



Blue Ribbon Commission for Health Care Reform

MEMO

TO: Commissioners
FROM: Bill Lindsay and Tracy Johnson
DATE: 7/10/07
RE: Decision Items related to Modeling and Operation Committee
Recommendations

Evaluation Firm Modeling Update

The first round of modeling is complete. Highlights from June and early July include:

- Lewin finalized the baseline data on Colorado coverage and health spending and presented it to data stewards on June 12th and the Commission on June 19th. The document is now being edited (spell-checked, etc.)
- Lewin produced at least one round of modeling results for all 4 proposals and these results were presented in a Commissioner conference call on July 7. Lewin's aim with this first round of modeling was:
 - to confirm that the modeling specifications are correct
 - to review with proposers the cost and coverage results and identify the key factors that drive the results
 - to obtain a list of refinements from proposers for the next round of modeling, including financing (which all proposers have agreed to provide)
- Lewin will present on July 17th the next round of modeling that focuses on proposers' refinements and financing.

Modeling Issues: Decision Items

Recommendation:

Allow Proposers to have an Additional Round of Modeling to Finalize Results

The Operations Committee recommends granting an extension to proposers and to Lewin to complete an additional round of modeling. As expected, the July 17th preliminary report deadline was quite aggressive. While Lewin and proposers have made significant, good faith efforts (e.g., working until midnight, phone/email during vacations, etc.) to comply, proposers, Lewin, and staff feel that the quality of this legislatively required product will be higher with one additional round of modeling. We believe the modeling results that will be reported on the 17th will give enough direction to the Commission to launch the consolidated proposal discussion (the original purpose of the preliminary report). The additional time gives proposers time to work on the financing of their proposals, for example. Finally, providing additional time to proposers falls within the current budget, does not require Commissioner time, and can occur in parallel to the Commission working on its consolidated proposal process. Staff proposes that Lewin can brief the full Commission at the August 23rd meeting, regarding the final outcome of modeling.

Recommendation:

Limit Commissioner-Requested Refinements to those directly related to the Consolidated Proposal Process

Commissioners have also expressed interest in proposing refinements to the four proposals. We have identified the following pro's and con's with Commissioner-requested refinements.

Pro: Additional refinements on the 4 proposals may give commissioners a richer, more solid foundation for the consolidated proposal and provide for a more nuanced information in the final report.

Pro: The proposal solicitation "reserved the right" for commissioners to make changes to the proposals.

Pro: Further refining the 4 proposals gives us a fallback position in case we cannot do a consolidated proposal.

Con: Continuing to tweak the four proposals has the potential to delay or distract from a meaningful discussion of the consolidated proposal. Furthermore, spending more time with the 4 proposals creates the opportunity for commissioners to become wedded to one of those, rather than buying in to the consolidated proposal process.

Con: The consolidated proposal schedule currently calls for one meeting and one conference call weekly for several weeks. Commissioner refinements will require an additional meeting to have a substantive discussion of options and for Lewin to get adequate direction from Commissioners on refinements.

Con: Modeling could not begin until refinements are approved at the August Commission meeting.

Con: Neither Lewin's contract nor the technical advisor contract provides for staffing commissioner-directed changes to the 4 proposals. Staffing costs and negotiating relevant deadlines would need to be addressed. Refinements would compete for the same staff and Lewin resources reserved for the consolidated proposal process.

Con: Additional refinements will make the final report longer and potentially more difficult to follow.

After considerable discussion, the Operations Committee did not feel that the time and budget now permit the Commissioners to refine the four proposals, as originally hoped. Instead, they felt the ability to test certain interesting concepts could be accomplished when modeling the consolidated proposal. At least three modeling iterations are built in to the current timeline. The Commission will have opportunity to make refinements at this time.