

B

Health Care Policy & Financing

---

---

**Presentation to the  
Long-term Fiscal  
Stability Commission**

July 28, 2009



## 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

---

---



## 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 Waivers



## 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*

---

---



---

---

## 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



## 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

---

---

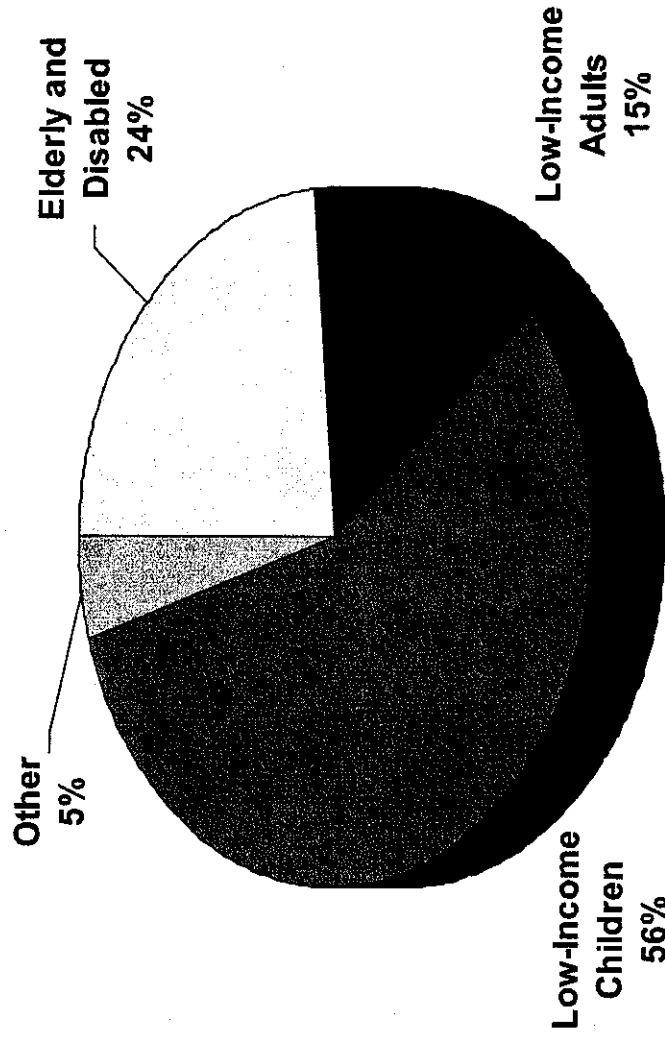
- Direct relief to state's General Fund and cash funds

- 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).

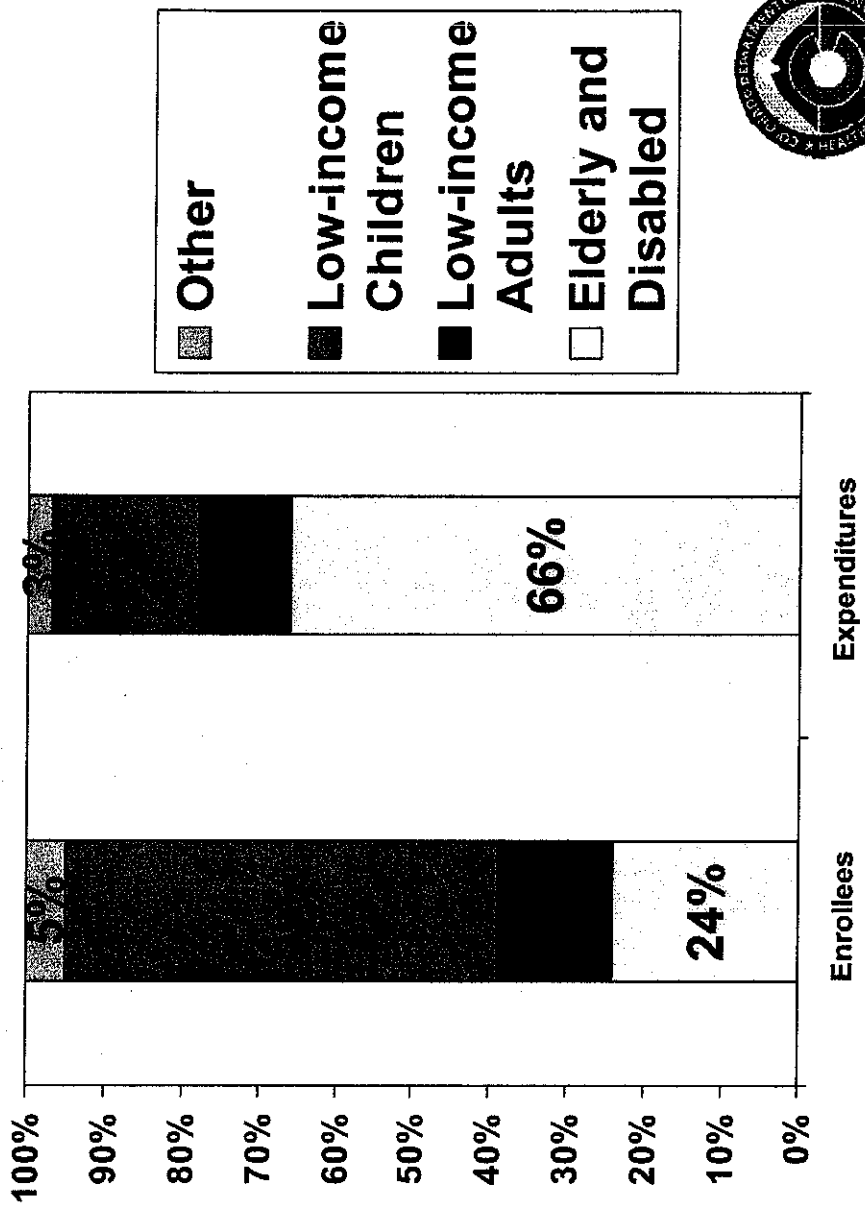


# Medical Services Premiums Caseload

FY 2007-08



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



## 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>



---

---

## 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



# Goals

---

---

**Management:**

- Increase the number of people who are eligible and enroll in public programs.
- Reduce inappropriate and avoidable utilization of services.
- Increase the number of providers serving clients enrolled in public programs.
- Every contract will have metrics tied to expected outcomes.
- Payment policies and mechanisms will be tied to expected outcomes.
- Continuously identify and implement administrative efficiencies.



## Follow-up

---

---

Follow-up and clarification from July 9<sup>th</sup>  
with Senator Keller:

- Recoveries:
  - Tort and Casualty = \$3M
  - Post Pay = \$14M
  - Trust Repayment = \$2M
  - Estate Recovery = \$3M
  - Program Integrity = \$2M





## Questions?

---

---

For more information please visit  
our Web site: [colorado.gov/hcpf](http://colorado.gov/hcpf)

---

---



