

A G E N D A

Task Force to Evaluate Health Care Needs for Colorado

The Montrose Pavilion
North Conference Room
1800 Pavilion Drive
Montrose, CO

Tuesday, September 4, 2001
10:00 a.m. to 4:00 p.m.

SUMMARY FOLLOWS AGENDA

Call to Order

10:00 - 12:00 **Public Testimony**

12:00 - 12:45 **Lunch Break**

12:45 - 1:30 **Additional Public Testimony (if needed)**

1:30 - 2:00 **Insurance Provider Serving Rural Colorado**

John Hopkins, Rocky Mountain HMO

2:00 - 4:00 **Committee Discussion of Bill Requests**

Adjourn

STAFF SUMMARY OF MEETING TASK FORCE TO EVALUATE HEALTH CARE NEEDS

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Tuesday, September 4, 2001

10:06 A.M.

Meeting is called to order by Senator Fitz-Gerald. She invites Rep. Alexander to welcome the people of the Montrose area to the committee's meeting on the Western slope. Persons present include Senators Fitz-Gerald, Hagedorn, Isgar, McElhany, and Owen, and Representatives Clapp, Miller, Tochtrop, and

Tambor Williams. Representative Spradley is present after roll call. Staff present include Julie George and Janis Baron from Legislative Council and Julie Hoerner from the Office of Legislative Legal Services.

All the committee members introduce themselves and identify the respective districts they represent.

10:15 A.M.

Julie Noetzelman, West End Family Link Center — Nucla, CO. Ms. Noetzelman testified that her center has received a grant from the Colorado Trust to develop a palliative care program in this rural community. The area has a pretty good health care network, the basics are all covered. She expressed thanks for the EMTs and the Flight for Life program available to them. The palliative care program includes both a medical and a nonmedical component. The Link's health care team addresses both the patient's and family's needs. The Link provides services beyond the traditional hospice care program. The Link serves multiple counties. One unique component of the program is the family support workers who try to keep patients at home as long as possible and, to the extent possible, assist the patient in dying at home if the patient wishes. The Link's staff includes para-professionals who are trained and supervised by licensed professionals. Their family support staff are directly tied to the doctor and physician's assistant.

Representative Tochtrop asks if the Link and its staff are certified to receive Medicaid reimbursement? Ms. Noetzelman answers no they do not, nor do they even try to get Medicaid reimbursement. She believes the state government must push the federal government to address the nation's multitude of health care problems. She said that the Link has set up a program with a pharmacy to purchase intractable pain medications.

10:30 A.M.

Dr. Jeffrey Krebbs, M.D., Family Physician — Montrose, CO. Dr. Krebbs Invites questions from the committee prior to offering his comments. Senator Owen asks if the state's Family Medicine Residency Program should be expanded or modified? Dr. Krebbs recommends the use of programs much like the one he had access to in the Navy. This program provided a monthly stipend, medical school education, vacation, and required active service several months out of each year. Senator Owen states that Colorado will soon do a disease management program in its Medicaid Program. Dr. Krebbs says that due to the low reimbursement rate, many doctors will not take Medicaid-eligible patients. Dr. Krebbs says that the need for family physicians is great, but if the doctor goes to the rural area it is necessary to ensure that the doctor is set up for success not failure. He testifies that although tuition assistance is important, the real sticking point for rural doctors is the lack of pay; these doctors must be adequately paid. Most of his colleagues at the Montrose Hospital are from out of town if not out of state. He says that business is tough. Currently, he can't figure why a person would go to medical school and incur \$150,000 in debt and then practice medicine with all its regulations. He likes Rocky Mountain HMO in Montrose. He is glad that Rocky Mountain HMO serves Medicaid clients in this region.

Rep. Alexander asks for explanation of the Medicaid/Medicare relationship that exists in Montrose. Dr. Krebbs says that most specialists refuse to take Medicaid patients, in part because of high malpractice insurance. Representative T. Williams states her appreciation for his comments on how the ability to sue a physician forces them to leave the profession.

10:45 A.M.

LaTisha Wells, St. Mary's Hospital — Grand Junction, CO. Ms. Wells testifies about St. Mary's inability to recruit specialists. The hospital is in a true recruitment crisis, with no oncologists, infection disease specialists, cardiologists, neurologists, etc. Additionally, the nursing shortage is creating problems. The hospital is short on all professional positions. She testifies that the hospital is doing a program with the K-12 district to encourage young people to enter the medical profession. The hospital is providing ever increasing charity care — approximately \$1.3 million annually. They must continue to be competitive and aggressive in their nursing salaries; the increase for last year was 19 percent vs. the 3 percent provided by county governments. The hospital is also facing double digit increases in pharmaceuticals.

Senator Owen asks how many Medicaid managed care patients the hospital sees? Ms. Wells testifies that Medicaid patients represent about 23 percent of all patients. Senator Owens questions if a fee for service contract for Medicaid clients would work better than managed care. Representative Tochtrop asks if the nursing program at Mesa State College has a waiting list. Ms. Wells responds no. The enrollment list is down, there are too many other professions for young people to choose from.

Both Dr. Krebbs and Ms. Wells see the need for prevention programs. These programs need to qualify for reimbursement because the benefits of preventive care alleviate medical problems which develop later and do qualify for reimbursement.

11:00 A.M.

Janet Cameron, Morilla Clinic — Grand Junction, CO. Ms. Cameron's clinic provides both medical and dental care. Her clinic population includes 51 percent uninsured households, many with incomes at or below \$10,000. She testifies that between 65 and 75 percent of kids in Mesa County schools have never seen a dentist. There is no access to primary dental care. A significant number of the clients at the Morilla Clinic are there for dental pain and require extractions. She sees lots of gingivitis. Ms. Cameron suggests raising the Medicaid dental reimbursement rate; low reimbursement is insufficient for start-up of services. She also suggests extending post-partum dental care for six months for Medicaid mothers. This extension will allow them to get care that they've made appointments for and had to miss or cancel due to childbirth. She suggests eliminating prior authorization for Medicaid moms to get dental care. Her clinic is losing money on these people and dental problems. Ms. Cameron suggests extending full hygiene care for Medicaid moms. The Morilla Clinic has a one-year grant. She suggests that slots for hygienists be increased and that greater financial incentives be provided to get them to serve Medicaid clients. Ms. Cameron notes that adult Medicaid clients need more than extractions. Without dental care, long-term health problems will result eventually. She expresses thanks to the General Assembly for targeting tobacco settlement moneys to medically indigent care persons. She also thanks the Colorado Coalition for the Medically Underserved who work to secure health care for persons, even though it is often on a piece by piece basis.

11:10 A.M.

Michelle Haynes, Uncompaghre Community Health Center — Norwood, CO. Ms. Haynes testifies that most of her clients are uninsured. There are no specialists in her service area. She speaks largely to the deficiencies and lack of resources in her community to provide health care. Senator Owen asks is the clinic is an FQHC? She responds that it is and although it gets 100 percent Medicaid reimbursement, those moneys do not fully cover costs. Senator Owen asks if the clinic is over-utilized? She testifies no,

not her experience. The Uncompaghre clinic has a contract with Colorado Access but as yet does not have any Colorado Access clients.

11:20 A.M.

Nancy Zeller, Nurse Practitioner, Colorado Rural Health Center and Council — Lake City, CO. Ms. Zeller testifies that she has done a variety of work in clinics on the Western Slope. She is here today to talk about the high cost of insurance and its effect in rural communities. A family of four making \$30,000 per year cannot afford \$600/month for health insurance premiums. Senator Owen asks if conditions would improve if insurance mandates are lifted and people can choose from a cafeteria plan? Ms. Zeller says that she would entertain any discussion that would reduce the cost and allow persons to buy into a pool. There is only one, perhaps two, carriers that will cover individuals in rural Colorado right now. Lake City has seen a 69 percent increase in growth since the last census. She states that drugs at the Gunnison Walmart Mart can run very high because Gunnison is designated a tourist area and can therefore charge more. Senator Owen asks if there are any discount cards that retirees on the Western Slope can use to offset the cost of their prescriptions. Ms. Zeller responds that she is not aware of any worthwhile discount programs for prescriptions for seniors.

11:30 A.M.

Carl Clay, Western Rockies Health Underwriters — Montrose, CO. Mr. Clay testified that he is the legislative liaison for this region for health insurance underwriters. Mr. Clay speaks to the net effect of the business group of one which has tipped the health insurance industry on its ear. He noted that current consideration of rate banding can occur only in nonERISA plans. Montrose has access to three carriers: Humana; Blue Cross/Blue Shield; and Rocky Mountain HMO. Gunnison and Norwood have one. He testified that PEOs are the hottest thing going in Colorado — try to build enough people in a group to purchase a nonErisa contract.

Senator Owen asks what would happen if HB 1210 were repealed and we defaulted to the federal HIPA. Mr. Clay responds that it would help but he is also not in love with HIPA. Representative Spradley asks what a standard policy would look like and cost. Mr. Clay responds that it would look like a warranty on a car — some things would be paid out of pocket but the policy would cover catastrophe. He advocates covering the basic needs and then adding on. He stated that developing a core plan/policy would not be a difficult thing to do. Representative Spradley asked how affordable would it be? Mr. Clay stated that cost shifting has to occur to cover costs, and it is done in the insurance industry on those persons who are private pay. A hospital cannot absorb \$5.6 million in collected debt and write off \$1.3 million as charity without cost shifting.

11:55 A.M.

Joy Beson — Delta, CO. Ms. Beson testifies on behalf of herself and people in the farm union. She has not had insurance for most of her life because she was self-employed. Other expenses always came to the forefront. She and her husband are both 58 and currently cannot purchase insurance. She does not want to use all of her retirement savings for health insurance. She has rheumatoid arthritis and needs some health care coverage. She and husband would have to pay \$375 per month for major medical which includes a \$10,000 deductible. She prefers holistic medicine including herbs and acupuncture for her

arthritis. She does not want to go to a hospital. Additionally, she cannot pay health insurance for her employees working at her herb farm. She does not want a handout, just a fair shake.

12:00 P.M. Recess for Lunch

12:50 P.M.

Eileen Snell, R.N., Montrose County Health and Human Services — Montrose, CO. Ms. Snell expressed thanks for tobacco settlement moneys for well child care. She additionally expressed concern about dental care for children.

1:00 P.M.

Dr. Mike Barnes, M.D., Roaring Fork Valley IPA — Glenwood Springs, CO. Dr. Barnes testifies that he practices anesthesiology and is insured as a group of one. By wearing as many hats as he does in his small hospital, he is able to see the problems the rural community encounters. He identifies the following problems and potential solutions: demand is an underlying problem (e.g., the country did twice as many knee replacements in 2000 as it did in 1990); rate banding is no more than a "band-aid"; one percent of insurance companies' sickest clients account for 25 percent of claims paid. Dr. Barnes testifies that in Glenwood Springs, they cannot provide services and pharmaceuticals cost effectively. Everything in the area costs more (housing, food, utilities, clothing), and really does not have any answer for that. The concept of "value" is lost in health care today. Nobody has a tool for determining the value of new treatments and or drugs. Additionally, care providers are not incentivized to provide value. There should be no sense of entitlement to the "best care possible". There should be responsibilities with rights. Dr. Barnes stated that many Aspen Ski Company employees refuse to pay the \$20 co-pay. There is an attitudinal difference in the free care he offers in South America vs. the free care he offers in the U.S. Here in the U.S. he is not thanked, people act as if it's his job to treat them for free. There is a genuine burden in both the number of patients and the type of care they require that the government sends to him and others physicians to treat for free or at a low reimbursement. He testifies that if you rate band, some people will be able to pay the increase in monthly premium but others will drop out all together. Thus, if the insurance company no longer covers them, these people without coverage become the burden of the doctors and hospitals. He states that bottom line, insurance is the young and the well subsidizing the aged and sick. He advocates charging for risky behavior not bad outcomes. Additionally, he takes issue with pharmaceuticals heavily marketed on television and in print. Does a drug that costs 25 percent more need to be offered when its benefit is only 5 percent greater than that of the cheaper drug?

1:25 P.M.

Jim Markuson, Valley View Hospital — Glenwood Springs, CO. Mr. Markuson offers his comments on providing services in Glenwood Springs.

1:30 P.M.

Joe Johnson, R.N. and Administrator, Valley Manor Care Center — Montrose, CO. Mr. Johnson testifies to the shortage of nurses and nurses aides in long-term care. His biggest concern is the lack of health care workers in his area. He suggests helping students in nursing school with significant financial assistance.

1:32 P.M.

Birgit Schmalz, Columbine Clinic — Montrose, CO. Ms. Schmalz testified that the discussion seems to focus on band-aids only and not a fix for the nation's health care crisis. She told several stories of patients she'd recently seen at the clinic. The cost for a pap smear at her clinic is \$45, but she charges a sliding scale. She said that welfare reform has contributed to the number of uninsured. People have jobs but the jobs have no benefits. She thinks that health care is becoming a market-based system.

1:45 P.M.

Rusti Kelsey, Regional Coordinator for Colorado Cross Disabilities Coalition — Egnar, CO. Ms. Kelsey testifies as a consumer and an advocate/volunteer. Too many state resources go only to Grand Junction and Durango on the Western Slope. She wants more resources dedicated to the "counties in the middle" so senior and disabled services can be provided. She noted that transportation is a real obstacle on the Western Slope.

1:50 P.M.

Cindy Watson, Insurance Broker — Montrose, CO. Ms. Watson testified that she needs more people in her pool. She is trying her best to get people insurance and meet their needs but it is increasingly difficult. Perhaps HB 1210 can be revised to increase the size of the pool. She states that she does not advocate socialized medicine. Representative Spradley asks what a standard "chevy" health insurance plan would cost and how would it play. Ms. Watson noted that she has concerns about carve outs. Representative Clapp asks for an explanation on carve outs. Ms. Watson notes that carve outs are "hot" and were started to get to an end result, perhaps a somewhat unethical practice to keep rates at a certain level.

2:00 P.M.

Reed Kelley, Rocky Mountain Farmers Union — Meeker, CO. Mr. Kelley testified that he is following the committee's work and will put together a presentation for an upcoming meeting.

Tom Thomes, Delta County Hospital — Delta, CO. Mr. Thomes expressed concern about the volume of paperwork he must plow through as an administrator. He suggests that state lawmakers sit down with federal lawmakers to address the problem of time-consuming paperwork.

2:05 P.M.

John Hopkins, Rocky Mountain HMO. Mr. Hopkins provides the committee with Attachment A and bases his presentation on the information included therein. He testifies that rate bands would be helpful in the smallest of the small group market. Page 5 of Attachment A provides Rocky Mountain HMO's proposals for addressing problems the state is currently facing.

2:30 P.M.

Jo Rosenquist, Western Colorado AIDS Project — Grand Junction, CO. Ms. Rosenquist requests that the committee consider portability benefits.

2:32 P.M.

Melvin Sullivan, Pharmacist — Delta, CO. Mr. Sullivan told stories of pharmacy he runs and the patients he helps. He advocates collaborative therapy between doctors and pharmacists; stating that pharmacists spend a lot of time with the patients. Currently, there are few pharmacists on the Western Slope because they don't get paid enough. No young pharmacists want to come to where there is no money. He wants rural Colorado to be "sold" as place to go and thinks financial incentives must be provided to pharmacy students to go to the Western Slope.

2:40 P.M.

Steve Baer, Colorado Cross Disabilities Coalition, Medicaid Buy-In Program Task Force, and Colorado Works Task Force. Mr. Baer testifies to the lack of competition in health care insurance carriers. He is from the Naturita/Nucla part of the state. He tells individual stories of problems people encounter. He wants to revisit health care nationally not these "band aids".

2:55 P.M.

Bonnie Koehler, Delta County Public Health — Delta, CO. Ms. Koehler states that when the federal Maternal and Child Health Block Grant was revamped, her ability to provide services to undocumented aliens was turned inside out. She requests that funding to provided for prenatal care to undocumented aliens.

3:00 P.M.

Sue Krautkramer, Physician's Assistant, Montrose County Public Health — Montrose, CO. Ms. Krautkramer testifies that she earns \$15,000 - \$20,000 less than the national average in Montrose. People don't want to come and don't want to stay. She sees one-quarter of the female population in the region. The clinic is quasi-public. She does not advocate socialized medicine, but faces daily dilemmas in trying to care for her patients. She works a great deal to get free medicine from pharmaceutical companies to dispense at the clinic. She gets hormone replacement therapy drugs but must be careful not to fuel an underlying preponderance for cancer. She stated that mid-level care providers should be Medicaid reimbursed for their services.

3:15 P.M.

Gary Wehmeyer, Insurance Agent — Montrose, CO. Mr. Wehmeyer relays his problems as a business man.

3:15 P.M. Discussion of Legislation

Representative Tochtrop - Allow CNAs to administer medications to perhaps alleviate the nursing shortage. Representative Spradley asks if the bill would have a fiscal note. Representative Tochtrop states she presumes no fiscal impact. Representative Tochtrop states that LPNs may be the only organization opposing the legislation. Senator Fitzgerald asks for a show of hands to see if the committee could support such a bill. Bill draft gets support.

Senator Hagedorn - Requests a bill to address the nursing shortage together with Representative

Tochtrop. He will discuss the specifics of the bill in Durango on September 5 or in Denver on September 7. Bill draft gets support. Senator Owen suggests looking at federal programs to piggyback onto or perhaps model.

Representative Spradley requests a bill offering tax credits for physicians, physician assistants, pharmacists, nurses, and technicians; make them permanent. Additionally, make these refundable tax credits to see if people will agree to work in underserved areas. Bill draft gets support.

Representative Spradley requests addressing the business group of one, asks if there would be any acceptance for rate banding for a business group of one to achieve some proportionately. Senator Hagedorn asks if something can be done in the title to address some of the issues of proportionality. Consider reducing benefits for the first year for a business group of one. Representative Spradley requests proportionality so people aren't pushed out of the market. Senator Fitz-Gerald suggests that the Division of Insurance have a role in the issue of rate banding for business group of one rather than getting rid of it. Representative Spradley agrees that the Division of Insurance should ensure proportionality. Bill drafts (two) get support.

Representative Spradley requests pursuing an optional plan which would be the "chevy" plan vs. the "mercedes" plan — essentially a mandate free plan. Bill draft gets support.

Senator Owen requests a ballot initiative to allow small public hospitals (public/private partnerships) to be exempt from TABOR to enter into long-term purchases. Eliminate the one-year contract constraint. Bill draft gets support.

Senator Isgar requests standardization of billing forms, prompt pays, requirement that insurance companies accept electronic files in order to reduce paperwork and cost. Representative Spradley suggests looking at the prompt pay bill introduced several years back. Bill draft gets support.

3:45 P.M. Adjourn