

# COLORADO COMMISSION ON AFFORDABLE HEALTH CARE

11.09.2015

COPIC, Mile High Room

## Meeting Summary

**Commissioner present:** Bill Lindsay (chair), Cindy Sovine-Miller (co-chair), John Bartholomew, Jeffery Cain, Rebecca Cordes, Greg D'Argonne, Steve ErkenBrack (phone), Ira Gorman, Linda Gorman, Julie Krow (phone), Marcy Morrison, Dorothy Perry, Christopher Tholen, Larry Wolk  
**Staff present:** Cally King, Kim Haller, Mike Saccone (Keystone)

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### Meeting Notes:

#### I) Review of the Agenda

Chair Bill Lindsay opened the meeting with a general welcome and review of the meeting agenda.

#### II) Approval of Minutes

- A) Motion for approval from Jeffrey Cain, seconded by Rebecca Cordes.
- B) Minutes from the October 23<sup>rd</sup> Commission meeting were approved unanimously with no opposition or changes to the minutes.

#### III) Presentation Market Competitiveness – Linda Gorman, Commissioner

- A) Commissioner Linda Gorman provided a presentation on How Economics Understands the Health Care Markets. Through a series of graphs and charts, the group looked at the history of market competitiveness over the last several decades leading to how the health care system is operating today. She also explored what optimal compensation systems and interventions in health markets would look like while focusing specifically on individual choice in health spending, reimbursement structure, hospital quality, physicians, insurance, and government business. Opportunities for cost savings in Colorado were presented along with a number of recommendations to provide a improve health markets at the state level with a reminder that there would not be a “one size fits all” mentality. The meeting presentation can be found on the Commission’s [website](#).
- B) *Questions & Comments from the Commission members included:*
  - 1) Hospitals are contracting out pharmaceutical and construction needs; hospitalists, nursing services, and the like are being contracted out from clinics and hospitals. What do you call that?
    - (a) Hospitals over the years have shifted. Insurers are doing the buying now and trying to meet administered price by contracting out doctors and gaining facility charges. The focus should be on reimbursements, looking at marginal costs and benefits. To change what hospitals are doing, you must first change the reimbursement while looking at insurance and other structures.
  - 2) The most current data presented was from 2009. There is no control over the product (specialty drugs, health care, etc.). What does that look like? How can you accommodate that more? We are driving members into higher cost settings. For example: Medicaid is 80 cents on the dollar, Medicare is 72 center on the dollar, and private insurance is 1.3 cents on the dollar.
    - (a) When it comes to specialty drugs, Gottleib has a great resource paper. That being said, we don’t know what the marginal benefit is to the consumer.

- 3) There is a notion of a competitive market and how it fares for the individuals. There is supply induced demand. Competition is within controlled environments.
  - (a) There is coverage in the insurance plans. Medicare is mostly free, larger employer plans have high deductibles, etc. In high deductible plans, people are more resistant. With continued expansion, we need to look at numbers of beds in a hospital and capacity.
- 4) With the merging of insurance companies with more plans, how will the market be effected?
  - (a) With huge insurance companies, business has become a lot more complicated and the need for technology is huge and expensive. This, of course, varies depending on which part of the country you're in. Insurance companies want to be in a place that there is a market. It will effect cost. Prices and places are heavily regulated and there are a lot of factors at play.
  - (b) Service is more important than price. When you have more competition, you have to increase your quality of service to remain competitive.

C) **No Public Comment provided**

**IV) Review of the November Report to the General Assembly – Bill Lindsay, Chair**

- A) Bill invited the Commissioners to ask questions and make comments about the report:
  - 1) The report is going to the chairs of the committees of reference, we would like to see the names of the Commissioners after the letter from Bill Lindsay on page 6.
    - (a) Change the reference to the Commissioners in the appendix (page 6 vs. back page)
  - 2) Are we calling ourselves the Cost Commission or the Commission?
    - (a) Commission on Affordable Health Care; there is already another state Commission officially called the “Cost Commission” working on a completely separate topic.
  - 3) Should we implement 208 suggestions, or integrate them as this Commission has done?
    - (a) This is a requirement of legislation and easy work for us to do. However, it is premature for us to answer the questions now. The marketplace has changed dramatically and we have more information available to us now. We need to look at ways to address cost while looking at recommendations and then bring them forward. i.e., Medicaid reimbursements to primary care providers. We have to revisit this at a later date and determine how we are moving forward. Our charge is to talk about the best things to do; what is better for the beneficiaries and how do we lower costs.
      - o This should be reviewed by the Commission on a regular basis.
  - 4) On page 18 the graph is difficult to read. The bold vs. the yellow line is confusing. For graphs 5.3 and 5.4 there should be a footnote with more information.
    - (a) We will include a footnote or produce a new graph with different colors to make this clearer.

B) **No Public Comment provided**

**V) Recommendations Document – Bill Lindsay and Commissioners**

- A) **Recommendations from Payment & Delivery Reform topic area**
  - 1) *Questions/Comments:*
    - (a) We've heard about fee for service & capitation from presentations, evolution from the marketplace now is somewhere in the middle. We need to explore revenue sharing, etc.
    - (b) Having the physician at risk is least transparent in medical care
  - 2) The Commission will put forth thoughts recorded from the presentation and include it in the next round of discussion
- B) **Review changes from last meeting to Transparency and Workforce recommendations**
  - 1) Include italics under workforce. The Commission needs more information such as income levels, profits, etc.

- 2) Need to include citation on the 2012 study referenced in the background section about received primary care services from specialists and also include in a footnote.
- C) Updated copies of the recommendations document should include a new date when it goes out to Commissioners and red line versions to see where changes have been made.
  - 1) Present recommendations, have comments, rework, come back. There is a need to go back and make changes. The Commissioners can also then look at the parking lot and make changes.
- D) **No Public Comment provided**

## VI) Updates – Bill Lindsay and Commissioners

### A) **Planning Committee**

- 1) Update from Cindy & Elizabeth:
  - (a) We had a meeting with legislators on the Joint Budget Committee. The staffer for CDPHE, Megan Davis, encouraged the Coalition to build out the work plan and put a budget together. This information will be included in a second round of statewide meetings: stakeholder input and feedback on recommendations at the state level. There will be a hearing on November 17<sup>th</sup> and we will know by the meeting in December if we can move forward. Working with the staffer to deliver community resource information and have gotten positive feedback and comments.
    - (i) This will inform us on additional fundraising for continued work, what’s available from the state, etc.
    - (ii) The budget process will happen in February. In the meantime, we will continue to evolve as a group and update them along the way.
    - (iii) The JBC meetings on November 17<sup>th</sup> and December 1<sup>st</sup> are public meetings and can be viewed online.
    - (iv) This budget request will be separate from CDPHE’s main budget request.
    - (v) The Commission will share the budget request being presented to the JBC at the next meeting.

### B) **Final Milliman Report on PT Co-Pays**

- 1) The Milliman Report was submitted on Friday, October 30<sup>th</sup>. As of right now, the legislature is not in session and therefore we haven’t heard anything. The Commission has been asked to meet with the joint committees in the House and the Senate on January 8<sup>th</sup> (~9:00 am – 9:30 am). We will keep the Commission posted over the coming months on that presentation.

### C) **Bylaws and elected members**

- 1) Formal public notice: information about the election will be available at the 2<sup>nd</sup> meeting in December, effective for January.

### D) **Questionnaires to stakeholders: PCPs, hospitals, etc.**

- 1) The first group who has requested a meeting is Pharma on November 16<sup>th</sup>. We will provide Pharma costs to the Commission, they will make a presentation, and then there will be a discussion. We ask that you invite the public to comment on the presentation. There will be a comprehensive schedule of all of the presentations available soon. The goal is to have presenters talk about trends. We encourage Commissioners to revisit the information and ask probing questions.
  - (a) This will set a precedence for stakeholder groups moving forward. We will be sending out research and the Pharma information/response so everyone has it.
  - (b) It will be helpful to look at the regulations.
  - (c) The meeting on the 16<sup>th</sup> is at the COPIC building at 1:30pm and is taking the place of the regularly scheduled 4<sup>th</sup> Friday meeting due to the Thanksgiving holiday.

### E) **Planning Committee looking at putting together a speaker series: outside speakers**

- 1) The following topics include:
  - (a) End of life care
  - (b) How markets work
  - (c) Transparency tools available in the market today

**VII) Public Comment:**

- A) **Betsy Murray, American Physical Therapy Association:** Milliman Report interest. We feel that there were important questions and not all of them answered in the report. With the \$25,000 payment, there will be some accountability in answering those questions. We will provide those questions to the Commission. There has been great data shared, the economy drives a lot of things and there are pieces you can take from your report and put that toward future conversations.

**Meeting Adjourned.**