

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.

REPORT TO THE BLUE RIBBON COMMISSION
VULNERABLE POPULATIONS TASK FORCE
REVIEW OF

Colorado Health Service Program

September 28, 2007

Executive Summary

Positive aspects of proposal

This proposal covers all state residents in a single combined risk pool. The benefits package has the best coverage of the four proposals including mental health, substance abuse, dental, vision, hearing aids, dentures, medical transport, and specialty care with no penalty for pre-existing conditions. The proposal best covers low income populations with subsidies up to 400% FPL. This plan has the best access for vulnerable populations with affordability, streamlined forms, use of medical home, point of service model, and cultural competency. This is the most affordable plan for vulnerable populations and the only plan that recognized that healthcare needs to be taken out of the free-market economy. The system allows the consumers to identify the provider of choice and make informed choices about providers. This openness will allow the public to contribute to quality.

Negative aspects of proposal

The proposal does not address all gaps in access to care especially with regard to safety net providers, adequate coverage for long-term care, behavioral interventions, and respite care used/needed by many vulnerable populations. We are concerned that the plan does not elaborate on access issues like transportation, undocumented, and multiple service providers/integrated care. Coverage for off-label medication use is unclear and a big concern for vulnerable populations with complicated on-going health/mental health issues. If people need to access care other than emergency care out of state, the proposal is unclear about portability out of state. This proposal doesn't address in home care services or consumer directed attendant supports, which are important to frail elderly and people with disabilities. A board without sufficient and timely appeals processes creates the benefits package. Pay for performance is not included until several years of data have been collected and data needs to address language diversity. This proposal substantially changes the financing of healthcare in Colorado and needs a strong reserve fund for sustainability during hard times.

Review of Critical Areas

1) Comprehensiveness

Positive Aspects of the Proposal:

- Proposal covers all state residents
- Proposal creates a single risk pool
- Most comprehensive of the four proposals
- Provides subsidies up to 400%FPL
- Emphasizes community and home based services

Negative Aspects of the Proposal:

- LTC plan is very limited and contains only two provisions:

- NH room and board for Medicaid eligible
- 25%increase in home and community care for the first year.
- 75% of those waiting for long-term care are ignored.
- Administration of plan and risk pool appears bureaucratically complex. Initial implementation will be very challenging.
- Respite care is not a covered benefit.
- Aging population needs more care than is addressed in the proposal.
- Lack of access to behavioral health care for children with autism – currently 1/166 children born has autism
- Lack of access to complete vision care – is of particular concern to populations with vulnerability to specific eye conditions.
- Unintended consequence - decreasing costs by rationing care to minorities. This is an element of tax supported programs

Questions regarding this Proposal

- How is authority board constituted? Who is on it?

2) Access

Positive Aspects of the Proposal:

- Proposal increases access. Calls for health care for all residents - better definition for undocumented residents than any other proposal.
- Proposal uses a medical home concept. Maximizes use of medical home in a structural way.
- Proposal streamlines forms and enrollment.
- Proposal best addresses cultural competency.
- Perk for providing financial incentives for providers (example: scholarships/pay back) for providing service in underserved areas.
- Proposal uses a point of service model.
- Helps maintain and enrich services for homeless populations.

Negative Aspects of the Proposal:

- Coverage does not equal access. Plan does not elaborate on acceptability of access issues like transportation, undocumented, and multiple service providers.

Questions regarding this Proposal:

No questions.

3) Coverage/ Eligibility

Positive Aspects of the Proposal:

- Provides for Individual Mandate
- Promotes Preventive services in Workplace.
- For LTSS, promotes movement to home care service.
- No denial of coverage for pre-existing conditions.
- Benefits package is very comprehensive (mental health, substance abuse, dental, vision, medical transport, and specialty care..
- Best coverage of any of the four proposals.
- Provides enrollment at provider locations - reduces complexity.
- Includes dentures and hearing aids
- Regional body for bulk RX purchasing, and regional medical purchasing - addresses serious structural issues and potential migration issue

Negative Aspects of the Proposal:

- LTC sidestepped. LTC not addressed in great detail and "full-time care will be incorporated over time".
- Initial outreach and enrollment will be difficult due to fundamental re-structuring of state healthcare system.
- Doesn't address how vulnerable populations that need off label and experimental medication needs will be addressed - once a year determination is not sufficient.
- Proposal needs solid appeals process.

Questions regarding this Proposal:

- How does it make the movement to LTSS home care service?
- Concretely define basic vision services, dental and hearing services.

4) Affordability

Positive Aspects of the Proposal:

- No cost sharing for the first five years.
- No co-pays or deductibles are incurred in the first two to five years of the program.
- No employer mandate.
- Most affordable plan of all the proposals.
- The one plan that acknowledges that health care needs to be taken out of the free market economy—(strongly reinforced by members).
- Acknowledges that we can't afford everything - at least give everyone something.
- Rationed care now, with forty-four million uninsured. Paying for amenities for a portion of the population is currently now based on deficiencies and lack of care for others. Creates "rationalized rationing," instead of arbitrarily.
- Vulnerable populations are not driving up costs.
- Saves the most money and provides the most coverage.

Negative Aspects of the Proposal:

- No guarantees that zero cost sharing structure can be retained in practice over the long term. Co-pay, co-insurance, and deductibles.
- No employer mandate - if there are individual mandates – there should also be employer mandates.
- This is an all or nothing plan

Questions regarding this Proposal:

No Questions.

5) Portability

Positive Aspects of the Proposal:

- Proposal will cover all residents of Colorado after three months.
- No problems with portability within the state.
- Out of state emergency services covered.
- Provides guaranteed issue, eliminating pre-existing condition eligibility problems.

Negative Aspects of the Proposal:

- No portability from state to state (only COBRA).
- Needs to address poor population who come in state for three months to access care---possible migration issue-----. Data shows that poor population migrates for economic reasons, not health care. There is already a global marketplace for the wealthy.
- Only emergency care is covered out of state - preventive care covered as well—(example:

- For seniors who live out of state part of year—need continuity of care.)
- Doesn't address specialty out of state care coverage.
- Fee for service oriented.

Questions regarding this Proposal:

- How will this work for newborns? Related to 3 month waiting period, how does this address early intervention – children born with special needs?
- For populations who need specialized care in another state, will this be provided for them?
- How would resident's medical care be covered when traveling outside the state?

6) Benefits

Positive Aspects of the Proposal:

- Proposal has very broad benefits
- Proposal creates statewide risk pool.
- Proposal provides for bulk purchasing of drugs
- No other proposal emphasizes alternative (non-mainstream) medical services and benefits..
- Proposal places significant focus on nursing facility services

Negative Aspects of the Proposal:

- Proposal side-steps issue about benefit limitations. Ultimately subject to CHS review.
- Distinct population issues are melded into equivalent covered services across the state that essentially ignores the system.
- Appeal process not addressed - No process for appeals other than on annual basis.
- Behavioral health care not specifically addressed.
- Doesn't address off label needs for certain populations - not enough pharmacy detail to determine if it would be adequate.
- Requires individuals to pay for "room and board" in nursing facilities.
- Doesn't address support services for in home care services. This is important to frail elderly and people with disabilities.
- Phased in Long-term care.

Questions regarding this Proposal:

- Will respite care and support services be included in this proposal? This is Important for seniors and people with disabilities?

7) Quality

Positive Aspects of the Proposal:

- Proposal promotes Medical home concept.
- Proposal provides for Integrated PHIN information network.
- Proposal encourages quality
- Proposal saves costs by equalizing quality for all patients.
- Language and culture are identified.
- Openness of the process to the public will contribute to the quality.
- Regional composition provides for a structure that is accountable and allows responsive.
- Board to ensure quality is both a good and bad.
- Transparent data for decision making to address a problem for consumers.
- System allows the user to identify the provider of choice and make informed choices about providers.

Negative Aspects of the Proposal:

- Emphasizes fee-for-service reimbursement

- No significant discussion regarding integrated care models.
- Patient centered, regionally and culturally competent care suffers due to systematic equivalency in covered benefit packages.
- Long Term Care plan is limited and/or deferred.
- There is no provider performance incentive, in the near term. P4P is not initiated until "several years' worth of data" is compiled.
- Quality is vague, the attachment is difficult to navigate, and needs detail.
- Data address language diversity; language for non-English speaking is identified and provided.
- Sustaining quality work in administrative costs of comprehensive program is challenging.
- How will the quality monitoring will be accomplished?

Questions regarding this Proposal:

- How will quality monitoring work?
- Will there be public reporting of quality outcomes? What kind of transparency?
- What will the state board monitor and how will services be monitored?

8) Efficiency

Positive Aspects of the Proposal:

- All providers will be paid the same.
- Proposal promotes chronic disease management
- Proposal promotes licensing and credentialing in the same agency that is responsible for services.
- Preserves and promotes the use of the current safety net systems.
- Single risk pool.
- Proposal allows enrollment in provider offices and locations.
- Creates an ID card for everyone enrolled.
- Centralized data collection and compiling capacity.
- Eliminates for profit insurance risk management and administration, which is extremely costly. See study by McKenzie Group
- Proposal creates cost savings.
- Single point administration may be more efficient and more consistent.
- Proposal creates a single statewide pharmacy formulary based upon bulk purchasing.
- Proposal eliminates cost shifting.
- From a provider's perspective it is "freeing to have everything under one system. This would address conflict of interest, which creates bad care (ex. Work Comp versus back to work ability).
- Consistency is covered regardless of where you go in Colorado.
- CAHI is a good model and would like to see more of this in the proposal.
- This proposal advocates a health care model widely accepted in the rest of the free world.

Negative Aspects of the Proposal:

- Different locations provide different services and have different costs. Urban facilities are at a disadvantage and rural facilities advantaged.
- Because this is a publicly financed program incentives modifying healthy behavior are dependent upon "sin taxes". Paying more for cigarettes does not reduce the smoking..
- Single payer systems have significant problems with long wait times for elective treatment.
- Regional jurisdictions will create a problem? (Little fiefdoms in the state?).
- One entity can take on an integrated organization and agency.
- Proposal dissolves other (state) organizations when creating the new entity. This presents a problem if HCPF was the entity and that process creates a bias.
- Uninsured in rural areas need to be covered..
- New management direction for the Umbrella organization
- The existing systems are not able to expand to meet the needs set by this proposal.
- How would one pharmacy be managed? This would take away the free market incentives.

- Enrollment will take time to achieve, and will create an inherent lag time

Questions regarding this Proposal:

- Does this proposal include community health clinics?
- Why create a new agency? Why not expand the authority of HCFP?
- Will this structure address the inconsistent care in rural areas? Would the educational services and equal payment increase providers in rural areas?
- Can the appeal process be set up within the regions?

9) Consumer Choice and Empowerment

Positive Aspects of the Proposal:

- Promotes consumer choice of providers. Allows provider choice.
- Provides for guaranteed issue and community rating.
- Single risk pool.
- Program allows for purchasing private insurance for benefits not covered by CHS.
- Proposal increases transparency.

Negative Aspects of the Proposal:

- Other single payer systems have significant problems with long wait times for elective treatment.
- CDAS model is needed.

Questions regarding this Proposal:

- How will this proposal provide for transparency and public reporting to support consumer choice?

10) Wellness and Prevention

Positive Aspects of the Proposal:

- Promotes wellness programs in the workplace.
- Prevention is a main emphasis of the proposal.
- Proposal provides expanded preventive care at no additional cost to employers.
- Monetary savings created by this proposal can be re-invested into preventive care health initiatives.
- Proposed plan is strong in promoting individual education and responsibility.

Negative Aspects of the Proposal:

- "Single most effective way to promote wellness and prevention is by eliminating barriers to access".

Questions regarding this Proposal:

No questions

11) Sustainability

Positive Aspects of the Proposal:

- Limits the administration budget to five percent of total cost.
- Lewin Group model shows savings of \$1.8 billion.
- Plan operates exclusively within predefined budget.
- More inclusive and equitable for all citizens.

Negative Aspects of the Proposal:

- A change will require a vote of the citizens. It will limit the ability to make changes without an expensive campaign.

- No provisions for a reserve funds. Funding will be impacted by downturns in the business cycle. What is the process for limiting coverage in economic downturns?
- Quality and extent of care is ultimately dependent on state taxpayer willingness to accept tax increases for inflation and expanded care. Colorado citizens have been historically opposed to regular tax increases.
- Plan needs to be indexed for cost of living increases based upon CPI or GDP, but health costs are increasing faster than GDP.
- Assumes federal funding will be indexed for growth.
- Plan funding ultimately depends on federal waivers. If waivers are not secured plan may not be sustainable.
- Initial implementation will be difficult given the fundamental restructuring of private to public health insurance system.
- Administration of plan and risk pool is complex. Difficult to adequately manage in the near term.
- Minimal negative effect from non-state residents moving to Colorado.
- Proposal does not address expansion of vulnerable populations represented by financially tenuous, retiring baby-boomers. This population looks good on paper now, but is poorly prepared financially for long term or chronic health issues that come with aging. This "VPOP in waiting" will place tremendous logistical and financial strains on the system. This population will limit the number of uninsured residents that can be insured in the future.
- Proposal does not make provisions for special state planning for high cost and high maintenance diseases without such provisions those VPOPs will place great financial and logistical strains on the proposed system.

Questions regarding this Proposal:

- Will the current TABOR limitations be applied to the revenue and spending streams?
- If cost effectiveness changes would that impact quality?
- Without waivers could we sustain this program?

12) Practicality of Implementation

Positive Aspects of the Proposal:

- Data is being captured on homeless population
- This gives the legislature the opportunity to express its willingness to dissolve the free market economy by purchasing the most financially viable health access for the welfare of all citizens.

Negative Aspects of the Proposal:

- Includes provision for funding medical education in the proposal.
- Will require waivers of Medicaid and SCHIP, Medicare, VA, malpractice, and ERISA. **ERISA challenges** are guaranteed.
- Plan is fundamentally dependent upon achieving a number of federal waivers, in order to ensure continued federal DSH funding.
- Transition from current system to this system will be difficult to achieve.
- Tax provisions are regressive. There is more impact on the low income than on higher income.
- Never implemented in any state.
- Problem with this plan is political and implementation barriers.
- Plan is essentially "all or nothing". Basic plan must be implemented to realize cost savings.
- Plan will result in substantial job losses in Colorado health insurance industry.
- Increases in payroll taxes and income tax surcharge are required. **TABOR** will represent a major stumbling block for this plan, and it is not addressed in any meaningful way within the proposal.
- The Popular "Socialized Medicine" stigma is a barrier to achieving this plan.
- Increases in-state bureaucracy.
- This plan will be strongly opposed by conservative groups, the private insurance industry, PhRMA .

- Current non-insuring employers will incur substantial costs, \$785 million. This may be particularly harmful to small business.
- Status of previously paid long-term care insurance premiums may be an issue.
- Initial implementation will be difficult given the fundamental restructuring of private to public health insurance system.
- Assumption of a cost of living increase being agreed by whole state.

Questions regarding this Proposal:

- Will the provision of the current of TABOR be in effect? Could limit revenues and expenditures?
- Do we need an independent evaluation to make sure that this is working?

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REVIEW OF

A Plan for Covering Coloradans

September 28, 2007

Executive Summary

Positive Aspects of Proposal:

This proposal provides authentically comprehensive coverage for the uninsured. It takes necessary first steps in health care reform via creation of a single insurance market with guaranteed issue and community rating. Individual mandates are subsidized for those in need. Employer mandates would consider the characteristics of the employer and workforce. Insurance regulatory requirements will be unified and simplified. Providers will receive improved reimbursement for care of Medicaid patients and appropriate pay for quality care to individuals with high needs. The proposal focuses on provision of high-quality cost effective, efficient care while identifying the value of mental health treatment. The need to decrease barriers to access is affirmed and preliminarily addressed. The proposal recognizes the value of the safety net system and strengthens health information technology.

Negative Aspects of Proposal:

The proposal leaves 47,000 lives, mostly low-income, uncovered. The waiting lists for Supported Living Services, Comprehensive Services and Children with Autism are not addressed. In addition, care for undocumented residents is not addressed. Individuals are still required to spend down into poverty prior to qualifying to purchase Medicaid. Not enough details are provided to allow assessment of the adequacy of long term care and long term support services. This proposal (like the others under consideration) does not address the expansion of vulnerable populations represented by financially tenuous, retiring baby-boomers. The proposed 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 society frequently devalues.

Review of Critical Areas

1) Comprehensiveness

Positive Aspects of the Proposal:

- Proposal covers 94% of uninsured Coloradans, approximately 745,000 residents.
 - Proposal limits “Free Riders” by requiring individual coverage mandate.
 - Proposal covers more children, including low-income children.
 - Expands two Children’s Medicaid waivers to eliminate waiting list for services.
 - Proposal utilizes publicly funded programs and Medicaid expansion to assist low-income residents in complying with the mandate.
 - Adds adults in poverty to Medicaid.
 - Proposal covers 100% of uninsured 65+ years old.
 - Proposal provides stop-gap coverage for those on AND while awaiting SSI determination.
 - Proposal allows sliding scale Medicaid buy-in for workforce with disabilities.
 - Proposal combines and expands Medicaid and SCHIP.
 - Improves SCHIP enrollment.

- Combination of Private and Public Market
 - Creation of Single Insurance Market begins the process of true health care reform by limiting the profit margin in health care.
- Guaranteed Issue, Community Rating
 - Provides more choice.
 - Provides for a purchasing pool for high risk/cost individuals.
- Comprehensive basic benefit package
 - Preventive care.
 - Treatment for mental illness and substance abuse.
 - Dental, limited vision and hearing aids.
 - Includes OT, PT and Speech under private plans with reasonable co-pays.
- Proposal addresses more of the requested components than any other proposal under consideration. (See Lewin: Comparative Analysis of Colorado Health Care Reform Options).
 - Provides for consumer direction.
 - Promotes outreach efforts.
 - 24 X 7, 1-800 number for nurse/doctor hotline.
 - Provides expansion for ethnic and racial minorities.
 - Provides direction in containing costs and improving efficiencies.
 - Works appropriately with Safety Net providers.
 - Provides for COBRA premium assistance.
 - Sets minimum quality standards for carriers of insurance and providers of care.

Negative Aspects of the Proposal:

- Proposal doesn't cover 47,000 lives, mostly low-income, including 27,000 residents making less than \$30,000/yr. and 9,000 children.
 - Does not expand Children with Autism Waiver.
 - Does not expand Supported Living Services Waiver.
 - Does not expand Comprehensive Services Waiver.
- State implementation costs are approximately \$985 million.
- Makes coverage available for most; however, for significant proportions of some ethnic minorities (and some cultural subgroups), this may not lead to increased utilization. Coverage is necessary, but not sufficient in many cases.
- No provision for limiting health care costs to some reasonable proportion of a family's income.
- While Medicaid is significantly expanded, individuals are still required to spend down into poverty prior to qualifying for assistance.
- Long term care and home health expansions for children or adults are not included in private plans.
- Long Term Care (LTC) strategies are NOT addressed in sufficient scope and detail. Proposal:
 - Does not directly address long term support services;
 - Expands Medicaid but LTC coverage to populations with high needs is not specifically defined;
 - Does not specify whether coverage for home health, palliative and hospice care in private market will be equal to or greater than Medicare; and
 - Promotes LTC insurance through purchasing pool.
- The focus on quality needs to be anticipated and led by the proposed independent Authority Board.
- Providers have limited time to introduce technology infrastructure.
- Proposal limits private insurance latitude in plan creation.
- Proposal appears to "negatively" impact insurance industry, some businesses and providers. Anticipate strong lobbying and opposition in the legislature.

Questions regarding this Proposal

- Would this proposal expand Medicaid benefits?
- Would proposal incorporate recommendations of the Colorado Long Term Care Advisory Committee (SB05-173) and strategies adopted in the Coordinated Care Pilot Program?

2) Access

Positive Aspects of the Proposal:

- Proposal provides access to 400% of FPL.
- Proposal promotes access to high-quality care that is effective and efficient. It:
 - Promotes patient-centered services.
 - Promotes the medical home model, though detail is not provided.
 - Promotes the use of integrated systems.
- Includes consumer education.
- Promotes enrollment in variety of community-based settings and by mail.
- Provides a joint/single simplified application process for Medicaid and CHP+ with elimination of unnecessary verification.
- Provides continuous eligibility for 12 months with passive re-enrollment.
- Allows presumptive enrollment of income eligible at tax time.
- Allows presumptive enrollment of those on AND while awaiting SSI.
- Provides 24x7, 1-800 number consumer line that will improve access in rural areas.
- Improves access through increased reimbursement for providers.
- Promotes and provides focus on importance of safety net providers.
- Places emphasis on IT and increasing effectiveness of care.
- Provides positive risk adjustment payments for quality care to high-risk populations.

Negative Aspects of the Proposal:

- LTC would require an individual to be in poverty as a condition of eligibility.
- Proposal has potential to be complicated if there are many plans to purchase.
- Proposal does not adequately address “access” from perspective of cultural congruence of services, linguistic adaptations, distance (or other logistical issues). The proposed Authority Board needs to address these issues, as they relate directly to the intent behind successful “coverage” and “access” “Availability” (other than the 1-800 line) and “acceptability” may remain at the status quo.
- Proposal does not address community centered treatment.

Questions regarding this Proposal:

- No Questions

3) Coverage/ Eligibility

Positive Aspects of the Proposal:

- Proposal offers guaranteed issue and community rating. Principle of no health status-based discrimination.
- Proposal provides comprehensive basic benefit package.
 - Preventive care
 - Treatment for mental illness and substance abuse.
 - Dental and limited vision.
 - Includes OT, PT and Speech under private plans with reasonable co-pays.
 - Hearing aids.
- Proposal includes end-of-life coverage.
- Proposal promotes strong case management.
- Proposal creates greater access to Medicaid for persons with disabilities.
- Proposal provides lower cost-sharing plans.
- System appears to be easier to navigate, provided that the Department of Health Care Policy and Financing (HPCF) and the new Authority Board coordinate efforts efficiently.
- Proposal focuses on integration of care and portability; would positively impact continuity of care.
- Proposal provides for COBRA coverage.

Negative Aspects of the Proposal:

- Proposal does not cover the entire uninsured population.
- Those that can afford it can still purchase plans that give them more coverage.
- LTC and chronic care coverage detail is limited.
- Proposal's premium assistance requires 6 month residency.
- Proposal increases services that are more comprehensive but services do not extend far enough to meet all the needs of many vulnerable populations.
 - Coverage for oral health, vision and hearing aid is limited.
- This proposal does not specifically address behavioral health services for populations such as those with Autism.
- Proposal does not address off-label medication usage.
- While the proposal significantly expands Medicaid, it still requires individuals to spend down into poverty prior to qualifying for assistance.
- Long term care and home health expansions for children or adults are not included in private plans.
- Expansion is not adequately defined in this proposal.

Questions regarding this Proposal:

- What is burden of proof for 6 month residency?
- How does the residency requirement apply to newborns?

4) Affordability

Positive Aspects of the Proposal:

- Proposal provides guarantee issues and community rating.
- Proposal provides subsidies for those below 200 percent of FPL.
- Proposal promotes sliding scale for up to 400 percent of FPL.
 - For adults living in Metro Denver to become homeowners (increased likelihood of avoiding institutionalization as medical needs arise) an income at or above 400% of FPL is required.
 - There are studies on living wage available for review as needed.
- Proposal will provide for small business subsidies.
- Proposal will reward pay for performance.
- Proposal provides financial incentive for those caring for high-needs populations.

Negative Aspects of the Proposal:

- Proposal requires that persons with disabilities must be poor to access care.
- This plan may still pose problems in affordability for vulnerable populations. \$3-15 co-pays still exist for 101-250% FPL and \$25 co-pays exist for 251-399% FPL. Premiums are still applicable to some persons under 300%FPL.
- Employer mandate premium contributions are "to be determined".
- Premium assistance only applicable to HMO managed care model or PPO negotiated price break model.
- Utilization of a living wage, rather than FPL, would be more realistic.
- Some Vulnerable Populations may find it difficult to navigate complexity of formulas.

Questions regarding this Proposal:

- What will the fees be for enrollees and premium contributions for employers?
- Proposal calls for proposed Authority Board to determine cost sharing. What criteria will the Board use?
- Could the Board determine subsidies based on real needs of population, i.e., taking into account the cost of living and home ownership in Colorado today?

5) Portability

Positive Aspects of the Proposal:

- Guaranteed Issue – no discrimination based on health status or age.
- Proposal provides Single Insurance Pool.
- Proposal allows AND presumptive eligibility.
- Proposal provides option for portability via pool (including continuous coverage and allowing beneficiaries to stay with the same plan, and same provider regardless of employment).
- Proposal provides that individuals under 400% FPL will receive assistance in paying for coverage.

Negative Aspects of the Proposal:

- Proposal requires low income to buy into Medicaid.

Questions regarding this Proposal:

- Is this proposal removing the asset test and only using the income test?
- How will the network adequacy mandates be addressed in this proposal?
- To what degree does this proposal provide coverage out of state? There is a need to access coverage when out of state/country (some plans may not provide out of state care).

6) Benefits

Positive Aspects of the Proposal:

- Proposal expands current Medicaid and SCHIP benefits.
- Proposal provides adequate minimum benefit package:
 - Preventive care;
 - Treatment for mental illness and substance abuse;
 - Dental and limited vision, hearing aids; and
 - Includes OT, PT and Speech under private plans with reasonable co-pays.
- Proposal offers parity of mental health, substance abuse treatment, and chronic care management.
- Proposal waives co-payments for preventative health care treatment.
- Proposal provides that Authority Board will determine level of benefits, helping to standardize benefits across carriers.

Negative Aspects of the Proposal:

- CHP+ level is too limited.
- Unknown if there is coverage for behavioral (vs. mental illness) care for persons with autism who might need this kind of care.
- Wait lists for children with Autism and developmental disabilities are not considered.
- Authority Board will develop benefits for private insurance. Multi-tiered care approach is created with 6-10 different plans that may lead to confusion and ill informed choice.
- Proposal does not appear to address alternative or non-traditional health care options.
- Unable to know how adequate benefits are until Board sets benefits

Questions regarding this Proposal:

- Will there be any reinsurance provisions?
- What criteria will the Authority Board use to develop benefits? Will there be public input?
- Will there be consideration of off-label usage of medications?
- How will “Evidence Based Medicine” be utilized in populations that are poorly studied?

7) Quality

Positive Aspects of the Proposal:

- Proposal offers strong development of Health Information Technology, which will facilitate clinical care coordination. This is particularly important for people with complex medical needs.
- Proposal promotes integrated systems.
- Proposal promotes the use of Preferred Drug Lists.

- Proposal promotes the use of Pay for Performance.
- Proposal strengthens the use of 340b's.
- Proposal promotes patient-centered services.
- Proposal offers option for portability via pool (including continuous coverage regardless of employment), which allows continuity of care.
- Plan adds credentialing of providers to the process.
- Proposal promotes evidence based medicine.
- Proposal addresses provision of culturally competent care.
- Proposal allows for significant stakeholder input to update quality standards and incentives.

Negative Aspects of the Proposal:

- Proposal offers limited discussion of LTC and LTSS details.
- Proposes offers limited discussion of quality standard determinations by the Health Insurance Purchasing Authority, creating a concern that managed care approach (in practice) may cause quality to take a back seat to cost containment.

Questions regarding this Proposal

- No Questions

8) Efficiency

Positive Aspects of the Proposal:

- Proposal creates a single insurance market:
 - Purchasing pool would limit administrative costs allowing for savings redirected to consumer.
 - Folds Cover Colorado into the plan.
 - Would include high risk/cost individuals.
 - Combines Medicaid and SCHIP.
 - Streamlines eligibility and enrollment for benefits.
 - Promotes the use of standardized billing forms.
- Proposal will use and strengthen the existing systems.
 - Promotes and strengthens the existing safety net and CHC systems.
 - Increases Medicaid reimbursement.
 - Establishes no charge for prevention.
- Proposal allows small businesses to buy in and will subsidize premiums.
- Proposal promotes and supports integrated delivery health care models.
 - Provides for Medical home reimbursement.
 - Provides for complex care case management.
- Proposal promotes health information technology.
- Proposal offers a generally realistic approach that will dramatically increase coverage for the uninsured.

Negative Aspects of the Proposal:

- Proposal creates another State Agency.
- Proposal limits 65+ age group to 100 percent of FPL. The proposal needs to expand coverage in this population to same level as other groups.
- Preferred Drug Lists may provide advantages to some patients while limiting advantages for others.
- Proposed plan would increase total expenditures, creating barriers for legislation. Proposal asserts that reducing costs is only possible in a single payer plan.

Questions regarding this Proposal

- Could the proposal utilize an existing State Agency, i.e., HCFP with expanded authority?
- How will this proposal bring the data together for data analysis to support pay for performance?

9) Consumer Choice and Empowerment

Positive Aspects of the Proposal:

- Proposal offers guaranteed issue and Community Rating.
- Proposal provides six to ten plans any consumer may purchase.
- Proposal includes incentive payments for positive behaviors.
- Proposal provides incentives for use of integrated systems, i.e., additional benefits.
- Proposal offers first dollar payments for preventive services
- Proposal offers minimal or no co-payments for chronic disease care and medications.
- Proposal promotes billing standardization.
- Proposal allows medical services spending postmortem reporting.
- Proposal decreases complexity and provides education to consumer.

Negative Aspects of the Proposal:

- Proposal promotes the return of managed care in the State Medicaid program.
 - Managed care does not work in rural areas.
 - Managed Care models do not always work as advertised in practice. As we have seen in the Medicare program, over time that model can cost more than fee for service; restricts access to care (rationing); and makes the private plans “profitable”.
 - Managed care often turns into a mechanism for restricting care rather than assuring that patients receive the care they need in the most cost-effective manner.
- Variety in private insurance products/plans will be limited due to implementation of standardized benefits packages. Less of an issue if products comprehensive.
- Proposal does not mention use of CDAS type programs.

Questions regarding this Proposal

- No Questions

10) Wellness and Prevention

Positive Aspects of the Proposal:

- Proposal places emphasis on prevention and early detection with intervention.
- Proposal requires zero co-pays for evidenced based preventive care options (prenatal, cancer screening, etc.) and for evidence-based practices
- Proposal offers full coverage for screening and treatment of mental illness and substance abuse.
- Proposal provides case management for complex chronic illnesses.
- Proposal focuses on weight management as cost containment effort.

Negative Aspects of the Proposal:

- None

Questions regarding this Proposal:

- No Questions

11) Sustainability

Positive Aspects of the Proposal:

- If modeling is correct this program is the second cheapest proposal for the state to manage after the initial high implementation cost.
- Proposal begins to deal with reform of the free market economy of health care to allow profits to be redirected toward care of the citizen.
- Proposal is sustainable if there is a commitment from all parties involved (insurance companies, employers, the general public) and political will among the legislators.

Negative Aspects of the Proposal:

- Proposal would be impacted by business cycle.
- Proposal offers no reserve fund for economic down-turn periods.
- TABOR will impact and limit access to revenues and expenditures.
- Proposal (like others) does not address expansion of vulnerable populations represented by financially tenuous, retiring baby-boomers. This population looks good on paper now, but is poorly prepared financially for long term or chronic health issues that come with aging. This “Vulnerable Population in waiting” will place tremendous logistical and financial strains on any health care system.
- Proposal does not make provisions for special state planning for high cost/high maintenance diseases. Without such provisions those vulnerable populations will place great financial and logistical strains on the proposed system.
- Employer mandate may adversely impact smaller businesses through insurance mandate or incurring an annual assessment.
- Proposal will require the support of insurance companies, employers, and the general public to be sustainable.

Questions regarding this Proposal:

- How will the private insurance premium tax work with a single insurance pool?

12) Practicality of Implementation

Positive Aspects of the Proposal:

- Proposal presents no adverse selection issues.
- Proposal offers novel approach, with important changes in health system that could begin much needed health care reform.

Negative Aspects of the Proposal:

- Proposal is only sustainable if funding sources materialize.
 - Plan is based upon income and property taxes.
 - Tabor will represent a significant stumbling block, and funding would almost certainly require a public referendum. As a result, plan may be hard to sell.
 - The “sin tax” will require public vote.
 - Tax penalty for free riders may be difficult to implement.
- Proposal’s implementation cost is \$985 million.
- Proposal requires employer mandate. This could be opposed by small business community.
- Section 125 plans, employer assessments, etc. will likely cause an ERISA court challenge.
- The proposed private insurance industry reorganization is extensive and would likely be strongly opposed by that powerful industry.
- Private insurance market reforms recommended by this proposal have never been tried in the U.S.
- Proposal introduces significant new bureaucracy (Authority Board).
 - Authority Board will require the approval of new Colorado statutes.
- Health Information changes may create HIPAA issues.
- Proposal relies on public ultimately, with legislature needing to provide ongoing support.

Questions regarding this Proposal

- Does the proposer (Lewin) truly assume that state costs will be eliminated after initial implementation? Why will there not be additional costs at least during the 2 years of insurance industry restructuring?
- How will tax penalty for people not buying insurance be enforced?

REPORT TO THE BLUE RIBBON COMMISSION
VULNERABLE POPULATIONS TASK FORCE
REVIEW OF

Better Health Care for Colorado Proposal

September 28, 2007

Executive Summary

Positive aspects of proposal

This proposal expands Medicaid and provides for guaranteed issue and community rating. The proposal also addresses Long Term Care in more detail than the other proposals under consideration. Another positive aspect of the proposal is its emphasis on pay for performance criteria. SEIU will probably be the easiest system to implement because it is built upon the current system.

Negative aspects of proposal

The SEIU proposal does not sufficiently cover the current uninsured population in Colorado. Due to the lack of mandates the cost of covering each uninsured person is comparatively high. The proposed patient benefit cap of \$35,000 will put undue financial pressure on vulnerable populations. In addition, the proposal creates a “cliff effect” due to the 300% FPL cut-off. The proposed income category structure is too complex and will therefore be difficult to use and administer. SEIU does not have a defined appeals process or ombudsmen. Another objection to this proposal is that it creates a two-tiered system that can restrict benefits. Finally, SEIU does not provide appropriate coverage for vision and dental benefits.

Review of Critical Areas

1) Comprehensiveness

Positive Aspects of the Proposal:

- Covers more (about 43,000) children (under 18 years old), including low income children
- Addresses long term care in more detail than any of the other three proposals
- Addresses affordable housing issues as a critical component part of long term care
- Improves CHP enrollment
- **Safety net providers** will benefit from a **more cost-effective delivery system** that provides **coverage-based payments** for care provided to low-income uninsured.
- Utilizes public funded programs such as CHP+ and Medicaid
- Provides more choice and consumer direction
- Provides expansion for services to ethnic and racial minorities as Colorado **Insurers will develop products** that will be **responsive to such people**
- Provides direction in containing costs and improve efficiencies

Negative Aspects of the Proposal:

- Proposal does not sufficiently reduce the uninsured population. SEIU Proposal barely covers 50% of the current uninsured population. This is too low for the over-all cost of implementation and in our opinion does not meet the intended objectives for number insured.
- Unit cost to move a single individual from being uninsured to insured seems disproportionately high in this proposal compared to the other three proposals.
- Patient cost cap \$35,000 for persons with serious or chronic illness (such as cancer) is unrealistic and will put undue financial pressure on that population.
- There is concern that in this proposal individuals and families might still be driven into bankruptcy.
- Proposal does not sufficiently cover childless adults. Proposal requires additional measures to aid the needy adults in the community
- Catastrophic care coverage is insufficient
- Proposal still represents significant co-pay difficulties for very low income individuals
- Proposal does not adequately account for the significant impact of financially unprepared Baby boomer population that has very low personal savings rates
- Proposal advocates shifting DSH funds with resulting impact upon safety net providers.
- Income category structure is too complex
- Proposal does not provide sufficient attention to or detail regarding Mental Health
- Proposal does not provide sufficient attention to or detail regarding drug coverage
- Proposal does not sufficiently address coverage for persons in transition
- Proposal creates an income distinction for childless adults and adults with children
- Waiver concern. Proposal needs to be cost neutral covering people at the expense of Medicaid public health funding
- Proposal emphasis on Evidenced Based Medicine can be a concern especially for Mental Health, Autism, and other populations
- Proposal (all four proposals) does not provide sufficient attention to or detail regarding the Developmentally Disabled population
- Proposal does not sufficiently address cultural competency for ethnic and minority groups
- Proposal does not adequately address an increased labor pool to cover proposed plan expansion, particularly with regard to LTC.
- LTC eligibility requirement change from 2 to 3 ADL's will be harmful to a lot of people's eligibility. The solution would be to have step down levels of LTC rather than all or nothing approach. Providing community based care at the risk of LTC facilities does not address this point
- The proposal advocates moving individuals from nursing facilities to assisted living and the community without considering whether there are adequate resources to do so and the difficulties of transitioning people from nursing facilities with adequate chronic disease self management skills.
- Proposal does not sufficiently address Substance abuse and Mental Health Needs
- A possible solution is to provide PCP, catastrophic, and LTC within a matrix of service
- Navigating the proposed system will be difficult for vulnerable population individuals. VPOP individuals (particularly the homeless) will not understand coverage options or how to secure them allowing their underserved status to continue
- Residency is based upon Colorado Medicaid definition. Farm workers may have to wait 45 days to achieve eligibility.

Questions regarding this Proposal

- How this proposal will extend more accessible and affordable coverage **without subsidies to small businessse?**
- How does this proposal plan to increase coverage for rural citizens, minorities and the disabled?
- How is long term care coverage as proposed in this plan really cost effective? Reference the JBC report showing cost effectiveness nursing homes versus community care costs: State rate for nursing homes is \$4, 300 per person per month versus community care rate of \$1300 per person per month.
- Why is the unit cost (cost per person) of shifting an individual from uninsured to insured appear more costly in this proposal as opposed to the other three (based upon July 17 Lewin data)?

2) Access

Positive Aspects of the Proposal:

- Proposal promotes access to wellness options. Plans **offering products through the Exchange** for the subsidized population **would be required to incorporate a healthy behaviors or wellness initiative** to provide financial incentives, education, and support to achieve improved health and health care outcomes.
- Proposal Increases Medicaid reimbursement to Medicare levels (65 to 85%)
- Exchange system provides adequate consumer education and assistance
- Case management may have beneficial affect. NOTE: members have different experiences with Case managers and case worked. Different Vulnerable populations have different needs and realities

Negative Aspects of the Proposal:

- Case management can become a barrier to access and may only be a cost saving measure
- While it addresses children and parents of children, it does not improve access for a number of vulnerable populations
- It is not clear that the number of providers is improved and therefore is access improved
- Co-payment level required by this proposal constitutes a barrier to the low-income vulnerable population.
- Complexity of an Internet based exchange may limit access for vulnerable populations who do not have IT access or may be unable to navigate within that system.
- Proposal does not provide sufficient provider incentives to support vulnerable populations
- Proposal does not address issues critical to vulnerable populations such as language interpretation, transportation, etc. Vulnerable populations will have difficulties in accessing services without addressing these constraints
- The current model used in this proposal does not address the intensive support required by the homeless, disabled, and chronically ill vulnerable populations.
- Any change to reimbursement or Medicaid rates will impact private insurance. Solution requires greater parity.
- Proposal does not sufficiently address availability of services for underserved populations in rural areas.
- Redistribution of Disproportionate Share Hospital (DSH) funding will harm Safety Net providers and will therefore restrict access by limiting availability of services

Questions regarding this Proposal

- Require greater level of detail on how this proposal will provide access to benefits that the proposal claims to be available?
- Require more detail regarding proposal position of Medical Home?

3) Coverage/ Eligibility

Positive Aspects of the Proposal:

- Guaranteed Issue, provides insurance regardless of preexisting condition
- Will provide greater access to some Vulnerable populations, such as minorities, and ethnic populations

Negative Aspects of the Proposal:

- According to July 17 Lewin data 41% of the current uninsured population does not have health care coverage. 467.2 thousand will still be uninsured.

- Proposal would provide better coverage if parents and children were under the same plan. When the entire household is on the same plan it is easier to navigate through and understand coverage options
- Proposal does not provide sufficient consumer access and coverage choices
- Family plans with family deductible would help coordinate co-pays and out of pocket expenditures making coverage more affordable.
- Coverage in this proposal needs to address divorced families where care-givers may not have legal authority over coverage.
- Passive enrollment is a barrier to HMO Medicaid
- Limited benefit package in this proposal creates a significant impediment to access
- Proposal does not address Developmentally Disabled on the waitlist
- Proposal does not address or pay for off label medication

Questions regarding this Proposal

- How will this proposal work with Cover Colorado?

4) Affordability

Positive Aspects of the Proposal:

- No co-payments for individuals receiving wellness care
- Co-payment policy is trending in the right direction by being based upon the individual's ability to pay
- Proposal assists people to value healthcare and creates efficiency of utilization
- Proposal addresses a self sufficient living wage through 300% FPL
- Long Term Care coverage is appropriately addressed
- Proposal places focus on affordable housing as part of Long Term care Plan
- Proposal's plan to purchase medication in a method would work for the average low income individual but needs to address the formulary for some vulnerable populations

Negative Aspects of the Proposal:

- Proposal uses DSH payments as a reinsurance tool, however limited funding may be available in reality considering State restraints
- Proposal does not address a reserve fund to address fluctuations in the business cycle and changes in the state's economy
- Low income vulnerable populations may still encounter co-pay requirements that will be a barrier to care.
- Proposal creates a "cliff" effect because of 300% FPL cut-off
- Proposal should address holistic and better integrated health care
- Financial incentives for providers need to be more clearly defined
- Proposal should use a sustainable community rated living standard as opposed to FPL
- Long Term Care (LTC) access to affordable housing and transportation for consumer hard to find housing for vulnerable populations, often forced to utilize most expensive healthcare in more expensive versus community based model.
- Proposal uses public dollars to subsidize private insurance
- Proposal should eliminate co-payments and premiums by assessing co-payments and premiums after 300% FPL level.
- Lewin analysis shows the following limitations: All Benefits: \$35,000 max annual (pg 16), Outpatient services: \$5,000 max. annual (pg 16), Inpatient Services: \$25,000 max annual (pg 16), Emergency Services (not defined): \$1,000 max annual (pg 16), Durable Medical Supplies/Equipment: \$1,500

max annual (pg 16), Prescription drugs: \$2,500 max annual (pg 16) These caps are on top of the co-pays. These limitations will be a significant deterrent to affordability for vulnerable populations.

- Except for those under age 24, would increase family cost. (pg 38)
- Would increase the cost for families with incomes under \$10,000 while decreasing the cost for families with income over \$10,000. Not good. (pg 39).

Questions regarding this Proposal

- Why do 25% of individuals making more than \$50,000 per year remain uncovered? Benefit referenced on page 21.
- Require more information on how the proposal will make low income housing more affordable?
- Need more information on the proposal's drug prescription plan?

5) Portability

Positive Aspects of the Proposal:

- Individual owns the plan and takes the plan with when moving from job to job or place to place.
- Proposal supports Integrated concept

Negative Aspects of the Proposal:

- Managed care model cannot be applied to transient or homeless individuals.
- Proposal is not sufficiently clear about individuals in transition from Foster care or incarceration
- Proposal does not provide sufficient information on portability.
- Eligibility planning is unclear. The process appears to be complicated and as a result would exclude some vulnerable populations
- Proposal does not define clearly the process taken by small businesses related to health care of their employees.

Questions regarding this Proposal

- How will plan administration work within State and federal eligibility requirements?
- Don't see that movement between CHP/ Medicaid is addressed. What about people bouncing from one to the other?
- Require more detail on portability process and navigation via the Exchange?
- How will dual eligibility work within this proposal's planned portability module?

6) Benefits

Positive Aspects of the Proposal:

- Long term care is addressed as a benefit of this proposal.

Negative Aspects of the Proposal:

- Basic plan is poor and does not include Mental Health and state mandates are not part of the basic plan
- Proposal lacks mandated coverage which allows Mental Health and other conditions to be left out. Plan allows exclusions and there is a conflict in their terminology
- CHP using a PDL for safety Net is problematic and allows cost shifting to ER care.
- Drug prescription plan does not include off label medication
- Plan relies on Preferred drug list model

- Major concern with the SEIU plan is a managed care model. As we have seen in Medicare, over time that model can cost more than fee for service; restricts access to care (rationing); and makes the private plans “profitable”.
- Capitated managed care has been in Colorado and has had many problems; it is very consumer unfriendly. Medicaid clients have significant problems getting the care they need with the prior authorization process that currently exists for medications, durable medical equipment, home care, transportation, etc
- Capitated managed care just reduces people’s health care choices, gives them fewer benefits, longer waits, and creates “great” hassle for the providers who are reimbursed even less than through Medicaid fee for service.
- Capitated managed care saves the state money by potentially denying care, costing the state less money by design. It creates a profit center for the managed care organization, as they make a profit when they deny services and keep the capitation amount that is provided by the state
- Proposal creates two tiered system and denies choice
- Lack of adequate providers is not addressed
- Proposal does not address vision or dental care
- Limited cap for chronic conditions is too expensive for users
- Proposal’s emphasis on managed care does not include appropriate consumer protections
- Concerned that MH small group would have option to opt out
- Concerned that proposal does not assume that lab and radiology are not part of primary care
- 5% income requirement may create hardship on very low income population
- Drug formulary created in this proposal might adversely affect vulnerable populations. Evidenced based formulary is not based upon vulnerable populations and children. Evidence based is built upon 1 disability and 1 drug and not multiple disabilities and drugs.

Questions regarding this Proposal

- How does the plan address benefits if user does not have a medical home?
- How does the exchange ensure market competition to reduce cost?
- It is not clear what is meant by a two tiered healthcare system.

7) Quality

Positive Aspects of the Proposal:

- Utilizes many different ways to improve quality and contains cost as an out come
- Reporting and transparencies
- Proposal focuses on pay for performance
- Standardized care measurements provide for positive performance standards and protocols
- Long term care focus on HCBS
- Emphasized quality care based on performance
- Proposal allows provider choice
- Proposal begins to address efficiency and decreasing waste
- Defined managed care

Negative Aspects of the Proposal:

- Pay for performance creates a disincentive for Vulnerable populations in that providers may not be able to achieve the benchmarks when serving vulnerable populations.
- MEPS data excludes high needs populations and creates a bias in the system against these vulnerable populations
- We recommend that best practice and promising practice models be used to determining quality rather than standards which may not include the needs of vulnerable populations.
- Proposed system should provide a mechanism that will evaluate and validate provider competence level

- Wide variation of practice patterns may impact quality.
- Need to be careful not to have pay for volume rather than real quality.
- Proposal does not make it easier to assist individuals with limited capacity
- Proposal does not provide an incentive to take higher volume of individuals from vulnerable populations
- Need to increase electronic records in order to be more effective, and efficient.
- System advocated by this proposal should not be used as a platform for a denial. Evidenced based care does not work for some vulnerable populations.
- Proposal should include provisions for an outside evaluator to review the network.
- Competency requirements need to be applied to staff other than just the physician and needs to include frontline workers including nursing staff and other skilled and unskilled service providers.
- Medical Home requires emphasis on coordinated care.
- Complex care coordination is a higher quality managed care model
- Concerned that pay for performance criteria will become “cost driven”, rather than based upon the number of successful operations, treatments, etc., we just cost shift to another entity that is under-funded

Questions regarding this Proposal

- What detailed criteria will be used do create pay for performance standards, and how will a cost driven criteria be avoided?

8) Efficiency

Positive Aspects of the Proposal:

- Proposal begins to place emphasis on cost effectiveness and keeping health care costs lower overall
- Proposal promotes pay for performance reimbursement model
- Co-pays for therapies are \$10 could increase access for children and reduce LTC costs due to effective treatment.
- No co-pays for Family Planning
- The proposed Exchange might streamline eligibility and enrollment

Negative Aspects of the Proposal:

- Proposal may negatively affect safety net due to reallocation of DSH funds
- Proposal does not simplify the system and may affect areas that are currently working well
- Behavioral treatment is not apparent in this plan – these are much needed services for children with autism.
- Proposal does not sufficiently address Health Information Technology, and this is important for people with complex needs.
- The proposed Exchange might be a hurdle for some families due to the cliff effect
- Different enrollment levels for different groups, creates confusion and equity issues.
- Tiered cost sharing, will create issues for coordinating services
- The labor pool for LTC is a major problem; how will this proposal get private industry (or the government) to improve this labor pool. The institutional cultural change would be dramatic (and would require a shift in the major nursing home chains, hospital chains, and other health facilities to place greater emphasis at service delivery rather than profit.
- LTC housing recommendations are the weakest part of the proposal, as well as, the most expensive. The proposal recommendations have minimal substance. We need to be talking to developers and financiers of housing to figure out how to care for individuals who have multiple levels of need in the private and public market.
- Adequate funding in all settings is appropriate, however, paying Assisted Living Resident (ALR) \$2000 when NH get \$6000 for the same patient who meets the same level of criteria for care need on the ULTC 100.2 is not adequate.

- Some elderly patients are not appropriate for nursing home care (if they walk, talk, are alert, and very well managed on current drugs and their assisted living situation). We could collectively save a lot of money if there were intermediate levels of care or rules changes to accommodate the medical needs many elderly residents in assisted living. Cost shifting happens with home care a lot in ALR, due to rules and mostly poor planning on the part of public policy experts.
- Worry about increasing the ADL threshold for eligibility – couldn't find this in proposal but keep hearing that this is an issue.

Questions regarding this Proposal

- Are there limits placed upon the number of therapy visits?
- Where is behavioral health in this plan? Can someone provide benefits information?
- How will HEDIS data be pulled together with different payment groups?
- Will CHAPS data be used?
- How will appeals be addressed?? Will it be an easily navigated and transparent process? Will a consumer advocate be available for individuals?

9) Consumer Choice and Empowerment

Positive Aspects of the Proposal:

- Proposal provides for guarantee issue and community rating (concerned that this may not be adequately funded)
- Begins to address some education issues via the exchange.
- Proposal provides additional consumer choices based upon ability to pay
- Appropriate emphasis on Consumer directed care and self-determination
- Supports pay for performance and healthy outcomes
- Provides an appropriate range of coverage based upon ability to pay

Negative Aspects of the Proposal:

- The low cap for the basic benefit plan leaves consumer at risk for falling off cliff
- In this proposal complexity is not reduced, it may be increased
- Seems like if you have complex or a lot of needs you would have to pay more or buy Cover CO with a subsidy.
- The proposed coverage system appears to be difficult for many individuals in vulnerable populations to successfully navigate.
- Coverage system appears complicated and difficult to understand and efficiently use.
- Gaining access to Exchange may be difficult for individuals in vulnerable populations and this is not specifically addressed

Questions regarding this Proposal

- Who can access Cover Colorado? This would be critical for people with disabilities given the low caps
- How will vulnerable population users gain access to this system?
- How will vulnerable population users be educated in system access and navigation?
- How will appeals be addressed?
- Will it be an easily navigated and transparent process?
- Will a consumer advocate be available for individuals?

10) Wellness and Prevention

Positive Aspects of the Proposal:

- Wellness programs are well defined

- Proposal implies HCBS emphasis
- Proposal mentions some support services such as PT/OT but co-pay and limits not discussed
- Proposal emphasizes wellness and prevention
- I like their emphasis is placed on medical home and the proposal's definition of Medicaid Managed care – do what needs doing as early as possible.

Negative Aspects of the Proposal:

- Enforceable co-payment may restrict access to preventative care
- There is a co-payment for preventative care, even though it is small.
- Does not completely eliminate costs for low income vulnerable populations who cannot absorb even very limited expenses.
- ALL homeless populations are not being addressed. This is a concern for all proposals. There is a need for homeless to be served in their community. This population needs healthcare and needs it to be accessible.

Questions regarding this Proposal

- We need information on how much therapy will be covered? OT, PT, SLP are listed, but no information is provided on frequency and duration.
- Expand upon statement that co-payments are “enforceable”. What does this mean?

11) Sustainability

Positive Aspects of the Proposal:

- This proposal may be sustainable as it does not increase costs (or benefits) much.
- Proposal allows different benefits to be purchased
- Proposal seems to be meant as an incremental step to universal care.
- Proposal allows market choices
- Proposal accounts for expanding LTC needs
- Does expands insured population
- Plan addresses LTC care to a far greater extent than any other proposal. This is critical for long term financial sustainability.

Negative Aspects of the Proposal:

- Proposal does not address many of issues needing to be addressed for vulnerable populations
- LTC seems to be all in Medicaid.
- Doesn't expand insured population by large enough numbers
- Proposal does not address expansion of vulnerable populations presented by the changing demographic. This population looks good on paper now, but is poorly prepared financially for long term or chronic health issues that come with aging. This vulnerable population “in waiting” will place tremendous logistical and financial strains on the system advocated here. This population may further limit the number of uninsured residents that can be insured in the future.
- Proposal does not make provisions for special state planning for specific high cost / high maintenance diseases and chronic conditions.
- Not sure whether shifting currently institutionalized individuals into community-based care would save dollars over the long term.
- Proposal does not provide any reserve funding provisions for future periods of economic downturn in Colorado and changing business cycles.
- Long Term care plan is heavily dependent upon Medicaid.
- Proposal does not address the 8,000 people in Colorado waiting for DD services. The changing needs of these populations will continue to increase.

- \$35,000 cap is not realistic and a real problem especially for the vulnerable populations requiring them to become destitute and end up as the state's responsibility.
- Possible solution to place PCP services in the State Plan benefit in order to allow a level of care in home health services, rather than LTC.

Questions regarding this Proposal

- Can people that are over the 'over-income' threshold for Medicaid and who have disabilities pay for a market plan that will meet complex/high needs?
- Are there provisions for independent evaluation to determine if the proposal is working or not?
- How does the financial model and funding strategy for this proposal accommodate the rapidly aging demographic and resulting high maintenance/cost diseases related to aging populations?
- How is this proposal going to address the large number of aging?

12) Practicality of Implementation

Positive Aspects of the Proposal:

- Limited number of implementation barriers
- Not a big change from what we have right now
- No mandates
- Probably the least difficult to implement

Negative Aspects of the Proposal:

- DSH funding restructuring will impact safety net providers
- May not be used by a large percentage of the state's population because some people won't understand it and therefore will not use it.
- Seems to cost a lot for not much increase.
- Proposal does not appear to increase rates for Medicaid providers.
- Exchange could be good/could be bad
- Concerned about the problem raised by federal budget neutrality rules for waivers.
- Transfer of institutionalized individuals would be logistically very problematic.
- State enabling legislation and state budget authority for proposal implementation will be limited by Tabor restrictions, and would probably require State referendum.
- Complexity of Exchange could limit usage and render a key element of this proposal less effective.

Questions regarding this Proposal

- How will cost savings be achieved by shifting currently institutionalized individuals into community based care?
- How will Tabor restrictions be addressed?
- How will small businesses and their employees react to this model ?

REPORT TO THE BLUE RIBBON COMMISSION
VULNERABLE POPULATIONS TASK FORCE
REVIEW OF

Solutions for a Healthy Colorado (CSAHU)

September 28, 2007

Executive Summary

Positive Aspects of Proposal:

CSAHU advocates a number of positive components. Individual mandates would support additional funding for coverage of the uninsured and may assist in keeping premium rates more manageable.

We are especially supportive of an internet-based Health Insurance Connector which will help to centralize insurance coverage information, display available coverage options, and minimize administrative costs for government and small business. The Connector can be managed within current state agencies and would be successful with the appropriate outreach and education. In addition, the Connector could facilitate the “hierarchy of funding” addressed in JBC Footnote 89, which reinforces public funds as “payer of last resort”.

This Task Force workgroup also supports the emphasis on prevention and wellness, premium reduction for healthy lifestyles, outreach, longer enrollment periods, and portability. We concur with the proposed increases in Medicaid re-imburement rates for the benefit of providers and a pay for performance model which we consider an important first step in ensuring quality care. We also support the increased pharmacy access provided in this proposal.

With the exception of individual mandates, this plan appears to be easier to implement than other proposals in that it uses mechanisms and administrative structures that are already in place. The changes advocated in the proposal could be comparatively minimal. The implementation of this plan will not require federal waivers.

Negative aspects of proposal

This plan is the least beneficial and most problematic for vulnerable populations. This is especially true for low income Coloradans. The proposal carries a very high annual maintenance cost for the state while still leaving a substantial number of Coloradans uninsured. Administration costs represent at least 19% of total plan costs.

This plan limits coverage at \$50,000/yr, which would force many middle and low income individuals and families facing significant health issues into financial hardship and/or bankruptcy. Cancer and other chronic long term conditions would cause individuals to reach that benefit cap very quickly. This would create an increase in vulnerable populations, by forcing more people into poverty. In fact, 50% of all bankruptcies are driven by Medical Debt. Offering Chronic and Long Term Care (LTC) components to this proposal may increase financial stability overall. One of our task force members has been the victim of this type of health issue. Fourth stage cancer has depleted her life savings, cost her family their home, and forced them into Medicaid. With proper assistance and planning this family would not have become financially dependent on taxpayer supports.

CSAHU does not appear to mandate a complete guaranteed issue, while it supports rating based upon age and health status. The concept of an individual mandate is that it should promote a pure community rating, which CSAHU does not.

This proposal only provides subsidies up to 250% of FPL, which is substantially too low. Subsidies up to 300% FPL would constitute meaningful health care reform. Subsidies up to 350% FPL would be most reasonable as the Federal Poverty Level has not been updated in far too many years. In addition, the CSAHU plan only provides 100% subsidies up to 100% of FPL, 90% subsidies for 100-150% FPL, 70% subsidies for 150-200%FPL, and 50% subsidies for 200-250% FPL. Many families simply will not be financially able to contribute 50% of premiums. This structure places an unacceptable financial burden on low income populations and would effectively restrict access to the very coverage that this plan purports to offer. In addition, the health plan benefit package is not clearly addressed. Coloradoans are #1 in “out of pocket” expenses, those health care needs NOT covered by private or public insurance. At a bare minimum, Standard benefit plans should not advocate requirements below the existing Colorado Division of Insurance Standard Plan. Please refer to the report for the Division of Insurance on SB 05-36, which shows that a health plan with insufficient benefits is of minimal value to the consumer and is a barrier to accessing care.

Of the four final proposals, this is the only one that does not attempt to address long term care, even at the most basic level. This void in the plan skews the financial and benefits analysis. Nor does it sufficiently address chronic care. This is a particularly significant deficiency in that Long Term and Chronic Health Care represent by far the largest health care expenditures; thereby cost shifting onto state programs funded by taxpayers.

The CSAHU proposal advocates a voucher based system of subsidies. Vouchers set up a market where each individual will be in their own risk pool. This will inevitably drive up costs, especially for sick and low income individuals and create high annual plan turnover. In addition, by its very nature, a voucher/subsidy approach will create administrative and implementation barriers for the very people it is intended to benefit, the most vulnerable and most in need.

We are very concerned about the emphasis on individual mandates alone. By promoting only individual mandates, this may in turn promote employers to eliminate or reduce the coverage they currently provide. This concern was echoed by Representative Stafford in the 208 Commission presentation to legislators on September 12, 2007. By including employers and providers in the mix, and placing less restrictive mandates on the private sector, their contribution would provide a foundation upon which to build an individual mandate while reducing employer overall contribution. This would still positively contribute to the employer's bottom line.

The CSAHU proposal advocates generic drugs and Preferred Drug Lists (PDL's) in order to reduce costs. Since most insurance companies use Pharmacy Benefit Managers (PBMs) to manage drug benefits it may be difficult to know if savings are passed back to the consumer without provisions for greater transparency. In addition, PDLs have the potential to be a significant barrier to access to critical medications for vulnerable populations. By definition, vulnerable populations vary in their response to medication, frequently deviating from the “evidence-based” approach used to develop the PDLs, due to ethnic diversity, diagnosis, multiple medications or off-label needs for medication.

In spite of our general approval of the Health Insurance Connector, it may be difficult for vulnerable individuals (especially the homeless, aged, and those with cultural or language barriers) to access and navigate. This is illustrated by the fact that there is a mandatory education program required for experienced health insurance professionals.

We are concerned that CSAHU will inevitably evolve into a multi-tiered health coverage system that will differentiate coverage and quality based upon ability to pay. We are concerned that this plan is primarily a financing mechanism that merely re-distributes public funds to private insurance companies in order to cover more of Colorado's uninsured. This proposal may not accomplish the statutorily mandated objectives of the 208 Commission.

The CSAHU plan will implement Health Savings Accounts on Colorado's Health Care system. HSAs are beneficial for tax and financial policy but may not be equally beneficial for health policy. While we support

financial planning for those with high economic means, this is not feasible for others. Low income residents do not have sufficient income to truly benefit from HSA tax breaks. It is important to note that “children are not little adults. Historically, the adult health care system has been retrofitted onto the pediatric population. A Rehabilitative model drives the health plan benefit package and has a tendency to deny Abilitative care. In other words, if an adult has a skill and loses it, they have insurance. If a child is developing the skill, they are frequently denied or may face additional administrative and access barriers. This is a particular barrier for children and adults with disabilities.

Recommendations

The Vulnerable Populations CSAHU group makes a number of recommendations to this proposal in order to ensure its overall effectiveness and provide opportunities to assist the state of Colorado in improving care for vulnerable populations.

We recommend that incentives be provided to promote individual mandates in addition to enforcement provisions alone. Effective promotion of individual mandates requires both carrots and sticks.

We suggest incorporating Chronic Care wrap-around and Long Term Care coverage options into the standard plan that is offered. These options could prevent undue financial hardship as well as mitigate the time and effort required to apply and qualify for separate chronic care or LTC coverage. Accidental injury and chronic conditions require immediate attention.

We would ask that the commission consider other less restrictive mandates in other areas (business, health plans, and providers), as opposed to individual mandates only. Should some health plans continue to have overheads that range from 20 to 30% while Medicaid is able to deliver better coverage for 2-3%? We believe actual overhead may lie somewhere in between.

We consider it appropriate to include an additional voluntary single payer option to provide another option of coverage for Colorado residents. This voluntary plan should be based upon a mandatory minimum number of enrollees to ensure program funding. A minimum enrollment period should be mandated to ensure the sustainability of the program over the long term. If an individual opts for this program, then subsidies should be re-directed from the standard benefit plan to this option.

We support a reserve fund for long term sustainability for fluctuations in the business cycle or downturns in local economies that will inevitably impact funding.

We are committed to the definition of Public Health under the guidelines of the Colorado Department of Public Health and Environment (CDPHE) as including all residents living the within the state of Colorado, without a period of ineligibility. We do not consider health care to be a commodity because individuals do not “choose” to get sick, thereby needing care.

The litmus test of quality health care is: Can you see a doctor when you need one?

Summary of Recommendations:

- Incentives for individual mandates in addition to enforcement.
- Include chronic and LTC in standard benefit plan.
- Include “best practices” in abilitative care for pediatric population.
- Recommend broader-based covered benefit package within standard plan enabling the \$50,000 cap to reflect real health costs.
- Promote both individual and narrower business mandates.
- Create and ensure access to health care in rural Colorado.
- Inclusion of a voluntary single payer option.
- Create a Reserve Fund.
- Demonstrate a commitment to Public Health by including all Colorado Residents.

Review of Critical Areas

1) Comprehensiveness

Positive Aspects of the Proposal:

- Subsidized voucher for purchase of private insurance would be good but at higher poverty levels
- Re-insurance pool if affordable might expand some coverage
- Mandates insurance for “voluntary uninsured”
- Some quality measures

Negative Aspects of the Proposal:

- Looks good on paper but is poorly prepared financially for long-term or chronic health issues;
- Does not make provisions for high cost/maintenance of chronic diseases.
- Long-term/chronic care coverage detail is lacking. Need these provisions to avoid great financial strain on proposed system
- Is cost prohibitive and by far the most costly for the state to implement and maintain. \$1.2 billion to implement and \$888 million in net costs.
- Leaves 75,000 people un-insured: 46,000 under \$30,000 and 12,000 under the age of 18.
- No Long term Care plan of any kind.
- Takes several years to implement.
- Health insurance only approach.
- Assumes no fundamental change in the status quo
- Cost of coverage is disproportionately higher for middle class Coloradans
- It is unclear as to whether this proposal would improve health
- Opposes coverage of the poor
- Provides scaled down product
- Limited core benefit
- “Age & Health status rating flexibility” – best prices to healthy; penalize ill
- Provides a max core benefit \$50,000/yr”, which is insufficient
- While not having guaranteed issue Colorado has enjoyed a “competitive, thriving individual market”
- The only plan with guaranteed issue is the LIMITED Core plan
- Advocates pricing coverage according to “potential utilization”, This openly discriminates against vulnerable populations
- “Improves the overall risk profile of small groups”. This encourages discrimination in hiring
- The plan's nutrition sales tax places the greatest burdens on the poor (unless incentivize healthy food)
- Does not do much for children and adults with disabilities. They will be required to access Medicaid or Cover Colorado
- Requires the purchase of life Insurance policy to be issued with a health care policy, which is out of reach to the low income.
- The 50-64 age groups will be impacted in a negative way.
- Does not address Long Term Support Services
- Is the least comprehensive of the four proposals
- It's a great program if you are healthy and don't have to use it.
- Modified community rating, especially rating by health status, combined with elimination of the safety net, is outrageous
- Indicates that the authors are openly in it for the money
- Creates a two tiered system designed to segregate the healthy from the unhealthy exclusively for profit

Questions regarding this Proposal

- Does the plan continue modified community rating?
- How will this plan underwrite the unhealthy?
- What savings are generated through Malpractice Reform? This information is not in the Lewin model.
- Why is this proposal damaging to Medicaid?

- Please explain statements on pages 13 and 15 regarding small group market conflict?
- Did Lewin model account for cost of high deductibles on the individual?

2) Access

Positive Aspects of the Proposal:

- The Health care Connector idea is intriguing. However, the suggested implementation appears biased towards those already with insurance and the market
- Increases Medicaid reimbursement rates
- Promotes outreach
- Promotes longer enrollment periods
- Subsidizes program for populations under 250% of FPL
- Promotes family coverage under some plans
- Promotes “connector” to assist in obtaining coverage

Negative Aspects of the Proposal:

- The proposal advocates education regarding costs of products purchased but does not address education regarding the specific need for services.
- Proposal penalizes use of non medically necessary (not evidence based) services
- Increases complexity of receiving limited coverage
- Maintains administrative costs at 20%
- Discriminates based on needs of individuals
- No continuous coverage, no portability
- Proposed plan is not individually affordable.
- This proposal will continue to cost shift most needy populations to the government while allowing physicians and insurance industry to profit.
- Same access for people with disabilities as now – no real changes.
- Mental health care has high co-pays and low maximums.
- No information is provided on extra costs for people with high needs
- Assumes that coverage and affordability equals access. Does not address transportation, telemedicine, acceptability, etc. in any fundamental or meaningful way.
- Health Insurance Connector may be very difficult for VPOP individuals to access and navigate through. This system even requires a training program for insurance experts
- No HIT details (only internet tools described relate to insurance purchase)
- Does not cover 76,000 individuals that are mostly low income. This will limit access
- Promotes the HSA model. A big barrier to the low income. Low income populations will not be able to afford the deductibles
- Shifts risk and cost to the consumer
- Proposal is opposed to expanding the State Medicaid and SCHIP programs
- Limits coverage to \$50,000
- This proposal promotes vouchers. Vouchers would be a disaster for low income and very sick individuals.
- Proposal would drive up premiums
- The proposal needs to include native counselors/treatment centers under section on integrated treatment. Care needs to be culturally competent.

Questions regarding this Proposal

- How would the safety net and CHC be impacted concerning section on page 11?
- The proposal promotes the use of Medicare reimbursement rates. How would they impact the lack of access in LaPlata County?
- How will /can federal monies for health care and services be supplemented by this plan? (Existing services should be included, but does not assume that existing services are adequate).

3) Coverage/ Eligibility

Positive Aspects of the Proposal:

- Proposal promotes individual mandates
- Proposal promotes wellness initiatives
- Provides risk adjustment payments for high risk populations;
- Provides end-of-life coverage

Negative Aspects of the Proposal:

- Limits coverage to \$50,000
- Benefit plan as priced out by Lewin and Core Benefit plan are EXTREMELY LIMITED and in some cases provide less than mandates.
- Addresses increasing doctor reimbursement, however pays ABOVE Medicare to all
- Does not address continuum of care or integrated care models
- No detailed LTC plan
- Does not address long term care or long term support services. Individuals would be forced into high risk pools or Medicaid
- LTC insurance will be too expensive for most of these individuals
- Proposal side-steps resident definition
- Proposal advocates for high co-pays and low maximums
- Mental health, DME, have high co-pays and low limits
- No coverage for behavioral conditions or autism treatment
- Mandates for therapy for young children could be taken away
- In this proposal people with disabilities are still expected to access care through Medicaid and providers are still expected to get lower rates. Pay for performance quality issues are for non-Medicaid only
- Plan proposes high rates for brand name medications
- Does not cover 76,000 uninsured individuals
- Does not promote integrated systems
- Promotes flexibility coverage, but doesn't explain. Could mean forcing the very sick on older individuals into high risk pools
- HSAs promote adverse selection and may affect an individual's credit rating. And therefore may affect entrepreneurship
- Removes all consumer protections currently in place by limiting Medicaid for kids and adults with complex needs. Limits EPSDT
- Doesn't address pent up demand and wait list issues for medically necessary health care.
- Method for acquiring and managing coverage is more complicated. Will be difficult to access

Questions regarding this Proposal

- What kind of training will the public receive, in addition to the training of insurance agents receive?
- What are the variables in the flexibility coverage?

4) Affordability

Positive Aspects of the Proposal:

- Proposal uses pay for performance standards
- Proposal rewards cost effectiveness
- Proposal promotes Play or pay for employers
- Promotes transparency on cost of care. Does this include insurance companies and brokers?
- Minimal or no co-pays for chronic disease care and meds

Negative Aspects of the Proposal:

- Proposal shifts cost and risks to consumers

- This proposal has the highest cost and covers the least number of people
- Provides tax dollars to insurance carriers as a subsidy for profit
- Side-steps definition of exact benefit. Dependent upon actuarial input and review of Colo. Dept. of Insurance
- Subsidies are set at 50-90% of premium for those under 250% (as opposed to 300%) of FPL. Still places financial demand on very poor people.
- Limits coverage to \$50,000.
- Proposal notes that a high risk pool will be a “challenge.” Will be out of the reach of low income. Does not provide for the expansion of Medicaid and SCHIP
- Recent studies show that tax credits have limited impact for covering the uninsured
- Promotes using the Medicare Reimbursement schedule for Payment. No provisions for adjustment. State will lose control over budget
- Promotes HSAs.
- High deductibles put health care out of reach for low income and sick individuals
- No change for people with disabilities – kids or adults
- Providers still paid more for non-Medicaid patients
- 6-mo. Residency requirement for premium assistance;

Questions regarding this Proposal

- What would the percentage of profit be and for whom? What would the profit become relative to what it is now? Should health care be for profit?

5) Portability

Positive Aspects of the Proposal:

- You own the policy therefore it is portable. However, the person must be able to afford it.

Negative Aspects of the Proposal:

- None

Questions regarding this Proposal

- No Questions

6) Benefits

Positive Aspects of the Proposal:

- Proposal advocates managed care
- Proposal promotes Preferred Drug Lists for medications
- This proposal mentions reinsurance provision
- Proposal establishes a pool for small business
- Proposal creates a rate based on health status, so if you are well and can afford it you can get the service.
- Current Medicaid benefits maintained

Negative Aspects of the Proposal:

- Describes incomplete, limited, benefit plan that would be the only option for the most ill
- Unknown how the wrap-around would work for catastrophic care.
- Proposal has limited benefits.
- Supports rating on age and health status
- Limits benefits to \$50,000
- Reinsurance may force individuals into individual market. Not an effective way to cover low income individuals
- Side-steps definition of exact benefit. Nature of benefits and pricing are dependent upon actuarial input and review of Colo. Dept. of Insurance

- Subsidies are set at 50-90% of premium for those under 250% (as opposed to 300%) of FPL. Still places financial demand on very poor people.
- No specific mention of alternative care
- No obvious integrated care model
- Unmet need and uncompensated care will drive costs up.
- Reinsurance will only meet the specific medical needs of vulnerable populations. Vulnerable populations have other needs with respect to health care that remain unmentioned.
- Reinsurance gets passed onto the client. This plan disenfranchises people who are not self sufficient
- This plan forces the consumer to buy a product that will contribute to their impoverishment

Questions regarding this Proposal

- Would reinsurance apply to LTC and LTSS?
- Does reinsurance become the safety net?
- Are we subsidizing the safety net at the highest cost?
- The standard benefits package is lower than most basic benefit packages. What is the total cost of the benefit package?

7) Quality

Positive Aspects of the Proposal:

- Proposal supports a pay for performance model
- Proposal addresses the need for Health Information Technology
- Proposal promotes evidence based Medicine, Pay for performance, and electronic medical record keeping and access

Negative Aspects of the Proposal:

- Does not address Long Term Care
- Proposal does not improve status quo for disabled populations
- Compensation is tied to outcomes but without any real detail as to how that will be accomplished.
- Compensation is loosely tied to “outcome guidelines” that will be considered for the grading of provider re-imburement
- No obvious integrated care plan or patient centered care options
- Native Americans are not included in the cultural competent care. Traditional counselors are not identified as reimbursable. More native practitioners need to be in the network for both physical and mental health
- Proposal reduces quality by reducing the mandates currently covered in Colorado
- Proposal discriminates against most vulnerable populations
- P4P model seems too cumbersome to assure payment.
- Does not allow the referral to either the cultural provider or western medicine, this is not culturally competent.

Questions regarding this Proposal

- How can the entity (Division of Insurance) monitor the quality of the performance of the business? This seems to be a conflict of interest.
- Does this proposal promote transparency on cost only? What about quality? Insurance companies and brokers?
- With a fragmented system, how will data and information be pulled together?
- How can the (Division of Insurance) monitor the quality of the care?
- What is the definition of care?
- Will alternative medicine approaches be compensated?
- Is the P4P model paid out for the referral or for the completed care of the patient?

8) Efficiency

Positive Aspects of the Proposal:

- Proposal creates incentives for healthy behavior
- Proposal emphasizes pay for performance model
- Promotes evidence based medicine, pay for performance, and electronic medical records
- Proposal provides for higher reimbursement for providing health care services for low income individuals

Negative Aspects of the Proposal:

- Proposal makes eligibility more complex
- Proposal identifies medical liability as a problem but does not elaborate upon a solution
- This plan benefits the insurance industry while decreasing the efficiencies in the current system
- Proposal promotes the current fragmented system and will add to overall complexity
- Does not alleviate the current high administrative cost system. It will add more administrative cost for both individuals and small business
- HSAs do not hold the increasing cost of services down. For low income they just delay services until they become acute. This may cost the system more over the long term.
- The Connector may be difficult for vulnerable individuals to access and use
- Not clear that Connector will significantly reduce administrative costs and make the system simpler.

Questions regarding this Proposal

- No questions

9) Consumer Choice and Empowerment

Positive Aspects of the Proposal:

- Addresses consumer education regarding costs
- Promotes outreach programs
- Connector can be powerful if supports are in place

Negative Aspects of the Proposal:

- Does not allow guaranteed issue or community rating (just discriminated rating)
- Proposal does not improve situation for individuals with disabilities
- Promotes rating on age and health status.
- Complexity will create barriers for individuals to make choice. With longer enrollment periods, individuals will be 'locked in' to plans that do not fit their needs
- Requires significant re-adjustment of medical malpractice laws, may limit consumer empowerment

Questions regarding this Proposal

- Does this proposal promote transparency on cost only? What about quality? Insurance companies and brokers?

10) Wellness and Prevention

Positive Aspects of the Proposal:

- Promotes Nutrition tax
- Provides access to preventive care and wellness services
- Proposal offers premium reduction for healthy lifestyles
- Rewards employers for employee's healthy life styles

Negative Aspects of the Proposal:

- Plan would discriminate against those with chronic illness
- Defensive treatment costs are acknowledged but not addressed

Questions regarding this Proposal

- Would healthy lifestyles premium be available to proactive chronic disease management as a form of healthy lifestyles. Will sick people be able to be incentives too?

11) Sustainability

Positive Aspects of the Proposal:

- Proposal will promote higher rates for Medicaid providers
- Proposal creates a uniform pricing model
- Proposal initiates a nutrition tax

Negative Aspects of the Proposal:

- Does not address Long Term Care
- Will be heavily impacted by business cycle. No provision for a reserve fund to protect from the downturn in business cycle
- In downturns, Medicaid and SCHIP become the safety net programs. Provides for limited programs
- May be cost prohibitive over the long term. Cost of implementation and maintenance is very high.
- New taxes will be required
- Connector may be difficult to use and access. If system use is not maximized it will have limited sustainable benefit.
- Adverse selection will put pressure on Medicaid and SCHIP. Provides for limited programs.
- Proposal does not address expansion of vulnerable populations represented by financially tenuous, retiring baby-boomers. This population looks good on paper now, but is poorly prepared financially for long term or chronic health issues that come with aging. This “VPOP in waiting” will place tremendous logistical and financial strains on the system advocated here. This population may further limit the number of uninsured residents that can be insured in the future
- Proposal does not make provisions for special state planning for high cost / high maintenance diseases. Without such provisions those VPOPs will place great financial and logistical strains on the proposed system.

Questions regarding this Proposal

- No provision for an independent evaluation to determine it will work after implementation. Should there be one?

12) Practicality of Implementation

Positive Aspects of the Proposal:

- Will not require waivers from the Federal government.

Negative Aspects of the Proposal:

- Proposal carries a \$1.227 Billion price tag
- May require changes of health status categorization in current State statutes.
- Many groups will oppose HSAs and vouchers
- Requires implementation of new taxes. Tabor will represent a significant stumbling block and funding would almost certainly require a public referendum.
- Diversion of uncompensated hospital funds
- Demands significant regulation modification or de-regulation of insurance industry
- Suggests modifications of federal tax law to allow for premium deductions
- Nutrition Sales tax may be difficult to implement and has national implications.
- Requires significant re-adjustment of medical malpractice laws
- Does not accomplish what 208 was statutorily mandated to do

Questions regarding this Proposal

- No questions