

Fiscal Year 2021-2022 Department Performance Plan



COLORADO
Department of Health Care
Policy & Financing

Contents

Introduction.....	3
Department Overview.....	3
Mission and Vision.....	5
Organizational Chart	6
Department Descriptions	6
Environment	8
Fiscal Year 2020-2021, Q3: Performance Evaluation	14
Fiscal Year 2021-2022: Wildly Important Goals & Measures.....	29
Fiscal Year 2021-2022: Department Pillars.....	32
Glossary.....	37

Introduction

The Colorado Department of Health Care Policy & Financing Fiscal Year (FY) 2021-2022 performance plan is an annual report on progress made toward achieving our mission and supporting goals. This report includes accomplishments, project status, findings, data, and policy and administrative difficulties in the operation of our programs as of FY 20-2021, Quarter 3. This report is completed for the Colorado General Assembly; stakeholders, providers, and contractors; the people of Colorado; and staff of the Department of Health Care Policy & Financing (herein referred to as “HCPF”).

For reference, a glossary of acronyms and relevant terms is at the end of this document.

Department Overview

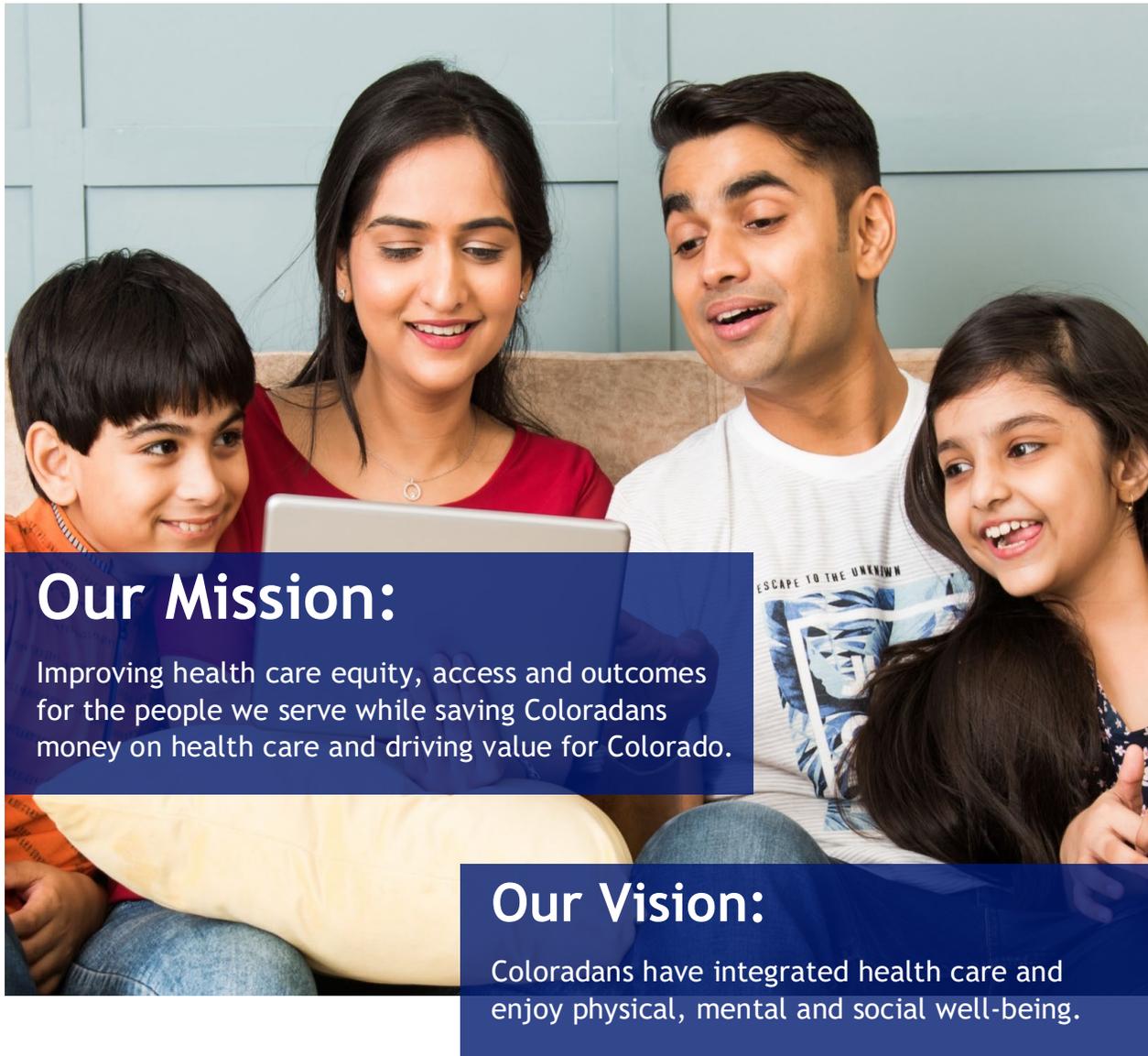
HCPF is the single Colorado state agency responsible for administering the Medicaid program (Title XIX of the Social Security Act) and the Children’s Health Insurance Program (Title XXI of the Social Security Act). Colorado’s Medicaid program is called Health First Colorado and our Children’s Health Insurance Program is called Child Health Plan *Plus* (CHP+). In addition to these programs, HCPF administers the Colorado Indigent Care Program (CICP), the Old Age Pension State Medical Program, the Primary Care Fund, and the School Health Services Program. We also provide health care policy leadership - affordability best practices, health care innovation opportunities, policy guidance, and subject matter expertise - for the state’s executive branch, legislative branch, and to purchasers. As the largest payer in the state - now covering 1 in 4 Coloradans through this COVID-19 economic downturn - we also collaborate with the state’s largest insurance carrier payers to create best practices on shared initiatives to the benefit of Coloradans like value based payments or innovations like the prescriber tool, eConsults, centers of distinction (previously centers of excellence), and more. The Department also oversees the state’s All-Payer-Claims-Database (APCD).

HCPF does not directly provide or deliver medical services; rather, we administer a network of public and private providers who render services to members. We serve Coloradans who are eligible for and/or enrolled in Health First Colorado and CHP+, and those who receive services through the other programs described above. In serving these customers, we partner with medical, dental, behavioral health, vision, and other medical care providers, as well as long-term services and supports providers; other state agencies; the Centers for Medicare & Medicaid Services (CMS); groups that advocate for member populations; the Governor’s Office and the Colorado General Assembly; service contractors; expert consultants and advisors; various nonprofit entities; commercial carriers; and entities that help individuals apply for benefits such as Colorado counties, local government agencies, and medical

assistance sites.

Health First Colorado receives approximately 63% of its funding from the federal government, while CHP+ is approximately 67% federally funded. Less than 4% of HCPF's budget goes to administrative costs, while 96% goes to health care provider payments.

Mission and Vision



HCPF modernized its mission this year, after engagement with stakeholders including the Member Experience Advisory Committee (MEAC, which includes Health First Colorado and CHP+ members), the Program Improvement Advisory Committee (PIAC, which includes providers, advocates, and various stakeholders), and HCPF employees. The new mission statement has three new points of emphasis: first, our commitment to health care equity; second, our increased focus on Medicaid cost control recognizing our increased membership, the programs impact on the state budget, and the importance of member benefit as well as provider reimbursement protection; third, our work supporting health care affordability for all Coloradans. These key concepts are reflected in our goals and work this past year and will inform our work in the coming year.

Organizational Chart



Department Descriptions

Executive Director's Office: Kim Bimestefer was appointed Executive Director of the Department by Governor Jared Polis after her first appointment effective January 8, 2018. The Executive Director is responsible for setting the strategic direction of HCPF; creating alignment with other state agencies to achieve the health care agenda of the Governor; overseeing the operations and programs of the Department which are provided by both employees and contractors and ensuring HCPF operates in an efficient and effective manner; and leading HCPF to achieve its vision, mission, and annual goals. The office also leads collaborative efforts to drive down health care costs and prices to the benefit of Coloradans, their employers, Medicaid, CHP+, and the state. Lastly, this office oversees human resources and learning and development to support HCPF employees.

Cost Control & Quality Improvement Office: The Cost Control & Quality Improvement Office was established July 1, 2018, by the Medicaid Cost Containment law ([SB18-266](#))¹. This office manages the data repositories and tools, using these resources to produce directional analyzes such as utilization, unit cost, quality, and overall cost trends for Health First Colorado, CHP+, and other health care safety net programs administered by HCPF. The office oversees utilization review, population management, case and disease management, quality scorecard metrics, and cost management strategy, vendors, and program effectiveness, while sharing Regional Accountable Entity innovations and performance evaluation with the Health Policy Office. The office also secures insights into cost trend drivers and evolving utilization patterns.

¹ https://leg.colorado.gov/sites/default/files/documents/2018A/bills/2018a_266_enr.pdf

Health Programs Office: The Health Programs Office oversees Health First Colorado and CHP+ acute care, physical, and behavioral health programs. The office manages benefit policy development and oversight and is responsible for key functions including benefit coverage appeals, federal and state compliance activities, and the Accountable Care Collaborative.

Medicaid Operations Office: The Medicaid Operations Office oversees fraud, waste and abuse function and the Medicaid and CHP+ health plan operations performed by both Department employees and third-party contractors. In addition, this office establishes and monitors the operational performance standards for internal operations as well as for Department contractors. Operations includes claims payments, member and provider call centers, member enrollment, eligibility determinations made by contracted partners, and provider network management.

Policy, Communications and Administration Office: The Policy, Communications and Administration Office manages the legislative agenda, government affairs, communications and media relations, and legal affairs. This includes collaborating with our stakeholders in the General Assembly, our county human services administration, local public health and county commissioners, as well as our federally recognized tribes and urban American Indian communities.

Health Information Office: The Health Information Office (HIO) develops, implements, and maintains HCPF's claims payment system (Medicaid Management Information System, or MMIS) and HCPF's data management system (Business Intelligence Data Management System, or BIDM). The office also oversees Health Information Technology (HIT) projects and related Information Technology (IT) infrastructure. This office coordinates with the Governor's Office of Information Technology, the Office of eHealth Innovation (OeHI), and other stakeholders on HIT and IT projects that impact HCPF. In 2021, and in partnership with the Medicaid Operations Office, HIO assumed shared responsibility with OIT and the Colorado Department of Human Services (CDHS) for the management of Colorado Benefits Management System (CBMS), the state's eligibility system.

Finance Office: The Finance Office is responsible for the financial strategy, budgeting, accounting, external and internal audits, and risk management and procurement operations of HCPF. This includes presenting budgetary needs to Colorado executive and legislative authorities and forecasting program caseload and expenditures throughout the fiscal year. The office is also responsible for monitoring, developing, and implementing rates for payments to providers, including value-based payments and managed care rate setting.

Office of Community Living: The Office of Community Living oversees Health First Colorado's long-term services and supports (LESS) programs and manages efforts to transform Colorado's LTSS system to ensure responsiveness, flexibility, accountability, and person-centered supports for all eligible persons.

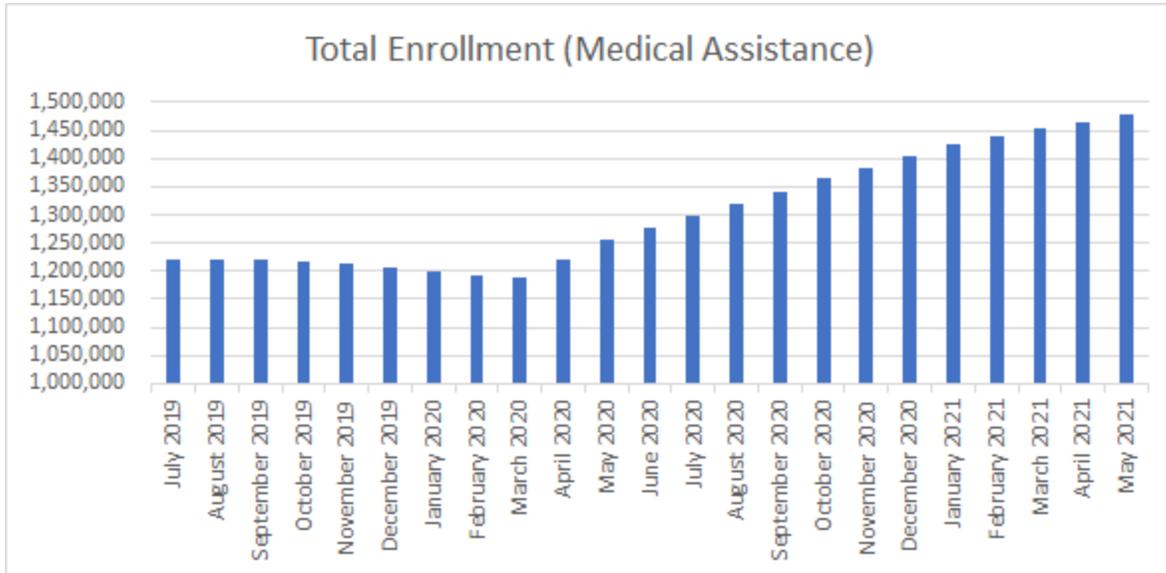
Pharmacy Office: The Pharmacy Office oversees the prescription drug benefits provided to Health First Colorado and CHP+ members. The office is responsible for ensuring strong prescription drug policy and clinically appropriate and cost-effective use of medications. Focus areas include the Colorado Preferred Drug List Program; drug-utilization review including analysis and input from the Colorado Drug Utilization Review Board; value-based contracting; prescription drug affordability policy; reimbursement strategy; and contracting. The office also manages the point-of-sale pharmacy claims adjudication system (the Pharmacy Benefit Management System, or PBMS).

Environment

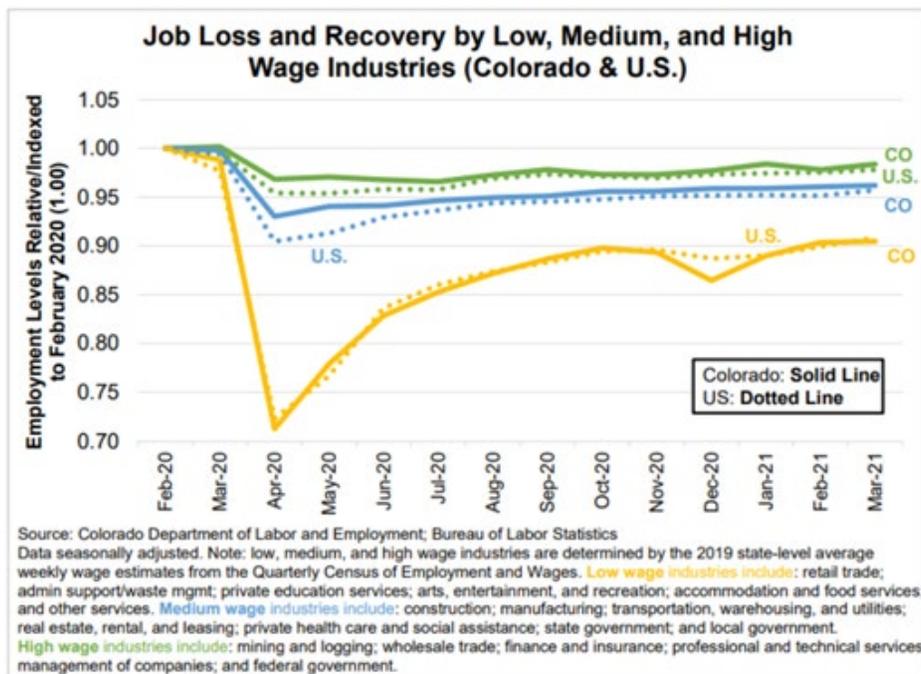
COVID-19: The novel coronavirus (COVID-19) pandemic continues to have an unprecedented impact on the health care sector, the economy, and our most vulnerable Coloradans. More than a year after the pandemic began, more than 550,000 Coloradans have been infected and about 6,800 have died from COVID-19. Older Coloradans, those in congregate settings like nursing facilities, obese, and people of color disproportionately experienced higher rates of COVID-19 infections and related morbidity and mortality.

The health care industry has been on the front lines of battling the pandemic, caring for those infected, building up massive testing infrastructure, and now vaccinating Coloradans at an unprecedented rate. Our health care institutions and professionals have risen to the challenge, working harder for an unparalleled, sustained length of time. Health care workforce burnout was an issue even before the pandemic; the long-term impacts on burnout due to COVID-19 remain unclear.

Changes in Economic Conditions: An economic downturn primarily affects HCPF by increasing Medicaid and CHP+ enrollment and membership (referred to technically as caseload). During an economic downturn, unemployment rises, particularly for people with lower incomes. As a result, membership rises rapidly. This was indeed true during the pandemic. After an extended period of declining enrollment in Medicaid and CHP+, a dramatic increase began in April 2020 (see chart below). As of May 2021, the total number of Medicaid members increased from 1.25 million to 1.5 million, which is an increase of 20% in 13 months. Additionally, the federal government required medical assistance program coverage to be continuous during the declared public health emergency (PHE), so people enrolled in Medicaid during the PHE have in most cases maintained their Medicaid coverage (more details are in the following section).



The influx in Medicaid and CHP+ members resulted in increased costs to the state at a time when the state had lower General Fund revenues. Even after the declared PHE ends, and as Colorado’s economy recovers, program membership will likely remain above pre-pandemic levels for some time. That is because people earning lower wages suffered more job losses and are gaining those jobs back more slowly than people earning medium or higher wages (see chart below from Colorado Department of Labor and Employment).



HCPF will continue to closely monitor program enrollment. When membership does start going down, the Coloradans rising off Medicaid will favor the healthier members while those who remain on Medicaid will be less healthy and have higher average health care costs. The Department’s overall claim costs will go down while the per

member per month claim costs will rise. Additionally, some Coloradans will have forgone preventive, routine, and higher levels of needed care during this pandemic, which could lead to worse health outcomes and increased future costs for Medicaid

Public Health Emergency Wind Down: At the beginning of the COVID-19 pandemic, the federal government declared a public health emergency (PHE). In Section 6008 of the Families First Coronavirus Response Act, Congress conditioned temporary enhanced federal Medicaid funding with a requirement that generally prohibits a state from disenrolling any individual who was enrolled as of the date of enactment until the last day of the month in which the PHE ends. As a result, Colorado must continue health care coverage for all medical assistance programs, even if a member's eligibility changes. In addition, Colorado elected to provide this same protection to CHP+ members. All Medicaid and most CHP+ members have remained enrolled and are eligible to receive benefits during the PHE. The PHE was recently extended to July 20, 2021 and is expected to last through 2021, as per HHS communications.

For members receiving Medicaid benefits and some members receiving CHP+ benefits, Colorado's counties are responsible for processing eligibility redeterminations. Colorado is a state-supervised, county-administered system for public assistance. HCPF reimburses counties for eligibility determinations based on staffing and related administrative costs. When the PHE ends, HCPF and Colorado's counties will be responsible for reviewing eligibility of all members whose coverage and/or benefits were locked in during the PHE, processing redeterminations, and communicating with Medicaid and CHP+ members about any changes. Existing federal guidance requires that states complete post-enrollment verifications within a timeframe to be determined by the Centers for Medicare & Medicaid Services (CMS). Although CMS has not yet released official guidance about the end of the PHE, HCPF anticipates the time frame will be no more than six months from the expiration of the PHE.

American Rescue Plan Act of 2021: On March 10, 2021, President Biden signed into law the American Rescue Plan Act (ARPA). The ARPA provides \$1.9 trillion in relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. The ARPA includes direct aid for state and local governments. Legislative Council Staff expect \$3.9 billion in state funds and \$2.29 billion in local funds for Colorado.

The ARPA includes a one-time 10% federal medical assistance percentage (FMAP) increase for Home and Community-Based Services (HCBS). HCPF estimates this could be an increase of \$550 million, which must be spent by March 31, 2024. The increased FMAP must be used "to supplement, and not supplant" the level of state funds expended for HCBS programs in effect as of April 1, 2021. HCPF is seeking to leverage these funds for: COVID-19 response and recovery, supercharging existing initiatives and advancing system reform, and investing in infrastructure that has a long-term benefit to the system and people of Colorado. HCPF collaborated with the Joint Budget Committee to develop legislation to govern the use of the HCBS funding. HCPF is engaging providers, members, advocates, and stakeholders closely. We established

a new [website](#),² held a series of stakeholder meetings, and are collecting public comments. Colorado's spending plan for this funding is contingent upon CMS approval and the JBC. HCPF will continue to work closely with the Governor's Office, the Legislature, and stakeholders on how to utilize any ARPA funding allocated to HCPF.

Mental Health Care in Colorado: Colorado is, overall, a physically healthy state, ranking #6 in the nation on the 2020 Commonwealth Fund's Overall Health Ranking.³ However, in terms of mental health, Colorado lags far behind other states, ranking #47 (out of 50 states and Washington DC) for overall mental health in the Mental Health America rankings.⁴ Over fifteen percent of Coloradans reported poor mental health in 2019, up from 11.8% in 2017.⁵ In Colorado, in April/May 2021, 30.8% of Coloradan adults reported symptoms of anxiety and/or depressive disorder. Deaths in the state from drug overdose increased from 16.9 per 100,000 population in 2015 to 25.6 per 100,000 in 2020.⁶ In 2019, Colorado had the fifth-highest suicide rate in the nation.⁷

Many Coloradans report they are not able to access timely care because the services they need are not available in their communities, wait times are too long, or providers are unable to accommodate their disabilities. In a 2019 survey, 13.5% of Coloradans reported that they did not get mental health treatment that they needed,⁸ and over 95,000 Coloradans 18 and older (2.3%) did not get treatment or counseling to address substance use disorder in 2019.⁹ Mental Health America ranked Colorado 31st worst among states in terms of access to care.¹⁰ With approximately 1 million people in Colorado in need of behavioral health services, Colorado needs a comprehensive system that puts people first, and that is why the Department is dedicated to continue working with our communities and state partners to implement behavioral health reform in Colorado.

Increasing Health Care Costs: The affordability of health care continues to be one of the most significant challenges facing HCPF, the state, and the nation. With the economic downturn, all payers - self-funded employers and Medicaid alike - benefit from a solid affordability strategy. As a trusted health care expert, and in partnership with other health care thought leaders, HCPF is focused on research, analytics, and reporting that identify drivers of rising health care costs and strategies to address them.

² <https://hcpf.colorado.gov/arpa>

³ <https://2020scorecard.commonwealthfund.org>

⁴ <https://mhanational.org/research-reports/2021-state-mental-health-america>

⁵ <https://www.kff.org/other/state-indicator/adults-reporting-any-mental-illness-in-the-past-year/>

⁶ <https://www.kff.org/statedata/mental-health-and-substance-use-state-fact-sheets/>

⁷ <https://www.kff.org/statedata/mental-health-and-substance-use-state-fact-sheets/>

⁸ <https://www.coloradohealthinstitute.org/research/2019-colorado-health-access-survey-behavioral-health>

⁹

https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/2019%20CHAS%20Substance%20Use%20Brief_1.pdf

¹⁰ <https://mhanational.org/research-reports/2021-state-mental-health-america>

CMS predicts that [national health spending](#) is projected to grow at an average rate of 5.4% per year between 2019 and 2028, outstripping growth in the nation's Gross Domestic Product. CMS predicts that Medicaid spending will also grow at a rate of 5.5%, which is between the projected rate of Medicare growth at 7.6% and private health insurance growth at 4.8%. CMS identifies that key trends involve rapid increases in prescription drug spending, hospital spending, and physician and clinical services.¹¹

For Colorado, rising health care costs will continue to create budgetary pressures. While HCPF continues to implement new payment methodologies that condition a portion of reimbursements on outcomes and performance metrics, implement delivery system innovations, and regulatory structures that prioritize member health, medical inflation will continue to be a challenge. Below are prominent environmental factors affecting affordability that HCPF has focused on addressing.

Prescription drug costs: The high cost of prescription drugs, especially specialty drugs, is a challenge for Medicaid, CHP+, and all health plans. In January 2021, HCPF released the second edition report titled, "[Reducing Prescription Drug Costs in Colorado](#)."¹² Patent protections, specialty drugs, and lack of price transparency appear to be fueling rising drug costs. The report makes both state and federal recommendations to achieve meaningful reductions in the total cost of prescription drugs for not only Medicaid and CHP+, but also for Colorado and Coloradans.

Hospital delivery system: Colorado's hospital prices are some of the highest in the country. While Colorado is fortunate to have a healthy population that contributes to lower per capita costs, the prices for individual procedures, inpatient care, and outpatient care are higher than the average in Colorado and vary widely across hospitals. HCPF's [Colorado Hospital Cost Shift Analysis](#),¹³ published in January 2020, provides a thorough analysis of prices and profits across the hospital industry in Colorado and debunks the cost shift myth. HCPF also provided insights into Colorado hospitals' prices, costs and profits in a presentation and webinar in April 2021 and will release an updated Hospital Prices, Costs and Profits report in the Summer of 2021.

Population Utilization Norms: Like most health plans, less than 5% of the Medicaid population have conditions that are driving more than 50% of the claim expenses. 84% of HCBS members have a chronic condition, 31% of whom have 5 or more chronic conditions. Having strong reporting insights to help frame strategic solutions is critical as is managing complex claimants to secure the right care, at the right time, and the right price to address this reality.

¹¹ <https://www.cms.gov/files/document/nhe-projections-2019-2028-forecast-summary.pdf>

¹² <https://hcpf.colorado.gov/sites/hcpf/files/Reducing%20Prescription%20Drug%20Costs%20in%20Colorado%20Second%20Edition.pdf>

¹³ <https://www.colorado.gov/pacific/hcpf/colorado-cost-shift-analysis>

Demographics: Colorado’s growing and aging population will continue to increase costs in HCPF programs. The State Demography Office predicts a [total population growth](#) of close to 480,000 people (7%) between 2020 and 2025.¹⁴ As the population grows, Medicaid and CHP+ membership will also grow. [Growth rates](#) are even higher among older adults, with 13% growth of people between the ages of 65-74, and 30% growth of people aged 75 and older.¹⁵ By 2050, the population of people 65 and older is estimated to more than double. As people age and spend down their resources, they become eligible for Medicaid. Further, people who require assistance with activities of daily living qualify for Medicaid at higher income levels.

Long-Term Care Direct Care Workforce: HCPF currently serves nearly 70,000 individuals who receive long-term services and supports. As the third fastest growing state in the nation for aging and older adults, this number is only expected to grow larger in the coming years. Current workforce shortages reflect challenges with recruiting and retention, with some providers reporting as high as 82% turnover, particularly in rural areas. COVID-19 has exacerbated the challenges associated with high burnout rates these workers on the front lines of serving our most vulnerable Coloradans report high burnout rates.

¹⁴ <https://demography.dola.colorado.gov/births-deaths-migration/data/components-change/#components-of-change>

¹⁵ <https://demography.dola.colorado.gov/population/population-totals-counties/#population-to-tals-for-colorado-counties>

Fiscal Year 2020-2021, Q3: Performance Evaluation

There were two Wildly Important Goals (WIGs¹⁶) in HCPF's FY 2020-2021 performance plan: 1) Access to Care and Customer Service, and 2) Medicaid Cost Control. Data from these measures is reported below and additional detail is available in the [FY 2020-21 Department Performance Plan](#).¹⁷

WIG 1, Q3: Access to Care and Customer Service

The economic downturn has caused an unprecedented number of Coloradans to lose their employer-sponsored health coverage. HCPF saw a 19% increase in Coloradans receiving services through Health First Colorado and CHP+. Clearly, Coloradans need support through this challenging time. We have focused our WIGs on the areas that are visible and meaningful to Coloradans, including enrollment support (call center response and application processing time), member call center, provider call center and payment turnaround time, provider recruitment and member access to providers, and connecting members who do not qualify for Health First Colorado or CHP+ to other coverage options through Connect for Health Colorado, the state's insurance marketplace.

Successful completion of this goal will ensure Colorado's most vulnerable residents are able to get coverage in a timely manner, get their questions answered, and have access to providers to meet their needs. Part of achieving this goal is also supporting our providers by answering their questions and paying claims in a timely manner. Q4 results will be finalized in August 2021, and HCPF will meet or exceed these goals.

¹⁶ Learn more about Gov. Polis' health care goals and priorities at <https://dashboard.colorado.gov/key-issues-performance/health>

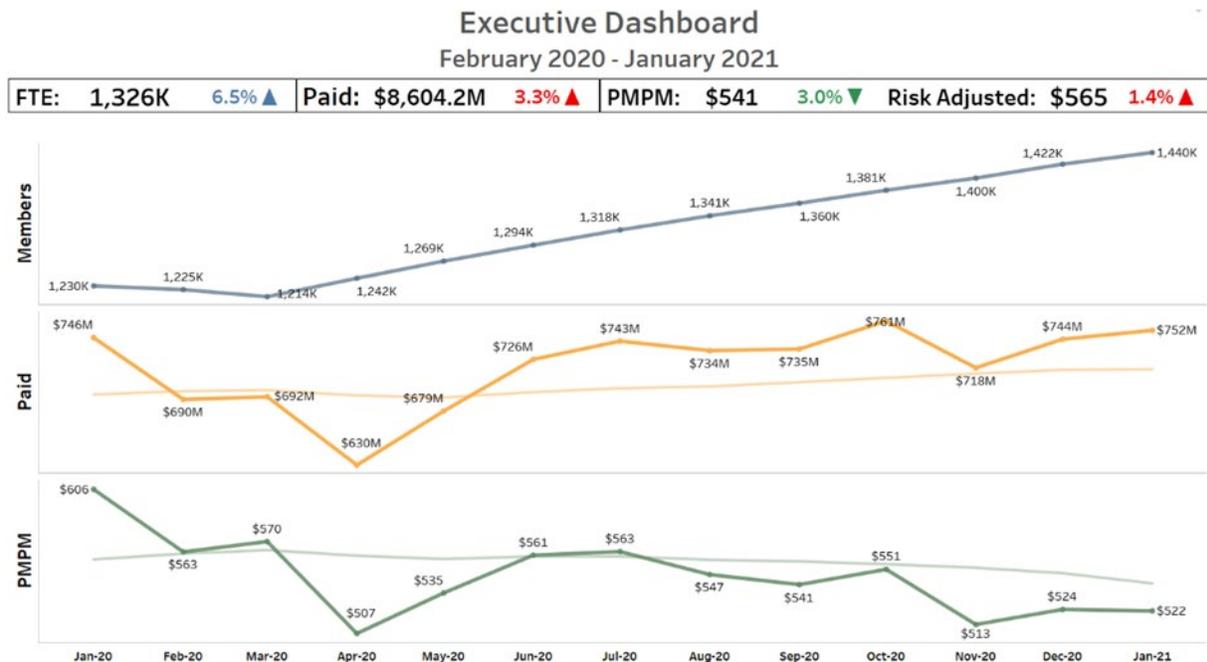
¹⁷ <https://operations.colorado.gov/performance-management/department-performance-plans/health-care-policy-financing>

WIG #1 Annual Measure	FY 20 YE	FY 21 Q3	FY 21 May	FY 21 Goal
<p>Deliver health care coverage, service and access to Coloradans during this economic downturn. By June 30, 2021, out-perform average monthly targets as measured by the number of new Medicaid providers, member application processing times, call center speed-of-answer time, provider payment turnaround time, and timeliness of application referrals to Connect for Health Colorado.</p> <p>Q3 Evaluation: On track. Annual measure. Data to be reported at the end of FY.</p>	N/A	N/A	N/A	100%
<p>Process 95% of eligibility applications within 45 days through June 30, 2021.</p> <p>Q3 Evaluation: On track. March application processing rate is 98.1% within 45 days.</p>	94.4%	98.1%	98.9%	95%
<p>Answer calls at the provider call center, member call center, and enrollment call center in an average of less than 150 seconds through June 30, 2021.</p> <p>Q3 Evaluation: On track. Combined weighted average for all three call centers is very favorable to goal.</p>	32 Seconds	92 Seconds	47 Seconds	150 Seconds
<p>Enroll 10,000 new Health First Colorado providers by June 30, 2021.</p> <p>Q3 Evaluation: Currently on pace to exceed goal with an estimated 10,900 new providers enrolled by June 30, 2021.</p>	9,549	8,100	10,078	10,000 ¹⁸
<p>Pay 100% of Medicaid medical and pharmacy claims in an average of less than seven days through June 30, 2021.</p> <p>Q3 Evaluation: On track. Claims consistently process between 3 and 4 days.</p>	3.5 days	3.5 days	3.7 days	7 days
<p>Refer 90% of applicants determined not eligible for Health First Colorado or CHP+ to Connect for Health Colorado within three days of authorization date through June 30, 2021.</p> <p>Q3 Evaluation: On track. 99% of eligible applications are referred within 3 days.</p>	N/A	99%	99%	90%

¹⁸ Starting point for FY21 goal is zero.

WIG 2 Q3: Medicaid Cost Control

Medicaid cost control continues to be a high priority for HCPF and being an effective steward of Coloradans' valuable financial resources remains paramount. Controlling costs has been even more critical in the months and years ahead given the economic downturn and the continued growth in Medicaid and CHP+ enrollment, which impact the state budget (as described above). Successful completion of this goal ensures effective stewardship of Colorado's financial resources while maintaining our commitment to member access to care and health outcomes. For example, one of the leading indicators for this WIG is the implementation of condition management and care support programs. Proactive engagement with our members who have complex, high cost health care needs, and conditions can improve outcomes and quality of life for these members while simultaneously lowering the cost to the state. Many of these goals were completed by Q3, and we are on track to meet or exceed the remainder of our goals. All goals will be achieved.



Medicaid Trend. The February 2020 to January 2021 Medicaid trend, compared to the prior 12-month period, is DOWN 3.0% PMPM (Gov's WIG is PMPM trend increase $\leq 2\%$; includes claim payment runout). Risk-adjusted trend is up 1.4%. Paid trend is up 3.3%, which is low given membership is up 6.5% during the same period ***We have significantly outperformed this Medicaid cost control goal.***

WIG #2 Annual Measure	FY 20 YE	FY 21 Q3	FY 21 May	FY 21 Goal
<p>Responsibly manage health care costs to achieve an annual Medicaid trend¹⁹ of no more than 2.0% by June 30, 2021.</p> <p>Q3 Evaluation: Annual measure. Data to be reported after the end of FY. HCPF is on track to meet this measure.</p>	11%	N/A	-3.0%	2%
<p>Reduce Emergency Department visits per thousand members an average of 1.5% by June 30, 2021, by helping members maximize telemedicine and the right settings for care.</p> <p>Q3 Evaluation: On track. Data for the Emergency Department lags by four months, so the data shown here is as of the end of Q2 (Dec. 2020) and reflects a rolling 12-month average change in per thousand members per year.</p>	N/A	-12.9%	-20%	-1.5%
<p>Complete implementation of the Maximum Allowable Cost (MAC) reimbursement model by April 1, 2021, to control specialty prescription drug costs.</p> <p>Q3 Evaluation: Completed. The MAC is fully implemented, and the required cost savings have been achieved.</p>	N/A	100%	100%	100%
<p>Implement the diabetes, case management for members with complex health care needs, and maternity support programs across all Regional Accountable Entities (RAEs) by Dec. 31, 2020, to improve health and better control high cost claims.</p> <p>Q3 Evaluation: Completed. All RAEs and both MCOs have implemented programs for maternal health, diabetes, and case management for members with complex health care needs.</p>	N/A	100%	100%	100%
<p>Complete the study and policy design for telemedicine by Dec. 31, 2020, in preparation for implementation in the following fiscal year.</p> <p>Q3 Evaluation: Completed. Initial study and policy changes have been completed and are reported in the Telemedicine Evaluation Report. HB21-1256²⁰ is moving through the legislative process and will provide flexibilities to create a comprehensive telemedicine policy to meet Department goals.</p>	N/A	100%	100%	100%

Shared Agency WIGs: Governor's Health Cabinet

In addition to the two Department-specific, Governor's WIGs above, HCPF partnered with the Governor's Office of Saving People Money on Health Care, and the Colorado Departments of Human Services, Public Health & Environment, and Regulatory

¹⁹ Trend will be defined as the growth from FY 2019-20 to FY 2020-21 in the total amount paid for Medicaid services, not including supplemental financing payments, divided by average monthly caseload.

²⁰ <https://leg.colorado.gov/bills/hb21-1256>

Agencies (CDHS, CDPHE, and DORA), to accomplish shared agency WIGs that Gov. Jared Polis and his health cabinet have prioritized.

Health Cabinet WIG 1: Implement Behavioral Health Task Force Recommendations

On April 8, 2019, Gov. Jared Polis directed the Colorado Department of Human Services to spearhead Colorado’s Behavioral Health Task Force, which was further supported by two bills passed in the 2019 Legislative Session ([SB 19-222](#)²¹ and [SB 19-223](#)²²). The mission of the task force is to evaluate and set the roadmap to improve the current behavioral health system in the state. The task force is comprised of an executive committee and four subcommittees; Executive Director Bimestefer is a member of the executive committee and HCPF is represented on each of the four subcommittees. The task force drafted the “[Behavioral Health Blueprint](#)” which includes recommendations to improve access to prevention and treatment, improve quality and accountability, re-design state financing, and align technology, policy, and innovation.²³ Currently, behavioral health services and funding are scattered across multiple Departments, programs, and populations, each with separate eligibility, data reporting, and funding sources. As the largest payer of behavioral health services in the state, HCPF will be an active partner in leading the state’s coordinated efforts to improve services and outcomes for those in need of behavioral health supports.

Outcome Measures: No Outcome Measures for HCPF

Health Cabinet WIG 2: Reduce Prescription Drug Costs

As discussed above, prescription drug costs are the fastest growing consumer health care expense in the U.S., a trend that is unlikely to change in the coming years without intentional disruption, including the implementation of best practices and strategic policy changes.

Outcome Measures: On Track and Delayed

- On Track. Launch a tool that provides prescribers with information (“[Prescriber Tool](#)”), such as retail drug costs and member co-pay information, by June 30, 2021, to enable more efficient prescribing patterns and reduce costs to employers and Medicaid.²⁴
- Delayed. Submit the Section 804 Importation Program (SIP) to the U.S. Department of Health and Human Services (HHS) to enable Colorado to import drugs from Canada, in order to create an average savings of 60% on all imported drugs, assuming that the final drug importation rule is released in December 2020, as announced by HHS, and allows for effective implementation of the program.
 - This outcome is delayed because HHS delayed the release of the final Importation rule; this rule wasn’t released until November of 2020.

²¹ <https://leg.colorado.gov/bills/sb19-222>

²² <https://leg.colorado.gov/bills/sb19-223>

²³ <https://hcpf.colorado.gov/sites/hcpf/files/Behavioral%20Health%20and%20Integration%20Strategies%20PIAC%20Subcommittee%20A%20Blueprint%20for%20Reform%20Packet%20October%202020.pdf>

²⁴ <https://hcpf.colorado.gov/prescriber-tool-project>

That said, Colorado, along with Florida, is leading the nation in its progress on Importation.

Outcome Measures: Complete

- Use the Center for Improving Value in Health Care (CIVHC) 2020 [Colorado Prescription Drug Spending & the Impact of Drug Rebates Report](#)²⁵ to empower employers to negotiate higher rebate sharing, which lowers their net prescription drug costs.

Health Cabinet WIG 3: Create Insurance Premium Savings in the Large Employer Market

The Governor’s Office of Saving People Money on Health Care has set out to make health insurance more affordable as part of its focus on identifying and addressing root causes of the outrageous cost of health care. HCPF is supporting this work through the Governor’s Health Cabinet by implementing strategies to achieve the outcome measures below focused on education, programs, and partnerships:

Outcome Measures: Delayed.

- Released CIVHC cost insights report to empower employers to negotiate higher rebate sharing, which lowers their net prescription drug costs.
 - Complete
- Create the foundation to enable e-Consults to support primary care and reduce inappropriate specialist care by June 30, 2021.
 - RFP in process.
- Implement the Hospital Transformation Program (HTP)²⁶ by June 30, 2021, to reduce readmissions, reduce the number of babies needing care in the Neonatal Intensive Care Unit (NICU), and reduce Emergency Department (ED) ED visits.
 - 95% completion as of May, expected to complete in June.
- Identify Hospital Centers of Excellence protocols by procedure and major care type to be used by employers and their representatives to target contracting (monthly percentage completion).
 - In process, with the first models due in August 2021

²⁵ https://www.civhc.org/wp-content/uploads/2021/01/CO-Drug-Rebate-Report_1.8.2020.pdf

²⁶ <https://hcpf.colorado.gov/colorado-hospital-transformation-program>

Key Accomplishments

COVID-19 Activities

In an unprecedented year, HCPF led several initiatives to respond to the COVID-19 pandemic in order to support growth in membership, address outbreaks, stabilize the system, and leverage the opportunity for innovation. Key efforts include:

Supported Membership Growth: During the pandemic, enrollment in Medicaid and CHP+ grew by 19% - approximately one quarter of a million people - to now cover one in four Coloradans. To support this growth, HCPF is on track to enroll more than 10,000 new providers in Medicaid. HCPF also referred 99% of eligible applications to Connect for Health Colorado within 3 days of authorization. Finally, HCPF added 32 new pharmacies and nearly doubled the number of pharmacists (an additional 781 new pharmacists) for COVID-19 vaccine distribution.

Residential Strike Team: With the beginning of the COVID-19 outbreak back in March 2020, HCPF and CDPHE set up a Residential Strike Team to address outbreaks of COVID-19 in all group residential settings serving older adults and people with disabilities. The Strike Team developed and launched a resource to collect real-time data to support personal protective equipment prioritization and staffing. Additionally, they deployed surveillance and outbreak testing totaling 1.8 million tests to ensure quick identification and response to infection and provided on-the-ground and virtual technical assistance on infection prevention strategies. In total, the Strike Team performed nearly 1,500 infection control surveys to ensure compliance and filled 5,138 shifts at 80 facilities to address critical staff shortages. The AARP recognized Colorado as a model for addressing the spread of COVID-19 in nursing homes. The AARP has launched a new Nursing Home Dashboard with state-by-state data showing Colorado's progress mitigating spread in long-term care facilities.²⁷

Stabilized the System Through the Pandemic: The health care industry was turned upside down overnight when the pandemic struck. The delivery of health care changed dramatically to keep members safe at home when possible, and the health care industry was strained in ways we have not seen in our lifetime. HCPF rapidly moved to allow regulatory flexibilities, including 17 federal amendments to provider qualifications, type of service, location and manner of service delivery, and administrative flexibility. HCPF also provided \$6 million in COVID-19 relief payments to Regional Accountable Entities (RAEs) to stabilize primary care and behavioral health providers, \$3.6 million across two rounds of funding to stabilize integrated care practices, and \$220 million to support providers across the long-term services and supports continuum. We also directed growing membership attribution to safety net providers.

²⁷ <https://www.aarp.org/ppi/issues/caregiving/info-2020/nursing-home-covid-dashboard.html>

COVID-19 Vaccinations: Colorado is a national leader in vaccine distribution and is dedicated to supporting all Coloradans in obtaining a COVID-19 vaccination. To facilitate and coordinate vaccination efforts among members, HCPF utilized statewide care and case management infrastructure through Community Centered Boards (CCBs), Single Entry Points (SEPs), Children’s Home and Community-Based Services (CHCBS), Case Management Agencies (CMAs), Managed Care Organizations (MCOs), and Regional Accountable Entities (RAEs). This effort was multi-tiered.

First, HCPF identified more than 30,000 Medicaid members as potentially homebound and worked to coordinate vaccination efforts for these members. As a result, 95% of those confirmed as homebound members needing a homebound vaccine were vaccinated or scheduled to be vaccinated. As of May 2, 2021, 52% of Medicaid members ages 16 and over with disabilities have been vaccinated, compared to 28% of members without disabilities, excluding members who reside in a residential care setting. Of members who receive Home and Community-Based Services (HCBS) through a waiver program, that percentage jumps to 60%.

Second, we have worked with the RAEs to prioritize equity in vaccine access and outcomes for members who are people of color. HCPF is collaborating with CDPHE, CDHS, and the Governor’s Office to explore deployment and new potential funding to support these efforts. Additionally, as part of the work supporting RAEs, HCPF worked with CDPHE, the Colorado Governor’s Office of Information Technology (OIT), and the Colorado Regional Health Information Organization (CORHIO) to identify those members in the Colorado Immunization Information System (CIIS) database and perform statewide comparisons by grouping.

Focus on Innovation and New Normal: Although economic downturns create significant challenges for the state’s entitlement programs, they also create opportunities to find efficiencies and spur innovation. HCPF’s strategy, starting from the beginning of the COVID-19 pandemic, was adjusted to recognize the emerging “[new normal in health care](#),”²⁸ with a focus on sustaining and driving positive changes to the system. This includes policies that ensure the right services at the right place and the right price. For example, greater use of telemedicine can improve efficiency and access in care delivery. Many of these efforts are detailed below and will also be reflected in HCPF’s goals for the coming year.

²⁸ https://hcpf.colorado.gov/sites/hcpf/files/NNormal-infog-v4h_4.13.21.pdf

Fiscal Year 2020-2021 Additional Accomplishments by Pillar

HCPF's work is segmented by strategic pillars. In addition to being on track to achieve our Wildly Important Goals (described above), below are some of our FY 2020-21 accomplishments organized by pillar:

Pillar 1: Member Health - Improve member health outcomes.

Expanded Substance Use Disorder Benefit: In accordance with [House Bill 18-1136](#)²⁹, HCPF expanded benefits in order to provide the full continuum of Substance Use Disorder (SUD) benefits to Medicaid members. On Jan. 1, 2021, HCPF added inpatient and residential components, including withdrawal management, to the continuum of available outpatient SUD services. This resulted in increased inpatient and residential bed capacity from 596 to 721 beds and added more than 30 providers across 50 locations accepting Medicaid through Regional Accountable Entity (RAE) contracts, adding treatment providers across all available levels of care.

Improved Case Management Support Programs: Effective Jan. 1, 2021, HCPF streamlined Regional Accountable Entity (RAE) Condition Management Programs, including dedicated practices for diabetes care management, maternity care (more on this below), and case management for members with complex health conditions. The five programmatic components of these condition management programs include: (a) member identification and risk stratification; (b) culturally competent specialized care teams; (c) access to appropriate medical services, resources, and community programs; (d) delivery of evidence-based, informed interventions, and/or local promising initiatives; and (e) program measurement and reporting toward target outcomes with pay-for-performance to incent better member outcomes.

- **Implemented Maternity Programs:** Colorado Medicaid and CHP+ covers 42%-45% of births in the state each year. This past year, HCPF placed a focus on maternity programs to help create an excellent experience for new mothers and babies to establish a foundation of equity to improve outcomes and address disparities. HCPF launched bundled maternity payments to reward improved outcomes and equity, and address disparities in care. To inform this work, HCPF established a maternity advisory committee, which received more than 100 applications.

Focused on Children with Complex Needs: HCPF implemented programs focused on improving care for children with complex needs. Programs were made more robust through use of risk stratification to identify high-risk pediatrics, linking utilization management and care coordination functions, using qualified

²⁹ <https://leg.colorado.gov/bills/hb18-1136>

residential treatment programs, and supporting systems of care through high fidelity wrap-around support services.

Added Remote Supports for Older, Blind & Disabled Waiver: HCPF was successful in getting a law passed this legislative session that adds a remote support benefit to five of HCPF's Home and Community-Based Services (HCBS) waivers ([SB18-210](#)).³⁰ This law expands the definition of "electronic monitoring services" to include other remote supports for older, blind, and disabled members covered under the Colorado HCBS waiver program.

Applied Health Equity and Health Care Disparities Frameworks to Programs: HCPF applied an equity framework across health programs, starting with maternity care and our COVID-19 response. HCPF put in place infrastructure and resources to support this with a Health Disparities Program Manager to implement a health equity plan, collaborate with our Chief Medical Office and Medicaid Director, and apply a health equity lens to payment reform, maternal health, hospital transformation, and other major programs. Further, HCPF established an Equity, Diversity & Inclusion Committee with the core committee demographics matching our member population across race/ethnicity, age, gender, and sexual orientation to promote and inspire the advancement of equity, diversity, and inclusion within HCPF and with our partners. HCPF partnered with CDPHE to stratify COVID-19 vaccination rates by payer, race/ethnicity, age, and disability. HCPF also secured \$5.9 million to address Medicaid health disparities by collecting data to identify health disparities by race and ethnicity, using that data to inform programs and value-based payments, and supporting RAEs and providers in addressing health disparities. Last, HCPF partnered with the Governor's Office and CDPHE to pass SB21-181, which creates a shared health equity strategic plan across state agencies and provides funding and staff to implement it.

Aligned Skilled Nursing Facilities with Community Need: This legislative session, HCPF drafted [HB 21-1227](#): Skilled Nursing Facilities: Demonstration of Need and Technical Changes,³¹ to have authority to only authorize expansion of skilled nursing Medicaid providers when localities can sustain expansion. This legislation was signed into law.

Pillar 2: Care Access - Improve member access to care.

Expanded Telehealth to Increase Access to Care: HCPF supported the expansion of telehealth to provide access to care during the pandemic and to improve access to care going forward. [Telehealth](#) is the use of electronic information and telecommunication technologies to provide care remotely. Common examples are video visits with a primary care doctor, phone visits with a

³⁰ <https://leg.colorado.gov/bills/sb21-210>

³¹ <https://leg.colorado.gov/bills/hb21-1227>

behavioral health provider, secure emails with a pediatrician, or using a blood pressure cuff at home that directly communicates readings to a doctor (remote patient monitoring).³² HCPF has been closely monitoring telehealth over the past year and in March published [Health First Colorado Telemedicine Evaluation](#) which shows that an about 15% of visits are Telemedicine.³³ This is a drastic change in the delivery of care in Colorado's safety net compared to pre-pandemic patterns; for example, the percentage of capitated behavioral health visits conducted via telehealth grew from 1% - 2% in January 2020 to 43% - 57% by June 2020, based on data provided by Regional Accountable Entities. Colorado Medicaid supported this expansion by reimbursing for live video for medical and behavioral health services and for remote patient monitoring for patients with certain chronic conditions. Additionally, HCPF studied telehealth and released the March 2021 report (referenced above). Lastly, HCPF was able to pass legislation to give HCPF flexibility to integrate telehealth into the Medicaid system ([HB21-1256](#)).³⁴

Expanded Access to Behavioral Health Care: HCPF implemented an inpatient and residential substance abuse disorder (SUD) treatment benefit effective January 1, 2021, completing a full continuum of behavioral health benefits. We also increased behavioral health rate for FY 2021-22 and is working with RAEs to use those capitated dollars to expand BH network access. HCPF supported the efforts that resulted in the passage of the law, HB21-1097³⁵, to create a Behavioral Health Administration, which will promote behavioral health services through an integrative, collaborative, whole person approach. As well, HCPF is partnering with the Colorado Department of Human Services to create a comprehensive proposal to strengthen and expand the behavioral health safety net system in Colorado.

Expanded Conflict-Free Case Management, Creating Cross-Disability System: HCPF was successful in getting the Case Management Redesign bill signed into law ([HB21-1187](#)).³⁶ This law helps achieve a high-performing case management system, streamlines operations, increases administrative efficiencies, and implements innovative initiatives that further the Polis Administration's goals. By working closely with stakeholder HCPF established five key outcomes for case management redesign, as outlined in [HB21-1187](#): federal compliance, simplicity, quality, stability, and accountability. Key Department initiatives accompanying the legislation include a new eligibility and needs assessment process, a new person-centered support planning process, and a new way to assign budgets (called Person-Centered Budget Algorithm).

³² <https://telehealth.hhs.gov/patients/understanding-telehealth/>

³³

<https://www.colorado.gov/pacific/sites/default/files/HCPF%20Telemedicine%20Evaluation%20March%208%2C%202021.pdf>

³⁴ <https://leg.colorado.gov/bills/hb21-1256>

³⁵ <https://leg.colorado.gov/bills/hb21-1097>

³⁶ https://www.statebillinfo.com/bills/bills/21/2021a_1187_signed.pdf

Advanced Strategies to Support Direct Care Workforce Recruitment &

Retention: To advance strategies to support the recruitment and retention of the direct care workforce, HCPF held a Direct Care Workforce Summit in October 2020 to engage stakeholders. In January 2021, more than 10 state agencies participated in launching the Direct Care Workforce Collaborative, a stakeholder-led initiative to help stabilize and expand Colorado's direct care workforce focusing on stabilizing the workforce by implementing strategies that support priority issues and raise awareness about their value. From this original meeting, the collaborative formed three action groups: (1) Training and Career Advancement, focused on how to create career lattices and standardized models of training to ensure a high level of care for people with disabilities; (2) Compensation and Benefits, focused on how we can lift this group of workers up both through direct rate of pay but also benefits and potential cooperative models; and (3) Value and Awareness about the Workforce, which is focused on raising awareness about this workforce and providing perspectives that drive home the true value of this workforce. The action groups are charged with identifying strategies and making recommendations to support recruitment and retention.

Pillar 3: Operational Excellence & Customer Service - Improve service to members and care providers. Create compliant, efficient, and effective business practices that are person- and family-centered.

Increased Member Satisfaction with their Health Care and their Health Plan:

Our Regional Accountable Entity (RAE) and Managed Care Organization (MCO) 2020 national ratings increased and outperformed the state and national commercial (employer-sponsored) averages for two global measures: rating of health plan and rating of all health care. Additionally, our RAE aggregate average performance on global member satisfaction measures significantly increased over the prior year.

Optimized Information Technology Performance: HCPF's IT performance kept pace with needed change to strengthen implementation and project management. This year, HCPF used a new implementation testing process to prevent system defects that impact members and providers that resulted in zero defects in the Medicaid Claims Payment System. HCPF completed 93 smaller claim system configuration projects related to the public health emergency. Concurrently, HCPF reduced the IT project backlog from 120 to 17 projects.

Significantly Improved Call Center Call-Answer-Speed: HCPF exceeded expectations with a year-to-date call average speed to answer of 51 seconds in our provider, member, and enrollment call centers.

Improved Member Service Through Updated Digital Technology: HCPF modernized its digital technology with redesigned mobile apps and its online interface so that customers can easily access coverage, doctors, benefits and

other information needed.³⁷ Both are available in English and Spanish. The Health First Colorado mobile app rating is 4.6 for Apple and 4.5 for Android Google (out of 5.0) as of May 2021.

Partnered with Counties: With the pandemic increasing our membership by almost 20% and almost a quarter-of-a-million additional Coloradans needing our health coverage, HCPF worked closely with our county partners. We implemented an eligibility quality assurance program to increase accuracy in data reporting. We added on-site reviews for all counties and eligibility sites to increase compliance. We put in place performance dashboards to monitor progress. We ensured counties were applying non-discrimination and accessibility standards so that all Coloradans have access to the health coverage to which they are entitled. Finally, we provided technical assistance programs for counties and eligibility sites to improve member and customer experience.

Improved Residential Accuracy for Member Communications: Every time that HCPF mails out letters to members, there are letters returned with the wrong address. This costs money that could be avoided. This year, we improved residential accuracy for our Department as well as for the Colorado Department of Human services in an integrated, coordinated Return Mail Project. This will ensure that our budget is directed toward value-added services for our members and for Colorado.

Expedited Member Coverage and Provider Payment: HCPF exceeded expectations for processing eligibility determinations and paying claims. As of April 2021, HCPF is processing 98% of eligibility applications within 45 days, enabling customers to get health coverage quicker. HCPF is also paying Medicaid medical and pharmacy claims in 3.6 days on average so that our providers and hospitals are promptly paid for the health services they deliver to our members.

Pillar 4: Medicaid Cost Control - Ensure the right services at the right place and the right price.

Hospital Transformation Program (HTP): On April 1, 2021, HCPF launched the [Hospital Transformation Program \(HTP\)](#), a value-based program for hospitals caring for Medicaid members. The HTP is designed to align payment with improved health outcomes, improved member experience, and, as a result, reduced avoidable hospitalizations.³⁸

It is a collaborative effort between the Colorado Hospital Association (CHA) and HCPF that uses more than \$700 million in provider fees to pay hospitals value-

³⁷ https://peak--coloradopeak.force.com/peak/s/peak-landing-page?language=en_US

³⁸ <https://hcpf.colorado.gov/colorado-hospital-transformation-program>

based payments as rewards for transforming hospitals to the betterment of affordability and quality. The goal of the HTP is to improve the quality of hospital care provided to Medicaid members by aligning hospital payments with quality of care. The HTP does this by tying the provider fee-funded hospital payments to HTP quality-based initiatives.

HTP goals are:

- Improve patient outcomes through care redesign and integration of care across settings;
- Improve the performance of the delivery system by ensuring appropriate care in appropriate settings;
- Lower Health First Colorado costs through reductions in avoidable hospital utilization and increased effectiveness and efficiency in care delivery;
- Accelerate hospitals' organizational, operational and systems readiness for value-based payment; and
- Increase collaboration between hospitals, their community health partners and other providers.

The HTP aims to improve and transform care with measures in five focus areas:

- Reducing avoidable hospital utilization;
- Core populations;
- Behavioral health and substance use disorder coordination;
- Clinical and operational efficiencies; and
- Population health/total cost of care.

Increased Vendor Accountability: HCPF took a comprehensive approach to ensuring that dollars spent are value-add for our members and for Colorado across our vendor relationships. We conducted training; renegotiated contracts; increased accountability; and improved performance on across our vendors. We established service level agreements with financial implications in all contracts as part of our ongoing strategy to hold our vendors accountable and ensure we have the right vendor, with the right experience, at the right price. As a result, we exited our relationship with our utilization management vendor and transitioned to a new vendor for both Long-Term Services and Supports (LTSS) and Medical utilization management. This work resulted in better service for our members and our providers.

Prescription Drug Maximum Allowable Cost (MAC) Pricing: HCPF implemented an alternate payment methodology (aka the Maximum Allowable Cost or MAC program) in October. The MAC is intended to address the gap in rate setting mainly for specialty and brand name drugs. The MAC program is on track to meet the required cost savings of \$7.5 million. Following with national trends, the U.S. Department of Human Services' Office of the Inspector General issued a report in December which recognized the fiscal impact of high-cost specialty

drugs and recommended that CMS work with states to expand alternate reimbursement models for those drugs.

Pillar 5: Affordability Leadership: Saving people money on health care.

Prescription Affordability Thought Leadership: HCPF published the 2nd Edition of the Reducing Prescription Drug Costs in Colorado Report³⁹ and hosted a Health Cabinet Summit to educate more than 1850 attendees on the drivers and solutions to address them. One such solution is the Prescriber Tool, which had two components implemented in this FY - the OpiSafe Opioid addiction prevention tool and the Affordability module, which helps prescribers be part of the cost control solution. The Department also passed a bill to expand drug importation from other countries and made significant progress on its importation from Canada work, which is expected to save an average of more than 60% on importable drugs. HCPF also assisted with the passing of the Prescription Drug Affordability Board legislation, SB21-175, which also included prescription drug price transparency information, both recommendations of the referenced report. HCPF testified on behalf of legislation this session that would address the first two state solutions [SB21-175](#)⁴⁰ and HCPF drafted legislation to address the third state solution ([SB21-123](#))⁴¹, which has been signed into law.

Implemented State Medicaid Prescriber Tool: The Prescriber Tool is a new tool for doctors to use for Medicaid members launched by HCPF this year. The purpose of the tool is to equip doctors with information that will allow them to make clinical decisions that considers medication affordability for Medicaid members. The tool will help make sure patients have increased access to medications. One in three Coloradans either cannot fill a prescription, cut pills in half, or skip doses because of the cost. When patients do not take needed medications, they may get sicker and suffer, resulting in potentially not being able to go to school, work, getting sicker and going to the hospital, or even having a life-threatening emergency. The Prescriber Tool has two modules. First, the opioid risk mitigation module went live Jan. 1, 2021. This module provides patient-specific opioid risk metrics and user-friendly access to Prescription Drug Monitoring Program (PDMP) data. More than 3,000 Medicaid prescribers currently have access. Second, the Affordability module, which will allow doctors to see if the medication they are prescribing to members is covered by Medicaid and therefore affordable, will be operationalized in the next fiscal year. Of Medicaid's 24,459 prescribers, 80% are already enabled to use the tool as of March 2021, and 38.5% are already using it for their patients with employer-sponsored (Commercial) insurance.

³⁹ <https://hcpf.colorado.gov/publications>

⁴⁰ <https://leg.colorado.gov/bills/sb21-175>

³³ <https://leg.colorado.gov/bills/sb21-123>

Prescription Drug Importation: The Canadian Importation Program has made immense progress over the last year--engaging with stakeholders, designing a program in line with federal requirements and releasing a competitive Invitation to Negotiate (ITN) to identify supply chain partners. Savings from the Importation Program would increase if federal statute changed to allow for the importation of drugs from other countries and could be successful using the infrastructure HCPF is developing for the Canadian program.

Affordability Resources: HCPF has continued to maintain two websites dedicated to giving our members, stakeholders and all Coloradans access to a one stop shop for the resources HCPF has produced concerning affordability leadership. The first is the comprehensive Hospital Reports Hub.⁴² We have also created the Affordable Health Care for Coloradans⁴³ a central page for all of the thought leadership and other work HCPF is doing around affordability in health care.

Fiscal Year 2021-2022: Wildly Important Goals & Measures

HCPF's "Wildly Important Goals" (WIGs) reflect the major goals of HCPF, developed in collaboration with the Governor's Office. WIGs adhere to the "SMART" goal format, meaning they are specific, measurable, achievable, relevant, and time bound.

WIG 1: Medicaid Pharmacy Cost Control

"Increase savings on pharmacy costs by 83% through pharmacy cost control initiatives, from \$12 million in FY 2020-21 to \$22 million by June 30, 2022."

The fastest growing cost driver in health care is pharmaceuticals, and prescriptions for Medicaid members represent approximately 15% of retail pharmacy claims. HCPF is focused on decreasing Medicaid pharmacy expense by helping to implement effective policy like the Prescription Drug Affordability Board electronic prescribing tools that empower providers to choose the most cost-effective drugs for their patients, and more effective provider reimbursement models including value-based payments.

To achieve this WIG, the Department is implementing its Maximum Allowable Cost (MAC) methodology for prescription drugs; an alternate payment methodology for clotting factor drugs, and the prescriber tool. We have confidence in the estimated \$22 million savings target for FY 2021-22.

⁴² <http://hcpf.colorado.gov/hospital-reports-hub>

⁴³ <https://hcpf.colorado.gov/affordability>

Successful completion of this goal will put downward pressure on the fastest growing cost driver in health care and drive savings are to HCPF's Medical Services Premiums budget line item. This WIG is for FY22 only and does not have projections into future years since the savings will no longer be novel to our budget.

Lead Measures

1. Value-based Purchasing of Specialty Drugs: Increase the number of value-based purchasing contracts with specialty drug manufacturers from 0 to 3 by June 30, 2022.
2. Implement Affordability Module Rx Tool: Implement and collect baseline data for the affordability module (SureScripts) of the Prescriber Tool to set future targets for pharmacy cost savings.
3. Clotting Factor Drug Cost: Integrate the clotting factor category of drugs into the MAC pricing structure for pharmacy cost control. The Dept estimates implementation by April 1, 2022 with annualized savings of approximately \$4 million.

WIG 2: Eligibility Technology Support

“Increase the rate of automated eligibility renewals from 79% to 85% by June 30, 2022.”

We have worked over the last few years to significantly improve the member service experience. This goal reflects that quest, through our continued focus on automation, which improves accuracy, speed and digital capabilities that support self-service empowerment. Self-service renewals also free up county and medical assistance eligibility workers to focus on complex cases, ensuring many of our most vulnerable members get high quality service. Our ability to automate eligibility renewals is limited whenever a member must be contacted to provide missing information. To address this, we are working with database partners who can provide eligibility staff automated access to employment and income information, thus eliminating the need to ask members for this information.

Through automation investments the renewal process will be streamlined and further enhanced by the implementation of a couple key projects. Throughout 2021, we are working with our CBMS system vendor to data-mine eligibility fields, searching for missing information, and then with county workers to populate those fields. In June 2021, we will be implementing a near real-time interface to verify income with the Federal Data Services Hub (FDSH) Work Number and through the Equifax vendor. This will significantly speed up the income verification process. In December 2021, we will be implementing an improved renewal process that will leverage interfaces and make a quicker determination on the front end of the process. This will mitigate members having to take action to ensure HCPF have an accurate, current eligibility determination. All projects have potential to increase the number of automated renewals. In FY23 HCPF targets the percentage of automated renewals to reach 90%,

and for that percentage to remain steady in FY24. The ultimate plateau assumes flexibility for members who are best served by alternate renewal methods.

Lead Measures

1. Add system capability to verify employment and income automatically with external vendors such as Equifax and the Colorado Department of Labor by June 30, 2022.
2. Enhance the capacity to rapidly validate accuracy of current addresses by working with additional automated third-party data sources by June 30, 2022.

Health Cabinet WIGs

In addition to the Governor's WIGs above, HCPF partnered with the Office of Saving People Money on Health Care, Colorado Departments of Human Services, Public Health & Environment, and Regulatory Agencies (CDHS, CDPHE, and DORA) to accomplish shared agency WIGs that the Health Cabinet, led by Lt. Governor Dianne Primavera, have prioritized. The Office of Saving People Money on Health Care will be managing and reporting the WIG data, but HCPF will support one of these outcome measures⁴⁴.

Health Cabinet WIG 1: Implement four lead measures to establish the foundation needed to deliver prescription drug cost savings to Coloradans by June 30, 2022.

HCPF Lead Measure: Increase the number of eligible Medicaid-enrolled prescribers using the Prescriber Tool from 16% to 25% of eligible providers, from 4,000 providers to 6,115 providers out of 24,459 total, by June 30, 2022.

Health Cabinet WIG 2: Create the operational infrastructure to promote value in health care and lower costs in the employer-sponsored insurance market by implementing utilization of non-fee-for-service payment and reimbursement structures in Colorado by June 30, 2022.

HCPF Lead Measure: Create a value based payments and quality metrics package that is applicable to Medicaid and aligns with the commercial market by June 30, 2022.

Health Cabinet WIG 3: Build the capacity of the behavioral health system in Colorado to increase access for consumers by executing on 6 lead measures by June 30, 2022.

HCPF Lead Measure: Add 1,233 newly enrolled behavioral health providers serving Coloradans in public programs by June 30, 2022, an increase of 13%.

⁴⁴ Also called lag measures

Fiscal Year 2021-2022: Department Pillars

HCPF manages its priority projects under six pillars, in order to achieve Executive Leadership Team individual goals and Department goals, that exist each year in addition to the Governor's WIGs and the Health Cabinet WIGs. The pillars have been a cornerstone of achieving our strategic plan for the past three years, and we have refined them to best capture and ensure HCPF focuses on the most important work. Five pillars remain the same from the previous year. HCPF has added a sixth pillar on Employee Engagement and Satisfaction, to reflect the importance of supporting a workplace where all employees can thrive. Each pillar, its focus and some of the priority projects under that pillar are below.

Member Health - Improve member health outcomes and reduce health disparities.

In FY 21-22, HCPF plans to focus on the following areas to improve member health outcomes and reduce disparities in care:

- Drive Medicaid member COVID-19 vaccine uptake to reduce disparities in vaccination rates.
- Execute on the initiatives in the Maternity report released in 2021 to reduce maternity disparities - for pregnant women and newborns.
- Use rigorous metric analysis to identify the next set of health disparities and the strategies to address them in FY 2022-2023.
- Partner with providers to use the newly implemented Prescriber Tool OpiSafe licenses to reduce the over-prescribing of addictive pain management therapies thereby reducing addiction in the Medicaid, Medicare and commercial populations. Use the budget dollars allocated to the Department to improve the Department's ability to stratify data by race/ethnicity to identify disparities for strategic action planning
 - Create public reports that highlight the existing and identified health disparities and work with CDPHE to meet the objectives of the newly passed Equity Bill to create a HCPF plan to address identified disparities.
 - Implement provider incentives and value-based payments that reward improved health outcomes, particularly for communities impacted by health disparities.
 - Implement the hospital transformation program to identify opportunities for shared, cooperative industry in the community and to incent higher quality care.
 - Standardize outcomes measures used by HCPF to measure quality and improve Centers for Medicare and Medicaid Services (CMS) reported quality scores.

- Collaborate with other state agencies and stakeholders to establish the Behavioral Health Agency and execute on the [Behavioral Health Task Force Blueprint Priorities](#).⁴⁵
- Collaborate with other state agency partners and stakeholders to address housing disparities, which impact Medicaid members.
- Partner with the Department of Corrections to increase behavioral health engagement for Medicaid-eligible individuals leaving state prisons within 14 days of release from 13.4% to 25.0% by June 30, 2022 and from 25.0% to 40.0% by June 30, 2023.

Care Access - Improve member access to affordable, high-quality care.

In FY 2021-22, HCPF plans to focus on the following areas to improve member access to affordable, high-quality care:

- Implement the strategies identified in the Telemedicine report released by the Department in 2020-2021, including opportunities that increase care access in rural settings as well as to behavioral health services.
- Use the insights in Medicaid specialty provider access identified by the Department in FY 2020-21 to expand Medicaid provider networks and improve member access. Educate targeted providers on the value of joining the Medicaid network. Promote expanded access for Medicaid members across all provider types, including providers that are not traditionally safety net providers.
- Identify strategies and new policies to hold providers accountable to seeing Medicaid members, especially not for profit providers, for possible implementation in FY 2021-22.
- Through the end of the PHE, as more than 500,000 Medicaid members need to be re-determined for eligibility, -partner with Connect4Health Colorado to facilitate smooth handoffs to help members transition from Medicaid to the individual market which available subsidies can make coverage more affordable.
- In response to the legislation that passed in 2020-2021, design and implement a secure transportation benefit for members with behavioral health needs.
- Increase access to equitable women’s health through implementation of legislation that passed in 2020-2021 related to family planning and access to care.
- In response to the legislation that passed in 2020-2021, implement a remote support benefit for members with disabilities to provide more autonomy and flexibility in service delivery.

⁴⁵<https://hcpf.colorado.gov/sites/hcpf/files/Behavioral%20Health%20and%20Integration%20Strategies%20PIAC%20Subcommittee%20A%20Blueprint%20for%20Reform%20Packet%20October%202020.pdf>

- Implement the Long-Term Services and Supports direct care workforce strategies to stabilize access for Medicaid members needing these services, including credentialing, training and career advancement.
- In response to the legislation that passed in 2020-2021, implement case management redesign to modernize how case management is conducted to support person-centered planning and budgets to create more autonomy and flexibility for members.

Operational Excellence & Customer Service - Provide excellent service to members, providers, and partners; compliant, efficient, effective person- and family-centered practices.

In FY 21-22, HCPF plans to focus on the following areas to improve services and operations:

- Through the end of the PHE, as more than 500,000 Medicaid members need to be re-determined for eligibility, -partner with Connect4Health Colorado to facilitate smooth handoffs to help members transition from Medicaid to coverage on the individual market.
- Implement the plan approved in FY2020-21, which makes significant investments into the Program Eligibility and Application Kit (PEAK), which will dramatically improve the Medical Assistance eligibility determination customer experience.
- Automate Medicaid member annual renewals to ensure a seamless coverage experience for members.
- Continue to improve vendor call center call answer speed and quality monitoring to improve customer service.
- Implement solutions identified in OSA, OIG and County audits to improve eligibility determination accuracy as well as member correspondence clarity, accuracy, and reliability.
- Identify vendor service gaps and improve vendor accountability through increased use of vendor scorecards and the implementation of more rigorous vendor service level agreements.

Medicaid Cost Control - Ensure the right services, at the right place, and the right price.

In FY 21-22, HCPF plans to focus on the following areas to control Medicaid costs:

- Increase provider use of Prescriber Tool to reduce per-capita, out-of-pocket spending on medications, while maintaining member access to high-quality, clinically effective medications.
- Increase transparency of quality and cost by creating by identifying centers of excellence for target procedures. Release this information to

Medicaid primary care providers to improve referrals to higher performing providers.

- Through eConsults, support our primary care providers in performing more care in this setting, reduce unnecessary specialist visits, and improve referrals to the higher performing specialists and systems of care.
- Work with the RAEs to improve reporting insights as well as savings and health outcomes performance on diabetes management, maternity supports, and complex case management programs.
- Continue to expand value-based payments that reward the right performance outcomes.
- Modernize and implement prescription drug reimbursement methodologies.

Affordability Leadership - Reduce the cost of health care in Colorado to save people money on health care.

In FY 21-22, HCPF plans to focus on the following areas to save Coloradans money on health care:

- As noted above, implement eConsults, centers of excellence, the prescriber tool, and value-based payments to control Medicaid costs as well as costs across the broader health care system.
- With the implementation of the Hospital Transformation Program (HTP) effective April 2021, drive affordability transformation impacting Medicaid, commercial and Medicare savings
- Release the delayed 2021 Hospital Report to further identify opportunities for hospitals to reduce Prices, Costs and Profits.
- Host 2021-2022 Affordability Seminars, specifically to drive awareness of the 2021-2022 Hospital Price, Cost and Profit report findings and to increase awareness and utilization of the new Prescriber Tool
- Continue to drive transformation by leading industry transformation towards a “New Normal in Healthcare”⁴⁶
- Drive high-quality, affordable care through multi-payer initiatives to implement value-based payment models, hospital transformation insights, and data-driven solutions to target health inequities.
- Collaborate with other state agencies to increase transparency of cost drivers and innovative solutions.
- Continue to drive insights and transparency through CIVHC public reports, including prescription drug rebates, pricing comparisons, and improvement in data collection for 2022-2023 value-based reporting insights.
- Lead in lowering cost of prescription drugs through importation efforts, the implementation of a Prescription Drug Affordability Board, and

⁴⁶ https://hcpf.colorado.gov/sites/hcpf/files/NNormal-infog-v4h_4.13.21.pdf

supporting employers in accessing rebates and better drug pricing in the commercial market.

Employee Satisfaction - Empower staff and improve equity, diversity & inclusion.

- Create additional opportunities for employee engagement through the Employee Council, EDI Council, and through the establishment of Employee Resources Groups.
- Create a more effective HCPF employee training and development program.
- Implement a new Flexible Workplace Policy to reflect the new normal and revitalize and right size our physical work environment to support hybrid work models.
- Launch a Medicaid Academy to strengthen subject matter knowledge, cross-office collaboration and leadership development for employees.
- Continue to lead the state, in partnership with DPA, on EDI work, including the 2021-2022 development of colleague resource groups to better understand opportunities by community and establish new solutions to address them.
- Continue to grow our internal EDI work so that all HCPF employees can thrive.

Conclusion

HCPF is proud of all we have accomplished in FY 20-21 in collaboration with our vendor partners, providers, stakeholders and members, amidst an unprecedented set of challenges. We look forward to continuing our efforts to achieve our mission of “Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.”

Glossary

Accountable Care Collaborative (ACC) – The health care delivery system for Health First Colorado, designed to affordably optimize member health, functioning, and self-sufficiency. Regional Accountable Entities (RAEs) and Primary Care Medical Providers (PCMPs) that serve as medical homes work together in collaboration with other health providers and members to optimize the delivery of outcomes-based, cost-effective health care services.

All-Payer Claims Database (APCD) – A statewide information repository that collects health insurance claims information from health care payers. APCDs exist in multiple states and are designed to inform cost containment and quality improvement efforts.

Capitation – provider payment arrangement based on the number of enrolled individuals assigned to the provider, per period, whether those individuals seek care.

CHIP or CHP+ – The Children’s Health Insurance Plan. CHIP provides low-cost health coverage to children in families that earn too much money to qualify for Health First Colorado.

CIVHC – The Center for Improving Value in Health Care, a not-for-profit organization that manages Colorado’s All-Payer Claims Database (APCD) under the direction of the Department and the APCD Advisory Committee, which is appointed by the Department’s Executive Director.

CMS – The Centers for Medicare & Medicaid Services, the federal agency overseeing the Medicaid program. CMS works in partnership with state governments to administer the Medicaid and the state Child Health Insurance Plan programs.

Centers of Excellence – Also known as Colorado’s Providers of Distinction, the Centers of Excellence program utilizes rigorous methods to identify health care providers and systems of care that meet affordability and quality performance standards on a procedure-by-procedure basis. The program will be partnered with value-based payments that reward performance and with eConsults to steer Coloradans to providers with better quality and lower costs.

eConsults – services seek to save payers and patients money by reducing avoidable referrals to specialists and building capacity for primary care practices. eConsults are electronic communications between primary care providers and specialty providers to determine the appropriate clinical treatment plan for a patient.

FY – fiscal year. The State of Colorado’s fiscal year is July 1-June 30.

MMIS – Medicaid Management Information System; the hardware, software, and business process workflows that process processes the Department’s medical claims and payments. Additional functions include provider enrollment and management,

certain member management functions, analytics, and reporting repository, and the Prescription Drug Benefit Management System.

Prescriber Tool – A digital tool with two components: the OpiSafe Opioid addiction prevention tool and the Affordability module, which helps prescribers be part of the cost control solution.

Primary Care Medical Provider (PCMP) – A primary care provider contracted with a RAE to participate in the ACC as a medical home.

Regional Accountable Entity (RAE) –The ACC health care delivery system is administered by seven Regional Accountable Entities or RAEs, which also contract the ACC’s behavioral health care delivery system. Each of the seven is responsible for coordinating physical and behavioral health for its enrolled members and supporting care coordination.

Medicaid State Plan – An agreement between a state and the federal government describing how that state administers its Medicaid and CHIP programs. The state plan sets out groups of individuals to be covered, services provided, provider reimbursement methodologies, and related administrative activities.

Value Based Payments – a form of reimbursement which ties payments for care delivery to the quality of care provided and rewards providers for both efficiency and improving patient outcomes.

Waiver - A program that sets aside Medicaid State Plan requirements in order to provide a specific member population with needed service.