



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

Notice of Public Comment Process

Medicaid Section 1115 Demonstration Application for Colorado Hospital Transformation Program: Delivery System Incentive Payment Demonstration

Public Comment Period Begins: November 10, 2019 at 8:00 a.m. MST
Public Comment Period Ends: December 15, 2019 at 5:00 p.m. MST

Public Notice is hereby given that the State of Colorado's Department of Health Care Policy & Financing is seeking public comment on a Medicaid Section 1115 Delivery System Incentive Payment Demonstration application to support the implementation and operation of the Colorado Hospital Transformation Program (HTP).

Proposed Demonstration Summary

The Colorado Department of Health Care Policy & Financing ("Department") is submitting a Medicaid Section 1115 Demonstration proposal to operate the HTP. The HTP will use delivery system reform incentive payments (DSRIP) to support hospital-led projects to:

- Build the necessary organizational, workforce, and technology infrastructure for delivery system reform and accelerated readiness for value-based payment.
- Implement evidence-based interventions to improve care transitions; help address unmet needs of high-risk, high-cost populations; and advance integration across the care delivery spectrum.
- Support data-driven accountability and outcome measurement through the collection, sharing, and monitoring of information among providers.

For the incentive payments, Colorado will leverage hospital supplemental payment funding generated through the existing hospital provider fee for which the State has submitted a State Plan Amendment. The proposed demonstration makes no other changes to provider reimbursement and makes no changes to Medicaid or Children's Health Insurance Program enrollment, eligibility, covered benefits, cost sharing, or beneficiary freedom of choice in providers for Colorado's Medicaid ("Health First Colorado") members. Medicaid Section 1115 Demonstration allow states to test new approaches to administering Medicaid programs beyond what is required by federal statute. In response to the national opioid epidemic, the federal Centers for Medicare & Medicaid Services (CMS) has provided an opportunity for states to use the Section 1115 waiver authority to use Medicaid matching funds to expand the availability of Substance Use Disorder (SUD) treatment services. The program will operate as a five-year demonstration and requires a federal Medicaid waiver(s) under section 1115 of the Social Security Act.

Program Background

The Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Board makes recommendations to the Medical Services Board regarding the implementation of the health care affordability and sustainability fee established pursuant to the Colorado Healthcare



Affordability and Sustainability Enterprise Act of 2017, Section 25.5-4-402.4, Colorado Revised Statutes. These recommendations include the amount of the fee, reforms to hospital reimbursement and quality incentive payments, and the approach to expanding coverage under Health First Colorado (Colorado's Medicaid Program) and Child Health Plan Plus (CHP+). The CHASE Board also directs the implementation of the delivery system reform incentive payments program and monitors the impact of the fee on the health care market.

Under the direction of the CHASE Board, The Colorado Department of Health Care Policy & Financing ("The Department") has conducted an extensive multi-year stakeholder process that includes monthly meetings with both its rural and urban hospital groups.

Demonstration Objectives and Goals

The Colorado Hospital Transformation Program is designed to achieve four strategic, statewide objectives for hospital delivery reform:

- Improve patient outcomes through care redesign and integration of care across care settings.
- Lower Health First Colorado (Colorado's Medicaid Program) costs through reductions in avoidable care and increased effectiveness and efficiency in care delivery.
- Accelerate hospitals' organizational, operational, and systems readiness for value-based payment.
- Increase collaboration between hospitals and other providers, particularly Accountable Care Collaborative participants, in data sharing and analytics and evidenced-based care coordination and care transitions, integrated physical and behavioral care delivery, chronic care management, and community-based population health and disparities reduction efforts.

To achieve these objectives, the Colorado HTP will use delivery reform incentive payments to support hospital-led projects designed to make significant, evidence-based improvements to Health First Colorado health care delivery in population health and total cost of care in critical priority areas:

- Care coordination and care transitions.
- Complex care management for targeted populations.
- Behavioral health and substance use disorder coordination.
- Perinatal care and improved birth outcomes.
- Recognizing and addressing social determinants.
- Reduce total cost of care.

Eligibility

There will be no changes to the Medicaid eligibility criteria as a result of this demonstration application. The demonstration will be open to all interested general and critical access hospitals in the State.



Services

This demonstration application is not service-based and therefore, there are no changes to any services already included in the Colorado State Plan.

Cost Sharing

This demonstration application is not service based, and therefore there is no cost shared associated with this application.

Delivery System

This demonstration application pertains to all interested hospitals operating in the State of Colorado.

Demonstration Hypotheses and Measures

Colorado will partner with an independent evaluator to develop a comprehensive monitoring and evaluation plan to assess the implementation and impact of this demonstration. The evaluation will be supported by standardized metrics measuring the impact of the demonstration, incentivizing delivery system transformation. The evaluation plan will use standardized metrics, including performance measures, quality improvement, access to care, value-based payments, population health outcomes and informatics infrastructure including the health information exchange.

Based on the demonstration's core objectives and the focus of transformation project activities, Colorado proposes the following hypotheses for testing the effectiveness and overall impact of the demonstration:

- Hypothesis 1: Demonstration will improve patient outcomes through care redesign and integration of care across care settings.
- Hypothesis 2: Demonstration will improve the patient experience in the care delivery system and increase appropriate care in appropriate settings.
- Hypothesis 3: Demonstration will lower Health First Colorado (Colorado's Medicaid Program) costs through reductions in avoidable care and increased effectiveness and efficiency in care delivery.
- Hypothesis 4: Demonstration will accelerate hospitals' organizational, operational, and systems readiness for value-based payment.
- Hypothesis 5: Demonstration will increase coordination and collaboration between hospitals and other providers, including Accountable Care Collaborative (ACC) participants, in care coordination and transitions, data sharing, integrated physical and behavioral health care, population health, and chronic care management.

Proposed Federal Demonstration Authorities

Health First Colorado, the Colorado Medicaid program, currently operates under the State Plan and waivers under s. 1115 and s. 1915 of the Social Security Act. Under section 1115(a) of the Social Security Act, Colorado requests the federal waiver and expenditure authorities necessary for this proposed demonstration. These include:



- Waiver of hospital inpatient and outpatient-related rate setting, payment methods, and payment limitation requirements per sections 1902(a)(13) and 1902(a)(30) of the Social Security Act and 42 CFR Part 447.
- Expenditure authority under section 1115(a)(2) of the Social Security Act to regard delivery system reform incentive payments made by Colorado to hospitals under this demonstration, which are not otherwise included as expenditures under section 1903 of the Act, as permissible benefit expenditures under state’s Title XIX State Plan.
- Such other waiver and expenditure authorities the Centers for Medicare and Medicaid Services determines are necessary for the demonstration.

Waiver of hospital-related rate setting, payment methods, and payment limitation requirements per sections 1902(a)(13) and 1902(a)(30) of the Social Security Act and 42 CFR Part 447 are necessary to make delivery system reform incentive payments to hospitals and exclude DSRIP expenditures from the inpatient and outpatient hospital upper payment limits during the demonstration.

Estimated Impact of the Demonstration

The table below estimates the projected annual expenditures for (with and without the waiver) for each Demonstration Year (DY) of the waiver demonstration.

Estimated Projections of Annual Expenditures

	DY1	DY2	DY3	DY4	DY5	5 Year Total
Total w/out Waiver	\$5,409,968,364	\$5,744,097,616	\$6,108,269,288	\$6,510,315,169	\$6,945,270,717	\$30,717,921,155
Total w/ Waiver	\$5,396,128,118	\$5,691,283,865	\$6,008,617,216	\$6,357,663,729	\$6,733,433,804	\$30,187,126,731

Opportunity for Public Comment

The proposed Section 1115 Demonstration application is available for public review and comment at:

www.colorado.gov/pacific/hcpf/htp-waiver

To request a copy of the demonstration, please contact the Department by:

- Sending an email request to COHTP@state.co.us.
- Send a request by fax to 303-866-4411. Attn: HTP DSRIP 1115 Demonstration Application, or
- Obtaining in person at the Colorado Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203.

During the public comment period, comments may be sent to COHTP@state.co.us. Comments may also be submitted via the United States Postal Service using the following address:



Special Financing Division Director
 Colorado Department of Health Care Policy and Financing,
 1570 Grant Street
 Denver, Colorado 80203
 ATTN: Public Comment - HTP_DSRIP

A copy of the public notice can be viewed on the Department's website via the following link www.colorado.gov/pacific/hcpf/http-waiver.

Public Hearings

The Department invites the public to attend public hearings in person or to join by teleconference/webinar to learn more about Colorado's 1115 Demonstration application and provide comments.

	Public Hearing #1	Public Hearing #2
Date	November 19, 2019	November 20, 2019
Time	3:00 p.m. to 5:00 p.m. MST	6:00 p.m. to 7:30 p.m. MST
Location	Colorado Department of Health Care Policy and Financing Hibiscus Conference Room 1570 Grant Street Denver, Colorado 80203	Colorado Department of Health Care Policy and Financing 7 th Floor, Room 7B 303 East 17 th Avenue Denver, Colorado 80203
Teleconference Capabilities	Conference Line: 1-877-820-7831 Participant Code: 549607#	Not available
Webinar	cohcpf.adobeconnect.com/chase/	Not available

Reasonable accommodations are available upon request for persons with disabilities for all stakeholder meetings. Individuals with disabilities may request these by contacting the Department 504/ADA Coordinator at hcpf504ada@state.co.us or Nancy Dolson at COHTP@state.co.us at least one week before the public hearing to make arrangements.

In addition, the Department is also hosting a webinar affording the opportunity for the public to learn about and comment on the application:

Hospital Transformation Program 1115 Demonstration Waiver Webinar

December 3, 2019

2:00 p.m. to 4:00 p.m. MST

Webinar: cohcpf.adobeconnect.com/chase/

Teleconference Capabilities: Conference Line: 1-877-820-7831; Participant Code: 549607#

CMS/Medicaid 1115 Demonstration Website

Relevant webpages and additional information regarding the Medicaid demonstration can also be viewed on the CMS/Medicaid website, at www.medicaid.gov/medicaid/section-1115-demo/index.html.

