



**COLORADO DEPARTMENT OF HEALTH CARE  
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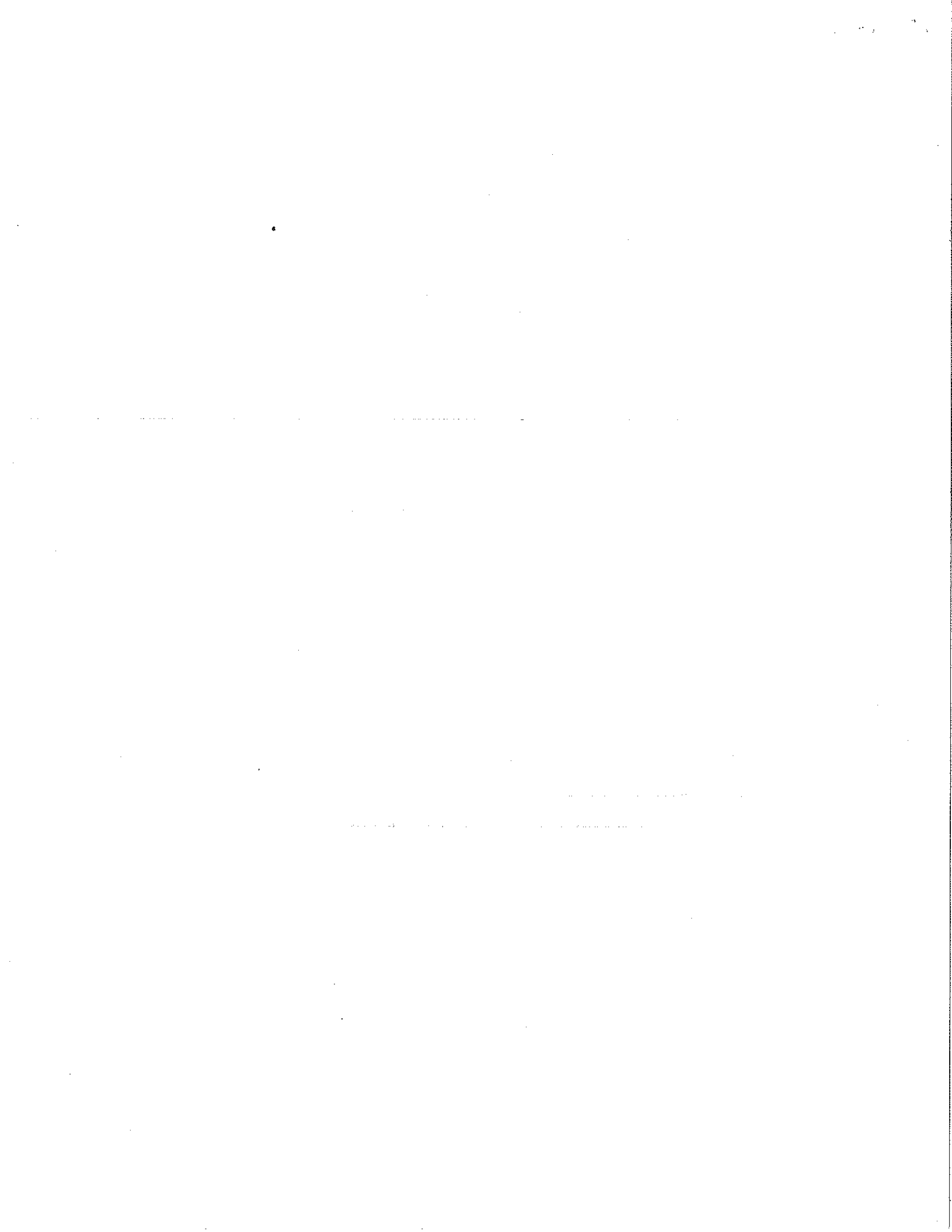
REPORT TO JOINT HEALTH AND HUMAN SERVICES COMMITTEE

*A COMPARISON OF THE MEDICAID MANAGED CARE PROGRAMS  
BASED ON QUALITY & EFFICIENCY*

C.R.S. 25.5-5-410

JULY 1, 2008

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July 1, 2008





## COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

1570 Grant Street, Denver, CO 80203-1818 • (303) 866-2993 • (303) 866-4411 Fax • (303) 866-3883 TTY  
Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

July 1, 2008

The Honorable Bob Hagedorn, Chairman  
House Health and Human Services Committee  
200 E. Colfax Avenue, Room 346  
Denver, CO 80203

Dear Senator Hagedorn:

Enclosed, please find the Colorado Department of Health Care Policy and Financing's submission to the House Health and Human Services Committee on Medicaid's Managed Care Quality.

Section 25.5-5-410, C.R.S. (2007) requires the Department to submit a report, by July 1 each fiscal year, showing a comparison of the effectiveness of the Colorado Medicaid managed care organizations and the primary care physician program based upon common performance standards that shall include but not be limited to recipient satisfaction. The attached "Colorado Medicaid Health Care Plan Report Card," is a tool developed by the Department of Health Care Policy and Financing to enable the Colorado Medicaid client to make a well-informed decision regarding which of the four available health plans is best for them.

The statute also requires the Department to report on the cost-efficiency of each managed care program. This information is also included in the attached report.

Questions regarding this report should be addressed to Lesley Reeder, Quality Compliance Specialist, at [lesley.reeder@state.co.us](mailto:lesley.reeder@state.co.us) or (303) 866-5879.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Joan Henneberry'.

Joan Henneberry  
Executive Director

LR:JH/tr

Enclosure: Colorado Medicaid Managed Care Report Card



July 1, 2008

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The Honorable Anne McGihon, Chair  
House Health and Human Services Committee  
200 E. Colfax Avenue, Room 271  
Denver, CO 80203

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# A COMPARISON OF THE MEDICAID MANAGED CARE PROGRAMS BASED ON QUALITY & EFFICIENCY

## **Introduction**

This report describes the effectiveness of medical care delivered to clients in the Colorado Medicaid program. For fiscal year 2007 the Colorado Department of Health Care Policy and Financing worked with four plans to deliver medical care to Medicaid recipients. The four plans are as follows: Denver Health Medicaid Choice, Rocky Mountain Health Plan, the Department-administered Primary Care Physician Program, and the Department-administered Fee-for-Service program.

For fiscal year 07-08 through May 2008, the Colorado Medicaid population was distributed among the four health care plans as follows\*:

- The year-to-date monthly average number of people enrolled in Colorado Medicaid is 386,332.
- Of those, approximately 19% were enrolled in some type of managed care.
- Approximately 81% were enrolled in the FFS program (non-managed care)

\* These estimates are from the Joint Budget Committee Footnote 21 Report dated June 16, 2008, as well as supporting data for the report.

## **Quality Analysis**

The Department contracts with an External Quality Review Organization (EQRO) to collect data on the performance of Colorado Medicaid health plans. These include client satisfaction information from the Consumer Assessment of Healthcare Providers and Systems dataset and quality of care performance measures included in the Healthcare Effectiveness Data and Information Set (HEDIS®). In addition, the Department FFS and PCPP plans partner with DHHA and RMHP to conduct two focused studies each year for which the EQRO provides technical guidance in the study design and data analysis. In FY07, the two focused studies were about prenatal care and use of asthma medications for chronic asthmatics.

Selected data from each of these sources is used to create a consumer report card. Letter grades are used to help Colorado Medicaid clients make an informed decision about which health care plan is best for them. The attached document includes the text and the tables that will be incorporated into Colorado Medicaid's enrollment broker's website. Attached, please find the Colorado Medicaid Health Care Plan Report Card for 2007/2008.

## **Cost Efficiency Analysis**

It is difficult to perform an "apples to apples" comparison of cost efficiency between a full-risk managed care contract (Denver Health), a no-risk managed care contract (Rocky Mountain Health Plans), a Department-run managed care program (PCP Program) and non-managed care (FFS program). Calculating the cost-efficiency of a program does not typically account for the value a given program delivers in terms of increased preventive care and avoided in-patient or emergency room costs. Typically, if a client has an assigned provider, they are more likely to have regular ambulatory care visits, thereby driving up the cost of care for that client in the short

term. However, there is an abundance of studies confirming that clients with a usual source of care (an assigned primary care provider) are less likely to experience hospitalization for conditions that can be maintained on an out-patient basis. Therefore, those programs that require a client to choose their primary care provider (Denver Health, Rocky Mountain Health Plans and the Primary Care Physician Program) are likely to add value on the basis of quality of care than the Fee-for-Service program, where clients are not assigned to a provider.

## **Recommendations**

Assuming that clients in a managed system of care will likely cost less and receive higher quality care in the long run due to the increased preventive care and chronic care they receive in a primary care setting, the Department is working to increase the number of clients on Medicaid in managed care. The Department is looking at a number of innovative ways to meet this objective. One strategy is the Colorado Integrative Care Collaborative, a program designed to provide intensive care management for chronically ill adults on Medicaid. The Department is currently partnering with Colorado Access to provide this intensive care management model. Additionally, the Department is developing a medical home program for children on Medicaid and the Children's Basic Health Plan as mandated in CRS 25.5-1-103. Designated medical home practices will be responsible for tracking preventive care for the children they serve as well as maintain a patient-centered relationship with the child and their family.

## **Conclusion**

Currently, most clients served by Medicaid are in non-managed care. In analyzing the results of HEDIS and CAHPS measures, it is clear that clients in a managed care setting receive higher quality care and are more satisfied with the care they receive. There is also evidence that suggests that clients in a managed care setting may be less expensive to care for due to savings generated by avoidable in-patient hospital stays and emergency room visits. With this in mind, it is the Department's goal to increase the number of clients in some type of managed care setting.

## Colorado Medicaid Health Care Plan Report Card 2007/2008

### Choosing a health plan

Before you choose a health plan, you can use these charts to help with your decision. The charts tell you how well doctors and health plans give care to Medicaid members. The charts also tell you how adults and parents feel about the care they get from Medicaid health plans. One chart is for Kids and Teens and the next chart is for Adults.

#### How to read the chart

- A** Best
- B** Better
- C** Average

Care for Kids and Teens							
How well does the health plan care for Kids and Teens?						How well do you like the plan for Kids and Teens?	
	Overall rating of Health Plan	Getting the right vaccines for kids	Getting well care for babies	Getting well care ages 3-6 years old	Getting well care ages 12-19 years old	Getting care when needed (what parents thought)	Are you Happy with the Doctor or Nurse for your Kids?
Denver Health Medicaid Choice	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>B</b>	<b>B</b>	<b>A</b>
Rocky Mountain Health Plan	<b>A</b>	<b>A</b>	<b>C</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>A</b>
Primary Care Physician Program	<b>B</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>B</b>	<b>B</b>
Fee-for-Service Program	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>

## Care for Adults

How well does the health plan care for Adults?					How well do you like the plan for Adults?	
	Overall rating of health plan	Breast Cancer Screening	Care for high blood pressure	Getting care when you are pregnant	Getting care when needed	Are you happy with your doctor or nurse?
Denver Health Medicaid Choice	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>A</b>
Rocky Mountain Health Plan	<b>A</b>	<b>A</b>	<b>B</b>	<b>A</b>	<b>A</b>	<b>B</b>
Primary Care Physician Program	<b>B</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>A</b>	<b>B</b>
Fee-for-Service Program	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>B</b>	<b>C</b>

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