



# 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 for Coloradans.*

### ***Federal Funding Awarded to Local Colorado Communities***

The Department of Health Care Policy and Financing has announced that \$603,850 – made available through a federal grant – was awarded to 13 statewide community organizations to educate families about public health insurance, to inform and aid children and families in their community with health coverage options, and to assist current clients with re-enrollment. The Maximizing Outreach, Retention and Enrollment, or [MORE](#) project, provided funding for the community grants. A second round of MORE grants will be released in fall 2010.

The Department received a five-year, [\\$42 million grant](#) from Health Resources and Services Administration, or HRSA in September 2009. Colorado initiatives will lead to greater access to health care, increase positive health outcomes and reduce cost-shifting.

### ***Exchange Community Forums***

Under the Federal Patient Protection and Affordable Care Act, states have critical responsibilities for implementation of new federal policies.

One critical area for planning is the development of exchanges, or virtual marketplaces, where thousands of currently uninsured Coloradans will seek information to select and purchase health insurance. Many of these individuals and families will be eligible for federal subsidies to help them pay their insurance premiums.

Although state exchanges are not required to be operational until 2014, federal planning grants given through The Department of Health and Human Services begin the path toward 2014 when health insurance exchanges will take what is now a very complicated and confusing process and turn it into a simple, easy to navigate experience for consumers. Colorado was awarded \$999,987 in planning grant funding earlier this year.

The [Colorado Coalition for the Medically Underserved](#) (CCMU), the [Colorado Consumer Health Initiative](#) (CCHI), and the Health Reform Implementation Board worked together this summer and fall to host a series of community forums, facilitated by Gretchen Hammer from CCMU, to discuss the options for our state, as well as to seek and collect input from stakeholders and consumers.

A perspective brief that reflects the opinions gathered from communities across the state should be available towards the end of November.

### ***Progress Update on CO-CHAMP Grant***

Click [here](#) to read HCPF's October update on the progress made to execute the grant activities for the Colorado Comprehensive Health Access Modernization Program (CO-CHAMP) grant. CO-CHAMP is a five-year, \$43 million grant awarded to HCPF to improve access to cost-effective, quality health care services for Coloradans, improve the system and to help implement the Medicaid expansions under House Bill 09-1293, sponsored by Representatives Riesberg and Ferrandino and Senators Keller and Boyd.

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### ***Launch of Colorado PEAK Phase II Delayed***

The Colorado Program Eligibility and Application Kit (PEAK) [Web site](#) allows people to screen to see if they may be eligible for food, medical and cash assistance benefits and also check the status of their existing benefits. Phase II of the Colorado PEAK Web site will allow people to apply for these programs online and provide the ability for clients to submit changes to their case electronically. The launch of Phase II of PEAK has been delayed until after the first of the year in order to commit resources to improving performance of the Colorado Benefits Management System (CBMS). To read more about the systems improvements planned for CBMS, please read the first page of the September issue of [The Queue](#).

### ***Proposed Provider Payment Delay for FY 2010-11***

We are proposing a three week provider payment delay to the General Assembly in order to rebalance the 2010-11 budget. Based on the September economic forecast, there is an estimated budget shortfall between \$200 and \$400 million. Due to a federal maintenance of effort requirement, we cannot cut populations we cover and do not want to cut rates to preserve access – a payment delay is our only alternative given the timeframe the Department has for reaching its reduction goal.

The proposed payment delay for fee-for-service providers is three weeks and a one month delay for managed care organizations' capitations to begin in April 2011.

We understand the impact this may have on providers so we are pursuing ways to delay the payments for one week across each of the final three months of the fiscal year – April, May and June.

It is also being proposed that June managed care capitations be paid in July. The delay does not include PACE providers for this fiscal year but will in FY 2011-12. The Accountable Care Collaborative regional organizations are also exempt from this delay in FY 2010-11.

Future revenue forecasts during the current fiscal year could change the approval of the proposal by the General Assembly.

If you have any policy questions, please contact Joanne Lindsay at 303-866-3144 or [Joanne.Lindsay@state.co.us](mailto:Joanne.Lindsay@state.co.us).

### ***Judy Zerzan, MD, MPH Named Chief Medical Officer/Deputy Medicaid Director***

Judy Zerzan, MD has accepted the position of Chief Medical Officer and Deputy Medicaid Director. Dr. Zerzan will oversee pharmacy benefits and the Strategic Projects Team. As the Chief Medical Officer, she will provide clinical guidance for policy, quality improvement and program development for medical and pharmacy benefits.

Dr. Zerzan is currently an Assistant Professor in the Division of General Internal Medicine at the University of Colorado Denver School of Medicine. Dr. Zerzan received her MD degree from Oregon Health and Science University in 1998 and her MPH in Health Policy and Administration from the University of North Carolina in 1999. She trained in Internal Medicine at Oregon Health and Science University and completed the Robert Wood Johnson Clinical Scholars Program at the University of Washington/Seattle VA in 2006.

Prior to joining the University of Colorado Denver, Dr. Zerzan was active in state Medicaid prescription policy in Oregon and Washington. Her professional interests include prescription benefits design for publicly financed health benefits' programs with an emphasis on vulnerable senior populations and quality improvement.

For her Health and Aging Policy fellowship, Dr. Zerzan worked for Senator Rockefeller from January

2008 – May 2009 on issues related to Medicare, Medicaid, prescription drugs and quality.

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