Colorado Indigent Care Program

Department of Health Care Policy & Financing
Safety Net Financing Section

Annual Provider Meeting

March 26, 2007

Agenda

- Introductions
- Update on FY 2005-06 CICP Annual Report
- FY 2007-08 Funding Levels for CICP
- New Legislation
  - Senate Bill 06-044 (Colorado Health Services Fund)
  - Senate Bill 06-145 (Provider Fee)
  - CMS Proposed Rule
- Procedural Issues
  - Certification of Public Expenditure
  - House Bill 06S-1023 (Documentation Requirements)
  - Provider/Client Forum
- Other Programs
  - Old Age Pension (OAP) Health and Medical Care Program
  - Comprehensive Primary and Preventive Care (CPPC) Grant Program & Primary Care Fund Timelines for FY 2007-08
  - Colorado Cares Rx Program
- Other Items

Introductions
Department of Health Care Policy & Financing

- Colorado Medicaid
- Children's Basic Health Plan
  - Child Health Plan Plus (CHP+)
- Safety Net Financing
  - Colorado Indigent Care Program (CICP)
  - Old Age Pension (OAP) Health & Medical Care Program
  - Disproportionate Share Hospital Payments
  - Financing Projects to Maximize Federal Medicaid Revenue
  - Comprehensive Primary & Preventive Care (CPPC) Grant Program
  - Primary Care Fund
  - Colorado Cares Rx Program

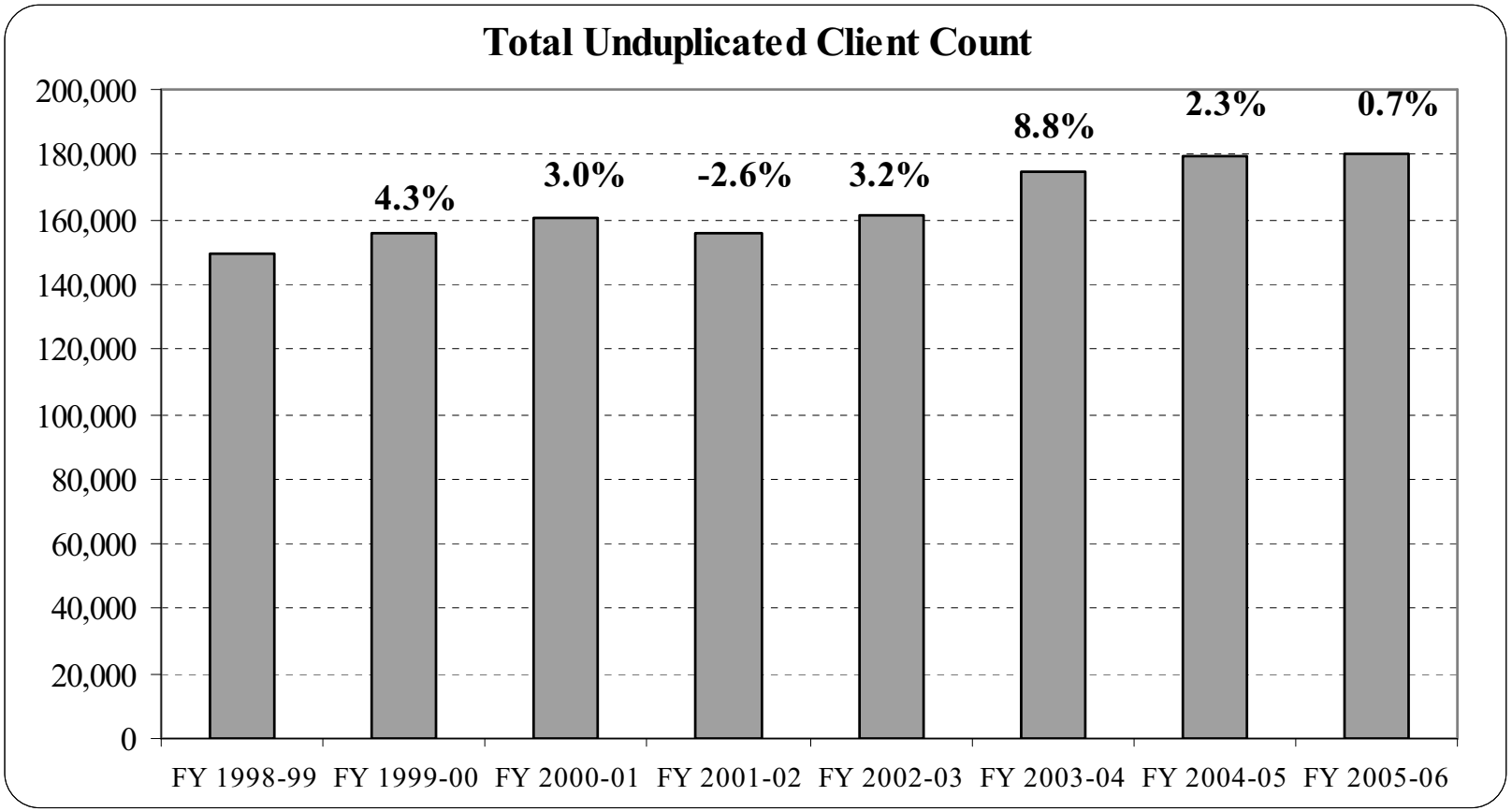
Introductions
Safety Net Financing Staff

- **Chris Underwood**
  Division Director
- **Greg Tanner**
  Safety Net Financing Manager
- **Corinne Lamberson**
  Eligibility Specialist
- **Shirley Jones**
  Systems Analyst
- **Eugene Advincula**
  Safety Net Financing Cost Report Accountant
- **Daniel Nunez**
  Safety Net Financing Accountant
- **Eddie Phillips**
  Safety Net Financing Specialist
- **Cindy Arcuri**
  Safety Net Financing Policy Analyst
- **Ray Coffey**
  Budget Analyst
- **Kerri Coffey**
  Acting Safety Net Financing Grant Program Coordinator
  (aka Colorado Cares Rx Unit Supervisor)

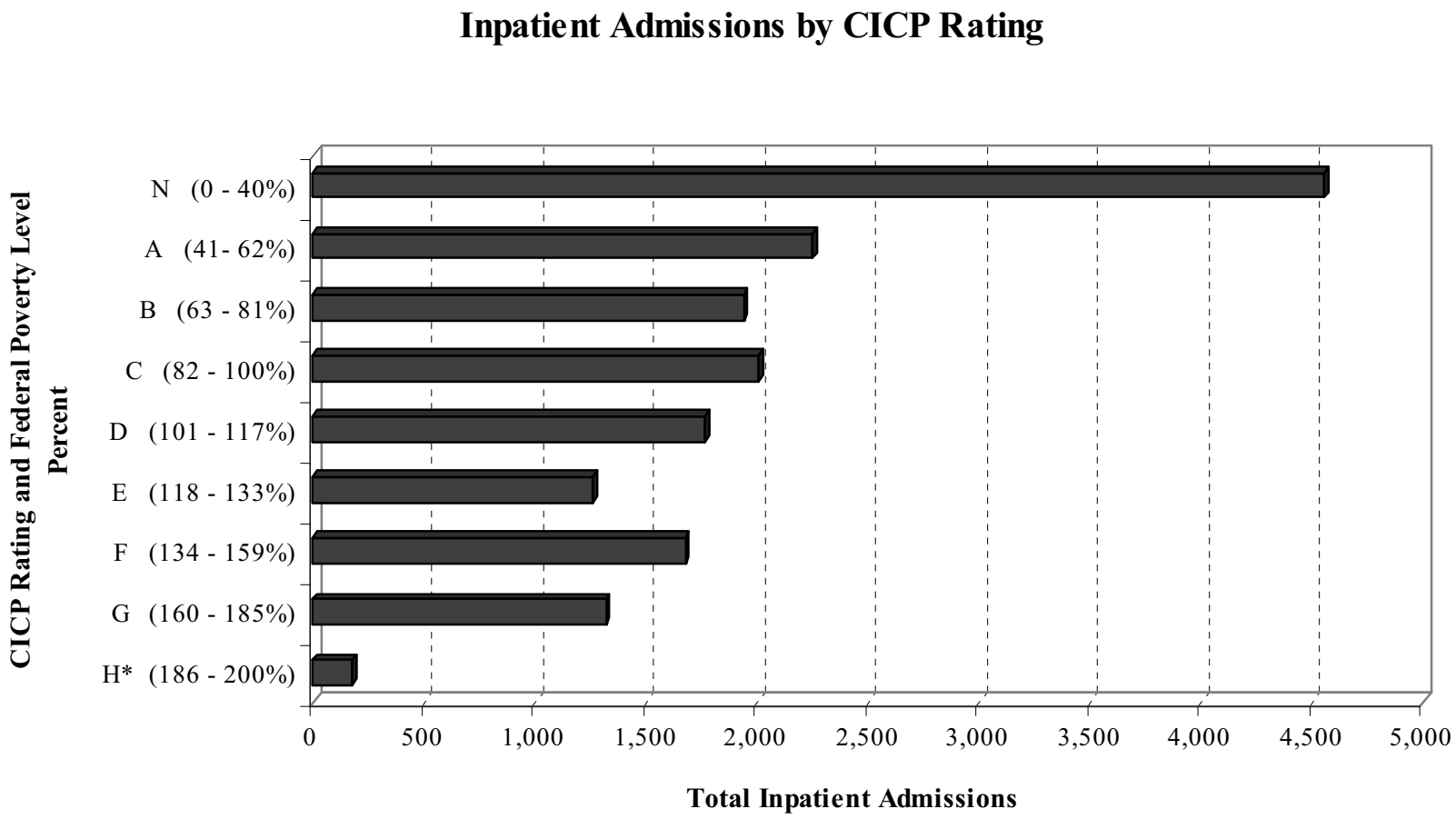
Update on FY 2005-06 CICP Annual Report
CICP Statistics

- CICP FY 2005-06 Annual Report
  - Complete on February 1, 2007
- 180,411 Unique Individuals
  - 0.7% Increase
- 17,015 Hospital Admissions
  - 14.4% Decrease
- 79,995 Days, Average Length of Stay was 5.88 Days
  - 14.0% Decrease
- 558,701 Outpatient Visits
  - 0.1% Decrease
  - Clinics posted a 0.9% Decrease
- 92.8% of the CICP Clients Age 18+

Update on FY 2005-06 CICP Annual Report
CICP Statistics



Update on FY 2005-06 CICP Annual Report
CICP Statistics



Update on FY 2005-06 CICP Annual Report
FY 2005-06 Payment Summary

Historical Percentage of Write-Off Costs Reimbursed by High Utilization Classification

Provider Classification	FY 2003-04	FY 2004-05	FY 2005-06
High Medicaid Utilization Hospitals Only	40.2%	27.4%	63.3%
High CICP Utilization Hospitals Only	24.0%	20.2%	25.6%
Both High Medicaid Utilization & High CICP Utilization Hospitals Only	56.9%	54.1%	71.2%
All Other Hospital Providers	21.2%	12.8%	17.7%
All Hospital Providers	**42.8%**	**38.4%**	**49.8%**
All Clinic Providers	**20.8%**	**21.4%**	**22.6%**

Source: CICP Analysis of Table 1, Financial Tables FY 2003-04, FY 2004-05 and FY 2005-06 CICP Annual Reports. Includes updated information.

- Payments to Hospital Providers increased in FY 2005-06 following a prior fiscal year reduction because the General Fund appropriation was decreased by $3,144,162, and caused a corresponding decrease in federal funds.
- Payments to Clinic Providers have remained constant since FY 2002-03.

FY 2007-08 Estimated Funding Levels for CICP Hospitals

- Safety Net Provider Payments
  - Low-Income Payments
  - High-Volume Payments

Total	General Fund	Cash Exempt Funds	Federal Funds
$296,188,630	**$13,090,782**	**$135,003,533**	**$148,094,315**

- Cash fund exempt = Public Funds Certified by Providers
- No increase from FY 2006-07 Funding
- Estimated Cash Payments to Providers = $152.9 million

FY 2007-08 Estimated Funding Levels for CICP Clinics

- The Children's Hospital, Clinic Based Indigent Care

Total	General Fund	Cash Exempt Funds	Federal Funds
$6,119,760	$3,059,880	$0	$3,059,880

Senate Bill 06-044 (Colorado Health Services Fund)

- Increased clients' financial eligibility (income and assets) from 200% of the Federal Poverty Level (FPL) to 250% of the FPL effective July 1, 2006 for discounted health care services under the CICP
- Established the Colorado Health Care Services Fund to provide additional funding to CICP providers for primary care services provided to low-income adults
- Annual Appropriations to the Colorado Health Care Services Fund
  - FY 2006-07 $14,962,408
  - FY 2007-08 $15,000,000
  - FY 2008-09 $15,000,000
  - FY 2009-10 $15,000,000
- CICP providers eligible for Colorado Health Care Service Funds
  - Denver Health and Hospital Authority (as the Community Health Care Clinic for the City and County of Denver)
  - Primary Care Clinics (operated by a CICP Hospital Providers)
  - Community Health Clinics

Senate Bill 06-044 (Colorado Health Services Fund)

- Percentage of Colorado Health Care Services Fund Allocated to eligible CICP providers
  - Denver Health and Hospital Authority (18.0% of the appropriation)
  - Primary Care Clinics (14.8% of the appropriation)
  - Community Health Clinics (67.2% of the appropriation)
- FY 2006-07 Appropriations from the Colorado Health Care Services Fund
  - Denver Health and Hospital Authority $2,693,233
  - Primary Care Clinics $2,208,452
    - 19 CICP Hospitals qualified
  - Community Health Clinics $10,060,723
    - 16 CICP Community Health Clinics qualified

Senate Bill 06-044 (Colorado Health Services Fund)

- Medical Services Board
  - Approve percentage of Colorado Health Care Services Fund to be allocated between Primary Care and Community Health Clinics and the distribution methodology for those funds in FY 2007-08, FY 2008-09, and FY 2009-10
- Providers will be sent an application in June 2007 to participate in FY 2007-08 funding
- The application along with all requested information will be due back to the Department July 31, 2007
- SB 06-044 also directs the Department to seek a federal match for the monies distributed to Primary Care Clinics
- The Department intends to submit a State Plan Amendment with the Centers for Medicare and Medicaid Services (CMS) to qualify for the federal match by June 30, 2007
- Pending Legislation
  - HB 07-1258 proposes that the distribution of funds be for primary care services to all CICP enrollees—not just adults

Senate Bill 06-044 (Colorado Health Services Fund)

- Directs the Department to also seek a federal match for the monies distributed to Community Health Care Clinics
- If signed into law the Department intends to submit an emergency rule to the Medical Services Board to allow the distribution of funds to take into account primary care services to all CICP clients, rather than just adults and will pursue a federal match for Community Health Care Clinics in the State Plan Amendment

Senate Bill 06-044 (Colorado Health Services Fund) FY 2007-08 Funding

- Denver Health and Hospital Authority

Total Funds	General Fund	Cash Funds Exempt	Federal Funds
$2,700,000	$0	$2,700,000	$0

- Community Health Clinics

Total Funds	General Fund	Cash Funds Exempt	Federal Funds
$10,086,000	$0	$10,086,000	$0

- Primary Care Clinics

Total Funds	General Fund	Cash Funds Exempt	Federal Funds
$2,214,000	$0	$2,214,000	$0

Senate Bill 06-145 (Provider Fee)

- Based on federal approval, this bill allows local governments (cities and counties) to impose a fee on private providers within their local government
- Fee can be imposed on inpatient, outpatient and home health services
- All private providers within local government must agree to participate
- The fees collected from the private providers within the local government will receive a federal match and will be redistributed to these providers based on their percentage of unreimbursed inpatient, outpatient, and/or home health Medicaid costs
- Federal match is subject to the calculated upper payment limit for inpatient, outpatient and home health services
- The Department submitted State Plan Amendments to CMS on September 29, 2006 for their review and approval
- Hopefully, will implement with the first provider on June 2008

CMS Proposed Rules

- **Highlights of the proposed rule**
  - Adds specific limitations on providers considered public-owned by stating they must be a unit of government and that unit of government must have general taxing authority
  - Requires entities using certified public expenditures (CPE) to draw a federal share of Medicaid and Disproportionate Share Hospital payments to fit within the new definition of a public-owned entity
  - Clarifies documentation and reconciliation required to support the certified public expenditures (CPE)
  - Limits reimbursement for health care providers operated by units of government to an amount that does not exceed the provider's cost, as defined by using a specified cost report
  - Requires providers to receive and retain the full amount of Medicaid, Supplemental Medicaid and Disproportionate Share Hospital payments
  - Makes conforming changes to provisions governing the State Child Health Insurance Program (SCHIP)

CMS Proposed Rules

- **Possible Financial Impact**
  - Loss of approximately $128.4 million in federal funds on a yearly basis
    - Significant risk that the Department's ability to continue to fund public-owned hospital providers for serving low-income individuals through CPE would be eliminated
  - Loss of approximately $13 million in federal funds on a yearly basis
    - Rule would eliminate the Department's ability to retain the federal financial participation (FFP) from the outpatient hospital, nursing facility and home health agency public-owned Upper Payment Limit (UPL) payments
- **Timing**
  - CMS proposing a September 1, 2007 effective date with no transition period
    - Based on this effective date, many states will have an immediate Medicaid budget shortfall
- **Ultimate Result**
  - CMS proposed rule puts the financial stability of the entire safety-net provider community in Colorado at risk

Certification of Public Expenditure

- **Each year public-owned providers are required to submit documentation to the Department for their uncompensated costs related to treating Medicaid and CICP clients**
  - Allows the Department to draw down and allocate Federal Matching Funds to providers to compensate them for a portion of their uncompensated costs without utilizing General Fund as the State match
- **FY 2007-08 New CPE protocol and reconciliation process**
  - Instructions were updated to help providers calculate their Medicaid inpatient, outpatient and CICP costs incurred for treating Medicaid and CICP clients
- **New requirements**
  - Must utilize most recent as-filed Medicare/Medicaid Cost Report and providers' internal records and must submit this supporting documentation to the Department with the CPE
  - Uncompensated costs are now reported on a calendar year and for FY 2007-08 the Department will be requesting these uncompensated costs to be reported for January 1, 2006 to December 31, 2006

Certification of Public Expenditure

- New process and new requirements resulted from of the FY 2004-05 Focused Management Review Report, Colorado Certified Public Expenditures (CPEs) Review performed by CMS
- Required Department to provide a corrective action plan to CMS and create a CPE protocol and reconciliation process to be documented in the Department's State Plan Amendment and approved by CMS

House Bill 06S-1023 (Documentation Requirements)

- Required specific identification documentation to be presented and an affidavit to be signed, designating clients citizenship status in order to received discounted health care under the CICP
- In addition, allowed the Department of Revenue to promulgate emergency rules for alternative identification and for the creation of a waiver process for applicants who cannot provide any of the proper identification documents or alternative identification documents
- **House Bill 07-1314**
  - Signed by the Governor on March 1, 2007
  - Extends the emergency rules issued under HB 06S-1023 by the Department of Revenue related to the list of alternative identification documents that can serve as evidence of lawful presence in the United States and the waiver process for applicants who cannot provide identification

House Bill 06S-1023 (Documentation Requirements)

- This extension expires July 1, 2007 or when the Department of Revenue promulgates permanent rules regarding alternative forms of identification recognized by the federal government to prove lawful presence in the United States and a waiver process for applicants that cannot provide approved identification

- Systematic Alien Verification for Entitlements (SAVE) and the Electronic Identification Indicator (EII)
  - Department is close to having access to SAVE and will update providers when that access is established
  - Department still does not have access to the EII

Provider/Client Forum

- At the Medical Services Board and in addressing feedback for clients, the CICP Administration promised to examine forming a public forum to address issues and discuss advancements in the program's structure
- CICP Administration would like to consult the provider community regarding the formation of a Provider and Client forum
  - Consider establishing a forum for client and provider representatives to address issues and concerns and provide feedback and suggestions to the CICP Administration
- Provider feedback and comments are now welcome

OAP State Only Health and Medical Care Program

- **Overview**
  - Provides limited medical care for non-Medicaid individuals receiving Old Age Pension (OAP) grants
  - 100% State-funded and has a fixed budget
  - Administrated like an insurance model (Medicaid) and not a grant program like (CICP)
  - Eligible recipients are over the age of sixty and ineligible for Medicaid because they are over-resourced and/or do not meet the 5 year or 40 quarter residency requirement
  - Approximately 5,000 clients
- **Funding**
  - $10 million from the OAP Health and Medical Care Fund
    - Established in Article 24 of the constitution in 1956 and Section 25.5-2-101, C.R.S. (2006)
  - $750,000 from the Supplemental OAP Health and Medical Care Fund
    - Established by HB 02-1276 at $1 million and reduced by SB 03-299 to its current amount

OAP State Only Health and Medical Care Program

- 3% of tobacco tax revenue generated through Amendment 35 to the Cash Fund for Health Related Purposes from which 50% is annually appropriated by the General Assembly to the Supplemental OAP Health and Medical Fund per HB 05-1262
  - FY 2006-07 transfer of Tobacco Tax Cash into Supplemental OAP Health and Medical Fund, $2,580,180
  - FY 2007-08 transfer of Tobacco Tax Cash into Supplemental OAP Health and Medical Fund, $2,307,000
- **Program Challenges and Issues**
  - Increasing number of eligibles and growing demand for health care services by this client population has caused the program to nearly exceed its spending authority four times in the last five years
    - Reduction measures have been necessary when expenditures were expected to exceed the available spending authority

OAP State Only Health and Medical Care Program

- Numerous rate decreases/increases have occurred from FY 1999-00 to the present to manage program expenditures related to increasing caseload and utilization

- **Possible Solutions**
  - Department is currently looking at numerous ways to restructure the OAP Health and Medical Care Program to better manage the program's expenditures and eliminate the need to continuously decrease/increase rates
  - Provide emergency services only
  - FQHC model
  - Implement a drug rebate program

Comprehensive Primary and Preventive Care Grant Program & Primary Care Fund

- **Comprehensive Primary and Preventive Care (CPPC) Grant Program**
  - **Advisory Council Meeting**
    Friday, April 27, 2007
    1:00pm-3:30pm
    225 E. 16th Avenue, 1st floor conference room
  - Application release on Friday, May 25, 2007
  - Application due on Friday, June 29, 2007 (tentative)

- **Primary Care Fund**
  - **Stakeholders Meeting Advisory Council Meeting**
    Friday, March 23, 2007
  - Application release on Friday, May 25, 2007
  - Application due on Friday, June 29, 2007 (tentative)

Comprehensive Primary and Preventive Care Grant Program & Primary Care Fund

- Information on the Primary Care Fund can be obtained at http://www.chcpf.state.co.us/HCPF/primary_care_fund.asp.
- The website for the CPPC Grant Program is http://www.chcpf.state.co.us/HCPF/cppc/cppcindex.asp.
- Contact Kerri Coffey at 303-866-4131 or Kerri.Coffey@state.co.us if you have any questions on either of these programs.

Colorado Cares Rx Program

- Senate Bill 07-001 signed by Governor on February 5, 2007
- Generic and non-patented prescription drugs will be available at a discount for those who are eligible for the program.
- Eligibility Criteria
  - Colorado Resident
  - No health insurance and is not eligible for Medicaid or the Children's Basic Health Plan
  - Income does not exceed 300% Federal Poverty Level (FPL)
- Details will be provided when the application process and pricing guidelines are established
- Tentative date to begin enrollment into the discount program is January 1, 2008

Other Items

Contact Information

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- www.chcpf.state.co.us
  Links for CICP, CPPC, and Old Age Pension Information
- Fax
  303-866-4411