



FACT SHEET

Who we are

The Colorado Hospital Association (CHA) represents 90 hospitals and health systems throughout Colorado. CHA helps more than 60,000 caregivers and health professionals in Colorado hospitals do what they do best—meet the need of their communities. In fact, hospitals historically have been an important and steady source of employment in their communities in both good and bad economic times. Nationwide, hospital jobs are still growing even as employment in other industries declines.

What we do

The leadership and advocacy role that CHA plays for Colorado's hospitals helps to achieve improved health status and access to care for Colorado residents. In fact, coverage and access to care for the uninsured and underinsured is our number one priority. Last year, Colorado hospitals cared for more than 500,000 inpatients and 8 million outpatients. We provided more than \$1.5 billion in uncompensated care and charity care.

CHA works to support the sound management of healthcare resources and often to protect hospitals through a number of key activities, programs and services:

Advocacy: CHA represents and advocates on behalf of its member's concerns and perspectives with local, state and federal governments; policymakers and the public.

Quality and Patient Safety: CHA serves as the "go to" source for hospitals and health systems to assess, measure and improve healthcare quality and safety, and shapes policies and systems to ensure Colorado healthcare consumers receive the highest quality of care. In 2006, CHA and quality managers developed the Hospital Report Card for consumers to compare hospitals based on quality indicators. Go to www.cohospitalquality.org to visit this informative site.

Policy Analysis and Development: CHA tracks, analyzes and develops policy on current and emerging healthcare issues, particularly in the area of economics and finance, governance, performance improvement, organization and management, planning and development and utilization.

Information Services: The CHA DATABANK Program provides hospitals with comparable information on inpatient utilization, outpatient statistics, charges and expenses per day and per stay, uncollected charges, and personnel statistics. The data contained in DATABANK for each individual hospital can be used for budgeting, marketing and internal management purposes.

(--more--)

Communications: CHA facilitates continuous dialogue among member institutions, policymakers, and various stakeholders in the healthcare community while maintaining regular contact with the media. CHA will assist policymakers with requests for information and healthcare research.

Education: The CHA education department provides comprehensive educational briefings and programs for members and other healthcare professionals and advocates on pressing issues facing the healthcare community.

Business Services: CHA's subsidiary businesses offer a wide range of group-purchasing and consulting services to help hospitals maximize efficiency while maintaining high-quality operations.

For information or assistance please contact Janet Fox Stephens, CHA Vice President of Government Affairs, 303.746.4985 or janet.stephens@cha.com.

1/15/09

REVISED 2009 CHA LEGISLATIVE AGENDA

KEY ISSUES

1. Coverage and Access for the Uninsured/Underinsured

Continued growth in the number of uninsured and the under insured in Colorado results in delayed care, which frequently creates a more serious and expensive medical problem. In addition, it results in an increasingly high level of charity care and bad debt costs that are shifted to the insured patients which further exacerbates the already increasing cost of healthcare for everyone. CHA continues to be committed to finding solutions to this problem and supporting legislation that enables the state to increase coverage and access to this vulnerable population.

2. Medicaid Provider Fees

The provider fee is a mechanism whereby the State can obtain additional federal matching dollars for Medicaid without having to spend additional State money. Providers pay a fee to the state which obtains the federal match and the state then spends those funds on Medicaid services. Provider fees of this type have the potential to alleviate some of the uncompensated care hospitals experience when providing services to Medicaid and uninsured patients but, because of federal rules, these fee mechanisms have the potential to cause financial harm to some facilities by not permitting all hospitals to be "held harmless" for payment of the fee.

CHA is currently in discussions with the Governor's office and the Department of Health Care Policy and Financing on potential legislation to establish a hospital provider fee in Colorado. However, before the CHA Board of Trustees adopts a position in favor of potential provider fee legislation in Colorado, certain key considerations must be met. Those considerations include:

- Advocating for the state's commitment to maintain current Medicaid spending levels.
- Assuring that changes to the agreement require all parties (governor, state legislature and hospitals) to concur (no unilaterally approved changes).
- Segregating the funds so that all provider fees collected are maintained and can only be used for designated purposes.

Additional considerations include:

- A "poison pill" provision in the statute that assures if the federal match is not attained or the Medicaid plan amendment is not approved by CMS, that hospitals would not be assessed the fee.
- Adequate methodology for ongoing evaluation of the effectiveness of the program at reducing uncompensated care costs for hospitals and that adequate funding is available for the Medicaid expansion programs.
- Agreement that the provider fee will supplement and not supplant general fund dollars being contributed to support the Medicaid program.

If successfully implemented, the provider fee will improve coverage and access to care for approximately 200,000 Coloradans, and improve funding for hospitals in underfunded programs.

3. Medicaid

- **Hospital inpatient payments**

CHA recognizes that the Colorado Medicaid program plays an important role in providing access to care for low income individuals. CHA feels this can only be done if adequate Medicaid payment for care is provided. Failure to provide adequate reimbursement to health care providers will impede access to care, continue the cost shift due to underpayments for care provided to Medicaid recipients and hinder efforts to make health care more affordable.

Medicaid funding increases were suspended in Colorado during the last economic downturn. Any continued loss of revenue or under funding of the program will only result in significant additional cost shift to the business community resulting in higher health insurance premiums. Therefore, heading into FY09/10 budget process, CHA will work with all parties on the potential provider fee to bring new money into the system. As soon as the state economy improves, we will seek another direct Medicaid rate increase. CHA will work closely with the Joint Budget Committee in the coming months regarding the feasibility of any increase in this budget cycle or the next, given the current state budget constraints and economic conditions. Should the budget deficit in the state be greater than expected, and provider rates reduced, CHA would work to maintain the same, but not greater than the decrease for other providers.

- **Increase in payment to Critical Access Hospitals (CAHs)**

Medicare recognizes the importance of these safety net hospitals in ensuring access to care in rural and medically underserved areas of our state. CHA is asking the state Medicaid program to recognize the need for greater reimbursement for CAH hospitals, comparable to what Medicare has done. To that end, CHA recommends that Critical Access Hospitals be reimbursed by Medicaid at 101% of cost as soon as it is practical for the state to do so.

3. Healthcare Reform

Health care reform must address the reality that current trends in health care costs and insurance premiums are not sustainable and are contributing to access and coverage challenges. CHA will continue to promote responsible healthcare reform and be guided by principles developed by the CHA Healthcare Reform Task Force and the American Hospital Association. These principles set forth important considerations for reform legislation proposals and are intended to give the Association the broadest possible opportunity to participate with other stake holders in discussions regarding healthcare reform.

Health for Life: A Framework for Change

America and Colorado needs a plan for improving health and health care that will: provide coverage for all, paid for by all; keep people well; improve quality; create state-of-the-art information systems; and ensure that care is affordable. CHA is guided by the following principles:

- **Make Health Care Reform a Priority**
- **Focus on Wellness**-Good health-physical, mental and oral-is essential for a productive and vibrant Colorado. A focus on wellness must be integrated into the lifecycle, from birth to death and be encouraged in our homes, schools, workplaces and communities.
- **The Most Efficient, Affordable Care**-Americans will not be satisfied unless and until the cost of insurance and the cost of health care are affordable.
- **The Highest Quality Care**- Motivate doctors, nurses, hospitals, nursing homes, and others to work together and team up with patients and families to make sure the right care is given at the right time and in the right setting.
- **The Best Information**- Good information is the gateway to good care.
- **Health Coverage for All, Paid for By All**- Health coverage for all is a shared responsibility. Everyone-individuals, business, insurers and governments-must play a role in both expanding coverage and paying for it.

4. Physician Owned Hospitals and Self-Referral

CHA has a long-standing policy opposing the formation of physician-owned hospitals and physician self-referral. Since Congress has not been able to pass federal legislation to ban physician-owned hospitals, CHA appointed a Task Force to make recommendations on this issue. The Task Force presented a report and its recommendations to the CHA Board of Trustees in November, 2008. The Board agreed that CHA will not seek to advance legislation at the state level to ban physician-owned hospitals. CHA will continue to work with the American Hospital Association (AHA) at the federal level in support of congressional action to ban physician-owned hospitals.

5. Nurse Workforce Issues

The delivery of safe, high-quality patient care is the number one priority of Colorado hospitals. Colorado hospitals have a strong record of providing excellent patient care and are committed to continuing this record. One of the primary factors that contribute to patient safety and quality care is a positive work environment for nurses. As a result of legislation and discussions on nurse workforce issues in 2007, CHA approached the Governor with a proposal to convene a task force to look at nurse workforce issues. The Nurse Workforce and Patient Care Task Force was created by Executive Order B 002 07 on March 29, 2007. This order called for a diverse group of stakeholders to develop recommendations focused on nursing-sensitive quality measures, nursing education and retention of nurses in the workforce.

The task force's final report was presented to the Governor on December 31, 2007. It made, in part, the following policy recommendations:

- a. That Colorado hospitals report on the Colorado Hospital Report Card (www.cohospitalquality.org) the following nursing-sensitive measures (As currently defined by the National Quality Forum and/or the National Database on Nursing Quality at www.qualityforum.org/nursing/ and <http://www.nursingquality.org/> , resp.):
 - Skill mix
 - Nursing hours per patient day

- The Practice Environment Scale
 - Voluntary turnover
 - Falls prevalence
 - Falls with injury
 - Pressure ulcer by code (already collected and reported on the Hospital Report Card)
 - The Job Satisfaction Scale
 - RN education and,
 - RN certification.
- b. Provide Incentives to New Graduates to Practice in Colorado
 - c. Create Scholarships to Address the Nurse Shortage
 - d. Create a Pilot Program on Planning for Patient Care

In response to the Governor's Report and the recommendation above, the Pilot Program Implementation Committee (PPIC) was formed by SBo8-188 to develop parameters and hire a researcher surrounding the issues to be addressed in the Pilot Program. CHA is participating on the PPIC and looks forward to the implementation of the pilot program, and learning the impact of direct care nurses involvement in decision-making regarding patient care issues in our hospitals.

CHA will most likely support any initiatives in 2009 that are a result of the original task force recommendations and subsequent legislation. Continuing to work in cooperation with all parties and the Governor's office, CHA would oppose legislation concerning the above issues that is not a continuation of this process and the outcome of the deliberations of the 2007 Governor's Nurse Workforce and Patient Care Task Force.

6. Access to Emergency Care

Many auto trauma victims in Colorado lack adequate coverage for injuries that result from auto accidents, since mandatory personal injury coverage was discontinued in 2003. In the 2008 legislative session, SBo8-11 was passed to require mandatory medical payments coverage on auto insurance policies. The Act will go into effect in January of 2009. Success will be dependent upon the number of auto insurance policy holders that accept the new requirements for medical payments coverage. CHA will monitor the statistics surrounding this new Act to determine if adequate funding will now be available for trauma care services. If not, CHA has and will continue to work with policymakers and other key stakeholders committed to finding a bipartisan, long-term solution for uncompensated trauma care.

7. Health Insurance Issues

- **CoverColorado-Funding Mechanisms**
CHA and its members fully support CoverColorado and the ability to insure many Coloradans that would otherwise not have access to health insurance. As such, CHA supports the reauthorization of CoverColorado's statutory authority to assess a fee on insurers providing coverage in Colorado as the appropriate mechanism to cover a portion

of the cost of the program. CHA supported legislation to form a task force to find solutions that are viable for long term maintenance of this program.

- **SB 217 Centennial Care Choices**

CHA has been closely monitoring the deliberations of the task force created by SB 217 that seeks to add "value benefit plans" to the health insurance mix in Colorado. This will be an incremental step in health care reform, and if successful, should help to increase the number of insured persons in Colorado.

8. 2009 Sunset Issues of Interest to Hospitals

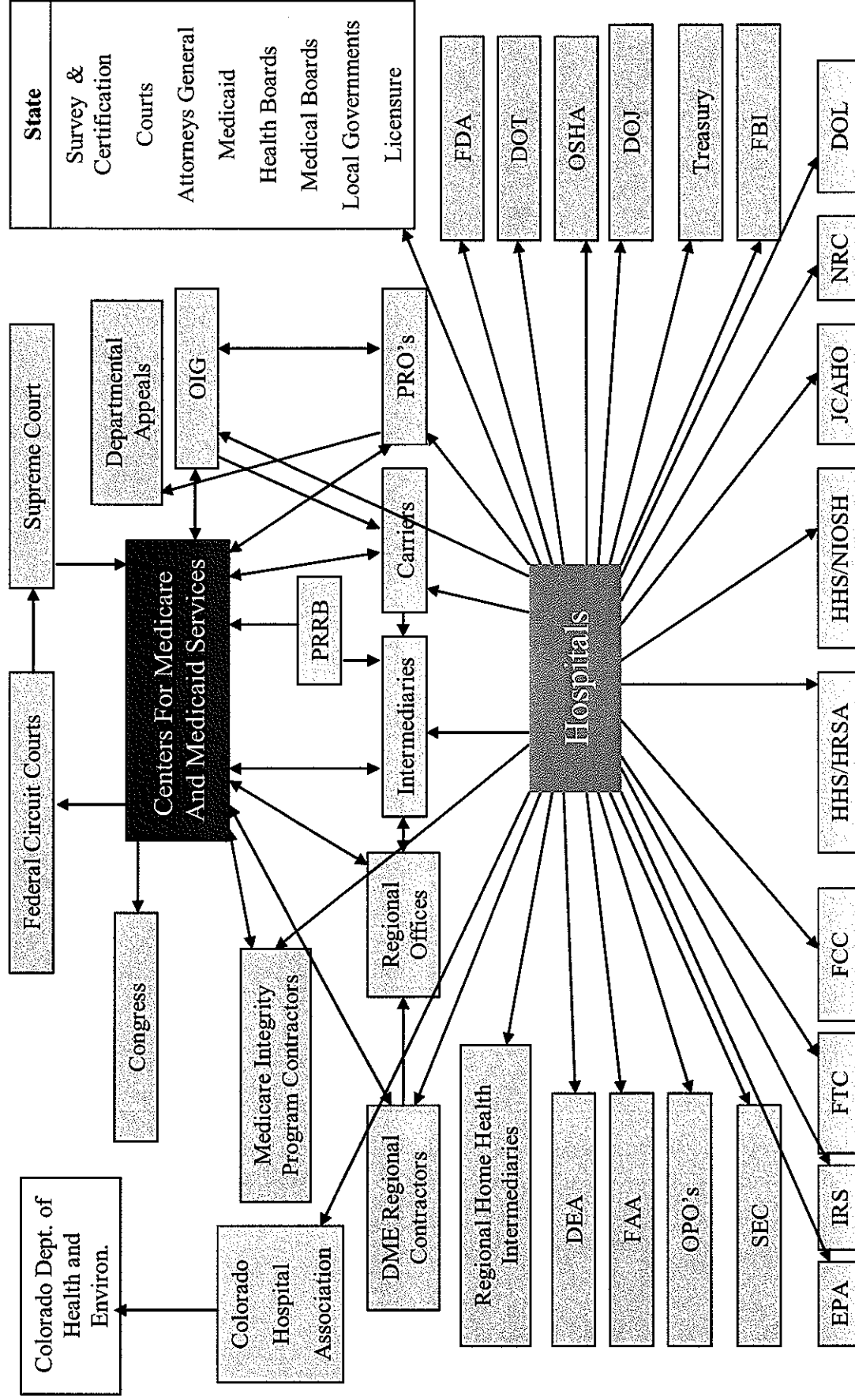
- State Board of Nursing: Professional Nurse Practice Act
- Civil Rights Commission
- Psychiatric technologists
- CRNAs

9. 2008 interim Health Care Task Force Proposed Legislation

- Bill 4 Complaint Process Protocol for Indigent Care: CHA position of oppose
- Bill 9 Peer Review Protections: CHA position of monitor for necessity
- Bill 10 Eligibility Criteria: Infectious Disease: CHA Position to seek amendments

Questions about the CHA 2009 Legislative Agenda should be directed to **Janet Fox Stephens**, CHA Vice President for Government Affairs, at 303.746.4985 or janet.stephens@cha.com .

WHO REGULATES and REQUIRES INFORMATION FROM HOSPITALS



For additional information, please contact Janet Fox Stephens, Vice President of Government Affairs, Colorado Hospital Association, 720-489-1630.

