

# Health Care Policy and Financing (HCPF)

## SMART Act Hearing

Senate Health, House Public and Behavioral Health  
and Human Services, House Health and Insurance

January 19, 2024

Kim Bimestefer, Executive Director

Rachel Reiter, Policy, Communications & Administration Office Director

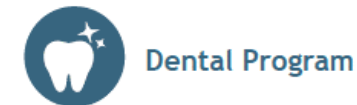
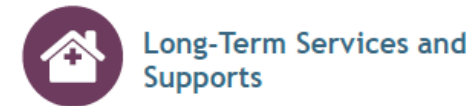
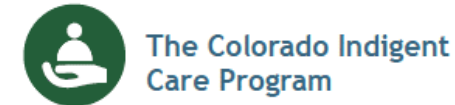
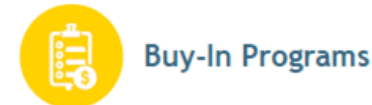
Bonnie Silva, Office of Community Living Director

Adela Flores-Brennan, Medicaid Director

Cristen Bates, Behavioral Health Initiatives and Coverage Office Director

Bettina Schneider, Chief Financial Officer

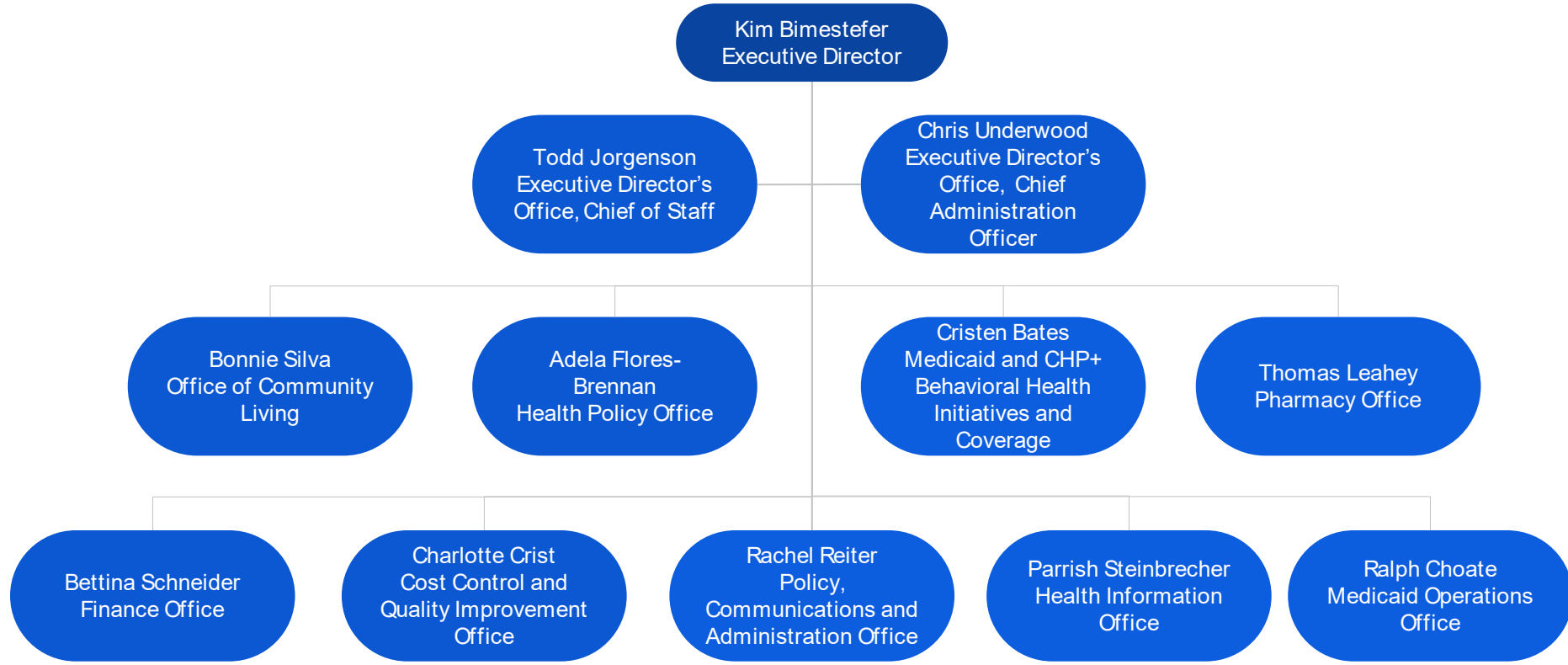
# Mission: Improve health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



- Covering **1 in every 4** Coloradans (1.6 million)
  - Grew +500k during public health emergency (2020-2023), grew +600k after Medicaid expansion (2014- 2016)
- **40%+** of CO's children & births, **4%** use long-term services and supports (LTSS)
- Processing **>35M** claims annually, paying **100k+** providers
- **Valued health care leadership, expertise & partner:** equity, access, affordability strategies & initiatives
- **New HCPF programs and solutions** will evolve in response to your emerging needs and new policies.

***Today, we will discuss how we are addressing opportunities while pursuing our mission, in addition to covering the legislative requirements of the SMART Act.***

# Accountable, Expert HCPF Leadership Team & Structure



[More about HCPF](#)

# HCPF's Focus Areas: *Evolving with Your Priorities*

- **Keep Coloradans Covered** post PHE continuous coverage
- **Balancing** limited General funds & affordability with provider rates, workforce, access, inflation, provider financial risks
- **Promote health equity:** behavioral health, maternity, prevention
- **Transform Colorado's Behavioral Health system**
- **Transform long term care** for people with disabilities and older adults: HCBS &, nursing homes; case management redesign
- **Advance value based payments** to reward quality, equity, access, affordability
- **Drive innovations:** eConsults, Prescriber Tools, social determinants of health, cost and quality indicators
- **Modernize Medicaid delivery system:** ACC Phase III
- **Modernize Medicaid benefits systems**

# Partnering to Keep Colorado Covered - Public Health Emergency

## PHE Unwind Goals

1. Member continuity of coverage
2. Smooth transitions in coverage
3. Minimize impact to eligibility workers and staff

[CO.gov/hcpf/covid-19-phe-planning](https://CO.gov/hcpf/covid-19-phe-planning)

## Preparation Efforts:

- Automating renewals
- Disenrolling Medicaid kids, auto-enrolled into CHP+
- PEAK investment
- PHE communication resources, education & leadership
- Provider, county, advocate, RAE, partner, chamber collaboration & support

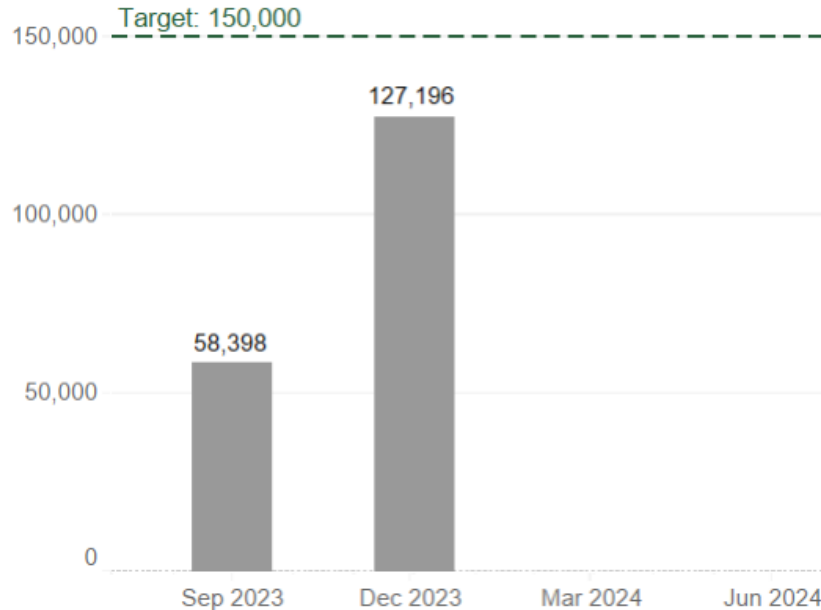
## New Advances:

- Shortened renewal packets
- [60-calendar-day extension](#) to complete renewals for LTC members
- County supplemental \$\$
- Overflow Processing Center support
- C4H Collaboration & funding for assisters
- Toolkits - Medicaid renewals and help transitioning to other coverage in 11 languages

# HCPF FY 2023-24 Wildly Important Goals (WIGs)

## Keep Coloradans Covered:

In order to Keep Coloradans Covered, refer an estimated 150,000 Coloradans determined to be ineligible for Medicaid or CHP+, per federal requirements, to Connect for Health Colorado to access alternative healthcare insurance coverage by June 30, 2024.

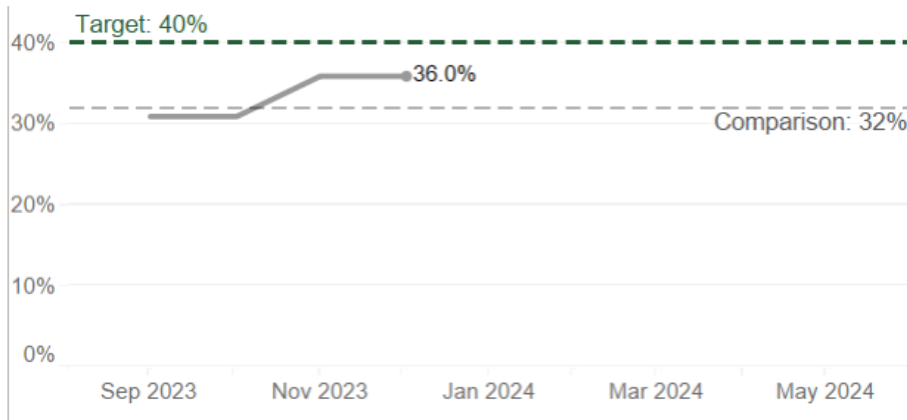


**Context:** Successful completion of this goal will help connect those who no longer qualify for our programs to affordable, alternative coverage by referring them to Connect for Health Colorado. For more information, please visit: <https://hcpf.colorado.gov/keepcovered>.

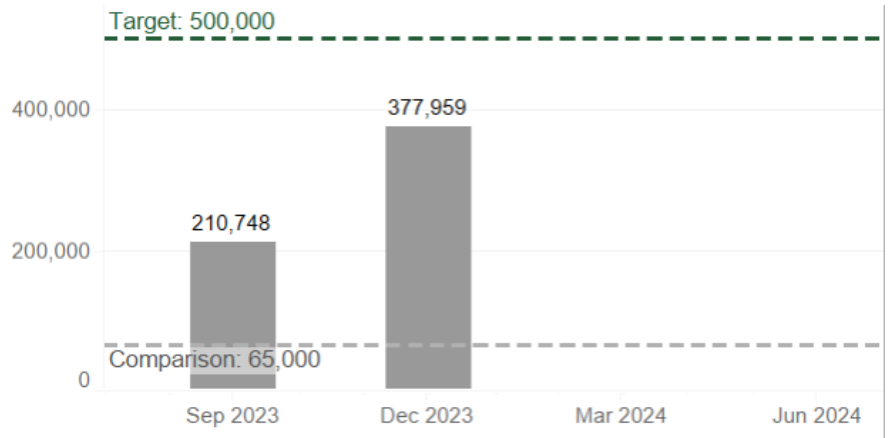
# How HCPF will accomplish the WIGs

The Department of Health Care Policy and Financing will achieve this goal through the following leading indicators:

Increase total member automated renewals (ex parte) monthly rate from 32% to at least 40% by June 30, 2024, to reduce the number of Medicaid and CHP+ members who will need to take an action to be renewed.



Conduct outreach to 500,000 households regarding renewals and/or transitions to other affordable coverage by June 30, 2024.



# Advancing Critical Areas of Transformation

## Behavioral Health Transformation:

- Medicaid behavioral health investments from \$630M to \$1.2B/year in last 5 years
- New provider types, service provisions, associated funding
- Integrating primary care, mental health, substance use
- Improving the crisis continuum with focus on community delivered services, reducing the reliance on law enforcement and ERs
- Prioritizing gaps in care: children and youth, persons with disabilities, co-occurring intellectual or developmental disabilities, people who are unhoused, and people who have been incarcerated
- Increasing high-intensity outpatient and transition services
- Adding adult beds, youth residential beds, tribal substance use disorder facility

## Office of Community Living Transformation:

- ARPA HCBS projects: 60+ initiatives to enhance, expand, and strengthen the HCBS system
- Wage sustainability: \$12.41 to \$15 (1/1/22) to \$15.75/hr (7/1/23) to \$16.55/hr thru this recommendation (Denver \$17.29/hr to \$18.29/hr eff 7/1/24)
- Direct care workforce expansion to ensure members have access to high quality care
- Nursing Home: \$131M investment over 2 years (HB 1228) to stabilize and modernize
- Case Management Redesign: Transitioning to a streamlined, conflict free case management landscape; launching a new IT system
- Focus on strengthening community transitions



# Equity, Diversity and Inclusion (EDI) - Gov's EO 2020-175

## HCPF's EDI Plan Includes

### Health Equity - in Medicaid Examples

- Executing [Health Equity Plan](#) - vaccination, maternity, behavioral health, prevention focus (SB 21-181)
- Each RAE and CHP+ MCO has a Health Equity Plan
- Reducing health disparities with targeted interventions that drive quality care and access

### EDIA for HCPF Staff

- Executing [5 Year EDIA Action Plan](#) (EO D 20-175)
- Integrated 5 EDIA categories into Annual Dept. Strategist Goal Planning Process (Leadership, Member Experience, Policy & Program, Accessibility and Inclusive Communications, Hiring, Retention & Employee Satisfaction)
- 175+ documents, projects and initiatives reviewed with equity lens since Nov. 2020
- HCPF staff is more diverse than greater Denver - Actively recruiting diverse candidates across Colorado. Leadership focus.
- Coaching sessions, Learning Pathways and 6 Affinity Groups (Colleague Resource Groups)

# Work Management Structure - Highly Focused & Productive



- Grew by +600k with ACA, +500k through COVID, *without notice*
- 10 offices to hold ourselves and vendor partners accountable
- Agility: fewer vendors, more FTE; maintaining 4% admin (0.44% staff) (carriers 13.5%+ admin)
- 95 projects supporting 45 goals
- ***We adapt to your priorities.***

**HCPF Mission:** *Improve health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado*

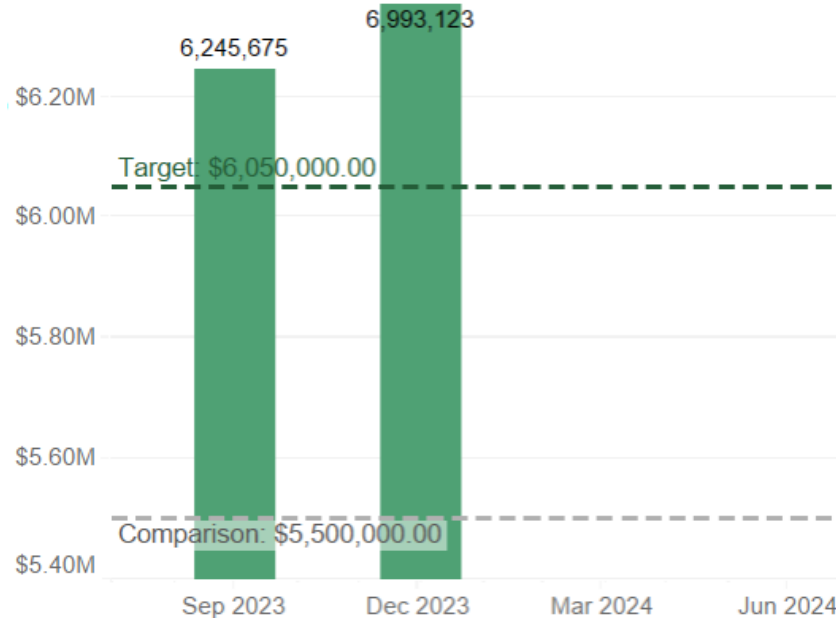
# Managing Medicaid costs to protect member benefits & eligibility, as well as provider reimbursements & access

- **HCPF FY 2024-25 Budget:** \$16.4B TF, \$5.0B GF (**31%GF** Operating Budget)
- **Lowest Admin** of all Colorado Health Plans **enabling 95%+ to go to providers**
- **Medicaid Trend:** 2% per member per month
- **Gave back >\$1.7B** to JBC from +6.2% increase in federal match during PHE
- **Provider Rate Increases 2024/25 :** Across the board 1% (following +3%, 2%, 2.5% last 3 yrs), plus targeted provider increases for 9 provider types
- **Cost Trend Control Challenges:**
  - **Health Care Costs increase at double CPI** - far higher for people with disabilities (9% generating 47% of provider payments - HCPF's honor to serve - it's in our DNA)
  - **Aging Population :** CO's 2nd fastest growing state for 65+; 70% of people > 65 will need long term care at some point, 20% for >5 yrs
  - **Specialty Drugs:** U.S. biggest driver of healthcare costs: <2% of drugs are so expensive they are consuming 50%+ of spend (Medicaid & Commercial)

# HCPF FY 2023-24 Wildly Important Goals (WIGs)

## Pharmacy Cost Savings:

Increase Medicaid pharmacy cost savings by 10%, from an estimated \$5.5 million to \$6.05 million gross of rebates, from Colorado prescribers using the Department's Prescriber Tool affordability module by June 30, 2024.

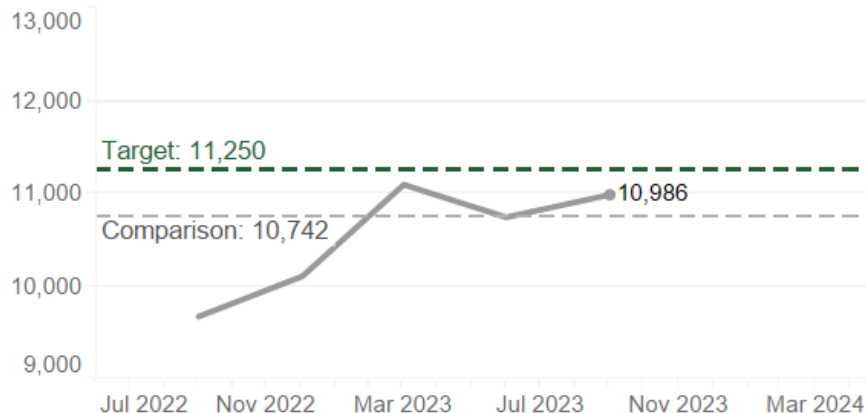


**Context:** Successful completion of this goal will help employers and Coloradans save money on healthcare by empowering providers using the Prescriber Tool with information on prescription drug costs and affordable alternatives. It reduces re-work and administrative burden for providers while improving convenience for patients, too.

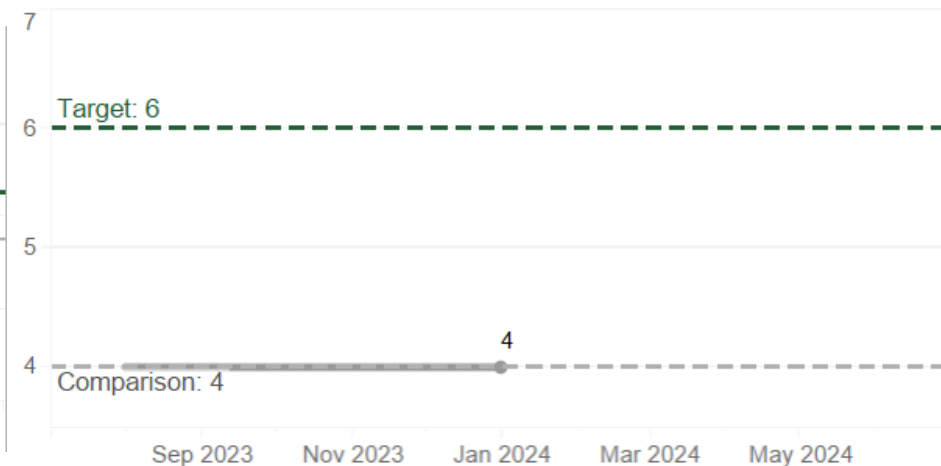
# How HCPF will accomplish the WIGs

The Department of Health Care Policy and Financing will achieve this goal through the following leading indicators:

Increase the number of eligible Medicaid-enrolled prescribers using the Prescriber Tool from 10,742 to 11,250 by June 30, 2024, in order to drive prescription drug cost savings.



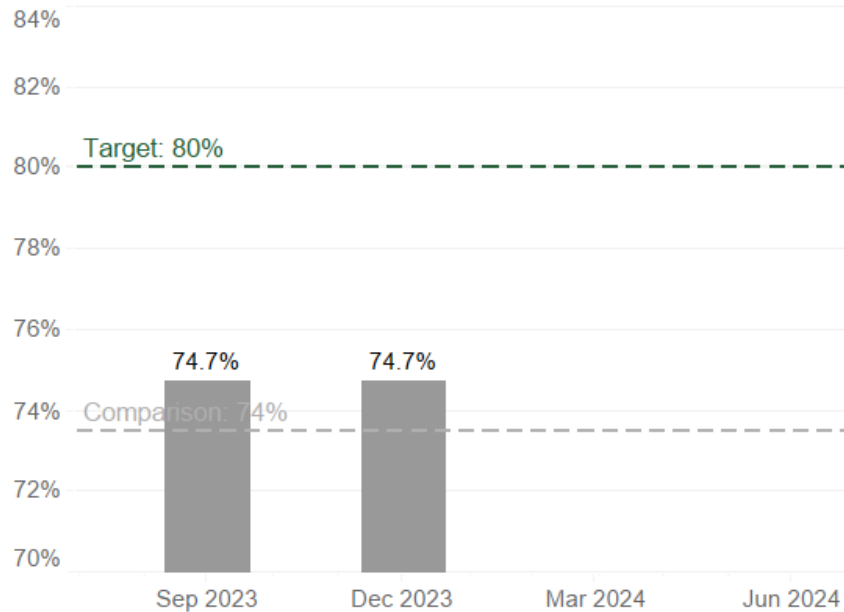
Increase the number of value-based arrangements with specialty drug manufacturers from 4 to 6 by June 30, 2024.



# HCPF FY 2023-24 Wildly Important Goals (WIGs)

## Hospital Price Transparency:

Increase the number of Colorado hospitals with an overall price transparency quality rating of “Good” or “Fair” from 73.5% to 80% by moving 5 hospitals up from “Poor” by June 30, 2024.

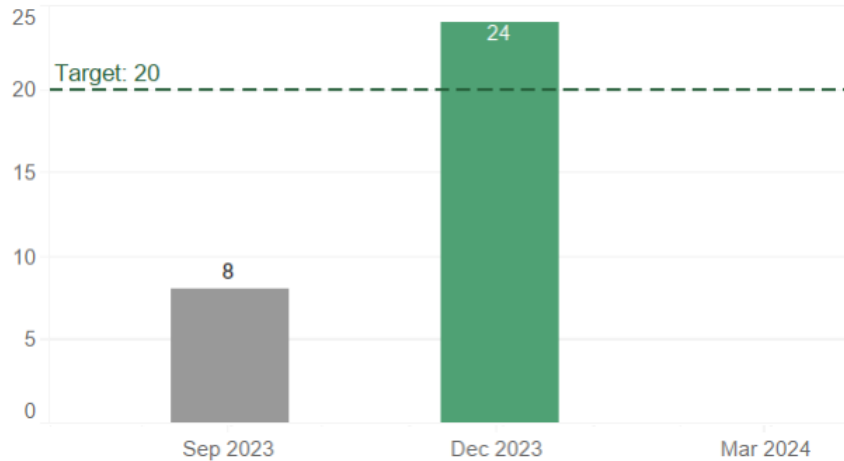


**Context:** Successful completion of this goal will increase hospital price transparency, making it easier for purchasers to compare and negotiate prices across hospitals to save people and employers money on health care.

# How HCPF will accomplish the WIGs

The Department of Health Care Policy and Financing will achieve this goal through the following leading indicators:

Communicate with and provide technical assistance impacting at least 20 hospitals rated “Poor” or “Fair” by March 31, 2024.



Publish at least 2 updated Hospital Price Transparency Scorecards by June 30, 2024.



# Value Based Payments - 50%+ of Medicaid Payments by 2025

**Pay providers to achieve shared goals:** improve quality & affordability, close disparities. Don't just pay providers for care volume. **Pay for value.**

- **Hospital Transformation Program:** quality, equity, affordability - 100% of hospitals
- **Primary Care Physicians:** 37% of Medicaid members cared for by providers under advanced primary care payment model
- **Physicians Controlling Rx Costs:** 50% of Medicaid prescribers for Prescriber Tool results
- **Maternity Care:** 30% of Medicaid births paid through Maternity bundle VBP
- **Behavioral Health safety net (CMHCs)** in development



# Saving People Money on Health Care

## Policies, Insights and Tools to address top 2 cost drivers:

- **Hospital Costs:** leading reports, tools and policies [CO.gov/HCPF/hospital-reports-hub](https://www.CO.gov/HCPF/hospital-reports-hub)
- **Prescription Costs:** leading insights, strategy and innovations [CO.gov/HCPF/ publications](https://www.CO.gov/HCPF/publications)

## Quality, health equity and innovation to manage cost trends:

- **Value based payment advances** - reward value not just volume
- **Utilization management:** right care, right place, right time, right outcome, right price
- **Population health:** maternity, diabetes
- **Complex case management:** high need, high cost members
- **ACC Phase III:** Medicaid system evolution
- **Innovations:** Prescriber Tools, eConsults, cost and quality indicators to drive better provider decisions, quality, efficiency, equity
- **Fraud, waste, abuse, global attacks:** software, Recovery Audit Contractor (RAC).
  - Currently expanding capabilities, recognizing organized fraud schemes

2023 HCPF SMART Act  
Legislative, Budget Highlights,  
and Statutory Updates

# HCPF Emerging Legislative Agenda

Respectfully requests the General Assembly consider legislation on the following:

- **Expand Child Health Plan *Plus* (CHP+) to Include Services for People with Autism:** part of HCPF budget request R-9
- **Presumptive Eligibility for Individuals with Disabilities** would allow HCPF to pursue an 1115 waiver to expand presumptive eligibility to include individuals with disabilities and facilitate prompt delivery of services in a community setting
- **Revise and Clarify Safety Net Requirements for Primary Care and Hospital Services** would sunset the Colorado indigent Care Program (CICP) and add funding to the Primary Care Fund
- **Medicaid for Certain DACA Recipients** aligns state law with proposed federal regulations; specific to persons that are pregnant and under age 19 who are qualified noncitizens and meet Medicaid eligibility criteria other than citizenship.
- **Interagency Legislative Report Cleanup:** technical changes to multiple state agencies' required legislative reports to ensure relevancy, timeliness, accountability and transparency.
- **Medicaid Authority to Suspend to Providers in Emergency Circumstances:** In cases of organized crime or fraud schemes, allow HCPF to suspend providers to protect the health and safety of members and state dollars.
- **Interim Committee Bills:** High Acuity Youth, Opioid Committee Treatment and Prevention bills

Contact: Jo Donlin, Legislative Liaison

# HCPF FY 2024-25 Budget

## **\$16.4B Total Funds, \$5.0B General Funds**

- **31%** of state's GF operating budget
- **96%** continues to go to providers
- 4% admin, 0.44% HCPF staff

## **Increase of \$934M TF, \$402M GF, including:**

- \$320M GF: year-over-year growth in Medicaid
- \$76M GF and \$249.2M TF: provider rate increases as subset of \$82M GF discretionary requests

## **Discretionary Budget Requests:**

### **\$282M TF and \$82M GF:**

- R6 | Increase Provider Rates
- R7 | Behavioral Health Continuum
- R8 | Eligibility Compliance
- R9 | Access to Benefits
- R10 | Third Party Assessments for Nursing Services
- R11 | Program Support
- R12 | Administrative Resources
- R13 | Convert Contractor Funding to State FTE
- R14 | Increase the Budgets of Two Critical Contracts
- R15 | Continuing Support for Denver Health and Hospital Authority

# Discretionary budget requests respond to provider and member needs

## *Provider Rate Increases*

- 1% across-the-board rate increase
- Targeted adjustments for Pediatric Behavioral Therapies, ambulatory surgical centers, surgical, behavioral health, maternal health, dental services and anesthesiology
- Increase direct care workforce base wages
- Support eligibility processing, IT/innovation advances of largest safety net provider, Denver Health

## *Better Care and Access*

- Support individuals with disabilities and older adults on waivers and other long term care programs
- Make significant investments to continue transforming the behavioral health system
- Advance provider tools to improve whole-person health
- Modernize eligibility, claims systems
- Resources to improve quality and ensure compliance

## *Children and Youth*

- Support families of youth with high-acuity behavioral health needs
- Cover Autism Spectrum Disorder treatment for CHP+
- Accounts for Health First Colorado coverage of pregnant adults and children who are DACA recipients, pending federal requirements

# HB21-1198 - Hospital Discounted Care Reporting Requirements

- [House Bill 21-1198](#) Health-Care Billing Requirements for Indigent Patients (referred to as Hospital Discounted Care). Hospitals report data HCPF determines necessary to evaluate compliance across race, ethnicity, age, and primary language spoken patient groups with the screening, discounted care, payment plan, and collections practices.
- Data due annually to HCPF by September 1.
  - First data set was due September 1, 2023, covering Sept 1, 2022 - June 30, 2023. Subsequent data submissions will cover the previous state fiscal year, July - June.
  - Of the 84 hospitals required to follow Hospital Discounted Care:
    - 73 submitted data by mid-December and are included in the handout;
    - 7 submitted data by early January and are not included in the handout;
    - 2 have not submitted complete data; and
    - 2 do not have data available.

# HB22-1289 – Health Benefits for Colorado Children & Pregnant Persons

- Medicaid & CHP+ Lookalike Programs for pregnant and postpartum individuals (thru 12 months) and children (<19) who meet all eligibility requirements, except for immigration status
  - Jan 1, 2025 Implementation On Track: Stakeholder engagement, federal authority discussions, systems changes, culturally appropriate member and community outreach
- Use Health Services Initiative (HSI) Funding to expand perinatal and postpartum supports with a robust stakeholder engagement process
  - Large Format Meetings (5); Focus Groups (14); Listening Sessions (13); Key Informant Interviews (10)
  - Resulted in: Stakeholder report; priorities (6) to select projects; and pending application to solicit targeted ideas
  - 6 Priorities: BH, Food Access, Health Equity, Perinatal Support, Perinatal Innovation & Parenting Ed
  - Negotiations with federal partners and increases in migrant populations impacting HSI budget projections

# Waiver Amendment

- Extending continuous Medicaid & CHP+ coverage for children to age three (HB23-1300)
- Extending 12 months of continuous Medicaid for adults leaving incarceration from a Department of Corrections facility (HB23-1300)
- Prerelease services for adults and youth transitioning from correctional facilities
- Reimbursement for acute inpatient and residential stays in institutions for mental disease for individuals diagnosed with a serious mental illness
- Researching health related social needs (e.g., housing, food) for future waiver



# SB21-009 - Reproductive Health Care Program

|                                                                                                                                                                                                                                          |                                                                          |                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Distinct Utilizers: 4,009</b>                                                                                                                                                                                                         |                                                                          | <b>Total Services Provided: 8,403</b>                                                                                                                                                     |
| <b>Race/Ethnicity:</b><br>Hispanic Latino: 89%<br>Unknown/Not Provided: 6.3%<br>White/ Caucasian: 2.3%<br>Black/African American: 1%<br>Asian: .4%<br>Native Hawaiian/Other Pacific Islander: 0.2%<br>American Indian/Alaskan Native: 1% |                                                                          | <b>Contraceptives:</b><br>LARC (IUD/Implant) Services: 1,547<br>Oral Contraceptives: 836<br>Shot: 361<br>Sterilization Services: 246<br>Patch: 53<br>Ring: 39<br>Other: 7                 |
| <b>Sex</b><br>98% Female<br>2% Male                                                                                                                                                                                                      | <b>FPL</b><br>0-108%: 75%<br>109-133%: 11%<br>134-185%: 9%<br>186%< : 5% | <b>Total Costs \$1,982,482</b><br><br><b>Cost Savings</b> <i>(Based on SB21-009 Fiscal Note Estimate)</i><br>Estimated Prevented Unintended Pregnancies: 29.7<br>Total Savings: \$319,680 |

# HB22-1290 – Changes to Medicaid for Wheelchair Repairs

- Intent is to improve service quality for members by establishing, collecting, and analyzing Complex Rehabilitation Technology (CRT) repair metrics.
- Stakeholders created repair metric policies effective October 1, 2023.
- Metrics include data on **member satisfaction** and **timeliness** of CRT repair.
- Starting June 30, 2024, CRT providers must report performance results to the Department every six months.
- Future Department analysis will determine whether a second stakeholder process for accountability measures is necessary.

# HB 22-1268 – Medicaid Mental Health Reimbursement

- **Department to release a report on costs for behavioral health services, post safety net provider cost reports publicly, and create an action plan to address rate concerns within behavioral health**

Report 08/22  $\implies$  New cost reports 6/23  $\implies$  Action Plan published 11/22, 11/23

- **Updates:**
  - Stakeholder engagement on cost reporting and operations policy completed 5/2023
  - Directed payments for high needs youth implemented 7/2023
  - Safety net provider rules completed and released 11/2023
  - New Alternative Payment Methodology built 11/2023 to be implemented 7/2024

# HB 21-1085 - Behavioral Health Secure Transportation

- [House Bill 21-1085](#) directs HCPF to implement a behavioral health secure transportation benefit no later than July 1, 2023 (C.R.S. 25-3.5-103).
- Secure Transport is a safe alternative to law enforcement transport for individuals in a BH crisis that need to be taken to a provider or between facilities (i.e. ER to a psych hospital). Can be provided by ambulance or specially licensed vehicle.
- Updates from CY 2023
  - HCPF State Plan Amendment approved; eff. July 1, 2023
  - HCPF State Board Rule ([10 CCR 2505-10 8.000](#)) approved; eff. July 1, 2023
  - HCPF webpage for [Behavioral Health Secure Transportation](#) (BHST)
- Plan for CY 2024
  - Review utilization of benefit
  - Collaborate with BHA on reimbursement strategies and best practices

# SB17-121 - Improving Medicaid Client Correspondence

## Progress Made

- Reviewed and tested more than 40 member letters (both in CBMS and other systems)
- Addressing technical and system updates/standardizing templates, PEAK upgrades
- Part of a national workgroup to learn and implement member correspondence best practices
- PHE Unwind learnings: Texting, leverage partner voices/messaging toolkits, trancreation of materials into top 11 languages

## We are committed to Ongoing, Further Improvements:

- *Fully address all audit findings, three main areas of focus include:*
  - Eligibility Letters (CBMS)
  - Vendor Generated Letters (Dental, health plans, prior authorization, others)
  - Management of All Correspondence - proactive auditing and resources to address findings

We will leverage our regular budget process for resource requests.

# HB 22-1302 – Healthcare Practice Transformation

## Requirement to report on the Department's work related to federal disability policy & community integration

### HCPF is moving forward a number of initiatives in this space:

- Through SB 23-289 and FY 2023-24 BA-07
  - Community First Choice
  - Presumptive Eligibility
  - Enhanced community based services information sharing
  - Additional transition service support including housing navigation
- Money Follows the Person Demonstration federal grant
  - Pre-transition support
  - Rental assistance for members with disabilities transitioning to the community

# HB 22-1114 – Transportation Services for Medicaid Waiver Recipients

## **HCPF has engaged with a vendor to facilitate stakeholder engagement & research**

- A survey was distributed to key stakeholders, including members & key informant interviews were conducted for assessment of current service
- A review of research on best practices on non-medical transportation was completed

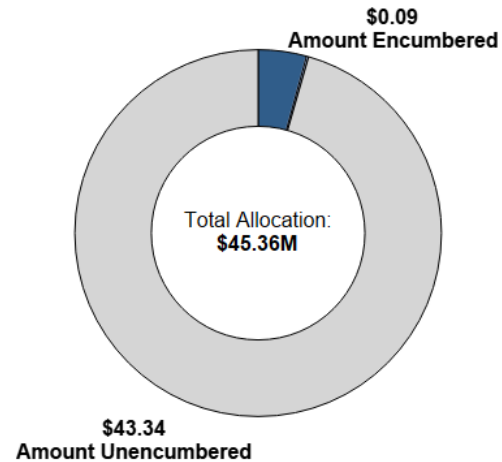
## **Recommendations based on research and interviews include:**

- Development of a consumer directed option for non-medical transportation including transportation network companies (TNCs)
- Changes to the reimbursement structure
- Centralized provider & driver credentialing; standards established in regulation
- A member complaint process (operated through the Case Management Agencies)
- A multi-tiered approach to program monitoring & oversight

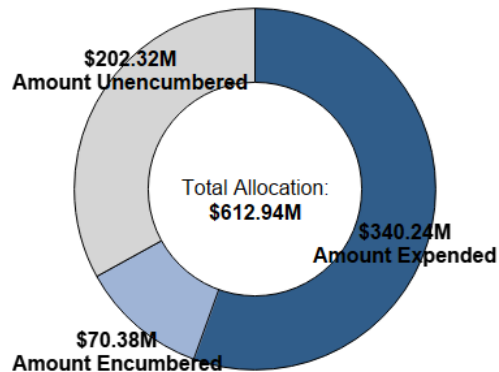
# Stimulus Funding Implementation (1/2)

## Overall Spending Status - HCPF

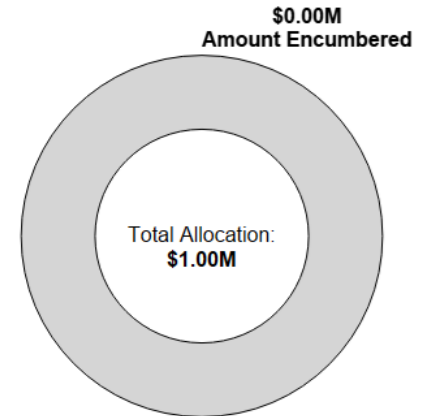
### ARPA State & Local Fiscal Recovery Funds (SLFRF)



### Direct to Agency Awards (DAA)



### State Stimulus





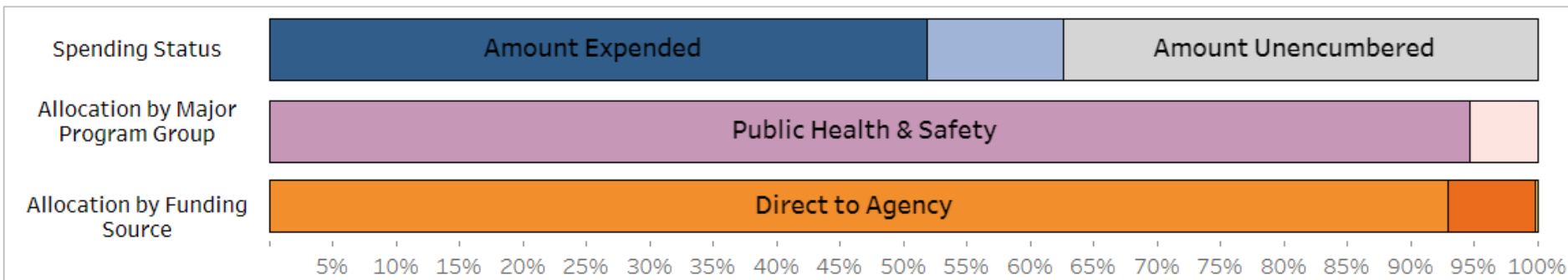
# Stimulus Funding Implementation, Continued (2/2)

The vast majority of HCPF’s stimulus funds come from Section 9817 of the American Rescue Plan Act

- \$550M must to be used to enhance, expand, & strengthen the state’s Home & Community Based Services System; all funds must be spent by March 31, 2025
- HCPF has 62 projects in the spending plan; 55% of the funds have been spent, 21% are encumbered

HCPF has two primary SLFRF programs: HB 22-1302 “Primary Care and Behavioral Health Statewide Integration Grant Program” & SB 22-200 “Rural Provider Stimulus Grant Program”

- Both are grant programs which have made grant awards this fall
- Funds will be encumbered by the end of January 2024 with spending concluding in December 2026



# Regulatory Agenda

## 2023 Rules Reviewed

- Long Term Care
- Nursing Facility Care
- Adult Day Care Services
- Home and Community Based Services for the Elderly, Blind and Disabled
- Electronic Monitoring
- Non-Medical Transportation and Program of All-Inclusive Care for the Elderly

## 2024 Rules for Review

- Eligibility
- Provider Screening
- Colorado NPI Number
- Provider Participation
- State Identification Number
- Medical Identification Cards and
- Duration of Eligibility, Acute Medical Benefits Determination

# For More Information - *Thank You!*

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional Department goals and context, view our [FY 2023-24 Performance Plan](#).

Read the [HCPF Report to the Community](#)

Further details: [Legislator Resource Center](#)

Contact: Jo Donlin, Legislative Liaison, [Jo.Donlin@state.co.us](mailto:Jo.Donlin@state.co.us)