Colorado Quarterly Report

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

Title Line Two - Section 1115 Quarterly Report

Demonstration/Quarter Reporting Period:
Demonstration Year: 2 (07/1/2012 – 06/30/2013)
Federal Fiscal Quarter: 1 (10/2012 – 12/2012)

I. Introduction

The Colorado AwDC Medicaid Section 1115 Demonstration (Demonstration) was approved on March 30, 2012. The State of Colorado's Department of Health Care Policy and Financing (the Department) 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 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 Department has the option to increase the income standard up to 60 percent of the FPL and/or increase enrollment capacity as State funding allows. In the meantime, all individuals who apply and are found eligible for the Demonstration are placed on a waitlist for randomized enrollment as enrollment slots become available.

The Demonstration population receives State Plan benefits through the Department's Accountable Care Collaborative (ACC) program. All Demonstration-enrolled individuals are mandatorily enrolled in the ACC, which consists of seven Regional Care Coordination Organizations (RCCOs) throughout the state. Clients enrolled in the ACC are associated with a RCCO based on their county of residence. The RCCO is designed to assist individuals in coordinating care and improving health outcomes. In addition to coordinated care through the ACC, Demonstration-eligible individuals may also receive mental health services through mandatory enrollment into the Prepaid Insurance Health Plan (PIHP) serving their region of residence. Demonstration-enrolled individuals with co-occurring mental health and substance use disorders may receive treatment for both conditions provided under the PIHP contract.

The Department'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;
- 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 (CICP), 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

Note: *Enrollment counts should be person counts, not member months*

Demonstration Populations	**Current Enrollees** (as of Dec. 2012)	**Disenrolled in Current Quarter**
AwDC	9,798	1,472

The number of current enrollees 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 last month of the quarter, December 2012.

The number of clients disenrolled in the current quarter indicates the number of clients who were enrolled for at least one day in the last quarter, but were not enrolled at all during the current quarter.

B. Enrollment Limit/Wait List

The current enrollment limit is 10,000 people. The waitlist data as of December 13, 2012 showed 9,116 eligible applicants on the waitlist for enrollment. Although enrollment in Part II, Section A indicates fewer than 10,000 clients, a waitlist was in place due to the enrollment process the Department is using. This process is described in STC 18. The Department is currently considering raising the enrollment limit. Once a decision is finalized, advance notice will be provided to CMS and to the public in accordance with STC 18.

C. State-Established Income Eligibility Standard

The current Department-established income eligibility standard is at 10 percent of the FPL. Although the Department is considering increasing the enrollment cap, at this time the Department is not considering a change in this income standard.

D. Collection and Verification of Encounter Data and Enrollment Data -

The Department has not encountered any issues, activities or findings related to the collection and verification of encounter and enrollment data.

III. Benefits Information

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

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

Demonstration Populations	New RCCO Enrollees for the Quarter	New Enrollees Assigned a PCMP
AwDC	1,722	1,786

The number of new RCCO enrollees is the number of new AwDC clients who had a RCCO enrollment span and for whom a PMPM payment was made to a RCCO.

The number of new enrollees assigned a PCMP is the number of new AwDC clients who had a PCMP enrollment span in this quarter and for whom a PMPM payment was made to a PCMP. PCMP assignments are effective the first day of the month after a selection is made. Therefore, PCMP enrollment was effective on July 1 for clients enrolled in June, on August 1 for clients enrolled in July and on September 1, 2012 for clients who were enrolled in August. The percentage of AwDC clients who had been assigned a PCMP on December 1, 2012 was 37%.

For all ACC program clients, including Demonstration clients, the RCCOs continue to work with primary care providers and with the community mental health centers in their regions to help clients select a PCMP. As noted in the first quarterly report, many providers are using a fax enrollment form whereby the provider works with the client and then faxes the PCMP selection to the Department's enrollment broker to create the PCMP enrollment span.

The RCCOs have committed to an ongoing process improvement to effectively serve Demonstration enrollees. As an example, a work group has formed, consisting of RCCO staff, State staff, and members of the ACC Program Improvement Advisory Committee to identify barriers for linkage to care among all ACC clients, including AwDC Demonstration clients. The work group will also formulate recommendations to help remove these obstacles.

The Department continues its re-attribution process. Clients enrolled in the ACC who did not or do not have an established relationship with a provider, (both Demonstration and non-Demonstration enrollees) are not initially attributed to a PCMP. In the re-attribution process,

claims are 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 has been attributed to that PCMP. Once a PCMP is assigned or selected, clients (including Demonstration enrollees) continue to have to option of selecting a different PCMP, in alignment with the initial process. The Department's Statewide Data and Analytics Contractor, Treo Solutions, conducts the re-attribution process, which has resulted in an increased share of AwDC clients becoming attributed to a PCMP.

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. Also, formal partnerships between the RCCOs and larger specialty networks are in place in various regions.

V. Outreach/Innovative Activities

All outreach activities detailed in the last quarterly report have continued. These include email communications which have been sent to stakeholders, advisory committee members and community partners on a regular basis. The communications include Demonstration updates and links to resources posted on the Demonstration web page. Department staff continue to attend various community engagement meetings including the monthly meetings with local partners at the Colorado Coalition for the Medically Underserved (CCMU).

Some of the innovative activities that have occurred as part of the Demonstration have been described elsewhere in this report, including re-attribution, use of additional databases to locate clients and link them with PCMPs, and events to encourage clients to engage with the Demonstration.

VI. Operational/Policy Developments/Issues

Operational issues and policy developments in this quarter include the following, which are summarized below: 1) a systems/enrollment issue; 2) a payment/ rate change; 3) an issue around copayments; 5) the assignment of PCMPs; 6) RCCO contract amendments; 7) transfer of clients from the waitlist to the Demonstration; and 8) an issue related to OAP-HCP.

1) As noted in the previous quarterly report, the flat per member per month (PMPM) rate paid to the RCCOs has changed to maintain budget neutrality for the ACC program. However, RCCOs continue to receive an additional $3 PMPM paid for each Demonstration client. Contract amendments to formalize the change were effective November 1, 2012.

2) The Department continues to work with stakeholders on an issue around copayments. This issue is discussed in Section IX below.

3) The assignment of a PCMP has been discussed elsewhere in this report and in the previous quarterly reports. The Department will continue to monitor and track the RCCOs' progress in ensuring Demonstration clients have an assigned PCMP and an established health home. Although many clients enrolled in the ACC are automatically attributed to a PCMP based on claims history, the AwDC population does not have the benefit of that claims history with Medicaid, and all members must manually choose a PCMP. The rate of assignment for unattributed AwDC clients has far exceeded the rate of assignment for the overall unattributed ACC population.

   In addition, the Department began a re-attribution process where the SDAC examines recent claims history for enrolled but unattributed ACC members to identify potential relationships and assign members to PCMPs. The first re-attribution analysis was run in September 2012, and 1,108 AwDC clients were newly assigned to a PCMP.

4) In November 2012, Contract amendments related to RCCO deliverables were executed. These amendments were intended to streamline the reports required of RCCOs.

5) An issue that was noted in a previous quarterly report is related to challenges in moving clients from the waitlist into the Demonstration. The manual process of moving clients from the waitlist into the Demonstration, developed in Demonstration quarter 1 and described in that previous quarterly report, is still in place and is functioning smoothly.

6) An issue previously reported is that of eligibility overlap between Old Age Pension-Health Care Plan (OAP-HCP) and Demonstration enrollment processes. As a reminder, in the Colorado Benefit Managements System (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 enrollees 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. In the first quarter, the Department addressed the problem 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. During the second quarter, the Department developed a process to assist clients who are newly placed on the Demonstration waiting list. For these clients, the Department issues a manual letter to enable them to access coverage through the OAP-HCP. The issue is scheduled to be corrected in CBMS in February 2013, and clients will then be able to receive OAP-HCP benefits while on the

AwDC waitlist without any manual work-arounds.

As of the end of this reporting quarter, the Department has not heard of or experienced any major health care delivery issues, there are no expected changes to the structure of the Community Mental Health Services program and the delivery of mental health services by the PIHPs, and the Department is not aware of any issues with enrollment into the PIHPs or access to mental health services. The Department 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.

The Department is considering an increase to the enrollment limit for the upcoming quarter, Quarter 5 of the Demonstration, beginning April 1, 2013. The increase will be incremental over several months and based on funding availability. In accordance with STC 18, the Department will provide at least 30 days advance notice to CMS and the public before any change to the enrollment limit. The established income eligibility standard and the selection process for the waitlist will remain the same.

VII. Expenditure Containment Initiatives

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

VIII. Budget Neutrality

A. Financial/Budget Neutrality Development/Issues

All population expenditures were identified and were reported on the CMS 64 AwDC Waiver for the quarter ending 12/31/2012. All expenditures meet budget neutrality requirements. Since the last quarterly report however, CMS has identified some expenditures reported on the CMS-64 AwDC Waiver that should not have been reported on the waiver, both in the current reporting period and for the quarter ending 9/30/2012. The Department is currently in the process of reclassifying those identified expenditures to remove them from the CMS-64 AwDC Waiver.

B. Member Month Reporting

i. For Use in Budget Neutrality Calculations

Eligibility Group	October -Month 1	November - Month 2	December – Month 3	Total for Quarter Ending 12/12
AwDC	9,969	9,972	9,798	29,739

Eligibility Group	Total Member Months for the Quarter	PMPM *(Total Expenditures divided by Total Member Months)*	Total Expenditures
AwDC	29,739	$679.87	$20,218,677.52

IX. Consumer Issues

As with the previous quarters, during this quarter, there were some consumer issues related to the application and eligibility process. The Department had discovered that these problems most often originated from lack of knowledge and understanding about the existence of a program for childless adults without a disability (which is new to the State), or confusion with a new Medicaid Buy-In Program being rolled out by the Department. To correct this, the Department increased communication with counties, eligibility workers, community organizations and other stakeholders. Fewer issues arose in this quarter than in the previous quarters.

In previous quarters, consumer representatives shared that clients can be confused by correspondence received. Consumers indicated difficulty determining whether they were eligible, and others indicated receiving a denial letter for programs to which they did not apply. The Department is aware of this issue and continues to work on systematic changes to streamline the letter process and simplify the language for all programs. The changes are expected to be in place by 2014, and the Department will continue working with community partners to clarify and assist as necessary.

Some Demonstration clients had been previously utilizing services through the Colorado Indigent Care Program (CICP), which has no copayments for homeless clients at this FPL. A stakeholder had informed the Department that some clients were concerned about enrolling in the Demonstration because of the copayments associated with Medicaid, rather than continuing to utilize CICP services. This issue seems to be unique to the Denver area, where the percentage of CICP providers is higher than in rural areas and other cities. The Department continues to work with stakeholders to explore options and to help educate clients about the much more extensive services available to them via the Demonstration relative to CICP. Additionally, the Department is exploring its copayments across all programs moving forward.

X. Quality Assurance/Monitoring Activity

During this quarter, RCCOs were required to submit a Behavioral Health Integration Report to demonstrate their efforts to provide integrated care. The Department is using these reports to help track the challenges around integration, to ensure that RCCOs and BHOs are working together to provide more integrated care, and begin to explore additional opportunities for integration. Demonstration staff continue to work with the Department's Quality Section to

ensure the adult quality measures are appropriate for the Demonstration population.

XI. Demonstration Evaluation

The Department submitted the draft evaluation plan on July 27, 2012. CMS responded with questions about the evaluation plan in mid-September. The Department responded to those questions on November 23, 2012 and submitted the revised plan on February 8, 2013. The Department is anticipating further discussion with CMS soon. Utilization, enrollment, waitlist, and cost data that will be used in the evaluation are already being collected.

XII. Transition Plan

The Department submitted the first draft of its Transition Plan on October 31, 2012. As many decisions that will affect the development of the Transition Plan have not yet been made by the Governor's office or by the Department, the Transition Plan is still very much a draft. The Department's expansion and transition team staff, and senior leadership meet weekly to continue to make policy decisions that will contribute to a more fully developed plan. This draft Transition Plan will be updated at least quarterly.

XIII. Additional Information

A. Enclosures/Attachments

B. State Contact(s)

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C. Date Submitted to CMS

March 6, 2013