northwest
- North Central
- Northeast
- Southwest
- Denver Metro
- Southwest

Since April 2006, the ROCs have outreached to community health centers, school districts, churches, and child care centers. The ROCs will continue to provide training for professionals who help families with the application, present to other community-based organizations, and promote membership for various coalitions and committees. The ROCs have proven to be a valuable communication channel from the communities to the CHP+ program.

HEALTH CARE DELIVERY SYSTEMS

Health Maintenance Organizations

The Department currently contracts with four health maintenance organizations (HMOs). In 39 of the 64 Colorado counties, enrollees receive health care services through one or more of the following HMOs: Colorado Access, Denver Health Medical Plan, Kaiser Permanente, and Rocky Mountain Health Plan. Of the 39 Colorado counties served by the four contracted HMOs, 52.1% of those residents meet the eligibility requirements to receive medical care through the CHP+ program. These health maintenance organizations are under full risk contracts with the Department. Of the remaining 21 counties served by the State Managed Care Network, 71.4% of those residents meet the eligibility requirements to receive medical services.

State Managed Care Network

The Department of Health Care Policy and Financing contracts directly with health care providers to offer coverage during pre-HMO enrollment and in counties where health maintenance organizations are unable to offer coverage. This network of providers is the State Managed Care Network and is comprised of over 4,766 providers including:

- 1,778 primary care physicians
- 1,634 specialists
- 32 hospital contracts representing 55 service locations
- 44 ancillary contracts representing 114 service locations, which include essential community providers

The Department contracts with Anthem Blue Cross and Blue Shield for administrative services to manage the State Managed Care Network. Anthem Blue Cross and Blue Shield is responsible for claims administration, utilization review, pharmacy benefits, case management, and behavioral health benefits. Anthem Blue Cross and Blue Shield subcontract with Policy Studies Incorporated for provider relations, training and contracting support, as well as provider customer service.

CHP+ enrollees may access benefits and services immediately upon program eligibility determination in every county of the State. This "pre-HMO enrollment period" is important because it enables children to access services as soon as they are enrolled. These initial services are delivered statewide through the State Managed Care Network until enrollment in the family's choice of health maintenance

organization is operationally possible, usually for one or two months.

Dental Services
CHP+ dental benefits are administered by Colorado Dental Service, Inc. doing business as Delta Dental Plan of Colorado. CHP+ provides comprehensive dental benefits, including preventive care, oral surgery, and endodontics, with a $500 per child per year limit. Preventive care services have no co-insurance payments, while other services have a co-insurance payment of $5.00 or less.

Delta Dental provides CHP+ members with a statewide network of over 1,070 dentists (88% of all licensed dentists in the state). In SFY 2006, Delta Dental served an average of 2,047 clients per month.

SFY 2006 ELIGIBILITY REQUIREMENTS

Estimated Eligible Population
CHP+ estimates that 97,014 children were eligible for the program in SFY 2006, including already enrolled children. This estimate of eligible but uninsured children is derived from the Federal Current Population Survey of the Census Bureau, and included Colorado children at or below 200% of the federal poverty level (FPL), but not Medicaid eligible. The current CHP+ enrollment rate represents 48% of the estimated eligible children.

In November 2004, the Colorado voters approved Amendment 35 which raised the tax on tobacco products in order to increase revenues for health care programs. As a result of Amendment 35's passage, revenues are required to be used to fund the CHP+ enrollment program above the SFY 2004 levels.

During the 2005 Colorado State legislative session, the General Assembly passed H.B. 05-1262 which enacted Amendment 35's provisions. This included expanded eligibility for both children and pregnant women from 185% to 200% of the federal poverty level. As a result of this expansion, the estimated eligible population has increased by 3,579 children in SFY 2006, a 3.8% increase compared with the 93,435 estimated eligible in SFY 2005.

Eligibility Requirements
Children are eligible for CHP+ for 12 months if they:

- Are residents of Colorado; and
- Have adjusted family incomes at or below 200% of the federal poverty level.

Pregnant women are eligible for CHP+ only during the length of their pregnancy and 60 days postpartum. Per federal statute and regulation for Title XXI programs, children and pregnant women are not eligible for CHP+ if they:

- Qualify for Medicaid;
- Have other insurance; or
- Have access to state employee health insurance benefits.

SFY 2006 ENROLLMENT

SFY 2006 Enrollment

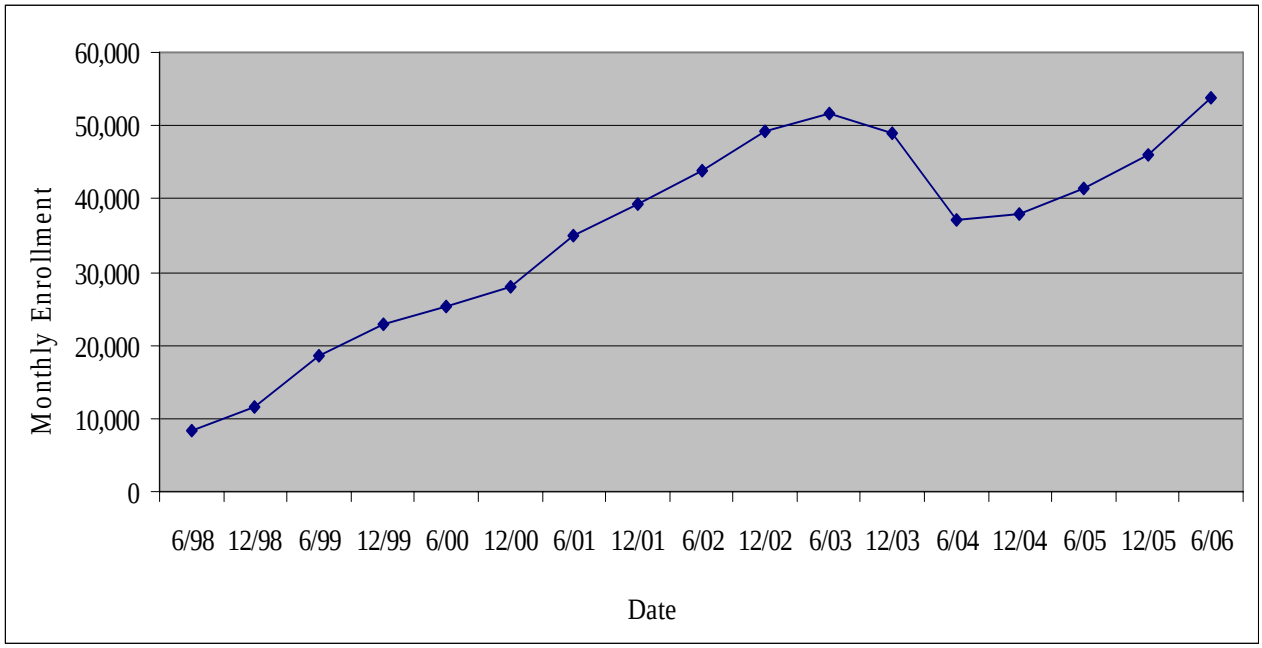
In SFY 2006, the Colorado General Assembly provided funding to assure services for an average of 44,177 children per month. The average monthly enrollment (AME) of children in CHP+ for SFY 2006 was 46,755[3]. Similarly, the Colorado General Assembly provided funding to assure that services for 14,447 member months of health care were purchased for pregnant women. Additionally, the program served 13,552[3] member months for pregnant women during SFY 2006. *Figure 2* displays CHP+ total enrollment from June 1998 thru June 2006.

The reason for the disparity between the average annual appropriated caseload estimates for both children and prenatal women and the actual average enrollment caseload estimate enrollment figures is a result of:

- Periodic data fixes throughout the year; and
- Marketing and community outreach beginning in April 2006.

In SFY 2006, significant improvements through design changes implemented in both Colorado Benefits Management System (CBMS) and Medicaid Management Information System (MMIS) improved the overall efficiency and accuracy of the enrollment data. The computerized eligibility system, CBMS, enables clients to apply for all state assistance programs they may be eligible for with one application at one time.

Figure 2: CHP+ Total Enrollment June 1998 — June 2006



[3] Enrollments are estimated using capitation payments and include projected retroactive adjustments. The total was derived from summing across all months in SFY 2006. Source: JBC Monthly Report, July 17, 2006.

The following programs can now be determined through CBMS:

- Adult Cash Assistance
- Colorado Works
- Food Assistance
- Medicaid Medical Programs
- Non-Medicaid Medical
- Medical Programs
- Restricted Medical Benefits

This also shortens the process of applying and enrolling for government health care programs since Medicaid and CHP+ eligibility are determined simultaneously.

In the past, applications for these programs were processed through various computer systems in different physical locations. This resulted in delays when clients were eligible for a different program than the one they applied for. Under the new CBMS system, clients can be determined eligible for either program regardless of which program they applied for or where they applied for services.

SFY 2006 Enrollment By Region

With the passage of the Health Insurance Portability and Accountability Act of 1997 (HIPAA), CHP+ now reports enrollment numbers on a regional basis, as opposed to the county level. This change was made to protect the possibility of identifying individual enrollees from very small counties. With the combined effort of the State and it's partners, enrollment rates are rising steadily. Of the 20 reported regions in *Table 1*, 10 have exceeded the statewide

Table 1: SFY 2006 Enrollment Rates by Region

Regions	Counties Included	Enrollment Rates[4,5]
Region 1	Garfield, Moffat, Rio Blanco	61.6%
Region 2	Eagle, Grand, Jackson, Pitkin, Routt, Summit	54.2%
Region 3	Mesa	87.7%
Region 4	Delta, Montrose, Ouray, San Miguel	99.3%
Region 5	Archuleta, Dolores, La Plata, Montezuma, San Juan	80.7%
Region 6	Chaffee, Custer, Fremont, Gunnison, Lake	79.3%
Region 7	Alamosa, Conejos, Costilla, Hinsdale, Mineral, Rio Grande, Saguache	67.2%
Region 8	Baca, Bent, Crowley, Huerfano, Kiowa, Las Animas, Otero, Prowers	66.4%
Region 9	Pueblo	82.9%
Region 10	El Paso, Teller	49.4%
Region 11	Logan, Morgan, Phillips, Sedgwick, Washington, Yuma	85.8%
Region 12	Cheyenne, Elbert, Kit Carson, Lincoln	63.6%
Region 13	Douglas	38.9%
Region 14	Boulder, Broomfield	43.0%
Region 15	Larimer	87.3%
Region 16	Weld	86.1%
Region 17	Adams	76.9%
Region 18	Arapahoe	43.0%
Region 19	Clear Creek, Gilpin, Jefferson	58.2%
Region 20	Denver	79.8%

[4] Enrollment rates are calculated using MMIS data from SFY 2005 and must be interpreted with caution.

[5] Enrollment rate is defined as CHP+ enrollees divided by estimated eligibles for each county.

enrollment average of 73.3%. Some of the recurring themes include community-wide involvement from all agencies serving the eligible population, ongoing marketing and outreach to reach all eligible families, school-based support, and strong leadership from a core team of community activists. CHP+ will continue to focus enrollment efforts on various regions of the State where enrollment rates need improvement.

How Clients Enroll

An application must be filled out to determine CHP+ eligibility. Clients may fill out the Single Purpose Application (SPA), a specific health care application used for both Medicaid and CHP+ programs. Applications are available from many sources, including ACS (the enrollment contractor), community health centers, schools, and county departments of social services.

Since posted on the website in January 2006, the monthly count of application downloads has steadily increased to 16,922 in June 2006, a 24.6% increase compared with 13,583 applications downloaded in February 2006. Most applications are mailed to the enrollment contractor, but some applications are processed by Denver Health or county departments of social services, who primarily determine eligibility for Medicaid and other social services programs.

CHP+ eligibility is determined annually and all CHP+ renewals are the responsibility of the enrollment contractor. Renewal applications are sent to clients in ample time for them to renew. The applications are pre-printed with the client's specific information in order to expedite the renewal process for both clients and eligibility staff and to prevent any lapses in coverage. Furthermore, 75% of clients who re-apply for the program are found eligible.

Application Submissions

The CHP+ eligibility and enrollment vendor received 16,108 new applications this year. On average, each application represents two children.

Applications are collected through the following sources**:**

- Satellite eligibility determination sites
- Medical assistance sites
- County departments of social services
- By mail directly to the department's contractor centralized site

Satellite eligibility determination sites are community partners who are given the tools to screen for eligibility on site and are required as part of their contract to provide CHP+ outreach to their community.

"Thank you for making CHP+ available. Our kids are exceptionally healthy…having them covered gave us peace of mind. Thank you for doing what you do!"–CHP+ Dad

ACS Applications 2006

In SFY 2006, the CHP+ eligibility and enrollment contractor received a total of 16,108 new applications. Of those, 1,644 were applications for the CHP+ prenatal program. The total number of renewal applications received by the contractor during the year was 10,371. Each application averages two children per family.

Although all of these applications were processed, not all of them resulted in CHP+ enrollments. CHP+ is required by federal law to screen every applicant for Medicaid eligibility.

COST SHARING

CHP+ requires enrollment fees and co-pays from some of its clients based on their income and family size as displayed in *Table 2* below. Families do not pay for preventive services.

Table 2: CHP+ Cost Sharing

Family Income (% FPL)	Annual Enrollment Fee		Co-pay per Office Visit
	One Child	2 or More Children	
0-100%	No Fee	No Fee	$0
101-150%	No Fee	No Fee	$2
151-200%	$25	$35	$5

HEALTH CARE SERVICES: QUALITY, UTILIZATION, AND EVALUATION

Program Development

In July 2005, the Department submitted the Colorado Family Care Health Insurance Flexibility and Accountability (HIFA) Waiver Report to the Health and Human Services Committees. The proposal included the following for low-income, non-disabled children, and pregnant women and their families eligible for Medicaid or CHP+:

- Eligibility expansions;
- Benefit enhancements; and
- Purchasing reforms.

With the goal of reducing the number of low-income, uninsured Coloradoans, the Colorado Family Care model received great support in the Colorado State Legislature, but unfortunately the specific waiver proposal did not pass. The Department, however, remains committed in its goal to find cost-effective strategies to streamline Medicaid and CHP+.

The Department currently provides care for pregnant women through the Adult Prenatal Coverage Waiver. The Department is currently working with the Centers for Medicaid and Medicaid Services (CMS) to renew the waiver as it will expire in October 2006. As part of the renewal process, the Department is developing a premium assistance program that would increase the number of Coloradoans in the program, specifically children, with access to health insurance and health care.

The premium assistance program will provide financial assistance to families with CHP+ eligible children who enroll in their employer's insurance plan. In order for an employer's health plan to qualify, the plan would be required to cover inpatient hospital services, immunizations, well-baby and well-child care, and emergency care. Both the Colorado Family Care and premium assistance projects have been supported by the Federal Health Resources and Services Administration and Rose Community Foundation.

Quality Evaluation

The Department contracts with the Health Services Advisory Group, Inc. as an external quality review organization and assists the Department of Health Care Policy and Financing's quality assurance activities by:

- Credentialing providers; and
- Collecting Health Employer Data Information Set (HEDIS) measures. HEDIS is a standardized measure of health care outcomes.

The Department's 2005 quality measures were calculated by Health Services Advisory Group, Inc. using 2004 data. The final report was published in November 2005. The following measures were calculated:

- Well-child visits in the first 15 months of life
- Well-child visits in the third, fourth, fifth, and sixth years of life
- Adolescent well-care visits
- Use of appropriate medications for people with asthma
- Children's and adolescents' access to primary care practitioners
- Appropriate treatment for children with upper respiratory infections
- Appropriate testing for children with pharyngitis

The CHP+ program surpassed the Medicaid 2004 national average for several measures. Most notable is the program's performance in the area of asthma treatment. The weighted average for all indicators within the Use of Appropriate Medications for People with Asthma measure exceeded the national Medicaid 2004 90th percentile. Strong performance was also observed for the two upper age groups within the Children's and Adolescents Access to Primary Care Practitioners.

CHP+ has established an appropriate framework for the measurement of performance data. The objectives for 2005 measurement data included:

- Keeping the measure set relatively stable;
- Requiring a HEDIS Compliance Audit; and
- Establishing a baseline level of performance.

THE COSTS OF COVERING CLIENTS

The General Assembly appropriated and directed monies in SFY 2006 to the CHP+ Trust Fund through several bills: H.B. 05-1262, H.B. 06-1217, H.B. 06-1369, H.B. 06-1385, S.B. 05-209, and S.B. 06-135. The total appropriation for the program costs was $76,960,890 of which $49,148,066 was Federal Funds and $27,812,824 was Cash Funds Exempt from the CHP+ Trust Fund. With the passage of H.B. 05-1262, the Health Care Expansion Fund created additional monies to fund $4,558,442 in medical program costs, $52,329 in dental program costs, and $497,935 in administrative costs. The Tobacco Litigation Settlement Cash Fund appropriated $19,248,927 to the CHP+ Trust

Fund. Under Title XXI, CHP+ receives an enhanced federal matching rate of 65%.

Benefit Costs

For SFY 2006, the Department received an appropriation of $71,383,683 to fund the cost and delivery of medical and dental benefits covered under CHP+. This appropriation reflects a projected per member per month cost of $101.44 for medical care costs, and $11.82 per member per month to fund dental care costs for an average monthly enrollment of 46,755 children. The appropriation also reflects a projected per member per month cost of $816.97[6] and 14,447 member months for pregnant women. Additionally, the appropriation assumes 2,269 births reimbursed at $4,475 per birth.

Administrative Costs

The Department received an appropriation of $5,577,207 to fund contracted administrative functions for CHP+. Administrative functions include eligibility, enrollment, member services, family premium administration, and community outreach. This appropriation also included funds for necessary professional services for auditing, actuarial, and program evaluation services.

Furthermore, State law requires CHP+ administrative expenditures to be below 10% of total program costs. Since CHP+ is required to screen every applicant for Medicaid eligibility, Medicaid pays for a substantial amount of CHP+ administrative costs. After this adjustment, CHP+ spent under 10% of its funds on administrative services.

SFY2006 CHP+ FUNDS EXPENDED

	Funds expended[7]
Medical	$65,919,891
Dental	$ 5,368,921
Administration	$ 5,273,572

SFY 2006 CHP+ FINAL REMARKS

Changes and events in the CHP+ program that occurred in SFY 2006 will continue to affect CHP+ in SFY 2007. On July 1, 2006, the Department lifted the Medicaid asset test for children and families. As a result of changes to welfare reform in 1996, states had new flexibility in Medicaid to determine eligibility. In Colorado, applicants were required to count the assets that they had available to them beyond their earnings such as vehicles, bank accounts, property, etc.

During the 2005 Colorado State legislative session, the General Assembly passed H.B. 05-1262 which enacted Amendment 35's provisions which removed the asset test for both children and families. Those children who are enrolled in CHP+ solely because of the asset test will continue to move to the Medicaid program as their participation becomes available for renewal, creating a

[6] The SFY 2006 appropriation for S.B. 209 assumed 19,170 member months and 2,140 deliveries for an average of 8.9579 member months per delivery. This is calculated using one-time labor and delivery costs and per member per month cost for all other services.

[7] Funds Expended are reported as of August 2006.

gradual change in membership throughout the new fiscal year. Conversely, because of SFY 2006 marketing and outreach strategies, CHP+ expects new members to enroll as others are moved to Medicaid.

SFY 2007 will continue to be an exciting year as the eligibility and enrollment contract that is currently held by Delta Dental and Affiliated Computer Systems (ACS) will be re-bid in accordance with state procurement law. Per contractual requirements, Delta Dental and ACS will prepare a plan for the orderly transfer of the contract to their successor contractor. The Department looks forward to a seamless transition, without interruption of services to its members.

> "I would like for the appropriate persons to know that every person who helped us in the CHP+ program took great care of us. We were treated with great dignity and respect from the application process to the medical personnel at the clinic. It made a difficult situation much easier. Thank you from the bottom of my heart."–CHP+ Mom

During the 2006 Colorado State Special legislative session, H.B. 06S-1023 mandated additional documentation to verify the citizenship and identification of CHP+ clients (both children and prenatal members) who are 18 years or older. Similarly, the federal Deficit Reduction Act of 2005 (DRA) requires new documentation to be submitted to verify citizenship for Medicaid programs as of July 1, 2006.

Once Federal approval is received, the Department looks forward to beginning enrollment in its new premium assistance program that will provide assistance to families with CHP+ eligible children who are enrolled in their employer's health plan.

Colorado's established goals to provide further focus and direction of the premium assistance program includes improving access to and enrollment in employer-sponsored health insurance, developing a partnership between employers, health insurers, and the State to maximize public and private resources, and designing and implementing efficient and effective solutions. Federal fiscal year 2007 is the final year of State Children's Health Insurance Plan's original ten-year authorization. As Congress prepares to reauthorize the program, the Department is focusing on areas for improvement and reform in its State Children's Health Insurance Plan program.

As it has in the past, the Department will continue to strive toward improving the health care and delivery systems for income-eligible Medicaid and CHP+ members by building on the State's public/private partnership with a dedication that has proven to be such a positive influence on the lives of so many Colorado families.

GLOSSARY

Appropriation
: A legislative spending authority for a specific purpose, as contained in the Long Bill and special bills.

Cash Funds Exempt
: Revenues that are exempt from the 'Taxpayers' Bill of Rights' (TABOR) limitation such as donations, collections from a previous year, or revenues transferred from another agency.

Colorado Benefits Management System
: Comprehensive computer system used to collect data and determine eligibility for multiple public assistance programs in Colorado.

Federal Deficit Reduction Act of 2005 (DRA)
: Generates approximately $99 million in Federal reductions over the next 10 years and includes approximately $26.1 billion in Federal Medicaid reductions over the next 10 years.

Federal Fiscal Year 2007 (FFY 2007)
: Federal fiscal year from October 1, 2006 thru September 30, 2007.

Federal Funds
: Matching revenues from the federal government based on a percentage of state expenditures.

Federal Poverty Level (FPL)
: The minimum income level a family needs for basic necessities reported annually and is determined by the United States Department of Health and Human Services in the form of poverty guidelines.

Health Care Expansion Cash Fund
: Fund created by H.B. 05-1262 to pay for enrollment increases above the average enrollment, provide up to $540,000 for cost-effective marketing to increase CHP+ enrollment, and fund Medicaid services to legal immigrants.

Health Insurance Flexibility and Accountability (HIFA) Waiver
: Federal Section 1115 waiver that allows states to apply for authority to authorize experimental, pilot, or demonstration project(s) in an effort to assist in promoting the objectives of the Medicaid statute.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)
: Improves the portability and continuity of health insurance coverage, combats fraud and abuse, and helps control administrative costs of health care.

State Fiscal Year 2006 (SFY 2006)
: State of Colorado fiscal year from July 31, 2005 thru June 30, 2006.

State Fiscal Year 2007 (SFY 2007)
: State of Colorado fiscal year from July 31, 2006 thru June 30, 2007.

Title XXI
: Federal authorizing legislation for the State Children's Health Insurance Program (S-CHIP).

Tobacco Litigation Settlement Cash Fund
: Fund created by S.B. 99-231 to provide a permanent source of tobacco litigation settlement monies and authorizing monies held in escrow for the State used in connection with the Master Tobacco Settlement Agreement.