

CHASE Board Meeting

October 28, 2025

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Department of Health Care Policy & Financing (HCPF)



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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.



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Thank You

- Dr. Reed - Board member since April 2020



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Agenda



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Today's Agenda

- Call to Order & Introductions
- Approve Minutes from September 2nd meeting
- General Updates
- CHASE Cash Fund
- State Directed Payments Update
- HQIP, HCAHPS, and Measure Details
- Public Comment
- Board Action: HQIP, HCAHPS, and Measure Details
- Adjourn



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General Updates



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General Updates

- The Department is currently finalizing the 2026 CHASE Annual Report and the Enterprise Transparency Report
 - Enterprise Transparency Report is a newly created report established through Senate Bill 25-270
- Draft reports will be provided to CHASE Board members in early November 2025
- The Department will present both reports at the November 2025 CHASE Board meeting



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CHASE Cash Fund



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CHASE Program	Benefits to <u>Hospitals</u>	Benefits to <u>Coloradans</u>
1. Increases reimbursement to Medicaid hospitals	Reduced uncompensated care costs	Reduced need to shift costs to other payers like commercial insurance, <u>lowering the cost of care</u> . Quality incentive payments targeting equity and outcomes
2. Funds coverage for Medicaid & CHP+ expansion members	Less uninsured = reduced uncompensated care costs	<u>Access and low cost of care</u> for low income Coloradans
3. Hospital Transformation Program (HTP)	Hospitals implement measures/interventions and improve quality to receive increased CHASE reimbursement	<u>Better outcomes</u> through care redesign and integration of care across settings



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CHASE cont.

- Colorado Healthcare Affordability and Sustainability Enterprise (CHASE)
 - A government-owned business that primarily receives its annual revenue from sources other than state and local governments
- Operates as a TABOR-exempt enterprise under Colorado law
 - Collects Health Care Affordability and Sustainability (HAS) fees without impacting the state's TABOR limits
- HAS fees are set in alignment with federal Medicaid limits, including
 - Upper Payment Limit (UPL) - cap on supplemental payments
 - Net Patient Revenue (NPR) - cap on provider fee collections



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CHASE cont. 2

- CHASE operates through an enterprise cash fund, separate from the State's General Fund
- Funded by HAS fees and federal matching funds
- General Fund dollars are not used for CHASE expenditures
- The CHASE Board established a reserve limit to ensure adequate cash flow and fiscal stability
 - The reserve ensures CHASE can cover all expenditures without obligating the State's General Fund



Cash Fund Reserve

- The reserve exists to manage timing differences in drawing down federal matching funds
- Federal matching funds are typically received and deposited about three business days after expenditures are made
- Because of this delay, the cash fund must cover expenses up front until federal matching funds are deposited
- Without adequate reserve, the CHASE cash fund could experience a temporary negative average daily balance



Cash Fund Reserve cont.

- Daily cash fund balances fluctuate due timing differences in federal fund deposits and hospital fee collections collections
- The cash fund maintains a positive average daily balance (ADB) to ensure fiscal stability and regulatory compliance
- The cash fund may experience negative daily balances, but is expected to maintain a positive monthly average daily balance (ADB)
 - The ADB is calculated as the sum of all daily balances, divided by the number of days in the month



Cash Fund Reserve cont. 2

Example August 2025 Average Daily Balance without Cash Fund Reserve						
Date	Day	Administration Payments	Expansion Payments	Supplemental Payments	Provider Fees	Running Balance
08/04/2025	Monday	\$0	-\$40,115,350	\$0	\$0	-\$39,846,757
08/05/2025	Tuesday	\$785,257	-\$8,729,877	-\$143,814,360	\$0	-\$191,605,737
08/06/2025	Wednesday	\$1,132,468	\$475,587	\$0	\$0	-\$189,997,681
08/07/2025	Thursday	\$381,128	\$40,278,050	\$0	\$0	-\$149,338,504
08/08/2025	Friday	\$0	\$401,234	\$71,907,180	\$118,690,471	\$41,660,380
08/09/2025	Saturday	\$0	\$0	\$0	\$0	\$41,660,380
08/10/2025	Sunday	\$0	\$0	\$0	\$0	\$41,660,380



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Cash Fund Reserve cont. 3

- The reserve also exists to manage differences between estimated and actual funding obligations for Medicaid expansion members
- A reserved balance of approximately 10% of the estimated funding obligation has historically been maintained to ensure adequate coverage
- Variances up to 10% between estimated and actual funding obligations are within expected ranges and have occurred in previous years
 - In FFY 24-25, the estimated funding obligation was approximately 8% lower than actuals



Cash Fund Reserve cont. 4

Medicaid Expansion Obligation	FFY 21-22	FFY 22-23	FFY 23-24
Estimate	\$441,600,000	\$487,400,000	\$501,000,000
Actual	\$438,300,000	\$499,600,000	\$540,800,000
Actual vs. Estimate (\$)	\$3,300,000	-\$12,200,000	-\$39,800,000
Actual vs. Estimate (%)	0.7%	-2.5%	-7.9%



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Approved Reserve Methodology

- A fund reserve equal to 1.5% of the total CHASE funding obligation was approved by the CHASE Board in June 2022
 - For FFY 24-25, the reserve equals \$85 million
 - *(1.5% x \$5.65 billion total FFY 24-25 CHASE funding obligation)*
- If the 1.5% reserve amount is greater than the prior year's ending fund balance, the difference is refunded to hospitals
- If the 1.5% reserve amount is less than the prior year's ending fund balance, the difference is reduced from HAS fees available for supplemental payments in the following year
- All adjustments made in accordance with CHASE Board approval



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Approved Reserve Methodology cont.

Row	CHASE Cash Fund	FFY 22-23	FFY 23-24	FFY 24-25	Calculation
A	<u>Prior Year</u> Ending Balance	\$98.5M	\$78.4M	\$155.7M	
B	Total Fund Balance	\$5,092.1M	\$5,241.4M	\$5,645.9M	
C	1.5% Threshold	\$76.4M	\$78.6M	\$84.7M	Row B * 1.5%
D	Reserve Adjustment	-\$22.1M	\$0.2M	-\$71M	Row C - Row A



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Approved Reserve Methodology cont. 2

- The Department is finalizing the final FFY 24-25 ending fund balance
- The FFY 24-25 ending fund balance is expected to align more closely with FFY 21-22 and FFY 22-23, rather than with FFY 23-24
- At a future CHASE board meeting, the Department will present the final FFY 24-25 ending fund balance, along with the FFY 25-26 cash fund limit amount, calculated using the currently established methodology



State Directed Payments Update



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SDP Updates

- The Department submitted a preprint and fee waiver to CMS in June 2025, based on proof-of-concept model
- CMS has provided initials questions, but has not issued written approval of the preprint or fee waiver
 - Federal shutdown is likely to delay approval
- The Department is also developing the FFY 25-26 model
- The Department will provide additional updates at upcoming CHASE Board meetings as further information becomes available



HQIP, HCAHPS, and Measure Details



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HQIP Agenda

- 2026 Workplace Violence Measure Introduction
- 2026 Postpartum Discharge Transition Measure Clarifications
- 2025 HCAHPS Scoring Distribution Recommendation (action item)



2026 Workplace Violence Measure Introduction



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SB25-166 Overview

- The Colorado healthcare affordability and sustainability enterprise created in section 25.5-4-402.4 (3) shall pay an additional amount based upon performance to those hospitals that provide services that improve health-care outcomes for their patients,
- INCLUDING A PERFORMANCE METRIC RELATED TO WORKPLACE VIOLENCE.



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SB25-166 Workgroup Members

- Colorado Hospital Association: **Bridget Frazier**
- Colorado Rural Health Center: **Marcy Cameron**
- One representative of a hospital: **Natalie Nicholson**
- One representative of an association representing nurses working in Colorado hospitals: **Renee Schoenbeck**
- Department of Health Care Policy and Financing: **Matt Haynes and Kami Tam Sing**
- Department of Public Health and Environment: **Elizabeth Ambriz**
- One member of the health-care industry who participates in the Colorado Medicaid program and does not represent a hospital: **April Abrahamson**
- The chair of the house of representatives health and human services committee: **Representative Kyle Brown**
- The chair of the senate health and human services committee: **Senator Kyle Mullica**



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SB25-166 Review & Timeline

- **September 2025**
 - Recommend metrics to Hospital Quality Incentive Payment Program (HQIP) subcommittee
 - Identify potential state and federal funding sources
 - Provide legislative recommendations
- **January 2026**
 - SMART Act progress report
- **July 2026**
 - HCPF shall assess all hospitals' adoption of formal policies related to workplace violence



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HQIP 2026 Measure Recommendation

- In May of 2026, Hospitals will be required to answer the following Yes/No question in the HQIP Data Collection Tool (DCT):
 - “Does the hospital have a formal WPV prevention policy in place?”
- The first year of data collection will be non-scored
- The HQIP subcommittee is currently assessing additional structural, procedural, and/or training deliverables related to Workplace Violence for implementation in HQIP 2027



2026 Postpartum Discharge Transition Measure Clarifications



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2026 PPDT Clarifications

- Outreach to CPCQC following initial PPDT measure submissions in 2025
 - Clarifications requested for Element 1, Deliverable 1a
 - Resource list requirements
 - Specialist Care examples
 - Clarifications requested for Element 8, Deliverable 8a
 - Home monitoring processes and parameters
 - [SPARK Postpartum Warning Signs Handout](#)



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2026 PPDT Clarifications cont.

Element 1, Deliverable 1a: Provide community resource list or link to relevant website. The submitted supporting documentation must include the last date of update to qualify for points.

- Resources **must** include specialist care, social driver needs, mental health supports, substance use disorder treatment.

“Specialist Care” refers to specialized support related to the maternal and postpartum population including but not limited to:

primary obstetric providers, pelvic floor physical therapy, contraception planning, support groups, home visitation programs (Nurse Family Partnership, Family Connects), doulas.



2026 PPDT Clarifications cont. 2

Element 8, Deliverable 8a: Submit materials shared with patients regarding life-threatening postpartum complications

- Materials **must** include:
- Who to contact with medical and mental health concerns, ideally stratified by severity of condition or symptoms.
- Physical and mental health needs
- Review warning signs/symptoms with patient and family, explaining the conditions that they may indicate so that the patient/family can self-advocate if seeking care from a non-obstetric provider unfamiliar with postpartum complications.
- Reinforcement of the value of outpatient postpartum visits
- Summary of birth events describing any adverse or unexpected events with the patients to help them have a better understanding of the care they received, and any specific after-care that they'll need as a result.
- For non-complicated births, summarizing the birth should focus on postpartum care plans. This includes what is in the care plan, and why it is important.
- **Home monitoring process and parameters for blood pressure and temperature including if, when and how these should be monitored, based on clinical condition (such as an existing diagnosis of hypertension or infection) and who the patient should contact if needed.**



2026 PPDT Clarifications cont. 3

Summary of Proposed 2026 Expectations

- Deliverable 1a submissions **must** include resources for specialist care, social driver needs, mental health supports, substance use disorder treatment
- Deliverable 8a submissions **must** include blood pressure and temperature monitoring processes and parameters including if, when and how these should be monitored, based on clinical condition (such as an existing diagnosis of hypertension or infection), and who the patient should contact if needed



2025 HCAHPS Scoring Distribution Recommendations



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HCAHPS Composite 5:

Communication About Medicines

2025 Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
0	0	59	19
1	60	62	19
3	63	66	14
5	67	100	16

Recommendation

The Department recommends using the calculated 2025 bounds as approved by the HQIP Subcommittee



HCAHPS Composite 6: Discharge Information

2025 Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
0	0	85	19
1	86	87	16
3	88	89	17
5	90	100	16

Recommendation

The Department recommends using the calculated 2025 bounds as approved by the HQIP Subcommittee



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HCAHPS Composite 7: Care Transition

2025 Calculated Bounds

Points	Lower Bound	Upper Bound	Count of Hospitals
0	0	50	18
1	51	53	20
3	54	58	15
5	59	100	15

Recommendation

The Department recommends using the calculated 2025 bounds as approved by the HQIP Subcommittee



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Board Discussion



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Public Comment



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Board Action



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