



Department of Health Care Policy and Financing

Hot Topics

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*The Mission of
the Department
of Health Care
Policy and
Financing is to
provide cost-
effective, quality
health care
services to
Coloradans.*

Welcome, Legislators!

On behalf of the entire staff at the Department of Health Care Policy and Financing, we would like to welcome the incoming legislators and thank the returning legislators all of your efforts this past year to help us achieve our goals and move toward our mission to improve access to cost-effective, quality health care services for Coloradans.

When elected, Governor Ritter made a commitment to enroll more eligible children into public health insurance programs and to improve the quality of health care. Since January of 2007, 30,000 more children and 10,000 more parents have health care coverage as a result of the hard work of dedicated staff in partnership with counties, providers, coalitions, and community-based organizations. And, 60,000 children have medical homes, served by sixty-eight certified provider practices who ensure that those children receive comprehensive and coordinated care. The quality of health care has improved for Medicaid's highest-need, highest-cost clients by enrolling over 2,000 clients in a program that provides intensive care-coordination and supplemental benefits – the Colorado Regional Integrated Care Collaborative (CRICC).

Our efforts to be cost-effective have also been successful. We have reduced pharmacy costs by \$4 million (annualized), and have recovered \$45 million of Medicaid payments from benefits coordination and estate recovery efforts. The Long-Term Care Partnership program has certified over 500 insurance brokers who helped over 2,000 middle-income families purchase affordable, quality long-term care insurance, reducing the need for families to rely on public programs.

The Department continues to emphasize client service and provider partnership. We actively seek stakeholder input when implementing new rules and policies that impact clients, especially our most vulnerable clients. Together with the Colorado Cross-Disability Coalition and Family Voices Colorado, we are conducting statewide forums for people with disabilities. The ideas generated from forum participants and a standing long-term care policy advisory committee will help inform Medicaid program improvements for people living with disabilities. These program improvement efforts will be supported through legislation and policy changes in 2009.

Looking Ahead to 2009

As we enter 2009, we plan to focus on delivery system reform. We recognize the need for increased care-coordination to help clients navigate between physical health, mental health and long-term care programs and also to support clients as they transition from one care setting to another. We are committed to promoting the health, functioning and self-sufficiency of clients by focusing on health outcomes in relation to the services rendered to our clients. We are strengthening contract management functions to hold contractors more accountable for the activities they

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perform on our behalf. Department staff are undertaking an effort to more clearly communicate our Medicaid benefits to providers and clients. The Department is also moving forward with a set of initiatives to reduce paperwork and to simplify the prior authorization process. We are identifying new ways the eligibility determination process could be improved to make it easier for our clients to enroll in our health care programs.

A key goal of the Department is to reduce the number of Coloradans without health insurance. We are partnering with hospitals to generate a provider fee that will bring federal money into the state to support hospital payment reform and also expand coverage for an additional 200,000 Coloradans as recommended by the Blue Ribbon Commission on Health Reform. The Department will also complete its work on Centennial Care Choices and will give the General Assembly options on reforming the individual insurance market with the possibility of offering new, more affordable insurance products.

We have highlighted only a few of the many important initiatives that are underway that will help us achieve our mission. We invite you to visit our new Web site at Colorado.gov/hcpf to get monthly updates, notices of meetings and agendas, and to sign up for ways you can participate more in our work.

On behalf of the entire leadership team here at HCPF, thank you again for your support and confidence. We look forward to another great year in 2009.

2009 HCPF Legislative Proposals

Presumptive Eligibility for Long Term Care (HB09-1103, Rep Riesberg & Sen Newell). This is a bill that authorizes the Department to seek federal authorization to allow a person in need of long term care to be presumptively eligible for the Medical Assistance Program, provided that the person declares all pertinent information relating to income and assets. Pending authorization and spending authority, the Department may implement a pilot program which would allow more rapid enrollment of persons who are Medicaid eligible.

Medicaid Overexpenditure Authority (HB09-1222, JBC Bill). This legislation would extend the repeal dates of statutory sections authorizing overexpenditures for Medicaid; transfers of funds between the Department and the Department of Human Services; and transfers of cash spending authority. Repeal dates would be extended from July 1, 2009 to July 1, 2014; and from September 1, 2009 to September 1, 2014 and would allow the Department to continue to operate the Medicaid program.

Ahlborn vs. Arkansas (HB09-1191, Rep McCann & Sen Boyd). This legislation brings our current state statute into compliance with federal law. Prior to the U.S. Supreme Court decision in Ahlborn, the Department was entitled to a lien against any recoveries from liable third parties on claims by a Medicaid client (tort and casualty recoveries). Ahlborn states that the Department could only have a lien on the medical portion of the recoveries.

Colorado Accountable Care Collaborative

In November, the Department of Health Care Policy and Financing (the Department) submitted a budget request to the Joint Budget Committee of the Colorado General Assembly to develop a program that would enable the Department to deliver coordinated, patient-centered care to Medicaid clients across Colorado. To achieve this, the Department plans to undertake a statewide competitive procurement process for physical health services that emphasizes the importance of increasing access to integrated care for our clients. The Department plans to procure a statewide data and certification organization. In addition, the Department intends

to regionally procure services from care coordination organizations (CCOs) to coordinate the provision of enhanced primary care case management services. The CCOs would be primarily responsible for establishing a coordinated care delivery system for clients. The Department anticipates that payments to primary care physicians would be supplemented with care coordination fees as well as outcomes-based performance incentives.

In addition to strengthening primary care services, the CCO would administer a comprehensive network of care coordination services. Care coordinators would be based in the community and help reinforce treatment plans, coordinate care between different providers, assist in care transitions between hospitals and community care, and serve as client advocates in navigating between physical health, behavioral health, waiver services, and long term care services as appropriate. The CCO would also deploy evidence-based medical management tools designed to promote patient safety and reduce unwarranted variation in care practices.

The Department met with the General Assembly's Joint Budget Committee to present the Colorado Accountable Care Collaborative and answer questions from Committee members. In the upcoming weeks, we will be informed by the Governor's Office whether this initiative will be included in the Governor's FY 09-10 budget to be approved by the legislature. If this initiative passes through figure setting, a Request for Information will go out to stakeholders to assist in operationalizing the mode

Reauthorization of SCHIP

Reauthorization of the State Children's Health Insurance Program (SCHIP) has been moving quickly through Congress. The House of Representatives approved its version of the reauthorization bill on January 14, 2009, while the Senate approved its version on January 29, 2009. The two chambers will head into conference to reconcile the minor differences between the two bills, after which the bill will be ready for the President's signature. It is anticipated that the bill will be signed by the President as early as the week of February 2, 2009. The following are some notable provisions included in both the House and Senate versions of the bill:

- Funds SCHIP through fiscal year 2013 with approximately \$32.8 billion to expand coverage to 4 million more children. The funding is primarily financed by a \$0.61 increase in the tax on cigarettes.
- Preserves state flexibility to decide income eligibility level for children that need assistance in each State.
- Provides states with the option to lift the current 5-year waiting period for immigrant children and pregnant women to become eligible for SCHIP coverage.
- Offers a new statutory option to cover pregnant women through SCHIP. Previously, pregnant women were covered through the application of a waiver.

Extends Medicaid citizenship documentation requirement (as established by the Deficit Reduction Act) to SCHIP. The bills also provide the option for states to use information gathered by the Social Security Administration as a potential way to decrease administrative barriers to coverage.

For more information on these or other topics, please contact Nicole Storm,
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