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Legislative & Policy Preview 2017: Health Program

The core work of CCLP's Health Program includes increasing access to health coverage, supporting and protecting Medicaid, ensuring that quality health care is affordable and protecting the implementation of the Affordable Care Act (ACA) in Colorado.

In 2017, our focus will be to ensure that coverage expansions -- particularly the Medicaid expansion -- are protected. In addition, we will participate in efforts to increase pricing transparency and reduce costs in the private insurance market. We anticipate that there will be a great deal of discussion about the impact of federal action on health care access and delivery in Colorado. As an example, a bill has already been filed to repeal the Health Insurance Exchange.

This year, our health care priorities include:

Health care legislation

The state budget and the hospital provider fee

We continue to support moving hospital provider fee funds into a state enterprise, and a bill has already been introduced to accomplish this goal. The provider fee has permitted Colorado to increase hospital indigent care reimbursement, fund Medicaid expansions and improve Medicaid by offering incentives to hospitals to make quality improvements -- all without General Fund expenditures. Due in part to the economic recovery and the provider fee, Colorado last year collected revenues that exceeded TABOR'S spending limits. Unfortunately, in order to compensate for the effect of the fee on TABOR limits, the General Assembly last year reduced hospital provider fee revenue. More reductions are proposed for the 2017-18 budget year.

The increase in hospital reimbursement resulting from the provider fee has decreased the need for hospitals to shift uncompensated care costs to those covered by private insurance. Without the creation of an enterprise to collect and administer the hospital provider fee while exempting the revenue from TABOR'S spending limits, however, hospital reimbursement rates for serving indigent Coloradans will decline. High insurance costs continue to pose significant challenges -- particularly in certain rural areas of the state -- and the failure of legislators to take action to reduce the effect of the provider fee is highly problematic for the state's General Fund and has the potential to drive up insurance costs in the state.

Client correspondence

CCLP worked with the Interim Committee on Medicaid Client Correspondence to develop four bills that improve Notices of Action (NOAs) and reduce procedural

barriers to furthering appeals of denials, reductions and suspensions of Medicaid benefits. At least two of these bills are likely to move forward. The most significant of the four bills will add a requirement that NOAs include specific information about household size, sources and amounts of income. Other states' NOAs offer enrollees clear information about the calculations that lead to decisions to approve or deny access to Medicaid. Moving Colorado in this direction will help to clarify what are currently insufficient and confusing NOAs for applicants and enrollees. In addition, understanding the reason for an action may reduce a client's need to appeal a benefits decision.

Surprise billing

Too often, Coloradans who have had surgery or other services at in-network facilities may find themselves on the hook for surprise bills from out-of-network providers. These bills may far exceed in-network costs. CCLP has supported efforts over the past two years to curtail the practice of surprise billing. We hope there will be an opportunity to pass a bill addressing this issue in 2017.

Formulary transparency

CCLP has long been concerned about the affordability of health care as many middle- and low-income families experience significant hardship when faced with substantial out-of-pocket medical expenses. The increase in the number of high-deductible health insurance plans and the requirement that many health plans impose on their customers to pay their full deductible before the plans pay for medical care means that more people face high out-of-pocket costs. CCLP will continue to work to improve transparency regarding formulary benefits for Coloradans.

Regulating free-standing emergency departments

Sen. John Kefalas, D-Fort Collins, is sponsoring Senate Bill 64, which proposes to regulate and license free-standing emergency departments (ED) and establish a two-year hiatus on the issuance of new licenses for free-standing EDs in Colorado. The bill requires free-standing EDs to make information and data available to consumers regarding facility fee charges and to provide less-expensive urgent care services when appropriate. CCLP strongly supports this bill, which is the result of a lengthy stakeholder process. Free-standing EDs have proliferated in Colorado over the past several years and are unnecessarily driving up health care costs. Consumers seeking care at a free-standing ED find that many are out-of-network, leading to unexpectedly high out-of-pocket costs for consumers. Furthermore, some of these facilities lack the resources to meet patients' needs.

Health costs in rural Colorado

CCLP anticipates that there will be bills focused on reducing the high cost of health insurance in rural areas of the state -- particularly in communities along the I-70 mountain corridor. We will follow these bills closely to ensure they not only provide immediate relief but move Colorado toward a long-term strategy to reduce the actual cost of health care.

Protecting coverage gains

While no one can say at this point what will happen to the nation's health policies in Congress, we would be remiss if we did not acknowledge that change is coming. CCLP is working with a host of colleagues and allies to encourage our elected officials not to repeal the Affordable Care Act until and unless there is a suitable replacement. Since 2014, Colorado has enrolled close to 500,000 people in health insurance through the Medicaid expansion and the state's health insurance exchange, Connect for Health Colorado. In addition, ACA

initiatives are moving the state closer to integrating physical and behavioral health. Colorado has spent more than two years crafting a proposal to allow more self-determination and program flexibility for people living with disabilities under the ACA's Community First Choice waiver. Our seniors have benefited from the gradual closure of the prescription drug donut hole and all Coloradans have realized the benefit of access to no cost preventive care and procedures.

Not only would a repeal of the ACA without a replacement disrupt coverage and access, but projections are that uncertainty in the market would seriously undermine the individual insurance marketplace and raise premiums for consumers. In addition, CCLP is very concerned about the impact on Colorado's General Fund and the Medicaid program of block grant proposals. We will do our best to keep up to date with Congressional proposals and their impact and send out regular updates and action alerts.

Non-legislative advocacy work, research and projects

Rocky Mountain Health Plans conversion

CCLP has monitored the proposed acquisition and sale of Rocky Mountain Health Plans to UnitedHealthcare. We provided testimony and filed comments and an expert report regarding valuation and conversion issues with the Colorado Attorney General. We also testified at hearings and filed comments requesting a series of conditions designed to protect private market and Medicaid consumers with the Division of Insurance. For nearly 20 years, CCLP has been the state's conversion "watchdog" and over the past two years we have been busy in that role with the InnovAge and Rocky conversions.

Colorado Indigent Care Program

The Colorado Department of Health Care Policy and Financing is proposing to change the structure of the Colorado Indigent Care Program (or CICP). The changes would convert CICP into a grants program designed to supplement clinic and hospital charity care programs. CCLP has monitored the proposal closely and will weigh in during the regulatory process.

Accountable Care Collaborative 2.0

The Department of Health Care Policy and Financing closed the comment period on the ACC2.0 request for proposals on Jan. 13. The next iteration of the Accountable Care Collaborative represents significant opportunities for health care integration, particularly between physical and behavioral health by coordinating care for those in need of health care services. CCLP remains mindful, however, that the ACC is moving Health First Colorado (Colorado's Medicaid program) towards payment reform. CCLP will continue to monitor the ACC closely and participate in various committees including the Program Improvement Advisory Committee, paying particular attention to client rights and protections.

The Colorado Commission on Affordable Health Care

In 2014, CCLP strongly supported Senate Bill 187, which established the Colorado Commission on Affordable Health Care. Formed in mid-2014, the Commission will work until June 30, 2017 to identify, examine and make recommendations to address the principle health care cost drivers in Colorado while maintaining the value and quality of health care for Coloradans. CCLP's Elisabeth Arenales is an appointed member, serves on the Planning Committee and co-chairs a committee on Markets and Regulation. The commission delivered its second report to the General Assembly in November and is scheduled to deliver a final report by the end of June.

Aid to the Needy Disabled program

CCLP is working with the Colorado Cross-Disability Coalition, the Colorado Coalition for the Homeless, the

Colorado Disability Benefits Support Program and NAMI Denver to identify the barriers that keep individuals with physical and mental disabilities from accessing the Aid to the Needy Disabled (AND) program. AND is a financial assistance program that provides just under \$200 per month to disabled individuals that are unable to work. The program has proved inaccessible to many that the program is supposed to serve due to barriers that are particularly difficult for the needy disabled population to manage. CCLP and our partners have pulled together a workgroup that includes advocates and other stakeholders that meet monthly to identify changes to make the application process easier for disabled Coloradans with little to no resources. CCLP has played and will continue to play an active role in that workgroup.