



Department of Health Care Policy and Financing

Hot Topics

Prepared for the Colorado General Assembly

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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.

HCPF Awarded 5-year \$42 million HRSA Grant to Fund Health Care Reform and Expansion Initiatives

The Department has been awarded a Health Resources and Services Administration (HRSA) State Health Access Program (SHAP) grant for seven comprehensive and interrelated projects totaling over \$42 million over five years. This funding will allow the Department to champion policies that will lead to greater access to health care through an increase in the number of people who are eligible for health insurance, improve health outcomes and reduce cost-shifting. Some of the projects include health care modernization, which will invest in the health care infrastructure and technology and also includes implementing new strategies around health insurance benefit design and cost-sharing between public and private insurance. The expectation that Colorado will expand coverage to over 100,000 Coloradans under the Colorado Health Care Affordability Act (House Bill 09-1293) makes it essential to ensure that our current health insurance systems work as well as possible to support the increased number of people with health insurance.

Other projects supported by this grant funding will include maximizing outreach, retention, and enrollment efforts for Medicaid and CHP+ expansion populations; modernization and streamlining of the Medicaid application and eligibility process to allow people to enroll in public health insurance in a more time efficient and easier way; program design and implementation for the Adults without Dependent Children program; and expansion of the CHP+ at Work program.

Grant dollars will also be used to support programs in three areas across Colorado. In Pueblo, HRSA dollars will be used to support the *Health Access Pueblo Community Share Expansion*, a 3-Share Community Project that brings together employers, employees without coverage and outside funders to create innovative public-private partnerships to expand access to coverage. Funds will be used to design, develop and implement an outreach and marketing plan to new businesses in an effort to expand coverage to the working uninsured. The *San Luis Valley Three-Share Community Start-Up* will replicate Pueblo County's program and create health care coverage for the working uninsured using HRSA funding to initially support the "community share" portion of the funding; and the *Weld County Evidence-Based Benefit Design Pilot* will create an innovate benefit design tool that can be implemented easily and administered efficiently for carriers for the purpose of developing new insurance products targeted at previously uninsured populations.

Provider Rate Reduction Overview

To meet budget-balancing goals, the Department proposed reducing Medicaid expenditures through a series of initiatives. These initiatives include a combination of rate reductions, service restrictions, elimination of certain programs and financial efficiencies. Medicaid program expenditures will be reduced by approximately \$93.2 million General Fund in FY 2009-10.

The priority for the Department was to ensure that Colorado's most vulnerable populations have access to cost-effective, quality health care services. Recommendations for budget reductions were made with an emphasis on limiting unintended consequences that would exacerbate problems in the health care system in future years. Additionally, an emphasis was made on minimizing the loss of federal match.

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

Colorado.gov/hcpf

- Provider rates will be reduced by 1.5 percent for acute care and long-term care services. The rate reductions will not be applied to class II nursing facilities.
- General Fund reduction: **\$7.0 million**
- Total fund reduction: **\$19.6 million**
- Rate adjustments will be incorporated into the HMO contracts through a contract amendment effective October 1, 2009.
- Due to the need for legislation to change Class I nursing facility rates, these reductions will be effective early 2010.

Information will be distributed through the Provider Bulletin, through public notice and posted on the Web site. EPSDT coordinators, the Enrollment Broker, and contracted health plans are available to assist clients in finding available providers in their area.

Please contact Jed Ziegenhagen 303-866-3200, or jed.Ziegenhagen@state.co.us for more information.

Emergency Adoption of Rules to Address Budget Shortfall

The Department and Medical Services Board Members met on August 31, 2009 to promulgate rules associated with Governor Bill Ritter's budget-balancing plan. The following rules were addressed:

Document 01 MSB 09-08-17-D	Revision to the Rule Concerning Elimination of the Colorado Indigent Care Program Health Care Services Payment
Document 02 MSB 09-08-17-E	Revision to the Rule Concerning Reimbursement for Outstationing Administrative Costs, or FQHC Administrative Reimbursement for Eligibility Determinations.
Document 03 MSB 09-08-17-F	Revision to the Rule Concerning Elimination of the Colorado Indigent Care Program Rural and Public Hospital Payments.
Document 04 MSB 09-08-17-C	Revision to the Pharmacy Rule for Determining Reimbursement Rates for Pharmaceuticals.
Document 05 MSB 09-08-20-B	Revision to the Rule Concerning the Reduction to FQHC Reimbursement.
Document 06 MSB 09-08-20-C	Revision to the Rule Concerning Outpatient Hospital Reimbursement.
Document 07 MSB 09-08-20-F	Revision to the Rule Concerning Limitations on Reimbursement of Non-Medical Transportation Services, or transportation which enable eligible clients to gain Access to non-medical community services and resources.
Document 08 MSB 09-07-17-A	Revision to the Eligibility Rule Concerning the State-Only Prenatal Program allowing states to request federal financial participation for pregnant legal immigrants within their first five years in the United States.
Document 09 MSB 09-08-26-A	Revision to Rule Concerning Ambulatory Surgery Center.
Document 10 MSB 09-08-26-B	Revision to Rule Concerning Durable Medical Equipment and Medical Supplies.

Health Information Technology

Building a strong health care information infrastructure is part of Gov. Bill Ritter's Building Blocks for Health Care Reform. In April 2009, Gov. Ritter recognized the Colorado Regional Health Information Organization (CORHIO) as a leader in state health information technology efforts and designated it as the state-level entity that will coordinate the state's efforts to effectively use funds from the Health Information Technology for Economic and Clinical Health (HITECH) Act portion of the American Recovery and Reinvestment Act.

CORHIO is a non-profit organization, established in 2007, dedicated to improving the health of all Coloradans by facilitating statewide health information exchange. The Governor's Office is working closely with CORHIO to develop a statewide plan that meets federal application requirements and ensure Colorado gets its fair share of funds to enable success in the state's health IT efforts.

Although Colorado does not currently have statewide health information exchange, several regions in the state including Mesa and Weld counties are national leaders in the development of secure, coordinated health care IT systems. In late 2008 CORHIO partnered with Denver Health & Hospital Authority, University of Colorado Hospital, Children's Hospital and Kaiser Permanente Colorado to implement the pilot known as the Point of Care Inquiry Demonstration Project. The project helped CORHIO to build a secure health information exchange system that has allowed the four major health care facilities in Denver to share vital medical information, allowing them to offer safer, more informed care to thousands of patients.

On July 22, 2009 the Governor's Office of Information Technology, the Colorado Technology Association, CORHIO, the Department of Health Care Policy and Financing, the University of Colorado and the Governor's Innovation Council held the Colorado Health Information Exchange (HIE) Planning Conference. This day-long conference took place at the Tivoli Student Union on the Auraria Campus in Denver, and was attended by more than 300 people – including IT companies and health care providers. The focus of the meeting was to bring public and private sector stakeholders together to discuss how to leverage Recovery Act funds to advance the state's adoption of health information exchange in order to improve the health of all Coloradans.

Currently CORHIO is working with a wide spectrum of organizations representing the perspectives of consumers, insurers, health care providers, employers and others to develop a key component of improving health IT in Colorado and applying for the federal funds to support the state health information exchange plan. In September 2009, CORHIO will be surveying Coloradans across the state about existing health IT resources.