Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Initiatives Workgroup

Meeting #13

Wednesday, June 18, 2025

12:00 – 1:30 p.m.

Facilitated by:

Government Performance Solutions, Inc. (GPS)

CHASE
Colorado Healthcare Affordability and Sustainability Enterprise

Virtual meeting guidelines

Here are some ideas to make virtual collaboration easy on us all:

This meeting is being recorded!

Please use your camera when speaking and use the blur or background as needed

Put your computer microphones (or phone) on mute

Use the chat feature to share ideas and ask questions

Click the Live Transcript icon at the bottom of your screen

To help all participants more quickly identify each other, please edit your name in your Zoom window to include your organization.

Right click on your Zoom image, select "Rename", and add details

CHASE Workgroup Objective

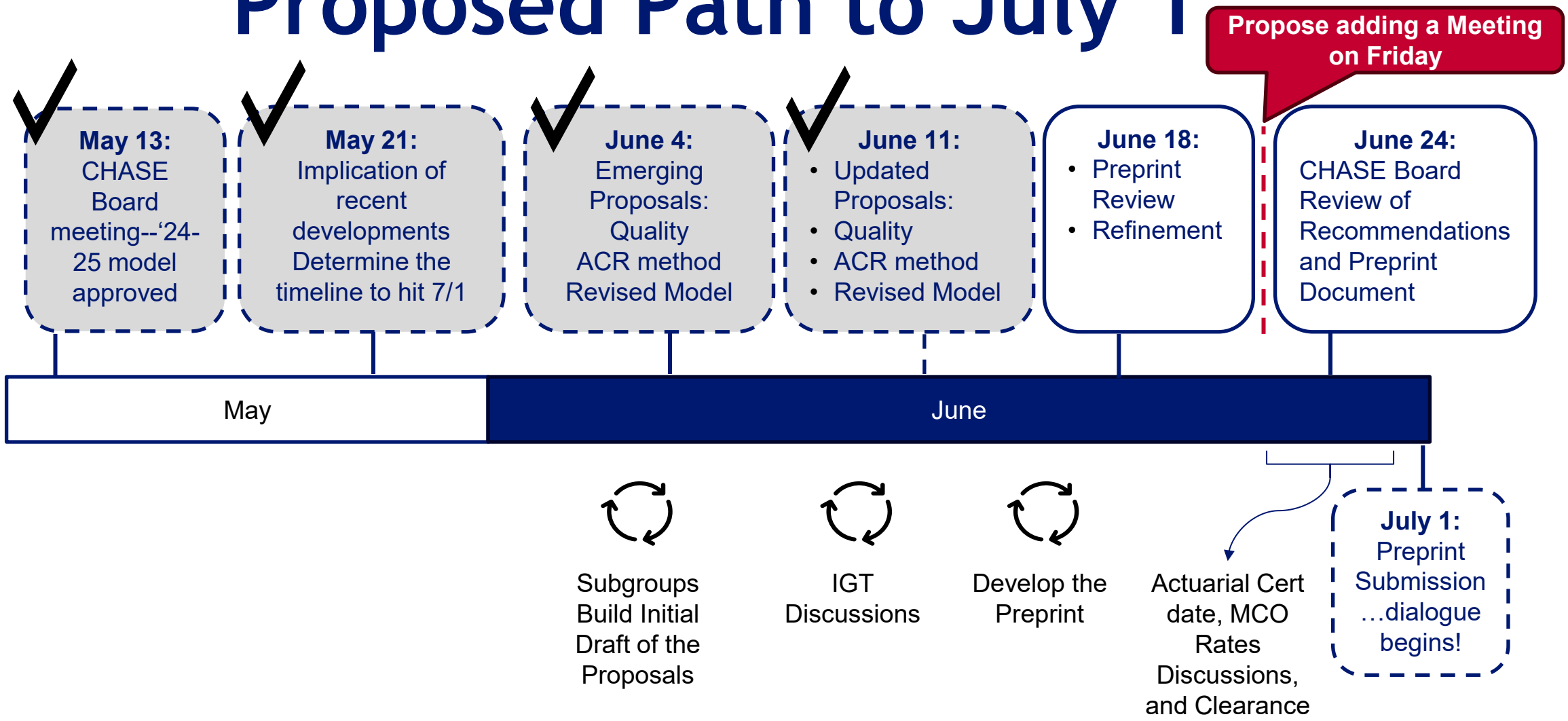
Develop comprehensive recommendations for revisions to CHASE including the addition of a State Directed Payment (SDP) for CHASE Board consideration. Such that HCPF can develop and advance a broadly supported proposal to submit to the federal Centers for Medicare and Medicaid Services (CMS) for implementation to begin no later than July 1, 2025.

CHASE Program Objectives

As outlined in statute, the (4) CHASE program's goals are:

- Increase reimbursement to hospitals up to federal limits for care for Medicaid members and uninsured patients
- Increase the number of hospitals benefitting from the CHASE fee and minimize those hospitals that suffer losses.
- Support improvements in the quality of hospital care
- Support the expanded health care coverage for the Medicaid and CHP+ programs

Proposed Path to July 1



Road Map Details

6/11 WG Meeting

- ✓ High level results
- ✓ Key assumptions
- ✓ Variables, subgroup recommendations
- ✓ Component review
  - ✓ Fees, IGT, ACR, SDP
  - ✓ Size of potential net benefit, high/low

6/18 WG Meeting

- CHASE Board proposal package ~~approval~~ discussion:
  - Options based on recent events
  - SDP Preprint draft review
  - ~~Fee waiver package~~
- ~~Proposal package shared with CHASE Board~~

6/24 CHASE Board Meeting

- CHASE Board meeting
- Proposal review and seek Board approval

6/25 - 7/1

- HCPF internal clearance, executive sign off

Propose adding a Meeting on Friday

7/1

- Submission to CMS
- SDP preprint
- Fee waiver

Agenda

- Plan for this Meeting and Environmental Updates (15 minutes)
- Current Status and High-level Results of Three Potential Paths (25 minutes)
- CHASE DRAFT SDP Preprint Section-by-section Review (25 minutes)
- Next Steps and Questions (15 minutes)

Work Group Members

1. Alison Sbrana, Consumer
2. Annie Lee, President & CEO, Colorado Access
3. Emily King, Senior Policy Advisor/Deputy Director of the Office of Saving People Money on Health Care, Governor's Office
4. Josh Block, Deputy Chief Financial Officer, HCPF
5. Dr. Kimberley Jackson, CHASE Board Vice President
6. Nancy Dolson, Special Financing Division Director, HCPF
7. Shauna Lorenz, Partner, Gjerset & Lorenz LLP
8. Tom Rennell, Senior Vice President Financial Policy and Data Analytics, CHA

Environmental Updates

What other updates or information are important to share at this time?

Current Status and High-level Results of Three Potential Paths (25 minutes)

The (emerging) Future of CHASE

Future CHASE Model = **Current CHASE Model with adjustments** + **State Directed Payment**

Estimated net reimbursement increase: $378 M

**subject to change

Current CHASE Model with adjustments

- Revise DSH and UPL supplemental payments such that all systems/independent providers do at least as well as status quo
- Reduced number of UPL payment "adjustment groups"
- Continue directed funding for Critical Access Hospitals through Essential Access and Rural Support Fund
- No changes to HQIP

State Directed Payment

- Inpatient—urban and rural
- Outpatient—urban and rural
- Psychiatric/IMDs

Funded by provider fees + IGT

Preferred: DH & UH IGT

	Fee	IGT	SDP	Other Payments	Net Reimbursement	Net New Funds
Denver Health	-	$170.3 M	$259.3 M	$49.2 M	$138.2 M	$33.1 M
UCHealth	$322.8 M	$108.5 M	$86.6 M	$455.9 M	$111.2 M	$25.6 M
Psych (IMD)	$7.5 M	-	$11.5 M	-	$4.0 M	$4.0 M
Banner Health	$52.4 M		$0.3 M	$94.8 M	$42.7 M	$4.8 M
AdventHealth	$131.1 M		$24.3 M	$110.9 M	$4.2 M	$1.1 M
CommonSpirit Health	$191.8 M		$11.1 M	$277.6 M	$96.9 M	$64.0 M
HCA HealthONE	$277.5 M		$67.4 M	$300.1 M	$90.1 M	$73.8 M
Intermountain Health	$201.5 M		$114.5 M	$199.9 M	$112.9 M	$70.2 M
Others	$309.0 M		$150.0 M	$447.8 M	$288.8 M	$101.1 M
Total	**$1,493.6 M**	**$278.8 M**	**$725.1 M**	**$1,936.2 M**	**$888.9 M**	**$377.7 M**
Urban	$1,429.6 M	$278.8 M	$635.7 M	$1,699.6 M	$626.9 M	$301.1 M
Critical Access	$27.8 M		$34.6 M	$156.2 M	$163.0 M	$31.9 M
Other Rural	$36.1 M		$54.8 M	$80.4 M	$99.0 M	$44.7 M
Total	**$1,493.6 M**	**$278.8 M**	**$725.1 M**	**$1,936.2 M**	**$888.9 M**	**$377.7 M**

DH Sole IGT: $170 M

	Fee	IGT	SDP	Other Payments	Net Reimbursement	Net New Funds
Denver Health		$170.6 M	$245.6 M	$51.6 M	$126.6 M	$21.6 M
UCHealth	$451.3 M		$17.7 M	$512.9 M	$79.3 M	-$6.3 M
Psych (IMD)	$6.8 M		$11.5 M		$4.7 M	$4.7 M
Banner Health	$47.1 M		$0.1 M	$92.5 M	$45.5 M	$7.5 M
AdventHealth	$118.0 M		$4.6 M	$108.2 M	-$5.2 M	-$8.3 M
CommonSpirit Health	$172.8 M		$11.1 M	$263.1 M	$101.4 M	$68.5 M
HCA HealthONE	$250.6 M		$11.4 M	$292.9 M	$53.7 M	$37.4 M
Intermountain Health	$181.8 M		$24.3 M	$195.2 M	$37.7 M	-$5.0 M
Others	$265.0 M		$26.8 M	$479.6 M	$241.1 M	$53.3 M
Total	**$1,493.6 M**	**$170.6 M**	**$353.1 M**	**$1,996.0 M**	**$684.7 M**	**$173.5 M**
Urban	$1,436.4 M	$170.6 M	$334.3 M	$1,729.0 M	$456.4 M	$130.6 M
Critical Access	$24.9 M		$8.5 M	$162.1 M	$145.8 M	$14.7 M
Other Rural	$32.5 M		$10.3 M	$104.8 M	$82.6 M	$28.3 M
Total	**$1,493.8 M**	**$170.6 M**	**$353.1 M**	**$1,996.0 M**	**$684.7 M**	**$173.5 M**

DH Sole IGT: $264 M

	Fee	IGT	SDP	Other Payments	Net Reimbursement	Net New Funds
Denver Health		$263.8 M	$322.8 M	$74.4 M	$133.5 M	$28.4 M
UCHealth	$442.8 M		$65.0 M	$463.4 M	$85.7 M	$0.1 M
Psych (IMD)	$6.8 M		$11.5 M		$4.7 M	$4.7 M
Banner Health	$47.4 M		$0.2 M	$90.2 M	$43.1 M	$5.1 M
AdventHealth	$119.3 M		$18.5 M	$105.4 M	$4.6 M	$1.5 M
CommonSpirit Health	$173.3 M		$11.1 M	$262.3 M	$100.1 M	$67.2 M
HCA HealthONE	$252.2 M		$52.3 M	$284.4 M	$84.4 M	$68.1 M
Intermountain Health	$183.3 M		$85.2 M	$189.8 M	$91.6 M	$49.0 M
Others	$268.7 M		$124.6 M	$439.3 M	$295.2 M	$107.5 M
Total	**$1,493.8 M**	**$263.8 M**	**$691.4 M**	**$1,909.2 M**	**$842.9 M**	**$331.7 M**
Urban	$1,437.5 M	$263.8 M	$606.1 M	$1,681.0 M	$585.8 M	$260.0 M
Critical Access	$23.7 M		$29.2 M	$150.5 M	$156.0 M	$24.9 M
Other Rural	$32.6 M		$56.1 M	$77.6 M	$101.1 M	$46.8 M
Total	**$1,493.8 M**	**$263.8 M**	**$691.4 M**	**$1,909.2 M**	**$842.9 M**	**$331.7 M**

Estimates Only. Not final.

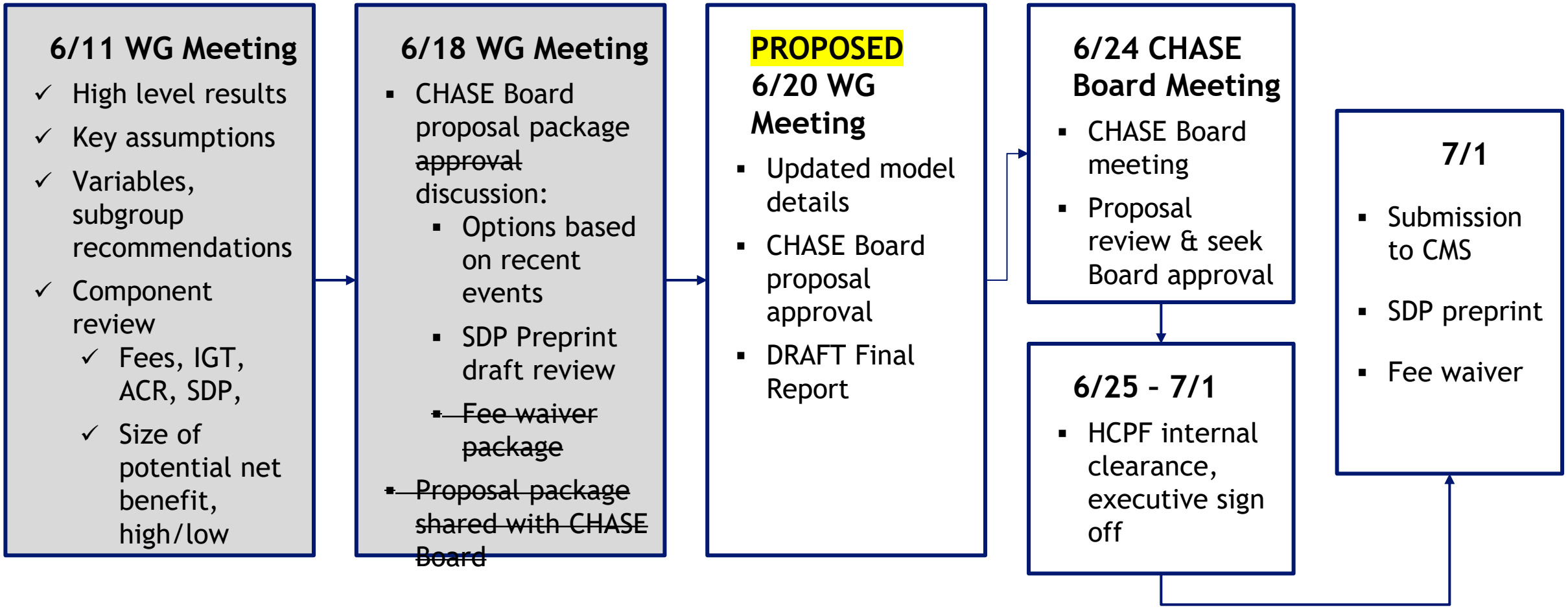
CHASE DRAFT SDP Preprint Section-by-Section Review (25 minutes)

Preprint Review

Scott Humpert and Michael Joseph from PCG will take us through these segments of the preprint, sharing how the text aligns with the workgroup's direction:

- Funding sources and amounts—fees and IGTs
- Directed Payment methodology and amount
- Provider classes
- ACR percentage
- Quality measures

Road Map Details



No order implied

Work Planned AFTER Submission

- ❒ Engage with CMS on SDP and fee waiver questions
- ❒ Continue sourcing data
  - More recent data: NPR, UPL, expansion/administration costs
  - Refining encounter data for MCO costs
  - Obtain psych hospital data for ACR
- ❒ Managed care contract amendments / actuarial work
- ❒ Monitor federal action: legislation, regulations, policy
- ❒ Monitor Poudre Valley/Memorial lawsuit status (i.e., request for stay, appeal)
- ❒ Develop 2025-26 CHASE model

Questions?

Next Steps and Actions

- GPS to share meeting notes with decisions and actions.
- Schedule meeting for Friday, 6/20
- Execute the plan and hit milestones, as agreed, to deliver the preprint by July 1
- Execute the post-submission activities and continue to refine Colorado's SDP program
- HCPF will post final documents to its website.

Government Performance Solutions, Inc.

Greg Bellomo	greg@governmentperformance.us	303.601.7319
Laura Sigrist	laura@governmentperformance.us	720.474.7291

Appendix:
Slides from Previous Meetings

Recap: Workgroup Ground Rules (1 of 2)

1. *Workgroup Members and Participation* – members of the workgroup have been appointed by the CHASE Board chair in line with the Board's bylaws and serve at the pleasure of the Board.
    - While the meetings will be open to the public, and the workgroup may request information from subject matter experts, participation in the workgroup is limited to appointed workgroup members themselves with no alternates or proxies.
    - Workgroup members must commit to consistently attending meetings and actively engaging in the work.
    - Workgroup members are allowed actual and necessary traveling and subsistence expenses when in attendance at meetings away from their places of residence.
2. *Stick to the workgroup's objectives* – the workgroup will devote its efforts to the work set out in this charter and not creep into other subjects unless directed by the CHASE Board.
3. *Transparency within the group and commitment to working within the bounds of this process* – to foster trust, all parties need to be honest, direct, and forthcoming within the workgroup.

Continued on next page

Recap: Workgroup Ground Rules (2 of 2)

4. *Participate in good faith, assume best intent, and extend the benefit of the doubt* – the workgroup must work together in good faith and assume best intent. To do so, the workgroup should agree at the outset to align around the shared goal of developing a mutually beneficial proposal and commit to working in good faith.
5. *Coordinated communications* – workgroup member communication about this work outside of the workgroup should be aligned and coordinated using agreed-upon shared messaging and talking points. Following the CHASE Board's bylaws, individual workgroup members may not make a position statement that purports to be that of the workgroup or the CHASE Board unless the workgroup or Board has adopted such a position. However, no workgroup member is prohibited from stating his or her personal opinions, provided they are clearly identified as such.
6. ADOPTED *Pursue Consensus* - workgroup members will explore options, strive to understand different points of view, and seek compromise so that recommendations represent a broad consensus consistent with the work group's purpose.

These may be adjusted by the workgroup as situations arise

Charter Directives

Workgroup Objectives and Key Questions (1 of 2)

Objective: Develop comprehensive recommendations for revisions to CHASE including the addition of a SDP for CHASE Board consideration. Such that HCPF can develop and advance a broadly supported proposal to submit to the federal Centers for Medicare and Medicaid Services (CMS) for implementation to begin no later than July 1, 2025.

Key Questions:

- How does the recommendation(s) align with the goals of the CHASE Program as outlined in statute?
  - Maximize reimbursement to hospitals for care for Medicaid members and uninsured patients subject to federal limits
  - Increase the number of hospitals benefitting from the CHASE fee and minimize those hospitals that suffer losses
  - Support improvements in the quality of hospital care
  - Support the expanded health care coverage for the Medicaid and CHP+ programs

Charter Directives

Workgroup Objectives and Key Questions (2 of 2)

Key Questions (continued):

- Is legislation and/or changes to state regulations necessary to implement the recommendations?
- How do the recommendations align with federal requirements?
  - Are there any emerging or enacted changes to federal requirements that may affect these recommendations?
- What are the impacts on the CHASE program?
  - How do the net gains (losses) for hospitals compare to the CHASE status quo?
  - Is there any increased risk to expansion populations' health care coverage due to insufficient fees?
- What are the available funding source(s)?
- What are the different types of SDP and which best meet the workgroup's objective?
- Which services and provider types should be included in the SDP?

Progress Update

The workgroup has met (10) times and reached consensus on several dimensions:

Dimension	Emerging Consensus
Overall Methodology	• Revise existing UPL supplemental payments to simplify payment calcs and tie to utilization • Simplify to the degree possible, but this is a secondary goal
Services	Include both inpatient and outpatient services
Hospital Types	Include general, acute care and Critical Access Hospitals, and psychiatric hospitals
Funding Sources	• Assume that an IGT is a permissible funding source; will not trigger TABOR • Replace some federal DSH funds with additional safety net hospital reimbursement
Funding Priorities	• Preserve funding to Critical Access Hospitals • Support hospitals with high volume of Medicaid care (i.e., safety net)
Quality Principles	Aligned on 10 quality principles aligned with Colorado's Managed Care Quality strategy to guide measure selection

Maintain a running list

Open Questions/Assignments

Items not yet handled from recent meetings (pasted here for convenience):

- Alison Sbrana: Can we get some info on how many psych hospitals, how many rehab and LTC hospitals etc., we are talking about who are being currently excluded and may benefit? Or some more info on pros/cons of including them?
- Alison Sbrana: Commercial payers don't pay as much for behavioral health and Medicaid/Medicare payers pay more? Do we need to factor this in?
- Josh Block: What is the sequence and timeline for related activities that must follow the preprint submission (e.g., contract development and rate setting that also need CMS approval, reporting requirements for MCOs incorporated into contracts, timeline reviews for payments, frequency of payments, etc.)?
- Tom Rennell: When a new facility opens or new services start up, would they be able to participate in the SDP program once they begin providing services? What processes do we need to have in place to account for changes like this?