



**BOARD OF DIRECTORS
SPECIAL MEETING
February 9, 2016**

**Health District Office Building
120 Bristlecone Drive, Fort Collins**

MINUTES

BOARD MEMBERS PRESENT: Bernard J. Birnbaum, MD, President
Tess Heffernan, M.Ed., Vice President
Michael D. Liggett, Esq., Secretary
Tracy L. Nelson, Ph.D., Treasurer

BOARD MEMBERS ABSENT: Steven J. Thorson, MD, Liaison to PVHS Board

STAFF PRESENT: Carol Plock, Executive Director
Bruce Cooper, M.D., Medical Director
Lorraine Haywood, Finance Director
Dan Sapienza, Policy Coordinator
Chris Sheafor, Support Services Director
Karen Spink, Assistant Director
Nancy Stirling, Assistant to Executive Director
Sarah Tilleman, Dental Services Director

OTHERS PRESENT: Brooke Bettolo, Policy Intern

CALL TO ORDER; APPROVAL OF AGENDA

President Bernard Birnbaum called the meeting to order at 5:59 p.m. Two additions were made to the Discussion and Action section: one pertaining to the Senior Dental Program and the other concerning a Board Retreat.

MOTION: To approve the agenda as amended.
Motion/Seconded/Carried Unanimously

PUBLIC COMMENTS

None.

DISCUSSION AND ACTIONS

Policy

Dan Sapienza, Policy Coordinator, provided a brief update on the legislative session thus far, as well as highlights of several bills. Thus far, 380 bills have been introduced (House: 256; Senate: 124) and 17 have been PI'd.

2016-2017 Budget –

The Budget is currently in the supplemental appropriations process, with some having been introduced just yesterday.

Health Care Policy and Financing (HCPF) Provider Rates -

Due to a TABOR rebate and other restrictions on the state budget, the Governor's budget is proposing reductions in various departments, including health spending via Medicaid. After several years of small increases in Medicaid reimbursement for medical services, because of this year's budget requirements, the Joint Budget Committee is faced with two proposals that would decrease reimbursement for Medicaid Services in the coming fiscal year:

- A 1% reduction for all community provider rates. This reduction would impact reimbursement for all Medicaid providers, except services provided via a capitated payment (many behavioral health services) and most primary care services. Savings from the reduction would amount to \$35.8 million in total funds and \$12.9 million of general fund.
- An end to the increased primary care provider reimbursement. This rate bump was part of the Affordable Care Act and funded by federal expenditures. It was due to end as of January 2015 but the state continued it through June 2016. Savings from this would amount to \$145.1 million in total funds and \$49.5 million of the general fund.

Board Discussion: One board member stated their opposition to reducing payments to providers, while another stated that this is a complex issue and that they did not feel informed enough to take a stance at this time, wondering whether the payment levels change outcomes. Yet another board member noted that these reimbursement reductions would have a significant impact on our local safety net clinics and providers who serve the 60,000 Medicaid clients in Larimer County.

It was noted that there are currently many local providers who do not accept Medicaid because of the low reimbursement rates and access to care for those who are eligible for Medicaid are already limited. These rate cuts would reverse the progress in increased reimbursements seen over the past few years and may cause some current Medicaid providers to rethink their participation. It was also noted that Medicaid payments don't cover the full cost of care, so any physician besides federally qualified health care centers who accept it lose money on most patients.

In the end, the board stated that a primary goal of the Health District is health care access, and this is potentially an important access issue, so opposition is indicated. The community is already at its limit for being able to serve Medicaid recipients. If the number of Medicaid recipients continues to rise as we have seen, and if new providers do not participate or current providers decide to drop out because of the reduction of provider reimbursement, the community could face an access crisis.

MOTION: To **STRONGLY OPPOSE** both proposed cuts to provider rates.
Motion/Seconded/Carried Unanimously

Mr. Sapienza reviewed the status of several bills, including those pertaining to: Interstate Medical Compact, End of Life Options Act, and Prescription Drug Costs.

House Bill 16-1102 – Prescription Costs Transparency

This bill would require drug manufacturers of prescription drugs made available in Colorado with a wholesale acquisition cost of \$50,000 or more per year to submit a report to the Colorado Commission on Affordable Health Care detailing the production costs for the drug. The report must include research costs, clinical trial and regulatory costs, material and manufacturing costs, marketing costs, a history of prices and total profit attributable to the prescription drug. February 18 is the date for the next action on this bill. There is a large coalition in support of this, including insurance companies, various boards and county commissioners and others. Those against include Pharma, BioScience and other drug manufacturers. The prescription pharmaceutical market is extremely complex and manufacturers argue that reporting would be prohibitive. [See policy brief for full details.]

The bill is related to the rapidly rising costs of prescriptions. For example, an analysis was completed that estimated that if all 8,500 people on Medicaid in Colorado who have Hep C requested one of the new medications for the disease, the cost to the state would be \$425 million. So far, 645 have requested the treatment, 175 have been approved, and the cost is already at \$7.5 million.

Board Discussion: The high cost of prescription drugs is a huge problem – people everywhere [legislators, policy makers, health care providers, consumers, etc.] are very concerned about it and transparency is seen as a way to begin to address it and attempt to rein in inflated costs/prices. This bill is mostly directed towards the high-end specialty market; very few of the drugs manufactured would rise to anywhere near \$50,000. Though it may not be a perfect solution, it is seen as a mechanism to let manufacturers know that their practices are being watched, as well as raise public awareness. One negative scenario, should this bill be passed, might be that drug manufacturers would prohibit their drugs from being sold in Colorado, though that is highly unlikely to happen.

MOTION: To SUPPORT HB16-1102.
Motion/Seconded/Carried Unanimously

The Board also authorized staff to put the Health District's name on the coalition list.

Health Issues Being Discussed Nationally

Ms. Plock recently attended two important conferences in Washington, D.C. – The Health Policy and Health Action Conferences. Ms. Plock provided a brief overview of several topics being discussed nationally [see handout for further details]:

1. Medicaid Expansion – There are 32 states that have expanded Medicaid (including DC). The expansion has made big differences, not only significantly expanding access, but also making definite improvements to the economy of the states and of hospitals.
2. Election 2016 – Much talk is around what could happen to the Affordable Care Act depending on who wins the presidential election. If the Democrats win, the ACA will continue; if the Representatives win there is talk of “repeal” or “repeal and replace” (though there hasn't been any clear plan on what would be used to replace the ACA). Representatives are also very concerned about sustainability of funding, which does need to be seriously considered. The health issues that the public are most concerned about are cost, cost, and cost, and the cost of prescription costs is a top concern among everyone:

republicans, democrats, and independents. There is also a clear shift in the presidential candidates' concern about having better solutions for people with substance use disorders.

3. The High Cost of Drugs: What Options are There – Spending on drugs is now the fastest growing part of health system costs. Specialty drugs, in particular, are a key issue. A wide variety of options were discussed, in multiple sessions, for how to contain costs. It was, however, noted that the issues are complex, there are no simple solutions, and the pharmaceutical companies have major influence and resources.
4. Paying for Value (vs. Volume) – A critical issue for the future is cost containment, and people are moving towards the idea of payment for value vs. volume to align incentives differently. [See handout for information on the steps of evolution, what would be needed to make the transitions, examples of successes, measurement challenges, etc.]
5. Private Sector Consolidation: Impact on Cost, Quality, Coverage – Consolidation is continuing – 2/3 of cardiologists are now employed by hospitals. However, four recent studies came to the same conclusion: creating larger integrated systems (when hospitals own physician practices), both hospital prices and medical practice costs go UP. When systems merge primarily because of the market share, pricing changes wipe out efficiency gains. Integration is the promise, but consolidation is a cost problem.
6. Opioid Abuse – The U.S. consumes 80% of the world's opioids. The CDC has outlined an initiative to help combat opioid abuse that includes: training professionals on informed prescribing, increased use of naloxone, expanded use of Medication Assisted Treatment (MAT), target high-risk prescribers and high-risk patients for intervention, and enhancing/maximizing PCMPs. Ohio and Baltimore have had some successes. [See handout for further details.] A Ohio State staffperson was quoted saying "...most of my job is teaching people how the mid-brain works, and that addiction is not about morality – would you stop blood pressure medications in the midst of chronic hypertension?"

Senior Dental Program – Proposed Rule Change to Allow for the Coverage of Immediate Dentures

Ms. Sarah Tilleman, Dental Services Director, provided some background to the issue being proposed. The Colorado Department of Health Care Policy and Financing, the agency responsible for administering the Senior Dental Program (a program that provides access to dental care to individuals age 60 and over who are not eligible for dental services under any other dental health care program), recently announced through the Senior Dental Advisory Committee a proposed program rule change regarding the coverage of dentures for Senior Dental Program grantees and patients. The proposed change would allow for the option to use immediate dentures instead of the current policy that only allows for reimbursement of complete dentures. If immediate dentures were added to the coverage, they would not be in addition to complete dentures but rather in lieu of and the program would only pay for one set of dentures per patient.

The Health District is a grantee of the Senior Dental Program. It is the experience of our Family Dental Clinic that immediate dentures have a high rate of failure and patient dissatisfaction as they rarely fit well because they are fabricated prior to extractions and are inserted immediately after extractions. Because of this, our providers have been moving away from offering to do immediate dentures for our patients (though patients can insist on immediate dentures if they choose). The concern regarding the coverage in immediate dentures is shared by the doctors in our Family Dental Clinic, the Senior Dental Program grant finance staff, as well as by the Dental

Services Director. Concerns of note include, 1) by allowing coverage of immediate dentures, the Senior Dental Program may inadvertently cause treatment planning disagreements and benefit coverage issues for our patients; and 2) may setup some misperceptions that the Family Dental Clinic is withholding a treatment option from patients should they hear of it from a private or commercial dental office (though would still be working within the coverage of the Senior Dental Program policies). Staff also work hard to factor in the patient's ability to pay, which could be made more difficult if obtain immediate dentures, are dissatisfied, and then left without a way to pay for complete.

The Senior Dental Advisory Board is going to be having a discussion of this issue on Thursday. Ms. Tilleman had a brief conversation with the Senior Dental Program Manager, expressed the concerns from staff, and was subsequently invited to participate in the discussion to offer our perspective of the issue. Staff wanted to share their viewpoints with the Board and get their permission to speak on the issue at the Advisory Board meeting.

Board Discussion: The Board suggested that if there is reliable national research data on the issue of immediate vs. complete dentures, that could help to support our position. It was commented that the argument for immediate dentures is mostly of convenience. Ms. Plock noted that our clinic addressed this very issue a couple of years ago by developing a policy where patients demanding immediate dentures would have to have a conversation with the Dental Services Director and sign a "Dentures Consent & Release" form. The Board determined that they had no concerns with staff testifying on this issue.

Board Retreat

This year we have two board members that will be departing the board due to term limits. Typically, the board has held a retreat before the board changes so that outgoing board members have an opportunity to review the past year's work and share their thoughts and hopes for the future. Also, it is the time when the Executive Director review is conducted. Since it's not a triennial survey review year, this retreat would be half a day. Ms. Stirling will work with the board members to find a day/time in April for a retreat.

ANNOUNCEMENTS

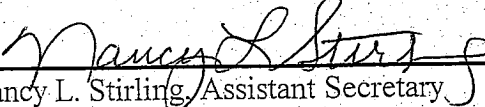
- February 23, 5:30 pm – Regular Board of Directors Meeting

ADJOURN

MOTION: To adjourn the meeting.
Moved/Seconded/Carried Unanimously

The meeting was adjourned at 7:07 p.m.

Respectfully submitted:



Nancy L. Stirling, Assistant Secretary

Handwritten initials

Bernard J. Birnbaum, M.D., President

Tess Heffernan
Tess Heffernan, M.Ed., Vice President

Michael D. Liggett
Michael D. Liggett, Esq., Secretary

Tracy L. Nelson
Tracy L. Nelson, Ph.D., Treasurer

[ABSENT for the 2/9/16 Meeting]

Steven J. Thorson, M.D., UCHealth-North (PVHS) Board Liaison