



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

Meeting Minutes

Colorado Healthcare Affordability & Sustainability Enterprise (CHASE) Board Meeting

Via [Zoom](#)

Tuesday, October 22, 2024, 3:00 P.M.

1. Call to Order & Introductions

- a. Patrick Gordon, Chair, 3:01 p.m.
- b. Nancy Dolson introduced interpreter Lupita, who would be providing Spanish language services for the meeting. Lupita introduced herself in Spanish and explained how to use the “Interpretation” function in the Zoom toolbar.
- c. Nancy Dolson also reminded the Board of the new versions of the agenda and the slide deck (see handouts) with changed times for the agenda items and new additional slides.
- d. Members present:
 - i. Chair Patrick Gordon, Vice Chair Dr. Kimberley Jackson, Jon Alford, Jason Amrich, Matt Colussi, Margo Karsten, Scott Lindblom, Dr. Claire Reed, Mannat Singh, Jeremy Springston, Bob Vasil, Ryan Westrom
- e. Members absent:
 - i. George Lyford

2. Approve Minutes from June 3, 2024 Meeting

- a. Board members, 3:03 pm
- b. Chair Patrick Gordon called for approval of the meeting minutes from the previous board meeting.
- c. Dr. Kim Jackson motioned to approve, and Dr. Claire Reed seconded.
- d. Approved by the Board.

3. State Directed Payment Program Overview

- a. Megan Morris, Public Consulting Group, 3:04 pm
- b. Megan Morris introduced herself and colleague Matt Reidy and

presented a brief overview of state directed payments (see slide deck).

- i. State directed payments are an option that CMS created to assist states in having flexibility to implement programs and control rates.
 - ii. It's also a way for states to implement methods that advance specific goals.
 - iii. A directed payment program requires ongoing approval each year through the submission of a preprint form.
- c. Megan Morris spoke about regulatory requirements, new regulatory requirements in 2024, and more new requirements coming in 2026.
- i. The payments must be based on the utilization and delivery of services specifically during the rating period in which the directed payment would take effect.
 - ii. Previously, states could apply a directed payment retroactively, so they could look at a prior period's activity and base a directed payment on that. That option is no longer available.
 - iii. There's a new requirement for an average commercial rate ceiling for hospital state directed payments. This applies to other types of institutional providers, too. An additional step in the process of obtaining approval for a state directed payment will be doing an average commercial rate demonstration.
 - iv. Starting in 2026, a preprint must be submitted prior to the start date of the rating period in which it would take effect.
 - v. States will be required to publicly post their detailed evaluation reports every 3 years.
 - vi. In 2027, separate payment terms will no longer be an option for programs, and every state will have to work with their actuaries to integrate a directed payment program into their capitated rates.
- d. Megan Morris reviewed the key decision points of a state directed

payment program.

- i. One key is defining what type of directed payment program the state would be interested in. There are 2 key categories: a value-based payment program and a fee schedule requirement.
- ii. Another key is defining who's eligible and what services are applicable.
- iii. Another point is defining quality measures and updating those measures annually.
- iv. Another key is defining the funding source of the state share for a directed payment program.
- v. 2 more requirements are 1) questions that are integrated into the preprint and must be finalized before submitting, and 2) integration into the managed care contract, which may be continued to be developed after submission to CMS.
- vi. Mannat Singh asked for examples of some of what some options could look like, what the options are, and then how it would work to not have either/or and do both.
 1. Megan Morris replied that CMS started posting [approved preprint forms](#) to provide examples of different programs and that that information was available publicly on the CMS website.
- vii. Patrick Gordon asked if there were a different set of rules for these programs, or if the same rules applied based on the type of financing vehicle, like a tax or a provider fee.
 1. Megan Morris said that yes, the same rules would still apply to each of the different types of financing.
- viii. Dr. Kim Jackson asked why only 40 states were using these programs and what the other 10 were doing.
 1. Megan Morris said that many states had a managed care fee-for-service dynamic. Many states that are more skewed towards managed care have these programs, while states where the majority of claiming activity falls under fee-for-service may not have these programs. Some states are not utilizing

managed care at all.

4. Proposed Workgroup to Explore CHASE Program Reforms and State Directed Payment Program

- a. Nancy Dolson, HCPF, 3:24 pm
- b. Nancy Dolson reviewed the details, benefits, and potential challenges of the workgroup proposal (see handouts).
- c. Nancy Dolson said that Colorado is one of the states that don't have much managed care for their Medicaid program and is about a 95% fee-for-service state. Colorado's behavioral health services are under managed care, and there are 2 managed care organizations for acute care services or physical care services in the Denver area and on the western slope. This could be an opportunity to provide additional hospital payments to psychiatric hospitals, freestanding behavioral health hospitals, and to use CHASE to increase reimbursement for almost all hospital services, whether people are in a fee-for-service program or a part of managed care organizations.
- d. Nancy Dolson said that the CHASE fee methodology was approved by CMS in 2010 and that HCPF would review it to see if it's as efficient and effective as possible, while aligning with federal and state priorities.
- e. Nancy Dolson stated that the goal would be to have the preprint submitted by July 2025, including any proposed changes to the provider fee model, and that any changes to the supplemental payments would require a state plan amendment to be filed.
- f. The workgroup is suggested to be comprised of 7 members, from HCPF, CHA, their consultants, a CHASE board member, and a facilitator.
- g. Some potential challenges may be the timeline and available resources, subject to state limits. The proposed program would also have to adapt to any CMS guidance and rules.
- h. The goal is to get this workgroup started as soon as possible, upon Board approval. The Board Chair would appoint the members of the workgroup.
- i. Mannat Singh asked if the timeline of the proposed workgroup

would need to change in order to attain all approvals from the CHASE Board, HIPAA, and CMS, and if it would also have to be approved by the Medical Services Board.

- i. Nancy Dolson replied that the goal would be to have all of these approvals and submit the proposal to CMS by July 2025, effective for the upcoming fiscal year, and that the approval of the Medical Services Board would depend on the proposal and what it would entail.
- j. Mannat Singh asked if any legislative action would be required.
 - i. Nancy Dolson said that that is something HCPF is looking into but had no clear answers at the moment.
- k. Jeremy Springston asked about the proposed composition of the workgroup and if the implications of direct payments to managed care organizations meant that a representative of a managed care organization should be included, and if a representative of rural and safety net hospitals should be included.
 - i. Mannat Singh agreed that the composition of the workgroup should be discussed, including representation from advocates, direct service providers, and other groups that would be affected by a program of this type.
- l. Ryan Westrom asked for clarification about the objectives, goals, role, and the reporting process of the proposed workgroup.
 - i. Nancy Dolson responded that the workgroup's role would be to work through the technical questions of designing the state directed payment program, such as any changes to the fee structure and how the fees are calculated.
- m. Jason Amrich raised concerns about pushing back the timeline, and that that should be left up to the workgroup to decide. He also pointed out that a smaller group could work more efficiently and quickly, that the workgroup could use the previously approved preprints to help design the program, and that the extra federal funding would help to support other organizations that currently aren't getting CHASE funds, like the

- behavioral health organizations,
- n. Bob Vasil commented on the size of the workgroup and that a smaller size would work more efficiently.
 - o. Patrick Gordon asked for clarification about the direct payment program and that it would supplement the existing UPL-based program, and asked if there would be any effect on the UPL-based program due to CMS rules.
 - i. Nancy Dolson responded that to her knowledge, there would be no change, but the total of DSH payments may be affected.
 - p. Patrick Gordon mentioned that a smaller workgroup may be more efficient, but as Chair, he voiced the importance of consumer, community and legislative input.
 - i. Mannat Singh agreed and seconded Patrick Gordon's call for other voices being heard and represented in the process.
 - q. Jason Amrich asked if including additional feedback from stakeholders at certain points during the timeline of the workgroup would fulfill that concern.
 - i. Mannat Singh replied that the facilitator of the workgroup would be responsible for keeping to the agenda and that opening the meeting to allow others to give input when needed. She said she's open to other suggestions of how participation may look in the workgroup.
 - r. Ryan Westrom asked for clarity surrounding the role of the workgroup.
 - i. Nancy Dolson commented that the workgroup would work as advisory to the Board and would make suggestions and recommendations based on their work.
 - s. Patrick Gordon clarified that the proposals brought by the workgroup would be vetted by the CHASE Board before going forward.
 - t. Mannat Singh said that the recommendations brought by the workgroup would still require some decision making, like who-gets-what and why, so greater representation may result in

more informed recommendations.

- u. Dr. Kim Jackson said that there would need to be different quality measures as required by state and federal regulations, but that new quality measures should also be identified, and that including consumers could help to find those.
- v. Bob Vasil commented that the CHASE Board is the one that reviews and approves the work, so a smaller workgroup would bring things to the Board more efficiently. He said that other stakeholders can also be brought in for review.
- w. Jeremy Springston asked if the proposed CHA representative meant an employee of CHA or if it was open-ended.
 - i. Ryan Westrom responded that it would be open-ended, as an employee or a hospital representative.
- x. Jason Amrich pointed out that one of the workgroup members would be a representative of the CHASE Board that is not affiliated with HCPF, CHA or a hospital, and that that person could serve as a consumer representative.

5. CHASE FFY 2022-23 and 2023-24 Adjustments to Reach 99.25% of the Upper Payment Limit

- a. Jeff Wittreich, HCPF, 4:04 pm
- b. Jeff Wittreich presented on the proposed increase for the inpatient/outpatient supplemental payments for federal fiscal year (FFY) 2022-23 and FFY 2023-24, from the current upper payment limit (UPL) of 97% to 99.25% (see slide deck).
- c. FFY 2022-23 would see an increase of \$35 million, and FFY 2023-24 would see an increase of \$19 million, for a total net reimbursement increase across all hospitals of \$54 million for 2 years.
- d. Jeff Wittreich detailed the modifications made to the calculations, which can be seen in greater detail in the handouts and slides on [the webpage](#).
 - i. Mannat Singh asked about the changes in net reimbursement and why some hospitals are showing a negative change and what that means for those facilities.
 - ii. Nancy Dolson referenced [a summary handout](#) that shows

all of the changes together and that the changes over the course of 2 years shows a net positive.

- iii. Jeff Wittreich commented to not look at each year as isolated but to see the total for both years together.
- e. Jeff Wittreich pointed out that adjustments were made based on utilization and inflation factors, using caseloads from February 2024 for recent actuals. A percentage increase was uniformly applied across all adjustment factors to bring the UPL up to 99.25%.
- f. Jeff Wittreich reviewed how the UPL change may affect the DSH payments to hospitals, based on their specific limits and government regulations.
- g. Jeff Wittreich said that the increase to fees and payments will occur as a one-time transaction in December 2024, upon the CHASE Board and CMS's approval. The amounts being received will be communicated to hospitals in November.
- h. Jeremy Springston asked if DSH payments would be adjusted from 96% to 100% going forward.
 - i. Nancy Dolson clarified that the current regulations state that 96% is the minimum and 100% is the maximum for DSH payments, to give flexibility for adjustments.
- i. Ryan Westrom thanked HCPF for the work on the UPL increase, and thanked Jeff Wittreich and Nancy Dolson for their efforts.
- j. Mannat Singh asked what would happen in the event of overpayment and what the risk might be.
 - i. Nancy Dolson said that HCPF had not received any feedback from CMS after sending their annual submissions, but that if overpayment were to occur, that the state would seek to recover those funds from hospitals following federal requirements.

6. Public Comment, 4:45 pm

- a. Written public comments, including one translated from Spanish into English, are available on the CHASE webpage.
- b. Tom Rennell, Senior Vice President of the Colorado Hospital Association (CHA) thanked HCPF for bringing these topics

forward, and he encouraged the Board to look at the statutes, rules and goals of the CHASE and the roles of the board members. He suggested keeping these things in mind as new programs and opportunities show up and to continue to advance the work of the CHASE within this context.

- c. Bethany Pray, Chief Legal and Policy Officer at the Colorado Center on Law and Policy, commented that the proposed workgroup would benefit from the inclusion of consumers, managed care providers, and others. She said the risk that the outcome of the workgroup will have negative impacts on consumers or managed care entities is much greater if they are not included in the work group, and that she hadn't heard anyone say the process would be better without those additional participants, only that the work would be done faster without them. She said that she believed that it's more important to get it right than to get it done quickly. She went on to say that she's a co-chair of the Program Measurement and Member Engagement Subcommittee for the Program Improvement Advisory Committee (PIAC) which looks at quality measures, and questioned what impacts a directed payment program may have on fees, services, accessibility, and inequities in payment structures. She stated that the timeline of the workgroup was ambitious but seemed unwise, when more time could be taken to design a more thorough program with more input from community members and managed care representatives.
- d. James McLaughlin, Director of Community Paramedicine for Ute Pass Regional Health Service District, was asked to represent the Colorado Medical Rules Board as a liaison between the CHASE Board and Colorado Medical Rules Board to better understand the challenges and opportunities related to the work that the CHASE Board does.
- e. David T, Denver resident and community leader with the Center for Health Progress, stated the importance of taking all necessary steps to protect the health of one's community and hoped to ensure that these public matching funds are serving

the public with accountability and transparency throughout the entire process. He said that all stakeholders in the healthcare system must have a seat at the table to decide where this money goes and that the workgroup cannot solely be made up strictly of CHA and HCPF representatives. He pointed out that unexpectedly high medical bills can ruin lives and that affordability and access to care should be a top priority. He said that accountability measures should be in place to ensure that hospitals are not placing additional financial and legal burdens on patients. He concluded by encouraging the Board to explore ways to tie the program to affordability mechanisms, medical debt, relief, and medical debt prevention.

7. Board Action Items, 4:54 pm

a. Workgroup to Explore CHASE Program Reforms and State Directed Payments

- i. Formation of the workgroup.
 1. Jason Amrich motioned for approval; Ryan Westrom seconded.
 2. None opposed.
 3. Formation of the workgroup approved.
- ii. Composition of the workgroup.
 1. Patrick Gordon motioned to approve the workgroup as presented with a commitment to revisit at the November 19th meeting; Jason Amrich seconded.
 2. Mannat Singh, Dr. Kim Jackson opposed.
 3. Approved, with Chair Patrick Gordon noting his concern about the 2 dissenting votes.
- iii. Dr. Kim Jackson commented on the tightness of the timeline of the workgroup and voiced concern that the work should be something that's going to help all Coloradans and Medicaid members, not just certain stakeholder groups.
 1. Patrick Gordon said that there should be focus on broader public policy questions, but that the

technical work should start right away. He also underscored that it is critical that the Board reach strong consensus, if not unanimity, on this complex topic.

b. CHASE FFY 2022-23 and 2023-24 Adjustments to Reach 99.25% Upper Payment Limit

- i. New 99.25% upper payment limit. Ryan Westrom motioned to approve, Scott Lindblom seconded.
 1. None opposed.
- ii. Approved.

8. Adjourn

- a. 5:05 pm

9. Next meeting: November 19, 2024, at 3:00 p.m. via [Zoom](#)

Reasonable accommodations will be provided upon request for persons with disabilities. Please notify the Board Coordinator at 303-866-4764 or Shay.Lyon@state.co.us or the 504/ADA Coordinator hcpf504ada@state.co.us at least one week prior to the meeting to make arrangements.

