



Meeting Minutes

Colorado Healthcare Affordability & Sustainability Enterprise (CHASE) Board Meeting

Via [Zoom](#)

Tuesday, November 14, 2023, 3:00 P.M.

1. Call to Order & Introductions

- a. Dr. Kimberley Jackson, Vice Chair, 3:03 p.m.
- b. Members present: Bob Vasil, George Lyford, Jeremy Springston, Jon Alford, Ryan Westrom, Dr. Kim Jackson, Matthew Colussi, Mannat Singh, Scott Lindblom
- c. Members Excused: Dr. Claire Reed, Jason Amrich
- d. A quorum was present.

2. Approve Minutes from October 24, 2023 Meeting

- a. Board members, 3:06 pm
- b. No comment from the board.
- c. Motion to approve from Jon Alford. George Lyford seconded the motion.
- d. Unanimous approval from the board of the previous meeting's minutes.

3. HCPF Updates

- a. Nancy Dolson, 3:07 pm
- b. There is a discrepancy on the agenda. The public comment will take place *before* the board action.
- c. Legislative implementation and budget season starts soon at the Department of Health Care Policy & Financing (HCPF).
- d. Hospital Community Benefit Stakeholder Forum updates (see slides). The forum will be an opportunity for concerned groups to get and give feedback on best practices for connecting local communities with the health care that they need. The forum

- will take place on Tuesday, November 28, 2023, from 8-9:30AM.
- e. Proposed FY 2024-25 budget updates (see slides). The proposed budget for the Department of Health Care Policy & Financing is \$16.4 billion total, covering an average of 1.6 million Coloradans. Increases are requested in provider reimbursement rates, direct care workforce wages, and behavioral health.
 - f. The agenda bill proposes to: revise safety net requirements for primary care and hospital services; sunset the Colorado Indigent Care Program; increase funding for Federally Qualified Health Centers (FQHC) to serve patients up to 250% of the Federal Poverty Level (FPL) under the Primary Care Fund (PCF); revise hospital financial assistance requirements.
 - g. Jon Alford asked if the increase in funding for FQHCs was meant for those without Medicaid. Nancy Dolson answered that under the CICIP, sliding fees and discounted care are offered at participating hospitals and clinics for those who are uninsured and not eligible for Medicaid. FQHCs only provide care for patients who make up to 200% FPL, unless there is a state program that would extend that care, such as CICIP. 11% of FQHCs have left the program due to lack of funding, so this increased funding would help to cover FQHC facilities.
 - h. George Lyford asked if the board could get a briefing on the Medicaid unwinding and redetermination process as part of the public health emergency unwind. Nancy Dolson answered yes and showed some links provided on the slides (page 8) and [KeepCOCovered.com](https://www.KeepCOCovered.com).
 - i. 2023-24 CHASE Fees & Payments updates (see slides). The model is under development and COVID data is still causing difficulties in the data. This may delay the release of the data for board review.
 - j. Jon Alford asked about the CHASE model and when the board could expect it to be presented. Nancy Dolson said that the Department tries to release the data at least 2 weeks prior to the next board meeting.

4. CHASE Annual Report

- a. Nancy Dolson, 3:26 pm
- b. The CHASE Board submits an annual report every January 15.
This report includes:
 - i. recommendations by the CHASE Board to the Medical Services Board,
 - ii. a description of the calculations used to develop the fee,
 - iii. a description of the process which gathers and translates the data,
 - iv. the total itemized amount of the fee paid and projected revenue received by each hospital,
 - v. the itemized costs caused by the CHASE in implementation and administration fees,
 - vi. estimates of the differences between the cost of care and payment received by hospitals per patient,
 - vii. a summary of the efforts made to find necessary federal waivers to fund and support payment programs and their progress.
- c. Nancy Dolson opened the draft for a brief overview of the structure and contents of the report (see handouts).
- d. The Executive Summary highlights some of the most important points in the report from October 2022 to September 2023:
 - i. \$464 million in increased reimbursement was provided for hospitals;
 - ii. \$187.4 million was transferred to the General Fund due to increased federal funding;
 - iii. Hospitals were saved \$160 million in fees by using enhanced federal medical assistance percentage methodology;
 - iv. Uncompensated care costs were reduced and lessened the need to shift those costs to other payers;
 - v. Patient volumes have increased 3.7%;
- e. New information in the 2024 report that was not included in the 2023 report:
 - i. A 69.1% decrease in payment less cost, or profit, for

- hospitals was reported, as a result of decreases in payment less costs for Medicare and private insurance payers. Labor costs and inflation were also factors.
- ii. Hospital cash reserves have shown a decline from 2020 to 2021, which could be due to weak financial markets, investment losses, rising wages, and inflation.
- f. Ryan Westrom asked how the days cash on hand information was relevant to the CHASE report and whether it was necessary to include it. He also suggested removing the table (pages 8-9) from the Executive Summary, since it's shown later in the report (Table 8). Nancy Dolson answered that the data was relevant to CHASE as it gave context for hospitals' financial standings in 2022 and what may be driving this data.
 - g. Jon Alford also suggested that the table be removed from the Executive Summary and be replaced with bullet points that highlight the main points. Nancy Dolson reminded the board that this meeting was a time to review and give suggestions and comments for the draft before voting for approval in December. She thanked Ryan Westrom and Jon Alford for their comments.
 - h. Other highlights in the Executive Summary section included:
 - i. Health care coverage through Health First Colorado and Child Health Plan Plus for over 622,000 Coloradans (Ryan Westrom suggested moving this bullet point nearer to the top to show the value of the CHASE);
 - ii. The Hospital Transformation Program (HTP) has continued to be successful in their efforts to improve quality and affordability of health care;
 - iii. Administrative costs have remained low.
 - i. The next section of the draft was the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Overview, which summarized the mission and goals of the CHASE. There were no changes to this section from previous years' reports.
 - j. The following section was Healthcare Affordability and Sustainability Fee and Supplemental Payments. This section covers the required report elements, such as details about how

the model is calculated, the methodology used in its formulas, the members of the board, and descriptions of each of the supplemental payments.

- k. The next section reviewed the itemized administrative expenditures (Table 5). These administrative totals came out to approximately 1.99% of the total CHASE expenditures, well below the 3% cap.
 - i. Jon Alford asked for clarification of the item category “Personal Services”. Nancy Dolson said that the term is the budget team’s term for staff, salaries, and benefits.
- l. The fifth section was the Cost Shift section, which reports the cost shift data from 2009 to 2022. The most recent data shows a rise in hospital expenses due to inflation and labor cost increases. Some findings from the analysis include:
 - i. Some hospital metrics, such as patient volumes and payments, are returning to pre-pandemic levels;
 - ii. Total hospital payment less cost grew 174.1% from 2009 to 2019 and then decreased 64.4% between 2019 and 2020, without considering the impact of stimulus funds.
 - iii. Between 2021 and 2022, hospital payment less cost decreased 69.1%, driven by an increase in costs.
- m. Mannat Singh asked why the report uses the phrase “payment less cost” instead of “profit”. Nancy Dolson answered that profit is a calculation of revenue less expenses, while the CHASE report calculates hospital payments less costs for care.
- n. The Cost Shift section also provided a detailed description of the ratios of total payments to total costs used to analyze the cost shift. A ratio of below 1 means that costs have exceeded payments, while a ratio of above 1 means that payments have exceeded costs (Tables 6 & 7).
 - i. Jon Alford asked if these tables were only using hospital costs data and not other organizations’ costs. Nancy Dolson confirmed that the data was only pulled from the hospital systems.
 - ii. Jon Alford also commented that part of the stimulus

stipulations were the suspension of the 2% sequestration reduction in Medicare payments. He asked if that would be worth mentioning in the report. Nancy Dolson replied that that suggestion could be taken to the Medical Services Board to see if that information should be pointed in the final report.

- o. Figure 1 (page 32) presented the Payer Mix from 2009 to 2022. The 2020 and 2021 cash reserves show the COVID-19 assistance packages. Payer Type Payments can be reviewed in Table 18, Table 19, and Figure 10.
- p. Figure 11, Table 20, and Table 21 show that overall costs grew by 11.8% between 2021 and 2022.
- q. Figure 2 displayed payment less cost by payer type using a stacked bar chart (page 36).
- r. Figure 3 presents the total payment less cost per patient from 2009 to 2022. Nancy Dolson highlighted the large decrease in 2020 which reflects the moratorium on healthcare services. Table 10 further reflects the overall fall of payments on a per patient basis. 2022 shows a lower than normal payment less cost, while 2020 shows a larger than normal payment less cost due to federal stimulus funds. Table 11 shows the all-payer profit per patient figures.
- s. Figure 4 represents the Bad Debt and Charity Costs. Nancy Dolson commented that the Department's team has not reviewed the number when taking inflation into account. She also mentioned that the public health emergency unwind may affect the amount of uninsured patients and that trend should be watched.
 - i. Jon Alford asked if the introduction of Hospital Discounted Care would receive its own categorization in the next year's report, or if it would be rolled into an existing category. Nancy Dolson answered that Hospital Discounted Care is not technically a program, so it wouldn't be included in one of the categories. She then said that it could be interesting to see if Hospital Discounted Care

- might cause a growth in charity care for some hospitals.
- ii. Jon Alford said that a safety net hospital in the UCHealth system showed an increase of 225% of uncompensated care after the implementation of Hospital Discounted Care. Nancy Dolson thanked Jon Alford for that observation.
- t. The following section of the report draft was the Delivery System Reform Incentive Payment Program, known as the Hospital Transformation Program (HTP). The section describes the efforts of the program and the effect of the program so far. 95% of the 84 general and critical access hospitals are on track to meet all milestones of the program. The section reflects the data submissions of the hospitals, engagement, consultation with key stakeholders, the work of the Community Advisory Council, the upcoming 2024 Learning Symposium, and the progress of the program overall.
- i. Jon Alford noticed a typo on page 52; the University of Colorado Hospital consulted with more than 3 key stakeholders, possibly 33. Nancy Dolson agreed that that was most likely a typo and will be corrected.
 - ii. Dr. Kim Jackson mentioned that she was concerned for rural hospitals and asked if the impact of misallocated COVID-19 funding would be reflected in the report. Nancy Dolson said that so far, Colorado has not seen a rural hospital close and that the increased reimbursements from the CHASE has helped rural facilities stay open, such as the essential access hospital payments dedicated to these types of facilities and federal support like the American Rescue Plan Act (ARPA) and State and Local Fiscal Recovery Fund (SLFRF). Nancy Dolson said that she'd find out what other funds are coming from federal sources.
 - iii. Dr. Kim Jackson commented that in some states, some healthcare systems didn't receive enough funding as larger systems absorbed greater funding. Dr. Jackson was pleased that Colorado had funded rural hospitals adequately and that none had closed due to the pandemic.

- u. The final section is the Appendix section. That was the end of the review of the 2024 CHASE Annual Report draft.

5. Board Discussion

- a. 4:36 pm
- b. Nancy Dolson mentioned that there had already been much discussion during the review of the draft, but asked if there were any further comments from the board.
- c. No comments.

6. Public Comment

- a. 4:40 pm
- b. Dr. Kim Jackson asked if there were any comments or questions from non-board members.
- c. No comments.

7. Board Action

- a. CHASE Annual Report, 4:41 pm
- b. Mannat Singh asked if the timeline of the report would be impacted by postponing a board vote for approval to give members more time to review the draft. Nancy Dolson said that there would be no disruption to the timeline, since there is another CHASE Board meeting on December 12, 2023, in case the board decided to not take action. A revised draft would be prepared and presented for the next meeting.
- c. Mannat Singh also asked if comments were restricted to board meetings or if email exchanges would be acceptable. Dr. Kim Jackson responded that if there were to be any decisions made, it may have to happen during a meeting and include public comment. Nancy Dolson said that she agreed that waiting for the December meeting would be a good idea and encouraged the members to email their comments and suggestions to be discussed at the next board meeting before taking action.
- d. Mannat Singh requested to have more time before voting.
- e. No board members disagreed.

- f. Nancy Dolson requested that the board send in any comments or suggestions by November 28 to the Department staff, to allow for time to work on a revised draft that reflects the suggestions made by the board. The Department would have the draft ready by December 5, a week before the next scheduled meeting.
- g. The board agreed. Action was postponed to the December meeting.

8. Adjourn

- a. 4:47 pm

9. Next meeting: December 12, 2023, 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.

