
**Long Term Fiscal Stability
Commission
October 14th, 2009**

To improve access to cost-effective quality health care services for Coloradans



Health Care Policy and Financing

Presenters

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Need for reform in Colorado

- System delivery
- Health Status/Value for the dollar
- Organizational issues

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Phased Approach

- Used what was already in place
- Building blocks to health care reform
- Key initiatives
- Key legislation
- Key changes at agency

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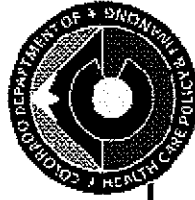


Question #1

What is the department's current funding level and what, if any consequences have there been to the department's mission as a result of budget cuts?

FY08-09: \$3.8 B

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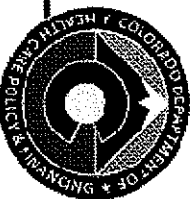
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Response

Criteria for budget balancing request:

1. Protected most vulnerable clients
2. Protected access to services
3. Minimize negative impact on providers
4. Maintain Eligibility

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Question #2

What minimum funding level is needed to maintain department's current level of service?

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Response

Total Budget, at least: \$3.9 B plus 5%

1. Maintains status quo
2. Includes mandatory and optional services
3. If optional services are not provided then savings will be decreased or eliminated

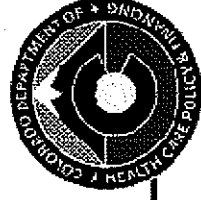
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Question #3

What is the funding level that would be needed to provide highest quality services for the people of Colorado so that we may have a quality state to live and do business?

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Response

Total budget: for FY09-10 our appropriation is approximately \$3.9B

Current administration amount is between 3.33 to 3.8%

Industry average ranges from 12% to 24%

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For your consideration

1. What is state trying to accomplish
2. People not covered will still get care at a premium
3. Value for the dollar
4. Spreading risk
5. Multiple year budgeting

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Fundamentals of Medicaid

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Medicaid's Origin

- Enacted in 1965 as companion legislation to Medicare (Title XIX)
- Established as means-tested program where eligibility is determined by income
- Provided federal matching grants to states to finance care
- Focused on single parents with dependent children, elderly, blind, disabled
- Included mandatory services and options for broader coverage

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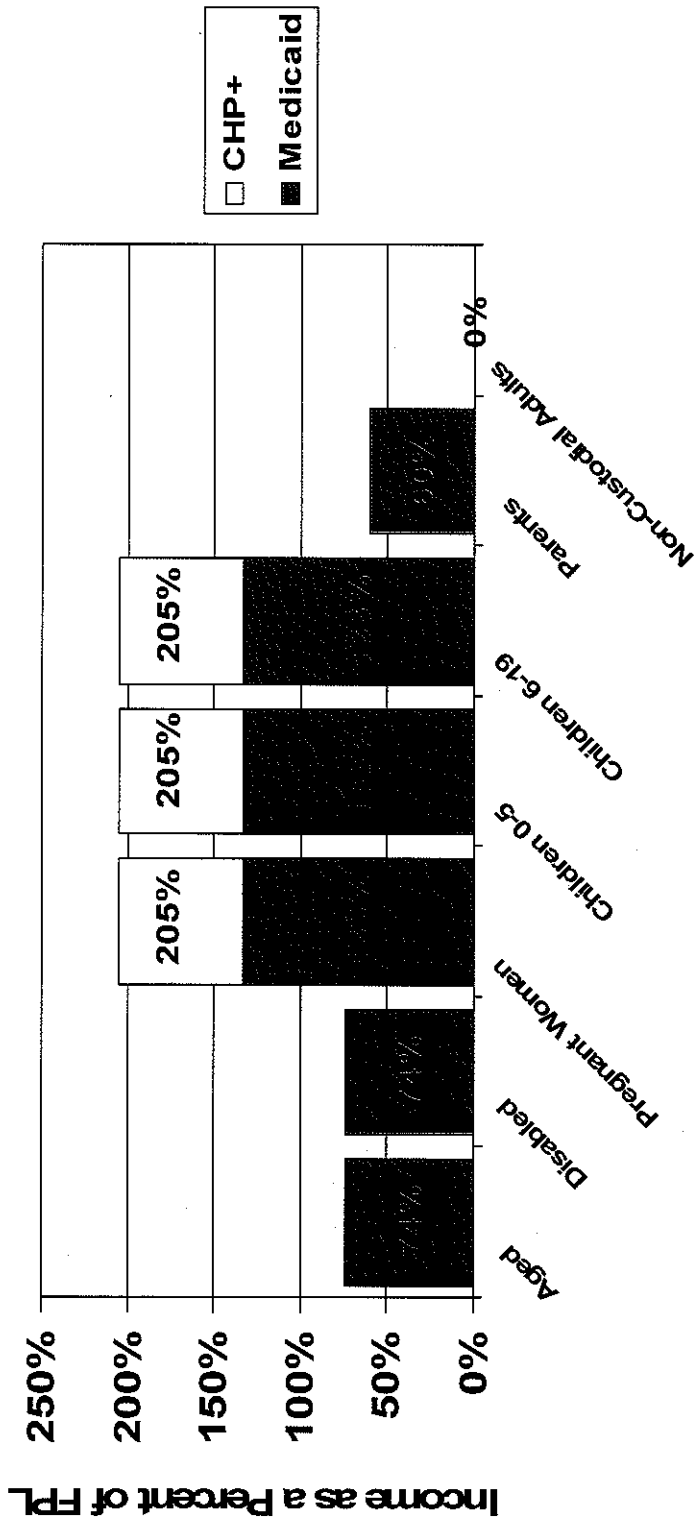
Primary Funding Sources

- Federal 50%
- State 50%
- Colorado Healthcare Affordability Act (HB09-1293)
- Health Resources and Services Administration (HRSA)
- American Recovery and Reinvestment Act

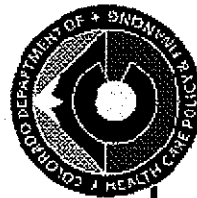
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Eligibility for Colorado Medicaid and CHIP+

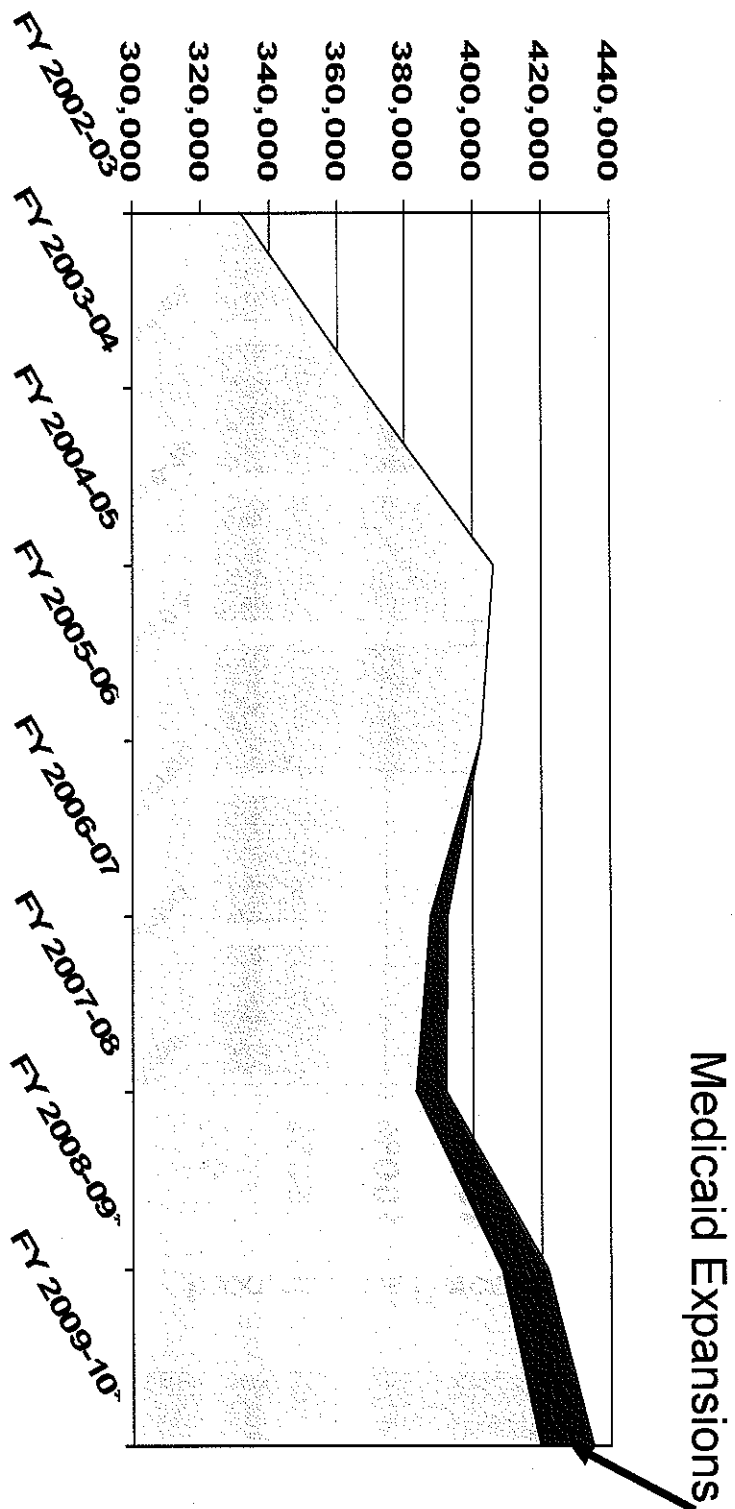


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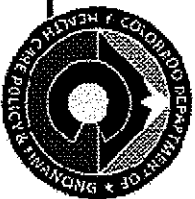


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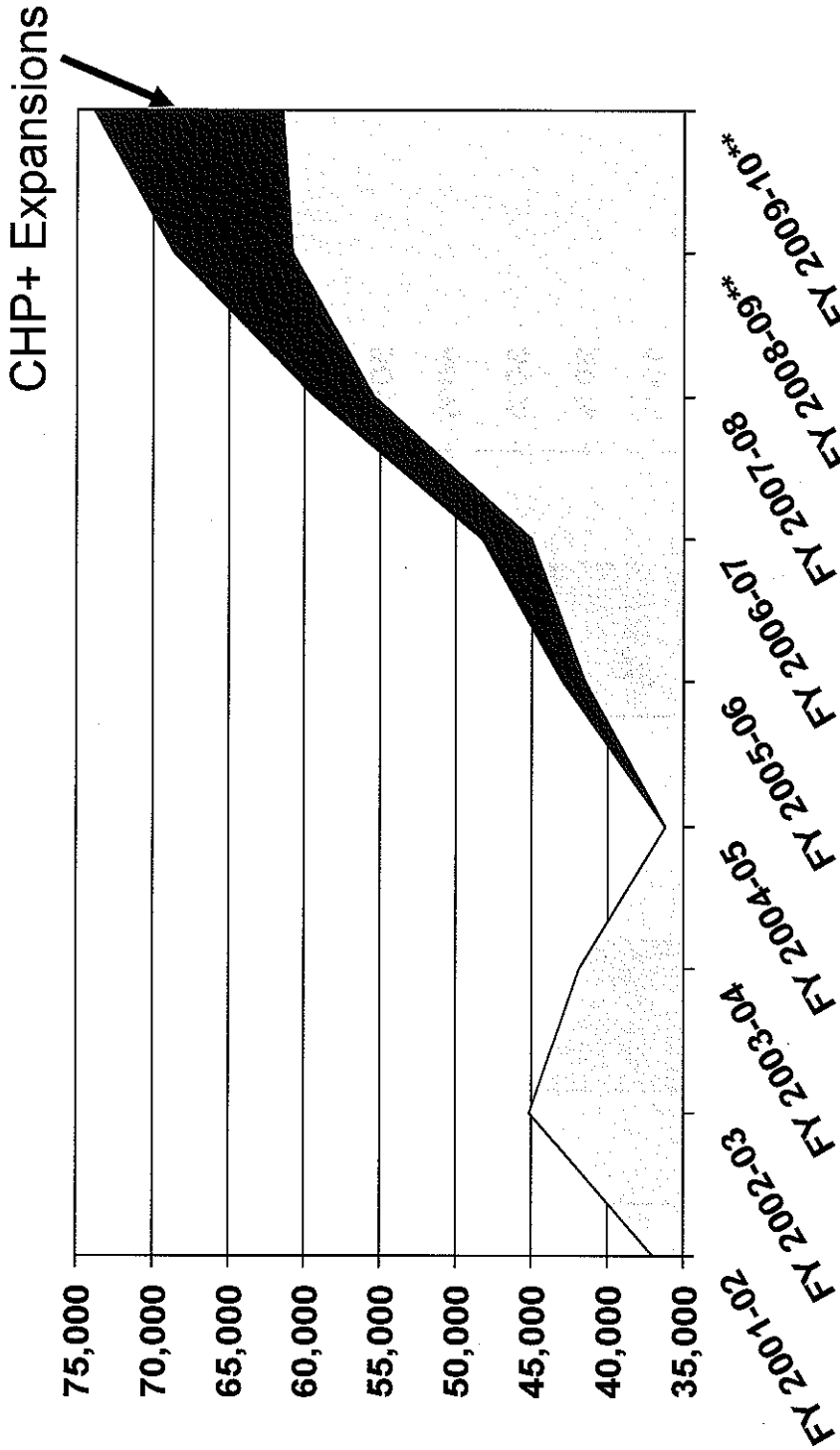
Medicaid Caseload



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Child Health Plan Plus Caseload

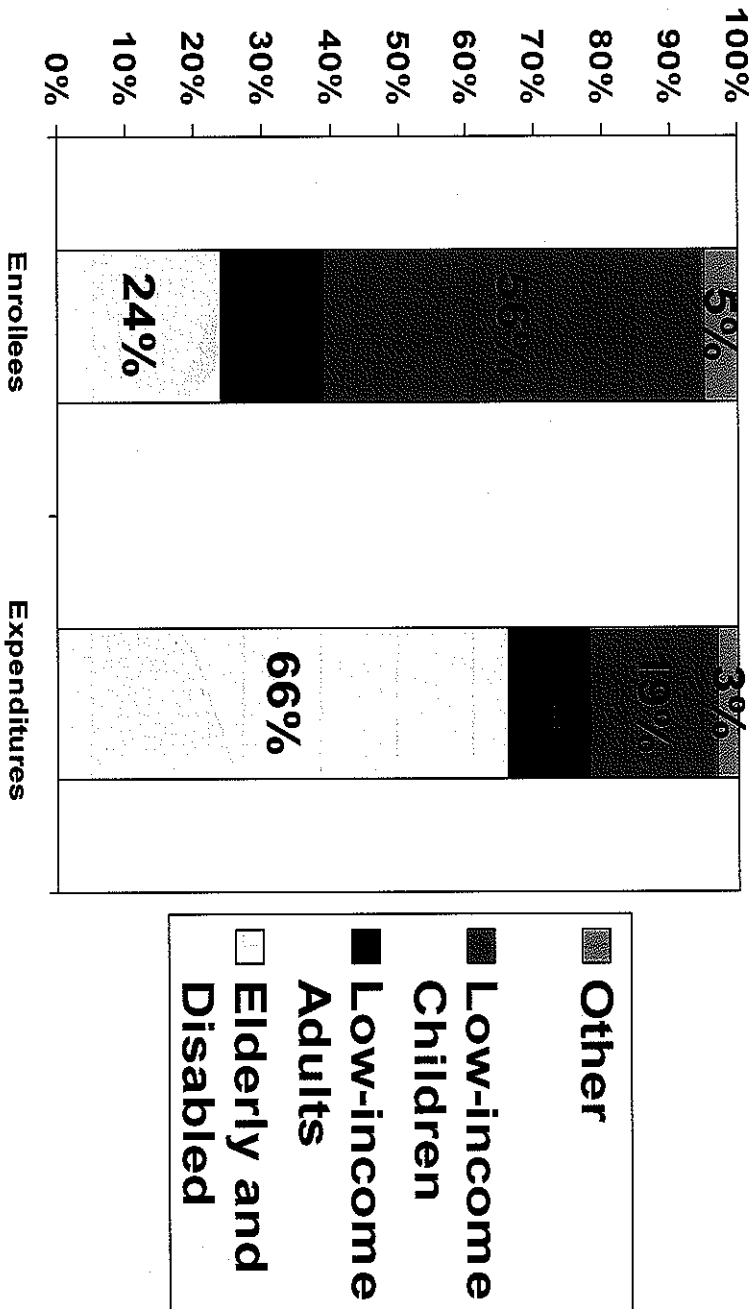


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Medicaid Enrollees and Expenditure by Enrollment Group, FY 07-08



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Health Status

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Colorado's Health Ranking

2008 OVERALL RANK: 19th (drop of 3 positions in one year)

Strengths:

- Low prevalence of obesity
- Low levels of air pollution
- Low rate of preventable hospitalizations
- Low rates of cancer deaths and cardiovascular deaths

Source: America's Health Rankings 2008, www.americashealthrankings.org

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Colorado's Health Ranking

2008 OVERALL RANK: 19th (drop of 3 positions in one year)

Challenges:

- High geographic mortality disparity within the state
- High rate of uninsured population

Significant Changes:

- In the past year, the violent crime rate decreased by 11%
- In the past year, per capita public health funding increased by 34%
- In the past five years, immunization coverage increased by 25%
- Since 1990, the percentage of children in poverty declined by 42%

Source: America's Health Rankings 2008, www.americashealthrankings.org

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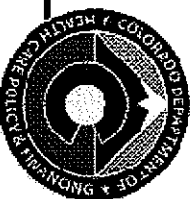


Colorado's Health Ranking, cont.

- Overall and Dimension Ranking: 22
- Access: 35
 - Adults and children insured
- Quality: 30
 - Recommended screenings and preventive care for adults and children
 - Usual source of care for adults and children
 - Appropriate care
 - Patient satisfaction

Source: Commonwealth Fund State Scorecard on Health System Performance, 2007

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Colorado's Health Ranking, cont.

- Avoidable Hospital Use and Costs: 15
 - Hospital admissions and ER visits for pediatric asthma
 - Hospital readmissions
- Equity: 43
 - Differences in performance associated with patients' income level, type of insurance, or race or ethnicity

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Colorado's Health Ranking, cont.

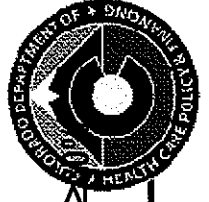
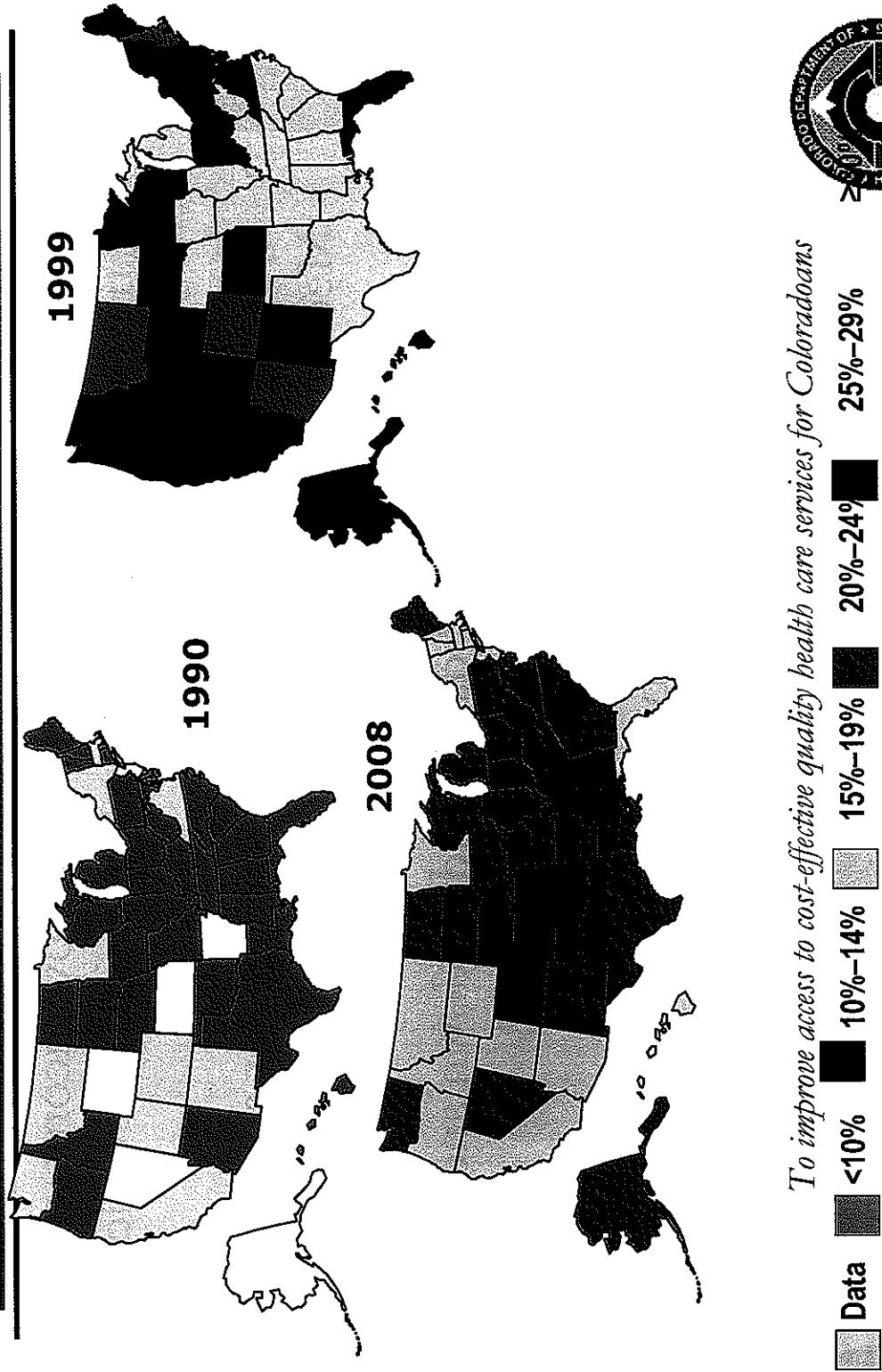
- Healthy Lives: 2
 - Mortality
 - Infant mortality
 - Breast and colorectal cancer
 - Limited activities
- Source: Commonwealth Fund State Scorecard on Health System Performance, 2007

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Obesity Trends* Among U.S. Adults BRFSS, 1990, 1999, 2008

(*BMI ≥ 30 , or about 30 lbs. overweight for 5'4" person)



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Health Outcomes

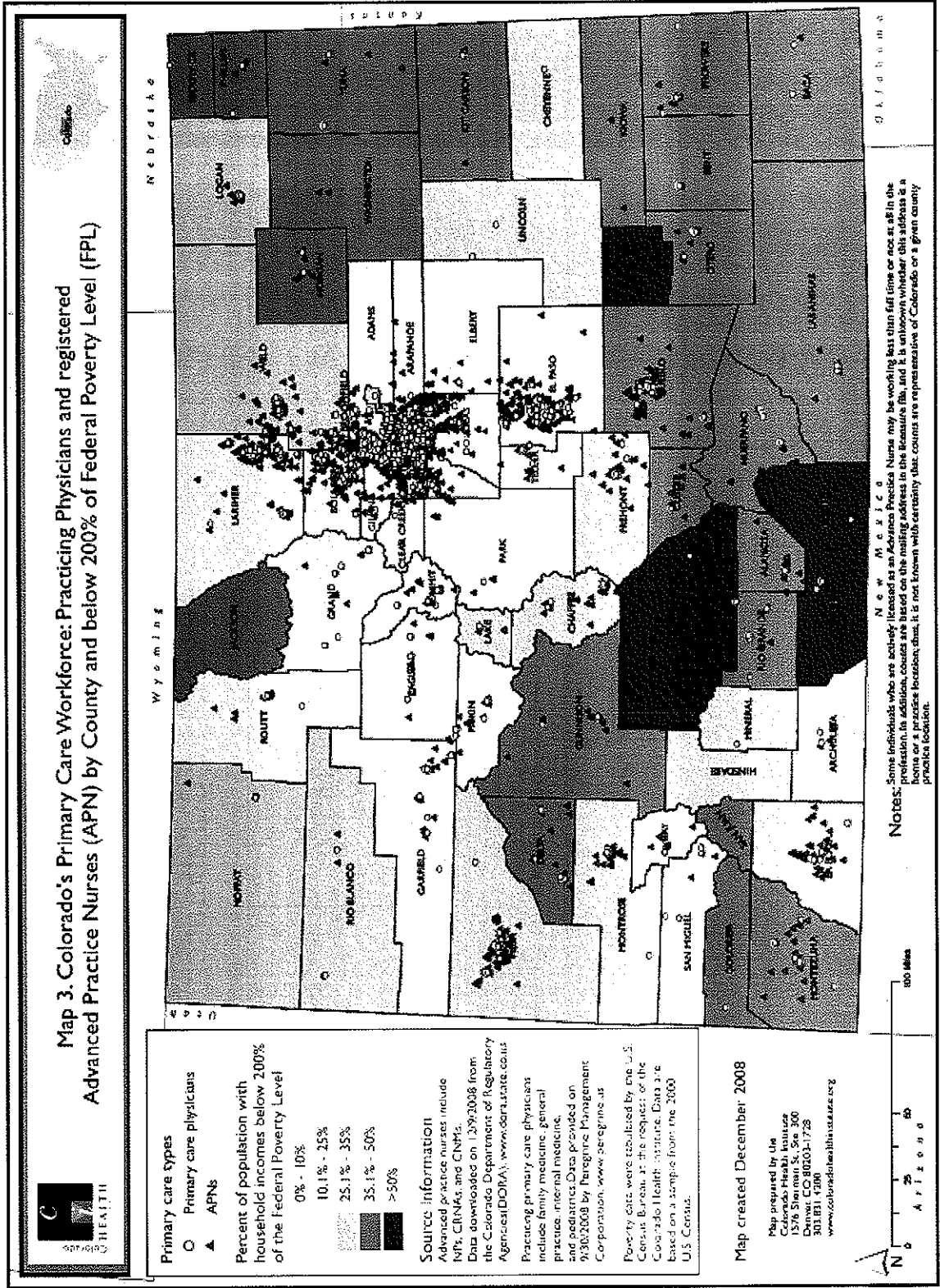
- Thinnest state in country – but low income children have 3 times the obesity rate as higher income children
- Smoking rates double state average for adults with Medicaid
- Nursing home bed days trending down and less expensive community services trending up
- Medicaid inpatient hospital costs stable, but ER and outpatient trending up

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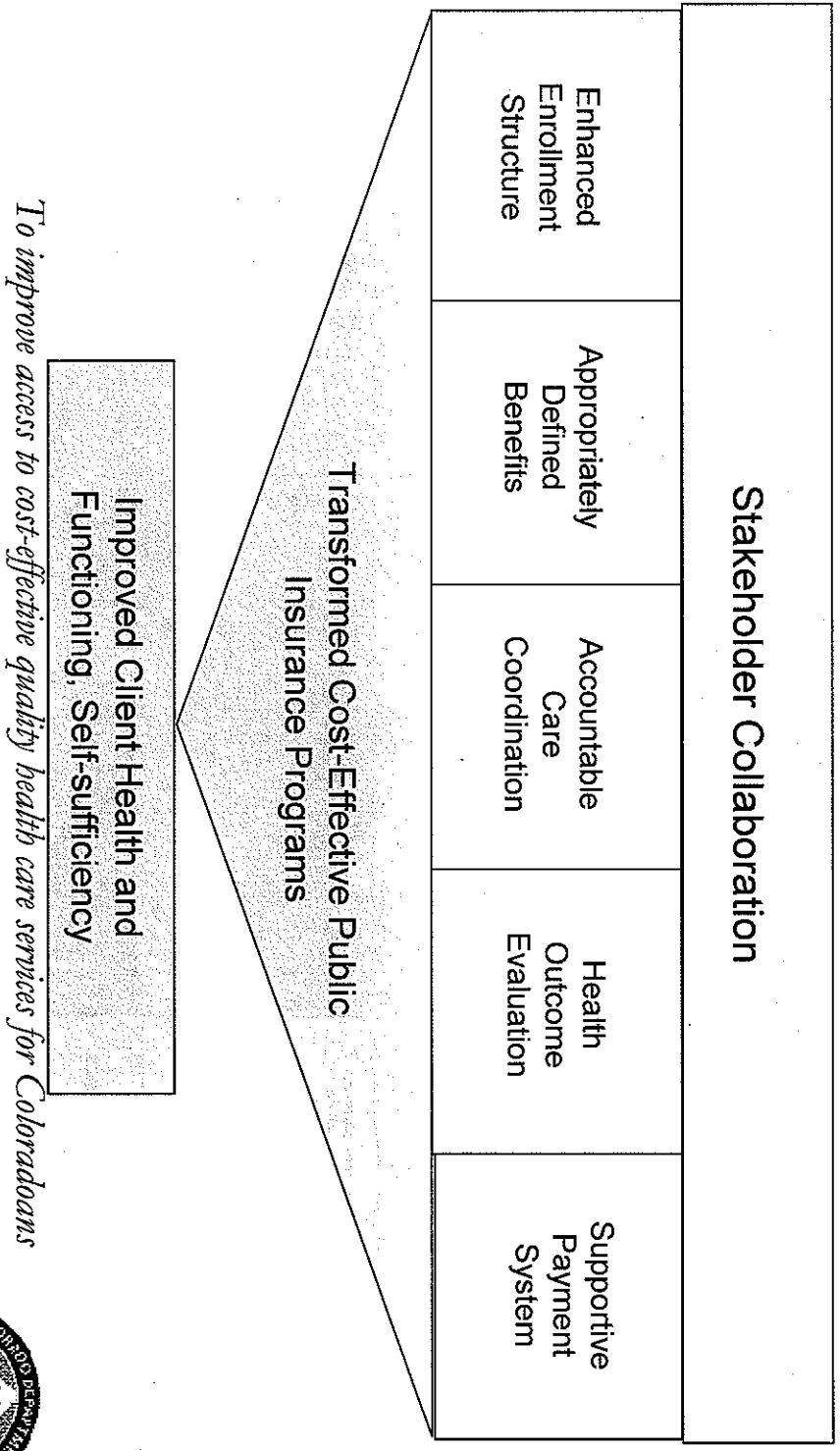
Provider Availability

Map 3. Colorado's Primary Care Workforce: Practicing Physicians and registered Advanced Practice Nurses (APN) by County and below 200% of Federal Poverty Level (FPL)



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Reform Vision



Internal Performance Improvements

- Balanced scorecards for all offices with key performance metrics for health, cost, satisfaction, access
- Internal audit function
- Contract management improvement
- Financial management system
- Project management tracking tool
- Legislative implementation status

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Health Initiatives

Upcoming activities to:

- Reduce readmission rates
- Reduce emergency room rates
- Reduce preventable hospitalizations

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Health Initiatives

Anticipate activities related to achieving:

- Lower child and adolescent obesity
- Lower adult tobacco use
- Lower adolescent depression rates

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Current Programs / Initiatives

- Provide a Medical Home to all Medicaid and CHP+ kids
- Make it easier for families to enroll in public programs by modernizing eligibility determinations
- Increased Medicaid reimbursement for primary care, oral care and hospitals (07-08)
- Improve mental health benefits in CHP+
- Preferred Drug List (PDL)

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Current Programs / Initiatives

- Colorado Accountable Care Collaborative (ACC)
- Colorado Pharmacy, Technical and Pricing Efficiencies
- Benefits Collaborative
- Medicaid Program Efficiencies (\$30M in budget balancing)
- Colorado Healthcare Affordability Act

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Current Programs / Initiatives

- Health Resources and Services Administration (HRSA)
- Colorado Center for Improving Value in Healthcare (CIVHC)

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Closing

Thank you

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