CHASE Board

February 25, 2025

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Department of Health Care Policy & Financing

CHASE
Colorado Healthcare Affordability and Sustainability Enterprise

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.

CHASE Workgroup Update

Approach and Timeline

December 2024	January - March 2025	April - May 2025	June 2025
Prepare for success	**Develop, evaluate, & refine scenarios**	**Draft proposal**	**Finalize submission**
• 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	• 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	• 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	• 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 Submission Due 7/1/25

Emerging Consensus (1 of 2)

Dimension	Emerging Consensus
Overall Methodology	• Revise existing UPL supplemental payments to simplify payment calcs and tie to utilization • Simplify to the degree possible, but this is a secondary goal
Services	Include both inpatient and outpatient services
Hospital Types	Include general, acute care and Critical Access Hospitals, and psychiatric hospitals
Funding Sources	• Assume that an IGT is a permissible funding source; will not trigger TABOR • Replace some federal DSH funds with additional safety net hospital reimbursement
Funding Priorities	• Preserve funding to Critical Access Hospitals • Support hospitals with high volume of Medicaid care (i.e., safety net)

Emerging Consensus (2 of 2)

Dimension	Emerging Consensus
Average Commercial Rate Data Source	Utilize Medicare Hospital Cost Reports as the base data
Average Commercial Rate Calculation	• Recommended using the Payment-to-Cost Ratio method last meeting • Pages available in Appendix if additional discussion is required
Payment Design	• Recommended Uniform Dollar or Percentage Increase method per 42 C.F.R. § 438.6(c)(1)(iii)(C) last meeting because a value-based payment is not practical within the WG's timetable • Pages available in Appendix if additional discussion is required

Confirmed last meeting

Confirm consensus

CHASE Workgroup

- Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) State Directed Payment Program Workgroup | Department of Health Care Policy and Financing
- HCPF_CHASE_SDP@state.co.us

Proposed DSH Qualification Requirements

Disproportionate Share Hospital (DSH) Payments

- HB 24-1399 sunsets the Colorado Indigent Care Program (CICP) effective July 1, 2025
- CICP hospitals to qualified to receive DSH payments
- Proposed DSH requirements developed

States MUST make DSH payments to qualified hospitals with

- Medicaid inpatient utilization at least one standard deviation above the mean, OR
- Low-income inpatient utilization above 25%

States also have broad flexibility in both determining which hospitals receive DSH payments and in how the payments are calculated

- If the hospital has at least 1% Medicaid inpatient utilization rate, AND
- Two obstetricians who treat Medicaid members (or meet exceptions)

Current DSH Requirements

- DSH payments totaled $257 million in most recent year funded with CHASE hospital provider fee and federal funds
- Under current rules, to qualify for a DSH payment a Colorado hospital must meet the federal minimum requirements AND
  - Participate in the Colorado Indigent Care Program (CICP), OR
  - Be a Critical Access Hospital, OR
  - Be a hospital that must receive DSH payments under federal law, i.e., a Medicaid inpatient utilization at least one standard deviation above the mean or a low-income inpatient utilization rate greater than 25%

Proposed DSH Requirements

Proposal	Compared to Current Policy	Partner Feedback	HCPF Suggested Change from Proposal, if any
Meet federal minimum requirements AND	Same		
Have an approved charity care program, OR	Replaces "participate in CICP"		
Be a Critical Access Hospital or Sole Community Hospital located in a rural county, OR	Added Sole Community Hospital in rural county	(CCHI and CCLP) Require Critical Access and Sole Community Hospitals to also have an approved charity care program	Recommend keep current proposal which is the same as status quo. Revisit in next year's rulemaking
Be a hospital that MUST receive DSH payments under federal law, i.e., a Medicaid utilization at least one standard deviation above the mean or a low-income inpatient utilization greater than 25%	Same		

Proposed DSH Requirements

Proposal	Compared to Current Policy	Partner Feedback	HCPF Suggested Change from Proposal, if any
Charity care program must include:			
Discounted hospital services for uninsured patients with incomes up to and including 250% of the federal poverty guideline	Same as CICP		
A sliding fee scale with a tiered copayment system with at least three tiers ● Highest copayment tier below the rates established for Hospital Discounted Care. ● Only patient's income and the number of members in the patient's family unit determine income ● Co-payment good for at least one year from the date of income determination ● Payment plans allowed and not exceed the amount and duration established in Hospital Discounted Care	● Hospital sliding fee scale replacing CICP copayment schedule ● Others points same as CICP	(CHA) Allow use of existing CICP copayment schedule	Support and suggest change to allow use of existing CICP copayment schedule or hospital's sliding fee schedule.

Proposed DSH Requirements

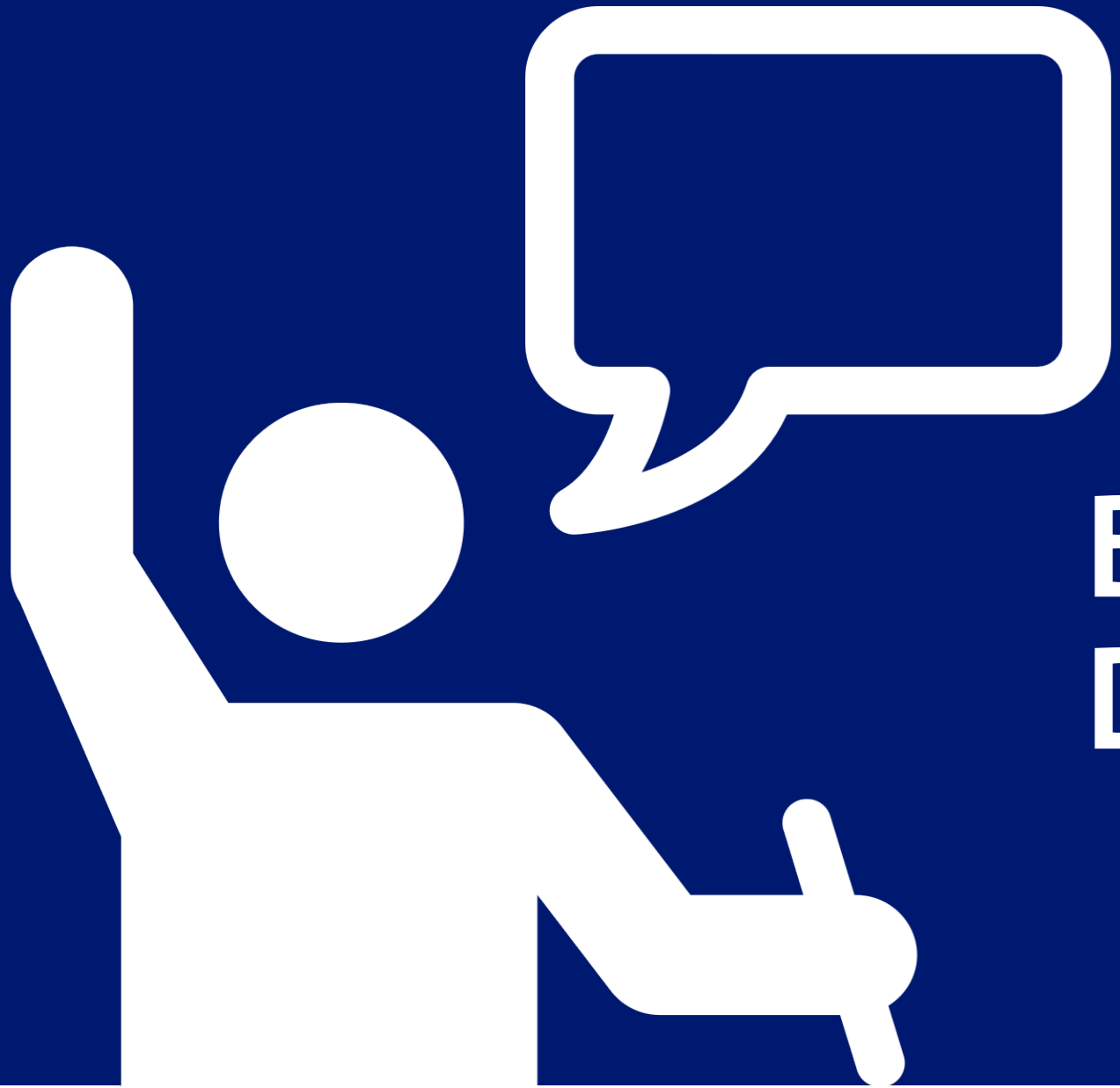
Proposal	Compared to Current Policy	Partner Feedback	HCPF Suggested Change from Proposal, if any
Charity care program must include (cont'd):			
Must include at a minimum: emergency department visits, inpatient stays, laboratory services, imaging services, and hospital dispensed pharmaceuticals.	CICP requires emergency department only	(CCLP) support these minimum services (CCHI) add general outpatient services (CHA) significant concerns about expanding minimum services at this time	Suggest revisit expanding the minimum services after the Directed Payment Program work. At that time, consider adjusting DSH policy so those hospitals with more services at the discount are favored in the DSH formula.
A policy exempting patient debt from any permissible collection action for those who qualify for the hospital's charity care program.	New policy. Current Hospital Discounted Care requires at least 6 months before collection actions (screening / payment plan must be offered)	(CCLP, CHA, CHP) Supportive of policy but rulemaking should clarify applies to patients who qualify for hospital's charity care or were not offered screening	Support and agree to clarify in rules

Proposed DSH Requirements

Additional Partner Feedback	HCPF Suggested Change from Proposal, if any
(CCLP) Language access requirements for charity care programs should be identified in rules that implement the new policy, for both Limited English Proficient patients and patients with disabilities.	Support and suggest we clarify in rules. This is consistent with Hospital Discounted Care requirements.
(CCLP) Clarify the process for hospitals to obtain approval for their charity care programs. Approval processes should include ascertaining that programs meet requirements regarding tiers and income requirements, and should also include consideration of the screening and application process, and how information about the program is posted.	Support and suggest we clarify in rules and/or policy.

Proposed DSH Requirements

- Feedback
  - Via email to hcpf_CICPCorrespondence@state.co.us
  - ~~January 13th at 11 am: Hospital Discounted Care stakeholder meeting~~
  - ~~January 27th at 1 pm: CICP Stakeholder Advisory Council meeting~~
  - February 25th at 3 pm: Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Board
  - March 24th at 9 am: Medical Services Board Public Rule Review Meeting
- Next steps
  - Medical Services Board initial hearing April 11
  - Medical Services Board final hearing May 9



Board Discussion