

THE POLIS-PRIMAVERA ROADMAP TO SAVING COLORADANS MONEY ON HEALTH CARE

THE VISION

Health care is a human right. Nobody should go without care because they can't afford it. To make that vision a reality, Governor Polis created the Office of Saving People Money on Health Care, which is led by Lieutenant Governor Primavera who, as a four-time cancer survivor has dedicated her career to being a champion for patients. Governor Polis and Lieutenant Governor Primavera have an ambitious agenda to reduce health care costs while ensuring culturally responsive and equitable access to care. High premiums, deductibles, and other out-of-pocket charges make it difficult for people to afford care. It's time to get health care costs under control.

OVERVIEW

Colorado has taken significant steps to increase access to health care and insurance coverage during the past decade. As a result, today only 6.5% of Coloradans don't have health insurance compared to 15.8% in 2013. Despite this improvement, the cost of care has been increasing at an alarming rate, especially in rural areas and mountain communities. For example, in 2016, health care costs accounted for 32% of median household income in Colorado. That is unacceptable. As health care eats up an increasingly larger share of the family budget, people have to make enormous sacrifices just to afford health insurance.

We're also caught in a vicious cycle where more expensive care leads people to avoid coverage and avoid treatment, which makes them less healthy, and eventually more expensive to treat. We have the power to break that cycle and start a new one, where we better the health of Coloradans to both improve lives and reduce costs. If we truly believe that health care is a right, then we must lower the cost of health care to achieve universal coverage for Coloradans.

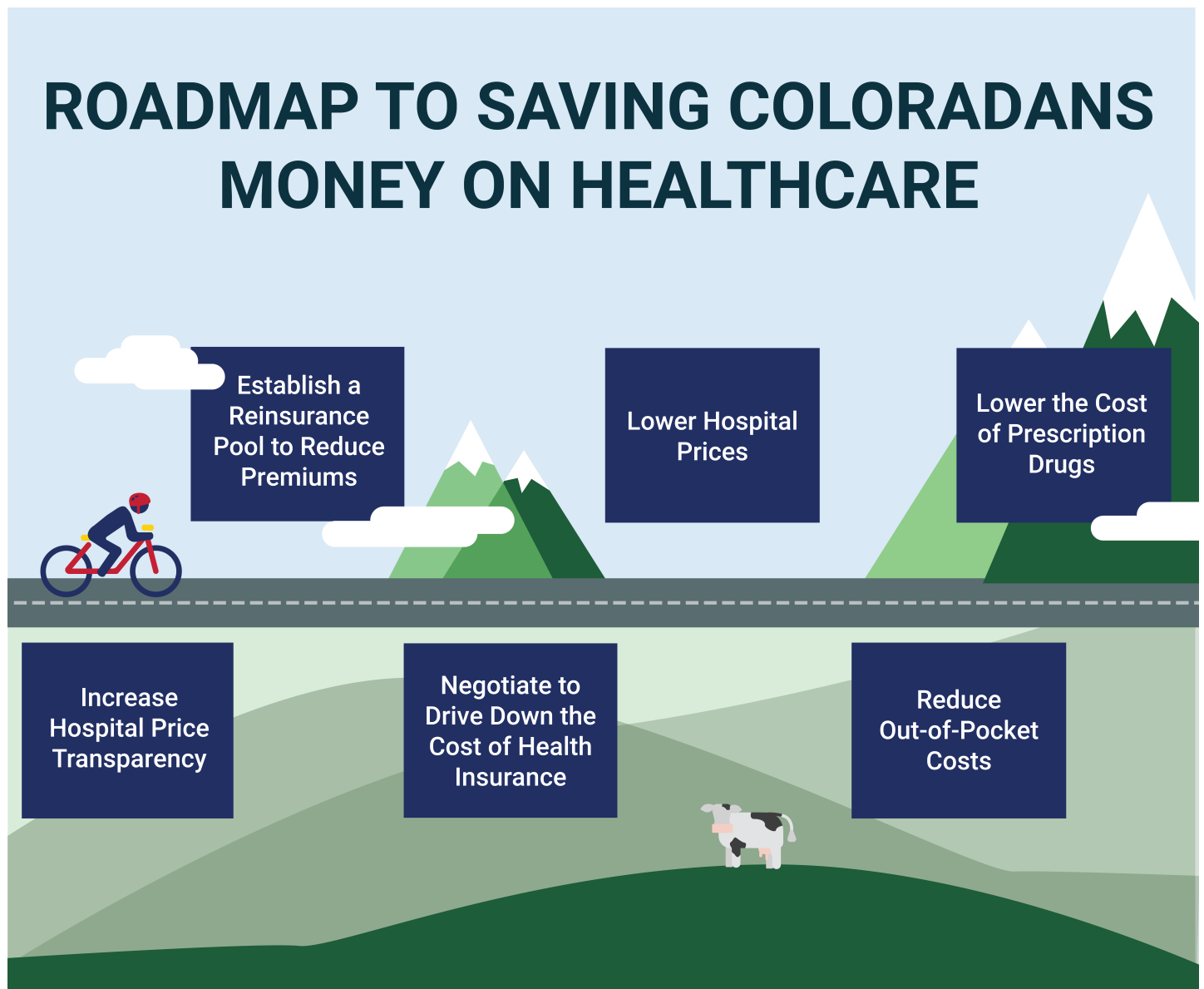
ACTION STEPS

- ✓ Increase Hospital Price Transparency
- Establish a Reinsurance Pool to Reduce Premiums
- Negotiate to Drive Down the Cost of Health Insurance
- Lower Hospital Prices
- Reduce Out-of-Pocket Costs
- Lower the Cost of Prescription Drugs
- Launch a State-Backed Health Insurance Option
- Reward Preventive and Primary Care
- Expand the Health Care Workforce
- Increase Access to Healthy Food
- Improve Vaccination Rates
- Reform the Behavioral Health System
- Support Innovative Health Care Delivery and Reform Models

¹ Income data from Colorado DOLA LMI Gateway, US Census Median Household Income. Colorado Department of Health Care Policy and Financing.

ACTION STEPS

We are taking a two-tiered approach to reducing patient costs and investing in long-lasting changes that will improve the health system overall. In the short term, we are taking concrete steps to lower the cost of health insurance and out-of-pocket costs. In the longer term, we are making investments in preventive care, expanding access to comprehensive primary and behavioral health services, and helping providers use data more effectively to ensure Coloradans get the care they need when and where they need it.



These strategies will reduce costs, and most importantly, improve the health of Coloradans across the state.

ACTION STEPS (continued)

IN THE SHORT TERM

We are taking immediate steps to lower the costs of health care using the following approaches:

- **Increase hospital price transparency** so we can determine the true cost of care
- **Establish a reinsurance pool to reduce premiums** for those people who buy their own insurance -- a strategy that has led to double-digit premium decreases in other states that have tried it
- **Negotiate to drive down the cost of health insurance** by supporting a purchasing alliance in Summit County and testing innovative negotiation strategies with the state employee health plan
- **Lower hospital prices** through innovative payment models, tools, community engagement to make care more efficient
- **Reduce out-of-pocket costs** by bolstering consumer protections like prohibitions on surprise, out of network costs
- **Lower the cost of prescription drugs** by importing prescription medication from Canada

IN THE MID AND LONG TERM

In the mid and long term, we will need to address underlying, system-wide issues that perpetuate an unaffordable, inefficient, inaccessible health system using the following approaches:

- **Launch a state-backed health insurance option** to increase competition, and, therefore, bring down costs, give consumers more choices and freedom in the health care marketplace, and reduce the uninsured rate
- **Reward primary and preventive care** to expand access to behavioral and physical health care to prevent conditions from worsening with cost-effective early identification and treatment
- **Expand the health care workforce** so patients have access to the health care providers they need
- **Increase access to healthy food** and support the implementation of the Blueprint to End Hunger
- **Improve vaccination rates** by sharing evidence with Coloradans so they can make the right choice for their families
- **Reform the behavioral health system** by launching a statewide strategic action plan to ensure every Coloradan has access to the behavioral health services they need -- including mental health and substance use disorder treatment
- **Support innovative health care delivery and reform models** like the Colorado State Innovation Model, Peak Health Alliance in Summit County, and Mesa County Model and implement the statewide strategic plan for health information technology

These strategies will reduce costs, and most importantly, improve the health of Coloradans across the state.

HOW IT WORKS

In the short term, we are pursuing these cost-saving reforms:

Governor Polis signed House Bill 19-1001 on hospital transparency into law on March 28.

Increase Hospital Price Transparency:

The first step in wrangling rising costs is understanding what drives them. Right now, we can't see why prices are rising without more data on what hospitals charge for different services. Requiring hospitals to disclose expenditures and how much of the cost is shifted onto consumers will enable policy makers and stakeholders to analyze the root of the problem and solve it.

Governor Polis supports House Bill 19-1168 which would establish a reinsurance pool.

Establish a Reinsurance Pool to Reduce Premiums:

Reinsurance is a strategy that has lowered insurance premiums in the individual market in other states by double digits. It works by creating a pool of funds that insurance companies use to cover the most expensive claims and, as a result, the average cost of overall claims goes down. When insurance companies spend less on claims, they charge lower premiums. By taking this approach, people who buy insurance plans on the individual market will see an average of about 20% lower premiums, and we will address some of the regional disparities with the largest savings for the highest cost areas.

Governor Polis supports Senate Bill 19-004 which would enable the Summit County Peak Health Alliance to pilot this innovative approach to negotiating a health plan.

Negotiate to Drive Down the Cost of Health Insurance:

We are using a few strategies to help Coloradans negotiate better deals with health insurance companies and hospitals. First, we are supporting the Summit County Peak Health Alliance, which enables consumers to collectively negotiate their health insurance plans, and will bring its successes to the rest of the State. Second, we're taking an innovative approach to negotiating the state employee health plan and strengthening Division of Insurance oversight to get better health care deals for Coloradans.

Lower Hospital Prices:

We will shift the way we pay for care to reward better patient outcomes, instead of the broken "fee-for-service" model where we pay for the number of procedures patients receive. We also will engage communities directly to give them a seat at the table and ensure that hospital services and actions truly reflect community needs. Finally, we will fully leverage the state's All Payer Claims Database, which has the best health care cost information in the state to help us understand why costs are rising. We will make sure this dataset is as complete as possible, so we can identify effective ways to lower costs.

Governor Polis supports House Bill 19-1174 which would protect patients from balance billing.

Reduce Out-of-Pocket Costs:

We will increase consumer protections when it comes to provider billing practices. Today, patients can get large surprise bills for services they received from providers they had no way of knowing were not in their insurance network. We intend to stop this practice of out-of-network surprise billing, so that consumers aren't asked to pay outrageous bills. We will also increase oversight of free-standing emergency rooms so that people who really need urgent care understand the costs and differences between urgent and emergency care, and aren't slammed with emergency room prices. This will reduce or eliminate surprise or unnecessarily costly out of pocket expenses.

Governor Polis supports House Bill 19-1010 to better regulate free-standing Emergency Rooms.

HOW IT WORKS (continued)

Governor Polis supports Senate Bill 19-005 which would start the process of importing prescription drugs from Canada.

Governor Polis supports House Bill 19-1131 which would increase transparency of the cost of prescription drugs.

Lower the Cost of Prescription Drugs:

We will ask the federal government for a waiver to import prescription drugs from Canada so Coloradans get the same quality medication for much lower costs. In addition, we will test strategies to fully leverage the State's purchasing power to drive better deals and lower prescription drug costs for Coloradans.

In the long term, to bend the cost curve in ways that will have long-lasting effects, we must address the issues of patient access and focus more on prevention to ensure people live healthy lives. We are pursuing these reforms:

Governor Polis supports House Bill 19-1004 which launches a state-backed option.

Launch a State-Backed Health Insurance Option:

It is time for the State to make its own quality, affordable health insurance option available. A state-backed option means more competition in the health care market, which will further reduce prices and give consumers more freedom and choice when selecting a health plan that works for them. We will work to develop and implement a proposal for an affordable, Colorado based health insurance product.

Governor Polis supports House Bill 19-1233 which would reward prevention services in primary care.

Reward Prevention and Primary Care:

It is cheaper -- not to mention better for the patient -- to prevent an illness rather than to have to treat it. We pay too much for emergency care. Primary care keeps people healthy, improving the quality of life at all ages, and saves money by catching illnesses early, when they are easier and less expensive to treat. We will "rightsize" this problem by making big investments in primary care, statewide.

Governor Polis supports increased investments in the home and community based workforce.

Expand the Health Care Workforce:

We will address the "provider workforce" issue -- especially in rural areas -- from every possible angle so that we capitalize on the skills of providers and expand their statewide reach by using technology, education and innovative approaches. We want to make sure that providers work at the top of their licensure, which empowers care providers to efficiently and effectively meet the evolving needs of consumers. We will expand broadband availability so health care providers can offer tele-medicine and tele-health options for patient care, which will help to improve access to specialty care, behavioral health care and care for people living with disabilities. We will also explore new approaches to enhance the home health and personal care workforce, which is critical to meeting the needs of our growing older adult population.

Governor Polis supports House Bill 19-1095 and Senate Bill 19-052 to help providers work at the top of their license.

HOW IT WORKS (continued)

Increase Access to Healthy Food:

We will increase enrollment in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Supplemental Nutrition Assistance Program (SNAP) to address one root cause of health care costs: food insecurity. Food security reduces health care costs, and it gives families the stability and support they need to live healthy and productive lives.

Improve Vaccination Rates:

Colorado has some of the lowest immunization rates in the country, especially with respect to measles, mumps, rubella (MMR) vaccines. In 2017, Colorado ranked 23rd in the nation. Thousands of children are treated for vaccine-preventable diseases every year. We want to empower Coloradans with science and facts, so they can make the best decisions for their families.

Governor Polis will establish a Behavioral Health Task Force in April 2019.

Reform the Behavioral Health System:

Every Coloradan experiencing behavioral health needs should have access to quality services that enable them to obtain an education, hold a job, raise a family, and stay out of the criminal justice system. Colorado can provide high-quality mental health services in the least restrictive setting to promote the health and civil rights of its citizens while using state resources more effectively. The Governor's Behavioral Health Taskforce will evaluate Colorado's behavioral health system and author a statewide, strategic plan by June 2020.

Support Innovative Health Care Delivery and Reform Models:

As pioneers in delivery system reform, the state has participated in initiatives like the Colorado State Innovation Model, Comprehensive Primary Care Plus, Primary Care Medical Homes and the Health First Colorado Accountable Care Collaborative, the establishment of the Hospital Provider Fee (now the CHASE Fee), the expansion of Health First Colorado (Medicaid), and the advancement of the state's health information technology strategy. These initiatives expanded access to integrated physical and behavioral health, designed more effective delivery and payment systems, and improved health outcomes while reducing costs. We must continue to support these programs as well as regional innovations like the Peak Health Alliance in Summit County and work initiated by health care leaders in Grand Junction, who are addressing issues of health care affordability.

CONCLUSION

With our relatively low uninsured rate, our relatively healthy population, and our history of successful innovation in health care, Colorado is already a leader in health care and well-positioned for future success.

Governor Polis and Lieutenant Governor Primavera are committed to lowering health care costs and making Colorado the healthiest state in the nation. Using this plan as a guide, the Office of Saving People Money on Health Care will chart a better course for patients, health care providers and health care purchasers to engage in a collaborative, transparent approach to health care that reduces cost, reduces confusion and ensures a patient-centric approach to care.

SUMMARY

PRIORITY

POLICY AND ACTIONS

OUTCOMES FOR COLORADANS

INCREASE HOSPITAL PRICE TRANSPARENCY

Require hospitals to share detailed new information about their expenditures, including the amount spent on different types of care (inpatient and outpatient services), and operating costs.

Analyze data to identify cost drivers and improve understanding of how hospital costs impact high insurance premiums.

Work with insurance companies and self-funded employers to improve the quality and quantity of data in the All Payer Claims Database, that will allow better, more granular research into both cost drivers and efficiencies.

Identify root causes of high health care costs and underlying system drivers.

Identify savings within the costliest components of health care and hold hospital partners accountable for costs.

As one patient advocate said about the hospital transparency bill: "This is a great step to bring down costs for hard-working Colorado families."

ESTABLISH A REINSURANCE POOL TO REDUCE PREMIUMS

Establish a state reinsurance program that covers high cost claims, and thus lowers the average cost of claims in the insurance pool resulting in lower premiums.

Lower premiums in the individual insurance market by 10-30%, addressing geographic disparities by reducing costs by as much as 30% in rural areas.

SUMMARY (continued)

PRIORITY	POLICY AND ACTIONS	OUTCOMES FOR COLORADANS
<p>NEGOTIATE TO DRIVE DOWN THE COST OF HEALTH INSURANCE</p>	<p>Establish a purchasing alliance beginning with the Summit County Peak Alliance pilot that, in the future, could potentially be expanded in other communities.</p> <p>Use an innovative bidding process for the State Employee Health Plan to increase state negotiating power and stretch tax dollars.</p> <p>Incorporate affordability into rate review for health insurance plans.</p>	<p>Lower negotiated rates to providers, resulting in lower insurance premiums for consumers.</p> <p>Reduce premiums and out of pocket costs for State employees and reduce costs for the State.</p>
<p>LOWER HOSPITAL PRICES</p>	<p>Engage communities across the state to discuss ways to reduce costs while ensuring hospitals meet their community needs.</p> <p>Expand the use of innovative tools to identify avoidable costs and complications.</p> <p>Use bundled payments and other value-based payment strategies to lower costs for Health First Colorado and the state health plan.</p> <p>Increase hospital cost transparency.</p> <p>Strengthen community benefit standards so hospital profits are channeled to address community needs.</p> <p>Implement the Hospital Transformation Program to improve efficiencies and community responsiveness.</p> <p>Strengthen the Colorado All Payer Claims Database.</p>	<p>Lower prices and better health outcomes for hospital services.</p> <p>Increase community-driven investments in the local drivers of health.</p> <p>More robust insights into health care cost drivers.</p>
<p>REDUCE OUT-OF-POCKET COSTS</p>	<p>Protect consumers from expensive out-of-pocket costs by significantly limiting surprise and “balance billing”.</p> <p>Increase oversight of free-standing emergency rooms.</p>	<p>Reduce unnecessary and costly surprise, bills.</p> <p>Reduce unnecessary and costly use of free-standing emergency rooms.</p>

SUMMARY (continued)

PRIORITY	POLICY AND ACTIONS	OUTCOMES FOR COLORADANS
<p>LOWER THE COST OF PRESCRIPTION DRUGS</p>	<p>Seek federal approval to import prescription drugs from Canada.</p> <p>Coordinate statewide drug purchasing strategies to ensure that every state agency is getting the best deal.</p> <p>Increase transparency for the true cost of drugs.</p>	<p>Create competition for US manufacturers and open access to the lower prices other countries pay for prescription drugs</p> <p>Lower prescription drug prices</p> <p>Create awareness of prescription drivers, enabling new policy to lower health care costs for employers, consumers and payers who represent them.</p>
<p>LAUNCH A STATE- BACKED HEALTH INSURANCE OPTION</p>	<p>Develop and implement a new State-backed insurance plan.</p>	<p>Lower prices through more competition in the market.</p> <p>More freedom for consumers to choose the plan that works for them.</p> <p>Increase access to insurance.</p> <p>Increase access to care.</p>
<p>REWARD PREVENTIVE AND PRIMARY CARE</p>	<p>Reward preventive and primary care services to ensure quality primary care is available in every community in the state.</p> <p>Continue federal, state, and private insurer investments supporting the integration of physical and behavioral health.</p> <p>Improve provider capacity to securely share patient health information and better coordinate care by aligning and strengthening our health care data infrastructure and shared systems.</p>	<p>Increase access to primary care providers.</p> <p>Increase integration of physical and behavioral health.</p> <p>Improve care coordination and delivery of services designed to meet patient needs through the secure transmission of health information.</p> <p>Increase capacity to measure patient outcomes to support alternative payment models that reward value rather than volume.</p>

SUMMARY (continued)

PRIORITY

POLICY AND ACTIONS

OUTCOMES FOR COLORADANS

<p>EXPAND THE HEALTH CARE WORKFORCE</p>	<p>Expand grants and incentives for providers practicing in rural areas, including telemedicine investments.</p> <p>Ensure all providers have authority to practice at the top of their licenses.</p> <p>Strengthen training programs and career paths for personal care and home care providers.</p> <p>Ensure broadband access for providers and increase patient access to telehealth and electronic-consultation between primary care providers and specialists.</p>	<p>Increase access to the right care at the right time and the right place, resulting in better outcomes and lower costs.</p> <p>Increase access to culturally responsive care.</p> <p>Increase capacity for growing older adult and disabled populations to live independently at lower cost.</p> <p>Align with industry access standards for broadband speed and bandwidth that account for health, education, and economic uses.</p>
<p>INCREASE ACCESS TO HEALTHY FOOD</p>	<p>Support the Blueprint to End Hunger.</p> <p>Increase participation in the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).</p> <p>Develop, promote, and implement policies and strategies that address social determinants of health.</p>	<p>Increase access to healthy food, which improves health and educational progress in children.</p> <p>Increase access to housing and other social services that impact individual and family health and well-being.</p>
<p>IMPROVE VACCINATION RATES</p>	<p>Increase public awareness and engagement on the benefits of vaccinations.</p>	<p>Increase percentage of school-age children and the general population that receive medically recommended vaccinations.</p>
<p>REFORM THE BEHAVIORAL HEALTH SYSTEM</p>	<p>Create a statewide, strategic plan to reform Colorado’s behavioral health system.</p>	<p>Enable every Coloradan experiencing behavioral health needs to access high quality services.</p>
<p>SUPPORT INNOVATIVE HEALTH CARE DELIVERY MODELS</p>	<p>Support innovative health care delivery models like the State Innovation Model, Peak Health Alliance in Summit County, and the work health care leaders in Grand Junction are doing to pilot an affordability roadmap.</p> <p>Utilize the statewide health information technology strategy to drive efficiency across the whole health care system.</p>	<p>Allow Coloradans to reap the benefits of lower costs and more access that comes from innovative health care delivery.</p> <p>Benefit from regionally-tailored approaches to bringing down health care costs and expanding access.</p>