

In the Executive Summary under the following bullet:

- Reduced uncompensated care costs and the need to shift uncompensated care costs to other payers

This section doesn't highlight any of the change from 2021 to 2022 and seems to get into items that are not directly relevant and at times confusing. The first bullet seems like it should be a bit more fact based.

Consider the following suggestions:

- In 2022, Health First Colorado payment to cost ratio remained the same as 2021 at 80%, Medicare decreased from 73% to 72% and private insurance decreased from 172% to 163%. The overall payment to cost ratio in 2022 is 101% of hospital costs, the lowest reported amount since 2009. Compared to 2009, hospital payments have grown an average of 6.5% every per year and the payment for care provided for Health First Colorado members has particularly improved. Overall, Health First Colorado payments of hospital costs have particularly improved from 54% to 80%, while Medicare payments to costs have declined from 78% to 72%, and private insurance payment to costs have increased from 155% to 163%.
- *While the need to cost shift to private payers has been dramatically reduced, given the increase in Health First Colorado's reimbursement and the overall bad debt and charity care decreases, a positive impact on cost shifting to private payers is not apparent. Private insurance payments less cost per patient have increased by approximately 95% since 2009 and were 163% of costs in 2022. However, the 163% of costs in 2022 is measurably lower than what it was in 2019.*

**?? This statement is misleading and confusing. The growth in Medicare and Medicaid, and the increasing shortfall in payments less costs, is putting significant additional pressure on improving the cost shift to private payers.**

Consider:

- Since 2009, the need to cost shift to private payers has been favorably impacted by increases in Health First Colorado reimbursements and declines in bad debt and charity care and unfavorably impacted by increasing shortfall in payments less costs for Health First Colorado and Medicare. The payer mix in Health First Colorado and Medicare has increased from 42.9% in 2009 to 61.3% in 2022 while private insurance has declined from 43.1% to 30.2%.

This statement in the Exec Summary no longer seems necessary and a bit redundant to a following paragraph after this one that highlights what is going on in 2021/2022 and some of the financial challenges.

*Federal stimulus in 2020, which amounted to \$1.2 billion, helped hospitals cover revenue losses and increased expenses due to the COVID-19 pandemic, thereby increasing profits above norms. Clearly, the injection of federal stimulus money helped buoy hospitals through the pandemic. However, shortly thereafter, hospitals have had to navigate tremendous health care workforce shortages, unprecedented contracted labor challenges through staffing agencies, and large wage increases for frontline hospital*

~~workers. The combination of these concurrent challenges with unusual financial market performance and associated investment losses has led to measurable short-term financial difficulties for hospitals.~~

Additionally, on pg 32, the only comments on payer mix is the change from 2021 to 2022. The words say there wasn't a change, but that isn't what the chart reflects. Also, the change from 2009 to 2022 isn't mentioned and is a very significant observation.

*Between 2021 and 2022, the payer mix primarily stayed the same, see Figure 1. Medicare increased by 0.6% and Medicaid payer mix decreased by 0.2%. While private insurance decreased by 0.6%. Between 2021 and 2022, CICP/Other grew by 0.2% and Self Pay remained the same at 3.0%*

Consider:

The payer mix continues to shift from private insurance to government payers. In 2022, Medicare increased by 0.6% and Health First Colorado payer mix decreased by 0.2%, while private insurance decreased by 0.6%. Between 2021 and 2022, CICP/Other grew by 0.2% and Self Pay remained the same at 3.0%. Since 2009, Health First Colorado and Medicare payer mix has increased from 42.9% to 61.3% in 2022 while private insurance has declined from 43.1% to 30.2% in 2022.