



2023 Legislative Session Preview

Dec. 7, 2022



Today's Presenter



Joshua Ewing, CHA Vice President of Legislative Affairs



Today's Discussion



2022 Midterm Election Results



Topline Takeaways from the Election



Blue Wave Comes to Colorado

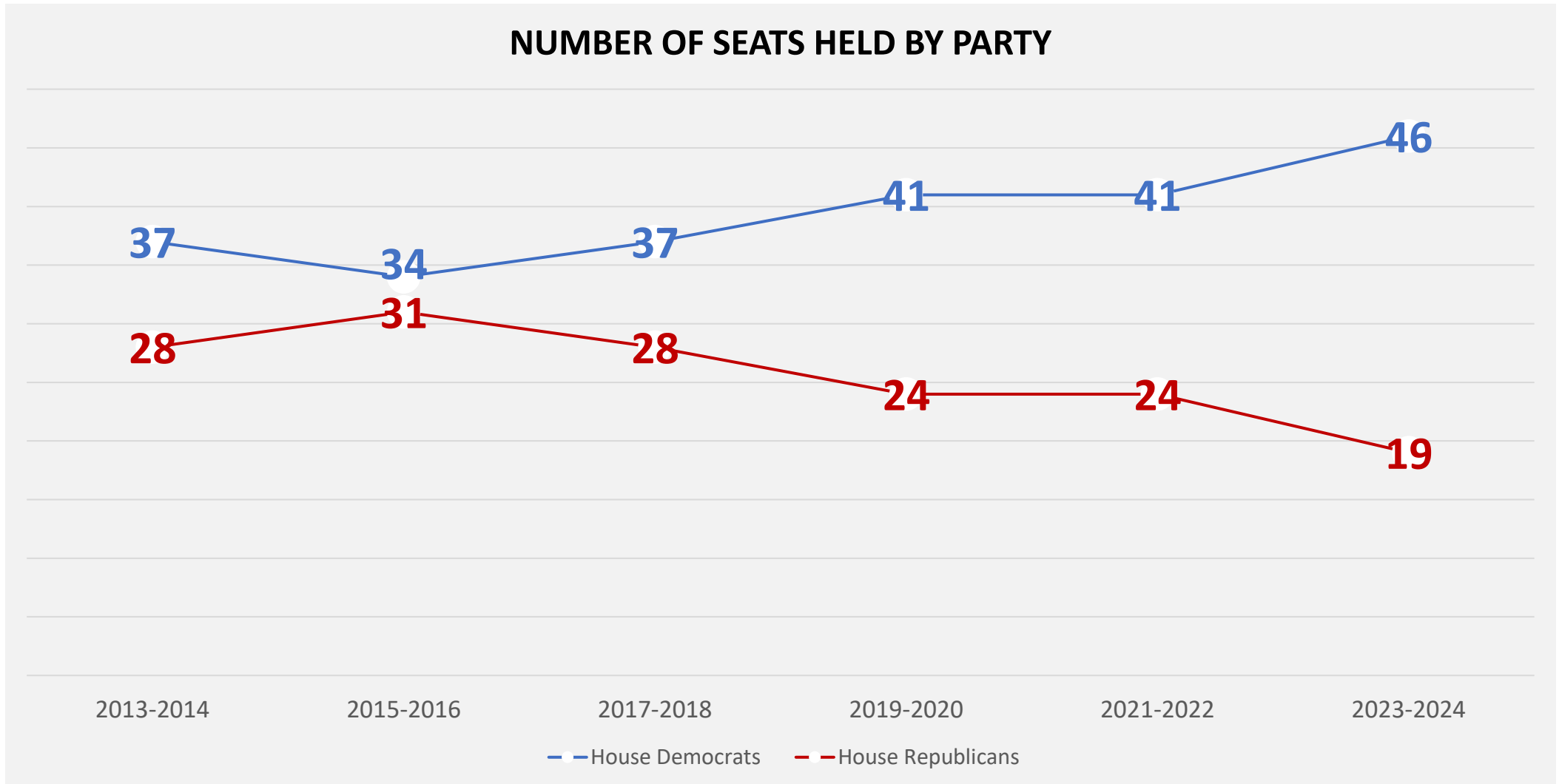
- All statewide offices now held by Democrats
- Democrats grow legislative majorities
- Progressives grow their ranks in the Democratic caucuses

Ballot Measures Exert Budget Pressure

- Income tax cut reduces revenue
- Universal school lunch and affordable housing measures increase spending



Election Results - State House





Election Results - State House



Speaker of the House

- Julie McCluskie (D-Dillon)



Majority Leader

- Monica Duran (D-Wheat Ridge)



Minority Leader

- Mike Lynch (R-Wellington)

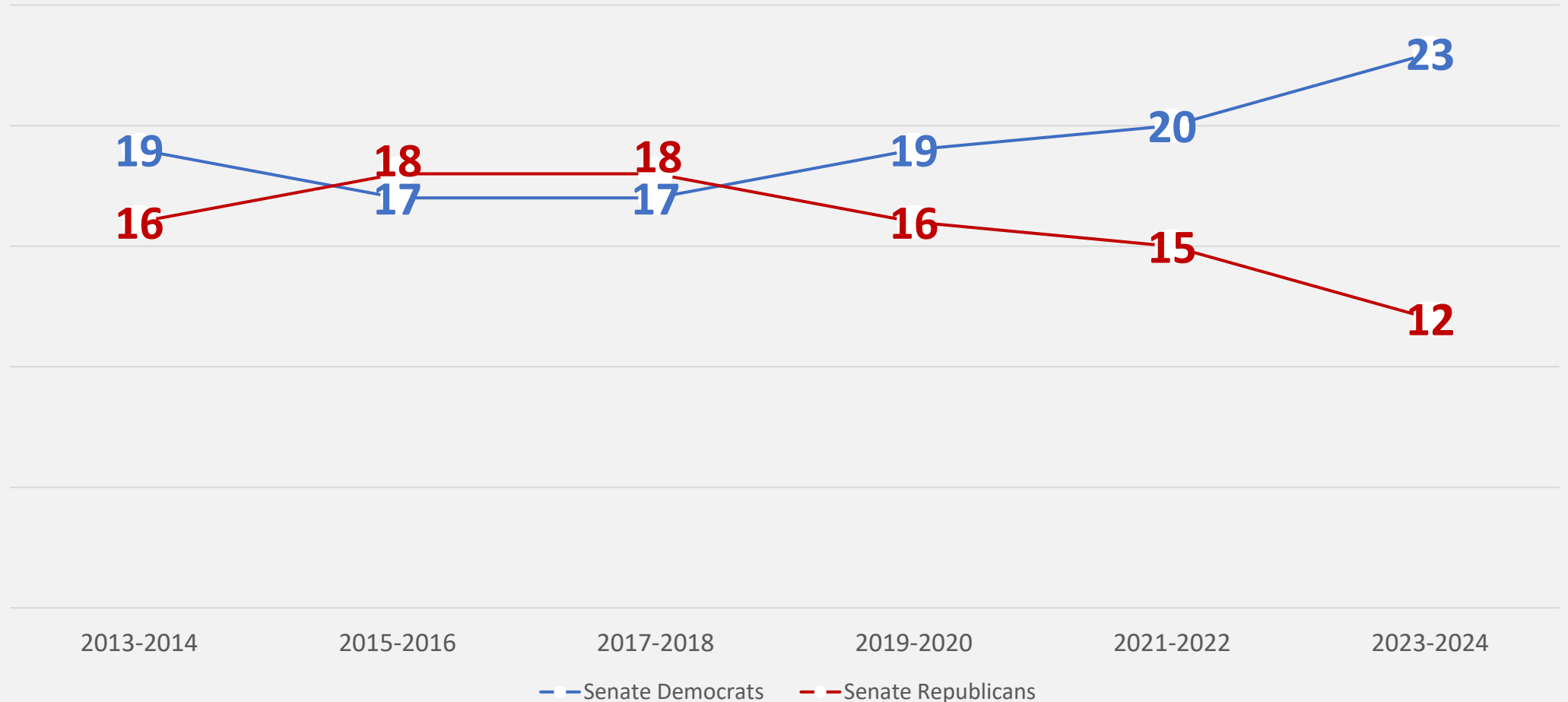
Notes from the House

- Untimely passing of Hugh McKean leaves a leadership vacuum
- Incumbents lose re-election: Larson, Woog, Huffman
- Committee leadership and balance TBD



Election Results - State Senate

NUMBER OF SEATS HELD BY PARTY





Election Results - State Senate



Senate President

- Steve Fenberg (D-Boulder)



Majority Leader

- Dominick Moreno (D-Commerce City)



Minority Leader

- Paul Lundeen (R-Monument)

Notes from the Senate

- Priola party switch
- Rankin resignation
- Incumbents lose re-election: Hisey, Woodward
- Committee leadership and balance TBD



Joint Budget Committee



Chair, Sen. Rachel Zenzinger (D-Arvada)
(only returning member)



Vice Chair, Rep. Shannon Bird (D-Westminster)



Senate Republican TBD



Sen. Jeff Bridges (D-Greenwood Village)



Rep. Rod Bockenfeld (R-Watkins)



Rep. Emily Sirota (D-Denver)

2023 CHA Advocacy Agenda



CHA Advocacy Principles

Access

Health care is accessible by all Coloradans

Value

High-value, high-quality care is delivered at the right time in the right place with the right outcome

Vitality

Reimbursements ensure access, value and innovation



2023 Advocacy Agenda



The CHA Advocacy Agenda includes the state legislative, state regulatory, and federal policy priorities CHA will be pursuing this calendar year.



2023 CHA Regulatory Agenda

Represent the hospital voice as new laws are implemented impacting hospitals as health care facilities and employers, or impacting the patients and communities hospitals serve

Elevate hospital perspectives throughout regulatory reform discussions

Facilitate dialogue between hospitals and state agencies on critical operational issues such as underpayment from Medicaid, hospital surveys, and the Hospital Transformation Program



2023 CHA Federal Agenda

Foster a robust health care workforce through efforts to increase safety and support wellness

Increase access to behavioral health services and establish parity with physical health services

Make permanent regulatory reforms established during the pandemic and plan for future public health emergencies

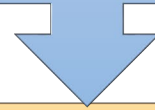
Ensure the viability of Colorado's rural health care through investments in health care infrastructure and common-sense regulatory reforms

2023 CHA Legislative Agenda

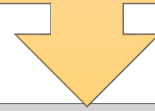


2023 CHA Legislative Agenda

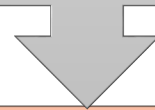
Lead legislative efforts to grow and support the health care workforce and streamline the regulatory environment



Defend against policies that jeopardize quality of or access to health care services



Join coalition partners to streamline hospital discounted care programs, ensure patient access to critical medications and expand access to remote patient monitoring services in Medicaid



Increase understanding of critical policy issues facing hospitals and patients in Colorado



2023 CHA Legislative Agenda

Lead legislative efforts to grow and support the health care workforce and streamline the regulatory environment

- **Hospital Charge Report Repeal** - Eliminating duplicative reporting requirements
- **PHIP/CHNA/CHNE Alignment** - Eliminating duplicative engagement and reporting requirements
- **State Parity for the Rural Emergency Hospital Model** - Creation of a new state licensure type and associated reimbursement for hospitals wishing to pursue this option

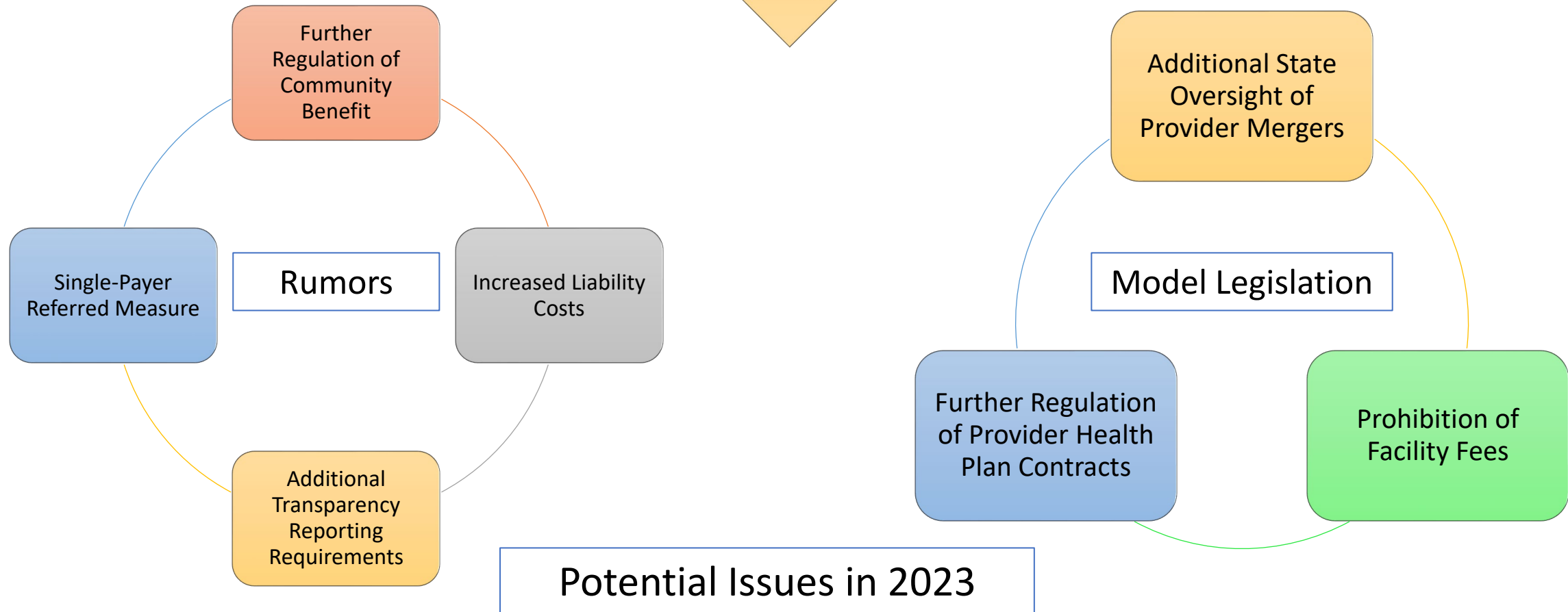


- **Protections for Health Care Workers** - Expand criminal penalties for assaulting health care workers with appropriate carve outs for behavioral health and disability diagnoses
- **Clarifying CDPHE Authority (HB 22-1401 Fix)** - Amending statute to correct and clarify CDPHE's authority with regard to nurse staffing plans
- **Funding for the Rural Health Care Workforce** - Increasing funding for the Colorado Rural Health Care Workforce Initiative



2023 CHA Legislative Agenda

Defend against policies that jeopardize quality of or access to health care services





2023 CHA Legislative Agenda

Join coalition partners to streamline hospital discounted care programs, ensure patient access to critical medications and expand access to remote patient monitoring services in Medicaid

- HCPF is pursuing a bill to eliminate CICP and instead move the program requirements into rule. This would mean that hospitals would not be held to the CICP reporting standards, but would need to continue offering the more generous, copayment requirements under CICP. With this comes an opportunity to support this effort and attempt to streamline the operational burden for hospitals created by HB 21-1198.

Elimination of
CICP



- Legislation will be introduced in 2023 prohibiting state-regulated health insurance plans from requiring hospitals and providers to designate pharmacies based on network participation, rather than proximity and quality. CHA's Advancing Value Task Force has recommended supporting legislation to prohibit whitebagging in Colorado.

Prohibit
Whitebagging



- Colorado Medicaid only permits reimbursement for remote patient monitoring (RPM) under "home health telehealth" services. The Colorado Rural Health Center will be pursuing legislation expanding the list of eligible providers for RPM reimbursement under Colorado Medicaid and to provide grants or funding support for rural health clinics to purchase RPM equipment.

Remote Patient
Monitoring





2023 CHA Legislative Agenda

Increase understanding of critical policy issues facing hospitals and patients

Hospitals under severe regulatory stress after four years of intersecting and significant state and federal reform efforts

- 17 major reforms being implemented in Colorado
- Hospitals and state agencies struggling to achieve deadlines

Hospital financial outlook is deteriorating rapidly

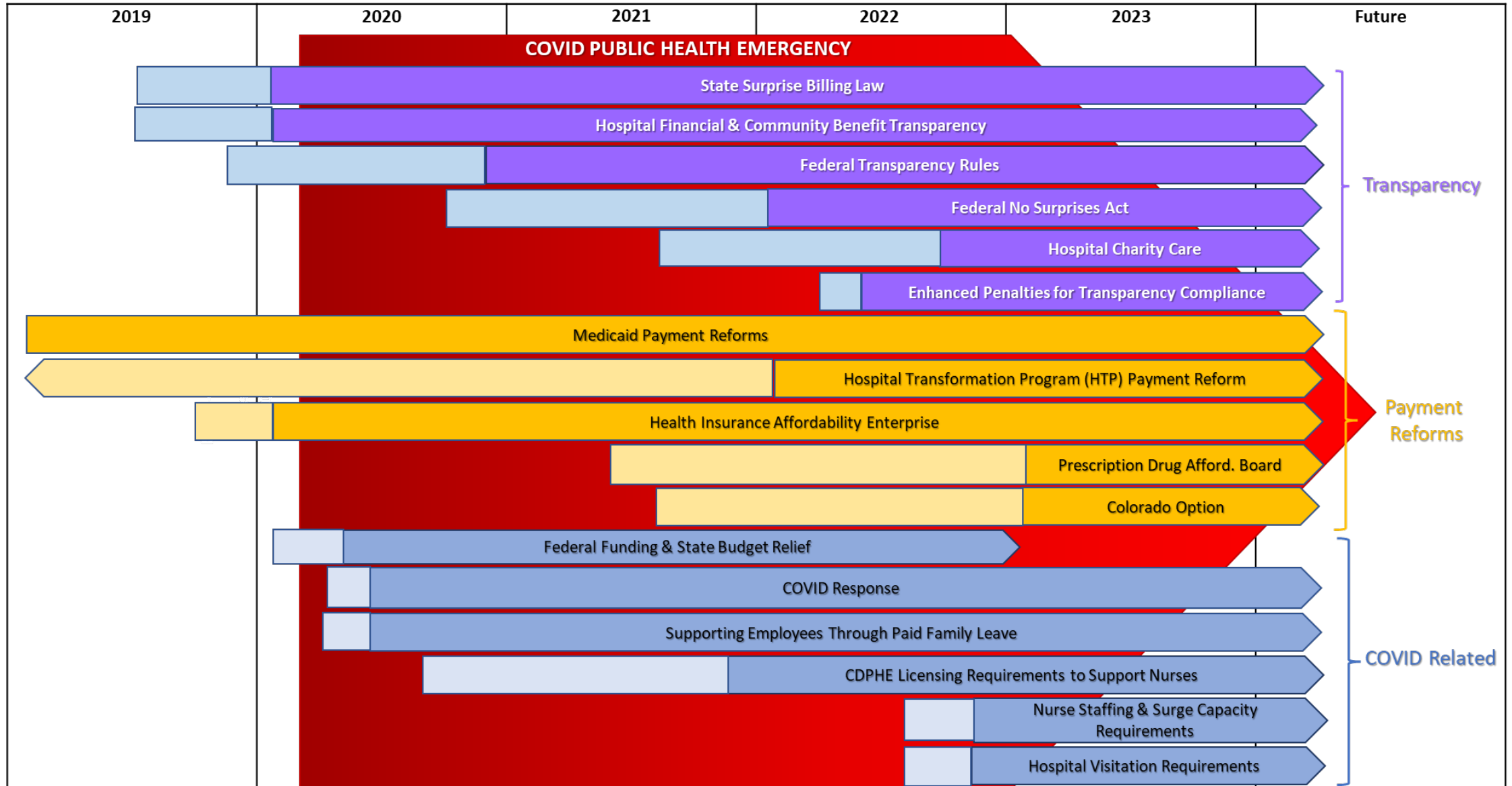
- While 2021 financial markers were strong, 2022 performance on trend to be worst in recent history
- Trusted national analysts downgrading outlook due to workforce, inflationary pressures; highlighting long-term structural problems

Colorado hospitals and health systems are national leaders

- Colorado's health care system ranks as the top state in the region and 12th best State in the U.S. for health system performance including measures of quality, access, affordability, and treatment

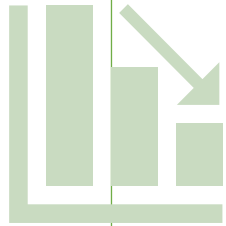


Detail: Four Years of Major Reform





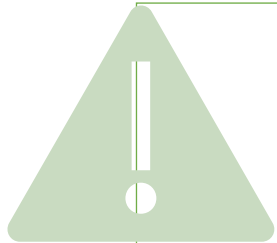
Detail: Hospital Finances



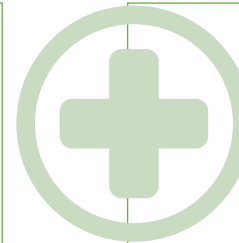
After rebounding in 2021, patient discharges have decreased by 1.1% in 2022 and 6.1% from pre-pandemic (2019).



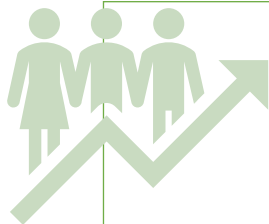
Length of stay continues to increase, up 2.5% from 2021 and 13.9% from 2019.



The Colorado hospital industry is experiencing significant changes in operating margins, down 49% to a statewide average of 5.2%.



Patient revenues are not keeping up with expense increases, which are up 3.5% from the prior year.



Margins are impacted by operating expense increases, up 10.3% from 2022, and driven by a 17.4% increase in payroll expense and 7.2% increase in supply expense.



Total margins have decreased over \$2 billion in 2022 to a statewide average of 0.2%.



Detail: Colorado Hospitals Leading the Way



AFFORDABILITY

- In 2020, Coloradans spent \$4 billion less than the national average on hospital care.
- Colorado households spend the second lowest amount on hospital costs in the country.
- Hospital costs in Colorado are now 18% lower than the U.S. average and are rising at a slower pace than national trends.
- In the last 10 years, Coloradans have saved \$22.5 billion dollars through lower hospital costs, compared to the U.S. average.

ACCESS

- Patients have access to some of the top hospitals in the country for providing clinical excellence, according to Healthgrades, with three hospitals in the top 1% of all U.S. hospitals, five hospitals in the top 2% of all U.S. hospitals, and 12 hospitals in the top 5% of all U.S. hospitals.
- Colorado hospitals are an integral part of the health care system in Colorado that ranked the top state in the region and 12th best state in the U.S. for health system performance including measures of quality, access, affordability, and treatment.

QUALITY

- Colorado ranks as the 6th best state in the nation for prevention and treatment and 4th best in the nation for avoidable hospital use and cost according to the most recent Commonwealth Fund Scorecard on State Health System Performance

State Budget



State Budget

Economic Factors - September Forecast

- Inflation growth remains elevated
- General Fund revenue revised down through FY24 on lower income and sales tax revenue
- Total revenue expected to fall 6.1% in FY23, rebound slightly in FY24

Gov. Polis Budget Presentation – Nov. 2

- \$70 million provider rate increases; \$75 million backfill increases in home care (expired ARPA funding for \$15/hr min)
- 0.5% across the board rate increase
- Elimination of all Medicaid copays (except ED); providers will have effective rate increase
- Increases to nursing homes, based on payer mix tiering. More nursing homes have gone bankrupt this year than in last 10 years combined.
- Rural providers would receive annual, ongoing funding to connect to health information exchange -- \$100K/yr for critical access hospitals, \$20k/yr for rural health clinics



Q&A