



colorado health institute

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WEBINAR SERIES



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Webinar basics

- How do I ask questions during the webinar?
- Recorded webinar and PowerPoint slides will be available after the webinar.
- Special thanks to our funders:



Your presenter



Michele Lueck

President/CEO

**Colorado Health
Institute**

2012 Legislation in Review

June 6, 2012



POLL: Let's Start with a Question

- How significant was this year in terms of changing health policy?
 - Super duper significant
 - Sort of significant but there have been better years
 - Neutral – nothing much changed but it could have been worse
 - Insignificant – a sleeper of a year.



Today's Discussion

- The 4 “E”s of the 2012 Session
 - **Easing** of the Budget
 - Encouraging **Experimentation**
 - Increasing **Efficiency**
 - Positioning for **Elections**
- Looking ahead



Three Take-Aways from Today

1. No blockbusters. Instead solid policy developments occurred at the margins.
2. The budget gave breathing room to Medicaid and other entitlement programs.
3. What did – and didn't happen – sets the stage for this election year.



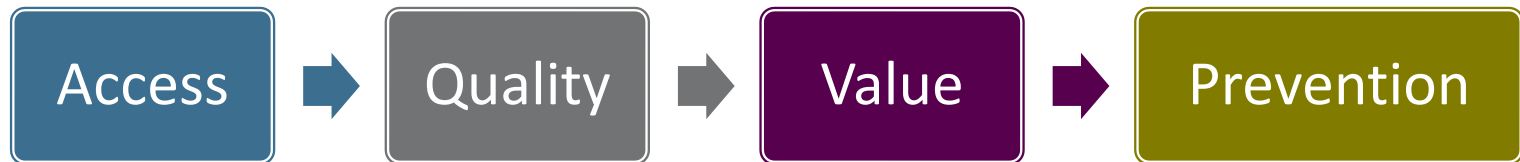


A Brief Introduction

Our Vision

CHI is a trusted and leading source of credible health information for Colorado leaders. Our insight is used to:

- Inform policy
- Contribute to effective implementation
- Support state efforts to improve health



Our Focus: Stakeholder Communities



Legislators and Policymakers:

- Reform
- Opportunities in Policy



Foundations:

- Measuring Impact
- Prioritizing grants
- Coordinating efforts



Leading Health Organizations:

- Informed policy
- Collaborative approach

Legislative Services: Goals of Program

Develop
good users of
evidence

Generate
demand for
good
information

Nurture
“outside the
silo” thinking

Use systems
approach in
policy
development





#1: Easing of the Budget

Changing Budget Projections: Good News

Projected General Fund Revenues for FY 2012-13

March 2011	December 2011	March 2012
\$7.34 billion	\$8.02 billion	\$8.19 billion

Source: Colorado Legislative Council, Economic and Revenue Forecasts

Note: Only includes medical services

Between 2011-12 and 2012-13, budgets of health departments...



+9% (\$1.86 billion)



Colorado Department
of Public Health
and Environment

+12% (\$31 million)

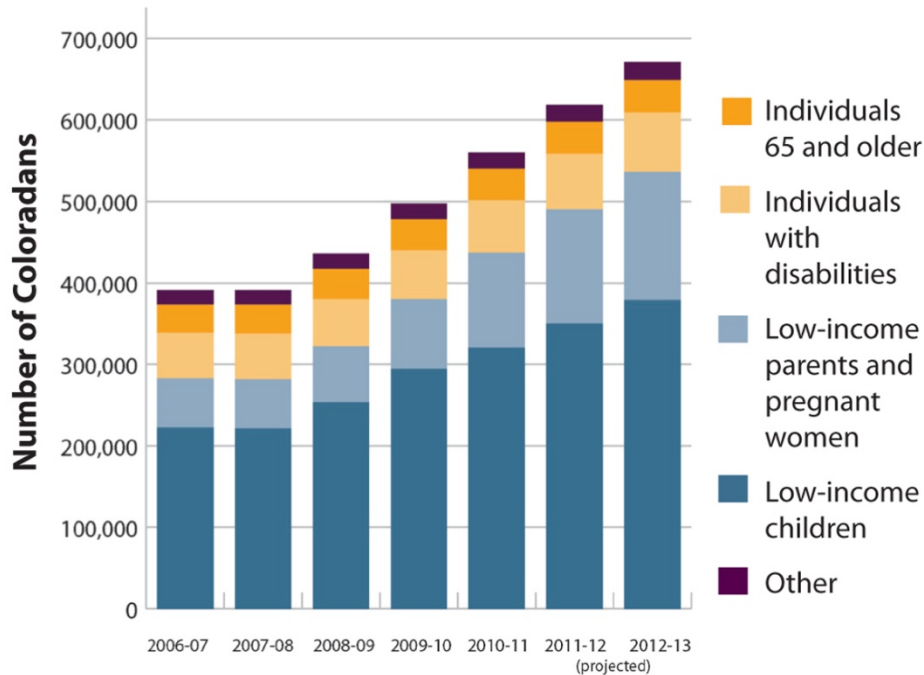


+4% (\$642 million)



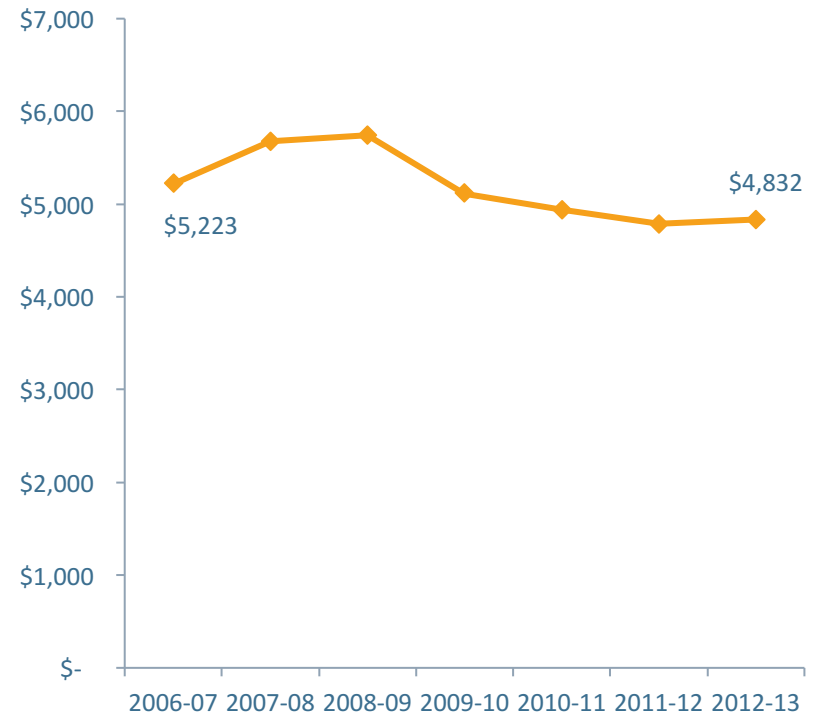
Medicaid Caseload Grows; Per-Capita Costs Flat

Medicaid Caseload, 2006-07 – 2012-13



Sources: HCPF budget request for FY2012-13

Per-Capita Costs, 2006-07 – 2012-13



Source: JBC State Budget Briefing, HCPF, December 15, 2011



Breathing Room from Higher Revenues

- No additional co-pays for Medicaid clients
- No provider reimbursement cuts
- No cuts to public health agencies
- No \$44,000 (4.5%) funding reduction for school-based health centers



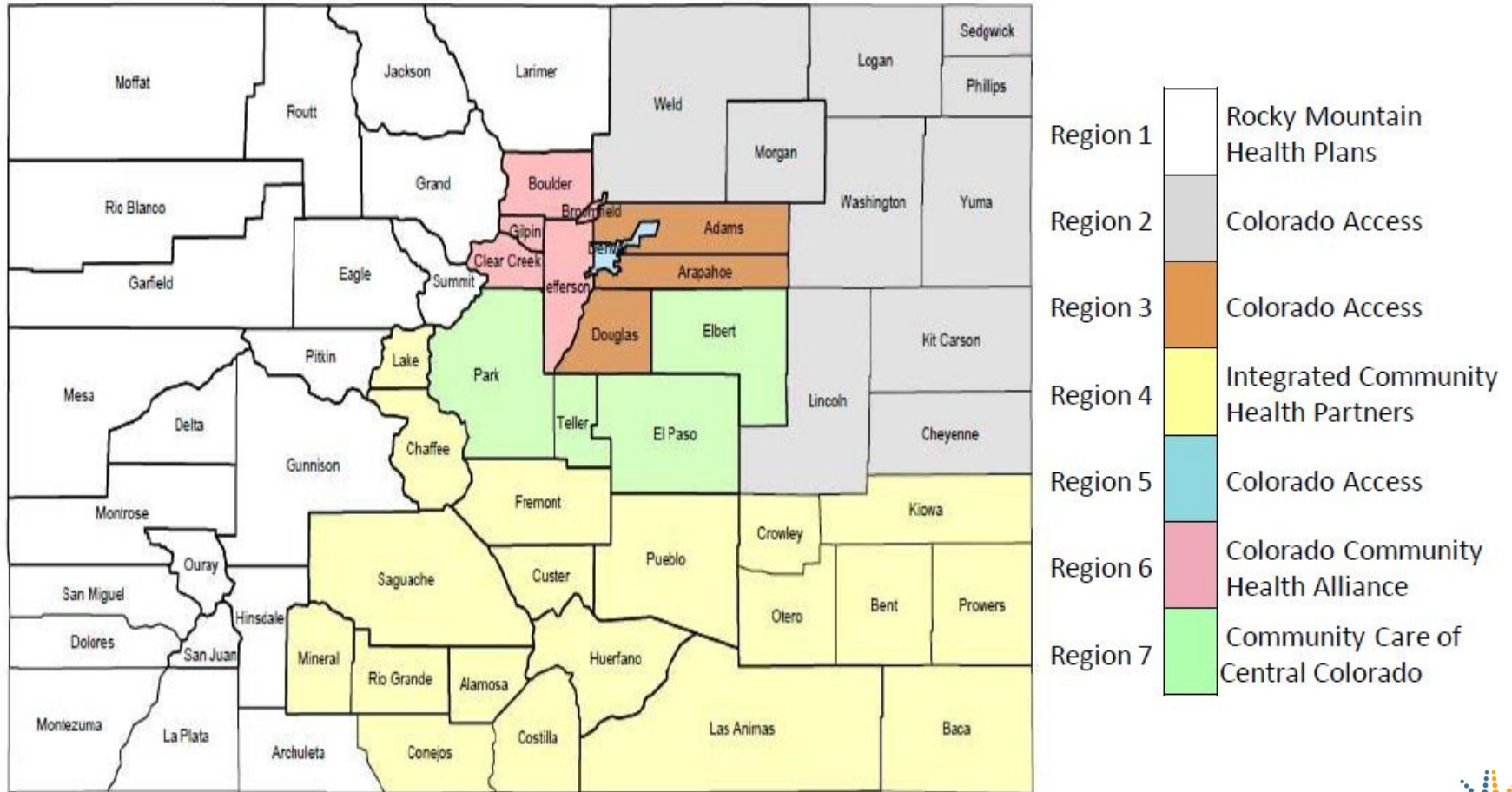
Crawford Elementary School Kids Clinic in Aurora / Brian Clark, CHI



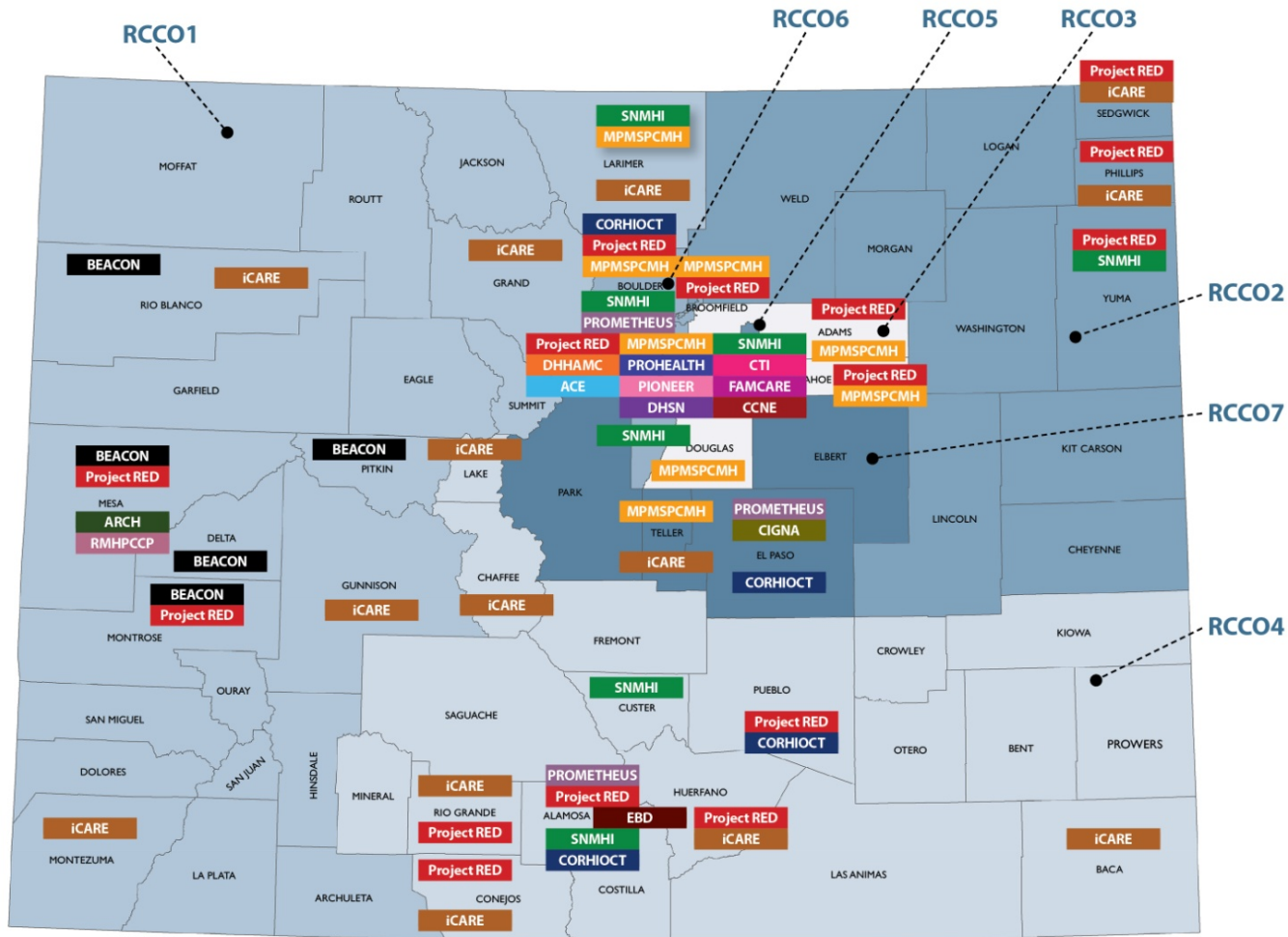


#2: Encouraging Experimentation

The ACC's Seven Regional Care Coordination Organizations (RCCOs)



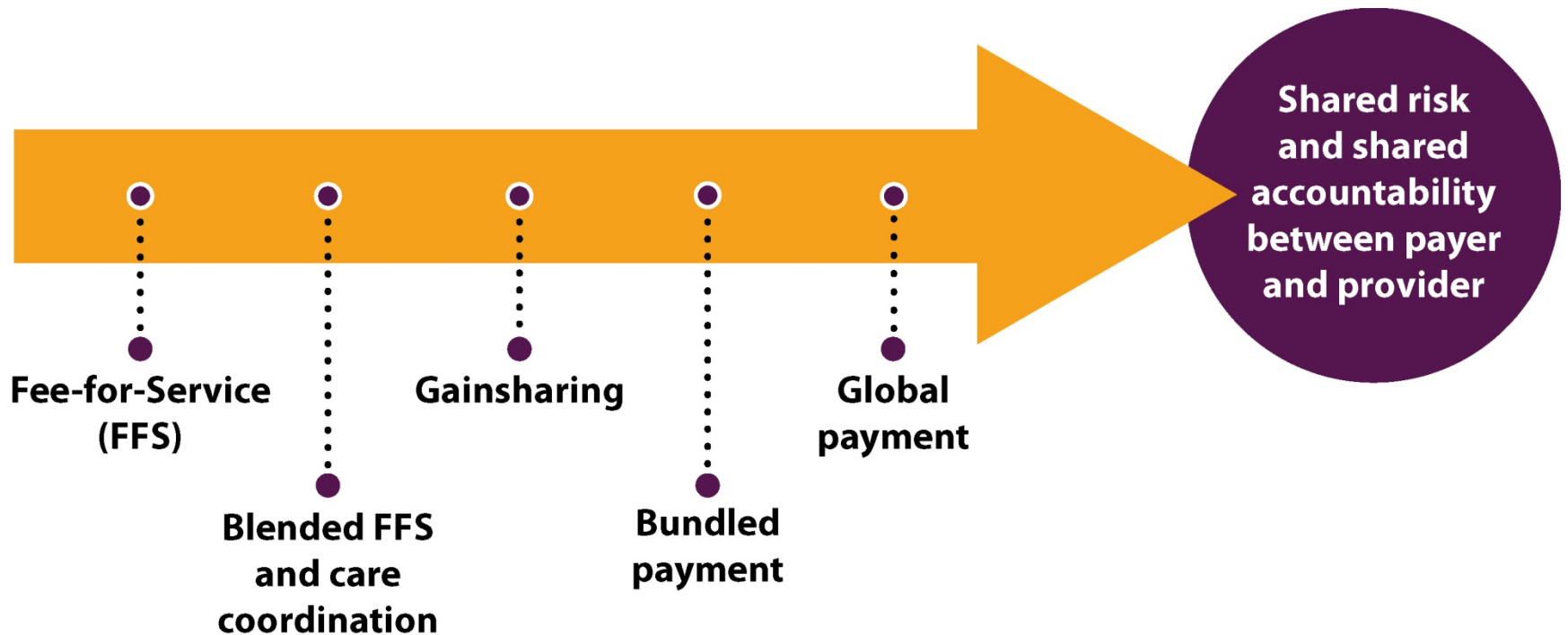
Colorado Payment Reform Initiatives



Statewide programs: ACC | ANTHEM | BLOOM | BTE | CCHAP | CCQIP | CPNTP | ICPC | PCMH | PQRS | TELEHEALTH



Continued Payment Reform



Anatomy of a Bipartisan Bill

- **HB 12-1281: The Medicaid Innovation Bill**
 - Calls for payment reform pilot projects
 - Away from fee-for-service, toward global payment
 - Built on existing ACC framework
 - Pilots evaluated after 2-3 years



Rep. Dave Young, D-Greeley,
co-sponsor of HB12-1281

Rep. Cheri Gerou, R-Evergreen,
Co-sponsor of HB12-1281



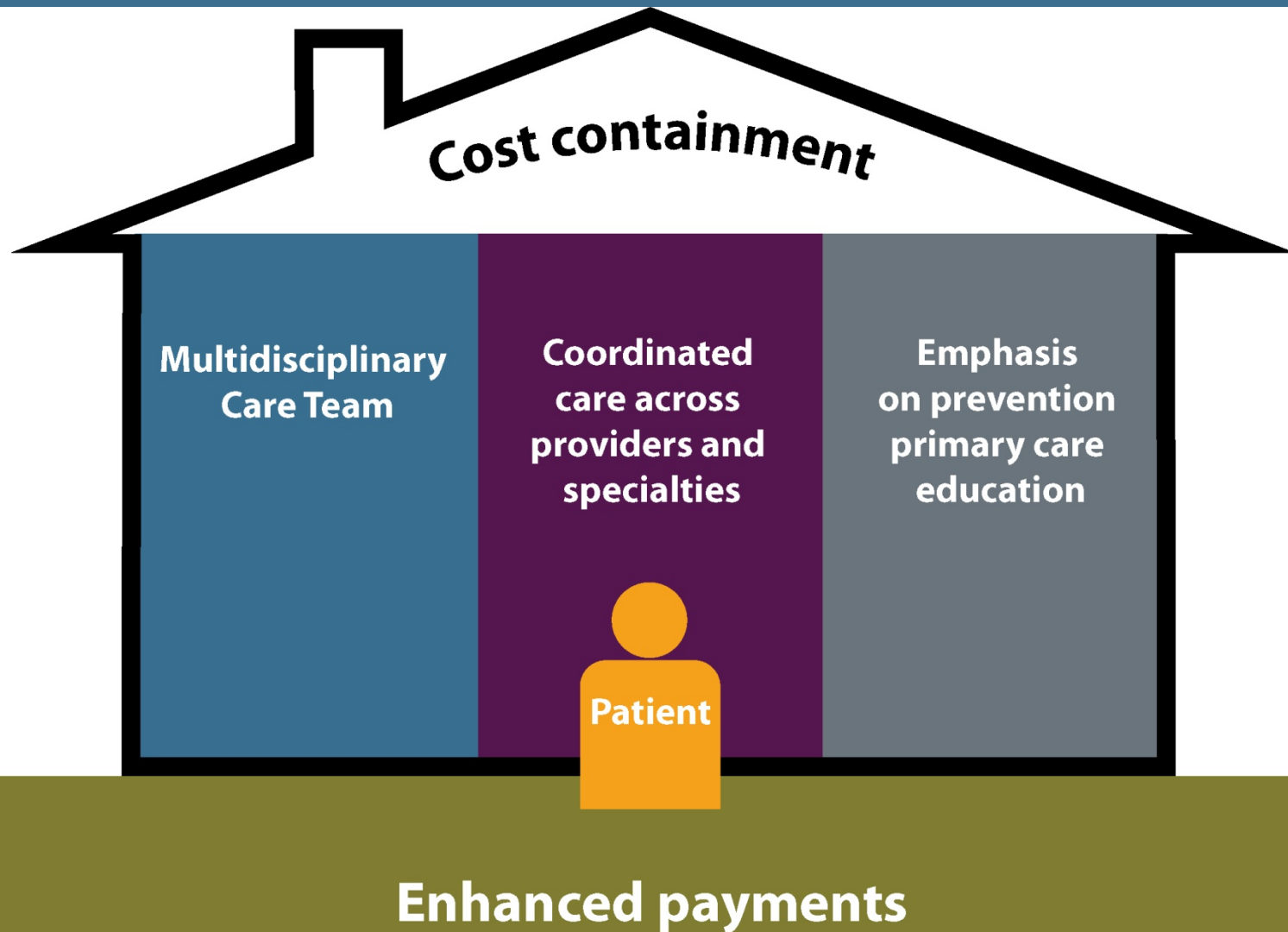
Colorado Payment Reform Initiatives

#	TOPIC	POPULATION	Patient Education	PCP Involvement	IT Data Efficiency	New Care Model (WF)	Payment Change
1	ACC/RCCO	Medicaid					
2	Low Back	Commercial					
3	CCQIP	Commercial					
4	Boomers	Workforce					
5	Beacon	Western Slope					
6	CCHAP	Kids/ MK					
7	MPMSPCMH	Commercial					
8	Care Transitions (CTI)						
9	Patient Navigator (CPNTP)	Chronic disease					
10	Project RED	Inpatients					
11	ACE Demo	Cardio IP					
12	Bridges (BTE)	Cardiac and diabetes					
13	PQRS	Physicians					
14	Prometheus	Commercial					
15	PPO Pulse	Physicians					
16	PCMH	Chronic condition					
17	Pioneer ACO	All payers					
18	Safety Net MH (SNMHI)	Vulnerable					

SOURCE: Center for Improving Value in Health Care (CIVHC), September 2011



Who is Under the Tent?



What Kinds of Experimentation Will We See in the Next Two Years?

- Global payments and/or full risk pilots?
- Bundled payments?
- Gainsharing/cost savings programs?



POLL: Who Will Lead These Efforts?

- Current RCCOs
- Integrated delivery systems
(Denver Health, Kaiser)
- Physician Groups
- Insurers
- Others



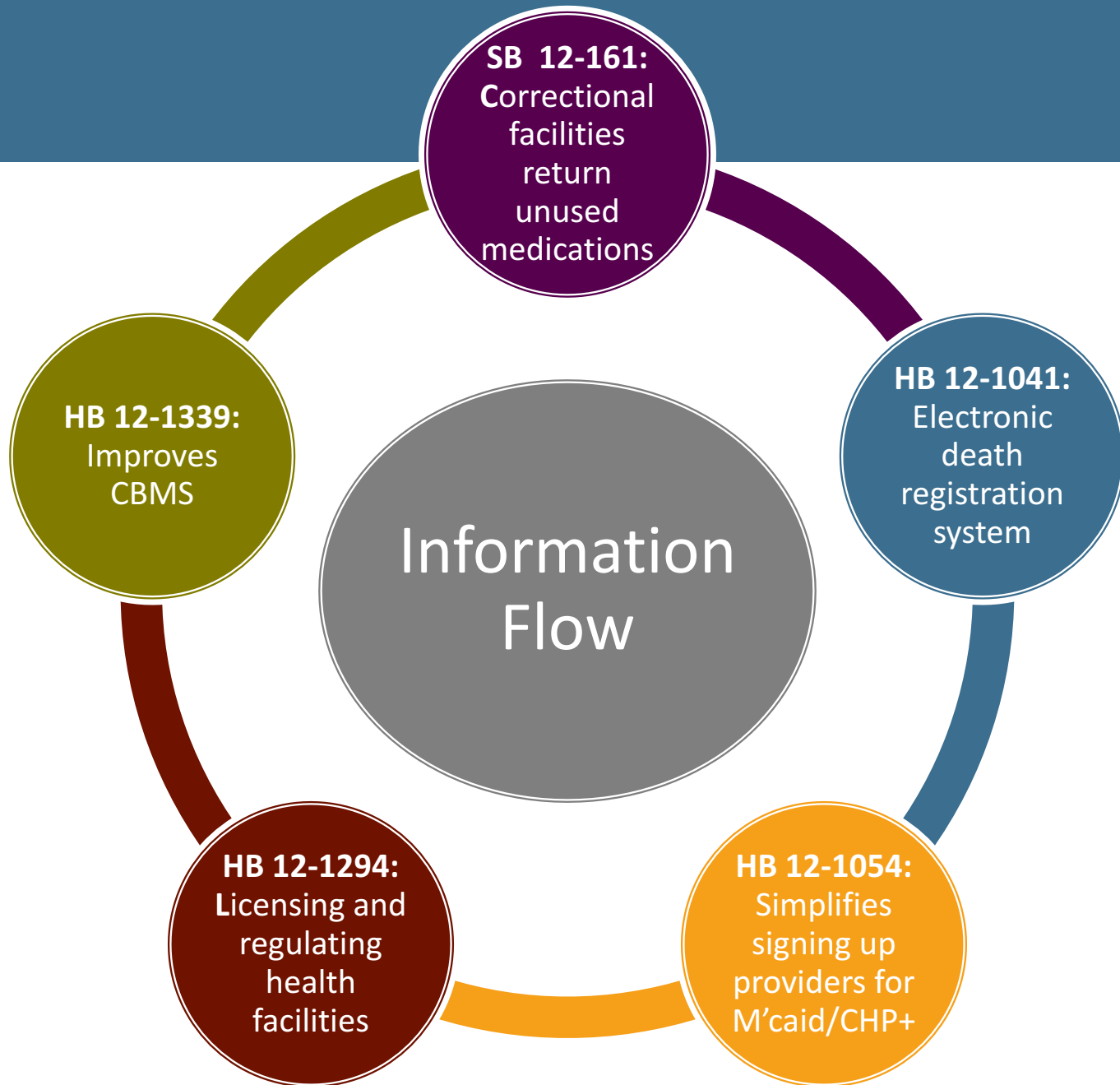


#3: Increasing Efficiency

More Efficient, Effective and Elegant

- Administrative changes
- Alignment changes
- Workforce development
- Consumer transparency





MEDICAL REPORT

THE HOT SPOTTERS

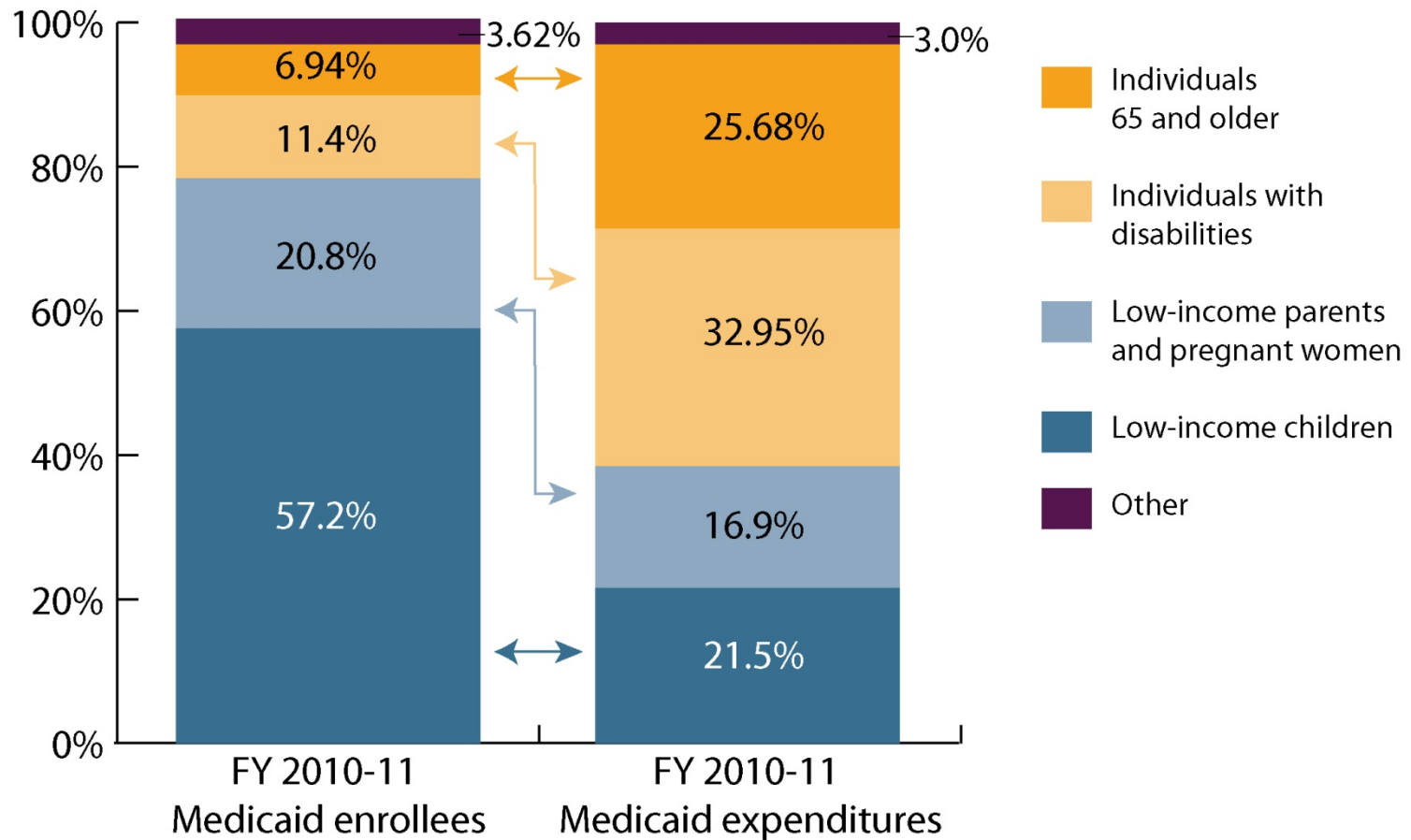
Can we lower medical costs by giving the neediest patients better care?

BY ATUL GAWANDE

JANUARY 24, 2011



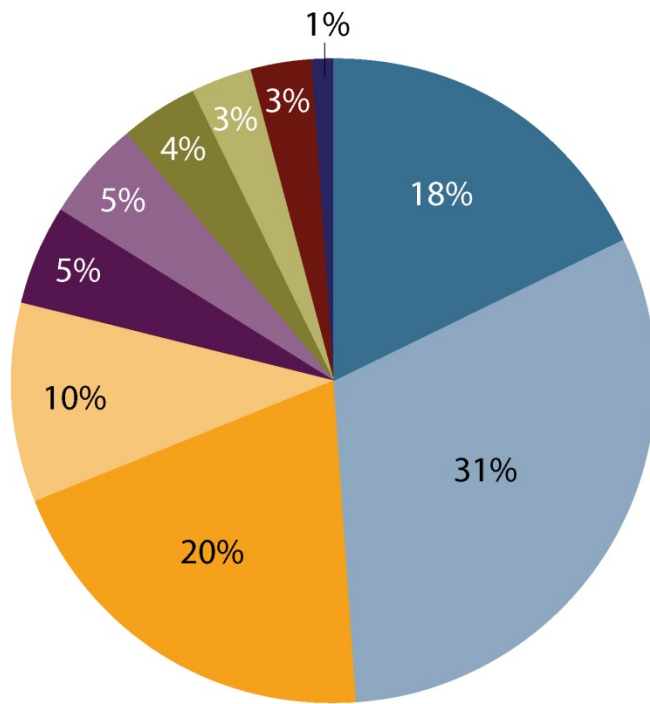
Enrollment versus Cost of Care



SOURCE: Colorado Department of Health Care Policy and Financing, Executive Budget Request, Nov. 1, 2011. Rounding results in a total of more than 100 percent.



Hot Spots by Facility



- Physician and clinic care
- Hospital-based care
- Nursing facility long-term care
- Community based long-term care
- Home health
- Premium and coinsurance assistance
- Prescription drugs
- Dental services
- Durable medical equipment
- Other



Trend: Alignment Changes

Proposed New Office for Early Childhood
(defeated)

SB78: Task force regarding at risk elderly adults

HB 12-1058: Treatment of newborns
(CDPHE to provider)

Medicaid Waiver Consolidation
(An idea with traction?)



The DORA Bill Passes



HOUSE BILL 12-1052

BY REPRESENTATIVE(S) Summers, Court, Fields, Fischer, Jones, Kefalas, Kerr A., Kerr J., Labuda, Massey, Schafer S., Singer, Todd, Wilson, Young, Kagan; also

SENATOR(S) Boyd and Roberts, Aguilar, Foster, Heath, Hudak, Newell, Schwartz, Steadman, Tochtrop, Williams S.



A Break for the Underinsured and the Uninsured

- SB 12-134: Disclosure of charity care policies and same rate as insurance companies



The screenshot shows the Valley View Hospital website. At the top is a banner image of the hospital building at night with the Valley View Hospital logo on the left. Below the banner is a green navigation bar with the text: HOME : V.V.H. & YOU : COMMUNITY : THE PEOPLE : QUALITY : OUR SERVICES : THE FOUNDATION : YOUR HEALTH :. Below the navigation bar is a sidebar on the left with a list of links: PATIENT FINANCIAL SERVICES (underlined), ADMISSION INFORMATION, CONTRACTED INSURANCE COMPANIES, CUSTOMER SERVICE, ESTIMATES FOR SERVICES, FINANCIAL ASSISTANCE, INSURANCE, PAYMENT OPTIONS, and PHONE DIRECTORY. The main content area is titled "Patient Financial Services" and "Financial Assistance". It contains two bullet points: "Valley View Hospital offers assistance with Medicaid and other public assistance program applications. Please call 970-384-6899 with questions or to schedule an interview." and "Valley View Hospital participates with the Colorado Indigent Care Program. This is a Colorado taxpayer-supported program. Applicants must be Colorado residents and establish lawful presence in the United States. Please call 970-384-6892 with questions or to schedule an interview." Below the bullet points is the heading "Income and household size guidelines:" followed by a table.

Family Size	1	2	3	4	5	6	7	8
Income Maximum	27,925	37,825	47,725	57,625	67,525	77,425	87,325	97,225



POLL: Will Alignment Efforts Bring Efficiency?

- Yes, immediately
- Yes, but the savings/efficiencies will take several years
- I hope so, but I am worried they won't
- No, not really
- Absolutely positively not!





#4: Positioning for Elections

It's All About the Election

- Short-lived and positional
 - Waiver
 - Repeal
 - Eligibility
- Anticipate more of this



Leadership: Changing of the Guard

- All 65 House seats and 20 Senate seats up for re-election in November.



Sen. Betty Boyd (D)
Chair, Health and Human
Services Committee
Term-limited

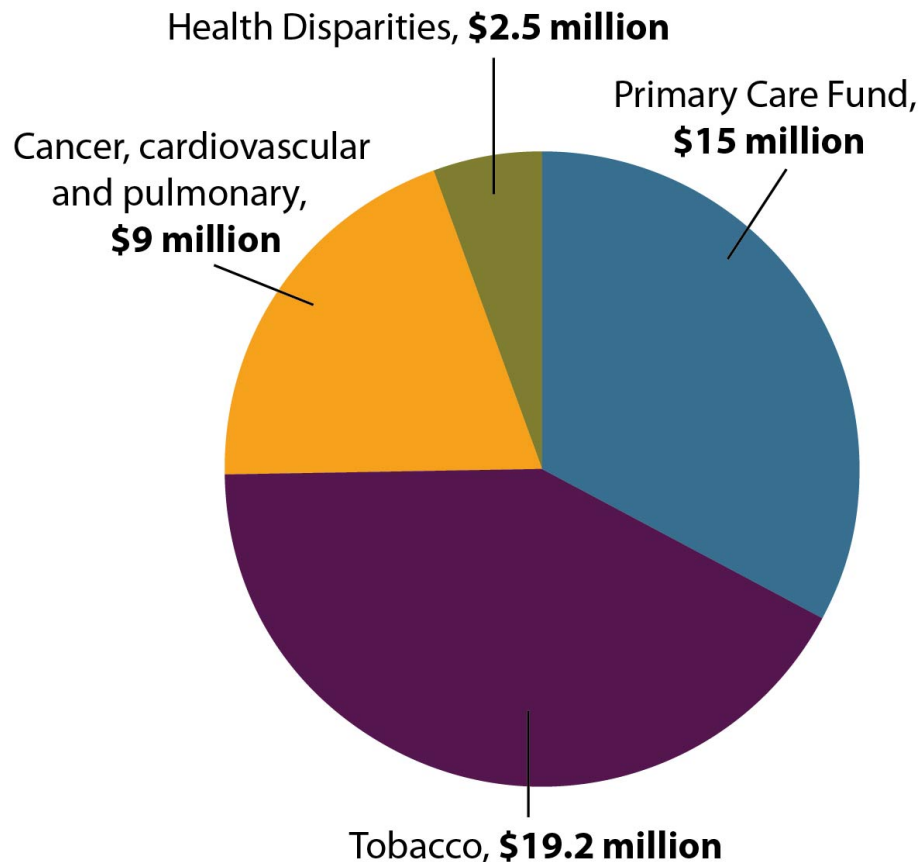


Rep. Ken Summers (R)
Chair, Health and
Environment Committee
Running for Senate



Amendment 35 is Back!

Amendment 35 funding by category, FY 2012-13



2012 Legislation in Review: On-Line



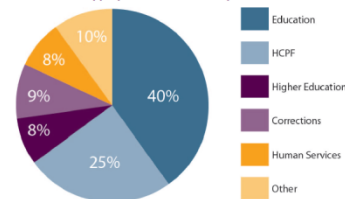
2012 Legislation in Review

June 2012

Colorado
FY 2011 and FY
2012 caseload
increase by 32
and 740,000.
The caseload has
gone up
since the

- The majority of Colorado's Medicaid clients are children.
- A third of those covered by Medicaid are Hispanic, while 28 percent are white.
- The San Luis Valley and Pueblo County have the highest proportion of Medicaid clients, with one in four residents enrolled in the program.
- Statewide, about 12 percent of the population is enrolled in Medicaid.

General Fund Appropriations for State Departments, Colorado, FY 2012-2013



Source: Colorado Joint Budget Committee, April 27, 2012

The state's Medicaid caseload is projected to grow 10 percent in the next fiscal year, partly due to eligibility expansions. But the overall per capita cost is projected to decline from \$5,930 in FY 2010-11 to \$5,813 in FY 2012-13. Primarily, the cost reductions are coming from low-income parents, children and pregnant women, who make up

the majority of the caseload. A number of factors may be contributing to this projected decline, including policy changes that discourage Caesarean section deliveries as well as an increase in coordinated care. Caseload mix also contributes to the overall decline as more young and healthy children are enrolled.

Looking Ahead

Colorado's lawmakers will return to a different General Assembly in 2013, but many of their health policy challenges will remain unchanged. They will need to slow the growth in health care spending even as the economy continues to send more residents to public insurance. They will spend more time scrutinizing existing programs and demanding evidence that the changes are producing results – lower costs and better health outcomes.

The governor and the legislators will continue their drive to improve the efficiency and effectiveness of state government, perhaps revisiting two initiatives that stalled in the 2012 session – creating an office of early childhood and youth within the Department of Human Services and redesigning the state's LTSS

panded oral health care to pregnant women covered by Medicaid, a measure that fell victim to the chaotic end of the session when a proposed civil unions bill stalled a good number of bills.

More measures associated with Health Eating, Active Living (HEAL), an area of great interest to a large portion of the state's health advocates, could emerge. An attempt to ban the sale of any foods containing trans-fat in schools, which started

the session as one of the toughest in the nation, passed but with amendments that made it less sweeping.

Finally, Colorado's General Assembly will be dealing with the fallout of the Supreme Court ruling on federal health reform, expected in June. If the ACA is ruled constitutional, Colorado will work on implementing the law's provisions. If all or parts are found to be unconstitutional, that will require the state to consider alternative actions.

coloradohealthinstitute.org/key-issues/category/legislation-and-policy

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<http://www.coloradohealthinstitute.org/key-issues/detail/legislation-and-policy/legislation-in-review-2012>



Three Take-Aways from Today

1. Solid policy developments occurred at the margins of current programs.
2. Easing of the budget gave breathing room to Medicaid and other entitlement programs.
3. What did – and didn't happen – sets the stage for this election year.



POLL: Let's End with a Question

- What trends have “staying power” here in Colorado?
 - Consolidation/ alignment around hot spotters
 - Global capitation Medicaid pilot
 - Medicaid waiver giving Colorado more independence
 - Other





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Source:

<http://www.colorado.gov/dpa/doit/archives/cch/home.htm>

Colorado State Home for Dependent and Neglected Children

1898

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Upcoming Webinars

- **June 20** – Reining in Growth in Health Spending
- **July 11** – The Supreme Court and Health Reform: Implications for Colorado
- **August 1** – Addressing the Boomer Challenge: Long-term Services and Supports

All webinars are at noon. Register here: bit.ly/KFIPOP

