QHN Summit

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September 2019

Congratulations to QHN's Community Resource Network!

Second place in the Robert Wood Johnson Foundation Sponsored "Social Determinants of Health Innovation Challenge"

Challenge: can you develop a digital solution to help providers and/or patients connect to services related to social determinants of health?

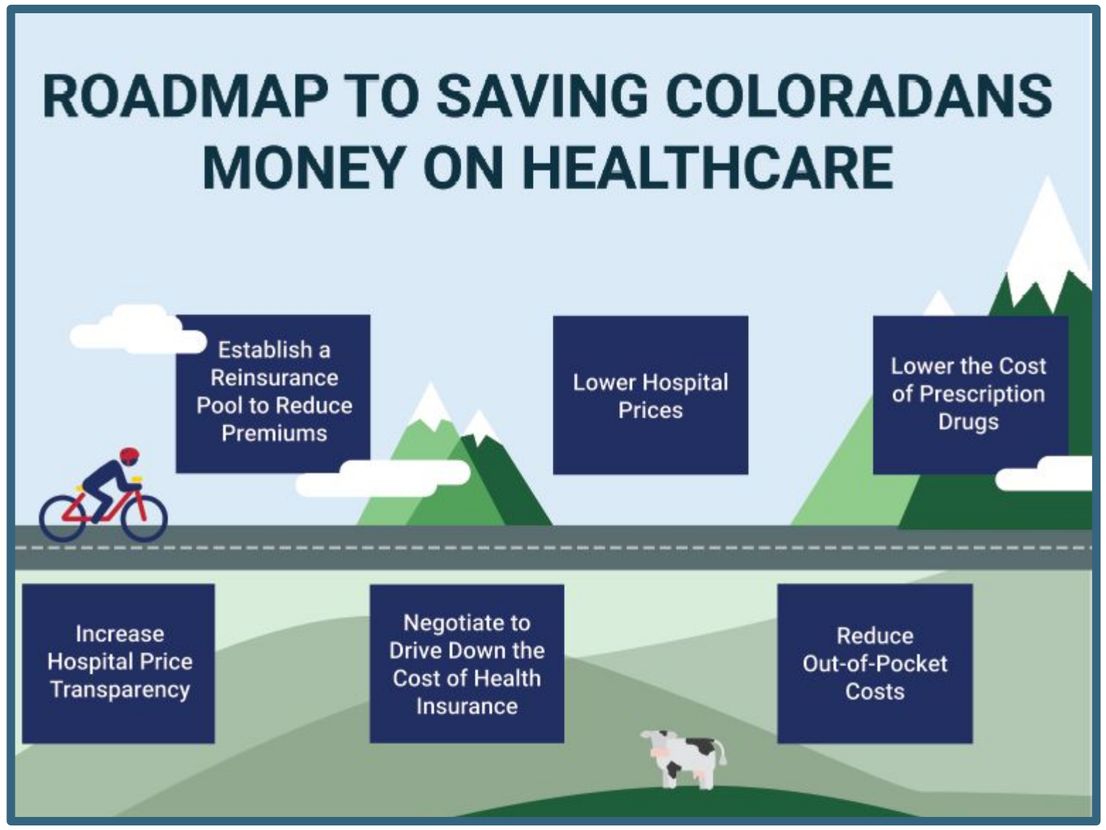
Awarded: $30K total to support continued development rollout

Community Resource Network - The Social Determinants of Health Client Profile, a part of the Community Resource Network, creates a whole-person picture across physical, behavioral, and social domains to expedite help for those most at risk, fill in the gaps in care, and optimize well-being.

Polis-Primavera Administration Goal:

Lower Healthcare costs to save people money on Healthcare

In the Short Term



Source: Polis-Primavera Roadmap to Saving Coloradans Money on Health Care, pages 2-3, April 2019. Full roadmap available at colorado.gov/governor/sites/default/files/roadmapdoc.pdf

In the Mid and Long Term

- Launch a state-backed health insurance option
- Reward primary and preventive care
- Expand the health care workforce
- Increase access to healthy food
- Improve vaccination rates
- Reform the behavioral health system
- Support innovative health care delivery and reform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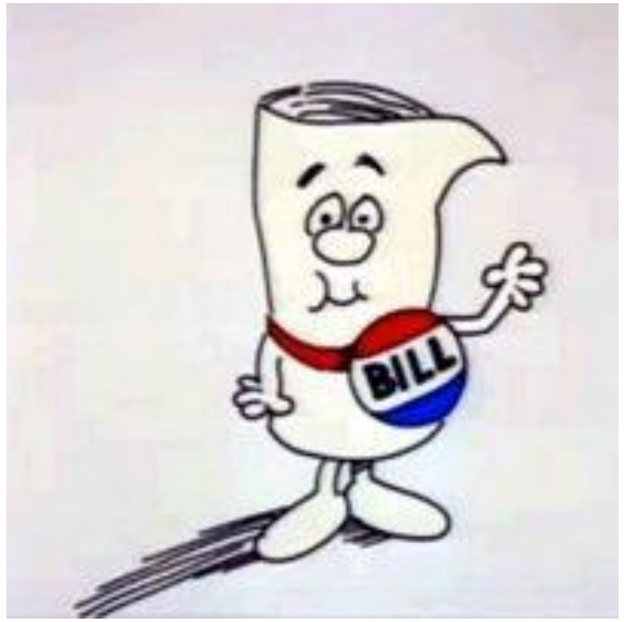
Legislative Action Achieved - Thank You!
Transforming Healthcare Through Legislation



- HB 19-1174 Out of Network
- SB 19-004 High Cost Health Insurance Pilot Program (PEAK Alliance)
- HB 19-1168 Reinsurance (Exchange)

- HB19-1001 Hospital Transparency
- HB 19-1320 Hospital Community Benefit Accountability

HB 1320: Hospital Care Providers' Accountability to Communities

- Requires **nonprofit** hospitals to develop a health needs assessment and a community benefits implementation plan, reported to HCPF annually
- **Nonprofit** hospitals must conduct public meetings annually to seek feedback regarding the hospitals' community benefit activities during the previous year and implementation plan for the next year
    - Public health agencies, chambers, school districts, consumer org., local gov't, public etc.
- Reports to include: 990 form, expenses, revenue less expenses
- HCPF to publish all health needs assessments and community benefits implementation plans on a central website

Centers of Excellence initiatives are incentivized through the Hospital Transformation Program (HTP)

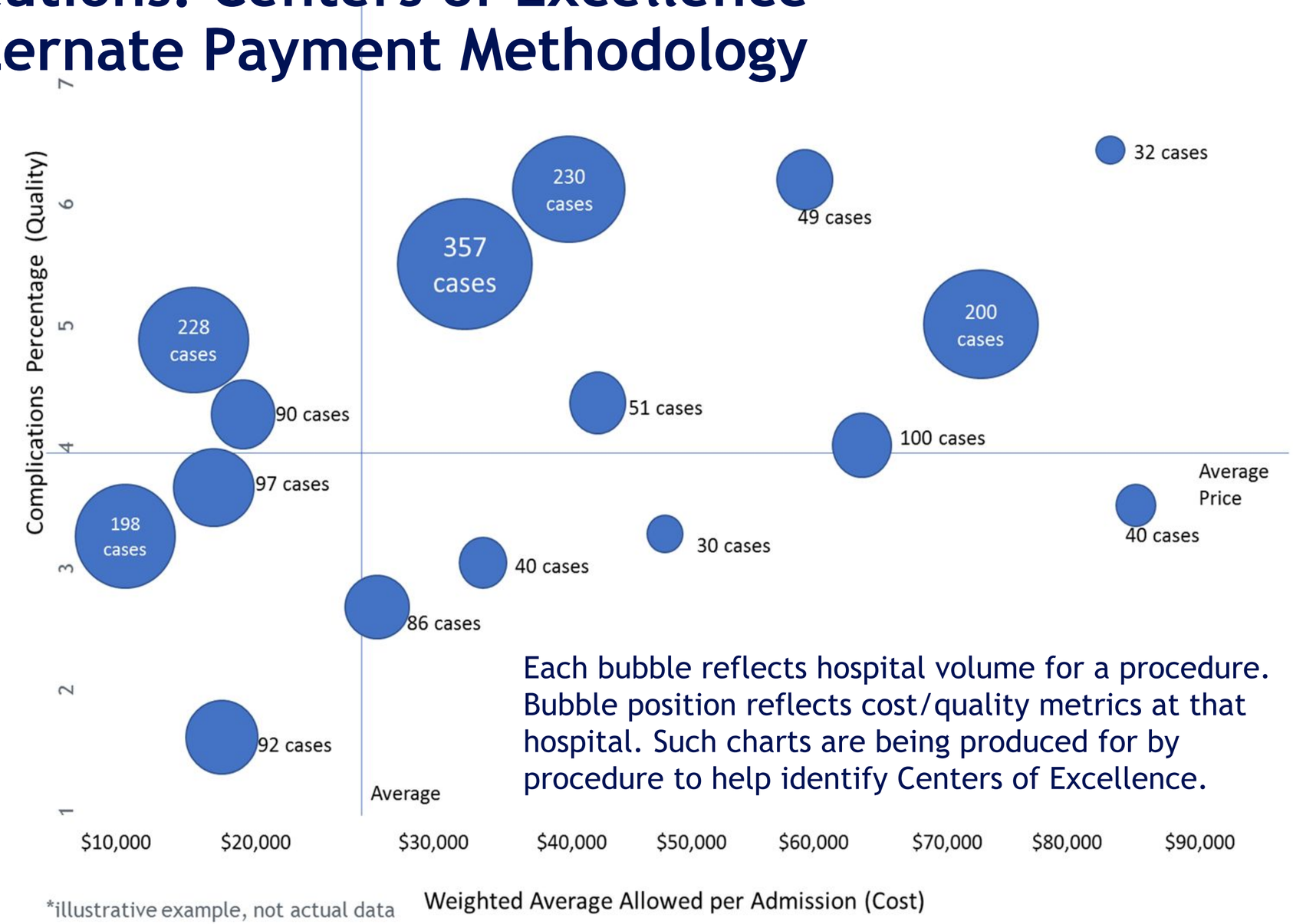
- Provides $1B+ / yr to hospitals to reward behavior change, directed by the community
- Incentivizes hospitals to “join an all provider collaborative”, supporting Centers of Excellence and coordinated CHNA work
- Incentivizes hospitals to use Prometheus
- Includes an estimated $12M to help rural hospitals develop shared community delivery strategies, model APMs, to forecast changing needs of the community, and more
- Starts in 2019 and lasts for at least five years

Solutions: Centers of Excellence Alternate Payment Methodology

Solution: Drive more Consistency in Hospital Price and Quality

Drive the community to the higher quality, lower cost locations
(sometimes called Centers of Excellence)

This will require legislation

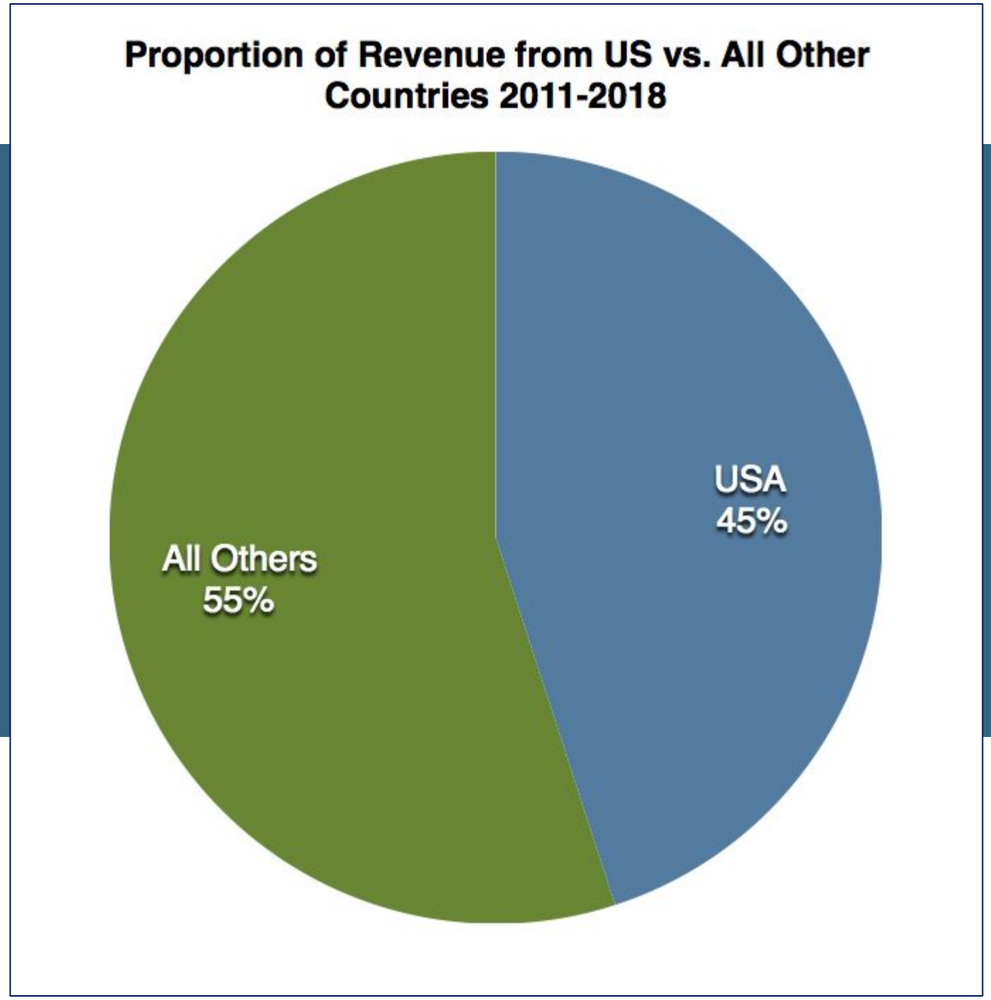


Each bubble reflects hospital volume for a procedure. Bubble position reflects cost/quality metrics at that hospital. Such charts are being produced for by procedure to help identify Centers of Excellence.

*illustrative example, not actual data

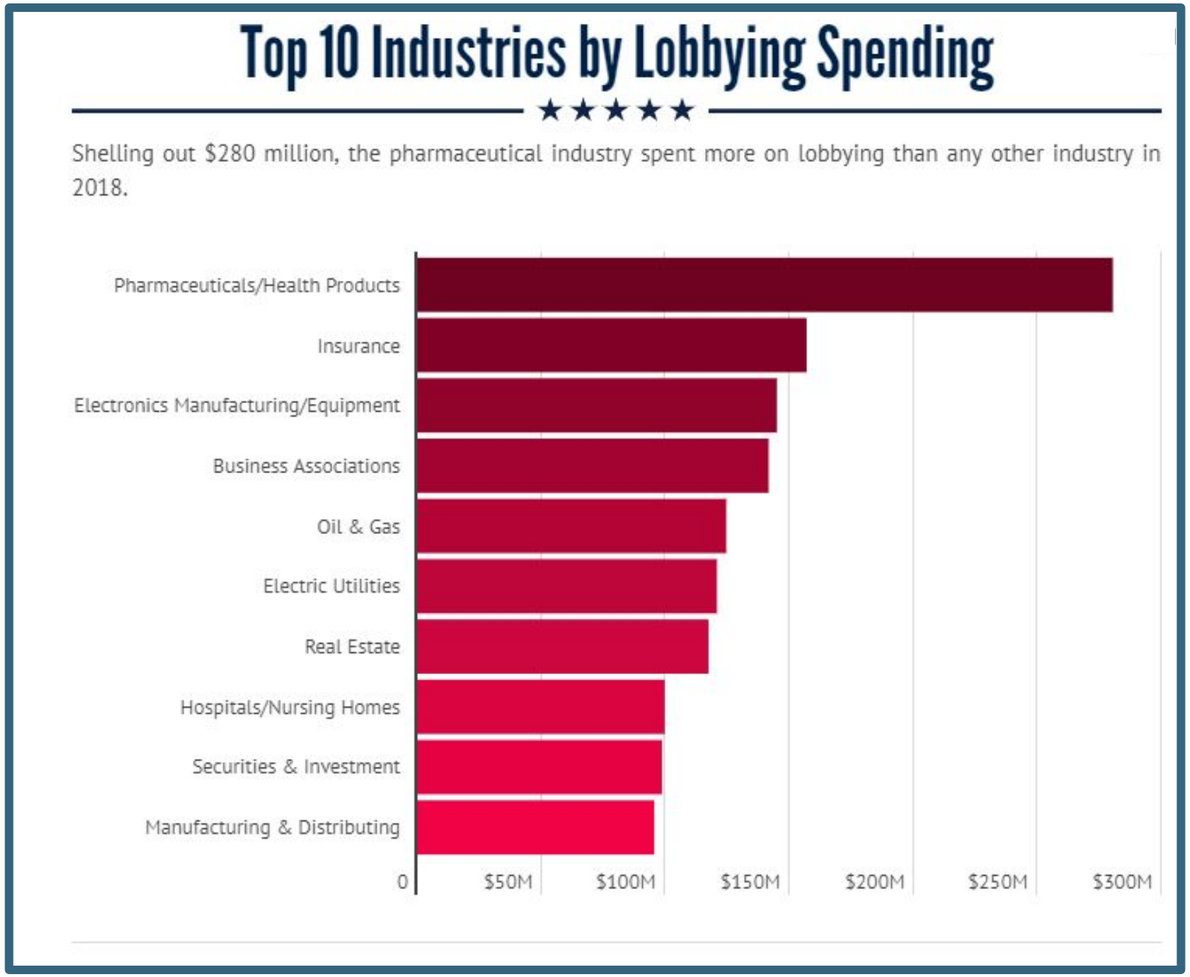
Rx Affordability Problem: The US represents ~ 5% of the world's population, and 45% of the world's pharmaceutical revenue

- Proportion of total pharmaceutical revenue for the 13 largest pharmaceutical companies from sales in the U.S. vs. sales in all other countries from 2011-2018.



Belk, David, and Paul Belk. "The Pharmaceutical Industry." *True Cost of Heathcare*, truecostofhealthcare.org/the_pharmaceutical_industry/.

Top 10 Industries by Lobbying Spending, 2018



1. Pharmaceuticals/Health Products: **$280,305,523**

2. Insurance: **$156,867,044**

8. Hospitals & Nursing Homes **$99,686,787**

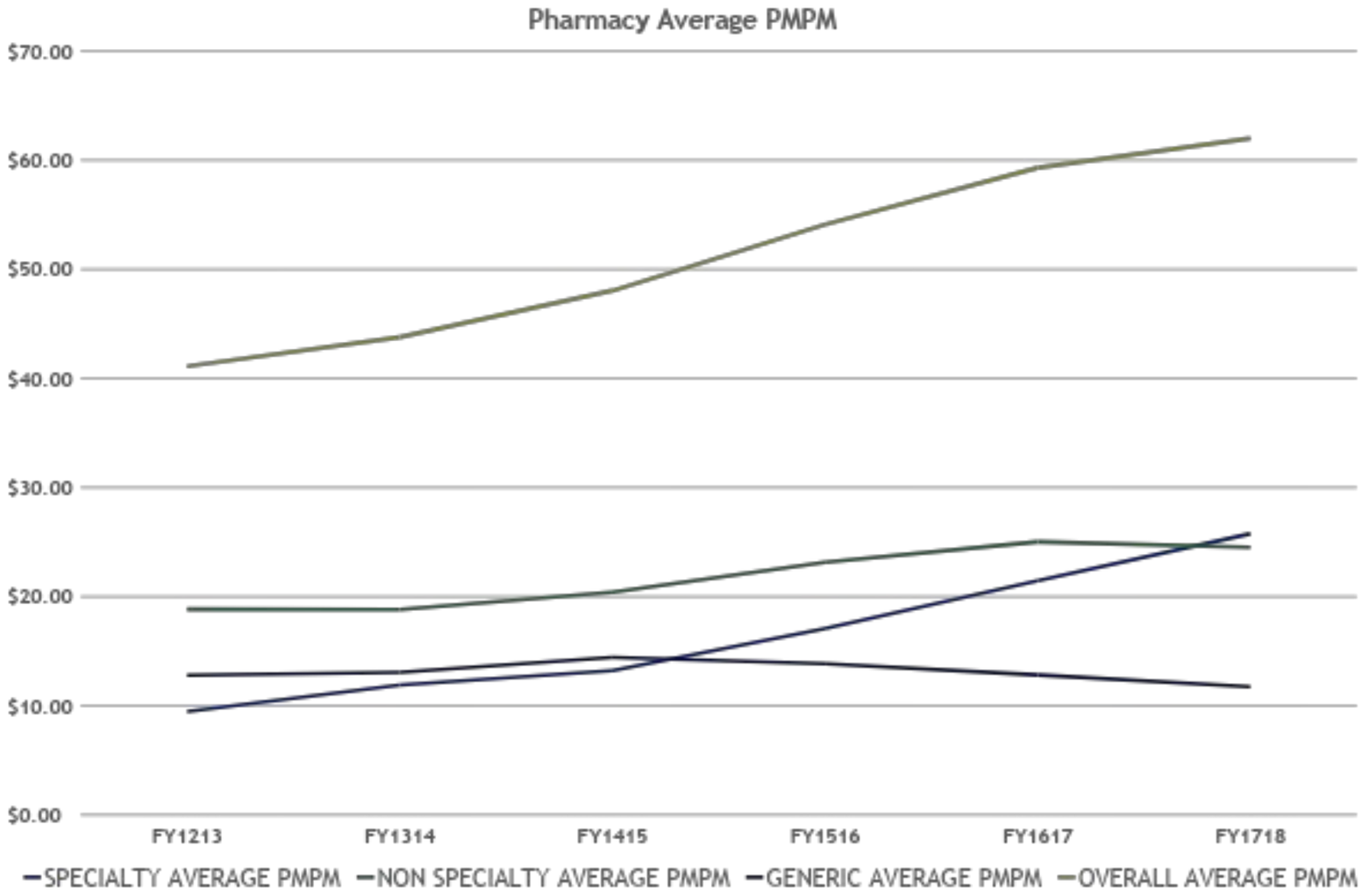
Rx Rising Costs (Trends) Medicaid

Medicaid generates about $1B in Rx claim costs (before rebates)

Over the last six fiscal years, 2012 through 2018:

Generic Rx costs **down** 8% or 1.3% a year
Brand name Rx **up** 30%, or 5% a year
SRx up 171%, or 28.5% a year
Total Rx spend is **up** 51%, or 8.5% a year

Of this total 51% Rx trend, *more than 75% is due to Specialty Drugs*.



Specialty Drugs: we're at the beginning

42 new drugs launched in 2017.

75% were specialty drugs

1.25% of CO Medicaid prescriptions (specialty drugs) are so expensive, they are consuming > 40% of Medicaid's Rx resources

$12 billion spent on new drugs in 2017.

80% was spent on specialty drugs

Specialty drugs pipeline

No, The High Cost is NOT Due to Research

Drug companies spend **about $40B a year MORE on marketing and administrative expenses** than on research and the development of new drugs

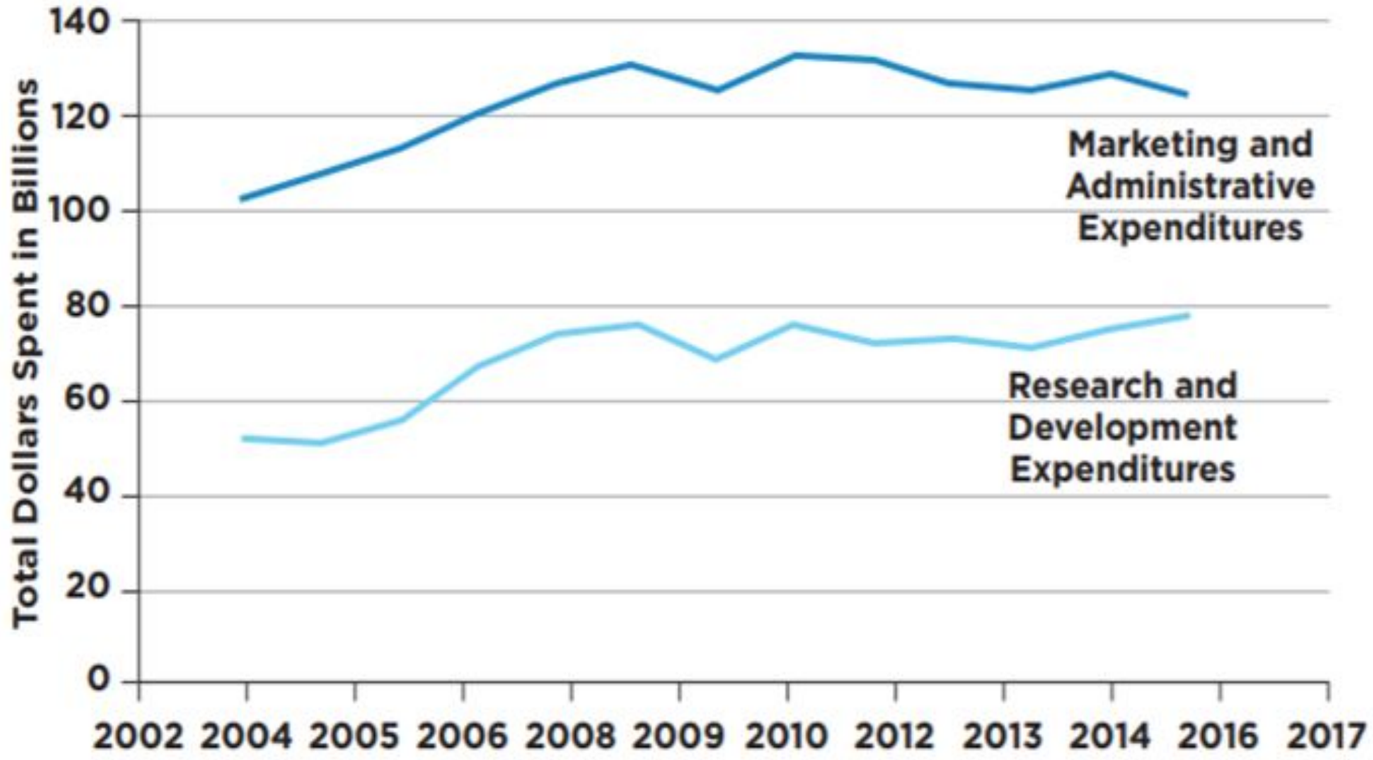
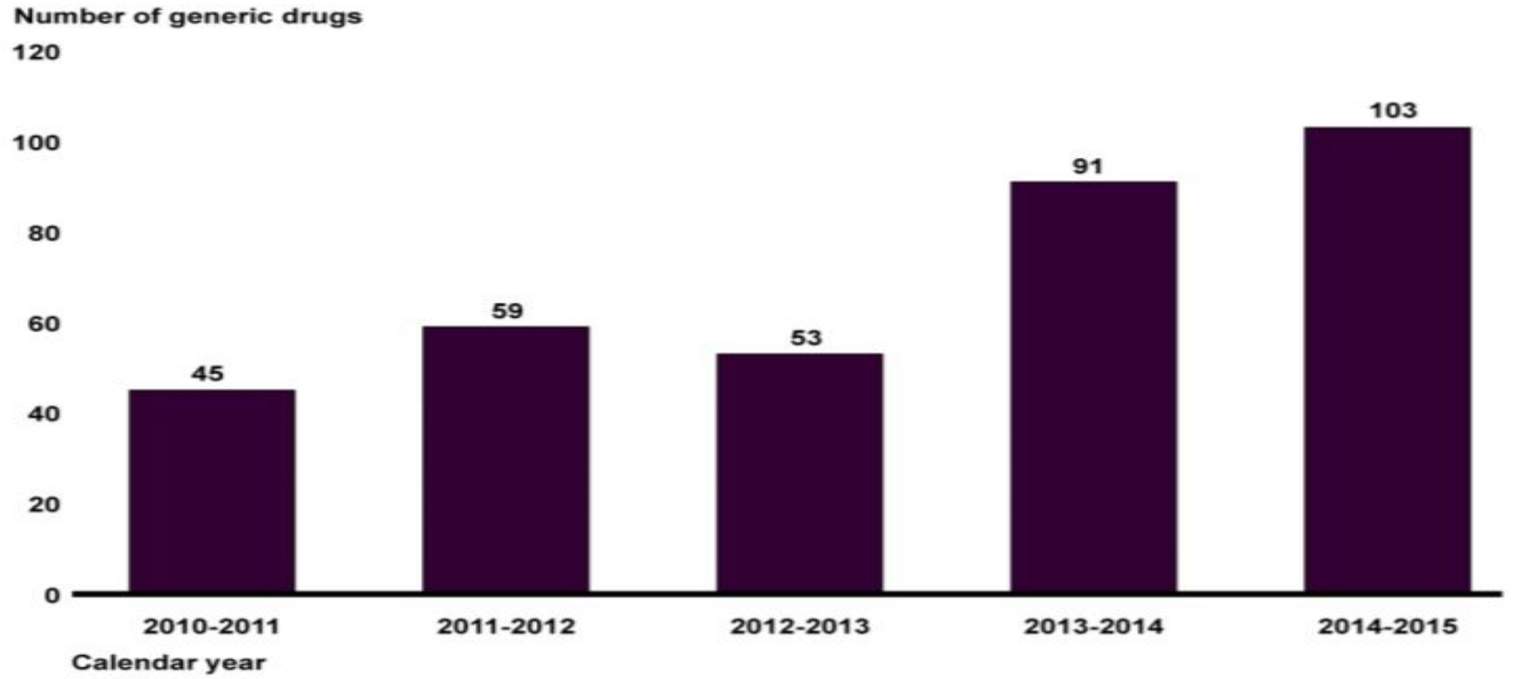


FIGURE 3-3 Comparison of total aggregate research and development and marketing-plus-administrative (including executive compensation) expenditures by 12 large pharmaceutical companies from 2003 to 2015.
SOURCE: Data retrieved from Belk, 2017. See http://truecostofhealthcare.org/pharmaceutical_financial_index (accessed November 15, 2017).

Drug Price Increases are a Problem, Too

The US General Accounting Office found that 315 different drugs experienced 351 “extraordinary price increases” at least a doubling in price year-to-year.

Figure 3: The Number of Established Drugs under Medicare Part D That Experienced an Extraordinary Price Increase, First Quarter 2010 to First Quarter 2015



Source: GAO analysis of Medicare Part D prescription drug event data. | GAO-16-706

Note: A price increase of at least 100 percent from the first quarter of one year to the first quarter of the next is considered an extraordinary price increase. To be considered an established drug, a drug had to be in the Medicare Part D claims data for each quarter from the first quarter of 2009 through the second quarter of 2015 and meet certain other data reliability standards. A total of 1,441 drugs met these criteria.

Across our study period, the 315 established drugs experienced 351 extraordinary price increases.[21]

Rx Solutions: Pushing Rx Manufacturer Compensation Through to Employers to Offset Rx Costs

Manufacturer Rebates and Other Compensation

- **CIVHC new data requirement:**
  - All carriers to provide Rx manufacturer compensation to the APCD
  - By Sept for 2016, 2017 & 2018

- **Goal:**
  - Push this $$ through to employers
  - Insights into how rebates influence Rx use
  - Partner these insights with future Rx transparency
  - Craft policy to better control Rx costs

Rx Solutions: Prescriber Tool

- Drives prescribing based on Rx cost & quality
- Battles DTC ads, incentives to influence Rx use
- Loads payer/carrier formularies, reimbursements, copays, prior auth rules and health programs.
- Will include an opioid addiction risk module
- Implementation 2020.
- Sets up more effective prescriber VBPs

Rx Solutions: Combat Opioid Overprescribing

- CO Medicaid's evolving opioid prescribing guidelines have reduced members taking opioids and opioid pills prescribed by 50% in 5 years.
- According to a CIVHC report, 50% of claims for commonly prescribed opioids are more than 7 days.
- Many of these claims may be outside of the 7-day prescribing limits set forth in SB 18-022.

Rx Solutions: Transforming Healthcare Thru Policy

Legislation Achieved:

- SB 19-005 Import Rx from Canada
- New HHS Announcement on Draft Rules

Rx Solutions: Transforming Healthcare Thru Legislation
Insights that Inform Policy and Legislation Tomorrow

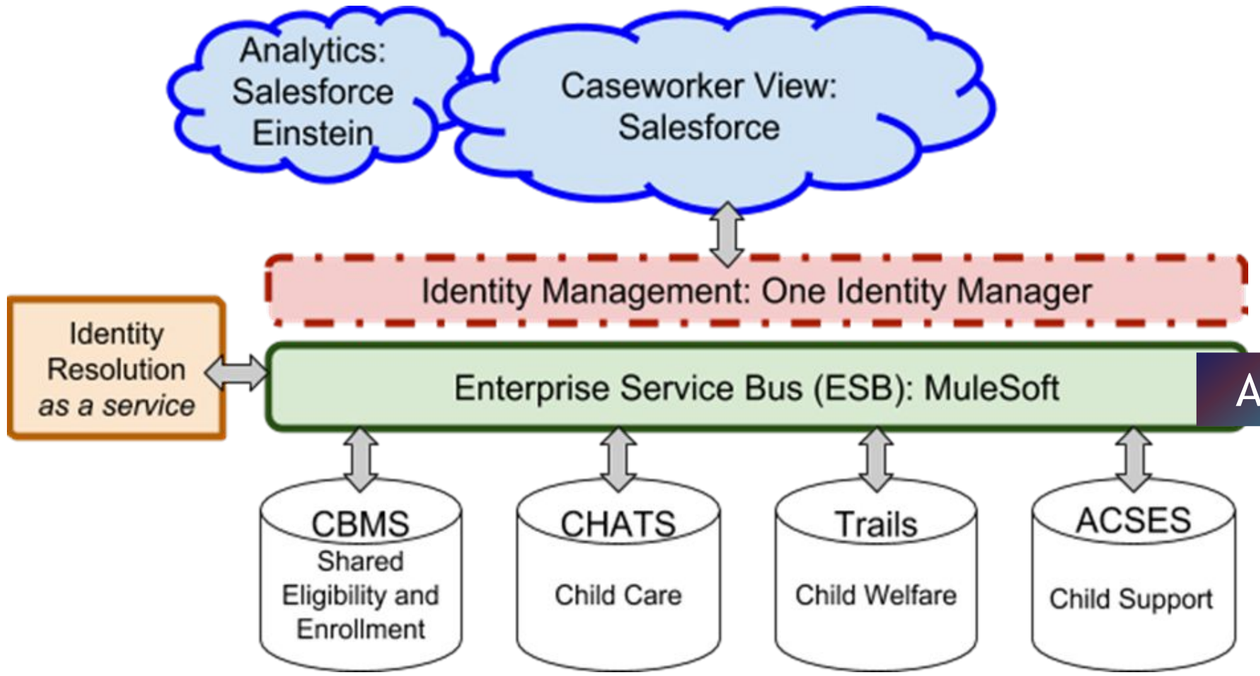
NEXT on Rx:

- Exec Dir Rule Analytics – manufacturer compensation btw BigPharma & Carriers
- Rx Report release in October
- Opioid SUD treatment appropriateness
- Inpatient SUD Waiver (7/1 coverage)
- CO is joining various lawsuits against big pharma – opioids, price fixing, etc.

Request: Align OeHI Priorities and Funding with State Affordability Priority

- Prescriber Tool
  - EMR insights/integration
- Inter-Operability
- End of Life Planning
- TeleHealth/TeleMedicine

JAI & Prescriber Tool



State Program Information into Prescriber Tool

Example: Eligible But Not Enrolled Indicators – Enrolled in Medicaid but Not Enrolled in SNAP or WIC

More than drug pricing - Prescriber Tool will contain information on available social and health programs/benefits

Shared Systems and Innovations: TeleHealth / TeleMedicine and Broadband

Shared Systems: End of Life Planning

Population Health: Behavioral Health Task Force

Framework: ~ 25 members on BHTF; 3 subcommittees, also with ~ 25 members.

Purpose: Develop CO's Behavioral Health Blueprint by June 2020.
Begin implementation of recommendations in July 2020.

Subcommittees:

- **State Safety Net:** Offers a roadmap to ensure that every Coloradan, regardless of acuity level, ability to pay, or co-occurring disabilities, can obtain appropriate behavioral health services in their community.

- **Children's Behavioral Health:** Develop a plan to address how we deliver and manage children's behavioral health and improve outcomes.

- **Long-Term Competency:** Consistent with consent decree entered into by CDHS, develop a comprehensive plan for individuals in the criminal justice system who have been found incompetent to proceed and future solutions to increase community interventions to reduce demand on forensic solutions to mental health.

Thank You!