Colorado Annual Report

Title Line One – Colorado Adults without Dependent Children (AwDC) Demonstration

Title Line Two - Section 1115 Annual Report[1]

Demonstration/Annual Reporting Period:
Demonstration Year: 1 (04/01/2012 – 06/30/2012)

I. Introduction

The Colorado AwDC Medicaid Section 1115 Demonstration (Demonstration) was approved on March 30, 2012. The Colorado Department of Health Care Policy and Financing (State) began accepting and processing applications on April 1, 2012. In May 2012, all applicants who had been found eligible and approved for AwDC benefits were enrolled and began receiving benefits effective May 1, 2012.

The Demonstration provides comprehensive health care benefits to up to 10,000 eligible adults. Eligible adults are ages 19 through 64 years who are not pregnant, who do not have a Medicaid-eligible dependent child living in the household, who have family income at or below 10 percent of the federal poverty level (FPL), and who are ineligible for Medicaid State Plan benefits under any other category, the Children's Health Insurance Program (CHIP) or Medicare. Currently, the State-established income eligibility standard is 10 percent of the FPL; however, the State has the option to increase the income standard up to 60 percent of the FPL and/or increase enrollment capacity as state funding allows. Since enrollment for the Demonstration is currently limited, eligible applicants are placed on a waitlist, and are enrolled for benefits through a randomized process as enrollment becomes available.

Demonstration clients receive State Plan benefits through the State's Accountable Care Collaborative (ACC) program. The ACC program consists of seven Regional Care Coordination Organizations (RCCOs) throughout the state. Demonstration clients are mandatorily enrolled into the ACC, and are assigned to the RCCO in their region of residence. The RCCO is designed to assist individuals in coordinating care and improving health outcomes.

In addition to coordinated care through the ACC program, Demonstration clients are enrolled into the Community Mental Health Services Program. Five Prepaid Insurance Health Plans (PIHPs), called Behavioral Health Organizations (BHOs), provide a comprehensive range of mental health services available to all enrollees with a covered mental health diagnosis. Demonstration clients are enrolled in a BHO based on their county of residence.

The State's goals under the Demonstration are to:

- Provide health care coverage to 10,000 previously uninsured Coloradans, and more if funding is available to sufficiently cover additional individuals;

[1] Note: Per #42 of the Waiver Special Terms and Conditions, this first Annual Report includes information from the first Quarterly Report, which covers that same time period as that covered by this Annual Report.

- Ensure that services are effective and coordinated through an accountable care structure;
- Ensure that appropriate services are provided in a cost-effective manner for this population;
- Provide comprehensive coverage for individuals who were previously uninsured and served through the Colorado Indigent Care Program, a State-only program that provides low-cost health care services to low-income individuals who are not eligible for Medicaid or CHIP; and
- Study trends in beneficiary needs, provider capacity, and care delivery to assist in preparations for the implementation of provisions of the Affordable Care Act in 2014, including the coverage for the group described in section 1902(a)(10)(A)(i)(VIII) for individuals under age 65, regardless of disability status, with income at or below 133 percent of the FPL.

II. Enrollment Information

A. Enrollment Counts

Demonstration Populations	**Current Enrollees** (to date)	**Disenrolled in Demonstration Year**
AwDC	7,753	0

The number of clients to date is the official caseload number of clients. It is a count of anyone who had a final eligibility type of AwDC for at least one day in the Demonstration year ending June 2012.

The number of clients disenrolled in the first Demonstration year indicates the number of clients who were enrolled in the previous Demonstration year, but were not enrolled at all during the current Demonstration year. For the Demonstration year ending June 2012, there are zero clients disenrolled as there was no Demonstration eligibility during the prior year.

B. Enrollment Limit/Waitlist

The current enrollment limit is 10,000 people. The waitlist data as of July 3, 2012, showed 2,913 eligible individuals on the waitlist for enrollment. The data for the last day of the first Demonstration year is no longer available as it changes daily, and was not recorded for June 30, 2012. Future reports, however, will reflect waitlist data for the last day of the Demonstration year. Although enrollment in Part II, Section A indicates fewer than 10,000 clients, a waitlist was in place due to the enrollment process described in STC 18. The majority of 2,913 eligible individuals on the waitlist on July 3rd were enrolled to receive benefits effective July 1, 2012. The eligible individuals who were not selected in the randomized member selection process for July enrollment remain on the waitlist. The ongoing waitlist process will be discussed in the next quarterly report.

The State does not currently anticipate any changes to the enrollment limit.

C. State-Established Income Eligibility Standard

The current State-established income eligibility standard is at 10 percent of the FPL. At this time, the State is not considering a change in this income standard.

D. Collection and Verification of Encounter Data and Enrollment Data

The State has not encountered any issues, activities or findings related to the collection and verification of encounter and enrollment data to date. The Demonstration has only been in place for three months and benefit coverage began in May 2012.

III. Benefits Information

The State is not anticipating any changes in populations served under the Demonstration. The State is neither implementing nor proposing to implement any changes to the State Plan benefits or covered mental health diagnoses.

Also, the State has funding to provide vouchers for all ACC clients to enroll in Chronic Disease Self Management Program (CDSMP) classes. These classes will be available to any appropriate ACC client, including Demonstration clients, who will benefit from the additional services.

IV. Assignment of a Primary Care Medical Provider and Virtual Network

Demonstration Populations	New Enrollees for the Demonstration year	New Enrollees Assigned a PCMP
AwDC	5,137	62

The number of new RCCO enrollees indicates the number of Demonstration clients who were enrolled in a RCCO and for whom a PMPM payment was made to a RCCO in the current Demonstration year, but who were not enrolled in a RCCO in the prior Demonstration year.

The number of new PCMP enrollees is the number of AwDC clients who were enrolled with a PCMP and for whom a PMPM payment was made to a PCMP in the current Demonstration year, but were not enrolled with a PCMP in the prior Demonstration year. This number is very low due to the timing of enrollment. The vast majority of Demonstration clients who began receiving benefits on May 1, 2012 were enrolled into a RCCO, effective June 1, 2012. The State does not have claims data history for the vast majority of these clients, so Demonstration clients were not assigned to a PCMP when they were enrolled into a RCCO. PCMP assignments are effective the first day of the month after a selection is made. Therefore, PCMP enrollment was effective July 1, 2012 for the majority of Demonstration clients, which falls outside of the reporting period for the first Demonstration year. Clients who did have a PCMP assigned during the first reporting Demonstration year were clients who, prior to Demonstration enrollment, had been eligible for Medicaid under a different eligibility category and were already enrolled in the ACC program. Due to continuous eligibility system rules, these clients maintained attribution to the RCCO and PCMP they were assigned under their prior eligibility category.

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Since nearly all Demonstration clients were enrolled into a RCCO on June 1, 2012, the RCCOs had limited time to reach out to and assist Demonstration clients in selecting a PCMP and in beginning to coordinate their care. During the month of June, the RCCOs reached out to the new Demonstration clients through outbound phone calls, both direct and interactive voice response (IVR), and direct mailings including letters and information.

For all ACC program clients, including Demonstration clients, the RCCOs are working with primary care providers and with the community mental health centers in their regions to help clients select a PCMP. For example, many providers are using a fax enrollment form whereby the provider works with the client and then faxes the PCMP selection to the State's enrollment broker to create the PCMP enrollment span. Successful Demonstration enrollment was indicated by the noted increase in call volume during the months of June and July by the enrollment broker.

During the next quarter, the RCCOs will be undertaking activities such as: (1) using additional information databases to ensure they have the most recent and accurate contact information for clients; (2) providing information booths at shelters (many clients used these shelters as their mailing address) to facilitate PCMP selection; and (3) holding a community dinner for advocates and Demonstration clients to encourage PCMP selection. Moving forward, the RCCOs have committed to an ongoing process improvement to effectively serve Demonstration clients.

As the ACC program has evolved over the last fifteen months, the State has made adjustments that will also benefit the Demonstration population. Notably, the State and the enrollment broker changed the information on mailed correspondence. The envelope was modified based on feedback from clients that it did not clearly indicate that the enclosed letter was from the State of Colorado, and that clients perceived it as junk mail. The updated envelope was designed based on consumer feedback, and is meant to encourage clients to open the correspondence and read it.

Also, the State is exploring and developing a re-attribution process. Currently, there are many clients enrolled in the ACC who remain unattributed to a PCMP due to a lack of claims history or lack of an established relationship with a provider upon ACC enrollment. In the re-attribution process, claims will be analyzed for clients who have remained unassigned to a PCMP, but have accumulated a claims history. If the claims history indicates a relationship with a provider has been established, the client will be attributed to that PCMP. Once a PCMP is assigned or selected, clients (including Demonstration clients) have the option of selecting a different PCMP, as is the current process.

The RCCOs continue to outreach to the providers in their region and have indicated increases in both formal networks of PCMPs and informal networks of specialists.

V. Outreach/Innovative Activities

Targeted outreach to community-based organizations whose reach included many potential AwDC clients and counties began in late December 2011. Regional meetings were held throughout the state and were supplemented with webinars to raise awareness of the Demonstration. Outreach continued through the program launch date, and various informational and aid materials were created in response to outreach efforts. Materials included a one page client-facing flyer, fact sheet, frequently asked questions documents detailing enrollment and interaction with other programs, and other aid materials for community partners and counties to assist in their communication with clients.

Email communications were sent to stakeholders, advisory committee members and community partners on a regular basis. The communications included Demonstration updates and links to resources posted on the Demonstration Web page. In addition, the State's Executive Director sends a weekly email to the county departments of human/social services directors. These weekly emails have included Demonstration updates and encouraged the directors and their staff to continue working with their local/community partners to outreach to clients.

During the months of April and May, the pace of applications and the number of clients who had been determined eligible was lower than anticipated. In response, the State worked with community partners and with county eligibility technicians to ensure their awareness of the program. Counties indicated they were working closely with their community partners, and some reached out to clients who were already receiving public assistance through other programs such as Food Assistance and/or the Aid to Needy Disabled program.

The State's outreach team and public information representatives also reached out to specific news and media outlets in areas where application volume was particularly low and, in some instances, the local press included a story or piece about the Demonstration. In addition, several counties placed information in the local newspaper.

State staff also attended various community engagement meetings including the monthly meetings with local partners at the Colorado Coalition for the Medically Underserved (CCMU). CCMU established the *Connect to Coverage, Connect to Care* campaign, which provided a forum for State staff and core group members to discuss various outreach and enrollment strategies as the Demonstration prepared for implementation and was launched. Furthermore, CCMU has contracted with JSI, Inc. to develop a strategic learning report. The report is being developed with input from various partner perspectives including contribution from counties, State staff and other key informants. The expectation of the report is to capture real time lessons learned in the various phases of the Demonstration implementation process to improve upon outreach and enrollment strategies moving toward January 2014. The report is anticipated in October 2012, and will be available to the public.

Denver and Pueblo counties demonstrated comparably more success in enrolling clients. In both communities there are multiple sites for people to apply for medical assistance programs, including a Medical Assistance (MA) site. MA sites provide an additional

application venue beyond the county departments of human/social services, and can provide assistance with the application and process applications for an eligibility determination. In Pueblo County, the MA site partnered with other provider sites, such as the Federally Qualified Health Centers in the region, and worked closely with providers and community-groups to further awareness of the Demonstration.

The State provided additional resources to twenty of the largest counties to enable them to hire additional workers to process Demonstration applications. Denver County staff proved their capacity to handle the volume of applications, so Denver County leadership redirected the new workers to focus on direct outreach at homeless shelters and on the streets. Working with community partners has proven to be an effective outreach method and is consistent with a trusted-hand approach, and the direct outreach is also beneficial in raising awareness and improving client education and engagement.

Although application and enrollment was initially lower than expected, the State also anticipated that the concerted community efforts in outreach and education would be demonstrated within six months of Demonstration implementation. Just five months after the Demonstration effective date, the enrollment limit has been reached and there are approximately 3,955 people on the waitlist as of August 10, 2012.

VI. Operational/Policy Developments/Issues

As of the end of this reporting year, the State has not heard of or experienced any major health care delivery issues, though there have been some unexpected events. For example, the State was unable to create enrollment spans to assign some Demonstration clients into their RCCO effective the month after their benefits began. Fewer than 30 clients were affected by this issue; however, it was unanticipated that the State would be unable to create the RCCO enrollment span for Demonstration clients who were previously enrolled in the State's Primary Care Case Management (PCCM) program under a different Medicaid eligibility category. This occurred because of continuous eligibility system rules in the Medicaid Management Information Systems (MMIS), which automatically assigns clients to the managed care program when there is a break in eligibility of fewer than 60 days. To address this challenge and to streamline the process, the State implemented a new process in July whereby the RCCO enrollment spans are created manually by the enrollment broker rather than using a transmittal process with the State's MMIS vendor. This allows the enrollment broker to concurrently enable the RCCO enrollment span and end the PCCM span if one exists.

The assignment of a PCMP has been discussed in Section IV above. The State will continue to monitor and track the RCCOs' progress in ensuring Demonstration clients have an assigned PCMP and an established health home.

ACC network adequacy has been an issue expressed by stakeholders. In RCCO 1, administered by Rocky Mountain Health Plan in the western part of the state, for example, availability of providers who accept Fee-For-Service Medicaid is a concern for both providers and clients. In these counties on the western slope, providers primarily serve Medicaid clients through Rocky Mountain's administrative services program. The State addressed the concern by reaching out to RCCO 1, Rocky Mountain Health Plan, and the concerned parties to mitigate the issue. The resolution of this and other similar issues indicates many network concerns are the result of historic problems that have made many strides toward process improvement, as many providers have not taken Fee-For-Service Medicaid in the Rocky Mountain Health Plan service area in the past. However, RCCO 1 is working to expand their network and is focusing on this network expansion to accommodate ACC expansion and enrollment.

In terms of ACC program policy changes, the State has updated the referral process policy. When the ACC program was developed, a referral requirement was in place for many services; however, claims are

not currently denied for lack of a referral, so the policy has not impacted access to care and services. The requirement for a referral has been an expressed policy concern by stakeholders, as they fear it might further discourage specialists from participating in Medicaid. The State has worked with ACC program stakeholders and made the decision to remove the referral policy. The State will be submitting a State Plan Amendment (SPA) and preparing contract amendments to formalize this change in policy.

The State will be changing the RCCO reimbursement rate. In order to maintain budget neutrality as ACC clientele expands and more children are enrolled, the flat per member per month (PMPM) rate will change. The base rate paid to RCCOs will change and reimbursement will be adjusted to account for client type and level of acuity. However, the $3 additional PMPM paid to the RCCOs for each Demonstration client will not change. The State will be submitting a SPA and contract amendments to formalize this change in reimbursement.

There are no expected changes to the structure of the Community Mental Health Services program and the delivery of mental health services by the BHOs. The State is not aware of any issues with enrollment into the PIHPs or access to mental health services.

During this reporting year, the State received approval of the contract amendments for the RCCOs and the PIHPs.

As previously stated, the State is not currently considering a change to the enrollment limit or to the State-specified income eligibility standard for the upcoming quarter. However, there have been unanticipated enrollment challenges. For example, the process of moving clients from the waitlist to benefits in the Colorado Benefits Management System (CBMS) was more arduous than expected and there were some challenges with the automated process used during the May and June enrollments. Some clients who were being redetermined for another program, such as Food Assistance, were unable to be moved via the automated process from the waitlist into benefits until the redetermination process was complete. The State worked with the Eligibility and Enrollment Medical Assistance Provider (EEMAP) to continue to track and monitor these cases and enroll them into benefits as soon as possible. Though not in this reporting year, the July enrollment process was done manually and demonstrated far fewer issues. The State plans to use the manual enrollment process going forward. The State is also communicating to community partners, eligibility sites, providers and other stakeholders that the process of determining the number of open positions, randomly selecting clients, manually moving them from waitlist to benefits and having them appear as eligible for benefits (not on the waitlist) in CBMS and the MMIS is a process that takes time. The communication also reiterates that although the manual process may take up to several weeks, benefits do go back to the first day of the month.

One other notable unanticipated issue encountered in this first year is eligibility overlap between Old Age Pension-Health Care Plan (OAP-HCP) and Demonstration enrollment processes. In CBMS, the eligibility hierarchy first determines whether or not the applicant is Demonstration eligible, then goes on to other eligibility categories, namely OAP-HCP in this instance. Some applicants are eligible for both the Demonstration and OAP-HCP, which offers a limited benefit. Upon application, clients who were found eligible and placed on the waitlist for Demonstration enrollment, but who also qualified for OAP-HCP were then unable to receive the limited benefit while awaiting Demonstration enrollment. Eligibility for the limited benefit under OAP-HCP stipulates ineligibility for other Medicaid programs. Since Demonstration clients are identified in CBMS as Medicaid-eligible, clients were unable to concurrently receive a limited benefit through OAP-HCP and remain on the waitlist for Demonstration enrollment. This issue was also encountered by current OAP-HCP clients who were found eligible and placed on the waitlist for the Demonstration and incidentally became ineligible for OAP-HCP, and were inappropriately without coverage. The State addressed the problem in the first quarter of the Demonstration by issuing a

Certificate of Coverage letter to such clients so they could continue receiving coverage through the OAP-HCP and remain on the waitlist for Demonstration enrollment. The State is currently researching the issue in CBMS, and expects the issue to be resolved in the first quarter of the next Demonstration year.

The State has no concerns about the financial performance of any of our health plans and there is no current legislative activity planned. There are no action plans in place at this time.

VII. Expenditure Containment Initiatives

The State is not currently undertaking any expenditure containment initiatives that will affect the Demonstration.

VIII. Budget Neutrality

A. Financial/Budget Neutrality Development/Issues

There were no issues/problems with financial accounting or CMS 64 reporting for the current Demonstration year. All population expenditures were identified and will be reported on the CMS 64 for the quarter ending 9/30/2012 as a prior period adjustment. All expenditures meet budget neutrality requirements.

B. Member Month Reporting

Eligibility Group	April 2012 Month 1	May 2012 Month 2	June 2012 Month 3	Total for Demonstration year Ending June 30, 2012
AwDC	0	5,860	7,753	13,613

Eligibility Group	Total Member Months for the Demonstration year	PMPM *(Total Expenditures divided by Total Member Months)*	Total Expenditures
AwDC	**13,613**	**$287.66**	**$3,915,960.50**

IX. Consumer Issues

During the current Demonstration year, the majority of consumer issues were related to the application and eligibility process. The State was contacted by a few consumers indicating that they had received information that in order to be eligible for the Demonstration, they had to have a disability or that there was no program for them. Through working toward resolution with these consumers, the State has found the confusion primarily originating in the following ways: (1) historically, there has been no program for childless adults who don't have a disability; and (2) the State implemented a Medicaid Buy-In Program for Working Adults with Disabilities in March 2012, and information was concurrently disseminated about each program. This might have led to some confusion for numerous stakeholders involved with both programs including eligibility workers, community-partners and applicants. The State worked with the consumers and the counties through resolution, and considered the issues in the development of outreach and communication described previously in Part VI. The State also addressed the consumer issues with providing community partners with clarification information when recurring problems are encountered. Eligibility staff also created and finalized a two-page chart outlining the new programs, which briefly states the program differences. This has been provided to all eligibility sites and users of CBMS.

Consumer representatives have shared that clients are confused by correspondence received. Consumers

indicated difficulty determining whether they were eligible, and others indicated receiving a denial letter for programs in which they did not apply. The State is aware of this issue and is working on systematic changes to streamline the letter process and simplify the language for all Medicaid programs, including the Demonstration. The changes are in progress and expected to be fully in place by 2014. The State will continue working with community partners to clarify and assist as necessary.

One organization pre-screened their clients for potential Demonstration enrollment and assisted 1,000 individuals with submitting an application. The organization contacted the State when approximately 35 percent of the applications submitted resulted in a denial of eligibility. The State worked with the organization as well as the eligibility processing site to verify the eligibility determination. Through the collaborative effort it was found that some of the applicants were incorrectly denied due to data entry errors, and were then enrolled into benefits.

In anticipation of an increase in call volume to the State's customer service center, the State hired three temporary employees to ensure greater responsiveness for potential Demonstration clients. The State created a training manual for the new employees and hosted a training with an advocate for individuals with disabilities to educate them on issues that might apply to the Demonstration population.[2]

As previously mentioned, the State received consumer complaints about access to care in RCCO 1. The State's strategy toward resolution is described in Section VI above.

X. Quality Assurance/Monitoring Activity

During this Demonstration year, the State's quality assurance and monitoring activities were related to the completion and submission of the readiness reviews of the RCCOs and the PIHPs. These two deliverables enabled the State to re-review policies and procedures and to analyze the current network capacity to serve the Demonstration. Moving forward the Demonstration staff will be working with the State's Quality Section to ensure the adult quality measures are appropriate for the Demonstration population.

XI. Demonstration Evaluation

During this Demonstration year, the State developed early versions of the draft evaluation plan, which was submitted July 27, 2012. As part of this process, staff met to ensure the availability of data required in testing the developed hypotheses and to discuss the process of ongoing monitoring.

XII. Transition Plan

The State has not formally begun work on a transition plan. During this first Demonstration year, State resources and personnel were focused on outreach efforts and working with community partners, providers, eligibility technicians and other involved stakeholders to ensure the success of the Demonstration launch.

XIII. Additional Information

A. Enclosures/Attachments

None

[2] These new employees are also working with the newly implemented Medicaid Buy-in Program for Working Adults with Disabilities and the Medicaid Buy-in Program for Children.

B. State Contact(s)

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C. Date Submitted to CMS

October 29, 2012