

JOINT BUDGET COMMITTEE

Colorado Department of Health Care Policy & Financing

Executive Director's Office & Behavioral Health Hearing

Kim Bimestefer, Executive Director

Tom Leahey, Interim Pharmacy Office Director

Craig Domeracki, Chief Operating Officer

Bonnie Silva, Office of Community Living Director

Tracy Johnson, Medicaid Director

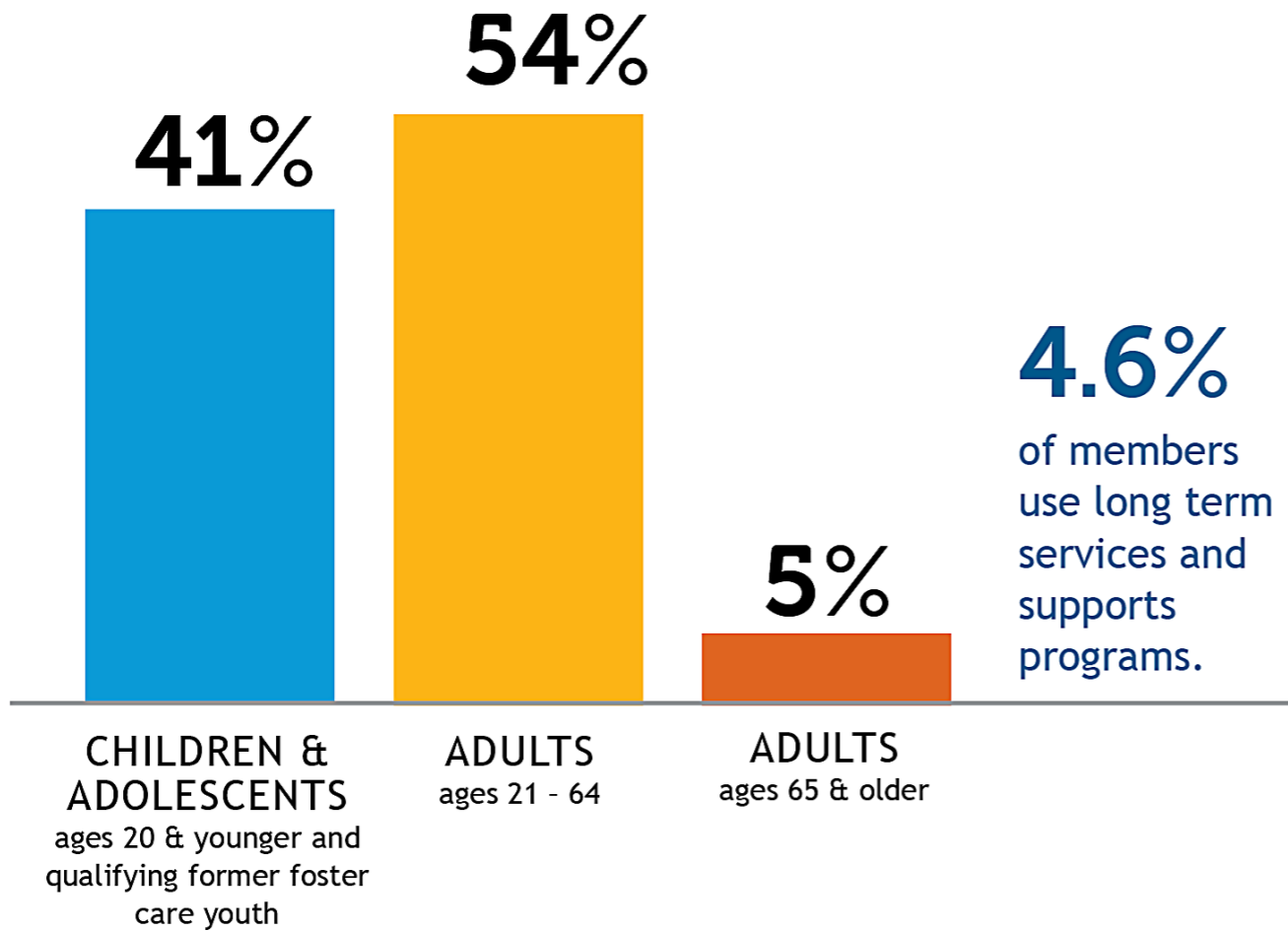
John Bartholomew, Chief Financial Officer

Laurel Karabatsos, Deputy Medicaid Director

December 2019

<https://www.colorado.gov/hcpf/legislator-resource-center>

HCPF: WHO WE SERVE VIA MEDICAID



2019 Federal Poverty Levels by Family Size*

FAMILY OF 1	FAMILY OF 4
\$16,620	\$34,248

*Some earning more may still qualify

Nearly 1.26 million Coloradans
(about 22.1% of the population)



Source: 2018-19 Long Appropriations Act

HCPF: PROGRAMS WE OFFER

Health First
Colorado
(Colorado's
Medicaid Program)

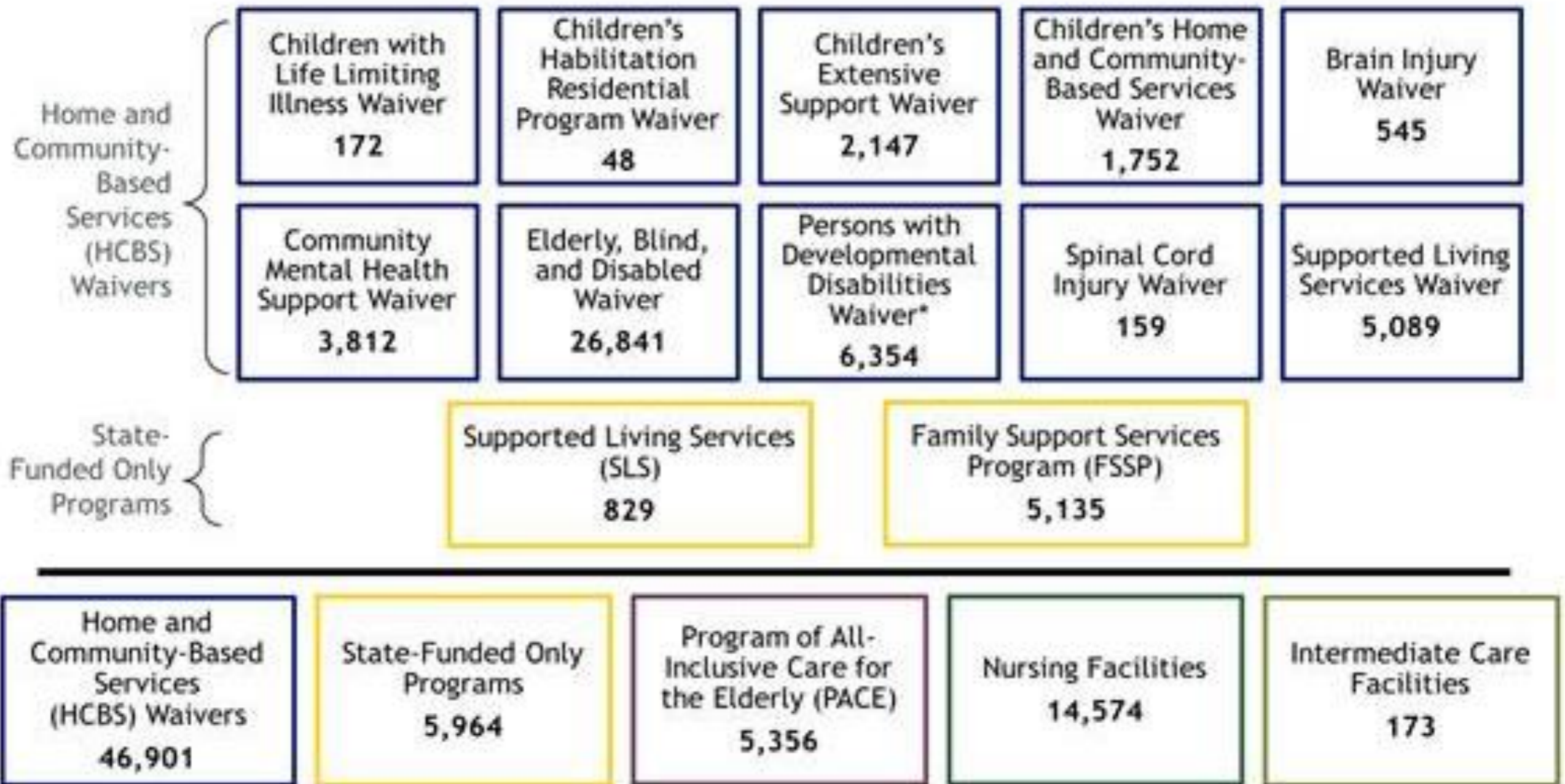
Child Health Plan
Plus (CHP+)

Old Age Pension
(OAP) Medical
Programs

Colorado Indigent
Care Program
(CICP)

Colorado Dental
Health Care
Program for Low-
Income Seniors

Long-Term Services and Supports Programs

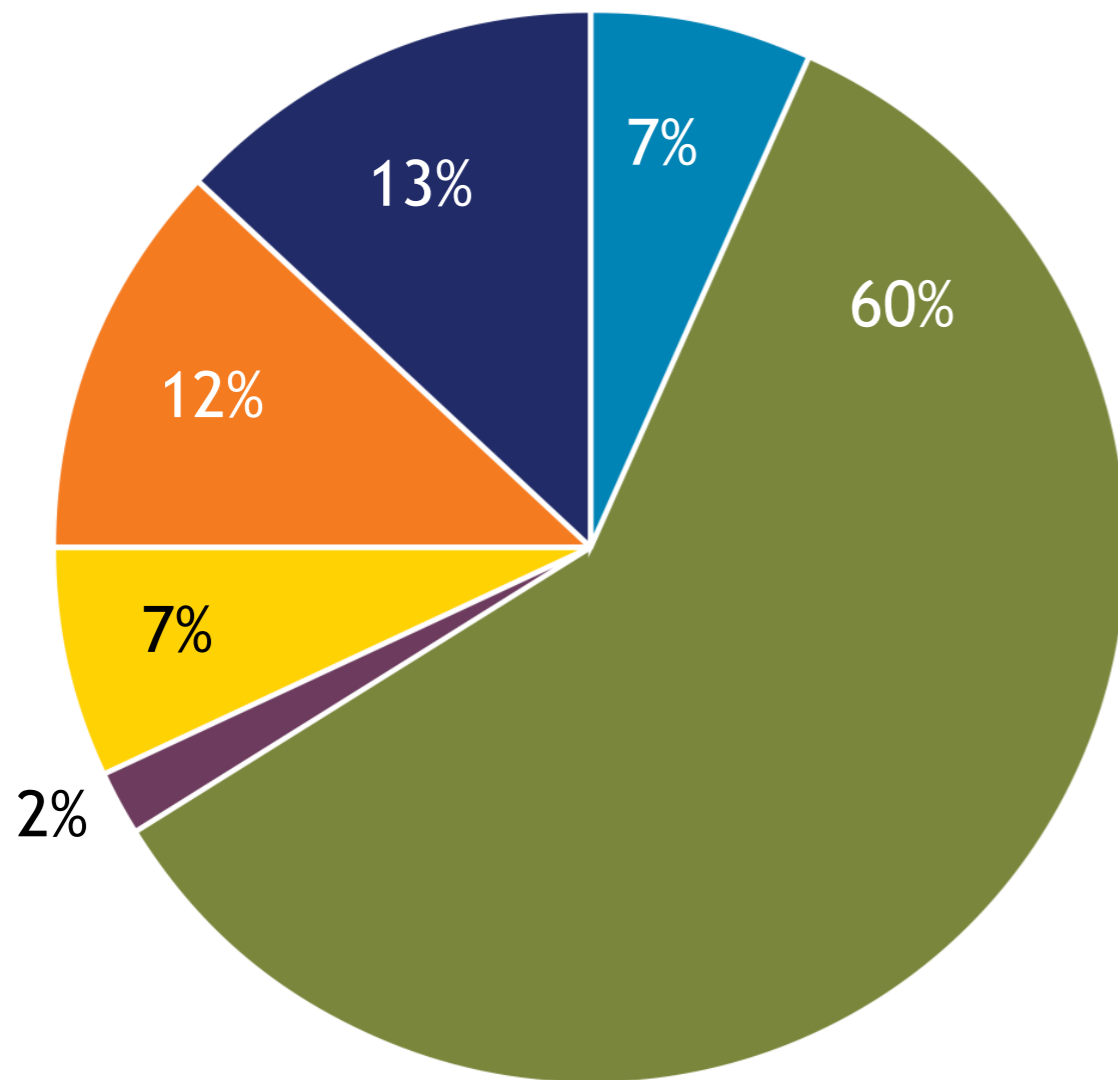


SOURCE: FY 2018-19; based on claims in MMIS. * There is a waiting list for the HCBS-DD waiver. As of June 30, 2019, there were 2,895 people waiting for enrollment into the HCBS-DD waiver "As Soon As Available."

HCPF: PROGRAMS

CHILD HEALTH PLAN *PLUS*

CHP+ Enrollment by MCO



CHP+ members in 2018



80,927
Children



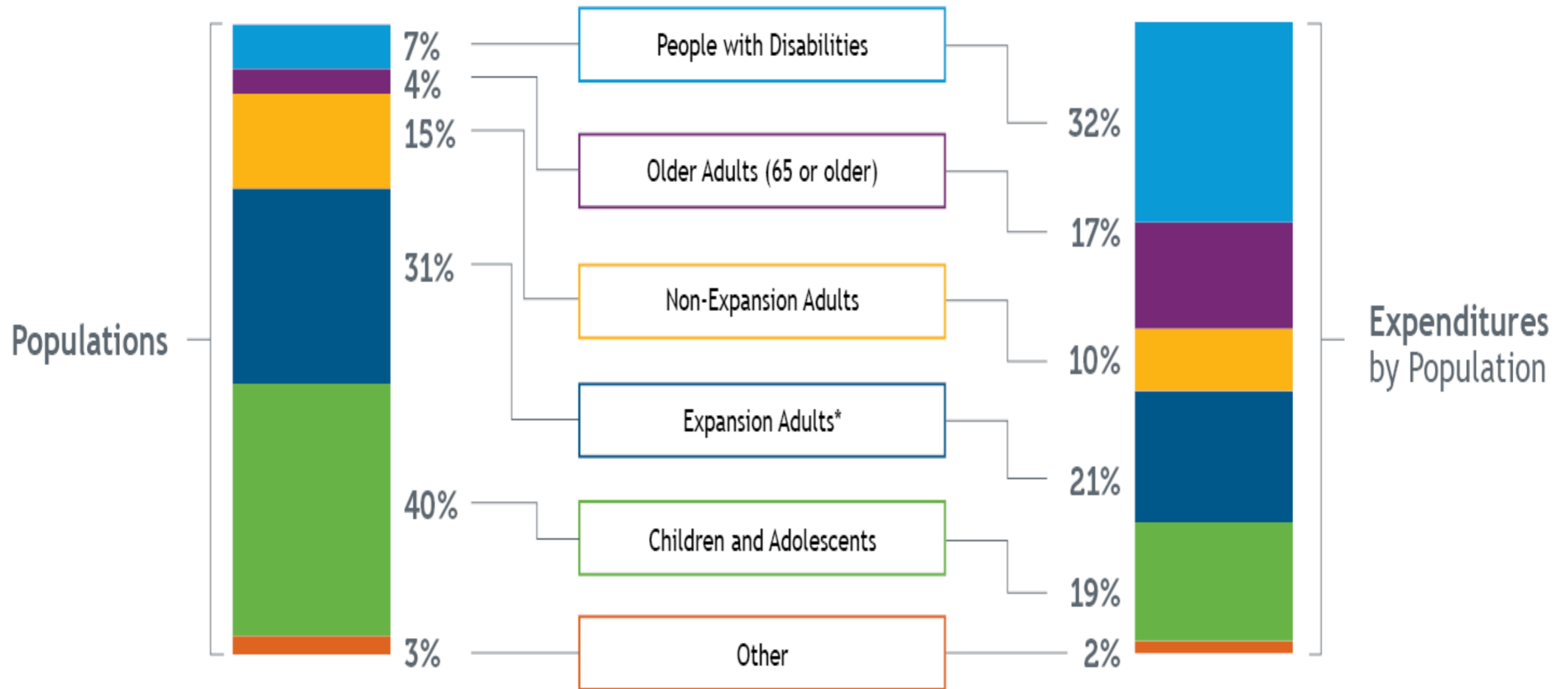
951
Prenatal women

CHP+ Managed Care Organizations (MCOs):

- Colorado Access
- Friday Health Plans
- Denver Health Medical Plan
- Kaiser Permanente
- Rocky Mountain HMO
- State Managed Care Network

CHP+ works with Managed Care Organizations (MCOs) to provide medical care. Each MCO has their own network of doctors, and members are enrolled in a MCO based on the county in which they live.

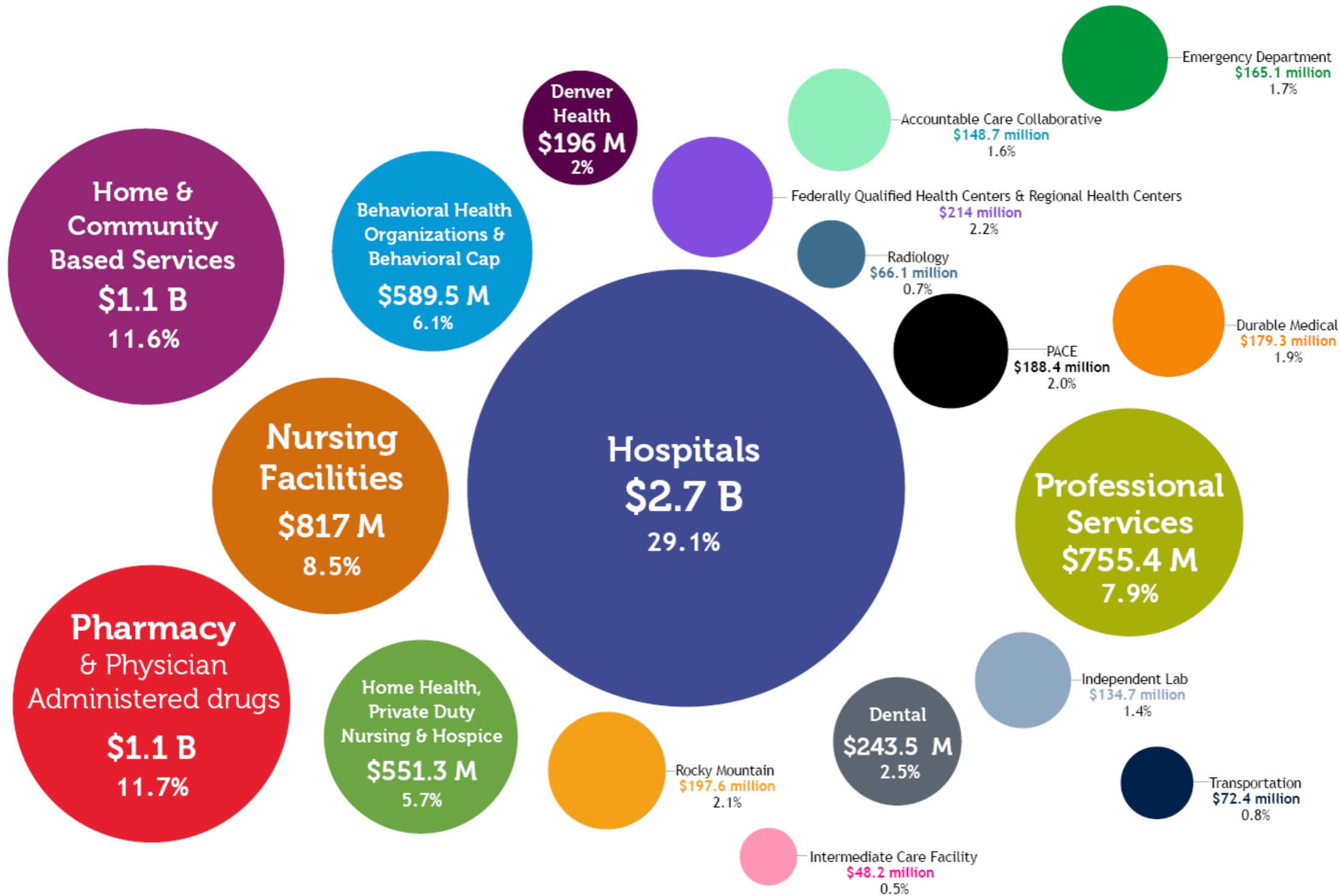
MEDICAID EXPENDITURES BY COMMUNITY



Source: FY 2018-19 HCPF data

*The majority of funding for Expansion Adults is federal dollars, with the state fund source funded by the Hospital Affordability and Sustainability Fee.

EXPENDITURES BY PROVIDER TYPE



Fiscal Year
2018-19

Source: Based on information from the Department's Business Intelligence and Data Management (BIDM) Warehouse, Colorado Operations Resource Engine (CORE) and Pharmacy Benefits Management System (PBMS).

FACTORS DRIVING HCPF STRATEGIC INITIATIVES

STAKEHOLDER FEEDBACK

- **Consumers** (via Call Center, Medicaid Experience Advisory Committee, advocates)
- **Federal authorities** (CMS, HHS, OIG, etc.)
- **State authorities** (Legislature, Agencies, OSA)
- **Providers** (doctors, hospitals, PACE, LTSS, etc.)
- **Partners** (RAEs, CCB/SEP, counties, etc.)
- **Agencies partners** (CDHS, CDPHE, DOI, Office of Saving People Money on Health Care)
- **Oversight** (CMS, HHS, OIG, OSA, LAC)

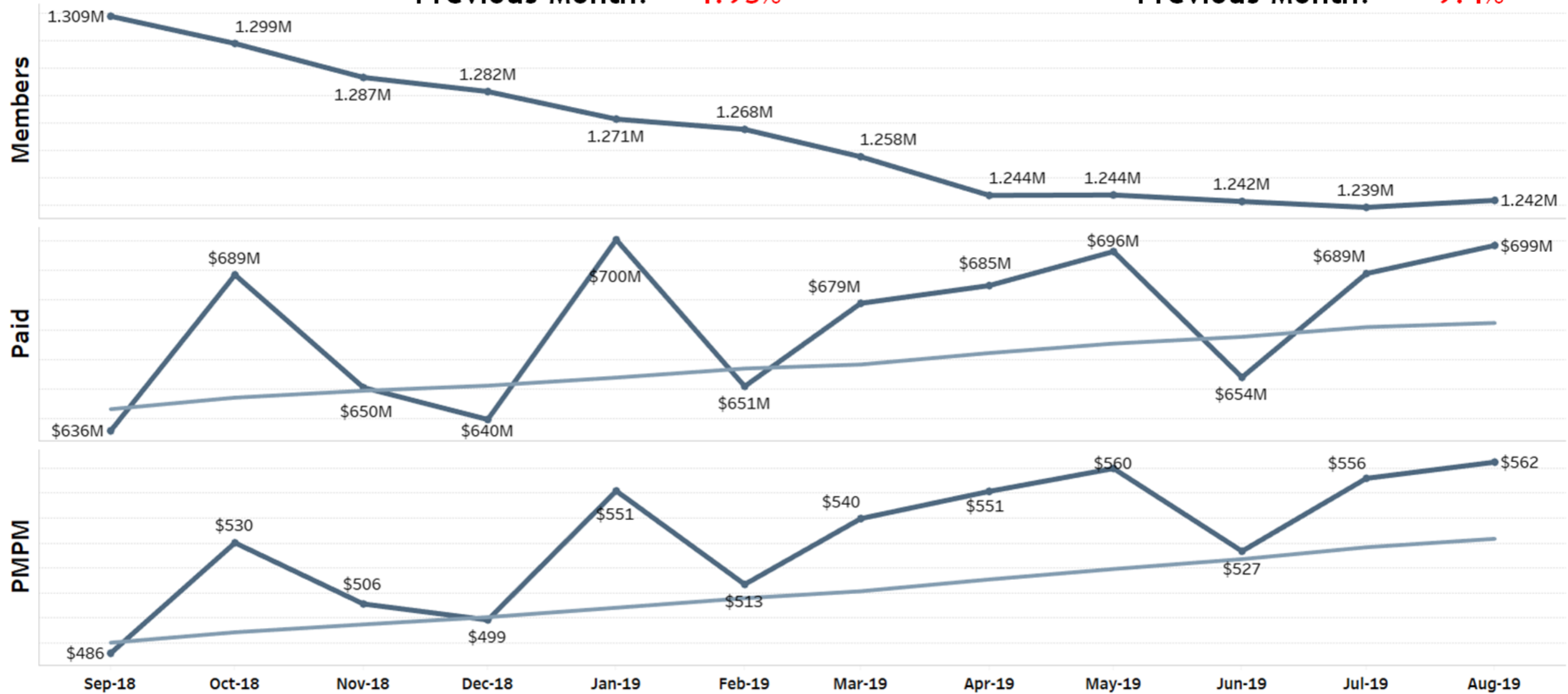


Medicaid Trends

September 2018 - August 2019

September 2018 - August 2019

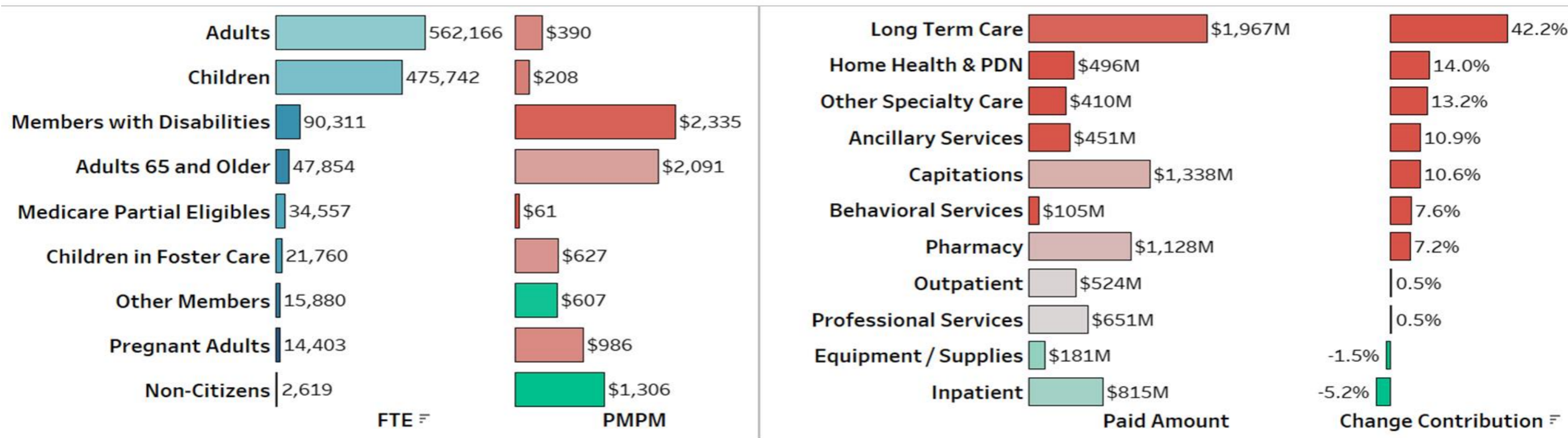
FTE: 1.265M	4.0% ▼	Paid: \$8,067.4M	4.85% ▲	PMPM: \$531	PMPY: \$6,376	9.3% ▲
Previous Month: 4.93%				Previous Month: 9.4%		



TREND DRIVERS: Focusing Help & Support

Population and Benefit Trends September 2018 to August 2019

FTE: 1,265.3K	4.0% ▼	Paid: \$8,067.4M	4.85% ▲	PMPM: \$531	PMPY: \$6,376	9.3% ▲
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4.2% of members driving 53% of Medicaid expenditures

OPPORTUNITIES & THREATS

What opportunities can we
MAXIMIZE?

- Rural Hospital Sustainability
- Hospital & Big Pharma Accountability, Alignment
- Quality/Cost Variance
- Maximize Innovation
- Health Care Affordability
- Reduce Uninsured Rate
- Prevent & Treat Substance Use Disorder
- Reduce Waiver Waitlists
- Help Health First Colorado Members Rise

- Rising Deficits, Economic Downturn
- Federal Policy
- Rising Health Care Costs
- High Cost Specialty Drugs
- Aging Population
- Health Care Workforce Adequacy
- TABOR Impact

What challenges must we
PREPARE for?

Department Goals/Focus Areas

- Affordability Roadmap
Messaging, Adoption
 - Prescriber Tool Evolution
 - Complete Rx Report
 - Better Support High Risk
Medicaid Patients
 - ❖ Hospital Transformation
Program CMS Approval
 - ❖ Medicaid Capita Control
 - ❖ Reduce Opioid Use
 - ❖ Develop Member Health Score
 - ❖ Provider ASA Call Time
 - ❖ Contract Manager Training
 - ❖ PEAK Health Mobile App
Household Adoption
 - ❖ Efficiently Manage Admin
- Indicates a Governor's WIG (Wildly Important Goal)
❖ Indicates a Department Goal

HCPF BUDGET

FY 2019-20 Total Administration (Long Bill/SB 19-207 and FY 2019 Special Bills)		
Item	Total Funds	General Fund
Total HCPF Appropriation	\$10,689,061,864	\$3,151,370,264
HCPF Admin	\$436,961,708	\$106,804,528
Percent of Total	4.09%	3.39%
HCPF Personal Services (staff)	\$42,211,043	\$15,157,362
Percent of Total	0.39%	0.48%

FY 2019-20

	<u>Total Funds</u>	<u>General Funds</u>	<u>Cash Funds</u>	<u>Federal Funds</u>
State Budget	\$31,960,836,989	\$11,875,164,342	\$9,278,325,477	\$8,718,936,910
HCPF	\$10,649,398,826	\$3,132,643,848	\$1,385,028,692	\$6,038,110,614
Percent vs. State	33.32%	26.38%	14.93%	69.25%
HCPF Fund Splits		29.42%	13.01%	56.70%

PATHWAY TO ACHIEVE GOALS

HCPF ORGANIZATIONAL CHART

Right people. Right place.

Kim Bimestefer, Executive Director

Emily Eelman, Chief of Staff
Chris Underwood, Deputy Chief of Staff

Medicaid
Operations
Office

Craig
Domeracki,
Director

Office of
Community
Living

Bonnie Silva,
Director

Health
Programs
Office

Tracy
Johnson,
Medicaid
Director

Finance
Office

John
Bartholomew,
Director

Health
Information
Office

Parrish
Steinbrecher

Policy,
Comms &
Admin.
Office

Tom Massey,
Director

Cost Control
& Quality
Improvement
Office

Stephanie
Ziegler,
Director

Pharmacy
Office

Cathy
Traugott,
Director

- ✓ Expanded executive leadership team to drive accountability, expertise, diversity
- ✓ Improved project priority management and tracking
- ✓ Improved vendor and contracting management
- ✓ Resource (budget, staff) alignment with goals and priority initiatives

DEPARTMENT'S STRATEGIC PILLARS

- **Health Care Affordability for All Coloradans:**
Reduce the cost of health care in Colorado
- **Medicaid Cost Control:**
Ensure the right services for the right people at the right price
- **Member Health:**
Improve health outcomes and program delivery
- **Operational Excellence:**
Create compliant, efficient and effective business practices that are person- and family-centered
- **Customer Service:**
Improve service to our members, providers and partners



Care Support Program Improvement Process, Focus

Process

SB18-266: Cost Control & Quality
Improvement Office

Developed Insight & Reporting Tools

- Vendor Management
- Identified members we can help
- Identified cost drivers we can address

Executed MOU w/RAEs targeting 7/1/20:

- Partner to craft new programs
- Drive better health results/outcomes
- Manage to a better claim trend

Partnership with advocates to help

Programs in Development

1. Maternity
2. Complex Newborns
3. Diabetes
4. Hypertension
5. Cardiovascular Disease
6. COPD
7. Anxiety
8. Depression
9. Chronic Pain
10. Substance Abuse Disorder (SUD)

AFFORDABILITY ROADMAP COLLABORATION

1. **Constrain prices**, especially hospital & prescription drugs.
2. Champion **alternative payment** models.
3. Align and **strengthen data** infrastructure.
4. Maximize **innovation**.
5. Improve our **population health, including BHTF**.

Colorado Private Sector
(Consumers & Employers)

\$69,117
2017 median income

\$19,339
2017 average family cost
of private insurance

Health care is **28%**
of median household income

Medicaid expenditures are
33% of state's total budget
and **26%** of General Fund

Sources:

Income data from Colorado DOLA LMI Gateway, US Census Median Household Income.
Colorado Department of Health Care Policy and Financing.

Quick View of Affordability Roadmap Solutions

• Pharmacy Solutions

- Prescriber Tool
- Manufacturer-Carrier Compensation (incl. Rebates)
- Pharmacy Pricing Transparency
- Joining Lawsuits - Manufacturer Price Fixing, Opioids
- HCPF Dept. Rx Cost Driver & Solutions Report
- Importation

• Hospital Solutions

- Hospital Transformation Program (HTP)
- Financial Transparency
- Community Needs Transparency
- Centers of Excellence
- Alliance Model, Driving Community Reimbursements
- Analytics by Hospital, for Communities

• Alternate Payment Methodologies

- Hospital Transformation Program (HTP)
- Out Of Network Reimbursements
- Rx Value Based Contracting
- Value Based Rewards
- Procedural Bundles
- Total Cost of Care Incentives, to Include Rx

• Shared Systems Priorities and Innovations

- CIVHC APCD Affordability Supports, incl. Employer Data
- TeleHealth / TeleMedicine and eConsults, Broadband
- Broadband
- End of Life Planning
- Prometheus
- Universal Coverage

• Population Health

- Behavioral Health Task Force
- Suicide Prevention Task Force
- Teen vaping, adult tobacco use
- Obesity
- Maternal Health
- Addiction, incl. Opioids prescribing guidelines
- Immunizations
- Hosp. Transparency - Community Health Needs Assessment

WINS & OPPORTUNITIES

BIG WINS

- Provider Call Wait Times - Down ↓
 - Member Call Wait Times - Down ↓
 - Claim Reprocessing - Down ↓
 - Opioid Usage - Down ↓
 - PEAK App usage - Up ↑
 - Enrolled providers serving members - Up ↑
-
- **SUD Inpatient & Residential Waiver Submitted**

ADDITIONAL OPPORTUNITIES

Medicaid Trend Management

- Rx Cost Management
- Health Improvement, Care Management Support
- Case Management of Individuals with Disabilities
- RAE Accountability, Program Consistency, Effectiveness

Operational Excellence

- CBMS Stabilization
- Eligibility Accuracy Work
- Vendor Accountability

Customer Service, Focus

- Call Center Response, Next Generation
- Measuring and Improving Provider Access
- Behavioral Health Task Force Findings Response
- Cybersecurity
- Rural Hospital Sustainability
- Provider Service

HCPF BUDGET REQUESTS

- R-06: Improve Customer Service
- R-07: Pharmacy Pricing and Technology
- R-08: Accountability and Compliance Improvement Resources
- R-09: Bundled Payments
- R-10: Provider Rate Adjustment
- R-11: Patient Placement and Benefit Implementation - Substance Use Disorder
- R-12: Work Number Verification
- R-13: Long-Term Care Utilization Management
- R-14: Enhanced Care and Condition Management
- R-15: Medicaid Recovery & Third Party Liability Modernization
- R-16: Case Management & State-only Programs Modernization
- R-17: Program Capacity for Older Adults
- R-18: Public School Health Services Program Expansion
- R-19: Leased Space
- R-20: Safety Net Provider Payments Adjustment

Pharmacy

Questions 1-8

ESCALATING IMPACT OF SPECIALTY RX ON OVERALL RX MEDICAID COST

Physician Administered Drug Spend has almost doubled in 4 years

Figure 7. Physician-Administered Drug Expenditures by Service Date Calendar Year

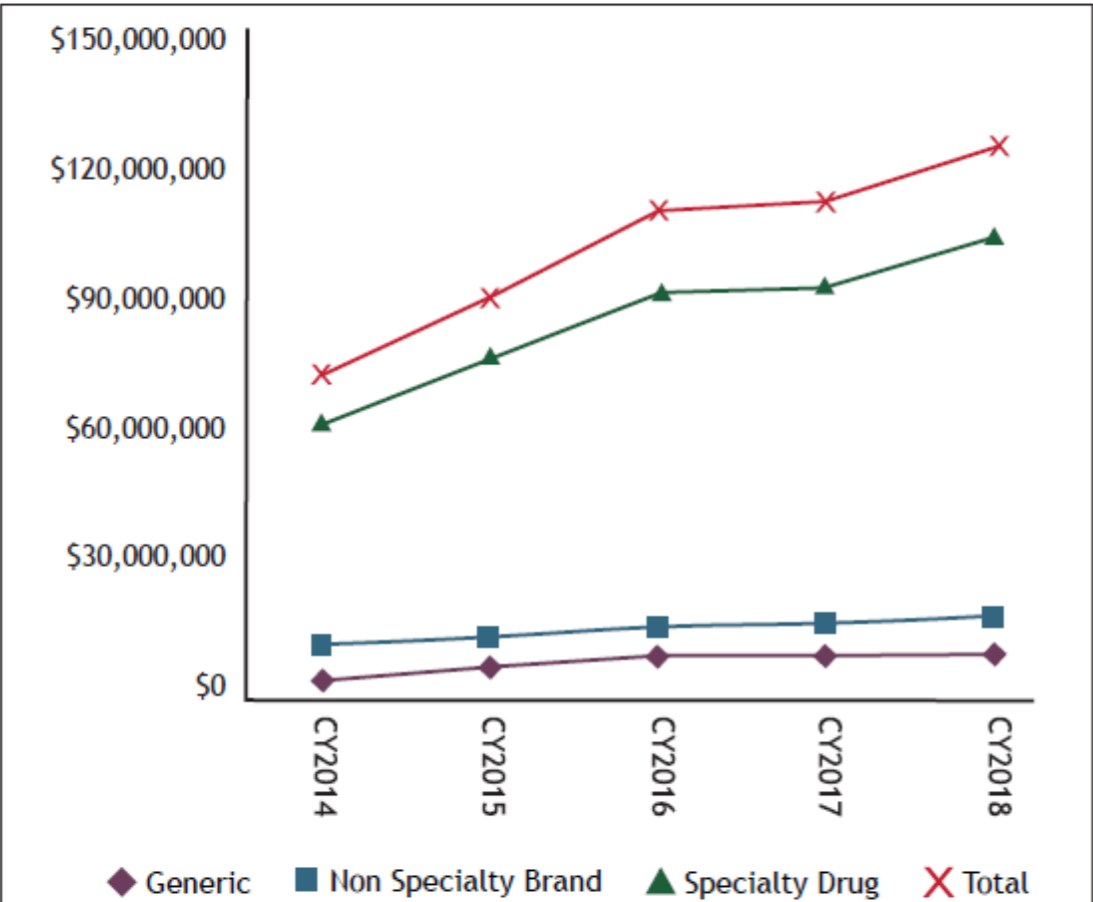
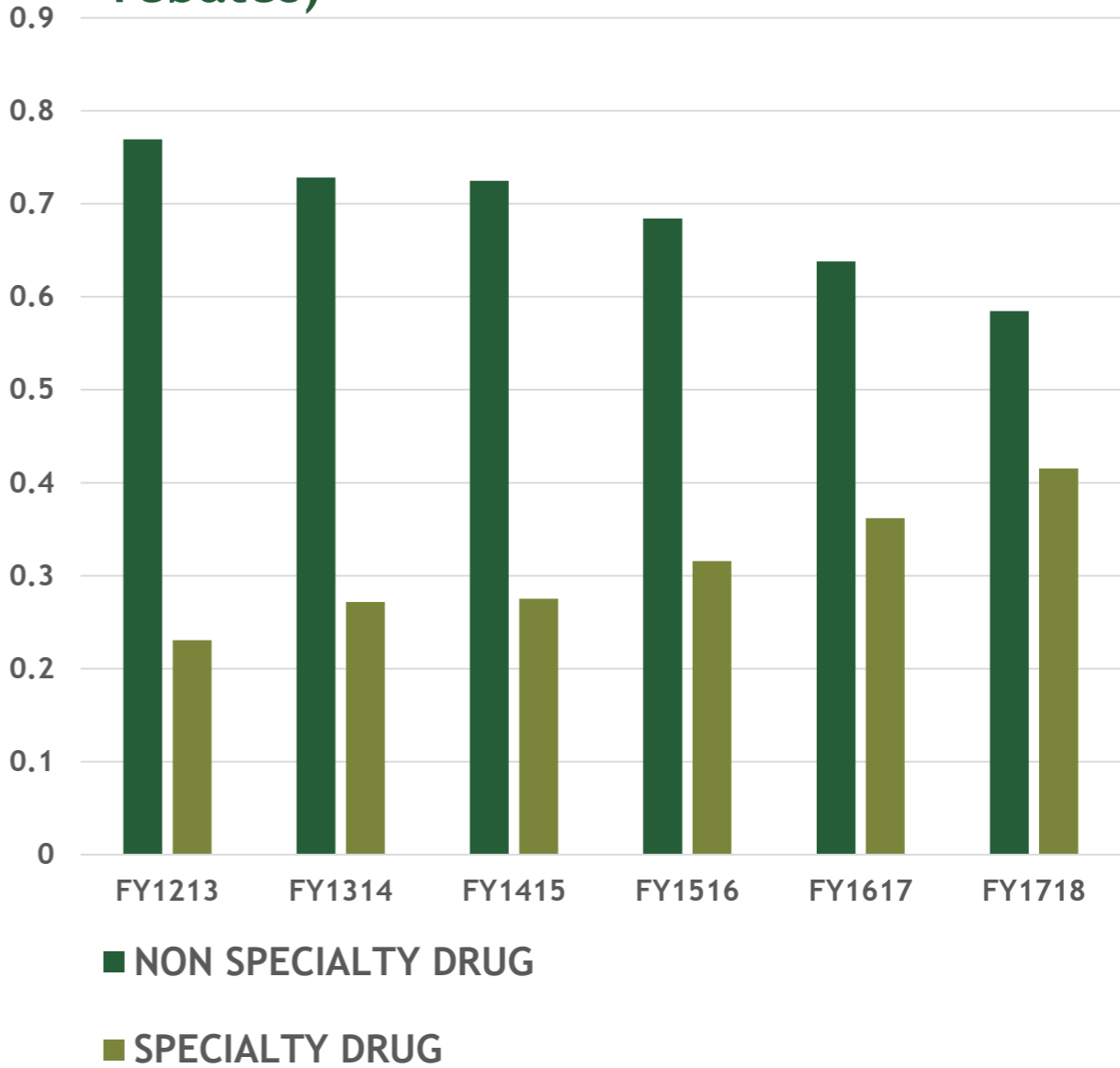


Figure 7 illustrates the impact of rising physician-administered drug expenditures, which have nearly doubled in five years. SOURCE: Health First Colorado (Colorado's Medicaid Program)

Percent of Medicaid dollars spent on specialty vs. non specialty drugs (before rebates)



Specialty Drugs: We're at the beginning of the perfect storm. We MUST manage this explosion of drugs to market and their cost.

42 new drugs launched in 2017

75% were specialty drugs

\$12 billion spent on new drugs in 2017

80% was spent on specialty drugs

Specialty drugs pipeline

Rx Solutions: Prescriber Tool

Phase I

- Drives prescribing based on Rx cost and quality
- Battles DTC ads, rebate payments to middleman to influence Rx use
- Loads payer/carrier formularies, Rx cost, copays, prior auth rules
- Opioid addiction risk score, alerting docs before they prescribe.



Phase II

- Carrier/payer programs by patient so docs can prescribe health improvement programs, not just pills

Sets up more effective prescriber VBPs

Colorado Impact



Many Coloradans aren't taking their drugs appropriately because they can't afford to, leading to worse health outcomes that are more costly.

State payers (HCPF, Department of Corrections, Department of Human Services) are unable to control rising public costs.

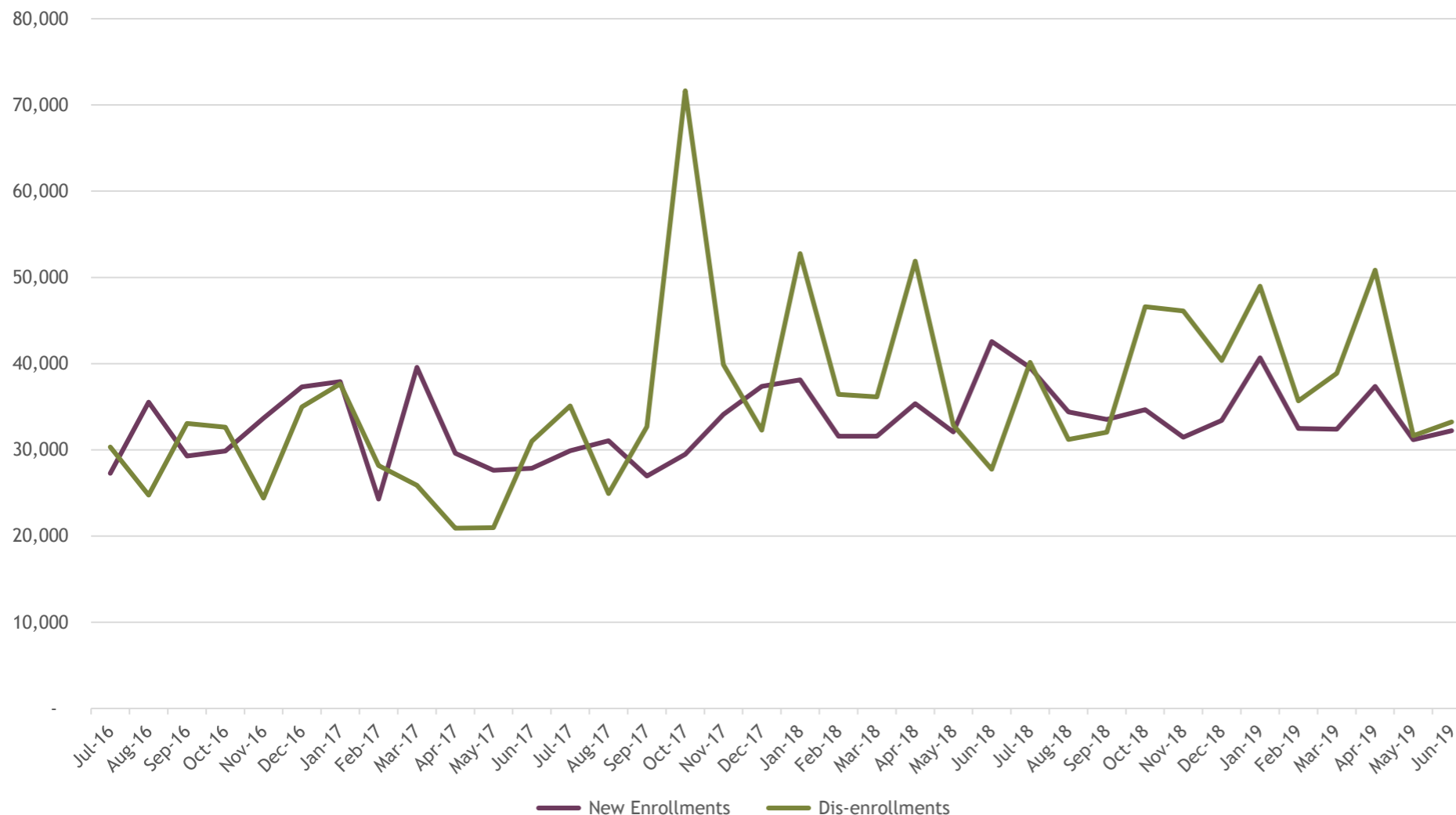
Eligibility & Enrollment

Questions 9-24

OPPORTUNITIES: ELIGIBILITY ACCURACY

- ✓ Federal Directives - both Office of Inspector General & CMS audits
- ✓ New Federal Audit Consequences - PERM, enables claw back of \$\$ over 3% error
- ✓ Directives from Office of the State Auditor and Legislative Audit Committee

Medicaid Enrollments and Dis-enrollments Over Time



Focus Areas:

- ✓ System Changes
- ✓ Mail Center
- ✓ Training
- ✓ Incentives
- ✓ Performance Scorecards

Enrollment Changes

Outside Influences

- Economic Factors - strong Colorado economy, low unemployment
- Wage Growth
- Public Charge

Oversight

Policies & Systems

- Continuous Eligibility
- Returned Mail
- IEVS Checks and Income Verification
- Delayed Processing - County Accountability

Customer Service

Questions 25-27

DECLINE IN CALL CENTER WAIT TIMES

In FY 2018-19,
we answered **provider** calls
in an average of 42 seconds over 12 months,
exceeding our goal of < 61 seconds.

Member service MUCH improved.

Next: Get to industry service norms (< 2 min).

Improve digital service tools. Position HCPF for service model that better supports high-need, complex individuals, coordinates them into care support programs.

Long Term Services and Supports

Questions 28-44

Long-Term Services and Supports



At Home (e.g., personal or family home; group homes; assisted living facilities)

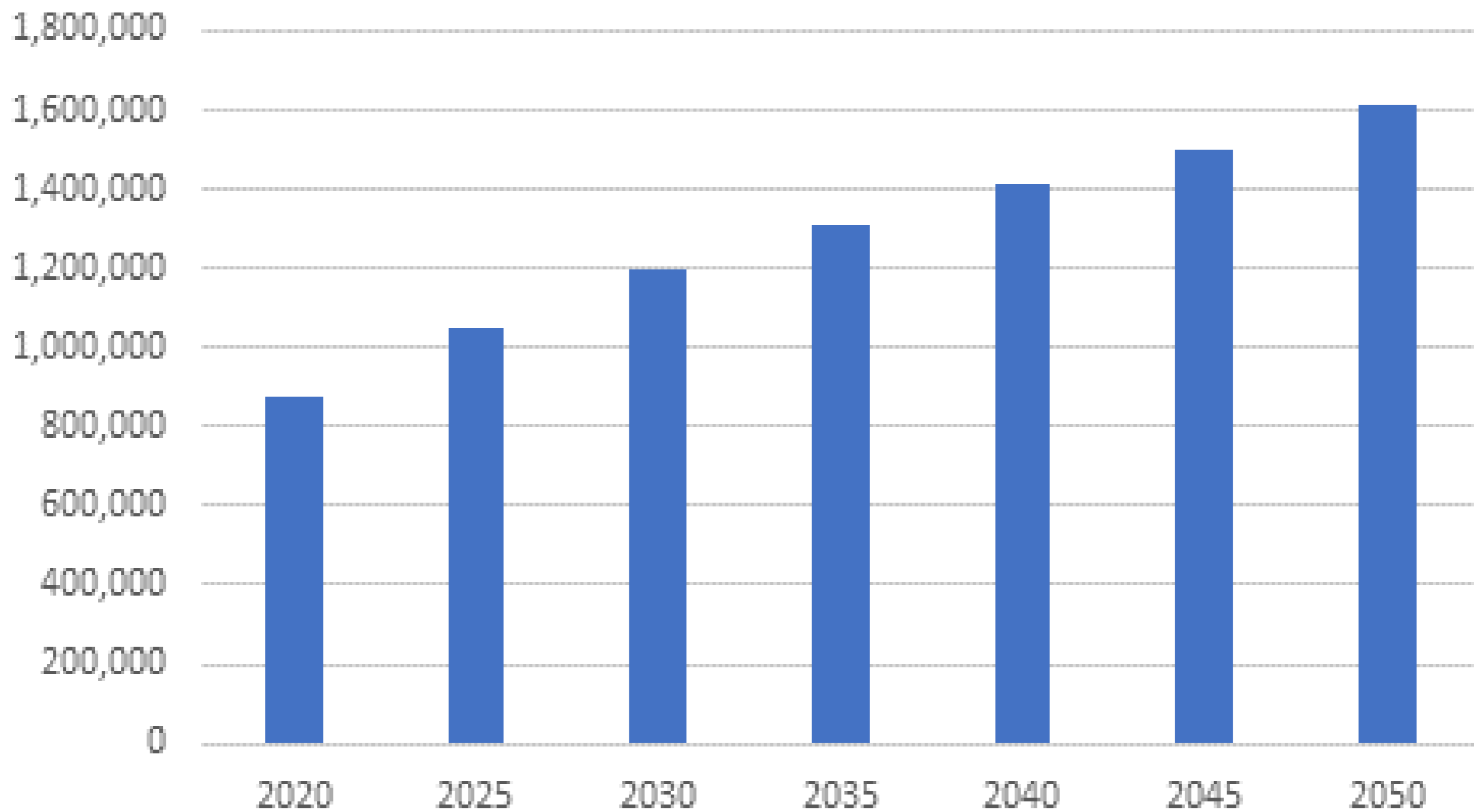


In Community (e.g., day programs; supported employment)



Within Institutions (e.g., nursing homes; intermediate care facilities)

Colorado's Aging Adult Population (+65)



Understanding Members' Unique Needs

86% of members receiving **Long-Term Services and Supports** have one or more chronic conditions

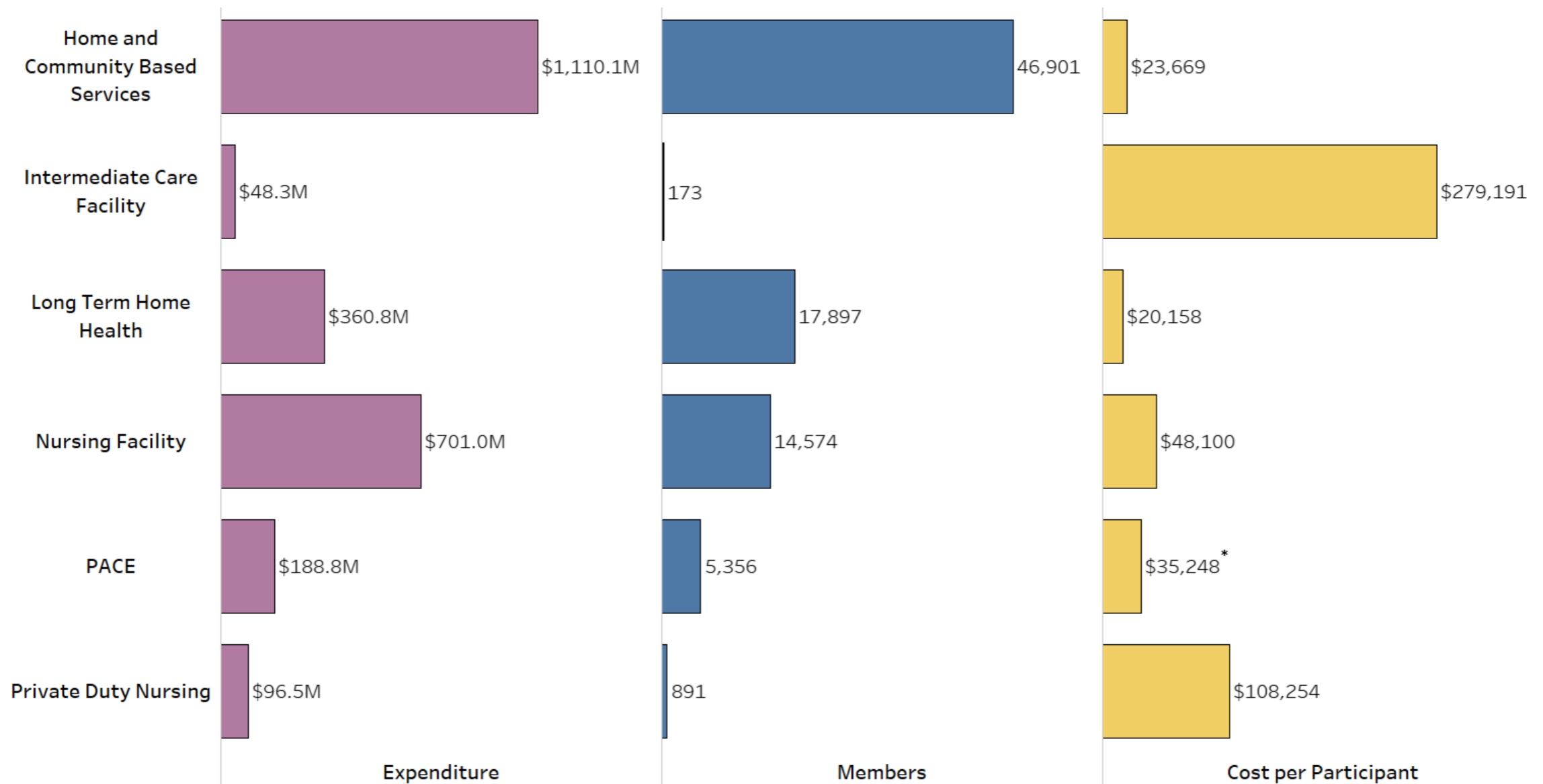
➤ Compared to **41%** of members not receiving LTSS



49% of members in **intellectual and developmental disabilities** waivers also have a **physical disability**

NOTE: The rates are based on whether Colorado Medicaid paid a claim with a diagnosis listed in FY 18-19. If the member is untreated for the condition or only Medicare paid the claim, we do not have those data. Intellectual and developmental disabilities (IDD) refers to those receiving services under the three IDD waivers in Colorado.

Members Served and Expenditures



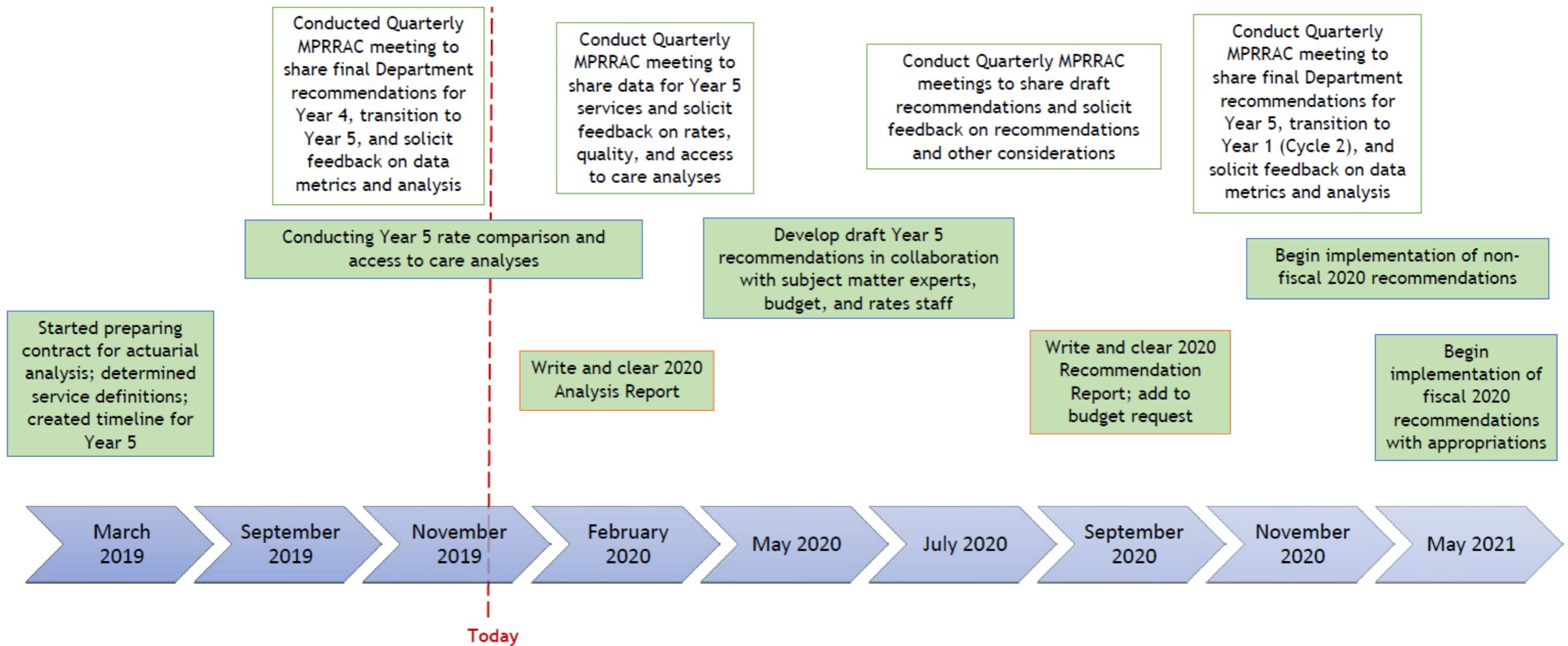
Five Year LTSS Benefits Adult Participant Growth

- 12.1% - Long Term Home Health
- 14.0% - Home and Community Based Services
- 15.9% - Consumer Directed Attendant Support Services
- 41.7% - Private Duty Nursing
- 320.6% - In Home Support Services

Rates

Questions 45-60

Rate Review Process Timeline



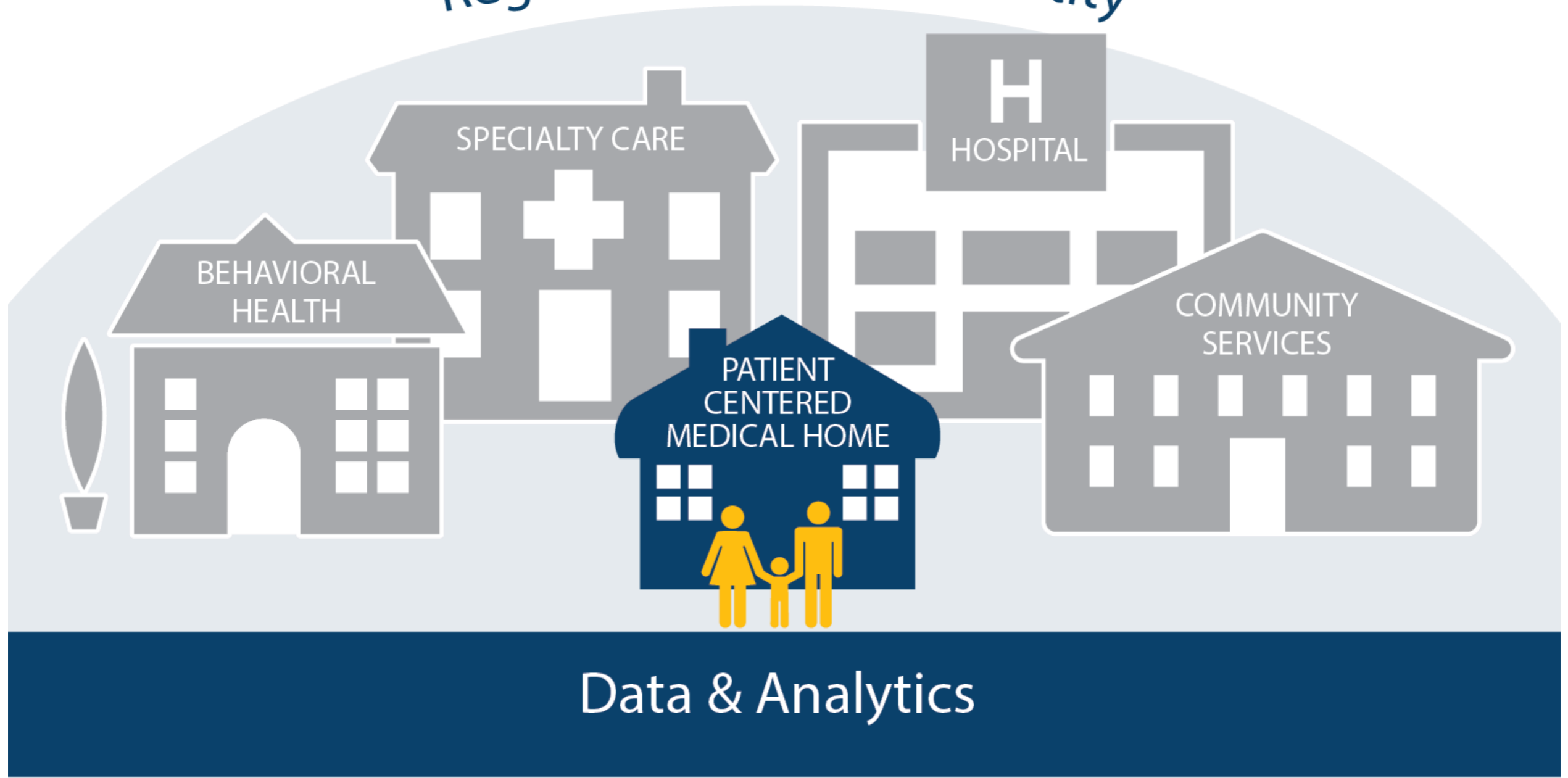
General Financing & Miscellaneous

Questions 61-72

Behavioral Health

Questions 73-86

Regional Accountable Entity



Health First Colorado

Regional Accountable Entity

Physical
Health Care

Behavioral
Health Care

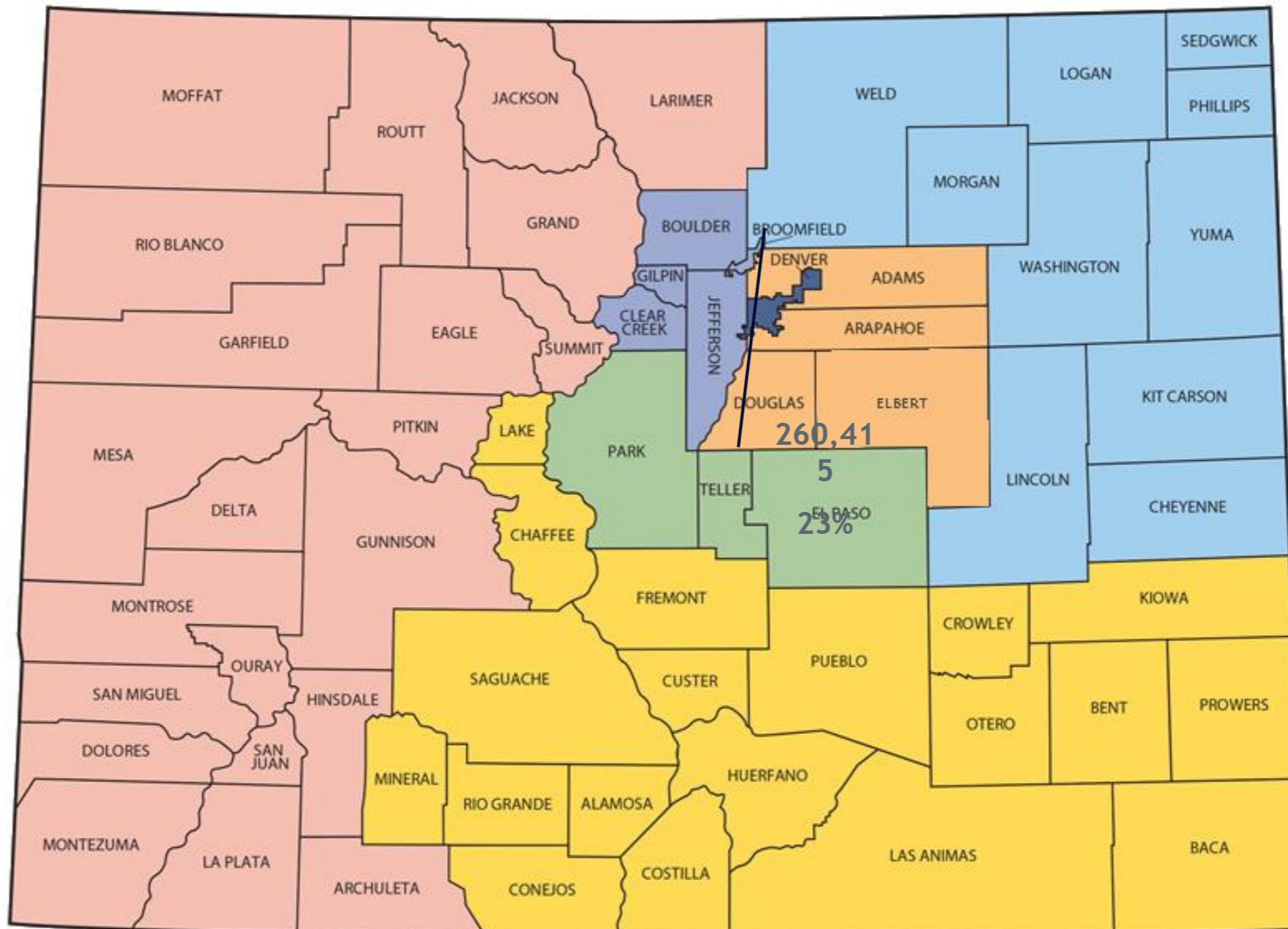
Fee For Service

Behavioral Health
Capitation

New SUD
services



RAE Regions



- | | | | | | |
|----------|--|-----------------------------|----------|--|------------------------------------|
| Region 1 | | Rocky Mountain Health Plans | Region 5 | | Colorado Access |
| Region 2 | | Northeast Health Partners | Region 6 | | Colorado Community Health Alliance |
| Region 3 | | Colorado Access | Region 7 | | Colorado Community Health Alliance |
| Region 4 | | Health Colorado, Inc. | | | |

Thank You!