Transforming for a better tomorrow

2020 - 2021 ANNUAL REPORT

COLORADO
Department of Health Care Policy & Financing

A Year in Review – A Message from the Executive Director

On behalf of the entire Department of Health Care Policy & Financing, it is an honor to serve each and every Coloradan who relies on our safety net coverage programs. Some individuals are with us for years, while others only turn to us during times of transition. This was the case for many who lost their jobs and employer-sponsored coverage due to the pandemic-induced economic downturn. From the start of the pandemic through June 30, 2021 - the end of our fiscal year - more than 260,000 additional Coloradans enrolled in our safety net coverage programs. This 21% growth increased our Health First Colorado and Child Health Plan Plus membership to 1.4 million, representing one in four Coloradans. Despite this growth, which put tremendous pressure on the state budget and staffing, we curbed cost trends, exceeded member and provider service goals, and protected member benefits as well as provider reimbursements. Thank you - policymakers, stakeholders, and partners - for collaborating with us to achieve these shared goals! And a sincere thank you to our health care workers for your continued passionate service during this very difficult chapter.

In many other ways, Health First Colorado, Child Health Plan Plus, and our other safety net programs have supported Coloradans through the pandemic: we deployed residential care strike teams to mitigate spread and protect our most vulnerable members in settings like nursing homes and assisted living facilities. We expanded our pharmacy network by 36% to improve access to vaccines and implemented initiatives to reduce vaccination disparities for members with disabilities and people of color. In collaboration with sister agencies, we delivered vaccines to homebound members.

Vaccine uptake is our top health equity priority, followed by maternal health and behavioral health. In 2020, Health First Colorado and Child Health Plan Plus covered 43% of Colorado births. Because preterm birth rates continue to rise and racial and ethnic disparities persist, we released a first-of-its-kind report on Health First Colorado Maternity Health which identified a broad array of initiatives to improve maternal health outcomes. Accordingly, the Department invested in enhanced benefits and services for pregnant and birthing parents, launched bundled payments to reward providers for closing maternal disparities, established a new Maternity Advisory Committee, and successfully supported maternity care legislation in collaboration with our advocate and legislative partners.

The pandemic amplified Colorado's behavioral health needs and disparities, too. So, we expanded our substance use disorder benefit and added both mental health and substance use providers to our network. We also collaborated with policymakers and stakeholders to support establishing the state Behavioral Health Administration to transform behavioral health services for all Coloradans.

More broadly, our Department is putting health equity front and center to achieve A Colorado for All. Our modernized Department mission reflects this critical focus:

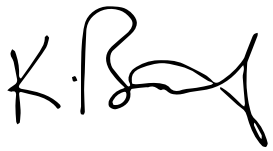
Our mission is to improve health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.

The Department is a leader in driving policy and initiatives that help make care more equitable and affordable. Prescription drugs are the top contributor to rising health care costs; one in three Coloradans either cannot fill a prescription, cuts pills in half, or skips doses because of the out-of-pocket drug costs. To address these realities, the Department is collaborating with providers, state agencies, and stakeholders to implement a Prescription Drug Affordability Board (PDAB), import drugs from Canada, and use the Prescriber Tool to save Coloradans money on prescription drugs.

Hospital outpatient services are the second leading contributor to rising health care costs in Colorado. That is why the Department released the Colorado Hospital Cost, Price and Profit Review, which shows that non-rural hospitals have more affordability work to do to keep pace with national peers. Excluding small, rural critical access hospitals, Colorado hospitals rank first in total profits nationally, sixth highest for cost, and ninth highest in costs per patient. We thank the hospitals for their partnership to transform health care to be more affordable, equitable, accessible, and responsive to community needs and for their collaboration in creating and implementing the Hospital Transformation Program, which aims to improve the quality and affordability of hospital care. Hospitals are doing this work at such a difficult time and we are deeply appreciative of their continued commitment to taking care of Coloradans through this pandemic, for going above and beyond, again and again.

The Department also collaborated with state and federal partners to drive innovations in telemedicine, including releasing the Health First Colorado Telemedicine Evaluation that identifies opportunities to leverage this technology to improve member access and outcomes. Moreover, the Department appreciates the collaboration of more than 800 stakeholders to bring to fruition its plan to transform home and community-based services.

Our commitment to health equity, affordability, access, and operational excellence is reflected in our performance plan. You can count on us to be your consistent partner to strive toward transforming for a better tomorrow to the benefit of all the Coloradans we have the privilege to serve.



Kim Bimestefer, Executive Director

Colorado Department of Health Care Policy & Financing

What We Do

COLORADO
Department of Health Care Policy & Financing

This report summarizes our accomplishments and activities for the state fiscal year 2020-21, which spans July 1, 2020, through June 30, 2021, unless otherwise noted. Future reporting may vary as the Department continues to receive data.

In fiscal year 2020-21, Health First Colorado (Colorado's Medicaid program) provided coverage to approximately 1.4 million Coloradans. Child Health Plan *Plus* (CHP+) covered approximately 66,000 children and pregnant women.

At the federal level, the Department is regulated by the Centers for Medicare & Medicaid Services (CMS). At the state level, the Medical Services Board adopts rules to govern all Department programs, ensuring compliance with state and federal regulations. Learn more about the Medical Services Board at hcpf.colorado.gov/medical-services-board.

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Programs

Health First Colorado

Health First Colorado (Colorado's Medicaid program) is a public health care program for Coloradans who qualify. The program provides access to primary care, behavioral health care, hospitalization, nursing facility care, prescription drugs, and other benefits to get and keep members healthy.

Child Health Plan *Plus*

Child Health Plan *Plus* (CHP+) offers comprehensive health care benefits to two populations: uninsured children ages 18 and younger, and pregnant women who do not qualify for Health First Colorado and cannot afford private health insurance. CHP+ enrollment, which includes both children and pregnant women, was just over 66,000 in fiscal year 2020-21.

State legislation in 2019 expanded dental services to CHP+ parents. In fiscal year 2020-21, the CHP+ dental program served more than 40,000 children and prenatal CHP+ members.

Buy-In Programs

The Health First Colorado Working Adults with Disabilities Buy-In Program and the Health First Colorado Children with Disabilities Buy-In Program allow individuals and families the opportunity to purchase Health First Colorado coverage. Members pay a monthly premium based on their income. In fiscal year 2020-21, 14,347 Coloradans participated in these two buy-in programs.

The Health Insurance Buy-In Program offers commercial health insurance premium assistance for Health First Colorado members who qualify. As of June 30, 2021, 795 Coloradans were participating in the Health Insurance Buy-In Program.

Dental Program

Health First Colorado offers dental benefits to children and adults. During fiscal year 2020-21, 511,620 Health First Colorado members received at least one dental service. The adult dental program completed its sixth year of services on June 30, 2021.

The Colorado Indigent Care Program

The Colorado Indigent Care Program (CICP) allows Coloradans with incomes up to 250% of the Federal Poverty Level (FPL) to receive discounted health care services at participating hospitals, community health centers and clinics. CICP is not health insurance. In the 2020-21 fiscal year, CICP served approximately 40,000 Coloradans. CICP is an important safety net for Coloradans who do not qualify for Health First Colorado or Child Health Plan *Plus*.

Long-Term Services and Supports

The Department offers long-term services and supports to qualifying Health First Colorado members. These services allow members with disabilities to live the lives they want, with family and friends, in the communities of their choosing. In fiscal year 2020-21, approximately 75,728 Coloradans received long-term services and supports.

Who We Serve

Health First Colorado provides comprehensive health care and long-term services and supports (LTSS) benefits to members who meet income, citizenship and other requirements.

When baby Maddie was diagnosed with Pitts-Hopkins syndrome, Health First Colorado was there to get her personalized care. Maddie recently graduated from kindergarten. Watch Maddie's story to learn more.

1.4 Million

Coloradans are Health First Colorado members

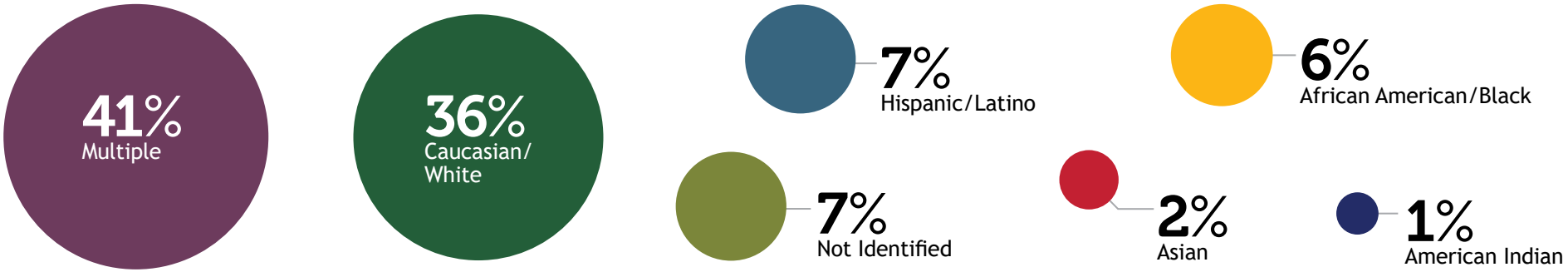
15% of members in urban areas live in Denver county.

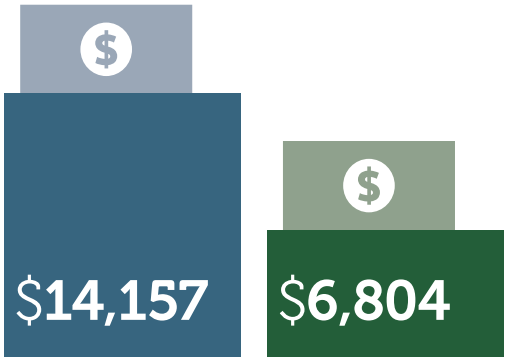
86% live in urban counties

11% live in rural counties

3% live in frontier counties

Self Identified Race/Ethnicity



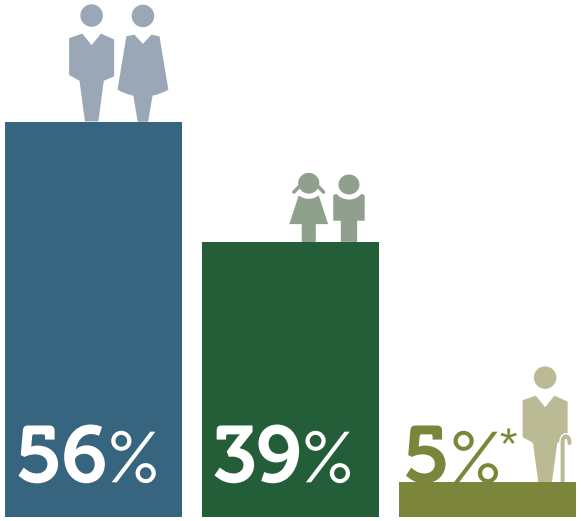


Average Income

Median Income

About Health First Colorado Members

Fiscal Year 2020-21 Demographics

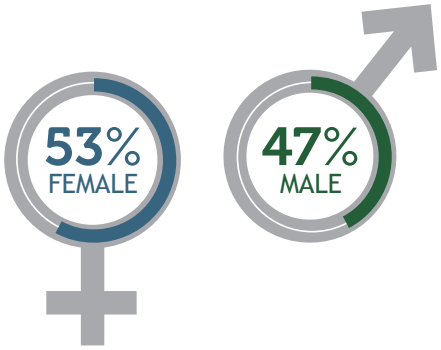


Adults
Ages 19 - 64

Children & Adolescents
Age 18 and younger

Adults
Age 65 and older

*Includes people partially eligible for Health First Colorado.



43%

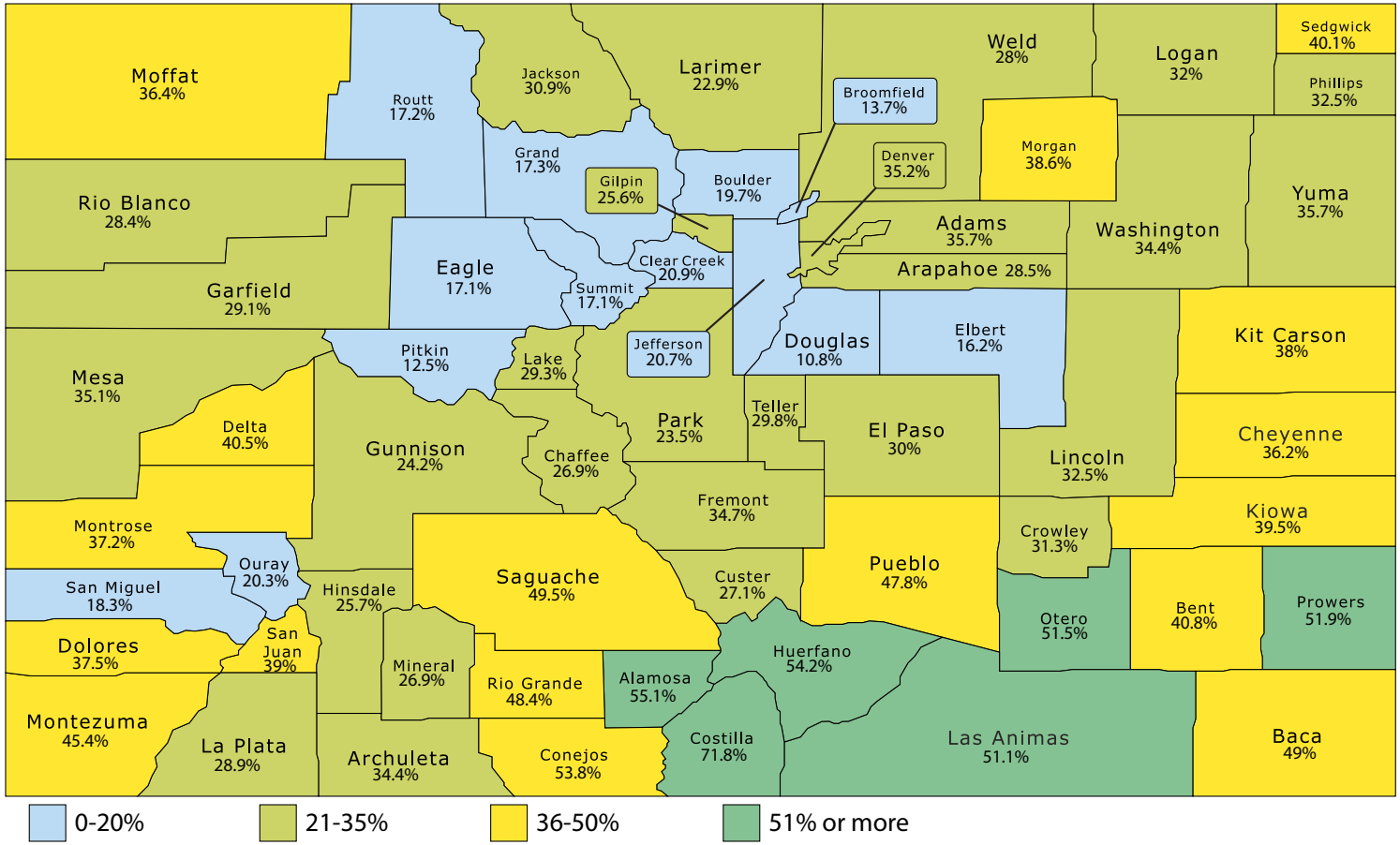
of babies born in Colorado during calendar year 2020 were born to mothers enrolled in Health First Colorado or Child Health Plan *Plus*.

The Department's BIDM System (Business Intelligence and Data Management); Colorado State Demographer Website: Estimated number of Colorado State Births for calendar year 2020

4.1% OF MEMBERS

use long-term services and supports programs

Percentage of Total Population Enrolled in Health First Colorado and CHP+, by County



Source of enrollment data is Medicaid Management Information Systems (MMIS). Percentages represent people enrolled for one day or more during calendar year 2020. 2020 population data as forecasted by the state demographer at: demography.dola.colorado.gov/population/data/profile-county/

2021 FEDERAL POVERTY LEVELS
by Family Size*

Family of 1	Family of 4
$17,136	$35,256

*Some earning more may still qualify

The Federal Poverty Level (FPL) is a measure of income issued every year by the U.S. Department of Health and Human Services. FPL is one factor used to determine eligibility for Health First Colorado and other safety net programs.

Member Experience Advisory Council

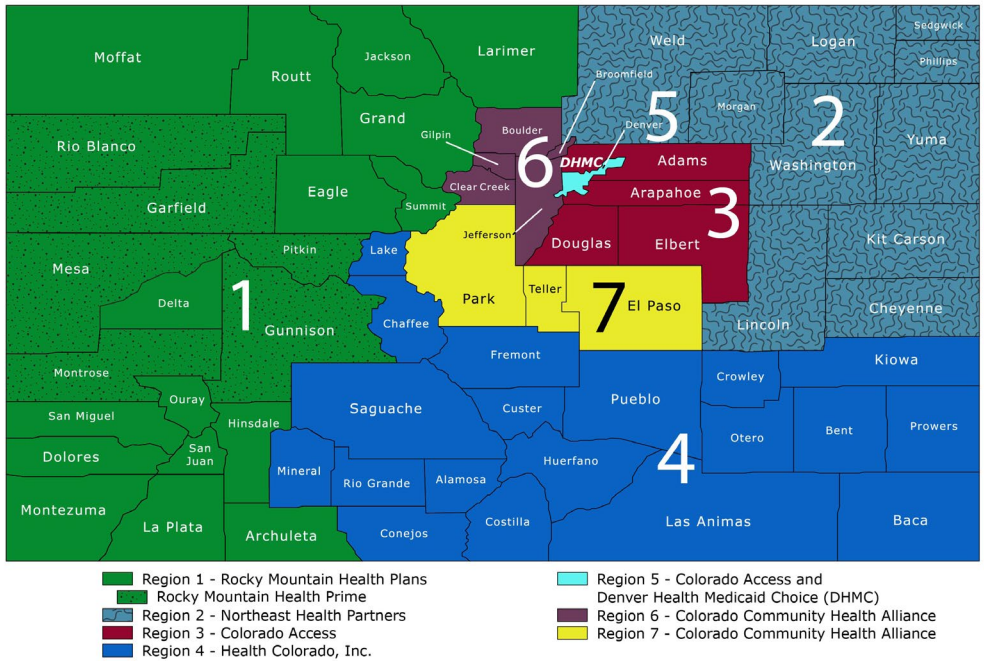
Colorado is achieving a more equitable and accessible Health First Colorado through its award-winning Member Experience Advisory Council by recruiting a diverse demographic, removing barriers to participation and creating trusted partnerships. We engage with our members through monthly surveys, focus groups, interviews and usability testing. For more information, visit hcpf.colorado.gov/meac and bit.ly/MEACstory.

Health First Colorado helps Jessica feel confident and self sufficient. Learn more about Jessica and her story.

Accountable Care Collaborative

Critical Partners Coordinating Care Through the Pandemic

The Accountable Care Collaborative (ACC) is at the core of Health First Colorado. Launched in 2011, its fundamental premise is that regional communities are in the best position to deliver the programs that will improve member health and reduce costs. For this reason, the ACC does not use one central administrative organization, but instead has a Regional Accountable Entity (RAE) that manages care within each of the seven regions of the state.



The ACC has four core components:

1. **Seven regional organizations** called Regional Accountable Entities, or RAEs.
2. **Primary Care Medical Providers (PCMPs)** who serve as a member's central point of care and promote comprehensive, coordinated care for a positive member experience and better health outcomes. All members are attributed to a PCMP upon their enrollment into the program; members can select a different PCMP at any time. Providers are paid fee-for-service for the health care they provide and also receive a per-member-per-month (PMPM) payment from the RAEs for their medical home services.
3. **Comprehensive community-based system of mental health and substance use disorder services.** RAEs serve as the managed care entity for these services. They receive a PMPM payment to provide all covered behavioral health care and services to their members.
4. **Data and analytics.** The Department, RAEs, PCMPs, and partners have access to actionable information on individual members and the program population.

Read the recently published Accountable Care Collaborative Implementation Report for more information about the ACC.

ACC Enrollment

With few exceptions, Health First Colorado members participate in the ACC. In fiscal year 2020–21, average enrollment increased by 15.67% from fiscal year 2019–20. Before the pandemic began in March 2020, average enrollment hovered around one million, and increased as unemployment and economic instability increased. In addition, due to the COVID-19 public health emergency, the federal government temporarily required Medicaid programs to continue health care coverage for all medical assistance programs, even if someone's eligibility changes. This continuous enrollment requirement expires at the end of the declared public health emergency.

Budget and Financial Performance

Program costs include administrative costs and all expenses for benefits and services provided during fiscal year 2020–21, including capitations, pharmacy, inpatient, outpatient, emergency room, long-term services and supports, and home health. The total amount paid for the ACC in fiscal year 2020-21 was $8.9 billion, a 10.1% increase from the previous fiscal year. The primary driver for the increase in total costs was the growth in enrollment. However, average PMPM costs decreased from $564 PMPM in fiscal year 2019–20 to $557 PMPM in fiscal year 2020–21.

Program Performance

One tool the Department uses to measure and monitor program performance is the Pay-for-Performance Program. RAEs can earn financial incentives for achieving performance and programmatic objectives through Key Performance Indicators, the Performance Pool, and the Behavioral Health Incentive Program. The pandemic led to lower utilization in many services, especially emergency department visits and preventive services. However, utilization rates for behavioral health engagement and prenatal engagement did not decrease as much or, in some cases, were maintained at pre-pandemic levels, which may be due in part to the program's efforts to connect members to these services.

Performance Pool

The Performance Pool is funded with money not earned by the RAEs for KPI performance and is often used to respond to timely needs and priorities. In fiscal year 2020–21, the funds paid in the first two quarters were used to support the COVID-19 response. The funds paid in the last two quarters were used to reward performance on indicators that measure health outcomes and total cost of care.

The Performance Pool payment that supported PCMPs in COVID-19 response activities was the second payment for this purpose; the first one was disbursed in fiscal year 2019–20. Nearly $7.6 million in funding was used to alleviate the financial impact of the pandemic on practices and ensure that Health First Colorado members at the highest risk of contracting the virus could receive the necessary outreach and engagement to obtain care. By having access to these funds early in the fiscal year, RAEs and PCMPs were able to meet immediate and pressing needs related to the pandemic in their regions.

The remainder of the fiscal year 2020–21 Performance Pool funds were used to incentivize the RAEs' fiscal year 2019–20 performance on the following indicators: extended care coordination, premature birth rate, and behavioral health engagement for members who are leaving state prisons.

COVID-19 Response

The power of the ACC's regional model was particularly evident this fiscal year as the state navigated the COVID-19 pandemic. RAEs were able to adapt to the rapidly emerging threats caused by the pandemic both to members and to the health care system itself. They were flexible and nimble in how they directed funding and supported capacity building in their region and shifted resources to meet the evolving needs during the pandemic. They were also able to leverage their care coordination systems and long-standing relationships with providers and community-based organizations to disseminate information and give providers and members support.

The pandemic posed a particular risk to older members and those with chronic conditions. Using its data and care coordination infrastructure, the ACC regional model rapidly identified high-risk members and reached out to them to provide information about COVID-19 prevention, symptoms, and vaccinations. RAEs also shared lists of high-risk members with PCMPs and supported expanded telemedicine services for them. RAEs also supported the expansion of telemedicine during the pandemic by providing training, software platforms, and other resources. RAEs implemented programs that made phones, tablets, and internet access more readily available to members. Telemedicine visits increased from less than one percent of visits before the pandemic to a high of 32.2% of visits in the first week of April 2020 and hovered around 15% for this fiscal year. (These visits do not include most behavioral health services.) Behavioral health providers adopted telemedicine at high rates throughout the pandemic. In the first two months of 2020, prior to the pandemic, average telemedicine utilization for capitated behavioral health was 0.9% of total utilization. It grew to 50.4% by April 2020. From March 2020 through March 2021, the statewide average telemedicine utilization rate for behavioral health visits was 40.3%.

Increasing COVID-19 Vaccination Rates

Once vaccinations became widely available for Health First Colorado members, the RAEs played a critical role in identifying and reaching out to unvaccinated members and collaborating with providers and community-based organizations to increase vaccination rates. The Department obtained weekly vaccination data from the Colorado Department of Public Health & Environment, which allowed the program to track vaccination progress and share information with the RAEs for member outreach. The Department partnered with RAEs, Managed Care Organizations (MCOs), and Long-term services and supports case management agencies to focus additional resources on increasing vaccination rates for two priority populations: members of color and members who are potentially homebound. To increase vaccination rates, the Department secured $13.3

million in Federal Emergency Management Agency funds for RAEs and MCOs to support vaccination clinics, reach out to members disproportionately impacted by COVID-19, and draw on existing community partnerships and build new ones to remove barriers to vaccination.

Examples of Diverse COVID-19 Vaccination Strategies Among Regions

RAEs and MCOs used a range of approaches to help members get vaccinated. Approaches depended on the unique needs and geographical barriers in the region.

RAE 1 offered financial incentives to practices that see many Health First Colorado members, particularly members of color, to begin providing vaccinations. They also funded transportation to address access barriers in rural southwest Colorado.

The RAE 2 equity taskforce partnered with agencies in the region to diminish and eliminate vaccination barriers by addressing accessibility (language and physical) and transportation challenges. For example, they collaborated with Spanish-speaking churches for outreach about the importance of getting vaccinated and to set up vaccination events after church services.

RAE 3 sought to provide vaccines in non-traditional settings, including at two bus stops, and the entity partnered with RAE 5 on back-to-school events to promote the vaccine.

RAEs 3 and 5 did a texting campaign to reach members of color in the region with information about COVID-19, vaccine sites, vaccine efficacy, vaccine cost (none), safety, return to normalcy, side effects, and stories from others who were vaccinated. The program reached 293,000 unique members with roughly 2.5 million individual messages.

RAE 4 worked with partners in Pueblo to establish best practices in reaching and vaccinating the Hispanic population.

RAEs 6 and 7 had their care coordination team outreach through multiple modalities including text, phone calls, and mail to reach potentially homebound members to get them a vaccine.

Denver Health (MCO) partnered with Denver Public Health and Denver Health and Hospital Authority to deploy mobile units to reach members where they live, including home health settings.

> “Without NHP, our practice would have closed last year and that is a matter of fact. Your agency has helped us more than any agency ever has, and we know you are our biggest advocate.”

Abe Herrera, President of
A Children’s Health Place

RAE 2 Northeast Health Partners (NHP) and its board committed resources to support its providers during the pandemic.

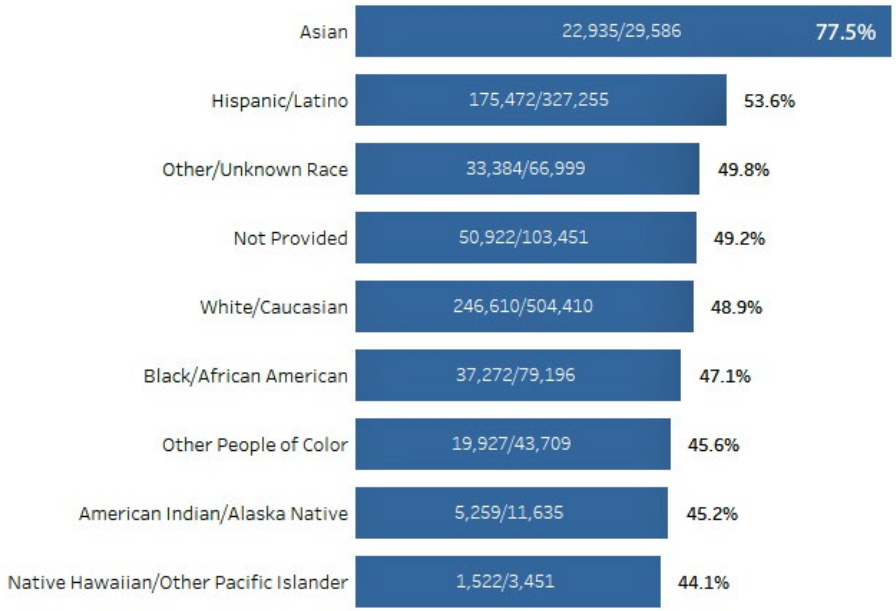
COVID-19 Vaccination Among Members of Color

RAEs and MCOs implemented the following activities and initiatives to reduce vaccination disparities:

- Identify and distribute lists of unvaccinated members to PCMPs with messaging and, often, financial support to encourage an increase in vaccinating providers.
- Train care coordinators and trusted community messengers to promote accurate vaccine information and dispel myths.
- Fund promotoras, who are community members who work with people in their communities to explain why and how to get vaccinated.
- Support PCMPs (especially Federally Qualified Health Centers) in diverse communities, including administrative support, supplies, and in some cases, incentive payments.
- Set up pop-up clinics in communities, often staffed with bilingual workers and paired with COVID-19-safe events.
- Fund alternative transportation options for members.
- Form partnerships with housing partners, advocacy groups, schools, community-based organizations, local public health agencies, vaccination task forces, child care providers, radio and media groups, and faith-based organizations.

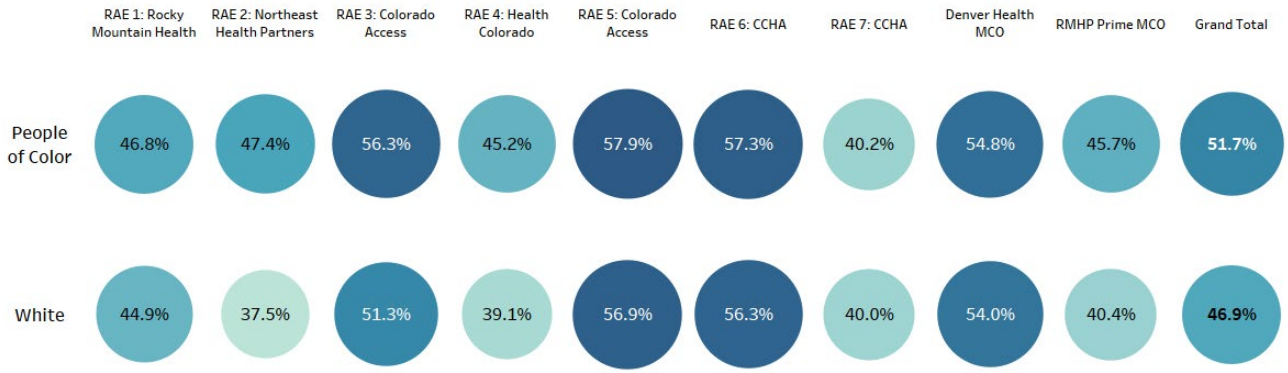
The RAEs met the disparity reduction goals, ensuring that vaccination rates between white members and members of color were within three percentage points. By the end of August, the percentage of Hispanic/Latinx members who had at least one vaccine dose surpassed the percentage of white members with at least one dose. The following figures show vaccine rates by race/ethnicity as of November 2021. Asian members had the highest rates of vaccination – a vaccine outreach success reflected in the overall Colorado population and nationally.

Health First Colorado COVID-19 Vaccination Rates by Race/Ethnicity as of Nov. 22, 2021



Note: Bars represent the vaccination rate within each race/ethnicity group (e.g. 77.5% of eligible Asian members have received at least one dose of COVID-19 vaccine). Data only includes Health First Colorado members 12 and older. Data includes vaccine service dates through Nov. 22, 2021. Vaccination rates reported here include both fully and partially vaccinated members.

Health First Colorado COVID-19 Vaccination Rates for Members of Color vs. White Members, from December 2020 to Nov. 22, 2021



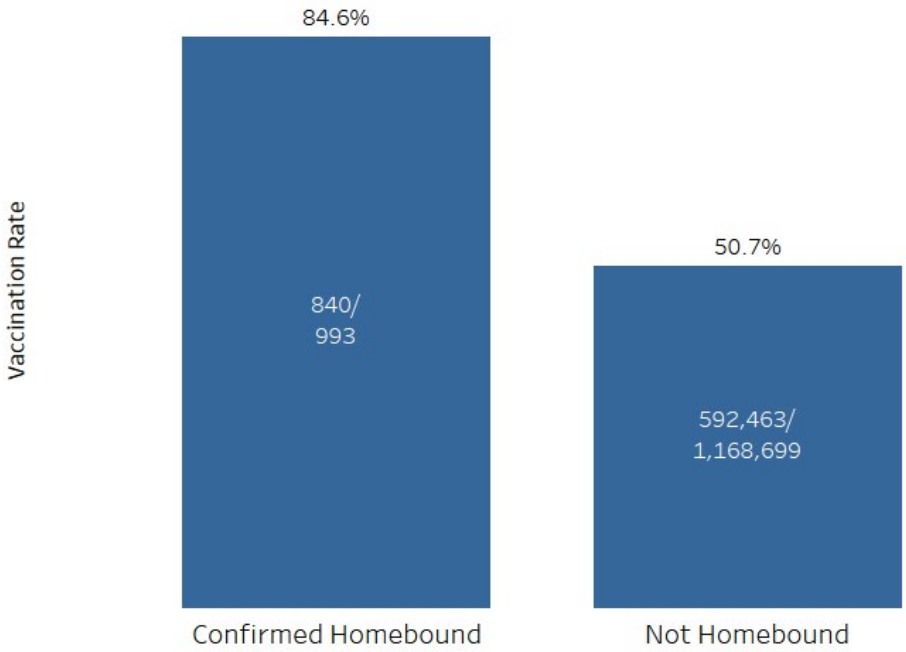
Note: Bubbles represent the vaccination rate within each race/ethnicity grouping (e.g., 51.7% of eligible people of color have received at least one dose of COVID-19 vaccine). Data includes Health First Colorado members 12 and older. Data includes vaccine service dates through Nov. 22, 2021. Vaccination rates reported here include both fully and partially vaccinated members. Only members who have been continuously eligible for Health First Colorado and continuously assigned to the same RAE/MCO since January 2021 were included here. Members were excluded here if they did not select a race/ethnicity option, if they selected the "Other/Unknown" race/ethnicity option and nothing else, or if they selected the "Other/Unknown" option in combination with the "White/Caucasian" option and nothing else. Members in facilities were excluded.

COVID-19 Vaccinations for Homebound Members

The Department worked with RAEs, MCOs, and Long-term services and supports case management agencies to identify members who were potentially homebound and those with a disability. RAEs established regular information and data exchanges with case management agencies to identify unvaccinated members with support needs, particularly transportation and information about the vaccine, and fill gaps as needed. Where possible, RAEs connected homebound members with in-home vaccination. In areas with limited in-home vaccination options, RAEs worked with local partners to help homebound members get the support they needed to receive the vaccine outside of their home.

The figure below shows that at the close of the fiscal year, homebound members had much higher vaccination rates than members who are not homebound.

Health First Colorado COVID-19 Vaccination Rates in Confirmed Homebound vs. Non-Homebound Members as of Nov. 22, 2021

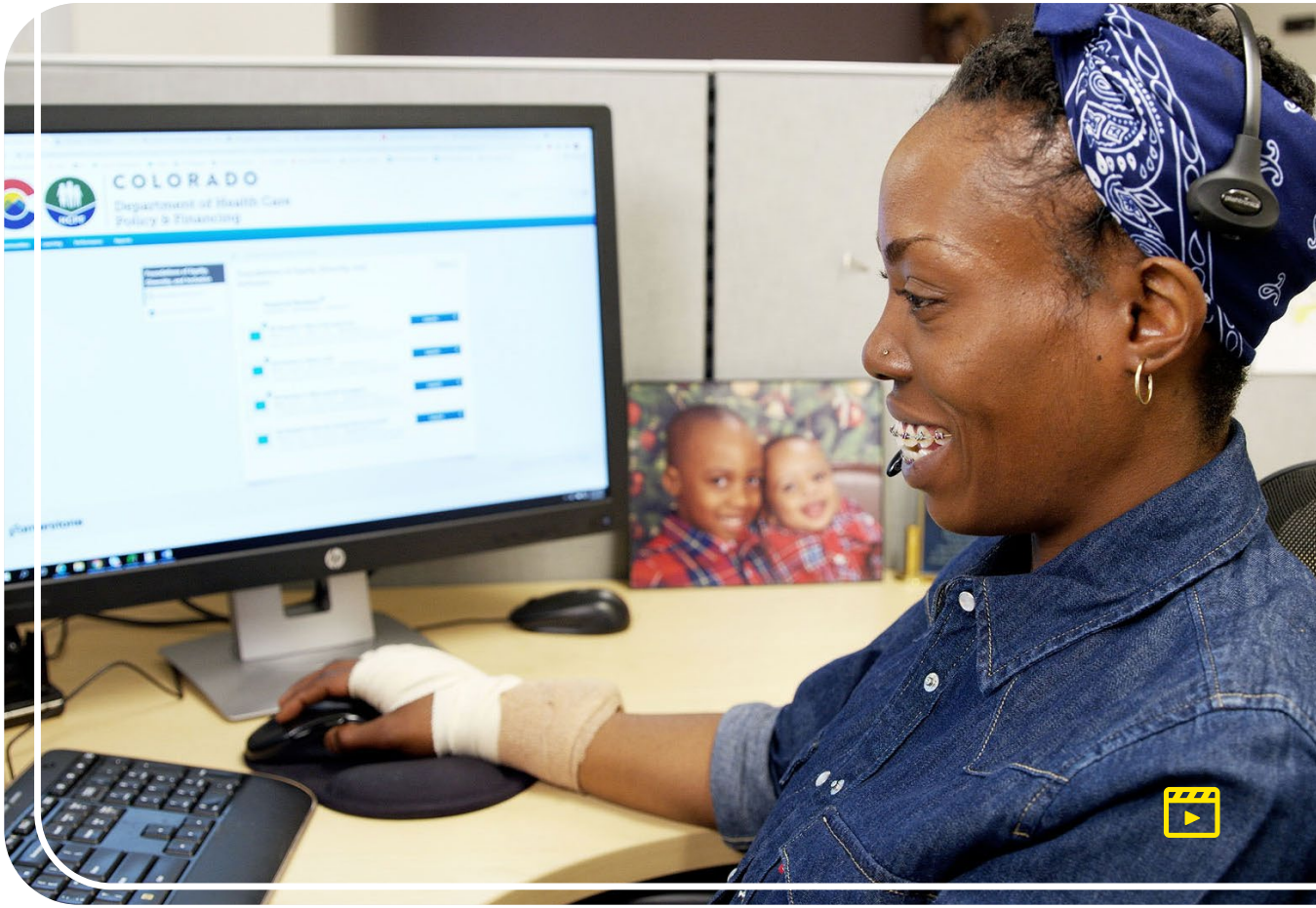


Note: Bars represent the vaccination rate within each group. Data only includes Health First Colorado members 12 and older. Data includes vaccine service dates through Nov. 22, 2021. Vaccination rates reported here include both fully and partially vaccinated members. Members in the Confirmed Homebound group were confirmed homebound via an outreach form completed by a CMA or RAE/MCO.

Strategic Pillars

One of the Department's five strategic pillars focuses on operational excellence and customer service to improve service to members and care providers while creating compliant, efficient, and effective business practices that are person- and family-centered. The Health First Colorado Member Contact Center supports this strategic pillar through its work to reduce call-answer-speed, reducing member hold times on average to less than one minute.

For more information on the strategic pillars, see page 37.



The Member Contact Center provides high quality, compassionate customer service for members needing information about their health coverage. Learn more about the important work of the Member Contact Center.

Advisory Committees and Stakeholder Engagement

In fiscal year 2020-21, the ACC offered members and stakeholders several ways to participate in decision-making and offer feedback.

Program Improvement Advisory Committee (PIAC)

The PIAC is the Department's primary means to solicit guidance and recommendations from community members for improvement of the ACC. Membership includes Health First Colorado members, physical and behavioral health providers, long-term services and supports providers, RAEs, oral health providers, local advocacy organizations, and member advocates. In fiscal year 2020–21, the PIAC continued creating alignment between the Colorado Crisis Service System and the ACC, examining member access to specialty care, and exploring care coordination models and chronic disease management strategies. In addition, the PIAC worked on methods for addressing and evaluating racial equity, advised the Department on how to provide behavioral health services to justice-involved members who are leaving prison, recommended strategies for better care transitions and implementation of the Hospital Transformation Program, and advised on COVID-19 vaccine distribution and outreach.

Regional PIACs and Member Advisory Councils

Each RAE has a regional performance advisory committee, providing each region a forum for stakeholder participation on program improvement activities at the local level. These meetings help the RAEs understand the unique needs within their community and design and implement solutions that best address the needs. The regional committees focus on issues such as care coordination efforts, member support services, RAE performance review, and establishing policies for distributing earned pay-for-performance program payments. The RAEs also formed member advisory councils to understand the members' perspectives in an effort to drive policy change, program decisions, and enhance member communications.

Improving Health Outcomes with Episodes of Care Analytics

Episodes of care tools separate the typical costs of care from costs associated with actionable adverse events (AAEs) across episodes, services and providers using Health First Colorado claims and encounter data. An AAE, such as an unexpected inpatient stay or emergency room visit, can result from treatment or surgery complications, patient safety-related events or poor preventive care and chronic disease management.

The goal from these analytics is to identify and address episodes where AAEs

occur and to reduce care variations and improve quality of care over time.

The comprehensive data from episodes of care models helps RAEs strategically develop population-specific care interventions for highest cost AAEs among chronic conditions, while hospitals are tasked with identifying opportunities to address inefficient, lower quality care delivery among procedural episodes and implementing care improvement plans to address these high-cost areas.

The Department equips RAEs and hospitals that are enrolled in the Hospital Transformation Program (HTP) with access to dynamic dashboards to monitor and evaluate AAEs and episode cost variation across the care delivery system. The Department developed new iterations of episodes of care analytics dashboards in fiscal year 2020-21 to evaluate the effects AAEs have on health outcomes and cost of care. After implementing improvements to the dashboard, hospitals and RAEs now have an ability to track AAEs within any attributed episode in greater detail and evaluate episodes at the claim line level. With additions of geographic and member-level dashboards, the RAEs are better able to evaluate episodes across various demographics among the Health First Colorado population. These added data points and new ways of presenting the data are assisting RAEs in developing or refining an equitable and person-centered approach to chronic episode care.

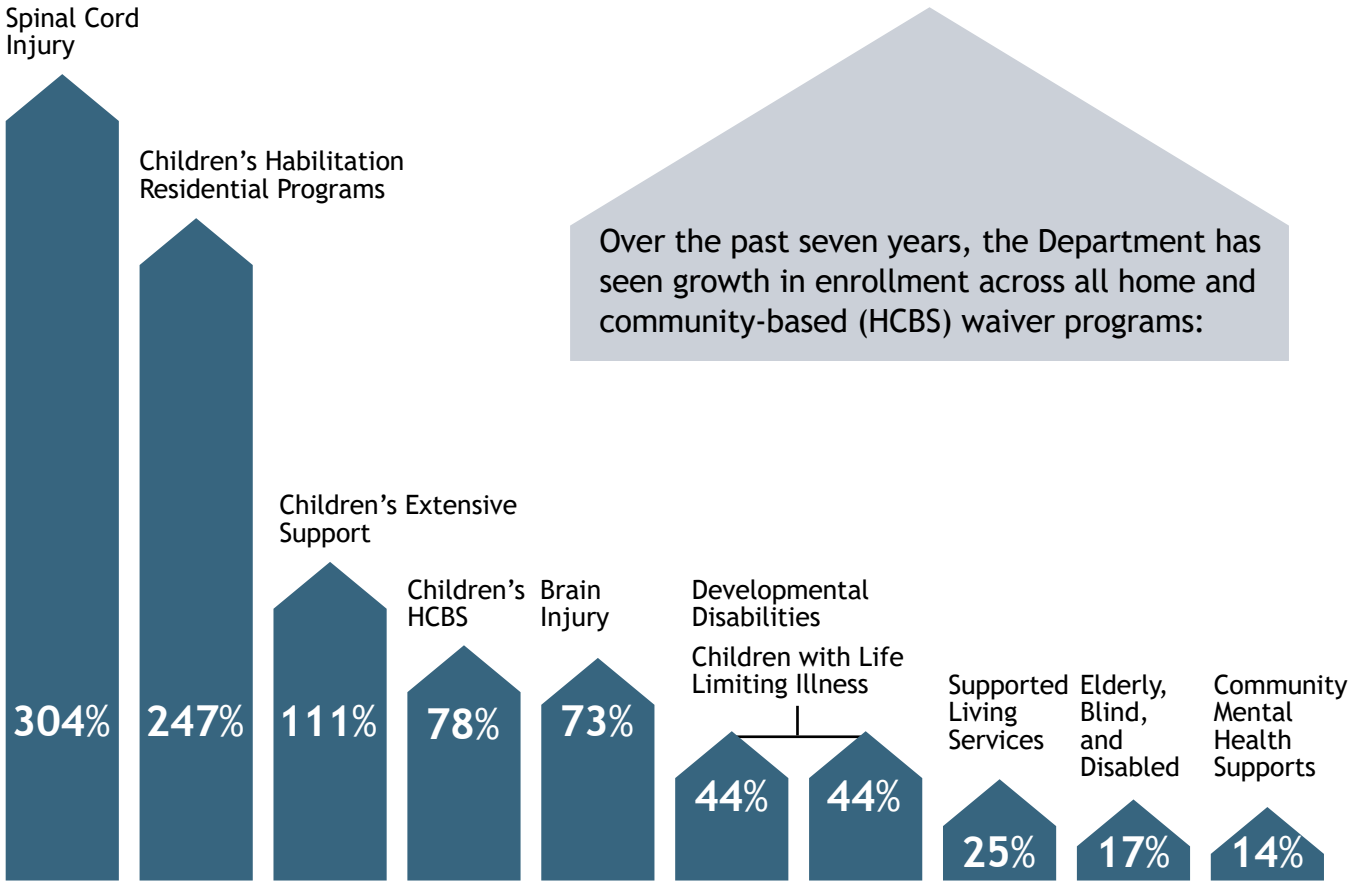
The episodes of care dashboards had previously been powered by the PROMETHEUS tool, but in the latter part of fiscal year 2020-21, a switch to a new model was made. The episode construction is now handled by the Care Improvement Opportunity Tool (CIOT). This change allows for enhanced flexibility and customizability specific to the Health First Colorado population, and additionally it provides a level of transparency that had not yet been achieved at the Department through the public sharing of episode definitions. Through the use of the CIOT model, the Department is able to retain the strong aspects from PROMETHEUS, using the same base episode definitions that PROMETHEUS used in development, and improve upon the weaker aspects of the model where necessary. CIOT is an analytic tool that uses innovative clinical algorithms to compare quality and cost across populations of patients with the same condition or disease.

The episodes of care analysis is an iterative process. Initiated in 2018, the Department estimates it will require several years of cumulative data to determine potentially avoidable cost reduction and clinical outcomes, and because this is a retrospective analysis, the Department has not yet been able to contend with the obscurity to the results that COVID-19 is expected to introduce.

Long-Term Services and Supports

Partnering with Members and Stakeholders to Improve Programs

The Office of Community Living administers long-term services and supports (LTSS) benefits. This includes a continuum of services to help adults 65 and older and people with disabilities, in their homes, place of employment, in their communities, or in other settings, like nursing homes.



Additionally, when combined, programs for individuals with intellectual and developmental disabilities (IDD) have grown by 59% and waiting lists have been reduced by 68%.

As a result of the growth in waiver program enrollment, more and more Coloradans are able to receive services in their communities. As of June 30, 2021, 81.4% of members are receiving services in the community, while 18.6% are receiving services in an institutional setting.

While programs have grown and waiting lists have reduced, due to budget constraints and increased

interest and awareness of programs serving individuals with IDD, there continues to be a waiting list for one HCBS waiver and one state-funded program.

One key initiative of the past year is the recent approval of the Department's budget request to expand access to care for adults with IDD who are likely on the waiting list for the Persons with Developmental Disabilities (HCBS-DD) waiver by offering additional long-term services and supports to members enrolled in the Supported Living Services (HCBS-SLS) waiver program. The goal of the expansion of services is to avoid emergency enrollment into HCBS-DD and better meet individuals' needs. For individuals who demonstrate a need for additional services in the community, this would ensure that members are placed in a program that most closely meets their level of care requirements.

In addition to the progress made for individuals with IDD, the Department also continues to evolve and innovate the ways in which services are delivered to members in Long-term services and supports, such as allowing for the use of technology to deliver remote supports. The COVID-19 pandemic has pushed everyone to think about new ways services may be delivered and remote supports have proven to be both effective and convenient for many Long-term services and supports members. When hands-on care is not required, remote supports make it possible for direct care staff to provide supervision, prompting, or instruction from a remote location. Examples of remote supports include technology for cooking safely, overnight support, medication adherence, fall detection, and wandering prevention.

Using technology instead of in-person services can increase autonomy and independence for members while ensuring safety, addressing workforce shortages by increasing provider efficiency, and improving access to care in rural areas.

Similar innovation is also occurring within the Long-term services and supports case management system as case management redesign efforts continue to progress. The goal of this effort is to streamline operations, increase administrative efficiencies, and implement innovative initiatives that further increase stability, quality, and accountability across the state's system. Through extensive stakeholder engagement, the Department has worked towards defining new catchment areas and developing a detailed implementation timeline.

Long-term services and supports provide a system for Health First Colorado members to:

Live in a setting they choose

Have the supports they need to live where they choose

Participate in communities that value their contributions

Access services in a streamlined, simple and timely manner

Get the highest quality services

Stephan was born more than three months early. He is growing and thriving with the help of his family and Health First Colorado. Watch Stacy and Stephan's story to learn more.

Home and Community-Based Services (HCBS) American Rescue Plan Act (ARPA) Funding

In May 2021 a landmark piece of federal legislation, the American Rescue Plan Act (ARPA), included funding to support a wide range of infrastructure activities, programs, and services. ARPA provision 9817 increases the federal medical assistance percentage (FMAP) for HCBS spending by 10 percentage points from April 1, 2021, through March 31, 2022. These funds must then be reinvested to expand, enhance, or improve the state's HCBS system with a focus on strengthening critical supports that help older adults, people with disabilities, and people with behavioral health needs to live and thrive in their communities.

In total, Colorado anticipates approximately $500 million of funding support through ARPA to be spread across approximately 65 distinct projects as outlined in the Department's spending plan that was approved by both the Centers for Medicare and Medicaid Services (CMS) and the Colorado Joint Budget Committee (JBC). To capitalize on this opportunity to truly transform the

HCBS system, the Department identified four guiding principles in the development of the spending plan:

1. Supercharge existing initiatives
2. Support the COVID-19 response and recovery
3. Foster innovation and long-term transformational change
4. Increase quality and good fiscal stewardship

The Department's plan focuses on eight categories with multiple projects embedded within each:

- Strengthen the workforce and enhance rural sustainability
- Improve crisis and acute services
- Support post-COVID-19 recovery and HCBS innovation
- Improve access to HCBS for underserved populations
- Invest in tools and technology
- Strengthen case management redesign
- Expand emergency preparedness
- Enhance quality outcomes

The Department looks forward to continuing engagement with all stakeholders on these transformative initiatives in the years to come as we look to the future and evolve the Long-term services and supports system.

Equity, Diversity and Inclusion

In fiscal year 2020-21, the Department created a new leadership position to support equity, diversity and inclusion efforts. The Health Disparities and Equity, Diversity & Inclusion (EDI) Officer leads the Department's EDI work, both within our organization and with the people we serve. EDI goals include reducing health disparities for our members and ensuring EDI principles are supported and reflected in the workplace. Key work in fiscal year 2020-21 included matching Health First Colorado members to COVID-19 data to identify and address disparities, and development of the Health First Colorado Maternity Report. Additionally, the Department held a number of EDI trainings. This included assigning the mandatory EDI training to all Department staff with a 99.5% completion rate. Moreover, we held more than a dozen EDI internal events to increase education and awareness.

Affordability & Innovation

Health Care Affordability Toolkit

As part of Gov. Jared Polis' Wildly Important Goals to improve health care affordability for all Coloradans, he created the Office of Saving People Money on Health Care. He appointed Lt. Gov. Dianne Primavera, who leads the Health Cabinet, to spearhead the work. Department leadership is active and engaged in the Health Cabinet, and a significant contributor to the affordability agenda, work and results.

The Department is working in collaboration with the Health Cabinet on goals and key strategies to achieve the aim of Health Care Affordability for Coloradans, which is one of the Department's five strategic pillars. The Affordability Toolkit is a collection of existing and emerging tools and initiatives to achieve that aim which can support communities in local efforts to drive value in health care by improving quality and controlling ballooning health care costs.

The Department, employer groups, payers and providers have invested in a number of local and statewide tools that help constrain costs, to include:

- Pharmacy costs
- Hospital and health care costs
- Innovation and technology
- Delivery reform, alternative payment models
- Population health and behavioral health

Since all health care is local, each community has its own unique set of challenges and is welcome to choose the tools that fit their community's needs.

Affordability Webinars and State Health Cabinet Summits

Employer education is a central aim and Wildly Important Goal (WIG) of the Affordability Roadmap and the tools in the Affordability Toolkit. To achieve that aim, the Department hosted a series of Health Cabinet Summits and Affordability Webinars with presentations from leadership from across the nation, the state, and the legislature.

Over 1,900 health care thought leaders heard from the lieutenant governor, senators and representatives, the Health Cabinet, and hospital and advocacy leadership. Presentations included research and reporting on key affordability initiatives ranging from federal and state opportunities to affordability strategies to help reduce health care costs, including prescription

drug costs, and information on the state's COVID-19 response. All summit and affordability webinar videos, materials and handouts are available on our website.

Toolkit highlights include:

Pharmacy Costs

- Importation: The Department is working to implement the plan for importing lower cost prescription drugs from Canada, authorized by Senate Bill 19-005. Over the past year, the Department has developed the program framework, met with stakeholders and issued a competitive solicitation to identify needed supply chain partners to successfully operate the program.
- Reducing the Cost of Prescription Drugs: In 2019, the Department released a report outlining the challenges with pharmacy costs and pricing, and a set of recommendations which can be used by communities. A second edition of the report was released Jan. 11, 2021, in tandem with the Colorado Health Cabinet Health Policy Summit.

Hospital and Health Care Costs

- Hospital Transparency Reporting: In 2019, the Colorado General Assembly passed legislation to improve transparency for hospital finances through House Bill 19-1001 and House Bill 19-1320. Published in January 2021, the hospital transparency datasets and hospital community benefit accountability datasets, and their resulting reports, are a comprehensive picture of Colorado hospitals' financials and community benefit. These and other hospital resources and reports are available at the Department's Hospital Reports Hub.

Delivery System Reform and Payment Reform

- Alternative Payment Models (APMs): The Department adopted innovative alternative payment and delivery models supporting a transition from traditional fee-for-service (FFS) payments to value-based payments. One such model is the APM program. The APM introduces accountability for outcomes by adjusting a primary care medical provider's enhanced primary care fee-for-service based on performance against quality care indicators. The APM aligns with other payment reform across the delivery system and provides sustainable investment into primary care.

Maternity Bundled Payment Program

In November 2020, the Department launched the Maternity Bundled Payment Program as one of the Department's innovative alternative payment models that support the transition from traditional FFS payments to value-based payments. The Maternity Bundled Payment program aims to improve pregnant and birthing members' health outcomes,the member experience, and closing disparities through financial incentives and penalties.

The program holds participating providers accountable for a member's prenatal care, delivery, and postpartum care through a set of service quality and health equity measures. Providers who achieve the annual quality improvement and equity goals are eligible for incentive payments as a reward, and can earn an extra bonus if they promote screening, referral and treatment for members with substance use disorder and mental health conditions. Three obstetrical practices joined the program voluntarily during the first program year. The Department aims to continuously improve the program with stakeholders and recruit more providers in the following years and eventually cover all eligible births delivered by all qualified providers.

Other Affordability Measures

Addressing health care affordability is not only critical to the state government, but also to those served by our safety net programs. It is also a top concern for Colorado families and businesses. For this reason, Department leadership and staff leverage our expertise, influence and not-for-profit values to drive health care affordability measures that will benefit all Coloradoans, not just Department programs.

Colorado's Public Option

The Department worked with the Colorado Division of Insurance in the summer and fall of 2019 on a report proposing Colorado's Public Option. House Bill 19-1004, passed in the 2019 legislative session, directed the two agencies to create a plan for such an option.

In 2021, the Colorado General Assembly passed House Bill 21-1232, which requires the Colorado Division of Insurance to create the Colorado Option Program. The new state law requires the Colorado Division of Insurance to create a standardized plan for Colorado, requires standardized plans to reduce premiums by 15% in 2025, and allows the Division of Insurance to capture federal premium tax credit savings and make coverage more available and affordable through the submission of a 1332 State Innovation Waiver to the federal government. The bill also directs the Department to create and house an insurance ombudsman to act as the advocate for consumer interests in matters related to access to and the affordability of the standardized health benefit plan.

Medicaid Enterprise Solutions (MES) Procurements

The Department is currently developing a procurement process that will result in redefining systems and business processes for Health First Colorado. The overall goal is to enhance the current system foundations built through the Colorado Medicaid Management Innovation and Transformation (COMMIT) project, which replaced the Colorado legacy Medicaid Management Information System (MMIS) in 2017. Colorado plans to continue to build upon the foundation of the current MMIS with a service delivery model that is both flexible and adaptable, and updated with modular tools that will provide best-in-class capabilities to members, providers, stakeholders and staff. The Department is committed to continuous improvements to modernize its existing information systems and align business processes to improve operations of the Health First Colorado and CHP+ programs.

The MES procurement projects encapsulate the Department's planning, preparation, integration, and eventual operational work of the core systems, as well as a new MES Integration Data and Alignment (MIDA) Contractor. The Department strives to procure and implement all systems and services without disruption to Health First Colorado members, providers, stakeholders, or staff.

For more information about each procurement, including current status, please visit the MES Procurement website.

Hospital Affordability and Sustainability Fee in Action

Hospital Affordability and Sustainability Fee revenue, together with matching federal dollars, provides the funding source for the Medicaid expansion of health care coverage for Coloradans and an increase in reimbursements to hospitals, including a hospital quality incentive payment.

Hospital Affordability and Sustainability Fee: $1.07 Billion*
Fiscal Year 2020-21

$2.7 B

Payments for services and care for more than
422,000 Members

320,000	Adults without Dependent Children
65,000	Parents
27,000	Child Health Plan *Plus* (CHP+)
10,000	Buy-In Members with Disabilities Does not include Health Insurance Buy-In (HIBI)

$1.5 B
Supplemental Payments to Hospitals

*Fees for Medicaid expansion member services and care equal $370 million. Fees for supplemental payments to hospitals equal $600 million. Fees also fund the Medicaid expansion's administrative costs, the Upper Payment Limit backfill per 25.5-4-402.4(5)(b)(VII), the offset to general fund expenditures for the state medical assistance program per House Bill 20-1386.

Hospital Services Affordability

To bring together information on hospital service affordability, the Department created the Hospital Reports Hub as a one-stop location for resources, reports and analysis, as well as links to other state agencies. In addition to hospital transparency reporting, this hub also includes the following hospital services affordability reports:

- The Department's report on Hospital Cost, Price, and Profit Review, which illustrates that Colorado hospitals have some of the highest prices, costs and profits.
- The Department's report on COVID-19's Impact on Colorado Hospitals' Finances, which examines Colorado hospitals' financial position before and during the pandemic.

The Rural Support Program is complementary funding to the Hospital Transformation Program (HTP) to prepare critical access and rural hospitals for future value-based payment environments.

Under the HTP, hospitals will be required to implement quality-based initiatives and projects to receive supplemental payments and demonstrate meaningful community engagement and improvements in health outcomes over time. 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 will be 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.

The funding may be used for services to prepare the hospital for future value-based or alternative payment methodologies, including technology infrastructure, telemedicine, program evaluation/data analytics, staff recruitment and training, behavioral health, and more.

The Colorado Healthcare Affordability and Sustainability Enterprise (CHASE)

The CHASE is a government-owned business operating within the Department. Under guidance from the CHASE board, the Department charges and collects the Healthcare Affordability and Sustainability Fee to obtain federal matching funds that are used to provide business services to hospitals. Additionally, CHASE has:

- Provided $400 million in increased reimbursement to hospital providers
- Reduced uncompensated care costs and the need to shift uncompensated care costs to other payers
- Provided health care coverage through Health First Colorado and Child Health Plan *Plus* (CHP+) for more than 500,000 Coloradans

For more information, read the 2021 CHASE report.

Hospital Transformation Program

The goal of the Hospital Transformation Program (HTP) is to improve the quality of hospital care provided to Health First Colorado 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 interventions and approaches that best serve their patient populations. The ultimate goal of HTP is to serve as a volume-to-value glide path to inform future value-based models in the state. The specific goals of the HTP are that hospital-led projects will:

- 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 among hospitals, their community health partners, and other providers

Hospitals throughout the state submitted HTP applications describing their proposed interventions in April 2021 and submitted their implementation plans in September 2021. Following project ramp up activities, hospitals' HTP activities will commence in April 2022.

Prescription Affordability Thought Leadership

The Department created the Pharmacy Office in May 2019 to enhance our ability to meet the prescription needs of our members, to help battle the rising costs of our prescription benefit, and to lead the emerging legislative and affordability prescription drug policy for the state.

Drug Rebate Transparency: Center for Improving Value in Health Care (CIVHC) Rebate Report

CIVHC conducted an analysis from 2017-2019 claims using the Colorado All Payer Claims Database (CO APCD), which houses payments on Medicare, Medicaid, all commercial insured consumers in Colorado and some self-funded plans. Across all payers in Colorado the amount they received in rebates rose from $3.8 billion in 2017 to $4.4 billion in 2019, an increase of 14%. Twenty-seven percent of this amount represents rebate spending, with a 2.2% increase in rebate spending from 2017 to 2019. These rebates complicate an already complex process of tracking the total cost of prescription drugs across payers. While rebates may reduce the size and growth of overall drug spending by payers in the short term, they seem to incentivize the increased use of specialty drugs.

For more information, read the analysis Drug Rebates Impact Rising Prescription Drug Spending and Continue to Increase for High Cost Drugs like Brand and Specialty.

Value-Based Contracts

In February 2019, The Centers for Medicare & Medicaid Services approved a Colorado plan allowing the Department to negotiate supplemental rebate agreements involving value-based contracts with pharmaceutical companies. Value-based purchasing can link the payment of a drug to its effectiveness and the outcomes it achieves. Promoting value-based payments is one tool the Department is using to reduce Health First Colorado drug prices. Colorado was the third state in the nation to get approval for value-based contracts for drug purchasing, and will have its first value-based contract agreement executed in winter of 2021.

Drug Importation Program

Since May 2019, the Department has worked to implement a Canadian Drug Importation Program, as outlined in Senate Bill 19-0005. Once approved by the Department of Health and Human Services, the Drug Importation Program will allow Colorado to access affordable prescription drug prices at an average of 61% less, potentially saving tens of millions of dollars each year. The goal of the program is to make these prescription drugs available across the market, particularly the commercial market, to bring savings to all Colorado consumers.

Prescriber Tool

Prescription drugs are the leading contributor to rising health care costs. This affordability issue has a direct

> Colorado is the first in the nation to provide a shared prescriber tool that supports patients and health care providers in both Health First Colorado and commercial health plans.

impact on patients. In fact, one in three Coloradans either cannot fill a prescription, cut pills in half, or skip doses because of the cost. The prescriber tool helps employers and Coloradans save money on health care by empowering providers with information on prescription drug costs and affordable alternatives. It reduces rework and administrative burden for providers while improving convenience for patients, too. The goals of the prescriber tool are to help improve patient health outcomes and service, reduce administrative burden for prescribers, and improve prescription drug affordability. This shared tool makes it easier for all stakeholders to work together to make prescription therapy more affordable and thereby improve patient health to the benefit of Coloradans, employers, payers like Health First Colorado, and the state. The prescriber tool is a multifunctional platform accessible to prescribers through most electronic health record (EHR) systems. It provides patient-specific benefit and cost information to prescribers at the point of care and eases administrative burden for prescribers while improving services to patients. The prescriber tool was implemented in two modules:

- The opioid risk module was implemented in January 2021. The Department contracted with OpiSafe to administer the opioid risk module, which helps prescribers prevent the misuse and abuse of opioids and benzodiazepines.
- The prescription benefit module was implemented in June 2021 to make prescription writing easier, help Health First Colorado members get the medications they need to stay healthy, and save Coloradans money on prescription drugs. The module is in approximately 100 EHRs and provides real-time e-prescribing, real-time benefits inquiry and real-time prior authorization.

More information is on the Prescriber Tool Project webpage.

Pharmaceutical Alternative Payment Methodology

The national average drug acquisition cost (NADAC) is a Centers for Medicare & Medicaid Services published rate which represents the costs submitted by retail community pharmacies. Maximum Acquisition Cost (MAC) is a rate which will be utilized when a covered drug possesses neither Average Acquisition Cost (AAC) nor NADAC rates, and will be calculated using an adjustment of the national pricing benchmark Wholesale Acquisition Cost (WAC).The Department incorporated NADAC and MAC rates to help address the gaps in current AAC rate setting for some prescription drugs, resulting in rates better aligned with acquisition costs. In addition, the incorporation of an alternative pharmaceutical payment methodology was mandated pursuant to the fiscal year 2020-21 Long Bill.

Effective April 1, 2022, the reimbursement methodology for outpatient pharmacy will add AAC and Clotting Factor Maximum Allowable Cost (CFMAC) rates into the lesser-of calculation for clotting factor drugs at 10 CCR 2505-10, Section 8.800.13. Clotting factor providers do not currently participate in the AAC surveying process meaning that the Department cannot set an AAC rate for those drug products. Therefore, in order to encourage providers to participate in the AAC surveying process, a CFMAC rate will be utilized when a drug does not possess an AAC rate. The CFMAC rate will be calculated based on available acquisition cost data and publicly available date unique to each clotting factor drug.

Prescription Drug Affordability Board (PDAB) and Advisory Council

The PDAB was established pursuant to Senate Bill 21-175 within the Colorado Division of Insurance. The board will have the authority to review prescription drug costs and evaluate their impact on Coloradans by recommending ways to address the costs and set upper payment limits for certain drugs. In addition, the Board will appoint a stakeholder advisory council to provide input to the Board to ensure transparency. The Governor appointed the PDAB members on Sept. 27, 2021. PDAB meetings will be held every six weeks and are open to the public.

More information is on the Colorado Prescription Drug Affordability Review Board & Advisory Council webpage.

Pharmacy Cost Report

In January 2021, the Department published a second edition of the report to update partners, stakeholders and the public about pharmaceutical costs. The initial report released in December 2019 gave an overview of pharmaceutical cost drivers, encouraged dialog, and proposed state and federal policy solutions. The second edition updates data and details regarding how far Colorado has come in implementing the initiatives as outlined in the first report. Key updates in the second edition include: an International Drug Pricing Report, updates regarding the implementation of the Prescriber Tool, a Specialty Drug Pipeline Report, a CIVHC Rebate Report and state policy updates. Read the report Reducing Prescription Drug Costs in Colorado, 2nd Edition.

Health Care Delivery Transformation

To improve health care access and outcomes as well as save Health First Colorado and all Coloradans money on health care, we have implemented several innovations intended to further industry transformation.

Telemedicine

The Department is a long-standing proponent of telemedicine as a tool to improve access for all Health First Colorado members. The COVID-19 public health emergency was the key driver in the wide adoption of telemedicine by providers. The Department's goals for telemedicine policy and programs include:

- Improving access to high-quality services
- Promoting health equity
- Integrating with medical homes and health neighborhoods
- Encouraging innovation through aligned payment methodologies and programs
- Ensuring value for tax dollar investment

At the outset of the public health emergency, emergency rules were adopted to support the use of telemedicine to ensure medical care and services were accessible. Telephone-only services and live chat were opened for a subset of services. For the first time, Federally Qualified Health Centers, Rural Health Clinics, and Indian Health Services could bill separately for telemedicine services. The allowable provider type expanded to include physical therapy, occupational therapy, home health, hospice, and pediatric behavioral therapy providers. The rules also require that any health benefits provided through telemedicine must meet the same standards as in-person care.

Senate Bill 20-212 codified these rule changes and required the Department to track utilization of telemedicine services. Data is refreshed every other month and the dashboard is published on the Department's Telemedicine webpage. Fee-for-service telemedicine increased from less than one percent of all visits prior to the pandemic to a high of 32.2% of visits during the first week of April 2020. The number jumped to nearly 34% in mid-April of 2020. The overall percentage of eligible physical health telemedicine visits since then has leveled to approximately 15%, with behavioral health telemedicine visits remaining nearly double that percentage.

Department and independent research indicate members are satisfied with telemedicine services and they want continued access to telemedicine as an option. Additionally, research indicates appointment no-show rates are lower for telemedicine visits. An initial telemedicine evaluation report has been published, and the Department continues to evaluate telemedicine's effectiveness, equity, and impacts. As the end of the public health emergency inches closer, the goal is to ensure telemedicine remains an option for members to

receive equitable access to high-quality health care.

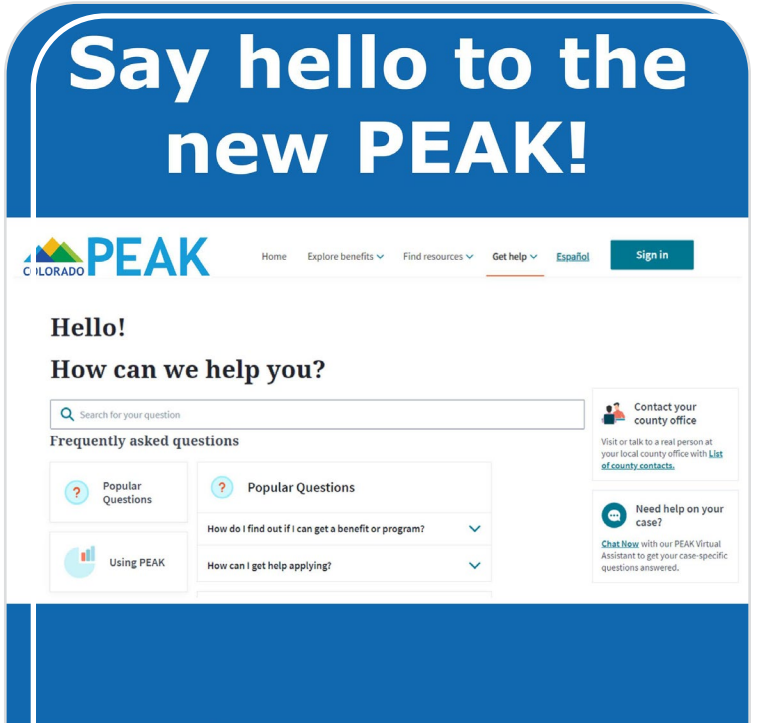
eConsults

Health First Colorado and rural areas struggle with limited access to specialists. The result is increased overall costs, limited member access, and the risk of individuals not getting medically necessary services in a timely fashion, which can result in worse health. eConsults can reduce duplicative or unnecessary specialty care expenses, improve access to timely specialized clinical guidance, and efficiently triage members to specialists when such care is medically appropriate.

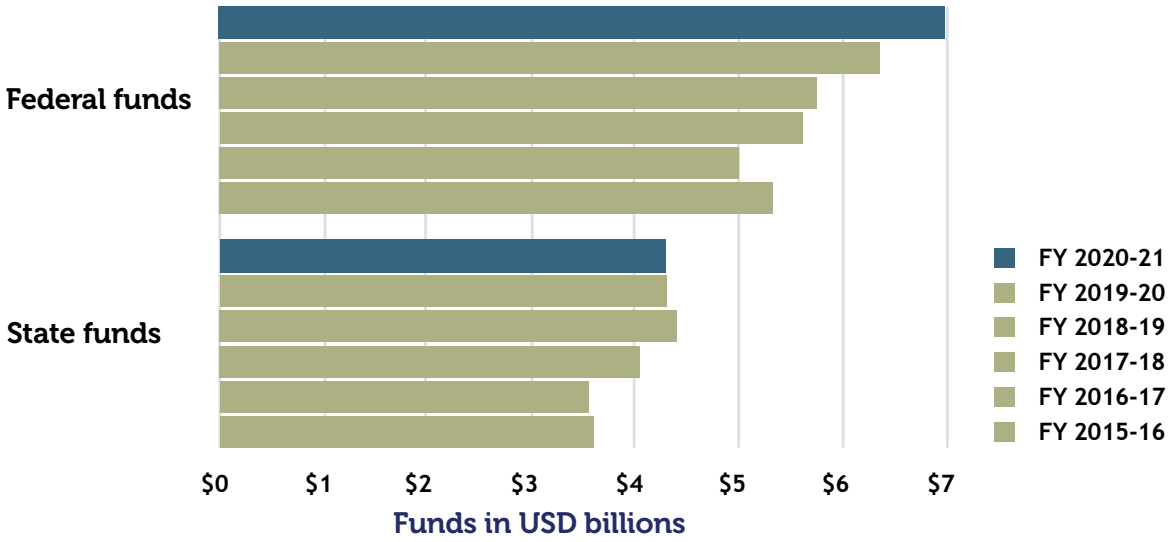
Providers of Distinction

Colorado Providers of Distinction (previously centers of excellence) is a developing program that identifies health care providers that excel in affordability, better outcomes, the patient experience, and health equity for Health First Colorado members. The program will evaluate and report on health care outcomes and episode prices for specific procedures. Data insights can be used by Health First Colorado primary care providers, members, and others to inform patient choice of provider. Value-based payments are being designed to reward providers who deliver the results intended from the Colorado Providers of Distinction program.

In early 2021, the Department made a commitment to update the online tools members rely on. It is now easier to log in and access information on the PEAK website and the mobile app, allowing members easier access to information and control of their coverage.



Expenditure Over Time by State vs. Federal Funds



In Fiscal Year 2020-21, the Department Paid:

$10.1 Billion in Services

FOR

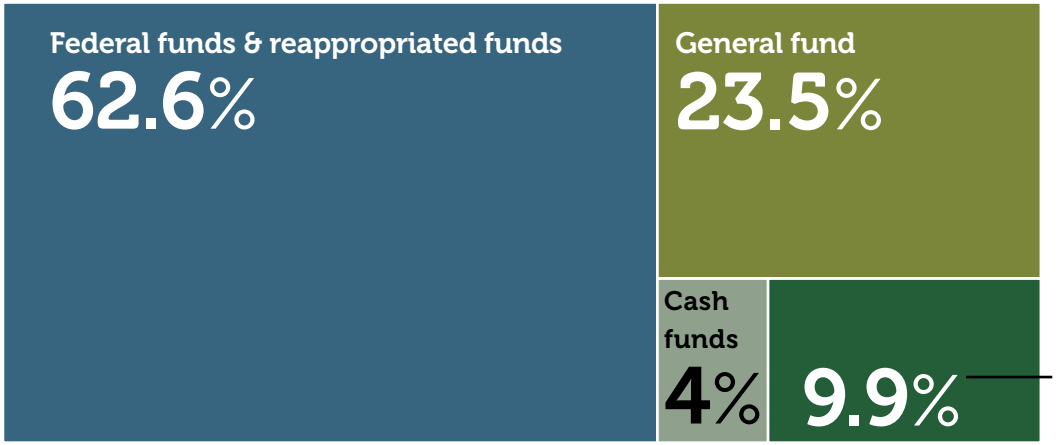
1.4 Million People

Numbers are approximate. Health First Colorado and Child Health Plan *Plus* expenditures only.

Department Expenditures by Fund

Fiscal Year 2020-21

Total funds
$11.4 billion*

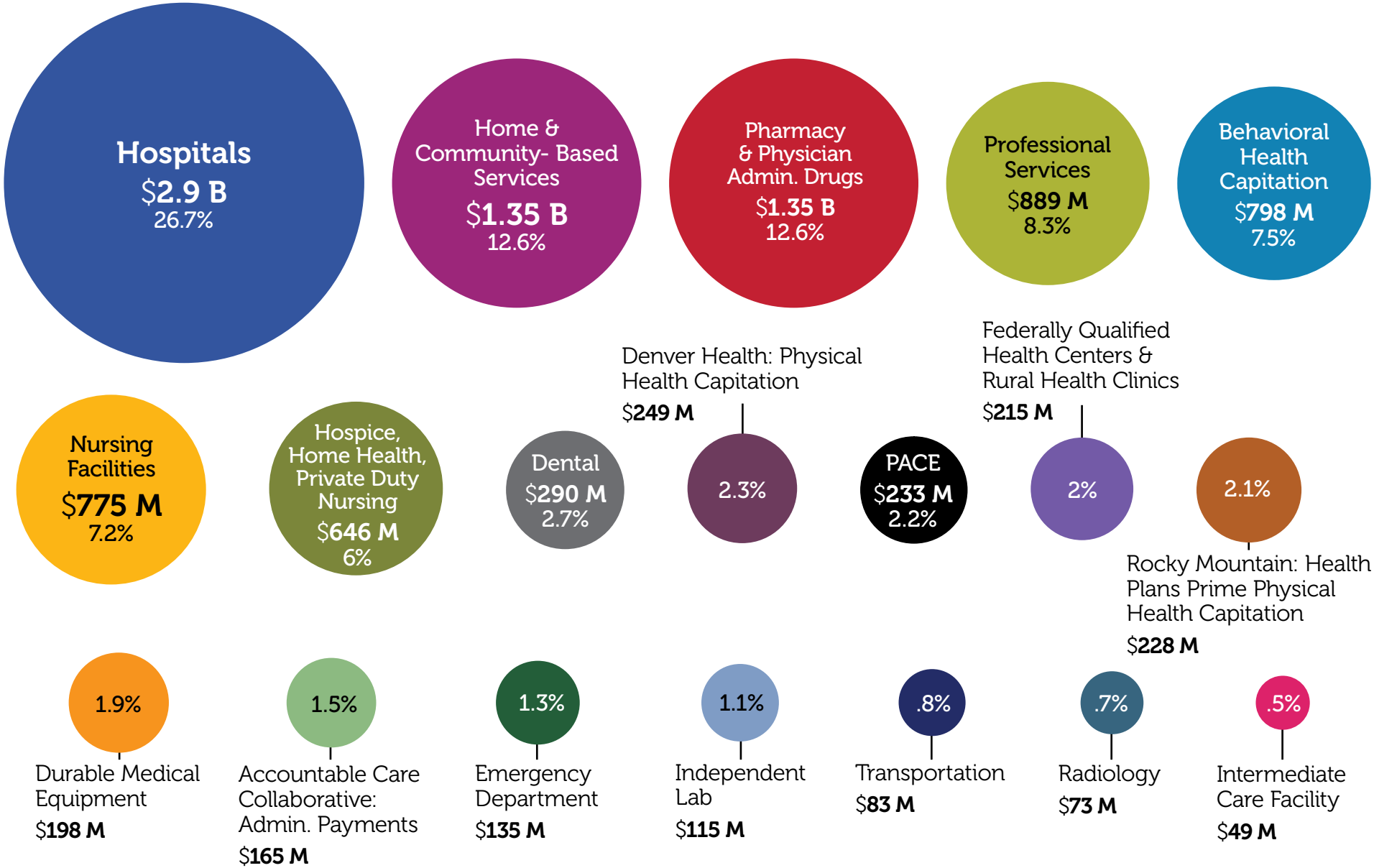


*Includes all services and administrative line items, including Colorado Indigent Care Program and Old Age Pension.

Payment Breakdown to Health First Colorado Partners

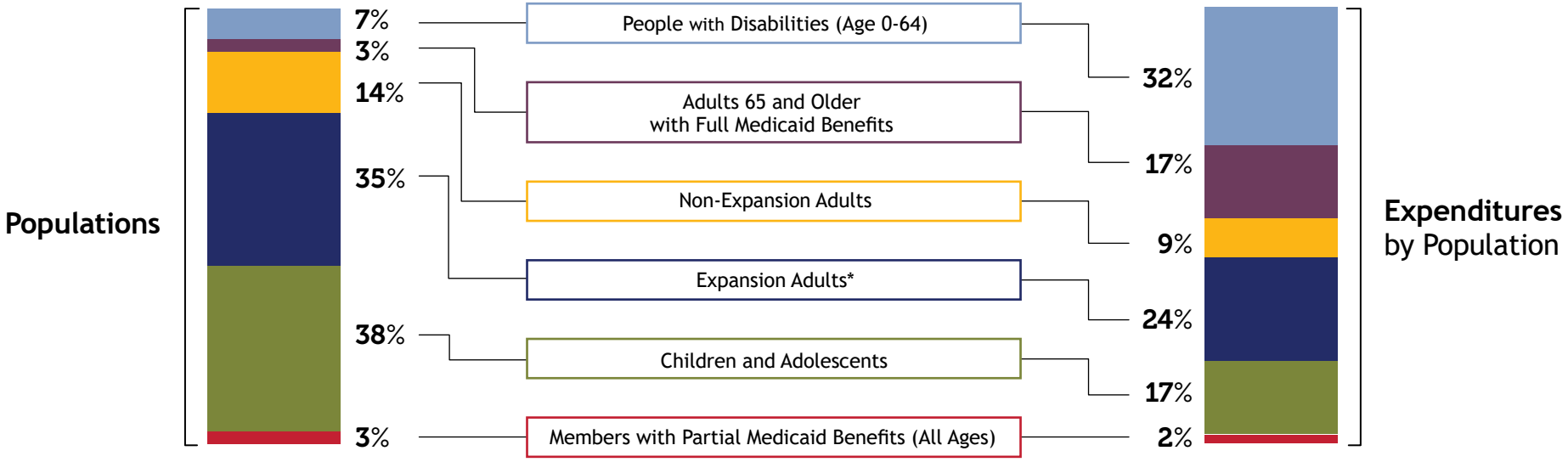
Fiscal Year 2020-21

This chart refers to medical services cost only, not total Department spending. It is based on claims data by date of service and will differ from data calculated on a cash accounting basis. Due to rounding, percentages may not total 100%.



Health First Colorado: Who is Covered and What Does it Cost?

**The majority of funding for Expansion Adults is federal dollars, with the State fund source funded by the Hospital Affordability and Sustainability Fee.



Grant Funding: Strengthening Public-Private Partnerships

$3.9 M

Total Grant Expenditures

Awards in Fiscal Year 2020-21

The Department is the recipient of both federal and foundation grants; and is sometimes able to match private foundation grants with federal funding if the Centers for Medicare & Medicaid Services determine a direct benefit to Medicaid. Examples include funding for safety net clinic stabilization, innovative services for mothers with opioid misuse; transitional services for those exiting long-term care facilities, personal care and homemaker worker training, and the continuation of person-centered practices with our staff, members, and community partners. With grant funding, we have been able to support on-the-ground medical provision through the pandemic by supporting partners, including Colorado's Ute Mountain Ute and the Southern Ute tribes and 53 primary care providers. Grant funding also aided 66 students' graduate foundational training to support members who receive home and community-based services.

$3.98 M

New Funding Secured

from federal government, private industry and foundations in fiscal year 2020-21.

Funding secured is the total amount of all grants awarded to the Department in fiscal year 2020-21. Total grant expenditures for fiscal year 2020-21 do not match the amount of funding secured as each grant has its own timeline. While grant periods vary, most span several years and are not confined to any fiscal year. Each year's funding secured amount reflects what was awarded to the Department in new grants within that fiscal year, not the amount expended for each individual grant.

Year Goals

2020-21 Fiscal Year Goals

Despite a pandemic, economic downturn and membership growth, the Department was successful in its five strategic pillars. A summary of some of the Department's accomplishments during fiscal year 2020-21, categorized by our five strategic pillars, is provided below. The Department has continued to build on these successes since then.

1 *Member Health - Improve member health outcomes*

Full Continuum of Substance Use Disorder Benefit Services: On Jan. 1, 2021, the Department expanded its benefit in accordance with House Bill 18-1136 to include residential and inpatient services. From January to June 2021, 664 members accessed residential treatment and 4,225 members accessed withdrawal management services. Additionally, since the expansion, more than 30 additional providers have been added to serve more than 50 locations across the state.

Streamlined Complex Case Management Support Programs: The Department chose three conditions for the RAEs to focus on this year: maternity, diabetes, and complex care coordination. The condition management programs include culturally competent specialized care teams; facilitation of access to appropriate medical services, resources, and community programs; delivery of evidence-based/informed interventions; and program measurement and reporting on target outcomes. Formal evaluation will be available next year.

Implemented Maternal Health Programs: launched a bundled payment program, member advisory committee and comprehensive report to cultivate actionable insights, improve equitable outcomes and reduce health disparities.

Added Remote Supports for Elderly, Blind and Disabled Waiver and four other of the Department's home and community-based services (HCBS) waivers.

Improved Performance Monitoring: shifting to evidence-based outcome measures and improved Health First Colorado data insights and reporting to drive improved performance on health outcomes.

Mitigated Risk of Opioid Addiction: Launched OpiSafe to mitigate the risk of a provider prescribing opioids inappropriately and distributed nearly 5,000 free licenses to prescribers.

Created Chronic Pain Centers of Excellence: in collaboration with advocates and pain specialists, created a chronic pain management treatment protocol; identifying providers who are following the best practices using Health First Colorado and CIVHC data and metrics.

2 *Care Access – Improve member access to care*

Supported Membership Growth: added approximately 11,000 new providers to the Health First Colorado network (a 16% increase over the previous fiscal year's enrollment) to increase member access to care.

Stabilized the health care system during COVID-19: budgeted $154.6 million in relief payments and issued regulatory flexibilities for primary care, behavioral health, integrated care, telemedicine, inpatient services, long-term services and supports, and nursing homes.

Protected Residents in High Risk Settings: issued 74 operational memos related to long-term services and supports.

Deployed Residential Care Strike Team: to mitigate the spread of COVID-19, completed infection control surveys and provided technical assistance on isolation and prevention plans across all 1,052 residential facilities; implemented system-wide surveillance and outreach testing; mobilized rapid response staffing.

Expanded Access to COVID-19 Vaccines: added 21 pharmacies and 737 pharmacists (in total, a 36% increase).

Expanded Access to Vaccines for Health First Colorado Members: created vaccination dashboards identifying disparities by race/ethnicity and partnered with Federally Qualified Health Centers and other primary care providers, the Colorado Department of Public Health & Environment, Health Cabinet, the Governor's Office, the Colorado Health Foundation, RAEs and our provider network to address the disparities. Invested more than $10 million in funding to support our partners' innovative outreach efforts including pop-up clinics. As a result, the RAEs met their disparity reduction goals, ensuring that vaccination rates between white members and members of color were within three percentage points.

Expanded Telemedicine to Increase Access to Care: RAEs implemented programs making phones, tablets, and internet access more readily available to members. Fee-for-service telemedicine visits increased from less than one percent of visits before the pandemic to a high of 32.2% of visits in April 2020 and hovered around 15% for this fiscal year. Behavioral health providers have been high adopters of telemedicine throughout the pandemic. In the first two months of 2020, prior to the pandemic, the average telemedicine utilization rate for capitated behavioral health was 0.9%. By April 2020, the average across the seven regions had grown to 50.4%.

Expanded Access to Behavioral Health Care: grew our network of behavioral health providers.

Created Cross-Disability System: got House Bill 21-1187 passed to require consistent case management across agencies.

3 *Operational Excellence & Customer Service*

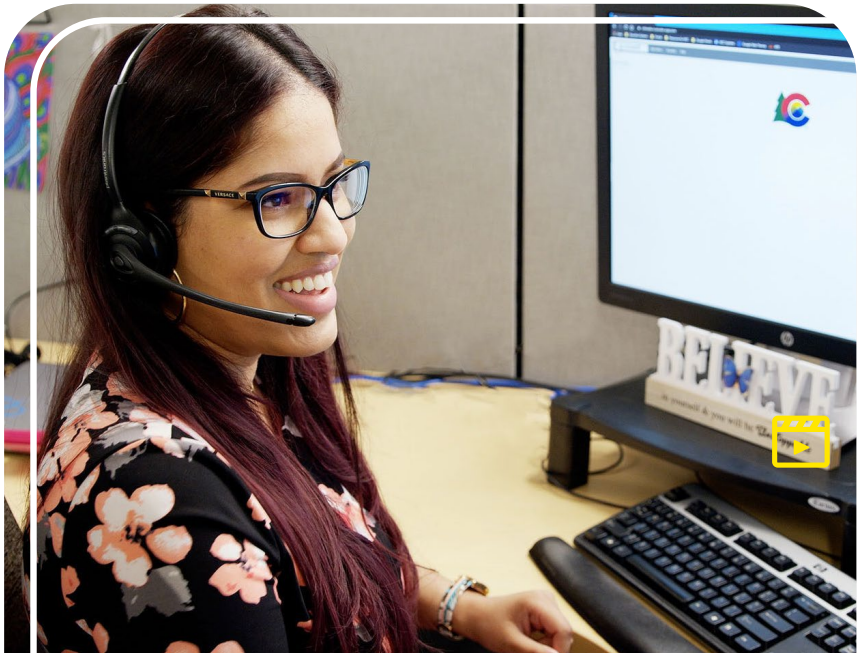
- Improve service to members and care providers. Create compliant, efficient, and effective business practices that are person- and family-centered

Increased Member Satisfaction: our Regional Accountable Entities and Managed Care Organizations outperformed the state and national commercial averages on both the rating of the health plan and the rating of all health care in the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Health Plan Survey, a nationally recognized survey.

Increased the rate of automated eligibility renewals from 79% to 85%

Improved Call Center Call-Answer-Speed: call-answer-speed averaged less than one minute.

Overhauled Benefits Management System: assumed leadership responsibility of the state's eligibility system, identified gaps/needs. Implemented over 40 projects to correct system errors, improve system accuracy and application timeliness, improve correspondence, improve member service and reduce county rework.



Through our efforts to improve customer service, the Health First Colorado Member Contact Center's average wait time has been reduced to less than one minute. Learn more about the Member Contact Center.

Reduced Correspondence Errors: reduced from >50% error rate in letters (missing information) to 0.5% to improve member satisfaction, reduce county call volume and avoid rework.

Updated Digital Technology: negotiated contract to drive eligibility automation at no cost to the state ($5 million value); increased use of digital eligibility tools by almost 50%, from 35% to 52%.

Improved Member Service Through Digital Technology: released a new member self-service digital tool so they can easily access coverage, doctors, benefits and other information in English and Spanish.

Expedited Member Coverage: processing 95% of eligibility applications within 45 days without increasing county resources.

Expedited Provider Payment: From December 2020 - November 2021 average days to pay was 3.5 for medical and pharmacy claims. It was also 3.5 from July 2020 - June 2021.

4 *Health First Colorado Cost Control - Ensure the right services at the right place and the right price*

Controlled Health First Colorado Cost Growth Despite Growth in Membership: kept cost trends down on a per-member-per-month (PMPM) basis. Average PMPM costs decreased from $564 PMPM in fiscal year 2019–20 to $557 PMPM in fiscal year 2020–21.

Bent the Prescription Drug Cost Curve in Health First Colorado: achieved negative per-member-per-year trend on prescription drug costs (comparatively, on the commercial side, prescription drugs cost is the leading contributor to health care inflation with double digit increases).

One of the first Medicaid programs to implement a State Prescription Affordability Tool in the Nation: to drive Health First Colorado prescription drug affordability, empowering doctors with cost information and more affordable alternatives; designed for future value-based payments as incentives for doctors.

Launched the 5-Year Hospital Transformation Program: performance-based financing to improve quality of care and health outcomes, and drive value.

Increased Vendor Accountability: implemented new vendor contracts to increase savings; conducted training, renegotiated contracts, increased accountability and improved performance across our vendors while avoiding vendors contesting decisions.

Prevented Overpayments: implemented ClaimXten prepayment editing software to identify and prevent inappropriate payments on submitted billings with $9 million in net savings.

Restructured Department Budget Process: enabled critical re-forecasts that pull leading economic indicators and concurrently created a tiered approach to budget cuts to create agility and help the state manage expenses to revenue.

Preserved Provider Fees that Support Health First Colorado: won our 6-year legal battle to preserve provider fees known as Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) fees, which represent billions of dollars in state revenues that support the Affordable Care Act Medicaid expansion to more than 500,000 Coloradans, the Hospital Transformation Program and rural hospital sustainability.

Minimized Administrative Costs: kept the Department's administrative overhead at 3.8% (staff and vendors), which is significantly lower than major commercial carriers' average at 13.5% administration load; more than 96% of our budget goes directly to paying health care providers for providing health care services to members.

5 *Affordability Leadership - Saving people money on health care*

Spearheaded Prescription Affordability Thought Leadership: launched the Prescriber Tool; released the second edition of "Reducing Costs of Prescription Drugs in Colorado" that highlighted prescription drugs as the leading contributor to rising health care costs and showcased priority strategies like the Prescription Drug Affordability Board; hosted the Health Cabinet Summit on Prescription Drugs to drive the affordability agenda.

Driving Drug Importation: leading the nation (along with Florida) on importation insights, public reports creating national press and awareness, and state legislation; one of the first states to submit a draft State Importation Program to the federal government.

Spreading Use of Prescriber Affordability Tool: over 6,000 doctors have already used this tool, which shows patient cost sharing and lower cost alternatives for e-prescriptions, for patients with employer-based insurance or covered by Connect for Health Colorado to reduce costs to employers, to the state and to Coloradans.

Launched the Opioid Risk Mitigation Tool: provided thousands of free licenses and promoted the broad use of this tool that avoids inappropriate prescribing of opiates for all patients.

Led the Nation in Consistent Hospital Transparency Leadership: released the Hospital Cost, Price and Profit Review and COVID-19's Impact on Colorado Hospitals' Finances reports; in continued effort to drive improved hospital prices for employers and consumers.

Created Affordability Resources: maintained resources for policymakers, employers, the industry and the public on affordability: Hospital Reports Hub and Affordable Health Care for Coloradans website.

Policy

2021 Legislative Session

The 2021 Legislative Session ended on June 8, 2021. The General Assembly recessed due to the COVID-19 pandemic in January 2021 and reconvened on Feb. 16, 2021, to continue the full 120-day session. Adjournment sine die occurred with three legislative days remaining on the calendar. A brief overview of the Department agenda bills and other key health care legislation is below.

HB21-1256 Telemedicine Policy Refinements

During the pandemic, telemedicine grew as a delivery mode valued by members, providers, employers and payers. This new state law gives the Department specific rulemaking authority to create an accountability framework for entities that provide services predominantly or exclusively through telemedicine. These entities are new participants in the fee-for-service category. The Department wants to maximize the role these entities play in expanding access, while ensuring focus remains on the medical home model and appropriate utilization.

This rulemaking authority will give the Department the flexibility needed to adapt to the "new normal" and begin to develop a comprehensive telemedicine policy. The Department is committed to developing a comprehensive telemedicine policy with the goals of improving access to high-quality services, promoting health equity, and shepherding taxpayer resources.

HB21-1187 Case Management Redesign

This new state law allows the Department to build a high-performing conflict-free case management system to serve all populations. This new law helps the Department achieve two goals:

1. eliminate the requirement of a third-party broker to assist individuals in choosing a case management agency, and,
2. allow more flexibility for the Department to work with stakeholders to create and implement a high performing case management system by July 1, 2024.

This law allows the Department to streamline operations, maintain federal compliance, increase administrative efficiencies and utilize a case management system that is rooted in quality and accountability all to benefit our members.

HB21-1227 Skilled Nursing Facilities: Establishing a Demonstration of Need and Technical Changes

For the first time in more than 20 years, this new state law allows the Department to innovate new approaches for skilled nursing facilities, and only authorize expansion of skilled nursing Health First Colorado providers when localities can sustain expansion. The Department will develop a set of clear and predetermined criteria to use when reviewing certification applications from nursing facilities that seek to serve Health First Colorado members. The criteria will be based on an analysis of demographics at the county level and the needs of the surrounding community. The new approach will ensure stability, access to care and quality of care remain consistent for one of our most vulnerable populations.

Additionally, the Department will create an exemption from the rate methodology for facilities with fewer than six Health First Colorado beds to help members who need long-term services and supports after their financial resources have been exhausted.

The Department is committed to placing people in home and community-based services whenever possible. However, the nursing facility population is growing, and the state will need to expand the availability of long-term care for older adults at skilled nursing facilities in order to meet the needs of this population. This new law will help create a system to ensure stable growth with this demographic shift.

SB21-210 Add Remote Supports to Home and Community-Based Services (HCBS)

Remote Supports is an emerging service model that combines technology and direct care to support people with disabilities. When hands-on care is not required, Remote Supports makes it possible for direct care staff to provide supervision, prompting, or instruction from a remote location, reducing the need for residential or in-person services. These remote support options will help address workforce shortages by increasing provider efficiency, improve access to care in rural areas and help members stay safely in their homes and communities. However, remote support services will be optional, and provided to only those members who feel comfortable with this type of service delivery.

This new law will allow the Department to add a remote supports benefit to five of the Department's home and community-based services (HCBS) waivers. The changes in statute will allow for remote supports in the HCBS Elderly Blind and Disabled (EBD) waiver. While the remote supports benefit will be added to five HCBS waivers, only the EBD statute requires this change due to the current limiting nature of the electronic monitoring service.

SB21-123 Expand Canadian Prescription Drug Importation Program

This law authorizes the Department to expand the current drug importation program to include countries in addition to Canada, if federal policy allows such an expansion. Currently, federal statute permits drug importation from Canada. If federal policy changes to allow for importation from other countries, Colorado will be able to move forward quickly to expand saving opportunities for consumers.

This law ensures federal and state consumer safety standards are met. All imported drugs would have to be FDA-

approved; sample tested for quality, authenticity, and degradation; tracked and traced according to federal supply chain law; and relabeled to meet U.S. labeling requirements.

SB21-286 Authorize Federal Stimulus to Transform Home and Community-Based Services

The federal American Rescue Plan provides Colorado with a temporary 10 percentage point increase in the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS). The increased match is available for a period of one year beginning April 1, 2021. States must use the funds equivalent to increased FMAP to expand or strengthen HCBS. The current budgets for fiscal year 2020-21 and fiscal year 2021-22 reflect the enhanced FMAP for most Health First Colorado programs. The bill makes a further adjustment to the Long Bills for these years to reflect an additional $54.8 million in enhanced match for behavioral health capitation payments over the two years. The Department is required to submit quarterly spending reports to the General Assembly.

The SB21-286 law implements the increased FMAP spending on HCBS as follows:

- Transfers state funds equivalent to the increased federal match into two separate funds — one for General Fund and one for cash funds.
- Directs the Department to develop a spending plan for these funds.
- Appropriates the set aside General Fund money for HCBS strengthening purposes, though the Department can only spend that money following approval of the spending plan by the Joint Budget Committee (JBC).
- Directs the JBC to introduce a supplemental appropriation bill in the 2022 legislative session — this bill will supersede the spending plan approval previously approved by the JBC.

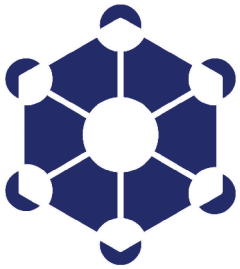
Other Major Bills Impacting the Department

- SB21-009 **Reproductive Health Care Program** allows for family planning services to be reimbursed by Health First Colorado for those who are not eligible for coverage because of their citizenship or immigration status.
- SB21-016 **Protecting Preventive Health Care Coverage** updates family planning and family planning related services, rules and definitions and ensures that members are not subject to deductibles, co-pays or coinsurance for those services.
- SB21-022 **Notification Requirements for Health Care Policy & Financing Audit** requires the Department to confirm a provider's contact information with the provider and after confirmation shall notify the provider of additional information concerning the audit. The Department shall deliver to the provider not less than 10 business days prior to the commencement of the audit a written request through both email and certified mail describing the audit requests.
- SB21-025 **Family Planning Services for Eligible Individuals**, expands family planning and family planning related services to eligible people who are not pregnant.
- SB21-038 **Expansion of Complementary and Alternative Medicine** expands this benefit to more people including those with a diagnosis of a spinal cord injury, multiple sclerosis, spina bifida, muscular dystrophy or cerebral palsy.
- SB21-039 **Elimination of Subminimum Wage Employment** begins the process of the elimination of subminimum wage employment and requires the Department to seek federal approval to implement a buy-in program for adults who are eligible to receive HCBS pursuant to the Supported Living Services Waiver, the Developmental Disabilities Waiver, Brain Injury Waiver and Spinal Cord Injury Waiver.
- SB21-095 **Sunset Employment First Advisory Partnership** the Department shall continue to be an agency partner with the Colorado Division of Labor & Employment and others to create a hiring preference pilot program for people with disabilities.
- SB21-128 **Modification to Administration of the Nursing Home Penalty Cash Fund** transfers the administration of the Nursing Home Penalty Cash Fund from the Department to the Colorado Department of Public Health & Environment.
- SB21-131 **Protect Personal Identifying Information Kept by State** places limitations and responsibilities on all state agencies about Coloradans' personal identifiable information.
- SB21-137 **Behavioral Health Recovery Act** requires:
  - Collaboration with the Colorado Department of Human Services, the Office of Behavioral Health and the Division of Insurance on care coordination services
  - Contract with an independent review organization to conduct external medical reviews when there is a denial or reduction for residential or inpatient substance use disorder treatment.
  - Development of standardized utilization management processes to determine medical necessity for residential and inpatient substance use disorder treatment and eventually require those standards through existing managed care entity contracts.

- SB21-139 **Coverage for Telehealth Dental Services** allows for reimbursement for dental services delivered via telemedicine.
- SB21-142 **Health Care Access in Cases of Rape or Incest** eliminates facility and provider type restrictions of coverage for abortions in cases of rape or incest.
- SB21-146 **Improve Prison Release Outcomes** allows an inmate being released from confinement, but still under criminal justice supervision, who qualifies for Health First Colorado, to choose the provider of their choice without criminal justice supervision restrictions.
- SB21-175 **Establish Prescription Drug Affordability Board** creates a prescription drug affordability board that will include the Department's executive director and use APCD data.
- SB21-181 **Create shared Inter-department Health Equity Plan** creates a health equity commission which will include the Department's executive director.
- SB21-194 **Maternal Health Providers** expands Health First Colorado members' postpartum care from 60 days to 12 months and reimburses providers at equitable levels for maternal services.
- HB21-1085 **Secure Transportation Behavioral Health Crisis** creates a benefit for secure and urgent transportation services within the non-emergency medical transportation service.
- HB21-1097 **Establish Behavioral Health Administration** begins the process to plan to appropriately implement and address initial start-up as well as ongoing operational costs for a Behavioral Health Administration in Colorado.
- HB21-1119 **Suicide Prevention, Intervention, and Postvention** requires the Department to provide input to the Colorado Suicide Prevention Plan Commission created within the Colorado Department of Public Health and Environment.
- HB21-1166 **Behavioral Health Crisis Response Training** requires the Department to provide training to professional persons who work with persons with IDD and co-occurring behavioral health needs to be trained in the comprehensive care coordination and treatment model.
- HB21-1198 **Require Health Care Facilities to Screen Uninsured Patients for Public Program Coverage.**
- HB21-1206 **Medicaid Transportation Services** transfers regulatory authority over non-medical transportation and non-emergency medical transportation providers to the Department. With stakeholder input the Department will establish rules and processes for the safety and oversight of these transportation services.
- HB21-1232 **Create an Affordable Colorado Option Insurance Plan** creates a public option insurance plan in Colorado and places an insurance ombudsman in HCPF.
- HB21-1275 **Medicaid Reimbursement for Services by Pharmacists** increases reimbursements pharmacists receive under Health First Colorado; allows pharmacists to administer extended release injectable medications for the treatment of mental health or substance use disorders; and allows clinical pharmacy services costs provided by clinical pharmacists in a Federally Qualified Health Center setting to be a part of that facility's cost report.

Thanks to our partners - counties, providers, advocates, policymakers and other stakeholders - we have worked together on response, recovery and comeback, and on system transformation to drive better, equitable and more affordable outcomes. HCPF leadership was able to express gratitude for our incredible partners in person after such a long time apart in the Denver metro area, Pueblo and Grand Junction, in addition to continuing virtual meetings. Left: Pueblo Regional Center, Below: left - Denver Indian Health and Family Services, right - Rocky Mountain Health Plan in Grand Junction.

Where We're Going



Shaping Policies and Developing Partnerships

In consultation with members and stakeholders, The Department updated its mission statement: Our mission is to improve health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado. This means that we work to make our members healthier while getting the most for every dollar that is spent.

As such, HCPF also updated the pillars, which organize our work, to:

1. **Member Health** - Improve member health outcomes and reduce disparities.
2. **Care Access** – Improve member access to affordable, high-quality care.
3. **Operational Excellence and Customer Service** - Excellent service to members, providers, and partners; compliant, efficient, effective person- and family-centered practices.
4. **Medicaid Cost Control** - Ensure the right services for the right people at the right price.
5. **Affordability Leadership** - Reduce the cost of care in Colorado.
6. **Employee Engagement and Satisfaction** – Empower staff and improve equity, diversity, and inclusion.

As such, our passionate staff is focused on improving COVID-19 vaccination rates and reducing maternal health disparities for our members, goals directly related to our quest to improve member health. We are also driving affordability through multiple care delivery and payment reform initiatives, as well as administrative operational efficiencies and vendor/partner accountability projects. Further, we are investing in long-term transformation for people with disabilities through our home and community-based services spending plan and behavioral health transformation work.

The Department will continue to increase transparency to drive affordability, while continuing our work to help shape innovative policies and develop new partnerships. These efforts will bring us closer to Governor Polis's goal of saving money and improving the quality of health care for all Coloradans.

Behavioral health and ensuring connections to coverage are top of mind for the work ahead to ensure Coloradans are getting the care they need, when they need it. It's critical that Coloradans

know they can apply for health coverage at any time, it's affordable, and it's easy to do. We will continue to work with our partners and share materials to spread the word to Coloradans who need us.

Cost Control and Health Improvement

Covering one in four Coloradans during a fiscal downturn necessitates innovations that prudently control costs and improve health, enabling us to better protect provider reimbursements and member benefits. The Department's administrative costs are less than 4% of our budget, which is significantly lower than the average commercial carrier administrative costs of more than 13%. Our efficiency enables us to allocate more than 95 cents on every dollar to care.

Health First Colorado Blue Button Project

In accordance with the Patient Access and Interoperability final rule (CMS-9115-F), the Department is implementing new system infrastructure that will allow Health First Colorado and CHP+ members to have direct access to their health care information via third-party mobile applications. This will include medical claims submitted on their behalf, provider information and other clinical data. The implementation of this project will enable members to have access to their health data quickly and easily.

The Department is in the process of vendor selection for this project and more information will be available on our website as the project progresses.

Policy

Drug Importation Program

Senate Bill 19-005, passed during the Colorado 2019 legislative session, requires the Department to seek federal approval to import drugs from Canada to reduce the cost of prescription drugs for Colorado consumers, employers and other payers. The Department has been working on Importation Program implementation since May 2019. Since that time, the federal government released a final rule setting forth the regulatory structure for state-led importation programs. Using the final rule as a guide, the Department is designing and developing a program structure and released a competitive solicitation to seek vendors that will participate in the drug importation supply chain for the program. Once partners are identified, the Department will submit an application to the Food and Drug Administration to gain federal approval to begin importing prescription drugs from Canada.

Delivery Systems

Behavioral Health Transformations

From day one of the Polis-Primavera Administration, reforming Colorado's behavioral health system has been a top priority. That is why the administration early on created a Behavioral Health Task Force, which identified 19 priority initiatives in collaboration with the voices of the community around the state. State agencies, including the Department, are working together to improve Colorado's behavioral health system. This year, the Colorado Department of Human Services will establish a Behavioral Health Administration (BHA), which the Department will support with technology, infrastructure, policy and planning. This infrastructure will have a long-lasting impact on our ability to streamline access and better coordinate our services and funding so that patients, families and providers don't have to struggle to find care. The Department will continue to be an integral partner in this work and will memorialize the extraordinary level of cross-agency coordination in the future through formal contracts and agreements.

In coordination with the 19 priorities to transform the behavioral health system for the better in our state, the Department made important investments in behavioral health services so our members could get the care they needed. In January 2021, HCPF expanded substance use disorder benefits - accessed by almost 5,000 members in the first six months. We've increased member access to behavioral health services in person, by phone/video, and in their primary care doctor's office. We've expanded our network of behavioral health providers serving Health First Colorado members. Concurrent with all of that, Executive Director Bimestefer serves on the Behavioral Health Transformational Task Force, which will provide the Colorado General Assembly with recommendations on using one-time $450 million in American Rescue Plan Act dollars to create lasting transformation and improvement in the state's behavioral health system. These important investments are making real impacts on the lives of Coloradans. This could not be possible without the broad engagement of stakeholders and people with lived experiences, who have taken great time and effort to share their stories and experiences and make recommendations on how to improve.

Child Health Plan *Plus* (CHP+)

Throughout fiscal year 2020-21, we made significant strides in the effort to further improve and modernize the CHP+ program. Going forward, a priority for the Department will continue to be identifying key areas of alignment between CHP+ and the ACC program, and therefore bringing the CHP+ program into increased alignment with the overall goals of improving member health, furthering performance outcomes, and reducing the cost of care for Coloradans.

In alignment with these objectives, at the end of fiscal year 2020-21, the Department expanded the managed care delivery system for CHP+ by ending the State Managed Care Network (SMCN). Moving forward, all CHP+ eligible members will be enrolled into a managed care organization. During fiscal year 2020-21, the Department was also granted approval from CMS for a five-year extension of the state's 1115 Prenatal Demonstration, allowing Colorado to continue to use Title XXI funds to support increased access to high-quality prenatal, delivery, and postpartum care.

Throughout fiscal year 2021-22, the Department will continue to focus on increasing access to postpartum care through the implementation of 12-month postpartum coverage requirements within Senate Bill 21-194.

Going forward, the Department will leverage the successes of the past year to continue pursuing strategic programmatic improvements. In alignment with those objectives, key focus areas will include:

- Improving the exchange of necessary data and information to more effectively monitor program performance and member health.
- Identifying key outcome and performance metrics to strengthen reporting requirements and consistency across CHP+ Managed Care Organizations so the Department can better measure and manage the quality and cost of care across the CHP+ program.
- Establishing increased alignment between CHP+ and Health First Colorado.
- Identifying and pursuing areas of opportunity to improve operational processes and performance.
- Creating mechanisms for collaborating in the sharing of ideas and best practices.

Long-Term Services and Supports System Redesign

Long-term services and supports offered through Health First Colorado are a vital resource for people with all types of disabilities, empowering them to live in the community among family and friends. Over the coming decades, Colorado will experience significant growth in the number of people who need to access long-term services and supports. Between 2015 and 2030, the number of adults 65 and older in Colorado will grow by nearly 70%. The Department continues to focus on innovating and improving long-term services and supports to prepare for serving an increasing number of older adults with disabilities. Even as Colorado faces the monumental fiscal challenge brought about by the COVID-19 pandemic, the Department remains committed to its goals in long-term services and supports.

With the passage of the American Rescue Plan Act of 2021, the Department is prepared to maximize a once-in-a-generation opportunity to reimagine and transform Colorado's HCBS system. To capitalize on this opportunity, the Department identified four principles to guide its planning: supercharge existing initiatives, support the COVID-19 response and recovery, foster innovation and long-term transformative change, and increase quality and good fiscal stewardship. This resulted in 67 key projects that will be implemented over the coming years that will increase and stabilize the long-term care workforce, reimagine programs and benefits, and redesign the case management system to meet the needs of members in the location that they want with the services that they need, beginning with the implementation of new assessment and person-centered support planning tools. The post-COVID-19 new normal will allow for new modernized models of care and reimbursement that improve accountability, leverage technology, and reduce administrative requirements.

COLORADO
Department of Health Care Policy & Financing

Do you know someone who might qualify?

Individuals and families can find out if they qualify for medical assistance, food assistance and other help online through CO.gov/PEAK. Applicants without internet access can contact their local county human services office for assistance.

Learn more at hcpf.colorado.gov/