



COLORADO MEDICAID PROGRAM ACHIEVES RECORD SAVINGS, IMPROVED OUTCOMES

Data includes early Medicaid expansion population

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DENVER – November 3, 2014 – The Department of Health Care Policy and Financing (Department) announced today that the Department achieved about \$100 million in gross savings on medical services with its Accountable Care Collaborative (ACC) program. This is more than double the amount of cost avoidance achieved by the program last fiscal year. After accounting for payments to providers and regional care collaborative organizations, the program’s net savings for state fiscal year (FY) 2013-14 was approximately \$31 million.

“The ACC is changing the way we deliver health care,” said Susan E. Birch, MBA, BSN, RN, executive director. “It’s a nationally recognized model that puts clients and wellness at the center of care and strengthens Colorado’s health care infrastructure, while also saving taxpayer dollars by avoiding unnecessary services.”

The ACC program was created to improve client health while lowering costs. The Department brought the program to state lawmakers as a budget reduction item in 2009 with the expectation that the program would not only pay for itself, but reduce expenditures in the future.

“We are very pleased with this year’s savings, but even more excited to see that the program still continues to save money and improve care as it grows,” said Deputy Medicaid Director Laurel Karabatsos. “The first two years of savings were based on serving a considerably smaller number of people, and the program now covers 60 percent of Colorado Medicaid clients. The fact that we continue to save money shows that the program is working, and can work on a large scale.”

In FY 2013–14, the Department had four key performance indicators to measure improvement among those clients enrolled in the ACC, compared to clients not enrolled or enrolled for fewer than six months:



- **30-Day Hospital Readmissions:** Members without disabilities who were enrolled in the ACC for more than six months had approximately **33 percent fewer** readmissions, compared to those enrolled fewer than six months, or those not enrolled in the ACC.
- **High Cost Imaging:** Adults without disabilities enrolled in the ACC more than six months, had approximately **35 percent fewer** imaging services than those not enrolled. Children without disabilities had about 19 percent fewer imaging services than those not enrolled.
 - Performance on this metric over the last three years has been so strong that it will no longer be included as a pay-for-performance metric in the coming year.
- **Emergency Room Utilization:** Adults enrolled in the ACC more than six months, used emergency room services about **eight percent less** than those not enrolled.
- **Well-Child Visits:** About half of all ACC children under age 18 received a well-child visit during FY 2013-14. In the coming year, this key performance indicator will focus specifically on children ages 3–9.

For most populations and indicators, utilization increased during the first six months of enrollment and then decreased when clients were in the program for more than six months. This mirrors nationwide utilization trends for populations gaining new or better access to health care.

For a complete report on the Accountable Care Collaborative’s performance in FY 2013–14, please visit the [Department’s website](#).

About the Accountable Care Collaborative: The Accountable Care Collaborative ([ACC](#)) is Colorado Medicaid’s program to improve clients' health and reduce costs. Approximately 610,000 clients were enrolled in the ACC at the end of FY 2013-14. Medicaid clients in the ACC receive the **regular Medicaid benefit package** and belong to a Regional Care Collaborative Organization ([RCCO](#)). The ACC program has [seven geographical regions](#), each served by a specific RCCO. These regional organizations provide care coordination, connect members to primary care (a medical home), specialists and community resources as needed.

The ACC is a central part of Medicaid reform that changes the incentives and health care delivery processes for providers from one that rewards a high volume of services to one that holds them accountable for health outcomes.

About the Colorado Department of Health Care Policy and Financing: The Department administers the Medicaid and Child Health Plan *Plus* programs as well as a variety of other programs for low-income Coloradans who qualify. For more information about the department, please visit Colorado.gov/hcpf.

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See Accountable Care Collaborative By the Numbers Fact Sheet Below





ACCOUNTABLE CARE COLLABORATIVE BY THE NUMBERS

Source: 2014 Accountable Care Collaborative Annual Report

Seven regional care organizations - [Regions](#) are based on geography, providers and care networks.

Hospital readmissions: Medicaid members without disabilities enrolled in the Accountable Care Collaborative (ACC) for more than six months, had **33 percent fewer hospital readmissions** than those enrolled fewer than six months, or not enrolled at all.

High-cost imaging services: Medicaid members enrolled in the ACC for more than six months, used 35 percent **fewer** imaging services than those not enrolled.

- Adults without disabilities used **16 percent fewer** imaging services,
- Children without disabilities used **19 percent fewer** imaging services, and
- ACC members with disabilities used **about 3 percent fewer** imaging services than non-members.

Emergency room (ER) visits: Adults without disabilities enrolled in the ACC at least six months had **8 percent fewer ER visits** than adults not enrolled. Children without disabilities had about the same rate of visits for those enrolled and not enrolled, and ACC members with disabilities had slightly more visits than those not enrolled.

Well-child visits: About **50 percent** of children under age 18 in the ACC received at least one well-child visit this year.

Children with disabilities enrolled in the ACC **increased** their doctor visits by six percent and **decreased** emergency room visits by seven percent. Care delivered in a doctor's office is substantially less expensive than an ER visit.

58 percent of Medicaid members were enrolled in the program as of June 2014.

Approximately **\$14 million reinvested into providers** by the program.

Approximately **\$100 million** in gross program savings (\$31 million in net savings).



Program Performance Comparison Chart by Fiscal Year (FY)

| | FY 2011-12 | FY 2012-13 | FY 2013-14 |
|--|-------------------|-------------------|--|
| Number Enrolled* | 132,000 | 352,000 | 609,000 |
| Estimated Gross Savings | \$20 million | \$44 million | \$100 million |
| Net Savings after payments to providers and for care coordination | \$3 million | \$6 million | \$31 million |
| Provider Payments | | | |
| Amount Reinvested in Providers | \$3 million | \$6 million | \$14 million (includes incentive payments) |

*Enrollment as of end of state fiscal year

| | Key Performance Indicators | | |
|-----------------------------------|-----------------------------------|--|---|
| | FY 2011-12 | FY 2012-13 | FY 2013-14 |
| Hospital Readmissions | 8.6% reduction | 15-20% reduction | 33% reduction for adults and children** |
| High-Cost Imaging | 3.3% reduction | 25% reduction | 35% reduction for adults and 19% reduction for children |
| Emergency Room Utilization | | .23% increase (compared to a 1% increase among all Medicaid clients) | 8% reduction among adults enrolled six months or more, and 1% increase for kids |

**Numbers are for ACC members without disabilities

Key Performance Indicators

The tables below show how many emergency room visits, hospital readmissions, and high-cost imaging services were used by clients with disabilities, adults without disabilities and children without disabilities. The tables compare those who were not enrolled in the ACC, those who were enrolled for fewer than six months, and those enrolled for more than six months.



Clients with Disabilities (Per 1,000 clients)

| | Not Enrolled | Enrolled Fewer Than 6 Months | Enrolled More Than 6 Months |
|---|---------------------|-------------------------------------|------------------------------------|
| ER Visits | 1,258 | 1,329 | 1,354 |
| Hospital Readmissions for Same Diagnosis | 29 | 35 | 30 |
| High-Cost Imaging | 700 | 696 | 681 |

Adults without Disabilities (Per 1,000 clients)

| | Not Enrolled | Enrolled Fewer Than 6 Months | Enrolled More Than 6 Months |
|---|---------------------|-------------------------------------|------------------------------------|
| ER Visits | 900 | 1,047 | 824 |
| Hospital Readmissions for Same Diagnosis | 6 | 6 | 4 |
| High-Cost Imaging | 213 | 277 | 179 |

Children without Disabilities (Per 1,000 clients)

| | Not Enrolled | Enrolled Fewer Than 6 Months | Enrolled More Than 6 Months |
|---|---------------------|-------------------------------------|------------------------------------|
| ER Visits | 802 | 820 | 808 |
| Hospital Readmissions for Same Diagnosis | 6 | 6 | 4 |
| High-Cost Imaging | 188 | 204 | 165 |

For more information visit [Colorado.gov/hcpf](https://colorado.gov/hcpf)

