Health Care Task Force

2007 Report to Legislative Council

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Christie Lee, Senior Research Assistant
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Office of Legislative Legal Services

Jeremiah Barry, Senior Staff Attorney
Christy Chase, Senior Staff Attorney
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Health Care Task Force

Committee Charge

Pursuant to Section 10-16-221, C.R.S., the Health Care Task Force is charged with studying provider reimbursement issues, network adequacy, and other health care issues that affect health insurance in this state.[1] The task force must meet at least four times each year, and continues until July 1, 2010.

Committee Activities

The Health Care Task Force met five times during the 2007 interim. Each meeting focused on a variety of health-related topics. The task force heard testimony from health care providers, advocacy organizations, authors of the proposed health care reform plans, representatives involved in health information technology, and executive department heads. In addition, an opportunity for public testimony was provided at the conclusion of the last meeting.

Trauma care. Representatives from the Emergency Medical and Trauma Service and Health Facilities Division within the Department of Public Health and Environment (DPHE) and the Colorado State Fire Chief's Association discussed their respective roles in the trauma care system. Trauma care providers addressed the impact on trauma care facilities and paramedic services as a result of auto insurance's change from a no-fault to tort system. In the last four years, trauma care providers have struggled with reimbursement delays as payment for services is not disbursed until the at-fault party is identified. Further, individuals with insufficient or no health insurance are often unable to pay for emergency services and providers have seen a shift of costs to Medicaid. The committee discussed options for improving reimbursement for providers through various methods including an increase in vehicle registration fees to fund a trauma care reimbursement program and requiring medical payments coverage as part of an auto insurance policy. As a result of these discussions, the committee proposes Bills D and E. Bill D requires automobile policies to contain at least $15,000 emergency medical care coverage to cover the costs of all medically necessary and accident-related health care services. Bill E establishes an Emergency Responders and Trauma Care Reimbursement Program to be funded by an increase in the fee for registering a motor vehicle and requires auto insurance policies to contain $15,000 of emergency medical care coverage.

Emergency preparedness. The task force heard from the DPHE, Denver Health, and University of Colorado Hospital about Colorado's preparedness for a catastrophic health-related event, such as a pandemic flu outbreak or bio-terrorist attack. Among the items discussed were individual plans for addressing such an event; strategies for educating the public during an outbreak; quarantine planning; and methods for vaccine prioritization.

Blue Ribbon Commission for Health Care Reform. The Blue Ribbon Commission for Health Care Reform is referred to as the 208 Commission after Senate Bill 06-208 that legislatively created the commission. The commission's charge is to evaluate comprehensive health care

[1] Up until its repeal on July 1, 2004, the Health Care Task Force existed in Section 26-15-107, C.R.S. The Health Care Task Force was reinstated in 2005 with the passage of Senate Bill 05-227, sponsored by Senator Hagedorn and Representative Marshall.

reform in Colorado with the goal of increasing health care coverage and decreasing costs for Colorado residents, with an emphasis on the underinsured and uninsured. The task force heard testimony from the commission and the authors of the four proposals selected by the commission outlining plans for health care reform in Colorado. Each author provided information about each plan with regard to design, plan coverage, the projected number of individuals in Colorado insured under each plan, and financing details including costs to the state and potential federal funding. The task force also learned about a fifth proposal authored by the commission. The commission will present a full report on the five proposals with highlights and recommendations to the House and Senate Health and Human Services committees on January 31, 2008.

Health information technology. The task force discussed recent developments in health information technology including the use of electronic medical records and medication management. Representatives from Kaiser Permanente and Colorado Clinical Guidelines demonstrated their medical records systems to the task force. In addition, the committee discussed current programs that are being developed in an attempt to link the various electronic medical record systems together. Members of the Colorado Regional Health Information Organization (CORHIO) explained their efforts to create a statewide network for the exchange of electronic health information, including links between an array of providers, organizations, and networks throughout the state, and eventually to other states as well. Representatives of retail pharmacies talked to the task force about the benefits and the components of medication management through technology including the benefits of reviewing medication therapy with clients, maintaining personal medication records for historical reference, and upkeep of medication action plans. As a result of prior discussions of the Health Care Task Force in 2006, the Prescription Drug Information and Technical Assistance Program was established within the Department of Health Care Policy and Financing (DHCPF) to provide advice about prescription drugs to Medicaid clients. DHCPF administers the program and provides payments to pharmacists and physicians who consult with Medicaid clients about how to avoid dangerous drug interactions, improve outcomes, and save money. Bill A extends the current program to include all programs administered by the DHCPF.

Other health-related issues. Throughout the interim, the task force touched on a number of other health-related issues including health disparities, provider shortages, cost drivers, and Medicaid pharmaceutical reimbursement. The task force heard from the Office of Health Disparities within the DPHE about the office's responsibilities and the 2005 Racial and Ethnic Health Disparities in Colorado report. The task force also discussed nursing and physician shortages in Colorado due to increased utilization of health services; more chronic conditions, such as diabetes, asthma, and obesity; an increase in the aging population; and an increased life expectancy.

Representatives from the pharmaceutical industry expressed concerns to the task force over proposed cuts for reimbursement of Medicaid prescription drugs. As a result of this discussion, the task force is proposing Bill C which will increase the dispensing fees paid to pharmacies for the remainder of the 2007-08 fiscal year to offset the reduction in the reimbursement rates. The task force also proposes Bill B, which would direct the DHCPF to seek a federal waiver to establish family planning services to categorically eligible individuals who are at or below a *percentage* of the federal poverty level. The bill does not specify a percentage of the federal poverty level, essentially removing the income limitations for eligibility.

Committee Recommendations

As a result of task force discussion and deliberation, the task force recommends five bills for consideration in the 2008 legislative session.

Bill A — Medication Therapy Management. Bill A allows the DHCPF to expand the Prescription Drug Information and Technical Assistance program from Medicaid clients to include persons receiving drug benefits under any program that is administered by the department.

Bill B — Family Planning Pilot Program. In 1999, the Family Planning Pilot program was established to provide family planning services to individuals who are categorically eligible for Medicaid and are at or below 150 percent of the federal poverty level. The 1999 bill that was signed into law required the DHCPF to seek a federal waiver to implement the pilot program and stipulated that without a federal waiver the pilot program could not be implemented. Although the Family Planning Pilot program was established, the DHCPF did not seek a federal waiver to implement the program. Bill B directs the DHCPF to seek a federal waiver to establish family planning services to categorically eligible individuals who are at or below a *percentage* of the federal poverty level. The bill does not specify a percentage of the federal poverty level, essentially removing the income limitations for eligibility.

Bill C — Payments to Pharmacies for Medicaid Drugs. Bill C requires the DHCPF to review and calculate the impact of a proposed reduction in reimbursement rates for dispensing Medicaid prescription drug scripts within 30 days after the implementation of changes to reimbursement rates. The proposed reduction in reimbursement rates are a result of the requirements in the federal "Deficit Reduction Act of 2005". The bill directs DHCPF to increase reimbursement for dispensing fees of Medicaid prescription drug scripts within 45 after the implementation of changes in reimbursement rates by an amount that would approximate the difference in reimbursements paid to pharmacies for the remainder of the 2007-08 fiscal year.

Bill D — Emergency Medical Care Coverage Auto Insurance. Bill D requires all auto insurance policies issued, delivered, or renewed on or after January 1, 2009, in the state to include a minimum of $15,000 in emergency medical care coverage for all medically necessary and accident-related health care services within three years of the accident. The bill stipulates that any medically necessary and accident-related emergency medical care provided to a person claiming emergency medical care coverage by a first responder, trauma physician, trauma center, or emergency department of a licensed or certified hospital, must be reimbursed at the rate of 200 percent of the 2006 Medicare Resource-based Relative Value Scale fee schedule. If an insurer fails to include emergency medical care coverage in an auto insurance policy, the minimum coverage amount is presumed to be provided by the insurer.

Bill E — Trauma Care Funding. Bill E creates the Emergency Responders and Trauma Care Reimbursement Program and fund in the DPHE. The fund will be used to provide reimbursement of uncompensated trauma care to ambulance companies, trauma physicians, and trauma centers for care of individuals injured in an auto accident. Money for the fund will be collected via an additional $16 vehicle registration fee beginning July 1, 2008. The bill further requires that all auto insurance policies written in the state include a minimum of $15,000 in emergency medical care coverage for all medically necessary and accident-related health care services. The bill makes emergency medical care coverage primary coverage for health care provided as a result of an auto accident. Finally, the bill requires the administrator of the program to provide an annual report to the House and Senate Health and Human Services committees that includes detailed information regarding: the total number of reimbursement applications received;

the number and types of providers who apply for reimbursement; the total amount of reimbursement payments made; the recipients of reimbursement payments; the total amount of moneys credited to, and expended from, the fund; any balance remaining in the fund at the end of the fiscal year; the total amount of moneys recovered by the administrator from trauma patients or other parties; any recommendations for changes to the program; and any other information the program administrator deems appropriate or that the committee requests.