

Colorado Healthcare Affordability & Sustainability Enterprise Board Meeting Minutes

Via Zoom

Tuesday, June 28, 2022, 3:00pm

1. Welcome

- Dr. Kimberley Jackson, Vice Chair, 3:01pm
- Dr. Jackson called the meeting to order and introduced herself and requested a roll call.

2. Roll Call and Introductions

A. Members Present

Dr. Kimberley Jackson, Barbara Carveth, Jeremy Springston, Bob Morasko, Matt Colussi, Scott Lindblom, Ryan Westrom, Dr. Claire Reed, Janie Wade, Bob Vasil, George Lyford

B. Members Excused

Heather Lafferty

C. Department Staff Present

Jeff Wittreich, Shay Lyon, Adela Flores-Brennan, Charles Withers, James Johnston, Matt Haynes, Riley DeValois

3. Approval of Minutes

- Dr. Kimberley Jackson, 3:05pm
- Barbara Carveth motion to approve and Dr. Claire Reed seconded.
- The motion passed without objection.

4. FFY 2021-22 CHASE Reconciliation

- Jeff Wittreich: introduced himself and gave a quick overview of the Federal Fiscal Year 21-22 CHASE Reconciliation process.
- The Board members had no questions on this matter.

5. CHASE Cash Fund Reserve Recommendation

- Jeff Wittreich, 3:10pm: presented the revised proposal for a Cash Fund Reserve balance of the CHASE fund that would be effective for the next year.
- High level overview of our proposal is a 1.5% fund reserve balance starting next year, which would be federal fiscal year 2022-23. For context, this number would have been equal to roughly \$70 million in federal fiscal year 2021-22.
- A reserve is needed for two reasons. The first one is, the federally required several day draw pattern, and secondly the variations between the estimate and actual Affordable Care Act expansion payments. Both of these issues happen concurrently and require reserve capable to cover both amounts at the same time. In addition, since CHASE is an enterprise fund it must be funded separately and distinctly from all other Department activities.
- Staff are proposing 1.5% fund reserve balance that would be reviewed by the CHASE Board each year.
- JW reviewed the proposal document and further explained the federally required drawn down pattern for federal funds.
- Matt Colussi, 3:22pm asked: if the general fund is necessary to cover, and then that general fund is paid back, presumably is there an interest charge or anything that occurs there?
- JW: answered yes, CHASE would be assessed interest on borrowing those dollars from the general fund. That would be taken out of the CHASE cash fund on a monthly basis.
- Dr. Kimberly Jackson, 3:23pm asked about the process for doing a yearly review and potentially extending that in the future. Do you see that as part of our annual review that we already do, or is that a separate issue?
- JW: answered that yes, it would be an annual review. Similar to how we present the model for any year before it's actually implemented, staff would want to present our findings for the reserve.
- KJ further asked if the annual review of the reserve would procedurally from the model.
- JW answered it effectively would be separate, particularly if the Board's decision on the cash reserve requires a change to the model.
- JW: described the second reason for a reserve due to the a variation in expansion payments because the cost of expansions is an estimate and actuals are not know until after the fact.
- JW noted that changing the fee rates during the year is impractical due to rule making and noticing requirements and clarified that fees are not retroactively adjusted
- Janie Wade, 3:32pm asked in the event where the hospitals need to pay in, couldn't we accidentally trigger a problem with the upper payment limits in the new model if we're if we're mixing model years?
- JW answered that yes, fees collected during a period would be consider in the net patient revenue fee limit for the year collected. So, if \$5 million in fees were need to replenish the reserve in FFY 2022-23, for example, that \$5 million would count to FFY 2022-23's fee limit calculation.

6. Board Discussion



- Ryan Westrom, 3:35pm voiced two questions: first, when will we know what the expansion estimate is for the 2022-23 model? And when would we know how many dollars would be held in reserve equal to that 1.5%?
- JW: after discussion and clarifying the questions, answered that it will be this fall, depending on the timing of the model and clarified that with the information known at this time, staff expect there to be a reserve of \$100 million available as we begin the 2022-23 model preparations.
- RW: asked for clarification on what created such a reserve, understanding from a prior meeting it was due to the increased federal match rate. JW confirmed this understanding.
- Bob Vasil, 3:40pm: asked if we presume that the 2021-2022 model is going to be the same as 2022-23, was there a general fund transfer that was required last year, based on legislature, and if that is going away?
- JW confirmed that did occur in the 2020-21 model and has ended.
- BV: Then there's this additional cash fund balance that you have out there that's \$100 million, is that right?
- JW: Yes, our reserve is roughly \$100 million dollars.
- BV: Noted that the models are different each year and asked if hospitals would see some sort of refund of over \$200 million?
- JW.: Clarified that no, the general fund offset fee Mr. Vasil raised was a separate issue. The Department collected those fee dollars from hospitals and that was used to offset reductions in revenue and dollars received in the general fund. Those went to the general fund and are not a part of the cash fund, and that amount is not considered into the \$100 million dollars that we discussed right now.
- BV: asked if the legislature could ask to use the \$100 million reserve?
- JW confirmed that the reserve is needed regardless of other requirements for the provider fee. In addition, the General Assembly would need to pass and the Governor would need to enact specific legislation to use hospital fees to offset the General Fund
- RW 3:44pm, clarified that the General Assembly would need to enact legislation and asked if that were to happen, could the Board agree to use any excess reserves above the 1.5% reserve target for that purpose?
- JW: agreed and suggested that would be up to the purview of the CHASE board to decide how those dollars would be used, whether it be a fee refund or to be used to offset any of those legislative funding requirements.
- No further board questions.

7. Public Comment

- No public comments.

8. Board Action

- Dr. Kim Jackson, 3:46pm: Asked if the board was ready to move on the question of the cash reserve fund.
- Barbara Carveth, 3:47pm: thanked staff for the presentation, and considering the previous feedback. She has no further questions.
- Janie Wade motioned to approve the cash reserve fund proposal and Bob Vasil seconded.

Our mission is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.
www.colorado.gov/hcpf



- KJ requested a roll call vote.
- Shay Lyon called the roll. All members present approved the motion
- Janie Wade moved to adjourn and Dr. Claire Reed seconded.

9. Adjourn

- The meeting was adjourned at 3:51pm.

10. Next Meeting

- August 23, 2022 at 3:00pm via Zoom

Reasonable accommodations will be provided upon request for persons with disabilities. Please notify the Board Coordinator at 303-866-3698 or Nancy.Dolson@state.co.us or the 504/ADA Coordinator hcpf504ada@state.co.us at least one week prior to the meeting to make arrangements.

