Colorado Healthcare Affordability & Sustainability Enterprise (CHASE) Board

December 17, 2024

CHASE
Colorado Healthcare Affordability and Sustainability Enterprise

Our Mission

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.

Agenda

- CHASE Workgroup Update
- CHASE Annual Report
- HQIP Scoring Recommendations
- HTP Update, Severity Adjusted Length of Stay
- Public Comment
- Board Action Items

CHASE Workgroup Update

CHASE Annual Report

CHASE Annual Report

Pursuant to section 25.5-4-402.4(7)(e), C.R.S., the CHASE Board is to submit each January 15 a report that includes:

- The recommendations made by the CHASE Board to the Medical Services Board regarding the healthcare affordability and sustainability fee;
- A description of the formula for how the healthcare affordability and sustainability fee is calculated and the process by which the healthcare affordability and sustainability fee is assessed and collected;
- An itemization of the total amount of the healthcare affordability and sustainability fee paid by each hospital and any projected revenue received by each hospital, including quality incentive payments and increased Medicaid and CHP+ eligibility;

CHASE Annual Report

- An itemization of the costs incurred by the CHASE in implementing and administering the healthcare affordability and sustainability fee;
- Estimates of the differences between the cost of care provided and the payment received by hospitals on a per-patient basis, aggregated for all hospitals, for patients covered by Health First Colorado, Medicare, and all other payers; and
- A summary of the efforts made by the CHASE to seek any federal waiver necessary to fund and support the implementation of a health care delivery system reform incentive payments program and program progress.

2025 CHASE Annual Report

- Section III, Fees and Payments, Pages 12-23
- Fees amounts, discounts, exceptions
- Enhanced federal match for supplemental payments and COVID-19
- Supplemental payments including DSH and Rural Support Fund
- HQIP
- Reflects 99.25% UPL

Table 1. FFY 2023-24 CHASE Fee and Supplemental Payments

Item	Amount
Inpatient Fee	$543,695,022
Outpatient Fee	$716,741,892
Total Healthcare Affordability and Sustainability Fee	**$1,260,436,914**
Inpatient Supplemental Payment	$698,204,739
Outpatient Supplemental Payment	$633,184,156
Essential Access Supplemental Payment	$26,000,000
Rural Support Supplemental Payment	$12,000,000
Hospital Quality Incentive Supplemental Payment	$128,357,467
Disproportionate Share Hospital Supplemental Payment	$257,231,667
Total Supplemental Payments	**$1,754,978,030**
Net Reimbursement to Hospitals	**$494,541,116**

2025 CHASE Annual Report

- Section III, Administrative Expenses, Pages 24-26
- Limited to 3% of total CHASE expenditures; subject to appropriation by the General Assembly
- Include administrative expenditures for CHASE expansion populations
- $124.4 million total funds (state fiscal year basis)
  - Itemized in Table 5
  - $107.5 million contracted services; majority IT contracts for benefits and claims systems
  - 2.51% total; 0.26% HCPF staff

2025 CHASE Annual Report

- Section V, Cost Shift, Pages 27-40
- Using data from Hospital Financial Transparency (HBs 19-1001 and 23-1226)
  - Calculate total costs, uncompensated costs, and payments using hospital-specific cost-to-charge ratio instead of statewide aggregate
- Bad debt and charity care continue to increase
  - Charity care increased 12.7% from 2019-2023 when adjusted for inflation
- Payer mix continues to shift from private insurance to government payers
- Payment less cost at lowest level, driven by labor costs

2025 CHASE Annual Report

Table 7. Payment to Cost Ratio, Post HB19-1001

Year	Medicare	Health First Colorado	Insurance	Self Pay	CICP/ Other	Overall
2019	0.75	0.63	1.84	0.30	0.89	1.08
2020	0.71	0.80	1.67	0.42	0.88	1.03
2020 w/ stimulus	0.76	0.87	1.76	0.49	0.95	1.10
2021	0.76	0.77	1.75	0.35	0.94	1.06
2022	0.73	0.79	1.64	0.33	0.90	1.02
2023	0.73	0.79	1.63	0.25	0.84	1.00

2025 CHASE Annual Report

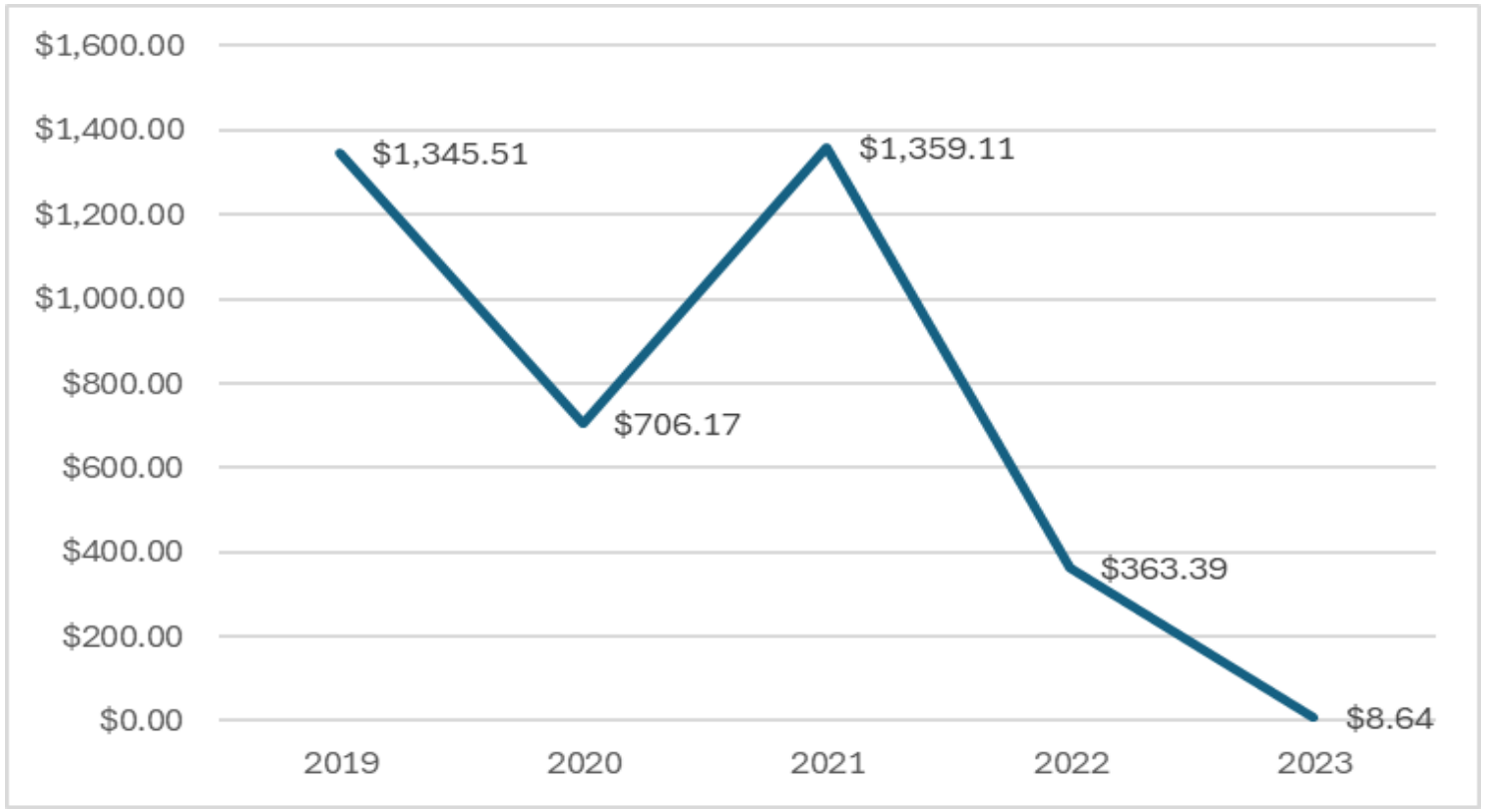

Figure 3. Payment less Cost per Patient 2019 to 2023

2025 CHASE Annual Report

- Section VI, Hospital Transformation Program, Pages 41-61
- Cumulative progress through year
  - 84 Hospitals continue to submit interim activity on time
  - 95% of hospitals are on track to hit all their year four milestones
  - Over 13,000 interim activities across hospital interventions
  - Over 4,800 unique Community Health & Neighborhood Engagement (CHNE) activities
  - Over 3,750 consultations with key stakeholders
  - Over 800 community advisory meetings
  - 260 public engagement meetings
- Table 12 reports at-risk funds lost and redistributed
- Rural Support Fund $12 million per year to 23 hospitals; details in appendix
- HTP Sustainability

Next Steps 2025 CHASE Annual Report

- Following Board approval, Jan. 15, 2025 publish and deliver to CHASE Board, Senate and House Health and Human Services Committees, Joint Budget Committee, and Medical Services Board

Hospital Quality Incentive Payment (HQIP) Program Recommendations

HQIP

- 2024 C-section Scoring Distribution Recommendation
- 2024 HCAHPS Scoring Distribution Recommendation
- Information on 2026 HCAHPS Composites

2024 Scoring Distributions

2024 Cesarean Section

Scoring Distributions: Cesarean Section

- HQIP 2024's calculated bounds were a regression from 2023's calculated bounds.
- The HQIP subcommittee did not reach consensus in August 2024 on the scoring distribution and chose to explore alternatives
- HQIP 2020 calculated bounds were utilized from HQIP 2020-2022
  - These bounds were maintained because subsequent years' bounds showed a regression in performance
  - Performance in HQIP 2023 exceeded the 2020 bounds, and consensus was reached to use same-year calculated bounds for the 2023 program.

Scoring Distribution: Cesarean Section

- Three alternate proposal were presented to the subcommittee in September of 2024
  a) Rolling calculated bounds integrating 4 years of HQIP data, excluding the oldest year of data and adding the latest each year
  b) Fixed combined calculated bounds integrating all rates from 2020-2024
  c) Calculated bounds maintaining all data from 2020-present, with the current HQIP year's data being added to each year's calculation
- The subcommittee moved to adopt fixed calculated bounds integrating all c-section rates from HQIP 2020-2024 (Option b) in its September session.

Scoring Distribution: Cesarean Section

2024 Combined Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
5	0.0%	17.0%	8
3	17.1%	20.7%	11
1	20.8%	23.6%	15
0	23.7%	100.0%	14

Recommendation

The Department using combined calculated bounds utilization all C-Section rates from HQIP 2020-2024 as approved by the HQIP Subcommittee

2024 HCAHPS

HCAHPS Composite 5: Communication About Medicines

2024 Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
0	0	58	17
1	59	63	21
3	64	67	13
5	68	82	16

Recommendation

The Department recommends using the calculated 2024 bounds as approved by the HQIP Subcommittee

HCAHPS Composite 6:Discharge information

2024 Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
0	0	86	19
1	87	88	21
3	89	89	14
5	90	94	13

Recommendation

The Department recommends using the calculated 2024 bounds as approved by the HQIP Subcommittee

HCAHPS Composite 7: Care Transition

2024 Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
0	0	49	17
1	50	53	17
3	54	57	18
5	58	76	5

Recommendation

The Department recommends using the calculated 2024 bounds as approved by the HQIP Subcommittee

2026 HCAHPS

2026 HCAHPS

- Composite 7 (Care Transitions) will be retired by CMS after calendar year 2024
- HQIP 2025: Care Transitions data will be available
- HQIP 2026: Care Transitions data will not be available.
  - The subcommittee has reached consensus on a proposed replacement composite (Communication with Nurses)
- HQIP 2027: a new Composite (Care Coordination) is proposed to replace Care Transitions
- The subcommittee is considering expansion of HQIP HCAHPS composites in 2027 and beyond for closer alignment the Hospital Value-Based Purchasing Person and Community Engagement Domain

HTP Update
Measure Replacement of SW-PH1 – Severity Adjusted LOS

Measure Replacement of SW-PH1 – Severity Adjusted LOS: Background and Overview

Due to a combination of circumstances related to data analytics support as well as inquiries from HTP participants, the Department has decided to change the measure for SW-PH1.

We utilized the following principles to determine the appropriate replacement:

Guiding principles

- Measures/Requirements must be aligned with current hospital intervention efforts
- Hospitals will not be required to implement new interventions
- All hospitals that currently have SW-PH1 will be required to and shall be eligible to participate in the new measure
- Replacement should be aligned with other requirements and build on success seen in the current interventions
- Replacement should serve a benefit to and contribute towards HTP sustainability
- All at-risk will be awarded for SW-PH1 for PY3

Measure Replacement of SW-PH1 – Severity Adjusted LOS: Background and Overview

- **The Severity Adjusted Length of Stay (SLOS)** measure (SW-PH1) will be retired from HTP and will be replaced with requirements of participation in the Inpatient Hospital Transitions (IHT) program.
- **Inpatient Hospital Transitions (IHT)** will be implemented as a replacement complementary effort for measuring hospital's existing interventions around care coordination and utilization review. The transition has been initiated with plans to finalize by **October 1, 2024**.

Measure Replacement of SW-PH1 – Severity Adjusted LOS: Details

HTP Hospitals that have SW-PH1 as a measure will be **required** to participate in the Inpatient Hospital Transitions Program (IHT) and will be measured for adherence to the program in **HTP Program Years (PY) 4 and 5.**

Due to concerns regarding the go-live timeline and meeting the PY4 benchmark for all qualified IHT stay occurrences with referrals, the Department has approved an IHT-specific **"ramp up" grace period** from **October 1st through December 31st, 2024.** Though PY4 still began October 1st, 2024, and we expect hospitals to be participating in the IHT starting October 1, 2024, PY4 performance tracking for IHT will be measured for the period January 1, 2025, through September 30, 2025.

- During the ramp up period only, hospitals that do not submit a corresponding IHT referral to the RAE for every qualifying 30-day stay will **not have their at-risk impacted**.
- Program Year 5 will be measured from October 1, 2025 - September 30, 2026.

SW-PH1 Inpatient Hospital Transitions (IHT)

SW-PH1 Inpatient Hospital Transitions: Measure Specifications

Definition: For Medicaid patients with complex inpatient hospital transitions, care coordination notifications are sent to the RAE to request RAE support in discharge planning.

- All hospitals that selected **SW-PH1** must participate in the Inpatient Hospital Transitions (IHT) program and make **at least one IHT referral**, in accordance with the IHT guidelines. An IHT referral must be made for every IHT qualified stay occurrence at each **30-day interval** (exception NICU) to earn the associated at-risk.

Measure Steward: Colorado Department of Health Care Policy and Financing

Data Source: Medicaid Claims and Atrezzo Provider Portal

Numerator: IHT referrals.

Denominator: Number of IHT qualified hospital stay occurrences.

SW-PH1 Inpatient Hospital Transitions: Measure Specifications

Benchmark Information:

- There will be **no benchmark** for **PY3,** and all at-risk will be granted.
- The benchmark for **PY4** will be met if all qualifying IHT stays have received a referral.
- The benchmark for **PY5** will be met if all qualifying IHT stays have received a referral.

The **Measure Specifications** and **Scoring Framework** documents have been updated and are now available on the CO HTP Website.

SW-PH1 Inpatient Hospital Transitions: Measure Overview

- **Inpatient Hospital Transitions** are:
  - A mechanism for hospitals to share focused member-specific information with the RAEs to ensure successful discharge planning.
  - The first step in the official communication from hospitals to the RAEs when the hospitals need assistance for a member discharge or transition.
  - Focused on complex inpatient hospital transitions from one level of care to another.
  - Not associated with authorization for inpatient stay or provider reimbursement.
- Hospitals are also encouraged to visit the IHT Website for additional information and resources.

Public Comment

Board Action Items

- CHASE Annual Report
- HQIP Recommendations
  - 2024 C-section Scoring Distribution
  - 2024 HCAHPS Scoring Distribution

Thank You

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