



# Department of Health Care Policy and Financing

## Hot Topics

Prepared for the Colorado General Assembly

JUNE 25, 2009

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

### ***Suspension of Medicaid Benefits for Persons Confined, SB08-006***

Senate Bill 08-006 (Senator Boyd and Representative Solano) authorizes the Department to suspend Medicaid eligibility for those individuals who become inmates. The Department's current Medicaid regulations require an individual's eligibility to be *terminated* when he or she becomes an inmate of a public institution, not just suspended.

The Department has researched similar policies implemented in other states and federal agencies to suspend benefits for inmates since the law was passed, but has been unable to locate a complete policy that could easily be adopted or duplicated. The Department has learned that several states have abandoned efforts to develop a comprehensive policy after encountering substantial difficulties and conflicts with federal regulations. The Department has made every effort to incorporate guidance provided by the Centers for Medicare and Medicaid Services (CMS) and other sources in order to develop a unique policy which can be implemented by the Department's eligibility technicians and within the Colorado Benefits Management System (CBMS).

**Department Action: The Department has prepared a proposed policy, submitted the proposal to CMS for review, and is currently seeking stakeholder input.**

Further, the Department is researching the issue of whether individuals in the State's Community Corrections are considered inmates of a public institution for the purposes of a Medicaid eligibility analysis. This is a technical determination, and the Department will provide additional information and/or an explanation as to why CMS should not consider Medicaid clients residing in the Community Corrections program as incarcerated individuals.

**Department Action: A letter to CMS on this issue will be prepared on or before July 2, 2009.**

For more information, letters to CMS, and meeting times and locations for stakeholder input, please visit our website at:

<http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1244726434978>

### ***Hospital Back Up Program Update***

The Hospital Back Up (HBU) program is a Medicaid benefit that provides hospital level of care in a nursing facility setting. In January 2009, the Department created an HBU Reimbursement Task Force to examine the adequacy of the Prospective Payment System (PPS) methodology to reimburse for Hospital Back Up services. The impetus for the task force creation is to formulate recommendations with stakeholders' input to address the HBU bed shortage due to Vista View (VV) and Westwind Village (WW) closure to new HBU admissions. The task force is comprised

Department of  
Health Care Policy  
and Financing  
1570 Grant St.  
Denver, CO 80203  
303-866-2993  
Fax 303-866-3883

[Colorado.gov/hcpf](http://Colorado.gov/hcpf)

of members of the Colorado Hospital Association, various leaders of acute and long term care hospitals as well as leaders of nursing facilities and HCPF representatives. The operational costs of WW and VV were compared to a PPS-based cost projection using the level of care scheduled for SE2 which is the acuity level of HBU clients. The Department met with HBU providers VV and WW on 6/17/09. The Rates Section staff is leading the effort to renegotiate an HBU reimbursement methodology. Further consultation with VV parent company Vibra Health Care is necessary to determine the optimal reimbursement required to maintain the HBU unit. Subsequent meetings will take place mid July between the HBU providers other stakeholders and the Department to examine reimbursement options.

For more information, please contact Rose-Marie Nelson at 303.866.3167 or [Rose-Marie.Nelson@state.co.us](mailto:Rose-Marie.Nelson@state.co.us)

### ***Home and Community Based Services (HCBS) Waiver Changes***

Each of the four Home and Community Based Services (HCBS) Waivers are up for renewal July 1, 2009, including Waivers for People with Developmental Disabilities (DD), Supported Living Services (SLS), Children's Extensive Support Services (CES) and Children's Habilitation Residential Program Waivers. As part of the 5-year renewal, Colorado is now required by the federal Centers for Medicare and Medicaid Services (CMS) to standardize rates for all waiver services across the State. Standardized rates have already been achieved for the HCBS-DD Waiver as of January 1, 2009; however, for the SLS, CES, and CHRP waivers, the requirement still needs to be met. Previously, the amount paid for a service had been individually negotiated at the local level throughout the state between the service provider and Community Centered Board (CCB). Due to the standardization of rates, there will be an impact to the existing rates that have been used, and some rates may increase in some parts of the state, while in other areas, the rates may decrease.

The Division of Developmental Disabilities (DDD) assembled a work group to research existing rates and costs within the developmental disabilities system and comparative data from related fields. The rates are based on a combination of the existing FY 2008-2009 utilization data, recommendations from the work group, input from consumers, families, advocates, Community Centered Boards (CCB) or service providers, analysis of other Medicaid waiver rates in Colorado, and consultation with HCPF. DDD and HCPF recognize that the attached rates are based in part on historical utilization patterns. Every effort has been made to minimize any negative impact on services currently being provided, however, there is no way to avoid having some amount of increase or decrease to existing rates when establishing a system of statewide standardization service rates. DDD and HCPF will be monitoring actual implementation during the next fiscal year to determine if there is a need and justification for making any further adjustments to the rates. We will be working closely with the Community Centered Board and Social Services systems and service providers to help guide everyone through the change process.

If you have any questions or concerns you can reach Amy Haight, DD Waivers Oversight Manager, at 303-866-3011 or [amy.haight@state.co.us](mailto:amy.haight@state.co.us)

### ***Changes to Disease Management Programs***

In recognizing the benefits of treating the "whole" person rather than just the disease, the Department is working towards implementing an integrated disease management care model. This model will seek to treat the person and what many

times are multiple conditions that affect them.

As such, the current Disease Management Programs listed below will no longer be in effect as of June 30, 2009:

**Asthma**

**COPD (Chronic Obstructive Pulmonary Disease)**

**CHF (Congestive Heart Failure)**

**Colorado Maternity Care Program**

**Fitlogix Weight Management Program**

The Department will be continuing the Pilot Program for Telehealth as this program is still in the pilot phase.

The Department is working closely with each vendor to ensure a smooth transition and disenrollment from the program for each client.

All clients have been given the nurse advice line and other resource lists related to their specific disease condition. Providers have been notified via the provider bulletin and will have a contact number for any questions that may arise.

If you have any questions, please contact Bernadette Marra at 303-866-6076 or [Bernadette.Marra@state.co.us](mailto:Bernadette.Marra@state.co.us)

***Hospital Provider Fee Oversight and Advisory Board***

The Hospital Provider Fee Oversight and Advisory Board will be responsible for working with the Department of Health Care Policy and Financing and the Medical Services Board to develop the hospital provider fee model, monitor the implementation of the bill, help with preparation of annual reports on this program, and ensure that the Medicaid and Child Health Plan *Plus* (CHP+) eligibility expansions are implemented as intended.

**Description**

On April 21, 2009, Gov. Bill Ritter signed House Bill 09-1293, the Colorado Health Care Affordability Act, which will provide health insurance coverage to more than 100,000 Coloradans and reduce uncompensated care and cost shifting.

By partnering with hospitals, the Colorado Health Care Affordability Act will allow the state to generate an additional \$600 million in federal Medicaid matching funds.

The combined \$1.2 billion will support Medicaid and CHP+ expansions and should be used to improve hospital reimbursement rates for service provided through Medicaid and the Colorado Indigent Care Program (CICP).

The plan will be submitted to the federal Centers for Medicare and Medicaid Services (CMS) for final approval. Implementation is expected to begin in the spring of 2010.

**Meetings**

Starting June 16, meetings will be held every other Tuesday from 3:00 p.m. to 5:00 p.m. Minutes from the first meeting will be approved and made available after June 23. You can find those and other information on the committee at: <http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1244207386051>

For more information concerning the Hospital Provider Fee Oversight and Advisory Board, please contact Nancy Dolson at 303.866.3698 or [nancy.dolson@state.co.us](mailto:nancy.dolson@state.co.us)

**Members**

Bruce Alexander, CEO, Vectra Bank

Jeremiah Bartley, Physician, Self-employed

Lucille Gonzales, Accountant, Retired

Joan Henneberry, Executive Director, HCPF

Thomas Henton, Administrator, Conejos County Hospital

Thomas Nash, VP of Finance, Colorado Hospital Association

Robert Omer, CEO, Pioneers Medical Center

Janet Pogar, Regional Vice President, Network Management, Anthem Blue Cross and Blue Shield

Mimi Robertson, President/CEO, Presbyterian/St. Lukes Medical Center

Randy Safady, Senior Vice President/CFO, Centura Health

Jim Shmerling, President/CEO, The Children's Hospital

Chris Underwood, State Programs and Federal Financing Director, HCPF

Menda Warne, Executive Director, Access and Ability

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