

Schedule 13

Funding Request for the 2020-21 Budget Cycle

Health Care Policy and Financing

Request Title

ES-01 Nurse Advice Line Continuation

Dept. Approval By: _____



 X

Supplemental FY 2020-21

OSPB Approval By: _____

Budget Amendment FY 2020-21

Summary Information	Fund	FY 2020-21		FY 2021-22	FY 2022-23	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
	Total	\$24,377,498	\$0	\$24,377,498	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$6,182,153	\$0	\$6,182,153	\$0	\$0
	CF	\$1,592,103	\$0	\$1,592,103	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$16,603,242	\$0	\$16,603,242	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22	FY 2022-23	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
01. Executive Director's Office - Professional Service Contracts						
	Total	\$24,377,498	\$0	\$24,377,498	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,182,153	\$0	\$6,182,153	\$0	\$0
	CF	\$1,592,103	\$0	\$1,592,103	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$16,603,242	\$0	\$16,603,242	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Health Care Policy and Financing Prioritized Request	Interagency Approval or Related Schedule 13s:	None



Department Priority: ES-1
Request Detail: Nurse Advice Line Continuation

Summary of Incremental Funding Change for FY 2021-22			
	FY 2020-21	FY 2021-22	FY 2022-23
Total Funds	\$0	\$0	\$0
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests the removal of the (M) headnote on the (1) Executive Director’s Office, (E) Utilization and Quality Review Contracts; Professional Services Contracts line item in the Long Bill to continue to operate the Nurse Advice Line. The Centers for Medicare and Medicaid Services (CMS) have informed the Department that the Nurse Advice Line does not qualify for federal financial participation. The Department cannot draw federal funds for the Nurse Advice Line while it is appealing CMS’ decision. The (M) headnote prevents the Department from operating a program without federal funds, meaning that the Department would be required to cease Nurse Advice Line activities without a change to the headnote. The removal of the (M) headnote would allow the Department to continue operation of the Nurse Advice Line while the Department negotiates the with Centers for Medicare and Medicaid Services (CMS) towards an allowable federal match.

Current Program:

The Department, together with its contracted vendor, administers a Nurse Advice Line (NAL) Contact Center. The central mission of the NAL Contact Center is to offer Health First Colorado (Colorado's Medicaid Program) members free, around-the-clock access to medical information and advice. The NAL is a 24-hour phone line, available 365 days a year, whose primary purpose is to triage callers to the right level of care needed for their acute medical issues through use of evidence-based triage guidelines. Secondary purposes of the NAL include helping members with questions about managing medical conditions and connecting members to community resources when indicated.

The NAL Contact Center consists of registered nurses (RNs), health information aides (HIAs), nurse team leads, a clinical nurse educator and a program manager. All team members are experienced in medical terminology, medical telephone triage, patient education strategies, and directing callers toward the right resource at the right place at the right time. The NAL Contact Center adheres to the Utilization Review Accreditation Commission's (URAC) Health Call Center standards (www.urac.org) and uses the nationally recognized Schmitt-Thompson Nurse Telephone Triage Guidelines (www.stcc-triage.com).

When a Medicaid member calls the NAL, they are connected to a RN who immediately assesses the member's concern and ultimately directs the member to the right level of care using evidence-based triage guidelines. This process is known as telephone triage. The primary goal of telephone triage and the ensuing discussion is to direct patients to the most appropriate level of care setting. This includes both keeping members out of the emergency room when they should seek a lower level of care as well as mitigating risk for members that are unaware of the urgency of their condition warranting a higher level of care.

Problem or Opportunity:

Due to CMS' contention that the NAL does not qualify for any matching federal funds, the existing NAL appropriation, which is limited by requirements of the (M) headnote, does not allow the Department to continue its operation of the NAL for FY 2020-21.

Historically, the Department has claimed an enhanced 75% match on these services. CMS has informed the Department that NAL services are not allowable as a Medicaid cost and therefore do not qualify for any federal match. CMS has directed the Department to discontinue claiming of federal funds for these costs. The Department is emphatically defending its position that federal matching funds are appropriate and federally allowable under section 1903(a)(7) of the Social Security Act for activities "as found necessary... for the proper and efficient administration of the state plan." The Department is currently negotiating with CMS to resolve this issue and determine if federal financial participation can be used to fund the NAL.

The Utilization and Quality Review Contracts line item, which contains spending authority for the NAL, is restricted with an (M) headnote. The headnotes to the Long Bill explain that when an (M) appears next to a General Fund appropriation in the Long Bill, the appropriated General Fund is expected receive matching federal funds; and, if the actual federal funds received is less (or more) than the amount that appears in the Long Bill for that line item, then the General Fund spending authority must be reduced. Since the NAL program would no longer be federally supported, payments made through the Utilization and Quality Review Contracts line item made without federal financial participation would reduce the available General Fund spending authority, jeopardizing the Department's ability to fund other activities through this line item, notably the Department's Utilization Management program. To maintain operations, the Department would need to shut down the NAL program if the (M) headnote restrictions remain in place. If so, this may result in increased costs in Medicaid services, such as emergency room and inpatient hospital utilization, which may exceed the cost of maintaining a basic NAL program.

Proposed Solution:

The Department requests removal of the (M) headnote from the Utilization and Quality Review Contracts line item to continue operation of a basic Nurse Advice Line in FY 2020-21 until negotiations with CMS can be resolved. There is no total funds or General Fund impact to this request as the Department would continue to operate within its appropriated spending authority. If this request is approved, the Department would restructure the NAL services and renegotiate the NAL contract to operate a basic NAL program; the Department would maintain core operations and reduce other administrative requirements such as data collection to operate a program within existing resources. In addition, the Department plans to renegotiate other contracts also funded within the line item which would make enough General Fund available to support the NAL program in FY 2020-21, but those reductions would not be able to be sustained in later fiscal years. The Department would continue to pursue possibilities for federal financial participation with CMS or other options for maintaining the program ongoing.

Continuing the NAL services would avoid cost increases, such as increases in emergency department or telemedicine costs, that would occur if the NAL program needed to be discontinued due to lack of available funds.

Anticipated Outcomes:

Approval of this request would allow the NAL to continue offering members free, around-the-clock access to medical information and advice. Utilization of the NAL leads to an overall reduction in health care costs because the attending registered nurse (RN) directs the member to the right resource at the right place at the right time. Often this direction results in a 'downgrade' of a caller's original intent when they placed the call. An analysis of Department's NAL calls during FY 2019-20 shows that thirty-four percent of the calls resulted in downgrades. Downgrades are a recommended level of care by the RN that is lower than the caller's original intent. This can

include a recommendation for an urgent care visit instead of an emergency department visit, or a recommendation of home care instead of an office visit. Sixteen percent of the calls resulted in an ‘upgrade’ to a higher level of care, which ensures member safety.

If this request is not approved the consequences will be significant. Cost avoidance resulting from the RN directing members to the right resource at the right place at the right time would not be realized. This amount for FY 2019-20 is estimated to be approximately \$1.2 million. Secondly, the Department believes that if the NAL becomes unavailable, a corresponding increase in telemedicine visits would result. Initial analysis of this cost ranges from \$494,000 to \$3.2 million. Additional costs may include outreach and communication to members about the NAL shutdown. The Department would account for any increased costs through the regular budget process.

Continued operation of the NAL supports two of the Governor’s wildly important goals (WIGs):

- WIG #1 – Care Access and Customer Service: The NAL delivers improved health care coverage, service and access supports to Coloradans especially during this economic downturn amid the pandemic.
- WIG #2 – Medicaid Cost Control: The NAL to support the responsible management of health care costs and provide savings to Medicaid program as of members are directed to the right level of care needed for their acute medical issues

The NAL would encompass and strengthen four of the Department’s five strategic pillars that were established to ensure customer-focused performance management.

- Medicaid Cost Control — Ensure the right services for the right people at the right price
- Member Health — Improve member health
- Customer Service — Improve service to members, care providers, and partners
- Operational Excellence — Create compliant, efficient, and effective business practices that are person- and family-centered

Assumptions and Calculations:

By removing the (M) headnote restriction so that the appropriated General Fund could be used without ties to federal funds, the Department assumes that it would be able to continue the NAL services through the end of FY 2020-21 by restructuring and renegotiating the NAL and other contracts funded within the existing appropriation. This would be a one-year solution to continue the NAL within the existing FY 2020-21 appropriation but could not be sustained in FY 2021-22 and ongoing.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

The request meets 1331 supplemental criteria because of unforeseen circumstances arising while the General Assembly is not meeting. The Department received information and direction from CMS that the NAL is not eligible for federal matching funds and that no further costs should be submitted for federal matching funds. Without immediate action from the Joint Budget Committee, the Department would cease NAL operations.