COLORADO
Department of Health Care Policy & Financing

Shared Savings Part 1

Primary Care Workgroup Sessions

June 18, 2025

Objectives for Today's Session

1. Understand current landscape, as well as drivers for transition to a total cost of care model
2. Provide overview of PY 26 changes to shared savings and planned chronic condition member exclusions
3. Discuss challenges and opportunities for the total cost of care transition and proposed member exclusion criteria

1. Welcome and Introductions

Purpose of the Workgroup Sessions

To inform the prospective payment and shared savings components Primary Care model design

In Scope	Out of Scope
• **Communicate insights, experience, and expertise** on the topics presented • **Make suggestions or propose ideas** for primary care design within the context of the topics presented • **Provide feedback** to any consideration or option put forward • **Ask questions!**	• Make final decisions on the Primary Care design • Provide formal recommendations (i.e., report or standard documentation)

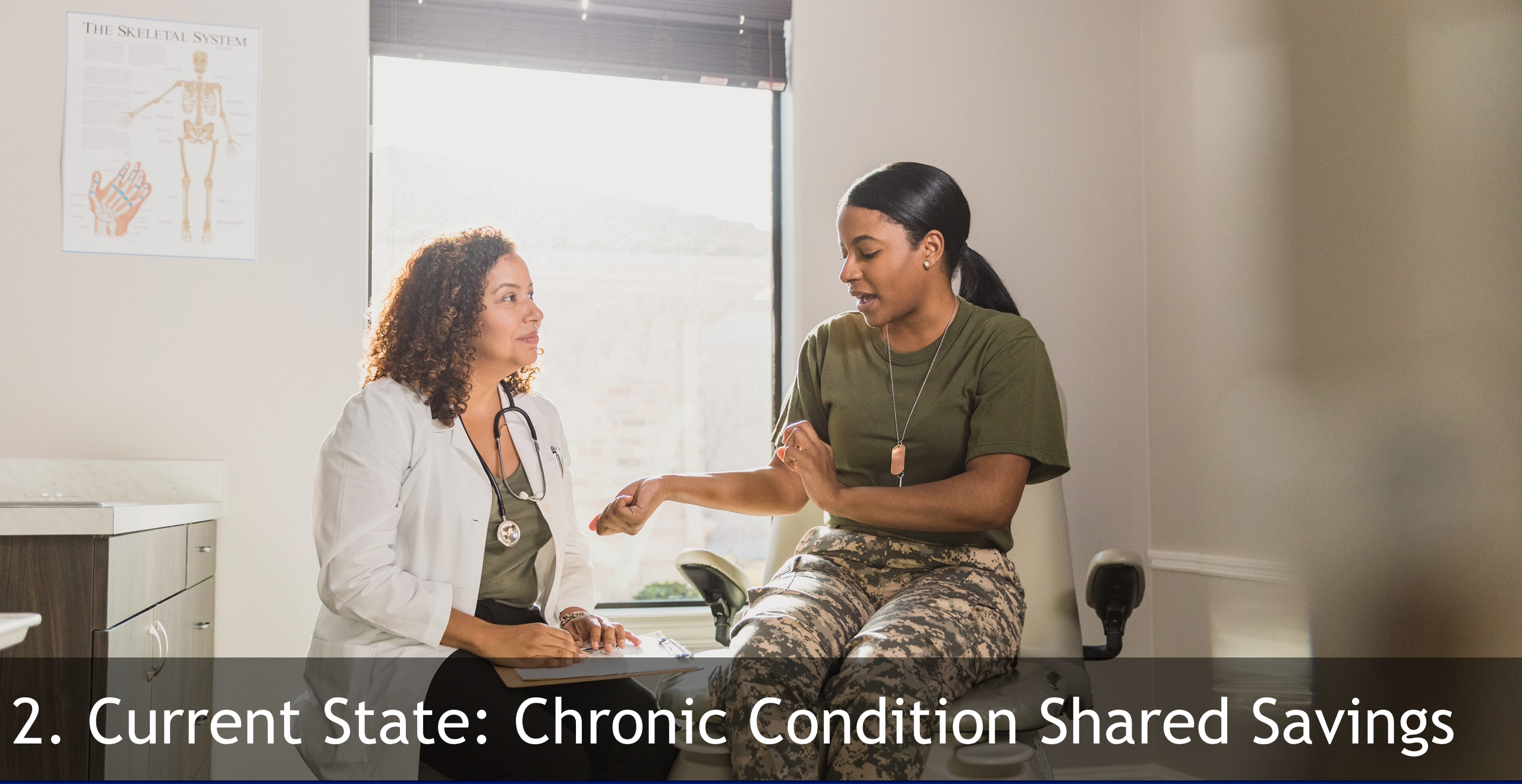
Shared Savings Session Structure

Today

- Overview of current state
- Discuss transition to a total cost of care model and immediate changes in PY 26
- Gather feedback on member and service exclusions to total cost of care model

June 25th

- Discussion on provider specific thresholds versus statewide average
- Discussion on funds flow and how payment is calculated
- Discussion on how quality performance impacts shared savings



2. Current State: Chronic Condition Shared Savings

Shared Savings Payments

Overview

- Incentivizes practices to improve the management of adult chronic conditions while maintaining quality of care.
- Rewards practices with 50% of the savings achieved across costs associated with 12 chronic conditions.
- Payments are upside-only and calculated annually.

Current Chronic Condition Shared Savings Payment

Overview	A voluntary, upside-only shared savings program. PCMPs receive 50% of achieved savings for improving costs compared to thresholds for the 12 chronic conditions listed below.		
Chronic Care Management Costs	An episode of care includes all medical services a member receives for one of the 12 chronic conditions listed below during a program year, triggered by a hospital admission or multiple office visits at least 30 days apart.		
	1. Asthma	2. Coronary Artery Disease	3. Hypertension
	4. Gastro-Esophageal Reflux Disease	5. Chronic Obstructive Pulmonary Disease	6. Crohn's Disease
	7. Ulcerative Colitis	8. Lower Back Pain	9. Osteoarthritis
	10. Diabetes	11. Heart Failure	12. Arrhythmia/Heart Block
Cost Thresholds	Statewide baseline, risk-adjusted for provider-specific thresholds.		

What We've Heard

- Overall cost of managing chronic conditions continues to increase while prevalence of members with chronic conditions continues to increase.
- Current program does not include "whole-person" centered care approach.
- Current methodology is overly complex and administratively burdensome.

What aspects of the current program are working well for you?

3. Transition to a Total Cost of Care Model

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.
  - Includes exclusions for 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. • 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. • Removal of Crohn's disease and Ulcerative Colitis as qualifying chronic conditions.

Why are these changes being made?

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

RAEs should be held accountable for all chronic members within their purview, including those not attributed to a PCMP.

Maximize provider-level participation and encompass as many members as possible.

Any questions?

4. Member and Service Exclusions

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

Discussion

Transitioning to TCOC

- What concerns do you have about transitioning to a model that includes total costs of providing care?
- Are there additional member or service exclusions that should be considered?
- What support would providers need to track and manage care outside of chronic conditions? (e.g. care coordination, integrated behavioral health, etc.)
- What lessons have you learned from working within chronic disease management that could inform a broader population health approach?