Children's Basic Health Plan

Annual Report
State Fiscal Year 2010

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 Environment Committees of the Colorado General Assembly. This report covers State Fiscal Year (SFY) 2010, which spans from July 1, 2009 to June 30, 2010. 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 Child Health Plan *Plus* (CHP+). 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 250%[1] of the Federal Poverty Level (FPL) and are not eligible for Medicaid. For example, a family of four can make up to $55,000. 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 sector vendors 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+.

Marketing and outreach of CHP+ transitioned to planning for outreach via the Healthy Communities initiative in SFY 2010. Healthy Communities utilizes Family Health Coordinators and combines elements of the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Outreach and Administrative Case Management Program and CHP+ outreach into one model.

In SFY 2010, the program served an average of 68,725 children and 1,561 women per month.[2] The actual caseloads were less than the estimated caseloads for which spending authority of $184,385,688 was approved for CHP+ administration, medical and dental

[1] Implementation of HB 09-1293 expanded eligibility from 205% of FPL to 250% of FPL beginning in May 2010.

[2] Source: November 1, 2010 Joint Budget Committee Budget Request.

costs to serve 70,340 children per month and 1,617 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 initially 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. All 50 states and the District of Columbia, have implemented SCHIP, covering over five 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 stand-alone, non-Medicaid program with the following principles:

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

In SFY 2010, CHP+ provided statewide-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 250%[1] of FPL. For example, a family of four could make up to $4,594 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 2010, CHP+ focused on the following goals:

- Improve health status for clients by assuring access to appropriate health care services;
- Effectively increase program enrollment;
- 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 authorization ended on September 30, 2007.After several temporary program extensions, legislation to authorize the program was signed into law in February 2010.

CHIPRA and the Children's Health Insurance Program

The reauthorizing legislation, known as the Children's Health Insurance Program Reauthorization Act (CHIPRA), secured federal funding for the program through

2013, and provided $32.8 billion to expand coverage to approximately four million additional children nationwide. The bill removed the word "State" from the Children's Health Insurance Programs; the programs are now commonly referred to as "CHIP."

CHIPRA imposed a number of changes for both CHIP and Medicaid programs, expanded coverage, and included quality improvement initiatives. Many of CHIPRA's provisions align 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 levels for children. 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, expanded 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. House Bill 09-1353 gave the Department authority to extend Medicaid and CHP+ eligibility to legal immigrant children and pregnant women without the five year waiting period. However, the bill was not funded and will not be implemented until funding is secured.

- Dedicates $225 million for a nationwide CHIP quality initiative. The initiative includes the development of new child-specific health quality measures. In SFY 2010, the Department of Health and Human Services (HHS) had not finalized the quality measures. The Department contributed feedback on the proposed quality measures and shared how the measures aligned with Department goals.

- Extends the Medicaid citizenship documentation requirement (as established by the Deficit Reduction Act of 2005) to CHIP. This provision became effective on January 1, 2010.

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

SFY 2010 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 250%[1] of FPL;
- Do not qualify for Medicaid;
- Do not have other insurance; and
- Do not have access to state employee health benefits.

[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 information verification process for Medicaid and CHIP programs; 5) Administrative or *ex parte* renewals; 6) Presumptive eligibility 7) Express Lane eligibility; and 8) Premium assistance.

Pregnant women are also eligible if they meet the above requirements. Women 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 any co-pays 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
201-250%	$25	$35	$10

Estimated Eligible Population

Based on numbers derived by the U.S. Census Bureau and analysis of the Colorado Health Institute's 2009 Community Survey, 39,055[4] children were income eligible for CHP+ but not enrolled. This estimate included Colorado children at or below 205%[1] of FPL, but not Medicaid eligible.

SFY 2010 continued the Department's partnership with the Colorado Health Institute to obtain updated data on the estimated eligible population on a regular

basis. 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 outreach.

See Table 2 on pages 7-8 for the number and percent of children who are eligible but not enrolled in CHP+ by county.

[4] Source: Colorado Health Institute's most recent analysis of 2009 American Community Survey (ACS). CHP+ eligibility increased to 250% FPL in May 2010, the analysis was based on 2009 data.

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

County	Total Number of Children Ages 0-18	CHP+ enrolled	CHP+ Eligible But Not Enrolled (EBNE)	Total CHP+ Eligible (Enrolled CHP+)	Eligible But Not Enrolled in CHP+ (EBNE/Total Eligible)	enrolled in CHP+ (Enrolled/ Total Eligible
Adams	134,554	8,822	6,574	15,396	42.7%	57.3%
Alamosa	4,439	517	202	719	28.1%	71.9%
Arapahoe	149,029	7,076	3,767	10,843	34.7%	65.3%
Archuleta	2,801	249	146	395	37.0%	63.0%
Baca	852	102	61	163	37.4%	62.6%
Bent	1,470	93	96	189	50.8%	49.2%
Boulder	68,861	2,444	1,842	4,286	43.0%	57.0%
Broomfield	16,787	506	130	636	20.4%	79.6%
Chaffee	3,196	309	53	362	14.6%	85.4%
Cheyenne	447	53	36	89	40.4%	59.6%
Clear Creek	2,008	91	9	100	9.0%	91.0%
Conejos	2,389	369	113	482	23.4%	76.6%
Costilla	750	100	49	149	32.9%	67.1%
Crowley	1,016	82	88	170	51.8%	48.2%
Custer	794	72	11	83	13.3%	86.7%
Delta	7,478	589	412	1,001	41.2%	58.8%
Denver	168,024	8,690	5,964	14,654	40.7%	59.3%
Dolores	451	42	27	69	39.1%	60.9%
Douglas	88,138	1,281	730	2,011	36.3%	63.7%
Eagle	14,872	412	128	540	23.7%	76.3%
El Paso	160,114	6,121	2,572	8,693	29.6%	70.4%
Elbert	5,596	214	318	532	59.8%	40.2%
Fremont	9,151	686	151	837	18.0%	82.0%
Garfield	16,698	836	840	1,676	50.1%	49.9%
Gilpin	1,213	60	5	65	7.7%	92.3%
Grand	3,172	165	38	203	18.7%	81.3%
Gunnison	3,655	211	43	254	16.9%	83.1%
Hinsdale	182	NA	2	2	NA	NA
Huerfano	1,293	124	106	230	46.1%	53.9%
Jackson	309	NA	30	30	NA	NA
Jefferson	125,669	4,854	2,947	7,801	37.8%	62.2%
Kiowa	307	NA	26	26	NA	NA
Kit Carson	2,057	269	128	397	32.2%	67.8%
La Plata	11,564	842	650	1,492	43.6%	56.4%
Lake	2,399	141	24	165	14.5%	85.5%

County	Total Number of Children Ages 0-18	CHP+ enrolled	CHP+ Eligible But Not Enrolled (EBNE)	Total CHP+ Eligible (Enrolled CHP+)	Percent Eligible But Not Enrolled in CHP+ (EBNE/Total Eligible)	Percent enrolled in CHP+ (Enrolled/ Total Eligible
Larimer	69,508	3,292	1,901	5,193	36.6%	63.4%
Las Animas	3,882	295	205	500	41.0%	59.0%
Lincoln	1,072	79	97	176	55.1%	44.9%
Logan	5,120	352	328	680	48.2%	51.8%
Mesa	36,939	2,511	1,747	4,258	41.0%	59.0%
Mineral	162	NA	3	3	NA	NA
Moffat	3,879	269	253	522	48.5%	51.5%
Montezuma	6,587	679	353	1,032	34.2%	65.8%
Montrose	10,997	1,211	495	1,706	29.0%	71.0%
Morgan	8,700	512	434	946	45.9%	54.1%
Otero	5,063	473	274	747	36.7%	63.3%
Ouray	1,003	78	11	89	12.4%	87.6%
Park	3,717	167	48	215	22.3%	77.7%
Phillips	1,210	80	72	152	47.4%	52.6%
Pitkin	3,196	60	46	106	43.4%	56.6%
Prowers	3,966	412	232	644	36.0%	64.0%
Pueblo	40,325	2,317	1,000	3,317	30.1%	69.9%
Rio Blanco	1,657	94	115	209	55.0%	45.0%
Rio Grande	3,318	477	167	644	25.9%	74.1%
Routt	5,393	274	378	652	58.0%	42.0%
Saguache	1,870	176	80	256	31.3%	68.8%
San Juan	108	NA	8	8	NA	NA
San Miguel	1,577	79	98	177	55.4%	44.6%
Sedgwick	549	49	44	93	47.3%	52.7%
Summit	6,080	235	72	307	23.5%	76.5%
Teller	4,997	332	67	399	16.8%	83.2%
Washington	1,017	84	79	163	48.5%	51.5%
Weld	73,216	4,048	1,973	6,021	32.8%	67.2%
Yuma	2,724	252	157	409	38.4%	61.6%
Total	**1,319,567**	**65,417**	**39,055**	**104,472**	**37.4%**	**62.6%**

NA = Not available

*Because data are unavailable for some counties, the sum of the counties does not equal the state total. Data above includes EBNE for CHP+ eligible children up to 205% FPL. In May 2010, the implementation of HB 09- 1293 expanded to eligibility to 250% of FPL. Source: HCPF enrollment data provided by the Colorado Health Institute as calculated from the 2009 American Community Survey (ACS).

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 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 health insurance plan. In order for an employer's health plan to qualify, the plan is required to cover inpatient hospital services, immunizations, 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 increasing the number of insured children. In SFY 2010, there were 59 families enrolled in the pilot, covering 136 children.

Enrollment Process

In SFY 2010, the Application for Medical Assistance, a joint application used for both the Medicaid and CHP+ programs, 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 which is also available in Spanish.

An application must be completed to determine CHP+ eligibility. While eligibility is being determined, clients can access services by applying for presumptive eligibility. Applications in SFY 2010 were available from many sources, including the eligibility and enrollment contractor, Affiliated Computer Services (ACS), community health centers, schools, and county departments of human/ social services, and may be downloaded by visiting the CHP+ or Department Web sites (CHPplus.org or 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 online in January 2006. The total number of downloaded applications in SFY 2010 was 61,592.[5]

CHP+ eligibility is determined annually and all CHP+ renewals are the responsibility of the eligibility and enrollment contractor

[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.

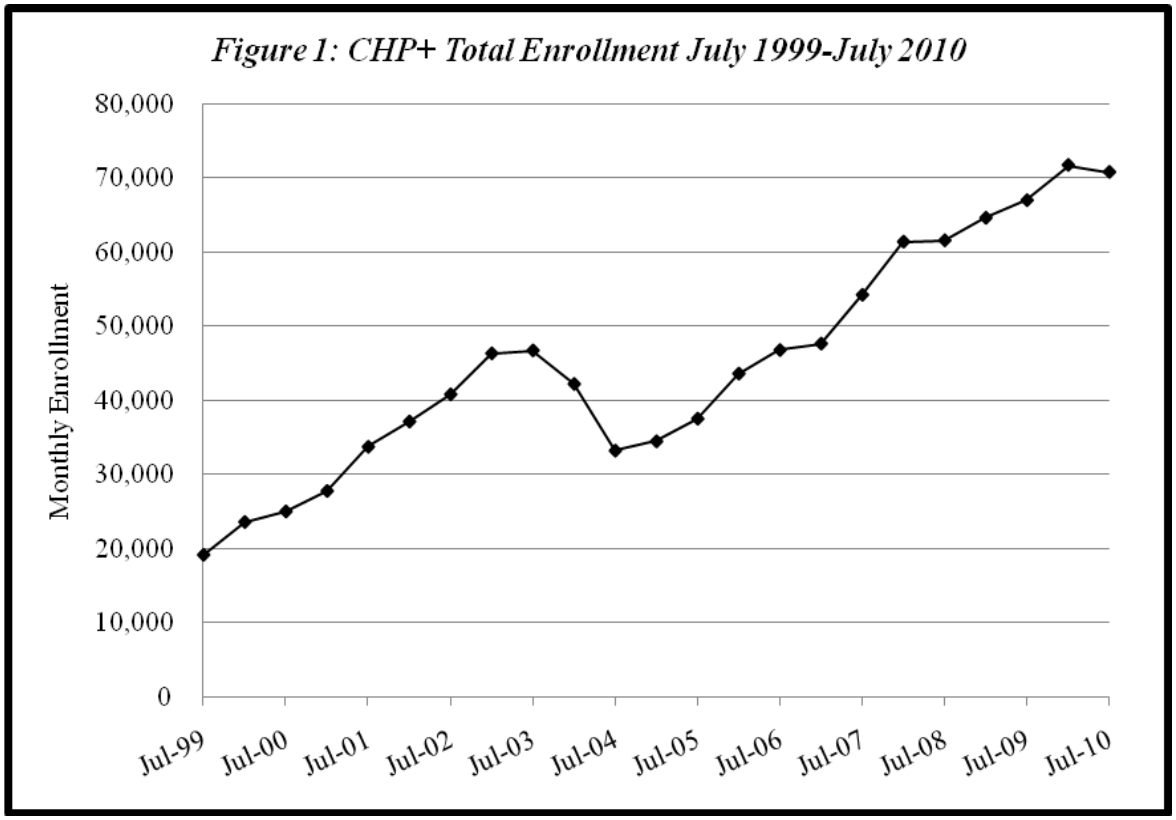


Figure 1 above displays CHP+ total enrollment from July 1999 – July 2010.

Renewal applications are sent to clients well in advance of the end of their eligibility span (90 days prior to the termination 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 2010 Enrollment

In SFY 2010, the Colorado General Assembly's Joint Budget Committee approved funding to assure services for an average of 70,340 children per month, and 1,617 adult pregnant women per month. The actual caseload numbers were lower than the initial estimates and a budget change request was filed by the Department. In SFY 2010, the average monthly enrollment of children in CHP+ was 68,725, and the average number of adult pregnant women served per month was 1,561.[6]

In SFY 2010, 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 2011.

CBMS enables clients to apply for a variety of state financial and medical assistance programs with one application.

[6] Source: November 1, 2010 Joint Budget Committee Budget Request.

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.

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* on page 12.

Department of Health Care Policy and Financing

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

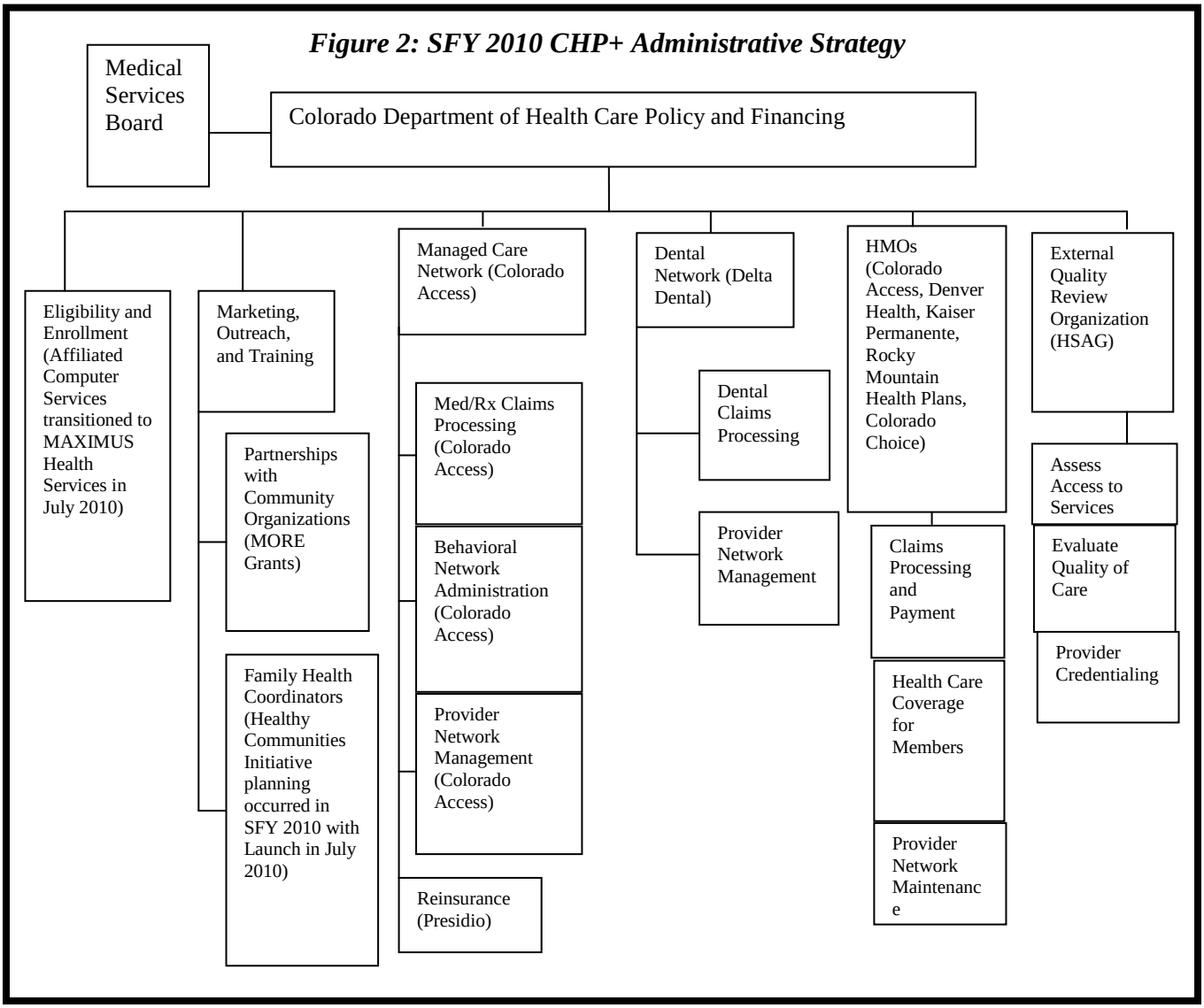
- The Children's Basic Health Plan;
- The Colorado Indigent Care Program; and
- Medicaid.

In SFY 2010, spending authority of $184,385,688 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 Program Costs section of this report.

Figure 2: SFY 2010 CHP+ Administrative Strategy



PRIVATE SECTOR PARTNERSHIPS

Eligibility and Enrollment for Medical Assistance Programs

SFY 2010 saw the transition of enrollment and eligibility services from a CHP+ only contract with Affiliated Computer Services to a contract with MAXIMUS, Inc which includes Family Medicaid and CHP+.

The passage of the Colorado Health Care Affordability Act, or HB 09-1293, coupled with the current economic conditions and the growing number of uninsured Coloradans, caused an increase in the number of applicants to medical assistance programs. As a result, the Department recognized the need for a contractor to increase the capacity of the current county-administered eligibility and enrollment service model and improve the overall efficiency and effectiveness of the medical assistance programs.

In early 2008, the Department began researching the need to procure an eligibility and enrollment contactor. County offices, community-based organizations and other stakeholders formed the Eligibility Modernization Task Force, which offered a variety of perspectives and crafted guiding principles on how the current eligibility and enrollment service model could be improved.

In July 2010, the Department executed a five- year contract with MAXIMUS Health Services, Inc. to perform the eligibility and enrollment services for medical assistance programs which was the end result of the Colorado Eligibility Modernization Project.

MAXIMUS will partner with the Department to streamline the current eligibility and enrollment service model and supplement the role of the county departments of human/social services (county offices) and medical assistance sites.

MAXIMUS responsibilities include:

- Processing new enrollment applications and renewals of enrollment;
- Conducting routine case maintenance;
- Increasing client retention rates by expanding clients' renewal options and simplifying the renewal process through telephonic renewals;
- Operating a comprehensive customer service center; and
- Developing efficiencies in the current service delivery model by leveraging technologies such as electronic document management and sophisticated telephony technology that includes Interactive Voice Response technology.

Marketing

The marketing contract with the SFY 2009 vendor, MAXIMUS, ended and planning began for the Healthy Communities initiative in SFY 2010. Training for the Family Health Coordinators and other Healthy Communities' education efforts took place throughout SFY 2010.

Healthy Communities
The Healthy Communities outreach and case management model takes into account that many families do not always understand the distinction between Medicaid and CHP+. In fact, many families have one child enrolled in Medicaid while another is enrolled in CHP+.

Healthy Communities utilizes Family Health Coordinators who will:

- Generate CHP+ and Medicaid program awareness;
- Offer face-to-face application assistance;
- Educate families on the value of preventative health services;
- Link clients to providers that will serve as the client's Medical Home; and
- Explain the reenrollment process.

Colorful and simple program materials were available for use by community-based organizations interested and willing to promote CHP+ at no cost to the organizations. Bilingual brochures, posters, applications and desk guides made it easy for agencies and community sites to familiarize the families they served with CHP+.

In September 2009, the Department received grant funding from the Health Resources and Services Administration (HRSA), and a portion of this funding will be used to implement the Maximizing Outreach, Retention and Enrollment (MORE) Grant Program. The goal of the MORE Grant Program is to partner with community organizations throughout the state to design,

develop, and implement outreach for enrollment into Medicaid and CHP+ for expansion populations. The competitive process for grant funding began in SFY 2010 with award announcements made in SFY 2011.

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 6,093 providers including:

- 2,130 primary care providers;
- 2,751 specialists;
- 608 obstetric providers;
- 80 hospitals;

- 508 Behavioral Health Practitioners; and
- 17 Community Mental Health Centers.

Colorado Access is the contractor responsible for administrative services to manage the SMCN, also known as the Third Party Administrator (TPA). Colorado Access is responsible for claims administration, utilization review, pharmacy benefits, case management, behavioral health benefits, provider relations, training, contracting support, and customer service.

Upon application, 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. This is the case with the exception of adult pregnant women who are served by the SMCN.

An alternative way clients may access services immediately is by applying for presumptive eligibility (PE). PE can last up to 45 days while eligibility is being determined.

Health Maintenance Organizations

The Department contracted with five HMOs in SFY 2010. These HMOs were under full risk contracts with the Department. Within 58 Colorado counties, clients receive health care services through one or more of the following HMOs: Colorado Access, Colorado Choice, Denver Health Medical Plan, Kaiser Permanente, and Rocky Mountain Health Plans. Combined, the HMOs listed serve 65.5 percent of the counties around the state. The SMCN is available in every county during PE and the pre-HMO enrollment periods and serves the six counties not covered by the HMOs.

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 steel crowns), oral surgery (extractions), and endodontic services (root canals), with a $600 per child per year limit. Dental care services have a co-insurance payment up to $10.00 depending on the family's income.

Delta Dental provides CHP+ clients with a statewide network of over 2,000 dentists. There are 63 hygienists that provide services for CHP+ members. Due to the large Delta Dental network, CHP+ members are able to receive services throughout the entire state.

In SFY 2010, Delta Dental provided dental services to an average of 3,200 CHP+ clients per month. In SFY 2011, the Department will continue to collaborate with Delta Dental to increase utilization of dental services.

HEALTH CARE SERVICES: QUALITY, UTILIZATION, AND EVALUATION

CHP+ Health Outcomes and Quality Improvement Efforts

As part of the Department's efforts to monitor and improve health outcomes for 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;
- New reporting requirements that have been integrated into managed care contracts; and
- Consumer Assessment of Healthcare Providers and Systems (CAHPS) Health Plan Surveys, a standardized survey of clients' experiences with each health plan.

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 2010 HEDIS measures were calculated:

- Childhood Immunization Status;
- Timeliness of Prenatal Care 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;
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents; and
- Ambulatory Care Utilization including Outpatient, Emergency Department, Ambulatory Surgery/Procedures, and OB Room Stays.

The Department chose several new measures in SFY 2010 fiscal year, in part to align with Medicaid's HEDIS measures, which are collected through the same contract with HSAG.

New Quality Measures in SFY 2010

Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents was a new HEDIS measure in SFY 2010; therefore, year-to-year comparisons could not be made. All of the plans performed well compared to the national percentiles.

- The weighted average for counseling for nutrition for the CHP+ program was 47.2 percent which was above the HEDIS 2009 Medicaid 50th percentile of 40.5 percent.
- The weighted average for counseling for physical activity for the CHP+ program was 39.1 percent which was above the HEDIS 2009 Medicaid 50th percentile of 29.8 percent.

Body Mass Index (BMI) percentile documentation was another new measure collected. All of CHP+'s capitated managed care plans ranked above the HEDIS 2009 Medicaid 50th percentile of 16.9 percent. Two managed care plans exceeded the 90th percentile of 47.4 percent.

Table 3: Summary of CHP+ SFY 2010 Quality Measures

Quality Measures for CHP+ HMOs	CHP+ Percentile	National Average Percentile
Child Immunization Status (Combo 2)	74.6	77.9
Child Immunization Status (Combo 3)	70.0	71.8
Prenatal Care Timeliness	77.9	85.6
Postpartum Care Timeliness	65.7	63.9
**Well-Child First 15 months (zero visits)	3.4	1.5
Well-Child First 15 months (six or more visits)	43.6	60.6
Well-Child 3-6th year	61.1	70.4
Adolescent Well-Care	44.6	45.4
*Nutrition Counseling	47.2	40.5
*Physical Activity Counseling	39.1	29.8
*Body Mass Index (BMI)	50.4	16.9
**Ambulatory Care- ED visits per 1,000 MM	36.15	61.3

*New measure for SFY 2010.
**Lower score is better, higher is better on all other measures. National percentile is based on HEDIS 2009 Medicaid 50th percentiles.
CHP+ performed higher than the national average.

Existing Quality Measures

Among the measures that CHP+ has collected data on previously is the childhood immunization status. All of the capitated managed care plans weighted averages for immunizations performed above the national HEDIS 2009 Medicaid 50th percentile.

The CHP+ Prenatal Program reported a rate of 77.9 percent for the Timeliness of Prenatal and Postpartum 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 65.7 percent, which was above the 50th national Medicaid percentiles.

All well-child visit measures fell below the national HEDIS 2009 Medicaid 50th percentile. The CHP+ weighted average of six or more well-child visits in the first 15 months of life was 43.6 percent which is ranked below the HEDIS 2009 Medicaid 50th percentile of 60.6 percent.

The weighted average for CHP+'s Zero Visits rate within the Well-Child Visits in the First 15 Months of Life was 3.4 percent, which ranked below the HEDIS 2009 Medicaid 50th percentile of 1.5 percent. For this measure, a lower rate reflects better care (i.e., fewer children with zero well-child visits). Rates for this measure reflect the percentage of children in the eligible population who did not have any well-child visits in their first 15 months of life.

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 2.4 percentage points over 2009.

The CHP+ weighted average of adolescent well-child visits was 44.6 percent which is ranked just below the HEDIS 2009 Medicaid 50th percentile of 45.1 percent.

In SFY 2010 ambulatory and inpatient utilization measures were collected. The CHP+ weighted averages for Outpatient Visits per 1,000 member months fell below the HEDIS 2009 Medicaid 25th percentile and emergency department Visits per 1,000 Member Months fell below the HEDIS 2009 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.

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

In 2010, the SMCN improved in all of the HEDIS measures compared to last year. In particular, the SMCN has shown continuous improvement in well-child visit rates, although this plan still falls below the HEDIS 2009 Medicaid 50th percentile. In 2010, the SMCN performed at 34.6 percent for Well-Child Visits in the Third, Fourth, Fifth, and Sixth years of life measure compared to 20.9 percent in 2009. The SMCN has also shown improvement with Adolescent Well-Care visits going from a rate of 36.3 percent in 2009 to 41.1 percent in 2010.

The 2011 HEDIS measures will be:

- Childhood Immunization Status;
- Timeliness of prenatal care 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;
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents; and
- Ambulatory Care Utilization including Outpatient, Emergency Department, Ambulatory Surgery/Procedures, and OB Room Stays.

CHP+ Medical Home Implementation

The Colorado Medical Home Initiative is a statewide effort building systems of quality health care for all children in Colorado while increasing the capacity of providers to deliver care to children in the 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.

The CHP+ participating health plans are the foundation for a client's medical home, as they possess the infrastructure to support the medical home model.

Plans continue to perform provider needs assessments, trainings and outreach to members to schedule appointments with medical home providers.

Under direction from the Department, all participating CHP+ plans are providing payments of up to $21 for primary care physicians and obstetric providers that are seeing members for specific annual well visits. In SFY 2010, payments were made on 9,449 visits.

PROGRAM COSTS

The General Assembly appropriated and directed monies in SFY 2010 to the CHP+ Program through SB 09-259, HB 09-1293, HB 10-1300 and HB 10-1376. Spending authority of $184,385,688 was approved for program costs of which $119,109,801 were federal funds and $62,775,887 were cash funds from the Children's Basic Health Plan Trust Fund and the Health Care Expansion Fund. Under Title XXI, CHP+ receives an enhanced Federal matching rate of 65 percent.

Total program costs in SFY 2010 were $167,729,257 for medical benefits for children and pregnant women, $10,765,764 for children's dental benefits, and $5,145,918 for administration.

Legislation implementing the tobacco tax, HB 05-1262, created the Health Care Expansion Fund as an additional funding source for CHP+. In SFY 2010, the Health Care Expansion Fund provided $28,318,710 in medical program costs, $1,391,435 in dental program costs and $326,951 in administrative costs.

Benefit Costs

For SFY 2010, the Department received spending authority for $184,385,688 to fund the cost and delivery of medical and dental benefits covered under CHP+. The funding reflected annual average per capita costs of $1,918 for medical care and $163 for dental care, for an average monthly enrollment of 70,340 children. The approved spending

authority also reflects a projected annual per capita cost of $10,854 for 1,617 adult pregnant clients per month.

Administrative Costs
The Department received an appropriation of $5,410,917 to fund contracted administrative functions for CHP+. Administrative functions include eligibility, enrollment and member services, and community outreach. This appropriation also included funds for necessary professional services for auditing, actuarial, and program evaluation services.

State law requires CHP+ administrative expenditures to be below 10 percent 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 less than 10 percent of its funds on administrative services, as referenced in *Table 4*.

Table 4: SFY 2010 CHP+ Funds Expended

	*Funds expended
Medical	$167,729,257
Dental	$10,765,764
Administration	$5,145,918

*Information from the Department Budget Request November 1, 2010.

2010 UPDATE ON GOVERNOR, DEPARTMENT AND LEGISLATIVE INITIATIVES

During the 2010 Colorado State Legislative Session, legislators continued to work to address the budget shortfall resulting from the economic downturn. While new CHP+ related legislation was not enacted by the General Assembly, implementation of the previously authorized Colorado Health Care Affordability Act, or HB 09-1293, expanded eligibility from 205% to 250% of FPL beginning in May 2010. The legislation authorized the Department to collect a hospital provider fee, which is matched by federal funds. The resulting funds will be used to expand health care coverage to more than 100,000 Coloradans.

Below is an update on implementation of Colorado Health Care Affordability Act.

- **HB 09-1293** – As of December 2010, the Colorado Health Care Affordability Act health care expansions have allowed 27,600 Medicaid parents, 3,800 CHP+ children and 270 CHP+ pregnant women to enroll in health care coverage.[8]

On the federal level, CHP+ received new grant funding and worked to meet criteria to qualify for a performance bonus authorized through CHIPRA. In addition, federal health care reform legislation, the Patient Access to Affordable Care Act (ACA), was signed into law on March 23, 2010. ACA had several provisions impacting CHIP programs.

Below are highlights of the new federal funding opportunities:

- **School-Based Health Center (SBHC) Improvement Project** – Colorado was awarded a CHIPRA demonstration grant of $7,784,030 over five years to improve and innovate existing models of care delivery for school-based health centers (SBHC). The grant was one of ten grants awarded nationwide. Colorado will lead the project which also includes New Mexico. The two states have formed the SBHC Improvement Project to integrate SBHCs into the Medical Home approach to improve the health care of underserved school aged children and adolescents. Program goals include: improve screening, preventive services, management of chronic conditions, education of adolescents to encourage more involvement in their own health care, and follow-up with primary care providers.

- **Prospective Payment System (PPS)** ***Plus*** – In June 2010, Colorado was awarded a CHIPRA grant of $449,224 over one year to help CHP+ and Medicaid transition to an alternative payment methodology that provides incentives to improve health outcomes with Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs). With stakeholder input, the Department will select a payment methodology and an implementation strategy beginning in 2011.

- **CHIPRA Performance Bonus** – CHIPRA established performance bonuses to support state efforts to improve enrollment and retention of eligible children. To qualify for the bonus, states had to meet five of eight criteria in both Medicaid and CHP+[9] and meet enrollment targets above a baseline level.

  Colorado had several of the program features in place in 2009 including elimination of an asset test, elimination of in person interview, joint application for Medicaid and CHP+ and presumptive eligibility. In 2010, the program worked to meet the fifth criteria by offering premium assistance subsidies through Medicaid.

[8] Source: December 21, 2010 Department Joint Budget Committee Hearing Narrative Response.

[9] Five of the eight criteria must be met in both Medicaid and CHP+ except in the premium assistance category. States can qualify as having met this criterion if they offer premium assistance subsidies in either CHIP or Medicaid. Colorado offered premium assistance in Medicaid through section 1906A.

- **Affordable Care Act (ACA) –** Federal health care reform included an extension of funding for CHIP programs through 2015 and a requirement for states to maintain current income eligibly levels for children through 2019. This provision is known as Maintenance of Effort of MOE. The ACA also authorized an up to 23 percent increase in a state's regular CHIP federal matching rate (not to exceed 100 percent) for October 1, 2015 through September 30, 2019.

CONCLUSION

In the face of a challenging fiscal environment, SFY 2010 still provided important advances in the CHP+ program. Improvements to the enrollment process were made as a result of implementation of CHIPRA, pediatric quality measures were under development and program eligibility expanded to 250% FPL in May 2010 as a result of implementation of the Colorado Health Care Affordability Act, HB 09-1293.

CHP+ was awarded significant federal grant funding in SFY 2010 for the School-Based Health Center Improvement Project and for development of an alternative outcomes-based payment methodology for Federally Qualified Health Centers and Rural Health Clinics. The program made important steps towards qualifying for a performance bonus based on improvements to its enrollment process.

During SFY 2010, CHP+ focused on meeting its goals to improve health status for clients; effectively increase program enrollment; and maximize the effectiveness of CHP+ as a public/private partnership. CHP+ is positioned to build upon its success and make additional improvements in SFY 2011.

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 2010 (FFY 2010)
Federal fiscal year from October 1, 2009 thru September 30, 2010.

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.