



## Legislative Conference

December 5-7, 2012

*Cheyenne Mountain Resort • Colorado Springs*

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# Medicaid Reform

*Challenges and Opportunities  
for Colorado*



Jeff Bontrager

December 5, 2012

**Legislative Conference**

*Cheyenne Mountain Resort • Colorado Springs*



**colorado health**  
**INSTITUTE**



## Mary: A Case Study

**Patient:**

Pregnant woman

**Diagnosis:**

Blood clotting disorder

**ED visits:**

28 times over  
six months

# This Presentation

- Medicaid's challenges and the range of options to address them
- The Medicaid Accountable Care Collaborative (ACC)
- Is the ACC saving money?
- What's on the horizon?

# Three Takeaways

- Medicaid must control spending as enrollment grows and contracts.
- The Medicaid Accountable Care Collaborative (ACC) is Colorado's big investment in system-wide transformation of health care delivery.
- Early ACC results show promising direction but the jury is still out on the savings.

# Medicaid's Challenges

- Escalating health care costs
- Budgetary pressures
- Rising enrollment
- Provider participation
- Improving quality of care and health of enrollees

# Medicaid: A Range of Options

## Providers and Patients

- Change provider reimbursement
- Limit enrollee benefits
- Waivers to modify enrollee benefits
- Implement limited premiums and cost-sharing

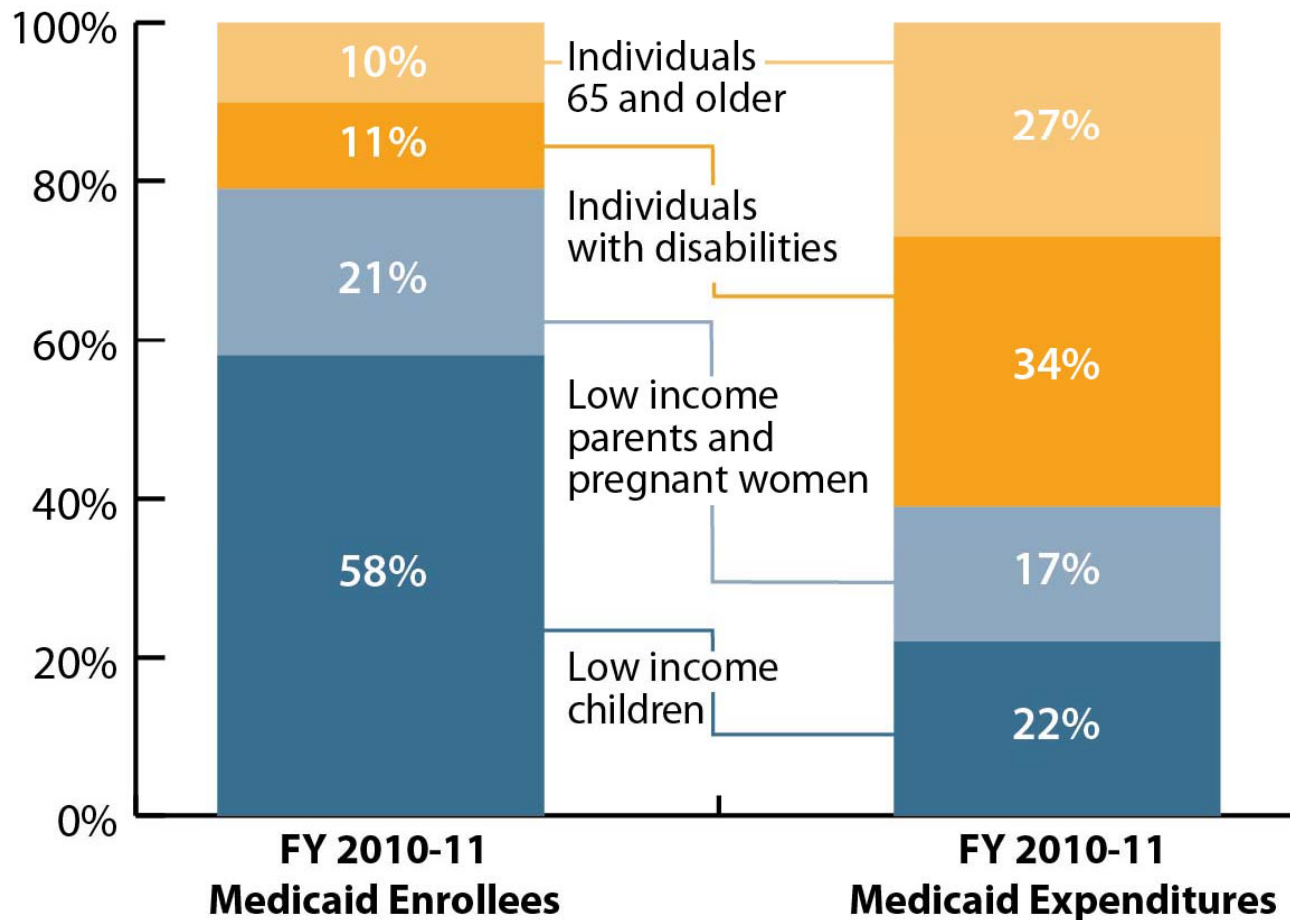
## Enrollment

- Limit eligibility
- Expand eligibility
- Waivers to reach specific populations

## Alternative Payment Models

- Block grants
- Shared risk between provider and payer
- Medicaid managed care
- Incentive payments for care coordination (ACC)

# Medicaid: Some Populations More Expensive



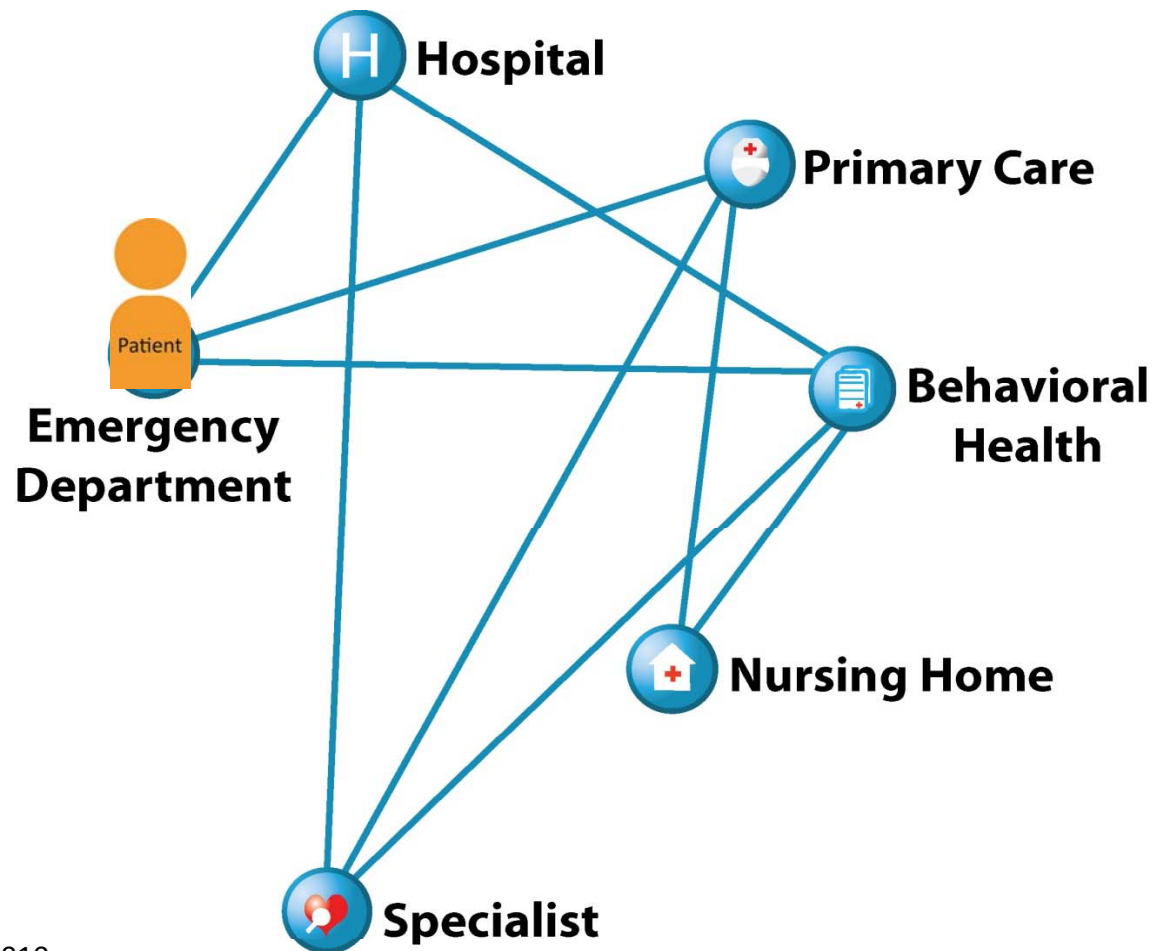
Source: Colorado Department of Health Care Policy and Financing, Executive Budget Request, Feb. 15, 2012

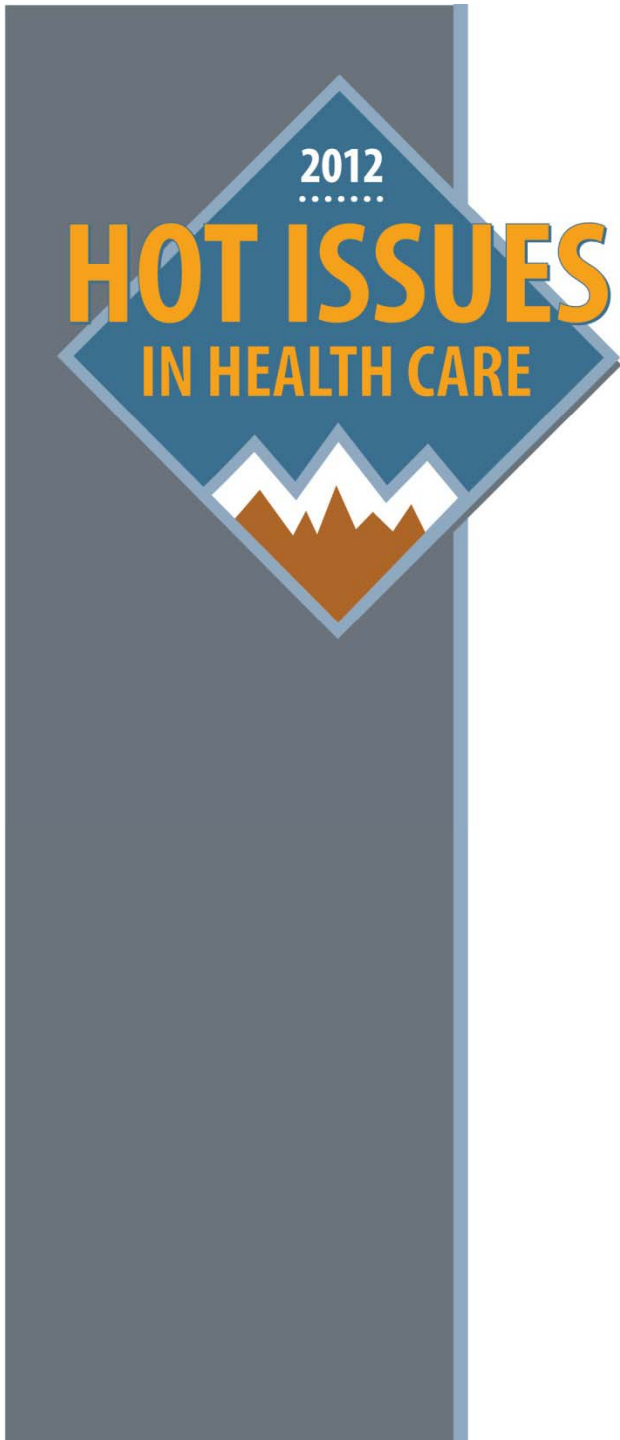


# A Fragmented Delivery System

- Primary care provider: May be unaware a patient has been to the hospital.
- Patient: May be subjected to unnecessary tests.
- Dartmouth Institute study: 30 percent of care unnecessary.<sup>1</sup>

<sup>1</sup> The Dartmouth Institute, “Reflections on Geographic Variations in U.S. Health Care”, 2010.



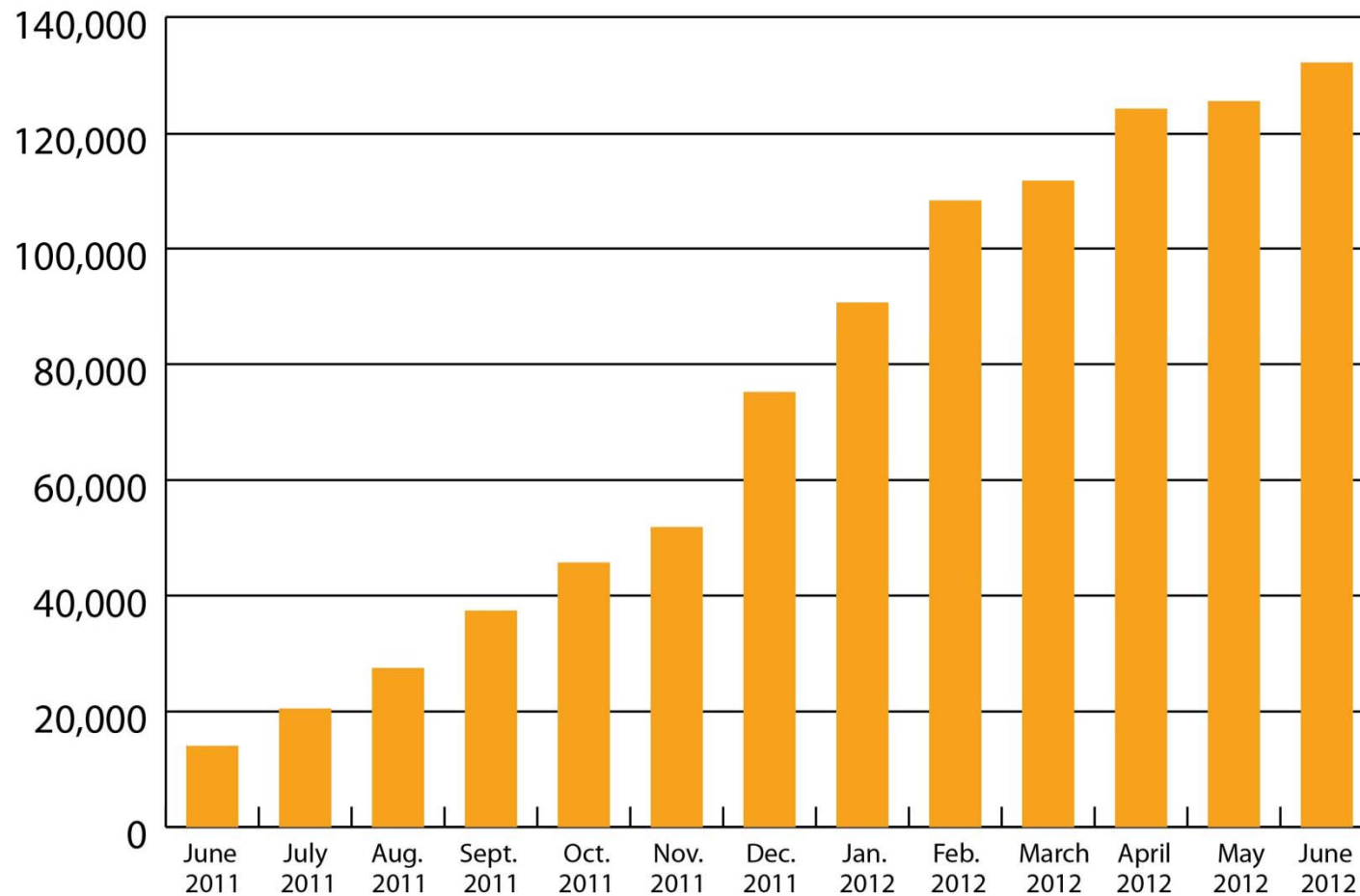


The Medicaid  
Accountable Care  
Collaborative

# Understanding the Accountable Care Collaborative (ACC)

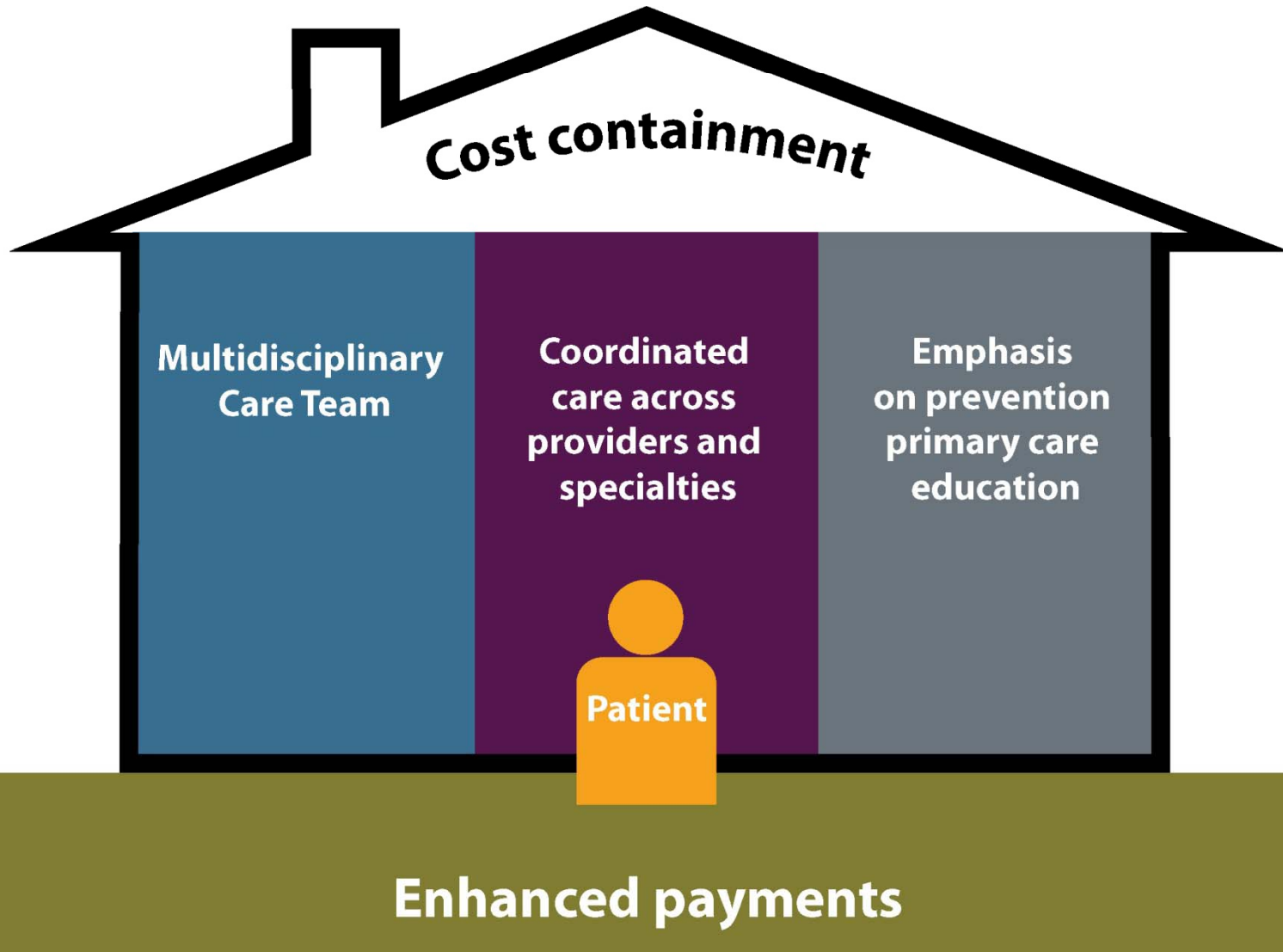
- **What it is:**
  - Colorado-grown approach to managing Medicaid costs
  - Medical homes
  - Incentive payments for care coordination
  - Based on reductions in expensive services
- **What it isn't:**
  - Part of Obamacare
  - 1990s managed care
  - A dramatic overhaul (the fee-for-service system remains)

# ACC: Increasing Enrollment



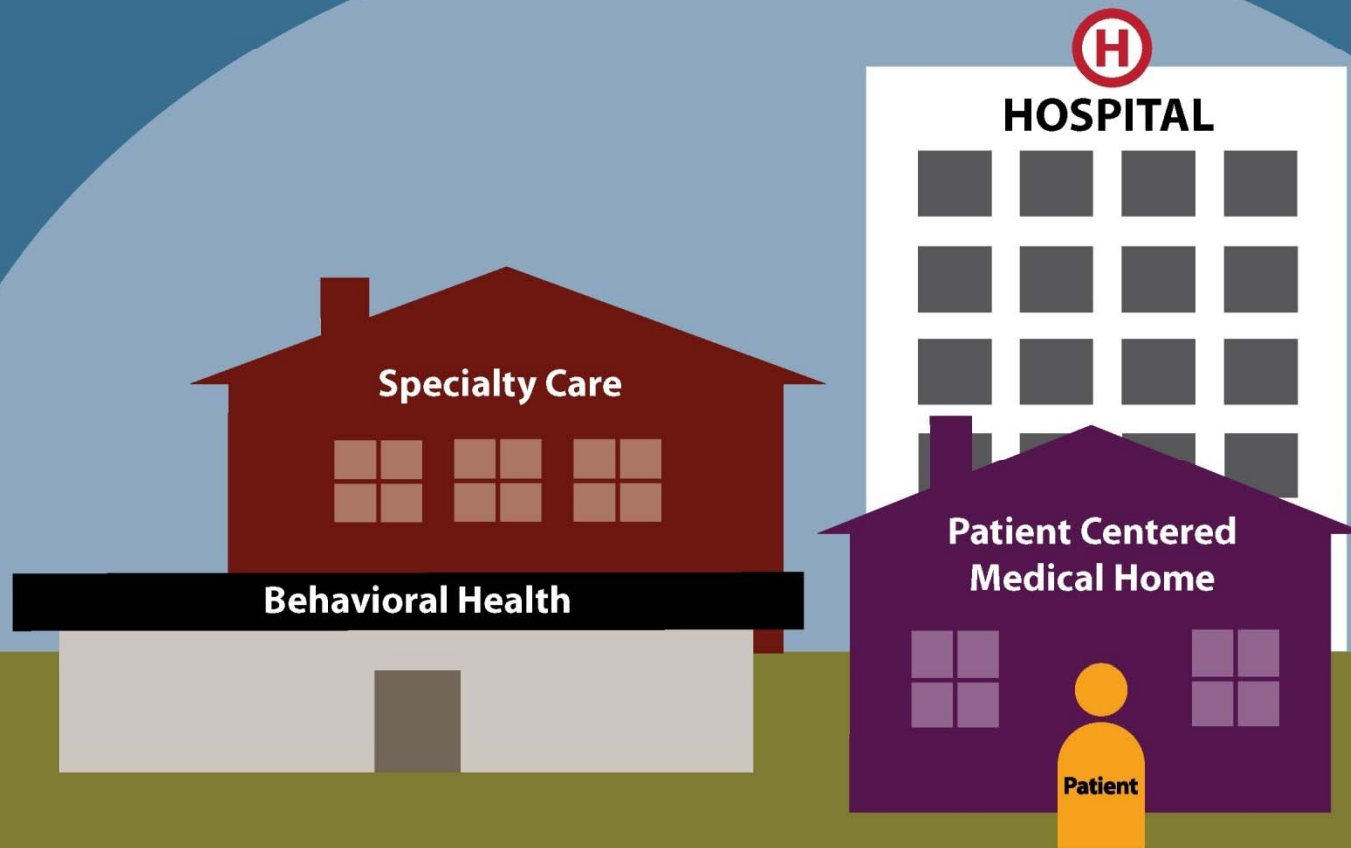
Source: Colorado Department of Health Care Policy and Financing

# Care Coordination: Medical Homes



# How Accountable Care Works

## Care Coordination



## Data and Analytics



## Mary: A Case Study

**Patient:**

Pregnant woman

**Diagnosis:**

Blood clotting disorder  
and depression

**ED visits:**

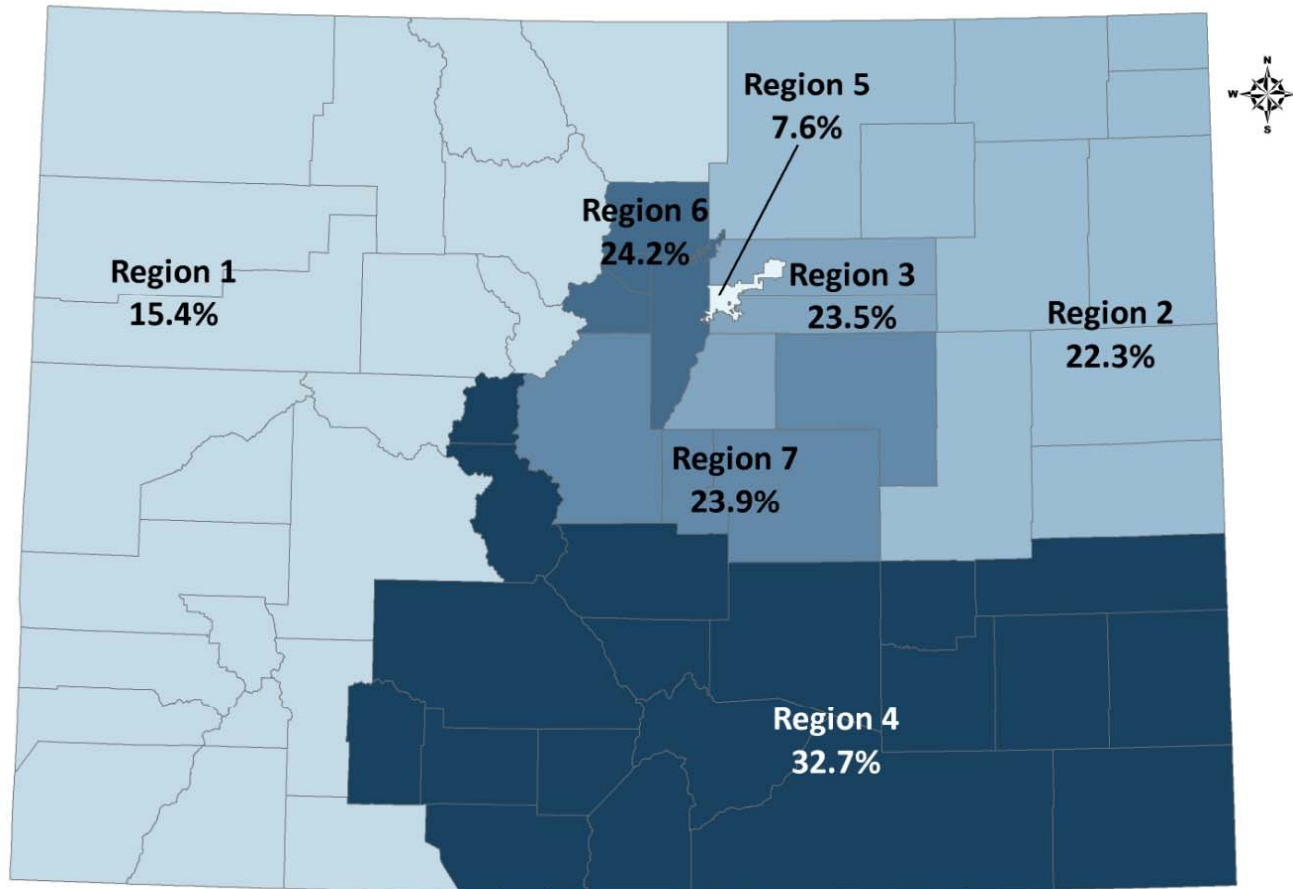
28 times over  
six months

**Intervention:**

Integrated care plan

# Local Flavor: The Seven Regional Care Collaborative Organizations (RCCOs)

Percent of Medicaid Enrollees Who Are Enrolled in the ACC By RCCO, Sept. 2012



Region 1: Rocky Mountain Health Plans

Region 2: Colorado Access

Region 3: Colorado Access

Region 4: Integrated Community Health Partners

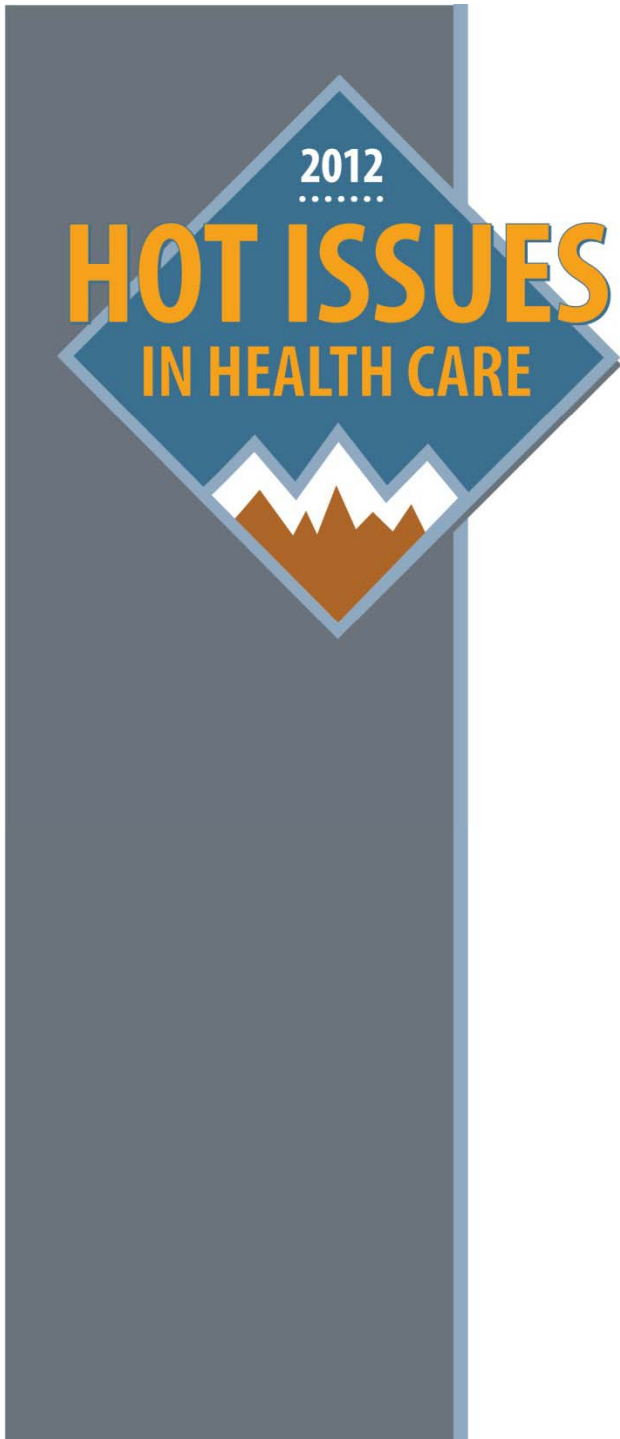
Region 5: Colorado Access

Region 6: Colorado Community Health Alliance

Region 7: Community Care of Central Colorado

Prepared by the Colorado Health Institute  
November 1, 2012





Is the Medicaid ACC  
Saving Money?

# The First Data: A Preliminary Analysis

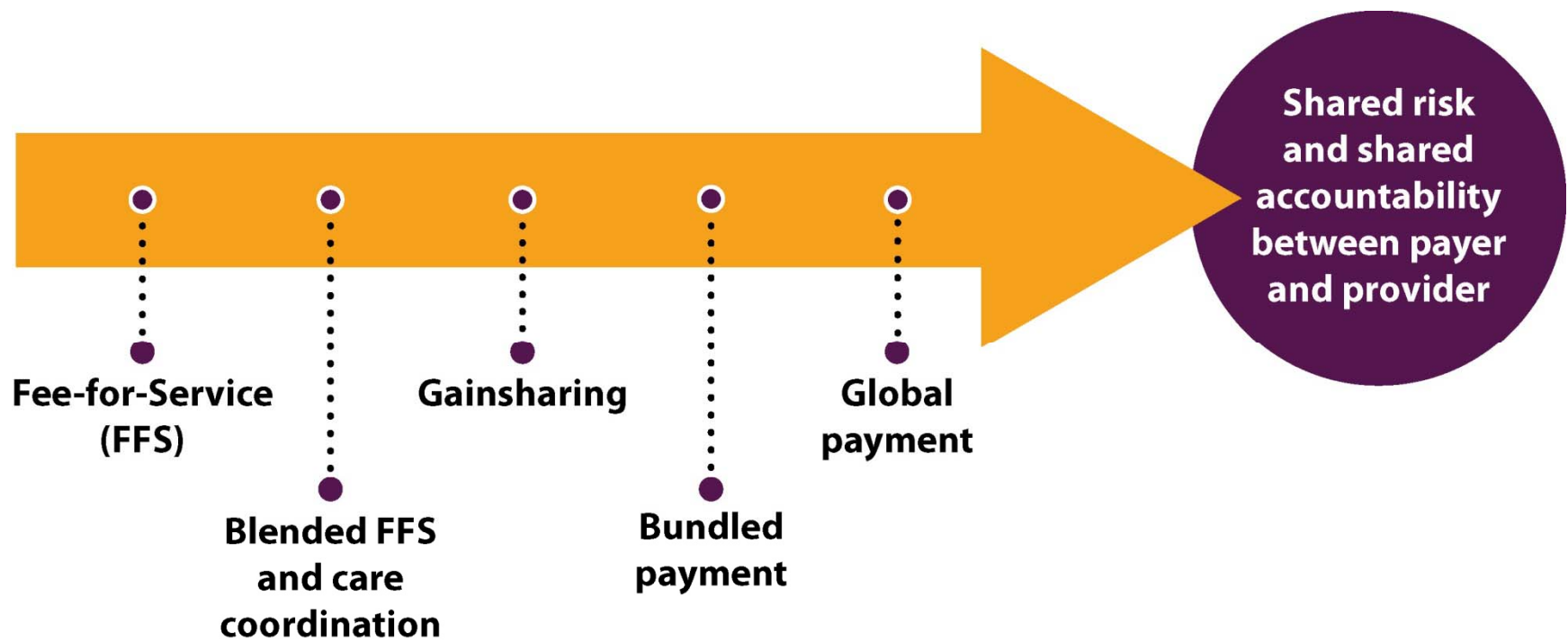
- Estimated gross savings: Between \$9 million and \$30 million
- Administrative costs: About \$18 million
- Positive, but limited, results on use of expensive services
- Short-term and long-term monitoring

Source: HCPF. *Report to the JBC: ACC Annual Report* (November 1, 2012)

# Questions for Legislators

- Should Colorado expand Medicaid?
- What are the implications of the ACC on the HCPF budget?
- What will we learn from the Medicaid payment reform proposals launched by HB12-1281?

# HB12-1281: Proposals for Greater Shared Risk in Medicaid



# Three Takeaways

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- The Medicaid Accountable Care Collaborative (ACC) is Colorado's big investment in system-wide transformation of health care delivery.
- Early ACC results show promising direction but the jury is still out on the savings.



2012  
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# HOT ISSUES IN HEALTH CARE



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