



## 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

February 15, 2009

The Honorable Moe Keller, Chairman  
Joint Budget Committee  
200 East 14<sup>th</sup> Avenue, Third Floor  
Denver, CO 80203

Dear Senator Keller:

Enclosed please find a legislative report to the Joint Budget Committee on the Department of Health Care Policy and Financing's (Department) Disease Management Programs. Section 25.5-5-316(3), C.R.S. (2008) requires the Department to report the fiscal implications generated by implementation of the disease management programs on or before February 1, 2009 thereafter in which the program is in place. Please note that any savings identified are incorporated in the Department's base request for Medical Services Premiums.

The attached report provides updated information about each disease management program and includes the vendor calculated outcomes when available. Questions regarding the disease management report can be addressed to Bernadette Marra, Contract Compliance Specialist, at [bernadette.marra@state.co.us](mailto:bernadette.marra@state.co.us), or 303-866-6076.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joan Henneberry', is written over a horizontal line.

Joan Henneberry  
Executive Director

BM:JH/bm

Attachments

Cc: Representative Jack Pommer, Vice-Chairman, Joint Budget Committee  
Senator Abel Tapia, Joint Budget Committee  
Senator Al White, Joint Budget Committee  
Representative Mark Ferrandino, Joint Budget Committee  
Representative Don Marostica, Joint Budget Committee  
Senator Peter Groff, President of the Senate  
Senator Brandon Shaffer, Senate Majority Leader  
Senator Josh Perry, Senate Minority Leader  
Representative Terrance Carroll, Speaker of the House  
Representative Paul Weissmann, House Majority Leader  
Representative Mike May, House Minority Leader  
John Ziegler, JBC Staff Director  
Melodie Beck, JBC Analyst  
Todd Saliman, Director, Office of State Planning and Budgeting  
Luke Huwar, Budget Analyst, Office of State Planning and Budgeting  
Legislative Council Library (4 copies)  
State Library (4 copies)  
Joan Henneberry, Executive Director  
HCPF Executive Director's Office  
Sue Williamson, Director, Client and Community Relations Office  
Jennifer Evans, Director, Administration and Operations Office  
Sandeep Wadhwa, M.D, Director, Medical and CHP+ Program Administration Office  
John Bartholomew, Budget and Finance Office Director  
Ginny Brown, Legislative Liaison  
Lindy Wallace, Project Management Director  
Joanne Lindsay, Public Information Officer  
HCPF Budget Library, HCPF Budget Division

## Disease Management Program Summary

In 2002, the Colorado General Assembly enacted legislation authorizing the Department of Health Care Policy and Financing to develop disease management programs "to address over- or under-utilization or the inappropriate use of services or prescription drugs, and that may affect the total cost of health care utilization by a particular Medicaid recipient with a particular disease or combination of diseases." Section 26-4-408.5(2), C.R.S.

The Department currently has six disease management programs. The status of these programs is reported below:

### Current Disease Management Programs report 02/01/2009

INITIATIVE	VENDOR	# OF CLIENTS	INTERVENTIONS & PERFORMANCE MEASURES	NOTES
Asthma	Alere Medical, Inc.	552 Currently enrolled in program	<ul style="list-style-type: none"> <li>• Clients receive educational materials, a peak flow monitor and regularly scheduled telephonic assessments</li> <li>• Program measures number of hospitalizations and ER visits, client functional status, client and physician satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Direct contract began November 2004</li> <li>• Amendment 2 was executed on June 30th, 2008 and the program will continue through June 2009</li> </ul> <p>Program Annual Outcome Report Highlights:                      Baseline period= 07/01/04 to 06/30/05                      Study program period = 07/01/06 to 06/30/07                      Based on 627 patients enrolled in Alere's Asthma program</p> <ul style="list-style-type: none"> <li>• Twelve months claims data analyzed by Alere showed the following:                             <ul style="list-style-type: none"> <li>○ 38.9 % decrease in Emergency room Utilization</li> <li>○ 46.8 % reduction in patients with &gt;= 1 inpatient admit</li> <li>○ 57.4 % reduction in patients with &gt;= 2 inpatient admits</li> </ul> </li> </ul> <p>Quality of Life(self-reported data):</p> <ul style="list-style-type: none"> <li>• SF-12 average PCS* score for 12 months on the program was 34.2</li> </ul>

<p>Congestive Heart Failure (CHF)</p>	<p>Alere Medical, Inc.</p>	<p>117 Currently enrolled in program</p>	<ul style="list-style-type: none"> <li>• Clients receive a biometric home monitor with scale and/or regularly scheduled telephonic assessments</li> <li>• Program measures number of hospitalizations and ER visits, client functional status, client and physician satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• SF-12 average MCS** score for 12 months on the program was 47.7</li> <li>• Self Reported Overall Satisfaction was 98.3%</li> <li>• 96.6% of participants would recommend the program</li> </ul> <p>*Physical Component Survey ** Mental Component Survey Full report is available</p> <ul style="list-style-type: none"> <li>• Direct contract began July 2007</li> <li>• Amendment 1 was executed on June 30th, 2008 and the program will continue through June 2009</li> <li>• A full program analysis will be available by January 2009</li> <li>• Results as of Q3-08 show the following: <ul style="list-style-type: none"> <li>○ Increased adherence to CHF medications</li> <li>○ Decreased inpatient hospital visits</li> <li>○ 96.6% overall satisfaction for clients in program</li> </ul> </li> </ul>
<p>Chronic Obstructive Pulmonary Disease (COPD)</p>	<p>Alere Medical, Inc.</p>	<p>195 Currently enrolled in program</p>	<ul style="list-style-type: none"> <li>• Clients receive a biometric home monitor with scale and/or regularly scheduled telephonic assessments</li> <li>• Program measures number of hospitalizations and ER visits, client functional status, client and physician satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Direct contract began October 2007</li> <li>• Amendment 1 was executed on June 30th, 2008 and the program will continue through June 2009</li> <li>• Results as of Q3-08 show the following: <ul style="list-style-type: none"> <li>○ 90% program clients on controller medications</li> </ul> </li> <li>• A full program analysis will be available by January 2009</li> </ul>
<p>Telehealth Pilot Program for</p>	<p>US Care Management</p>	<p>138 Currently</p>	<ul style="list-style-type: none"> <li>• Medicaid clients with CHF, COPD, or diabetes may enroll</li> </ul>	<ul style="list-style-type: none"> <li>• Direct contract began July 2007</li> </ul>

Chronic Conditions	(formally Specialty Disease Mangement)	enrolled in program	<ul style="list-style-type: none"> <li>into the program</li> <li>Clients receive a biometric home monitor appropriate for the condition being managed.</li> <li>Program measures clinical outcomes, cost savings and client satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>C.R.S. authority for this program is 25.5-5-701</li> <li>Amendment 1 was executed on June 30th, 2008 and the program will continue through June 2009</li> <li>The annual outcome report for August 2007-July 2008 has been received and is currently being reviewed by the Business Analysis section</li> <li>US Care Management reports increased adherence to physician visits, stabilizing biometrics and reduced ER visits</li> <li>US Care Management has increased outreach and has been able to meet enrollment goals for program</li> <li>This Program is up for a sunset review</li> <li>This program must follow C.R.S. <u>25.5-1-109</u> which states that any identified savings must be transmitted to the state treasurer for credit into the HCPF cash fund. The identified cost savings may then be made available for use by HCBS</li> </ul>
High-Risk Obstetrics	Matria Healthcare, Inc./Alere Medical, Inc	1469 Enrolled from July 2008-current	<ul style="list-style-type: none"> <li>Clients receive educational materials and regularly scheduled telephonic assessments</li> <li>Program measures clinical outcomes, cost savings and client satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Direct contract began December 2008</li> <li>Amendment 1 was executed on June 30th, 2008 and the program will continue through June 2009</li> <li>Annual outcome report received October 31<sup>st</sup> 2008 and is currently in the Business Analysis department for review</li> <li>The report contains the outcomes of 919 participants</li> </ul>

<p>Alere Medical formally Matria reports the following:</p> <ul style="list-style-type: none"> <li>o Adjusted Total Projected Savings/1,000 live births = \$ 730,800</li> <li>o Total Program Savings = \$ 671,789</li> <li>o Of note, the vendor's reported savings does not take into account vendor bias in the pre-post selection process. Vendor analysis used the following: <ul style="list-style-type: none"> <li>o [1] NICU data for the Neonatal Intensive Care comparisons were derived from adjudicated claims data provided by the state of Colorado's Department of Health, Care Finance for a birth window of July 2006 through June 2007, including run-out through December 2007. These claims represent a baseline period prior to the Colorado Maternity Care Program implementation and include admissions related to DRG codes specific to the state of Colorado (801-805, 810). There were 15 NICU admissions with a cost of zero dollars each; these were excluded from the comparison group analysis.</li> </ul> </li> </ul>				
<ul style="list-style-type: none"> <li>• Direct contract began February 2008</li> <li>• Amendment 1 was executed on June 30th, 2008 and the program will continue through June 2009</li> <li>• Additions to the contract included the following: <ul style="list-style-type: none"> <li>o Increase enrollment from 500-1000</li> <li>o Open enrollment to all counties in the State (statewide enrollment)</li> </ul> </li> <li>• Full outcome report due in January 2009</li> </ul>	<ul style="list-style-type: none"> <li>• Clients self refer into one of two programs: FitLogix Combined Program which is telephone and web-based coaching or the FitLogix Telephone Alone Program</li> <li>• Clients receive educational materials, an electronic activity meter or pedometer and a scale</li> <li>• Program measures client weight loss, changes in activity and client satisfaction.</li> </ul>	<p>1000 clients enrolled in program</p>	<p>National Jewish Medical and Research Center</p>	<p>Weight Management</p>