

Colorado Healthcare Affordability & Sustainability Enterprise (CHASE) Board

November 19, 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.



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Agenda

- Hospital Financial Transparency Annual Report Changes
- Revised CHASE Workgroup Recommendation
- Draft 2025 CHASE Report
- Public Comment
- Board Action Item



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Hospital Financial Transparency Updates

James Johnston



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Annual Report Changes

Major changes to be included in the annual report:

- Summary of the hospital's financial transfers to/from related parties.
- Narrative report of planned & completed projects and capital investments >\$25 million. Narratives are provided in the appendix.
- Information on physician affiliations and acquisitions.
 - *Information is de-identified and presented in aggregate.*
- Summary information on changes to service lines.
- Salary and total compensation data of the top five highest paid administrative positions.
 - *Information is de-identified and presented in aggregate.*
- Breakouts of uncompensated care costs by new categories (by county designation, by system, by Critical Access Hospital)



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For reference: [2024 Hospital Financial Transparency Report](#)

Revised CHASE Workgroup Membership Recommendation

Nancy Dolson



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Workgroup Composition

- Two HCPF representatives*
- Two CHA or hospital representatives,* one representing rural hospitals*
- Two consumer representatives, one advocate and one Medicaid member*
- One Medicaid managed care organization or Regional Accountability Entity representative*
- One representative from the Governor's Office
- One CHASE Board member who is not a HCPF, CHA, or a hospital representative
- HCPF's contracted consultant and CHA's contracted consultant to provide consultation and expertise to the workgroup



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*who are not members of the CHASE Board

Draft CHASE Annual Report

Nancy Dolson



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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;



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For reference: [2024 CHASE Annual Report](#)

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.



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Draft 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 |

Draft 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



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Draft 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



Draft 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 |



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Draft 2025 CHASE Annual Report

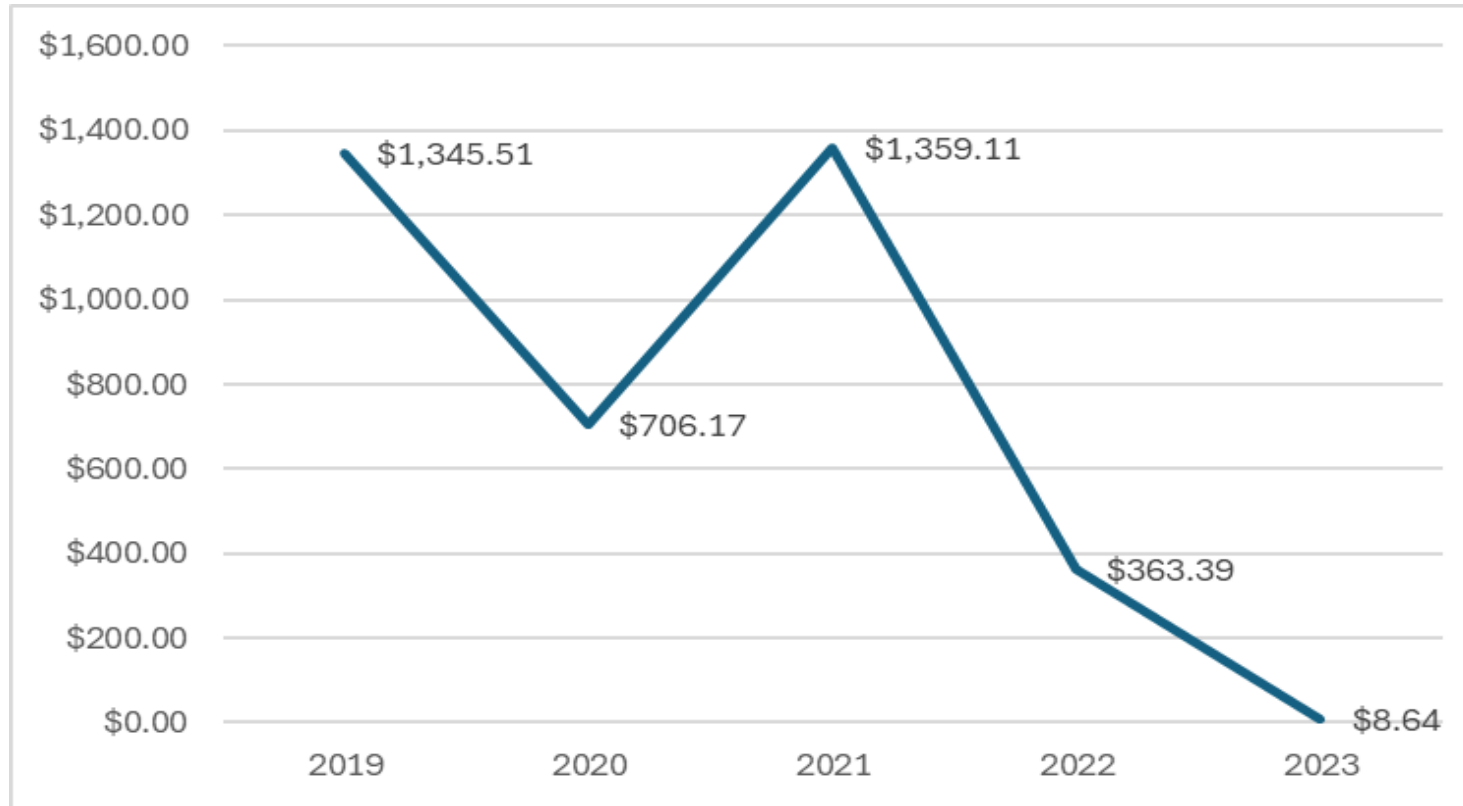


Figure 3. Payment less Cost per Patient 2019 to 2023



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Draft 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



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Next Steps 2025 CHASE Annual Report

- Today's feedback to revised draft for review and action at Dec. 17th meeting
- Jan. 15, 2025 publish and deliver to CHASE Board, Senate and House Health and Human Services Committees, Joint Budget Committee, and Medical Services Board

Public Comment



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Board Action Item

1. Revised CHASE Workgroup composition



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Thank You

Nancy Dolson
Special Financing Division Director
Department of Health Care Policy & Financing
nancy.dolson@state.co.us



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