

Controlling Medicaid Costs



Background

Colorado's General Assembly made a push this session to improve and modernize the state's Medicaid program. CHA supported Senate Bill (SB) 18-266, which will allow the Department of Health Care Policy and Financing (HCPF) to implement cost-control strategies to reduce the rate of expenditure growth in Colorado Medicaid. The bill also enables improved cost and quality information-sharing for providers in Medicaid's Accountable Care Collaborative.

SB 266: Controlling Medicaid Costs

SB 18-266 aims to improve Colorado's Medicaid system by authorizing HCPF to pursue cost-control strategies, value-based payments and other approaches to reduce the rate of expenditure growth in the Medicaid program. Subject to federal approval, the Department (HCPF) is also directed to design and implement an evidence-based hospital review program to ensure that utilization of hospital services is based on a recipient's need for care. Additionally, the bill directs HCPF to provide information to Accountable Care Collaborative providers regarding cost and quality of medical services and pharmaceuticals provided by hospitals and other Medicaid providers.

What You Need to Know

- HCPF will be developing a hospital review program that will include, at a minimum, preadmission review, continued stay review, transfer planning, discharge planning, care coordination, and retrospective claims review.
- In its coverage determinations, the hospital review program must consider information submitted by the treating provider, evidence-based clinical coverage criteria, nationally recognized utilization and technology assessment guidelines and other industry-standard criteria.
- Prior to implementation, HCPF is required to hold a stakeholder process regarding the viability of various cost controlling methods prior to implementation, which includes Medicaid recipients, hospitals, other Medicaid providers, the CHASE Board and vendors.

Continued

For questions or more information, contact Amber Burkhart, CHA policy analyst, at 720.330.6028.



What You Need to Know

- HCPF is required to allow hospitals an opportunity to test the workability of any new technology interfaces that may be implemented prior to implementation.
- HCPF is required to report to the legislature's Joint Budget Committee prior to implementation of any measures and on an annual basis through 2020.
- CHA will apprise members of stakeholder processes and implementation milestones as they develop throughout 2018.

Additional Resources

- SB 18-266 [Final Bill](#) and [Fiscal Note](#)
- SB 18-266 took effect on May 29, 2018

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