

REPORT TO THE BLUE RIBBON COMMISSION
VULNERABLE POPULATIONS TASK FORCE

September 28, 2007

Vulnerable populations include those who have low income or are financially vulnerable; those with disabling, catastrophic or chronic illnesses; those unable to advocate or speak for themselves; those with mental health issues; those requiring the use of multiple systems or transitioning in life; and those facing barriers to access that may be physical, cognitive, age, language, cultural, literacy or stigma based.

Because the definition includes those who are financially vulnerable, any person whose only affordable option for health care coverage is a plan with a coverage ceiling, i.e. \$50,000, is potentially vulnerable. "One step away" from an event that changes their life forever. Mandating the purchase of a minimum benefits package forces residents to pay for underinsurance and is in direct conflict with the guiding principles of the Commission. We must not exchange our uninsured for masses of underinsured.

According to one study, in 2001 medical problems contributed to approximately 50% of all bankruptcy; 75.7% of these individuals had insurance at the onset of illness. When health care costs exceed the limits of an insurance policy, the consumer is forced to pay out of pocket until they are bankrupt. At that point costs are shifted to taxpayers via increased premiums to cover uncompensated care and possibly enrollment in Medicaid/Medicare, provided the individual qualifies. The business of medicine continues to thrive while the interests of consumers suffer. This cycle will not be stopped until legitimate health care reform is endorsed.

*If the misery of the poor be not by the laws of nature but by our institutions,
great is our sin. Charles Darwin.*

The Lewin analysis established that current expenditures in health care would finance comprehensive health insurance for all Colorado residents under the Colorado Health Services proposal with \$1.4 billion in savings to the state of Colorado. We should not consider healthcare to be a commodity, as we do not choose to get sick. The Vulnerable Populations Task Force asks the legislature to have the vision to do what is best for all of the residents of Colorado. If this is not possible, we offer our recommendations on elements of health reform that could benefit Vulnerable Populations.

GUIDING PRINCIPLES OF THE VULNERABLE POPULATIONS TASK FORCE

- 1) All residents of Colorado have the right to equal, affordable, comprehensive and high quality health care. Health care is the holistic integration of physical, behavioral/mental, and oral health. All people are deserving and valued. Unmet needs and uncompensated care will continue the current escalation in health care costs for all.
 - Health plans must be guaranteed issue and pure community rated.
 - Waiting lists for long term care services are unacceptable.
- 2) All deserve a choice of health plans and choice of providers. There are savings to be had in health care through prevention, both primary and secondary, that access to health care will help the state realize.
- 3) Access should be ensured based on best medical practices in the least restrictive environment.
- 4) Recognize that vulnerable populations are poorly represented in medical research studies resulting in a paucity of relevant evidence based medicine.
- 5) Ensure that Vulnerable Populations, whose needs may be extensive and who are frequently devalued by and invisible to society, are not denied access to medically necessary care. People do not cease to exist because they are ignored.
- 6) A household's total expenditure for health care (including long term care) should be limited to a percentage of income (or assets), defined to avoid impoverishment. When a family is forced into poverty the long term costs to the system are magnified and perpetuated through subsequent generations. Recognize that costs include premiums, co payments, deductibles, caps and full payment for uncovered care.
- 7) Health care should be provided to all people living in Colorado, regardless of documentation status.
- 8) Comprehensive and compassionate holistic health care should be provided with respect and dignity. This would entail:
 - Providing contextually and culturally appropriate care for those who are homeless, impoverished, low literacy, transitioning, and addressing sex, age, language, race, ethnic, geographic, sexual orientation, gender status, and disability issues. It is necessary to understand the overarching context or culture in order to provide appropriate care.
 - Supporting individuals to fully participate in joint decision making about their care.
 - Providing services in a variety of settings with convenient hours, upholding the values of a family centered Medical Home.
- 9) Colorado must support the value of continued health and independence of the individual. This support should include but are not limited to housing, food, safety, transportation, childcare, and basic daily living skills.
- 10) Primary, preventative, acute, chronic and long term care should be coordinated and integrated to ensure continuity of care from conception to death. A truly coordinated and integrated system would support seamless transition out of hospitalization, incarceration, foster care, institutionalization and the military.

- 11) Health insurance is necessary but not sufficient to ensure access to health care and improved health for vulnerable populations. The commission's goal of protecting and improving the health status of all Colorado residents cannot be met solely by providing health insurance. Barriers to access must be addressed.

***The needs of Vulnerable Populations are multifaceted and complex.
They should be intentionally and directly incorporated into
any meaningful healthcare reform.***

RECOMMENDATIONS OF THE VULNERABLE POPULATIONS TASK FORCE

- The safety net must be preserved and strengthened.
- Long term care needs to be evaluated and planned for *in detail*, both current and projected future needs.
- Any new proposal should include existing mandates provided by state law.
- Build on successful local initiatives that are working for vulnerable populations.
- Ensure that insurance plans provide comprehensive, high quality healthcare. This should include *but not be limited to*: primary, preventive, acute, chronic, specialty and long term care; 24/7 access for emergencies; oral/dental, vision, hearing; Mental Health; Substance Abuse; Specialty Care; Prescriptions, including high cost, second line and/or alternative treatments and off label uses; durable medical equipment and other assistive technology, hearing aids, and prosthetics.
- Focus on Wellness and Prevention. Incentivize consumers to engage in healthy behaviors and use appropriate preventive care. Eliminate co-payments for evidence based preventive care such as mammography screening.
- Decrease complexity of health care plans and provide consumer education in acceptable mediums. Provide tools that enable consumers to make informed choices. The health care plans should be easy to navigate.
- Provide consumer/family friendly appeals processes with advance notice and ombudsmen.
- Consumer satisfaction data should be collected and reported by an entity without conflict of interest.
- Provide transparency and accountability.
- Contain administrative costs while providing high quality comprehensive care, i.e. National Association of Community Health Centers.
- Expand Health Information Technology to allow quality seamless care, reduce medical error and forgo the need to duplicate care.
- Recognize the value of culturally appropriate and holistic medicine including non-allopathic medicine and traditional healers/ non-traditional western providers.
- Provide continuous coverage with portability that allows interstate travel and reciprocity with other states.
- Promote research into best medical practices for vulnerable populations.
- Expand Medicaid to Federal levels. Endorse Medicaid Buy-in and Ticket to Work.
- Decrease complexity of Medicaid via:

- A joint/single simplified application process for Medicaid and CHP+ with continuous eligibility for 12 months, passive re-enrollment, and elimination of unnecessary verifications;
- Presumptive enrollment of income eligible. Presumptive enrollment of those on AND while awaiting SSI. Fast tracking to facilitate transitions;
- Expansion of the state definition of developmental disability to match the federal definition; consolidate the 14 Medicaid Waiver programs accordingly.
- Enhance Medicaid:
 - Increase reimbursement for providers, with incentives for those who provide quality care to high needs populations;
 - Build on the success of the Consumer Directed Attendant Support Program by expediting implementation of HB 05-1243;
 - Enable consumer directed care for DME purchase to maximize cost savings;
 - Allow services to be provided in the family home;
 - Encourage fraud detection via consumer education and incentives;
 - Expand benefits to include oral/dental, glasses, hearing aids, transportation and respite care;
 - Allow reciprocity with neighboring states;
 - Realize cost savings by facilitating the transition of nursing home residents desiring community placement out of institutions.
- Develop a process to evaluate in 2 years whether changes (*effected*) have had an impact on the health of Colorado's Vulnerable Populations and the number of uninsured.

VULNERABLE POPULATIONS TASK FORCE PROPOSAL COMMENTS

In defense of the proposals we would note that the solicitation criteria did not require comment on many of the issues that are important to vulnerable populations. Given this limitation, we submit the following comments on the four proposals we were provided for review. These comments are followed by detailed proposal specific analyses of the potential impacts, positive and problematic, for Vulnerable Populations.

Colorado Health Services Program (see full review)

Positive Aspects of the Proposal for Vulnerable Populations:

This proposal is the most affordable plan for vulnerable populations and the only plan that recognizes that healthcare needs to be taken out of the free-market economy. This proposal covers all state residents in a single combined risk pool with no discrimination for pre-existing conditions. The benefits package is the most comprehensive of any of the proposals and includes mental health, substance abuse, dental, vision, hearing aids, dentures, alternative care, medical transport and specialty care. This system allows the consumers to identify the provider of choice and make informed choices about providers. The openness will allow the public to contribute to quality. In general this plan has the best access for vulnerable populations with affordability, streamlined forms, use of medical homes, point of service model and cultural competency.

Problematic Aspects of the Proposal for Vulnerable Populations:

The proposal does not address all gaps in access to care especially with regard to adequate coverage of long term care, behavioral interventions and respite care. The benefits package is created by a board without sufficient and timely appeals process delineated. Coverage for off-label use of prescription drugs is not discussed. There is no discussion of in the field care provision or support services for housing and case management.

A Plan For Covering Colorado (see full review)

Positive Aspects of the Proposal for Vulnerable Populations

This proposal recognizes the value of the safety net system and strengthens health information technology. It takes the necessary first steps in health care reform via creation of a single insurance market with guaranteed issue and community rating. The need to decrease barriers to access is affirmed and preliminarily addressed. Providers would receive improved reimbursement for care of Medicaid patients and appropriate pay for quality care to individuals with high needs. Medicaid is expanded and individual mandates are subsidized for those in need.

Problematic Aspects of the Proposal for Vulnerable Populations

The 47,000 lives that are left uncovered are mostly low income. The Authority Board will have the power to make policy decisions on whether and how to cover high-cost interventions, particularly if their effectiveness is in question. This is a significant concern for vulnerable populations whose needs may be extensive and who are frequently devalued by society. Long term care and support services, including waiting lists, are not addressed in adequate detail to allow assessment. The product may be complex and difficult to navigate. There continues to be a requirement for individuals to spend down into poverty prior to qualifying to purchase Medicaid.

Better Health Care for Colorado (see full review)

Positive Aspects of the Proposal for Vulnerable Populations

This plan improves access to health care for vulnerable populations by providing guaranteed issue and community rating. In addition it calls for Medicaid and CHP+ expansion. This proposal addresses long-term care, including housing issues. Wellness and Prevention are incentivized. Medicaid reimbursement to providers is increased to the Medicare rate. Quality is emphasized through pay for performance, standardized care measurements, protocols and transparency.

Problematic Aspects of the Proposal for Vulnerable Populations

The proposed benefit cap of \$35,000 is untenable; in addition the specific caps on outpatient, emergency services, prescription drugs and durable medical equipment are unrealistic and will put significant financial burden on vulnerable populations. This plan will keep the homeless, mentally ill and disabled in indigent care. The proposal does not adequately cover the current uninsured population in Colorado, extending coverage to only 7% of the uninsured population. Costs increase most for families with incomes under \$10,000 while decreasing for families with income over \$10,000. This proposal

does not include some benefits that are currently mandated through Medicaid such as mental health services.

Solutions for a Healthy Colorado (see full review)

Positive Aspects of the Proposal for Vulnerable Populations

The proposal advocates for increases in Medicaid reimbursement rates and a pay for performance model. There is an emphasis on Prevention and Wellness with premium reduction for healthy lifestyles, outreach, longer enrollment periods and portability.

Problematic Aspects of the Proposal for Vulnerable Populations

This plan is the *least beneficial* and *most problematic* for vulnerable populations. This proposal carries a very high annual maintenance cost for the state while still leaving a substantial number of Coloradoans uninsured. Administration costs represent at least 19% of total plan costs. This plan limits coverage at \$50,000 per year, which would create an increase in vulnerable populations by forcing more people into poverty. This proposal does not attempt to address long term care, even at the most basic level. Nor does it sufficiently address chronic care. This void in the plan skews the financial analysis as these represent the largest health care expenditures. Costs are shifted back to the taxpayers and the insurance industry realizes a profit.

CLOSING

In closing we would refer you to the article by Dr. Steven A. Schroeder in the September 20, 2007 issue of the New England Journal of Medicine entitled "We Can Do Better-Improving the Health of the American People". In the article Dr. Schroeder discusses how despite spending more on health care than any other nation in the world the United States ranks poorly on nearly every measure of health status. He attributes our weak health status to "two fundamental aspects of our political economy. The first is that the disadvantaged are less well represented in the political sphere here than in most other developed countries....Without a strong voice from Americans of low socioeconomic status, citizen health advocacy in the United States coalesces around particular illness...led by middle class advocates whose lives have been touched by disease...*Because the biggest gains in population health will come from attention to the less well off, little is likely to change unless they have a political voice and use it to argue for more resources to improve health-related behaviors, reduce social disparities, increase access to health care, and reduce environmental threats.*"

We thank you for giving us this voice, and hope that you will use our information to help improve the health of all residents of Colorado.