



5th Proposal Elements as of 9/24/07

NOTE: This document reflects elements of the proposal as agreed upon at a Commission meeting Sept. 24. The proposal is subject to change after the first round of modeling is completed.

Guiding principles

The following principles guide the Commission as it develops the 5th proposal:

- Protect and improve the health status of all Coloradans
- Expand coverage of essential health care services for all Coloradans, with an emphasis on the uninsured and underinsured
- Align incentives to provide high-quality, cost-effective and coordinated care
- Support a system that is financially viable, sustainable and fair
- Provide opportunities for meaningful choice and encourage personal responsibility
- Emphasize wellness, prevention, health education and consumer empowerment

In addition, the Commission strives to address other priorities in the fifth proposal, including:

- Seamless coverage: Ensure that families can be covered under one umbrella (i.e., members of the same family will all qualify for the same coverage, rather than being split among Medicaid, CHP+, etc.).
- Facilitate access to basic coverage with an emphasis on wellness and personal responsibility.
- Leverage federal dollars.
- Build upon the existing system

See proposal elements on following pages

303 E. 17th Avenue, Suite 400, Denver, CO 80203

Phone: 1-888-776-2332 Fax: 303-837-8496

Website: www.colorado.gov/208commission E-mail: 208commission@coloradofoundation.org

Highlights of the 208 Commission's 5th Proposal (as of 9/24/07)

Categorical elements:

- Reform and expand Colorado Medicaid and CHP+
- Improve overall health system in Colorado
- Reform and subsidize private insurance
- Identify sustainable funding sources

Reform and expand Colorado Medicaid and CHP+

Restructure Medicaid and CHP+

- Merge Medicaid and CHP+ into single program

Restructure Medicaid and CHP+ benefits

- Provide all enrollees in Medicaid/CHP+ program (children, parents, childless adults – not aged and disabled) with CHP+ benefit package
- Provide a wrap-around benefit package for adults and children that provides them with needed Medicaid benefits (e.g., early screening, diagnosis and testing for children)
- Expand CHP+ benefits to include dental coverage for adults and telemedicine

Improve enrollment in Medicaid and CHP+

- Create “fast track” eligibility for Medicaid/CHP+ and the subsidy program
- Provide one-year continuous eligibility in Medicaid/CHP+
- Provide presumptive eligibility for all enrollees in Medicaid/CHP+
- Create single state-level entity for determining Medicaid/CHP+ eligibility

Improve access to care in the Medicaid/CHP+ program

- Enroll 50% of Medicaid/CHP+ recipients in managed care/integrated delivery systems
- Pay actuarially sound rates to those plans
- Increase physician reimbursement to 75% of Medicare rates, with eventual goal of 100%
- Improve supports to Medicaid providers

Expand Medicaid and CHP+

- Expand Medicaid/CHP+ to all Coloradans under 200% FPL (for evaluation purposes, will also model expansion for children to 250% FPL)
- Create “Medically Needy” program for those up to 50% FPL
- Create “Medically Correctable” program funded at \$5 million per year
- Establish a buy-in program for adults and children with disabilities
- Create Medicaid-equivalent state program to cover legal non-citizen residents

Improve Colorado's overall health system

Expand access to care for all Coloradans

- Expand scope of practice for providers such as advanced practice nurses, physician assistants, etc.
- Provider 24 hour/7 day a week nurse advice line for all Colorado residents

Ensure that health care providers who serve low-income and rural populations have adequate funding and are not worse off than under current system

- Require health plans participating in Medicaid/CHP+ and the subsidy program to make good faith efforts to contract with these safety net providers
- Continue to reimburse these providers for Medicaid clients at 100% of costs

Increase use of health information technology

- Support creation of a statewide health information network focused on interoperability, building upon existing efforts
- Support creation of electronic health records for every Coloradan, with protections for privacy
- Support and incent use of HIT through tax credits, uniform standards, and data sharing

Improve end-of-life care

- Identify a process to develop consensus decisions by a multi-stakeholder group, based upon best scientific evidence about clinically, ethically, and culturally appropriate end of life care
- Create ad hoc group of Commission to further develop end-of-life recommendations

Improve care coordination

- Ensure access to a medical home for all Coloradans, including requiring health plans to offer a medical home product to their enrollees
- Implement payment methodologies to reimburse primary care practices for medical home services, chronic care management and wellness promotion
- Implement payment methodologies for physicians and hospitals that incent coordination and integration of care
- Improve transitions of care between care settings such as between hospitals and home health
- Provide community-based care managers to support coordinated health services within the community

Increase use of preventive care and promote wellness

- Provide "first dollar" coverage of primary care and secondary prevention services
- Create rules so that Medicaid/CHP+ and subsidy program can reimburse public health providers for prevention and wellness services
- Fund physical education in every school

Support local communities that wish to improve health care outcomes

- Provide funds and technical assistance to local communities that wish to collaborate to improve quality of care and health outcomes

Reduce administrative costs

- Require standard plan ID cards
- Streamline provider credentialing
- Simplify eligibility and coverage verification
- Standardize claim forms
- Standardize claim attachments
- Standardize prior authorization procedures
- Create standardized and simplified appeals process

Create a consumer advocacy program

- Create program to assist consumers with navigating system, resolving problems, determining eligibility, appealing benefit denials and qualifying for Medicare

Allow employers to offer 24-hour coverage

- Allow employers to offer 24-hour coverage to their employees

Reform and Subsidize Private Insurance

Individual mandate

- Require every legal resident of Colorado to have basic plan coverage
- Enforce through tax penalty equal to one year's worth of coverage
- For those who pay penalty, assist them with obtaining coverage
- For those not eligible for a public program or subsidy and whose income falls between 400-500% FPL, exempt those for whom the premium would be more than 9% of their income

Provide subsidies for low-income families and individuals

- Provide subsidies for purchase of private basic plan coverage for individuals and families between 200% and 400% of poverty
 - Three subsidy schedules for Lewin to model
- Require those receiving a subsidy to purchase their coverage through the Coverage Clearinghouse
- Create a catastrophic care fund (separate from Cover Colorado) for those who are eligible for a subsidy
 - Provide fund with \$20 million per year
 - Create rules for accessing the fund; rules may consider income and medical expenses
 - Coverage will not be automatic for all who need it

Reform the individual insurance market

- Create new criteria for Cover Colorado to identify people with chronic conditions
- Require guaranteed issue of all individual products to "healthy" people who do not meet new criteria for Cover Colorado
- Rate all individual policies on age and geography, similar to the small group market
- Develop strong rules to discourage people from switching insurance markets when their circumstances change, e.g., buying more comprehensive coverage when they become sick
- Retain existing guaranteed renewability

Create a Coverage Clearinghouse and a Connector

- Create a Coverage Clearinghouse to:
 - Administer the subsidy program
 - Administer a “Connector”
- Create a Connector for employers and employees that would define benefit plans, provide consumer information and increase portability of employer-sponsored plans
- Those with subsidies must purchase through employer plan first (if coverage is offered) or through Clearinghouse if employer coverage is not offered or is not as good as that available through subsidy program

Create 3-4 basic plans that must be offered by all carriers

- Create 3-4 basic plans. Carriers must offer at least one of these plans in all health insurance markets in Colorado.
- Create a process for annual development of the basic plans by a multi-stakeholder group

Allow employers to offer 24-hour coverage

- Allow employers to offer combined life/health/disability coverage in lieu of workers compensation coverage

Create an Optional Continuous Coverage Portable Plan

- Create a voluntary program similar to Medicare
- Provide one benefit plan, similar to CHP+
- Provide continuous enrollment regardless of changes in employment and income
- Finance program through government subsidies and employer contributions for which enrollees are eligible; collect income tax surcharge for those who enroll

Require all employers to create payroll deduction/pre-tax “Section 125” plans

- Do not require employers to cover their employees
- Require all employers to set up Section 125 pre-tax plans for their employees
- Encourage employers to educate their employees on coverage options; contribute toward coverage in the Connector; and/or accept subsidy payments

Coverage for undocumented residents

- Undocumented residents will not be subject to the individual mandate and will not be eligible for public assistance for coverage
- Committee could not easily resolve how to assure needed medical care for undocumented residents and recommends that this population be covered under Medicaid as they are today (i.e., for emergency and delivery services only)

Create Sustainable Financing and Governance for New Programs

Increase efficiency and access before expanding coverage

- In first phase: Implement Medicaid changes that do not require federal approval; establish Coverage Clearinghouse; implement administrative efficiencies
- In later phases: Implement Medicaid changes that require federal approval
- Implement individual mandate, insurance reform, subsidy program and voluntary continuous coverage option last

Explore a variety of financing options

- Utilize administrative efficiencies and other cost savings generated by the proposal's components
- Maximize federal funding
- Increase alcohol and tobacco taxes
- Implement snack and soda tax
- Implement an income tax increase
- Implement provider taxes, if necessary

Create appropriate entities to govern and administer new programs

- Coverage Clearinghouse
- Optional Continuous Coverage Portable Plan
- Cost and Quality Commission
- For all of these entities, could use existing state agencies or create private non-profit corporations, public authorities or quasi-governmental organizations

###