



Department of Health Care Policy and Financing

PUBLIC NOTICE

September 10, 2011

Intent to Submit a Section 1115 Demonstration Waiver for the Adults without Dependent Children Expansion

Overview

The Department of Health Care Policy and Financing (Department) has state statutory authority through the Colorado Health Care Affordability Act (Colorado House Bill 09-1293) to develop a Medicaid expansion for Adults without Dependent Children (AwDC) up to 100% of the federal poverty level (FPL). The Department intends to submit a Section 1115 Demonstration Waiver (Demonstration) to the Centers for Medicare & Medicaid Services (CMS) on or about October 15, 2011.

State lawmakers passed this law to expand coverage to this population so that they would receive more comprehensive benefits and so their usual source of care, safety net providers, would incur less financial strain due to uncompensated care. The funds available through the Colorado Health Care Affordability Act for this project are limited. Based on the experiences of other states, enrollment and costs will likely be high. Therefore, in order to manage costs, the Department plans to establish this program through a Demonstration waiver. This allows the Department to limit eligibility to a subset of the AwDC population (see *Proposed Eligibility and Enrollment* below).

Proposed Goals and Objectives

The Department aims to achieve the following goals and objectives:

- Provide meaningful and robust coverage to currently uninsured populations;
- Reduce the burden of uncompensated care costs on health care safety net providers; and
- Provide for a learning opportunity for administrative systems to anticipate and prepare for changes that will be needed for mandatory expansions of Medicaid eligibility in 2014.

Proposed Eligibility and Enrollment

If approved, the Demonstration for the AwDC population will provide coverage to individuals included in the optional eligibility category under section 1902(k)(2) of

the Social Security Act (added by the Patient Protection and Affordable Care Act of 2010) who are:

- Childless or non-custodial adults aged 19 through 64 years;
- Not eligible for Medicaid under the Department's current State Plan or approved waivers, Medicare or CHP+;
- U.S. citizens or nationals/qualified non-citizens who are residents of Colorado; and
- Have incomes at or below 10% FPL as determined by using the Department's current eligibility rules for families covered. These rules include neither an asset nor a resource test.

From the pool of applicants who meet the eligibility criteria, a subset of individuals will be enrolled in the Demonstration. The Department anticipates that available funding will support the enrollment of approximately 10,000 individuals. To manage enrollment so that it does not exceed this cap, the Department will enroll the first individuals determined eligible and use a waitlist for others who are determined eligible. The waitlist will be managed on a first come, first served basis.

As part of the Demonstration, the Department will seek the flexibility to expand the enrollment beyond 10,000 individuals and the ability to increase the income threshold beyond the 10% FPL if funding allows. Such increases in income threshold would occur only after enrolling everyone from the waitlist for an existing eligibility income category. According to the Colorado Health Institute's analysis of 2009 American Community Survey, there are 49,511 uninsured individuals who have incomes below 10% FPL and are therefore eligible for the program. There are 143,191 with incomes below 100% FPL.

Individuals enrolled in the Demonstration will begin receiving Medicaid benefits on the first day of the month in which they apply (if there is no waitlist) or the first day of the month in which they are moved from the waitlist into an open position in the expansion.

Proposed Benefits and Delivery System

Clients enrolled in the AwDC Demonstration will receive the same benefits that currently eligible Medicaid low-income adults receive. Likewise, the AwDC clients will have the same co-payments for services that are currently imposed on adults currently eligible for Medicaid.

As part of the Demonstration application, the Department may request permission to mandatorily enroll eligible AwDC individuals into the Accountable Care Collaborative (ACC). The Accountable Care Collaborative (ACC) is Colorado's newest Medicaid program designed to improve health outcomes and control costs by coordinating the care of fee-for-service clients.

Proposed Provider Reimbursement

Providers will be reimbursed in accordance with current state plan reimbursement methodologies and rates.

The Regional Care Collaborative Organizations (RCCOs), the Primary Care Medical Providers (PCMPs) and the Behavioral Health Organizations (BHOs) will also be reimbursed in accordance with current state plan reimbursement methodologies.

Financing

This expansion will be financed by the hospital provider fee, as authorized in the Colorado Health Care Affordability Act. The Department estimates that at least \$47.5 million in provider fee funds (\$95 million total funds at 50% federal financial participation rate) will be available to cover the health care costs for this expansion each year.

For More Information and to Give Comments

A link to this notice will be posted on the Department's Web site, Colorado.gov/hcpf, by September 10, 2011.

Additional information on this expansion and this Demonstration is available at the AwDC expansion [Web site](#).

There will be two public hearings held to discuss the Demonstration:

- Tuesday, September 27, 2011, from 3:00 p.m. – 5:00 p.m. via webinar. Instructions and the meeting agenda will be posted to the Department's AwDC expansion [Web site](#).
- Wednesday, October 5, 2011, from 1:15 p.m. – 3:00 p.m. at 225 16th Street, Denver, CO in the 1st floor conference room. Call-in information will be available on the meeting agenda posted to the Department's [Web site](#) one week prior to the event.

Written comments may be addressed to: Director, Medical and CHP+ Program Administration Office, Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203.

E-mailed comments may be sent to: ChildlessAdults@hcpf.state.co.us

Comments will be accepted until October 10, 2011.