

Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Initiatives Workgroup

Meeting #1

Monday, December 16, 2024

9:00 a.m. – 10:30 a.m.

Facilitated by:

Government Performance Solutions, Inc. (GPS)



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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



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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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CHASE Workgroup 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.



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What will we accomplish today?

- Introduce the workgroup members, consultants, and facilitators (15 min)
- Level set around CHASE and State Directed Programs (30 min)
- Review the workgroup charter (30 min)
- Agree upon a meeting cadence (10 min)
- Answer questions and recap next steps (5 min)



Introductions

Please share your:

- Name
- Role
- Organization or whom you represent
- Your connection to CHASE and associated efforts

Who's in the workgroup?

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



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Who are your consultants?



Matthew Reidy, Project Manager, Public Consulting Group



Steve Perlin, Managing Principal, Health Management Associates

Who are your facilitators?



**Greg
Bellomo**



**Laura
Sigrist**

- Greg & Laura work for Colorado-based Government Performance Solutions, Inc. (GPS)
- GPS partners with public and social sector organizations to navigate change by:
 - Using deep listening & a collaborative approach,
 - Engaging agency staff, their partners, & and the community to co-create solutions that drive sustainable transformations.

Learn more about GPS at governmentperformance.us



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What are the roles and responsibilities?

Workgroup:

- Read all required materials to prepare for meetings
- Participate actively in all workgroup meetings
- Understand implication and evaluate options, recognizing constraints and data limitations
- Debate proposals to consensus

HCPF & Consultants:

- Conduct research
- Perform analysis based on available data
- Share analysis in a user-friendly format
- Answer questions as timely as feasible

GPS Facilitators:

- Provide a structured approach
- Ensure meetings are productive with balanced participation
- Deliver regular project management updates



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Level set around CHASE and State Directed Programs (30 min)



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CHASE and State Directed Programs

Goal: Provide common grounding in CHASE and state-directed programs

Segments:

- Overview - Nancy Dolson, HCPF
- Key concepts and terminology
 - History of State Directed Payments—Steve Perlin, HMA
 - Recent Developments—Megan Morris, PCG
- Opportunities for independent study

Feel free to ask questions once a speaker has shared their material. If we run out of time, we will answer after the meeting.



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CHASE Overview

CHASE Goals

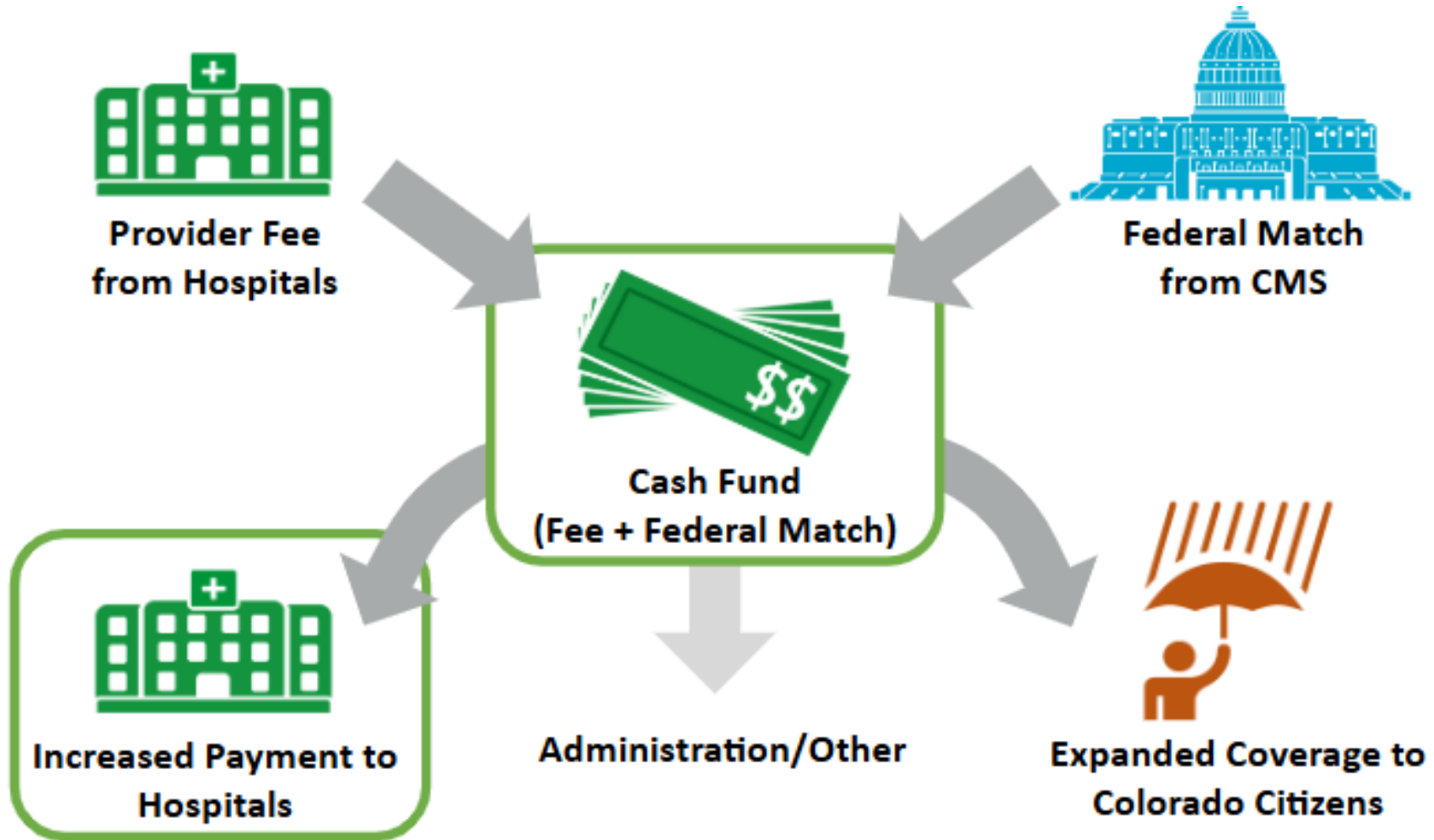
- Increase payments to hospitals for care for Health First Colorado (Colorado's Medicaid program) members and uninsured patients subject to federal requirements and limits
 - Increase number of hospitals benefitting from the fee and minimize hospitals that suffer losses
 - Fund Hospital Quality Incentive Payments (HQIP)
- Fund and implement the Hospital Transformation Program (HTP)
- Increase Health First Colorado and Child Health Plan *Plus* (CHP+) coverage
- Pay administrative costs limited to 3% cap



CHASE Governance

- **HCPF** single state agency for administration of Colorado's Medicaid program and authorized to draw federal Medicaid funds
- **CHASE Board** recommending body for the hospital provider fee
- **Medical Services Board**
 - Adopts rules with consideration of CHASE Board's recommendations
- **Centers for Medicare and Medicaid Services (CMS)** ultimate authority for approval of CHASE provider fees, hospital payments, and related requirements





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CHASE Program	<i>Benefits to <u>Hospitals</u></i>	<i>Benefits to <u>Coloradans</u></i>
1. Increases reimbursement by \$450M net to Medicaid hospitals	<i>Reduced uncompensated care costs</i>	<i>Reduced need to shift costs to other payers like commercial insurance, <u>lowering the cost of care</u>. Quality incentive payments targeting equity and outcomes</i>
2. Funds coverage for 420,000+ Medicaid & CHP+ expansion members	<i>Less uninsured = reduced uncompensated care costs</i>	<i><u>Access and low cost of care</u> for low-income Coloradans</i>
3. Hospital Transformation Program (HTP)	<i>Hospitals implement measures/interventions and improve quality to receive increased CHASE reimbursement</i>	<i><u>Better outcomes</u> through care redesign and integration of care across settings</i>

- ✓ No General Fund
- ✓ Low administrative costs

Federal Requirements - Provider Fees

- Limited to no more than 6% of net patient revenues (NPR)
- May not hold providers harmless, i.e., provide a direct or indirect guarantee that providers will receive all or a portion of their fees returned
 - Fee may not be designed to reimburse providers based on amount paid (directly or indirectly)
 - Fee assessed on non-Medicaid statistic (e.g., inpatient days or outpatient charges)
 - Reimbursements are Medicaid payments

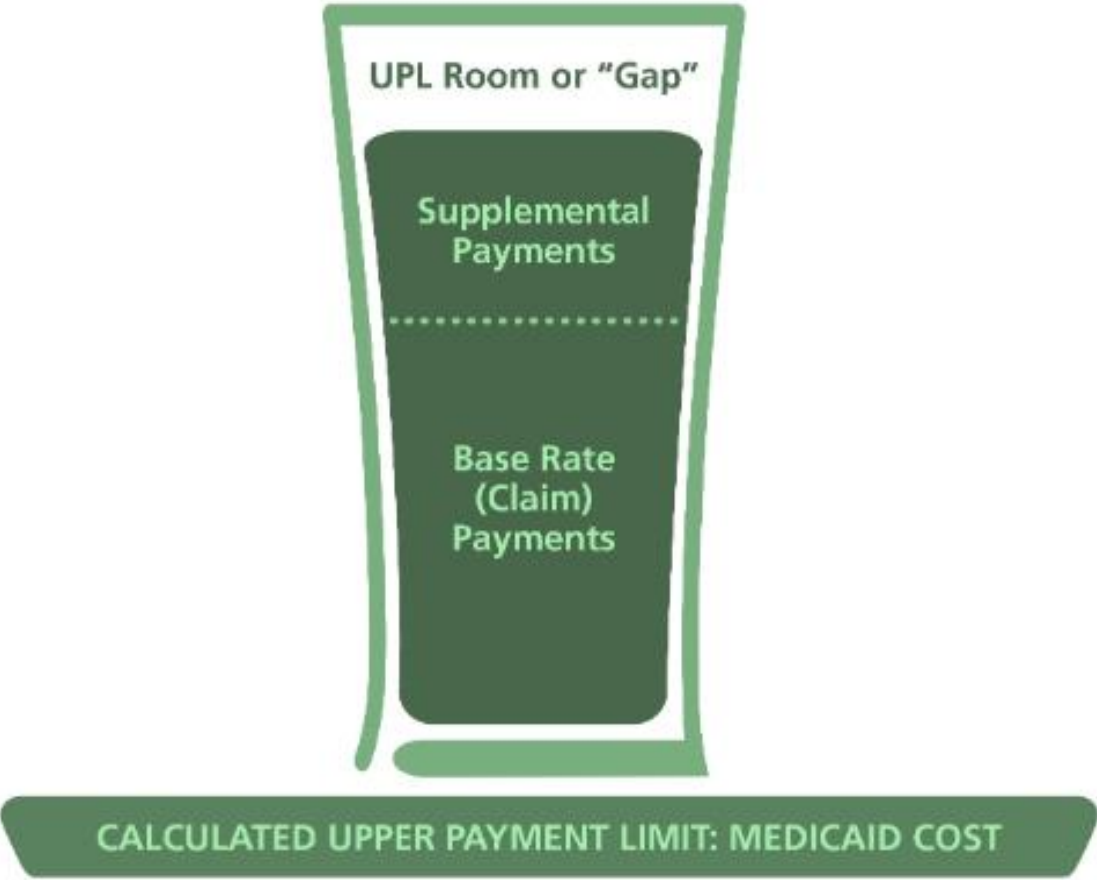


Federal Requirements - Payments

- Medicaid Disproportionate Share Hospital (DSH) payments for hospitals that serve a high share of Medicaid and low-income patients
 - Total DSH funds limited by federal allotments, which vary by state
 - DSH payments cannot exceed the hospital-specific DSH limit which is the hospital's uncompensated care costs for both Medicaid-enrolled and uninsured patients
- Upper Payment Limit (UPL) payments are lump-sum payments intended to fill in the difference between fee-for-service (FFS) claims payments and maximum amount that could be paid by Medicaid



Federal Requirements - UPL Payments



Fees, Payments, Net Funds

FFY 2023-24	Amount (millions)
Hospital Fees	\$1,260.4
UPL Supplemental Payments	\$1,497.7
DSH Payments	\$257.2
Total Payments	\$1,755.0
New Funds to Hospitals	\$494.5



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Review the workgroup charter (30 min)



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Workgroup Charter

Goal: Share the approved charter and confirm alignment

Workgroup Charter Topics:

- Workgroup objectives and key questions
- Ground rules
- Conceptual timeline and key milestones
- General meeting guidelines for transparency



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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

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?



Initial 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.




These may be adjusted by the workgroup as situations arise

Initial 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.

These may be adjusted by the workgroup as situations arise

What is the approach and timeline?

December 2024	January - March 2025	April - May 2025	June 2025
<p>Prepare for success</p> <ul style="list-style-type: none"> • Orient workgroup (Today!) • Conduct interviews & summarize insights • Confirm workgroup logistics and finalize schedule • Engage in learning about SDP • Define data scope, sources, and plan to fill any gap 	<p>Develop, evaluate, & refine SDP scenarios</p> <ul style="list-style-type: none"> • Collect data, develop, and evaluate scenarios • Finalize model assumptions and decisions • Workgroup meetings #2 - 9 to discuss analysis and implications, then create and evaluate options 	<p>Draft proposal</p> <ul style="list-style-type: none"> • Establish framework of proposal (requires CHASE Board approval) • Identify requirements to address state and federal approvals • Workgroup meetings #10-11 • HCPF and consultants begin compiling the proposals into a draft final report 	<p>Finalize submission</p> <ul style="list-style-type: none"> • Prepare materials for CHASE Board review and approval • Finalize materials for submission to CMS • Workgroup meetings #12-13 • HCPF and consultants incorporate edits into report <p>Submission Due 7/1/25</p>
	<p>Feedback Cycle </p>		

Commitment to Transparency

- The workgroup is not governed by open meetings law, but each workgroup member represents a constituency for which this work is important
- We propose to share openly and communicate in the spirit of transparency:
 - Publish meeting agendas and materials as early as they are available
 - Share meeting notes via the CHASE website
- If any information is deemed confidential or proprietary, please mark it as such and we will work to limit access appropriately

What questions and concerns should we discuss?



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Questions?



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**Agree upon a meeting cadence and address
next steps (10 mins)**



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Potential Workgroup Cadence

Propose:

- Virtual by default, in-person as necessary
- Every-other-week rhythm; 90-minute duration
- Avoid Mondays and Fridays due to holidays
- Begin in the second week of January (Jan 7 or after)

The need may arise for in-person working sessions for in-depth discussion, analysis, and iteration.

We will schedule these as far in advance as possible.

	Tuesday	Wednesday	Thursday
Some Options:	10:00-11:30am 10:30am-12:00pm	10:00-11:30am 10:30am-12:00pm	10:00-11:30am 10:30am-12:00pm
	12:00-1:30pm 1:00-2:30pm 2:00-3:30pm 3:00-4:30pm	12:00-1:30pm 1:00-2:30pm 2:00-3:30pm 3:00-4:30pm	12:00-1:30pm 1:00-2:30pm 2:00-3:30pm 3:00-4:30pm



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Next Steps and Actions

- GPS will create an interview insight summary from the workgroup and key informant interviews.
- HCPF will post the next workgroup meeting on its [website](#).
- HCPF will post an agenda ahead of the second workgroup meeting.





Government Performance Solutions, Inc.

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Thank you!