



**COLORADO**  
Department of Health Care  
Policy & Financing



# A PASSION for Serving Our Members

2018 - 2019 ANNUAL REPORT

# 25 years

On July 1, 1994, Colorado Medicaid separated from the Department of Human Services and became its own agency: the Colorado Department of Health Care Policy & Financing. Over the past 25 years, we have evolved from functioning primarily as a claims payer to covering more Coloradans than any health plan in the state and leading health care innovation in Colorado and the nation.

A lot has changed in 25 years, but our passion and commitment to our members has remained constant. When we were established, the state had 2 million fewer residents, and Child Health Plan *Plus* (CHP+) did not exist. We now serve approximately 1.3 million Coloradans through Health First Colorado (Colorado's Medicaid program), Child Health Plan *Plus*, the Colorado Indigent Care program, and other programs for Coloradans who qualify.

We look forward to forging a path to better health care, service and innovation for many years to come through the hard work and dedication of our staff, our many partners and our stakeholders.

## Table of Contents

4	<a href="#">What We Do</a>
5	<a href="#">Programs</a>
6	<a href="#">Who We Serve</a>
10	<a href="#">Delivery Systems</a>
18	<a href="#">Affordability</a>
28	<a href="#">Policy</a>
32	<a href="#">Where We're Going</a>

# A Message from the Executive Director

This past year has been a time of transformation and innovation in health care for the Department. Our state and our nation are focused on health care in unprecedented ways because, left unattended, rising cost trends are simply unsustainable. We provide health care coverage to more people than any insurance carrier in the state, covering almost one in four Coloradans with a budget of more than 25 percent of the state's General Funds; consequently, we are called upon to be a trusted advisor, resource, leader and innovator for responsible health care transformation to the betterment of our members and all Coloradans. At the same time, our leadership in transforming health care will better enable our Department and our passionate staff to provide access to the critical benefits, services and support programs that so many Coloradans rely on each day.

The Department is also partnering with the Colorado General Assembly to foster improvements in health care transparency and to identify cost drivers across the system that enable the framing of effective policy. As well, the Department has partnered with the Office of Saving People Money on Health Care to evolve the state's Affordability Roadmap, which is being customized by communities across the state to respond to their unique challenges, recognizing that all health care is local. As the Department helps communities and their employers better control health care costs, those communities are better

positioned to help the Department more effectively control its rising claim costs, as well.

Concurrent with our external health care focus, this past year we made significant system, operational, and structural changes within the Department to improve our ability to better serve our members, support them when they need it most, improve their health, and more effectively battle our rising health care trends.

These efforts have already produced real results, such as new value-based payment methodologies; lower opioid use; improved performance in serving our members and providers; achieving our shared goals; identifying and reaching members who need additional support; and evolving new programs to more effectively control areas of rising claim trend.

Twenty-five years ago, the Department began its journey as an independent agency. The passion, expertise and knowledge we have established through the years serve as a foundation for our health care leadership and innovation to the betterment of those who rely on us each day for the delivery of effective and supportive safety net programs. It is my honor to lead the Department and our staff of trusted experts in serving our members and in helping lead effective change for all Coloradans during this time of dynamic health care transformation.



A handwritten signature in black ink, appearing to read 'K. Bimestefer'. The signature is fluid and stylized, with a large, sweeping 'K' and a cursive 'B'.

Kim Bimestefer  
Executive Director

*Colorado Department  
of Health Care Policy  
& Financing*

# What We Do

In the 2018-19 fiscal year, Health First Colorado (Colorado's Medicaid program) provided coverage to approximately 1.26 million Coloradans. Child Health Plan *Plus* covered 81,000 children and pregnant women.



**COLORADO**

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Policy & Financing

This report summarizes Department accomplishments and activities for state fiscal year 2018-19, which spans July 1, 2018 through June 30, 2019, unless otherwise noted. Future reporting may vary as the Department continues to receive data.

At the federal level, the Department is regulated by the Centers for Medicare & Medicaid Services (CMS). At the state level, the Medical Services Board adopts rules to govern all Department programs, ensuring compliance with state and federal regulations. Learn more about the Medical Services Board at [colorado.gov/hcpf/medical-services-board](https://colorado.gov/hcpf/medical-services-board).

*Doug Miller, Rocky Ford Family Health Center  
facility owner, also provides direct patient care  
as a Family Nurse Practitioner.*



# Programs



## Health First Colorado

Health First Colorado (Colorado's Medicaid program) is a public health assistance program for Coloradans who qualify. The program provides access to primary care, behavioral health care, hospitalization, nursing facility care, prescription drugs, and other programs to get and keep members healthy.



## Buy-In Programs

The Buy-In Program for Working Adults with Disabilities and the Buy-In Program for Children with Disabilities allow individuals and families the opportunity to purchase Health First Colorado coverage. Members pay a monthly premium based on their income. In the 2018-19 fiscal year, 8,987 Coloradans participated in Buy-In Programs for People with Disabilities.

The Health Insurance Buy-In Program offers commercial health insurance premium assistance for Health First Colorado members who qualify. In the 2018-19 fiscal year, 787 Coloradans participated in the Health Insurance Buy-In Program.



## Child Health Plan *Plus*

Child Health Plan *Plus* (CHP+) offers comprehensive health care benefits to two populations: uninsured children ages 18 and younger, and pregnant women who do not qualify for Health First Colorado but cannot afford private health insurance. Child Health Plan *Plus* enrollment, which includes both children and pregnant women, was just over 81,000 in the 2018-19 fiscal year.

In February 2018, Congress renewed federal funding for the program. In the 2018-19 fiscal year, the CHP+ dental program served more than 52,000 children. State legislation in 2019 expanded dental services to CHP+ moms.



## Dental Program

Health First Colorado offers dental benefits to children and adults. During the 2018-19 fiscal year, 562,590 Health First Colorado members received at least one paid dental service. The adult dental program completed its fifth year of services on June 30, 2019.



## The Colorado Indigent Care Program

The Colorado Indigent Care Program (CICP) allows Coloradans with incomes up to 250 percent of the Federal Poverty Level (FPL) to receive discounted health care services at participating hospitals, community health centers, and clinics. CICP is not health insurance. In the 2018-19 fiscal year, CICP served approximately 50,000 Coloradans. CICP is an important safety net for Coloradans who do not qualify for Health First Colorado or Child Health Plan *Plus*.



## Long-Term Services and Supports

The Department offers Long-Term Services and Supports to qualifying Health First Colorado members. These services allow members with disabilities to live everyday lives, with family and friends, in the communities of their choosing. In the 2018-19 fiscal year, approximately 58,000 Coloradans received long-term services and supports each month.

# Who We Serve

Health First Colorado provides comprehensive health care and long-term services and supports benefits to members who meet income, citizenship and other requirements.

## Jasmine: Passionate About Giving Back



DENVER COUNTY

*Health First Colorado helps Jasmine and her daughters stay healthy together. See their story at [youtu.be/gYKeOtX92gM](https://youtu.be/gYKeOtX92gM)*

A student at Metro State University, Jasmine is working toward a bachelor's degree in social work after completing her associate degree at Community College of Denver in May 2019.

"I have a passion for community engagement, activism and organizing," she explains. That passion was borne out of her grassroots canvassing work and her own personal experiences, which led her to testify at the Colorado Capitol in support of emerging policy. Testifying at the Capitol ignited a flame and fire within her to use her voice to help others.

"When I had my two daughters, I didn't have maternity leave and experienced the ups and downs of trying to support my children," she says. "I want to use my voice to help people understand the struggles a lot of us have. We don't choose to be single parents. I'm tired of the stigma. Sometimes we need a little help."

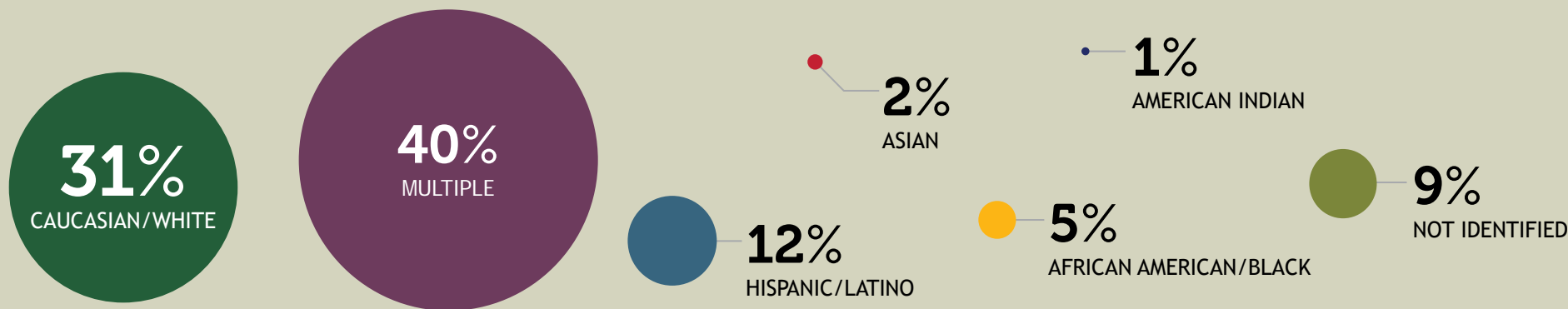
Jasmine found out about Health First Colorado, Colorado's Medicaid program, through her community activism. A colleague

gave Jasmine the information on Health First Colorado and recommended she apply.

"Health First Colorado has given me the assurance that we will be okay and that I don't have to feel alone in my situation," explains Jasmine. "It offers a wide range of options for our medical care and I don't have to worry that obtaining care for my daughters will harm us financially."

Health First Colorado helps pay for routine things like annual check-ups and vaccines for her daughters — ages 10 and 4. It also helps cover more specialized services for her daughters, such as speech and hearing therapists for her younger daughter and a dietician for her older daughter as she works toward healthy nutrition. Jasmine utilizes the program for mental health care, as well as dental care for the entire family.

Jasmine has found Health First Colorado approachable and easy to navigate. "I've never had an issue with Health First Colorado," she says. "The program helps guide you to the right provider so that we get the services we need when we need them."

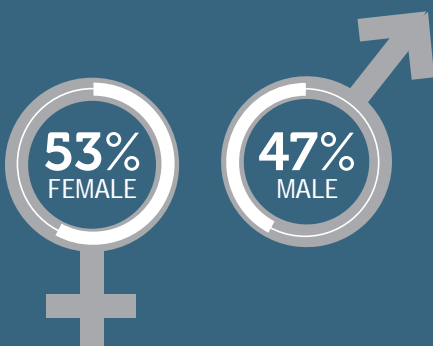


**1.26 Million**  
 Coloradans are Health First Colorado members.

## About Health First Colorado Members

Fiscal Year 2018-19 Demographics

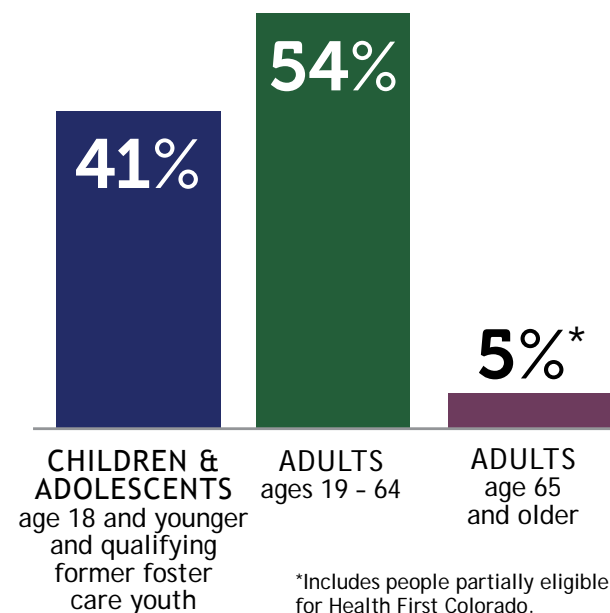
**4.6% OF MEMBERS**  
 use long-term services and supports programs



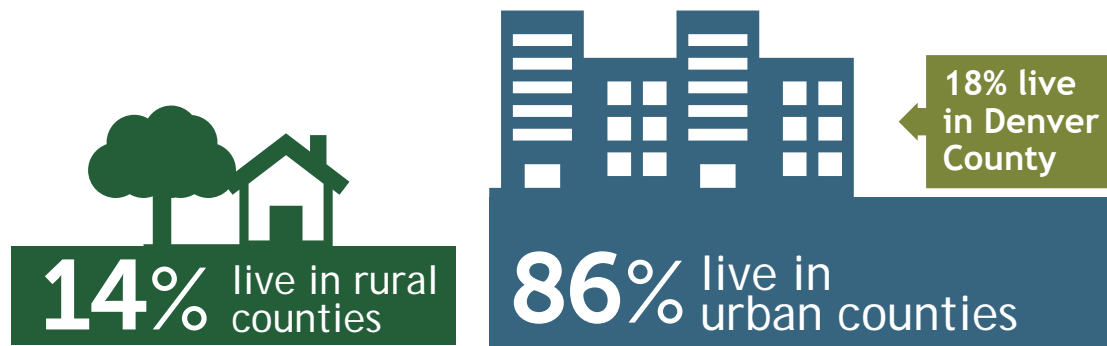
**45%**

of babies born in Colorado during calendar year 2018 were born to mothers enrolled in Health First Colorado or Child Health Plan *Plus*.

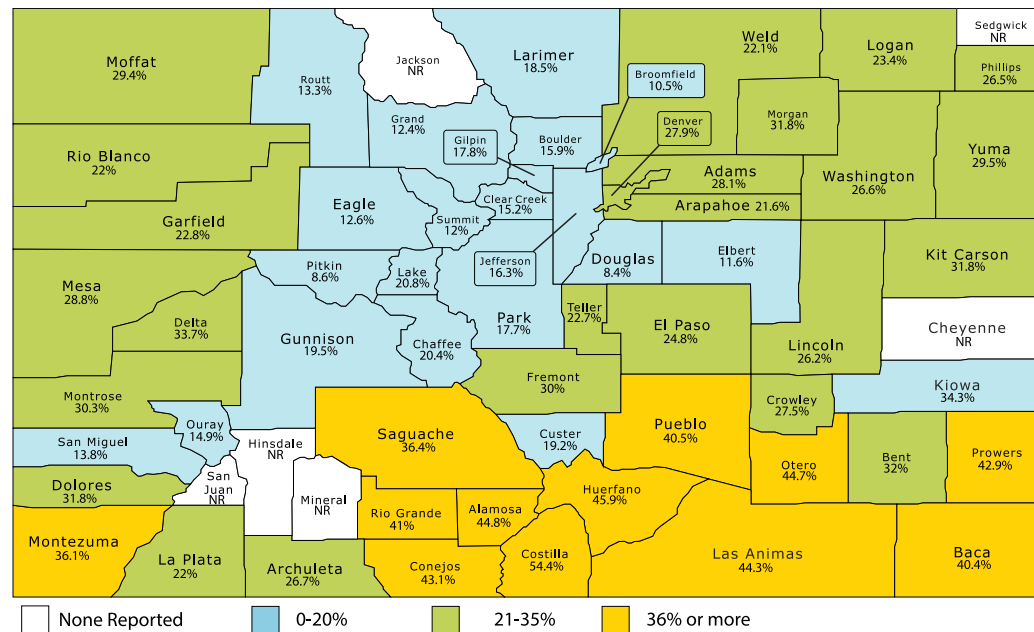
Source: Colorado Department of Public Health & Environment.



## Health First Colorado Members



## Health First Colorado and CHP+ Members by County Combined



Source of Enrollment data is Medicaid Management Information Systems (MMIS). 2019 population data as forecasted by the State Demographer at: [demography.dola.colorado.gov/population/data/profile-county/](https://demography.dola.colorado.gov/population/data/profile-county/)



## MEMBER EXPERIENCE ADVISORY COUNCIL

The Department has created two Member Experience Advisory Councils for Health First Colorado and Child Health Plan *Plus* members. The Councils and the Department collaborate to learn about our members' experiences while developing and maintaining a culture of person-centeredness. For more information, visit [colorado.gov/hcpf/meac](https://colorado.gov/hcpf/meac) and [youtube.com/watch?v=ovrJFADlZ60](https://youtube.com/watch?v=ovrJFADlZ60)

## 2019 FEDERAL POVERTY LEVELS by Family Size\*

FAMILY of 1	FAMILY of 4
<b>\$16,620</b>	<b>\$34,248</b>

\*Some earning more may still qualify

The Federal Poverty Level (FPL) is a measure of income issued every year by the U.S. Department of Health and Human Services. FPL is one factor used to help determine if individuals or families qualify for programs such as Health First Colorado and Child Health Plan *Plus*. Colorado median household income in 2018 was \$68,811.

# Community Comes First

## JEFFERSON COUNTY

Pediatric Nurse Practitioner Laurie Swanson has cared for children and their families at STRIDE Community Health Center's clinic inside Alameda International Jr./Sr. High School for more than 16 years. "It's been a privilege to work in one clinic for so long," Swanson explains as she recounts seeing newborns become teenagers and teens grow up and return with children of their own.

STRIDE partners with the community to provide culturally-sensitive health services to meet the needs of all individuals. STRIDE serves more than 50,000 children and adults in 18 locations throughout the metro area. Sixty-two percent of those children are Health First Colorado and Child Health Plan *Plus* members. STRIDE's Alameda Kids & Teens Health Center

helps families access health care for their children in a convenient and integrated way. Many of the patients have health, developmental and behavioral concerns. At the school-based health center, families have access not only to medical, dental and behavioral health providers but also to health educators who work with students on nutrition, safety and sexual health. STRIDE provides patient navigators who help families navigate complex health care needs like connecting with specialists, transportation services and legal resources.

Recently, the team at the Alameda clinic helped a child who had come to the clinic failing school and with severe behavioral problems. The clinic helped get those issues

*Laurie Swanson, pediatric nurse practitioner, cares for a young Health First Colorado member.*

under control and also helped the child's extended family secure the needed legal support to obtain full custody of the child. "It's so rewarding," says Swanson. "The child and the family just effused happiness because of the services they received and where they are as a family. Without Health First Colorado, it would've been impossible for them to receive these services and the child would be lost."

Swanson also tells the story of another student who came to the Alameda clinic with special health care needs. She and her mother were homeless and struggling to navigate the appointments and logistics needed to manage her health care. While Swanson and the team cared for the student's physical and psychosocial needs, the patient navigator was able to link the student's mom to transportation services — provided through Health First Colorado — to access her specialist appointments without mom needing to miss work.

By addressing prevention of illness and early intervention, Health First Colorado and community health providers are able to improve health outcomes and, in the long run, save health care costs.

"Having a mission that is greater than just providing health care is important to me. I feel a part of something bigger," says Swanson. "Providing health care to Health First Colorado members is so gratifying."

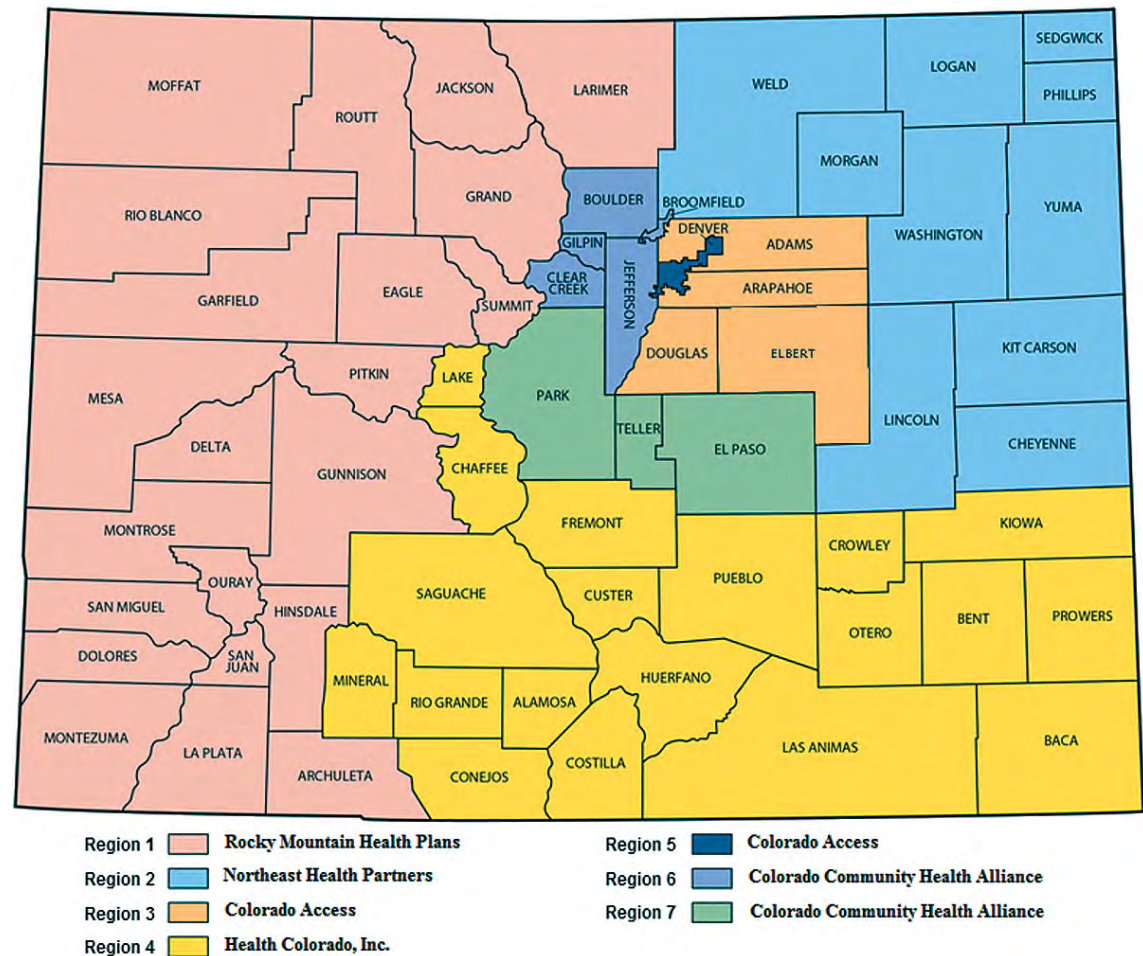
# Accountable Care Collaborative

## Coordinating Care Appropriately

Launched in 2011, the Accountable Care Collaborative program is the primary vehicle for delivering health care to Health First Colorado members. The fundamental premise of this innovative program is that regional communities are in the best position to make the changes that will cost-effectively optimize the health and quality of care for all members. The Accountable Care Collaborative provides a flexible delivery system so the Department can innovate and expand efforts to improve health care affordability.

Fiscal year 2018-19 began the second phase of the Accountable Care Collaborative. For Phase II, one entity, the Regional Accountable Entity (RAE), is responsible for promoting physical and behavioral health in each of seven regions. The Department has taken a significant step to improve health outcomes, improve member access and services, and bend the cost curve by joining the administration of physical health and behavioral health under the RAEs.

RAEs contract with a network of Primary Care Medical Providers (PCMPs) to serve as a member's central point of care for physical health. The RAE also provides or arranges for



the delivery of mental health and substance use disorder services as the administrator of the Department's capitated behavioral health benefit. They also coordinate supports for social determinants of health for members requiring such supports. RAEs treat the whole person, improving the member experience and member health.

RAEs have a primary role in implementing the Department's new statewide approach for clinical management of members with complex health needs and members with one of the identified and most prominent health conditions. Through enhanced care coordination, leveraging existing community-based programs, and the delivery of preventive and supportive services, the Department expects to prevent disease progression, improve member health and reduce costs.

### *Enrollment in the Accountable Care Collaborative*

For Phase II of the Accountable Care Collaborative, the Department implemented mandatory enrollment into the program for all full-benefit Health First Colorado members, excluding those members enrolled in the Program of All-Inclusive Care for the Elderly (PACE). In the 2018-19 fiscal year, average monthly enrollment in the Accountable Care Collaborative was 1,200,082.

### *Program Performance*

The Department measures progress toward



#### **Medical Home**

Coordinated care means improved health outcomes for everyone enrolled in the Accountable Care Collaborative. It provides better clarity for and coordination with providers and members as they interact with the system and make wiser use of state resources.



#### **Working Together**

Improved health outcomes and smarter use of state resources require regional and local coordination that recognizes the need for medical care, behavioral health care, and community supports to work together.



#### **Data**

Members, providers, and the system receive the data needed to make real-time decisions that improve care, increase coordinated services, and improve overall system performance.

programmatic goals using the Accountable Care Collaborative's pay-for-performance program. The RAEs are able to earn financial incentives for:

- **Key Performance Indicators:** A set of seven outcome and utilization measures that highlight the RAEs' progress toward building a coordinated, community-based approach to meet member health needs and reduce costs.
- **Performance Pool:** Annually identified performance and programmatic priorities that align with state and Department initiatives.
- **Behavioral Health Incentive Program:** Five measures that indicate behavioral health system performance.

Highlights of initial performance results from the first nine months (July 1, 2018 through

March 31, 2019) of Phase II:

- The RAEs continued the downward trend in emergency room visits begun under the first phase of the Accountable Care Collaborative with an average decrease of 1.1 percent from the fiscal year 2017-2018 baseline average.
- On average, 2.5 percent more members received a behavioral health service than received a service in the baseline year of state fiscal year 2017-18.
- An average increase of 5.5 percent from the fiscal year 2017-18 baseline average in the percent of newborn deliveries where the mother received a prenatal care visit during pregnancy.
- Member dental visits increased by 2 percent from the fiscal year 2017-18 baseline average.

# Financial Performance

Because of changes in enrollment policy and the inclusion of the capitation payments into total program costs for fiscal year 2018-19, the program costs in this report should not be compared to the Accountable Care Collaborative's program costs reported in previous fiscal years.

The total amount paid for the Accountable Care Collaborative in the 2018-19 fiscal year was \$7.8 billion — a 4.9 percent increase from the previous fiscal year. In 18-19 fiscal year, the average paid amount per member per month (PMPM) was \$526. This was a 9.6 percent increase from the 2017-18 fiscal year, when the average paid PMPM was \$480.

As specific cost drivers are identified, the Department reviews benefits and programs to identify opportunities for interventions that can contain costs. Interventions may include reviewing claims processing procedures, implementing prior authorization requirements, coordinating services more effectively, expanding fraud, waste and abuse investigations and more. Additionally, the Department's implementation of the statewide approach for clinical management will help the RAEs focus on members with complex health needs and the conditions associated with many of the highest cost trends.

## *Other key Accountable Care Collaborative improvements:*

- **Promoting Access to Services in Rural and Frontier Counties:** All the RAEs implemented

telehealth initiatives, with a particular focus on behavioral health services.

- **Coordinating with Long-Term Services and Supports (LTSS):** For the first year of Phase II, most of the RAEs improved partnerships with service providers by incorporating representatives of case management agencies into their regional advisory committees and establishing documented policies and procedures.
- **Reducing Waste and Inefficiencies:** The structure of the Accountable Care Collaborative, with the RAEs' combined responsibilities for behavioral health and physical health and the use of medical homes, provided administrative efficiencies while reducing duplicative and inappropriate service utilization. The Department also partnered with the RAEs and the Department's utilization management vendor to execute the Client Over Utilization Program for members accessing a high quantity of services in a potentially inappropriate setting.

## *PROMETHEUS: Potentially Avoidable Cost Tool*

The Department gave RAEs, hospitals and other providers access to dashboards that measure potentially avoidable complications in care that occurred throughout the health care delivery system. Using the PROMETHEUS model raises awareness of the opportunities for cost savings and helps them develop interventions to reduce variations in care.

PROMETHEUS is an industry-leading tool that uses detailed clinical algorithms to group fee-for-service claims and managed care encounter data into episodes of care and compares the services provided, outcomes and associated costs against clinically determined best practices to identify any inefficiencies in the form of potentially avoidable costs.

This information enables the RAEs and providers to improve care coordination and allows hospitals to identify and self-correct inefficient, lower quality care delivery.

### *Coordinating with Partners to Improve Continuity of Care*

RAEs across the state provide transitional support for Health First Colorado members exiting the justice system. The goal of transitional support is to ensure that there is continuity of care provided for these members as they exit the Colorado Department of Corrections (CDOC) and are enrolled in Health First Colorado. Avoiding any potential interruption to care received is important for all justice-involved members, and of particular concern would be interruption to care for members being treated for Hepatitis C. In light of this, the Department began collaborating with CDOC to create a data sharing and referral process to assist RAEs in identifying and monitoring justice involved members receiving treatment for Hepatitis C as they transitioned out of CDOC's care. An interagency workgroup was also developed between the Department and CDOC to monitor performance and assess best practices for ensuring continuity of care for these members.

### *Advisory Committees and Stakeholder Engagement*

The Accountable Care Collaborative is committed to staying connected to members and being responsive to the input of stakeholders. The Program Improvement Advisory Committee (PIAC) is the program's main forum for stakeholder engagement and feedback. The RAEs also formed Health First Colorado member advisory councils to incorporate the member perspective into program decisions and policies.

## Key Fiscal Year 2018-19 Accountable Care Collaborative Activities



Implemented process enhancements to ensure members were accurately connected to a PCMP



Conducted clinical and data-driven analyses to improve care coordination



Implemented numerous cost control initiatives, including:

- Cost transparency reporting
- Inpatient hospital review program
- Enhanced benefit review and management processes
- Statewide approach for the clinical management of Health First Colorado members



Addressed barriers to ensure the RAEs had adequate behavioral health provider networks



Provided new data tools to the RAEs so members with complex health needs receive improved care coordination

# Whole-Person Care Strengthens Rural Colorado

*Doug Miller, facility owner and Family Nurse Practitioner, is dedicated to the Rocky Ford community.*



## OTERO COUNTY

As a family nurse practitioner and owner of Rocky Ford Family Health Center, Doug Miller's career in health care is rooted in his dedication to the rural community where he lives and works.

"I had to give CPR three times as a volunteer fire fighter and I realized what my calling was," explains Miller. "I went back to school, earned my degree in nursing and got a job with a doctor here in Rocky Ford. Living and working in a small community, like ours, means that I see my patients every day, whether it is in my office, over coffee or at the grocery store."

The need for access to health care in rural Colorado is immense. To meet this need — years ago — Miller worked with another provider in a nearby town to push for changes to state laws that would allow nurse practitioners to own medical practices as a part of the solution to the doctor shortage in rural Colorado. With those laws in place, Miller was able to buy the practice he was working for and continue to meet the ever-growing demand for health care in his community.

Miller has been a Health First Colorado provider since 1998. Rocky Ford Family Health Center is a Certified Rural Health Clinic,

so the majority of his patients are Health First Colorado members. Miller and his team provide primary care to patients of all ages. They also do their best to connect patients to available community resources. In some cases, Miller has been able to bring important programs and services into the practice. For example, the practice has been a part of the Cavity Free at Three program for more than four years. Through the program, managed by the Colorado Department of Public Health and Environment, Miller and his team were trained to apply fluoride varnish to kids' teeth and provide oral health education to kids and their families to decrease the risk factors associated with cavities.

// As a practice, we do everything we can to fulfill our patients' needs and keep them healthy. Health First Colorado is an important program and one of many partners that helps us do just that.

//

Another service the practice provides for patients is behavioral health. In 2015, Miller applied to participate in the Colorado State Innovation Model (SIM) — a Governor's Office health reform initiative, funded by the Centers for Medicare & Medicaid Services (CMS). Over the last four years, the initiative has helped 25 percent of the state's

primary care practices, including Rocky Ford Family Health Center, integrate behavioral and physical health. The initiative also supported the integration of physical health into four community mental health centers to expand patient access to whole-person care across the state. SIM also helped providers, like Miller, succeed with alternative payment models that reward the value of care received instead of the volume of services delivered.

“Thanks to SIM, we are now able to offer behavioral health services to our patients,” says Miller. “We have screening forms built into our system to help us identify patients who are battling depression and issues with substance abuse. With this information, we can address these issues immediately and directly with patients and give them the help and resources they need in a more holistic way. With the initiative coming to an end this year, we plan to continue our work to improve care, cut costs and sustain the ongoing operation of our clinic.”

“The demand for health care and services in our area is always growing,” explains Miller. “As a practice, we do everything we can to fulfill our patients’ needs and keep them healthy. Health First Colorado is an important program and one of many partners that helps us do just that.”

## Colorado State Innovation Model (SIM)

### *Integrating Behavioral Health and Primary Care in Colorado*

Between February 2015 and January 2019, the Colorado State Innovation Model (SIM) received \$65 million from the Center for Medicare and Medicaid Innovation (CMMI) to implement and test its State Health Care Innovation Plan. SIM created a foundation for the future of integrated care, working with 25 percent of the state's primary care practices and four community health centers. SIM ended July 31, 2019, after four years of implementing an ambitious model to reform health care with the knowledge that groundwork has been laid for future success.

SIM created a system of clinic-based and public health supports to spur innovation and improve the health of Coloradans by:

- Providing access to integrated primary care and behavioral health services in coordinated community systems;
- Applying value-based payment structures;
- Expanding information technology efforts, including telehealth; and
- Finalizing a statewide plan to improve population health.

Free resources customized for health care teams to help support integration work are available at [co.gov/healthinnovation](https://co.gov/healthinnovation). Access SIM reports and data at the SIM Data Hub at: [colorado.gov/pacific/healthinnovation/sim-data-hub](https://colorado.gov/pacific/healthinnovation/sim-data-hub).

## Transforming Clinical Practice Initiative (TCPi)

This Governor’s Office initiative, funded by the Centers for Medicare & Medicaid Services, helped 2,000 clinicians – mainly specialists – improve efficiency and ensure the delivery of patient-centered care. Colorado TCPI as featured nationally for its success with improved care coordination, cost savings and innovative approaches to health care reform. The goal of this initiative was to help teams succeed with alternative-based payment models that reward value- versus volume-based health care services. CMS and Colorado Governor Jared Polis acknowledged 42 exemplary practices in Colorado for their accomplishments when TCPI ended in September 2019. TCPI laid the groundwork for continued efforts toward helping providers improve their negotiation skills and health plan reimbursement rates. For more information, patient and provider podcasts and data, visit [colorado.gov/healthinnovation/tcpi](https://colorado.gov/healthinnovation/tcpi).

# Long-Term Services and Supports

## Partnering with Members and Stakeholders to Improve Programs

The Office of Community Living administers Long-Term Services and Supports (LTSS) benefits for people with disabilities. This includes a continuum of services to help people with disabilities and older people live and thrive in the communities of their choice, including in the home or community, or in places like nursing homes.

The Department is committed to improving the lives of the people we serve by innovating and improving. Over the past year, the Department:

- Expanded access to the Children's Habilitation Residential Program to allow more children with intellectual and developmental disabilities (IDD) and complex behavioral needs to receive services to mitigate out-of-home placement.
- Added new benefits to help individuals who wish to transition from a facility-based setting to a community-based setting or are experiencing a different kind of life transition.
- Increased wages and benefits for direct support professionals to increase job satisfaction and retention for people who serve individuals with disabilities.
- Enrolled 869 adults with IDD who have been waiting, sometimes for years, for more robust services (a 50 percent increase over the year before).

*Long-Term Services and Supports provides a system for Health First Colorado members to:*



Live in a setting they choose.



Have the supports they need to live where they choose.



Participate in communities that value their contributions.



Are able to access services in a streamlined, simple and timely process.



Have the highest quality services.

# Samantha: The Best Day Ever

*Health First Colorado helps Samantha live independently.*

EL PASO COUNTY

Life hasn't been easy for Samantha, but she doesn't let that stop her. "Every single morning, I remind myself how great my life is," she says. "Health First Colorado has helped me persevere through life's challenges."

A car accident in the early 1990s left Samantha with a closed head injury, as well as shoulder and spine problems that marked the beginning of years of physical health issues. She eventually had to give up her career in the health insurance industry and was dependent on insurance through her husband's job to cover her numerous health problems.

Five years ago, when she finally left an increasingly abusive situation and relocated to Maine, she found an unlikely support

system in Medicaid and a foster dog named Addie — who Samantha nursed back from the brink of death. "I didn't think I could make it alone, but with Medicaid I could," Samantha explains. "Addie and I saved each other," she says. "I was ready to go back to my home in Colorado once Addie was safe and secure in her forever home."

Back in Colorado, Samantha applied for help. She was approved for Health First Colorado's Elderly, Blind and Disabled (EBD) waiver, which provides Samantha with home care and transportation assistance in addition to her regular benefits of medical, dental and behavioral health.

"I literally cried when I was approved because

it meant that I could afford to stay in Colorado and have the support I need," Samantha says. With the benefits through the EBD waiver, Samantha has medical transportation to and from her appointments, as well as non-medical transportation for things like trips to the grocery store. "Without the transportation benefit, I'd be home all the time," she says. She also has support services 19 hours a week in the home for things like cleaning, cooking and food prep.

Samantha is overjoyed with her access to dental care. "Medicaid in Maine did not include dental and I lost three teeth because of it," she laments. Samantha has also been in therapy since she relocated from Maine, which has been vital for her quality of life.

Samantha is grateful and continually strives to pay it forward. She serves on the Member Experience Advisory Council for Health First Colorado and Child Health Plan *Plus* in Denver, as well as the Member Advisory Council at Colorado Community Health Alliance. She also volunteers with the Humane Society and is currently writing a children's book, featuring Addie as the main character. "It's an honor to give back to my community," she says. "Today really is the best day ever."

# Affordability

Colorado is at a pivotal moment in our ability to transform health care to the betterment of our members and all Coloradans.

## Health Care Affordability Roadmap

As a part of the Polis-Primavera Administration's goal to lower costs and save Coloradans money on health care, the Department is rolling out the Health Care Affordability Roadmap across the state. The roadmap is a collection of existing and emerging tools and initiatives that can support communities in local efforts to control costs. It includes tools that help constrain costs, particularly related to hospitals and pharmacy, connect to alternative payment models, align shared systems and data infrastructure, support innovations, and address social determinants, behavioral health and population health.

Since all health care is local, and each community has its own unique set of challenges, the Department is offering leadership, project management, and data/research resources to support customized community affordability efforts. The Department is presenting the roadmap to communities throughout Colorado and coordinating across state agencies to best inform providers, payers, patients and families, elected officials, and local government about the tools available to help lower the cost of health care.

The roadmap is collaborative, evolving and impactful.

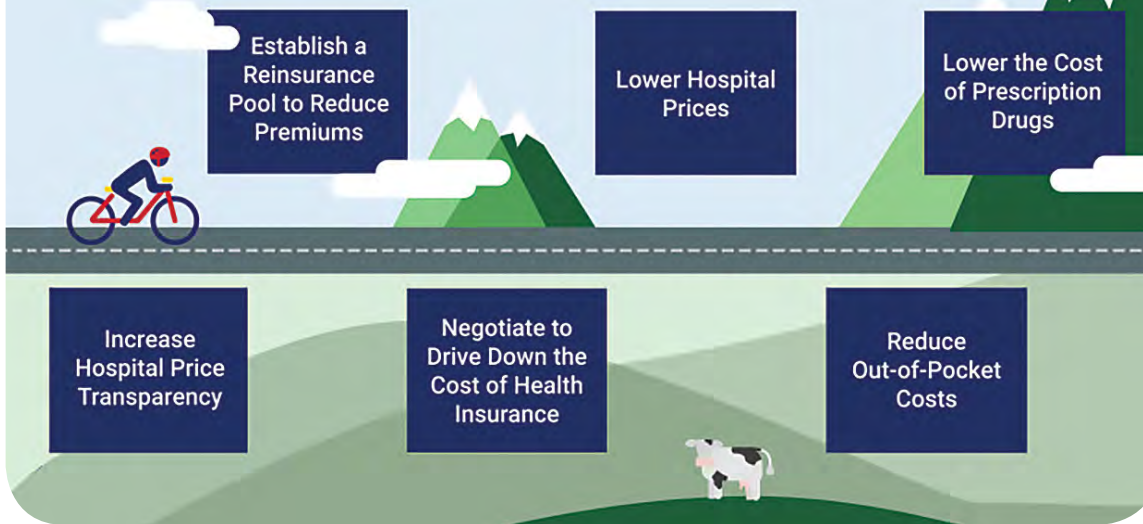
2019 legislation in support of the roadmap includes improving transparency for hospital partners (HB19-1001), increasing hospital accountability for community needs (HB19-1320), creating a public health coverage option (HB19-1004), allowing Colorado to create a plan for importing prescription drugs from Canada (SB19-005), creating a reinsurance program (HB19-1168) and innovative pilot programs to address high health insurance costs (HB19-004) and "surprise billing" (HB19-1174).

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The State of Colorado has joined 43 other states in two lawsuits alleging some generic drug manufacturers violated state and federal laws by conspiring to fix prices and stop competitors, resulting in significant generic drug cost increases. Certain manufacturers raised prices between July 2013 and January 2015 on about 112 generic drugs — some with price increases of more than 1,000 percent.

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# Roadmap to Saving Coloradans Money on Healthcare



## *How Health First Colorado Fits into the Affordability Roadmap*

As Health First Colorado serves 22 percent of the state's population, the Affordability Roadmap informs Health First Colorado cost control and quality improvement policy, and Health First Colorado learnings inform the roadmap.

### **Ongoing Department Activities in Support of the Roadmap**

- Hospital Transformation Program

- Value-Based Payments
- Pharmacy and functional medicine support tools
- Programs to address behavioral health, maternal health, vaping and tobacco use, obesity and addiction
- Investments in provider and consumer tools, and other innovations
- Engagement in the Behavioral Health Task Force

## Cost Insights

The Department's analytics, reporting and insights staff, quality analytics staff and clinical leadership continue to identify opportunities for savings based on best-in-class programs, approaches, innovations and payment structures, including:

- Rolling out a suite of powerful cost and quality assessment capabilities to the seven Regional Accountable Entities (RAEs), hospitals and primary care providers.
- Purchasing tools for pharmacy cost and quality information.
- Leveraging internal work products to provide cost and quality improvement programs.

Together, these resources will allow providers to make cost-conscious decisions while improving member safety, health and clinical efficacy. The Department has also created usable information from multiple data sources that RAEs can use to connect Health First Colorado members to primary care providers, specialists, hospitals and other providers. The Department is working with and will train RAEs, hospitals, physicians, and their staffs to use the tools to create maximum value.

# Steve: Focused on the Future

BOULDER COUNTY

Steve knows what it's like to be forced to make a choice between food and medication, which is why he's working toward a career in human services. "I'd like to work in health care, helping low-income folks navigate the system," he explains. "I know what it's like to need help."

As a teenager, Steve had aspirations of joining the Air Force but those ended at just 17 years old, when he underwent brain surgery to treat a condition that he would deal with the rest of his life.

Steve found his way west in 2017, helping his parents move to Colorado from Minnesota, where he had worked in admissions at a college. "I was burnt out and ready for a change," Steve explains. He'd always loved the mountains and, once he set foot in Colorado, he decided to stay.

Steve was familiar with Medicaid, as he'd been a member in other states due to his pre-existing condition from years before. But still, he was impressed with Health First Colorado and its efficiencies.

*Health First Colorado Buy-In helps Steve treat his pre-existing conditions while developing his career. See Steve's story at: [youtu.be/ Sn-Sxk7zDk](https://youtu.be/Sn-Sxk7zDk)*

// Health First Colorado has saved my life," Steve explains. "I was drifting and needed mental health support. Health First Colorado gave me the resources to obtain the support I needed. //

"I found signing up for Health First Colorado online and navigating its resources convenient and seamless," Steve says. "As someone who has worked in college admissions, I know how important that is."

Steve is part of Health First Colorado's Buy-In Program. This program allows working adults with disabilities who may make too much to qualify for Health First Colorado to "buy in" to the program and pay a monthly premium based on earned income.

Health First Colorado helps Steve pay for his medications, as well as his neurological and behavioral health care.

"Health First Colorado has saved my life," Steve explains. "I was drifting and needed mental health support. Health First Colorado gave me the resources to obtain the support I needed."

# The Pharmacy Office

The Department created the Pharmacy Office in May 2019 to enhance our ability to meet the prescription needs of our members, to help battle the rising costs of our prescription benefit, and to lead the emerging legislative and affordability prescription drug policy for the state.

Some of the unique initiatives within the Pharmacy Office are below.

## *Drug Rebate Transparency*

In December 2018, Executive Director Kim Bimestefer created Executive Director rule 18-04-28-A. This rule requires commercial insurance payers to submit prescription drug rebate data to the Center for Improving Value in Health Care (CIVHC) All Payer Claims Database (APCD). This information will be used to determine how private insurance rebates influence drug costs and utilization.

## *Opioid Prescriptions*

Over the past five years, the Department has implemented several effective initiatives to help Health First Colorado members avoid the devastating consequences of excess opioid prescribing and utilization. These policy initiatives have been aimed at reducing the number of opioids prescribed to members, tightening criteria when requesting refills and reducing the daily Morphine Milligram Equivalents (MME) members can take — all while continually ensuring members receive necessary medications for adequate pain management.

These initiatives, along with provider collaboration, education and evolving public awareness of the opioid crises, have helped the Department achieve and maintain a more than 50 percent reduction in the number of opioid units dispensed to members, a 44 percent reduction in the number of Health First Colorado members using opioids and a 64 percent reduction in gross opioid expenditures during the 5-year period 2014 through 2018.

## *Value-Based Contracts*

In February 2019, The Centers for Medicare & Medicaid Services approved a Colorado plan allowing the Department to negotiate supplemental rebate agreements involving value-based contracts with pharmaceutical companies. Value-based purchasing can link the payment of a drug to its effectiveness and the outcomes it achieves. Promoting value-based payments is one tool the Department is using to reduce Health First Colorado drug prices. Colorado is the third state in the nation to get approval for value-based contracts for drug purchasing.

## What is Driving the Rising Costs of Prescription Drugs?



### **Lack of transparency and controls in drug pricing**

Drug companies are not required to report on price increases, pricing methodology, or how middlemen like pharmacy benefit managers (PBMs) and insurance companies soak up potential savings such as rebates. Negotiation by Medicare is prohibited as are pricing controls by the Food and Drug Administration.



### **Anticompetitive practices**

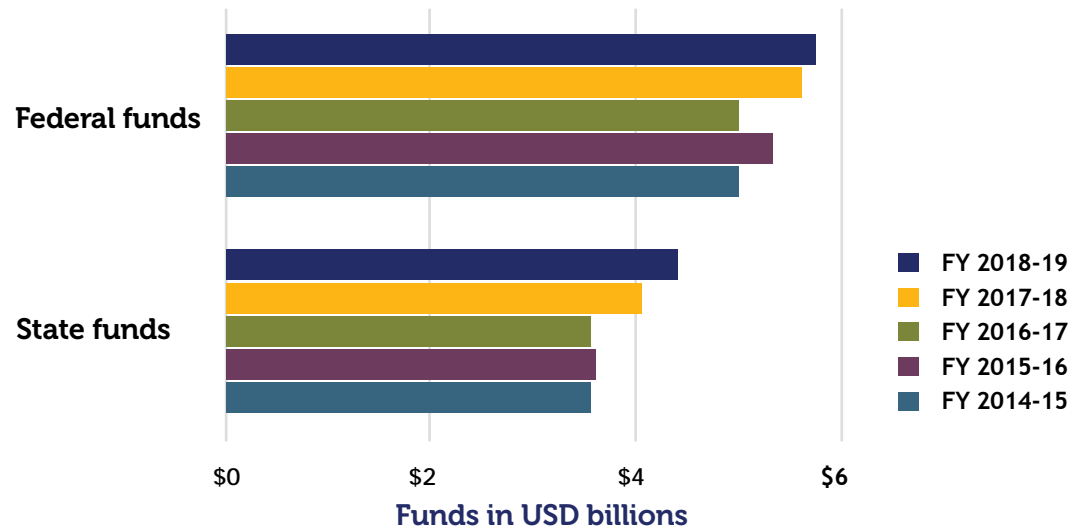
Drug manufacturers delay access to lower-cost generic drugs and engage in other anticompetitive practices like price fixing or extending patents. Manufacturer, carrier and PBM profits are rising and exacerbated by industry mergers that limit competition.



### **Drug company investments in marketing and lobbying**

Marketing drugs directly to providers and consumers and multi-million dollar lobbying leads to increased demand and utilization of higher cost drugs. Investments in specialty drugs, with market prices too high for payers or families to afford, are a dominant driver of rising prescription drug costs.

## Expenditure Over Time by State vs. Federal Funds



In Fiscal Year 2018-19,  
the Department Paid:

**\$9.4  
Billion**  
IN SERVICES

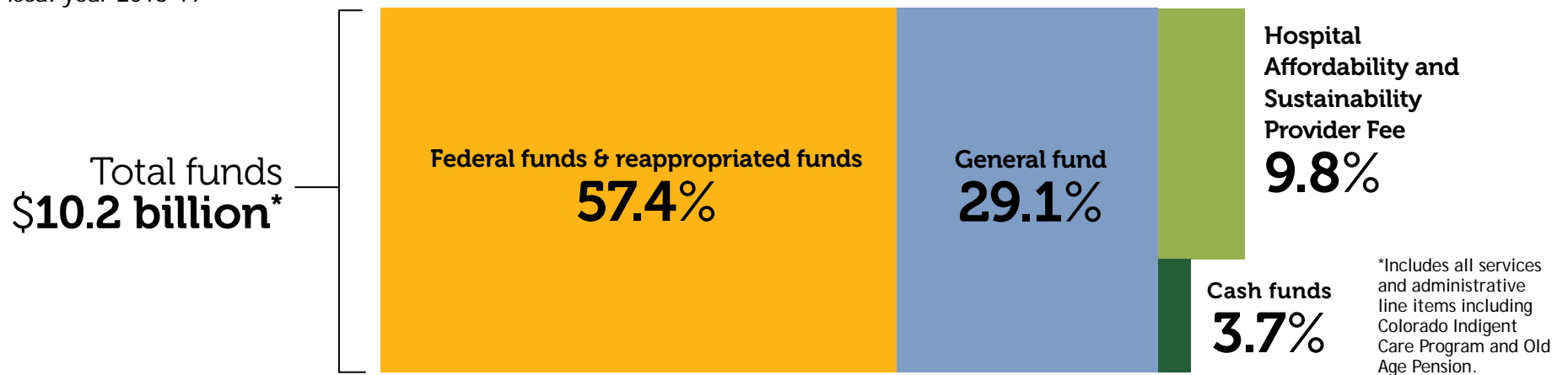
FOR

**1.34  
Million**  
PEOPLE

Numbers are approximate. Health First Colorado and Child Health Plan *Plus* expenditures only.

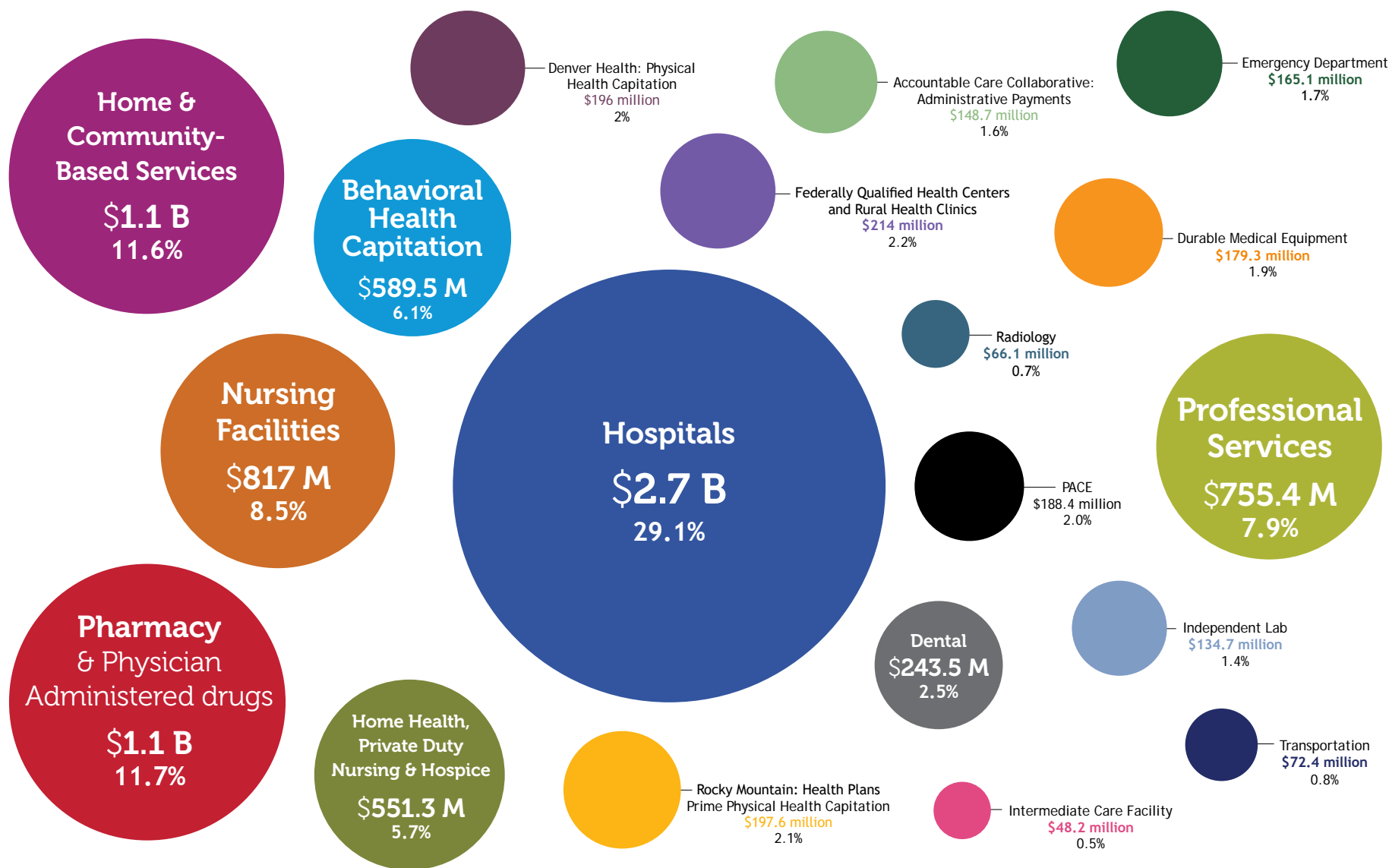
## Department Expenditures by Fund

Fiscal year 2018-19



## Payment Breakdown to Health First Colorado Partners

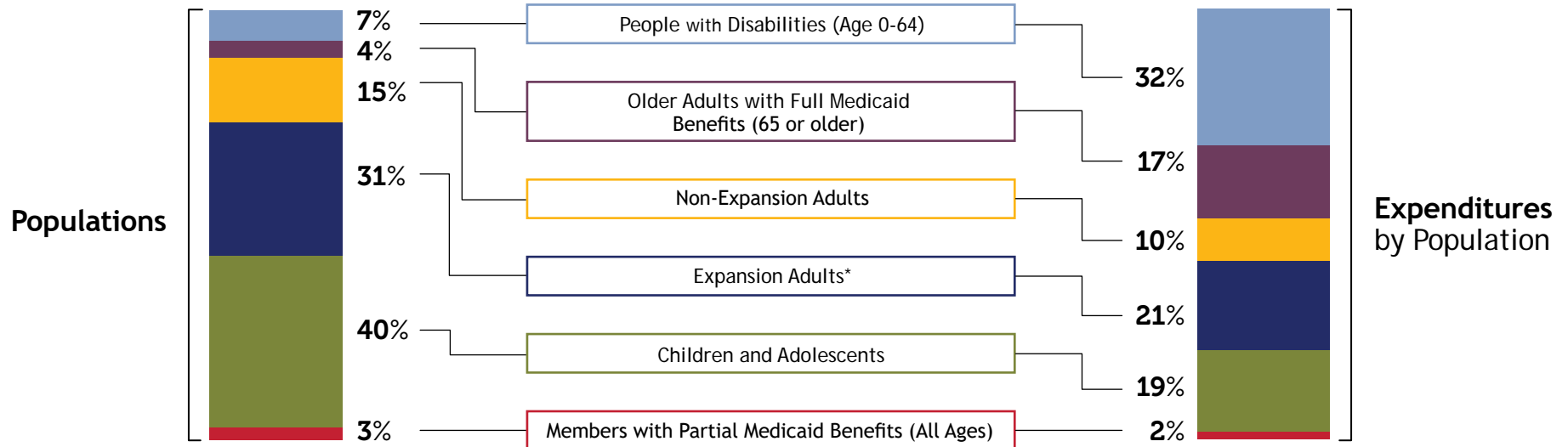
Fiscal year 2018-19



This chart refers to medical services cost only, not total Department spending. It is based on claims data by date of service and will differ from data calculated on a cash accounting basis.

## Health First Colorado: Who is Covered and What Does it Cost?

\*The majority of funding for Expansion Adults is federal dollars, with the state fund source funded by the Hospital Affordability and Sustainability Fee.



## Grant Funding: Strengthening Public-Private Partnerships

**\$34.33 M**

**Total Grant Expenditures**  
Awards in fiscal year 2018-19

The Department is the recipient of both federal and foundation grants, and we are sometimes able to match private foundation grants with federal funding where CMS determines activities have direct benefit to Medicaid. Examples include funding to evaluate, test, and rewrite a broad swath of member communications for better readability; business process reengineering with multiple counties to improve their processing efficiency; and the continuation of person-centered practices with our staff, members, and community partners. With grant funding, we have been able to support such key partners as the Center For Improving Value in Health Care and the All Payer Claims Database; the Colorado Health Care Access Survey administered by the Colorado Health Institute; the State Innovation Model's practice transformation efforts with providers across the state and now evaluation of the impact of SIM; as well as supporting provider partner recruitment for Indian Health Services clinics.

**\$22.04 M**  
**New Funding Secured**

from federal government, private industry and foundations in fiscal year 2018-19.

Funding secured is the total amount of all grants awarded to the Department in fiscal year 2018-19. Total grant expenditures for fiscal year 2018-19 do not match the amount of funding secured as each grant has its own timeline. While grant periods vary, most span several years and are not confined to any fiscal year. Each year's funding secured amount reflects what was awarded to the Department in new grants within that fiscal year, not the amount expended for each individual grant.

## Hospital Affordability and Sustainability Fee in Action

Hospital Affordability and Sustainability Fee revenue, together with matching federal dollars, provides the funding source for the Medicaid expansion of health care coverage of Coloradans and an increase in reimbursements to hospitals, including a hospital quality incentive payment.

**Hospital Affordability and Sustainability Fee: \$996.3 Million\***  
Fiscal year 2018-19

**\$202.7 M**

Payments for services and care for  
**436,218 Members**

<b>317,784</b>	Adults without Children
<b>79,177</b>	Parents
<b>27,529</b>	Child Health Plan <i>Plus</i> (CHP+)
<b>8,987</b>	Buy-In Individuals with Disabilities <small><i>Does not include Health Insurance Buy-In (HIBI)</i></small>
<b>2,741</b>	Other eligible groups



**\$754.7 M**  
Supplemental Payments to Hospitals

\*Hospital Affordability and Sustainability Fee also funds the Medicaid expansion's administrative costs and provides funding for Upper Payment Limit backfill per 25.5-4-402.4(5)(b)(VII). Total payments to providers for Medicaid expansion member services and care, including federal matching funds, equaled \$1.9 billion. Total supplemental payments to hospitals, including federal matching funds, equaled \$1.5 billion.

## The Colorado Healthcare Affordability and Sustainability Enterprise (CHASE)

The CHASE is a government-owned business operating within the Department. Under guidance from the CHASE board, the Department charges and collects the Healthcare Affordability and Sustainability Fee to obtain federal matching funds that are used to provide business services to hospitals. Additionally, for the period October 2018 through September 2019, CHASE has:

- Provided \$410 million in increased reimbursement to hospital providers.
- Reduced uncompensated care costs and the need to shift uncompensated care costs to other payers.
- Provided health care coverage through Health First Colorado and Child Health Plan *Plus* (CHP+) for more than 400,000 Coloradans.

Read the 2019 CHASE report at [tinyurl.com/wftvxzp](https://tinyurl.com/wftvxzp).

## Hospital Transformation Program

Since its inception, the Hospital Transformation Program (HTP) has been rooted in transparency, partnership and collaboration. HTP aims to drive improved health outcomes through a re-distribution of the CHASE fee. Groundwork for this program began in January 2016.

The goal of the HTP is to improve the quality of hospital care by tying provider fee-funded hospital payments to quality-based initiatives. The HTP includes expectations for key activities and tracking measures for consistency across the state, while also allowing hospitals to work with their communities on the best interventions and approaches.

Throughout the course of the five-year program, beginning October 2019, hospitals are transitioning from pay-for-process and reporting to a pay-for-performance structure, demonstrating meaningful community engagement and improvements in health outcomes over time.

# Accountable Care Collaborative Phase II: Improving Health and Reducing Costs

Through Phase II of the Accountable Care Collaborative and SB 18-266 Controlling Medicaid Costs, the Department has generated broad delivery system reform to support and expand its focus on affordability.

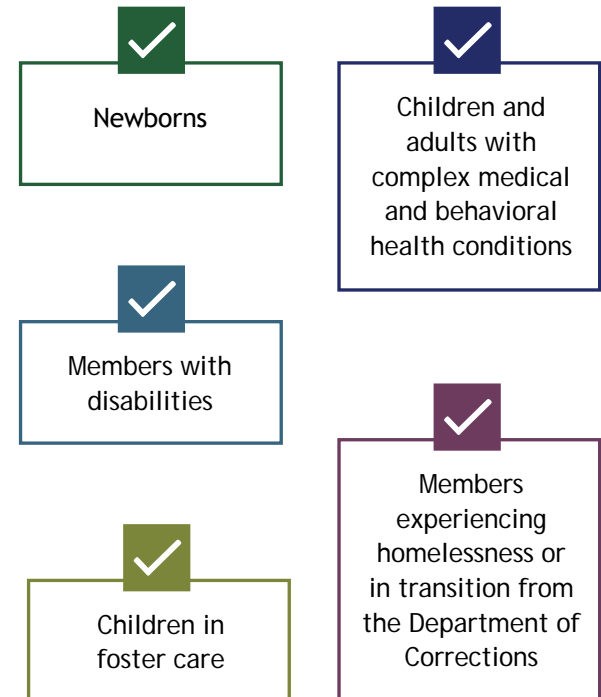
In fiscal year 2018-19, the Department conducted a clinical and data-driven analysis of the Health First Colorado population and a review of the RAEs' existing care management and coordination efforts to develop a statewide approach for Health First Colorado members with the most complex needs. The analysis narrowed in on a population with more than \$25,000 in annual per member expenditure and highlighted it for RAEs to target their evidence-informed allocation of care coordination resources. This initial impactable population is composed of 37,067 members with an overall spend of \$2.5 billion in Calendar Year 2018, representing 2.8 percent of members and 32.4 percent of expenditures.

RAEs created complex care management plans specific to their regions to improve the cost and quality of care for this

targeted population in fiscal year 2019-2020. The top chronic conditions by spend included chronic pain, anxiety, depression, hypertension, substance use disorder (SUD), cardiovascular disease and chronic obstructive pulmonary disease. Using existing resources, the Department has developed cost trend and quality outcome metrics and is leveraging staff oversight to support and monitor the performance of the RAEs in reducing related costs and improving member health and well-being.

In addition, through the ACC Cost Collaborative, the Department's cost and best practices forum, consensus was reached that programs for certain conditions would have better cost and quality outcomes if a centralized offering was implemented.

## *Health First Colorado members with the most complex needs:*



# Jocelyn: A Solid Foundation



EAGLE COUNTY

Home is where the heart is for Jocelyn and her family. Jocelyn and her husband have three children - a 10-year-old daughter and two boys, ages four and one.

As members of Health First Colorado for the past 10 years, Jocelyn and her family feel safe and healthier than ever.

"Health First Colorado has made an incredible difference for us. We've been able to completely take care of our health and get preventive check-ups as well as behavioral, dental and medical care right when we need it. It has helped us avoid serious and more complicated issues," Jocelyn explains. "Before we had Health First Colorado, we

were not able to afford the care we needed. We would put off going in for services until it was an emergency."

As a member of Health First Colorado, Jocelyn's daughter was able to get an eye exam and get the glasses she needed. It also covered physical therapy for her four-year-old son, who was born with clubfoot. Through physical therapy, he's made incredible improvement. Without treatment he may have had issues walking normally and could have developed arthritis later in life.

Jocelyn recently battled her own health issues. After feeling sick and having chronic stomach pain, Jocelyn went to the doctor looking for

*Health First Colorado helps Jocelyn and her family treat health issues early, before they become more serious and expensive.*

answers. She found out she had pathogenic bacteria in her intestines that was causing her symptoms.

// Before we had Health First Colorado, we were not able to afford the care we needed. We would put off going in for services until it was an emergency.

//

"It was truly terrible. I am so thankful for Health First Colorado," says Jocelyn. "Without coverage I would have put off going to the doctor. I am sure I would have ended up in the emergency room."

When Jocelyn had the opportunity to share her family's experience with Health First Colorado, she didn't hesitate. Jocelyn is proud to serve as a member of the Member Experience Advisory Council for Health First Colorado and Child Health Plan *Plus*, where she is able to be involved and engaged, sharing her voice and her perspective with the council.

"Health First Colorado is a blessing," says Jocelyn. "I am proud to share my family's experiences in hopes of making a difference."

# Policy

## 2019 Legislative Session

The Department passed its three legislative agenda bills with bi-partisan support and is now working to implement these and other bills from the 2019 Legislative Session that impact the Department.

### *Department Agenda Bills*

**HB19-1302 - Cancer Treatment and License Plate Surcharge:** This bill continues the Breast and Cervical Cancer Program (BCCP) for the next 10 years. The program provides breast and cervical cancer screening and treatment to low-income, uninsured and underinsured women in Colorado who do not qualify for Health First Colorado.

**HB19-1326 - Rates for Senior Low-income Dental Program:** The Colorado Dental Health Care Program for Low-Income Seniors provides services to approximately 3,000 low-income Coloradans age 60 and over who do not have Health First Colorado or any other form of dental coverage. The bill changes the reimbursement rate for dental

procedures to the Health First Colorado rate to allow for an additional 600-700 Colorado seniors to receive coverage.

**SB19-254 - Nursing Home Penalty Cash Fund:** The Nursing Home Penalty Cash Fund consists of money collected from fines levied on nursing facilities. State and federal law require these monies be used for emergency reserves if a facility closes and for innovation grants to improve quality of life and care at nursing facilities. This bill removes the \$1 million reserve requirement and allows the Department to award innovation grants above the current \$250K cap. Without this bill, the federal government could take back funds above the current reserve amount that are not reinvested in nursing facilities.

### *Other Bills Impacting the Department*

The 2019 legislative session sought to make health care more affordable and accessible. The resulting legislation that passed - including House Bill (HB) 19-1001, which requires the financial transparency of hospitals, and HB19-1320, which requires hospitals to conduct a community health needs assessment every three years - represents a sea change in the fundamentals of how health care delivery will be evaluated and evolve in Colorado.

### *Bills to Control Costs and Improve Affordability*

**HB19-1001 - Hospital Transparency Measures to Analyze Efficacy:** This bill requires the Department to create an annual report detailing uncompensated costs and expenditures made by hospitals so the Department can fully analyze hospital financials to the betterment of employer health care costs, state-funded benefit plans, and the health care affordability interests of all Coloradans.

**SB19-005 - Import Prescription Drugs from Canada:** The Department must submit a federal waiver application to legally import prescription drugs from Canada. Once approved, the Department will work to design a safe and affordable system for importing quality medications at a lower cost.

**HB19-1004 - Proposal for Affordable Health Care Option:** This bill directs the Department to develop a proposal outlining the feasibility and cost of implementing a state option for health care coverage. Read the report at [co.gov/hcpf/proposal-affordable-health-coverage-option](http://co.gov/hcpf/proposal-affordable-health-coverage-option)

**HB19-1233 - Investments in Primary Care to Reduce Health Costs:** This bill creates a primary care payment reform collaborative to advise in the development of affordability standards and targets for investments in primary care, analyze the percentage of medical expenses allocated to primary care by insurers, and issue recommendations to increase the use of alternative payment models to deliver more patient-centered primary care.

**HB19-1320 - Hospital Community Benefit Accountability:** This bill requires nonprofit hospitals to conduct a community health needs assessment, develop a community benefit implementation plan and provide the information to the Department for easy public access.



*Executive Director Bimestefer joined Lt. Governor Dianne Primavera at the release of the Department's prescription drug report titled "Reducing Prescription Drug Costs in Colorado: Cost Drivers and Strategies to Address Them." View the report online at: [co.gov/hcpf/publications](http://co.gov/hcpf/publications)*

### ***Bills to Improve Population Health***

**HB19-1038 - Dental Service for Pregnant Women Enrolled in CHP+:** This bill extends dental benefits to prenatal and postpartum CHP+ moms.

**SB19-164 - Sunset In-home Support Services Program:** This bill extends the In-Home Support Services program through Sept 1, 2028.

**SB19-197 - Continue Complementary or Alternative Medicine Program:** This bill changes the repeal date for the spinal cord injury pilot program from 2020 to 2025. The program permits Health First Colorado members with spinal cord injuries to receive alternative medicine not otherwise available including acupuncture, chiropractic and massage therapy.

**HB19-1193 - Behavioral Health Supports for High-risk Families:** This bill expands access for the Special Connections program which helps pregnant women with substance use disorders up to one year postpartum.

**HB19-1269 - Mental Health Parity:** This bill requires the Department and private health insurers to provide coverage for the prevention and treatment of behavioral, mental health and substance use disorders to the same extent coverage is provided for physical illness.

**HB19-1287 - Treatment for Opioids and Substance Use Disorders:** This bill requires the Department of Human Services to create a centralized, web-based behavioral health capacity tracking system with data on available bed space for substance use disorder treatment.

**SB19-195 - Child and Youth Behavioral Health System Enhancements:** This bill creates a child and youth behavioral health system to work towards coordinating behavioral health services across agencies.

# Fiscal Year Goals

The Department is accountable for meeting yearly goals. These goals are created at the beginning of each fiscal year with oversight from the Governor's Office. Outcomes are reported to the Governor after the fiscal year closes. We are pleased to report we met all goals listed in our fiscal year 2018-19 Department Performance Plan. Our most recent Department Performance Plan is available at [colorado.gov/hcpf/performance-plan](https://colorado.gov/hcpf/performance-plan). Learn more about our previous years' performance plans at [operations.colorado.gov/health-care-policy-financing](https://operations.colorado.gov/health-care-policy-financing).



## Tools of Transformation

The broader health care system is transformed by controlling costs in Health First Colorado.

**GOAL:** Achieve \$5,973 (\$498 monthly average) as the average annual Health First Colorado per capita total cost of care by June 30, 2019 (excluding all hospital supplemental payments).

✓ **STATUS: ACHIEVED GOAL** based on actual budget. Within 0.08% of the budget appropriation of \$6,373.

**GOAL:** The number of thought leaders, industry influencers and stakeholders in the state who are aware of, engaged to develop, or supporting the execution of the 3-5+ Year Healthcare Cost Control Road Map (renamed the Affordability Roadmap with the new Administration) will exceed 1,000 by June 30, 2019.

✓ **STATUS: EXCEEDED GOAL**



## Delivery Systems Innovation

Health First Colorado members can easily access and navigate needed and appropriate services.

**GOAL:** Reach 100 percent of Regional Accountable Entities with messaging that makes them aware of the Department's new Prometheus Tool to measure potentially avoidable hospital costs/complications by June 30, 2019.

✓ **STATUS: ACHIEVED GOAL**

**GOAL:** Reach 80 percent of the hospitals with messaging that makes them aware of the Department's new Prometheus Tool to measure potentially avoidable hospital costs/complications by June 30, 2019.

✓ **STATUS: EXCEEDED GOAL**



## Partnerships to Improve Population Health

The health of low-income and vulnerable Coloradans improves through a balance of collaborative population health and social programs.

**GOAL:** Decrease the number of opioid pills dispensed among members who use the Rx benefit from 10.09 to 9.59 (5 percent decrease) by June 30, 2019.

✓ **STATUS: EXCEEDED GOAL**  
Decreased by 17.5 percent.



## Operational Excellence

We are a model for compliant, efficient, and effective business practices that are consumer centric, person- and family-centered.

**GOAL:** Increase the percentage of targeted Health First Colorado households using PEAK *Health* mobile app from 23 percent to 26.5 percent (at least a 15 percent increase) by June 30, 2019.

✓ **STATUS: EXCEEDED GOAL**  
(up 57 percent)

**GOAL:** Maintain a Provider Call Average Speed of Answer fewer than 61 seconds each month.

✓ **STATUS: EXCEEDED GOAL**  
The Provider Services Call Center achieved a Call Average Speed of Answer for the 12 months of The 2018-19 fiscal year of 43 seconds.

**GOAL:** Maintain Statewide Health First Colorado enrollment at less than 21 percent.

✓ **STATUS: ACHIEVED GOAL**

**GOAL:** Number of vendor contracts moved to an Executive Leader for accountability exceeds 350 by June 30, 2019.

✓ **STATUS: ACHIEVED GOAL**  
We are evolving the coaching and consultative support provided to Executive Leadership Team members to improve the content of our vendor contracts, improving their performance to the benefit of member service, outcomes, and return on investment.

**GOAL:** Manage execution within budget targets.

✓ **STATUS: ACHIEVED GOAL**

In the 2018-2019 fiscal year, we answered provider calls in an average of 43 seconds, **EXCEEDING OUR GOAL** of 61 seconds or less.

# Where We're Going



## Shaping Policies and Developing Partnerships

Our passionate staff is focused on improving operational excellence, increasing provider access, improving member health and better controlling claim costs to the benefit of our members and providers. At the same time, the Department will publish additional reports and provide tools to help analyze and manage hospital and pharmaceutical costs, while continuing our work to help shape innovative policies and develop new partnerships. These efforts will bring us closer to Governor Polis' goal of saving money and improving quality of health care for all Coloradans.

## Delivery Systems

### *Accountable Care Collaborative*

Implementation of RAE strategies will continue to improve care coordination for members with complex health needs, address identified top trending conditions, and reduce potentially avoidable costs. A primary care provider Cost and Quality Variation Report to assist the RAEs in managing their PCMPs and deploying practice transformation resources will be published. The Department will also add residential and inpatient substance use disorder services as a Health First Colorado covered benefit in accordance with HB18-1136, pending federal approval.

### *Long-Term Services and Supports System Redesign*

Long-term services and supports offered through Health First Colorado are a vital resource for people with all types of disabilities, empowering them to live in the community among family and friends. Over the coming decades, Colorado will experience significant growth in the number of people who need to access long-term services and supports. Between 2015 and 2030, the number of older adults in Colorado will grow by nearly 70 percent.

The Department continues to focus on innovating and improving long-term services and supports to prepare for serving an

increasing number of older adults with disabilities. Two major initiatives in the coming years will focus on a robust action plan for serving older adults and investing in the workforce who provide services and supports. The Department will increase the rates paid to direct care workers and work with people, local communities, and other state agencies to better understand other issues within the direct care workforce in Colorado.

# Cost Control and Health Improvement

The Department is requesting funding to coordinate ongoing efforts with the RAEs to improve care and condition management for the highest-risk, highest-cost members, and to provide members with interactive, user-friendly software that gives them on-demand, clinically-based guidance and techniques for managing chronic pain, anxiety, and depression. The Department anticipates that improved clinical care management of targeted high-cost members and improved condition management of members with targeted chronic conditions would result in improved health outcomes and lower utilization of high-cost medical services over time. Additional strategies for improving care quality and capacity include developing clinical guidelines for a palliative care program (inpatient and home-based palliative and hospice care) to generate cost savings and improve quality of care.

## *Prescriber Tool*

The prescriber tool will be implemented in two phases. In phase one, the tool will be embedded in the Electronic Health Record and will provide real time patient-specific pharmacy benefit and price information to prescribers. The information returned to prescribers will include patient co-pays, drug prices, covered therapeutic equivalent drugs and utilization management policies such as prior authorization requirements. This information will help providers prescribe the most cost-effective and efficacious drugs available to them in our formulary. The tool will also include an opioid module which will give providers patient-specific opioid risk metrics to consider before they prescribe. The phase one functionalities are targeted to be available in 2020.

In phase two, the tool will return health improvement program information to providers so they can prescribe or recommend a program to a patient, not just a pill, to get at the root of health. These programs might include tobacco cessation, diabetes management, maternity support, or social determinant of health supports. The timeline for completion of phase two is in development.



*Executive Director Bimestefer participates in a panel discussion focused on the health care goals of Colorado's newly elected governor and other state leaders.*

# System Transformation

We also look ahead to continuing our work to control costs and improve care through system improvements and payment methodology transformation informed by our use of data and analytics.

## ***Improving Benefit Eligibility Processes: CBMS Transformation***

A more than two-year project to modernize the Colorado Benefits Management System (CBMS) by migrating to Amazon Web Services and Salesforce is nearing completion. CBMS Transformation — a collaboration involving counties, state agencies and other partners — strives to make eligibility processing more efficient, accurate, and adaptable for the future.

## ***System Certification***

The Colorado Medicaid Management Innovation and Transformation project (COMMIT), which launched a new Medicaid Management Information System (MMIS), Pharmacy Benefits Management System (PBMS), and Business Intelligence Data Management System (BIDM) for the State of Colorado in 2017, received system certification from the Centers for Medicare and Medicaid Services (CMS) in September 2019 ensuring the Department qualifies for enhanced federal funding for the operation of the systems. Because the system was certified, the Department was able to receive a higher federal match

rate for system costs and avoided incurring additional costs of \$23 million.

The Department demonstrated compliance to CMS requirements for 892 different criteria producing more than 3600 pieces of evidence for the three systems. In addition, Department staff worked on requirements development, system testing, process reviews, and problem resolution for over four years, in addition to ensuring their daily work was being accomplished. With this certification, the Department is eligible to receive 75 percent of the systems' costs from the federal government, which amounts to an estimated \$23-25 million.

## ***ClaimsXten***

Through the passage of Senate Bill (SB) 18-266 in May 2018, the Colorado General Assembly directed the Department to ensure that claims are being automatically reviewed prior to payment to identify and correct improper coding that leads to inappropriate payments.

In order to meet the direction of SB18-266, the Department has contracted with DXC to implement and integrate ClaimsXten

into the Colorado interChange system for outpatient facility and professional claims. ClaimsXten is a flexible claim editing rules engine designed to automate and increase accuracy of claims processing by augmenting currently implemented Centers for Medicare and Medicaid Services (CMS) and State of Colorado requirements with additional, widely accepted CMS and medical association recommended edits.

The Department also intends to implement Clear Claims Connection, which is a web-based provider transparency tool. Clear Claims Connection allows providers to access information about rules, clinical guidelines and source information used for claims editing in ClaimsXten.

Phase I of the ClaimsXten project is currently under development with a projected June 2020 implementation.

# Policy

## *Pharmacy Cost Report*

The Department published a report to educate partners, stakeholders and the public about pharmaceutical costs in December 2019. The report gives an overview of cost drivers, encourages dialog and proposes state and federal policy solutions. Read the report Reducing Prescription Drug Costs in Colorado at [Colorado.gov/hcpf/publications](https://colorado.gov/hcpf/publications).

## *Drug Importation Program*

Senate Bill 19-005, passed during the Colorado 2019 legislative session, requires the Department to ask for federal approval for Colorado health care organizations to import prescription drugs from Canada. The bill states that on or before September 1, 2020, the Department will submit a request to the United States Secretary of Health and Human Services asking approval of a prescription drug importation program. The legislation included funding for the Department to hire several staff members to develop a proposal for this unique opportunity. Working with stakeholders, the Department will also research different channels for drug importation possibilities to discover the best way to lower drug costs for Coloradans through importation from Canada.

## *Colorado's Public Option*

The Department worked with the Colorado Division of Insurance in the summer and fall of 2019 on a report proposing Colorado's Public Option. This report is the result of HB19-1004, passed in the 2019 legislative session, which directed the two agencies to create a plan for such an option and can be found at [leg.colorado.gov/bills/hb19-1004](https://leg.colorado.gov/bills/hb19-1004). The Public Option report recommends that this option be available first to individuals, including those eligible for federal tax credits through the Affordable Care Act (ACA), and those not eligible for such credits, and then to small employers. Pending legislative approval, the plans will be sold beginning in 2022. Read the report at [colorado.gov/hcpf/proposal-affordable-health-coverage-option](https://colorado.gov/hcpf/proposal-affordable-health-coverage-option).

## *Colorado Hospital Cost Shift Analysis Report*

In January 2020, the Department and Lt. Governor Dianne Primavera released the Colorado Hospital Cost Shift Analysis Report that reveals, despite significant reductions in uninsured rates and uncompensated care, Colorado hospitals are persistently increasing the price of care while receiving significant increases in Health First Colorado payment rates. Read the report at [colorado.gov/pacific/hcpf/colorado-cost-shift-analysis](https://colorado.gov/pacific/hcpf/colorado-cost-shift-analysis).



*The Pharmacy Cost Report provides an overview of cost drivers and proposes state and federal policy solutions to help control prescription drug costs.*

Fiscal year 2019-20  
and beyond



## Do you know someone who might qualify?

Individuals and families can see if they qualify for medical assistance, food assistance and other help online through [CO.gov/PEAK](https://www.CO.gov/PEAK). Applicants without internet access can visit their local county human services office for assistance.



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