



Cost and FTE

- The Department requests a reduction of \$1,999,024 total funds, including a reduction of \$817,761 General Fund and the addition of 6.8 FTE in FY 2018-19 and a reduction of \$39,782,954 total funds, including a reduction of \$11,273,736 General Fund and the addition of 8.0 FTE in FY 2019-20 and future years in order to develop and implement a comprehensive cost control strategy.

Current Program

- Colorado's Medicaid program provides health care access to nearly 1.4 million individuals each month.
- The program utilizes a vendor to conduct utilization management activities, and uses Regional Accountable Entities to provide care coordination to Medicaid members.

Problem or Opportunity

- The Department of Health Care Policy and Financing lacks a comprehensive claim cost control strategy. In recent years, the Department has focused on access and coverage, which control costs by ensuring care coordination between service providers.
- These efforts, notably including the Accountable Care Collaborative, have helped contain cost growth, but they must be supplemented with resources that allow providers to make cost-conscious decisions – without sacrificing member safety or clinical efficacy.
- As a result of the revised Medicaid forecasts, there is a unique opportunity to make strategic investments in the Department to better focus on comprehensive claim cost control.

Consequences of Problem

- The Department must continually reduce inefficiencies and drive claim costs down while better serving its changing Medicaid population and preparing for potential budget threats coming from the federal government or economic downturns.
- The growing senior population is a unique challenge: according to the State Demography Office, the population age 65 and over grew by 40.1% between 2010 and 2017 while the rest of Colorado's population grew by 11.5%. At the same time, this senior population is expected to grow by 57.7% between 2017 and 2030. To prepare for this massive shift in our State's demographic factors, the Department must find ways to do more with less across the board in managing health care cost trends and must implement strategic solutions in collaboration with our delivery system partners and community advocates to get ahead of this curve while managing the needs of members.

Proposed Solution

- The requested funding would be used to: create a dedicated unit in the Department devoted to controlling costs; provide tools to Regional Accountable Entities (RAEs) and Primary Care Medical Homes (PCMHs) to encourage decision making related to the cost and quality of available services and prescription drugs; implement a comprehensive utilization review program for hospital admissions; and, purchase commercial software to improve the Department's ability to reject unnecessary or duplicative claims based on best practices



COLORADO

Department of Health Care
Policy & Financing

FY 2018-19 Funding Request | March 2018

John W. Hickenlooper
Governor

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Department Priority: BA-16

Request Detail: Comprehensive Claim Cost Control

Summary of Incremental Funding Change for FY 2018-19	Total Funds	General Fund
Comprehensive Claim Cost Control	(\$1,999,024)	(\$817,761)

Problem or Opportunity:

The Department of Health Care Policy and Financing lacks a comprehensive claim cost control strategy. In recent years, the Department has focused on access and coverage, which control costs by ensuring care coordination between service providers. These efforts, notably including the Accountable Care Collaborative, have helped contain cost growth, but they must be supplemented with resources that allow providers to make cost-conscious decisions – without sacrificing member safety or clinical efficacy. As a result of the revised Medicaid forecasts, there is a unique opportunity to make strategic investments in the Department to better focus on comprehensive claim cost control.

The Department must continually reduce inefficiencies and drive claim costs down while better serving its changing Medicaid population and preparing for potential budget threats coming from the federal government or economic downturns. The growing senior population is a unique challenge: according to the State Demography Office, the population age 65 and over grew by 40.1% between 2010 and 2017 while the rest of Colorado’s population grew by 11.5%. At the same time, this senior population is expected to grow by 57.7% between 2017 and 2030.¹ To prepare for this massive shift in our State’s demographic factors, the Department must find ways to do more with less across the board in managing health care cost trends and must implement strategic solutions in collaboration with our delivery system partners and community advocates to get ahead of this curve while managing the needs of members.

In addition to the changing demographics, the Department must place a direct focus on its spending across its most costly services, as there is no path to comprehensive claim cost control without specific attention on these services. Examples include hospital claims, which represent almost 36% of the total Medical spend – almost \$1.4 billion each year in claims payments, and another \$1.3 billion in supplemental payments. Further, the Department is on pace to spend over \$1 billion in gross reimbursement for prescription drugs in FY 2018-19, and the Centers for Medicare and Medicaid Services (CMS) estimated that prescription drug

¹ <https://demography.dola.colorado.gov/population/data/sya-regions/>

spending is projected to grow by approximately 6.7 percent per year through 2026.² In total, the Department estimates that it will spend almost \$3.9 billion on Acute Care services in FY 2018-19. And yet, there are critical areas of expenditure where the Department's oversight is not strong enough to properly control costs.

The need for new initiatives to enhance the Department's financial oversight is great. For example, the Department lacks: any dedicated staff that solely focus on comprehensive claim cost control; tools for providers showing the cost or quality of services; a hospital admission review program; or the best technology to ensure that it does not pay unnecessary claims. These types of programs are industry standard, and the State is currently missing a significant opportunity to control costs, unnecessarily diverting limited taxpayer resources away from other State needs.

As outlined in its revised forecast for Medicaid programs, provided to the Joint Budget Committee on February 15, 2018, the Department reduced its General Fund request for FY 2017-18 and FY 2018-19 by \$135.6 million. This presents a unique opportunity to make strategic investments to allow the Department to place a greater focus on controlling costs in a member friendly way. Since the appointment of its new Executive Director, the Department has initiated an inclusive strategic approach to identify efficiency opportunities and the most prudent paths to implement such opportunities. This includes engaging Department staff, advocates, partners, experts, and interested stakeholders for insights and collaborative partnership. In a very short time, these strategic collaborators have identified a multitude of opportunities and work streams to drive both immediate and long-term savings.

Proposed Solution:

The Department requests a reduction of \$1,999,024 total funds, including a reduction of \$817,761 General Fund and the addition of 6.8 FTE in FY 2018-19 and a reduction of \$39,782,954 total funds, including a reduction of \$11,273,736 General Fund and the addition of 8.0 FTE in FY 2019-20 and future years in order to implement a comprehensive cost control strategy. The requested funding would be used to: create a dedicated unit in the Department devoted to controlling costs; provide tools to Regional Accountable Entities (RAEs) and Primary Care Medical Homes (PCMHs) to encourage decision making related to the cost and quality of available services and prescription drugs; implement a comprehensive utilization review program for hospital admissions; and, purchase commercial software to improve the Department's ability to reject unnecessary or duplicative claims based on best practices. This investment represents less than one-tenth of one percent of the Department's total General Fund appropriation, and 2.9 percent of the reductions from the Department's revised Medicaid forecasts.

First, the Department is requesting funding to create dedicated internal resources devoted to comprehensive claim cost control. Therefore, the Department requests \$1,162,453 total funds, including \$403,080 General Fund and 5.4 FTE in FY 2018-19, annualizing to \$1,691,998 total funds, including \$586,700 General Fund and 6.0 FTE to create a dedicated unit in the Department to prepare and implement a coordinated roadmap including initiatives to effectively control costs in the form of new policy, strategies, and initiatives for Medicaid and the Child Health Plan *Plus* (CHP+). This coordinated team would identify top opportunities

² Centers for Medicare and Medicaid Services. National Health Expenditure 2017 Projections, Table 11. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html>. Retrieved March 2018.

for savings based on their insights and experience, an analysis of the highest performing Medicaid and commercial best-in-class programs and approaches, industry innovations, emerging technologies, and effective alternative payment structures. This team would collaborate with the Center for Improving Value in Health Care (CIVHC), the Colorado Health Institute, employer associations, innovators, providers, and provider associations to ensure the proper engagement of all stakeholders. The Department's request includes funding for staff and an annual budget for contracted claim cost control experts.

Second, the Department is requesting funding to deploy tools to Regional Accountable Entities (RAEs) and physicians to guide prescribing efficacy, care coordination, and primary care medical home (PCMH) management. The Department requests \$3,000,000 total funds, including \$1,040,250 General Fund in FY 2018-19, and \$1,000,000 total funds, \$346,750 General Fund in FY 2019-20 and ongoing in order to provide usable information to providers to enable them to connect Medicaid members to primary care, specialists, hospitals, and other providers based on the Department's reimbursement cost measures and industry approved quality metrics. The funding would be used to deploy the tools, integrate the tools with the Department's claims data, and teach and train RAEs, physicians, and their staff to use the tools. Ongoing funding would allow the Department to continually enhance these tools in partnership with the provider and RAE communities.

Third, the Department is requesting funding to implement a comprehensive hospital admission review program, including pre-admission certification, continued stay reviews, discharge planning patient coordination, and retrospective claims reviews. The Department requests \$2,188,523 total funds, including \$347,105 General Fund and 1.4 FTE in FY 2018-19, and \$3,301,409 total funds, including \$598,632 General Fund and 2.0 FTE in FY 2019-20 and ongoing in order to expand its utilization management program to include hospital admissions, staff to administer the program, and funding to allow for systems integration.

Fourth, the Department is requesting funding to implement additional technology and resources to enhance its ability to catch and deny overbilling or combinations of claim codes that would otherwise create overpayments. The Department requests \$1,650,000 total funds, \$130,031 General Fund in FY 2018-19 and \$2,700,00 total funds, \$468,112 General Fund in FY 2019-20 and ongoing in order to purchase commercial technology to automatically identify and reject inappropriate billing, and to provide the services of an additional pharmacist to provide rapid turnaround adjustments to the Department's pharmacy claims edits to avoid misutilization.

The Department anticipates that the combination of these initiatives has the potential to drive significant savings in the Medicaid program. The Department requests a reduction of \$10,000,000 total funds, \$2,738,227 General Fund in FY 2018-19 and a reduction of \$48,476,361 total funds, \$13,273,930 General Fund in FY 2019-20 to account for the estimated savings. Because the Department is lacking industry standard tools and methodologies related to claim cost controls, there is a significant opportunity to reduce spending from current levels by implementing these initiatives. The Department anticipates savings to be wide-ranging, including cost reductions to claims spending by better coordinating care, rejecting unnecessary or duplicative claims for services, and providing training and resources to providers to maintain a dedicated focus on cost control.

Without investment now, the next opportunity to receive resources for the necessary activities would be July 2019 – reflecting an entire year of lost influence and impact. The lack of a comprehensive claim cost control strategy means that the State continues to spend its limited resources unnecessarily, diverting funding from other critical needs, such as transportation and education. Without this funding, the Department will continue to lack key elements in implementing comprehensive cost control, to the detriment of State taxpayers.

Anticipated Outcomes:

If approved, the resources requested would allow the Department to drive efficiencies in its medical, prescription drug, and hospital programs. This request also includes resources to ensure that the Department has the talent and infrastructure to ensure a collaborative, inclusive, effective long-term approach to controlling costs as a priority going forward, which aligns with the input of all stakeholders to date. These resources would close a critical gap in the Department’s cost-control framework, by creating dedicated staff, tools to leverage cost and quality information, a comprehensive hospital admission review program, and better technology, all focused on controlling costs in a member friendly way.

Dedicated staff would allow the Department to maintain a full-time focus on controlling costs. The Department has focused traditionally on access and coverage, not comprehensive claim cost control strategy. As a result, the Department does not have resources and expertise in place to fully focus on this critical objective. Those Department employees who are currently trying to influence claim costs are doing so as a subset of their primary function. The requested staff would provide leadership and oversight across the Department to ensure a constant focus on claim cost control.

Providing cost and quality tools to RAEs, PCMHs, and other providers would allow our partners to more effectively coordinate care for the highest utilizers, which the Department anticipates would save money, improve patient outcomes, and improve customer satisfaction inside the Medicaid program. While care coordinators already receive data on their members’ utilization, they do not receive any information from the Department on the efficacy of the services being provided, or the cost of those services. Care coordinators typically use cost and quality information in making decisions, and so closing this gap is a tremendous opportunity for savings. These tools would also enable the Department to measure and rank the effectiveness of its primary care physician partners by using both a cost-based performance index and a quality index – identifying the highest performing providers, allowing RAEs to create value by rewarding high performers and encouraging improvement in low performers.

The development of a comprehensive hospital admission review program would verify the appropriateness of care setting, timing and services before the patient is admitted while managing the efficiency of care delivery across the spectrum of inpatient hospital care and ensuring the appropriate hospital billings to reflect services approved and rendered. The program would ensure the proper management of our largest Medicaid spend – hospital services.

The implementation of additional commercial technology would replace the Department’s existing static infrastructure of claims edits, which would drive additional value by ensuring that the system is constantly updated to reflect best practices as defined by the health care community, such as the American Medical

Association and specialty societies. Commercial and other state Medicaid programs are already using these more advanced software products to reduce inefficiencies and generate appropriate savings.

This request links directly to the Department's FY 2017-18 Performance Plan strategies to "Ensure robust management of Medicaid Benefits" and "Implement Cost Containment Initiatives."

Assumptions and Calculations:

The Department's calculations are shown in the appendix. Where appropriate, the Department's estimates of the available federal financial participation rates are shown in the tables.

Resources to Control Costs

The Department's request for resources to control costs include a total of 6.0 FTE, who will form a new unit in the Department under the leadership of a new senior executive service position. The request includes the following staff:

- A senior executive service position to lead the unit;
- A prescription drug expert who would provide guidance and recommendations for prescription drug and specialty prescription drug cost control strategy. Options for cost control may include additional drug utilization review options, specialty prescription drug value-based payments that ensure clinical effectiveness against manufacturer's promised expectations, rebate and reimbursement industry leading negotiations, recommendations for high prescription drug utilizers as part of care coordination input to the RAEs, and more. This individual would also provide guidance in setting prescription drug policy for the State as part of the overall cost control efforts, including comparing Medicaid cost factors to employers with recommendations for employer efficiencies.
- A program manager who would focus on implementing Medicaid's Alternative Payment Methods in primary care and Value Based Payments (VBP) to providers and prescription drug manufacturers to drive changes in performance, focus and behavior, which if left uninterrupted, will continue to drive dramatic increases in claim costs and trends across the state. This includes VBPs that battle hospital "arms race" which produces excess capacity (such as freestanding emergency departments and hospitals being built within blocks of each other) and VBPs that encourage hospital collaboration with Medicaid which improves quality and reduces costs. This also includes a review of the Department's current and ongoing Accountable Care Collaborative, its impact on utilization, and recommendations for improvement. This position would make recommendations for industry best practices using CIVHC data, maximizing the collaborative power of all payers.
- One value-based payment analyst who would focus on driving quality via new payment methodologies in alignment with the tools being provided as part of this request. Providers who use the tools being provided should see an increase in their payments as a result of improved outcomes and lower costs; however, the payment methodologies in place must properly account for these improvements, and must be frequently updated to measure relative performance between providers, so that the most efficient and effective providers receive the highest payments, and that there is an incentive for providers to continue using the tools and continue improving care.
- One project manager who would assist with: identifying top opportunities for savings; analysis of the highest performing Medicaid and commercial best in class programs; supporting the Executive Director

in reviewing industry innovations and emerging technologies for partnership; assisting in the negotiations and execution of vendor partnerships; and, managing vendor relations where appropriate.

- One analyst who would focus on driving down costs and improving quality and access in rural communities. This includes the evolution of new payment methodologies and other meaningful and unique solutions that would serve to secure these key providers across the State. This position would also support the program manager in general cost control project work, research, and contract implementation. These solutions would be implemented in Medicaid and also provide as best-in-class approaches for industry policy.

The Department is requesting funding to allow for staff to be hired by July 1, 2018. The funding requested is adjusted to account for the pay-date shift for employees funded through the General Fund, and reflects 11 months of salary payments in FY 2018-19. The Department's cost estimates are provided in tables 3.1 and 3.2 in the appendix; savings estimates are provided in tables 7.1 and 7.2.

Cost and Quality Tools

The Department's request includes funding in the first year to purchase and deploy cost and quality tools to providers. The Department would leverage internal work products to provide cost and quality tools for medical services to providers, and purchase similar commercial tools to provide providers with pharmacy cost and quality information. The Department's request also provides ongoing funding to allow for maintenance and enhancement of the tools provided, along with ongoing provider training.

The Department anticipates that the information being provided to providers through these tools would be provided free-of-charge. The Department does not anticipate reimbursing providers directly for using these resources. Instead, these tools would help drive better decision making by providers, which would allow providers to receive higher payments under the Department's value-based payment methodologies being provided as part of phase II of the Accountable Care Collaborative. As such, usage of these tools would be voluntary; however, providers seeking to increase their reimbursement would need to either use the information provided or find other ways to maximize reimbursement under value-based payments.

The Department has already been developing the framework for its medical cost and quality tool, and so the Department estimates that this information can be deployed in the first half of FY 2018-19. Once this information is provided, the Department anticipates that usage of the tool will begin to drive savings by January 2019. Although it is not known precisely how many providers would use the tools, or how quickly providers would adopt the tools, the Department believes that the link to value-based payment will drive significant, rapid adoption that would allow for additional \$10,000,000 total funds savings from the Accountable Care Collaborative in FY 2018-19, growing to \$20,000,000 in FY 2019-20. The Department anticipates that these savings would be in addition to the savings currently budgeted. The Department's cost estimates are provided in tables 4.1 and 4.2 in the appendix; savings estimates are provided in tables 7.1 and 7.2.

Comprehensive Hospital Admission Reviews

The Department's request includes funding to implement a comprehensive hospital admission review program. Based on information provided by the Department's current utilization management vendor, the

Department estimates that the total cost to its vendor would be \$1,575,000 in FY 2018-19, growing to \$3,150,000 by FY 2019-20. The Department's calculation is based on reviewing 105,000 discharges per year, at an average cost of \$30 per review, adjusted for a January 1, 2019 implementation date. The Department's request includes funding for its claims system vendor to integrate the additional utilization management requirements.

The Department's request also includes the following staff:

- A dedicated program manager, overseeing the new UM contract deliverables, quality assurance, and handling day-to-day operations associated with an estimated 105,000 inpatient reviews. This person would also be the lead on outreach and education to providers related to services with new prior authorization requirements, along with leading on coordinating internal resources related to needed system changes and interoperability. This program manager would also manage the vendor against expectations to ensure savings results.
- A dedicated appeals representative, overseeing the process of appeals and representing the Department in proceedings in front of the Office of Administrative Courts. The Department expects that the implementation of a new utilization management framework around hospitals will generate a significant number of new client and provider appeals. This position would ensure appeal requests are processed in a timely manner. The position would also coordinate with the UM vendor to schedule and review their expert testimony and cause for denial. The staff would assemble, prepare, and submit all medical documentation relating to the appeal as well as submit needed requests for dismissals, continuances, and exceptions.

There is no overlap with the resources requested in the Department's November 1, 2017 budget request R-8, "Medicaid Savings Initiatives." While the 2 FTE related to the Hospital Review component have similar scopes to what was requested in R-8 related to utilization management, R-8 utilization management provided prior authorization services for oxygen, vision, adult long-term home health, prosthetics and orthotics, speech therapy, and back and cosmetic surgeries. The FTE requested for this initiative would be strictly focused on inpatient hospital reviews, an area where the Department has no existing resources. Of the positions requested, the program manager would start July 1, 2018, and the appeals representative would start January 1, 2019.

The Department's utilization management vendor estimated that the return on investment from implementing a comprehensive hospital admission review program were on the order of 10:1; in this case, that would represent roughly \$33 million in total savings. The Department is targeting 1% of its estimated FY 2018-19 hospital spend for savings, an estimated \$13,942,204; savings would be expected to begin by July 1, 2019. The Department's cost estimates are provided in tables 5.1 and 5.2 in the appendix; savings estimates are provided in tables 7.1 and 7.2.

Additional Technology Reviews

The Department's request includes funding to purchase, install, and deploy commercial software designed to reduce incorrect billings, and to provide the Department's prescription drug utilization management vendor with resources to frequently update system edits with current information based on existing utilization. The

Department has received pricing estimates from a third-party vendor for installation and licensing; the Department's estimate included funding for its existing claims system vendor to integrate this software and replace the existing claims edits with the commercial product. The Department's request to enhance its pharmacy process is based roughly on the cost of providing a full-time pharmacist.

Material from a vendor promoting the software claim a 28:1 return on investment; however, this appears to reflect an implementation to a health plan that does not have any existing software related to this type of claims processing. The Department's Medicaid Management Information System already has a large number of system edits related to denying inappropriate claims, and because the software is proprietary, the Department cannot easily determine the level on incremental savings. Therefore, the Department is targeting a 1% savings target across its physician services, laboratory and radiology, federally qualified health centers and net pharmacy expenditure. The Department estimates that the requested resources would require approximately a year to be fully deployed. Therefore, the Department's request includes a year of setup costs and system changes, with ongoing licensing costs and savings beginning in July 2019. The Department's cost estimates are provided in tables 6.1 and 6.2 in the appendix; savings estimates are provided in tables 7.1 and 7.2.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

This request is a result of new data resulting in a substantive change in funding needs. Since the beginning of her interim appointment in January 2018, the Department's new Executive Director has been working with stakeholders, providers, and internal staff to identify gaps in the Department's claim cost control programs, and the gaps identified have been significant enough to warrant a budget amendment.

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Appendix A

Table 1.1
Summary by Line Item
FY 2018-19

Row	Long Bill Location	Line Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	Source
A	(1) Executive Director's Office (A) General Administration	Personal Services	\$731,892	\$253,783	\$112,162	\$365,947	6.8	Table 1.3
B	(1) Executive Director's Office (A) General Administration	Operating	\$44,084	\$15,286	\$6,756	\$22,042	0.0	Table 1.3
C	(1) Executive Director's Office (A) General Administration	General Professional Services	\$3,500,000	\$1,213,625	\$536,375	\$1,750,000	0.0	Table 1.3
D	(1) Executive Director's Office (C) Information Technology Contracts and	Medicaid Management Information System Maintenance and Projects	\$2,150,000	\$164,706	\$72,794	\$1,912,500	0.0	Table 1.3
E	(1) Executive Director's Office (E) Utilization and Quality Review Contracts	Professional Services Contracts	\$1,575,000	\$273,066	\$120,684	\$1,181,250	0.0	Table 1.3
F	(2) Medical Services Premiums	Medical and Long-Term Care Services for Medicaid Eligible Individuals	(\$10,000,000)	(\$2,738,227)	(\$507,240)	(\$6,754,533)	0.0	Table 1.3
G	Total		(\$1,999,024)	(\$817,761)	\$341,531	(\$1,522,794)	6.8	

Table 1.2
Summary by Line Item
FY 2019-20

Row	Long Bill Location	Line Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	Source
A	(1) Executive Director's Office (A) General Administration	Personal Services	\$835,807	\$289,816	\$128,087	\$417,904	8.0	Table 1.4
B	(1) Executive Director's Office (A) General Administration	Operating	\$7,600	\$2,635	\$1,165	\$3,800	0.0	Table 1.4
C	(1) Executive Director's Office (A) General Administration	General Professional Services	\$2,000,000	\$693,500	\$306,500	\$1,000,000	0.0	Table 1.4
D	(1) Executive Director's Office (C) Information Technology Contracts and	Medicaid Management Information System Maintenance and Projects	\$2,700,000	\$468,112	\$206,888	\$2,025,000	0.0	Table 1.4
E	(1) Executive Director's Office (E) Utilization and Quality Review Contracts	Professional Services Contracts	\$3,150,000	\$546,131	\$241,369	\$2,362,500	0.0	Table 1.4
F	(2) Medical Services Premiums	Medical and Long-Term Care Services for Medicaid Eligible Individuals	(\$48,476,361)	(\$13,273,930)	(\$2,458,914)	(\$32,743,517)	0.0	Table 1.4
G	Total		(\$39,782,954)	(\$11,273,736)	(\$1,574,905)	(\$26,934,313)	8.0	

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Table 1.3
Summary by Line Item & Initiative
FY 2018-19

Row	Line Item	Initiative	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	Source
A	Personal Services	Resources to Control Costs	\$576,469	\$199,890	\$88,344	\$288,235	5.4	Table 3.1.A
B	Personal Services	Hospital Admissions Review	\$94,188	\$32,660	\$14,434	\$47,094	1.4	Table 5.1.A
C	Personal Services	Resources to Control Costs (POTS)	\$52,636	\$18,252	\$8,066	\$26,318	0.0	Table 3.1.B
D	Personal Services	Hospital Admissions Review (POTS)	\$8,600	\$2,982	\$1,318	\$4,300	0.0	Table 5.1.B
E	Operating	Resources to Control Costs	\$33,348	\$11,563	\$5,111	\$16,674	0.0	Table 3.1.C
F	Operating	Hospital Admissions Review	\$10,736	\$3,723	\$1,645	\$5,368	0.0	Table 5.1.C
G	General Professional Services	Resources to Control Costs	\$500,000	\$173,375	\$76,625	\$250,000	0.0	Table 3.1.D
H	General Professional Services	Cost and Quality Tools	\$3,000,000	\$1,040,250	\$459,750	\$1,500,000	0.0	Table 4.1.C
I	Medicaid Management Information System Maintenance and Projects	Hospital Admissions Review	\$500,000	\$34,675	\$15,325	\$450,000	0.0	Table 5.1.D
J	Medicaid Management Information System Maintenance and Projects	Additional Technology Reviews	\$1,650,000	\$130,031	\$57,469	\$1,462,500	0.0	Table 6.1.D
K	Professional Services Contracts	Hospital Admissions Review	\$1,575,000	\$273,066	\$120,684	\$1,181,250	0.0	Table 5.1.E
L	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Various	(\$10,000,000)	(\$2,738,227)	(\$507,240)	(\$6,754,533)	0.0	Table 7.1.E
M	Total		(\$1,999,024)	(\$817,761)	\$341,531	(\$1,522,794)	6.8	

Table 1.4
Summary by Line Item & Initiative
FY 2019-20

Row	Line Item	Initiative	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	Source
A	Personal Services	Resources to Control Costs	\$628,876	\$218,063	\$96,375	\$314,438	6.0	Table 3.2.A
B	Personal Services	Hospital Admissions Review	\$137,000	\$47,505	\$20,995	\$68,500	2.0	Table 5.2.A
C	Personal Services	Resources to Control Costs (POTS)	\$57,422	\$19,911	\$8,800	\$28,711	0.0	Table 3.2.B
D	Personal Services	Hospital Admissions Review (POTS)	\$12,509	\$4,337	\$1,917	\$6,255	0.0	Table 5.2.B
E	Operating	Resources to Control Costs	\$5,700	\$1,976	\$874	\$2,850	0.0	Table 3.2.C
F	Operating	Hospital Admissions Review	\$1,900	\$659	\$291	\$950	0.0	Table 5.2.C
G	General Professional Services	Resources to Control Costs	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0	Table 3.2.D
H	General Professional Services	Cost and Quality Tools	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0	Table 4.2.B
I	Medicaid Management Information System Maintenance and Projects	Hospital Admissions Review	\$0	\$0	\$0	\$0	0.0	Table 5.2.D
J	Medicaid Management Information System Maintenance and Projects	Additional Technology Reviews	\$2,700,000	\$468,112	\$206,888	\$2,025,000	0.0	Table 6.2.D
K	Professional Services Contracts	Hospital Admissions Review	\$3,150,000	\$546,131	\$241,369	\$2,362,500	0.0	Table 5.2.E
L	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Various	(\$48,476,361)	(\$13,273,930)	(\$2,458,914)	(\$32,743,517)	0.0	Table 7.2.E
M	Total		(\$39,782,954)	(\$11,273,736)	(\$1,574,905)	(\$26,934,313)	8.0	

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Table 2.1
Summary by Initiative
FY 2018-19

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	Notes
A	Resources to Control Costs	\$1,162,453	\$403,080	\$178,146	\$581,227	5.4	Table 3.1
B	Cost and Quality Tools	\$3,000,000	\$1,040,250	\$459,750	\$1,500,000	0.0	Table 4.1
C	Hospital Admission Review	\$2,188,523	\$347,105	\$153,406	\$1,688,012	1.4	Table 5.1
D	Technology Reviews	\$1,650,000	\$130,031	\$57,469	\$1,462,500	0.0	Table 6.1
E	Total	\$8,000,976	\$1,920,466	\$848,771	\$5,231,739	6.8	
F	Estimated Savings	(\$10,000,000)	(\$2,738,227)	(\$507,240)	(\$6,754,533)	0.0	Table 7.1
G	Total Request	(\$1,999,024)	(\$817,761)	\$341,531	(\$1,522,794)	6.8	

Table 2.2
Summary by Initiative
FY 2019-20

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	Notes
A	Resources to Control Costs	\$1,691,998	\$586,700	\$259,299	\$845,999	6.0	Table 3.2
B	Cost and Quality Tools	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0	Table 4.2
C	Hospital Admission Review	\$3,301,409	\$598,632	\$264,572	\$2,438,205	2.0	Table 5.2
D	Technology Reviews	\$2,700,000	\$468,112	\$206,888	\$2,025,000	0.0	Table 6.2
E	Total	\$8,693,407	\$2,000,194	\$884,009	\$5,809,204	8.0	
F	Estimated Savings	(\$48,476,361)	(\$13,273,930)	(\$2,458,914)	(\$32,743,517)	0.0	Table 7.2
G	Total Request	(\$39,782,954)	(\$11,273,736)	(\$1,574,905)	(\$26,934,313)	8.0	

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Table 3.1
Resources to Control Costs
FY 2018-19

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	Dedicated Staff	\$576,469	\$199,890	\$88,344	\$288,235	5.4	50%	
B	Centrally Appropriated Costs (POTS)	\$52,636	\$18,252	\$8,066	\$26,318	0.0	50%	
C	Operating	\$33,348	\$11,563	\$5,111	\$16,674	0.0	50%	
D	Contracting	\$500,000	\$173,375	\$76,625	\$250,000	0.0	50%	
E	Total	\$1,162,453	\$403,080	\$178,146	\$581,227	5.4		

Table 3.2
Resources to Control Costs
FY 2019-20

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	Dedicated Staff	\$628,876	\$218,063	\$96,375	\$314,438	6.0	50%	
B	Centrally Appropriated Costs (POTS)	\$57,422	\$19,911	\$8,800	\$28,711	0.0	50%	
C	Operating	\$5,700	\$1,976	\$874	\$2,850	0.0	50%	
D	Contracting	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0	50%	
E	Total	\$1,691,998	\$586,700	\$259,299	\$845,999	6.0		

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Table 4.1
Resources to Provide Cost and Quality Tools
FY 2018-19

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	Implement Medical Cost and Quality Tools	\$2,000,000	\$693,500	\$306,500	\$1,000,000	0.0	50%	
B	Implement Prescription Drug Cost and Quality Tools	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0	50%	
C	Total	\$3,000,000	\$1,040,250	\$459,750	\$1,500,000	0.0		

Table 4.2
Resources to Provide Cost and Quality Tools
FY 2019-20

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	Cost and Quality Tool Maintenance and Enhancement	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0	50%	
B	Total	\$1,000,000	\$346,750	\$153,250	\$500,000	0.0		

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Table 5.1
Hospital Admission Review Program
FY 2018-19

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	Dedicated Staff	\$94,188	\$32,660	\$14,434	\$47,094	1.4	50%	
B	Centrally Appropriated Costs (POTS)	\$8,600	\$2,982	\$1,318	\$4,300	0.0	50%	
C	Operating	\$10,736	\$3,723	\$1,645	\$5,368	0.0	50%	
D	System Changes	\$500,000	\$34,675	\$15,325	\$450,000	0.0	90%	
E	Hospital Reviews	\$1,575,000	\$273,066	\$120,684	\$1,181,250	0.0	75%	
F	Total Utilization Management	\$2,188,523	\$347,105	\$153,406	\$1,688,012	1.4		

Table 5.2
Hospital Admission Review Program
FY 2019-20

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	Dedicated Staff	\$137,000	\$47,505	\$20,995	\$68,500	2.0	50%	
B	Centrally Appropriated Costs (POTS)	\$12,509	\$4,337	\$1,917	\$6,255	0.0	50%	
C	Operating	\$1,900	\$659	\$291	\$950	0.0	50%	
D	System Changes	\$0	\$0	\$0	\$0	0.0	90%	
E	Hospital Reviews	\$3,150,000	\$546,131	\$241,369	\$2,362,500	0.0	75%	
F	Total Utilization Management	\$3,301,409	\$598,632	\$264,572	\$2,438,205	2.0		

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Table 6.1
Additional Technology Reviews
FY 2018-19

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	McKesson Implementation and Setup	\$1,000,000	\$69,350	\$30,650	\$900,000	0.0	90%	
B	DXC Implementation and Setup	\$500,000	\$34,675	\$15,325	\$450,000	0.0	90%	
C	Licensing Cost	\$0	\$0	\$0	\$0	0.0	75%	
D	Pharmacy Enhancements	\$150,000	\$26,006	\$11,494	\$112,500	0.0	75%	
E	Total	\$1,650,000	\$130,031	\$57,469	\$1,462,500	0.0		

Table 6.2
Additional Technology Reviews
FY 2019-20

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE	FFP	Notes
A	McKesson Hosting and Licensing	\$2,500,000	\$433,437	\$191,563	\$1,875,000	0.0	75%	
B	DXC Maintenance	\$50,000	\$8,669	\$3,831	\$37,500	0.0	75%	
C	Pharmacy Enhancements	\$150,000	\$26,006	\$11,494	\$112,500	0.0	75%	
D	Total	\$2,700,000	\$468,112	\$206,888	\$2,025,000	0.0		

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**Table 7.1
Savings Estimates
FY 2018-19**

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds
A	Accountable Care Collaborative Savings	(\$10,000,000)	(\$2,738,227)	(\$507,240)	(\$6,754,533)
B	Prescription Drug Cost and Quality Tools	\$0	\$0	\$0	\$0
C	Inpatient Hospital Reviews	\$0	\$0	\$0	\$0
D	Additional Technology Reviews	\$0	\$0	\$0	\$0
E	Total	(\$10,000,000)	(\$2,738,227)	(\$507,240)	(\$6,754,533)

**Table 7.2
Savings Estimates
FY 2019-20**

Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds
A	Accountable Care Collaborative Savings	(\$20,000,000)	(\$5,476,455)	(\$1,014,480)	(\$13,509,066)
B	Prescription Drug Cost and Quality Tools	(\$5,336,522)	(\$1,461,261)	(\$270,690)	(\$3,604,571)
C	Inpatient Hospital Reviews	(\$13,942,204)	(\$3,817,692)	(\$707,204)	(\$9,417,307)
D	Additional Technology Reviews	(\$9,197,635)	(\$2,518,522)	(\$466,541)	(\$6,212,573)
E	Total	(\$48,476,361)	(\$13,273,930)	(\$2,458,914)	(\$32,743,517)