



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

Meeting Minutes

Colorado Healthcare Affordability & Sustainability Enterprise (CHASE) Board Meeting

Via [Zoom](#)

Tuesday, June 24, 2025, 3:00 P.M.

1. Call to Order & Introductions

- a. Patrick Gordon, Chair, 3:02 p.m.
- b. Members Present: Jason Amrich, Patrick Gordon, Raine Henry, Dr. Kimberley Jackson, Hillary Jorgensen, Margo Karsten, Scott Lindblom, Julie Nickell, Dr. Claire Reed, Jeremy Springston, Ryan Thornton, Ryan Westrom
- c. Members Excused: Mannat Singh
- d. A quorum was established.
- e. Nancy Dolson welcomed new members and thanked the re-appointed members. (see [slide 5](#))

2. Approve Minutes from May 13, 2025 Meeting

- a. Board members, 3:04 pm
- b. Jason Amrich motioned to approve the meeting minutes from the previous board meeting. Scott Lindblom seconded the motion.
- c. The meeting minutes were unanimously approved by the board.

3. CHASE and HCPF Updates

- a. Nancy Dolson, HCPF, 3:05 pm
- b. Nancy Dolson presented Department updates beginning with HCPF's request for a stay with the intent to file an appeal in the Poudre Valley / Memorial Hospital lawsuit based on the district court's decision. The stay hasn't been ruled on yet.

- c. Nancy Dolson stated that the rules related to the 2024-25 CHASE model that were approved by the CHASE board at the May 13, 2025 meeting are expected to be presented to the Medical Services Board meeting on July 11th.
- d. The federal budget reconciliation bill is being closely monitored for any progress. In the latest version there are changes to provider fee requirements and could have a big impact on the CHASE program. Nancy Dolson referred to the [Colorado Medicaid Insights and Potential Federal Medicaid Reduction Impact Estimates](#) document that was recently updated on June 20, 2025 and will continue to be updated.
 - i. Ryan Westrom asked about the stay filed by HCPF and if there isn't a decision made before the July 11th MSB meeting, what will be the plan about changing the model?
 - 1. Nancy Dolson said HCPF does not have a particular course they will take, but will continue to discuss with leadership and will keep the CHASE board updated.
 - ii. Ryan Westrom asked if the decision is delayed, when will it be a concern about collecting enough fees to cover the expansion population?
 - 1. Nancy Dolson said the reserves should be able to cover the expansion, and her staff will continue to monitor the funds available if the decision in the lawsuit isn't made before the July 11th MSB meeting.
 - iii. Jason Amrich asked if the MSB meeting would be delayed

based on the decision of the stay of the court case. Would the CHASE board have to meet after the decision is made before July 11th?

1. Nancy Dolson said if the decision made is not in HCPF's favor they would need to closely evaluate the cash fund situation and would be looking at the August date instead of the July 11th date for any rule changes. The CHASE board does not need to tentatively hold any dates to meet prior to July 11th. A meeting may need to be scheduled prior to the next CHASE board meeting to discuss any changes to the model that was presented in May.

- iv. Patrick Gordon stated that the current Senate version changes the provider taxes and fees from a 6% threshold to about 3.5% in a relatively short period of time. If that were to happen would providing funding to the expansion population be at risk?

1. Nancy Dolson said that is correct. Each incremental reduction of 0.5% to the threshold would result in an estimated reduction of over \$115 million in provider fees that can be collected from the hospitals and a loss of more than \$180 million in federal matching funds for hospital reimbursement. Once the threshold reaches 3.5% in FY 2030-31, the estimated annual reduction would be over \$550 million in collected fees. There would be a major impact, not only on the expansion population, but on CHASE

overall.

4. Rural Support Fund Policy Recommendation

- a. Kami Tam Sing, HCPF, 3:17 pm
- b. Kami Tam Sing presented the Rural Support Fund. (see slides 9-16)
 - i. Current requirements for the Rural Support Fund are (1) Not-for-profit critical access or rural hospitals (2) Contribute to the bottom 10% of net patient revenues for all critical access or rural hospitals (3) Contribute to the bottom 2.5% of the fund balance for all critical access or rural hospitals. [HTP Rural Support Fund](#)
 - ii. The Hospital Transformation Program (HTP) 1.0 will end September 30, 2026. Final program reporting and reconciliation will occur between October 1, 2026 and September 20, 2027. A sustainability plan is required for each hospital at the conclusion of HTP 1.0 in April 2027. HTP 2.0 external stakeholder work is underway.
 - iii. Rural Support Fund (RSF) 1.0 final payment is set for September 2025. The RSF began 1 year ahead of HTP to help support the upcoming requirements of HTP, which will create a 1 year gap from its end and HTP's final year.
 - iv. The Rural Support Fund Proposal is to keep the same hospitals, for the same amount(\$521,739 per hospital), for one more year. This will eliminate the gap in funding, will align with the end of HTP 1.0 and will support the transition to the next phase.
 - v. Without the extension, 23 qualifying hospitals would not receive a payment for 2026. We would not have time for a new financial analysis for the next iteration of RSF or a new State Plan Amendment approved by CMS. An extension will allow time for RSF and HTP phase 2 to develop and receive stakeholder buy-in, CHASE board approval, federal approval, and implementation.
 - vi. HTP has worked with outside partners about the extension including Joshua Ewing(Colorado Hospital Association),

Kevin Stansbury(Lincoln Health), Zachary Weiderspon(San Luis Valley Health), Shane Mortensen(San Luis Valley Health), Michelle Mills(Colorado Rural Health Center), Kelly Erb Zager (Colorado Rural Health Center).

1. Ryan Westrom said it makes sense to have this extension. Would it make sense to extend it for 2 years? Or, to revisit this topic in 1 year to reassess if another extension is necessary?
 - a. Kami Tam Sing said it would be for 1 year at this time and would reassess in the future for another extension.
2. Patrick Gordon asked if the funding for the extension would be budget neutral.
 - a. Nancy Dolson said the funding would be budget neutral.
3. Jason Amrich said not having the extension would be detrimental to the critical access hospitals that are in this program.
 - a. Ryan Westrom agreed and thanked those involved in getting ahead of this.
4. Dr. Kim Jackson asked if there would be an impact on State Directed Payments if funding was approved for this extension.
 - a. Nancy Dolson said this extension is not part of the preprint with the State Directed Payments. The Rural Support Fund is under State Plan Authority with Centers for Medicare and Medicaid Services (CMS).

5. State Directed Payments (SDP) Program Workshop

- a. Nancy Dolson, HCPF, 3:28 pm
- b. Nancy Dolson stated the workgroup has been busy with 14 meetings since December. She thanked the members for all the work that was put in. The members of the workgroup are Alison Sbrana (Consumer), Annie Lee (President & CEO, Colorado Access), Emily King (Senior Policy Advisor/Deputy Director of the

Office of Saving People Money on Health Care, Governor's Office), Josh Block (Deputy Chief Financial Officer, HCPF), Dr. Kimberley Jackson (CHASE Board Vice President), Nancy Dolson (Special Financing Division Director, HCPF), Shauna Lorenz (Partner, Gjerset & Lorenz LLP), Tom Rennell (Senior Vice President Financial Policy and Data Analytics, CHA). (see slide 18)

- c. Nancy Dolson also thanked many others that helped with the workgroups.
- d. The Workgroup's objective was not only to develop a recommendation for State Directed Payments, but also to consider revisions to the existing CHASE provider fee and existing CHASE payments. The goal was to submit a proposal to the federal Centers for Medicare and Medicaid Services (CMS) for implementation to begin no later than July 1, 2025. If it is submitted to CMS by July 1, there is an opportunity to be "grandfathered in" to go up to the Average Commercial Rate (ACR) in the near term. (see slides 19,20)
- e. Nancy Dolson reviewed the State Directed Payment Preprint. (see slide 21). State Directed Payments would provide additional payments and reimbursement for managed care. CHASE has been based on a fee for service and these payments would expand to Medicaid managed care, which are not currently being reimbursed through this program. The Preprint is the name of the document that will be filed with CMS.
- f. Nancy Dolson gave an overview of the Quality Metric for State Directed Payments from the workgroup. (see slides 22-26)
 - i. Patrick Gordon asked, with the payments not being tied to a pay-for-performance, would the State still have to demonstrate gap closure with these measures to sustain the State Directed Payment program?
 1. Nancy Dolson said yes, that is correct. It must include a quality metric and must improve in one of the areas mentioned.
 2. Dr. Kim Jackson said that value-based performance

measures for payments could be looked at next year, but the tight time-line this year didn't allow for those changes. Current measures align with HTP so hospitals wouldn't have to implement those changes in a short amount of time. There were many benefits in getting this proposal in before federal changes to the tax bill.

- g. Nancy Dolson reviewed the future model of CHASE to include SDP payments. (see slide 27)
- h. Nancy Dolson talked about key assumptions and approaches to the State Directed Payments. (see slides 28,29)
 - i. Patrick Gordon asked about the Average Commercial Rate (ACR). How is that calculated?
 - 1. Nancy Dolson said that is calculated on Medicare cost reports, which is similar to how, at least in one other State, calculates the ACR. The rate is based on a percentage (see slide 30). There is a methodology to the calculations and has been checked with outside sources such as the Center for Improving Value in Health Care (CIVHC) and the RAND Corporation.
- i. Nancy Dolson showed the percentages of the Average Commercial Rates (ACR) on slide 30.
 - i. Patrick Gordon asked what are the percentages based on?
 - 1. Nancy Dolson said it is based on cost reports that reflect revenue from all payer sources.
 - 2. Ryan Westrom stated that the methodology used to calculate the percentages is the same as other States across the country.
- j. Nancy Dolson explained the proposed fee methodology on slide 31.
 - i. Jason Amrich asked to explain the Intergovernmental Transfer (IGT) funding mechanism.
 - 1. Nancy Dolson stated that IGTs that come from a non-executive branch are considered TABOR revenue to the State. Another governmental entity transfers

funds to us and we have to show they are receiving funds back. CMS has a number of questions to ensure that funds are being directed correctly. Nancy asked Matt Reidy for any other input on IGTs.

2. Matt Reidy said they have been around for decades nationally. They are in federal law and regulation. About 12% of State Directed Payments nationwide use IGTs.

k. Nancy Dolson went over the Estimated CHASE model with SDP (see slide 32)

- i. Dr. Jackson asked if there were any updates on the IGTs with Denver Health or UCHealth?
 1. Nancy Dolson is comfortable with Denver Health and UCHealth committing to the model and IGT amounts listed. She also referred to the [letter from UCHealth](#) about ongoing litigation with Poudre Valley and Memorial Hospitals.
- ii. Patrick Gordon asked if the managed care footprint is the driver of the variation of the State Directed Payments.
 1. Nancy Dolson said that it is. The proposal is to increase the State Directed Payments to the per day inpatient managed care and a per visit for outpatient managed care. This is driven by the volume of the managed care hospital services.
- iii. Ryan Westrom would like to have projections presented to the CHASE board of what funds and models would look like if some hospitals were moved to the private UPL pool depending on the outcome of current litigation to ensure the board can make informed decisions.
 1. Nancy Dolson said HCPF will continue to monitor the decision made and will discuss internally and evaluate how to proceed.
- iv. Patrick Gordon asked how dependent is the net positive outcome on giving a waiver based on uniform and broad based requirement? I didn't realize that was waivable.

1. Nancy Dolson responded that the hold harmless is not waivable, broad-based and uniform are waivable. You have to show mathematically that your fee is just as redistributive as it would be if it is uniform and broad based. While all systems show an increase in reimbursement, it does not mean that each individual hospital is seeing positive numbers. It could mean that some are going from a negative number to a less negative number.
- v. Nancy Dolson reviewed expectations, the roadmap and work after submission. (see slides 33-35)
- vi. Nancy Dolson went through the [State Directed Payment proposal](#). She highlighted the calculation of the Average Commercial Rate(ACR) on page 7 of the document.
 1. Total ACR = ACR% multiplied by estimated Medicaid MCO costs. Directed Payment = Total ACR less MCO base payments.

6. Board Discussion

- a. 4:15 pm
- b. Jason Amrich thanked the workgroup for their work. He also thanked Denver Health and UCHHealth for their commitment to their IGTs that make this model work. The benefits of State Directed Payments compel the board to get this submitted before the July 1 deadline even though there is no decision with the lawsuit at this time.
- c. Patrick Gordon echoed Jason Amrich's comments about the work that has been accomplished in a short period of time. The efforts are well worth it. There is much work to be done in the future and is pleased with the outcome of the group.

7. Public Comment

- a. 4:18 pm
- b. Jeff Tieman, CEO of the Colorado Hospital Association (CHA), strongly encouraged the board to approve the State Directed

Payment (SDP) application that is being presented today. The workgroup, HCPF, consultants and CHA have put in a lot of hard work to keep the proposal on track. Jeff Tieman thanked Denver Health and UCHHealth for their willingness in using IGTs to draw down the dollars that are sought after. Jeff Tieman looks forward to the work ahead including issues identified related to the 2025 model and the need going forward to properly classify the two UCHHealth hospitals as the court ruling recently affirmed. The goal is that CHASE continues to deliver value to patients and providers long into the future. Jeff Tieman thanked everyone for the work on the State Directed Payment program and asked the board to approve it.

- c. Dr. Kim Jackson appreciates everyone's comments on the hard work of the workgroup to get the proposal in before the deadline. Many people are scared and concerned about the future of Medicaid. Considerations were taken during the workgroup meetings for all populations that would be affected by changes to Medicaid. Hospitals, and especially rural hospitals are concerned about changes to Medicaid. Dr. Kim Jackson said the workgroup worked really hard to get the proposal ready to be submitted.

8. Board Action

- a. 4:22 pm
- b. Rural Support Fund Policy Recommendation
 - i. Patrick Gordon stated that the presentation was clear and rational.
 - ii. Jason Amrich motioned to approve the recommendation.

Ryan Thornton seconded. The motion passed with Julie Nickell abstaining.

c. State Directed Payments (SDP) Program Workgroup

Recommendation

i. Ryan Westrom motioned to approve the recommended model. Dr. Kim Jackson seconded.

1. Scott Lindblom - Yes
2. Jeremy Springston - Yes
3. Jason Amrich - Yes
4. Patrick Gordon - Yes
5. Margo Karsten - Yes
6. Dr. Kim Jackson - Yes
7. Ryan Thornton - Yes
8. Ryan Westrom - Yes
9. Julie Nickell - Abstain
10. Dr. Claire Reed - Yes
11. Raine Henry - Yes
12. Hillary Jorgensen - Yes

ii. The proposed State Directed Payments model was approved.

9. Adjourn

a. Next meeting: August 26, 2025, at 3:00 p.m. via [Zoom](#)

Reasonable accommodations will be provided upon request for persons with disabilities. Please notify the Board Coordinator at 303-866-4764, or Shay.Lyon@state.co.us, or the 504/ADA Coordinator hcpf504ada@state.co.us, at least one week prior to the meeting to make arrangements.

