

CHASE Board Meeting

July 12, 2023

Nancy Dolson, Special Financing Division Director

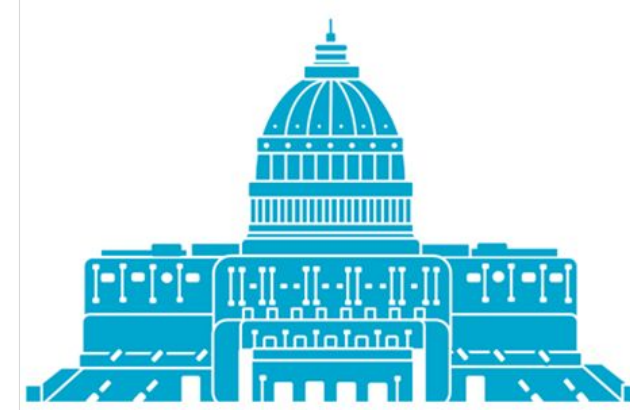


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Provider Fee from Hospitals



Federal Match from CMS



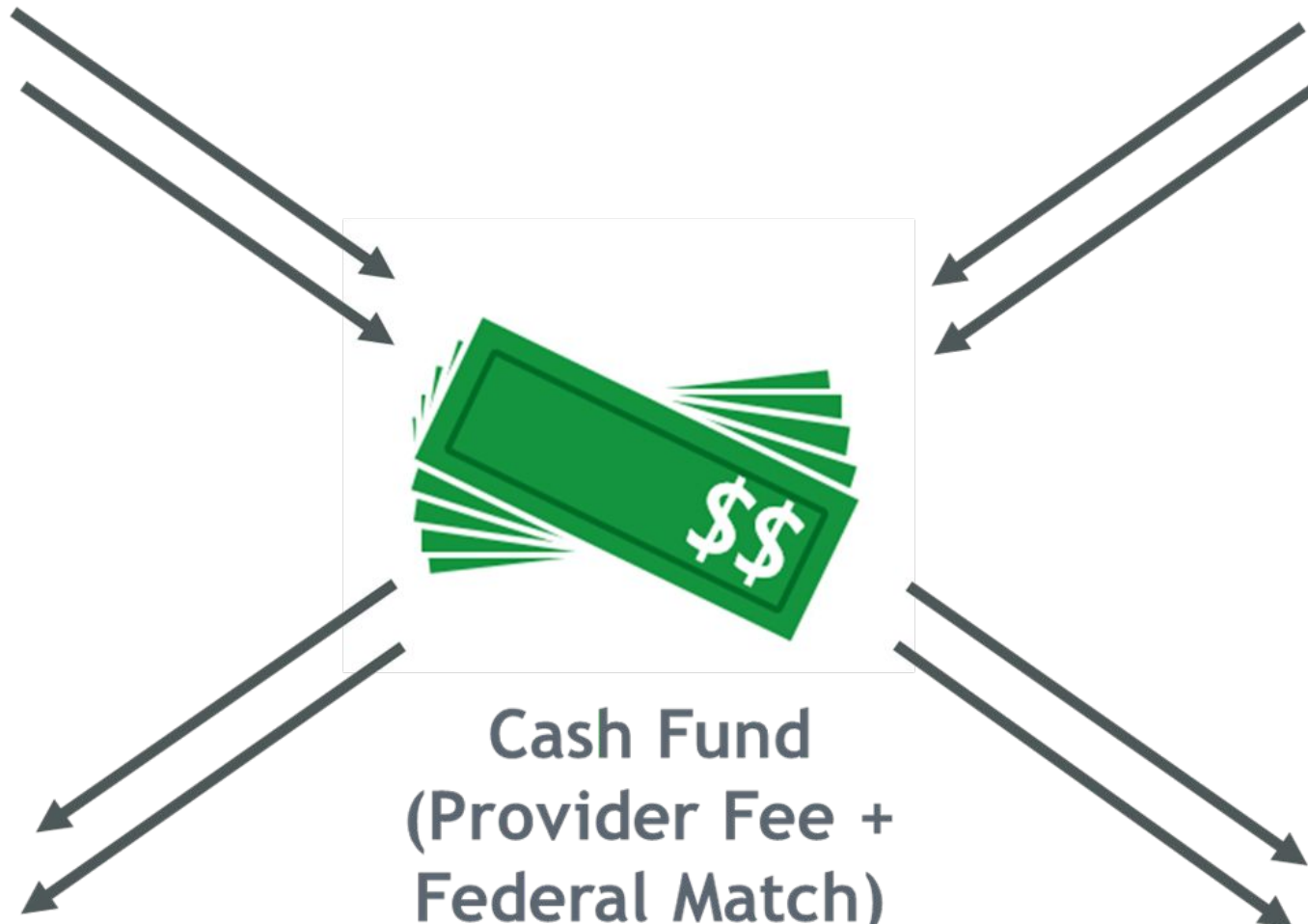
Cash Fund (Provider Fee + Federal Match)



Increased Payment to Hospitals



Expanded Coverage to Colorado Citizens



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Approval Authority

- **HCPF** is the single state agency for administration of Colorado's Medicaid program and authorized to draw federal Medicaid funds
- **CHASE Board** is recommending body for the hospital provider fee
 - Increase reimbursement to hospitals under Medicaid and Colorado Indigent Care Program
 - Increase Medicaid and CHP+ coverage to reduce uncompensated care
 - Pay administrative costs limited to 3% of expenditures
- **HCPF** and the **CHASE Board** seek to meet the goals of the CHASE statute including
 - Maximize reimbursement to hospitals for care for Medicaid and CICP patients subject to federal upper payment limits, and
 - Increase the number of hospitals benefitting from the CHASE fee and minimize those hospitals that suffer losses.
 - Under the statute, the CHASE Board is charged with making recommendations to HCPF to meet these goals and payment categories have been defined to do so

Approval Authority

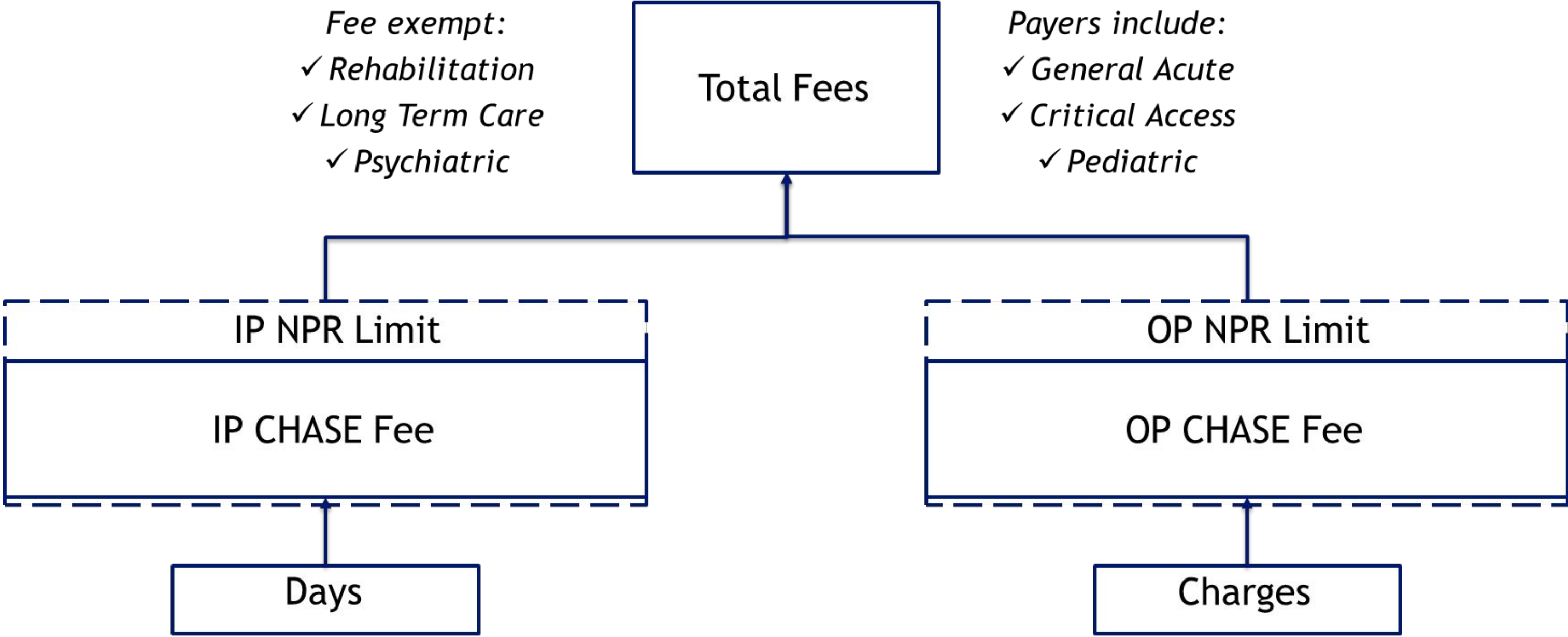
- **Medical Services Board** promulgates state regulations for fee and payments amounts and methodology
 - Prescribed rule making process through Administrative Procedures Act
 - Public review and notice requirements
 - Initial and final rule hearings
- **Federal Centers for Medicare and Medicaid Services (CMS)** is the ultimate approval authority
 - Fees limited to 6% Net Patient Revenues (NPR)
 - Upper Payment Limit (UPL) - limiting total supplemental Payments that can be paid
 - Disproportionate Share Hospital (DSH) Limit - limiting hospital specific DSH payments that can be paid
 - Medicaid State Plan Amendments require tribal and public noticing
 - CMS 90 day review period (may request additional information resetting the clock)



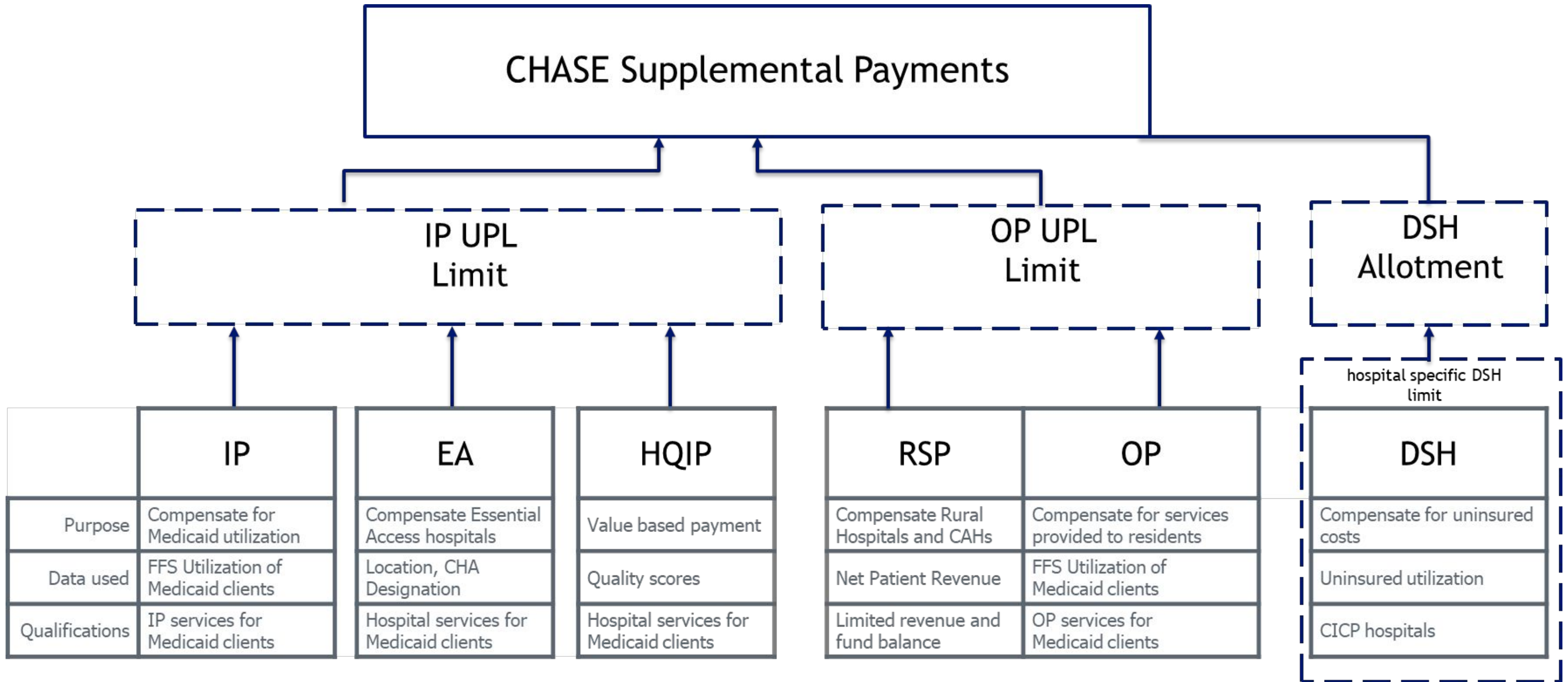
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CHASE Fees



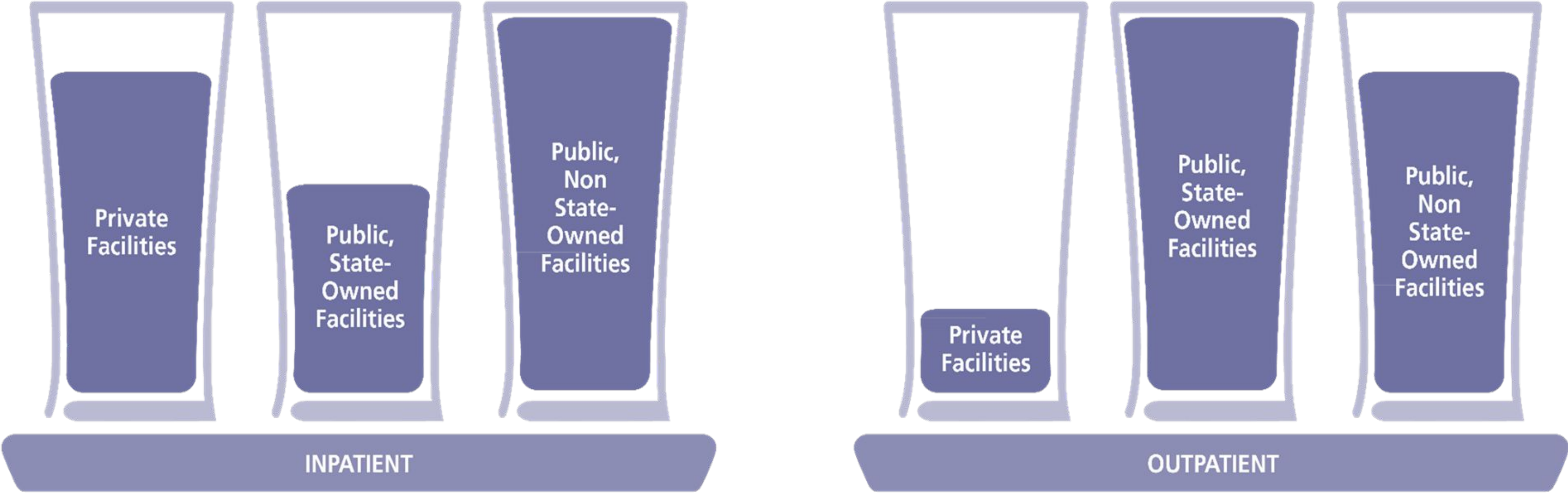
CHASE Payments



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Upper Payment Limit



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2022-23 Fees and Payments

- \$1.23 billion in fees generates \$3.86 billion in federal funds, a 214% return rate
 - Total expenditures Include hospital payments, coverage expansions, and administrative expenditures
 - \$1.69 billion in hospital supplemental payments including \$119 million in quality incentive payments
 - \$464 million in net reimbursement
- Administrative expenditures (\$115 million) are 2.27% of total expenditures (\$5.1 billion)
 - Staff costs, legal services, accounting, etc.
 - Contracted services, including utilization management and external quality review
 - IT systems (i.e., eligibility and claims) and staffing for the customer contact center for more than 650,000 covered lives



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Adjustment Factors

FFY 2022-23				
UPL Group	# of Hospitals	UPL Pool	IP Adjustment Factor	OP Adjustment Factor
Rehab/Long Term Acute	13	All	\$ 15.00	15.00%
Teaching	1	State Gov.	\$ 867.85	50.33%
Teaching	1	Non-State Gov.	\$ 1,413.00	10.20%
Rural/CAH	28	Non-State Gov.	\$ 1,275.00	101.75%
Non-State Gov.	2	Non-State Gov.	\$ 550.00	7.55%
Rural/CAH	15	Private	\$ 700.00	93.00%
Heart Institute	1	Private	\$ 1,055.00	84.00%
Pediatric Specialty	2	Private	\$ 534.00	6.45%
NICU	12	Private	\$ 1,355.00	106.35%
Independent Metro	3	Private	\$ 1,280.00	95.50%
Private	19	Private	\$ 560.00	31.60%



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Parkview in Independent Metro Payment Adjustment Factor Group

- An Independent Metropolitan hospital is an independently owned/operated hospital located within a MSA as designated by the United States Office of Management & Budget with greater than 1,500 Medicaid days.



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All definitions available at:

hcpf.colorado.gov/sites/hcpf/files/FFY%202022-23%20CHASE%20Overview.pdf

Parkview Medical Center

- Pueblo's safety net hospital
 - Largest Medicaid provider, 350 licensed beds
 - Only hospital participant in the Colorado Indigent Care Program
 - Top 6 for all Colorado hospitals for Medicaid births
 - 1,124 Medicaid-covered births in 2022
 - 2/3rds of the 1,703 births in Pueblo County in 2022
 - Level II NICU and Level III Trauma
 - Patient payer mix:
 - Commercial 19% / Medicare 52% / Medicaid 26% / Self pay/uninsured/other 3%



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Parkview Medical Center

- FY2022 (\$34.6 million) net operating income/(loss)
- Days cash on hand from 200 in FY 2020 to 156 in FY 2022
- Projected similar losses in FY 2023 and beyond



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UCHealth / Parkview Status Quo

UCHealth (FFY 23 Model)				
Hospital Name	Adjustment Group	CHASE Fee	Total Payments	Net Reimbursement
University of Colorado Hospital	State Teaching	\$ 120,650,000	\$ 165,680,000	\$ 45,030,000
Memorial Hospital	Non-State Gov	\$ 62,570,000	\$ 73,240,000	\$ 10,670,000
Poudre Valley Hospital	Non-State Gov	\$ 39,860,000	\$ 29,860,000	\$ (10,000,000)
Broomfield Hospital	Private	\$ 4,060,000	\$ 4,020,000	\$ (40,000)
Grandview Hospital	Private	\$ 2,840,000	\$ 3,560,000	\$ 720,000
Greeley Hospital	Private	\$ 8,590,000	\$ 14,010,000	\$ 5,420,000
Longs Peak Hospital	Private	\$ 9,440,000	\$ 13,560,000	\$ 4,120,000
Medical Center of the Rockies	Private	\$ 28,540,000	\$ 24,620,000	\$ (3,920,000)
Highlands Ranch Hospital	Private NICU	\$ 8,130,000	\$ 14,300,000	\$ 6,170,000
Pikes Peak Regional Hospital	Private Rural/CAH	\$ 1,050,000	\$ 4,940,000	\$ 3,890,000
Yampa Valley Medical Center	Private Rural/CAH	\$ 3,170,000	\$ 7,840,000	\$ 4,670,000
Total (w/o Parkview)		\$ 288,900,000	\$ 355,630,000	\$ 66,730,000
Parkview Medical Center	Private Independent Metro	\$ 48,660,000	\$ 71,530,000	\$ 22,870,000
Total (w Parkview)		\$ 337,560,000	\$ 427,160,000	\$ 89,600,000



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UCHealth / Parkview Impact

- Without a rule change, upon acquisition, Parkview would move from Private Independent Metropolitan hospital to Private hospital group

FFY 2022-23				
UPL Group	# of Hospitals	UPL Pool	IP Adjustment Factor	OP Adjustment Factor
Rehab/Long Term Acute	13	All	\$ 15.00	15.00%
Teaching	1	State Gov.	\$ 867.85	50.33%
Teaching	1	Non-State Gov.	\$ 1,413.00	10.20%
Rural/CAH	28	Non-State Gov.	\$ 1,275.00	101.75%
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Private	19	Private	\$ 560.00	31.60%



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UCHealth / Parkview Impact

UCHealth (FFY 23 Model w Parkview as UCHealth & Adjustment to Private Adjustment Group)					
Hospital Name	Adjustment Group	CHASE Fee	Total Payments	Net Reimbursement	Difference
University of Colorado Hospital	State Teaching	\$ 120,650,000	\$ 165,680,000	\$ 45,030,000	\$ (0)
Memorial Hospital	Non-State Gov	\$ 62,570,000	\$ 72,200,000	\$ 9,630,000	\$ (1,040,000)
Poudre Valley Hospital	Non-State Gov	\$ 39,860,000	\$ 29,430,000	\$ (10,430,000)	\$ (430,000)
Broomfield Hospital	Private	\$ 4,060,000	\$ 4,800,000	\$ 740,000	\$ 780,000
Grandview Hospital	Private	\$ 2,840,000	\$ 4,110,000	\$ 1,270,000	\$ 550,000
Greeley Hospital	Private	\$ 8,590,000	\$ 15,190,000	\$ 6,600,000	\$ 1,180,000
Longs Peak Hospital	Private	\$ 9,440,000	\$ 14,720,000	\$ 5,280,000	\$ 1,160,000
Medical Center of the Rockies	Private	\$ 28,540,000	\$ 26,700,000	\$ (1,840,000)	\$ 2,080,000
Highlands Ranch Hospital	Private NICU	\$ 8,130,000	\$ 14,300,000	\$ 6,170,000	\$ -
Pikes Peak Regional Hospital	Private Rural/CAH	\$ 1,050,000	\$ 4,940,000	\$ 3,890,000	\$ (0)
Yampa Valley Medical Center	Private Rural/CAH	\$ 3,170,000	\$ 7,840,000	\$ 4,670,000	\$ -
Total (w/o Parkview)		\$ 288,900,000	\$ 359,910,000	\$ 71,010,000	\$ 4,280,000
Parkview Medical Center	Private	\$ 48,660,000	\$ 41,260,000	\$ (7,400,000)	\$ (30,270,000)
UCHealth with Parkview		\$ 337,560,000	\$ 401,170,000	\$ 63,610,000	\$ (25,990,000)



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Proposed Rule Changes

- **New hospital classification definition**
 - “Safety Net Metropolitan Hospital” means a hospital that provides services within the Pueblo, Colorado Metropolitan Statistical Area designated by the United States Office of Management and Budget (Pueblo MSA) with no less than 15,000 Days per year reported on its Medicare Cost Report, Worksheet S-3, Part 1, Column 7 (Title XIX), lines 1-18, and 28 (adult, pediatrics, intensive care, and subunits).
- **Rules to also specify that**
 - “..the adjustment factor for a Safety Net Metropolitan Hospital shall be equal to the adjustment factor for a Privately-Owned Independent Metropolitan Hospital”

Next steps

- Following CHASE Board discussion, public comment and CHASE Board action
- If favorable, then Medical Services Board
 - Emergency rule presentation
 - Friday, July 14, 2023 at 9 am via Zoom
 - hcpf.colorado.gov/medical-services-board



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Board Discussion and Questions



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