

LEADING COLORADO TO A HEALTHIER FUTURE: Building a Stronger Health Care System



A Report to Colorado
July 2009



A MESSAGE FROM GOVERNOR RITTER

The challenges facing America's health care system are well known. Here in Colorado we are working hard to make our shared vision of ensuring high quality, affordable health care for all Coloradans a reality.

Over the past two and a half years we have taken important steps to expand access, control costs, and improve quality in health care. The progress we've made is a testament to the dedication and impressive efforts of a large number of Coloradans, most notably our state legislators, executive officials, and the members of the Blue Ribbon Commission for Health Care Reform (also known as the 208 Commission). We are fortunate to have had an incredible amount of public involvement on this issue, and I appreciate all of the hard work that has been contributed by so many stakeholders.

Health care has been a top priority of mine since taking office in January of 2007. During my first year in office, I took important initial steps to strengthen our health care system while supporting the Blue Ribbon Commission for Health Care Reform in its effort to produce recommendations for comprehensive reform.

When the Commission delivered its report to the General Assembly in January of 2008 after 15 months of thoughtful deliberation, it provided a road map for reform – recommendations for strengthening and improving public programs, the private market, and our delivery system. We know that trying to fix all the broken elements of our health care system would destabilize the system and create chaos for all stakeholders, so we are pursuing reform in stages or phases to increase the likelihood of success.


I introduced and signed into law 100% of the "Building Blocks to Health Care Reform" agenda in the 2008 legislative session and consequently began implementing many of the 208 Commission's recommendations within months of their report. Following on the success of the 2008 session, I launched another bold agenda in 2009 and again passed 100% of it, including historic legislation to dramatically reduce the number of uninsured Coloradans and slow growing costs by reducing uncompensated care and cost shifting. Through these and other strategic improvements we are creating a better-performing system that serves all Coloradans, and provides a better return on the billions of dollars we invest in health care each year.

That said, we have a lot of work ahead of us.

This report provides you with an update on the tremendous progress we have made in health care reform over the first two and a half years of my administration and a look forward to where we are headed.

I am proud to say that we are well on our way down the path to comprehensive reform. Fixing our health care system is a challenge, but by working strategically and ardently in a collaborative manner, we can and will succeed in giving the next generation of Coloradans the opportunity to be the healthiest they can be.

Sincerely,



Bill Ritter, Jr.
Governor

COMMUNITY OUTREACH

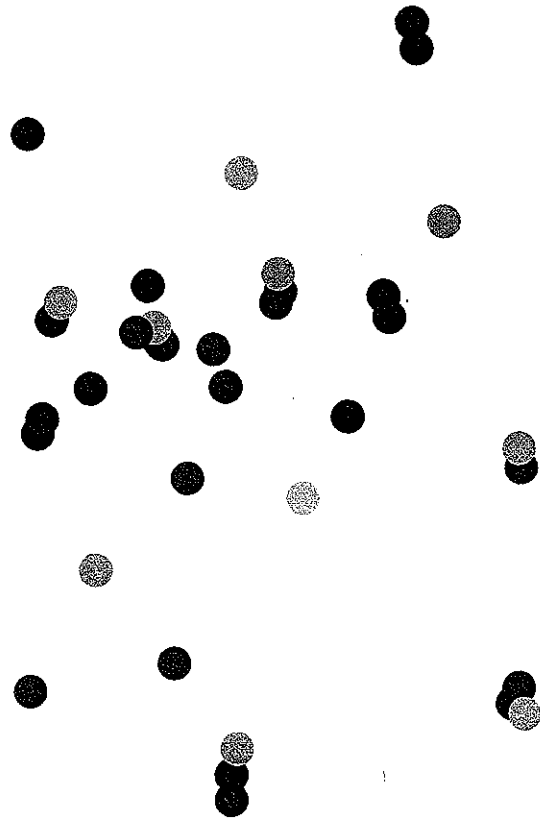
SOLICITING INPUT AND FEEDBACK ON HEALTH REFORM IN COLORADO

Every Coloradan is a stakeholder in health care reform, and it is important that all parties are invited to the table to work together toward substantive change. Recognizing that successful health care reform must be developed collaboratively, Governor Ritter, state policymakers, and the 208 Commission have regularly sought public input during the last two years. Specifically, the 208 Commission held 25 public meetings in 2007 and established four advisory task forces – Business, Provider, Rural and Vulnerable Populations – to seek additional input to their work. Governor Ritter hosted public outreach meetings all across Colorado in 2007 and 2008.



Health care community leaders participate in Governor's Dialogue on Health Care Vision and Values.

2007	2007	2008
208 Commission Public Meetings	Governor Ritter's Dialogue on Health Care Vision & Values	Governor Ritter's Health Care Reform Outreach Tour
Boulder	Alamosa	Alamosa
Cañon City	Aurora	Colorado Springs
Colorado Springs	Colorado Springs	Denver
Craig	Denver	Durango
Denver	Durango	Grand Junction
Durango	Fort Collins	Greeley
Fort Collins	Grand Junction	La Junta
Glenwood Springs	Lamar	Limon
Golden	Pueblo	Salida
Grand Junction	Sterling	Steamboat Springs
Greeley	Westminster	
Lamar		
Parker		
Pueblo		
Silverthorne		



KEY HEALTH REFORM ACCOMPLISHMENTS 2007 - 2009

- Expanded coverage to at least 100,000 uninsured Coloradans and contained costs by reducing uncompensated care and cost-shifting through the Colorado Health Care Affordability Act.
- Increased Colorado's childhood immunization rate and fully funded the Colorado Immunization Registry.
- Increased primary care and dental provider reimbursement rates to ensure there are enough physicians to care for families in Medicaid.
- Created the Center for Improving Value in Health Care, a public/private partnership to pursue long-term strategies for realigning the incentives in the health care system.
- Increased efforts to reduce fraud and abuse in public insurance programs.
- Provided more than \$3 million in grants to improve rural health care.
- Increased resources and programs to assist people with developmental disabilities.
- Introduced multiple strategies to reduce the cost of prescription medication, including the launch of the Preferred Drug List for Medicaid.
- Expanded mental health coverage in the private insurance market and enhanced mental health services for kids in the CHP+ program.
- Partnered with the Colorado Health Foundation, Kaiser Permanente and the Colorado Department of Public



Governor Ritter signs into law the largest coverage expansion in 40 years.

- Health and Environment to launch LiveWell Colorado, a public/private initiative to combat obesity.
- Increased transparency and accountability in private insurance and across the health care system.
- Strengthened and streamlined loan forgiveness programs to help recruit health care providers to rural and underserved communities.
- Invested in health information technology and supported the Colorado Regional Health Information Organization.
- Directed the creation of an inter-agency Olmstead Plan to ensure people with disabilities are able to live in community-based settings.
- Launched the Long Term Care Insurance Partnership to ensure older Coloradans have access to long term care services when they need them.

LOOKING AHEAD: NEXT STEPS TO REFORM

Governor Ritter and his administration are committed to ensuring all Coloradans have access to high-quality, affordable health care.

The Ritter administration is pursuing health reform in stages. This bold and realistic approach provides the opportunity to address quality improvement and cost containment while also expanding access to care in a responsible, pragmatic fashion. We made significant and important progress in the first two and a half years of the Ritter administration. As we continue making system improvements, the Blue Ribbon Commission's recommendations for reform provide a roadmap for where Colorado is headed in the years to come.

Looking ahead, Governor Ritter will pursue strategies to:

- Retain and build upon the strengths of our public/private health care system, recognizing the important role of



Governor Ritter signs an Executive Order directing the creation of an Olmstead Plan to reduce barriers to community-based services for disabled Coloradans.



Lt. Governor O'Brien advocates for federal reauthorization of the SCHIP program.

both public programs and private market influences in health care.

- Ensure basic coverage is affordable and accessible for all Coloradans.
- Reduce the health care workforce shortage and other barriers to access.
- Improve and expand public health insurance programs.
- Reduce administrative costs and burdens, making our health care system more efficient and effective for all stakeholders—particularly consumers.
- Improve our health care delivery system to ensure that consumers receive the right care, in the right place, at the right time.
- Realign the incentives in the health care system to reward quality care, not volume of services.



Governor Ritter celebrates the Gunnison LocoMotive Race with local kids.

- Support community-based systems of care that include safety net providers.
- Protect public health and safety by revitalizing our public health infrastructure.
- Encourage individual responsibility for health and wellness.



Governor Ritter encourages kids to stay healthy and active.

In order to achieve these goals all stakeholders – providers, consumers, businesses, payers and the state – must play an active role in reform and accept responsibility for improving the system. The participatory nature of health reform thus far has been essential to our success and will continue to be as we push ahead with this work.

We know the federal government will be an important partner in achieving a stronger, stable health care system and we look forward to working closely with our colleagues in Washington to ensure health reform is successful. However, regardless of what comes from Washington, Governor Ritter will continue to lead Colorado forward to ensure a 21st Century health care system that puts high quality, affordable health care within reach of all.



Lt. Governor O'Brien helps launch LiveWell Colorado.

Working together we can and we will make progress toward our shared vision of high-quality, affordable health care for all.

FULLFILLING THE COLORADO PROMISE: IMPLEMENTING THE COLORADO HEALTH PLAN

GOVERNOR RITTER'S 2007-2009 ACCOMPLISHMENTS IN HEALTH CARE

Governor Ritter is committed to working with stakeholders to reform our health care system and develop policies that increase access and availability of services, improve quality and contain costs for all Coloradans. In his first two and a half years in office, Governor Ritter has made tremendous progress towards that goal. This progress report is organized using the same priority categories identified in *The Colorado Promise: Making Health Care More Affordable, Ensuring Access to Care and Coverage*

"After the tremendous effort poured into the 208 Commission process, it is gratifying to see many of the recommendations result in policy change and specific actions under-way that deliver practical benefits to people and the system. The transformation we seek won't happen overnight, but our progress so far is encouraging and I believe we have the tools needed to build a better health care system."

—William N. Lindsay, III, Chair, Blue Ribbon Commission for Health Care Reform; President, Lockton Benefit Group—Denver



for All, Promoting Mental Health & Reducing Unintended Pregnancies.

Many of the health care reform measures implemented in the last two and a half years are very closely aligned with the recommendations provided by the 208 Commission.

MAKING HEALTH CARE MORE AFFORDABLE

CONTAINING COSTS

- Established the Center for Improving Value in Health Care (CIVHC), an inter-disciplinary, multi-stakeholder center to identify and pursue strategies for quality improvement and cost containment.
- Reduced uncompensated care and cost shifting by covering at least 100,000 uninsured.
- Increasing reimbursement rates for primary, hospital and dental care in public insurance programs, which will reduce uncompensated care and cost shifting.
- Established a Preferred Drug List for the purchase of prescription pharmaceuticals for Medicaid clients to ensure that Colorado's most vulnerable clients receive therapeutically appropriate and less expensive prescription drugs. This has reduced pharmacy costs in Medicaid by an estimated annualized \$4 million.
- Signed an Executive Order directing non-payment for Serious Reportable Events in hospitals to ensure the state pays for quality care and to encourage continued collaboration among the health care community to improve patient safety and outcomes.

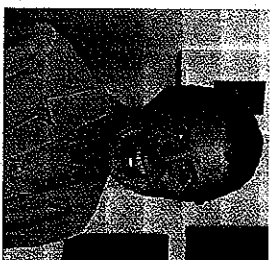
- Along with the Department of Personnel and Administration and other large employers, pressed for greater accountability, transparency, quality, and value from insurance carriers and providers, continuing to apply value-purchasing strategies to improve the value of not only healthcare, but also all employee benefits.
- Certified over 2,000 insurance brokers who helped over 3,000 middle-income families purchase affordable, quality long-term care insurance, reducing the need for families to rely on public programs. These policies are the result of the Colorado Long-Term Care Partnership – a public/private partnership between the Department of Health Care Policy and Financing, the Division of Insurance, the Department of Human Services, advocates and long-term care insurers.

IMPROVING MEDICAID

- Enrolled over 60,000 children in Medicaid and the Child Health Plan Plus (CHP+).
- Collected more than \$7 million in provider overpayment recoveries through Medicaid program integrity recovery efforts in 2007 and 2008.
- Invested significant funds in beginning to fix the Colorado Benefits Management System (CBMS), the information technology system used for Medicaid eligibility determinations and enrollment.
- Started an eligibility modernization process to make it easier for families to enroll in public insurance programs.
- Began rebuilding integrated care models in Medicaid, providing efficient care for clients in public programs.

"The Preferred Drug List Policy enables the state to use evidence-based medicine to make decisions on pharmaceuticals that are safe, medically appropriate and cost-effective. This strategy will contribute to the efficiency and sustainability of Colorado's Medicaid program while preserving high quality standards."

*-Lynn Parry, M.D., Co-Chair,
Colorado Medical Society Physicians' Congress for
Health Care Reform*



- Enrolled 150,000 children in Medicaid and CHP+ into a Medical Home to ensure access to primary and preventive care.
- Established a standing Long Term Care Advisory Committee within HCPF to improve consumer choice and encourage the responsible shift from institutional to home and community-based care programs.
- Ensured the availability of doctors who will provide care to Medicaid and CHP+ children by increasing provider reimbursement rates for dental, primary, and preventive care.
- Ensured the timely transfer of clients to clinically appropriate, cost effective long term care by instituting a presumptive eligibility policy for Medicaid clients.

FOCUSING ON PREVENTION

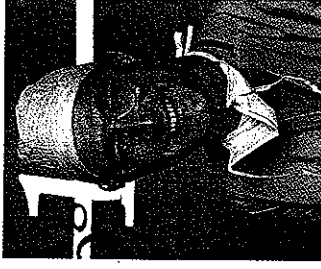
- Announced a 5-year, \$16 million funding increase for LiveWell Colorado, a public/private initiative created by Kaiser Permanente, the Colorado Health Foundation, and the Colorado Department of Public Health and Environment (CDPHE) to combat obesity.
- Expanded chronic disease management programs for Medicaid and CHP+ clients as well as for state employees.
- Signed legislation to reorganize and revitalize Colorado's public health system.
- Launched the Healthy Frontiers program for state employees, which will provide web-based and on-site programs to help employees focus on preventing the most significant risk factors for chronic disease, disability and premature death: tobacco use and obesity.
- Allowed insurance incentives for employees who actively participate in wellness programs.
- Continued support for broad-based efforts to improve the health of all Coloradans through initiatives of the Colorado Business Group on Health, the Metro Denver Health & Wellness Commission, and other wellness and prevention-focused organizations.

IMPROVING ACCOUNTABILITY AND TRANSPARENCY

- Created a web-based, consumer-friendly Report Card on Health Insurance Companies, providing information about insurance companies so businesses and individuals shopping for health insurance can make better-informed decisions.

"Colorado's health care providers are extremely fortunate to have leaders and policymakers who share our goal of transforming our health care system. The Building Blocks laid a strong foundation, and we're looking forward to maintaining that momentum as we continue pursuing comprehensive reform."

*-W. Ben Vernon, MD, President,
Colorado Medical Society.*



- Helped consumers make more educated health insurance purchases by requiring brokers to disclose their compensation structures.
- Released the first-ever Colorado Hospital Report Card, giving health care providers and consumers access to information on hospital clinical outcomes and nursing quality.
- Released the first Health Facility Acquired Infections Bulletin through the Colorado Department of Public Health and Environment, publicizing information to help consumers make informed health decisions and lead to improved patient care at Colorado hospitals.
- Empowered the Division of Insurance at the Department of Regulatory Agencies to seek restitution for consumers who are wronged by insurance companies.
- Standardized health plan identification cards to make them more provider, consumer, and carrier-friendly.

INVESTING IN TECHNOLOGY TO REDUCE MEDICAL ERRORS

- Encouraged the modernization of the state's health information infrastructure by increasing state support for the Colorado Regional Health Information Organization (CORHIO) – a public/private partnership that has launched a statewide electronic health information exchange.
- Appointed members to the Senate Bill 07-196 Health Information Technology Advisory Committee, which delivered recommendations to develop and integrate statewide health IT systems in the spring of 2009.

ENSURING ACCESS TO CARE & COVERAGE FOR ALL

- Passed the Colorado Health Care Affordability Act which will provide coverage to more than 100,000 uninsured Coloradans. This is the largest coverage expansion in Colorado in 40 years.
- More than doubled HCPF's budget for outreach and enrollment to ensure that all Coloradans eligible for public insurance programs receive coverage.
- Allowed lawfully residing immigrant children and pregnant women to enroll in Medicaid and CHP+ programs.
- Required health insurers to continue offering primary care to patients who choose to participate in a clinical trial.
- Appointed the Centennial Care Choices Advisory Panel (established by SB 08-217) and began identifying, evaluating, and assessing affordable value benefit

"The CORHIO system is an exciting, powerful new tool to help health-care providers enhance patient care and lower healthcare costs. I recently treated a teenage girl with persistent abdominal pain. Because the patient had been seen previously at another partner facility, I was able to log-on to the CORHIO system in about two minutes and view all of her labs and x-rays. This was tremendously helpful in terms of determining our next step, as I did not feel I needed to repeat any of the studies that had just been done."



*-Dr. David W. Kaplan,
Chief Medical Information Officer
and division head for Adolescent Medicine,
The Children's Hospital*

plans that could be offered to historically uninsured Coloradans through the individual insurance market.

INCREASING CHILDHOOD IMMUNIZATIONS

- Increased Colorado's immunization rate for children age 19-35 months, improving our state's ranking amongst the rest of the nation.
- Dramatically improved participation in the Colorado Immunization Information System (CIIS); 80% of Colorado children under age six now have at least two vaccines registered in CIIS, which is nearly a two-fold increase since 2004.

"I work for a risk management provider and get insurance through my job, but I couldn't afford the \$1,200 per month it would cost to cover the rest of my family. Thanks to CHP+ my three children and my grandson are covered and get the care they need to grow up strong and healthy."



- Monica Herrera, Parent of CHP+ kids

- Worked to integrate mapping with our Immunization Registry to identify pockets of un-immunized children and target these communities.
- Formed the Vaccine Advisory Committee of Colorado and began to gather information on barriers to and support for immunizations for children and design research projects aimed at improving immunization rates.

PROMOTING CHILD HEALTH

- Expanded eligibility in CHP+ to children and pregnant women earning 250% of the Federal Poverty Level (FPL) and passed a 12-month continuous eligibility policy for children on Medicaid.
- Improved mental health benefits for children in the CHP+ program by providing the same benefits as those available through Medicaid.

- Made it easier for families to enroll in public programs by streamlining enrollment and eligibility determination processes.
- Ensured the availability of doctors who will provide care to Medicaid and CHP+ children by increasing provider reimbursement rates for dental, primary, and preventive care.
- Launched the Cavity Free at Three Initiative, a public/private partnership focusing on training medical and dental providers in the treatment of very young children and pregnant women to prevent tooth decay.
- Worked with the Colorado Congressional Delegation to advocate for the reauthorization of the State Children's Health Insurance Program (SCHIP).
- Expanded Medicaid eligibility for foster children from 18 years to 21 years of age.
- Required health insurance providers to cover the assessment, diagnosis and treatment of Autism Spectrum Disorders for children so they can live safe, productive and healthy lives.

"Protecting our kids against disease is critical to ensuring their health, happiness, and safety. We've made dramatic progress in immunization funding which will help to secure a stronger future for all Coloradans."



- Lydia McCoy, MNM, Executive Director, Colorado Children's Immunization Coalition

"Investing in our children's health is a clear measure of our state's commitment to a strong future.

Over the past two years, Colorado has expanded health coverage to more kids, reduced enrollment barriers to state health insurance and defined a medical home approach to care, all of which help families access care more effectively. This progress offers the promise that a growing number of Colorado's children with have the opportunity to reach their full potential."

*— Reggie Washington, MD,
Pediatrician and Board Member,
Colorado Children's Campaign*



PROVIDING SUPPORT FOR MATERNITY CARE

- Increased access to prenatal care by expanding eligibility for pregnant women under CHP+ to 250% FPL.
- Ensured the availability of doctors who will provide care to pregnant women by increasing provider reimbursement rates for dental, primary, and hospital care in public programs.

STRENGTHENING RURAL HEALTH CARE

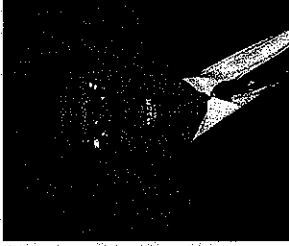
- Promoted the use of telemedicine in Medicaid for physical and mental health services to reduce costs and increase access in rural areas.
- Strengthened the authority of Advanced Practice Nurses who play a significant role in delivery of care in rural areas.

- Ordered a study of appropriate scopes of care models that can improve collaboration between doctors and Advanced Practice Nurses, Physician Assistants, and Dental Hygienists to help address the health care provider shortage, which is particularly serious in rural areas. This study informed legislation in the 2009 session.
- Passed legislation to ensure Colorado has the resources needed to maximize federal dollars for medically underserved communities in Colorado and strengthen loan forgiveness programs so that these communities can better recruit health care professionals.
- Created, through a public/private partnership, a \$7.5 million rural health care grants program that supports the infrastructure needs of health care providers throughout rural Colorado. In its two years, this program awarded over \$3 million in grants.

PROMOTING MENTAL HEALTH

- Significantly increased investment in integrated, community-based mental health services.
- Worked to expand coverage for mental health disorders by removing limitations on treatment for specific illnesses for clients in public health insurance programs.
- Improved mental health benefits for children in CHP+ program by providing the same benefits as those provided through Medicaid.

"Together with Governor Ritter and state lawmakers we have made meaningful progress in mental health and substance abuse coverage over the last two and a half years, including passage of the state mental health insurance parity bill in 2007. Together we are erasing discriminatory and tearing down barriers to ensure mental health is an equal part of comprehensive health care."



*- Arnold Salazar, CEO,
Colorado Health Partnerships*

REDUCING UNINTENDED PREGNANCIES

- Increased commitment to family planning by signing legislation that provides access to emergency contraception for victimized women and enhances coverage for family planning services under Medicaid.
- Submitted a family planning waiver proposal to the Centers for Medicare and Medicaid Services. Approval of this waiver would allow HCPF to reduce unintended pregnancies in Colorado by offering Medicaid coverage for family planning services to uninsured, low-income Coloradans who otherwise would not be eligible for Medicaid.
- Developed collaborative relationships with public and private agencies that specialize in pregnancy prevention and reproductive health, including CDPHE's Family Planning/Title X program, the Prevention First Colorado Coalition to prevent unintended pregnancy, and many of the large family planning clinic networks in Colorado.
- Supported a public/private partnership through CDPHE's Office of Suicide Prevention to continue providing public education, community grants, program support and evaluation, and reducing the stigma surrounding suicide and mental health treatment—all in effort to advance the suicide prevention movement in Colorado.
- Signed legislation requiring health insurance companies to cover mental illness and mental disorders as they would physical illnesses.
- Created the Behavioral Health Coordinating Council, an inter-agency initiative led by members of the Executive Cabinet and charged with better integrating Colorado's behavioral health care system into the fabric of state administered services.

KEY LEGISLATIVE ACCOMPLISHMENTS

2007

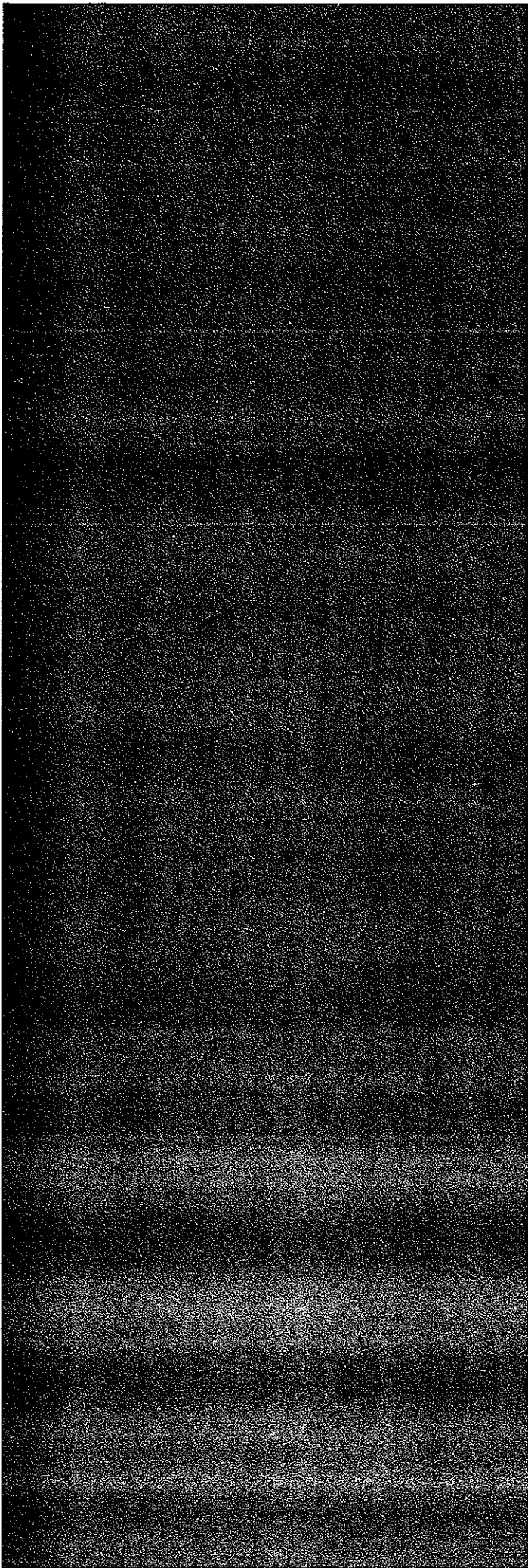
- SB07-036 (Keller / Stafford), Mental Health Benefits in Private Insurance
- SB07-079 (Fitz-Gerald / Madden), Provider Contracts
- SB07-130 (Boyd / M. Carroll), Medical Home
- SB07-211 (Hagedorn / McGihon), Covering All Children by 2010
- SB07-232 (Romer / Massey), Loan Repayment for Health Pro's in Underserved Areas
- HB07-1347 (A. Kerr / Shaffer), Immunization Tracking System and Registry
- HB07-1355 (McGihon / Hagedorn), Small Group Insurance Rating
- HB07-1022 (Butcher / Sandoval), Rural Health Care Needs
- HB07-1101 (Butcher / Tapia), Pueblo Health Insurance Costs Study

2008

- SB08-003 (Boyd / Riesberg), Medicaid Family Planning
- SB08-135 (Mitchell / Gagliardi), Health Insurance Standardized Benefits Card
- SB08-153 (Boyd / Ferrandino), License Home Care Agencies by CDPHE
- SB08-160 (Hagedorn / McGihon), Children's Health Care
- SB08-161 (Boyd / Merrifield), Medicaid and CHP+ Enrollment
- SB08-194 (Hagedorn / McGihon), Public Health Reorganization
- SB08-196 (Boyd & Tochtrop / Pommer), Nursing Quality Measures Hospital Report
- HB08-1228 (Green / Gordon), Insurance Responsibility Unfair Bus. Practices
- HB08-1385 (Primavera / Schwartz), Increased Health Insurance Transparency

2009

- HB09-1293 (Riesberg and Ferrandino / Boyd and Keller), Colorado Health Care Affordability Act
- HB09-1111 (Massey / Boyd and Schwartz), Health Resources for Underserved Areas
- HB09-1020 (Acree / Spence), Expedite Medical Program Re-enrollment
- HB09-1012 (Rice and Stephens / Newell and Mitchell), Incentives for Wellness and Prevention Programs
- SB09-244 (Shaffer / Primavera), Insurance Coverage for Autism
- HB09-1059 (Primavera / Carroll), Health Coverage During Clinical Trials
- HB09-1103 (Riesberg / Newell), Presumptive Eligibility for Long Term Care
- SB09-002 (Morse / Peniston), Motor Vehicle Fees to Support Emergency Responders
- HB09-1353 (Miklosi / Foster), Medical Benefits for Legal Immigrants



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