



COLORADO

Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

November 2, 2020

The Honorable Daneya Esgar, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Representative Esgar:

Enclosed please find a legislative report to the Joint Budget Committee from the Department of Health Care Policy and Financing on Performance-Based Payments.

Pursuant to section 25.5-4-401.2, C.R.S., on or before November 1, 2017, and on or before November 1 each year thereafter, the Department of Health Care Policy and Financing (the Department) shall prepare a written report describing rules adopted by the state board and contract provisions approved by the Centers for Medicare and Medicaid Services in the preceding calendar year that authorize payments to providers based on performance.

Federally Qualified Health Centers (FQHC) and Primary Care Medical Providers (PCMP) Value-Based Alternative Payment Methodology (APM)

The Value-Based APM is a point-based system with a payment structure specific to participating Federally Qualified Health Centers (FQHCs) and PCMPs. The FQHCs and PCMPs are responsible for selecting quality measures to focus on with each measure having an assigned point value. The program model consists of both structural and performance measures. Structural measures are characteristics of a practice and will be determined, pass or fail, by the Regional Accountable Entity (RAE) at the FQHC and PCMP site annually. Performance measures are clinical processes or outcomes and will be evaluated based on claims or electronic clinical quality measure (eCQM) reporting on an annual basis. The goal of the Value-Based APM is to reward improved quality of care while managing costs. The Department is committed to aligning performance incentives across the entire delivery system to ensure program participants can be successful within the APM.

The Department is currently in the process of reviewing and updating the measure set for calendar year 2021. The measure set updates include expanding choices for eCQMs, aligning with other payers in Colorado to reduce provider burden, and ensuring weighting is reflective of how difficult it is to implement and report on the measures selected. This



process involves extensive stakeholder feedback. A description of more recent changes can be found in the SB18-226 report that is currently being drafted by the Department.

Value-Based APM Specific to the FQHCs

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PCMP Value-Based APM

The PCMP Value-Based APM's performance measures were developed using elements from other national programs, such as the State Innovation Model (SIM), Uniform Data System (UDS), National Commission on Quality Assurances' (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS), Comprehensive Primary Care Plus (CPC+) and the Quality Payment Program (QPP). The structural measures were developed using the required elements from SIM, CPC+ and the NCQA's Patient-Centered Medical Home (PCMH) recognition program.

There were no rule or contract changes for the PCMP Value-Based APM in calendar year 2019. However, in 2019, a stakeholder engagement process was conducted to make minor alterations to the measure set. The eligibility requirements to address billing issues with PCMP IDs changed and a system change request (SCR) was instituted to further address this issue.

Pay for Performance in the Accountable Care Collaborative (ACC)

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Detailed information on the ACC pay for performance programs can be found in the annual legislative reports on both the ACC and ACC Payment Reform Programs located on the Department's website (<https://www.colorado.gov/hcpf/legislator-resource-center>).

If you require further information or have additional questions, please contact the Department's Legislative Analyst, Jill Mullen, at Jill.Mullen@state.co.us or 303-866-6912.

Sincerely,



Kim Bimestefer
Executive Director
Health Care Policy and Financing

KB/zm

CC: Senator Dominick Moreno, Vice-chair, Joint Budget Committee
Representative Julie McCluskie, Joint Budget Committee
Representative Kim Ransom, Joint Budget Committee
Senator Bob Rankin, Joint Budget Committee
Senator Rachel Zenzinger, Joint Budget Committee
Carolyn Kampman, Staff Director, JBC
Eric Kurtz, JBC Analyst
Lauren Larson, Director, Office of State Planning and Budgeting
Edmond Toy, Budget Analyst, Office of State Planning and Budgeting
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Tracy Johnson, Medicaid Director, HCPF
Bonnie Silva, Community Living Interim Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Anne Saumur, Cost Control Office Director, HCPF



Parrish Steinbrecher, Health Information Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF





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**Department of Health Care
Policy & Financing**

1570 Grant Street
Denver, CO 80203

November 2, 2020

The Honorable Susan Lontine, Chair
House Health and Insurance Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Lontine:

Enclosed please find a legislative report to the House Health and Insurance Committee from the Department of Health Care Policy and Financing on Performance-Based Payments.

Pursuant to section 25.5-4-401.2, C.R.S., on or before November 1, 2017, and on or before November 1 each year thereafter, the Department of Health Care Policy and Financing (the Department) shall prepare a written report describing rules adopted by the state board and contract provisions approved by the Centers for Medicare and Medicaid Services in the preceding calendar year that authorize payments to providers based on performance.

**Federally Qualified Health Centers (FQHC) and Primary Care Medical Providers (PCMP)
Value-Based Alternative Payment Methodology (APM)**

The Value-Based APM is a point-based system with a payment structure specific to participating Federally Qualified Health Centers (FQHCs) and PCMPs. The FQHCs and PCMPs are responsible for selecting quality measures to focus on with each measure having an assigned point value. The program model consists of both structural and performance measures. Structural measures are characteristics of a practice and will be determined, pass or fail, by the Regional Accountable Entity (RAE) at the FQHC and PCMP site annually. Performance measures are clinical processes or outcomes and will be evaluated based on claims or electronic clinical quality measure (eCQM) reporting on an annual basis. The goal of the Value-Based APM is to reward improved quality of care while managing costs. The Department is committed to aligning performance incentives across the entire delivery system to ensure program participants can be successful within the APM.

The Department is currently in the process of reviewing and updating the measure set for calendar year 2021. The measure set updates include expanding choices for eCQMs, aligning with other payers in Colorado to reduce provider burden, and ensuring weighting is reflective of how difficult it is to implement and report on the measures selected. This



process involves extensive stakeholder feedback. A description of more recent changes can be found in the SB18-226 report that is currently being drafted by the Department.

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The Value-Based APM incentivizes FQHCs to improve data collection, analyze data to create plans to improve performance on identified measures, and modify clinical work to improve outcomes. The anticipated impact of this program includes, for example, better chronic care management, and increased screening for cancer, depression, and sexually transmitted infections. Providing claims data and feedback on progress to PCMPs help providers improve their processes and become, or maintain status as, high-achieving medical homes.

PCMP Value-Based APM

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- Key Performance Indicators--A set of measures that reward the RAEs' and their provider networks for achieving progress toward building a coordinated community-based approach to meet members' unique health needs while reducing costs.



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Sincerely,



Kim Bimestefer
Executive Director
Health Care Policy and Financing

KB/zm

CC: Representative Yadira Caraveo, Vice Chair, Health and Insurance Committee
Representative Mark Baisley, Health and Insurance Committee
Representative Janet Buckner, Health and Insurance Committee
Representative Richard Champion, Health and Insurance Committee
Representative Dominique Jackson, Health and Insurance Committee
Representative Kerry Tipper, Health and Insurance Committee
Representative Kyle Mullica, Health and Insurance Committee
Representative Matt Soper, Health and Insurance Committee
Representative Brianna Titone, Health and Insurance Committee
Representative Perry Will, Health and Insurance Committee
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Tracy Johnson, Medicaid Director, HCPF
Bonnie Silva, Community Living Interim Office Director, HCPF
Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Anne Saumur, Cost Control Office Director, HCPF



Parrish Steinbrecher, Health Information Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF





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Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

November 2, 2020

The Honorable Jonathan Singer, Chair
House Public Health Care and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Representative Singer:

Enclosed please find a legislative report to the House Public Health Care and Human Services Committee from the Department of Health Care Policy and Financing on Performance-Based Payments.

Pursuant to section 25.5-4-401.2, C.R.S., on or before November 1, 2017, and on or before November 1 each year thereafter, the Department of Health Care Policy and Financing (the Department) shall prepare a written report describing rules adopted by the state board and contract provisions approved by the Centers for Medicare and Medicaid Services in the preceding calendar year that authorize payments to providers based on performance.

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Sincerely,



Kim Bimestefer
Executive Director
Health Care Policy and Financing

KB/zm

CC: Representative Dafna Michaelson Jenet, Vice Chair, Public Health Care and Human Services Committee
Representative Yadira Caraveo, Public Health Care and Human Services Committee
Representative Lisa Cutter, Public Health Care and Human Services Committee
Representative Serena Gonzales-Gutierrez, Public Health Care and Human Services Committee
Representative Richard Holtorf, Public Health Care and Human Services
Representative Sonya Jacquez Lewis, Public Health Care and Human Services Committee
Representative Lois Landgraf, Public Health Care and Human Services Committee
Representative Colin Larson, Public Health Care and Human Services Committee
Representative Larry Liston, Public Health Care and Human Services Committee
Representative Kyle Mullica, Public Health Care and Human Services Committee
Representative Rod Pelton, Public Health Care and Human Services Committee
Representative Mary Young, Public Health Care and Human Services Committee
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Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

November 2, 2020

The Honorable Rhonda Fields, Chair
Senate Health and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Senator Fields:

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Sincerely,



Kim Bimestefer
Executive Director
Health Care Policy and Financing

KB/zm

CC: Senator Faith Winter, Vice Chair, Health and Human Services Committee
Senator Larry Crowder, Health and Human Services Committee
Senator Jim Smallwood, Health and Human Services Committee
Senator Joann Ginal, Health and Human Services Committee
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