



Bill Ritter, Jr.
Governor



COLORADO HEALTH CARE AFFORDABILITY ACT IMPLEMENTATION

Background: On April 21, 2009, Governor Bill Ritter, Jr. signed into law House Bill 09-1293, the Colorado Health Care Affordability Act, which established a hospital provider fee to:

- Increase hospital reimbursement rates for Medicaid and the Colorado Indigent Care Program
- Cover more than 100,000 uninsured Coloradans through Medicaid and CHP+ expansions
- Pay the administrative costs of implementing the program

This historic legislation is the biggest coverage expansion in Colorado in 40 years and will provide insurance to working families and vulnerable populations. Increasing coverage and reimbursement will reduce uncompensated care and address one of the key drivers of cost-shifting to the private sector and the insured. It will help stem rising costs for everyone, and do it in a way that doesn't increase costs to taxpayers or consumers. This new policy will also create an opportunity for the state to reform and modernize the way payment rates are set for hospitals, creating a more rational and transparent hospital payment structure.

New Revenue: An estimated \$600 million will be collected through the hospital fee and matched by \$600 million in federal dollars for a total of \$1.2 billion annually.

Expected Implementation Timeline:

- **Fall 2009:** Submit waiver to the Centers for Medicare and Medicaid Services (CMS) for approval of the provider fee financing mechanism.
- **Spring 2010:** Approval of the financing mechanism and implementation of the following expansions and rate increases:
 - Medicaid eligibility for parents to 100% of FPL
 - CHP+ eligibility for kids and pregnant women to 250% FPL
 - Increase in-patient and out-patient Medicaid reimbursement rates for hospitals
 - Increase hospital reimbursement rates under the Colorado Indigent Care Program
- **Summer 2011:** Implement the Medicaid buy-in program for disabled people up to 450% of FPL
- **Winter 2012:** Implement Medicaid eligibility expansion for adults without dependent children to 100% of FPL and 12-month continuous eligibility for Medicaid children.

Oversight: Governor Ritter has appointed a 13-member Oversight and Advisory Committee to work with the Department of Health Care Policy and Financing to ensure the Colorado Health Care Affordability Act is properly implemented. These meetings are open to the public. For meeting schedules and agendas check the "Boards and Committees" tab at www.colorado.gov/hcpf

Benefit-Specific Public Input Meetings: The Department of Health Care Policy and Financing will host six public forums July through September 2009 to receive community input on the design and implementation of the new Medicaid buy-in program for persons with disabilities and the new Medicaid benefit for adults without dependent children. There will be three meetings dedicated to discussing the buy-in program and three for the adults without dependent children benefit. For additional information about these public forums and how you can be involved, check the "Partners and Researchers" tab at www.colorado.gov/hcpf or contact Cassidy Smith at 303.866.6176 or Cassidy.smith@state.co.us.

For additional information, please contact Nancy Dolson at 303.866.3698 or Nancy.Dolson@state.co.us.