



COLORADO MEDICAL SOCIETY

HB 19-1004: State Option for Health Care CMS' Preliminary Recommendations

July 26, 2019

CMS is committed to finding solutions



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- Helped incubate SB 06-208's Blue Ribbon Commission for Health Care Reform
- Supported and/or helped pass:
 - 208 Commission report
 - CIVHC
 - Medicaid expansion
 - Health insurance exchange
 - Cost Commission
 - HB 19-1004

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- Support a public option that increases competition in health insurance markets; reduces insurance premiums; facilitates quality improvement and administrative simplification; and inspires physician network participation.



- Increase competition in the multi-payer system utilizing current commercial payers
- Fund public option through reduction of waste and taxes on goods known to damage health
- Standardize benefit package utilizing value-based insurance design principles across all carriers selling in the individual and small group market
- Standardize formularies, provider contracting, prior authorization, utilization & claims management, guidelines, and cost & quality metrics across carriers
- Benefits offered on Exchange with subsidies to be determined by affordability criteria across income levels

Harness innovative strategies to reduce costs by incentivizing efficient care delivery, high-value services, streamlined administration, and healthy behaviors



- To gain the benefit of increased competition, the public option should be offered statewide
- Offer in the individual and small group markets through the Exchange
- Inspire and incentivize physician participation through adequate reimbursement and reductions in administrative burden in order to ensure access



- Increase fair market competition to improve affordability for currently insured, uninsured, and underinsured populations
- Affordability criteria should apply to premiums, deductibles, and cost-sharing
- Reduce costs by identifying, capturing, returning, and reinvesting savings:
 - Strong support for primary care, behavioral/mental health, and all components of the medical neighborhood
 - Reduce price
 - Negotiated alternative payment strategies to reduce unwarranted variations in pricing and encourage participation
 - Reduce waste
 - Overuse, underuse, misuse of resources (data review and oversight)
 - Administrative simplification: standardize formularies, provider contracting, prior authorization, utilization & claims management, guidelines, cost & quality metrics across carriers
 - Incentivize patients' healthy behaviors, advance care planning
 - Increase transparency and use of cost and quality data



- Primary insurance risk is born by carriers
- Risk for quality and efficiency of care delivery may be born by providers if identified accurately and implemented fairly
- Tax goods known to damage health (e.g. tobacco, alcohol, cannabis products, sugary beverages)



- Standard (across payers)
- Value-based insurance design
 - Decreased or no cost-sharing for defined high-value services
 - e.g. prevention, primary care, mental health, prenatal care, chronic disease management, immunizations, etc.
 - Increased cost sharing for low-value services (expensive and overutilized)
 - Other services covered per current standards



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