

Proactively Positioning CO on Health Policy

CO Association for
School-Based Health Care Conference

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COLORADO CENTER
on LAW & POLICY



COLORADO HEALTH POLICY COALITION

Overview & Bios

- **Goals for Today**

- Update on what in the heck is happening with health care policy
- Look ahead to upcoming issues
- What you can do to stay updated and get involved

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- Health Program Director-
Colorado Center on Law and
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- **Cody Belzley**

- 15 yrs state level health
policy
- Common Good Consulting
- Formerly CO Children's
Campaign & Gov's Office



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Background

- Health care a significant part of CO's economy:
 - Health & Wellness: 16K companies; 315K jobs, 17.4B in payroll
 - BioScience products are CO's leading export
- For better or worse (depending on your perspective), CO has largely embraced Affordable Care Act
 - Connect for Health CO, state-based exchange marketplace
 - Medicaid expansion
 - State Innovation Model grant
- CO has rejected alternative proposals
 - Multiple legislative efforts to repeal Exchange & Medicaid expansion failed
 - 79 percent NO vote on Amendment 69 in 2016

Background

Snapshot of Colorado's Experience with ACA

- A record 93.3% of Coloradans are insured
 - 95.8% of Colorado kids insured
 - Medicaid growth largest contributor to coverage gains
- 235,000 Coloradans use Connect for Health CO to purchase coverage, access subsidies
- Uncompensated care in CO hospitals dropped from \$699M in 2013 to \$320M in 2014
- Colorado has embraced ACA demonstration projects to improve care/lower costs.



Background

Snapshot of Colorado's Experience with ACA

- Costs in the individual market increasing.
- I70 corridor and Eastern plains particularly hard hit.
- “Family glitch”, means some cannot access subsidies.
- Providers worry about low Medicaid reimbursement.



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Major Issues In Play

- Future of Medicaid – Program Eligibility & Financing
- Future of Subsidies / Tax Credits for Private Insurance
- Mandates for Coverage
- Private Insurance Market Regulations
- Public Health & Prevention Funds
- State Innovation, Delivery System Reforms

Recent Developments

- **March 6:** Speaker Paul Ryan introduced the American Health Care Act with support of Trump administration
 - Was approved by 3 committees in the House despite lack of support from major stakeholder groups, comments of concern from members of the Senate, including Republicans
- **March 24:** Speaker Ryan withdraws the bill after failing to garner enough support to pass it; “Freedom Caucus” played key role in failure
 - Ryan: “We are going to be living with Obamacare for the foreseeable future”
- **March 25:** President Trump tweets: “ObamaCare will explode and we will all get together and piece together a great healthcare plan for THE PEOPLE. Do not worry!”

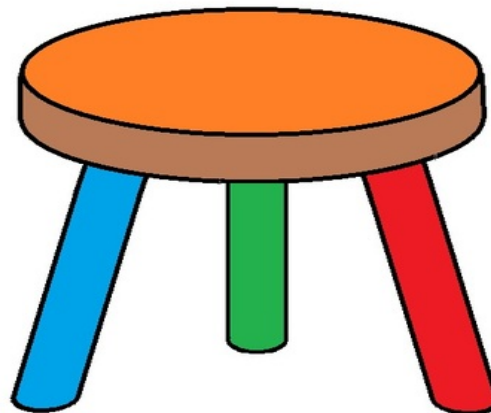
Recent Developments

- **April 2017:** On-going negotiations between White House and Republican leaders and between moderates and conservatives in the House.
 - VP Pence tries to revive the bill in early April before Congress' Easter recess - fails
 - White House threatens to withhold Cost Sharing Reduction payments to force negotiations on AHCA – fails; CSR payments continue (for now).
 - MacArthur Amendment floated last week – a way forward by allowing states to opt out of EHB and increase costs for pre-existing conditions?
- **May 2017:** Last ditch effort, Upton Amendment.
- **Bottom Line: We're still in limbo...**

Revisiting the Basics- structure of the ACA

ACA's 3 Legged Stool: the deal that was made.

- Individual Mandate- requires coverage
- Affordability- means-tested premium & cost-sharing subsidies
- Guaranteed issue- everyone can get coverage



Major provisions in AHCA

- Medicaid
 - Financing changes- per capita cap
 - Structural changes - waivers
 - Eligibility changes -eliminate enhanced payment for expansion
- Private Insurance
 - Age rating moves from 3-1 to 5-1
 - Subsidies based on age, not income
 - Flexibility on EHB and pre-existing conditions

Medicaid- What's at Stake?

- Per Capita Cap-
 - Purpose to reduce federal expenditures
- Net federal \$ lost to Colorado under AHCA:
 - CHI projects \$14B over 10 years (2020-2030) with 600,000 loss in enrollment
 - Avalere projects nationwide cut to Medicaid/Medicare beneficiaries of \$44 Billion over ten years.

AHCA Impact on Medicaid expenditures:

- Proposed base year: 2016
- CPI Medical Index: growth rate: 3.7%
- Average annual growth rate, current: 4.3%
 - Kids: 4.7%
 - Adults: 4.5%
 - Disabled: 1.8%
 - Elderly: 3.5

Colorado has gone up and down

Colorado Fiscal Picture

TABOR

- State revenue growth at 5% this year and 6% next
- 2017-18 Budget Picture
 - \$700M shortfall
- Hospital Provider Fee Enterprise
 - Hospital decline in income: \$264 million - 2017-18
 - \$73 million - 2016-17
 - SB17-267

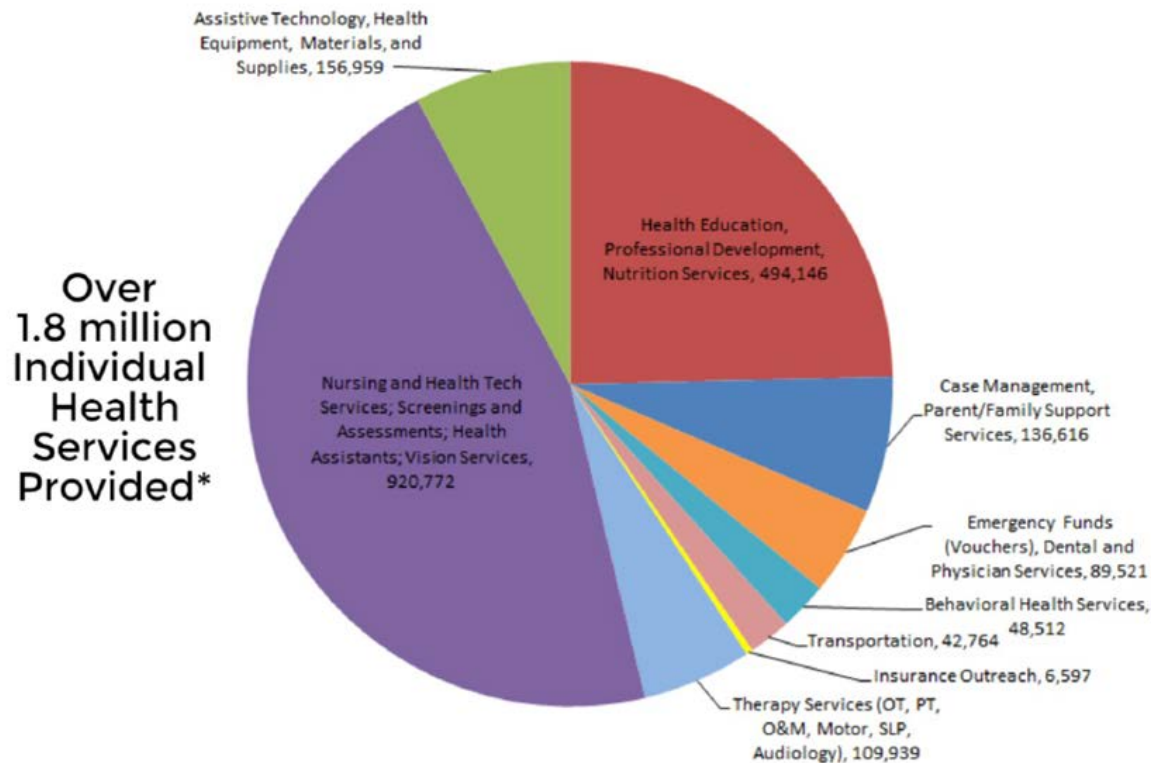
Medicaid and Children

- EPSDT
- Mental Health Parity/SUD Treatment
- Role in schools
 - @\$35 million in Colorado
 - Reimbursement for IEP and IFSP services
 - Pays for staff to deliver services.
 - Outreach, coordination and referrals



Medicaid and Schools

Colorado Medicaid School Health Services 2014-2015



*Numbers represent individual health services provided to students

Market changes

- New Market Stabilization Regulations
 - Shorter open enrollment period
 - Changes in Actuarial Value
- Uncertainty about Cost Sharing Reduction (CSR) payments

Unique CO Considerations

- Large Rural Areas, Mtn Community Market Issues Particularly Acute
- State Budget Considerations: TABOR, Hospital Provider Fee
- Large segment of our economy / jobs are in health & health care
- Purple state = opportunity

Looking Ahead on Health Policy

- Uncertainty persists in volatile political environment
- Value in continued collaboration
- Information exchange & shared learning
 - Opportunity to support individual organization advocacy
- Need to be responsive / reactive to changing environment

Looking Ahead

- Can we/should we talk about making the ACA work?
- Regulatory changes? Will they hurt or help?
- Waivers and waiver requirements?
 - Will Medicaid change? Should it?
- ACA Section 1332- will it work both ways?
- **Don't forget CHIP!**
 - Funding set to expire Sept 30, 2017
 - Colorado would run out of \$ in February 2018
 - MACPAC report in Dec 2016 recommended 5 year funding extension with room for state innovation

What You Can Do

- Get Informed / Get Involved
 - CO Health Policy Coalition
<http://denverchamberblog.org/tag/colorado-health-policy-coalition/>
 - Protect Our Care CO: <http://www.protectourcareco.org/>
 - All Kids Covered CO <http://www.allkidscoveredcolorado.org/>
- Partner with your schools and sponsors
- Invite Congressional Leaders to see SBHCs in action

Q & A and Discussion

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