



# COLORADO COMMISSION ON AFFORDABLE HEALTH CARE

Statewide Meetings  
May - July 2016

# LEGISLATIVE CHARGE

The Commission shall focus its recommendations on evidence-based cost-control, access, and quality improvement initiatives and the cost-effective expenditure of limited state moneys to improve the health of the state's population.

The Commission must deliver a report each November and a final report June 2017.

## *Duties of the Commission:*

- Identify, examine, and report on cost drivers for Colorado businesses, individuals, Medicaid, and the uninsured.
- Data analysis on evidence based initiatives designed to reduce health care costs while maintaining or improving access to and quality of care. Analyze the impact of increased availability of information.
- Review, analyze, and seek public input on state regulations impacting delivery and payment system innovations.
- Analyze impact of out-of-pocket costs and high-deductible plans.
- Examine access to care and its impact on health costs.
- Review reports and studies for potential information.
- Report outcomes of the 208 Commission

# COMMISSIONERS

THE COMMISSION IS COMPRISED OF A DIVERSE AND DEEPLY KNOWLEDGEABLE SLATE OF MEMBERS REPRESENTING EVERY CORNER OF COLORADO.

- **Bill Lindsay (Chair) (Unaffiliated, appt. by Governor)** of Centennial, representing licensed health insurance producers
- **Cindy Sovine-Miller (Vice-Chair) (R, appt. by House Minority Leader)** of Lakewood, representing small Colorado businesses
- **Elisabeth Arenales (D, appt. by Speaker of the House)** of Denver, from an organization representing consumers and understands consumers with chronic medical conditions
- **Jeffrey J. Cain, M.D., FAAFP, (D, appt. by President of Senate)** of Denver, a health care provider who is not employed by a hospital and who is a physician recommended by a statewide society or association whose membership includes at least one-third of the doctors of medicine or osteopathy licensed in the state
- **Rebecca Cordes (D, appt. by Governor)** of Denver, representing large, self-insured Colorado businesses
- **Greg D'Argonne (R, appt. by House Minority Leader)** of Littleton, with expertise in health care payment and delivery
- **Steve ErkenBrack (R, appt. by Senate Minority Leader)** of Grand Junction, representing carriers offering health plans in the state
- **Ira Gorman, PT, PhD, (D, appt. by President of the Senate)** of Evergreen, a health care provider who is not employed by a hospital and is not a physician
- **Linda Gorman (R, appt. by Senate Minority Leader)** of Greenwood Village, a health care economist
- **Marcy Morrison (R, appt. by Speaker of House)** of Manitou Springs, from an organization representing consumers
- **Dorothy Perry, PhD, (D, appt. by Governor)** of Pueblo, with expertise in public health and the provision of health care to populations with low incomes and significant health care needs
- **Christopher Gordon Tholen (Unaffiliated, appt. by Governor)** of Centennial, representing hospitals and recommended by a statewide association of hospitals
- Ex officio Commission members
  - **Susan Birch, MBA, BSN, RN, Executive Director, Colorado Department of Health Care Policy and Financing**
  - **Alicia Caldwell, Communications Director, Colorado Department of Human Services**
  - **Marguerite Salazar, Commissioner of Insurance, Colorado Department of Regulatory Agencies**
  - **Jay Want, M.D., representing the Colorado All Payer Claims Database**
  - **Larry Wolk, M.D., MPH, Executive Director, Colorado Department of Public Health and Environment**

# “HEALTH CARE SPENDING PICKS UP”, WALL STREET JOURNAL



By STEPHANIE ARMOUR Dec. 2, 2015

WASHINGTON—Growth in U.S. health-care spending is accelerating after reaching historic lows... Spending on all health care increased 5.3% in 2014, according to a report Wednesday from actuaries at the Centers for Medicare and Medicaid Services...

That compares with the 2.9% growth in 2013, which marked the lowest rate since the government began tracking the gains 55 years ago. The return to more robust growth after a slowdown in spending had been anticipated by economists. Still, it is likely to add to criticism that the 2010 health law isn't doing enough to rein in costs.

<http://www.wsj.com/articles/growth-in-u-s-health-care-spending-picks-up-1449090000>

# “GRAND JUNCTION IS AMONG THE MOST EXPENSIVE PLACES FOR HOSPITAL STAY”, DENVER POST



By DAVID OLINGER Dec. 22, 2015

Privately insured hospital patients in Grand Junction face the ninth-highest average inpatient prices in the country, according to a new study...

Nationally, many of the regions with high prices are rural or small cities, while larger markets tend to have lower costs. Among the country's 25 most-populated hospital markets, Denver had the highest average cost for inpatient visits, at \$14,363.

[http://www.denverpost.com/news/ci\\_29296416/grand-junction-is-among-most-expensive-places-hospital](http://www.denverpost.com/news/ci_29296416/grand-junction-is-among-most-expensive-places-hospital)

# HEALTH CARE SPENDING

## Defining Terms: Price, Cost and Spending

Suppliers' costs:

- + Labor
- + Equipment
- + Facilities
- + Administration

**Total Suppliers' Costs**

+/- Suppliers' profit/loss

**Price Received by Suppliers**

**Price**

Price is covered by premiums and public sector and consumer payments.

**Consumers**

- + Transportation
- + Lost wages
- + Opportunity costs
- + Others

**Payers/  
Employers**

- + Administration
- + Others

**Cost to Consumers/  
Payers/Employers**

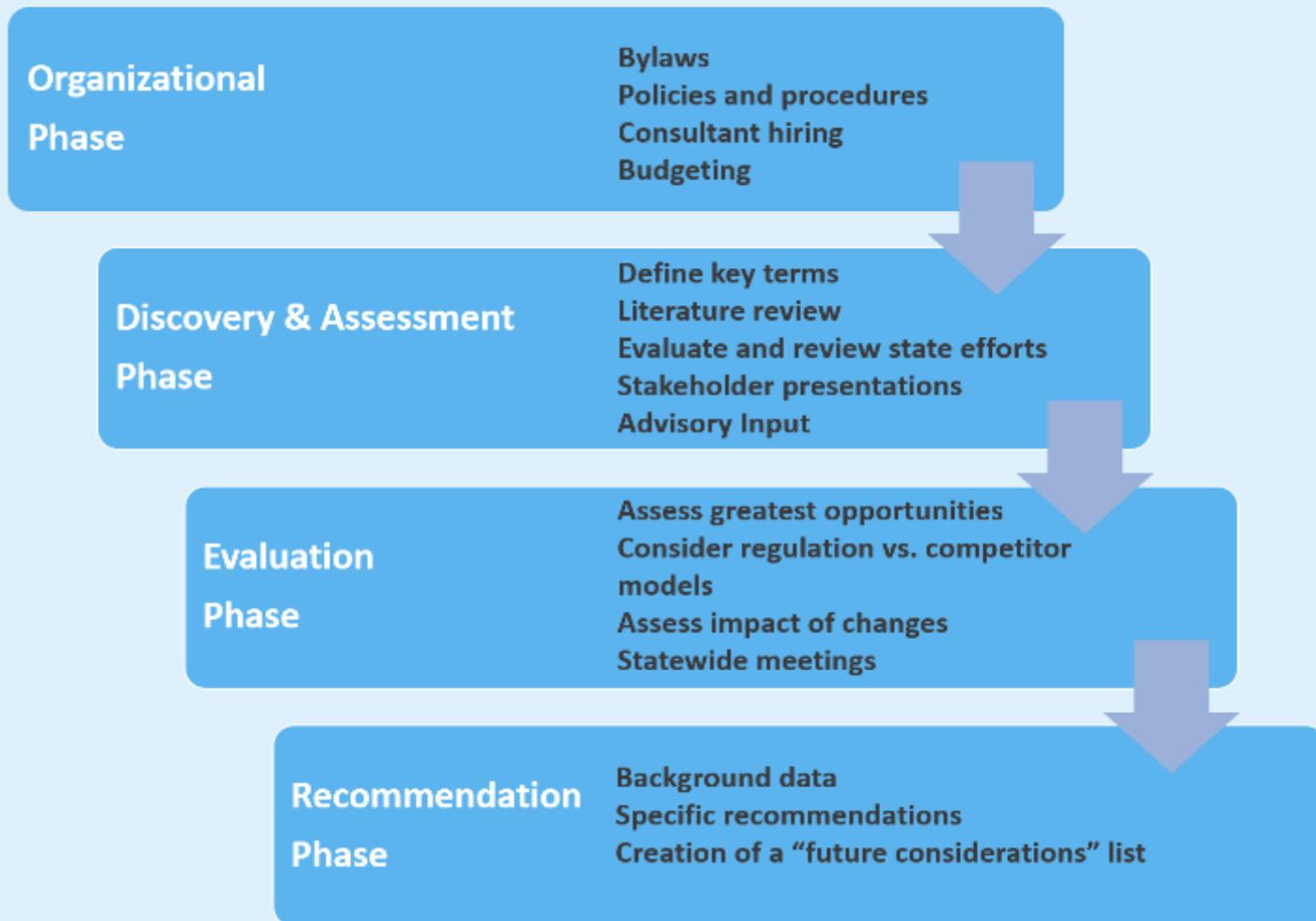
**Price**

**x Quantity of goods and services**

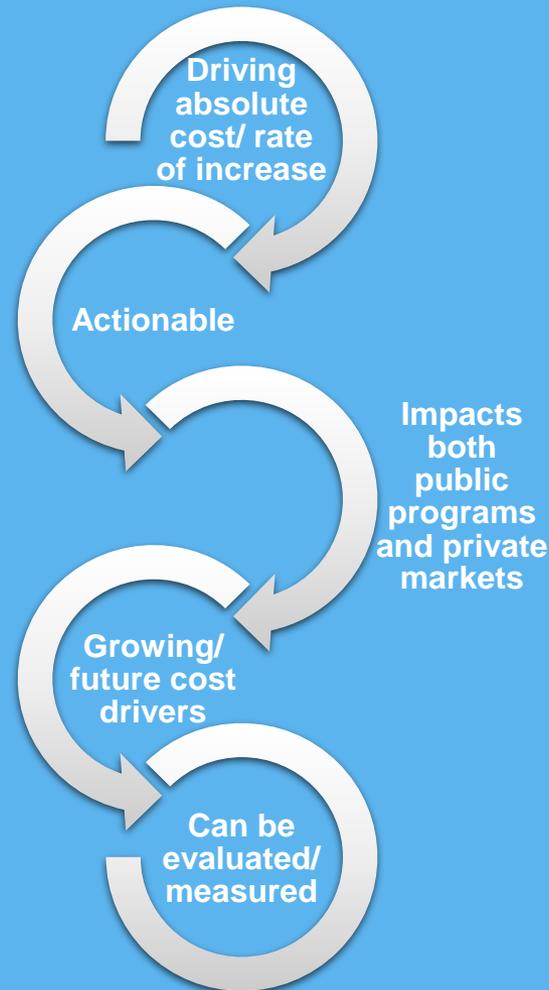
**Spending**

**Notes:** This graphic is an example of the variables that affect cost and not an exhaustive list. There are underlying variables that affect price, cost and spending such as the regulatory environment and market characteristics.

# PHASES OF WORK



# COMMISSION'S FRAMEWORK TO IDENTIFY AND PRIORITIZE RECOMMENDATIONS



# AREAS OF ANALYSIS

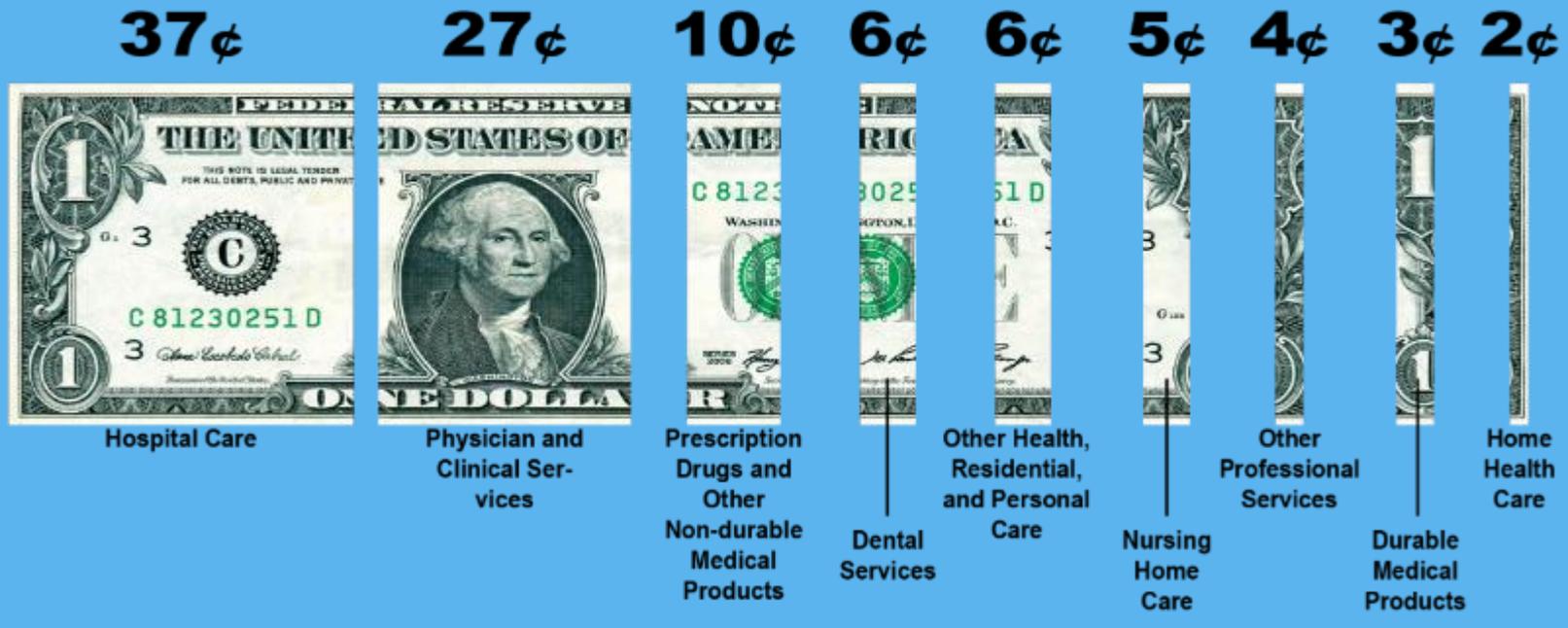
The Commission has determined key topic areas for further discussion:

- Transparency
- Workforce
- Social Determinants
- Incentive Mechanisms
- Regulatory Costs
- Administrative Costs
- Payment & Delivery Reform
- Market Competitiveness
- Technology
- Pharmacy and Hospital Costs

# COLORADO'S HEALTH CARE DOLLAR

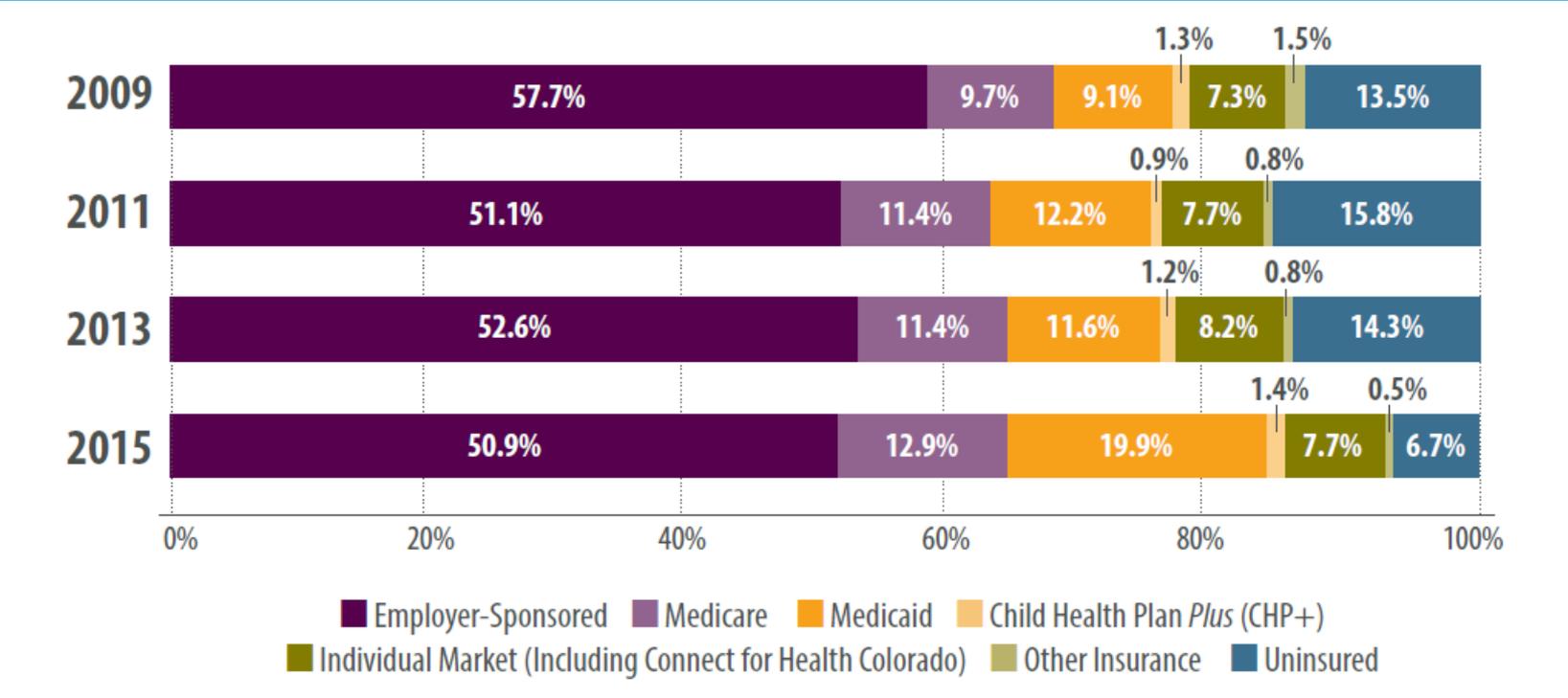
## Colorado's Health Care Dollar

Spending by Service Type, 2013



Source: National Health Expenditure Accounts, CMS, Office of the Actuary, 2011 and 2014

# TRENDS IN COLORADO COVERAGE



Source: 2015 Colorado Health Access Survey, CHI

# THANK YOU

## Questions?

[www.colorado.gov/cocostcommission](http://www.colorado.gov/cocostcommission)  
[on.](#)