

Health Care Policy & Financing

Presentation to the Long-term Fiscal Stability Commission

July 28, 2009



Health Care Policy & Financing

Presenters

- Joan Henneberry, Executive Director
- John Bartholomew, Chief Financial Officer
- Bob Douglas, Acting Legal Division Director



Department Mission

To improve access to cost-effective,
quality health care services for
Coloradans



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Department

- Authorization: 25.5-1-104, effective July 1, 1994
- Federally designated agency to receive federal funds for Medicaid and CHP+
- Administers the following programs:
 - Medicaid
 - Child Health Plan *Plus* (CHP+)
 - Colorado Indigent Care Program
 - Old Age Pension State Medical Program
 - Comprehensive Primary and Preventive Care Grant Program
 - Primary Care Fund
 - Home and Community Based Services Medicaid Waiver



Medicaid's Origin

- Enacted in 1965 as companion legislation to Medicare (Title XIX)
- Established as means-tested program where eligibility is determined by income
- Provided federal matching grants to states to finance care
- Focused on single parents with dependent children, elderly, blind, disabled
- Included mandatory services and options for broader coverage

Source: Rowland D, Kaiser Commission on Medicaid and the Uninsured Medicaid Basics, May 2005.



Summary Characteristics of Populations Served

Provide public health insurance for:

- low income adults: 69,167
- partial dual eligibles: 15,129
- pregnant women: 7,045
- children: 256,630
- foster children: 18,031
- persons with disabilities: 51,411
- elderly and disabled elderly: 43,941

Source: These numbers are from June 09 caseload report



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Overview of Programs

- Department administers Medicaid, Child Health Plan *Plus* (CHP+) and other medical programs for low income, elderly and persons with disabilities
- Colorado receives Federal match (50% Medicaid, 65% CHP+)
- Source of insurance for nearly 10% of Coloradans
- Provides comprehensive, low-cost health coverage for low-income families
- Acute and long-term care coverage for elderly and persons with disabilities



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Colorado Medicaid Waiver Programs

- Children's HCBS
- Children's Habilitation Residential Program (HCBS-CHRP)
- Children's Extensive Support (HCBS-CES)
- Children with Autism (HCBS-CWA)
- Pediatric Hospice Waiver (HCBS-PHW)
- Elderly, Blind, & Disabled (HCBS-EBD)
- Consumer Directed Care for the Elderly (HCBS-CDCE)
- Supported Living Services (HCBS-SLS)
- Persons Living with AIDS (HCBS-PLWA)
- Mentally Ill (HCBS-MI)
- Brain Injury (HCBS-BI)



American Reinvestment and Recovery Act (ARRA)

Enhanced match:

- October 1, 2008 thru December 31, 2010 for Title XIX only, if states qualify.
- Qualifications:
 - No changes to eligibility requirements;
 - Prompt pay MMIS
 - Additional funds cannot be placed in a rainy day fund
 - Additional expenditures is for eligible expenditures



ARRA

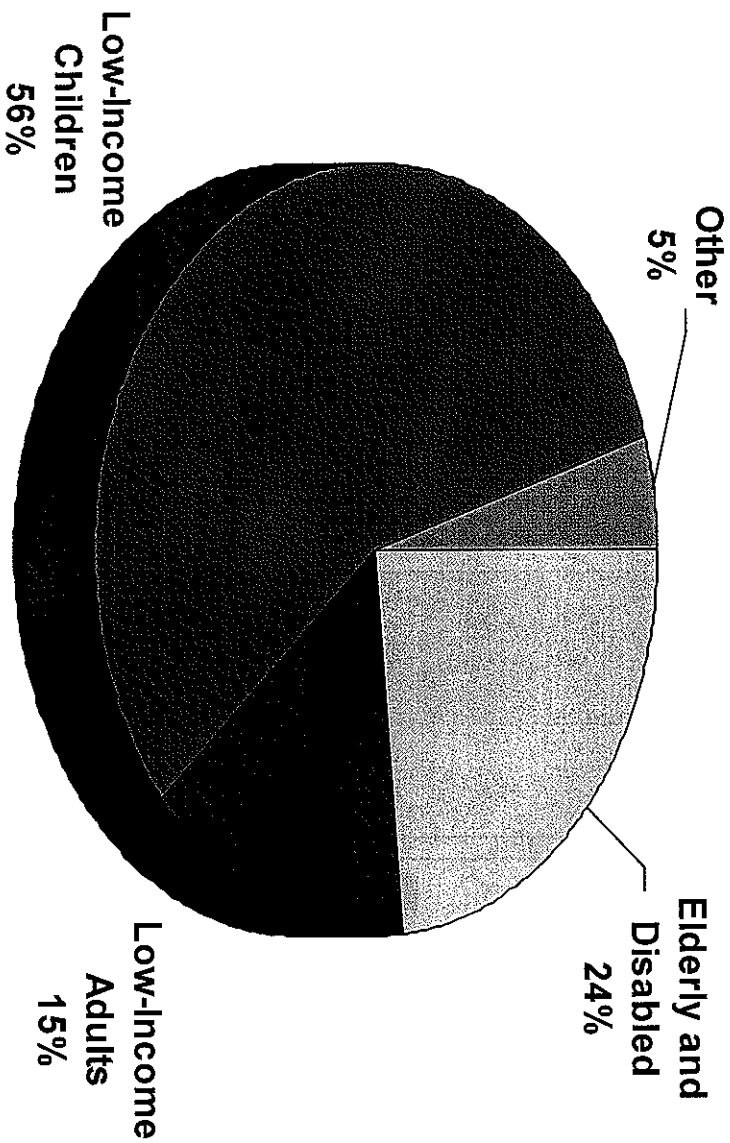
- Direct relief to state's General Fund and cash funds
 - For every additional federal dollar the department receives, the General Fund and various cash funds appropriated to the Department are, in total, reduced by the same amount.
 - The Department received an additional \$240m of federal dollars for FY 08-09 (3 quarters) that relieved GF and some cash funds; Estimated to receive \$423m additional federal dollars in FY 09-10 (for the full year); and \$211m in FY 10-11 (for 2 quarters).



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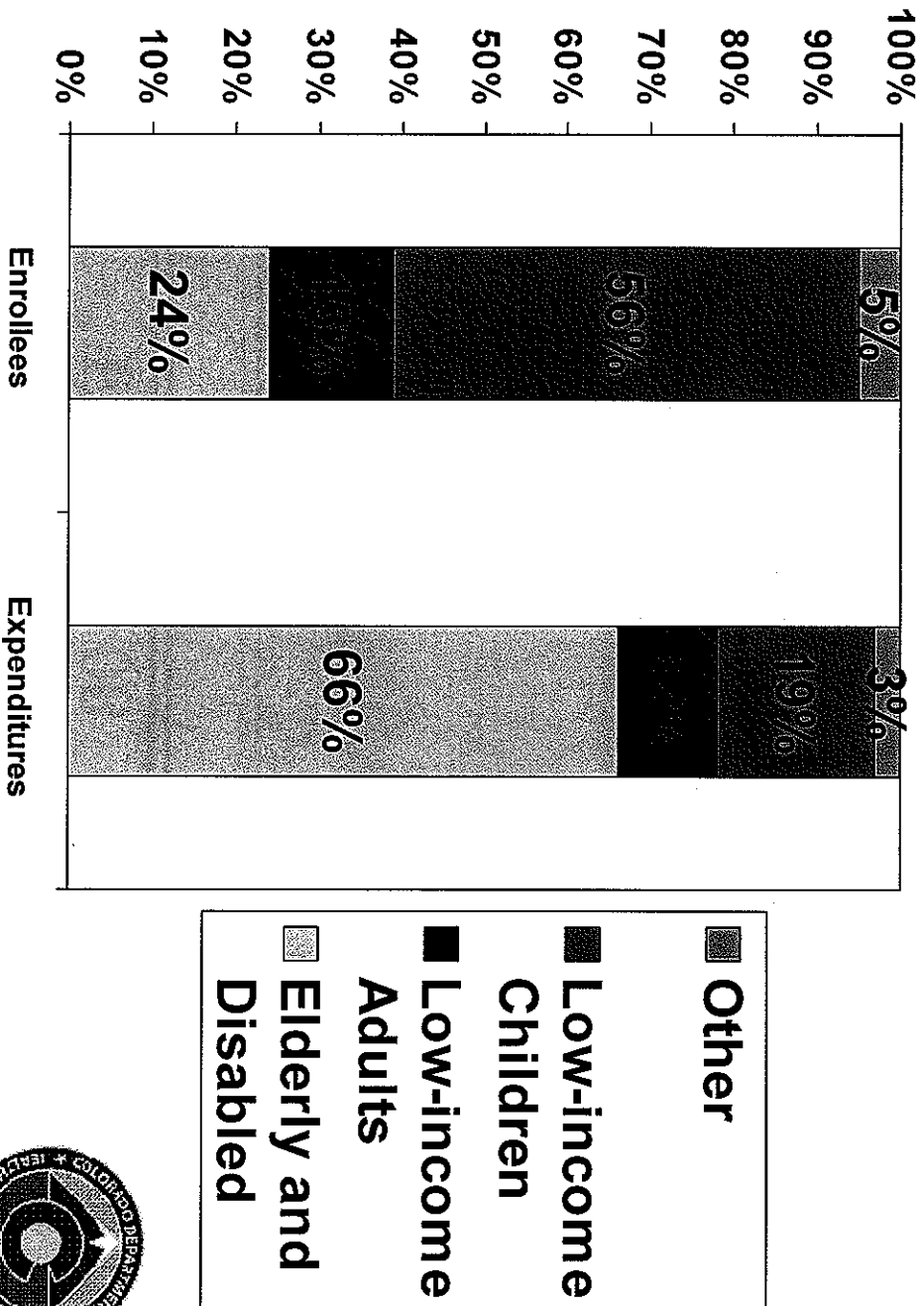
Medical Services Premiums Caseload

FY 2007-08



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Medicaid Enrollees and Expenditures by Enrollment Group, FY 2007-08



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Department Facts

- Total Budget = approximately \$3.8B
- \$10.4 M/day
- Number of employees = 276
- Administrative Costs = 3.18% to 3.33%
 - Compared to national insurers:
 - United Health 16.41%
 - Aetna = 21 %
 - Humana = 14.2%
 - Cigna = 27%

Source: <http://www.wikinvest.com/wiki/Unh>



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Goals

Department:

- Increase the number of insured Coloradans
- Improve health outcomes
- Increase access to health care
- Contain health care costs
- Improve the long-term care service delivery system

