

Hospital Transformation Program Community Advisory Council

January 25, 2021



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

CHASE Annual Report

- Recommendations made to the Medical Services Board regarding the healthcare affordability and sustainability fee
- A description of how the fee is calculated and the process by which the fee is assessed and collected
- Fee paid by each hospital and any projected revenue received by each hospital, including quality incentive payments
- Itemization of administration costs
- Estimates of the differences between the cost of care provided and the payment received by hospitals for patients covered by Medicaid, Medicare, and all other payers
- Summary of the efforts to implement a health care delivery system reform incentive payments program



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- From October 2019 through September 2020, the CHASE has:
 - ✓ Provided \$393 million in increased reimbursement to hospital providers
 - ✓ Transferred \$114 million in health care affordability and sustainability fees to the state General Fund
 - ✓ Reduced uncompensated care costs and the need to shift uncompensated care costs to other payers
 - ✓ Provided health care coverage through Health First Colorado and Child Health Plan Plus for more than 502,000 Coloradans
- [Colorado.gov/pacific/hcpf/colorado-healthcare-affordability-and-sustainability-enterprise-chase-board](https://colorado.gov/pacific/hcpf/colorado-healthcare-affordability-and-sustainability-enterprise-chase-board)



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FFY 2019-20 Fees and Supplemental Payments

Inpatient Fee	\$465,433,776
Outpatient Fee	\$549,329,132
Total Health Care Affordability and Sustainability Fee	\$1,014,762,908
Inpatient Supplemental Payment	\$522,846,670
Outpatient Supplemental Payment	\$558,646,359
Essential Access Supplemental Payment	\$19,000,004
Disproportionate Share Hospital Supplemental Payment	\$216,338,549
Hospital Quality Incentive Supplemental Payment	\$90,663,203
Total Supplemental Payments	\$1,407,494,785
Net Reimbursement to Hospitals	\$392,731,877



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SFY 2019-20 Administrative Expenditures

Supplemental Payments	\$1,283,349,970
CHASE Administration	\$89,371,632
Expansion Populations	\$2,040,010,639
25.5-4-402.4(5)(b)(VIII) - Offset Revenue Loss	\$15,700,000
Total Expenditures	\$3,428,432,241

Note: the \$114 million in healthcare affordability and sustainability fee collected between August 2020 and September 2020 to offset the state medical assistance program expenditures for SFY 2020-21 will appear in the 2021 CHASE Annual Report's administrative expenditures section.



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Payment to Cost Ratios

Year	Medicare	Colorado Medicaid	Insurance	CICP/Self Pay/Other	Overall
CY 2009	0.78	0.54	1.55	0.52	1.05
CY 2010	0.76	0.74	1.49	0.72	1.06
CY 2011	0.77	0.76	1.54	0.65	1.07
CY 2012	0.74	0.79	1.54	0.67	1.07
CY 2013	0.66	0.8	1.52	0.84	1.05
CY 2014	0.71	0.72	1.59	0.93	1.07
CY 2015	0.72	0.75	1.58	1.11	1.08
CY 2016	0.71	0.71	1.64	1.08	1.09
CY 2017	0.72	0.72	1.66	0.85	1.07
CY 2018	0.70	0.77	1.70	0.88	1.09

Year	Medicare	Colorado Medicaid	Insurance	Self-Pay	CICP/Other	Overall
CY 2019	0.72	0.75	1.85	0.26	0.71	1.07



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Bad Debt and Charity Care

Year	Bad Debt	Charity Care	Total
CY 2009	\$255,161,427	\$438,432,609	\$693,594,036
CY 2010	\$234,216,738	\$430,871,543	\$665,088,281
CY 2011	\$194,825,791	\$473,157,782	\$667,983,573
CY 2012	\$206,347,067	\$465,558,867	\$671,905,934
CY 2013	\$255,306,707	\$444,436,807	\$699,743,514
CY 2014	\$145,964,802	\$174,150,188	\$320,114,990
CY 2015	\$145,358,187	\$118,526,410	\$263,884,597
CY 2016	\$145,381,741	\$147,180,251	\$292,561,992
CY 2017	\$153,155,478	\$133,783,564	\$286,939,042
CY 2018	\$152,713,948	\$152,595,060	\$305,309,008
CY 2019	\$173,262,902	\$213,901,358	\$387,164,261



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All-Payer Cost, Revenue, and Margin

Year	Payment Per Patient	Cost Per Patient	Margin Per Patient
CY 2009	\$12,313	\$11,771	\$542
CY 2010	\$13,285	\$12,584	\$701
CY 2011	\$13,786	\$12,868	\$918
CY 2012	\$14,663	\$13,760	\$903
CY 2013	\$15,224	\$14,477	\$747
CY 2014	\$15,766	\$14,727	\$1,039
CY 2015	\$16,045	\$14,802	\$1,243
CY 2016	\$17,126	\$15,779	\$1,347
CY 2017	\$17,777	\$16,555	\$1,222
CY 2018	\$18,816	\$17,286	\$1,530
CY 2019	\$17,995	\$16,818	\$1,177
Average Annual Change	3.9%	3.6%	8.1%



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Hospital Expenditure Report

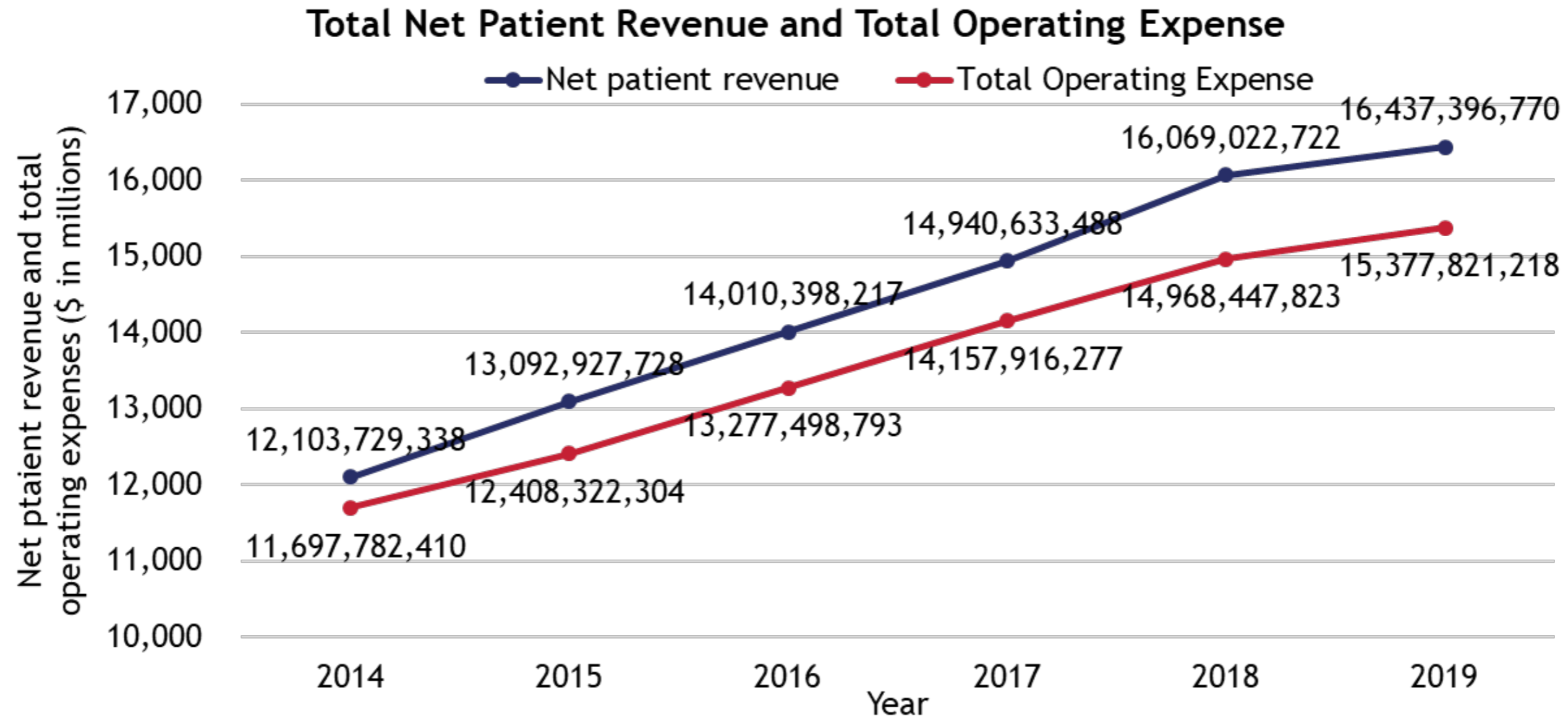
- HB 19-1001 requires hospitals to submit audited financial statements, Medicare Cost Reports and other hospital reported utilization data
- Hospital expenditure report to General Assembly detailing uncompensated hospital costs and the different categories of expenditures by January 15
- [Colorado.gov/pacific/hcpf/hospital-transparency](https://colorado.gov/pacific/hcpf/hospital-transparency)



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Hospital Expenditure Report



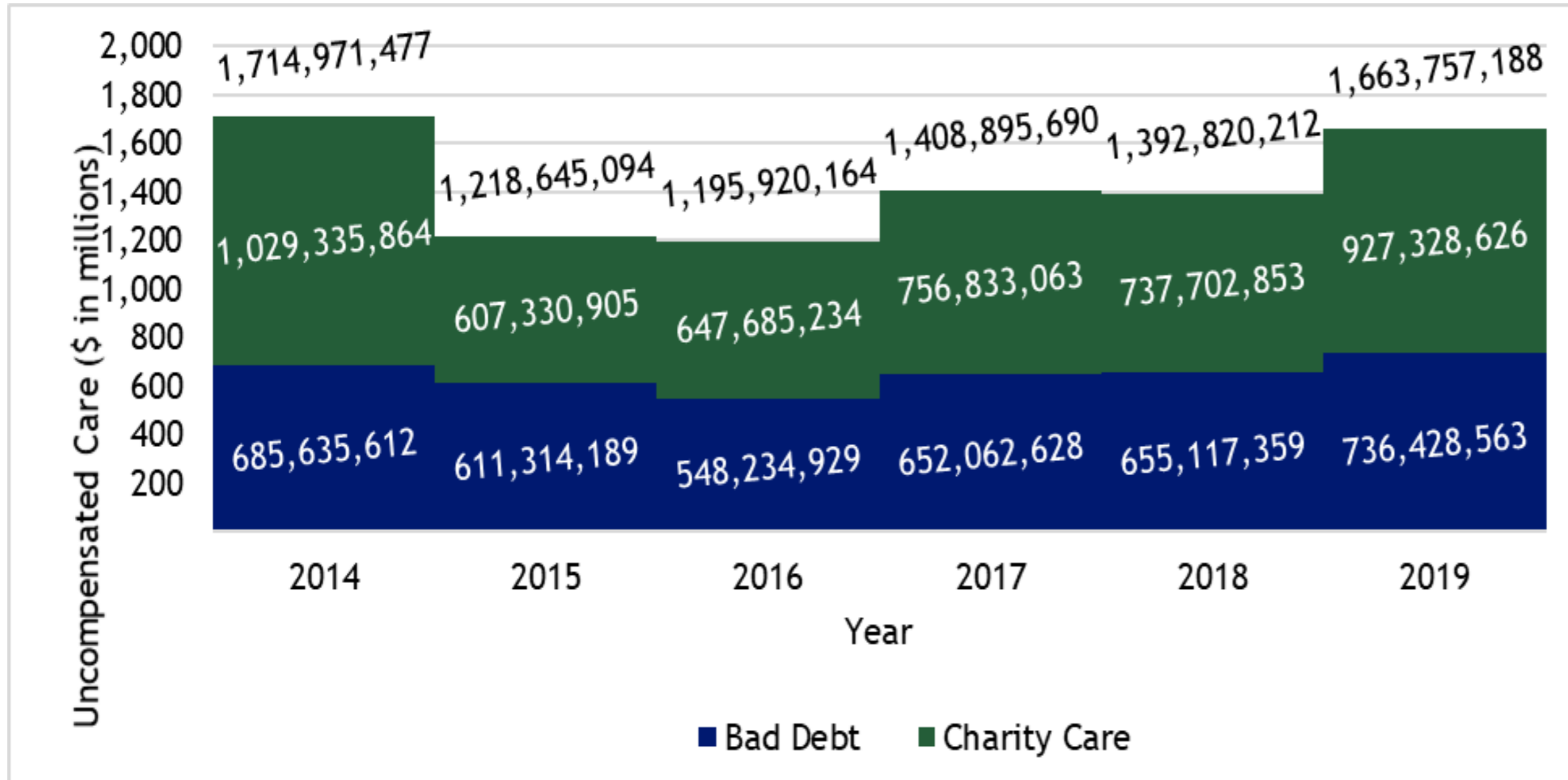
- Net patient revenue grew \$4.3 billion or 35.8% (6.3% a year)
- Operating expenses grew \$3.7 billion or 31.5% (5.6% a year)



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Hospital Expenditure Report



Uncompensated care

- Charity care declined 9.9%
- Bad debt increased 7.4%



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Hospital Community Benefit Accountability

- HB 19-1320 requires nonprofit tax-exempt general hospitals, Denver Health Medical Center and University of Colorado Hospital required to report
 - Community Health Needs Assessments; IRS 990s
 - Investments in free or reduced-cost health care services and programs addressing health behaviors or risks and social determinants of health
 - Summary of investments that have been effective in improving community health outcomes

Hospital Community Benefit Accountability

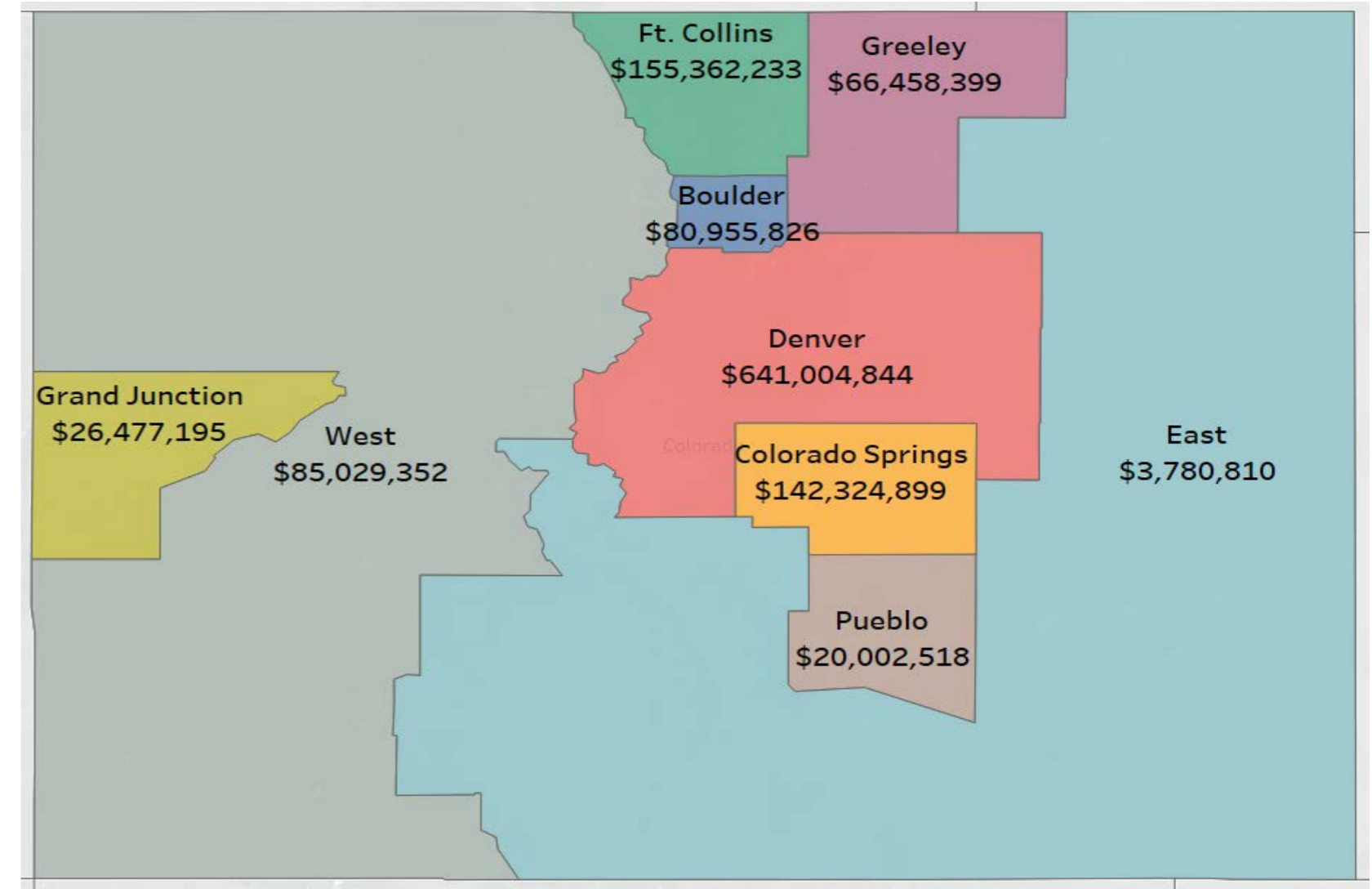
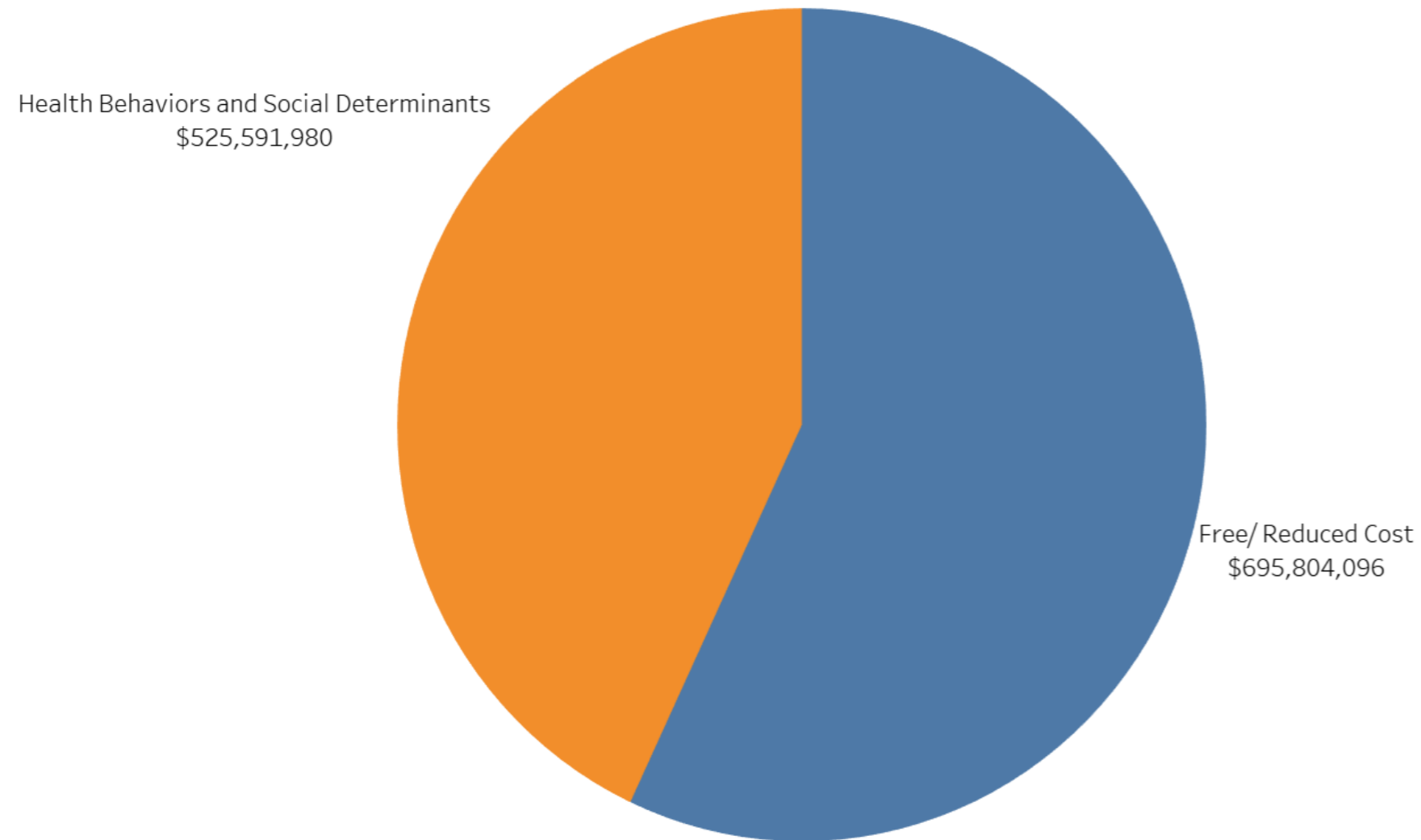
- 47 hospitals reported overall investments totaling \$1.2 billion
 - Free or reduced-cost health care services: \$696 million
 - Programs addressing health behaviors or risks and social determinants of health: \$526 million
- First year of the report and additional reporting will provide additional insights into the effectiveness and adequacy of hospitals' community benefit investments
- Reported to General Assembly as part of Hospital Expenditure Report each January 15
- [Colorado.gov/pacific/hcpf/hospital-community-benefit-accountability](https://colorado.gov/pacific/hcpf/hospital-community-benefit-accountability)



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Hospital Community Benefit Accountability



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Updated HTP Timeline - *Moved from Feb 1 to April 1*

Apr
2021

- Hospital Application due with public input

May
2021

- HCPF and consultant review applications, request revisions if necessary
- Complete applications with HCPF recommendations to Oversight Committee

Jun
2021

- Oversight Committee completes reviews, sends to HCPF

Jul
2021

- Additional application revisions and review, if needed
- Presentation to CHASE Board
- Final application review period ends and applications published

**Aug -
Nov**
2021

- Implementation plan process

**Dec -
Mar**
2021

- Project ramp-up and planning

Apr
2022

- HTP activity begins

Jul
2022

- First activity reporting for prior quarter

Thank You



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