Children's Basic Health Plan

Annual Report
State Fiscal Year 2009

Submitted by
The Medical Services Board

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PREFACE

The Medical Services Board respectfully submits the following Children's Basic Health Plan annual report to the Joint Budget Committee and the Health and Human Services Committees of the Colorado General Assembly. This report covers State Fiscal Year 2009, which spans from July 1, 2008 to June 30, 2009. The Medical Services Board requested the assistance of staff at the State of Colorado Department of Health Care Policy and Financing (Department) to develop this report. Information for this report was obtained by reviewing all relevant documents and interviewing key individuals involved in the administration of the Children's Basic Health Plan.

EXECUTIVE SUMMARY

The Children's Basic Health Plan was enacted through C.R.S. 25.5-8-101, et seq., and is marketed as the Child Health Plan *Plus* (CHP+) program. CHP+ is a public/private partnership providing health insurance for children and pregnant women in low-income families. These families have incomes at or below 205%[1] of the Federal Poverty Level (FPL) and are not eligible for Medicaid. Most CHP+ parents work full-time, but either have low-wage jobs that do not offer health insurance for their children, or cannot afford private health insurance premiums. CHP+ offers an opportunity for these parents to insure their children.

The program is administered by the Department, which contracts with private sectors for many of its program services. Contracting with private vendors allows the CHP+ program to combine the best practices of both public and private businesses. This "public/private partnership" is required by the enabling legislation of CHP+.

Extensive marketing and outreach continued in SFY 2009. The marketing and outreach strategy included advertising, media relations and outreach. Since January 2007, Lt. Governor Barbara O'Brien has served as the CHP+ spokesperson. Additionally, a monthly CHP+ newsletter was sent to over 1,400 community partners that supported outreach efforts in communicating new CHP+ policies and procedures.

Key to the success of the CHP+ outreach strategy was eleven CHP+ Regional Outreach Coordinators (ROCs). These coordinators provided training to families, counties, and community partners. The ROCs also attended events, and continually served as a conduit between the Department and the communities. Among the numerous partnerships established between the Department and community-based organizations include schools, faith-based organizations, Head Start programs, recreation centers, child care centers, counties, private providers, and community health centers.

In SFY 2009, the program served an average of 61,582 children and 1,665 adult pregnant

[1] Due to Federal legislation that limited expanding eligibility to 200% of FPL, the Department applies a 2.5% income disregard for families over the income limit of 200% FPL. This income disregard effectively expands eligibility to 205% of FPL.

women per month.[2] Spending authority of $137,309,590 was approved for CHP+ administration and medical and dental costs to serve 61,801 children per month and 1,693 adult pregnant clients per month.

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 (SCHIP) 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 flexibility to adjust upper-income limits.

Since the inception of SCHIP, each state has had the option to design a program to meet the particular needs of the state within broad federal guidelines. As of May 2007, all 50 states and the District of Columbia, had implemented SCHIP, covering over four million children. Of these states, 19 created a stand-alone child health insurance program, 11 expanded Medicaid, and 21 developed a combination of the two.

Children's Basic Health Plan

The enabling legislation directed the Department to create a program that is a non-Medicaid program with the following principles:

- Provide commercial-like insurance;
- Administer the program privately; and
- Involve public and private sector partners.

The State of Colorado has a stand-alone SCHIP program as opposed to a Medicaid expansion or combination program. In SFY 2009, CHP+ provided statewide-subsidized health insurance coverage for low-income children 18 years of age and under and pregnant women who are not eligible for Medicaid whose families have incomes at or below 205%[1] of FPL. For example, a family of four could make up to $3,442 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 for children.

Program Goals

During SFY 2009, CHP+ focused on the following goals:

- Improve health status for clients by assuring access to appropriate health care services;
- Effectively increase program enrollment;

[2] Source: July 15, 2009 Joint Budget Committee Monthly report.

- Work with the congressional delegation to ensure full SCHIP reauthorization and funding;
- Enroll CHP+ eligible children into CHP+ At Work, which provides premium assistance to working families with employer-sponsored insurance; and
- Maximize the effectiveness of CHP+ as a public/private partnership.

SCHIP's initial period of authorization ended on September 30, 2007. After two presidential vetoes of legislation aimed at reauthorizing SCHIP for five years, an 18-month extension was approved during the Bush administration. Under a new administration, on February 4, 2009, President Obama signed legislation to reauthorize SCHIP through 2013.

CHIPRA and the Children's Health Insurance Program

The reauthorizing legislation, known as the Children's Health Insurance Program Reauthorization Act (CHIPRA), reauthorized the program by securing federal funding through 2013, and provided $32.8 billion to expand coverage to approximately four million more children nationwide. In addition, the bill removed the word "State" from the Children's Health Insurance Programs, and the programs are now commonly referred to as "CHIP."

CHIPRA imposes a number of changes on both CHIP and Medicaid programs, and aims to expand coverage, as well as improve the quality of health care for children served by both programs. In addition, many of CHIPRA's provisions have the effect of aligning Medicaid and CHIP policies. Below is a summary of some of CHIPRA's major provisions, and their impacts on Colorado.

- Preserves state flexibility to decide income eligibility level for children that need assistance in each state. However, populations above 300% of FPL will not receive the CHIP enhanced match, and will instead receive the Medicaid match. The Colorado Health Care Affordability Act, or HB 09-1293, which is further described in the legislative initiatives section on page 13, will expand CHP+ income eligibility to 250% of FPL.

- Provides states with the option to lift the current five-year waiting period for immigrant children and pregnant women to become eligible for CHIP coverage. HB 09-1353, also outlined in the legislative initiatives section, gave the Department authority to extend Medicaid and CHP+ eligibility to legal immigrant children and pregnant women without the five year waiting period. The bill is not yet funded, and will not be implemented until funding is secured.

- Dedicates $225 million for a nationwide CHIP quality initiative. The initiative will include the development of new child-specific health quality measures (scheduled to be published by the U.S. Department of Health and Human Services (HHS) no later than January 1, 2010), along with a standardized reporting format for States. The Department will contribute feedback on the new quality measures during the public commentary period to share how the new quality measures track with Department goals.

- Extends the Medicaid citizenship documentation requirement (as established by the Deficit Reduction

Act of 2005) to CHIP. The bill also provides the option for states to use information gathered by the Social Security Administration (SSA) as a potential way to decrease administrative barriers to coverage.

- Offers additional financial support, in the form of performance bonuses, for states whose CHIP and Medicaid programs implement at least five out of eight enrollment and retention provisions.[3]

SFY 2009 ELIGIBILITY AND ENROLLMENT

Eligibility Requirements

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

- Are U.S. citizens or legal permanent residents for five years;
- Are residents of Colorado;
- Have adjusted family incomes at or below 205%[1] of FPL;
- Do not qualify for Medicaid;
- Do not have other insurance; and
- Do not have access to state employee health benefits.

Pregnant women are also eligible if they meet the above requirements, and remain eligible for CHP+ during the length of their pregnancy and 60 days postpartum.

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 1*. Applicants are required to pay the enrollment fee in order to become enrolled in the program. Families do not pay for preventive services.

Table 1: 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
201 205%	$25	$35	$5

Estimated Eligible Population

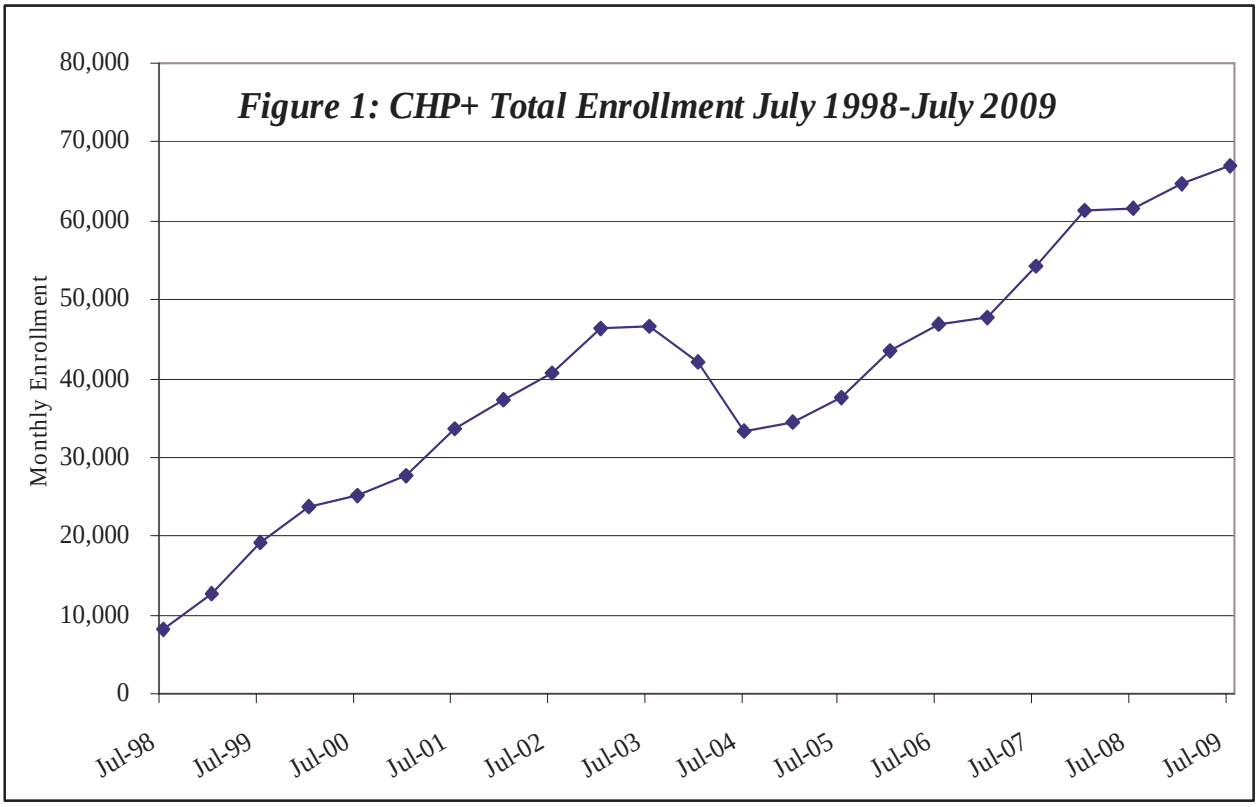
Based on numbers derived by the U.S. Census Bureau, 41,000[4] children were

[3] These provisions are: 1) 12-month continuous coverage; 2) No asset test (or simplified asset verification); 3) No face-to-face interview requirement; 4) Joint application and the same information verification process for separate Medicaid and CHIP programs; 5) Administrative or *ex parte* renewals; 6) Presumptive eligibility 7) Express Lane eligibility; and 8) Premium assistance. Colorado currently meets four of these provisions, and did not meet the requirements to qualify for a performance bonus for 2010, but is well positioned to receive the bonus in future years.

[4] Source: Colorado Health Institute's most recent analysis of U.S. Census Bureau's Current Population Survey (CPS) 2005-07 (covering calendar years 2004-06). The full report is available online at http://datacenter.coloradohealthinstitute.org/data_results.jsp?i=262&rt=3&p=2&c=2

income eligible for CHP+, but not enrolled. This estimate included Colorado children at or below 205%[1] of FPL, but not Medicaid eligible.

Employing a new methodology, the Department has partnered with the Colorado Health Institute to obtain updated data on the estimated eligible population on a regular basis. Currently, updated data on CHP+ eligible children by county is in the process of being developed. The Department will use this data to improve its assessment of enrollment rates. Going forward, enrollment rates will be regularly analyzed to evaluate program performance, identify necessary improvements, and inform decisions about marketing and outreach.



How Clients Enroll

In SFY 2007, the Application for Colorado Health Care was redesigned to make it easier for clients to complete. A committee comprised of representatives from the Department, advocates, the private sector, and counties drafted the new application—the Application for Colorado Health Care Coverage. The MAXIMUS Center for Health Literacy reviewed the application for literacy levels and completed the Spanish translation.

An application must be completed to determine CHP+ eligibility. Applicants may complete the Application for Colorado Health Care Coverage, a specific health care application used for both the Medicaid and CHP+ programs. Applications are available from many sources, including Affiliated Computer Services (ACS)—the eligibility and enrollment contractor—community health centers, schools, and county departments of human/ social services, and may be downloaded by visiting the CHP+ or Department Web sites (www.CHPplus.org or www.colorado.gov/hcpf, respectively). While some applicants take their

applications to medical assistance sites or county departments of human/ social services, most applicants mail their applications to the enrollment contractor.

Application downloads were first posted on the Web site in January 2006. The total number of downloaded applications in SFY 2009 was 61,560.[5]

CHP+ eligibility is determined annually and all CHP+ renewals are the responsibility of the eligibility and enrollment contractor. Renewal applications are sent to clients well in advance of the end of their eligibility span (90 days prior to application due date). 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.

SFY 2009 Enrollment

In SFY 2009, the Colorado General Assembly's Joint Budget Committee approved funding to assure services for an average of 61,801 children per month, and 1,693 adult pregnant women per month. In SFY 2009, the average monthly enrollment (AME) of children in CHP+ was 61,582, and the average number of adult pregnant women served per month was 1,665.[6] *Figure 1* displays CHP+ total enrollment from July 1998 through July 2009.

In SFY 2009, many of the design changes in both the Colorado Benefits Management System (CBMS) and the Medicaid Management Information System (MMIS) were directly related to changes in existing contracts and new legislation. Additionally, other enhancements have been defined to increase efficiency and accuracy in eligibility and enrollment processing for deployment in SFY 2010.

CBMS enables clients to apply for all state assistance programs they may be eligible for with one application at one time. Eligibility for the following programs is determined through CBMS:

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

[5] As of November 2007, website activity is now tracked excluding duplicate clicks and double page views. For example, if a visitor clicks on the "download application" link multiple times during their visit; only one (1) download is counted.

[6] Source: July 15, 2009 Joint Budget Committee Monthly report.

Table 2: Number and percent of children (ages 0-18) who are eligible but not enrolled in CHP+ by county, Colorado, 2005-07

County	A. Total children 0 18	B. CHP+ enrolled*	C. CHP+ EBNE	D. Total eligible CHP+ (B+C)	E. Percent EBNE in CHP+ (C/D)	F. Percent enrolled in CHP+ (B/D)
Adams	120,235	5,764	2,584	8,348	31.0%	69.0%
Alamosa	3,951	395	141	536	26.3%	73.7%
Arapahoe	149,087	4,571	3,276	7,847	41.8%	58.2%
Archuleta	2,581	209	99	308	32.2%	67.8%
Baca	1,192	72	43	115	37.4%	62.6%
Bent	1,518	62	51	113	45.0%	55.0%
Boulder	69,163	1,457	1,190	2,647	45.0%	55.0%
Broomfield	11,910	340	137	477	28.7%	71.3%
Chaffee	3,442	186	145	331	43.8%	56.2%
Cheyenne	564	29	19	48	39.6%	60.4%
Clear Creek	2,180	51	35	86	40.5%	59.5%
Conejos	2,218	239	79	318	24.9%	75.1%
Costilla	967	70	35	105	33.3%	66.7%
Crowley	1,398	74	47	121	38.8%	61.2%
Custer	742	40	32	72	44.5%	55.5%
Delta	7,260	413	278	691	40.2%	59.8%
Denver	146,795	6,007	3,897	9,904	39.3%	60.7%
Dolores	481	45	19	64	29.7%	70.3%
Douglas	79,804	785	947	1,732	54.7%	45.3%
Eagle	10,341	239	435	674	64.5%	35.5%
El Paso	165,420	3,254	5,082	8,336	61.0%	39.0%
Elbert	5,031	112	169	281	60.1%	39.9%
Fremont	9,778	536	410	946	43.4%	56.6%
Garfield	11,309	565	305	870	35.1%	64.9%
Gilpin	1,113	NA	17	NA	NA	NA
Grand	3,089	129	130	259	50.1%	49.9%
Gunnison	3,465	149	146	295	49.5%	50.5%
Hinsdale	196	NA	8	NA	NA	NA
Huerfano	2,076	119	74	193	38.3%	61.7%
Jackson	407	NA	11	NA	NA	NA
Jefferson	129,890	3,302	2,469	5,771	42.8%	57.2%

NA = Not available due to fewer than 30 cases.

*Total CHP+ enrollment calculated using a 36-month average of official monthly caseload figures covering CY 2005-07. County enrollment calculated by applying county distribution of CHP+ children eligible for at least one day ("ever enrolled") in FY 2006-07 to 36-month average caseload total. Because data are unavailable for some counties, the sum of the counties does not equal the state total (45,146). Sources: CHI analysis of the 2007 American Community Survey and 2006-08 Current Population Survey (covering CY 2005-07).

Table 2 Continued

County	A. Total children 0 18	B. CHP+ enrolled*	C. CHP+ EBNE	D. Total eligible CHP+ (B+C)	E. Percent EBNE in CHP+ (C/D)	F. Percent enrolled in CHP+ (B/D)
Kiowa	411	NA	13	NA	NA	NA
Kit Carson	2,029	177	67	244	27.5%	72.5%
La Plata	11,462	732	439	1,171	37.5%	62.5%
Lake	1,939	112	82	194	42.3%	57.7%
Larimer	68,816	2,691	1,478	4,169	35.5%	64.5%
Las Animas	4,014	196	143	339	42.2%	57.8%
Lincoln	1,540	53	52	105	49.6%	50.4%
Logan	5,191	265	173	438	39.5%	60.5%
Mesa	32,825	2,077	618	2,695	22.9%	77.1%
Mineral	207	NA	10	NA	NA	NA
Moffat	3,405	194	92	286	32.1%	67.9%
Montezuma	6,216	561	238	799	29.8%	70.2%
Montrose	8,720	878	334	1,212	27.6%	72.4%
Morgan	6,879	419	230	649	35.4%	64.6%
Otero	5,362	321	191	512	37.3%	62.7%
Ouray	929	39	39	78	49.8%	50.2%
Park	3,078	100	129	229	56.4%	43.6%
Phillips	1,134	59	38	97	39.3%	60.7%
Pitkin	3,691	50	155	205	75.8%	24.2%
Prowers	3,666	322	123	445	27.7%	72.3%
Pueblo	38,499	1,647	957	2,604	36.7%	63.3%
Rio Blanco	1,546	44	42	86	49.0%	51.0%
Rio Grande	3,278	303	116	419	27.7%	72.3%
Routt	5,085	177	137	314	43.6%	56.4%
Saguache	1,562	120	55	175	31.5%	68.5%
San Juan	145	NA	6	NA	NA	NA
San Miguel	1,720	75	65	140	46.5%	53.5%
Sedgwick	695	43	23	66	34.8%	65.2%
Summit	5,845	129	245	374	65.6%	34.4%
Teller	4,356	210	183	393	46.5%	53.5%
Washington	1,248	76	41	117	35.1%	64.9%
Weld	68,813	3,506	1,719	5,225	32.9%	67.1%
Yuma	2,492	160	82	242	33.9%	66.1%
Total	**1,254,401**	**45,146**	**30,625**	**75,771**	**40.4%**	**59.6%**

NA = Not available due to fewer than 30 cases.

*Total CHP+ enrollment calculated using a 36-month average of official monthly caseload figures covering CY 2005-07. County enrollment calculated by applying county distribution of CHP+ children eligible for at least one day ("ever enrolled") in FY 2006-07 to 36-month average caseload total. Because data are unavailable for some counties, the sum of the counties does not equal the state total (45,146). Sources: CHI analysis of the 2007 American Community Survey and 2006-08 Current Population Survey (covering CY 2005-07).

CHP+ ADMINISTRATION

The CHP+ program, by statute and operation, is a non-entitlement, commercial-coverage health plan with a largely privatized administration, as shown in *Figure 2*. Public/private collaboration and cooperation continue to be one of the hallmarks of CHP+.

Department of Health Care Policy and Financing

The Department is the agency responsible for three of Colorado's major, government funded health care programs:

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

In SFY 2009, spending authority of $137,309,590 was approved for CHP+ administration and medical and dental benefit costs for children and pregnant women[7]. 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.

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

PRIVATE SECTOR PARTNERSHIPS

Eligibility, Enrollment, and Member Services

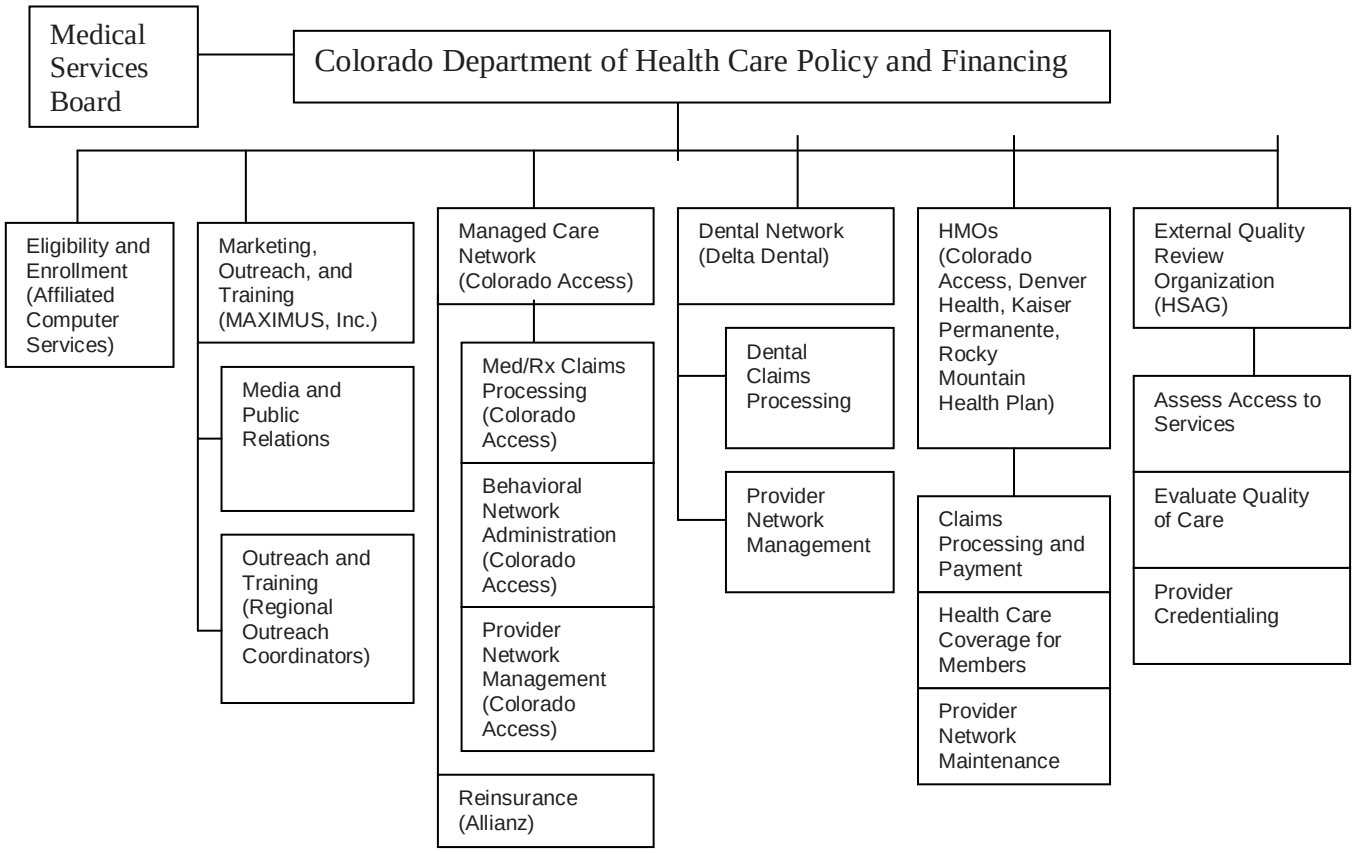
Currently, the Department contracts with Affiliated Computer Services (ACS) to provide eligibility, enrollment, and member services. This contract was rebid in SFY 2008, and a process is underway to determine the entity that will be responsible for eligibility, enrollment and member services duties on July 1, 2010. In SFY 2009, ACS continued to fulfill the following contractual obligations:

- Eligibility and enrollment, including the processing of mail-in applications;
- Coordination of CHP+ appeals;
- Statewide customer service, including application assistance, information, and problem resolution for CHP+ clients and agencies; and
- Enrollment fee administration.

Marketing

A cornerstone of the CHP+ enrollment strategy is marketing and community outreach. Funding from the Health Care Expansion Fund was approved for program marketing and outreach in order to continue building and maintaining community partnerships, and increase enrollment.

Figure 2: SFY 2009 CHP+ Administrative Strategy



On January 19, 2006, a contract was signed between the Department and MAXIMUS, Inc. (MAXIMUS). The contract includes marketing, outreach, and training with the objectives of increasing enrollment in the CHP+ program with an added emphasis on typically harder-to-reach populations. The contract with MAXIMUS ended on June 30, 2009 as a result of the State budget reductions the Department was required to make.

Advertising, media relations, community outreach, training and educational materials were all synchronized to clearly reinforce the value and peace of mind that CHP+ can offer Colorado families. The SFY 2009 advertizing campaign included a strategic mix of English and Spanish television and print ads reinforcing the CHP+ key messages and encouraging families to find out more about the program and their eligibility. The goal of media relations was to earn free positive media exposure to increase awareness of CHP+. Colorful and simple program materials were available and widely promoted for use by community-based organizations interested and willing to promote CHP+ at no cost to the organizations. Bilingual brochures, posters and applications; a desk guide and monthly electronic newsletter for professionals; and articles in English and Spanish included key messages regarding CHP+ and offered pertinent contact information for families to learn more about CHP+ and apply for enrollment into the program. These resources made it easy for agencies and

community sites to familiarize the families they served with CHP+.

Based on U.S. Census Bureau data and the number of impressions from each advertising outlet, the CHP+ target market—families and single mothers with children 18 years of age and younger—saw a CHP+ advertisement approximately 11 times.

Community Outreach

Key to the success of statewide promotion of CHP+ were eleven Regional Outreach Coordinators (ROCs) stationed throughout the State. In SFY 2009, the team was expanded from seven to eleven in order to more aggressively serve the heavily concentrated Denver metropolitan area and I-25 corridor, increasing outreach primarily in the ten counties determined to have the highest rate of eligible but not enrolled children. Over half of the coordinators were bilingual in Spanish and provide training and presentations in Spanish. It was estimated that nearly 143,000 community members attended one of the community events, training presentations or meetings at which the ROCs promoted CHP+. There were coordinators in all regions of the State including:

- Denver Metro;
- Northwest;
- North Central;
- Northeast;
- Southeast; and
- Southwest.

In SFY 2009, the ROCs provided outreach services to public schools and districts, health and child care providers, faith based communities and recreational programs.

The ROCs provided training on the CHP+ program, the eligibility requirements and how to apply, enroll and re-enroll if they remain eligible for the program.

Professionals who help families with the application, families and counties were trained by the ROCs. In addition, the ROCs participated in community events and provided updates and input on statewide coalitions. Partnerships created include: statewide coalitions and task forces, key statewide partners and partners who assist the ROCs to reach hard-to-reach communities. These partnerships include centers that serve the Asian, African American and Latino populations.

HEALTH CARE DELIVERY SYSTEMS

State Managed Care Network

The Department contracts directly with health care providers to offer coverage during a pre-Health Maintenance Organization (pre-HMO) enrollment period and in counties where HMOs are unable to offer coverage. This network of providers is referred to as the State Managed Care Network (SMCN) and is comprised of over 4,800 providers including:

- 1,702 primary care providers;
- 2,411 specialists;
- 491 obstetric providers;
- 80 hospitals;
- 263 Behavioral Health Practitioners; and
- 17 Community Mental Health Centers.

As of July1, 2008 Colorado Access has been the contractor responsible for administrative services to manage the SMCN, which is also known as the Administrative Services Organization (ASO). Colorado Access is responsible for claims administration, utilization review, pharmacy benefits, case management, behavioral health benefits, provider relations, training, contracting support, and customer service.

CHP+ clients may access benefits and services immediately upon determination of program eligibility in every county of the state. Once the client is determined eligible for the CHP+ program, they are placed in the "pre-HMO enrollment period" as of their application date, in which Colorado Access is the administrator. The pre-HMO enrollment period ensures that each CHP+ client has continuity of care and access to services immediately.

Upon enrollment, each family chooses an HMO depending on their county of residence. Once the pre-HMO enrollment period has ended (up to 60 days), the client is placed in the HMO that was selected during the application process. Pregnant women and children may access services immediately by applying for presumptive eligibility (PE). Colorado Access administers PE for CHP+.[8]

Health Maintenance Organizations

The Department contracted with four HMOs in SFY 2009. These HMOs were under full risk contracts with the Department. Within 41 Colorado counties, clients receive health care services through one or more of the following HMOs: Colorado Access, Denver Health Medical Plan, Kaiser Permanente, and Rocky Mountain Health Plans. Combined, the HMOs listed serve 64%, or 41, of the counties around the state. Additionally, the SMCN provided services to another 20 of the counties in the state. The SMCN alone served an additional five counties.

Dental Services

CHP+ dental benefits were administered by Colorado Dental Service, Inc., doing business as Delta Dental Plan of Colorado. CHP+ provides comprehensive dental benefits, including diagnostic services (exams and x-rays), preventive care (cleaning, fluoride and sealants), basic restorative services (fillings and stainless steal crowns), oral surgery (extractions), and endodontic services (root canals), with a $600 annual per child per year limit. Dental care services have a co-insurance payment ranging from $0.00 to $5.00.

Delta Dental provides CHP+ clients with a statewide network of over 1,732 dentists. This number shows a decrease over last year but is more accurate and represents only the number of providers with CHP+ contracts.

In SFY 2009, Delta Dental provided dental services to an average of 2,745 clients per month. In SFY 2010, the Department will collaborate with Delta Dental to increase utilization of dental services.

[8] Per SB 07-211 (Hagedorn & McGihon), PE was extended to children effective January 1, 2008. The Department now administers PE for both children and pregnant women.

HEALTH CARE SERVICES: QUALITY, UTILIZATION, AND EVALUATION

Program Development

The Department currently provides care for pregnant women through the Adult Prenatal Coverage Waiver. In early 2006, the Department worked with the Centers for Medicare and Medicaid Services (CMS) to renew the waiver that was set to expire in October 2006. As part of the waiver renewal process, the General Assembly authorized the premium assistance program developed by the Department through Senate Bill 07-186 (Sandoval & Frangas) that will increase the number of Coloradans in the program, specifically children, with access to health insurance and health care.

The premium assistance pilot program, called CHP+ at Work, provides 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 is required to cover inpatient hospital services, immunizations, well-baby and well-child care, and emergency care. For purposes of the pilot, Denver Health Medical Plan, Inc. was selected as the employer to provide this program to their employees.

The goal of the CHP+ at Work program is to provide a vehicle that allows employees to participate in their employer sponsored insurance if they would otherwise not be able to afford the premiums. The premium assistance project has been supported by the Federal Health Resources and Services Administration (HRSA) and Rose Community Foundation. In SFY 2009, there were 39 families enrolled in the pilot, covering 98 children.

CHP+ Health Outcomes and Quality Improvement Efforts

As part of the Department's efforts to monitor and improve health outcomes specifically for CHP+ clients, CHP+ employs the following measures:

- HEDIS (Health Effectiveness Data and Information Set), the nationally recognized benchmark for health care performance measures developed and maintained by the National Committee for Quality Assurance (NCQA);
- Balanced Scorecard, an internal tool measuring program and individual employee efforts to impact positive health outcomes; and
- New reporting requirements that have been integrated into managed care contracts.

The Department contracts with the Health Services Advisory Group, Inc. (HSAG) as an external quality review organization. HSAG assists the Department's quality assurance activities by collecting and reporting on HEDIS measures. The

following 2009 HEDIS measures were calculated:

- Childhood Immunization Status
- Prenatal and Postpartum Care
- 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
- Ambulatory Care
- Inpatient Utilization - General Hospital/Acute Care

The Department chose several new measures this year, in part to align with Medicaid's HEDIS measures, which are collected through the same contract with HSAG.

The Childhood Immunization Status Measure was new in SFY 2009; therefore, year-to-year comparisons could not be made. The CHP+ program weighted averages for all immunizations performed below the national HEDIS 2008 Medicaid 50th percentile. SFY 2009 was also the first year the Department required the health plans to report the Adolescent Well-Care Visits measure for the CHP+ program, so year-to-year comparisons are not available. Performance for this measure was better than performance for the other two well-child visit measures compared to national Medicaid audit means and percentiles. The CHP+ weighted average of 41.3 percent ranked just below the HEDIS 2008 Medicaid 50th percentile of 42.1 percent.

CHP+ also reported for the first time in SFY 2009 on a Prenatal and Postpartum Care measure. Rates were reported for both the Timeliness of Care and Postpartum Care indicators. The CHP+ prenatal program reported a rate of 69.8 percent for the Timeliness of Care measure, which performed between the 10th and 25th national Medicaid percentiles. The CHP+ Prenatal program performed better on the Postpartum Care measure, with a rate of 62.0 percent, which was between the 50th and 75th national Medicaid percentiles.

Yet another first time measure in SFY 2009 was Ambulatory Care and Inpatient Utilization - General Hospital/Acute Care measures. The CHP+ weighted averages for Outpatient Visits and emergency department Visits per 1,000 Member Months fell below the HEDIS 2008 Medicaid 10th percentile. If an organization's emergency department visits rate ranks lower than the 50th percentile, this indicates that its members are accessing the emergency department less than other organizations nationwide.

Among the measures that CHP+ has collected data on previously are the Well-Child Visits in the First 15 Months of Life, as well as Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life measures.

The weighted average for CHP+'s Zero Visits rate within the Well-Child Visits in the First 15 Months of Life decreased by 6.5 percentage points to 4.1 percent, which ranked above the HEDIS 2008 Medicaid 75th percentile of 3.1 percent. This decrease indicates improved performance for the Zero Visits rate since a lower rate indicates better performance for this measure.

The CHP+ weighted average for Six or More Visits within the Well-Child Visits in the First 15 Months of Life measure increased by 7.8 percentage points, indicating better performance for this measure, which moved from ranking below the 10th percentile last year to above the HEDIS 2008 Medicaid 10th percentile this year.

The CHP+ weighted average for the Well-Child Visits in the Third, Fourth, Fifth, and Sixth Years of Life measure continued to show improvement compared to previous years, increasing 3.7 percentage points over 2008.

CHP+ staff is working closely with the five contracted managed care plans to implement targeted performance improvement activities specifically for the CHP+ population.

2010 HEDIS measures will be:

- Childhood Immunization Status;
- Prenatal and postpartum care;
- 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;
- Ambulatory care; and
- Inpatient utilization – general hospital/acute care.

CHP+ Medical Home Implementation

The Colorado Medical Home Initiative is a statewide effort to build systems of quality health care for all children in Colorado while increasing the capacity of providers to deliver care to kids in our state. The medical home model is an approach to health care that ensures that all providers of a child's care operate as a team; that families are critical members of that team; and that all team members understand the importance of quality, coordinated medical, mental and oral health care.

For CHP+, participating health plans are the foundation for medical home, as they possess the infrastructure to support the medical home model. In SFY 2009, each of the participating plans, as well as the SMCN, received funding in order to enhance their medical home infrastructures, and support the medical home framework in various communities.

Plans combined their efforts to perform provider needs assessments and trainings, as well as outreach to members to schedule appointments with medical home providers. Members who have not received annual and/or preventive visits are being tracked and sent notices reminding them to schedule these appointments.

Providers are encouraged to have open scheduling to accommodate same day appointments, and each plan is using some form of the "secret shopper" method to determine whether providers are fulfilling medical home standards.

Under direction from the Department, all participating CHP+ plans are providing

incentive payments of up to $21 for primary care physicians and obstetric providers that are seeing members for specific annual well visits. These well visits are a vital piece of medical home because they bring the member into a practice that is a medical home model. The incentive program is set to begin in SFY 2010.

PROGRAM COSTS

The General Assembly appropriated and directed monies in SFY 2009 to the CHP+ Program through HB 08-1375, S.B. 09-187, and S.B. 09-259. Spending authority of $137,309,590 was approved for program costs of which $88,492,013 were federal funds and $48,817,577 were cash funds from the Children's Basic Health Plan Trust Fund and the Health Care Expansion Fund. Total program costs in SFY 2009 were $120,809,604 for medical benefits for children and pregnant women, $9,876,754 for children's dental benefits, and $6,182,289 for administration. With the passage of H.B. 05-1262, the Health Care Expansion Fund was created as an additional funding source for CHP+. In SFY 2009, the Health Care Expansion Fund provided $16,517,591 in medical program costs, $1,036,231 in dental program costs, and $540,000 in administrative costs. Under Title XXI, CHP+ receives an enhanced Federal matching rate of 65 percent.

Benefit Costs

For SFY 2009 the Department received spending authority for $130,957,000 to fund the cost and delivery of medical and dental benefits covered under CHP+. The fund reflects annual average per capita costs of $1,625.74 for medical care and $163.04 for dental care, for an average monthly enrollment of 61,801 children. The approved spending authority also reflects a projected annual per capita cost of $12,054.70 for 1,693 adult pregnant clients per month.

Administrative Costs

The Department received an appropriation of $6,352,590 to fund contracted administrative functions for CHP+. Administrative functions include eligibility, enrollment and member services, family premium administration, and marketing 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 under Title XXI of the Social Security Administration, Sec. 2105. [42 U.S.C. 1397ee] (c)(2)(A). Because CHP+ is required to screen every applicant for Medicaid eligibility, Medicaid pays for a substantial amount of CHP+ administrative costs. CHP+ spent under 10 percent of its funds on administrative services, as referenced in *Table 3*.

Table 3: SFY 2009 CHP+ Funds Expended

	Funds expended
Medical	$120,809,604
Dental	$9,876,754
Administration	$6,182,289

2009 UPDATE ON GOVERNOR, DEPARTMENT AND LEGISLATIVE INITIATIVES

During the 2009 Colorado State Legislative Session, legislators worked to address the budget shortfall resulting from the economic downturn. The consequent budget cuts led to SB 09-211, which delayed a scheduled expansion of CHP+ from 205%[1] of FPL to 225% of FPL. However, two important bills designed to expand and improve the CHP+ program were signed into law.

- HB 09-1293 (Ferrandino/Riesberg & Keller/Boyd), also known as the Colorado Health Care Affordability Act, authorizes the Department to collect a hospital provider fee, which will be matched by federal funds. The resulting funds will be used to expand health care coverage to more than 100,000 Coloradans. Included in the expansion groups is CHP+, which will expand eligibility from 205%[1] to 250%, effective May 2010. This historic legislation is the biggest coverage expansion in Colorado in 40 years, and will provide insurance to working families and vulnerable populations. Increasing coverage and reimbursement will reduce uncompensated care and address one of the key drivers of cost-shifting to the private sector and the insured. It will help stem rising costs for everyone, and do it in a way that does not increase costs to taxpayers or consumers. This new policy will also create an opportunity for the state to reform and modernize the way payment rates are set for hospitals, creating a more rational and transparent hospital payment structure.

- HB 09-1020 (Acree & Spence) creates an expedited process for re-enrollment in the state's Medicaid and CHP+ programs. Upon implementation, applicants will be able to re-enroll online or over the telephone, thereby removing potential barriers in the re-enrollment process.

- HB 09-1353 (Mikloski & Foster) authorizes the Department to lift the five-year waiting period that applied to legal immigrants seeking Medicaid or CHP+ coverage. CHIPRA allows states the option of lifting this provision, and makes federal matching funds available for this population. However, state funds will first need to be appropriated in the future to secure implementation.

CONCLUSION

SFY 2009 marked a significant year of notable changes for CHP+. The most remarkable of the changes came as a result of the convergence between federal and state legislation, which paved the way for a major eligibility expansion. Following the reauthorization of federal funding for CHP+ through CHIPRA, the Colorado Health Care Affordability Act was passed to include a CHP+ eligibility expansion from 205%[1] of FPL to 250% of FPL.

In addition, CHIPRA imposes changes within CHP+ policies that will go largely unnoticed by CHP+ clients, but direct CHP+ toward alignment with Medicaid policies. An exception to the lack of impacts on clients is the application of citizenship and identity requirements of the Deficit Reduction Act of 2005 to CHP+ applicants. While CHP+ applicants had previously been exposed to DRA requirements due to the

joint application for Medicaid and CHP+, CHP+ applicants will now be responsible for procuring and submitting the same citizenship and identity documents as Medicaid applicants.

The Department's focus on improving the health outcomes of its clients continues to be reflected in CHP+ initiatives, such as the Balanced Scorecard, which include goals that go beyond the traditional scope of measuring activities to examining and positively affecting better health outcomes.

The Department has developed and implemented a long-term strategy to achieve its prioritized health goals – tobacco cessation, mental health, oral health, obesity prevention and functional independence – through payment reform; improved care-coordination; partnerships with other state agencies; and the integration of physical, behavioral, long term and oral health.

Much of the implementation of legislation signed into law in SFY 2009 will occur in SFY 2010, and the continuation of the Department's concentration on clients' health outcomes will propel CHP+ toward the Department's mission of "Improving access to cost-effective, quality health care services for Coloradans."

GLOSSARY

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

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

Cost-Sharing Structures
Financial arrangements made between health plans and clients to offset benefit costs. For example, certain income levels have specified co-payment requirements as well as annual enrollment fees.

Enrollment Contractor
The vendor responsible for enrollment, eligibility, and member services for the Child Health Plan *Plus* program.

Federal Fiscal Year 2009 (FFY 2009)
Federal fiscal year from October 1, 2008 thru September 30, 2009.

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.

Full-Risk Contracts
Providers agree to render care for a specified population for an agreed upon per member per month (PMPM) payment.

Health Care Expansion Cash Fund
Cash Fund created by H.B. 05-1262 to fund eligible clients between 186% and 200% FPL, to provide funding support for enrollment above the SFY 2003-04 level, remove the Medicaid asset test, and expand eligibility in Medicaid for the guardians of Medicaid and CHP+ eligible children.

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.

Medicaid Management Information System
A comprehensive computer system designed to process claim payments and capitation for Managed Care enrollments. Also provides direct link to providers for verification of eligibility and enrollment information.

Presumptive Eligibility
A policy that allows certain providers to make temporary eligibility determinations on behalf of the State so that limited or full health care benefits can be made available to certain applicants presumed eligible before the standard eligibility process is completed.

State Fiscal Year 2006 (SFY 2006)
State of Colorado fiscal year from July 1, 2005 through June 30, 2006.

State Fiscal Year 2007 (SFY 2007)
State of Colorado fiscal year from July 1, 2006 through June 30, 2007.

State Fiscal Year 2008 (SFY 2008)
State of Colorado fiscal year from July 1, 2007 through June 30, 2008.

State Fiscal Year 2009 (SFY 2009)
State of Colorado fiscal year from July 1, 2008 through June 30, 2009.

State Fiscal Year 2010 (SFY 2010)
State of Colorado fiscal year from July 1, 2009 through June 30, 2010.

Title XXI
Federal authorizing legislation for the Children's Health Insurance Program (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.

Weighted Average
A statistical method of computing an arithmetic mean of a set of numbers in which some elements of the set carry more importance than others. This is used in the HEDIS measures as a way to accurately reflect the number of clients in each health plan.

Well Child Visits
Physician exams that assess the infant or young child's growth and development, and help identify problems early. Height, weight, and other important information is recorded and considered. Hearing, vision, and other tests are also conducted.