



colorado health institute



WEBINAR SERIES



colorado health
INSTITUTE

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 Presenters



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President/CEO



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Director of Legislative
Services

Legislative Forecast for 2013

*Health Care Trends to Expect
in the Coming Session*

December 19, 2012

Colorado Health Institute Webinar Series



Today's Discussion

- An overview of Colorado's political climate heading into 2013
- What we know about the governor's budget and its potential impact on health care
- Health care legislation and trends that we can expect in the coming session



Three Takeaways

- **Medicaid expansion** is likely to be the biggest health care issue on the legislative docket next year.
- We anticipate that **behavioral health** and **implementation of the Affordable Care Act** will be major themes as well.
- With other policy issues potentially taking center stage, health care legislation in 2013 is likely be characterized mainly by **incremental changes**.



Post-Election State of Affairs

- With President Obama in office for a second term, the Affordable Care Act remains the law of the land.
- The balance of federal power remains largely undisturbed.
 - President (D) Senate (D) House (R)
- The balance of state power has changed:
 - Governor (D) Senate (D) House (D)



2013: A Year of Watershed Health Care Legislation?

- Probably not.
- Whether to expand Medicaid eligibility will be a major health care decision.
- Otherwise, a mostly “bite-sized” approach to health care legislation.
- Other major political issues:



Jobs and the Economy



Child Welfare



Civil Unions



Marijuana Regulation



K-12 Education



Gun Control



College Tuition for Undocumented Students



*The Governor's Budget
Proposal and Health Care*

The Governor's Budget Proposal FY13-14

The Good News

- State's financial position is improved somewhat.
- Economy is in recovery and employment levels are slowly improving.
- General Fund collections from FY 12-13 should exceed pre-recession peak.
- Funding starting to be restored to many programs.

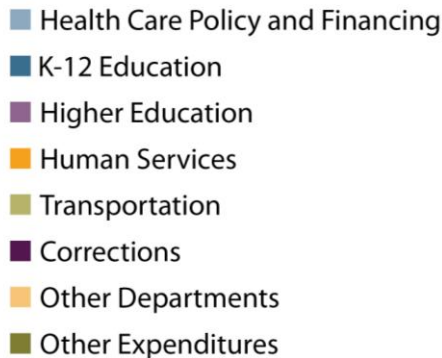
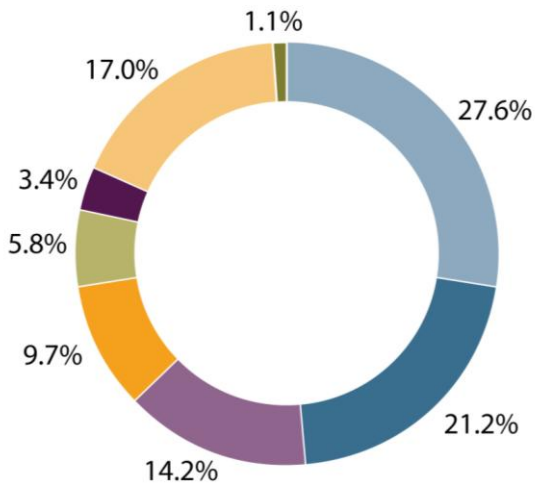
The Bad News

- After accounting for inflation and population growth, projected revenue is 14.4 percent below FY 08-09 levels.
- Looming uncertainty with the fiscal cliff.
- Although new budget has \$1.1 billion in increased funds, nearly 40 percent of new funds are intended to cover increasing Medicaid costs.

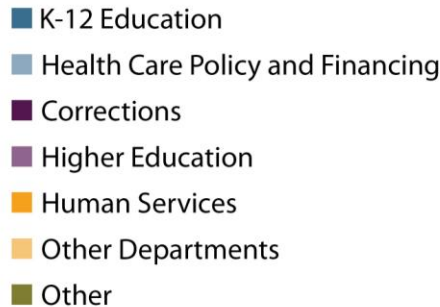
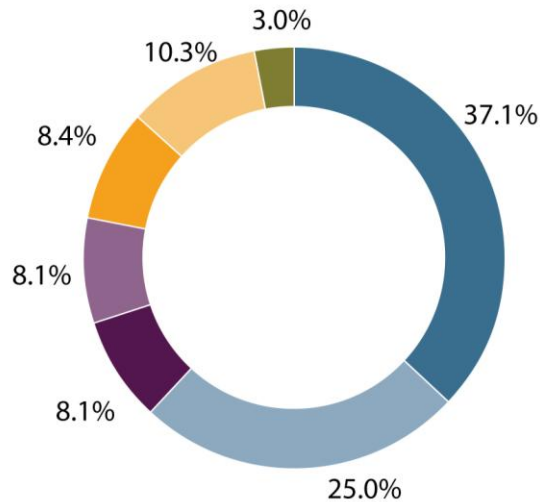


Governor's Proposed Budget: The Big Picture

FY 2013-14 Total Funds



FY 2013-14 General Fund



Highlights:

- A bit of breathing room compared to last year
- Increases in spending for most departments
- Focus on enhanced mental health programs

Department of Health Care Policy and Financing: FY 2013-14 Proposal



Highlights:

- Increases Medicaid provider rates by 1.5 percent
- Adds dental benefit for adults covered by Medicaid
- Establishes modern Medicaid Management Information System (MMIS)
- Expands Medicaid benefits for substance abuse disorders
- Does not include funds related to Medicaid expansion associated with health care reform.



Department of Human Services: FY 2013-14 Proposal



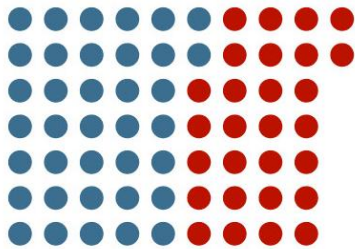
Highlights:

- Creates a new behavioral health crisis system.
- Hikes community-based mental health funding.
- Expands resources for the developmentally disabled.
- New funding for early intervention services for infants and toddlers with significant development delays/disabilities.
- Offers additional assistance for counties with high SNAP enrollment.



*Colorado's General
Assembly in 2013*

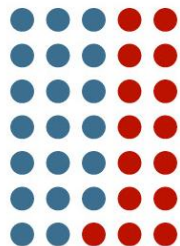
Colorado's 2013 General Assembly



House of Representatives

37 Democrat (Previously 32)

28 Republican (Previously 33)



Senate

20 Democrat (Previously 20)

15 Republican (Previously 15)



Who's Leading the Charge?

Key Senate Leadership	Key House Leadership
<ul style="list-style-type: none">• Senate President-Designee: Sen. John Morse• Senate Majority Leader-Designee: Sen. Morgan Carroll• Senate Minority Leader: Sen. Bill Cadman	<ul style="list-style-type: none">• House Speaker-Designee: Rep. Mark Ferrandino• House Majority Leader-Designee: Rep. Dickey Lee Hulinghorst• House Minority Leader-Designee: Rep. Mark Waller

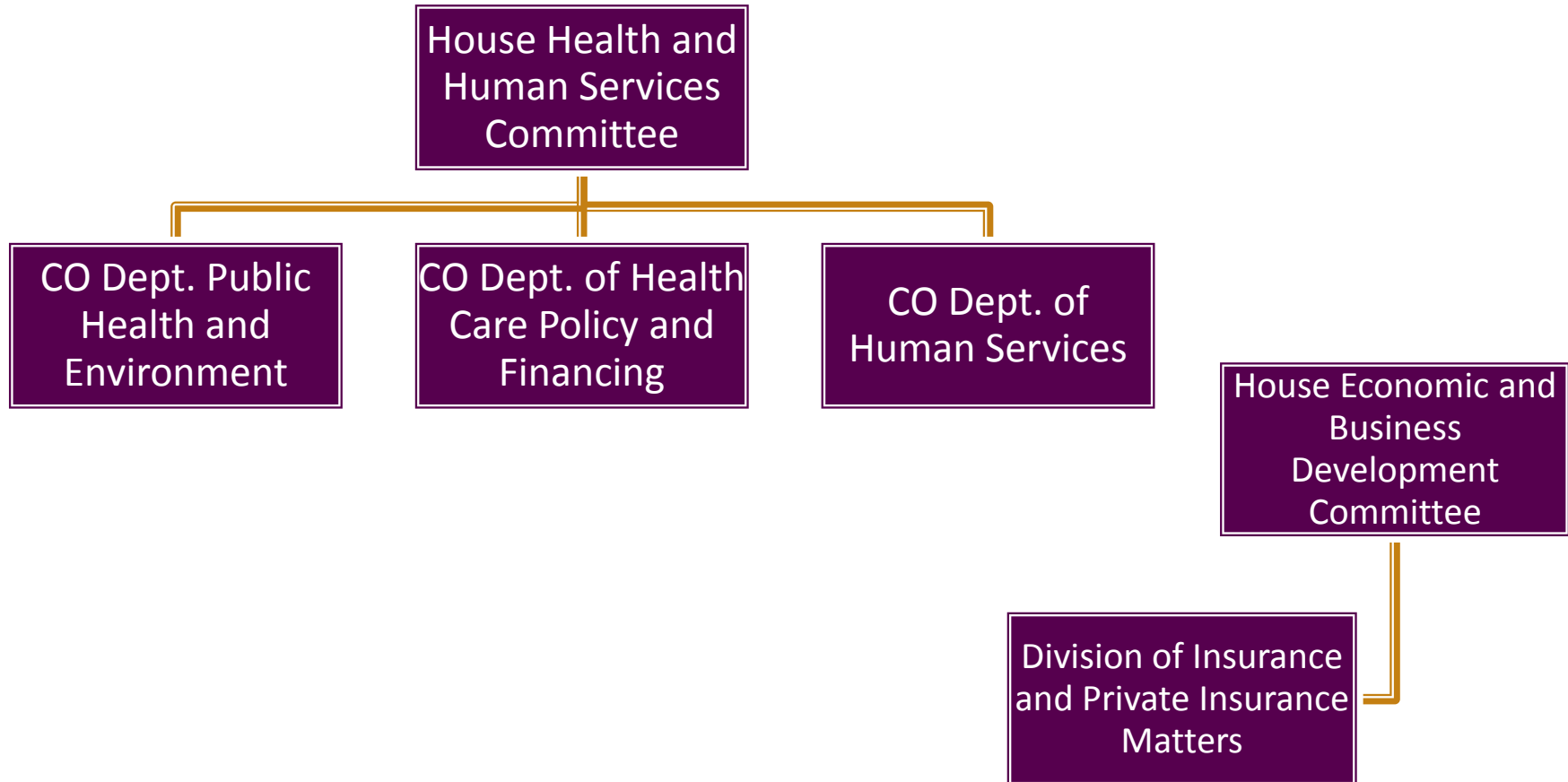
2013 Senate Health and Human Services Committee

Democrats	Republicans
<ul style="list-style-type: none">• Senator Irene Aguilar <i>Chair</i>• Senator Linda Newell <i>Vice Chair</i>• Senator Jeanne Nicholson• Senator John Kefalas	<ul style="list-style-type: none">• Senator Ellen Roberts <i>Ranking Member</i>• Senator-elect Larry Crowder• Senator Kevin Lundberg



House Health Committees

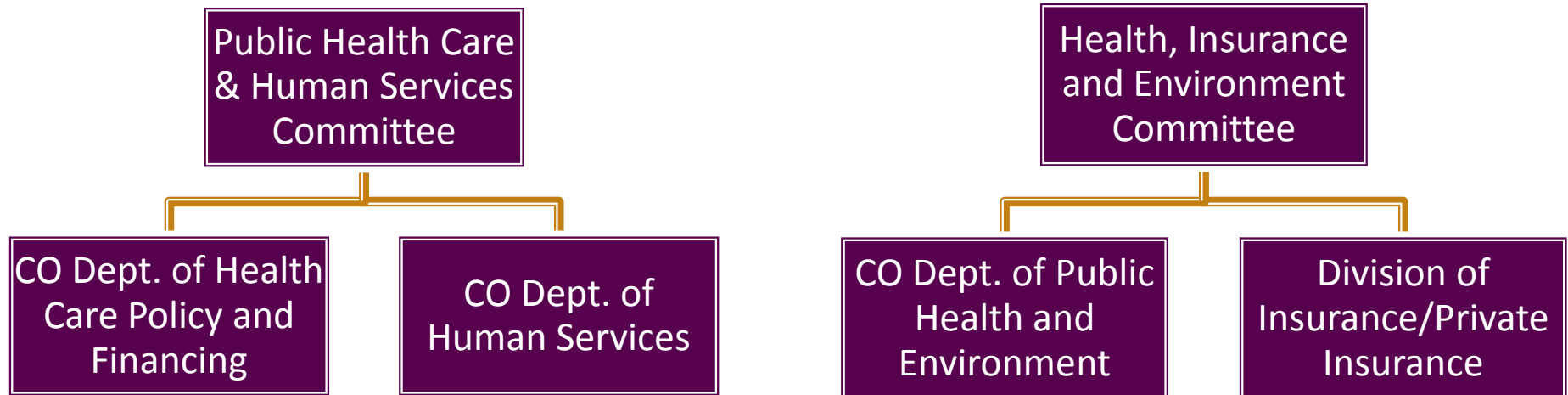
House Health Care Committee Structure: This Year



“We have so many health care changes coming down the pike in 2013 that it would have buried a single committee.” Rep. Mark Ferrandino

House Health Committees

House Health Care Committee Structure: Last Year



“We have so many health care changes coming down the pike in 2013 that it would have buried a single committee.” Rep. Mark Ferrandino



House Health Committees: Membership

Health Insurance and Environment Committee

Democrats	Republicans
<ul style="list-style-type: none">• Beth McCann <i>Chair</i>• Sue Schafer <i>Vice Chair</i>• Rhonda Fields• Joann Ginal• Dianne Primavera• Dave Young	<ul style="list-style-type: none">• Amy Stephens <i>Ranking Member</i>• Kathleen Conti• Janak Joshi• Steve Humphrey• Lois Landgraf

House Public Health Care & Human Services Committee

Democrats	Republicans
<ul style="list-style-type: none">• Dianne Primavera <i>Chair</i>• Dave Young <i>Vice Chair</i>• Jenise May• Beth McCann• Sue Schafer• Jonathan Singer• Max Tyler	<ul style="list-style-type: none">• Amy Stephens <i>Ranking Member</i>• Kathleen Conti• Janak Joshi• Spencer Swalm• Justin Everett• Jim Wilson



*Key Health Care
Legislation Anticipated
in 2013*

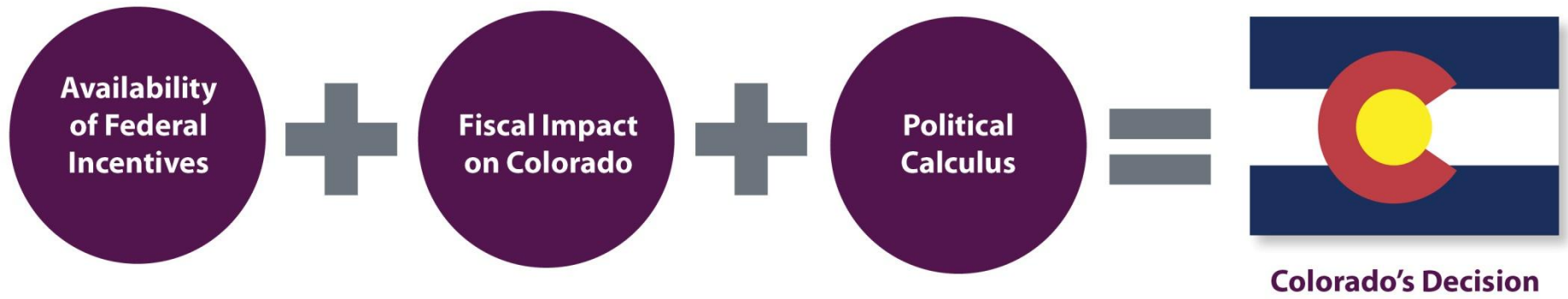
Three Major Legislative Themes

1. Medicaid Expansion Legislation
2. Legislation related to Federal Health Care Reform Implementation
3. A Focus on Behavioral and Oral Health



Theme One: Medicaid Expansion

At issue: Whether to expand Medicaid eligibility to 133 percent of the federal poverty level (FPL) within Colorado .



The Surprise of the Supreme Court Ruling

- States may opt out of the Medicaid Expansion
- Cornerstone of the Affordable Care Act
- Colorado must decide whether to expand Medicaid to 133 percent of Federal Poverty Level (FPL)

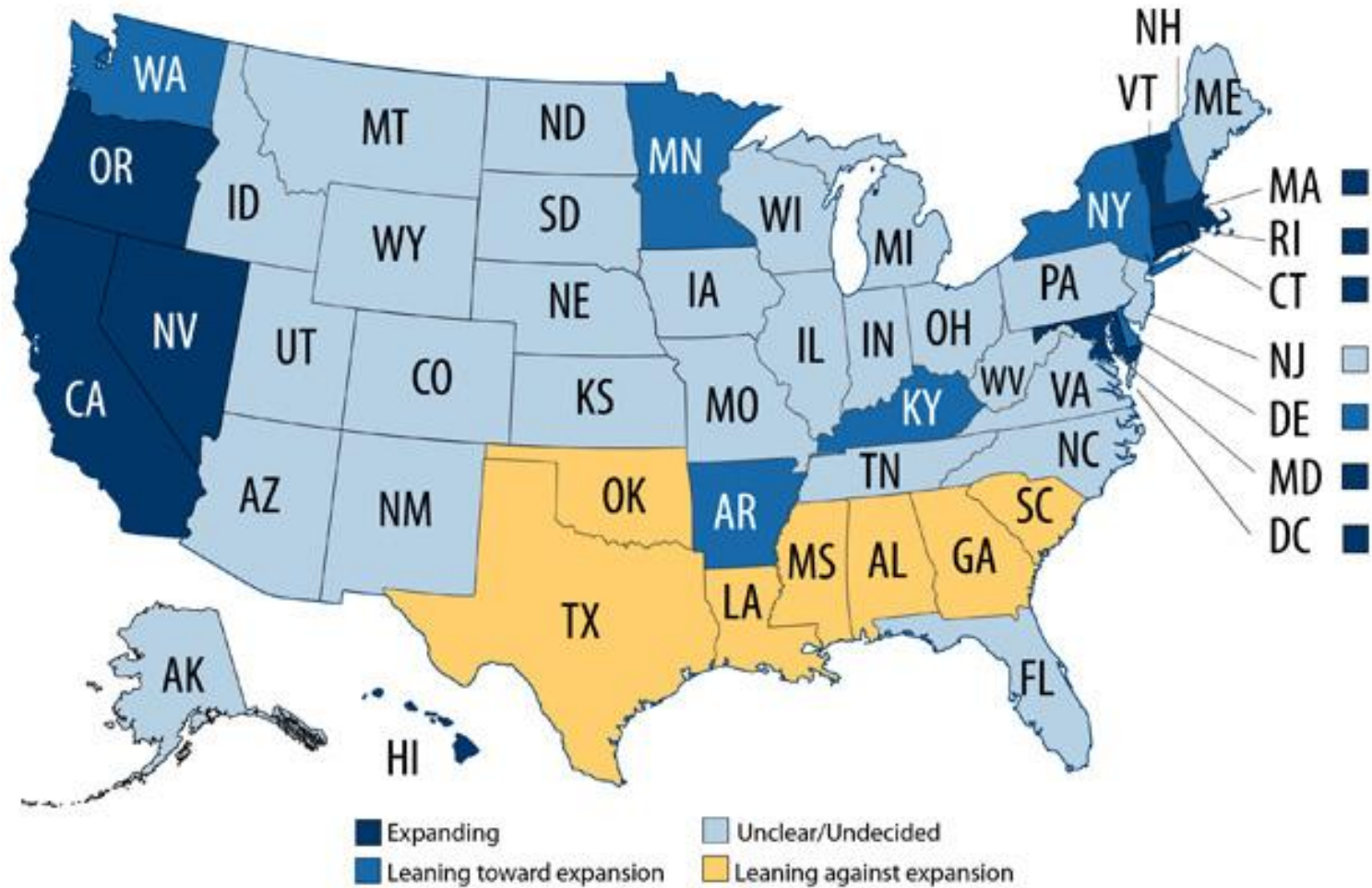


What We Know Right Now

- Governor's office is watching and waiting
- Senator Aguilar will most likely run the bill
- Long-term sustainability is central concern
- Federal guidelines have provided clarity



How States are Leaning



Source: Center on Budget and Policy Priorities. December 17, 2012

The Issue: The Political Context

- The Debate:
 - How best to accommodate this population?
 - Should the state legislate the expansion?
 - What's the role of government?
 - Are we equipped as a state to accommodate demand?

The CHI Take: Cautious but Anticipatory

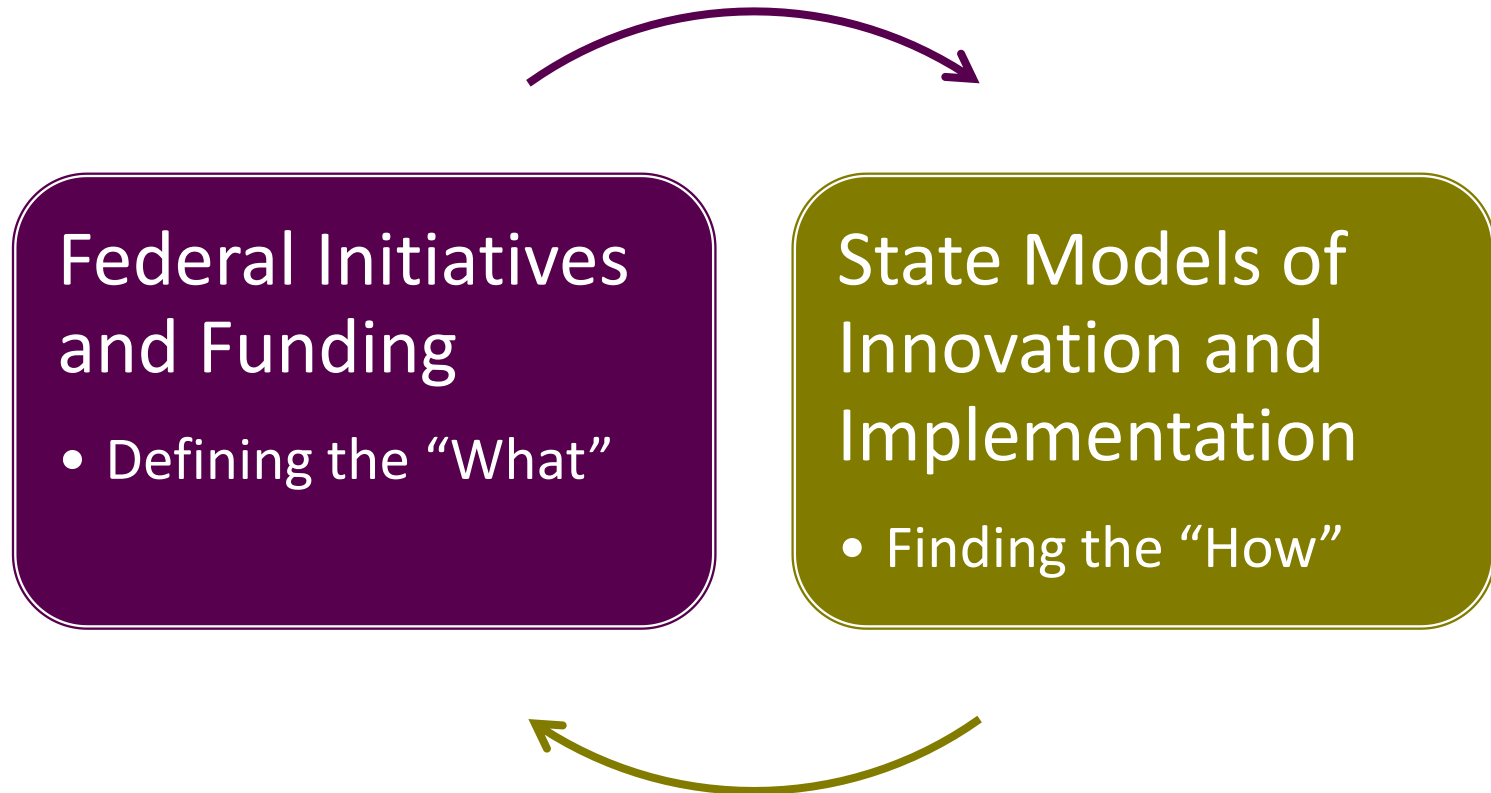
- Colorado's history supporting Medicaid expansions.
 - Colorado Health Care Affordability Act
- Who makes decisions?



“We remain committed to doing everything we can to improve the health and health care of all Coloradans.”

Gov. John Hickenlooper, 6/28/12

Theme Two: ACA Implementation



The Division of Insurance and Harmonization

- Reconciliation of federal and state regulations is necessary for all of the Affordable Care Act (including Exchange)
- Division of Insurance Will Propose Harmonization Legislation:
 - Market structure
 - Administrative simplification
 - Benefits, coverage and preventive services



Other COHBE-Related Legislation?

- In 2013, emphasis will be on implementation and October's “**go live**” date.
- **Long-term financing** of the Exchange may be up for discussion.
- Composition of the **Legislative Implementation Review Committee** will change (6Ds, 4Rs).
- Efforts to change the Essential Health Benefits or fundamental structure of the Exchange **unlikely** to get traction at this point.



Theme Three: Focus on Behavioral Health

- Potential Mental Health Legislation:
 - Real-time electronic transfer of mental health records to the Colorado Bureau of Investigation
 - Revising statutes on mental health commitments
 - Creation of a Mental Health Crisis Response system
 - Expanding substance abuse benefit for Medicaid patients
 - Reevaluating mental health coverage mandates

Theme Three: Focus on Oral Health

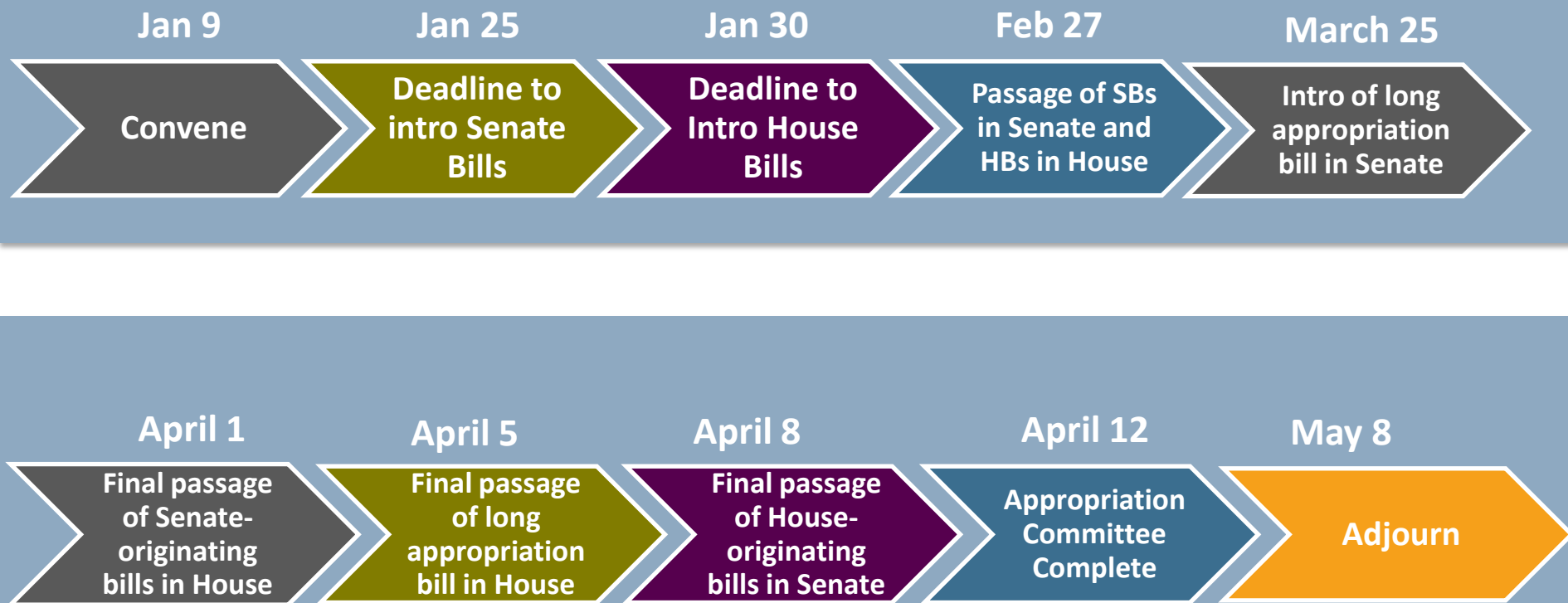
- Potential Oral Health Legislation
 - Expanding coverage to pregnant women on Medicaid
 - Dental benefit for adults on Medicaid (from Governor's budget proposal)

Other Potential Initiatives

- Health Care Co-op Bill
- Universal Vaccine Purchase Bill
- Eliminating the Waiting Period for CHP+
- Increasing malpractice caps
- Waiver modernization from HCPF (and others) to better serve sub-populations

General Assembly: 2013 Key Dates

Legislative Timeline



A Look Back: 10 Most Impactful Bills of the Past Decade



10 Bills in 10 Years

A Decade of Colorado Health Care Policy

As part of the Colorado Health Institute's 10-year anniversary, we looked back over the past decade to identify the state's most impactful health care bills. Narrowing the list wasn't easy, but in the end, we selected laws falling into three categories:

- **Restructuring:** Laws that fundamentally changed the structure of Colorado's health care system, either by transforming funding mechanisms, regulatory oversight, state agency composition, delivery of care or other key aspects.
- **Innovating:** Laws that fostered significant health care innovations, setting the stage for advancements that are transforming Colorado's health care landscape.
- **Expanding Coverage:** Laws extending health insurance coverage to more Colorado residents. Colorado has continued a fairly steady path of health care policies aimed at increasing coverage for vulnerable populations.

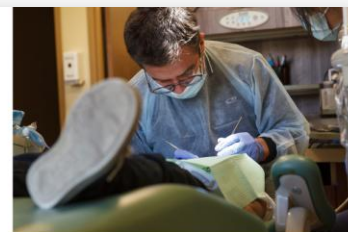
Finally, it is worth noting that there were many other health care laws established over the past decade that encouraged positive changes but did not make this list. With few exceptions, most health care policies approved by Colorado lawmakers have made smaller, incremental changes rather than radical overhauls. These laws may not be listed here, but that certainly doesn't mean that they were ineffective. Many resulted in small but important changes, which over time added up to a big difference in the way that health care is structured and delivered in Colorado.

The following are CHI's top 10 Colorado health care bills from 2002 through 2012, starting with the most recent.

Hospital Payment Assistance Act (Bill 12-134), 2012

The Hospital Payment Assistance Act, SB 12-134, required hospitals to disclose to patients the highest rates they were often billed for medical procedures. While large employers and public insurance companies and public insurance companies were able to negotiate with hospitals to pay the "sticker price," uninsured patients had little bargaining power and were often billed the highest price – which could be as much as 10 times the price paid by their employers.

The Hospital Payment Assistance Act included two provisions aimed at assisting the uninsured. The law requires Colorado hospitals to disclose the highest rates they are able to bill low-income, uninsured patients for their medical services. SB 12-134 requires hospitals to disclose the highest rates they are able to bill low-income, uninsured patients and to post this information in waiting rooms, online and on patient bills. The bill also requires hospitals to screen for financial assistance and to offer discount programs and to offer financial assistance plans before sending bills to patients.



Dr. Patricia Gonzalez is a dentist at Mountain Family Health Centers in Rifle and a participant in the Colorado Health Service Corps.

The Hospital Payment Assistance Act provided patients with more information about prices and options of various insurance products. The legislation established a 12-member board of directors to govern Colorado's exchange, as well as a 10-member legislative review committee to guide the exchange's implementation, operational plans and grant applications. Time will reveal the long-term viability of Colorado's insurance exchange, which is expected to begin offering health plans in October 2013 and must be self-financing by January 2015. In any event, this significant legislation helped to establish an entirely new system for purchasing insurance within the state.

Colorado Health Service Corps Act (House Bill 10-1138), 2010

This law provided new incentives for health care professionals to practice in underserved rural and urban communities by establishing the Colorado Health Service Corps under the Colorado Department of Public Health and Environment. The program provides financial incentives to eligible health care professionals who provide primary care services in medically underserved areas. Under the law, health care professionals must agree to work in a federally designated health professional shortage area for at least two years to receive repayment of their student loans. In 2011, the state invested about \$120,000 for the program. Combined with contributions from Colorado health foundations, federal funds and other sources, the health corps has provided almost \$4 million in loan repayment to 100 health care providers since passage of the law.

COLORADO HEALTH BENEFIT EXCHANGE

Health Benefit Exchange Act (Bill 11-200), 2011

The Health Benefit Exchange Act gave states the authority to create their own insurance exchanges to participate in a national health exchange run by the federal government. Colorado opted to create a Colorado Health Benefit Exchange, or COHBE, by passing SB 11-200, which established the Colorado Health Benefit Exchange.

The goal is to provide a competitive marketplace for health insurance, allowing individuals, families and small employers to more easily compare



Three Takeaways

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- We anticipate **behavioral health** and **implementation of the Affordable Care Act** will be major themes as well.
- With other policy issues potentially taking center stage, health care legislation in 2013 is likely be characterized mainly by **incremental changes**.

Upcoming Webinars

- **January 9: 2013 Budgets and Strategies:
Colorado's Health Agencies - *CHI Staff***



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