

# *SMART Act Hearing*

## Colorado Department of Health Care Policy & Financing

Kim Bimestefer, Executive Director  
Craig Domeracki, Chief Operating Officer  
Tracy Johnson, Medicaid Director  
Tom Massey, Deputy Executive Director

January 2019

<https://www.colorado.gov/hcpf/legislator-resource-center>

# HCPF: EXAMPLES OF PROGRAMS WE OFFER

Health First Colorado  
(Colorado's Medicaid  
Program)  
\$9.4 Billion

Child Health Plan *Plus*  
(CHP+)  
\$209.1 Million

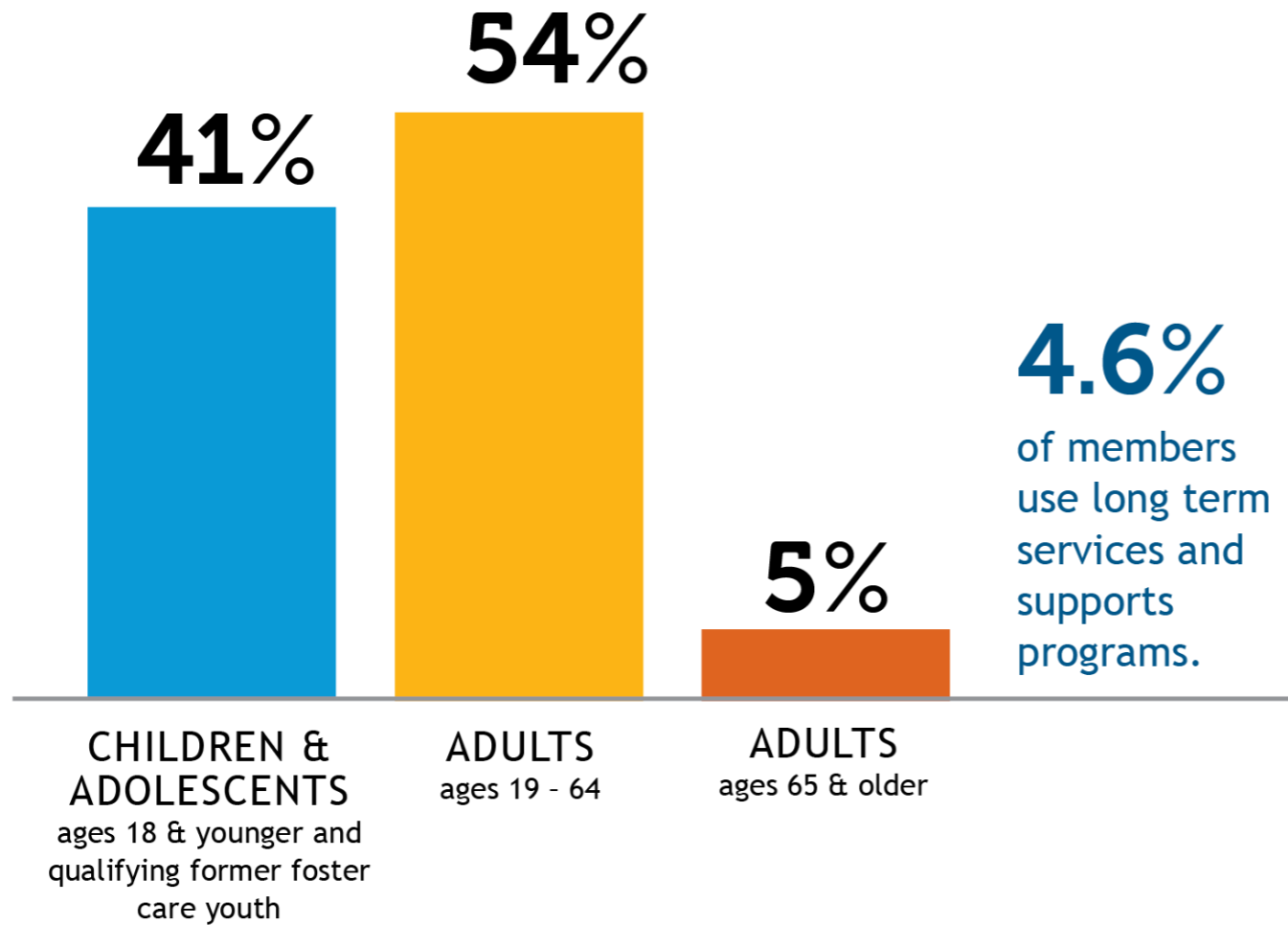
Old Age Pension  
(OAP) Medical  
Programs  
\$10 Million

Colorado Indigent  
Care Program (CICP)  
\$359 Million

Colorado Dental  
Health Care Program  
for Low-Income  
Seniors  
\$4 Million

Source: Amounts are based on the FY 2019-20 appropriation in Total Funds, each program has different funding streams, state, federal and other funds.

# HCPF: WHO WE SERVE VIA MEDICAID



## 2019 Federal Poverty Levels by Family Size\*

FAMILY OF 1	FAMILY OF 4
\$16,620	\$34,248

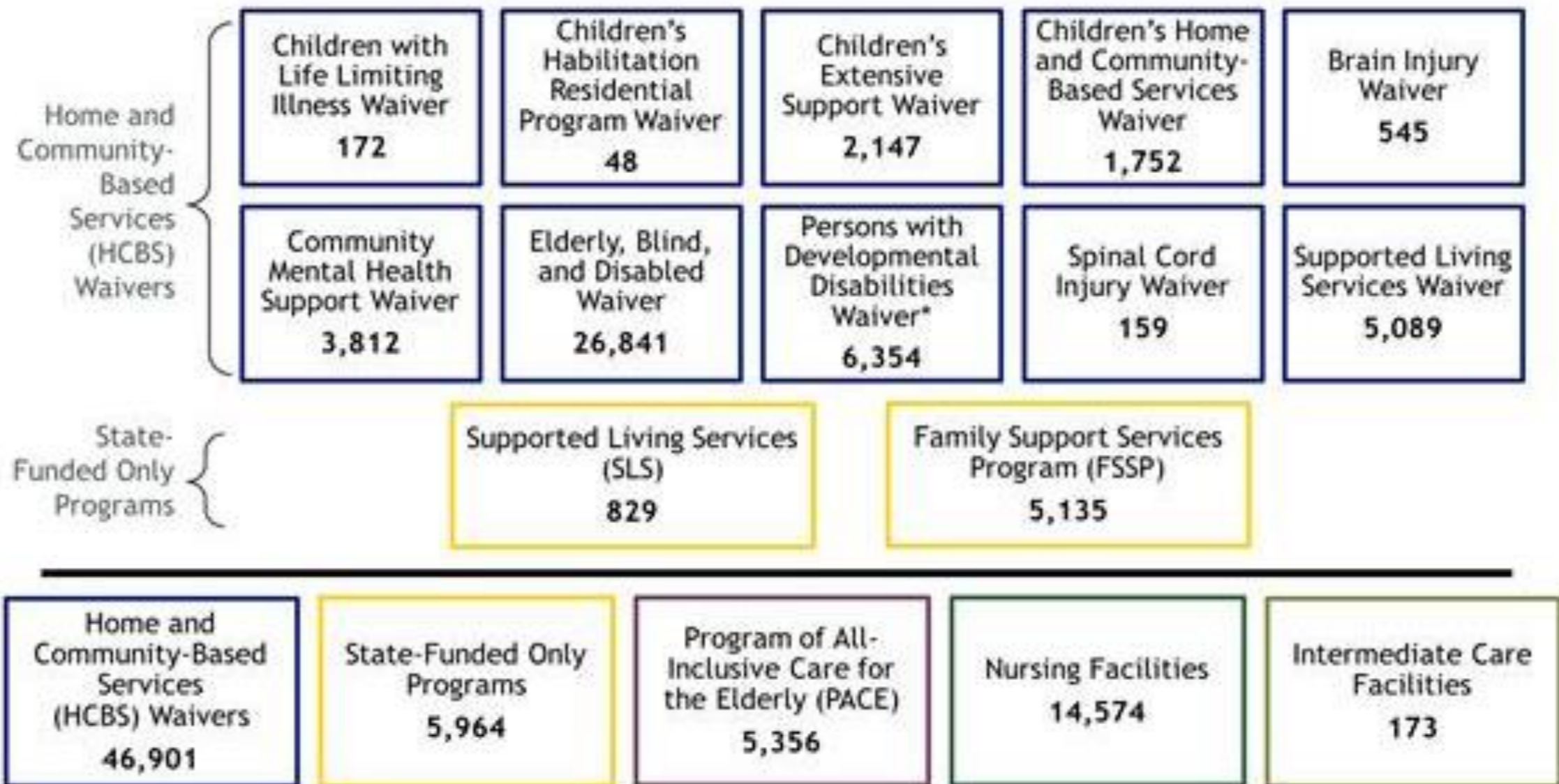
\*Some earning more may still qualify

Nearly 1.26 million Coloradans  
(about 22.1% of the population)



Source: 2018-19 Long Appropriations Act

# LONG-TERM SERVICES AND SUPPORTS PROGRAMS

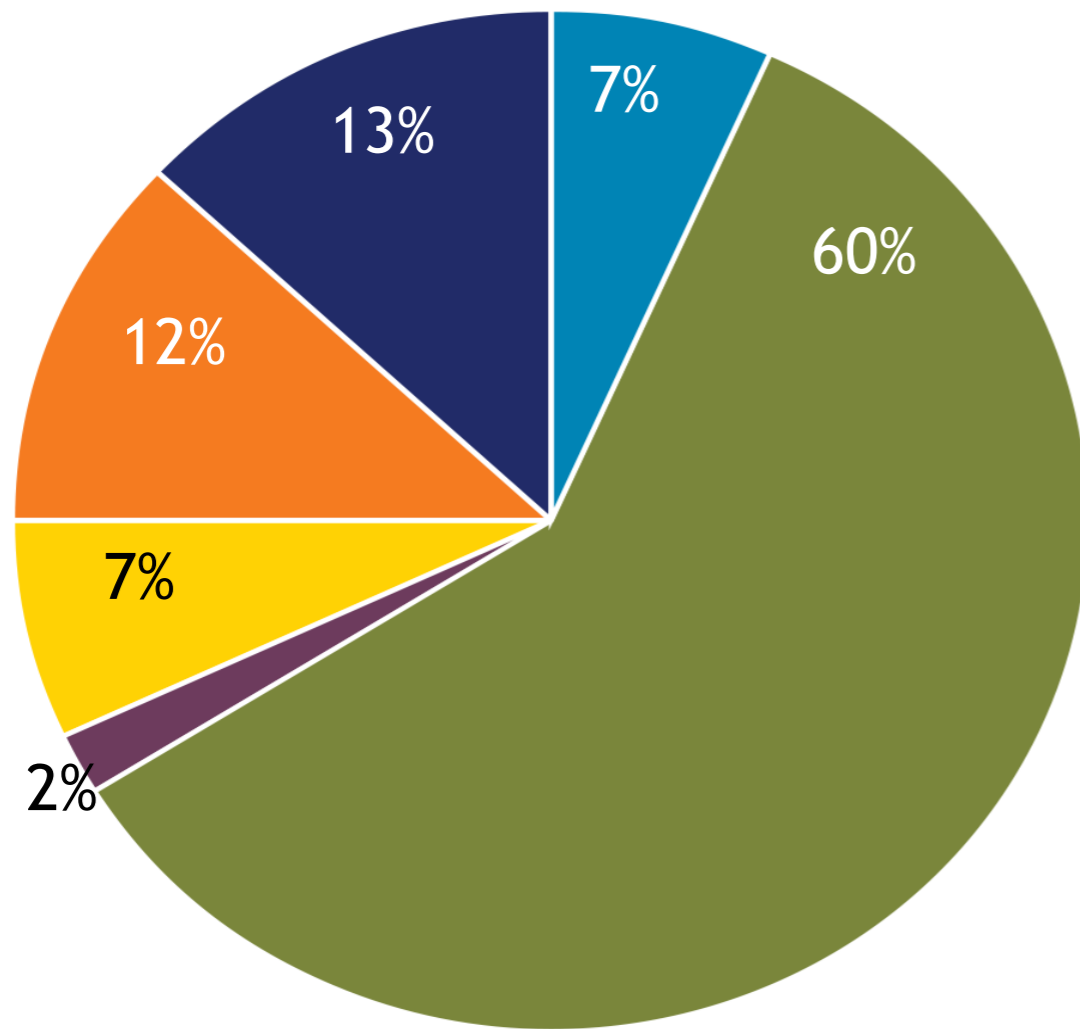


SOURCE: FY 2018-19; based on claims in MMIS. \* There is a waiting list for the HCBS-DD waiver. As of June 30, 2019, there were 2,895 people waiting for enrollment into the HCBS-DD waiver "As Soon As Available."

# HCPF: PROGRAMS

## CHILD HEALTH PLAN *PLUS*

### CHP+ Enrollment by MCO



### CHP+ members in 2018

**80,927**  
Children

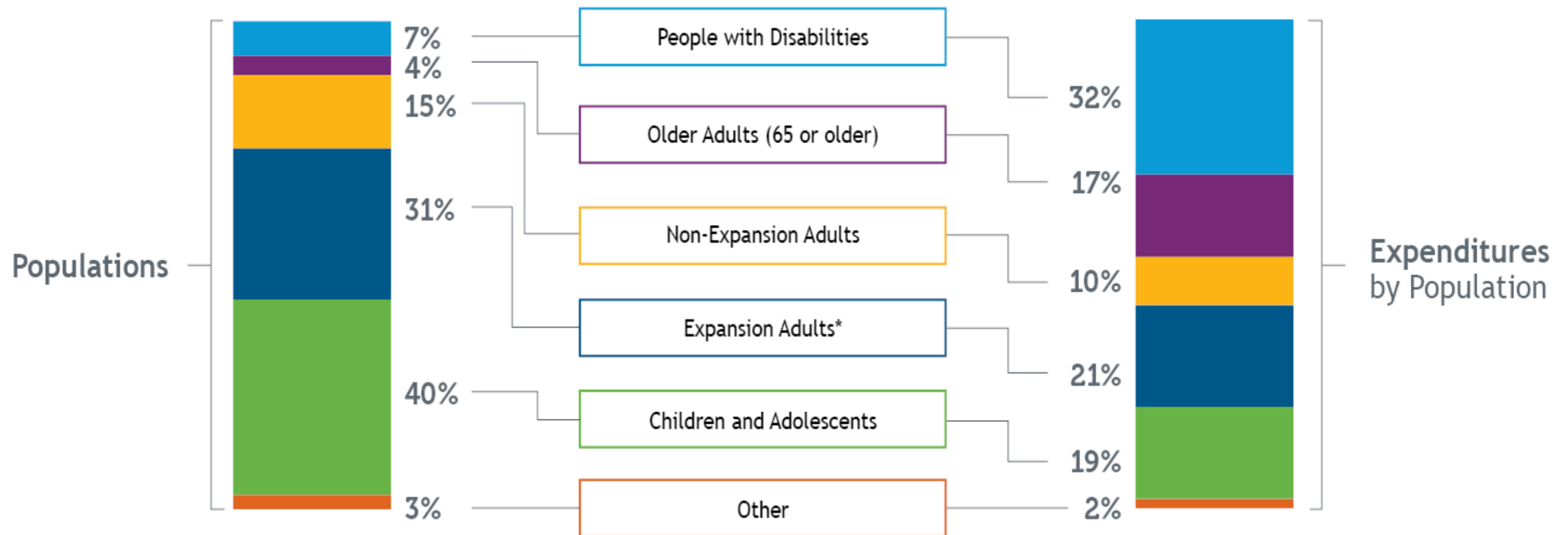
**951**  
Prenatal women

### CHP+ Managed Care Organizations (MCOs):

- Colorado Access
- Friday Health Plans
- Denver Health Medical Plan
- Kaiser Permanente
- Rocky Mountain HMO
- State Managed Care Network

CHP+ works with Managed Care Organizations (MCOs) to provide medical care. Each MCO has their own network of doctors, and members are enrolled in a MCO based on the county in which they live.

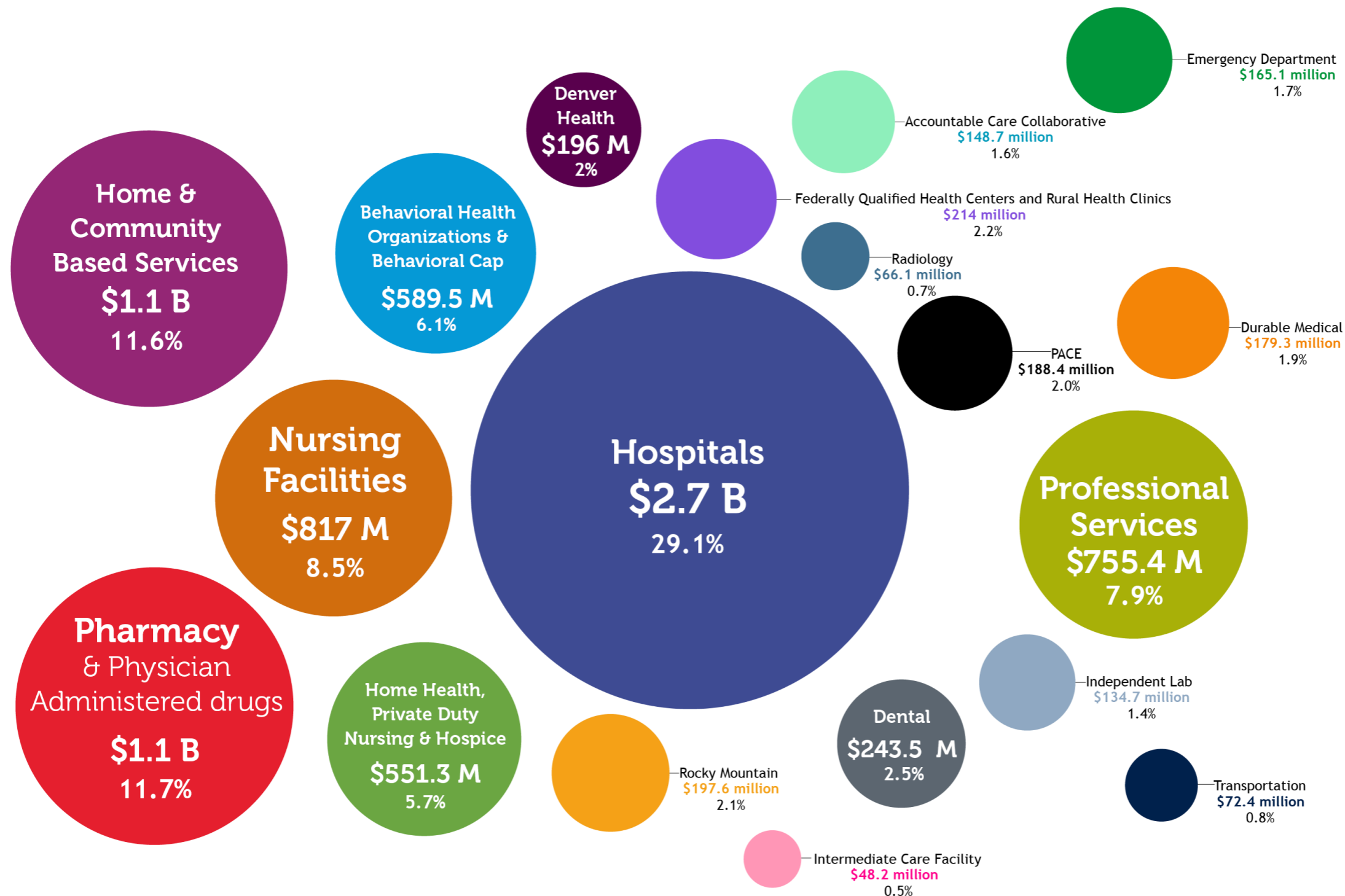
# MEDICAID EXPENDITURES BY COMMUNITY



Source: FY 2018-19 HCPF data. Categories include People with Disabilities (Ages 0-64), Older Adults with Full Medicaid Benefits (65 or older) Non-Expansion Adults Expansion Adults, Children and Adolescents, and Members with Partial Medicaid Benefits (All Ages)

\*The majority of funding for Expansion Adults is federal dollars, with the state fund source funded by the Hospital Affordability and Sustainability Fee.

# EXPENDITURES BY PROVIDER TYPE



Fiscal Year  
2018-19

Source: Based on information from the Department's Business Intelligence and Data Management (BIDM) Warehouse, Colorado Operations Resource Engine (CORE) and Pharmacy Benefits Management System (PBMS).

# FACTORS DRIVING HCPF STRATEGIC INITIATIVES



# STAKEHOLDER FEEDBACK

- **Consumers** (via Call Center, Medicaid Experience Advisory Committee, Advocates)
- **Federal authorities** (CMS, HHS, OIG, etc.)
- **State authorities** (Legislature, Agencies, OSA)
- **Providers** (doctors, hospitals, PACE, LTSS, etc.)
- **Partners** (RAEs, CCB/SEP, counties, etc.)
- **Agencies partners** (CDHS, CDPHE, DOI, Office of Saving People Money on Health Care)
- **Oversight** (CMS, HHS, OIG, OSA, LAC)



# Medicaid Trends

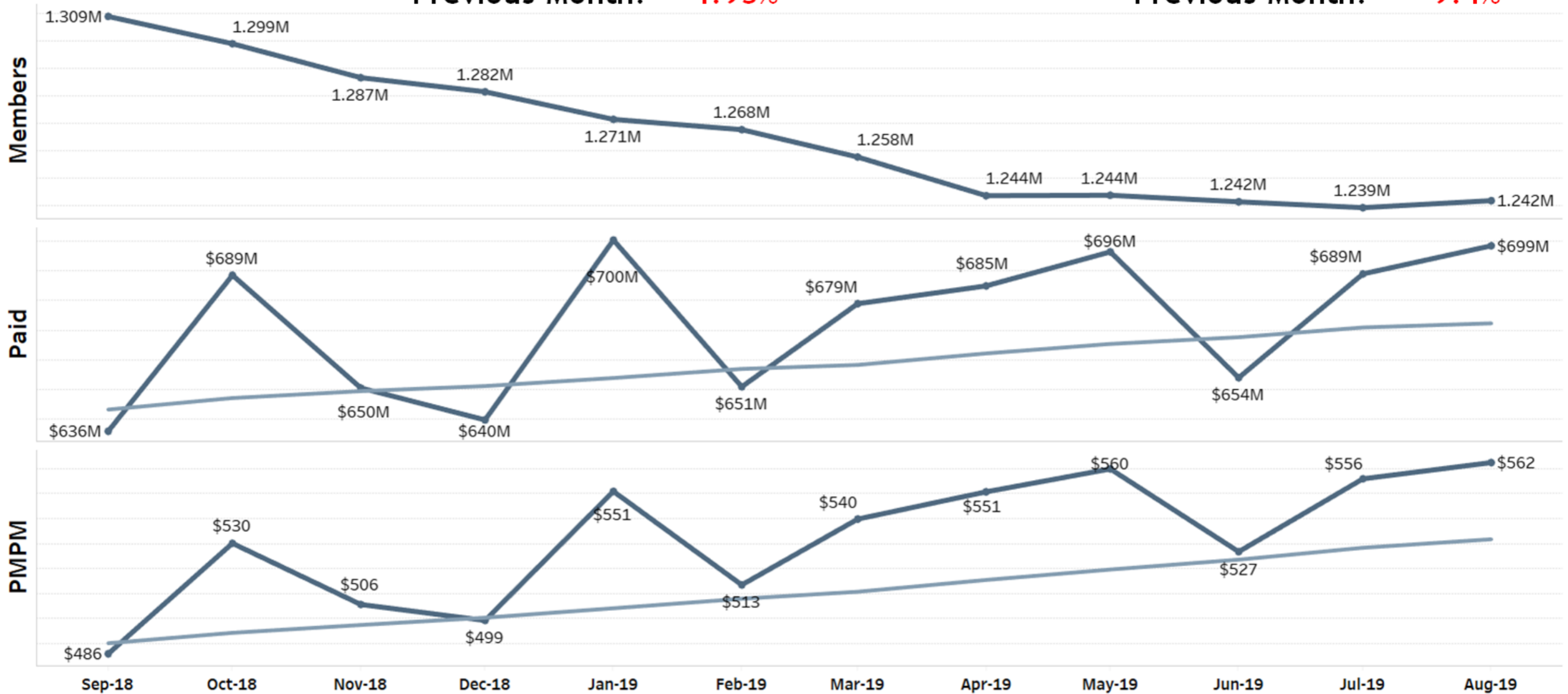
## September 2018 - August 2019

September 2018 - August 2019

<b>FTE:</b> 1.265M	4.0% ▼	<b>Paid:</b> \$8,067.4M	4.85% ▲	<b>PMPM:</b> \$531	<b>PMPY:</b> \$6,376	9.3% ▲
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Previous Month: 4.93%

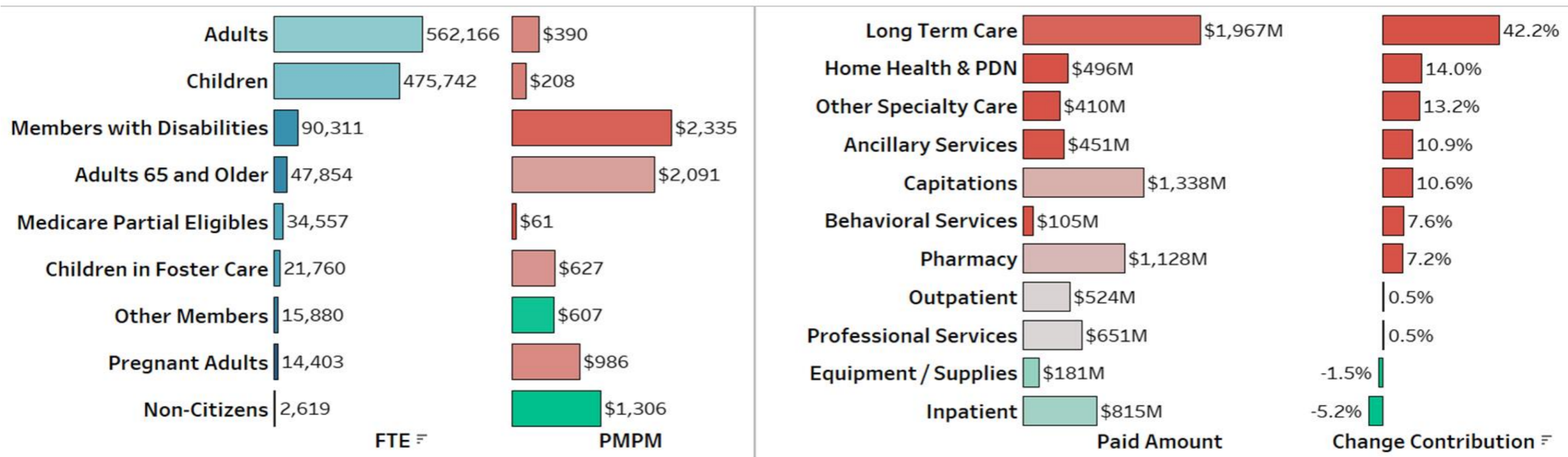
Previous Month: 9.4%



# TREND DRIVERS: Focusing Help & Support

## Population and Benefit Trends September 2018 to August 2019

FTE: 1,265.3K	4.0% ▼	Paid: \$8,067.4M	4.85% ▲	PMPM: \$531	PMPY: \$6,376	9.3% ▲
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4.2% of members drive 53% of Medicaid expenditures

# Long-Term Services and Supports



**At Home** (e.g., personal or family home; group homes; assisted living facilities)



**In Community** (e.g., day programs; supported employment)



**Within Institutions** (e.g., nursing homes; intermediate care facilities)

# UNDERSTANDING OUR MEMBERS' UNIQUE NEEDS

**86% of members receiving Long-Term Services and Supports have one or more chronic conditions**

- **Compared to 41% of members not receiving LTSS**



**49% of members in intellectual and developmental disabilities waivers also have a physical disability**

*NOTE: The rates are based on whether Colorado Medicaid paid a claim with a diagnosis listed in FY 18-19. If the member is untreated for the condition or only Medicare paid the claim, we do not have those data. Intellectual and developmental disabilities (IDD) refers to those receiving services under the three IDD waivers in Colorado.*

# MACRO-ENVIRONMENT OPPORTUNITIES & THREATS

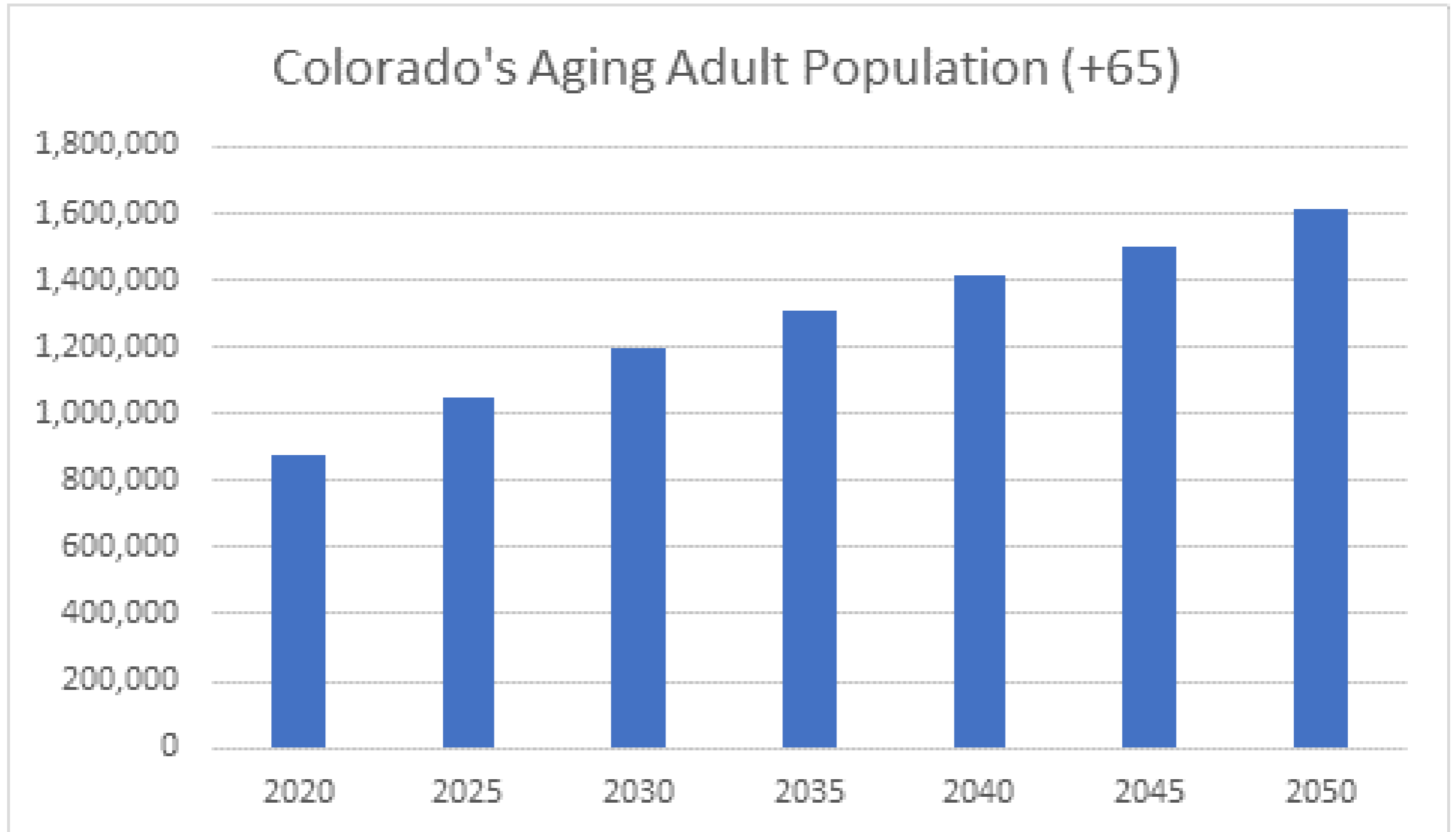
What opportunities can we  
MAXIMIZE?

- Rural Hospital Sustainability
- Hospital & Big Pharma Accountability, Alignment
- Provider Quality/Cost Variance
- Maximize Innovation
- Health Care Affordability
- Reduce Uninsured Rate
- Prevent & Treat Substance Use Disorder
- Reduce Waiver Waitlists
- Help Health First Colorado Members Rise

- Rising Deficits, Economic Downturn
- Federal Policy
- Rising Health Care Costs
- High Cost Specialty Drugs
- Aging Population
- Health Care Workforce Adequacy
- TABOR Impact

What challenges must we  
PREPARE for?

# CARING FOR OUR AGING PARENTS



# HCPF BUDGET

FY 2019-20 Total Administration (Long Bill/SB 19-207 and FY 2019 Special Bills)		
Item	Total Funds	General Fund
Total HCPF Appropriation	\$10,689,061,864	\$3,151,370,264
HCPF Admin	\$436,961,708	\$106,804,528
Percent of Total	4.09%	3.39%
HCPF Personal Services (staff)	\$42,211,043	\$15,157,362
Percent of Total	0.39%	0.48%

## FY 2019-20

	<u>Total Funds</u>	<u>General Funds</u>	<u>Cash Funds</u>	<u>Federal Funds</u>
State Budget	\$31,960,836,989	\$11,875,164,342	\$9,278,325,477	\$8,718,936,910
HCPF	\$10,649,398,826	\$3,132,643,848	\$1,385,028,692	\$6,038,110,614
Percent vs. State	<b>33.32%</b>	<b>26.38%</b>	14.93%	<b>69.25%</b>
HCPF Fund Splits		<b>29.42%</b>	<b>13.01%</b>	<b>56.70%</b>



# PATHWAY TO ACHIEVE GOALS

# HCPF ORGANIZATIONAL CHART

Right people. Right place.

Kim Bimestefer, Executive Director

Emily Eelman, Chief of Staff  
Chris Underwood, Deputy Chief of Staff

Medicaid  
Operations  
Office

Craig  
Domeracki,  
Director

Office of  
Community  
Living

Bonnie Silva,  
Director

Health  
Programs  
Office

Tracy  
Johnson,  
Medicaid  
Director

Finance  
Office

John  
Bartholomew,  
Director

Health  
Information  
Office

Parrish  
Steinbrecher,  
Director

Policy,  
Comms &  
Admin.  
Office

Tom Massey,  
Director

Cost Control  
& Quality  
Improvement  
Office

Stephanie  
Ziegler,  
Director

Pharmacy  
Office

Tom Leahey,  
Interim  
Director

- ✓ Expanded executive leadership team to drive accountability, expertise, diversity
- ✓ Improved project priority management and tracking
- ✓ Improved vendor and contracting management
- ✓ Resource (budget, staff) alignment with goals and priority initiatives

# DEPARTMENT'S STRATEGIC PILLARS

- **Operational Excellence:**  
Create compliant, efficient and effective business practices that are person- and family-centered
- **Customer Service:**  
Improve service to our members, providers and partners
- **Member Health:**  
Improve health outcomes and program delivery
- **Medicaid Cost Control:**  
Ensure the right services for the right people at the right price
- **Health Care Affordability for All Coloradans:**  
Reduce the cost of health care in Colorado

# WILDLY IMPORTANT GOALS & DEPARTMENT GOALS

- Better Support High Risk Medicaid Patients
- Complete Rx Report
- Prescriber Tool Evolution
- Affordability Roadmap Messaging, Adoption
- Hospital Transformation Program CMS Approval
- ❖ Develop Member Health Score
- ❖ Reduce Opioid Use
- ❖ Provider ASA Call Time
- ❖ PEAK Health Mobile App Household Adoption
- ❖ Contract Manager Training
- ❖ Efficiently Manage Admin
- ❖ Medicaid Capita Control

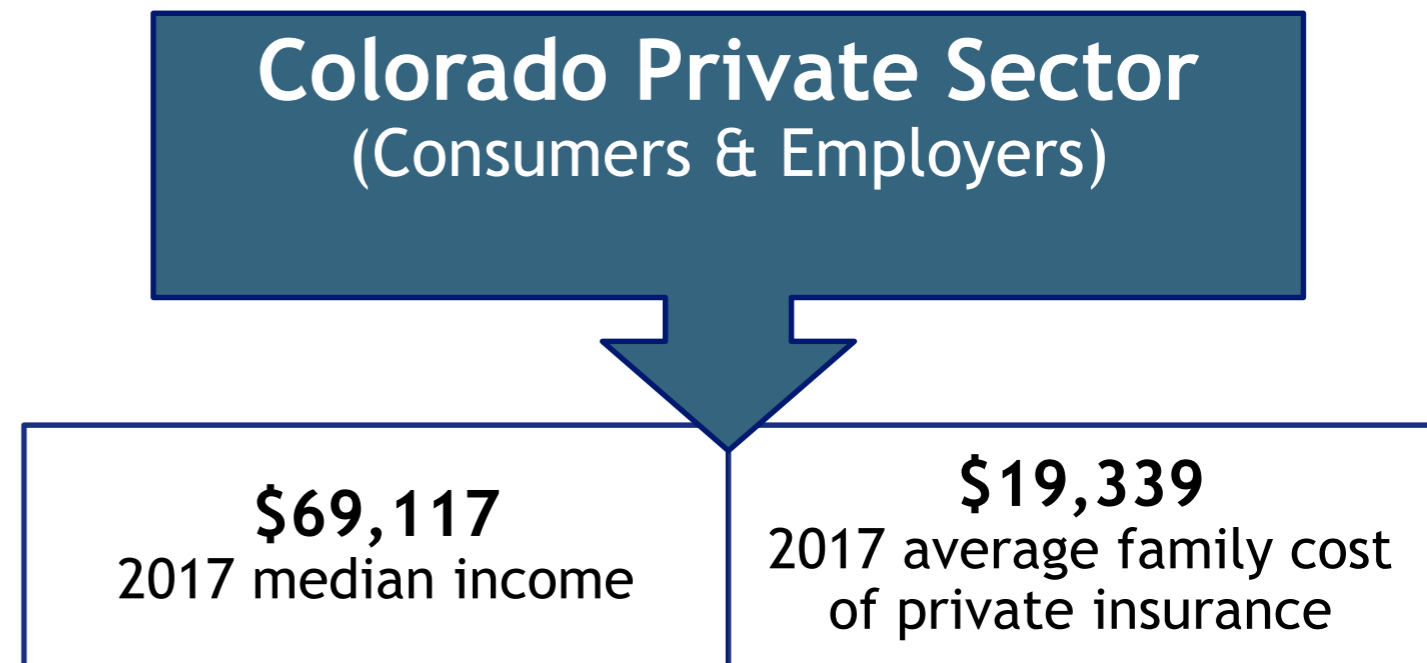
➤ Indicates a Governor's WIG (Wildly Important Goal)

❖ Indicates a Department Goal

# AFFORDABILITY ROADMAP COLLABORATION

*HCPF expertise/size helps inform the Affordability Roadmap & the Affordability Roadmap helps HCPF control Medicaid and CHP+ costs.*

1. Constrain prices, especially hospital & prescription drugs.
2. Champion **alternative payment** models.
3. Align and **strengthen data** infrastructure.
4. Maximize **innovation**.
5. Improve our **population health, including BHTF**.



Health care is **28%**  
of median household income

Medicaid expenditures are  
**33%** of state's Total Budget and  
**26%** of General Fund

*Sources: Income data from Colorado DOLA LMI Gateway, US Census Median Household Income, Colorado Department of Health Care Policy and Financing.*

# QUICK VIEW OF AFFORDABILITY ROADMAP SOLUTIONS

- **Pharmacy Solutions**

- Prescriber Tool
- Manufacturer-Carrier Compensation (incl. Rebates)
- Pharmacy Pricing Transparency
- Joining Lawsuits - Manufacturer Price Fixing, Opioids
- HCPF Dept. Rx Cost Driver & Solutions Report
- Importation

- **Hospital Solutions**

- Hospital Transformation Program (HTP)
- Financial Transparency
- Community Needs Transparency
- Centers of Excellence
- Alliance Model, Driving Community Reimbursements
- Analytics by Hospital, for Communities

- **Alternate Payment Methodologies**

- Hospital Transformation Program (HTP)
- Out Of Network Reimbursements
- Rx Value Based Contracting
- Value Based Rewards
- Procedural Bundles

- **Shared Systems Priorities and Innovations**

- CIVHC APCD Affordability Supports, incl. Employer Data
- TeleHealth / TeleMedicine and eConsults, Broadband
- Broadband
- End of Life Planning
- Prometheus
- Universal Coverage

- **Population Health**

- Behavioral Health Task Force
- Suicide Prevention Task Force
- Teen vaping, adult tobacco use
- Obesity
- Maternal Health
- Addiction, incl. Opioids prescribing guidelines
- Immunizations
- Hosp. Transparency - Community Health Needs Assessment

➤ Total Cost of Care Incentives, to Include Rx

# CARE SUPPORT PROGRAM

## IMPROVEMENT PROCESS, FOCUS

### Process

SB18-266: Cost Control & Quality Improvement Office

Developed Insight & Reporting Tools

- Vendor Management
- Identified members we can help
- Identified cost drivers we can address

Executed MOU w/RAEs targeting 7/1/20:

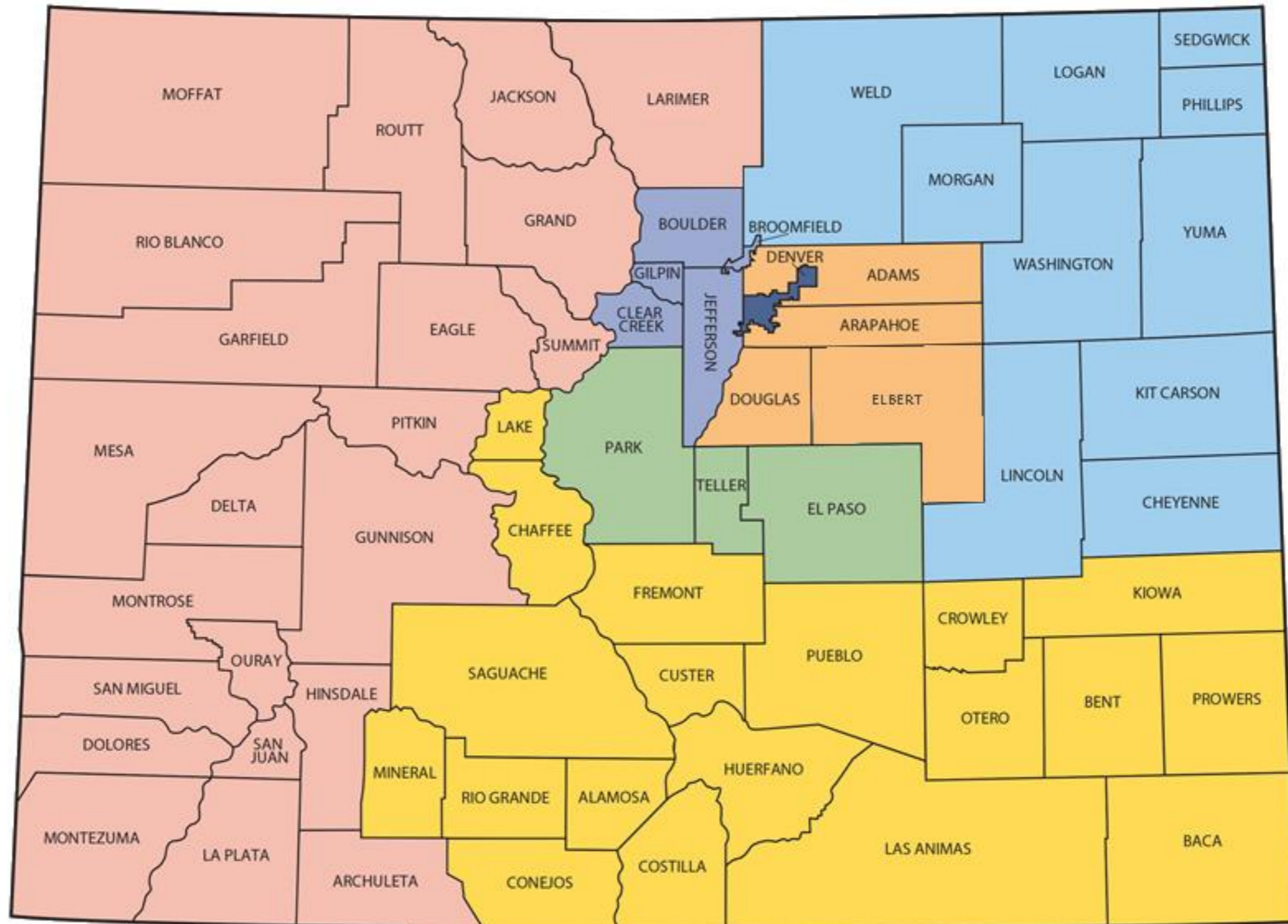
- Partner to craft new programs
- Drive better health results/outcomes
- Manage to a better claim trend

Partnership with advocates to help

### Programs in Development

1. Maternity
2. Complex Newborns
3. Diabetes
4. Hypertension
5. Cardiovascular Disease
6. COPD
7. Anxiety
8. Depression
9. Chronic Pain
10. Substance Use Disorder (SUD)

# RAE PARTNERSHIP



- Region 1  Rocky Mountain Health Plans
- Region 2  Northeast Health Partners
- Region 3  Colorado Access
- Region 4  Health Colorado, Inc.

- Region 5  Colorado Access
- Region 6  Colorado Community Health Alliance
- Region 7  Colorado Community Health Alliance



# WINS & OPPORTUNITIES

# BIG WINS

- Provider Call Wait Times - Down ↓
- Member Call Wait Times - Down ↓
- Claim Reprocessing - Down ↓
- Opioid Usage - Down ↓
- PEAK App usage - Up ↑
- Enrolled providers serving members - Up ↑
- **SUD Inpatient & Residential Waiver Submitted**

# PARTNERSHIP WITH OTHER AGENCIES

## OeHI

- **Prescriber Tool**
- TeleHealth/TeleMedicine (incl. Broadband)

## CDPHE

- **Provider access, Medicaid access**
- Suicide Prevention Task Force
- End of Life Planning

## CDHS

- Inter-Operability
  - CBMS, CHATS (Child Care), Trails (Child Welfare), ACSES (Child Support)
- CBMS
- **County partnership, training, priorities**
- Opioid treatment evolution, pain management sensitivity

## Connect for Health

- Getting Coloradans covered
- Smooth program transitions

## Corrections

- **Transitions, care access**
- Addiction treatment policy

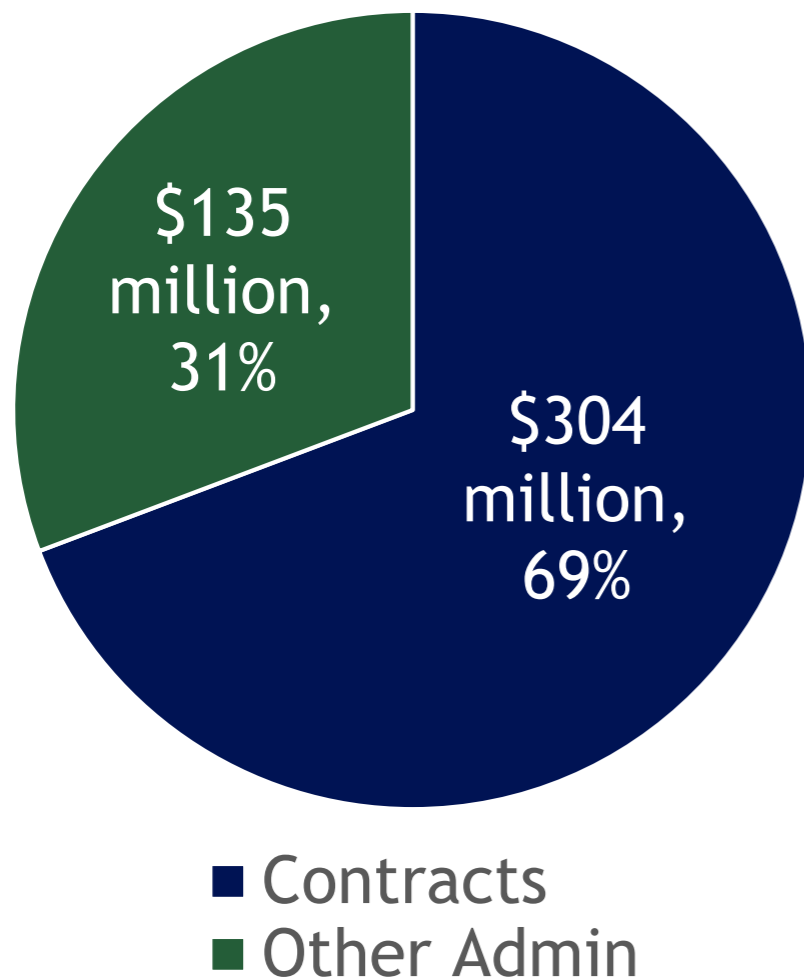
## DOI and Office of Saving People Money on Health Care

- Affordability

# OPERATIONAL EXCELLENCE: Improving Purchasing & Contracting Processes

## Current Fiscal Year

350+ vendor contracts



## FY 2018-19 Work

Complete revamp of procurement and contracting process resulting in:

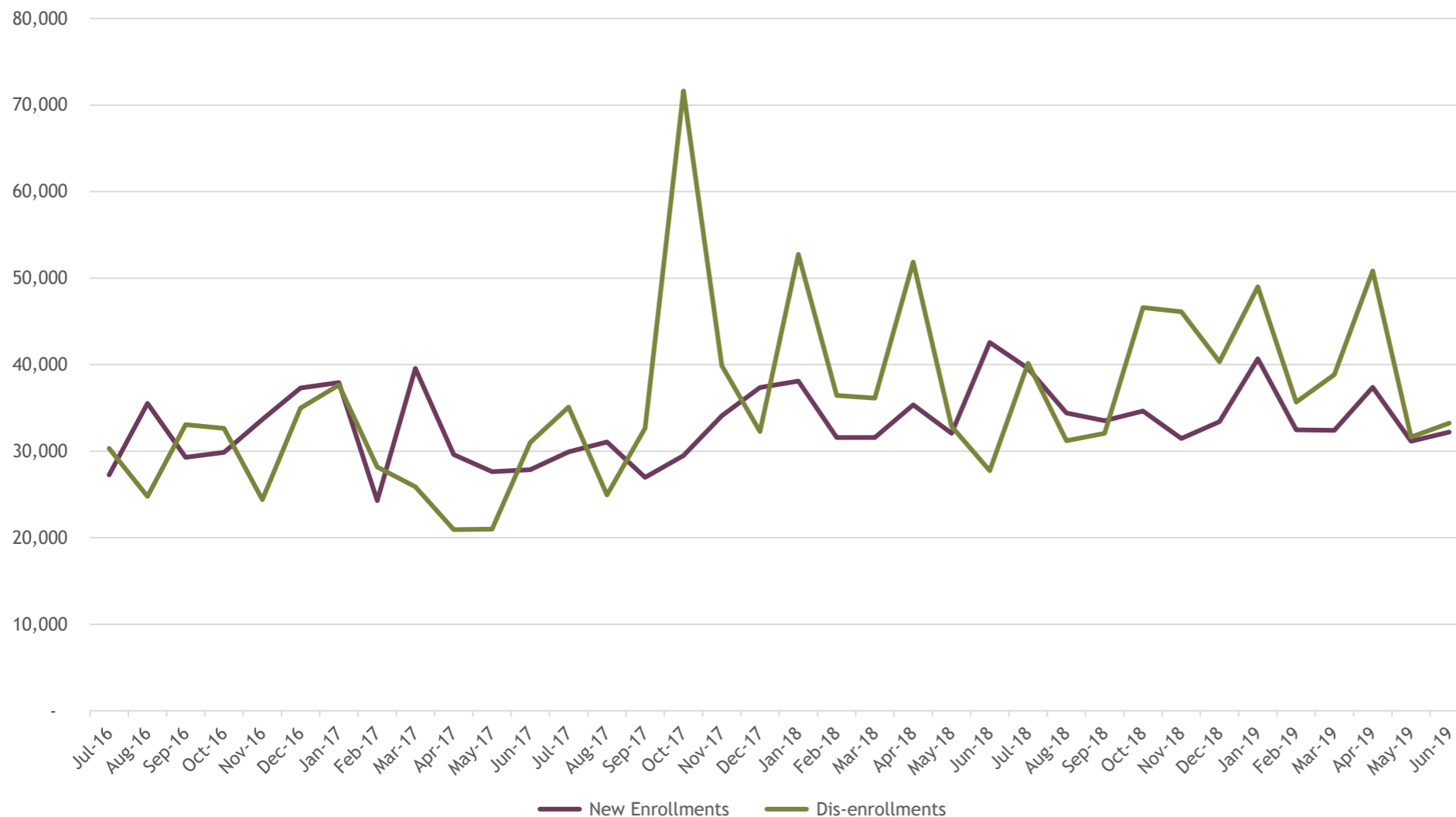
- Greater vendor accountability to the Department
- Enhanced executive sponsorship of contracts
- Compliant, efficient and fiscally stable procurement process

Note: The number of contracts accounts for Contracts and Purchase Orders encumbered for the Administrative budget line. This number excludes contracts that come from the Medical Services Premium budget line.

# OPPORTUNITIES: ELIGIBILITY ACCURACY

- ✓ Federal Directives - both Office of Inspector General & CMS audits
- ✓ New Federal Audit Consequences - PERM, enables claw back of \$\$ over 3% error
- ✓ Directives from Office of the State Auditor and Legislative Audit Committee

Medicaid Enrollments and Dis-enrollments Over Time



- Focus Areas:**
- ✓ System Changes
  - ✓ Mail Center
  - ✓ Training
  - ✓ Incentives
  - ✓ Performance Scorecards

# ADDITIONAL OPPORTUNITIES

## Medicaid Trend Management

- Rx Cost Management
- Health Improvement, Care Management Support
- Case Management of Individuals with Disabilities
- RAE Accountability, Program Consistency, Effectiveness

## Operational Excellence

- CBMS Stabilization
- Eligibility Accuracy Work
- Vendor Accountability

## Customer Service, Focus

- Call Center Response, Next Generation
- Measuring and Improving Provider Access
- Behavioral Health Task Force Findings Response
- Cybersecurity
- Rural Hospital Sustainability
- Provider Service

# HCPF BUDGET REQUESTS

## Member Health & Affordability

- Pharmacy Pricing and Technology (R7)
- Provider Rates (R10)
- Patient Placement & Benefit Implementation - SUD (R11)
- Enhanced Care & Condition Management (R14)
- Safety Net Provider Payment Adjustments (R20)
- Case Management & State Only Program Modernization (R16)
- Public School Health Services Program Expansion (R18)



## Medicaid Trend Management

- Bundled Payments (R9)
- Long Term Care Utilization Management (R13)
- Program Capacity for Older Adults (R17)



## Customer Service

- Improve Customer Service (R6)



## Operational Excellence

- Accountability and Compliance Improvement Resources (R-08)
- Work Number Verification (R-12)
- Medicaid Recovery & Third Party Liability Modernization (R-15)
- Leased Space (R19)



# HCPF LEGISLATIVE AGENDA

- Children's Habilitation Residential Program (CHRP) Waiver Rulemaking
- Renew Overexpenditure and Transfer Authority
- Skilled Nursing Facilities: Establishing a Demonstration of Need and Technical Changes
- Remove Annual 3% Increase for Skilled Nursing Facilities
- Legislation addressing health care affordability



# HCPF REGULATORY AGENDA

- In 2019, Department reviewed Eligibility and CHP+ Rules
- Department is in 3<sup>rd</sup> year of a 5-year review cycle
- 89 sections have been reviewed
- In 2020, Dept will review Provider Screening, Hospital Screening, Pharmaceuticals, State Funded Programs and Healthcare Affordability and Sustainability Fee Rules

# STATUTORY UPDATE: SB 17-121

## IMPROVING CORRESPONDENCE

### Three Elements:

Process for  
on-going  
improvement

Update on letters  
revised in 2019 &  
Plans for 2020

Results of member  
correspondence  
testing

County Survey project completed last year. County survey, member & other feedback informs prioritization and letter revisions.

# STATUTORY UPDATE: SB 18-266

## CONTROLLING MEDICAID COSTS

Directs the Department to provide information to providers participating in the Accountable Care Collaborative (ACC) regarding the cost and quality of medical services provided by hospitals and other Medicaid providers, as well as the cost and quality of available pharmaceuticals prescribed by Medicaid providers.

### The Department has:

- Created Cost Control and Quality Improvement Office
- Launched Inpatient Hospital Review Program

### The Department is in the process of implementing:

- Provider Services Expenditure and Quality Tool (Prometheus)
- Pharmacy Tool
- Claims edits

Together, these resources will allow providers to make cost-conscious decisions without sacrificing member safety or clinical efficacy.

Full legislative report available at: [Colorado.gov/hcpf/legislator-resource-center](https://colorado.gov/hcpf/legislator-resource-center)

# STATUTORY UPDATE:

## HB 18-1321 URGENT NEMT

- Effective January 1, 2019, eligible transportation providers can provide urgent Non-Emergent Medical Transportation (NEMT) trips scheduled directly by medical facilities.
- When a member is unable to provide advanced notice, Urgent Non-Emergent Medical Transportation provides transportation needed for members to receive necessary medical services. This includes:
  - Transportation after discharge from a hospital
  - Failure of an NEMT provider to pick up a member from an appointment within one hour of the scheduled pick up time
  - Transportation to and from critical, unplanned medical appointments
- Urgent Transportation Specialist hired to support with implementation.
- There are currently 10 Urgent Transportation providers, with plans to expand the network in 2020.

# STATUTORY UPDATE: SB19-195

## CHILDREN & YOUTH BEHAVIORAL HEALTH SYSTEM ENHANCEMENTS

Implement High Fidelity Wraparound for eligible children and youth, and develop plan to integrate funding for children and youth behavioral health services across the state

- Letter seeking Federal Authority submitted to CMS Oct. 2019
- Program design underway with unit supervisor identified and 4 FTE hired
- Stakeholder engagement through public comment meetings and monthly newsletter initiated

*Formal timeline for implementation and annual cost savings estimates  
pending CMS conversations*

# Thank You!