COLORADO
Department of Health Care Policy & Financing

Shared Savings Part 2

Primary Care Workgroup Sessions

June 25, 2025

Objectives for Today's Session

1. Review provider eligibility and threshold goals
2. Discuss Shared Savings funds flow options and gather feedback on preferences

1. Welcome and Introductions

Shared Savings Session Structure

June 18th

- *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*

Today

- 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

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.

What We Heard

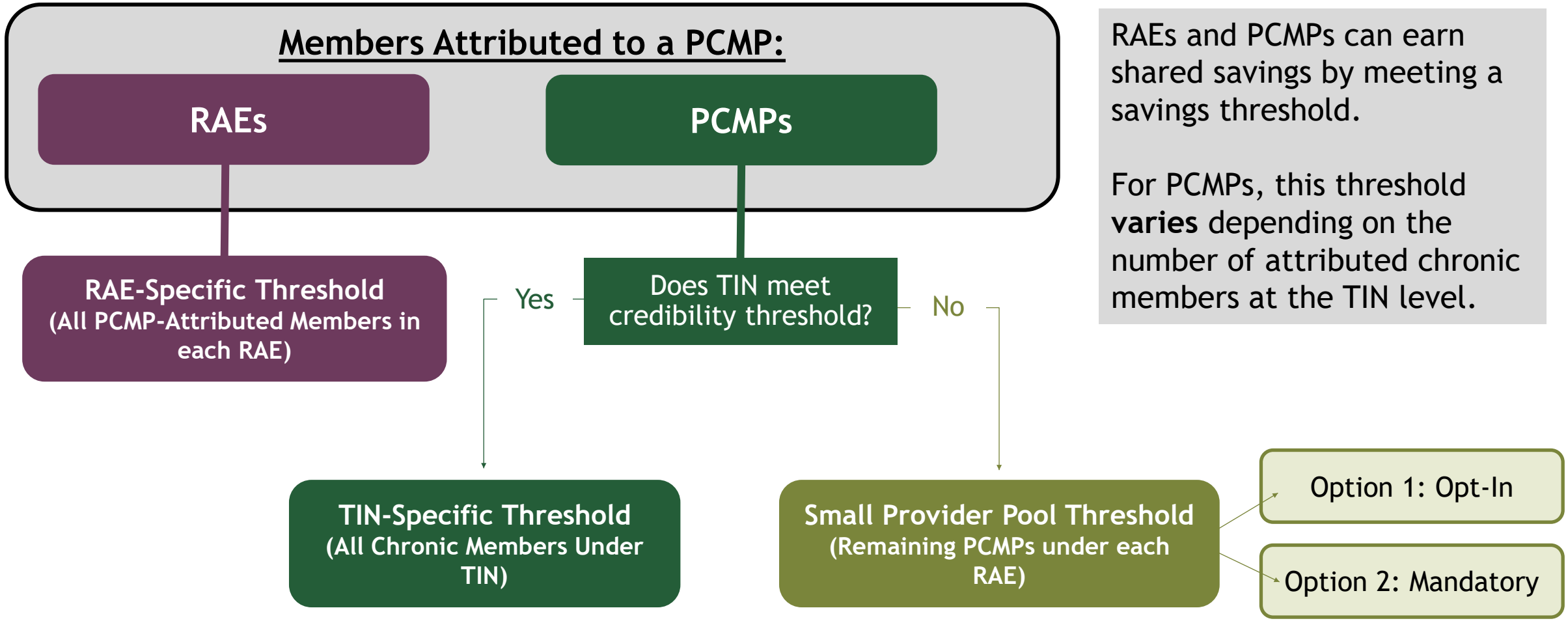
- Stakeholders were aligned with moving towards a TCOC model
- There were concerns about the split of shared savings payments now including the RAEs.
  - Stakeholders suggested that PCMPs should retain a higher level of savings percentage than HCPF and RAEs since they are providing the actual care to members.

2. Eligibility and Threshold Goals

Provider Eligibility and Threshold Goals

- **Expanded Member Reach:** More chronic members are captured by a provider and/or RAE threshold.
- **Increased Provider Participation:**
  - PCMPs with 700 chronic members at the TIN level measured on TIN-specific threshold
  - Small PCMPs still have opportunity to receive savings payouts.

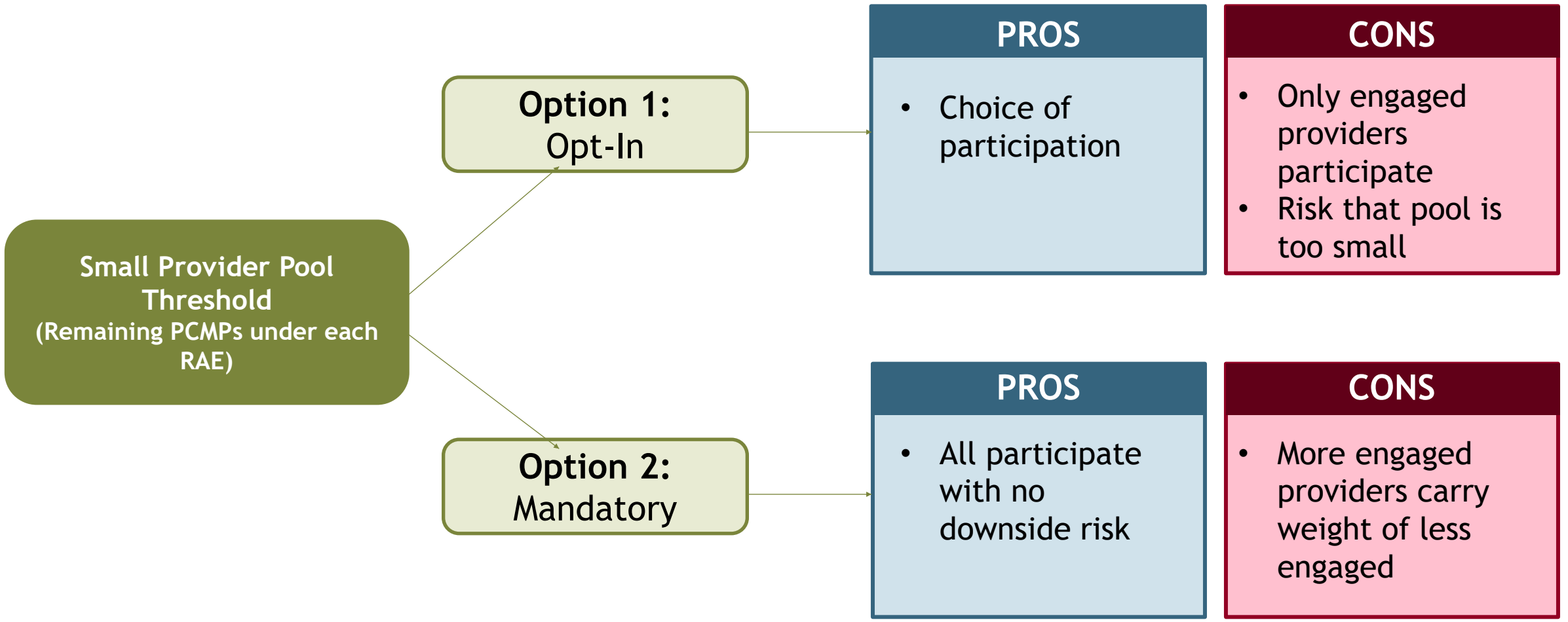
How Do I Earn Shared Savings?



RAEs and PCMPs can earn shared savings by meeting a savings threshold.

For PCMPs, this threshold **varies** depending on the number of attributed chronic members at the TIN level.

Pros and Cons of Small Provider Pool Thresholds



Discussion

Provider Specific Thresholds

- What are your initial reactions to the changes in provider thresholds?
- Do these changes make it easier for small providers to achieve shared savings?
  - Do you believe small providers would want to participate in this shared savings model if they are pooled?
  - Considering the pros/cons of small provider pools, what is more fair?

Maximizing Provider (TIN-Level) Participation

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 Chronic Members: Determine provider-level participation based on a credible minimum volume threshold of *chronic attribution*.

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.

Detailed Table - Variable MSR Tiers

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

Minimum Chronic Members Attributed	Minimum Savings Rate (MSR)
4,700	2.0%
3,000	2.5%
2,100	3.0%
1,500	3.5%
1,100	4.0%
900	4.5%
700	5.0%

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

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

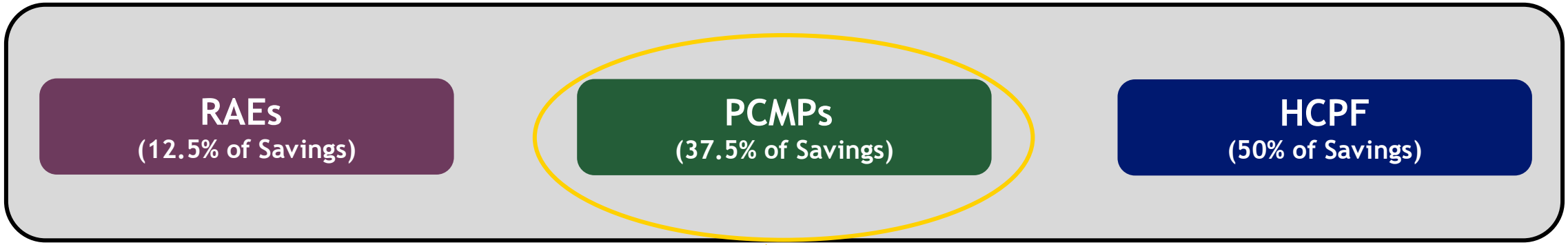
Discussion

Eligibility and Thresholds

- What are your initial reactions to the changes in provider thresholds, eligibility, and variable MSR?
- Are there any unintended consequences?

3. Funds Flow

Shared Savings Distribution



How should Shared Savings funds be distributed to PCMPs?

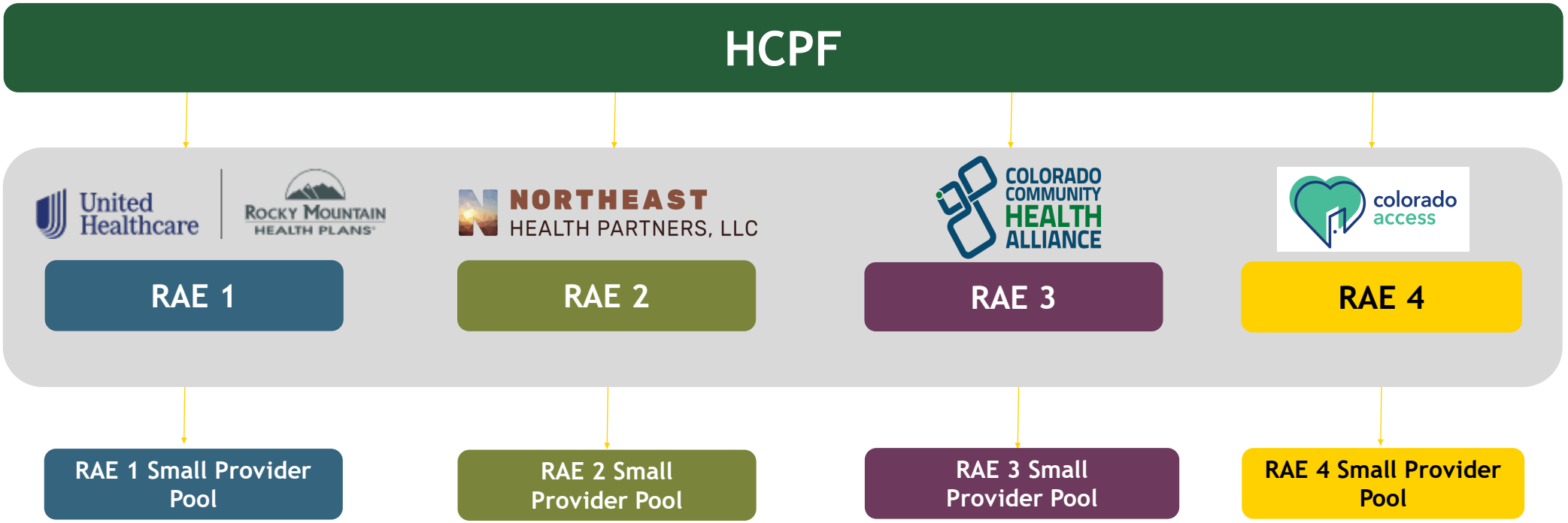
Funds Flow

- Shared savings payments are currently set to be made through the RAEs to providers.
  - However, 40% of providers (at TIN level) span multiple RAEs.

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

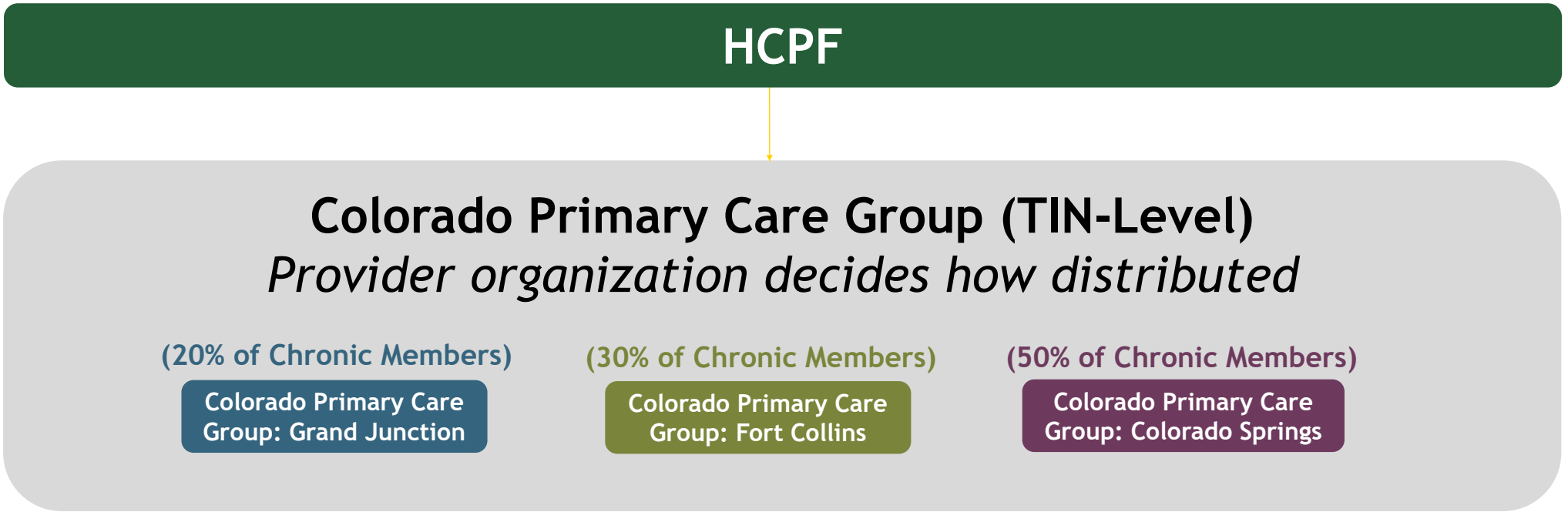
- **Small provider pool** will always be paid by RAE

Small Provider Pool Paid Through RAEs



HCPF Pays TIN-Level Providers Directly

Example TIN: Colorado Primary Care Group with 3 locations in Grand Junction, Fort Collins, and Colorado Springs



Discussion

Funds Flow

- What are the pros/cons of large & small providers receiving their payments through different sources?
- How can RAEs support providers as an accountability partner in chronic disease management?