

# Hospital Transformation Program

## Program Summary

### What is the Hospital Transformation Program (HTP)?

The goal of the HTP is to improve the quality of hospital care provided to Health First Colorado (Colorado Medicaid) members by tying provider fee-funded hospital payments to quality-based initiatives.

Over the course of the five-year program, provider fee-funded hospital payments will transition from pay-for-process and reporting to a pay-for-performance structure in an effort to improve quality, demonstrate meaningful community engagement and improve health outcomes over time.

Key activities and quality measures for HTP are consistent across the state, yet flexible enough to allow hospitals to work with their communities on the best interventions and approaches that serve them.

## Project and Program Overview

A combination of a State Plan Amendment and federal waiver under section 1115 of the Social Security Act will be utilized for the implementation and operations of HTP.

### HTP goals:

- 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.
- Increase collaboration between hospitals, their community health partners and other providers.

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

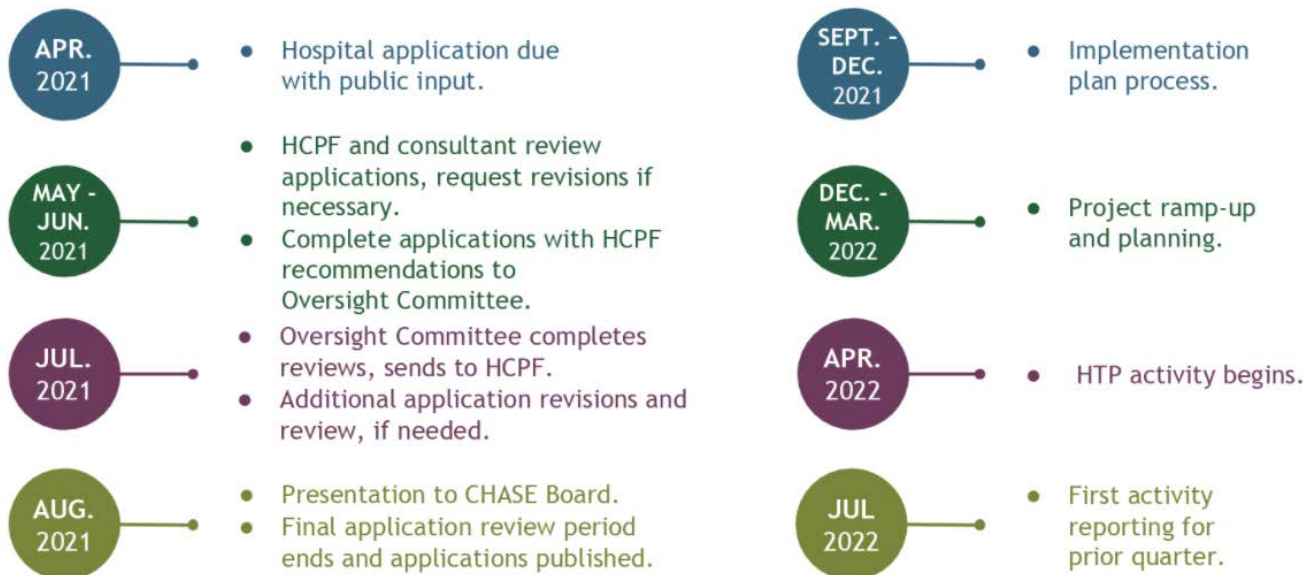
- Reducing avoidable hospital utilization.
- Core populations.
- Behavioral health and substance use disorder coordination
- Clinical and operational efficiencies.
- Population health/total cost of care.

Colorado's hospitals have a critical role to play in the HTP and will be asked to:

- Engage with community partners.
- Recognize and address the social determinants of health.
- Prevent avoidable hospital utilization.
- Ensure access to appropriate care and treatment.
- Improve patient outcomes.
- Ultimately reduce costs and contribute to reductions in total cost of care.

For more information about HTP measures, see the [Performance Measures Specifications document](#) on the HTP webpage.

## Updated HTP Timeline



## Community Advisory Council

In an effort to ensure the voices and needs of community health partners were heard in the wake of HTP implementation, the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) Board created the Community Advisory Council. Community Advisory Council meetings provide valuable consumer input to all parts of the HTP.

Additional information about the Community Advisory Council can be found in a [Department memo](#) on the [council's webpage](#).

## Community and Health Neighborhood Engagement

Community engagement is a cornerstone of the HTP and required on an ongoing basis for program participants. Before hospitals submitted their application to the program, they participated in a Community and Health Neighborhood Engagement (CHNE) process. The CHNE process was a pre-



waiver mandate intended to build on existing health care partnerships, as well as grow collaboration within Colorado's health system. HTP participants were required to engage organizations that serve and represent the broad interests of their community, including clinical providers, to identify community needs and resources. Participants were expected to engage, consult and be informed by health neighborhoods and community organizations as they put together their applications. Hospitals were asked to identify community needs in order to inform the selection of quality measures and interventions they chose to address those needs.

Hospitals were tasked with aligning their engagement activities with existing programs and alliances, advisory groups and statewide initiatives. Hospitals produced midpoint and final reports for the CHNE process and will continue with community and health neighborhood engagement throughout the HTP as a required component of regular activity reporting.

*Additional information about the CHNE process can be found in the on the [HTP webpage](#) under the "Community and Health Neighborhood Engagement (CHNE) Process" section.*

## Measures Scoring Framework

As part of the HTP, hospitals will receive supplemental payments based on their activity and performance on measures, and the interventions implemented to impact those measures. Measure scoring for the HTP includes a combination of measures for all hospitals statewide, and local measures selected by each individual hospital to align with their improvement priorities and community needs.



For each intervention, hospitals developed implementation plans with clear demonstrable milestones. At the beginning of the program, hospitals will be measured on reporting and implementation plans. As the program progresses, hospitals will be measured on improved performance across a series of measures important to improved processes of care, improved health outcomes and reducing avoidable utilization and costs; hospital supplemental payments will be tied to their success on achieving these measures. In addition, hospitals will be asked to produce a plan for sustainability of projects and performance at the conclusion of the HTP.

*For more detailed information on measures and how hospitals will be scored, please refer to the HTP Scoring Framework document on the [HTP webpage](#) under the "Hospital Transformation Program Overview & Framework" section.*

## Hospital Application Process



Hospitals participating in the HTP were asked to submit an application no later than April 30, 2021. Applications consisted of two separate documents: the application and Intervention Proposal. The hospital application included an executive summary and vision statement, governance structure, the hospital's planned stakeholder engagement, selected measures, statewide priorities and an inventory of the hospital's proposed interventions. The Intervention Proposal detailed each proposed intervention.



Applications were scored and hospitals were given opportunity to revise their applications to ensure they meet the requirements for participation. The Department provided technical assistance to support applicants as they completed and revised their applications, with the goal of ensuring all applicants ultimately meet the state's expectations for participation. All applications then underwent a process of review and feedback by the CHASE Board Application Review Oversight Committee to ensure all hospitals have an approved application that sets them up for success in the program. Applications were reviewed by the Application Review Oversight Committee between July 1 and July 31 and did not identify any major concerns with any hospital applications. Any minor concerns were communicated to the hospitals with the expectation of consideration for the implementation and operation of their programs. All 83 HTP hospital applications were approved and finalized in early August 2021.

*Application documents as well as guidelines about the scoring process for applications can be found on the [HTP webpage](#) under the "HTP Application documents" section.*

*Additional details about the Application Review Oversight Committee composition, expectations and application review process can be found in a [Department memo](#).*

*All hospital HTP applications are available to the public by request via email to [COHTP@state.co.us](mailto:COHTP@state.co.us)*

## Implementation Plan Process

The implementation Plan submission period began on Sept. 1<sup>st</sup> and ended on Sept. 30<sup>th</sup> at 11:59pm. Hospitals participating in the HTP submitted an Implementation Plan detailing the strategies and steps they intend to take in implementing each of the intervention(s) outlined in their applications. All 83 qualifying hospitals submitted their implementation plans ahead of the deadline. The next step in the process is the comprehensive scoring and review period with the goal of getting every HTP hospital to an approved Implementation Plan. The goal is to have all Implementation Plans approved by the end of the calendar year 2021; at which time they will be made available to the public, and hospitals move into the program ramp-up period and begin implementing their interventions. Additional information about implementation plans, milestone requirements, interventions and timeline can be found in the HTP Implementation Plan and Milestone Requirements section of the HTP website.

## Rural Support Fund

The Rural Support Fund is complementary funding to the HTP to prepare critical access and rural hospitals for future value-based payment environments.

For some rural hospital communities, layering quality-based initiatives on top of insufficient operational strategies or infrastructure may not allow the hospitals to prepare for the needs of the communities they serve or the payment methodologies of the



future. Select critical access or rural hospitals are eligible to receive additional support payments to prepare for alternative payment methodologies in the future through strategic planning and financial modeling, and then to operationalize those strategies.

Beginning with Federal Fiscal Year (FFY) 2020-2021, funding for rural support payments will be \$12,000,000 annually for each of the five years equaling \$60 million in total funding. 23 hospitals with the lowest revenues or reserves qualified for the Rural Support Fund. For each qualified hospital, the annual payment is equal to \$12,000,000 divided by the total number of qualified hospitals (approx. \$523k per hospital). The funds for FFY 2020-2021 were distributed in August and September after CMS approval of the State Plan Amendment. Rural Support Funds in subsequent years will be disbursed in monthly installments as part of the CHASE fee and supplemental payment program. Hospitals were given guidance on how these funds should be used to align with HTP goals and each hospital submitted an attestation form detailing the use of the funds. Attestation will be required for each subsequent year summarizing how the funds were utilized and how future funds will be allocated.

*The [HTP Rural Support Fund webpage](#) on the HTP website includes additional information about hospitals participating in the Rural Support Fund as well as mechanisms of the fund.*

