Department of Health Care Policy and Financing

Hot Topics

Prepared for the Colorado General Assembly

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The Mission of the Department of Health Care Policy and Financing is to provide cost-effective, quality health care services to Coloradans.

Colorado Regional Integrated Care Collaborative

It is estimated that five percent of Medicaid beneficiaries drive up to 50 percent of total Medicaid spending. Most of these patients have multiple chronic conditions and generally do not receive the appropriate integrated care in the fragmented Medicaid fee-for-service system. This often results in poor health outcomes, diminished quality of life, and unnecessary costs, which hamper the ability of states to pursue coverage expansions and other priorities. As states look for ways to ease budget pressures, it is important that the complex needs of these beneficiaries are better understood. Rethinking the way care is provided for the highest-need, highest-cost Medicaid beneficiaries presents an opportunity to improve care and control costs. The *Rethinking Care Program,* developed by the Center for Health Care Strategies (CHCS), will serve as a national Medicaid "learning laboratory," helping stakeholders develop better approaches to identify and manage care for "high-opportunity" patients. CHCS will link pilot sites with a national learning network committed to advancing Medicaid's capacity to serve these beneficiaries. In Colorado this program created the Colorado Regional Integrated Care Collaborative (CRICC).

Colorado Access implemented the CRICC program in May 2008 in Adams, Arapahoe, Boulder and Broomfield counties. The Department is now partnering with Kaiser Permanente to implement an additional CRICC program effective April 1, 2009.

The Kaiser Permanente CRICC program will be available to Medicaid clients living in Jefferson County who are in the following eligibility categories: Aid to the Needy Disabled/Aid to the Blind (AND/AB-SSI) and Old Age Pension – Under Age 65 (OAP-B). The program will exclude: clients 20 and under, dual eligibles, clients receiving Home and Community-Based Services (HCBS) waivers with the exceptions of Persons who are Elderly, Blind and Disabled (EBD) or Persons with Mental Illness (MI).

Eligible clients will be passively enrolled into the program with the opportunity to opt-out. Some of the enhanced benefits to enrollees who choose to stay in the program include: special care coordination teams to coordinate medical and behavioral health needs; doctors' office visits, pharmacy, lab services, x-rays and vision services all in one location; free access to the Kaiser Permanente pharmacy call center and 24/7 nurse line; Kaiser Permanente's health education and wellness classes; access to Kaiser Permanente's member Web site, which allows members to schedule appointments, email their doctors, check test results, and access a myriad of useful health and wellness information.

For more information about this program, please contact Cindi Terra at the Department at (Cindi.Terra@state.co.us) or Stephanie Denning at Kaiser Permanente (Stephanie.P.Denning@kp.org).

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Federal Medical Assistance Percentages (FMAP)

Per the American Recovery and Reinvestment Act (ARRA), the Department is eligible to receive automatic federal medical assistance payment (FMAP) increases for medical assistance payments. Based on the current Bureau of Labor Statistics (BLS) calculated unemployment numbers, Colorado was in tier 1 unemployment with an enhanced FMAP rate of 58.78%. BLS recalculated unemployment March 27, 2009 and Colorado became a tier 2 unemployment state, increasing the enhanced match rate to 60.19%. Moving forward, the Department will request funding from the Centers for Medicaid and Medicare Services (CMS) at the enhanced match rate during standard quarterly funding requests. CMS will make additional funding available to the Department based on the level of enhanced FMAP that the state qualifies for as determined under ARRA.

CMS has retroactively provided additional funding for enhanced FMAP for the quarters ending 12/31/2008 and 3/31/2009. In order to claim the additional FMAP, the State of Colorado must attest to meeting five requirements. The Department is currently in the process of formulating a statement of compliance with each of these attestations based on all known proposed or planned changes to Medicaid eligibility standards, methodologies and fund sources. These attestations include:

1) The State is eligible for the increased FMAP because the State is applying Medicaid eligibility standards, methodologies and procedures that are no more restrictive than those in effect under the State plan (or any waiver or demonstration project) on July 1, 2008. If the State is currently ineligible because it does not meet this condition, the State may be retroactively eligible if it reinstates the former standards, methodologies and procedures prior to July 1, 2009.

2) The State is eligible for the increased FMAP because no amounts attributable (directly or indirectly) to such increased FMAP are deposited or credited to any reserve or rainy day fund of the State.

3) The State is eligible for the increased FMAP because it does not require cities or counties within the State to contribute for quarters beginning October 1, 2008 and ending December 2010, a greater percentage of the non-Federal share of such expenditures than the respective percentage that would have been required under the State Medicaid plan on September 30, 2008.

4) The expenditures for which the State draws funds are of a type that would be eligible expenditures. Ineligible expenditures include: expenditures for disproportionate share hospital (DSH) payments; expenditures that are claimed based on the enhanced FMAP (for example, the Children's Basic Health Plan and the Breast and Cervical Cancer Treatment Program); expenditures that are not paid based on the FMAP, such as expenditures for family planning services or administrative expenditures; expenditures for services provided through an Indian Health Service facility; and, expenditures for medical assistance provided to individuals made eligible because of increased income eligibility standards that are more restrictive than those in effect on July 1, 2008.

5) The expenditures for which the State draws funds are not payments for health care practitioner claims, or certain nursing home and hospital claims, that were received by the State during periods in which the State is not in compliance with prompt payment standards.

While the enhanced FMAP funding is required to pay only for Medicaid services, the funding freed up over $300 million of General Fund in FY 2009-10. The General Fund savings as a result of ARRA was included by the Joint Budget Committee in the

Long Bill.

HCPF Medical Resident Program

On March 10, 2009 the Department held its first monthly Medical Resident Program session. These sessions are designed to provide training about the Department's public insurance programs to pediatric, family medicine and internal medicine residency programs across Colorado. Residents also learn about the Department's legislative activities and reform initiatives to improve the health of clients and how they can participate in these efforts. The goal is to cultivate physician awareness, encourage participation in the Department's programs and promote advocacy on behalf of public insurance clients.

Constituent Concerns and Questions

Please remember that constituent concerns and questions can be sent to Ginny Brown, Legislative Liaison, 303-866-3972 ginny.brown@state.co.us and/or Nicole Storm, Legislative Analyst, 303-866-3180 nicole.storm@state.co.us. We are also available to speak at your town hall meetings on health reform.

For more information on these or other topics, please contact Nicole Storm, Legislative Analyst, at 303-866-3180 or Nicole.Storm@state.co.us