

Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Initiatives Workgroup

Meeting #2

Wednesday, January 15, 2025

12:00 – 1:30 p.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!



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Put your computer microphones (or phone) on mute



Use the chat feature to share ideas and ask questions



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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.



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Agenda

- Welcome (20 minutes)
- Review Insight Summary (20 minutes)
- Discuss Roadmap, Model, and Key Questions (40 minutes)
- Questions and Next Steps (10 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



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Recap: Roles and Responsibilities

Workgroup:

- Read all required materials to prepare for meetings
- Participate actively in all workgroup meetings
- Understand implications 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

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.

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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.

These may be adjusted by the workgroup as situations arise



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Recent Progress

- GPS interviewed 8 workgroup members, 3 key informants, and summarized 5 themes
- HCPF met with CHA to review data sources and discuss modeling approach
- Built a resource bank to house valuable materials for self-study

Any other progress or engagement to share?



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Review Insight Summary (20 min)



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Interview List

Work Group Members

- Alison Sbrana, Consumer
- Annie Lee, Colorado Access
- Emily King, Governor's Office
- Josh Block, HCPF
- Dr. Kimberley Jackson, CHASE Board VP
- Nancy Dolson, HCPF
- Shauna Lorenz, Gjerset & Lorenz LLP
- Tom Rennell, CHA

Key Informants

- Patrick Gordon, Rocky Mountain Health Plans and CHASE Board Chair
- Mannat Singh, Colorado Consumer Health Initiatives ED and Chase Board Member
- Peg Burnette, Chief Revenue Officer, Denver Health



Insight Summary (1 of 2)

Theme 1: Balance speed with surety

There is a desire to maximize federal funds and address the cost crisis in Colorado by developing workable recommendations as efficiently as possible. There is a shared interest in shoring up the system while not inadvertently creating new challenges by moving hastily.

Theme 2: Contribute to balanced impact (“WIN-WIN-WIN”)

There is a shared understanding that hospital, whether rural, independent, or system-affiliated need additional funds to meet uncompensated care costs. However, the potential impacts to members and communities with changes to the CHASE program may be less well understood.

Theme 3: Learn from other states

At least 40 states have SDPs so there are ample lessons to be learned. Some SDPs are in states without Medicaid expansion, so that feature must be factored in.

Insight Summary (2 of 2)

Themes, continued

Theme 4: Guard against downside

Federal uncertainty with the pending administration change could result in a loss of federal matching funds that could take away important Member benefits like the buy-in program and benefits for other expansion populations (600k additional lives covered). At the same time, hospitals don't want to be worse off. Designing an SDP that protects against volatility for the long haul will be important.

Theme 5: Operate with plenty of sunshine

There is a shared desire to ensure that all workgroup representatives are engaged meaningfully and that decisions are made transparently, given the scope of impact on many players.



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Potential Actions

Theme	Potential Action
1: Balance speed with surety	Develop an efficient, focused analysis plan and adhere to milestones and timelines. Avoid unnecessary or less relevant discussion while ensuring each member has access to information and the time they need to contribute meaningfully to recommendations.
2: Contribute to balanced impact (“WIN-WIN-WIN”)	For all proposals/options, include an impact table showing the benefits for Hospitals (potentially delineating between smaller/rural hospitals and larger systems), RAEs, and Members.
3: Learn from other states	To enable asynchronous and self-paced learning and enrichment, HCPF will create a resource bank containing relevant documents from different sources including compendium of existing state preprints .
4: Guard against downside	Embed scenario planning capability into the SDP model that allows HCPF to adjust variables and assess potential impacts (e.g., federal changes, state legislative mandates, etc.).
5: Operate with plenty of sunshine	Observe work group guidelines and hold ourselves and each other accountable.

Discuss the Roadmap, Model, and Key Questions (40 min)




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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 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 • Actuary engagement 	<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>

Feedback Cycle 



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

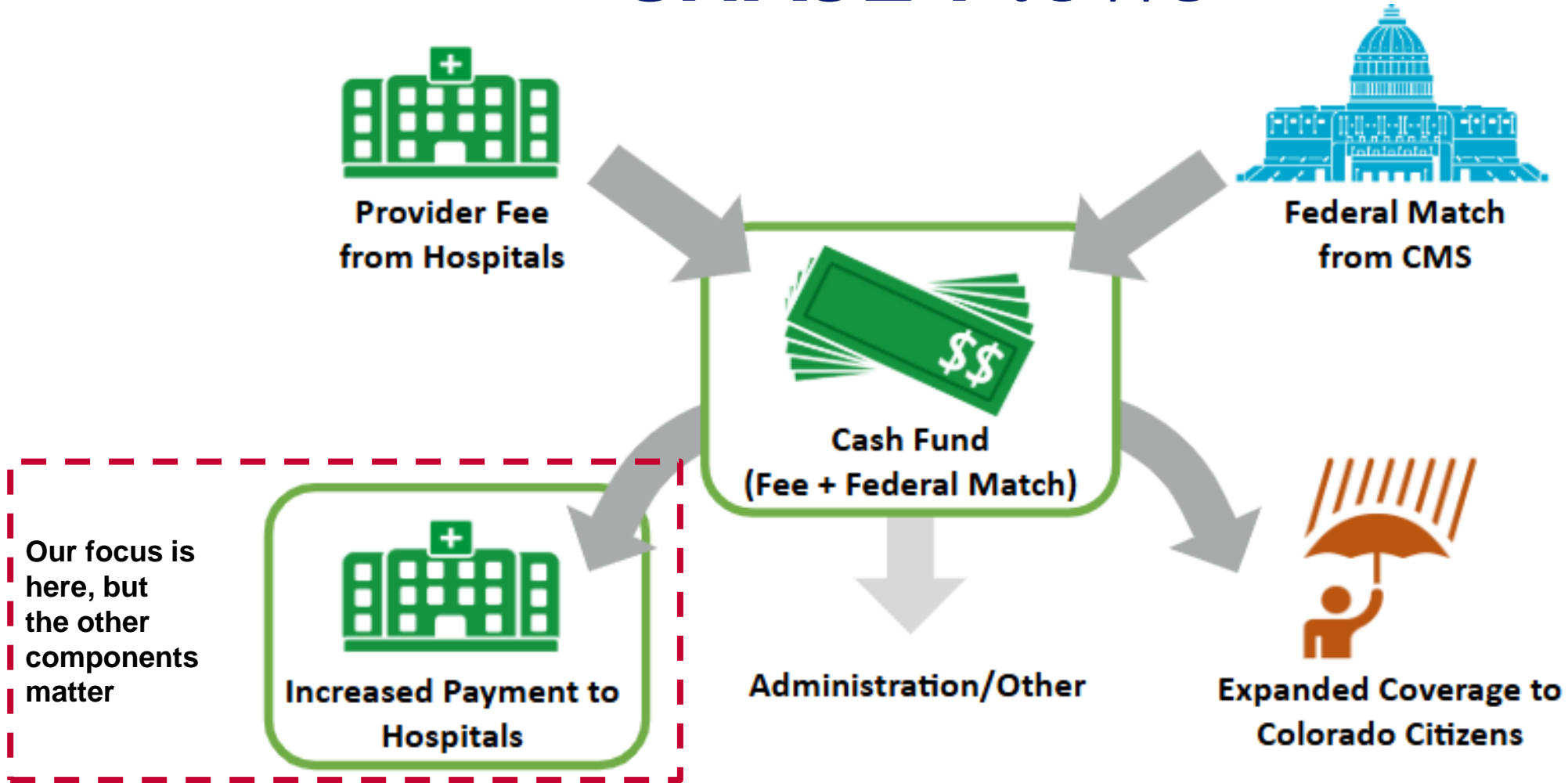


Workgroup Objectives and Key Questions (2 of 2)

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?

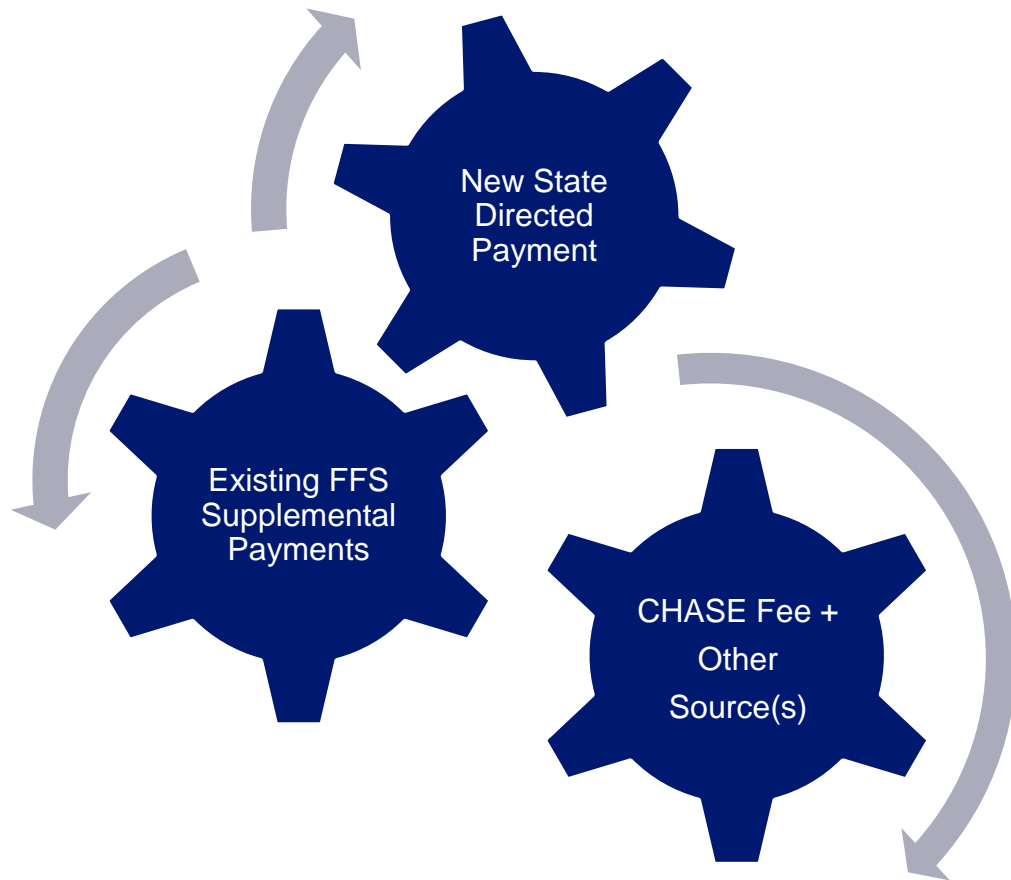
CHASE Flows



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Interconnectedness of CHASE Program



The CHASE program is subject to federal and state requirements as well as CHASE goals and statutes. **A change to one element of CHASE may impact compliance or yield unintended consequences in other areas.**

Factors Impacting Funds Available

- Broad based/uniformity requirements for provider fees
- Hold harmless restrictions/6% NPR safe harbor threshold
- Expansion coverage and administrative costs
- Varying federal match rates across programs

Factors Impacting Supplemental Payments

- Upper payment limits for fee for service and managed care
- Alignment with CO managed care quality strategy
- Shifts in managed care utilization during rating period



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Model Overview

Characteristics:

- Owned and administered by HCPF
- Produce results that are federally compliant
- Use most relevant data
- SDP incorporated in managed care contracts and validated by the HCPF's actuaries

Features:

- Funding source(s): provider fee, IGT
- UPL supplemental payments for fee for service care and SDP for managed care: behavioral health and physical medical care
- Enable scenario modeling to understand funding impact on hospitals compared to the current state based on:
 - Application to different populations/ services
 - Alignment with CHASE goals for hospital reimbursement, quality of care, and health coverage and CMS requirements that payments are consistent with efficiency, economy, and quality of care



Building the Model

Process:

- To explore opportunities, different groups have created their own models which may not contain all the necessary features and characteristics
- HCPF analysts are tasked with building the model
- They will tap available experts as needed
- Once the model is “wired” and data imported, initial results will be shared and scenarios can be built and iterated

Work Group Assistance:

- Confirm the features and characteristics
- Reach early consensus on shared
- Outline scenarios that reflect current state and potential shifts

...Plus advise on policy implications including SDP tie to quality strategy, check to make sure CHASE is held harmless, etc.

Note: The SDP will need to be validated by the HCPF’s actuaries and managed care contracts amended



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Initial Discussion Questions (1 of 2)

Let's learn work group members' opinions on these initial questions:

1. Funding:

- Use inter-governmental transfer (IGT): from which public hospitals and amount?
- Revise inpatient and outpatient hospital provider fee methodologies with goal to simplify, amount of provider fee? Currently at 5.54% of 6% of NPR limit.

2. UPL Supplemental Payments

- Revise existing UPL supplemental payments to simplify payment calculations and tie to utilization?
- Preserve funding to Critical Access Hospitals?
- Support hospitals with high volume of Medicaid care (i.e., safety net)?



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Initial Discussion Questions (2 of 2)

Continued:

3. State Directed Payment Program

- Include inpatient and outpatient hospital services?
- Hospital types? General, acute care and Critical Access Hospitals and free-standing psychiatric hospitals?

4. Disproportionate Share Hospital (DSH) Payments

- Forgo some federal DSH funds if safety net hospital reimbursement can be increased?



Questions?



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Resource Bank

To enable asynchronous and self-paced learning and enrichment, HCPF will create a resource bank. The resource bank could:

1. Be housed on HCPF Google Drive and available on webpage
2. Contain relevant documents from different sources including compendium of existing [state preprints](#)



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Next Steps and Actions

- GPS to share meeting notes with decisions and actions.
- Modeling resources will begin doing their work and tap analytic support as needed.
- 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.

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



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Thank you!



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