



COLORADO CENTER
on LAW & POLICY

January 14, 2016

Healthcare legislation:

- The state budget and the hospital provider fee
- Surprise billing
- Formulary transparency
- Cost analysis for continuous Medicaid eligibility for adults
- Aligning income and household definitions between Medicaid and Advance Premium Tax Credits

Non-legislative advocacy work, research and projects

- PACE conversions
- The Colorado Commission on Affordable Health Care
- Ensuring full access to the pediatric Medicaid benefit

Non-legislative advocacy work, research and projects

- Aid to the Needy and Disabled (AND)
- Parity for mental health and addiction treatment

Contact:

Bob Mook
Communications Director
O: 303-573-5669, ext. 311
C: 303-862-1508

Legislative & Policy Preview 2016: Health Program

The core work of CCLP's Health Program includes increasing access to health coverage, supporting and protecting Medicaid, ensuring that quality health care is affordable and protecting implementation of the Affordable Care Act (ACA) in Colorado.

In 2016, our focus will be to ensure that Medicaid expansions are protected and that Medicaid is available to all eligible applicants and participants. CCLP will protect the interests of low-income Coloradans as Colorado moves forward with payment and delivery system reform. We will also work to ensure that benefits in the private insurance market are provided on a non-discriminatory basis.

This year, our health care priorities include:

Healthcare legislation

The state budget and the hospital provider fee

CCLP will work to ensure that Medicaid is protected as legislators make decisions about how to address this year's budget shortfall. We support the proposal to move hospital provider fee funds into a state enterprise. We oppose the Governor's proposal to reduce Medicaid primary care provider rates and believe doing so is antithetical to the goals of Colorado Medicaid's Accountable Care Collaborative.

Surprise billing

Too often, Coloradans who have had surgery or other services at in-network facilities may find themselves on the hook for surprise bills from out-of-network providers. These bills may far exceed in-network costs. Last session, Sen. Irene Aguilar introduced a bill that was intended to protect consumers from surprise bills. While the legislation failed as a result of strong opposition from the Colorado Medical Society (CMS), CCLP and its partners have continued to work with health insurance carriers and the CMS to develop a similar proposal. It is not clear whether legislation will be introduced on the matter this year.

Formulary transparency

CCLP has long been concerned about the affordability of healthcare as many middle- and low-income families experience significant hardship when faced with substantial out-of-pocket medical expenses. The increase in the number of high-deductible health insurance plans and the requirement that many health plans impose on their customers to pay their full deductible before the plans pay for medical care means that more people face high out-of-pocket costs. This is particularly true for people with chronic health conditions. In early 2015, after months of advocacy by CCLP, the Chronic Care Collaborative and the Colorado

Consumer Health Initiative, the Colorado Division of Insurance issued a draft bulletin setting more reasonable cost parameters for insurers. One benefit of the bulletin was expanded use of copays, which allows for both greater transparency and more manageable costs for those with chronic health issues. This legislative session, CCLP will continue to work to improve transparency regarding formulary benefits for Coloradans.

Cost analysis for continuous Medicaid eligibility for adults

States have the option to provide children with 12 months of continuous eligibility for Medicaid and Child Health Plan *Plus* (CHP+), even if enrolled families experience an income change during the course of a year. Colorado exercises the option for children but adults are still eligible for Medicaid on a month-to-month basis only. As a result, increases in income can make adult recipients ineligible for Medicaid benefits. Additionally, there's often a delay when people switch from Medicaid to private insurance that creates a gap in coverage, which means people may go without needed healthcare. Colorado can seek a federal waiver to provide continuous eligibility for adults. The first step is to study the costs of adopting continuous eligibility. Last year, the Colorado Department of Health Care Policy and Financing (HCPF) proposed a budget item to undertake that study, but the Joint Budget Committee rejected their request. CCLP anticipates there will opportunities to raise this issue again this session.

Aligning income and household definitions between Medicaid and Advance Premium Tax Credits (APTC)

While Medicaid expansions have helped hundreds of thousands of Coloradans access health care services, the potential for gaps in coverage remain significant. Currently, Medicaid calculates income eligibility for adults on a monthly basis, while the APTC is calculated based on annual income. Medicaid could help to alleviate churn between Medicaid and APTC eligibility by aligning better definitions of income and household. CCLP supports HCPF's proposal to the Joint Budget Committee to move in this direction, although we want to ensure that Medicaid-eligible, low-income individuals and families are not locked into private insurance when their incomes drop.

Non-legislative advocacy work, research and projects

PACE conversions

With the prospect of an aging Colorado quickly becoming a reality, virtually everyone would prefer to remain at home and independent. CCLP has been representing the public interest in the matter of the proposed conversion from nonprofit to for-profit status of InnovAge, a Colorado Program of All Inclusive Care for the Elderly (PACE) provider. PACE offers a range of services to people over 55 who qualify for nursing-home level care but wish to remain independent.

During the 2015 Colorado legislative session, CCLP and its allies worked to ensure that language regarding PACE conversions was added to the bill (Senate Bill 137) that authorized Colorado PACE programs to operate as for-profit entities. InnovAge operates one of the largest PACE programs in the nation and this is the first conversion proposed since Congress authorized PACE programs to operate as for-profit entities. Issues to watch include whether the assets of the nonprofit InnovAge are valued fairly; whether the proceeds of the sale (to a private equity firm) are directed to an independent nonprofit entity that will use them to benefit the frail elderly and disabled in Colorado; and whether there are adequate oversight provisions following the conversion to ensure that PACE enrollees are protected. PACE serves dually eligible Medicaid and Medicare enrollees over the age of 55, among the most frail served by public health insurance programs.

InnovAge filed its Master Plan of Conversion with the Colorado Attorney General on Oct. 30. The public comment period in the proceedings ended on Jan. 8. For more information, visit the Attorney General's website.

The Colorado Commission on Affordable Health Care

In 2014, CCLP strongly supported Senate Bill 187, which established the Colorado Commission on Affordable Health Care. Formed in mid-2014, the Commission will work until June 30, 2017, to identify, examine, report on and make recommendations to address the principle healthcare cost drivers in Colorado while maintaining the value and quality of health care for Coloradans. CCLP's Elisabeth Arenales is an appointed member. The commission delivered its first report to the General Assembly in November. We hope the commission will be able to address the ongoing problem of healthcare affordability, particularly for low- and middle-income Coloradans.

Ensuring full access to the pediatric Medicaid benefit

CCLP continues to work with community partners and HCPF to ensure that children get the benefits to which they are entitled under the federal Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program. After working with CCLP during 2014 and 2015, HCPF promulgated new regulations putting into effect the personal care benefit for children. And though we supported lifting the enrollment cap on the Medicaid waiver for children with autism, we are pleased that a September 2015 letter by CMS informed HCPF that behavioral health therapies will have to be provided for all children -- not just waiver recipients -- under EPSDT. CCLP will continue to work to ensure that the EPSDT benefit is available to all children for whom it is medically necessary.

The intersection of health and poverty

CCLP is developing a new report to replace the health chapter historically included in the "State of Working Colorado" report. This report will examine the intersection of poverty and health through a place and race lens and will highlight data on economic security and opportunity, health access and costs, and health outcomes.

Also on our radar

Aid to the Needy and Disabled (AND)

AND provides a very small cash stipend (about \$180 per month) and some medical benefits to disabled individuals with little to no income. The program was implemented primarily to serve as a temporary support for individuals that are likely to be approved for Supplemental Security Income (SSI). CCLP is leading an effort to get an AND pilot program that provides SSI application assistance to AND applicants extended for an additional four to six months.

Parity for mental health and addiction treatment

CCLP continues to work with Colorado's Coalition for Parity to address the need for better enforcement of the Mental Health Parity and Addiction Equity Act of 2008. Federal rules for private insurance were finalized in 2014, but enforcement is complex and data-dependent, and many states have yet to take a hard look at carriers' compliance. CCLP commented on the draft rule regarding Medicaid programs, and awaits its finalization.

Medicaid for refugees, asylees and other protected immigrants

Everybody should be able to access benefits to which they are entitled. Last fall, CCLP learned that HCPF's policy regarding refugees, asylees and other protected status immigrants is to terminate Medicaid eligibility after they have been in protected status for seven years. But HCPF created this policy based on what CCLP believes to be an incorrect interpretation of federal law. CCLP will continue to advocate for a change in that policy so that refugees, asylees and other protected-status immigrants are not deprived of their benefits.