



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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John W. Hickeniooper, Governor • Susan E. Birch MBA,BSN,RN, Executive Director

July 30, 2013

Cindy Mann
Director, Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-17
Baltimore, Maryland 21244-1850

Re: AwDC Section 1115 Demonstration (Project No. 11-W-00280/8)

Dear Director Mann:

The Colorado Department of Health Care Policy and Financing (Department) is working closely with CMS and other partners to prepare for implementation of the Medicaid expansion on January 1, 2014. As part of these preparations, we will adjust our enrollment cap for the Section 1115 Demonstration waiver for Adults without Dependent Children (AwDC). Per Standard Terms and Conditions (STC) number 18, this letter serves as notice of the planned enrollment change. The expected implementation date will be September 1, 2013.

The Department's AwDC program was implemented on April 1, 2012, with an enrollment cap of 10,000 clients with incomes no greater than 10% of the federal poverty level (FPL). Beginning April 1, 2013, the Department began an incremental increase of the enrollment cap, anticipating a final cap of 19,250 in September. During October, November and December, the cap would have remained at 19,250, and the Department would have filled attrition slots through the monthly enrollment process.

However, with the switch to the new modified adjusted gross income (MAGI) rules engine on October 1, 2013, the Department will no longer be able to enroll AwDC clients from the waitlist into Medicaid, meaning that we will not be able to do monthly enrollments in October, November and December. Instead, the Department will enroll additional clients in September, essentially filling the anticipated attrition slots in advance. The Department projects that raising the enrollment cap to 21,691 slots in September and then ceasing enrollment for October, November and December will result in the same number of covered member-months for which we are currently approved.

The State's share of the waiver costs is funded through a hospital provider fee. Our current incremental increase projected that we would cover a total of 111,750 member-months. By front-loading additional clients in our final enrollment in September 2013, we project that we will still cover the same 111,750 member-months through the waiver's end on December 31, 2013.

Due to the tight timeframe of Medicaid expansion implementation, we have not had an opportunity to discuss this change with our stakeholders before submitting this notification to CMS and beginning our public notice. However, when we discussed our current incremental increase with stakeholders back in February, they strongly supported enrolling as many people as possible as early as possible, and this new enrollment strategy aligns with that principle.

Per STC 18, the Department will not disenroll any eligible client who has been enrolled in the program.

The Department is not considering any other changes at this time. Income eligibility will be maintained at a 10% FPL limit. Selection from the waitlist will continue using the same statewide, randomized selection process. Individuals who are enrolled will be notified using the same standard Medicaid notification processes. Per the terms of the waiver, all AwDC clients will continue to be mandatorily enrolled into our Accountable Care Collaborative program.

In accordance with STC 18, an amendment to the waiver is not required for this change, and the Department is providing 30 days' public notice concurrent with this notice to CMS. Per our State Plan, our official public notice is done through our State Register and our Tribal consultation log. We will also distribute this information through our AwDC Advisory Committee and through materials posted on our website.

We appreciate CMS's support as we prepare to transition our waiver clients into the Medicaid expansion. If you require further information or have additional questions, please contact the Department's AwDC project coordinator, Sonja Madera, at sonja.madera@state.co.us or 303-866-6977.

Sincerely,

/s/

Suzanne Brennan
Medicaid Director

SB/sm

Director Mann
July 30, 2013
Page3

Enclosure

Cc: Diane Gerrits, Director, Division of State Demonstrations & Waivers
Richard Allen, Associate Regional Administrator, Division of Medicaid and Children's
Health
Heather Hostetler, Project Officer, Division of State Demonstrations and Waivers
Rebecca Burch Mack, Centers for Medicare and Medicaid Services, Region VIII