



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

1570 Grant Street, Denver, CO 80203-1818 • (303) 866-2993 • (303) 866-4411 Fax

John W. Hickenlooper, Governor • Susan E. Birch MBA, BSN, RN, Executive Director

November 1, 2012

The Honorable Cheri Gerou, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Gerou:

Please find the Department's response to the Joint Budget Committee on the Department of Health Care Policy and Financing's Medical Services Premiums; Indigent Care Program, Legislative Request for Information #2.

Legislative Request for Information #2 states:

The Department is requested to submit a report by November 1, 2012, to the Joint Budget Committee describing the success of providers in collecting co-payments from clients for medical service programs financed by the Department, including Medicaid, the Children's Basic Health Plan, and the Colorado Indigent Care Program. The report should also discuss the impact of co-payment requirements on enrollment and utilization.

The Department has attempted to comply with this request, but has been unable to do so for several reasons. Notably, the Department's claim processing system, the Medicaid Management Information System (MMIS) does not collect any information about co-payments received by providers. To fully comply with this request for information, the Department would be required to survey providers. Currently, the Department has no resources that can be allocated for this purpose, and the Department may not be able to compel providers to provide this information, because providers are not legally obligated to provide this information. While the Department has solicited information from some providers, the Department does not believe that it is appropriate to provide incomplete and anecdotal information as a response to this request for information, as this limited information may not be consistent with provider experience statewide.

In order to properly collect information on co-payment collection and the effects on utilization and enrollment, the Department would need to engage an independent contractor to survey Medicaid, Children's Basic Health Plan, and Indigent Care Program providers and collect co-payment information. This contractor would also be required to perform detailed statistical analysis to prevent bias due to sample selection from skewing the results. This type of survey is more complicated and resource intensive than the Department is able to perform. For example, while the Department could ask providers to respond electronically, providers may only be able to provide anecdotal information about enrollment and utilization. While such information is useful, the Department does not believe that such information should be the only information considered when drawing policy conclusions.

The collection of this information is currently beyond the Department's capacity. Recently, the Department engaged a contractor to survey Colorado pharmacies to collect similar information for use for a revised pharmacy pricing statistic. While only 330 providers submitted information, the data collection resulted in over 350,000 unique purchase records. The Department anticipates that data collection on co-payment information would result in a similar volume of information; the Department has over 20,000 active providers at any given time, and the Department would need to collect information by service type and eligibility category. Additionally, the Department would need to audit the data for completeness and to remove invalid data points, and potentially resurvey providers that did not provide sufficient or useable information.

Currently, the Department has no appropriation to perform the necessary survey and research to determine these effects; however, the Department can provide options and estimated costs for such a study upon request.

Questions regarding this response can be addressed to Bill Heller, Director, Child Health Plan Plus, at 303-866-3244.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan E. Birch". The signature is fluid and cursive, with a large loop at the end.

Susan E. Birch, MBA, BSN, RN
Executive Director

Cc: Senator Mary Hodge, Vice-Chair, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
Senator Kent Lambert, Joint Budget Committee
Representative Jon Becker, Joint Budget Committee
Representative Claire Levy, Joint Budget Committee
Senator Brandon Shaffer, President of the Senate
Senator John Morse, Senate Majority Leader
Senator Bill Cadman, Senate Minority Leader
Representative Frank McNulty, Speaker of the House
Representative Amy Stephens, House Majority Leader
Representative Mark Ferrandino, House Minority Leader
John Ziegler, Staff Director, JBC
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