


Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-07 Nurse Advice Line

Dept. Approval By: 

Supplemental FY 2020-21

OSPB Approval By: 

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
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	\$898,265	\$898,265
	CF	\$1,592,103	\$0	\$1,592,103	(\$88,166)	(\$88,166)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$16,603,242	\$0	\$16,603,242	(\$810,099)	(\$810,099)

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$24,377,498	\$0	\$24,377,498	\$0	\$0
01. Executive Director's Office, (E) Utilization and Quality Review Contracts, (1) Utilization and Quality Review Contracts - Professional Service Contracts	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,182,153	\$0	\$6,182,153	\$898,265	\$898,265
	CF	\$1,592,103	\$0	\$1,592,103	(\$88,166)	(\$88,166)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$16,603,242	\$0	\$16,603,242	(\$810,099)	(\$810,099)

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Health Care Policy and Financing Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-7
Request Detail: Nurse Advice Line

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$24,377,498	\$24,377,498	\$0	\$0
FTE	0.0	0.0	0.0	0.0
General Fund	\$6,182,153	\$6,182,153	\$898,265	\$898,265
Cash Funds	\$1,592,103	\$1,592,103	(\$88,166)	(\$88,166)
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$16,603,242	\$16,603,242	(\$810,099)	(\$810,099)

Summary of Request:

The Department requests a funding adjustment to continue operation of the Nurse Advice Line (NAL) services. The Centers for Medicare and Medicaid Services (CMS) have informed the Department that the Nurse Advice Line does not qualify for federal financial participation (FFP). To continue the NAL, the Department proposes to backfill the loss of federal match with additional General Fund. In addition, the Department requests a footnote to exclude the amount of the NAL program costs from the (M) headnote requirements applied to the Professional Services Contracts line item.

The Department also requests supplemental funding in FY 2020-21 to allow the Department to reimburse CMS for the federal funds claimed in prior years. Cash funds included in this request are from the Healthcare Affordability and Sustainability Fee Cash Fund. This request represents a decrease of less than 0.5% from the Department’s FY 2020-21 Long Bill total funds appropriation.

This request will allow the Department to continue offering Medicaid members a valuable service that can improve care and help reduce health care costs. The NAL aligns with Step 4 on the evidence continuum.



Current Program:

The Department contracts with a vendor to operate a Nurse Advice Line Contact Center (NAL-CC). The central mission of the NAL-CC is to offer Health First Colorado (Colorado's Medicaid Program) members free, around-the-clock access to medical information and advice via a Nurse Advice Line (NAL). 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-CC 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-CC 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.

Utilization of the NAL leads to an overall reduction in health care costs because the attending 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 place the call. An analysis of Department's NAL calls during FY 2019-20 shows that thirty-four percent of the calls resulted in RN downgrades. RN 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.

A 2014 study in the *Nursing Journal Management*¹ found that diverting from emergency level room" to "lower level of care" saved an average of \$4,688 per member and diverting from "non-

¹ Navratil-Strawn, Jessica L, et al. (2014) "Listening to the Nurse Pays off: An Integrated Nurse HealthLine Programme Was Associated with Significant Cost Savings." *Journal of Nursing Management*, U.S. National Library of Medicine

emergency room/office visit to a lower level of care” saved on average \$1,381 per member. Diverting care from “non-emergency level visit to higher level of non-emergency level of care” saved on average \$453. The mechanism by which consultation achieved these savings was through avoidance of care through high cost settings within the health care system, such as emergency department care.

Problem or Opportunity:

CMS has informed the Department that the Nurse Advice Line does not qualify for federal financial participation (FFP) and without the federal matching funds, the Department does not have sufficient State funding to continue operations of the existing NAL for an entire fiscal year. The CMS decision is based on a CMS letter to State Medicaid Directors on April 4, 1995, SMDL #04041995, that states that NAL “activities are not necessary for the proper and efficient administration of State Medicaid programs.” In July 2020, CMS directed the Department to return federal funds claimed for the NAL back to July 1, 2019 and to discontinue further claiming of federal funds going forward. CMS has issued deferrals against the Department’s claiming federal match of NAL services. To reimburse CMS, additional State share would be required to backfill the reduction in FFP back to July 1, 2019. Additionally, General Fund would be needed to continue the program going forward without federal matching funds and without use of HAS Fee which cannot be used unless federal matching funds are allowable. Historically, the Department has claimed an enhanced 75% match on these services.

The Utilization and Quality Review Contracts, Professional Services 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 to 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 the NAL is discontinued, 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 NAL program.

The Department submitted an emergency supplemental request, FY 2020-21 ES-1 Nurse Advice Line Continuation request to remove 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 and allow the Department to continue operations of the NAL services within the existing funding in FY 2020-21. The Joint Budget Committee heard and approved this request on

September 18, 2020. To fund the operation of the NAL services in FY 2020-21, the Department is using flexibility within existing spending authority to fund NAL services. The Department anticipates that the (M) headnote would be restored in FY 2021-22 without further action by the General Assembly.

Proposed Solution:

The Department requests a reduction of \$0 total funds, including an increase of \$898,265 General Fund, a reduction of \$88,166 cash funds, and a reduction of \$810,099 federal funds in FY 2021-22; and a reduction of \$0 total funds, including an increase of \$898,265 General Fund, a reduction of \$88,166 cash funds, and a reduction of \$810,099 federal funds in FY 2022-23 and ongoing to fund the continuation of Nurse Advice Line services and functionality that includes data sharing with the Regional Accountable Entities (RAEs), data analytics and reporting. Further, the Department requests that the appropriations for the NAL be exempted from the (M) headnote.

The requested General Fund would backfill lost federal funding due to the recent determination by CMS that the NAL services are not allowable for federal financial participation (FFP). In addition, the Department anticipates the need for \$966,896 total funds, including an increase of \$1,117,028 General Fund, and reduction of \$150,132 federal funds for FY 2020-21. The Department and CMS have reached an agreement to settle prior claims of federal funds for NAL services back to July 1, 2019, with the Department agreeing to return \$966,896 by March 31, 2021. The Department needs an increase of \$150,132 General Fund to partially backfill the loss of the federal match to continue NAL services in FY 2020-21. The Department plans to absorb the remaining amount of General Fund needed to continue the NAL services by restructuring and renegotiating the NAL and other contracts funded within the existing appropriation.

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 on the General Fund appropriated to the line. The Department requests a footnote in the FY 2021-22 Long Bill that excludes \$1,080,132 in General Fund, the amount needed to fund the NAL services in FY 2021-22 and ongoing, from the (M) headnote requirements.

The NAL aligns with Step 4 of the OSPB evidence continuum. The collection and analysis of caller data and corresponding claims data provides the basis for performance measures from which the Department makes informed decisions. In addition to analysis of the care plan outcomes and fiscal impact of the NAL calls, the member-facing operational process of responsive customer service is monitored and subject to performance measures established by the Department. Furthermore, peer-reviewed studies have analyzed the impacts of NAL programs, as mentioned above.

If this request is not funded the NAL would be at risk. If the NAL program costs are not excluded from the (M) headnote, the Department would be prohibited from using any General Fund to fund

the NAL and the program would have to be discontinued. Analysis of the NAL utilization supports the conclusion that without the teletriage offered by the NAL, emergency room and urgent care utilization would increase. Further, member's health outcomes would be at greater risk if the NAL is not available to upgrade certain cases where a member is unaware of the potential seriousness of the condition.

Anticipated Outcomes:

Approval of this request would allow the Department to continue the Nurse Advice Line. 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.

Additional considerations and ancillary benefits provided by the NAL are its availability to assist new members who have not selected or developed provider relationships, assisting primary care medical providers who do not have infrastructure for 24/7 access for members, and receiving calls that would otherwise go to the Department's customer service center. The RAEs also rely on the NAL to serve their members as the RAEs themselves are not required to offer any sort of teletriage.

Continuation of the NAL strongly supports two of the Governor's wildly important goals (WIGs):

- *WIG #1 – Care Access and Customer Service:* The Department expects the continuation of the NAL would deliver improved health care coverage, service and access supports to Coloradans especially during this economic downturn amid the pandemic.
- *WIG #2 – Medicaid Cost Control:* The Department expects 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

Further, the NAL would encompasses 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

An effective NAL is a critical touchpoint of member customer service that serves the Department as a progressive and efficient business practice striving to direct members toward the right services for the right people at the right price.

The Department is continuing discussions with CMS in the hope that a favorable resolution can be reached to restore that ability to obtain federal matching funds for the NAL.

Assumptions and Calculations:

Detailed assumptions and calculations are provided in Appendix A.

Tables 1.1, 1.2 and 1.3 show a summary by line item and tables 2.1, 2.2 and 2.3 show a summary by initiative for this request for each fiscal year.

Table 3 shows the calculation of the amount to be returned to CMS that settles the issue of prior year claiming of federal match for NAL services.

Tables 4.1 and 4.2 show the calculation of the incremental costs to maintain the NAL services in FY 2020-21. This presumes that part of the funds needed to backfill the loss of federal match would be absorbed by restructuring and renegotiating the NAL and other contracts funded within the existing appropriation, but those are temporary solutions that cannot be sustained in FY 2021-22 and ongoing.

Tables 5.1 and 5.2 show the calculation to continue the NAL in FY 2021-22 and ongoing. The fund splits of the incremental costs reflect the necessity to rebalance the State share against the federal funds based on recent direction by CMS that compels the Department to assume 0% FFP on the required budget amount (table 5.1 row B) instead of the enhanced 75% FFP of the existing budget (table 5.1 row A). Table 5.2 shows the spending authority for the line item from which the NAL services are paid, including the FY 2021-22 base budget and incremental impact of the budget request.

The Department is continuing discussions with CMS to pursue the possibility of a federal match for the NAL. If CMS determines that FFP is available, the Department would seek a funding adjustment through the normal budget process.

R-7 Nurse Advice Line
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2020-21									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office, (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$966,896	0.0	\$1,117,028	\$0	\$0	(\$150,132)	NA	Table 2.1, Row C
B	Total Request	\$966,896	0.0	\$1,117,028	\$0	\$0	(\$150,132)	NA	Row A

Table 1.2 Summary by Line Item FY 2021-22									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds ¹	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office, (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$0	0.0	\$898,265	(\$88,166)	\$0	(\$810,099)	NA	Table 2.2, Row A
B	Total Request	\$0	0.0	\$898,265	(\$88,166)	\$0	(\$810,099)	NA	Row A

¹ Cash funds are from the Healthcare Affordability and Sustainability Fee Cash Fund.

Table 1.3 Summary by Line Item FY 2022-23									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds ¹	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office, (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$0	0.0	\$898,265	(\$88,166)	\$0	(\$810,099)	NA	Table 2.3, Row A
B	Total Request	\$0	0.0	\$898,265	(\$88,166)	\$0	(\$810,099)	NA	Row A

¹ Cash funds are from the Healthcare Affordability and Sustainability Fee Cash Fund.

R-7 Nurse Advice Line
Appendix A: Assumptions and Calculations

Table 2.1									
Summary by Initiative									
FY 2020-21									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Federal Funds Reimbursement to CMS	\$966,896	0.0	\$966,896	\$0	\$0	\$0	NA	Table 3, Row R
B	Partial Federal Funds Backfill	\$0	0.0	\$150,132	\$0	\$0	(\$150,132)	NA	Table 4.1 Row B
C	Total	\$966,896	0.0	\$1,117,028	\$0	\$0	(\$150,132)	NA	Row A + Row B

Table 2.2									
Summary by Initiative									
FY 2021-22 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Federal Funds Backfill to Continue NAL	\$0	0.0	\$898,265	(\$88,166)	\$0	(\$810,099)	NA	Table 5.1 Row C

Table 2.3									
Summary by Initiative									
FY 2022-23									
Row	Item	Total Funds	FTE	General Fund	HAS Fee CF	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Federal Funds Backfill to Continue NAL	\$0	0.0	\$898,265	(\$88,166)	\$0	(\$810,099)	NA	Table 5.1 Row C

R-7 Nurse Advice Line
Appendix A: Assumptions and Calculations

Table 3
CMS Deferral - Nurse Advice Line
FY 2020-21

Row	Invoice #	Invoice Date	Invoice Period	CMS-64 QTR	Services	Invoice Amount	Fed Share Claimed (75%)	Source
A	92078	4/26/2019	03/1/19 - 03/31/19	4Q19	Nurse Advice Line Base	\$85,321	\$63,991	Department Report Approved by CMS, September 9, 2020
B	92080	5/20/2019	04/1/19 - 04/30/19	4Q19	Nurse Advice Line Base	\$85,321	\$63,991	
C	92095	6/17/2019	05/1/19 - 05/31/19	4Q19	Nurse Advice Line Base	\$85,321	\$63,991	
D	92097	7/11/2019	06/1/19 - 06/30/19	4Q19	Nurse Advice Line Base	\$85,321	\$63,991	
E	92097R	8/19/2019	06/01/19 - 06/30/19	1Q20	Nurse Advice Line Base	\$85,321	\$63,991	
F	95008	8/19/2019	07/01/19 - 07/31/19	1Q20	Nurse Advice Line Base	\$90,011	\$67,508	
G	95019	9/24/2019	08/01/19 - 08/31/19	1Q20	Nurse Advice Line Base	\$90,011	\$67,508	
H	92029	10/18/2019	09/01/19 - 09/30/19	2Q20	Nurse Advice Line Base	\$85,321	\$63,991	
I	95036	11/18/2019	10/01/19 - 10/31/19	2Q20	Nurse Advice Line Base	\$85,321	\$63,991	
J	95044	12/18/2019	11/01/19 - 11/30/19	2Q20	Nurse Advice Line Base	\$85,321	\$63,991	
K	95051	1/15/2020	12/01/19 - 12/31/19	2Q20	Nurse Advice Line Base	\$85,321	\$63,991	
L	95068	3/18/2020	02/01/20 - 02/28/20	2Q20	Nurse Advice Line Base	\$85,321	\$63,991	
M	Reverse out Invoice 92097			2Q20	Nurse Advice Line Base	(\$85,321)	(\$63,991)	
N	95061	2/14/2020	01/01/20 - 01/31/20	3Q20	Nurse Advice Line Base	\$85,321	\$63,991	
O	95075	4/16/2020	03/01/20 - 03/31/20	3Q20	Nurse Advice Line Base	\$85,321	\$63,991	
P	95080	5/15/2020	04/01/20 - 04/30/20	3Q20	Nurse Advice Line Base	\$85,321	\$63,991	
Q	95085	6/15/2020	05/01/20 - 05/31/20	3Q20	Nurse Advice Line Base	\$85,321	\$63,991	
R	Total						\$966,896	Sum of Row A to Row Q

R-7 Nurse Advice Line
Appendix A: Assumptions and Calculations

Table 4.1 - FY 2020-21 Nurse Advice Line Incremental Amount Requested							
Row	Description	Total Funds	General Fund	HAS Fee Cash Fund	Federal Funds	FFP Rate	Source
<i>Nurse Advice Line Continuation</i>							
A	Partial Federal Funds Backfill	\$0	\$150,132	\$0	(\$150,132)	NA	General Fund Required To Maintain Current Level of Nurse Advice Line Services
B	Incremental Request	\$0	\$150,132	\$0	(\$150,132)	NA	

Table 4.2 - Nurse Advice Line Line Item Build FY 2020-21							
Row	Description	Total Funds	General Fund	HAS Fee Cash Fund	Federal Funds	FFP Rate	Source
<i>(I) Executive Director's Office, (E) Utilization and Quality Review Contracts, Professional Services Contracts</i>							
A	Base Budget	\$24,377,498	\$6,182,153	\$1,592,103	\$16,603,242	68.11%	FY 2020-21 Long Bill (HB 20-1360)
B	Federal Funds Backfill	\$0	\$150,132	\$0	(\$150,132)	0.00%	Table 4.1, Row C
C	Requested Spending Authority	\$24,377,498	\$6,332,285	\$1,592,103	\$16,453,110	67.49%	Row A + Row B

Table 5.1 - Nurse Advice Line Incremental Amount Requested FY 2021-22 and Ongoing							
Row	Description	Total Funds	General Fund	HAS Fee Cash Fund	Federal Funds	FFP Rate	Source
<i>Nurse Advice Line Continuation</i>							
A	FY 2019-20 NAL Budget at 75% FFP	\$1,080,132	\$181,867	\$88,166	\$810,099	75.00%	Department Spending Plan for Professional Services line item
B	Nurse Advice Line Program at 0% FFP	\$1,080,132	\$1,080,132	\$0	\$0	0.00%	Contract with Denver Health for minimum level of services; \$77,500 per month
C	Incremental Request	\$0	\$898,265	(\$88,166)	(\$810,099)	NA	Row B - Row A

Table 5.2 - Nurse Advice Line Line Item Build FY 2021-22 and Ongoing							
Row	Description	Total Funds	General Fund	HAS Fee Cash Fund	Federal Funds	FFP Rate	Source
<i>(I) Executive Director's Office, (E) Utilization and Quality Review Contracts, Professional Services Contracts</i>							
A	Base Budget	\$24,377,498	\$6,182,153	\$1,592,103	\$16,603,242	68.11%	FY 2020-21 Long Bill (HB 20-1360)
B	FY 2021-22 R-7 Nurse Advice Line Continuation Budget Request	\$0	\$898,265	(\$88,166)	(\$810,099)	0.00%	Table 4.1, Row C
C	Requested Spending Authority	\$24,377,498	\$7,080,418	\$1,503,937	\$15,793,143	64.79%	Row A + Row B