



COLORADO
Department of Health Care
Policy & Financing



University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

October 1, 2018

The Honorable Millie Hamner, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Hamner:

Enclosed please find the response to the Joint Budget Committee's Request for Information for Multiple Departments #5 regarding the Department of Health Care Policy and Financing (the Department) and the University of Colorado.

Request for information #5 states:

Department of Health Care Policy and Financing, Executive Director's Office and Department of Higher Education, Governing Boards, Regents of the University of Colorado -- Based on agreements between the University of Colorado and the Department of Health Care Policy and Financing regarding the use of Anschutz Medical Campus Funds as the State contribution to the Upper Payment Limit, the General Assembly anticipates various public benefits. The General Assembly further anticipates that any increases to funding available for this program will lead to commensurate increases in public benefits. The University of Colorado and the Department of Health Care Policy and Financing are requested to submit a report to the Joint Budget Committee about the program and these benefits by October 1, 2018.

The report includes information on the supplemental payment methodology/structure, the amount of funds disbursed during State Fiscal Year (SFY) 2017-18, an overview of the work completed during the first year of the program, and inherent benefits supporting continuation of the program.

This report pertains specifically to the Supplemental Payment to the University of Colorado School of Medicine for Physician and Professional Services.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, David DeNovellis, at David.DeNovellis@state.co.us or 303-866-6912.

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Sincerely,



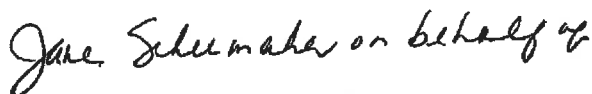
Kim Bimestefer
Executive Director
Department of Health Care Policy and Financing

Sincerely,



Todd Saliman
Vice President of Budget and Finance and CFO
University of Colorado System

Sincerely,



Dr. John J. Reilly, JR.
Vice Chancellor for Health Affairs
University of Colorado Anschutz Medical Campus

KB/jme

Enclosure(s): Response to the Joint Budget Committee's FY 2018-19 Request for Information for Multiple Departments #5

Cc: Senator Kent Lambert, Vice-chair, Joint Budget Committee
Senator Kent Lambert, Vice-Chair, Joint Budget Committee
Senator Kevin Lundberg, Joint Budget Committee
Senator Dominick Moreno, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
John Ziegler, Staff Director, JBC
Eric Kurtz, JBC Analyst
Lauren Larson, Director, Office of State Planning and Budgeting
Katie Quinn, Budget Analyst, Office of State Planning and Budgeting
Legislative Council Library
State Library
John Bartholomew, Finance Office Director, HCPF
Gretchen Hammer, Health Programs & Community Living Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Chris Underwood, Health Information Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
David DeNovellis, Legislative Liaison, HCPF
Dr. John J. Reilly Jr., Vice Chancellor of Health Affairs, CU
Todd Saliman, Vice President of Budget and Finance and CFO, CU

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Legislative Request for Information 5 States:

Department of Health Care Policy and Financing, Executive Director's Office and Department of Higher Education, Governing Boards, Regents of the University of Colorado -- Based on agreements between the University of Colorado and the Department of Health Care Policy and Financing regarding the use of Anschutz Medical Campus Funds as the State contribution to the Upper Payment Limit, the General Assembly anticipates various public benefits. The General Assembly further anticipates that any increases to funding available for this program will lead to commensurate increases in public benefits. The University of Colorado and the Department of Health Care Policy and Financing are requested to submit a report to the Joint Budget Committee about the program and these benefits by October 1, 2018.

Executive Summary

This report is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to Legislative Request for Information 5. Legislative Request for Information 5 requests the following:

- Information About This Programs Various Public Benefits

Within the capacity of the supplemental payment program to the University of Colorado School of Medicine, CUSOM will maintain and increase access to specialty care for Health First Colorado members around the state, as well as deliver comprehensive primary care in the Denver metropolitan area. Supplemental payments to providers for direct clinical care, Sickle Cell Center support, scholarships to Rural Track & Diversity students and creating additional Family Medicine Resident positions are the initial public benefits in State Fiscal Year (SFY) 2017-18 as the program framework continues to be built in SFY 2018-19.

Background Information

The Colorado Department of Health Care Policy and Financing (the Department) submitted State Plan Amendment (SPA) 16-0006 on August 10, 2017, to the Centers for Medicare & Medicaid Services (CMS) for a supplemental payment for physician and professional services delivered by providers employed by a public medical school. CMS approved the SPA on July 13, 2017, allowing the University of Colorado School of Medicine (CUSOM) and the Department to enter into a partnership to improve access to primary and specialty care for Health First Colorado members. To memorialize the partnership and to establish expectations, the Department and CUSOM jointly developed an Interagency Agreement (IA) with performance targets and identified

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areas of focus designed to achieve the intended improvements in access, as well as to improve quality and outcomes for Health First Colorado members.

Payment Methodology/Structure

Per federal regulations, aggregate Medicaid payments to a group of facilities are allowed up to the amount of an Upper Payment Limit (UPL). The UPL is a reasonable estimate of the amount that would be paid for the services delivered by that group of facilities under Medicare payment principles. As such, supplemental payments to CUSOM for Physician and Professional Services to Health First Colorado members are made quarterly based on periods of service from a year prior. For example, a supplemental payment made by the end of the State Fiscal Year (SFY) 2017-18 first quarter (July 01, 2017 - September 30, 2017) is based on services provided to Health First Colorado members during the SFY 2016-17 first quarter (July 01, 2016 - September 30, 2016).

Since the Department is the only authorized agency to draw down federal Medicaid funds, the General Fund originally designated to CU Anschutz is transferred to the Department on a quarterly basis. Once federal funds are drawn then payments are made directly to CUSOM (via CU Medicine, previously known as University Physicians Inc.) which includes the matching federal Medicaid funds. Table 1 below shows the General Fund originally designated to CU Anschutz, along with the drawn federal funds for each supplemental payment paid to CUSOM during SFY 2017-18.

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**Table 1 - Schedule of Supplemental Payments to
University of Colorado School of Medicine (CUSOM)
FY 2017-18**

Period of Payment	Total Funds	Reappropriated Funds	Federal Funds	Date of Service FMAP	Applicable⁽¹⁾ FMAP
07/01/2017 - 09/30/2017	\$31,210,142	\$15,380,358	\$15,829,784	07/01/2016 - 09/30/2016	50.72%
10/01/2017 - 12/31/2017	\$30,773,025	\$15,380,358	\$15,392,667	10/01/2016 - 12/31/2016	50.02%
01/01/2018 - 03/31/2018	\$30,773,025	\$15,380,358	\$15,392,667	01/01/2017 - 03/31/2017	50.02%
04/01/2018 - 06/30/2018	\$30,773,025	\$15,380,358	\$15,392,667	04/01/2017 - 06/30/2017	50.02%
Total	\$123,529,218	\$61,521,432⁽²⁾	\$62,007,786		

⁽¹⁾ FMAP at date of service for the claims for which payment is calculated; exactly one year prior to payment period.

⁽²⁾ Total Reappropriated Funds does not account for funds used for administrative costs.

Interagency Agreement

As mentioned, the Department and CUSOM mutually agreed upon an Interagency Agreement (IA), which was signed November 20, 2017, for a one-year term expiring on June 30, 2018. The IA outlines categories and amounts for funding which align with the priorities and deliverables of the agreement. Table 2 below shows the allocation of funds as stipulated in the IA.

The first year of the IA was dedicated to building infrastructure, increase staffing to meet the IA requirements, and completing initial assessments and planning activities. Refer to the next section of this document for a summary of building year activities.

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Table 2 - Allocation of Program Funds to Expand Specialty Access
and Quality of Care for Health First Colorado Members
SFY 2017-18

New Initiatives and Expansion of Programs	Allocation of Funds
Maintain & Expand Volume	54.06%
Expand Access & Enhance Care Using Medical Home Model	29.06%
Expand Targeted Rural Patient Access	8.60%
Expand Telemedicine	3.41%
Invest to Achieve Cost Reductions & Expand Transitions of Care	2.11%
Investment in Evidence Based Interventions Coordinating Physical & Behavioral Health	2.11%
Health Data Compass	0.32%
Targeted Scholarships	0.32%
Total	100.00%

For subsequent performance years, the Department and CUSOM have agreed to tie 10% of federally matched funding to jointly agreed upon performance measures. Additional information will be available in the Annual Report provided October 31, 2018 by CUSOM.

Building Year: July 1, 2017 – June 30, 2018

The first year of the IA was designated as a building year. During this time, CUSOM and the Department each hired a Program Manager and identified other key staff to support implementation of the IA. Data infrastructure needs for program reporting and management were evaluated and validated to ensure that the needed elements for identifying Medicaid patients and services were in place. A CUSOM steering committee comprised of key leadership from both adult and child health programs were recruited to meet monthly to discuss strategies for achieving the goals of the IA. In early 2018, as required by the IA, CUSOM completed and the Department accepted a Community Needs Assessment which informed the development of project plans. The project plan for SFY 2018-19 aligns with identified priorities identified by the Community Needs Assessment and agreed upon by CUSOM and the Department. The Department reviews and approves CUSOM's project plans on an annual basis at a minimum. For more information on the Community Needs Assessment, including the priority areas agreed upon by the Department and CUSOM, refer to the next section.

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During the building year (SFY 2017-18), many projects and initiatives captured in the IA were accomplished using the supplemental funding. Specifically, the supplemental funding was allocated toward a Family Medicine Resident position, six (6) Department personnel, Extension for Community Health Outcomes (ECHO) Colorado, Rural Track Program support, Rural Track & Diversity scholarships, Sickle Cell Center support, supplemental payments to providers for direct clinical care, and collaborative analytic projects with CUSOM's Health Data Compass program. CUSOM also filled positions required for the successful performance of the programmatic deliverables, including a Clinical Outreach Coordinator and an Adult Health Director of Care Management.

Community Needs Assessment Overview

A Community Needs Assessment was completed May 31, 2018, and was used to inform the initial Project Plan. It identified areas of high priority that focused on health care improvement and access to care. The Community Needs Assessment also provided an analysis of Health First Colorado members' health care needs, determining strategies to address such needs in an effective and feasible manner. Included in the Community Needs Assessment is a comprehensive analysis of CUSOM data, a compilation of existing community needs assessments, and input from key community stakeholders. Based on the findings of the Community Needs Assessment, the following priorities were identified as areas of focus for CUSOM and the Departments collaborative work.

Statewide:

- Mental & Behavioral Health Access for adults and children, including Substance Use Disorder (SUD) treatment
- Adult Specialty Access
- Pediatric Specialty Access, with an emphasis on Developmental Pediatrics and services for Children and Youth with Special Health Care Needs (CYSHCN)

Specific to the Aurora/Denver Metro Service Area:

- Comprehensive integrated Primary Care Teams for adults and children
- Transitions of Care programs for high risk and/or high utilizing Medicaid patients

In order to effectively address these priority areas, three (3) connected strategies were proposed:

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1. Utilize a multi-pronged approach to increase patient access which tactically deploys a range of in-person and technology-based strategies including provider training and ECHO, telehealth, in-person outreach clinics, e-consults, enhanced referrals, and other innovative delivery models.
2. Develop and implement targeted plans to build the capacity of community providers to care for patients in their home communities, where appropriate and possible.
3. Maintain and expand relationships with community-based providers and Regional Accountable Entities (RAE) serving Coloradans with Medicaid.

Health Data Compass Collaborative Analytics Projects

The initial two phase analytic project in the Departments collaboration with the Health Data Compass program at CUSOM is focused on foster care children and youth with Health First Colorado coverage. The first phase (Phase I) will utilize administrative claims data provided by the Department, while the second phase (Phase II) will utilize a linked database of the administrative and claims data provided by the Department with the information from the electronic medical records from the University of Colorado Health system, CU Medicine, and Children's Hospital Colorado.

The initial research suggests that foster care clients use emergency department services at much higher rates than other children and youth suggesting that some of this use addresses non-emergent conditions, which increases cost. Phase I is going to answer the question, do foster care clients use primary and emergency department services differently, which increases cost. Phase I will also answer questions about access and utilization of primary care services and cost of foster care with a comparable group of non-foster care clients. Phase II will focus on the use of emergency department services for non-emergent conditions and examining the extent to which there are differences between foster care and comparable non-foster care clients.

Benefits of Program Continuation

The Department and CUSOM (CU Medicine) recommend this financing and the supplemental payment program continue in the future. This supplemental payment program supports various public benefits. Primarily, CUSOM maintains and increases access to specialty care for Health First Colorado members around the state, as well as delivers comprehensive primary care in the Denver metro area.

Under the current IA, CUSOM aims to care for 15,000 additional unique Health First Colorado members over the two-year period starting July 01, 2017 to June 30, 2019. Furthermore, the IA stipulates significant work in areas such as transition of care,

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behavioral health integration, and interdisciplinary medical home teams, which are known to improve the quality of care for new patients, as well as those with an existing relationship with CUSOM providers.

Not only that, provider recruitment and retention are critical to maintaining and expanding access to care and are positively supported by the supplemental payments and the work of the IA.

As programs become fully operational over the coming fiscal year and as additional investments are made along with implementation of the strategies from the community needs assessment, the targets and goals in the IA will be achieved.

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