COLORADO
Department of Health Care Policy & Financing

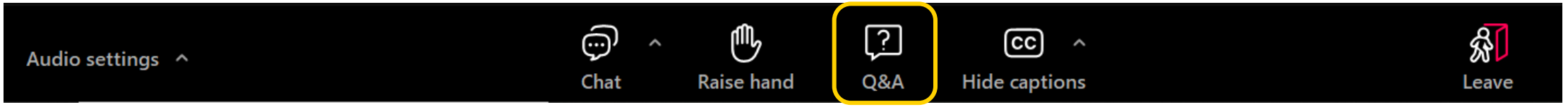
PY 26 Chronic Conditions Shared Savings Program

PCMP Education Session

September 25, 2025

Webinar Logistics

- Today's session is being recorded.
- AI notetakers are not permitted in today's session.
- A recording and materials will be posted to the APM 2, PACK, and ACC webpages.
- For questions: Please use the question and answer (Q&A) feature on the Zoom toolbar.
  - During the Q&A period, we will also take verbal questions and comments as time allows. Please use the raise hand function to make a verbal comment.



Agenda

1. Overview of Changes to Chronic Conditions Shared Savings for PY26
2. Member and Service Exclusions
3. Provider Eligibility and Small Provider Pool
4. Provider Payment and Thresholds
5. Questions and answers

Speakers

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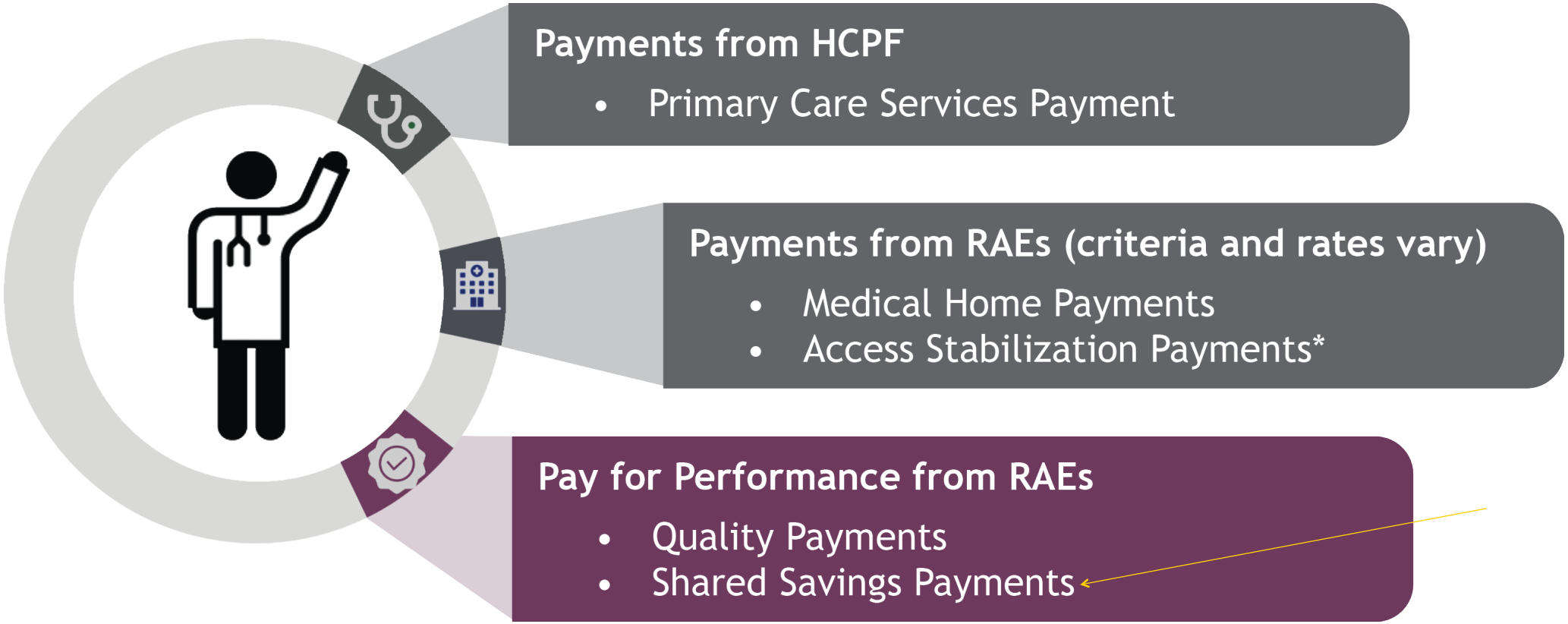
1. Overview of Changes to Chronic Conditions Shared Savings

PCMP Payment Structure



Total Cost of Care (TCOC) Model

Current State

Twelve Chronic Condition Episodes

Future State

Total Cost of Care

What is TCOC?

- Total spending on healthcare costs for chronic members calculated annually.
  - Excludes pre-defined factors outside of a PCMP's influence.

- Total Cost of Care model aims to incentivize and reward providers for improved healthcare outcomes and reduce healthcare costs.

What to Expect in PY 26

Current State

Twelve Chronic Condition Episodes

PY26

Members with at least 1 of 10 eligible Chronic Condition Episodes

Summary of PY 26 Changes

What is staying the same?	What is changing?
• The program is upside-only. • Focus is on managing costs of members with chronic conditions	• Focus **on total cost of care** rather than just episode-specific costs. • Removal of Crohn's disease and Ulcerative Colitis as qualifying chronic conditions. • Savings are now split between HCPF (50%), RAEs (12.5%) and PCMPs (37.5%). • Thresholds for RAEs and PCMPs will be focused on RAE & provider-specific data rather than a statewide benchmark.

Why are these changes being made?

Costs included in the Total Cost of Care (TCOC): Should only include what a Primary Care Provider can reasonably influence and be held accountable for.

Shared Responsibility: RAEs should be held accountable for attributed chronic members within their purview.

Equally prioritize maximizing provider-level participation and data credibility standards.

Any questions?

2. Member and Service Exclusions

Qualifying Chronic Episodes

An attributed member who has at least **one of the ten qualifying conditions** and does not meet a member exclusion criteria.

Qualifying Chronic Conditions

- Asthma
- Coronary Artery Disease
- Hypertension
- Gastro-Esophageal Reflux Disease (GERD)
- Chronic Obstructive Pulmonary Disease (COPD)
- Lower Back Pain
- Osteoarthritis
- Diabetes
- Heart Failure
- Arrhythmia/Heart Block

Member Exclusions

- Members requiring life-long specialized care (e.g. quadriplegia, ALS, coma)
- Members receiving hospice/end-of-life care
- Members being actively treated for malignant and metastatic cancers
- Members receiving organ transplant

Service Exclusions

- Maternity-related Services
- Long-term Home Health
- Long-term Nursing and Intermediate Care Facilities
- HCBS Waiver Services
- Non-Emergency Medical Transportation
- Behavioral Health Secure Transportation
- Dental and Vision
- Behavioral Health Services Reimbursed by RAEs
- Pharmacy Costs
- Indian Health Service Providers

3. Provider Eligibility and Enrollment

Provider Eligibility: TIN-Level

Current State

Eligibility is based on total member attribution at the PCMP level, in which chronic condition prevalence fluctuates across providers.

2.0% minimum savings rate (MSR) for all providers.

PY26

Eligibility Based on Volume of Members w/ Chronic Conditions:

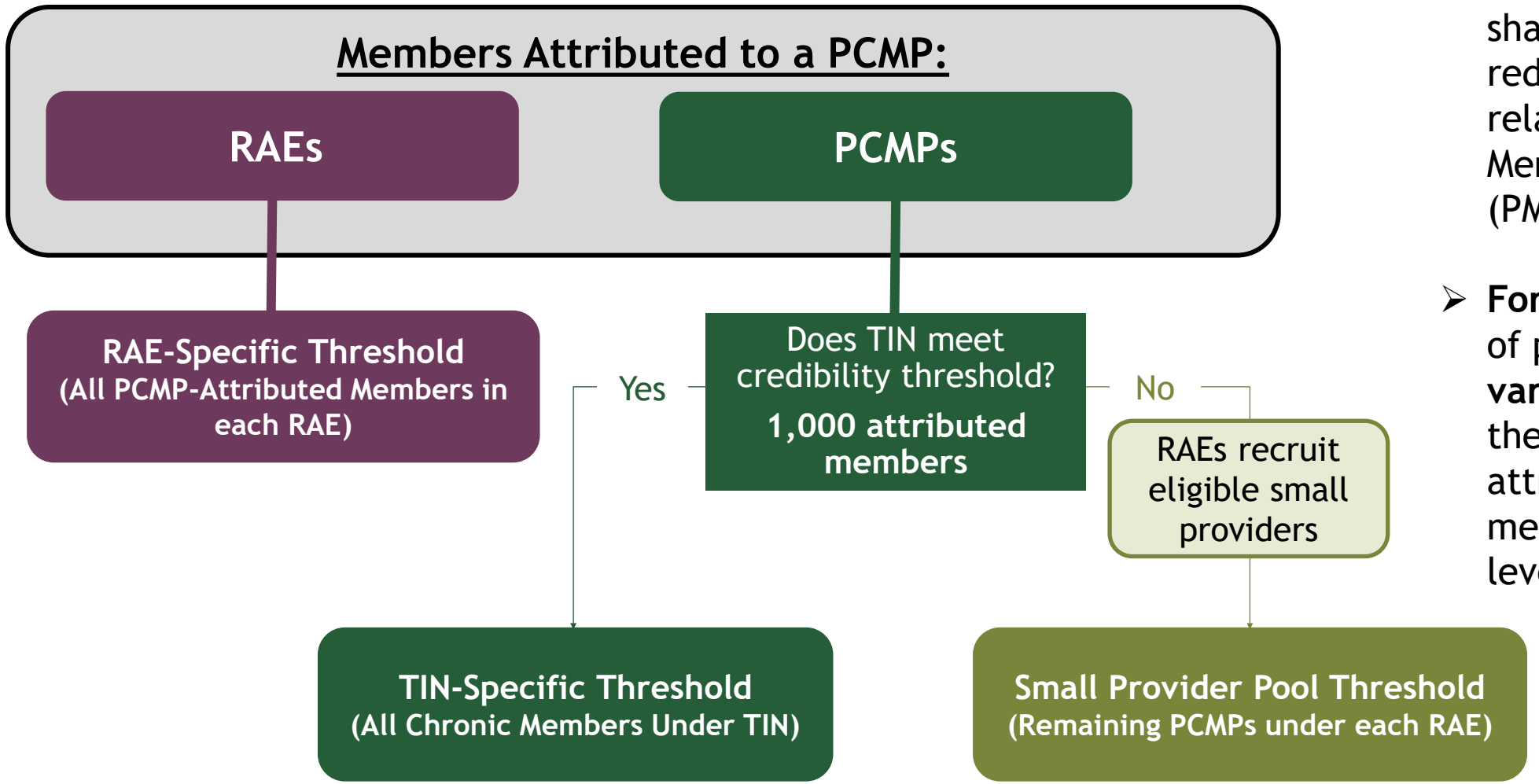
PCMPs are eligible for a TIN-level threshold if they meet minimum credible volume threshold requirements of 1,000 chronic attributed members

PCMPs who have 1,000 chronic attributed members or more **will receive a TIN-level threshold** & be **automatically enrolled**

Variable MSR Based on Sliding Scale:

Allow MSR scale incrementally (2.0%, 2.5%, 3.0%, etc.) with chronic member volume to reduce the chance of random fluctuation in savings calculations.

TIN-level, Small Provider Pool & RAE Eligibility



- **RAEs & PCMPs** earn shared savings by reducing costs relative to a Per-Member, Per-Year (PMPY) cost threshold
- **For PCMPs**, the level of participation **varies** depending on the number of attributed chronic members at the TIN level

4. Provider Payment and Thresholds

Provider Payment Eligibility

Cost
Providers' Per-Member, Per-Year cost of managing chronic members is below their pre-determined threshold

Quality
Providers must achieve the Minimum Acceptable Threshold two Adult Performance Track measures

PCMPs who do not qualify for the Performance Track and are not affiliated with a large enough TIN are not eligible to participate in Shared Savings.

Provider Thresholds

- Each TIN-level participant receives its own **provider-specific threshold**.
  - All PCMPs under the same Provider Pool will have the same threshold.
- **Thresholds** account for a minimum savings rate (MSR) which is determined by size of each TIN or small provider pool's attributed chronic member population.
  - **Minimum Volume Threshold Requirement:** 1,000 chronic attributed members at TIN level.
- HCPF will calculate and communicate thresholds to providers by December 2025.
  - RAEs will also be aware of these thresholds and will communicate them to their pooled providers.

MSR is Determined by Attribution Size

Larger populations have a lower MSR because cost averages are more stable and statistically credible.

Minimum Chronic Members Attributed	Minimum Savings Rate (MSR)
6,300	2.0%
4,000	2.5%
2,800	3.0%
2,000	3.5%
1,500	4.0%
1,200	4.5%
1,000	5.0%

Example: A practice with 3,500 Chronic members at the TIN-level has an MSR of 2.5%

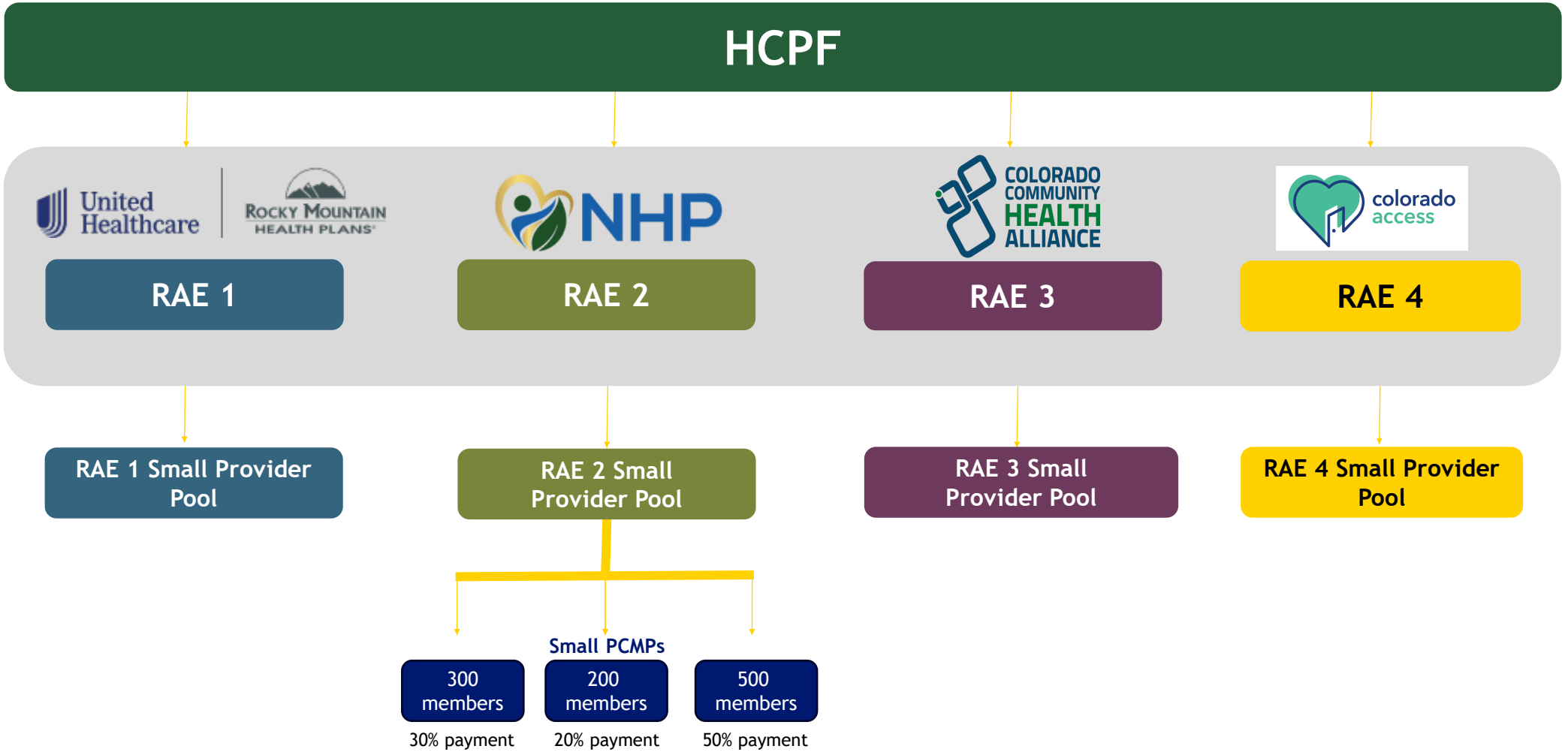
Smaller populations have a higher MSR because cost data is more volatile.

Funds Flow

- **TIN-level** payments will be made by HCPF directly to the provider.

- **Provider pool** payments will be made by the RAE to the provider.
  - RAEs will distribute payments proportionate to the number of chronic attributed members per provider.

Small Provider Pool Paid Through RAEs



Small Provider Pool: Enrolling in Shared Savings

- 9/16 - Small Provider Pool recruitment began.
  - Your RAE should be reaching out to your organization or feel free to contact them directly about participation & program information.
- If you are eligible through the small provider pool, you will need to notify your RAE by **10/15** if you would like to enroll.
- If you are eligible at the **TIN-level**, you are automatically enrolled in the shared savings program.

6. Questions?

Thank You!

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