

Northern Colorado Independent Practice Association Meeting

January 26, 2023

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Our Mission: Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



Health First Colorado
(Colorado's Medicaid Program)



Child Health Plan *Plus*



Buy-In Programs



The Colorado Indigent
Care Program



Long-Term Services and
Supports



Dental Program



- Cover 1.74M, up 39% or 490k, 1 in 4 Coloradans
- 43% of the state's children
- 43% of births
- 30% of total state General Fund operating budget (96% of our funding continues to go to providers)



COLORADO

Department of Health Care
Policy & Financing

Managing costs to protect benefits, eligibility, reimbursements

- **HCPF FY 2023-24 Budget: \$14.9B TF, \$4.43B GF**
 - 30% of state General Fund operating budget
 - 96% going to providers, trend cost control is critical along with appropriate reimbursements to support health care workforce growth and access
 - Pandemic enhanced federal matching funds tapering down
- **Medicaid Trend: Paid claim trend +12.8% (9.8% member growth) +2.7% per member per month**

Prudent cost controls and innovations battle medical trend and future state budget challenges in order to protect member benefits, provider reimbursements and eligibility access while increasing quality and closing disparities.

Topics

Challenges:

- Cost increases
- Affordability
- Equity
- Patient mix

Solutions:

- Hospital Transformation Program
- Prescription Drug Solutions
- Value Based Payments
- Emerging affordability tools - eConsults, Providers of Distinction
- Transformation initiatives

Three goals as we re-determine 1.74M members

Most will still qualify, projecting >300k disenroll

1. Member continuity of coverage
2. Member experience, smooth transitions
3. Minimize impact to eligibility workers and state staff

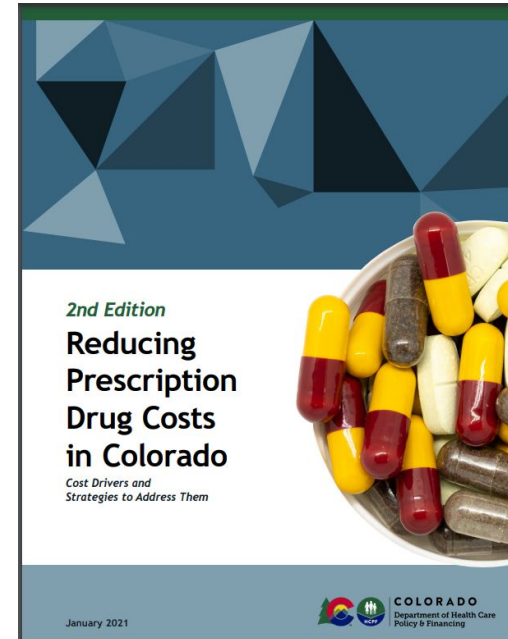


- Planning consistent with federal guidance received Jan. 5
- 12 months (14 mo.s inc. noticing) to complete renewals, likely starting May (March noticing)
 - >60% who are eligible will be automatically renewed without action
 - Auto-enrolling those who qualify into CHP+
- Some have employer sponsored coverage already. Some might need individual coverage and will benefit from financial subsidies. Strong Connect for Health Colorado partnership
- County partnership: funding, oversight, planning, communication
- Medicaid enrollment will go down, CHP+ up. Commercial coverage up

Top drivers of rising health care costs necessitate affordability leadership

Hospital Prices

CO.gov/HCPF/hospital-reports-hub



Rx Costs

CO.gov/HCPF/publications

Nationally leading hospital reports	CO.gov/HCPF/hospital-reports-hub
CIVHC data	CIVHC.org/affordability-dashboard-2
Affordability toolkit	CO.gov/HCPF/affordability

Initiatives to Reduce Prescription Costs



5 recommendations	Progress made on <u>all</u> recommendations
Value based contracts and payments	Hold drug manufacturers accountable for clinical outcomes while rewarding prescribers for being part of the affordability solution
Drug importation	Contracts finalized. Submitted state importation plan application to the FDA
Rebate and contract pass through	HB22-1370: Beginning 2024, insurers required to ensure 100% of rebates are used to lower costs for employers and consumers
Colorado Prescription Drug Affordability Board (PDAB)	Authority to review Rx and evaluate if certain drugs are unaffordable to Coloradans. Ability to establish an upper payment limit for drugs deemed unaffordable and make other policy recommendations to General Assembly
Prescriber tool	Real Time insights - Commercial and Medicaid: OpiSafe and Affordability modules: 10k+ Medicaid prescribers using the tool (44%)

Managing prescription drug costs - the largest driver of rising health care costs and our largest point of fiscal volatility

- #1 health care cost driver is specialty drugs (SRx), already driving 50% of Rx spend - for Commercial and Medicaid
- HCPF: largest payer of emerging SRx. Excited for possible outcomes. Worried about fiscal volatility. 25 similar drugs in the pipeline. SRx Medicaid costs could double in just a few yrs
 - **Hemgenix \$3.5M** - potentially curative treatment option for patients with severe hemophilia B
 - **Zynteglo \$2.8M** - one infusion treatment for beta-thalassemia, unclear if curative
 - **Zolgensma \$1.8M** - treats degenerative muscle condition in infants
 - **Skysona \$3M** - treats degenerative neurological condition in children
- HCPF needs every tool on our toolbelt to drive positive health outcomes and affordability
 - Implementing value based contracts with manufacturers
 - Partnering with fed and other states to negotiate prices with drug manufacturers

Prescription Drug Focus

Prescriber Tool

- Phase I: OpiSafe
- Phase II: Affordability
(>10k/44% using, VBP:
shared savings in process)
- Phase III: SDoH prescribing
programs not just pills
 - WIC, SNAP
 - Diabetes, prenatal

Continue to negotiate **value-based contracts** with drug manufacturers that hold them accountable for their clinical promises

Request: please use affordability module today!
Contact: lauren.hussey@state.co.us



eConsults

- eConsults: provides PCPs with specialist support
 - Enable expanded care in PCP office, improving access
 - More convenient for patients
 - Reduces unnecessary specialist visits and no-shows
 - Supported by value based payments that reward results
 - Targets: vendor selection Jan. 2023; go-live Aug. 2023
- Informs referrals to higher performing docs
- Drives affordability while improving access, outcomes, equity
- PCMPs will use eConsult to identify Colorado Providers of Distinction and improve outcomes and affordability in our VBPs



Colorado Providers of Distinction

- Producing cost and quality indicators to inform referrals and member choice
- Driving affordability while improving care access, quality, health equity
- Analyzing which providers are seeing Medicaid members; addressing “ghost providers”
- Supported by value based payments that reward results
- Unique advantages for rural providers and communities: access, jobs, revenues, closing disparities
- Plan to award ITN in Spring; target 2024/25 implementation



CO's Cost, Price, Profit Nat'l Ranking

Directionally improving. Still work to do.

Measure	2018	2019	2020
Price/Patient	5th highest	4th highest	6th highest
Cost/Patient	8th highest	8th highest	10th highest
Profit/Patient	3rd highest	4th highest	7th highest
Total Profit ie: inv income	1st highest	5th highest	6th highest

Website: CO.gov/HCPF/hospital-reports-hub

Solutions: Hospital Transformation + Prices



Partner on high-quality, affordable hospital care



Investment in rural and frontier hospitals



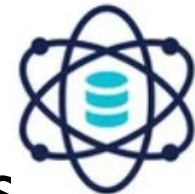
Value based payments and hospital transformation program (HTP)



Leverage hospitals' existing reserves, provider ownership, staff and expertise to improve pandemic readiness best practices



New, emerging hospital price transparency tool



Improve the impact of community investment dollars with more transparency



Study M&A and mega-system impact and solutions to address

Hospital Transformation Program

- 5-year program, hospital-led strategic initiatives (starting year 2)
- Value-based payment incentives to improve patient outcomes through care redesign and integration with the community, optimize Medicaid costs through reductions in avoidable care, and prepare hospitals for future value-based care

1. Avoidable hospital utilization.
2. Core populations.
3. Behavioral health and substance use disorder (SUD).
4. Clinical and operational efficiencies.
5. Community development efforts to address population health and total cost of care.

Pay for Activity and Reporting

Pay for Milestones Achievement

Pay for Performance



Four Principles of Success

1. What is our measurable impact on meaningful metrics?
2. What actions/interventions/processes of care are affecting that impact?
3. What are our learning systems for continuous improvement and what are we learning from our activity and performance?
4. How are we building a culture of engagement and how are we engaging our communities regarding what we measure, what interventions we do, and in our learning and feedback loops?

HTP GOALS

01

Improve patient outcomes through care redesign and integration of care across settings

02

Improve patient experience in the delivery system by ensuring appropriate care in appropriate settings

03

Lower Medicaid costs through reductions in avoidable hospital utilization and increased effectiveness and efficiency in care delivery

04

Accelerate hospitals' organizational, operational and systems readiness for value-based payment

05

Increase collaboration between hospitals and other providers, particularly Regional Accountable Entities (RAEs)

Measures of Note

Screening for Social Needs and Notification to the RAE

Connection to PCMP prior to discharge and follow-up appointment made and notification to the RAE

Screening and Referral for Perinatal and Post-Partum Depression and Anxiety and notification to the RAE

A collaboratively developed discharge plan and notification process with the RAE for patients with a Dx of BH or SUD discharged to home

Follow-up Visit within 30 days after Level 4 or 5 ED Visit

Transmission of SOC to PCP within One Business Day

Well Visits after a Hospital OP or IP encounter

Hospital Index and Adverse Actionable Events

Community Engagement

Consultation with Key Stakeholders

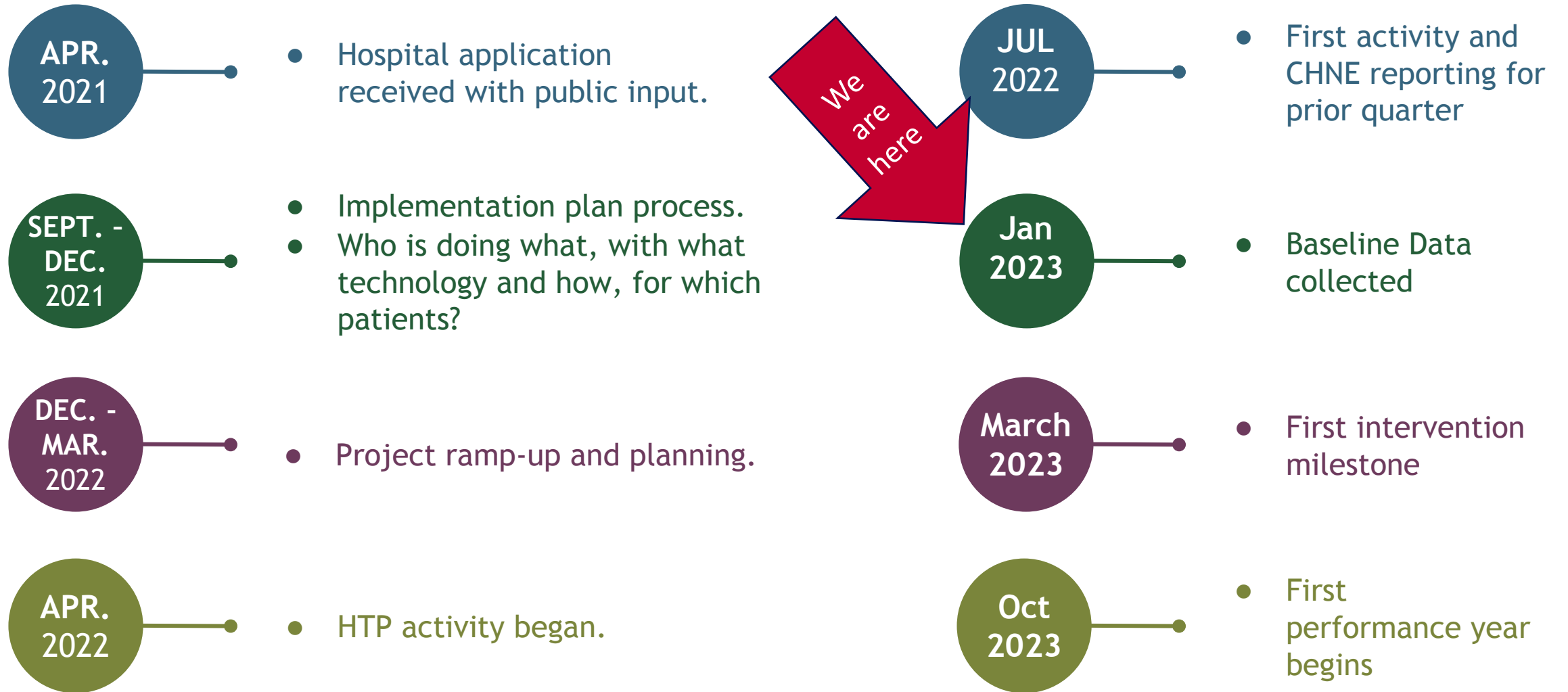
Community Advisory Meetings

Public Input Meetings

Learning Symposium



HTP Timeline



Why is the HTP work important to Northern CO IPA?

- Within the same hospital and even within the same department, outcomes vary from best in class, to worst in the nation.
- **NO** hospital is consistently in the top decile or even quartile across all services.
- Variations occur at the physician level by procedure.
- Connections between the acute and ambulatory settings and community engagement.

HTP - Results through Connections

- Connections between acute, ambulatory, and community
- Connections between 5 focus areas
- Connections between metrics, interventions, equity, and community
 - Community needs and resources
- Connections to provide data and data sharing
 - Turning data into information
- Connections to technology and tools
- Connections to resources including financial
- Connections between value, performance, and payment
- Connections to the providers and staff providing care
- Discovering we're connected in ways we didn't even realize
- Finding connections outside of HTP
- Finding opportunity by getting together to connect just like today.

Health First Colorado Value Based Care Better Care, Reduce Disparities, Affordability

Primary Care APM 2 - Support Primary Care Providers

- **Payment Model:**
 - Partial Cap: 0-100% of revenue prospectively
 - Allow PCPs to use Department tools and invest in innovations
 - Stable revenue supplemented with fee for service
 - Chronic condition episodes: upside only shared savings
 - 83% of total medical spending associated with chronic conditions
 - Increase investment
- **Scope:** Currently, 20% of Medicaid members covered. Budget request to raise partial cap rate by 16% to match medicare payment rates.
- **Engage:** Please consider joining APM 2 or engaging with us in our stakeholder series!

Request: Please reach out to see your data!
Contact: araceli.santistevan@state.co.us

Payment Alternatives for Colorado Kids (PACK)

Payment Alternatives for Kids - Support our Pediatricians!

- Engage with HCPF to Design this APM for Kids:
 - Differences between adult and pediatric patients
 - Separate program for pediatric patients
 - If approved, 16% Rate increase for APM 2 will also apply to PACK
 - We need your expertise to design this program!

Request: please consider engaging!
Contact: devin.kepler@state.co.us

Improving Outcomes and Closing Disparities for Birthing People

Maternity Bundle - Goal of improving health equity and improving outcomes

- **Payment Model:**
 - Upside only perinatal episode (prenatal, delivery, postpartum care) for the obstetrical provider
 - Reward OBs with shared savings for reducing high cost events, improving health outcomes, and closing health disparities
- **Scope:** Currently cover 25% of Medicaid deliveries through the program
- **Engage:** In 2023, HCPF will be engaging stakeholders to improve the program toward improving patient outcomes and closing disparities. Please consider joining the program and helping us to improve the program!

Request: please consider joining or engaging!
Contact: steve.harrington@state.co.us and chloe.wilson@state.co.us

Solutions: Dept strategy to advance value based payments (VBPs) - payments for quality outcomes, equity and affordability

Target: 50%+ in VBP by 2025

- **Hospital:** Quality through Hospital Quality Incentive Payment Program and Hospital Transformation Program
- **Primary Care:** moving to capitation - in this FY 2023-24 budget
- **Prescription Drugs:** with manufacturers, incent docs to be part of the solution
- **Maternity Care:** bundled payments
- **Behavioral Health:** ensure safety net accountability
- **Nursing Homes:** pay-for-performance program to increase quality
- **PACE providers:** in design via ARPA work- home and community based services
- **Providers of Distinction, eConsults:** to drive right care, right place



Questions?

Thank you!