



Strategic Pillars

The Department of Health Care Policy and Financing identified five significant objectives, or pillars, to be accomplished in FY 2019-20. The Department’s strategic pillars and supporting initiatives described below are new as of FY 2019-20. Current year ramp-up efforts are creating a foundation to achieve Governor Polis’ health related goals, and new data will help set a baseline to evaluate performance. Many of these initiatives are project-based activities with short term milestones gauging performance. As a result, year-over-year performance data beyond what is provided below is not yet available.

Due to reporting lag time for some of the measures below, results from the third quarter SMART report are shown for the prior year evaluation in the Department’s FY 2020-21 performance plan. The final evaluation for FY 2019-20 will be available and submitted by Nov 1, 2020.

Pillar 1: Health Care Affordability for Coloradans: Reduce the cost of care in Colorado

The Department created a Health Care Affordability Roadmap that identifies cost drivers and cost control policies to address them. The Roadmap is intended to inform the State’s and Medicaid’s affordability strategy and align the two. This pillar is formulated to achieve improvement in the areas of price constraint, alternative payment models, data infrastructure, innovation, and population health, as reflected by the following performance measures.

Performance Measures	FY 19 YE	FY 20 Q3	1-Year Goal
# State thought leaders, industry influencers and stakeholders who are aware of, engaged to develop, or supporting the execution of the 3-5+ Year Health Care Affordability Road Map	2,220	4,310	3,500
% Complete: Prescription Cost Drivers Report	N/A	100%	100%
% Complete: Payer Prescription Tool implementation	N/A	21%	100%
% Complete: CMS Approval for HTP Waiver	N/A	82%	100%
# HTP measures implemented	N/A	9	10

The Department met or exceeded all but one of the measures above by the end of FY 2019-20. Implementation of the Payer Prescription Tool is on track for completion in FY 2020-21.



Pillar 2: Medicaid Cost Control: Ensure the right services for the right people at the right price

Since the passage of Colorado’s Senate Bill 18-266, Controlling Medicaid Costs, the Department has been focusing resources to meet the intent of the legislation and the affordability goals of Governor Polis. In addition to many cost control initiatives to better manage Medicaid expenditures, such as curbing fraud and evolving Accountable Care Collaborative strategies, there are more than 15 workstreams inside the Department focused on Medicaid claim trend management. Most of the appropriations received by the Department are for the purpose of funding the State’s Medicaid program. As such, it is critical that the Department demonstrate sound stewardship of the financial resources that have been allocated to its programs.

Performance Measures	FY 19 YE	FY 20 Q3	1-Year Goal
\$ Medicaid per-capita total cost of care (PMPY) ¹	\$6,378	\$589 ^A	\$570 (\$6,839) ²
% Complete: Managing rising trends and high-risk, high-cost Medicaid members	N/A	70%	100%

¹ Annual goal is per member per year (PMPY). Quarterly data is per member per month for February 2020. The PMPY actual for FY20 will be calculated after the end of the FY.

² 1-year goal adjusted in October 2019 based on changes in the November budget forecast for FY 2019-20

^A \$589 pmpm through February vs target of \$570 pmpm (2.7% over, before applications of rebates). Monthly Medicaid per capita fluctuates based on the number of weeks in a month, sudden changes in caseload (due to retroactive payments), what part of the year a month falls in, the timing of lump-sum payments, and other reasons based on provider billing fluctuations. Therefore, fluctuations in monthly cost per capita are normal in most cases.

The Department’s Medicaid per capita expenditure was overstated at the end of the third quarter (shown above) because expenditure and utilization of services decreased due to the COVID-19 pandemic. Given the more recent forecast of reduced utilization due to the pandemic, per capita cost is likely to be on track with the target by the end of FY 2019-20.

The Department met its goal to complete implementation of a plan to manage rising trends and high-risk, high-cost Medicaid members.



Pillar 3: Member Health: Improve member health

The Department seeks to improve the health and well-being of Coloradans served by the Medicaid program. Appropriate health care must be complemented by addressing chronic disease, mental health and substance abuse. The impact of the opioid crisis has devastated many American families and Colorado is no exception. The Department is implementing strategies to battle overprescribing behaviors and reduce patient addiction in the Medicaid and CHIP populations.

Performance Measures	FY 19 YE	FY 20 Q3	1-Year Goal
Decrease # opioid pills dispensed among members who use the Rx benefit	8.26	7.60 ¹	7.46
% Complete: Baseline Risk Score for every member	N/A	80%	100%

¹ Data lagging—updated through December 2019.

The Department exceeded the target for both measures above by the end of FY 2019-20.

Pillar 4: Customer Service: Improve service to members, care providers, and partners

Our focus for this pillar is on improving service to our members and providers to reach levels that parallel that of the private or commercial sector. We want to be diligent and thoughtful in finding ways to do more with less across all our operations in order to match the service levels associated with commercial payers.

Performance Measures	FY 19 YE	FY 20 Q3	1-Year Goal
Provider call average speed of answer (ASA) in seconds	52	180 ¹	61

¹ Quarterly data is from February 2020.

The Department achieved its customer service goal by the end of FY 2019-20 by adding more staff. By the end of April 2020, ASA returned to less than 61 seconds.



Pillar 5: Operational Excellence: Create compliant, efficient, and effective business practices that are person- and family-centered

To achieve this pillar we are improving the cost-efficiency of our operations, strengthening services to our providers, and completing systems changes that improve member experience. We have taken on a substantial amount of project work to improve operational excellence in areas such as federal compliance, member call center, eligibility accuracy, executive accountability, and measure execution.

Performance Measures	FY 19 YE	FY 20 Q3	1-Year Goal
Complete contract management training for 100% of contract managers	N/A	0% ^A	100%
% targeted Medicaid households using PEAKHealth mobile app	36%	44% ¹	43%
\$ HCPF expenditures – Administration	\$ 311,714,033	\$182,106,962 ^{B,2}	\$436,961,708 ³

^A First contracts management training class was held April 1, 2020. Initiative is on track.

^B Administrative expenditure is not spent in equal portions throughout the year. Most expenditure will occur in the last half in the year, with a large percentage in the last quarter and through Accounting close.

¹ Quarterly data is from March 2020.

² Quarterly data is cumulative expenditure YTD from July 2019 through March 2020.

³ Target for FY20 is based on initial spending authority in LB+SB, and will be adjusted in March 2020 after any supplemental funding is appropriated. Source: FY20 DPP, pg 25.

The Department achieved both of the implementation goals above ahead of schedule and is on track to exceed its target for Administrative Expenditure by the end of FY 2019-20.