



## Department of Health Care Policy and Financing Annual Performance Report

### Strategic Policy Initiatives

The Department of Health Care Policy and Financing has identified several strategic policy initiatives for FY 2014-15 and beyond. For this evaluation report, the Department selected a few initiatives that best capture some of the Department's strategic and operational priorities and reflect the overall direction as identified by Department leadership. The initiatives also provide context for much of the day-to-day work, which is highlighted in the measures section of the report. Additional detail for these, and other, strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

#### **Customer – Improve health outcomes, client experience and lower per capita costs**

The Department is committed to delivering a customer-focused Medicaid program that improves health outcomes and client experience while delivering services in a cost-effective manner. Central to this initiative is the establishment of an integrated delivery system through the Accountable Care Collaborative (ACC), which holds providers accountable for health outcomes. This shifts financial incentives away from volume of services to efficacy. The ACC focuses on the needs of its members and leverages local resources to best meet those needs. Medicaid members in the ACC receive the regular Medicaid benefit package and belong to a Regional Care Collaborative Organization. They choose a Primary Care Medical Provider as a medical home, who coordinates and manages their health needs across specialties and along the continuum of care. In addition to the ACC, the Department is working to improve eligibility and enrollment systems for members, expand member access to medical providers, reduce waiting lists for waiver services, and enhance long term services and supports.

#### **Technology – Provide exceptional service through technological innovation**

The Department is encouraging the adoption of electronic health records (EHRs) for Medicaid members through a federally-funded incentive program. Creating a personal EHR will allow Medicaid clients and their providers to see individual claims, service utilization, costs compared to similar clients, and monitor personal wellness needs. Linking this data to the Statewide Data and Analytics Contractor for the Accountable Care Collaborative will allow Medicaid providers access to a broader picture of member resource needs. Providers who meet defined eligibility criteria can qualify for limited-time incentive payments to help offset the costs of adopting EHR. Providers must demonstrate "Meaningful Use" or declare that their services meet core measures to receive incentive payments.

#### **Process – Enhance efficiency and effectiveness through process improvement**

The Department established a Lean Community for process improvement in 2012. The Lean Community empowers employees to eliminate waste and maximize value in their daily work activities, and fosters a culture of continuous improvement through training and project management. The Department is using training, coaching, global projects and rapid improvement sessions called "Quick Hits" to deploy Lean throughout the Department, and to create a Lean culture that is customer-centric, and focused on continuous improvement and data-driven decision-making.



## Department of Health Care Policy and Financing Annual Performance Report

### Financing – Ensure sound stewardship of financial resources

The Department’s “Financing” initiative is intertwined with its “Customer” initiative in that it contains costs through many of the same programs designed to improve health outcomes. This is because medical costs decrease when overall population health improves: members engage in prevention and wellness programs, they experience better management of chronic diseases, and have fewer acute care episodes. Costs are also controlled by shifting payment systems from outdated “pay and chase” models that drive volume of services to new systems that pay for value and improved health. In addition, the Department is focused on financing efforts to prevent fraud, waste and abuse; expand the use of performance-based contracts; and seek grant funding to further strategic goals not funded through the regular budget process.

### Operational Measures

#### Customer – Improve health outcomes, client experience and lower per capita costs

##### Process – Increase enrollment of Medicaid recipients into the ACC

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of ACC enrollees of total Medicaid population	13.2%	34.4%	52.2%	64.8%	71.3%

Counts are based upon annual average of monthly enrollment.

##### Process – Attribute ACC clients to primary care providers in RCCO network

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of ACC enrollees with a Primary Care Medical Provider	N/A	76.4%	70.9%	69.6%	75.0%

Counts are based upon annual average of monthly enrollment.

##### Process – Increase timely eligibility determinations

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of eligibility applications processed within various state and federal timeline requirements	81.0%	89.9%	91.8%	94.0%	95.8%



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**Process – Enroll new Medicaid providers**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Number of Colorado providers serving Medicaid	36,537	39,821	43,867	44,996	50,845

**Process – Increase enrollment for Children’s Extensive Support (CES) Waiver**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of CES eligible individuals in need of immediate services enrolled	N/A	44.7%	71.9%	100%	100%

**Process – Place appropriate Long Term Services and Supports (LTSS) Members in nursing facilities**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of LTSS Members in nursing facilities	22.3%	21.1%	20.7%	18.1%	17.0%

**Process – Provide waiver services to appropriate LTSS Members**

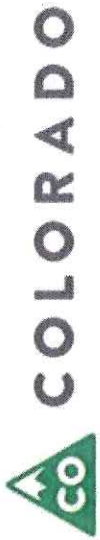
Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of LTSS Members receiving HCBS waiver services	72.9%	73.5%	74.4%	76.3%	76.6%

**Process – Provide PACE services to appropriate LTSS Members**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of LTSS Members enrolled in PACE	4.8%	5.3%	4.9%	5.7%	6.5%

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of Medicaid Providers receiving EHR-MU incentive payments	N/A	N/A	57.4%	56.8%	78.6%





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**Process – Enhance efficiency and effectiveness through process improvement  
Process – Promote a Lean culture throughout the Department**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Percentage of Favorable survey responses to “Work Done > Efficiently with < Waste”	43.0%	N/A	49.0%	60.0%	75.0%

Data source is DPA statewide employee survey, which is conducted biennially. Survey question did not exist in 2013.

**Financing – Ensure sound stewardship of financial resources  
Process – Achieve ACC net savings targets**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	1-Year Goal	3-Year Goal
Dollar amount of ACC net savings (range minimum)	(\$2,708,711)	(\$6,930,854)	(\$13,210,777)	(\$20,143,291)	(\$23,386,336)

# Creating a Culture of Change

ACCOUNTABLE CARE COLLABORATIVE :: 2014 ANNUAL REPORT



**COLORADO**  
Department of Health Care  
Policy & Financing



# *SMART Act Presentation to the Joint Health Committees*

January 6, 2015

Susan E. Birch, MBA, BSN, RN  
Executive Director

Department of Health Care Policy and Financing



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# ***Our Mission***

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



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# ***Presentation Agenda***

- *Department Overview*
- *Transforming How We Deliver Care*
  - *Accountable Care Collaborative & HB13-1196 Update*
  - *I/DD System and HB14-1360 Update*
  - *SIM Grant Update*
- *Performance Plan*
- *Legislative Agenda*
- *Budget Requests*
- *Regulatory Agenda*
- *Committee Questions*



# Working together for Colorado



**COLORADO**  
Department of Health Care  
Policy & Financing

Administers the Medicaid and CHP+\* as well as a variety of other programs for Colorado's low-income individuals, families, and persons with disabilities.

Supported by OIT.\*\*



**COLORADO**  
Department of Public  
Health & Environment

Administers programs that seek to improve health outcomes through the promotion of health, wellness and prevention.

Supported by OIT.\*\*



**COLORADO**  
Department of Human Services

Administers assistance programs such as food and cash assistance that improve the safety, independence and well-being of Coloradans. Also works closely with HCPF on the coordination of behavioral health and substance abuse benefits.

Supported by OIT.\*\*



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

Regulates insurance industry to ensure companies follow the laws and can afford to pay claims. Works with consumers to answer questions, help them understand their insurance and ensure they receive the benefits for which they have paid.

Supported by OIT.\*\*



**CONNECT FOR HEALTH**  
COLORADO

Health Insurance Marketplace for individuals, families and small employers to compare health plan options, apply for insurance affordability programs and to buy health insurance and use new financial help to reduce the cost of insurance.

\*CHP+ is the Child Health Plan Plus  
\*\*OIT is the Governor's Office of Information Technology



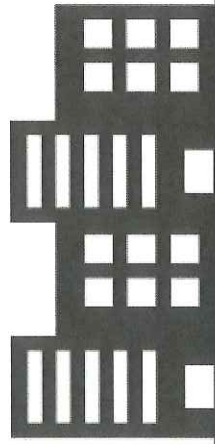
# Who We Serve

As of November 2014\*:

- 1,125,000 Medicaid clients
- 52,000 children and pregnant women in CHP+

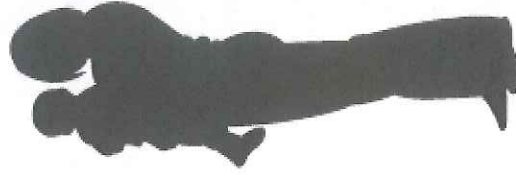
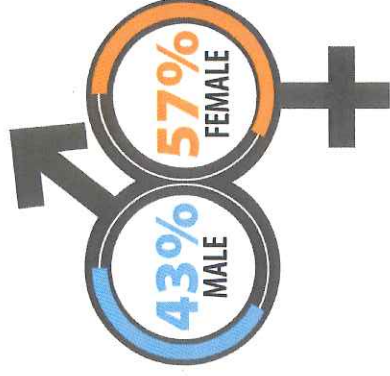
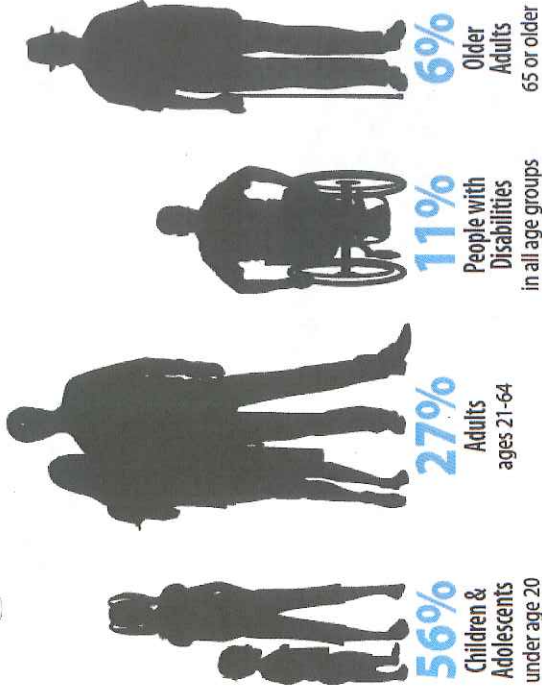


**21%** live in rural areas



**79%** live in cities with populations above 10,000

17% live in Denver County



**MORE THAN 1/3** of babies in Colorado are born to mothers who are on Medicaid



Infographic numbers from HCPF 2013 Annual Report.

\*HCPF December FY2014-15 Medicaid Premiums Expenditure and Caseload Report to the JBC

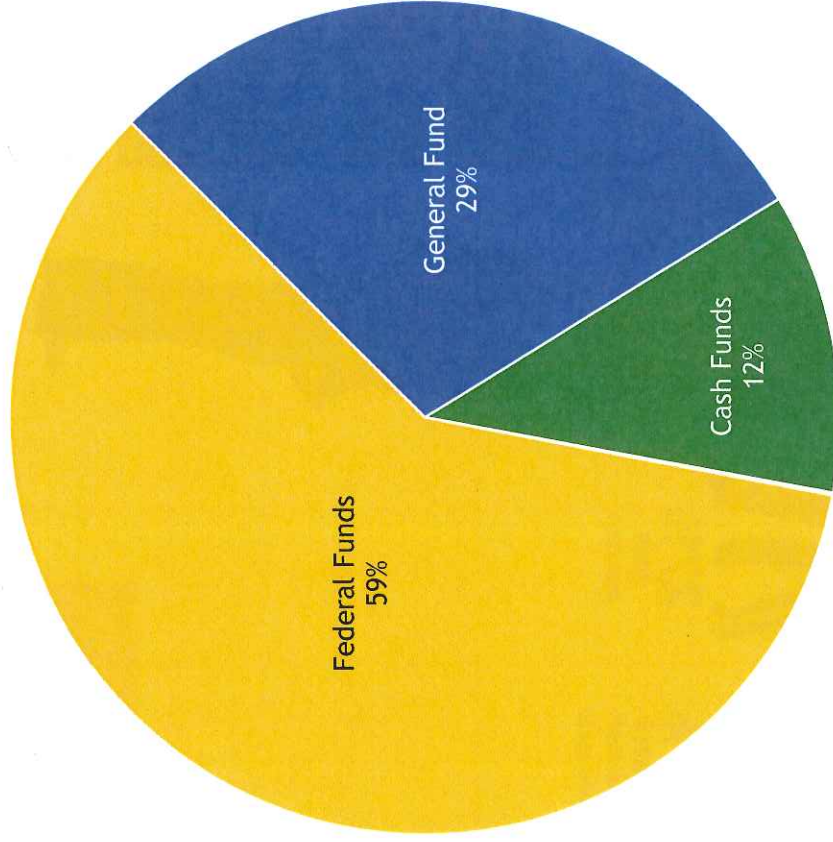


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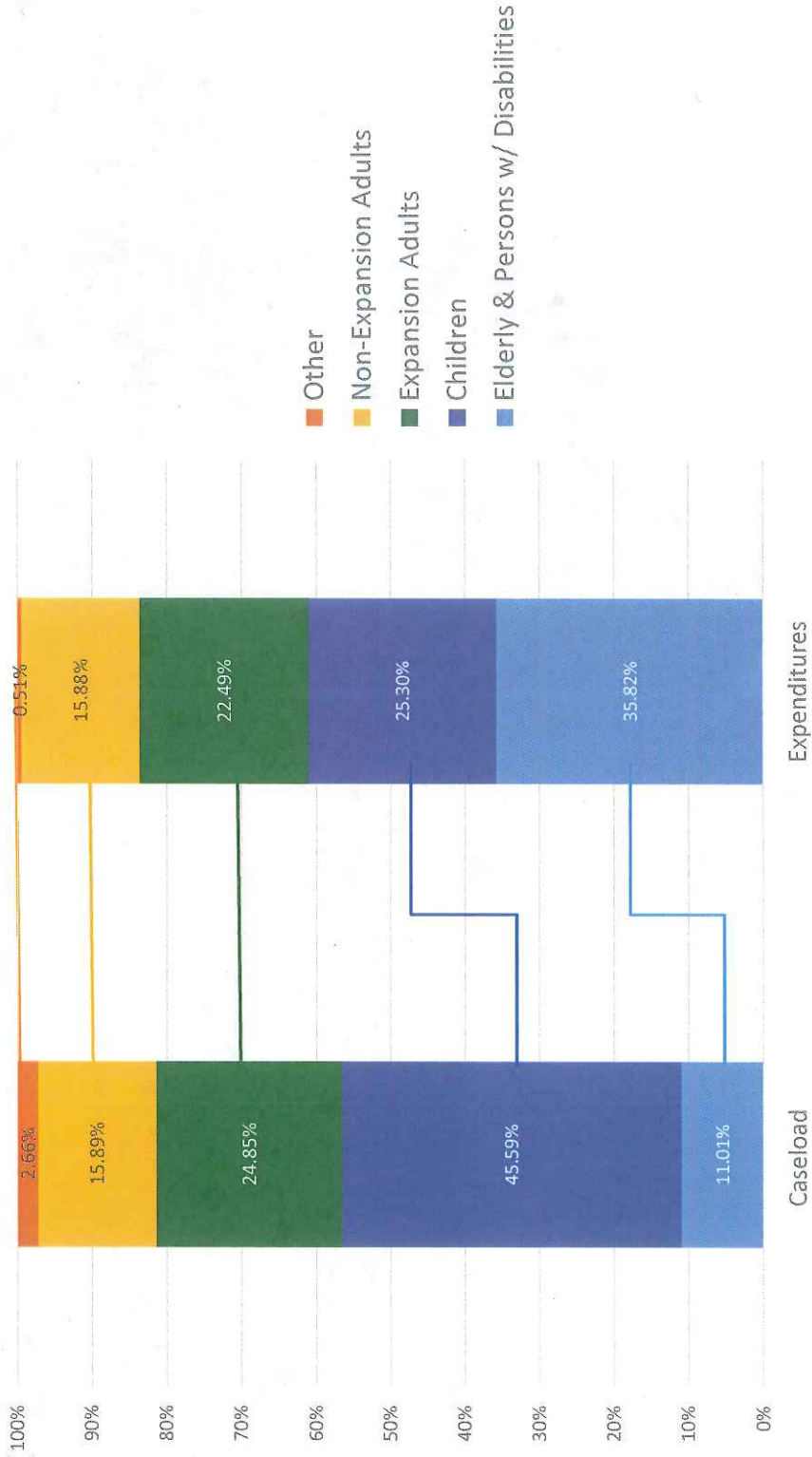
# ***FY2015-16 Total Budget Request***

- \$8.63B Total Funds
- \$5.13B Federal Funds
- \$2.48B General Fund
- \$1B Cash Funds





# FY 2014-15 (through November) Medicaid Caseload and Physical / Mental Health Expenditures





# Transforming How We Deliver Care



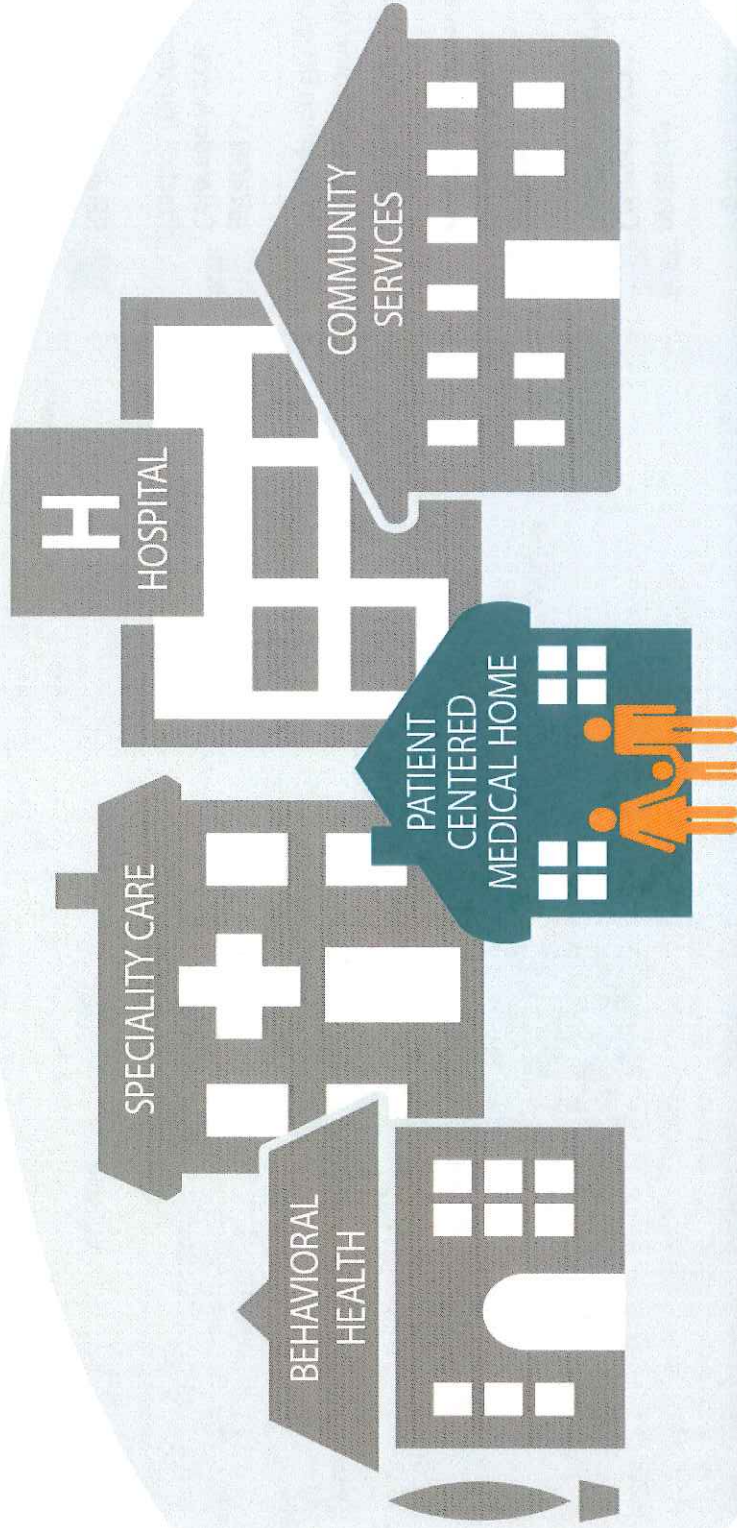
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# Accountable Care Collaborative

Care Coordination (RCCOs)



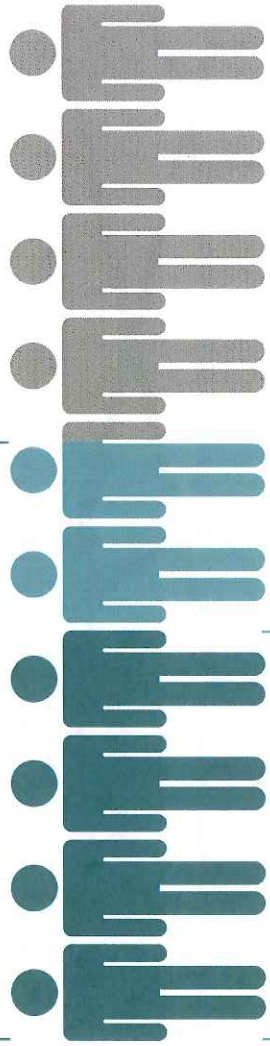
Data & Analytics (SDAC)





# Improving Value

58% of Medicaid clients are members of the ACC



70% of those are connected to a medical home



Not-Enrolled  
 Enrolled <6 Months  
 Enrolled >6 Months




  
EMERGENCY ROOM VISITS



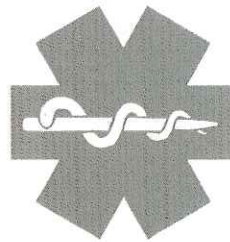

  
HIGH COST IMAGING




  
HOSPITAL READMISSIONS

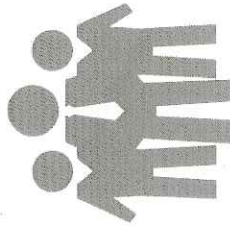


MEDICAL EXPENSES SAVINGS



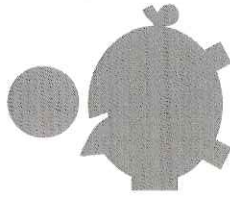
\$98-\$102 MILLION

ADMINISTRATIVE COSTS\*



\$69 MILLION

NET SAVINGS



\$29-\$33 MILLION

\*Includes payments to providers and incentives



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# LTSS System Complexities

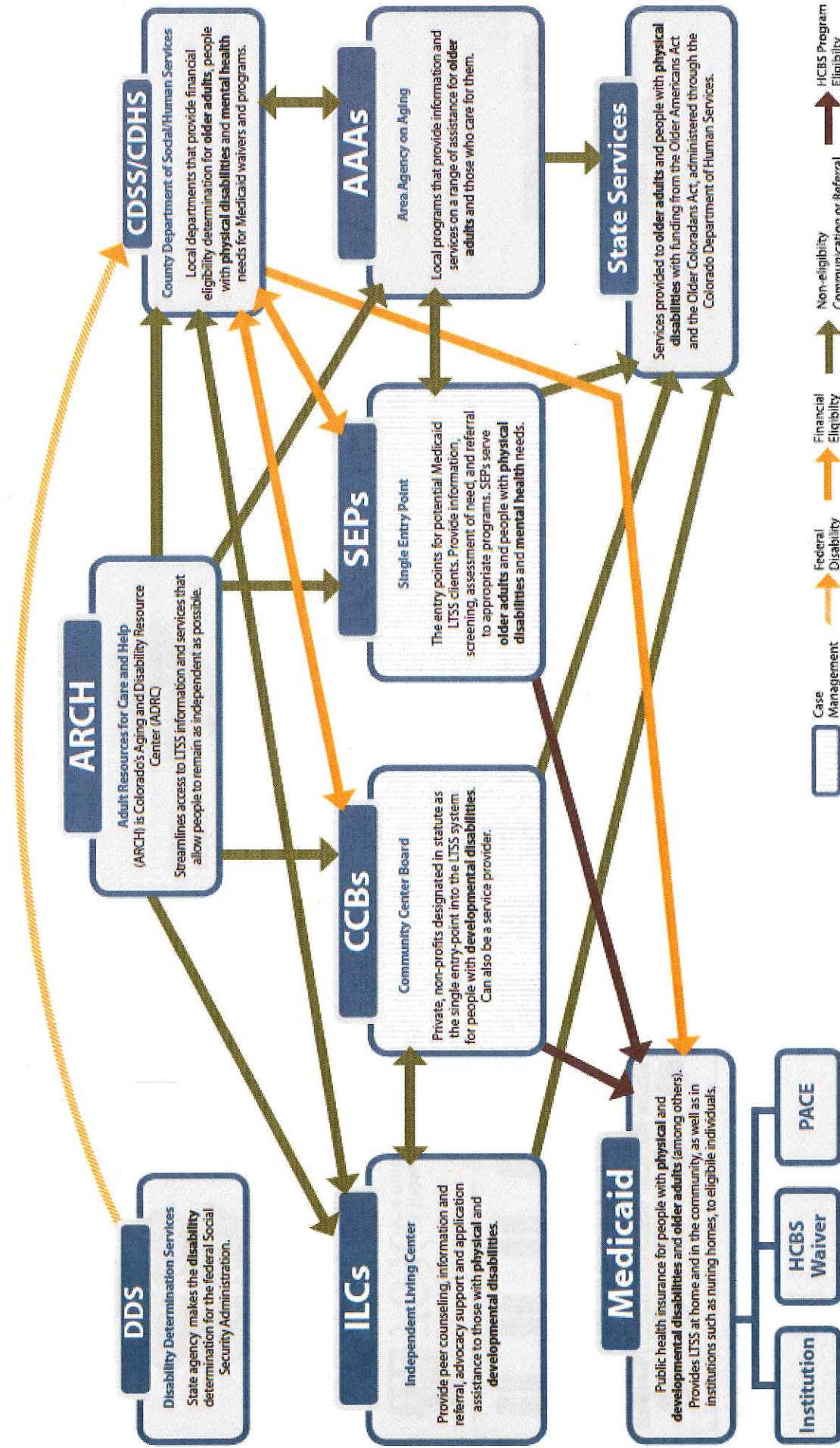


Image Source: Colorado Health Institute

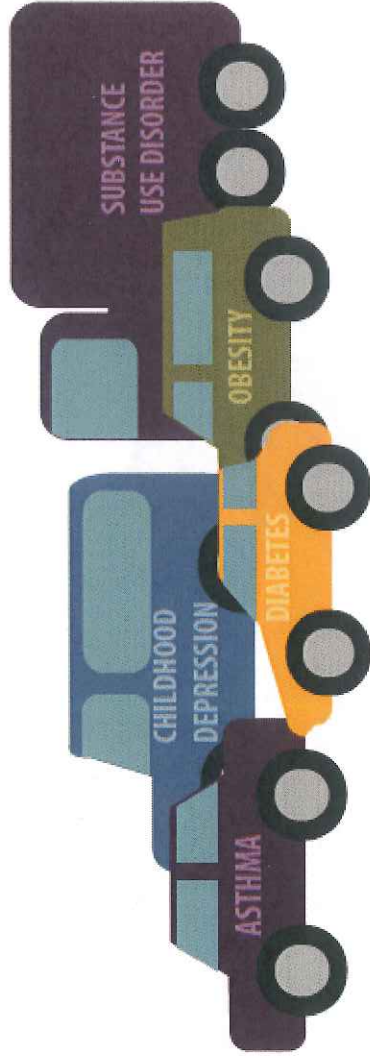


# Colorado State Innovation Model: The Road Ahead

**Our goal:** We will improve the health of Coloradans by providing access to integrated primary care and behavioral health services in coordinated community systems, with value-based payment structures, for 80 percent of the state's residents by 2019.

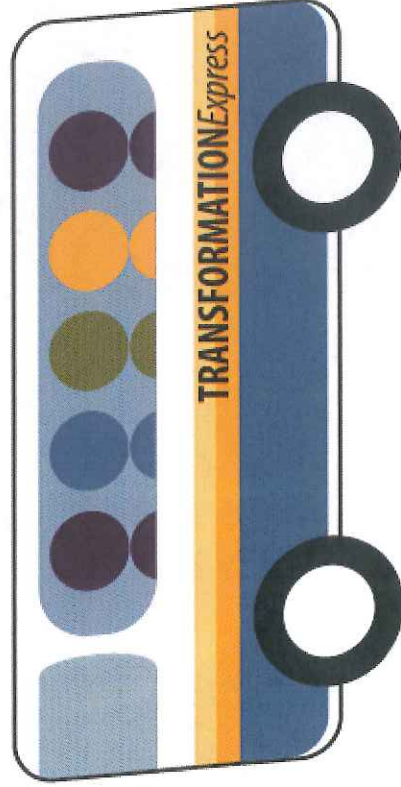
## Our fragmentation problem

Like a **gridlocked highway**, our health care system is inefficient and expensive.



## Our transformation solution

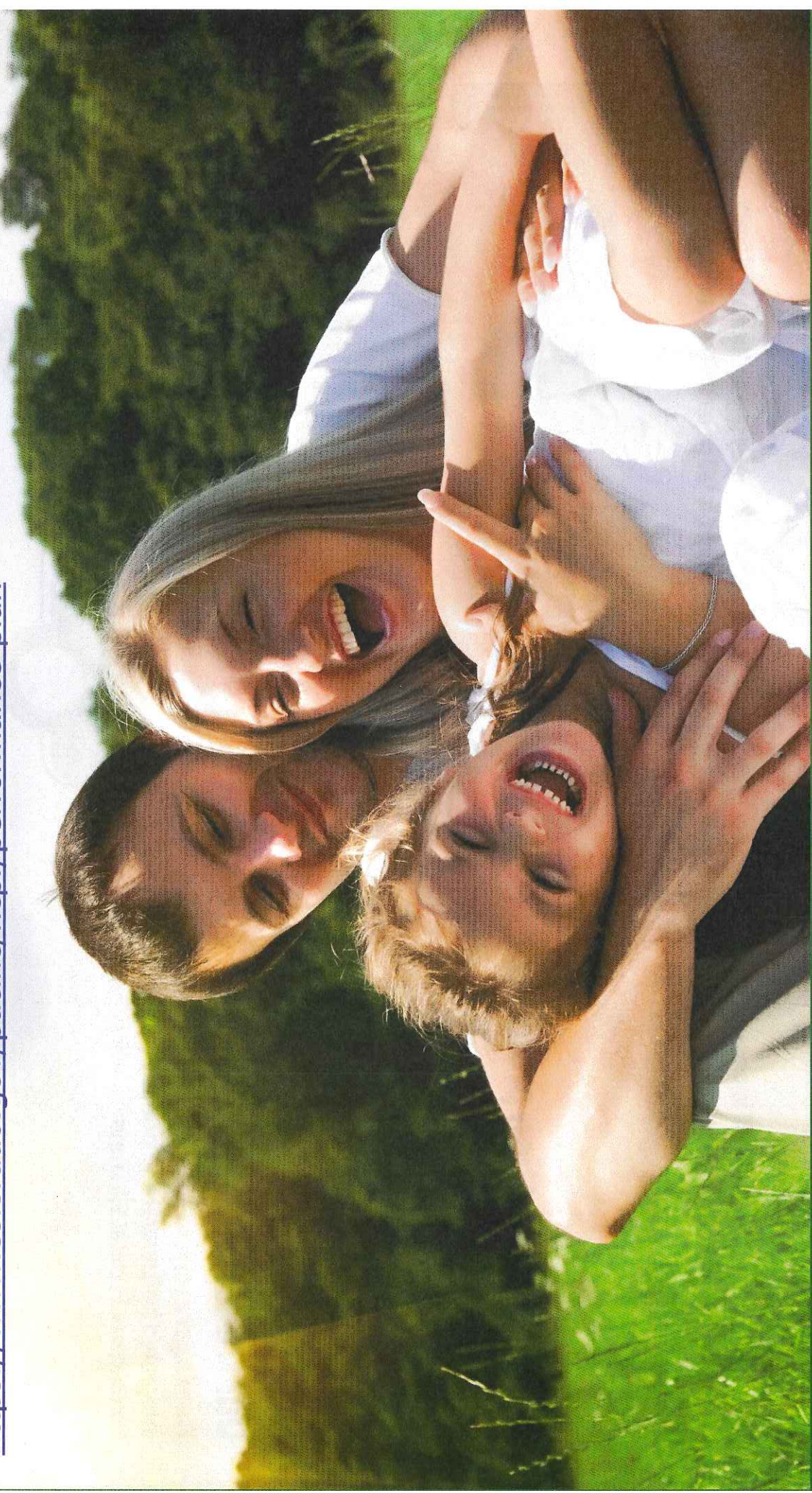
We will get **everyone on the bus** to provide access to integrated behavioral and primary care to 80% of Coloradans. Federal SIM funding will support our efforts.





# Performance Plan

<https://www.colorado.gov/pacific/hcpf/performance-plan>



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# Department of Health Care Policy & Financing 5-Year Strategy Map

VISION

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

MISSION

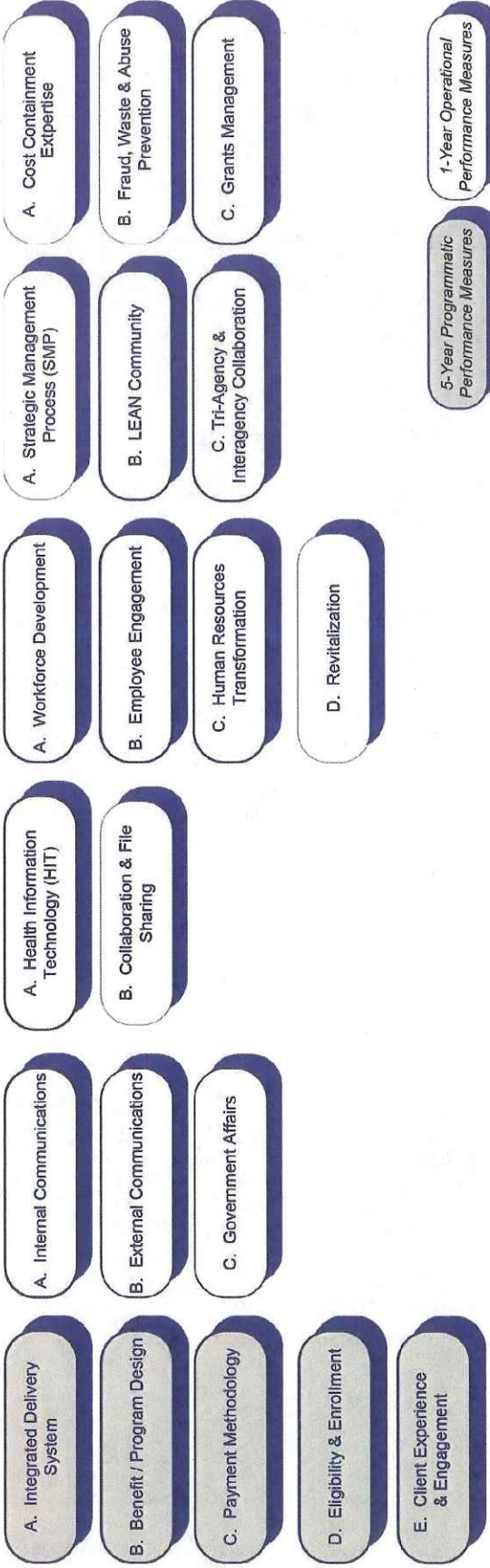
Improving health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.

GOALS

I. Improve health outcomes, client experience and lower per capita costs* (Customer)	II. Sustain effective internal and external relationships (Communications)	III. Provide exceptional service through technological innovation (Technology)	IV. Build and sustain a culture where we recruit and retain talented employees (People)	V. Enhance efficiency and effectiveness through process improvement (Process)	VI. Ensure sound stewardship of financial resources (Financing)
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Logic Models & Implementation Plans

## STRATEGIES



\*Adapted from the Institute for Healthcare Improvement's Triple Aim.







# 2015 Legislative Agenda



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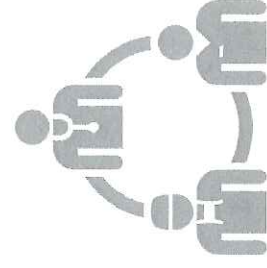
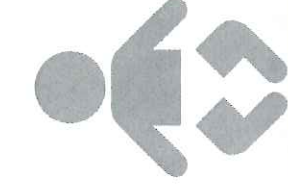
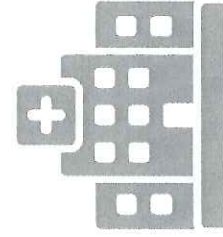
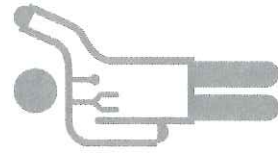
# Eliminate the Waitlist for the Children with Autism Waiver

**Sponsors:** Corresponding budget request, asking JBC to sponsor

## **Current Situation:**

- 320 kids on waitlist
- Kids get on the waiver too late
- Frequently end up getting a few months of services

**Proposed Solution:** Support funding to eliminate the waitlist and make changes to the waiver. Fastest way to get kids services.





# ***Expand the Teen Pregnancy & Dropout Prevention Program***

**Sponsors:** Reps. Coram and Danielson/Sen. Roberts

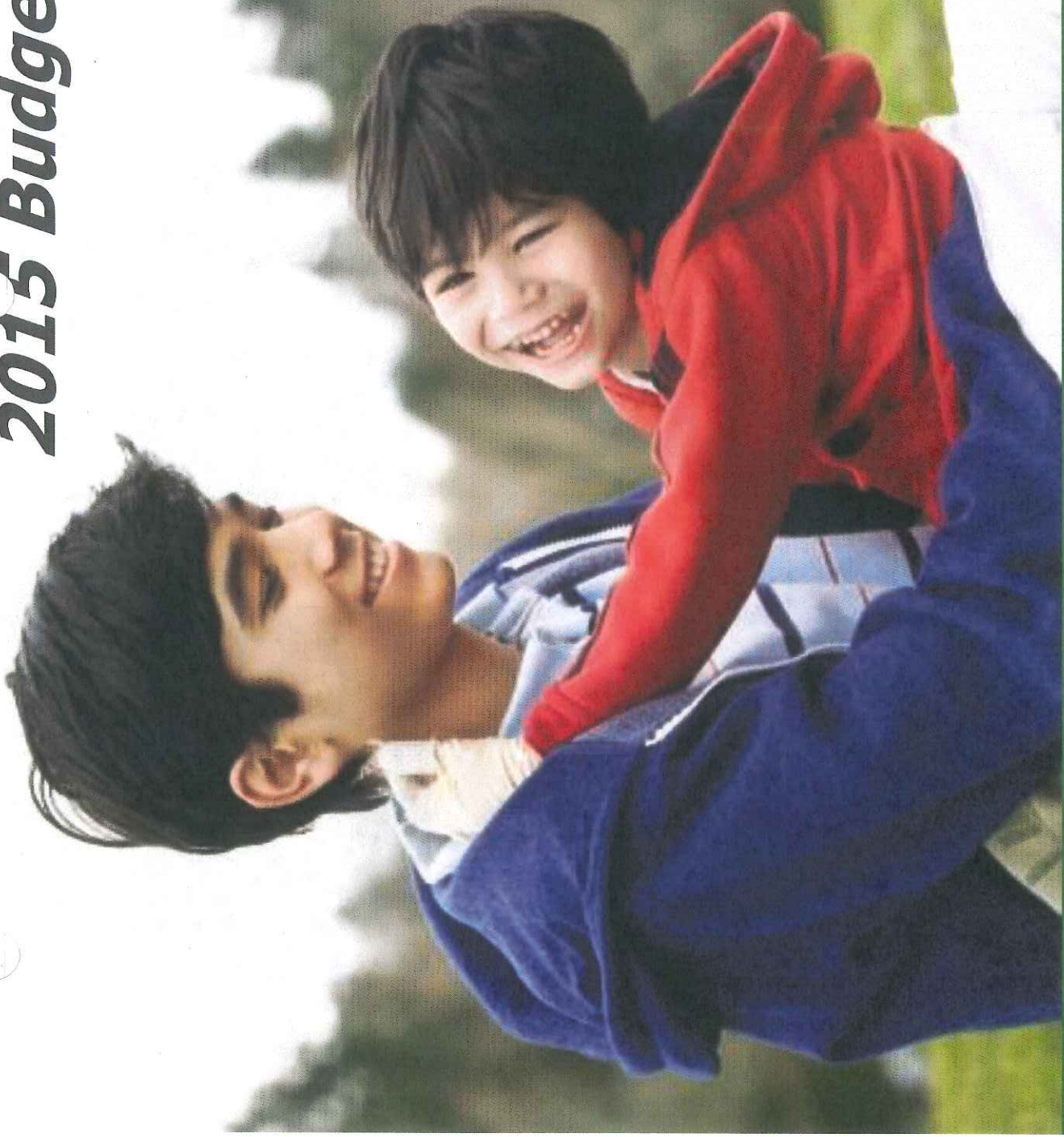
## **Current Situation:**

- Successfully piloted in Mesa, Montrose, and Delta
- 90% federally funded 10% locally funded (GF not allowed for local match)
- Program at risk of cancellation because other communities cannot come up with the 10%

## **Proposed Solution:**

- Allow GF for the 10% local match so the program can be expanded statewide
- Expect \$35K in GF savings first year, \$540K in second year

# 2015 Budget Requests

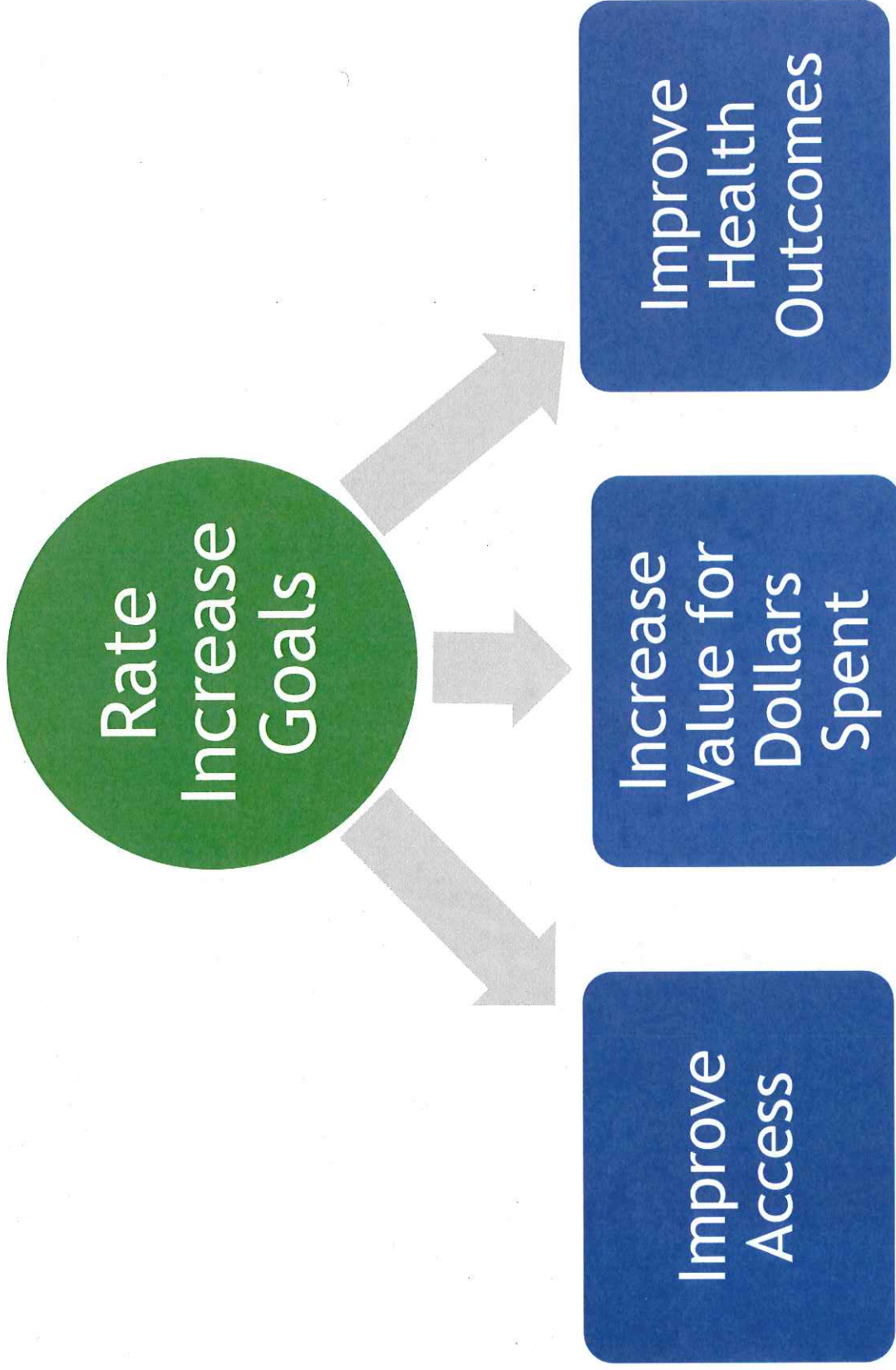


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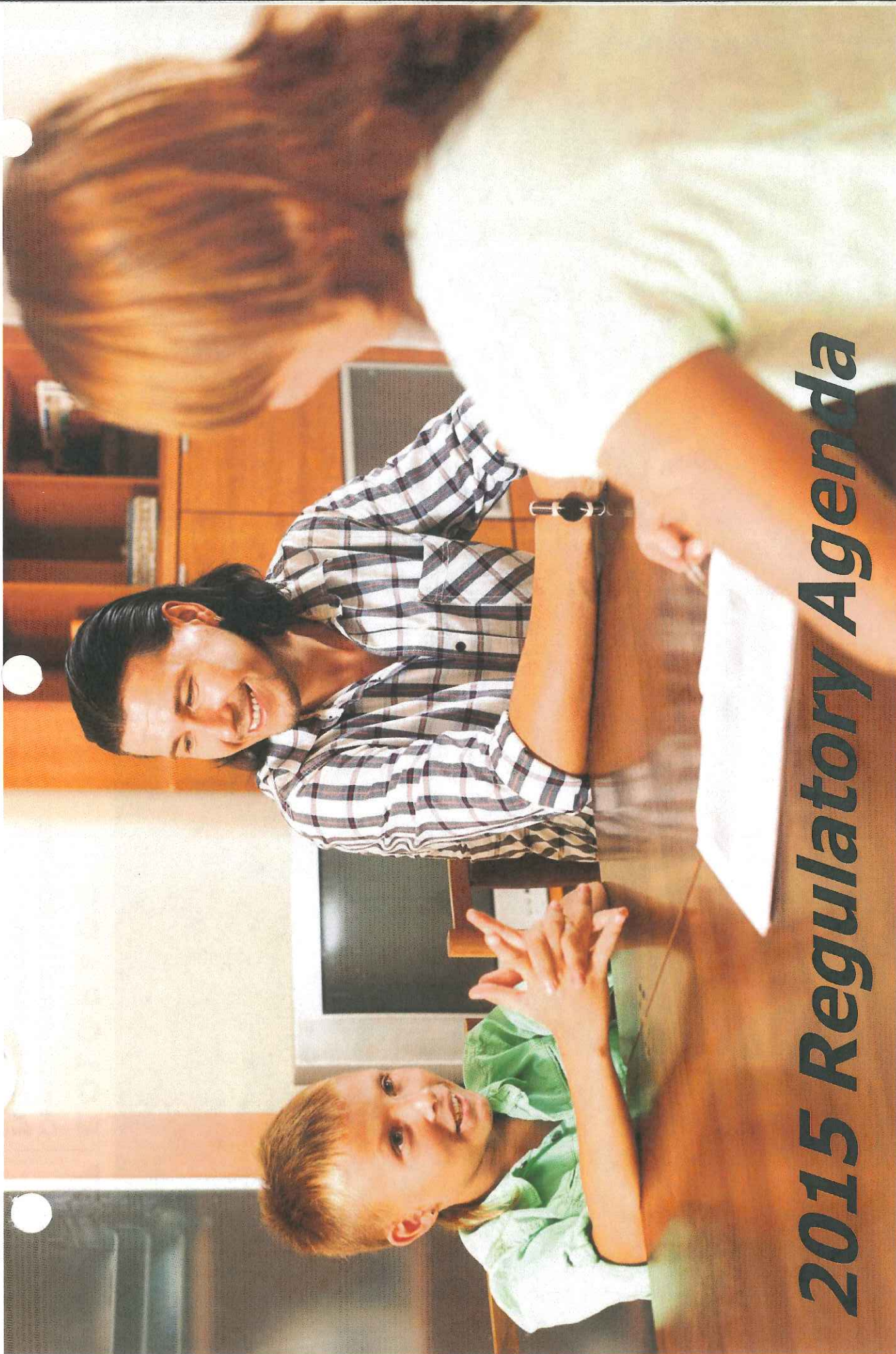
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# Provider Rates Increases







# 2015 Regulatory Agenda



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# Thank You

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Department of Health Care Policy & Financing



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# HCPF FY 2015-16 BUDGET AGENDA

## **Eliminate the Waitlist for the Children with Autism Waiver**

\$367K General Fund | \$4.8M Cash Funds | \$10.6M Total Funds

The Department requests funding to eliminate the enrollment cap for the Children with Autism Waiver which is currently set at 75 children, increase the age limit of the waiver to age 8, and guarantee children three years of services as long as they enroll in the waiver before age 8. The request also includes funding to increase the annual service cap limit to \$30K per child and allows that limit to fluctuate. There are currently 320 children on the waitlist for this waiver.

## **Provider Rate Increase**

\$11.3M General Fund | \$32.9M Total Funds

The Department requests funding for a 0.5% across-the-board rate increase to all eligible Medicaid providers and a targeted 0.5% provider rate increase. This targeted increase would be utilized to address large disparities in reimbursement rates and to demonstrate the Department's commitment to pay for services that provide high value for clients. The Department will solicit proposals from providers interested in a targeted rate increase and present a prioritized list of recommendations to the Joint Budget Committee prior to Figure Setting in March.

## **Participant Directed Programs Expansion**

\$816K General Fund | \$1.7M Total Funds

The Department requests funding to include Consumer Directed Attendant Support Services (CDASS) in the Supported Living Services Home and Community-based (HCBS-SLS) waiver program. CDASS allows clients who have personal care, homemaker and/or health maintenance attendant service needs to have greater control over the services they receive, how and when they are delivered, and by whom. This request also includes funding to hire a contractor and 1 FTE to analyze the feasibility of a new state plan option, Community First Choice (CFC), which would require personal care services to be available in the State Plan to all Medicaid clients who meet an institutional level of care. Moving to CFC would represent a redesign of \$500M of home and community-based services and would increase the state's Medicaid match rate by 6% for these services. More detailed analysis and dedicated staff support is needed to further analyze the costs and operational challenges of pursuing CFC.

## **Medicaid and CHP+ Enrollment Simplification**

\$147K General Fund | \$1M Total Funds

The Department requests funding to simplify the way client income is counted when determining Medicaid and CHP+ eligibility, in order to reduce gaps in coverage. Specifically, the Department would determine a client's eligibility based on their estimated annual income instead of their monthly income. Looking at monthly income causes gaps in coverage for seasonal workers or persons employed by small businesses that tend to make the majority of their income in particular months. The current policy can also result in persons with very high, but seasonal, income receiving public assistance when it is not genuinely appropriate. Moving to annual income would also more closely align with how Connect for Health Colorado determines eligibility for federal tax subsidies for private health insurance. This request also includes funding to offer clients a 30 day period to pay their Child Health Plan *Plus* enrollment fees in order to reduce gaps in coverage.

The mission of the Department of Health Care Policy and Financing is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.





### **Customer Contact Center Request**

\$674K General Fund | \$364K Cash Fund | \$2M Total Funds

The Department requests funds to hire 25 FTE for the Department's Customer Contact Center which is the main point of contact for over one million Medicaid clients. Medicaid caseload has increased by 157,801 clients between January and June 2014, a 17% increase, and call volumes have increased 328%, when comparing May 2013 to May 2014. The Department's current 17 call center representatives, 7 of whom are temporary employees, cannot adequately answer Colorado Medicaid's 1.1 million clients without excessive call wait times and drop rates.

### **Personal Health Records and Health Education**

\$122K General Fund | \$772K Total Funds

The Department requests funds to allow clients to access their personal health record (PHR) through an online portal that would include free online health education resources. As more medical providers switch to electronic health records connected to Colorado's Health Information Exchange, clients would be able to access their personal health records, allow their providers to share information which can improve health outcomes for the client, and reduce duplicative services which results in lower health care costs. With access to this information, clients would be better able to manage their own health, improving overall outcomes and helping to reduce long term cost trends.

### **Public Health and Medicaid Alignment**

\$495K General Fund | \$1.4M Total Funds

The Department requests funds to align the work of Colorado's Local Public Health Agencies (LPHAs) with the Accountable Care Collaborative (ACC). Colorado currently has 54 LPHAs serving 64 Colorado counties that focus on population health, public health initiatives, community health outreach, health education, and many provide direct services such as immunizations and cancer screenings. By formalizing the relationship between LPHAs and the ACC, the Department can bridge the gap between direct health care and population based health interventions that have the potential to lower health care costs in the long term.

### **Accountable Care Collaborative Reprourement Preparation**

\$125K GF | \$250K Total Funds

The Department requests funding to hire contractors to help prepare for and manage the Accountable Care Collaborative (ACC) reprourement process that will begin in July 2016. The ACC Program serves as Colorado's platform for reforming Medicaid care delivery, and has demonstrated a significant return on investment while simultaneously improving client outcomes. The ACC reprourement presents an important opportunity to make significant improvements in the ACC Program. This request will help implement a robust strategic planning and stakeholder process with a goal of moving towards integration, including behavioral health integration, at both the system level and at the point of care.

### **School Based Early Intervention for Substance Abuse**

\$1.9M GF | \$4.2M Total Funds

The Department requests funding to continue school-based prevention and early intervention services related to the legalization of recreational marijuana through Colorado's Behavioral Health Organizations (BHO). Recognizing the need to increase the availability of targeted outreach programs in schools, this continued funding will be used to maintain and expand upon the essential resources needed for early intervention and prevention of youth marijuana use.

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**Media Inquiries:** Marc Williams, Public Information Officer, 720-626-0801