2012 Annual Report

a year of transformation

creating a culture of coverage

COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

In 2012, the Department of Health Care Policy and Financing focused on initiatives that achieve our goals of increasing access to care, improving health outcomes and containing health care costs. This report summarizes Department accomplishments and highlights the progress made on transforming health care from January through December 2012. The data included in this report are from fiscal year 2011-12 (July 1, 2011 through June 30, 2012).

This report is organized based on the Department model of care and client experience; beginning with eligibility and enrollment, moving to the delivery system, and finishing with payment reform and cost savings initiatives.









A year in review

The year 2012 was a year of transformation for the Department of Health Care Policy and Financing, defined by the significant advancements we made toward increasing access to health care, improving health outcomes and containing health care costs across the entire continuum of care. With a focus on health outcomes, we worked diligently to build infrastructure and prepare for the rapid growth that will come as we expand our programs and services to increase access to health care coverage for Coloradans.

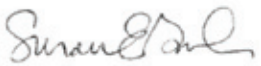
As a Department, our team worked hand-in-hand with county and community partners as well as executive leadership from the departments of Human Services, Public Health and Environment and the Governor's Office of Information Technology to improve the services we provide to Coloradans. As individuals, organizations, governmental departments and advocates – we are all stakeholders for whom access to health care is the foundation on which we can build a better, more educated and healthier state.

I am proud to report that Colorado continues to lead the nation in the development and support of a culture of coverage where all Coloradans have access to health insurance. The Department's Accountable Care Collaborative has become a nationally recognized model of delivery system reform and cost containment. Additionally, the Centers for Medicare & Medicaid Services Innovation Center selected the Department to participate in two new innovative initiatives – one to develop benefits for Medicare-Medicaid Enrollees and one to strengthen primary care and foster collaboration between health care systems.

Beginning this year, the Department expanded Medicaid coverage to include adults without dependent children and implemented Medicaid Buy-In Programs that provide coverage to working individuals with disabilities and children with disabilities. Additional expansions that will result in greater access to health insurance coverage for all Coloradans will continue over the next few years as a result of federal health care reform.

I can say with certainty, that this is NOT the Medicaid program of yesteryear. Colorado is transforming Medicaid and the programs and services we provide into an innovative, effective and efficient nationally-recognized model of care.

Sincerely,



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

Susan E. Birch, Executive Director

our core foundation

The vision of the Department of Health Care Policy and Financing is that the Coloradans we serve have integrated health care and enjoy physical, mental and social well-being. Our mission is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.

What We Do

The Department is committed to improving access to cost-effective, quality health care services for Coloradans. We are accountable for the administration of Medicaid, Child Health Plan *Plus* (CHP+), the Colorado Indigent Care Program (CICP) as well as a variety of other programs for Colorado low-income families, the elderly and persons with disabilities.

Who We Serve

As of February 2013, the Department pays for health care services for nearly one million Colorado residents. This number has grown with the economic downturn and it will continue to grow as we begin expansions designed to increase access to health care services to more children and families throughout the state. Families on Medicaid come from a variety of backgrounds and face unique

challenges. Most Medicaid clients do not stay on the program for long periods of time. For example, children and families may cycle on and off the program.

Transformation of Medicaid

In 2011, the Department introduced the Accountable Care Collaborative (ACC) Program. Designed to serve as the platform the Department uses as a solution to improve care and reduce costs, the ACC is a long-term investment to better health outcomes and lower costs for the residents of Colorado. The program completed its first year of operations in June of 2012 showing positive results in enrollment, cost savings, quality of care, patient outcomes and utilization of services. The ACC has become the foundation on which the Department has transformed the Medicaid program into a better system of integrated care for clients resulting in lower costs to the State of Colorado.

The primary goals of the ACC are to:

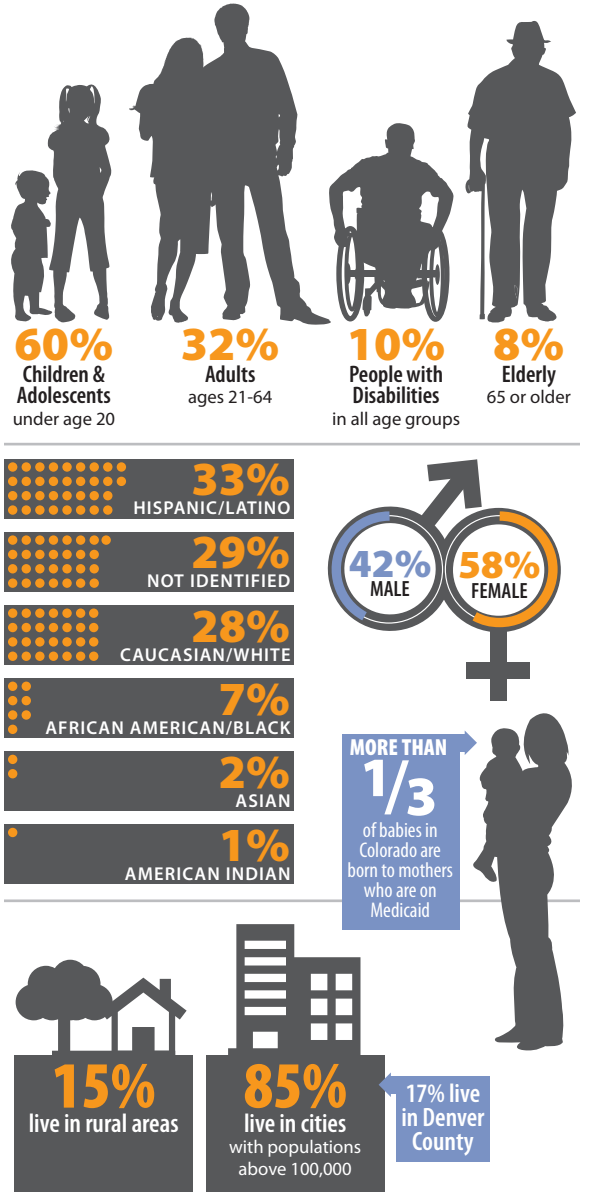
- improve client health;
- support providers in providing high quality efficient care; and
- contain costs.

The program is focused on clinically-effective and cost-effective utilization of services. One of the keys to achieving the program goals is to create integration and collaboration across the spectrum of health care. The ACC provides a care coordination framework that supports and engages providers. The three core components of the care coordination framework include Regional Care Collaborative Organizations (RCCOs), Primary Care Medical Providers (PCMPs) and a Statewide Data and Analytics Contractor (SDAC). The seven RCCOs throughout the state are responsible for network development, provider support, client medical management and care coordination as well as reporting. The PCMPs are the focal point of care, or medical home, for clients. The SDAC is responsible for providing the Department, RCCOs, and PCMPs with actionable data at both the population and client level. A more detailed overview of the model along with successes and results of the ACC Program are included in this report.

Collaboration

Stakeholder engagement at every level – including interagency collaboration and working closely with our county and community partners – is a way of doing business for the Department. Collaboration is a proven method that has helped us to successfully implement new programs like the ACC, continuously improve the effectiveness and efficiencies of all programs and prepare for the opportunities and challenges that lie ahead as Colorado continues to reform health care.

2011 Medicaid Program Demographics



Making a Difference

Roger Mondragon visited the emergency room 22 times in two years, but still felt lousy and neglected.

"It was the only place I knew to go," said Mondragon, 22. "When I'm in pain, I'm stressed. I'm frustrated and angry."

Developmentally delayed and suffering from several ailments including kidney disease, severe back pain, migraines and respiratory problems, Mondragon used to dial an ambulance whenever his anxiety or pain escalated. In a single month, he says he called an ambulance eight times. Born with a fractured disk and severe asthma, Mondragon spent the first few months of his life in the hospital, then experienced what he describes as a miserable childhood. At 17, he had back surgery that left him with rods in his back and excruciating pain. Mondragon currently works at a center for individuals with developmental disabilities. An assessment at the center where he works also found he's on the autism spectrum.

Mondragon lives with an aunt. He has been on Medicaid for much of his life. In recent years, Mondragon visited Poudre Valley Hospital so often that ER doctors "red-flagged" him. Mondragon dresses neatly in business attire, walks fast and looks relatively healthy. At first glance, he could be mistaken for a young medical student. He says nurses and doctors at the hospital ER didn't believe he was sick or in pain; they suspected he was just shopping for attention or pain pills.

"I felt like my rights were being violated. They weren't doing their jobs as doctors because they weren't treating me. I yelled at them. I didn't think I was getting treated right. They would get quiet and walk away from me and told me not to come back," Mondragon said.

Then everything changed almost overnight when Mondragon became one of the first patients in the ACC Program. A care coordinator named Sarah Bryson reached out to Mondragon and asked if he wanted to participate in the Fort Collins Medicaid Accountable Care Collaborative. Bryson had found Mondragon through her group's own data review after a Poudre Valley hospital team flagged his frequent visits.

Mondragon agreed to participate and now Bryson meets him for monthly visits with a primary care doctor, coordinates his visits to specialists and serves as his advocate and sounding board. When he's feeling sick or anxious, he can call Bryson's mobile number instead of an ambulance or ER nurse. Then Bryson or a colleague who is well acquainted with Mondragon's medical history can figure out what kind of help he needs. As a result, Mondragon has only visited the ER twice in 10 months.

Bryson said that some people who have been raised in poverty don't know anywhere else to turn for health care aside from hospital emergency departments. Dialing an ambulance or going straight to the hospital can be a cultural reflex.

For Mondragon, memory problems

Photos courtesy of Katie McCrimmon with Health Policy Solutions.

mean he sometimes can't recall all his medications. Before he had Bryson's help, he said he also used to miss a lot of appointments because he simply didn't remember them. Often his medical records fail to follow him from specialists to his primary care doctors. Even when Bryson takes time to fax paperwork from place to place, records sometimes seem to vaporize. By attending appointments with Mondragon, she can fill in holes. She tries to simplify systems that are inherently complex.

Despite some challenges, Mondragon has made dramatic progress. He now has a girlfriend and is participating in some sports. He won a gold medal on a Special Olympics softball team and enjoys martial arts when his back is not bothering him. He loves tinkering with cell phones and his dream job would be to work for AT&T.

"It's nice to have someone who understands me," Mondragon said of Bryson and his primary care physician, Dr. Liz Banowetz, a resident in Poudre Valley's family medicine program who practices at the hospital's Family Medicine Center.

Banowetz appreciates Bryson's help keeping Mondragon well and on track. "He seems less anxious," said Banowetz. "Having Sarah makes a big difference. Roger has a lot of different medical problems that require different specialists. She helps make the appointments and follow up. It helps me because I can provide better care. She also helps reassure him. I think that's what he was using the ER for before. He was trying to get reassurance that what he was feeling was normal."

Banowetz believes the accountable care model is promising and that help from care coordinators is essential.

It's difficult to calculate exactly how much Bryson and the team has saved, but each of his previous ER visits cost at least $1,000 plus hundreds more for each ambulance ride.

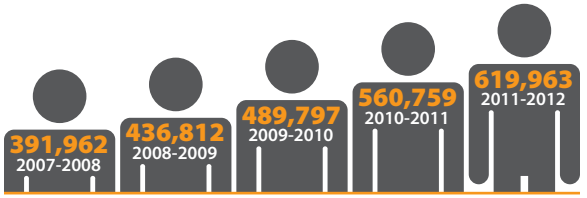
Through the ACC Program, providers get paid to keep patients healthier rather than for each appointment — the concept of putting value over volume. Doctors receive a per-member-per-month fee rather than a fee-for-service payment and can choose how best to care for patients.

This article originally appeared in Health Policy Solutions and illustrates the true value and success of the Accountable Care Collaborative (ACC) Program. It has been edited for space. Rocky Mountain Health Plans is a designated Regional Care Collaborative Organization and runs the innovative program in northern and western Colorado.

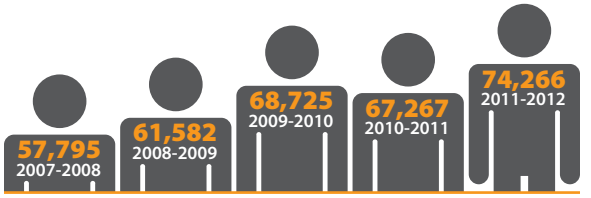
eligibility and enrollment

The first step in ensuring that Colorado residents have access to health insurance is to determine eligibility and enrollment. Program expansions and efficiencies this past year helped the Department provide coverage to a larger base of Coloradans.

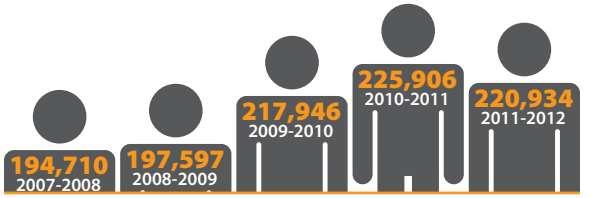
In 2012, the Department provided more than 3.6 billion dollars in Medicaid services to nearly 620,000 clients throughout Colorado. Medicaid enrollment hit a historic high of **671,879** in December 2012. Child Health Plan *Plus* (CHP+) enrollment, which includes both children and pregnant women, was at **87,167** in December 2012 and the Colorado Indigent Care Program (CICP) served **220,934** clients in FY 2011-12 (July 1, 2011 through June 30, 2012). Coverage is provided to persons through all stages of life—birth through the end of life.



Medicaid Clients
Fiscal Years 2008-2012



Child Health Plan *Plus* Clients
Fiscal Years 2008-2012



Colorado Indigent Care Program Clients
Fiscal Years 2008-2012

Federal Poverty Level Defined

The Federal Poverty Level (FPL) is used by the U.S. government to define who is poor. It is based on a family's annual cash income. The FPL is updated annually and is used by the Department as a guideline to help determine eligibility. It is one component of the complete application process.

2012 Federal Poverty Levels

To qualify for...	Your Annual Income cannot exceed...
Medicaid: Children & Pregnant Women	$29,726 for a family of 4
Medicaid: Parents	$22,350 for a family of 4
Medicaid: Elderly & Disabled	$8,088 for an individual
Medicaid: Long-Term Services & Supports	$24,264 for an individual
Medicaid: Adults without Dependent Children	$1,089 for an individual
Child Health Plan *Plus*	$58,884 for a family of 4

Improvements to the Colorado Benefits Management System

The Colorado Benefits Management System (CBMS) is the state's core eligibility system. Implemented in 2004, the system determines eligibility for medical programs such as Medicaid and financial programs such as food assistance. In its long history, CBMS has undergone numerous enhancements to make the eligibility and enrollment process easier for applicants and workers.

Individuals may apply at one of 64 county departments of social services and 471 sites that employ staff who are trained in the application process and can help applicants one-on-one and in a culturally competent manner.

The Mesa County team cites the following improvements to CBMS:

- the interface with the Department of Motor Vehicles makes verifying identity much easier and faster for workers and takes a lot of burden off the clients;
- the improved system saves workers valuable time and avoids multiple claims and recoveries;
- the screens are easier to read; and
- the system makes the process smoother.

Expansions

The Colorado Health Care Affordability Act, HB 09-1293, authorized the Department to collect a fee from hospital providers to increase CICP and Medicaid payments to hospitals and expand coverage under public health insurance programs. The funding includes additional federal matching funds to the state without additional General Fund expenditures.

The Act allowed the Department to:

- increase income guidelines for parents of children on Medicaid in May 2010;
- increase income guidelines for CHP+ kids and pregnant women in May 2010;
- implement a Medicaid Buy-In program for working individuals with disabilities in March 2012;
- implement the Adults without Dependent Children Medicaid program in April 2012; and
- implement a Medicaid buy-in program for children with disabilities in July 2012.

The implementation of a guaranteed 12 month eligibility span for children on Medicaid is slated for 2014.

Accountable Care Collaborative Enrollment Successes

Throughout 2012, the number of enrollees in the Accountable Care Collaborative (ACC) Program steadily increased each month. Currently more than 260,000 clients are enrolled in the ACC Program, which is approximately a third of the Department's total Medicaid caseload. Access to robust data analytics and client data became available in February 2012 and has been critical to the program's success. The Regional Care Collaborative Organizations (RCCOs) and primary care medical providers are using this information to identify clients in need of additional services and support.

Adults without Dependent Children

The Adults without Dependent Children (AwDC) program was launched in April of 2012 and provides standard medical health benefits to adults without dependent children. Enrollment in the program is limited to low-income adults, ages 19 to 64 years, without current Medicare or Medicaid coverage. Participants must not earn more than $90 per month ($125 for married couple). As of February 2013, 10,000 adults were enrolled in the AwDC program.

Medicaid Buy-In Programs

In March of 2012, the Department launched the Medicaid Buy-In Program for Working Adults with Disabilities (Adult Buy-In). The program provides adults with disabilities, who earn too much income or have too many resources to qualify for regular Medicaid, the opportunity to purchase Medicaid. Regular Medicaid benefits include, but are not limited to, office visits, hospitalizations, x-rays, home health services, durable medical equipment and prescription medications. Clients pay a monthly premium based on their income.

The Medicaid Buy-In Program for Children with Disabilities (Children's Buy-In) began in July 2012. It is a medical assistance program that provides Medicaid benefits for children who are under age 19, have a qualifying disability, and whose adjusted family income is at or below 300 percent of the FPL.

As of February 2013, 1,050 individuals were enrolled in Medicaid Buy-In Programs.

Child Health Plan *Plus*

Child Health Plan *Plus* (CHP+) is the Department's free and low-cost health and dental insurance program for uninsured Colorado children ages 18 and under whose families earn too much to qualify for Medicaid but cannot afford private health insurance. CHP+ also offers comprehensive health care benefits to pregnant women.

The Department was able to increase income guidelines for CHP+ children and pregnant women in May 2010 and therefore increase enrollment this year by nearly 7,000. As of February 2013, the CHP+ program covered more than 76,825 pregnant women and children.

Colorado Indigent Care Program

In 2012, the Colorado Indigent Care Program (CICP) served 220,934 individuals. The program gives funding to clinics and hospitals that provide discounted medical services to Coloradans who meet the eligibility requirements of the program. The CICP is not a health insurance program. It is a program by which services are restricted to participating hospitals and clinics throughout the state. Federal and state funds are distributed to partially compensate qualified health care providers who deliver discounted health care services to the uninsured and underinsured at or below 250 percent of the Federal Poverty Level.

An Example of Success

A Regional Care Collaborative Organization (RCCO) in northern Colorado helped get the health of a senior patient back on track.

Despite a complicated medical history that included heart failure, hepatitis and obesity, this patient hadn't seen his primary care physician in more than six months.

The RCCO helped coordinate his care, reconnecting him with his primary care physician and helping him access home-based services, such as a registered nurse to help him set up his medications weekly and an education program to help him track his various diagnoses and treatments. As a result, his mobility has improved, his medical needs have been addressed and he regularly gets primary care.

delivery system

The Department has made great progress in the development of delivery systems that allow Coloradans greater access to health care coverage. At the center of the Department's advancements in improving the delivery system model is the Accountable Care Collaborative (ACC) Program.

Additionally, in 2012 the Department began work to develop new ways to better coordinate care for full benefit Medicare-Medicaid Enrollees and continued to improve delivery systems for long-term care services and supports as well as other programs.

Accountable Care Collaborative Serves as National Model

Touted as a national model of successful delivery reform, the ACC Program puts the client at the center of the framework. The ultimate objective is to help each and every client become healthier and more productive.

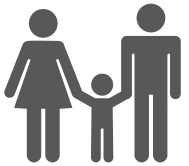
Here's how it works...

Based on data provided by the Statewide Data and Analytics Contractor (SDAC), seven Regional Care Collaborative Organizations (RCCOs) throughout the state work to identify and enroll eligible clients into the ACC Program. Once enrolled, the RCCO serves as an advocate for the client, helping them to navigate the system. The first step is to connect the client with a Primary Care Medical Provider (PCMP). From there, the medical team works together to determine the client's needs and establish a care plan. The RCCO helps to execute the client's care plan, working directly with the client, PCMP and other care providers.

Statewide Data and Analytics Contractor (SDAC)

Regional Care Collaborative Organizations (RCCOs)

Primary Care Medical Provider (PCMP) and other care providers



Happy Healthy Clients

In 2014, a Colorado family of four will qualify for Medicaid if they make less than $32,193 per year. Here is a breakdown of what a typical budget for a family of four earning $32,000 per year looks like:

Family of Four Annual Budget of $32,000

- Housing $9,000
- Child Care $7,000
- Groceries $6,000
- Transportation $3,000
- Debt $3,000
- Utilities $2,000
- Clothing $1,000
- MISC Other Expenses $1,000

What is missing in this budget? Health care! Unfortunately, health insurance, a necessity, would bust this family's already tight budget.

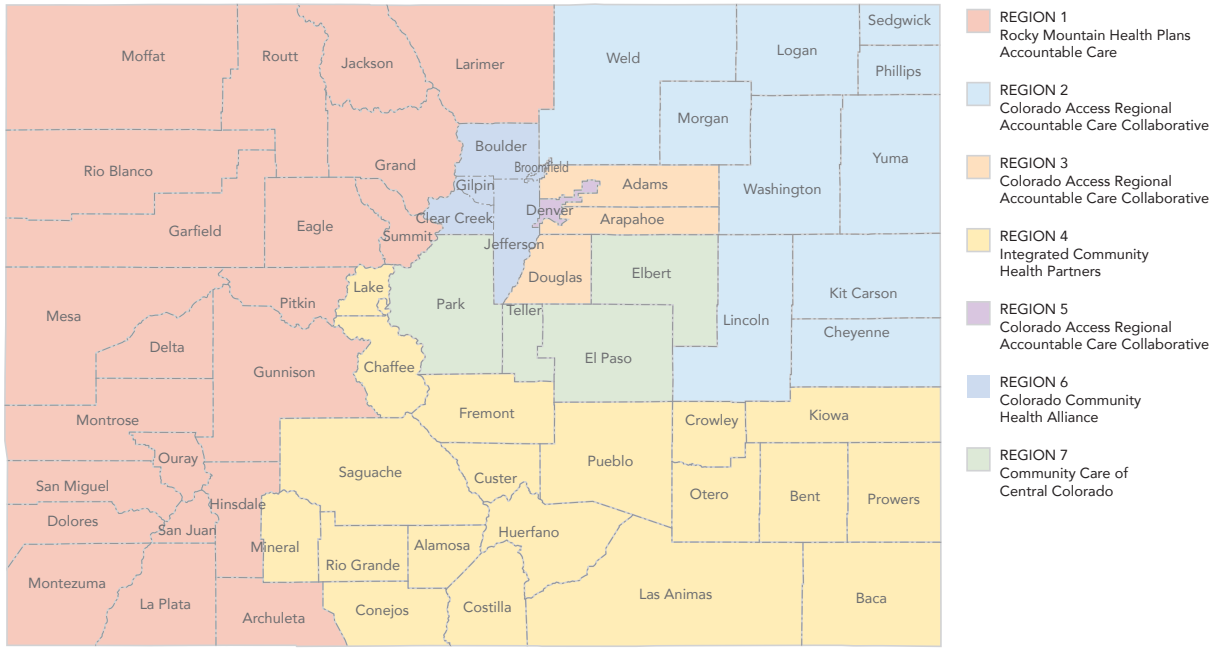
Information provided by *Insuring our Future* – a broad coalition of groups that believe in the importance of Medicaid to Colorado's healthcare landscape.

Regional Care Collaborative Organizations

The RCCOs are the glue that holds the providers and clients together within the ACC Program. Based on initial results, the seven RCCOs have demonstrated that coordination amongst providers and the receipt of data result in the improvement of our clients' health and the saving of taxpayer dollars.

Regional Care Collaborative Organizations work to provide the client with as much information as possible to make the right health care decisions. They also work directly with Medicaid providers to provide support. Keeping the lines of communication open with all the key providers and the client allows the RCCOs to ensure that the client stays on track and receives the most effective care.

For example, a client visits his or her PCMP after a recent visit to the emergency room. The data the RCCO receives from the SDAC about what care was received in the emergency room will assist the PCMP in planning the proper follow-up care. X-rays, lab work or medications will not be duplicated because of the data received from the SDAC based on claims. Clients and taxpayers benefit through the existence of the RCCOs.



Long-Term Services and Supports - A Community of Care

At their core, Long-Term Services and Supports (LTSS) are a means of providing medical and non-medical services to seniors and people with disabilities in need of sustained assistance. The Department continues to work to exceed the standard definition in increasing access to community-based supports for long-term care services, including prevention and intervention services and skilled nursing care. Ultimately, the goal is to provide resources that will enable people to live in the home of their choosing, with the supports they need, and to participate in communities that value their contributions.

The Department has devoted the past year to strengthening the fundamentals of LTSS program operations to establish a platform to contain costs moving forward. This includes all aspects of the current LTSS delivery system including payment structures, service models and data systems to create efficient and person-centered community-based care.

Colorado Choice Transitions – The Path to Independence

Since 2011, the Department has worked to change the focus of long-term services from institutional-based and provider-driven to person-centered, seamless, consumer-directed and community-based care. The result is Colorado Choice Transitions (CCT), a five-year grant program designed to provide long-term care residents with home- and community-based services and supports to transition to the community. Part of the federal Money Follows the Person Rebalancing Demonstration, the vision of CCT is to encourage and facilitate independence for clients by making the right resources readily available and cost-effective.

Each client enrolled in CCT uses $34,000 a year compared to the average annual cost of a nursing home stay of approximately $60,000.

Medicare-Medicaid Enrollees

This year, the Centers for Medicare & Medicaid Services (CMS) Innovation Center awarded the Department initial funding to develop a State Demonstration to Integrate Care for Full Benefit Medicare-Medicaid Enrollees. Medicaid and Medicare provide different yet interlocking benefits that must be coordinated for the best care.

Colorado was one of only 15 states to receive a planning contract. The ACC provides the foundation for the demonstration in Colorado. In addition to working with CMS, the Department sought diverse stakeholder input and formed an advisory subcommittee to provide input to be used in policy design.

"The RCCO arrangements created a very positive impetus for change. Local leaders are driving the process, which is imperative in creating a system that will produce better results. We are very pleased that the Department has afforded individual communities with the flexibility required to form new partnerships, share data effectively, and lay the groundwork for broader reforms that are necessary to make Medicaid sustainable."

– Patrick Gordon,
associate vice president with Rocky Mountain Health Plans
RCCO Region 1

payment *and savings*

Value strategies are core tenets of the Department's work. The strategies focus on benefit design, value-based services and utilization management. Transformation of the delivery systems as well as access to and utilization of data have enabled the Department to make continued progress.

Payment Reform – The Evolution of a United System

The Department recognizes payment reform as an integral tool for controlling costs, and continues to work toward effective initiatives that will directly impact expenditures and improve care. As a result of the Accountable Care Collaborative Payment Reform Initiative (HB12-1281), signed by Governor Hickenlooper on June 4, 2012, proposals for a variety of value-based payment approaches were accepted and considered. The Department plans to select a proposal by July 2013 and begin implementation.

It is the hope of the Department that this new value-based approach will allow payment reform to evolve as a result of collaboration between different parts of the health care community, with a renewed focus on outcomes, cost containment, client experience and quality.

Checks and Balances

The Department understands the enormous responsibility that comes with our role – serving Colorado residents with taxpayer dollars. In every aspect of our work, we are wholly accountable to each and every Colorado resident. Extensive measures are taken to ensure decisions are arrived at collaboratively and for the common goal of appropriately stewarding the state's fiscal resources. This is achieved through a variety of strategic measures, including the aggressive recovery of all moneys due to Medicaid from pharmacy drug rebates, trusts, private insurance and torts.

Fraud, Waste and Abuse

Coloradans demand that their tax dollars be spent wisely and be sheltered from waste. In FY 2011-12 the Department recovered $73 million due to overpayments, fraud, waste and abuse. The Department's Program Integrity section recently upgraded the Enterprise Surveillance Utilization Reporting System (ESURS), allowing staff to run regular reports used to identify statistically deviant behaviors in billing patterns.

Transition to the upgraded system marked a paradigm shift for the Department; with ESURS, the Department can now proactively identify potential fraud, errors and abuse rather than responding only to external fraud and abuse referrals.

Cost Containment within the Accountable Care Collaborative

The Accountable Care Collaborative (ACC) Program has demonstrated cost savings even in the early stages. In the Department's November 2012 Legislative Request for Information regarding the ACC Program, the Department estimated gross program **savings of approximately $20.6 million** for FY 2011-12.

The Department identified three key performance indicators to target initial improvement efforts and gauge the program's impact.

- Inpatient Hospital Readmissions.
- Emergency Room (ER) Visits.
- High-cost Imaging Services.

Results show the following:

- An 8.6 percent reduction in hospital readmissions.
- The Regional Care Collaborative Organization with the highest ER utilization prior to implementation of the ACC Program exhibited the greatest decrease in utilization at 14 percent.
- An overall decline in the utilization rates of high-cost imaging services, with the greatest regional decrease coming in at nearly 8 percent.
- Lower rates of exacerbated chronic health conditions such as asthma and diabetes.

"Metro Community Provider Network has a network of 20 health centers throughout the Denver metro area that provide medical, dental, mental health, substance abuse, pharmacy and community-based services to the underserved, uninsured and working families who cannot afford these services. We are encouraged by Colorado's forward movement on reaching the goals of cost containment, improvement of patient engagement and improvement of community health. All of this comes together under the Department's payment reform and the Accountable Care Collaborative. These efforts help us to continue to better serve those in need."

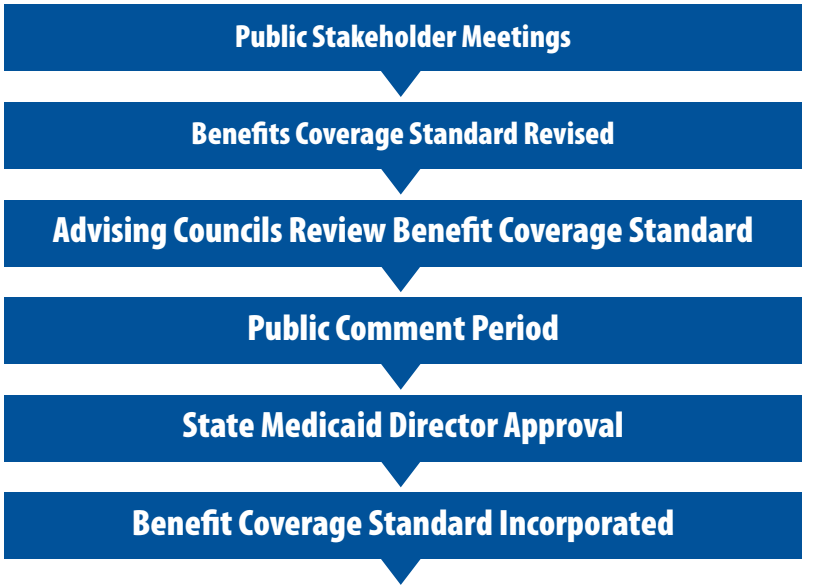
– Dave Myers, president and CEO of Metro Community Provider Network Primary Care Medical Provider

Benefits Collaborative – Improving Standards of Coverage

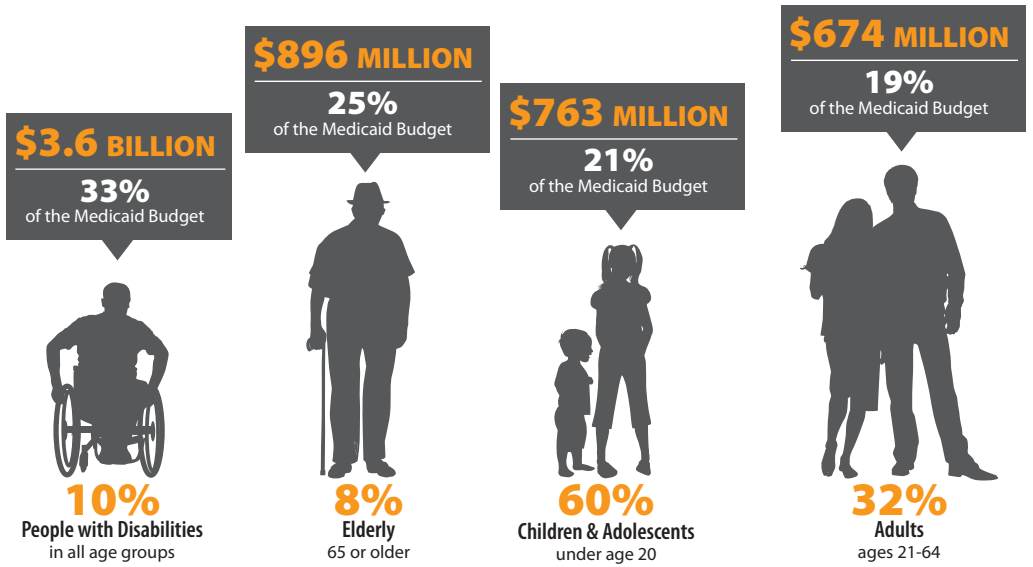
The Benefits Collaborative serves as the Department's formal coverage standard development process, and is driven by stakeholders to develop coverage policies for Medicaid services based on clinical evidence and cost-effectiveness. The result is a clearer understanding of coverage, better billing and reasonable limits on services to best serve and promote the health of clients enrolled in Medicaid.

To date, 48 benefit coverage standards have gone through the Benefits Collaborative process. Nineteen have been approved by the State Medicaid Director and are currently in effect. The Collaborative has been recognized locally for its outstanding efforts to remain as inclusive and transparent as possible through its stakeholder process.

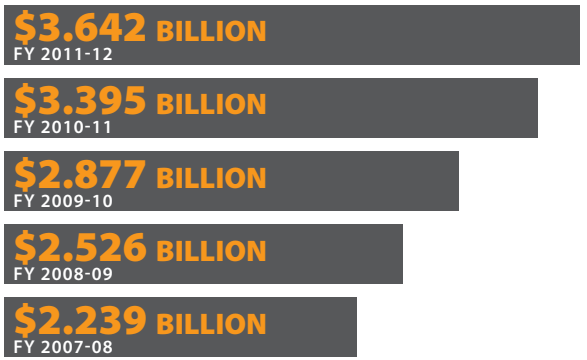
Benefits Collaborative Process



2012 Medicaid Expenditures by Demographic Group - Fiscal Year 2011–12



5 Year Medicaid Expenditures



5 Year CHP+ Expenditures

Importance of Evidence-Based Care

"The Benefits Collaborative is the Department's coverage standard development process. The collaborative is a multi-stakeholder driven process for ensuring that benefit coverage standards are based on the best available clinical evidence; outline the appropriate amount, duration and scope of Medicaid services; and promote the health of clients on Medicaid."

– Judy Zerzan, MD, MPH, chief medical officer with the Department of Health Care Policy and Financing

on the horizon

As a Department, we are proud of the transformation and advancements we have made this year toward increasing access to health care, improving health outcomes and containing health care costs across the entire continuum of care. As we look forward to 2013, there is much more to come as we continue to work with our partners to create a healthier Colorado.

Medicaid Expansion

In January 2013 Governor John Hickenlooper announced that Medicaid will be expanding to include individuals earning up to 133 percent of the FPL beginning on January 1, 2014. In FY 2012-13, this percentage of poverty represents $14,856 a year for an individual and $30,657 for a family of four. The new standards will enable the state to cover an additional 160,000 individuals over ten years.

The federal government will cover 100 percent of the costs for the newly-eligible Medicaid individuals through 2016. In 2017, the federal match rates begin to taper down until 2020 at which point Colorado will be responsible for 10 percent of the costs going forward.

Implementation Advanced Planning Document (IAPD)

The Department submitted an IAPD to the Centers for Medicare & Medicaid Services to request enhanced 90 percent federal financial participation to bring the Department into compliance with the Affordable Care Act by modernizing the Colorado Benefits Management System.

Eligibility modernization will streamline the application process by replacing paper documentation with electronic data where possible; developing web-based services for clients and creating interfaces to other state and federal systems to ease data exchange. This will make it easier for workers to process applications and clients to apply for public health insurance.

Connect for Health Colorado

In 2011 the Colorado General Assembly enacted the Colorado Health Benefit Exchange Act. The Act creates a Colorado Health Benefit Exchange that will increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.

The Board of Directors of the exchange includes representation from the Department, which has been collaborating with the exchange as it works toward implementation.

How You Can Get Involved

The Department strives to improve health care access and outcomes for all people while demonstrating sound stewardship of financial resources. In that vein, various Advisory Committees open to the public have been developed to address ideas and issues directly related to the state's different programs. This inclusive structure allows stakeholders an opportunity to work directly with Department staff.

Committee members are volunteers or appointed by the Governor. They represent diverse stakeholders, including behavioral and physical health providers, system navigators and care managers, clients and client advocacy organizations.

Meetings are held regularly and are open to the public. To learn more or to apply for a stakeholder group, visit www.Colorado.gov/hcpf.

Do You Know Someone Who Needs Health Insurance?

In today's economy, it's much more likely that we all know of individuals or families trying to make ends meet and who may be in need of health insurance coverage.

While each Department program has its own set of eligibility criteria, if you know someone who may benefit, please visit the Department website at www.Colorado.gov/hcpf and click the Eligibility button for more information, to review guidelines and submit an application at www.Colorado.gov/PEAK.

Oversight

At the federal level, the Department is regulated by the Centers for Medicare & Medicaid Services (CMS) and receives government funding as a federally designated Single State Agency. The Medicaid and CHP+ state plans are service agreements with CMS.

At the state level, the Department is overseen by the Medical Services Board (MSB), which has the authority to adopt rules that govern Colorado Medicaid programs ensuring compliance with state and federal regulations. The Board is made up of eleven Governor-appointed members from each congressional district with deep experience in public health insurance programs, health care delivery systems and caring for underserved populations.

The Medical Services Board

by Congressional District and County

Dr. Jeffrey J. Cain - *CD 1, Denver*

Brenda LaCombe - *CD 3, Pueblo*

Richard D. Markley - *CD 2, Jefferson*

Dr. Paul Melinkovich - *CD 2, Jefferson*

Wendell Phillips - *CD 5, El Paso*

Ginny Riley - *CD 2, Larimer*

Michael Stahl - *CD 3, Mesa*

Mary Trujillo-Young, Ph.D. - *CD 3, La Plata*

Linda Andre - *CD 7, Jefferson*