



April 8, 2022

Kim Bimestefer  
Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

Dear Kim:

On behalf of our 100-plus member hospitals and health systems, I am writing to express Colorado Hospital Association's concern with the recently released 'Hospital Insights Report'. The report was not discussed or developed with hospital input, lacks necessary context about health care costs, and utilizes an inflammatory tone that does not set the stage for the kind of partnership that is requested throughout the report.

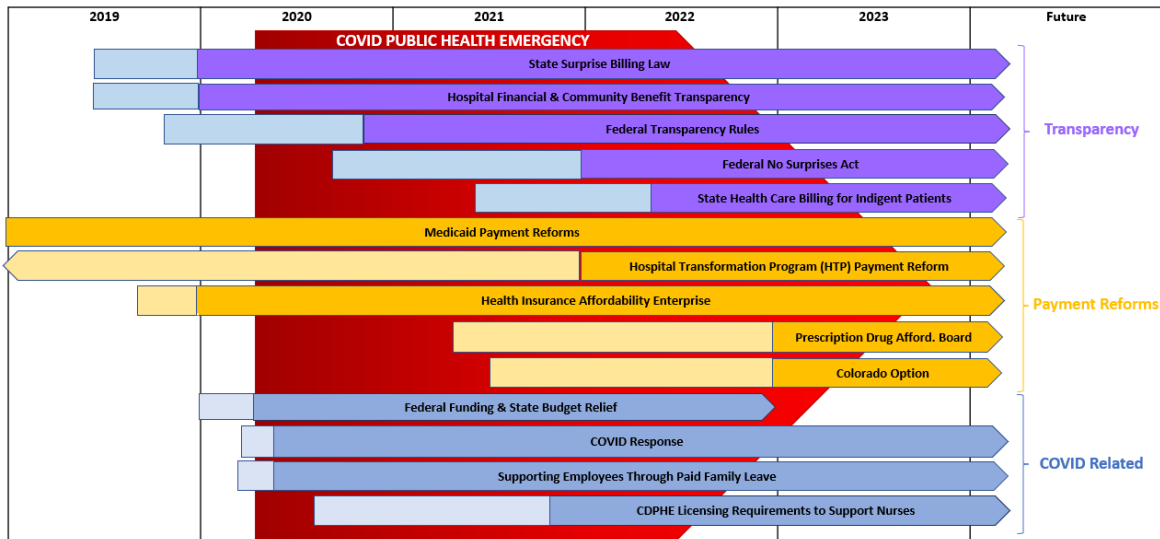
### **The Report Lacks Necessary Context**

Colorado hospitals and health systems are committed to advancing the value and affordability of health care for Coloradans, and efforts in recent years are already showing results. As recently reported in the Commonwealth Fund 2020 Scorecard on State Health System Performance, **Colorado ranked sixth best in the United States**, including measures of access and affordability; prevention and treatment; avoidable use and cost; healthy lives; and income disparity. And as CHA has noted previously, improving affordability of care, while significant, cannot be accomplished by sacrificing access to and quality of care.

With those principles in mind, the report falls short by failing to provide any consideration of the **value** of health care services provided by Colorado hospitals. Health care value includes quality, service, and access for all Coloradans regardless of race, gender, or economic status. Instead, the report focuses on cost, price, and heavily relies on the misnomer "profits." Most Colorado hospitals are public or nonprofit organizations and margin generated is returned through investments in care quality, access, and other benefits to the communities served. The report further calls out specific hospitals and cohorts for being "outliers" without providing any context for hospital-specific factors including the acuity of patients, regional inflation factors, future investment spending, or other business functions not included in hospital-specific financial statements.

Finally, the report fails to consider the severe regulatory burden layered on hospitals and our workforce caused by a series of **affordability policies created in recent years that are driving up health care costs**. This disproportionately impacts the very same Colorado hospitals that we must protect and sustain – those serving rural and our most vulnerable populations. The following is an illustration of the numerous significant state and federal laws Colorado hospitals are currently working to implement to improve health care in our state.

**HOSPITALS ARE UNDER SEVERE REGULATORY STRESS  
AFTER 3 YEARS OF MAJOR INTERSECTING REFORM EFFORTS**



**The Report Denies the Value of Partnership**

CHA and our member hospitals and health systems are deeply disappointed in the tone of the report which was crafted in such a way as to primarily villainize hospitals – despite the lifesaving care they provide, the community investments they make, the emergency preparedness and pandemic response they lead, and the vitality they bring to communities across Colorado. With regard to COVID in particular, despite covering the pandemic timeframe in part, the report fails to acknowledge that in many corners of the state, **hospital financial strength enabled Colorado’s successful COVID response** - allowing hospitals to save lives; provide patient care; and “step up” to deliver testing, vaccines, treatments, and other supports when the state asked for help, resulting in the 10<sup>th</sup> lowest death rate in the country.

Simply put, the report did not set the tone for the kind of partnership we wish to have with the state and with your department – nor did it align with the kind of partnership you expect from us. Instead, it serves only to erode the mutual trust needed in our community to create an environment for meaningful and sustained improvements in health care policy.

**Moving Forward**

Colorado hospitals and CHA acknowledge that Coloradans, employers, and the government continue to seek greater value for their health care dollars. Concerns around the affordability of health care will continue to grow as overall health care spending continues to rise. Colorado hospitals are prepared to collaborate and continue to improve the value of health care towards an aligned set of goals including access, quality, affordability, and equity.

As always, CHA remains a dedicated and collaborative partner willing to help create meaningful, accurate, and comprehensive information useful for consumers and policymakers in understanding the value and affordability of health care. We hope your department shares that value and will work collaboratively with us to build a vision and plan for Colorado health care that achieves our shared goals, while also respecting our varied perspectives.

Sincerely,



Tom Rennell  
Senior Vice President Financial Policy