Agenda

• Welcome and Introductions

• Public Reporting Update
  – Review 2018 Annual Report Draft
  – Recent Publications
  – Upcoming Releases

• Regulatory Topics and Discussion
  – CO APCD 2018 Rule Change Status
  – CO APCD Scholarship Subcommittee Update

• CIVHC Updates and Discussion
  – Recalibration of CIVHC’s Business Model

• Committee Business and Discussion
  – Meeting schedule during legislative session
  – Public Comments and Discussion
Public Reporting Update
New procedure for 2018:
• Report on fiscal year (July-June)
• Embargoed copy to General Assembly in December to inform upcoming Legislative Session
• Formal submission and promotion January 2019
Recent Public Releases of CO APCD Data
Total Cost of Care

Colorado’s total cost per person is 19% higher than the six-state average, driven by 5% higher utilization of services and 13% higher prices.

Colorado could save over $54 million annually if costs were brought down to the Colorado statewide median and over $141 million in savings would be realized if total costs were reduced to the multi-state average.

Colorado is the only state with higher than average prices across all service categories.
Total Cost of Care

Higher prices across Inpatient (31%), Outpatient (15%), Professional (7%), and Pharmacy (5%) are the main drivers of higher total average spend.

Since 2015, Colorado’s average utilization across all service categories has gone down slightly relative to the multi-state benchmark.

However, prices are higher in every service category relative to the benchmark, with the highest percentage point increases occurring in the Inpatient (+15%) and Outpatient (+11%) categories.
Catalyst for Payment Reform Scorecard

Over half of the health care payments (57%) by the commercial sector in 2016 contain incentives to improve quality.

Surpassing national trends, 54% percent of payments in Colorado’s Medicaid market were tied to value.
Catalyst for Payment Reform Scorecard

**COMMERCIAL**

$350 million spread across 3 contracts

**MEDICAID**

Zero shared risk contracts reported*

*This metric does not include other types of at risk contracts.

Share of Value-Oriented Payments that Put Providers at Financial Risk

22% AT RISK

78% NOT AT RISK

40% AT RISK

60% NOT AT RISK
Reference-based Pricing Analysis

Statewide Results: Percent of Medicare Fee Schedule Comparison/Trend
Commercial Payers, 2012 & 2016, CO APCD

<table>
<thead>
<tr>
<th></th>
<th>2012 Average % Medicare*</th>
<th>2016 Average % Medicare*</th>
<th>Percentage Point Increase 2012-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Services</td>
<td>250% (range 210%-300%***)</td>
<td>290% (range 260%-330%***)</td>
<td>▲ 40 ▲</td>
</tr>
<tr>
<td>Outpatient Services</td>
<td>440% (range 210%-1,160%*** )</td>
<td>520% (range 250%-1,150%**)</td>
<td>▲ 80 ▲</td>
</tr>
</tbody>
</table>

* Average % Medicare reflects the average percent of Medicare across all services analyzed in each category.
** Range reflects lowest average % Medicare rate and highest average % Medicare rate across the individual services analyzed.
## Reference-based Pricing Analysis

### Statewide Results: Inpatient & Outpatient Annual Potential Savings Scenarios

**Commercial Payers, 2016, CO APCD**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Total Current Spend</th>
<th>Median Price (potential savings*)</th>
<th>200% Medicare (potential savings**)</th>
<th>150% Medicare (potential savings***)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Services</td>
<td>$284 million</td>
<td>$36 million</td>
<td>$86 million</td>
<td>$136 million</td>
</tr>
<tr>
<td>Outpatient Services</td>
<td>$59 million</td>
<td>$13 million</td>
<td>$36 million</td>
<td>$42 million</td>
</tr>
<tr>
<td>Total (IP/OP)</td>
<td>$343 million</td>
<td>$49 million</td>
<td>$122 million</td>
<td>$178 million</td>
</tr>
</tbody>
</table>

* Median price potential savings reflects potential annual statewide savings if all IP/OP payments analyzed that were above the statewide median were paid at the statewide median price. Assumes prices below the statewide median remain the same.

** 150% and 200% Medicare Potential Savings reflects potential annual statewide savings if all IP/OP payments analyzed were normalized to either 150% or 200% Medicare payments.
Regional variation also exists across DOI regions as do payments for individual providers/facilities and among payers as well.

### Regional Inpatient Results: Price Comparison, High to Low as % Medicare

<table>
<thead>
<tr>
<th>Division of Insurance Region</th>
<th>Median Inpatient Price (% of Medicare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>West</td>
<td>38.6%</td>
</tr>
<tr>
<td>East</td>
<td>37.4%</td>
</tr>
<tr>
<td>Ft. Collins</td>
<td>35.4%</td>
</tr>
<tr>
<td>Grand Junction</td>
<td>34.7%</td>
</tr>
<tr>
<td>Greeley</td>
<td>32.6%</td>
</tr>
<tr>
<td>Denver</td>
<td>28.0%</td>
</tr>
<tr>
<td>Pueblo</td>
<td>27.8%</td>
</tr>
<tr>
<td>Colorado Springs</td>
<td>25.1%</td>
</tr>
<tr>
<td>Boulder</td>
<td>24.2%</td>
</tr>
</tbody>
</table>

1.6 x Difference

### Regional Outpatient Results: Price Comparison, High to Low as % Medicare

<table>
<thead>
<tr>
<th>Division of Insurance Region</th>
<th>Median Outpatient Price (% of Medicare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>69.4%</td>
</tr>
<tr>
<td>West</td>
<td>64.8%</td>
</tr>
<tr>
<td>Pueblo</td>
<td>56.4%</td>
</tr>
<tr>
<td>Denver</td>
<td>56.3%</td>
</tr>
<tr>
<td>Greeley</td>
<td>53.4%</td>
</tr>
<tr>
<td>Boulder</td>
<td>49.5%</td>
</tr>
<tr>
<td>Ft. Collins</td>
<td>45.3%</td>
</tr>
<tr>
<td>Grand Junction</td>
<td>41.0%</td>
</tr>
<tr>
<td>Colorado Springs</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

2.1 x Difference
Interactive Report Demo

Select REGION:
- Statewide

Select PROCEDURE:
- Vaginal Delivery (normal), DRG 775

Select YEAR:
- 2017

Median Commercial Payment to Facilities by Region
Vaginal Delivery (normal), DRG 775, 2017

Commercial Payer Volume and Median Payment
Vaginal Delivery (normal), DRG 775, Statewide Region, 2017

Median Payment $5,700 - $10,570

Medicare Payment
Public Reporting: Other Upcoming Planned Releases

- 2018 CO APCD Annual Report – January
- Updates to current Interactive reports (2016 and 2017 data) – TBD
- Project Angel Heart White Paper – 2019
- Opioid Spot Analysis – 2019 pending changes
- Facility Price/Quality (see next slide, early 2019)
NEW!
Surgical & Preventive (episodes)
- Knee Arthroscopy
- Cataract Surgery
- Colonoscopy
- Breast Biopsy
- Gall Bladder Surgery
- Upper GI Endoscopy
- Tonsillectomy
- Knee replacement
- Hip replacement
- Vaginal birth
- C-Section

NEW!
X-Rays
- Neck and spine 2-3 views
- Thoracic spine, 2 views
- L-S Spine 2-3 views
- L-2 spine 4 or more views
- Pelvis
- Shoulder
- Wrist
- Hand
- Knee
- Ankle
- Foot
- Abdomen

PLUS! Update Current Imaging with 2017 data
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Regulatory Topics and Discussion
CO APCD Rule Change Progress

- Comments received from AHIP/CAHP, PCMA, Aetna, CVS
  - Responses prepared; reviewed by CIVHC legal, CO General Atty, HCPF, DOI
  - Co-signed by Kim Bimestefer & Michael Conway (AHIP/CAHP, PCMA)

- Support
  - Letters (CAAC, CAFP, CCC, others)
  - Speakers at ED hearing in support of changes
    - Confirmed: CCHI: Deb Judy, CCLP: Elizabeth Arenales; CBGH: Bob Smith; CAFP: Ryan Biele; Bill Lindsay
    - Pending: CHA, CMS, Hospital Rep; Provider Rep; RAEs; DOI

- Initial Package submitted July 25
- Public Hearing – Sep 16
- Final Public Comments – Oct 3
  - Letters from AHIP, CAHP, PMCA

- Final Package submitted Oct 8
- Final Executive Director Hearing: Oct 16, 2018
- Rule Adopted: October 26, 2018
- Rule Effective: December 15, 2018
Scholarship Subcommittee Members include:
- Mitchell Bronson, DORA, Division of Insurance
- David Keller, CU School of Medicine, Children’s Hospital
- Chris Underwood, Dept. of Health Care Policy & Financing
- Nathan Wilkes, Headstorms, Inc.

Update
- Orientation held Sept. 21 – new process implemented Oct. 1
- 3 scholarship applications reviewed to date
- Projects Approved Include:
  - CCMCN data subscription to build FQHC utilization, cost & quality measures
  - Colorado Dental Association – assessing if dental benefits for the Medicaid population has reduced ED visits for dental pain
### FY 2019 Scholarship Funding Year to Date

**APCD Budget to date:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts HCPF approved and HCPF accounting sent out/will send a check</td>
<td>$94,816.00</td>
</tr>
<tr>
<td>(18.121 CO Consumer Health Initiative/Cost Prescription Medications,</td>
<td></td>
</tr>
<tr>
<td>19.05 UCD HPV, 19.02 Children’s Asthma,)</td>
<td></td>
</tr>
<tr>
<td>Amounts HCPF board approved, but waiting on CIVHC to complete the work</td>
<td>$129,200.00</td>
</tr>
<tr>
<td>and then send an invoice (18.107 UCLA Youth, 19.35 NWCH, 19.10 QHN,</td>
<td></td>
</tr>
<tr>
<td>19.67 CDA ED, 19.67 CDA ED, 19.40 CCMCN)</td>
<td></td>
</tr>
<tr>
<td>Remaining amount</td>
<td>$275,984.00</td>
</tr>
<tr>
<td>Request on hold due to funding ( )</td>
<td>$0</td>
</tr>
<tr>
<td>Amount in review, but not approved/pending ()</td>
<td>$0</td>
</tr>
<tr>
<td>Denied, hold, retracted request ()</td>
<td></td>
</tr>
<tr>
<td>Total Funding For FY 18/19</td>
<td><strong>$500,000</strong></td>
</tr>
</tbody>
</table>

Note- In 2nd quarter of FY 2019.
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CIVHC Updates and Discussion

Pete Sheehan
Goals of Recalibration

A public/private partnership to create meaningful transparency for system change

Use data to level the playing field to improve lives and lower costs

Broaden access, increase utilization, and decrease costs while increasing margin
Original Legislative Charge of the CO APCD is to:

- …[serve] as a resource to insurers, consumers, employers, providers, purchasers of healthcare, and state agencies to allow for continuous review of healthcare utilization, expenditures, and quality and safety performance in Colorado.

- … be presented to allow for comparisons of geographic, demographic, and economic factors and institutional size.

- The Administrator shall seek funding for the creation of the all-payer health claims database and develop a plan for the financial sustainability of the database.

HB 10-1330 -- An Act concerning the creation of an Advisory Committee to make recommendations regarding the creation of a Colorado All-Payer Health Claims Database for the purpose of transparent public reporting of healthcare information.
Regulatory Updates to APCD Administrator Reporting

APCD Reports – Public Reporting
The administrator, shall, at a minimum, issue reports from the APCD data at an aggregate level to describe patterns of incidence and variation of targeted medical conditions, state and regional cost patterns and utilization of services.

Requests for Data and Reports Outside of Public Reporting
A state agency or private entity engaged in efforts to improve health care quality, value, or public health outcomes for Colorado residents may request a specialized report or data set from the APCD …

The administrator may charge a reasonable fee to provide the requested data.
The New CIVHC Business Model

**Non-Public Data Requests**
- $ Reinvested: Tools, Data Literacy & More
- Custom and Standard Offerings by major Stakeholder Groups

**Public Reporting (Mandate)**
- including Population Health and Price Transparency

**Data Management/Governance (Mandate)**

Expansion of services to major stakeholders, standard suite of services, broader reach
Challenges in the Current Model

• **Funding Gap**
  - Earned revenue, grant funding, and state/federal funding does not cover the cost to operate the CO APCD and fulfill public reporting mandate
  - CIVHC reserves depleted to shift data vendors which was necessary to increase quality of DWH and avoid data vendor fees tripling

• **Custom Data Products**
  - **86%** of earned revenue driven by custom data and reports, the most resource intensive and costly of all data products
  - We will continue to provide customized services, but *shift the focus to standardized offerings*

• **Change the Market Perception:**
  - From: Expensive Custom Data Shop
  - To: Data Market
    - Menu of off the shelf data options, reasonably priced with high accessibility as well as providing custom data & analytics
Impacts of Recalibration

If CIVHC’s operating costs were fully covered we could:

• **Increase the number of organizations** using CO APCD data five-fold, and broadening access

• **Provide valuable benchmarked information** in a manner that allows for systematic review, development of strategies and resulting plan of action.

• **Increase utilization** of non-public data across all major stakeholder groups by developing suites of reports tailored to their specific needs
  • State Agencies
  • Payers
  • Hospitals
  • Physicians
  • Employers

• **Reduce the cost** to access the data for all stakeholders
Recalibration Blueprint - Discussion

Custom Reports and Data Extracts
Costly to Produce, Not Duplicable, Limited in Use

Subscriptions & Standard Offerings
Less Costly, Duplicable, Broader Use

Custom Reports and Data Extracts

Subscriptions & Standard Offerings
- Employers
- Hospital Systems
- Provider Groups
- Health Plans
- Non-profits
- Communities

10-12 Standard Datasets/Reports per Audience:
- Employers
- Hospital Systems
- Provider Groups
- Health Plans
- Non-profits
- Communities

State Funding
Enhanced Public Reporting & State Agency Standard Offerings

LIMITED REACH/USE OF DATA:
98 Individual Organizations Served

EXPANDED ACCESS/USE OF DATA:
Across 1,000s of Change Agents

Present  Future

CONFIDENTIAL
### Recalibration Roadmap

**BROAD REACH/USE OF DATA**

1,000s of Potential Change Agents

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Custom Reports and Data Extracts</strong></td>
<td>Status Quo</td>
<td>Status Quo</td>
<td>Status Quo</td>
<td>Status Quo</td>
</tr>
<tr>
<td><strong>Subscription &amp; Standard Offering</strong></td>
<td>Initial Development</td>
<td>Secure Partnership with 1 Major Stakeholder Group</td>
<td>Secure Partnership with 2 Major Stakeholder Groups</td>
<td>Secure Partnership with 1 More Stakeholder Group</td>
</tr>
</tbody>
</table>
| **State Funding**               | Shift from Grants to CMS 50/50 Funding | Request $ to close Public Rptg/Data Mgmt *(Mandate)* gap | Close gap and expand state partnership | Fully funded for Mandate
Funding Recalibration

Status Update

• **State Funding**
  - Governor’s FY 2020 Budget includes $2.6 Million request to help cover core CO APCD operating costs
  - Must be reviewed and approved by the Joint Budget Committee and remain in the final FY 20 Long Bill approved by the legislature

  Will the CO APCD Advisory Committee consider a letter of support for this budget request?

• **Major Stakeholder Groups**
  - Discussions initiated to understand the data needs of all major stakeholder groups
    • State Agencies
    • Payers
    • Hospitals
    • Physician Groups
    • Employers
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