Introduction

Kim Bimestefer, Executive Director
Critical Work Set Us Up to Be Successful

Thank you, JBC - you made all this possible

- Enrolled >310k members since pandemic started, +25%
- Protected member benefits & provider reimbursements
- Stabilized system with $246M relief payments & regulatory flexibilities
- Expanded access to care - added 16,558k providers (18% increase), 30 pharmacies & 882 pharmacists (44% increase) to Medicaid network, 1,716 (20% increase) in behavioral health
- Exceeded customer service standards for claims paid (<6 days), calls answered (<150 seconds)
- Implemented 99 internal IT (MMIS) projects with ZERO Defects (claim system since 9/1/19)
- HCPF Admin is <4% of spend (carriers = 13.5%+) FTE <0.5% of spend
- Controlled Medicaid cost growth (PMPM -4%)
- Increased vendor accountability to increase savings & performance

“Great options of locations and doctors. Staff really cares about my health and makes healthcare affordable for me.” Member

“The member hotline is great and easy to get through to lately. The mobile app is easy. I've gotten ample notification of documents I need to submit which is fantastic.” Member
We now cover more than **1.56 million (1 in 4)** Coloradans

- **Medicaid Expansion Adults** +67%, ~50% of overall growth
- **Medicaid Children** +31%, ~30% of growth
- **Medicaid Parents** +35%, ~15% of growth
- **Colorado Uninsured Rate Steady**: 6.6% (steady), through Pandemic by keeping Coloradans covered

“I am so [grateful [for] the coverage Medicaid has offered during these turbulent times. I had a colonoscopy performed at no charge to me, and I couldn’t be more thankful. The website & technical aspects of the app & communications have been great.” Member
CO: Longer Recovery for Low Income & Uneven Impacting Medicaid, CHP+

Recession and recovery have uneven impacts

Colorado Unemployment Rates by Demographic Group
Twelve-month moving average

- 2019 Annual Average
- 2020 Annual Average
- 2021*

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statewide</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school, no college or associate degree</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor’s degree and higher</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


* 2021 twelve-month average, September 2020 to August 2021.

Sources: Colorado Legislative Council Staff, Economic & Revenue Forecast, September 2021: leg.colorado.gov/EconomicForecasts
ONE-TIME FUNDS AVAILABLE BUT LONG-TERM PRESSURES REMAIN

General Fund Structural Deficit without Prepays

<table>
<thead>
<tr>
<th>Dollars (SB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.0</td>
</tr>
<tr>
<td>17.0</td>
</tr>
<tr>
<td>16.0</td>
</tr>
<tr>
<td>15.0</td>
</tr>
<tr>
<td>14.0</td>
</tr>
<tr>
<td>13.0</td>
</tr>
<tr>
<td>12.0</td>
</tr>
</tbody>
</table>

FY 2023: No Deficit

Source: Office of State Planning and Budgeting

Assumptions
- 5.00% GF growth
- 3.00% CF growth
- 6.75% Operating growth
- 3.50% TABOR growth

Source: FY 2022-23 BUDGET REQUEST Governor Jared Polis November 1, 2021
Medicaid population is morphing/shifting, impacting trend

PWC Report
U.S. Medical Trends
2022: 6.5%
2021: 7%
2020: 6%
2019: 5.7%
2018: 5.7%

Accounting for pandemic-rooted cost inflators/deflators, PwC’s Health Research Institute is projecting 6.5% medical cost trend in CY 2022 (CY 2021 was 7%)

CO Medicaid Per Member Per Month Claims

Source: PwC Health Research Institute, “Medical cost trend: Behind the numbers 2022”
COVID Impact on Medicaid Spend & PMPM

Blue is the total IBNR adjusted Paid per Week

Light blue shading is the range of uncertainty with a 95% confidence interval associated with the IBNR estimate

Green is the IBNR adjusted Paid per Eligible Member per Week (PMPW)

Light green is the range of uncertainty with a 95% confidence interval associated with the IBNR estimate

Vertical line is the last week prior to social distancing.

Horizontal line is the weekly average paid before social distancing.

During this time, hospitals are down $30.5m on outpatient services
COVID Impact on Medicaid Spend & PMPM

Blue is the total IBNR adjusted Paid per Week

Light blue shading is the range of uncertainty with a 95% confidence interval associated with the IBNR estimate

Green is the IBNR adjusted Paid per Eligible Member per Week (PMPW)

Light green is the range of uncertainty with a 95% confidence interval associated with the IBNR estimate

Orange is the Weekly Cumulative Gain/Loss post social distancing start

Vertical line is the last week prior to social distancing. Horizontal line is the weekly average paid before social distancing.

During this time, emergency department services are down $55.6m (includes both facility and professional ED expenditures)
Blue is the total IBNR adjusted Paid per Week

Light blue shading is the range of uncertainty with a 95% confidence interval associated with the IBNR estimate

Green is the IBNR adjusted Paid per Eligible Member per Week (PMPW)

Light green is the range of uncertainty with a 95% confidence interval associated with the IBNR estimate

Vertical line is the last week prior to social distancing.
Horizontal line is the weekly average paid before social distancing.
Health Disparities Focus

- Vaccine Uptake
- Maternity
- Behavioral Health
- Prevention

Source: CDPHE Community Health Equity Map (2013-2017 Data)
### COVID-19 Vaccination Uptake Disparity

18-26-Point+ Gap Btw Low Income and All Coloradans

#### COVID-19 Cases

<table>
<thead>
<tr>
<th>Positive Cases</th>
<th>854,084</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deaths Due to COVID-19</td>
<td>9,874</td>
</tr>
</tbody>
</table>

#### Vaccine Dispensed

<table>
<thead>
<tr>
<th>First Dose</th>
<th>4,134,694</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully Immunized</td>
<td>3,728,953</td>
</tr>
<tr>
<td>Cum. Dose Admin:</td>
<td>9,055,702</td>
</tr>
<tr>
<td>Fully Immunized %</td>
<td>68.61%</td>
</tr>
</tbody>
</table>

*Updated Dec 12, 4:00 pm*

#### vaccin rates

<table>
<thead>
<tr>
<th>Ages 5-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.7% Colorado population fully or partially vaccinated (as of 12/2/21) All Coloradans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ages 20+</th>
</tr>
</thead>
<tbody>
<tr>
<td>79.4% Colorado population fully or partially vaccinated (as of 12/2/21) All Coloradans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medicaid members fully or partially vaccinated (as of 11/29/21)</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.5% Ages 5-19</td>
</tr>
</tbody>
</table>

Sources: Governor’s Emergency Management Dashboard (12/13/21) & HCPF Vaccination Rates Dashboard accessed 12/13/21
Medicaid Affordability Solutions must address not just costs but disparities & health as well

Utilization Management: Right care, right place, right time, right price

Complex Case Management: High cost and high need members

Population Health: Maternity Program Management, Diabetes Program

Innovations: Prescriber Tool (P1&P2), eConsults, Providers of Distinction

Value Based Payments: HTP, Primary Care, Maternity, Prescriber Tool, Providers of Distinction

Without innovation & collaboration, future state budget deficits will increase pressure on the Medicaid budget, threatening benefits, provider reimbursements, network access
The Great Resignation

- Health care workers are exhausted and are part of the “great resignation”
- Staffing is a serious challenge across hospitals, NHs, ALFs, personal/home care & BH, impacting Medicaid, CDHS, and access to care for Colorado
- Transforming home and community-based services → raising caregiving workforce base wages to $15/hour to ensure Medicaid access to services will help
- Our providers can’t always raise wages

Women 70% of HC Workforce

- Mothers in 2020’s pandemic have reduced their work hours 4 to 5 times more than fathers to care for children
- In 2020, female unemployment reached double digits for 1st time since 1948, when the Bureau of Labor Statistics started tracking women’s joblessness
- White women haven’t been such a small share of the job pop since the 1970s
- Women of color are suffering acutely, with Latina and Black women hit by unemployment the hardest

Demand is up while the workforce is shrinking

<table>
<thead>
<tr>
<th>HEALTH CARE RELATED OCCUPATION</th>
<th>% WOMEN (16 yrs+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical records specialists</td>
<td>95.9%</td>
</tr>
<tr>
<td>Speech-language pathologists</td>
<td>94.4%</td>
</tr>
<tr>
<td>Dental hygienists</td>
<td>93.9%</td>
</tr>
<tr>
<td>Dental assistants</td>
<td>93.7%</td>
</tr>
<tr>
<td>Medical secretaries and administrative assistants</td>
<td>93.3%</td>
</tr>
<tr>
<td>Dietitians and nutritionists</td>
<td>91.4%</td>
</tr>
<tr>
<td>Home health aides</td>
<td>90.3%</td>
</tr>
<tr>
<td>Medical assistants</td>
<td>90.2%</td>
</tr>
<tr>
<td>Licensed practical and licensed vocational nurses</td>
<td>90.0%</td>
</tr>
<tr>
<td>Child, family, and school social workers</td>
<td>89.8%</td>
</tr>
<tr>
<td>Nursing assistants</td>
<td>89.3%</td>
</tr>
<tr>
<td>Nurse practitioners</td>
<td>88.0%</td>
</tr>
<tr>
<td>Registered nurses</td>
<td>87.4%</td>
</tr>
<tr>
<td>Healthcare social workers</td>
<td>87.0%</td>
</tr>
<tr>
<td>Occupational therapists</td>
<td>86.3%</td>
</tr>
<tr>
<td>Healthcare support occupations</td>
<td>85.3%</td>
</tr>
<tr>
<td>Phlebotomists</td>
<td>84.8%</td>
</tr>
<tr>
<td>Therapists, all other</td>
<td>84.4%</td>
</tr>
<tr>
<td>Diagnostic medical sonographers</td>
<td>84.0%</td>
</tr>
<tr>
<td>Psychiatric technicians</td>
<td>82.2%</td>
</tr>
<tr>
<td>Personal care aides</td>
<td>81.5%</td>
</tr>
<tr>
<td>Substance abuse and behavioral disorder counselors</td>
<td>81.3%</td>
</tr>
</tbody>
</table>
Increasing Accountability, Efficiency

- Implemented new vendor contract process to increase savings, accountability & performance across 350+ vendors
- Fraud Waste and Abuse nets monetary savings
- Implemented County oversight & accountability projects
- Federal compliance to reduce disallowance, clawbacks
- Moving state administration of BH related benefits (i.e., OBH first) onto HCPF platform
- HCPF's Administration is <4%, while commercial carriers are >13.5%
- Right sizing & bringing strategic functions in-house
- Retain current passionate, expert HCPF staff

R-08 & R-11 support continued work on oversight & accountability
Our budget requests support transformation, stabilizing HCPF foundation & responsibilities

Major Transformative Projects:

- **Transform Medicaid/Delivery System**: control Medicaid trends, improve access, outcomes, equity - Value-Based Payments, Prescriber Tool, Providers of Distinction, Telehealth, eConsults, PDAB, Importation. Unique collaboration with DOI.

- **Transform Home & Community Based Services**: HCBS $513M

- **Behavioral Health Transformation**: BHTF 19 priorities, BHA, Transformation $450M

- **Health Disparities**: Vaccines, Maternity, BH, Prevention

- **Rural Sustainability**

- **Healthcare Workforce**
Our budget requests support transformation, stabilizing HCPF foundation & responsibilities

Other Administration Huge Lifts:

- **PHE Unwind:** nearly 530,000 members must be redetermined (“locked-in” population)

- **County Administration Fixes:** CBMS overhaul; 12-Accuracy innovations goal to reduce 26% eligibility error rate (OSA) last 2 years & reduce federal clawback risk

- **CMS requirements:** bidding of our MMIS system (Medical claims, Rx PBM, BIDM data repository)

- **Retain** passionate, expert HCPF staff; diversity workforce; right size workplace model

- **80 Critical Projects** being implemented (non-ARPA HCBS)
Our Mission:
Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.
The proposed budget is $13.5B total funds, $3.99B General Fund

- An increase of $343.4M General Fund over the baseline
- The vast majority is to account for the expiration of the 6.2%-pt FMAP bump
- Accounts for year-over-year utilization increases for long-term care services
- $41M General Fund for provider rates

All other discretionary requests are budget negative by $4.8M

<table>
<thead>
<tr>
<th>FY 2022-23 Annual HCPF Budget Request</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>FY 2021-22 Budget</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>FY 2022-23 Budget Baseline</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
</tr>
<tr>
<td>Caseload / Per Capita/FMAP</td>
</tr>
<tr>
<td>Discretionary Decision Items</td>
</tr>
<tr>
<td>Other Agency Impacts</td>
</tr>
<tr>
<td>Total FY 2022-23 Budget Ask</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Proposed FY 2022-23 Budget</td>
</tr>
<tr>
<td>Percent Change from FY 2021-22</td>
</tr>
<tr>
<td>Percent Change from FY 2022-23</td>
</tr>
</tbody>
</table>
Questions 1-2
Public Health Emergency

Kim Bimestefer, Executive Director
Bettina Schneider, CFO
Of the 25% overall increase since pandemic started:

- Medicaid Expansion Adults +67%, ~50% of overall growth
- Medicaid Children +31%, ~30% of growth
- Medicaid Parents +35%, ~15% of growth
Medicaid Continuous Coverage During Public Health Emergency

• In order to receive the enhanced 6.2% increase to the Medicaid Federal Medical Assistance Percentage (FMAP), during the Public Health Emergency:
  ➢ Prohibited from making eligibility more restrictive
  ➢ Cannot disenroll any member even if they no longer financially qualify for Medicaid, unless the individual voluntarily terminates eligibility, is no longer a resident of the state, or in the instance of death

• Under current law, once the PHE ends, the Department will begin a renewal process to verify that all members enrolled qualify to remain on Medicaid

• HCPF commitment to coverage, including transitioning people to CHP+ and/or Exchange

Source: Families First Coronavirus Response Act (FFCRA)
It is imperative we keep Coloradans Covered Thru This Transition

- Nearly 420,000 (26%) individuals are "locked-in" to continuous coverage.
- Another ~100,000 are locked-in to a higher Medicaid benefit class (some will be redetermined into CHP+)
- Totaling 520,744 (33%) locked-in due to the public health emergency
Question 3
County Administration (R-08)

Kim Bimestefer, Executive Director
County Incentives Program
Measures Driving Performance

The County Administration pay-for-performance program (County Incentives) has driven improved county outcomes for several years:

- **Reducing Backlogs** - 32% decrease in application backlog, 41% decrease redetermination backlog from FY 2014-15 to FY 2017-18
- **Timely LTSS processing Improvements** - from 67% in FY 2016-17 to 88% in FY 2019-20
- **Increasing Training** - 41% increase in training hours since FY 2017-18
- **Improving Cybersecurity** - Implemented cyber and information security standards to safeguard applicant and member information. In FY 2019-20, 81% of counties submitted their Remediation Plans.

Yes, FY 2021-22 County Incentives Program contracts align with oversight & accountability focus - for the first time, **new contract measures on accuracy of county eligibility determinations added**
Office of Community Living

Bonnie Silva, Office of Community Living Director
Thank you for approving our ARPA Home and Community Based Services (HCBS) Spending Plan - A once-in-a-generation opportunity for transformation

HCBS provides opportunities for Medicaid beneficiaries to receive services in their own home or community rather than institutions or other isolated settings. These programs serve a variety of targeted populations, such as people with intellectual or developmental disabilities, physical disabilities, and/or mental health diagnoses.
Hiring:

We are on track to get the positions hired - 32.5 of 58.5 FTEs are priority hires - HCPF is successfully hiring.
# Long-Term Services & Supports Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children with Life Limiting Illness Waiver</td>
<td>192</td>
</tr>
<tr>
<td>Community Mental Health Support Waiver</td>
<td>3,792</td>
</tr>
<tr>
<td>Supported Living Services (SLS)</td>
<td>777</td>
</tr>
<tr>
<td>Nursing Facilities</td>
<td>12,837</td>
</tr>
<tr>
<td>Intermediate Care Facilities</td>
<td>149</td>
</tr>
<tr>
<td>Program of All-Inclusive Care for the Elderly (PACE)</td>
<td>5,875</td>
</tr>
<tr>
<td>Children’s Habilitation Residential Program Waiver</td>
<td>177</td>
</tr>
<tr>
<td>Elderly, Blind, and Disabled Waiver</td>
<td>28,285</td>
</tr>
<tr>
<td>Family Support Services Program (FSSP)</td>
<td>5,885</td>
</tr>
<tr>
<td>Persons with Developmental Disabilities Waiver*</td>
<td>7,241</td>
</tr>
<tr>
<td>Spinal Cord Injury Waiver</td>
<td>210</td>
</tr>
<tr>
<td>Supported Living Services Waiver</td>
<td>5,169</td>
</tr>
<tr>
<td>Children's Extensive Support Waiver</td>
<td>2,409</td>
</tr>
<tr>
<td>People with Developmental Disabilities Waiver*</td>
<td>2,115</td>
</tr>
<tr>
<td>People with Developmental Disabilities Waiver*</td>
<td>2,115</td>
</tr>
<tr>
<td>Brain Injury Waiver</td>
<td>615</td>
</tr>
<tr>
<td>Elderly, Blind, and Disabled Waiver</td>
<td>28,285</td>
</tr>
<tr>
<td>Persons with Developmental Disabilities Waiver*</td>
<td>7,241</td>
</tr>
<tr>
<td>Spinal Cord Injury Waiver</td>
<td>210</td>
</tr>
<tr>
<td>Supported Living Services Waiver</td>
<td>5,169</td>
</tr>
<tr>
<td>Total Served in LTSS</td>
<td>75,638</td>
</tr>
</tbody>
</table>

**Total Served in LTSS:** 75,638

**Facility-based Programs**

**State-Funded Only Programs**

**Home & Community Based Services (HCBS) Waivers**

**Source:** FY 2020-21; based on claims in MMIS. *There is a waiting list for the HCBS-DD waiver. As of June 30, 2021, there were 2,819 people waiting for enrollment into the HCBS-DD waiver “As Soon As Available.”*
Who Receives Long-Term Services & Supports?

- **Children & Adolescents**
  - ages 20 & younger & qualifying former foster care youth
  - 8%

- **Adults**
  - ages 21-64
  - 45%

- **Older Adults**
  - ages 65 or older
  - 47%

**Cross Disability**
- Physical Disabilities - i.e., Spinal Cord Injury, Parkinson’s disease
- Cognitive Disabilities - I/DD, Brain Injury, Dementia
- Mental Health

84% have a chronic condition (compared to the 40% of the rest of the Medicaid)
30% have 5 or more of chronic conditions
An Evolution of LTSS in Colorado

- **Creation of OCL 2014**
- **ARPA**
  - The funding opportunity to accelerate transformation
- **COVID-19**
  - Expedited the need for the evolution already underway

**The Future of LTSS is:**

- Services that truly support people to live a life they want
- Easy to navigate to ensure access to needed services

- **Legislation**
  - 60+ pieces of legislation impacting the work of OCL since 2014
### Community-Based Program Growth

<table>
<thead>
<tr>
<th>Program Growth by HCBS Waiver From FY 2015 - FY 2021</th>
<th>% of LTSS Population Receiving Services in the Community (vs. Institutions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brain Injury</td>
<td>+73%</td>
</tr>
<tr>
<td>Children With Life Limiting Illness</td>
<td>+44%</td>
</tr>
<tr>
<td>Children's Extensive Supports</td>
<td>+111%</td>
</tr>
<tr>
<td>Children's Habilitation Residential Program</td>
<td>+247%</td>
</tr>
<tr>
<td>Children's HCBS</td>
<td>+78%</td>
</tr>
<tr>
<td>Community Mental Health Supports</td>
<td>+14%</td>
</tr>
<tr>
<td>Developmental Disabilities</td>
<td>+44%</td>
</tr>
<tr>
<td>Elderly, Blind, &amp; Disabled</td>
<td>+17%</td>
</tr>
<tr>
<td>Spinal Cord Injury</td>
<td>+304%</td>
</tr>
<tr>
<td>Supported Living Services</td>
<td>+25%</td>
</tr>
</tbody>
</table>
Question 4
SB 16-192 Implementation Update

Bonnie Silva, Office of Community Living Director
SB 16-192 Components

- **Assessment & Support Plan Tool**
  Norm-referenced and standardized for all LTSS Members

- **Person Centered Budget Algorithm**
  Individualized budget for Members based on needs

- **New IT System**
  Supporting all of the interdependencies of this work
Milestones & Complexity

Assessment & Support Plan Tool
- Piloted new Assessment & Support Plan
- Finalized Assessment and Support Plan

New IT System
- Procured new IT Vendor capable of achieving needed functionality
- Conducted IT system Data mapping of legacy systems

Person Centered Budget Algorithm
- Began meeting with a technical advisory group of stakeholders
- Started mapping system requirements for implementation

Complexity
- Case Management Agency Readiness
- Sub-contractor Capability
- Interdependencies of System Changes
- Data Migration
- Lack of data to inform & develop the PCBA
Health Care Policy & Financing
Discussion Questions

Kim Bimestefer, Executive Director
Bettina Schneider, Chief Financial Officer
Pete Walsh, MD, Chief Medical Officer
Tracy Johnson, PhD, Medicaid Director
Value-Based Payments (R-06)
Questions 5-9

Kim Bimestefer, Executive Director
Pete Walsh, MD, Chief Medical Officer
R-6 is critical to meeting CMS goals for Medicaid agencies

- Feds expect state Medicaid agencies to adopt value-based payments:
  - 25% of payments be made through advanced APMs by 2022
  - 50% of payments be made through advanced APMs by 2025
- This policy has spanned federal administrations.

Source: CMS State Medicaid Director Letter 20-004, 9/15/20
Colorado Medicaid Shift from Volume- to Value-Based Care

R-06 supports this important work to improve quality, reduce disparities & lower cost

Fee-For-Service (quantity of services) with limited tie to value

Hospital Transformation Program
Providers of Distinction
Use of Innovative Tools
Primary Care
Maternity Bundle

Outcomes, Quality, Equity, Affordability & Use of Innovative Tools
Medical Care Delivery Model

• **Align incentives** to address disparities, improve access & health outcomes & drive affordability without reducing provider reimbursements or benefits

• **Transform Medicaid Delivery System:**
  - eConsults support PCPs, reduce inappropriate specialist referrals & help direct care to higher performing providers, called Providers of Distinction
  - Value-Based Payments, Prescriber Tool, Providers of Distinction, Telemedicine, eConsults, PDAB, Importation. Unique collaboration with DOI & DPA
Evidenced-Based Approach

- Studying Other States - Arkansas, Ohio, Tennessee
- Studying 50+ Value-Based Payments CMS Reviewed
- Following CMS Guidance Towards Mandatory APMs
- Leveraging Commercial Strengths, With Focus On Members

HISTORIC: Colorado is 1 of 4 states where Medicare is collaborating with Medicaid & DOI on primary care VBP models
Robust stakeholder engagement for each of the models proposed in the R-6 request
Value Based Payments (R-06)
Questions 10-13
Pharmacy Tool

Kim Bimestefer, Executive Director
Prescription drugs are the leading contributor to rising health care costs.

This affordability impact hurts patients:

One in three Coloradans cannot fill a prescription, cuts pills in half or skips doses because of the cost.

The Prescriber Tool was the most broadly supported initiative from all stakeholders to address cost and quality in 2019 & 2021 Dept. Prescription Drug Reports.

Collaborative Design

Aug.-Sep. 2021

- Colorado Academy of Family Physicians
- Colorado Hospital Association
- Colorado Community Health Network (CCHN),
- One Colorado
- University of Colorado Department of Family Medicine
- Individual medical providers (specialists and primary care) enrolled in Medicaid
- Disability advocates
- Colorado Center on Law and Policy
- Colorado Medical Society

This does not capture all stakeholder engagement that has been undertaken, and stakeholder engagement continues.

Sep. 2021 Statewide Survey

Oct.-Nov. 2021

- Colorado Chapter of American College of Physicians
- University of Colorado Family Medicine
- SCL Health
- Mountain Blue Cancer Center
- Centura Health
- Highlands Health for Family Medicine Clinic
- Peak Vista Community Health Center
- Mountain Family Community Health Center
- Valley Wide Health Systems
- Salud Family Health Centers
- Colorado Community Health Network (CCHN)
- Independent Specialists
- Regional Accountability Entities (RAEs)
Prescriber Tool affordability module: Single tool for commercial & Medicaid prescribers that eases admin & drives affordability

Real-Time E-Prescribing
- Prescribers can send prescriptions electronically to pharmacies for Colorado Medicaid members.
- Makes it quicker and easier to provide care to Colorado Medicaid patients.

Real-Time Benefits Inquiry
- Doctors receive more affordable medication options.
- Point-of-care insights incorporate preferred drug list.
- Prescriber makes clinical decision.

Real-Time Prior Authorization
- Real-time prior authorization insights reduces forms and rework.
- Check eligibility and submit prior authorization requests (PARs) electronically.

To learn more:
https://hcpf.colorado.gov/prescriber-tool-project
Medicaid Preferred Drug List (PDL) is crafted and maintained by HCPF’s experts and the P&T committee to improve member outcomes and affordability.

<table>
<thead>
<tr>
<th>PDL Compliance</th>
<th>Rx Cost Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>91.29%</td>
<td>Q4 2021</td>
</tr>
<tr>
<td>92.20%</td>
<td>$16 million</td>
</tr>
<tr>
<td>93.20%</td>
<td>$32 million</td>
</tr>
<tr>
<td>94.20%</td>
<td>$48 million</td>
</tr>
<tr>
<td>95.20%</td>
<td>$64 million</td>
</tr>
<tr>
<td>96.20%</td>
<td>$80 million</td>
</tr>
</tbody>
</table>
Value Based Payments (R-06)  
Questions 14-18  
Primary Care Partial Capitation  

Pete Walsh, MD, Chief Medical Officer
Collaborative Design Mar.-Jun. 2021

- The Colorado Medical Society
- Colorado Academy of Family Physicians
- Farley Health Policy Center at CU
- Colorado Chapter of the American College of Physicians
- Practice Innovation Program at CU
- Colorado Association for School-Based Healthcare
- Denver Health
- University of Colorado School of Medicine
- Children’s Hospital Colorado
- Healthcare Consulting Inc.
- Pediatric Care Network
- SCL Health/Saint Joseph Hospital GME Community Clinics
- Summit Medical Clinic*
- Primary Care Partners (Grand Junction)
- Miramont Family Medicine
- Gunnison Valley Family Medicine*
- Pediatric Partners of the Southwest*
- Planned Parenthood of the Rocky Mountains
- Nextera Healthcare
- Every Child Pediatrics
- Stepping Stone Pediatrics
- Children’s Medical Center
- Colorado Community Health Alliance*
- Colorado Access
- Rocky Mountain Health Plans*
- Community Reach Center
- Sunrise Community Health

This does not capture all stakeholder engagement that has been undertaken, and stakeholder engagement continues.
Partial Capitation

- Creates predictable revenue for providers
- Enables adoption of key tools like eConsults or the Prescriber Tool
- Supports team-based care, which increases time spent with patients (i.e., diabetes coaching, social determinants of health)
- Supports the docs in their quest to refer care more thoughtfully - to higher performing providers
- Supports the operations necessary to operate in an environment of value-based payments
Chronic Condition Episodes

Value-based payments to reward performance

83% of annual Medical spending is attributed to a patient with one or more chronic condition

Chronic condition episodes are based on the success of Tennessee. R-6 will fund the innovation to support PCMPs with actionable information & insights.

<table>
<thead>
<tr>
<th>Heart failure</th>
<th>COPD</th>
<th>SUD</th>
<th>Depression and Anxiety</th>
<th>Crohn's Disease</th>
<th>Osteo-arthritis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrhythmia/Heart Block</td>
<td>Coronary Artery Disease</td>
<td>Low Back Pain</td>
<td>Trauma/ Stressors Disorders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asthma</td>
<td>Hypertension</td>
<td>Diabetes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Value Based Payments (R-06)

Question 19

Providers of Distinction

Kim Bimestefer, Executive Director
Pete Walsh, MD, Chief Medical Officer
Providers of Distinction Program Features
Transforming Industry Affordability, Outcomes, Incentives

• Identifies/ranks providers delivering Medicaid affordability and better outcomes (quality/safety) for Medicaid and Commercial
• Evaluates and reports on outcomes and episode prices for specific procedures
• Data insights tools used by Medicaid primary care providers, consumers and others to inform patient referrals
• Value-based payments to reward performance
• Supports related eConsults work
Rural Providers of Distinction Program Features
Transforming Industry Affordability, Outcomes, Incentives

- Aligns with the $30M stimulus proposal
- Ensures patient care is provided when possible in rural communities (procedure example)
- Increases rural jobs, revenues, stimulates rural economy
- Helps rural providers build agreements with front range providers when such referrals are necessary:
  - Puts power back in the hands of rural providers in their partnerships with front range partners ("affiliation agreements")
- Improves access & patient experience for rural Coloradans
- Improves rural affordability
- Value-Based Payments to rural referring provider and receiving provider (rural PoD or front range PoD)
Providers of Distinction Program Goals

1. Improve patient outcomes, patient satisfaction & health equity
2. Improve affordability of care
3. Increase reimbursements to Providers of Distinction via VBP
4. Via VBP, make it more desirable for providers to see Medicaid patients; improve patient access to specialty care
5. Improve rural provider sustainability and care access for rural Coloradans
Value-Based Payments (R-06)

Questions 20-24

Maternity Bundle

Tracy Johnson, PhD, Medicaid Director
Yearly, CO Medicaid covers >40% of births. Focus on improving outcomes for families

Current Services & Programs Addressing Equity

- Prenatal care visits and testing
- Imaging (ultrasounds)
- Labor and delivery
- Depression screens
- Screening, Brief Intervention and Referral to Treatment (SBIRT) for substance use
- Postpartum visits
- Specialized programs for first time and high risk

Strategies to Close Gaps

- RAE maternity programs
- Hospital (HTP) maternity programs
- Recent maternity-related coverage expansions
- Maternity Stakeholder Advisory Council for Medicaid members who have given birth
- Measuring quality improvement, dashboards, and annual reporting
- Value-based bundled payment to improve outcomes and close health equity gaps improving on the success of Arkansas, Ohio, and Tennessee
Health First Maternity Outcomes by Race/Ethnicity

No First Trimester Prenatal Care

Chronic Hypertension

C-Section Rate

Low Birth Weight

Report: https://hcpf.colorado.gov/publications
New Maternal Advisory Committee (composed of primarily Black, Indigenous and People of Color Health First Colorado members with lived experience in Colorado Medicaid maternity care) to bring members’ perspectives, insights, and knowledge to the program.

Collaborative Design & Operation

Key stakeholders include:

- **Health First Colorado members**: Maternal Advisory Committee (MAC), etc.
- **Consumer advocates**: Colorado Perinatal Care Quality Collaborative (CPCQC); Elephant Circle, Colorado Children's Campaign, Colorado Consumer Health Initiative (CCHI), Colorado Center on Law and Policy (CCLP), Colorado Organization for Latina Opportunity and Reproductive Rights, Family Forward Resource Center, Colorado Community Health Network (CCHN), etc.
- **Maternal care providers/specialists**: urban and rural obstetrical providers, certified nurse midwives, mental health & substance use disorder clinicians, Regional Accountable Entities (RAEs), etc.
- **Professional networks**: Colorado Medical Society (CMS), American College of Obstetricians and Gynecologists (CO-ACOG), Colorado Academy of Physicians, etc.
- **Other state agencies**: Department of Public Health & Environment, Division of Insurance, Department of Personnel and Administration etc.
- **HCPF internal advisory committees/SMEs**: Program Improvement Advisory Committee (PIAC), Maternal Advisory Committee (MAC), Maternal Child Health team, etc.

This does not capture all stakeholder engagement that has been undertaken, and stakeholder engagement continues.
Maternity Bundled Payment Program

**Program Goals**
Improve Quality, Address Health Equity & Preventable Maternal Mortality, Reduce Cost

**Program Methodology**
Program covers Prenatal, Delivery, and Postpartum Care

- Comprehensive Budget
- Quality Metrics
- Incentive Payments
# Maternity Bundled Payment Program

## Quality Measures as Gateway for Incentive Payment

<table>
<thead>
<tr>
<th>Measure</th>
<th>Payment Tie</th>
<th>tracks required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Health Disparities</td>
<td>gateway to incentive payment</td>
<td></td>
</tr>
<tr>
<td>Postpartum Depression Screenings</td>
<td>tie-to-payment</td>
<td></td>
</tr>
<tr>
<td>Contraceptive Care – Postpartum</td>
<td>tie-to-payment</td>
<td></td>
</tr>
<tr>
<td>Severe Maternal Morbidity</td>
<td>tie-to-payment</td>
<td></td>
</tr>
<tr>
<td>Unexpected Complications in Term Newborns</td>
<td>tie-to-payment</td>
<td></td>
</tr>
<tr>
<td>Percentage of Low Birthweight Births</td>
<td>tracking</td>
<td></td>
</tr>
</tbody>
</table>
Questions 25-28
Reproductive Health Care Program
SB 21-009

Tracy Johnson, PhD, Medicaid Director
Provider Rates (R-10) Questions 29-32

Kim Bimestefer, Executive Director
Bettina Schneider, Chief Financial Officer
Medicaid Provider Rate Review Advisory Committee (MPRRAC) (R-10) Questions 33-36

Bettina Schneider, Chief Financial Officer
Evaluation includes a multitude of factors, including (but not limited to):
- regulatory compliance
- clinical standards and best practices
- access to care
- federal and state authority
- budgetary authority

Recommendations must be approved by Department, OSPB, JBC, and frequently CMS
Behavioral Health Questions 37-40

Kim Bimestefer, Executive Director
Tracy Johnson, PhD, Medicaid Director
Improving behavioral health benefits, access & services for members

- Investments last several years in partnerships, providers & programs to improve Medicaid behavioral health system & expand access & reimbursements to meet rising demand
- Grown network of behavioral health providers by 20%, >1,716 providers over last 2 years
- Added Inpatient and Residential Substance Use Disorder Treatment benefit eff. 1/1/21, served ~5,000 Medicaid members in first six months
- Expanded behavioral health access through telemedicine so members could access care safely & through the privacy of their own home

Transformation for betterment of Coloradans

- Supporting Behavioral Health Administration (BHA) path toward a more coordinated, patient-centered and effective infrastructure, which will help address many of our system’s current challenges
- Participating on the Behavioral Health Transformational Task Force to leverage one-time funding for long-term improvements
- Building safety net system capacity to increase access to comprehensive safety net behavioral health system
Regional Accountable Entity

RAE Payment Model

<table>
<thead>
<tr>
<th>Physical Health Care</th>
<th>Behavioral Health Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee For Service* except PRIME, DHMP</td>
<td>Behavioral Health Capitation New SUD services</td>
</tr>
</tbody>
</table>
Evolution of Medicaid Behavioral Health 1963-2024

1963 Community Mental Health Act

1995 Colorado Medicaid Mental Health Capitation Program

2013 Outpatient SUD Benefits

2014 Affordable Care Act Expansion

2021 Inpatient & Residential SUD Benefits

2018 ACC Phase II

2024 Expand and Strengthen the BH Safety Net (SB 19-222)
Behavioral Health Expenditure: Total and PMPM

- **Total Behavioral Health Expend**:
  - FY 2018-19: $600,000,000
  - FY 2019-20: $800,000,000
  - FY 2020-21: $800,000,000
  - FY 2021-22: $900,000,000
  - FY 2022-23: $900,000,000

- **PMPM Behavioral Health Expend**:
  - FY 2018-19: $60.00
  - FY 2019-20: $60.00
  - FY 2020-21: $60.00
  - FY 2021-22: $60.00
  - FY 2022-23: $70.00
ARPA HCBS Funding: Targeted Investments to Accelerate BH Transformation

- Supportive housing pilot; improving wraparound supports
- Implement plan to enhance and strengthen the Safety Net (SB 19-222)
  - RAE incentives for high-intensity outpatient and culturally competent care
  - Stakeholder planning with BHA, provider training, helping providers join/bill Medicaid
- Local grants for innovations in transitions of care for youth and adults
- Mobile crisis planning, new benefit, connection to secure transportation
- Flexible funds for workforce development, program expansion, construction, planning for child and youth step-down alternatives
- Care coordination platform to include social determinants of health data to drive whole person care
Question 37
Substance Use Disorder Capacity

Tracy Johnson, PhD, Medicaid Director
Substance Use Disorder

Member Utilization: 1/1 - 10/31/21

- 12,162: Withdrawal Management
- 2,363: Residential Treatment
Question 38
Telemedicine Utilization

Tracy Johnson, PhD, Medicaid Director
Average of Capitated Behavioral Health Telemedicine Visits by Members Located in Urban, Rural, and Frontier Counties

March 2020 to Late March 2021
Question 40

Behavioral Health Provider Reimbursement

Tracy Johnson, PhD, Medicaid Director
Community Mental Health Center Cost-Based Reimbursement
Questions 41-51
Other Discussion Questions: Adult Dental, Other Benefits, Home Health Prior Authorization, Utilization Management, Drug Importation, All Payer Claims Database (APCD), MMIS, Compliance FTE, Contractor FTE

Kim Bimestefer, Executive Director
Tracy Johnson, PhD, Medicaid Director
Pete Walsh, MD, Chief Medical Officer
Drug Importation Program

- **Mar. 2020** - Submitted draft Sec. 804 Importation Plan (SIP)
- **Nov. 2020** - FDA released Final Rule with regulatory framework for state-led programs
- **Early 2021** - HCPF released competitive solicitation; negotiating contracts with supply chain partners since
- **Early 2022** - Once contracts finalized, final development & formal SIP application to the FDA to operate the program
- **2023** estimated for operational program, pending federal timelines for review and approval
Common Questions for Discussion 1-2

Kim Bimestefer, Executive Director
THANK YOU