



# CHASE

Colorado Healthcare Affordability and  
Sustainability Enterprise

## CHASE Initiatives Workgroup Meeting Notes

February 12, 2025

12:00pm- 1:30pm

[CHASE Workgroup Meeting 5 Slides](#)  
[Meeting Recording](#)

### Decisions:

- **Average Commercial Rate calculation** will rely on the Payment-to-Cost Ratio method
- **Payment Design** will be based on a uniform dollar or percentage increase
- **Adopt an additional ground rule: 6. Pursue Consensus** - workgroup members will explore options, seek to understand different points of view, and seek compromise so that recommendations represent a broad consensus consistent with the work group's purpose.
- **Continue meeting as a workgroup**

### Open Questions:

- Group: Should we pursue separate payment terms in the near term (~3 years) AND advise the CHASE Board to continue evolution discussions to accommodate known changes (e.g., separate payment terms and post-payment reconciliation on actual utilization)?
- Group: What is Colorado's appetite for pursuing a short-term opportunity knowing that we will need to adjust the program as available options disappear? **Kim Jackson and Annie Lee:** Is there a way to build flexibility in to our proposal now (to accommodate potential future changes) vs. being forced into certain decisions to accommodate the July 1 deadline?
- Group: How willing are we to pursue a design that may be rejected by CMS?
- Group: What actions can we take to minimize general fund risk now and in the future?
- Group: What if the other portions of the CHASE model have some unanticipated trends such as changes to the caseload or utilization in the expansion populations, decreased net patient revenue, etc.? **Kim Jackson:** How can we protect some of the most vulnerable stakeholders as much as we're able to with our current tools?



## Notes:

### 1. Introductions and Recap

- a. Workgroup members (*regrets with strikethrough*)
  - i. Alison Sbrana, Consumer
  - ii. Annie Lee, President & CEO, Colorado Access
  - iii. ~~Emily King, Senior Policy Advisor/Deputy Director of the Office of Saving People Money on Health Care, Governor's Office~~
  - iv. Josh Block, Deputy Chief Financial Officer, HCPF
  - v. Dr. Kimberley Jackson, CHASE Board Vice President
  - vi. Nancy Dolson, Special Financing Division Director, HCPF
  - vii. Shauna Lorenz, Partner, Gjerset & Lorenz LLP
  - viii. Tom Rennell, Senior Vice President Financial Policy and Data Analytics, CHA
- b. Additional attendees:
  - i. Melissa Eddleman, HCPF
  - ii. Jeff Wittreich, HCPF
  - iii. Shay Lyon, HCPF
  - iv. Matt Reidy, Public Consulting Group
  - v. Scott Humpert, Public Consulting Group
  - vi. Mary Goddeeris, Health Management Associates
  - vii. Bethany Pray, Colorado Center on Law and Policy
    - i. Jacki Cooper Melmed, Chief Legal Officer, UCHealth
    - ii. Greg Boyle, UCHealth
    - iii. Rae True UCHealth
    - iv. Jon Stall, LS Point
    - v. Jason Durrett, Adelanto HealthCare Ventures
    - vi. Jamie Whitney, Unknown organization
- b. GPS recapped ground rules, caveats, emerging consensus, open questions, and an approach for working together (slides 6-13)
  - i. *Discussion:*
    - 1. Average Commercial Rate calculation proposal: Payment-to-Cost Ratio method
      - **Decision: Proceed with using this methodology**
    - 2. Payment Design proposal: Adopt uniform dollar or percentage increase
      - **Decision: Proceed with using this methodology**
  - ii. AS: CHASE Board should reevaluate and examine best options for the long term, but these approaches are reasonable given



the current time frame. AL: Agree that it would be helpful to reflect a longer term view. Also have general concern about a timeline that forces us to do things a certain way.

- iii. **Proposed ground rule addition: 6. Pursue Consensus** - workgroup members will explore options, seek to understand different points of view, and seek compromise so that recommendations represent a broad consensus consistent with the work group's purpose.
  - **Decision: Agree**

## 2. Model Update Requirements

- a. Nancy Dolson (HCPF) and Scott Humpert (PCG) reviewed components of model development and current status (slide 15), including an update on the = initial average commercial rate (ACR) calculation.
  - i. *Discussion:*
    1. AS: Is one of our motivations to review this as a workgroup to understand if CMS will accept the approach to calculating ACR? ND: Yes, and also to make sure the workgroup is aware of the progress toward developing other critical elements of the SDP program (e.g., overall size of the pie).

## 3. Evolution of CHASE

- a. The workgroup discussed regulatory requirements, recent preprint approvals, and questions for consideration (slides 17-20):
  - i. *Discussion:*
    1. AS: Are renewals annual, typically? MR: This regulation is new and requires an evaluation every three years. The SDP preprint is submitted annually.
    2. What is Colorado's appetite for pursuing a short-term opportunity knowing that we will need to adjust the program as available options disappear?
    3. How willing are we to pursue a design that may be rejected by CMS?
    4. What actions can we take to minimize general fund risk now and in the future?
    5. What if the other portions of the CHASE model have some unanticipated trends such as changes to the caseload or



utilization in the expansion populations, decreased net patient revenue, etc.?

- b. Proposal: Pursue separate payment terms in the near term (~3 years) AND advise the CHASE Board to continue evolution discussions to accommodate known changes (e.g., separate payment terms and post-payment reconciliation on actual utilization). **Confirm next meeting.**
- c. Revised Proposal: Continue working toward SDP now (versus working on a longer timeline with additional approaches)
  - i. **Decision: 5 Yes, 1 No, 1 Undecided**
  - ii. *Discussion:*
    1. AS: is the assumption that not going with a separate payment term approach would blow up the timeline? ND: Yes, a value-based model would likely take longer than our timeline allows
    2. KJ: With the amount of uncertainty, is there a way we can build flexibility and guardrails into our proposal now to accommodate potential changes (that could come quickly), e.g., impacts to expansion population?
    3. TR: Some of these proposed changes (federal) are overwhelming, with potentially sizable impacts. To Dr. Jackson's question: we have guiding principles for the CHASE enterprise and we want to have those top of mind as we go through this process. Fees could be limited or funding match rates could be impacted by changes at the federal level. Those funds make supplemental payments to hospitals, provide services for expansion populations, and cover administrative costs (three main goals of the CHASE program). One thing I try to remain focused on is that the SDP might be another tool in our toolkit (i.e., financing mechanisms) in supporting those three goals. We will learn more before the SDP gets filed closer to the summer.
    4. AL: We don't know the whole world of possibilities, but one that is being discussed is removing the FMAP floor. This has wide-reaching and devastating impacts on our state. What room is there to make decisions, what flexibility is there, actually vs. what decisions are we forced to make based on a timeline?
    5. TR: I'm hearing that we are sacrificing things because we are trying to move on a fast timeline. I would encourage us to think about what the CHASE enterprise is set out to do. I do not feel like we are sacrificing decisions to meet the



timeline but acknowledge that others do feel this way. While we have options available to us, many of these programs (SDP) are standardized.

6. KJ: I don't know all the reasons why we are moving as quickly as we are. I worked with many rural hospitals and know that they operate on a very thin margin and any change can have significant results. Maybe that's one reason we are moving quickly. With changes headed our way, we could come up with a plan that does not get approved. A guardrail that I'm thinking about it how to minimize negative impact to expansion populations. Amongst consumers, this can mean life or death. **Key questions:** is this timeline really appropriate, given all we don't know? How can we protect some of the most vulnerable stakeholders as much as we're able to with our current tools? Is there a way to build in flexibility to our proposal now, or do we need to come to an agreement that we can't get to agreement by July 1?
7. MG: Part of the reason to move quickly is to get some benefit - even for one year - while it is still available. These programs require annual approval. Does not mean we have to change everything, but we CAN. There is more flexibility in a program like this than others (e.g., fee for service). Additionally, rushing through a value-based payment does not set it up for success. Even if we set up a VBP by July 1, funds wouldn't flow until at least 6 months later. So, states find it helpful to set up a separate payment term program that gets funding flowing more quickly, build up funds to address quality measures, and then adjust and move toward a risk-based program year over year.
8. SL: Agree with what Mary said about the annual renewal process that allows the workgroup to revisit methodology and approaches. The opportunity is to bring more funding to the hospitals. The more money there is in the state, there are more funds to shield rural hospitals. The overall federal changes, we don't know when we'll get those answers. When we submit the preprint next year for renewal, we'll have more answers. One thing that is being considered is a block grant that is negotiated starting with the state's current funding level. The SDP is poised to increase the current funding level and improve the negotiating position. This is also another reason to move sooner than later.



9. JB: It is tough to navigate a space when we are facing massive deficits and looming threats to Medicaid. Some of the proposals out there are such game changers. There's an interesting tension between the solutions we are considering. One method is to follow status quo (no terms and conditions for the funds flowing to hospitals). Another is to move toward complex terms and solutions. There are drawbacks with both. Trying to find a balance between addressing complex financial realities and improving the state's public health and functionally improving the lives of Medicaid members. We should prioritize quality. Possibility that CMS rejects the proposal under current terms is not insignificant which means we could lose another year. This creates a level of risk that if we are on the wrong side, we will have lost another year. I don't know if that is consistent with the goals of the workgroup.
10. AS: I recognize the timeline we are on and am willing to make compromises where justified. However, it makes me nervous as the consumer representative that we won't have quality measures tied to this model. It would be my preference to have more quality requirements on the funds, but I hear the concerns about the timing challenges with designing a value based payment program.
11. SL: Want to make one clarification that is very technical: the *either-or* is separate payment term or build it into the capitation. The other *either-or* is value-based payment or payment based on utilization.
12. AL: It remains important to tie the increased payments with HTP and other quality programs to ensure that the value and benefits to Coloradans is coming through along with the payments.

## 4. Next Steps

- a. GPS to share meeting notes with decisions and actions.
- b. Modeling resources will begin doing their work and tap analytic support as needed.
- c. HCPF will post the next workgroup meeting on its [website](#).
- d. HCPF will post an agenda ahead of the second workgroup meeting.



**5. Next Meeting:** March 12, 2025, from 12:00-1:30pm MT. Please visit [Colorado Healthcare Affordability and Sustainability Enterprise \(CHASE\) State Directed Payment Program Workgroup](#)

## Resources

1. HCPF has created a resource bank to enable asynchronous and self-paced learning. Scroll to the bottom of the [Work Group webpage](#) and click on “Resource Bank”
2. Opportunities for independent study, feedback, and questions
  - a. Individualized support and deeper learning for workgroup-relevant topics are available upon request. Please direct requests to Laura and Greg and they will facilitate responses ([laura@governmentperformance.us](mailto:laura@governmentperformance.us) and [greg@governmentperformance.us](mailto:greg@governmentperformance.us)).
  - b. There is also a dedicated email box for this project, available to workgroup members and any other stakeholders: [HCPF\\_CHASE\\_SDP@state.co.us](mailto:HCPF_CHASE_SDP@state.co.us)
  - c. The Workgroup will have a few business days in advance of each meeting to review upcoming meeting materials
  - d. Agendas, meetings materials, and notes will be posted on the [CHASE SDP Workgroup website](#)

## Keep Up to Date with CHASE Workgroup Activities

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