Health Care Policy & Financing SMART Act Hearing

Senate Health, House Health Insurance, House Public Health Committees January 22, 2021



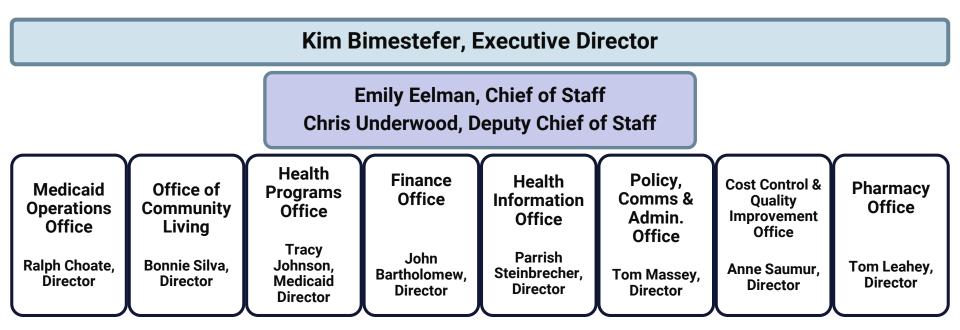


Department Overview: Our Programs, Members & Financing





HCPF Organizational Chart





Programs We Offer



Health First Colorado



Buy-In Programs



Child Health Plan Plus



The Colorado Indigent Care Program



Long-Term Services and Supports





Health First Colorado: Who is Covered and What Does it Cost?

7% 1 in 4 Coloradans & 44% of all births* People with Disabilities (Age 0-64) 4% *Includes Health First Colorado and Child 32% Health Plan *Plus* (CHP+), Calendar year 2019 15% Adults 65 and Older with Full Medicaid Benefits 2020 FEDERAL POVERTY LEVELS 18% 31% by Family Size* Non-Expansion Adults Expenditures Populations by Population FAMILY of 1 FAMILY of 4 9% \$**16,980** \$**34,848** Expansion Adults* 22% *Some earning more may still qualify 40% Children and Adolescents 18% live 18% in Denver County 3% 2% Members with Partial Medicaid Benefits (All Ages) 86% live in urban counties 14% live in rural counties



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

Who Receives Long-Term Services and Supports?



Cross Disability

- Physical Disabilities i.e., Spinal Cord Injury, Parkinson's disease
- Cognitive Disabilities -Intellectual & Developmental Disabilities (I/DD), Brain Injury, Dementia
- Mental Health
- 84% have a chronic condition (compared to the 41% of the rest of the Medicaid); 31% have five or more of them



Long-Term Services and Supports System



Case Management

- Community Centered Boards (CCBs)
- Single Entry Points (SEPs)
- Private Agencies (Children's Home and Community-Based Services Waiver (CHCBS) Only)



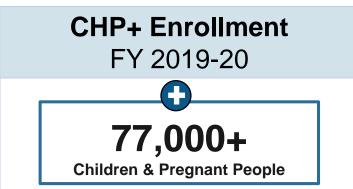
Child Health Plan Plus (CHP+)

2020 Federal Poverty Levels by Family Size*

Family of 1	Family of 2 (includes Pregnant People)	Family of 4
\$33,180	\$44,832	\$68,124

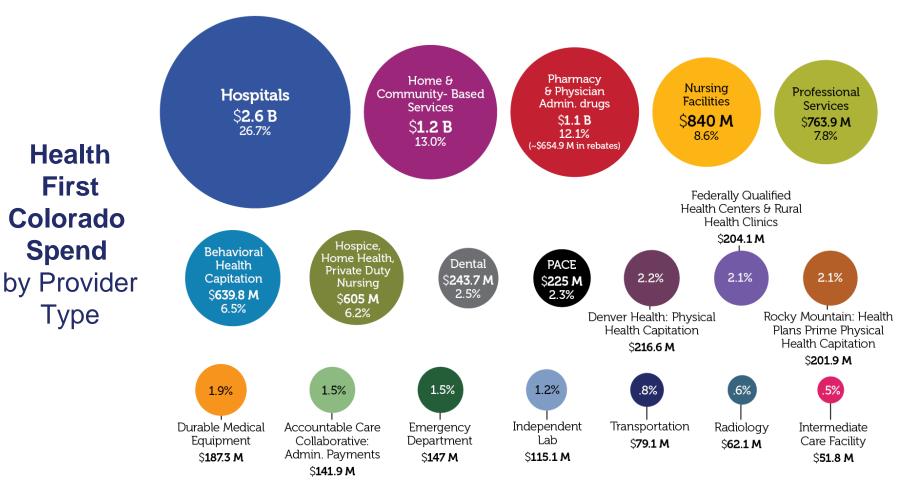
*Some earning more may qualify





CHP+ Health Maintenance Organizations (HMO):

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



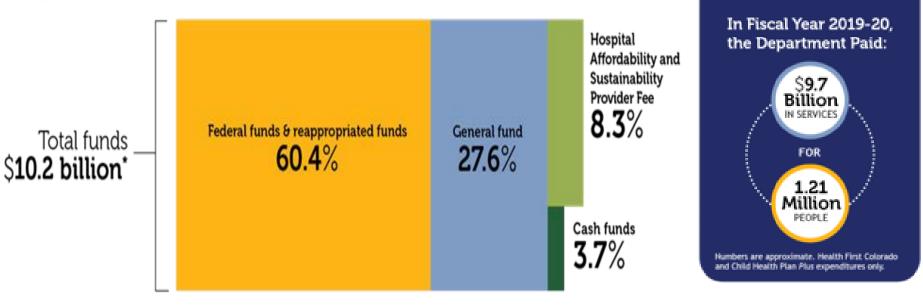


This chart refers to medical services cost only, not total Department spending. It is based on claims data by date of service and will differ from data calculated on a cash accounting basis. Due to rounding, percentages may not sum to 100%.

Financing Our Programs: Funding Sources

Department Expenditures by Fund

Fiscal year 2019-20



*Includes all services and administrative line items including Colorado Indigent Care Program and Old Age Pension.



COVID-19 Impact & Response





Battling COVID-19, Data to 1/18/2021 THANK YOU Hospitals & Health Care Workers!

United States:

24.1M total cases 399,441 deaths

Colorado:

Cases: 376,171 Deaths due to COVID: 4,502 Deaths Among Cases: 5,386

Vaccines Dispensed

1st Dose: 278,686

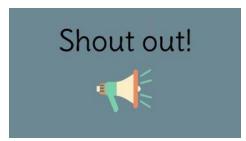
2nd Dose: 49,744

CO Contagious: 1 in 114



Priorities: Continue to Drive Messaging

- 1. Socially distance. Wear your mask. Wash your hands.
- 2. Limit gatherings. Stay disciplined.
- 3. Vaccine distribution messaging and clarity
- 4. >120 operational memos and >100 stakeholder meetings







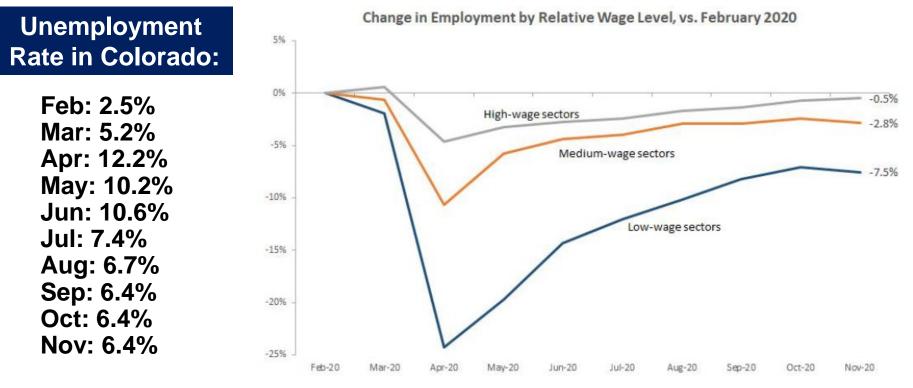
Recognized by AARP as a national model

Importance of this work is clear.

Over 42.5% of COVID-19 deaths are in nursing homes and other residential care settings. Through 1/18/21, <u>559</u> residential care facilities have had an outbreak, <u>10,007</u> residents and <u>9,017</u> staff have tested positive for COVID-19. Tragically <u>1,914</u> residents have passed away.



COVID-19's Impact: 672k Coloradans Received Unemployment Insurance March-Oct (22% of 2019 workforce); Now ~253k on UI. Low wage workers hit hardest.





(1) Colorado Department of Labor and Employment. (2) Office of State Planning and Budget, November 2020.

COVID-19 Public Health Emergency

- The Federal government dictates timing and length of the PHE.
- PHE was extended on 1/8 by HHS eff 1/21/21. Extensions can be up to 90 days each time.
- PHE allows states flexibility for emergency policies.
- HCPF has asked HHS for advance notice of future changes and time to process "locked in" renewals.
- Updates are posted to <u>Colorado.gov/hcpf/phe-planning</u>

Last day of the PHE (chart assumes <u>full</u> 90 days extension starting)	Then State Plan Amendments (SPAs), 1135 Waivers, and Optional Uninsured Testing Group Ends	Then Continuous Coverage Requirement Ends	Then Maintenance of Effort (MOE) Requirement keep Eligibility Levels & Benefits the Same, Enhanced 6.2% FMAP Ends
April 20, 2021	April 21, 2021	April 30, 2021	June 30, 2021

Appendix K currently expires March 9, 2021. HCPF has requested an extension of this date to 6 months after the expiration of the PHE.



COVID-19's Impact on Enrollment

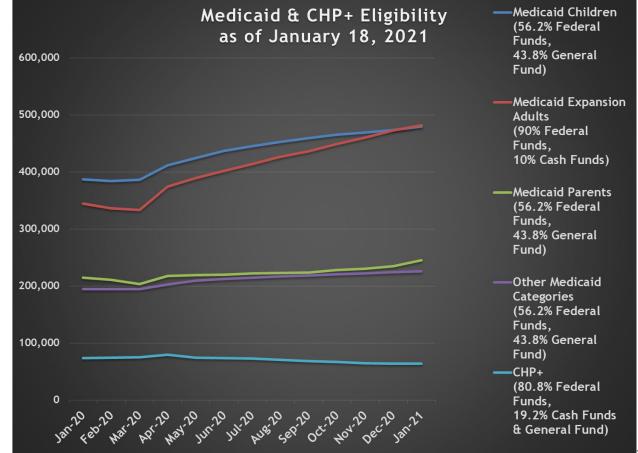
Enrollment Growth Since March 2020:

Adults & Expansion Adults = 61% of growth.

Children ~30% of growth.

\$685M in General Fund offset from January 2020 through June 2021





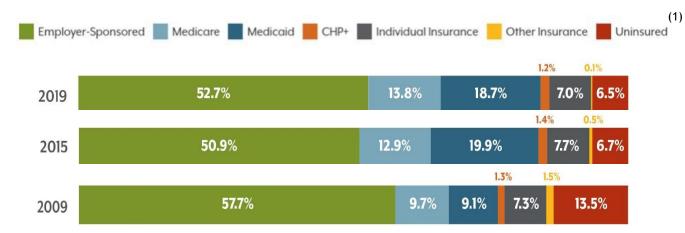
Medical Assistance thru 1/19/21, Up 189k+

65,627 members are also locked-into a higher benefit category, such as Medicaid versus CHP+.

	Members	Disenrolled Members 2020- 2021	Continuous Coverage	Total enrollment (MA) 2020-2021
January	35,193	37,982		1,263,042
February	27,210	33,543		1,256,709
March	33,619	40,613		1,249,715
April	42,425	4,589	36,968	1,287,551
May	26,446	6,875	33,976	1,307,122
June	28,076	6,208	24,414	1,328,990
July	26,928	6,158	27,276	1,349,760
August	27,192	6,330	31,240	1,370,622
September	25,852	6,429	22,670	1,390,045
October	23,121	6,354	32,415	1,406,812
November	22,882	7,216	23,979	1,422,478
December	20,566	6,602	21,424	1,436,442
January	9,489	6,844	41,090	1,439,087
Total			294,969	



How Coloradans Are Getting Covered



- Dec 2020, 1.42M (24.2%) of Coloradans in Medicaid, CHP+ (2)
- Sept 2020, Medicare covers 16.1%, 941k+.
- Public Plans > 40%.
- Rising uninsured rate. Less certainty in employer coverage.
- Affordability to consumers is less a public programs issue and more a commercial industry issue.



Health Care Affordability

- Health care spending in the US is 17.7% of GDP (\$3.6T).
- Colorado budget for HCPF, CDPHE & CDHS = \$4.2B GF (36%).
- Affordability measures help State, Employers, Coloradans.



If you are currently uninsured, or anticipate being uninsured, do you plan to:

	July 31 (5,000+ respondents)	Nov 9 (857 respondents)
Purchase coverage through Connect for Health Colorado	8.92%	8.89%
Purchase coverage directly from a health insurance company	2.70%	.81%
Apply for coverage w/Health First Colorado (Medicaid)	<mark>20.0%</mark>	<mark>35.85%</mark>
Apply for coverage w/Child Health Plan Plus (CHP+)	<mark>.99%</mark>	<mark>1.08%</mark>
Get covered through my spouse's health insurance	1.71%	.27%
Under 26, get covered through my parent's health insurance	0.09%	.27%
Get covered, but not through any of the above	4.95%	4.04%
Other	14.50%	8.36%
Go without health insurance coverage	<mark>46.13%</mark>	40.43%



Why are you planning to go without coverage?

- I can't afford the monthly premiums: **82.63%**
- I can't afford the copayments, coinsurance or other out-of-pocket costs:
 40.12%
- I don't think I will be out of work and therefore without health care coverage – for that long:
 3.56%
- I do not think I need health insurance: 4.79%

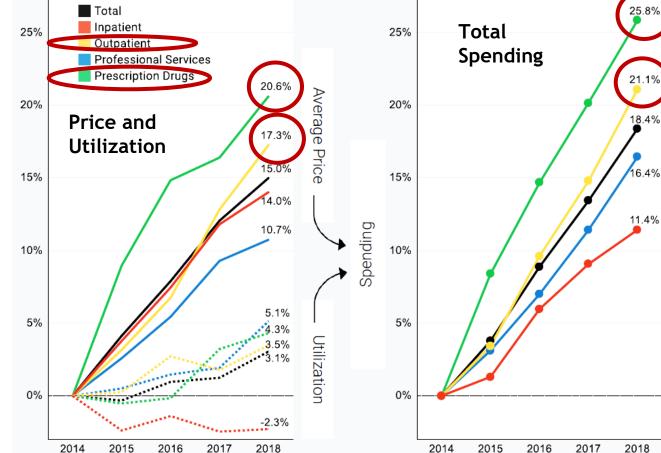




Figure 4: Cumulative Change in Spending per Person, Utilization, and Average Price by Service Category

Leveraging HCPF to control costs for all Coloradans

Rx & Hospital are Top Opportunities



(1) Health Care Cost Institute, 2020

Partnership with Lt. Gov Primavera, Office of Saving People Money on Health Care and the Health Cabinet



- 1. Reduce pharmacy costs
- 2. Reduce costs in the large employer insurance market, focusing especially on opportunities from the "New Normal in Health Care" evolving response to COVID-19
- 3. Implement the **Behavioral Health Task Force** recommendations



Federal Monitoring and Response

Supreme Court ACA Hearing decision likely May or June. Just some of the potential ACA impact:

- \$2B+ for Medicaid expansion up to 138% FPL covering 507k in CO
- Exchanges, fed subsidies up to 400% FPL, 124k of 180k in CO
- Up to age 26 and employer-sponsored coverage mandates
- Consumer protections
- Reinsurance funding

Cautiously optimistic on outcome based on Justice's questions. 39 states & DC have passed Medicaid expansion.

Strategic response to ACA ruling and pivoting off of Biden health care agenda.



Department Performance Plan





HCPF FY 2020-21 Wildly Important Goals (WIGs)

WIG #1: Deliver health care coverage, service and access support to Coloradans during this economic downturn by June 30, 2021

Successful completion of this goal will ensure Colorado's most vulnerable residents are able to get coverage in a timely manner, get their questions answered and access providers to meet their needs. Part of achieving this goal is also supporting our providers by answering their questions and paying for care in a timely manner.

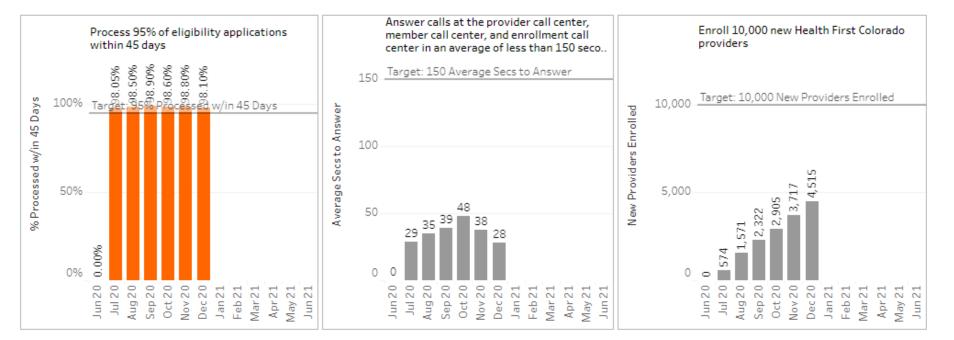
To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the <u>Governor's Dashboard</u>.





Deliver health care coverage, service and access support to Coloradans during this economic downturn by June 30, 2021

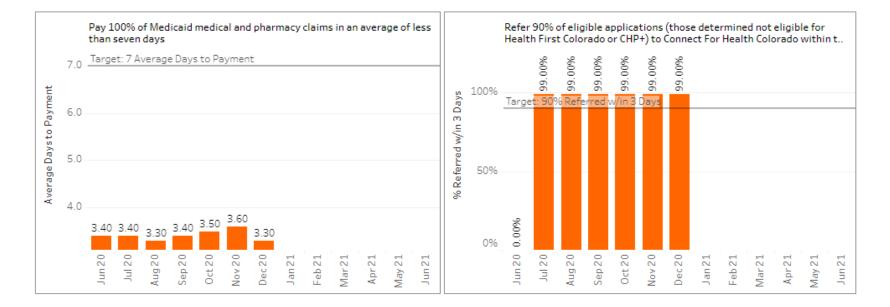
Progress on WIG #1





Deliver health care coverage, service and access support to Coloradans during this economic downturn by June 30, 2021

Progress on WIG #1, Continued





HCPF FY 2020-21 Wildly Important Goals (WIGs)

WIG #2: Responsibly manage health care costs to achieve an annual Medicaid trend * of no more than 2% by June 30, 2021.

Successful completion of this goal will ensure effective stewardship of Colorado's financial resources while maintaining our commitment to member access to care and health outcomes.

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the <u>Governor's Dashboard</u>.

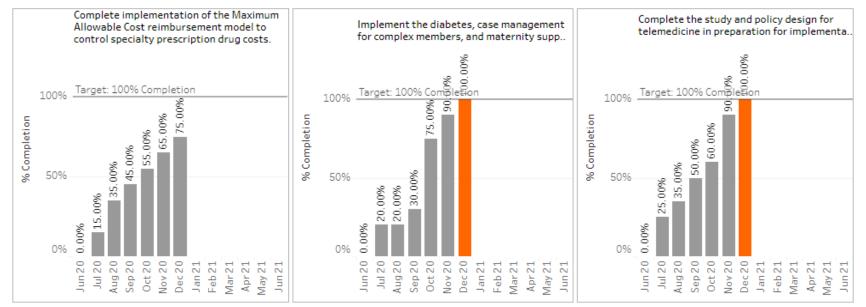
*Trend will be defined as the growth from FY 2019-20 to FY 2020-21 in the total amount paid for Medicaid services, not including supplemental financing payments, divided by average monthly caseload.





Responsibly manage health care costs to achieve an annual Medicaid trend * of no more than 2% by June 30, 2021.

Progress on WIG #2







HCPF Dept Goals and Performance Management

Strategic Pillars

Member Health

Care Access

Operational Excellence & Customer Service

Medicaid Cost Control

Affordability Leadership



Examples:

- Clinical quality program
- Expanded provider network
- Accountability models, Mobile app innovation
- Maternity bundled payment
- Rx Report, Hospital Transparency

90% WIG Measures on Track

92% Projects on Track





HCPF FY 2021-22 Budget Overview

		Total Funds	General Fund
FY 2020- 21	Appropriation	\$12,034 M	\$3,185 M
FY 2021-22	Base Adjustments	\$150 M	\$215 M
	Caseload Requests	\$297 M	\$248 M
	Decision Items	\$20 M	\$10 M
	Budget Reductions	(\$165 M)	(\$146 M)
FY 2021- 22	Budget Request	\$12,336 M	\$3,511 M
	Year-over-year Change	\$302 M	\$327 M
	Percent Change	2.5%	10.3%



HCPF Select FY 2021-22 Budget Requests

- R6 Remote Supports for HCBS Programs
- R7 Nurse Advice Line
- R8 Supported Living Services Flexibility
- R9 Patient Access and Rule Compliance
- R10 Covert Contractor Resources to FTE
- R11 Medicaid Funding for Connect for Health
- R12 ARRA-HITECH Funding Transition
- R13 Funding for Family Medicine Residency Programs
- R14 Technical Adjustments

HCPF's request also includes the following fiscal stimulus items

- R23 Behavioral Health Claims and Eligibility Processing
- R24 Addressing Health Care Disparities





2020 Focus on Equity Diversity Inclusion (EDI)

June:

Created, Distributed Juneteenth awareness seminar for state employees.

Led LGBTQ preparation. Engaged public discussions on ACA & Supreme Court hearings.



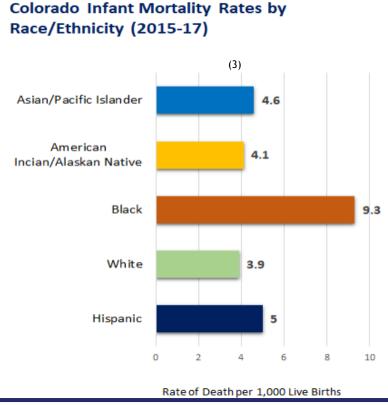
Completed interview with Cleo Parker Robinson. Video & facilitation guide released Dec 2020 for state agencies.



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2021 Equity Diversity Inclusion (EDI) Focus Finalize EDI Pan Launch EDI assessment **Begin EDI Trainings** Begin work on Begin work on equity lens **EDI** assessment Pilot equity lens **Complete EDI Trainings** JANUARY **FEBRUARY** MARCH APRIL MAY JUN Е **MLK Day** LGBTQ+ Pride Black History Minority Health Juneteenth Women's History **AAPI** Heritage Cesar E. Chavez Day **Older Americans** Department of Health Care

Health Equity and Health Care Disparities Seeking CDC Funding, State Stimulus \$\$, Partnerships, Culturally Sensitive Care Delivery



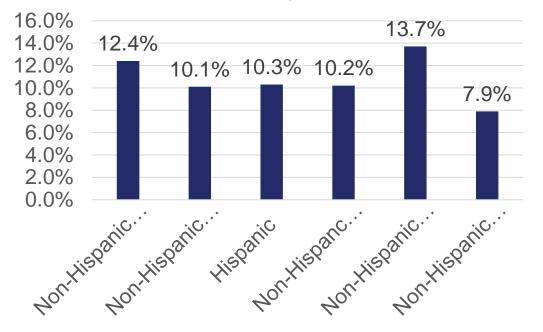
"Hispanic residents are about 20% more likely than white residents to die of treatable conditions. There's no one explanation for the disparity in deaths, experts say." -Denver Post, Oct 4, 2020 (1)

In Colorado:

- **Hispanic people** are 22% of the pop and 38% of COVID cases and hospitalizations.
- Black people are almost 5% of the pop, nearly 10% of COVID hosp., 7% of deaths.
- White people are 68% of the population but only 38% of COVID cases. (2)

Example of our Health Disparities Approach: Why Maternity?

Percentage of Preterm Births, Race/Ethnicity, CY2019





- Colorado ranks 29th nationally for maternal mortality rates
- Pronounced race/ethnicity disparities in maternal and child outcomes
- Numerous pathways to improve outcomes
- ✓ Numerous aligned partnerships



Dept Maternity Initiatives with Equity Focus

Accountable Care Collaborative

- Program: Maternity Condition Management, Nurse Family Partnership, Prenatal Plus, Special Connections
- Metrics: Prenatal Care KPI & Maternity Dashboard to illustrate areas of opportunity and performance by RAE, provider, community

Hospital Quality Incentive Program

- > Program: Demographic data collection reqs for EHR, staff training
- > Metrics: Reduce disparities in maternal patient safety (2021), hospital-wide (2022)

Maternity Bundle

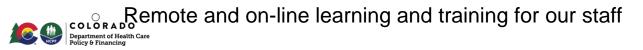
- > Program: Maternity Advisory Committee (members w lived experience)
- > Metrics: Disparities in service provision (gate before pay-out)



Remote Work

In response to COVID-19, HCPF has completed a comprehensive review of its programs and staff to identify where short-term remote work is appropriate, and is continuing to evaluate long-term opportunities for remote work. Currently, HCPF has:

- 97% of our staff are working remotely
- Innovation Examples:
 - Systems that allow staff of our member contact center access to systems and phone services remotely, so we can continue to keep our answer rate, volume, quality, etc. the same.
 - Ways to move internal records to electronic repositories that provide our employees access to documents, reports, etc. that otherwise they would have had to access in the office.





Accomplishments and Critical Project Work

- Enrolled > 175,000 members since March. Exceeded customer service standards
- Executed over 20 emergency waivers, rules, and State Plan Amendments to improve access and to reduce provider administrative burden
- Co-chaired the COVID-19 Residential Care Strike Team and launched the ConnectToCare jobs site
- Expanded telemedicine policy to support safe access to care
- Supported the development of alternative care sites
- Collaborated with CDHS, Counties and Medical Assistance sites to double PEAK online applications and improve CBMS eligibility system performance
- Launched "We're Here for You, Colorado" campaign to connect Coloradans to coverage



HCPF Accomplishments & Critical Project Work

- 1st & 2nd Rx Cost Control solutions report; hosting 1-12-21 Affordability Summit
- Implementing Hospital Transformation program to drive affordability and developed the Rural Support Fund \$12M annually to rural hospitals starting in Fall 2021
- Implemented Substance Use Disorder (SUD) benefit- residential, inpatient care
- Implemented ClaimsXten to prevent inappropriate claims payments
- Co-chairing CBMS management and launched the Consolidated Return Mail Center to improve eligibility accuracy and County support
- Re-designed the Health First Colorado mobile app, which increased usage and consumer satisfaction
- Transitioned HCPF workforce to a virtual operating model
- Kicked-off HCPF Equity, Diversity and Inclusion to support "A Colorado for All"



our rision.

Coloradans have integrated health care and enjoy physical, mental and social well-being.

Current Mission:

Improving health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.



Modernizing Our Mission - New Proposed Mission: Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado. Health equity is when everyone has the opportunity to be as healthy as possible.





Health access is when people can readily access timely, appropriate, quality health care services. Health outcomes are person-centered and positively impact a person's quality of life.



Colorado & Coloradans

Improving value and affordability for the State *and* for individuals and employers.

Our Mission: Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



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HCPF Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Telemedicine Policy Refinements
- Case Management Redesign
- Skilled Nursing Facilities: Establishing a Demonstration of Need and Technical Changes
- Add Remote Supports to Home and Community-Based Services (HCBS) Programs
- Expand Canadian Prescription Drug Importation Program





Improving Behavioral Health Outcomes & Legislation Partnering with CDHS

Expanding Access to Treatment: Jan 2021, Medicaid covers Residential Substance Abuse treatment

Prevention: Prescriber Tool includes OpiSafe

System Reform: Behavioral Health Task Force

> Improve access, quality, efficiency, navigation



New Behavioral Health Administration (BHA) addresses a fragmented system, merging 75 non-Medicaid programs

Stimulus to centralize BH eligibility, claims payment, reporting
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Regulatory Agenda & Rule Review Progress

- In 2020, Dept reviewed Provider Screening, Hospital Screening, Pharmaceuticals, State Funded Programs and Health Care Affordability and Sustainability Fee Rules
- Department is in 4th year of a 5-year review cycle
- 116 sections have been reviewed
- In 2021, Dept will review Electronic Visit Verification, Emergency Medical Transportation, Program Integrity, Home and Community Based Services, Oxygen, Durable Medical Equipment, Federally Qualified Health Centers and Women's Health Services





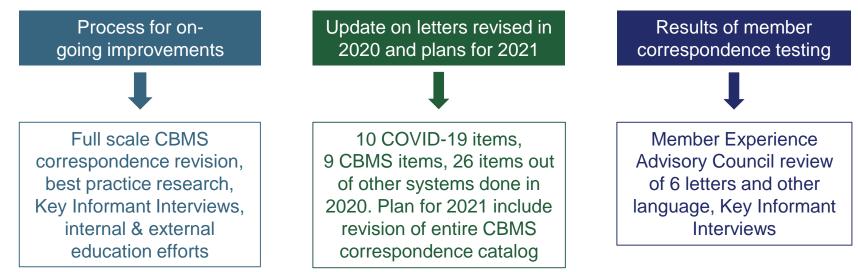
Statutory Updates





SB 17-121: Improving Member Correspondence

Three Elements:







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 implemented:

- Provider Services Expenditure and Quality Tool, i.e.: Prometheus
- Pre-Payment High Dollar Claim Review as well as Claims editing software enhancement, I.e.: ClaimXten
- Payment innovations, I.e.: Maternity Bundle, Primary Care Value Based Payment
- New Maternity Support, Diabetes Condition Management, Complex Case Management programs with the RAEs
- New dashboards and data transparency insights that help RAEs identify member support and cost control opportunities

The Department is in the process of:

- Updating the Inpatient Hospital Review Program, maximizing the "on hold" status due to COVID-19
- Building dashboards and other reports to assist the Dept. and our partners in better managing utilization and trend
- Implementing OpiSafe model within the Prescriber Tool; selecting partner for the Affordability module; concept stage for Social Determents of Health module

Together, these resources improve quality outcomes for members, while saving Coloradans money on health care and driving value for Colorado.



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

There are currently 25 Urgent Transportation providers.





SB 19-195 Children & Youth Behavioral Health System Improvements

- SB 19-195 created Wraparound Services for Eligible Children
- HB 20-1384 removed this requirement and appropriations for HCPF to implement highfidelity wraparound services for children and youth at risk of out-of-home placement or in an out-of-home placement.





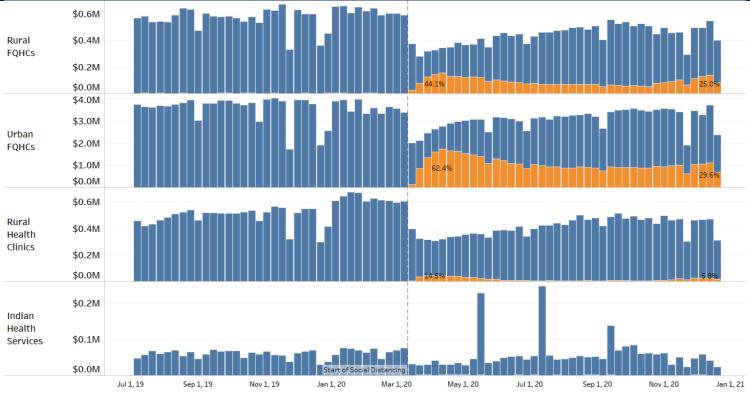
SB 20-212 Telemedicine

- Telemedicine Extension rule made permanent the changes in the emergency Telemedicine rule (MSB# 20-07-01-A): Adopted by the Medical Services Board August 14, 2020.
- CMS approved the Department's Telemedicine State Plan Amendment which aligned with the Telemedicine Extension rule: Friday, September 4, 2020
- Utilization data posted bi-monthly at <u>https://www.colorado.gov/pacific/hcpf/provider-telemedicine#TeleUtDa</u>
- Telemedicine Evaluation Report





SB 20-212 Telemedicine





Where to Learn More

• Visit our Legislative Resource Center:

Colorado.gov/hcpf/legislator-

resource-center

• COVID-19 Information:

Colorado.gov/hcpf/covid



COLORADO Department of Health Care Policy & Financing

Home For Our Members For Our Providers For Our Stakeholders About Us

For Our Stakeholders > Legislator Resource Center

Legislator Resource Center

The Department submits multiple reports and responds to legislative requests for information. This resource center includes links to reports, fact sheets, and overviews of the budget process.

Overviews & Fact Sheets

- 2021 HCPF Legislative Agenda Overview December 2020
- Health First Colorado Budget Basics November 2020
- 2021-2022 HCPF Budget Agenda Overview November 2020
- 2020-2021 HCPF Long Bill Overview June 2020
- 2020 HCPF Legislative Session Wrap-Up June 2020
- 2020 HCPF Legislative Agenda Overview May 2020
- Learning from COVID-19: Telemedicine Background & Policy <u>Considerations</u> - May 2020
- HCPF 2018-2019 Annual Report January 2020
- Accountable Care Collaborative (ACC) Introduction January
 2020
- HB 14-1051 Update Joint House and Senate Health and Human Services Committee Presentation - January 2020
- <u>Child Health Plan Plus Overview</u> May 2020
- <u>The Accountable Care Collaborative</u>
- Medicaid Buy-In Program For Working Adults With Disabilities Overview
- Medicaid Buy-In Program For Children With Disabilities Overview
- Long-term Services and Supports Overview
- Medicaid Expansion under the Affordable Care Act
- Onioid Use In Colorado Ovenriew





Members of the Colorado General Assembly and their aides can <u>sign up for our Legislative</u> <u>Newsletter</u>.

- Legislator Newsletters
- November 2020
- <u>August 2020</u>
- <u>June 2020</u>
 <u>May 2020</u>
- May 2020
 April 2020
- March 2020
- <u>February 2020</u>
- January 2020

Questions?



