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.

Colorado Healthcare Affordability Act

The Colorado Healthcare Affordability Act, HB09-1293, Representatives Ferrandino and Riesberg and Senators Keller and Boyd, would allow Colorado to leverage state funds to draw down additional federal funds to provide coverage to more than 100,000 uninsured Coloradans. The proposal also would help stem the rising cost of health insurance for businesses and families by addressing cost-shifting, one of the key drivers of rising costs, without increasing the burden on taxpayers.

By assessing a provider fee on hospitals, Colorado would generate an additional $600 million a year to provide coverage to the uninsured, and receive $600 million in federal matching funds. The combined $1.2 billion would cover more than 100,000 currently uninsured Coloradans through Medicaid and the Child Health Plan *Plus.* The funds also would improve hospital reimbursement rates for service provided through Medicaid and the Colorado Indigent Care Program (CICP).

More than 40 states have implemented this type of fee strategy for health programs, including more than 20 states that have hospital provider fees. Colorado passed a similar law with nursing home providers in 2008 (HB08-1114, White and Isgar).

The Colorado Hospital Association, the Department of Health Care Policy and Financing and the Governor's Office have been working together for more than nine months to develop the proposal. If approved by the legislature, the plan will be submitted to the federal Centers for Medicare and Medicaid Services (CMS) for final approval.

March Legislative Lunch & Learn

On March 6th, the Department held a one-hour legislative *Lunch & Learn* for both Health and Human Service Committees to provide a broad overview of our Department's programs and initiatives as well as a chance for legislators to ask questions. Director Henneberry, Dr Sandeep Wadhwa, and Deputy Directors Sue Williamson and Jennifer Evans gave brief presentations on topics including the economic downturn and its affect on health care, the accountable care collaborative, medical home, CBMS realignment and fraud, waste and abuse, among others. The Department will continue to offer similar educational opportunities for legislators in the future.

Benefits Collaborative

The Benefits Collaborative is a Department- led initiative for defining the amount, scope and duration of each Medicaid benefit. It is a process for ensuring benefit coverage decisions are based on the best available clinical evidence that all benefit coverage policies promote the improved health and functioning of Medicaid clients. The Benefits Collaborative process involves defining current benefits based on the State Plan, Volume 8, procedure codes, bulletins and provider manuals. The State

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Plan is the organization detail for administering the Medicaid program. A condition for receiving federal funds is the requirement that the Department administer the medical assistance program according to the State Plan:

http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1223548942896

A review of other states' Medicaid coverage policies and private insurance policies will assist in benchmarking standard benefit policies. The Department will invite clients, advocates, providers, contractors and other interested stakeholders to participate in the process of defining Medicaid benefit coverage policy through public forums and email communications. All drafted benefit policies will be posted on the Department Web site for public comment; reviewed by the Children's Advisory Board and Medical Advisory Committee, and will then be recommended for adoption by the Advisory Group to the Medicaid director. The Department will implement the new policy by making system edits, sending bulletins and updating billing manuals. A process for authorization of services for exceptional/individual cases (Exception to the Rule) will also be determined.

Medical Home

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. In 2007, the General Assembly passed SB 07-130, Senator Boyd and Representative Carroll, which stated that the Department should strive to find medical homes for all children and youth receiving services through the State Medical Assistance Program and CHP+. As a result of this legislation, the Department began a pilot project and today the Department continues developing a partnership with Colorado Child Health Access Program (CCHAP), a non-profit organization ensuring that every child enrolled in Medicaid and the Child Health Plan Plus (CHP+) receives comprehensive healthcare from a primary care provider. During the initial 6-month observation period, CCHAP children were more likely to have a well child visit and less likely to visit the emergency room or require hospitalization compared to a similar group of children from the Denver County area who were receiving care at non-CCHAP sites. These findings were generally consistent across age groups and among children with a chronic condition. The preliminary findings suggest that CCHAP may be a successful cost-savings model which achieves appropriate preventive care and reduced emergency room and hospital utilization for a vulnerable population of children. Some preliminary findings:

- Reimbursed medical costs per child for the 6-month observation period were significantly lower across all age groups in CCHAP children compared to non-CCHAP children. We note that children receiving home health services and those on HCBS were eliminated from the evaluation. Again, these significantly lower costs were evident in children with, or without, a chronic condition.
- Emergency Department utilization was reduced and less expensive for children who participated in the CCHAP program. Anticipating that cost differences may be driven by a small group of high cost children, evaluators eliminated institutionalized children from the evaluation cohort. Emergency Department utilization was higher among children with a chronic condition, but those CCHAP-participating children continued the trend of reduced ED usage and cost per ED visit than that observed in non-CCHAP children.

By replicating the CCHAP model internally through the use of current federally funded programs, the Department has also begun to utilize philanthropically supported clinics, which are highly coached but not a part of the CCHAP pilot, as medical homes. The practices of Doctor's Care, Rocky Mountain Youth and soon to include Inner City Health, will allow the Department to compare private clinics to other types of practice models. This comparison will also be a part of the 12 month evaluation. The Department will also concentrate on eligible school based health centers and family medicine providers for additional models in Phase III.

The enrollment for medical homes for children continues to increase at a steady pace as practices request to join either the Department lead or the CCHAP programs. To date, there are over 149,000 children in Medicaid and CHP+ Medical Homes.

Accountable Care Collaborative Request for Information (RFI)

On April 1st, the Department will be posting the Accountable Care Collaborative RFI to seek feedback in the development of a coordinated, client-centered, evidenced-based, outcomes-driven system. This is one of several concurrent initiatives within the Department's Medicaid reform efforts. The information collected from this RFI will be used to test the feasibility of the Department's current model, to modify the model, and to guide in the drafting of the soon-to-follow Request for Proposal (RFP).

The Department is soliciting information from interested parties including: managed care organizations, health plans, independent physician associations (IPA), physicians, clients, client advocacy groups, community and state-wide social service organizations, local and state governments, quality organizations, health foundations and any other interested party capable of assisting the Department to meet its objectives.

For more information on these or other topics, please contact Nicole Storm, Legislative Analyst, at 303-866-3180 or Nicole.Storm@state.co.us