Joint Budget Committee Hearing: Executive Director’s Office

December 14, 2016

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

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

Fiscal Year 2015-16 Health First Colorado Caseload

- **42%** Children & Adolescents under age 20
- **48%** Adults ages 21-64
- **7%** People with Disabilities in all age groups
- **3%** Older Adults 65 or older

**Federal Poverty Levels by Family Size**

<table>
<thead>
<tr>
<th></th>
<th>Family of 1</th>
<th>Family of 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>133%</td>
<td>$15,654</td>
<td>$32,252</td>
</tr>
<tr>
<td>260% (CHP+)</td>
<td>NA</td>
<td>$60,625</td>
</tr>
</tbody>
</table>

*Some earning more may still qualify.

75% of Medicaid adults work

- Drivers
- Child care workers
- Waiters & waitresses
- Cashiers

21% live in rural areas

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

16% live in Denver County.
Our Members

Caseload by Population

- Individuals with Disabilities: 6.6% (3.3%)
- Older Adults (65 or older): 13.9%
- Non-Expansion Adults: 42.2%
- Children and Adolescents: 2.7%
- Expansion Adults: 31.4%

Expenditures by Population

- Other: 27.3%
- Children and Adolescents: 14.6%
- Non-Expansion Adults: 11.6%
- Older Adults (65 or older): 18.1%
- Individuals with Disabilities: 1.7%

FY15-16 Data

COLORADO
Department of Health Care Policy & Financing
Medicaid’s Funding Sources

- Federal Funds: 60%
- General Fund: 29%
- Hospital Provider Fee: 7%
- Cash Funds: 4%

FY15-16 Data
Who Gets Payments for Services

HCBS Waiver Providers
$842.4 Million
9.9%

Dental Providers
$324.4 Million
3.8%

Regional Care Collaboration Organizations
$107.3 Million
1.3%

BHO Waiver Resources
$659 Million
7.7%

FQHCs and RHCs
$189 Million
2.2%

Specialty Facilities
$58.3 Million
0.7%

Nursing Facility and Hospice Providers
$822.6 Million
9.6%

Pharmacies
$848.9 Million
9.9%

(-$409 Million in rebates)

Managed Care Organizations
$529.8 Million
6.2%

Home Health Providers
$345.7 Million
4.0%

Physicians, Clinicians, Specialists and Other Providers
$769.7 Million
9.0%

Laboratories and X-Ray Providers
$76.1 Million
0.9%

Durable Medical Equipment Providers
$149.4 Million
1.8%

Transportation Providers
$41.8 Million
0.5%

FY15-16 data
Improving Health & Well-being

- Diabetes Control
- Blood Pressure Control
- Dental Visits
- Depression Screenings for Teens
- Timely Mental Health Treatment/Clinicians Communicating Well (Adults)
- Emergency Room Visits
- Teen Pregnancy Rate

Colorado ranks higher than any other state in providing services that support people in directing their own care.
Planning for Potential Changes to Federal Policy
Questions 1-5
ACA Expansion: Individuals Receiving Critical Services & Care

- 20,559 mammograms performed
- 12,423 cancer treated
- 6,038 seizures treated
- 103,734 behavioral health management medications received
- 30,218 diabetes treated
- 134,217 dental services received

Data from MMIS October 30, 2015-September 30, 2016.
Accountable Care Collaborative - Delivery System and Payment Reforms Questions 6-21
Accountable Care Collaborative: Independent Evaluation Results

- Providers View Program Positively and Support its Direction
- Members View Program Positively
- Cost Savings
- Maintaining Quality

Findings from independent evaluations by the Colorado School of Public Health and TriWest.
Accountable Care Collaborative
Phase II Key Concepts

To improve health and life outcomes for Members

To use state resources wisely

- Single regional administrative entity for physical health care and behavioral health services
- Strengthen coordination of services by advancing health neighborhood
- Population health management approach
- Payment for integrated care and value
- Greater accountability and transparency

12/14/2016
Hepatitis C & CHIPRA Bonus Questions 22-27
Hospital Payments & Private Insurance Costs
Questions 28-35
Who Gets Payments for Services

- **HCBS Waiver Providers**
  - $842.4 Million (9.9%)

- **Nursing Facility and Hospice Providers**
  - $822.6 Million (9.6%)

- **Managed Care Organizations**
  - $529.8 Million (6.2%)

- **Physicians, Clinicians, Specialists and Other Providers**
  - $769.7 Million (9.0%)

- **Dental Providers**
  - $324.4 Million (3.8%)

- **FQHCs and RHCs**
  - $189 Million (2.2%)

- **Behavioral Health Organizations and Mental Health Facilities and Centers**
  - $659 Million (7.7%)

- **Specialty Facilities**
  - $58.3 Million (0.7%)

- **Regional Care Collaboration Organizations**
  - $107.3 Million (1.3%)

- **Pharmacies**
  - $848.9 Million (9.9%)
  - ($-409 Million in rebates)

- **Home Health Providers**
  - $345.7 Million (4.0%)

- **Durable Medical Equipment Providers**
  - $149.4 Million (1.8%)

- **Laboratories and X-Ray Providers**
  - $76.1 Million (0.9%)

- **Transportation Providers**
  - $41.8 Million (0.5%)

FY15-16 data
## What's happening in Colorado's market?

<table>
<thead>
<tr>
<th>Payer Type</th>
<th>2009</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall</strong></td>
<td>1.05</td>
<td>1.08</td>
</tr>
<tr>
<td>Medicare</td>
<td>0.78</td>
<td>0.72</td>
</tr>
<tr>
<td>Medicaid</td>
<td>0.54</td>
<td>0.75</td>
</tr>
<tr>
<td>Insurance</td>
<td>1.55</td>
<td>1.58</td>
</tr>
<tr>
<td>CICP/Self Pay/ Other</td>
<td>0.52</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Data is from the Colorado Hospital Association
CICP is the Colorado Indigent Care Program
Impact of $195 million hospital provider fee limit

<table>
<thead>
<tr>
<th>Payer Group</th>
<th>CY 2015 Actuals</th>
<th>Scenario 1: Estimate if Hospitals Fully Cost Shifted to Private Insurance</th>
<th>Scenario 2: Estimate if Hospitals Fully Absorbed the HPF Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>0.72</td>
<td>0.72</td>
<td>0.72</td>
</tr>
<tr>
<td>Medicaid</td>
<td>0.75</td>
<td>0.67</td>
<td>0.67</td>
</tr>
<tr>
<td>Insurance</td>
<td>1.58</td>
<td>1.62</td>
<td>1.58</td>
</tr>
<tr>
<td>CICP/Self Pay/ Other</td>
<td>1.11</td>
<td>1.11</td>
<td>1.11</td>
</tr>
<tr>
<td>Overall</td>
<td>1.08</td>
<td>1.08</td>
<td>1.07</td>
</tr>
</tbody>
</table>

The Payment to Cost ratio can be interpreted as a percentage. For example, the overall payment to cost ratio of 1.08 in CY 2015 means that payments exceeded costs by 8%.

CICP is the Colorado Indigent Care Program
Forecast Trends
Questions 36-44
Medicaid Caseload & Colorado Population Growth

Colorado Population Forecast
Colorado Population
Medicaid Caseload Forecast
Medicaid Caseload
Provider Rates Questions 45-51
Medicaid Rate Review Process (SB 15-228)

More than 16,000 codes reviewed every 5 years + 24-person advisory committee + 2 reports produced annually = Legislative Decision

5 year cycle starts again.
Program of All-Inclusive Care for the Elderly (PACE) Questions 52-55
Miscellaneous Questions 56-58
Thank You