



Department of Health Care Policy and Financing

Hot Topics

Prepared for the Colorado General Assembly

NOVEMBER 18, 2009

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

Colorado Health and Health Care Profiles

We are dedicated to improving the health of our clients, not just improving health care processes. For example, we are working with our partners to decrease the number of dental cavities in children, not just how many children went to the dentist.

[Colorado Health and Health Care Profiles](#) provide a baseline and illustrate how Colorado Medicaid clients' health rate in comparison with Coloradans not covered by Medicaid, national averages, and goals set by [Healthy People 2010](#). The information will allow us to measure progress made in the health of our clients over the years and provide direction for future initiatives. Profiles are developed on an on-going basis and will be updated illustrating the progress that has been made in the health of our clients.

Benefits Collaborative

The Benefits Collaborative is a process for ensuring that benefit coverage decisions are based on the best available clinical evidence and that all benefit coverage policies promote the improved health and functioning of Medicaid clients. The amount, scope and duration of Medicaid benefits will be identified through this process ensuring that benefit coverage determinations are made in a manner that is transparent to, and inclusive of, all stakeholders.

The Department has developed the order in which benefits will be reviewed and target dates for policy development. The process for benefit definition for many of benefit groups will occur concurrently.

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 Web site for public comment;
- Reviewed by the Medicaid Advisory Committee and
- Recommended by the Medicaid Advisory Committee to the Medicaid Director for adoption or for modification.

We are currently seeking stakeholders to help us define the coverage policy for speech therapy and audiology services. Participating stakeholders will be asked to review a draft coverage policy and participate in a series of forums to develop a coverage policy that is based on appropriate care guidelines and promotes the improved health of Medicaid clients. Stakeholder participation is a crucial component of this effort.

The first Speech Therapy and Audiology Collaborative meeting will be held:

December 11, 2009

1:30p.m. – 3: 30p.m.

225 E. 16th Ave, Denver, CO

First floor conference room

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

Colorado.gov/hcpf

Topics to be covered: overview of the Benefits Collaborative initiative, medical necessity, EPSDT versus adult, correct coding and billing practices, limitations.

If you are interested in participating, **please RSVP** to jagruti.shah@state.co.us or at 303-866-2245 by December 8, 2009. The Department encourages you to forward this invitation to additional parties that might be interested in participating. If you are unable to attend the meeting, but would like to provide comments, please contact Jagruti Shah.

Colorado Program Eligibility and Application Kit (PEAK)

In addition to growing client enrollment rates in the Colorado Benefits Management System (CBMS) programs, Colorado is experiencing more widespread use of e-communication and Web-based interactions, as well as a demand for increased client and community outreach capabilities from its public service agencies. In order to meet these diverse needs head on, the State of Colorado has begun work to implement revolutionary enhancements that will allow it to continue to improve the lives of its citizens.

The Colorado Program Eligibility and Application Kit (PEAK) is the flagship tool that will allow the State to meet these new service needs. PEAK is a Web-based portal designed to provide clients and community partners with a modern and easily accessible tool to apply for public assistance benefits. It allows new CBMS clients to screen themselves for potential program eligibility and apply for benefits from any location that has an Internet connection.

The Colorado PEAK also eliminates the sometimes time-consuming process of waiting on the application submission and benefits approval for clients. Instead, the Colorado PEAK creates new opportunities for benefits screening, application, and client information updates that do not require assistance from a county or state employee. In addition, care providers are able to make applications on behalf of their clients, further streamlining the application process.

The Colorado PEAK puts control of benefits applications back in the hands of the clients and increases client self-sufficiency. Through this, the State of Colorado is able to ensure the CBMS performance is being enhanced to meet increasing and changing client needs, is able to improve customer service, and is able to improve statewide accountability for public assistance benefits.

A new Web site, Colorado.gov/benefits, allows individuals to determine if they are potentially eligible for food stamps, cash assistance, Medicaid or CHP+ through the "Am I Eligible" function. The PEAK Web site walks a potential client through a process and then provides useful information about their eligibility and how to apply. The PEAK "Check My Benefits" function allows existing CBMS clients the ability to check on benefits and redetermination dates.

National Health Reform: What Could This Mean for Colorado Medicaid?

By Joan Henneberry

Most of us who have been tracking, analyzing, and trying to understand the nuances of national health reform policy believe that the Senate will take action on the floor by Christmas, with the House Leadership Bill, Affordable Health Care for American Act, having been passed at the beginning of this month. Both bills would then go to conference committee with the goal of giving the President something to sign by the State of the Union. I don't understand betting and odds but I'm sure that somewhere, maybe Las Vegas, you can place a bet one way or another. Regardless of the party or the house in Congress though, all signs point toward a bill that creates new national policy intended to cover more of the uninsured.

The key policy issues being discussed in these final days of deliberation and negotiation include a national, standard policy on Medicaid eligibility. Both the Senate and House bills now call for raising and standardizing the Medicaid "floor" – meaning that everyone living in households with incomes at 150% of the federal poverty level or below is covered in Medicaid. A new adjusted gross income standard would be used in a uniform way across states. The current proposal for the state/federal share to cover the costs of the newly eligible population is that the federal government would pick

up 91% of the costs to serve this expansion population. There are still questions on the table regarding maintenance of effort and what states will be expected to do in continuing to work with newly covered populations. HCPF staff and consultants are analyzing the impact of reform proposals on our own reforms, particularly the Health Care Affordability Act. HB09-1293 gives us the authority and financing to proceed with expansion of benefits to populations living at 100% of the federal poverty level and below, starting in 2010 with full implementation in 2012. We will pay close attention to the details once federal policy is final and we know the final implementation timelines.

For individuals with incomes above 150% of poverty, an exchange or insurance connector would be established in each state (with federal standards) to provide information about, and sell these insurance products. Subsidies will be provided to people, although the "ceiling" of income for subsidies has yet to be determined. Congress has not yet agreed on whether a public plan option will be sold through the exchanges. A public plan could be designed at the federal level then sold through state exchanges, or it could be left up to each state to design the public plan. There is opposition to offering public plans, and proposals to allow states to opt out of offering a public plan or to only allow the sale of a public plan if private plans are not affordable or effective in covering the uninsured.

People who are currently receiving health insurance benefits through their employer will be able to keep those benefits. Small businesses will get tax credits to purchase insurance for their employees.

A number of health care service delivery reforms will be implemented over time including pilot programs that allow state Medicaid agencies to "bundle" payments to providers, giving them a certain amount of money to manage a condition or acute episode versus paying each provider or health care professional that touches that patient during that illness a separate fee. There will be policy and payment incentives to develop better integrated, team models of health care to improve quality and outcomes including efforts to reduce unnecessary hospital readmissions and health system acquired infections. Colorado is already at the forefront of some of these ideas with our initiatives to enroll all children in medical homes; the multi-payer medical home initiative for adults; moving Medicaid clients into accountable care organizations; and our new goals and metrics to reduce inappropriate emergency room use and avoidable hospital readmissions. The creation of the Center for Improving Value in Health Care gives us a head start on coordinating all of the quality improvement efforts already going on in the health care industry, and moving further along to improving service delivery systems and payment reforms.

A major part of the national reform bills is insurance reform that includes a variety of new administrative simplifications to standardize the insurance transaction processes. There is likely to be national policy that prohibits insurance companies from denying coverage for people with pre-existing conditions.

There are different timelines for implementation of policies, some beginning in 2010 and some, like Medicaid expansions, slated to be implemented in 2013. While there are still many details to be worked out, and the bills have to be passed and signed, the HCPF staff and health policy team have been working all year to analyze and determine the impact of federal policies on our own reform efforts, the impact on the uninsured, and the financial impact to the state. We are getting detailed information about the legislation to determine where there might be additional costs to the state, as well as places where we can save money due to policy changes or changes in the federal share of expenses. For instance, there are newly proposed differential matching rates for certain benefits and certain populations that we will analyze to determine the financial impact on Colorado. As more information and details become available, we will include those in newsletters and on our website.

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