



## Department of Health Care Policy and Financing Annual Performance Report

### Strategic Policy Initiatives

The Department of Health Care Policy and Financing has identified several strategic policy initiatives for FY 2014-15 and beyond. For this evaluation report, the Department selected a few initiatives that best capture some of the Department's strategic and operational priorities and reflect the overall direction as identified by Department leadership. The initiatives also provide context for much of the day-to-day work, which is highlighted in the measures section of the report. Additional detail for these, and other, strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

#### Customer – Improve health outcomes, client experience and lower per capita costs

The Department is committed to delivering a customer-focused Medicaid program that improves health outcomes and client experience while delivering services in a cost-effective manner. Central to this initiative is the establishment of an integrated delivery system through the Accountable Care Collaborative (ACC), which holds providers accountable for health outcomes. This shifts financial incentives away from volume of services to efficacy. The ACC focuses on the needs of its members and leverages local resources to best meet those needs. Medicaid members in the ACC receive the regular Medicaid benefit package and belong to a Regional Care Collaborative Organization. They choose a Primary Care Medical Provider as a medical home, who coordinates and manages their health needs across specialties and along the continuum of care. In addition to the ACC, the Department is working to improve eligibility and enrollment systems for members, expand member access to medical providers, reduce waiting lists for waiver services, and enhance long term services and supports.

#### Technology – Provide exceptional service through technological innovation

The Department is encouraging the adoption of electronic health records (EHRs) for Medicaid members through a federally-funded incentive program. Creating a personal EHR will allow Medicaid clients and their providers to see individual claims, service utilization, costs compared to similar clients, and monitor personal wellness needs. Linking this data to the Statewide Data and Analytics Contractor for the Accountable Care Collaborative will allow Medicaid providers access to a broader picture of member resource needs. Providers who meet defined eligibility criteria can qualify for limited-time incentive payments to help offset the costs of adopting EHR. Providers must demonstrate "Meaningful Use" or declare that their services meet core measures to receive incentive payments.

#### Process – Enhance efficiency and effectiveness through process improvement

The Department established a Lean Community for process improvement in 2012. The Lean Community empowers employees to eliminate waste and maximize value in their daily work activities, and fosters a culture of continuous improvement through training and project management. The Department is using training, coaching, global projects and rapid improvement sessions called "Quick Hits" to deploy Lean throughout the Department, and to create a Lean culture that is customer-centric, and focused on continuous improvement and data-driven decision-making.



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### Financing – Ensure sound stewardship of financial resources

The Department’s “Financing” initiative is intertwined with its “Customer” initiative in that it contains costs through many of the same programs designed to improve health outcomes. This is because medical costs decrease when overall population health improves: members engage in prevention and wellness programs, they experience better management of chronic diseases, and have fewer acute care episodes. Costs are also controlled by shifting payment systems from outdated “pay and chase” models that drive volume of services to new systems that pay for value and improved health. In addition, the Department is focused on financing efforts to prevent fraud, waste and abuse; expand the use of performance-based contracts; and seek grant funding to further strategic goals not funded through the regular budget process.

### Operational Measures

#### Customer – Improve health outcomes, client experience and lower per capita costs

#### Process – Increase enrollment of Medicaid recipients into the ACC

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of ACC enrollees of total Medicaid population	13.2%	34.4%	52.2%	64.8%	71.3%

Counts are based upon annual average of monthly enrollment.

#### Process – Attribute ACC clients to primary care providers in RCCO network

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of ACC enrollees with a Primary Care Medical Provider	N/A	76.4%	70.9%	69.6%	75.0%

Counts are based upon annual average of monthly enrollment.

#### Process – Increase timely eligibility determinations

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of eligibility applications processed within various state and federal timeline requirements	81.0%	89.9%	91.8%	94.0%	95.8%



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### Process – Enroll new Medicaid providers

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Number of Colorado providers serving Medicaid	36,537	39,821	43,867	44,996	50,845

### Process – Increase enrollment for Children’s Extensive Support (CES) Waiver

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of CES eligible individuals in need of immediate services enrolled	N/A	44.7%	71.9%	100%	100%

### Process – Place appropriate Long Term Services and Supports (LTSS) Members in nursing facilities

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of LTSS Members in nursing facilities	22.3%	21.1%	20.7%	18.1%	17.0%

### Process – Provide waiver services to appropriate LTSS Members

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of LTSS Members receiving HCBS waiver services	72.9%	73.5%	74.4%	76.3%	76.6%

### Process – Provide PACE services to appropriate LTSS Members

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of LTSS Members enrolled in PACE	4.8%	5.3%	4.9%	5.7%	6.5%

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of Medicaid Providers receiving EHR-MU incentive payments	N/A	N/A	57.4%	56.8%	78.6%



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**Process – Enhance efficiency and effectiveness through process improvement**

**Process – Promote a Lean culture throughout the Department**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of Favorable survey responses to “Work Done > Efficiently with < Waste”	43.0%	N/A	49.0%	60.0%	75.0%

Data source is DPA statewide employee survey, which is conducted biennially. Survey question did not exist in 2013.

**Financing – Ensure sound stewardship of financial resources**

**Process – Achieve ACC net savings targets**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Dollar amount of ACC net savings (range minimum)	(\$2,708,711)	(\$6,930,854)	(\$13,210,777)	(\$20,143,291)	(\$23,386,336)