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MEMORANDUM

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November 12, 2009

TO: Senator Scott Renfroe

FROM: Elizabeth Burger, Senior Analyst, 303-866-6272

SUBJECT: Medicaid Eligibility Increases and Caseload Expansions

This memorandum responds to your request for information regarding expansions to the Medicaid program in recent years, and how those expansions have affected the caseload growth in the program. This memorandum provides information on the Medicaid eligibility expansions that have occurred in the past ten years, and the estimated caseload growth that resulted from the expansions.

This memorandum describes the caseload expansions that occurred as a direct result of policy changes that made additional individuals or groups eligible for Medicaid coverage. In general, it does not describe the caseload increases that occurred as a result of directing additional funding toward populations that were already eligible for the program. For instance, in 2005, the General Assembly appropriated additional funding to allow disabled children who were on a waiting list to receive Medicaid services, thus increasing the Medicaid caseload. These children were eligible for Medicaid services, but were not enrolled in the program due to a lack of funding. This memorandum does not address instances in which additional individuals were enrolled in Medicaid, or received a different set of Medicaid benefits, as a result of additional funding. More information on caseload changes associated with increased funding is available on request.

Medicaid Eligibility Expansions

In the past ten years, a number of expansions to Medicaid eligibility have occurred which have increased the caseload for the program. Most of the Medicaid program expansions were made as a result of two bills — House Bill 05-1262 and House Bill 09-1293 — which are described in more detail below. Table 1 provides information on the expansions implemented as a result of House Bill 05-1262, House Bill 09-1293, and other bills adopted since 1999. In addition, Table 1 shows the estimated caseload that resulted from each program expansion.

House Bill 05-1262. In 2004, Colorado voters approved Amendment 35, which increased tobacco taxes to fund a variety of health care programs. Amendment 35 required that a portion of the new tobacco tax revenue be used to expand public health programs. Specifically, Amendment 35 required that 46 percent of the new revenue be appropriated to:

- increase the number of pregnant women and children enrolled in the Children's Basic Health Plan (CHP+) above the average enrollment for state fiscal year 2004;
- add the parents of enrolled children; and
- expand eligibility of low-income adults and children who receive medical care through the CHP+ or Medicaid.

In 2006, the General Assembly adopted House Bill 05-1262 to implement the provisions of Amendment 35. The bill made the following changes to Medicaid and CHP+ to comply with the requirements of Amendment 35:

- increased CHP+ eligibility from 185 percent to 200 percent of the federal poverty level (FPL);
- removed the requirement that children and families have minimal assets in order to qualify for Medicaid;
- expanded the number of children that could be enrolled in the Children's Home- and Community-based Service Waiver program and the Children's Extensive Support Waiver Program;
- increased Medicaid eligibility to 60 percent of the FPL for a parent of a child who is eligible for Medicaid or the CHP+;
- funded Medicaid for qualifying legal immigrants;
- paid for enrollment increases above the average enrollment for state FY 2003-04 in the CHP+;
- provided \$540,000 for marketing to increase the enrollment of eligible children and pregnant women in the CHP+; and
- provided presumptive eligibility to pregnant women under Medicaid.

The bill also expanded the eligibility of individuals for the Breast and Cervical Cancer Treatment program from approximately 185 percent to 250 percent of the FPL. The expansions to the Medicaid program as a result of House Bill 05-1262 are described in more detail in Table 1.

House Bill 09-1293. House Bill 09-1293 allows the Department of Health Care Policy and Financing to assess a fee against hospitals. The fee will be used to draw down additional federal funding to expand state health care programs and increase reimbursement payments to providers. The provider fee must be approved by the federal Centers for Medicare and Medicaid Services in order to be implemented. Approval of the provider fee is expected in April 2010, and program expansions will be phased-in over several years after approval is received.

If sufficient fees and federal funding are available, the bill expands public health programs as follows:

- increases the income eligibility limit for the CHP+ from 205 to 250 percent of the FPL for both children and pregnant women;
- increases the income eligibility limit for Medicaid for parents from 60 up to 100 percent FPL;
- provides for 12-month continuous eligibility for children in Medicaid;
- creates a new Medicaid buy-in program for disabled adults and children with income up to 450 percent FPL; and
- expands Medicaid to cover childless adults with incomes up to 100 percent FPL.

The expansions to the Medicaid program as a result of House Bill 05-1262 are described in more detail in Table 1.

Other Medicaid caseload expansions. The Medicaid caseload has expanded over time for reasons other than state-initiated eligibility expansions. The Joint Budget Committee staff has identified the following factors that impact the number of clients that participate in the Medicaid program:

- general population growth;
- policy changes at the state and federal level regarding who is eligible for services; and
- economic cycles.

In recent years, most of the Medicaid caseload growth has occurred in the low-income adult and children eligibility categories. In general, these eligibility categories tend to experience growth when the economy is in decline. Table 2 shows the caseload growth in the Medicaid program by eligibility category over the past ten years.

**Table 1
Colorado Medicaid Eligibility Expansions 1999-2009**

Expansion	Description	Estimated Caseload Impact
2001		
Breast and Cervical Cancer Treatment Senate Bill 01S2-012 Senator Reeves Representative Spradley	The bill expanded Medicaid coverage to individuals who: <ul style="list-style-type: none"> • are under the age of 65; • have been screened for breast or cervical cancer under the Centers for Disease Control and Prevention's National Breast and Cervical Cancer Early Detection Program; • have been diagnosed with breast or cervical cancer; and • do not have health insurance. 	In FY 2009-10, an estimated 321 individuals are expected to be eligible for Medicaid as a result of this expansion.
2005		
Increase Eligibility Limit for Breast and Cervical Cancer Treatment House Bill 05-1262 Representative Boyd Senator Hagedorn	The bill increased the income eligibility limit for individuals who qualify for breast and cervical cancer treatment through Medicaid from 185 to 250 percent of the federal poverty level (FPL).	In FY 2005-06, the change was expected to result in a new Medicaid caseload of 91 individuals. The increase in Medicaid enrollment associated with this change has not been separately reported since FY 2005-06. Total caseload associated with the Medicaid Breast and Cervical Cancer Treatment Program in FY 2009-10 is estimated at 321 individuals.
Remove the Medicaid Asset Test for Women and Children House Bill 05-1262 Representative Boyd Senator Hagedorn	The bill removed the requirement that women and children have minimal assets in order to qualify for the program.	In FY 2005-06, the change was expected to result in a new Medicaid caseload of 14,332 children and 3,440 adults. Approximately 15,063 of those individuals were expected to previously have been enrolled in the CHP+. The increase in Medicaid enrollment associated with this change has not been separately reported since FY 2005-06. Total caseload for low income children in FY 2009-10 is estimated at 259,414. Total caseload for low-income adults and pregnant woman, excluding the caseload for parents discussed below, is estimated at 65,488 in FY 2009-10.
Increased Eligibility Limit for Parents House Bill 05-1262 Representative Boyd Senator Hagedorn	The bill increased the Medicaid income eligibility limit for parents of children who are enrolled in Medicaid or the CHP+ from approximately 33 percent to 60 percent of the FPL.	In FY 2009-10, approximately 16,015 individuals are expected to be eligible for Medicaid as a result of this expansion.

**Table 1
Colorado Medicaid Eligibility Expansions 1999-2009 (Cont.)**

Expansion	Description	Estimated Caseload Impact
2007		
Expand Medicaid Eligibility of Foster Children Senate Bill 07-002 Senator Sandoval Representative Stafford	The bill expanded Medicaid eligibility to young adults who are under 21 years of age and who were in the foster care system immediately prior to their 18th birthday or emancipation. Prior to the bill, most foster children lose Medicaid eligibility on their 18th birthday or when they graduated from high school. This bill expanded Medicaid eligibility specifically for those young adults who are eligible for federal IV-E federal funds.	In FY 2007-08, an estimated 1,471 young adults were expected to become eligible for Medicaid as a result of the bill. The caseload was expected to increase to 1,678 in FY 2008-09. However, the fiscal note for Senate Bill 08-099 estimated that as of January 2008, only 50 newly eligible young adults had enrolled in Medicaid as a result of the bill. In FY 2009-10, the total estimated Medicaid caseload of foster children is 18,663.
2008		
Expand Medicaid Eligibility of Foster Children Senate Bill 08-099 Senator Sandoval Representative Stafford	This bill expands Medicaid eligibility to young adults, under age 21, for whom the state made subsidized adoption or foster care payments immediately prior to the client turning age 18. This bill expanded Medicaid eligible specifically for those young adults who are not eligible for Title IV-E federal funds while in foster care, but receive state benefits.	The Medicaid caseload was expected to increase by 201 former foster children in FY 2008-09, 494 in FY 2009-10, and 681 in FY 2010-11. In FY 2009-10, the total estimated Medicaid caseload of foster children is 18,663.
2009		
Expand Medicaid Eligibility of Parents House Bill 09-1293 Representative Riesberg & Representative Ferrandino Senator Keller & Senator Boyd	The bill expanded the income eligibility limit for parents of children enrolled in Medicaid or the CHP+ from 60 to 100 percent of the FPL, conditional upon federal approval of a hospital provider fee. The fee is expected to be approved in April of 2010; it is anticipated the expansion will take place on in the Spring of 2010.	The Medicaid caseload is expected to increase by: 12,900 parents in FY 2009-10; 30,100 in FY 2010-11; 38,700 in FY 2011-12; and 43,000 in FY 2012-13.
Expand Eligibility of Childless Adults House Bill 09-1293 Representative Riesberg & Representative Ferrandino Senator Keller & Senator Boyd	The bill expands Medicaid to cover childless adults with incomes up to 100 percent of the FPL. Enrollment in the program is expected to begin in winter 2012.	The Medicaid caseload is expected to increase by: 16,400 individuals in FY 2011-12; 49,000 in FY 2012-13; and 82,000 in FY 2013-14.

**Table 1
Colorado Medicaid Eligibility Expansions 1999-2009 (Cont.)**

Expansion	Description	Estimated Caseload Impact
2009 (Cont.)		
<p>12-Month Continuous Eligibility for Children</p> <p>House Bill 09-1293</p> <p>Representative Riesberg & Representative Ferrandino Senator Keller & Senator Boyd</p>	<p>Currently, families with children receiving Medicaid are required to report changes to their income and other eligibility factors, resulting in an average length of participation of 8.5 months. House Bill 09-1293 allows for 12-month eligibility for Medicaid clients under the age of 19. The bill is expected to extend the average length of participation of children in Medicaid from 8.5 to 10.7 months, therefore increasing the Medicaid children's caseload. A resulting decrease in the CHP+ caseload is also expected, as many children who leave Medicaid enroll in CHP+. Implementation of this provision of the bill is not expected to occur until the spring of 2012.</p>	<p>The Medicaid caseload is expected to increase by 13,250 children in FY 2011-12 based on 5 months of implementation. Full implementation in FY 2013-14 is expected to increase caseload by 48,500.</p>
<p>Implement a Medicaid Buy-in Program for Disabled Adults</p> <p>House Bill 09-1293</p> <p>Representative Riesberg & Representative Ferrandino Senator Keller & Senator Boyd</p>	<p>The bill creates a Medicaid buy-in program for disabled children and adults with family income up to 450 percent FPL. Participants will "buy-into" Medicaid by paying a premium pursuant to a sliding payment schedule. Enrollment in the program is expected to begin in the summer of 2011.</p>	<p>The Medicaid caseload is expected to increase by:</p> <ul style="list-style-type: none"> • 3,800 individuals in FY 2011-12; • 7,600 individuals in FY 2012-13; and • 9,000 individuals in FY 2013-14.
<p>Medicaid Eligibility for Legal Immigrants</p> <p>House Bill 09-1353</p> <p>Representative Miklosi Senator Foster</p>	<p>The bill expands Medicaid and CHP+ eligibility to pregnant women and children who are legal immigrants, so long as other eligibility criteria is met. Under current law, legal immigrants are not eligible for Medicaid or CHP+ for 5 years after the date of entry into the United States. The bill will allow women and children legal immigrants to access medical benefits without a waiting period. The bill takes effect July 1, 2010. Implementation of the bill is expected to be phased-in over a few years; pregnant women are expected to be enrolled in Medicaid beginning in FY 2010-11, and children will be enrolled beginning in FY 2011-12.</p>	<p>The Medicaid caseload for pregnant women is expected to increase by 5 women in FY 2010-11, 10 women in FY 2011-12, and 15 women in FY 2012-13.</p> <p>The Medicaid caseload for children is expected to increase by 769 children in FY 2011-12 and 1,537 children in FY 2012-13.</p>

Table 2
Medicaid Caseload: FY 2000-01 to FY 2009-10

Eligibility Category	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Elderly - Supplemental Security Income (SSI) Ages 65+	33,649	33,916	34,485	34,149	35,615	36,219	35,977	36,284	37,578	38,279
Elderly - SSI Ages 60-64	5,157	5,184	5,456	5,528	6,103	6,048	6,042	6,146	6,393	6,614
Individuals Eligible for Medicaid & Medicare (Dual Eligibles)	8,157	8,428	8,949	9,787	9,572	11,012	12,818	14,214	15,147	16,329
Disabled	46,046	46,349	46,378	46,565	47,626	47,565	48,567	49,933	51,298	52,254
Categorically Eligible Adults	27,081	33,347	40,021	46,754	56,453	57,747	51,361	44,555	48,693	57,097
Expansion Parents	0	0	0	0	0	0	4,974	8,918	12,484	16,015
Pregnant Women	6,561	7,131	7,579	8,203	6,110	5,050	5,123	6,288	6,986	7,391
Breast and Cervical Cancer Treatment	0	0	46	103	86	188	230	270	301	321
Low-income Children	123,221	143,909	166,537	192,048	220,592	213,600	206,170	204,022	232,414	259,414
Foster Children	13,076	13,121	13,843	14,790	15,669	16,311	16,601	17,141	18,010	18,663
Non-Citizens	12,451	4,028	4,101	4,604	4,976	5,959	5,214	4,191	4,000	4,255
Total Medicaid Caseload	275,399	295,413	327,395	362,531	402,802	399,699	393,077	391,962	433,304	476,632
Annual Percent Change	N/A	7.3%	10.8%	10.7%	11.1%	-0.8%	-1.7%	-0.3%	10.5%	10.0%