



CENTER FOR IMPROVING
VALUE IN HEALTH CARE

CO APCD
Advisory Committee
November 15, 2018

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

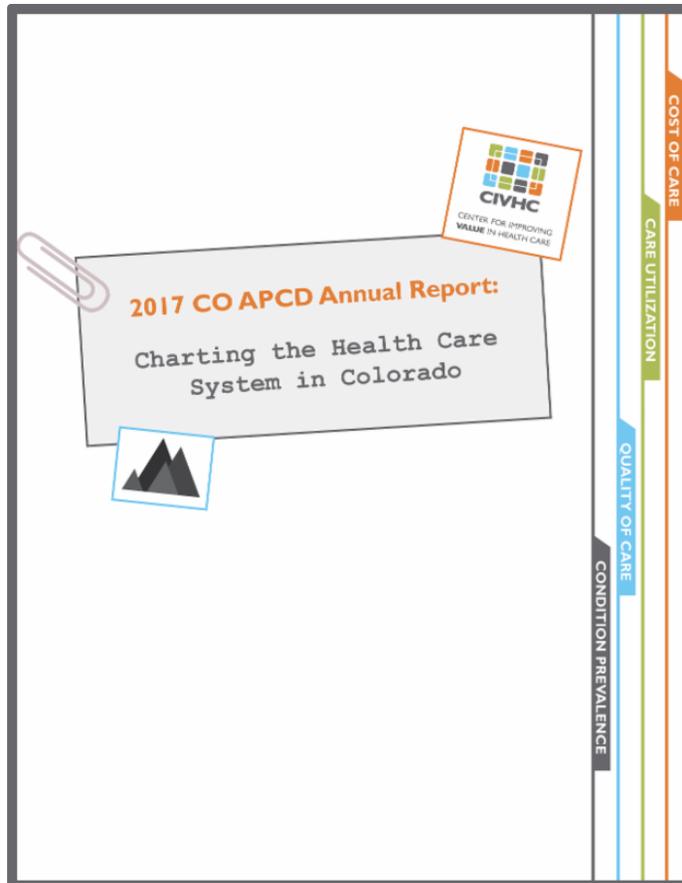


CENTER FOR IMPROVING
VALUE IN HEALTH CARE



Public Reporting Update

Review 2018 Annual Report Draft



New procedure for 2018:

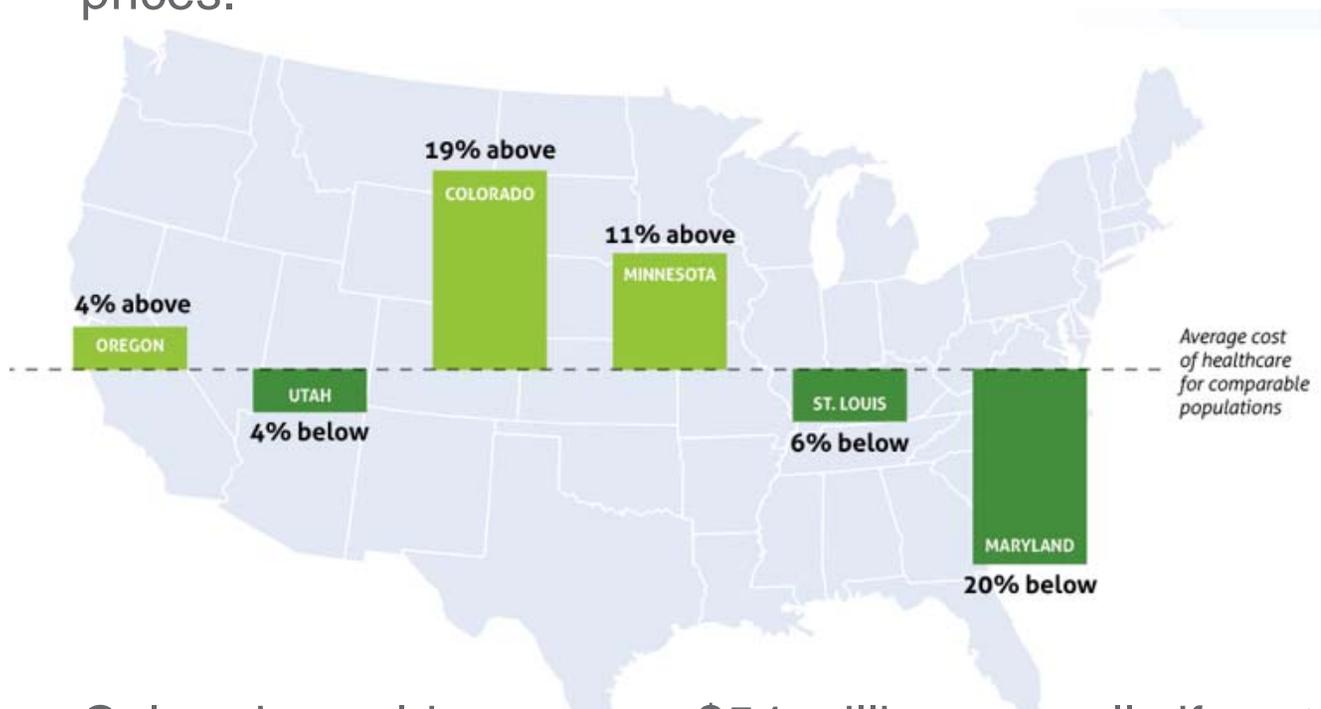
- Report on fiscal year (July-June)
- Embargoed copy to General Assembly in December to inform upcoming Legislative Session
- Formal submission and promotion January 2019

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 is the only state with higher than average prices across all service categories.

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.

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.

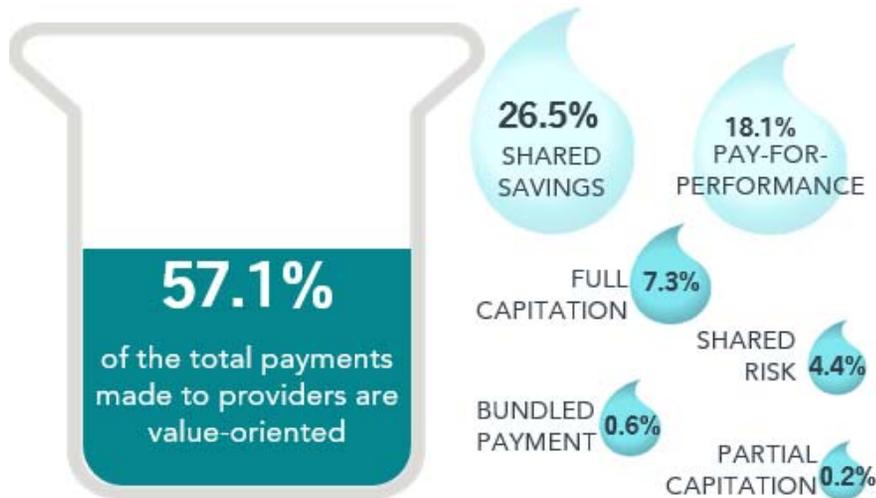
Since 2015, Colorado's average utilization across all service categories has gone down slightly relative to the multi-state benchmark.

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.

Category	2015	2016	Percentage Point Change
Total Cost			
Overall	17%	19%	+2%
Inpatient	16%	21%	+5%
Outpatient	30%	34%	+4%
Professional	5%	2%	-3%
Pharmacy	24%	28%	+4%
Resource Use (Utilization)			
Overall	11%	5%	-6%
Inpatient	0%	-8%	-8%
Outpatient	25%	17%	-8%
Professional	3%	-4%	-7%
Pharmacy	23%	22%	-1%
Price			
Overall	6%	13%	+7%
Inpatient	16%	31%	+15%
Outpatient	4%	15%	+11%
Professional	2%	7%	+5%
Pharmacy	0%	5%	+5%

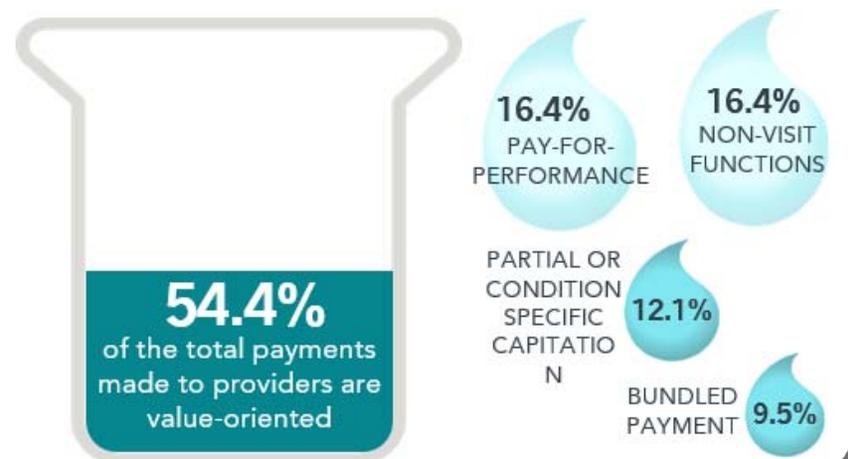


Catalyst for Payment Reform Scorecard



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

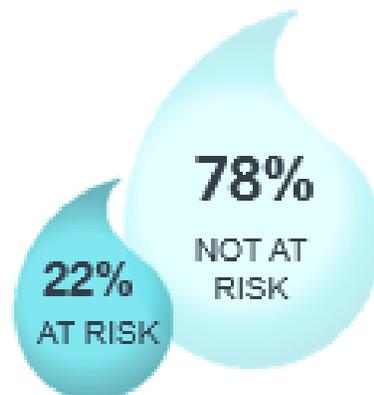
COMMERCIAL



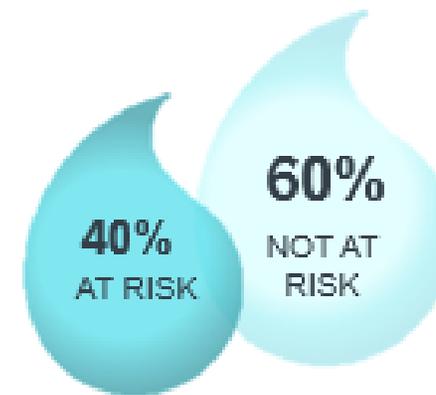
MEDICAID



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



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

	2012 Average % Medicare*	2016 Average % Medicare*	Percentage Point Increase 2012-2016
Inpatient Services (top 12 by volume/price)	250% (range 210%-300%**)	290% (range 260%-330%**)	↑ 40
Outpatient Services (top 10 by volume/price)	440% (range 210%-1,160%**)	520% (range 250%-1,150%**)	↑ 80

* 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

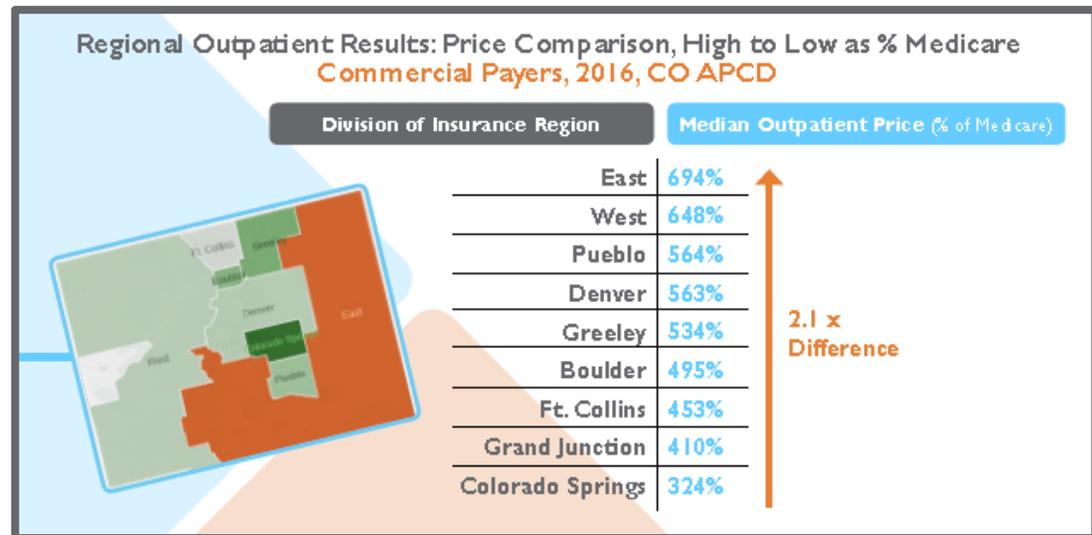
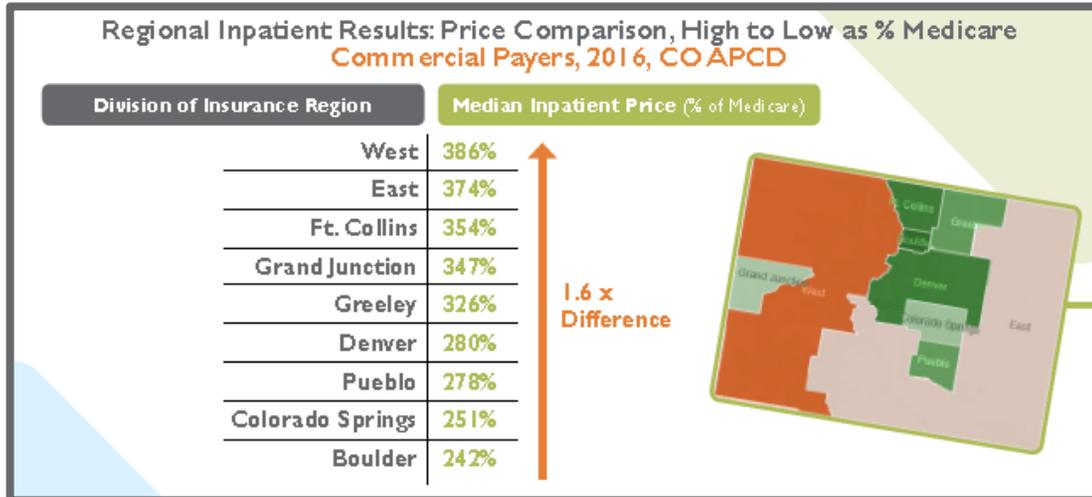
	Total Current Spend	Median Price (potential savings*)	200% Medicare (potential savings**)	150% Medicare (potential savings**)
Inpatient Services (top 12 by volume/price)	\$284 million	\$36 million	\$86 million	\$136 million
Outpatient Services (top 10 by volume/price)	\$59 million	\$13 million	\$36 million	\$42 million
Total (IP/OP) (rounded to nearest mil.)	\$343 million	\$49 million	\$122 million	\$178 million

* 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.

Reference-based Pricing Analysis

Regional variation also exists across DOI regions as do payments for individual providers/facilities and among payers as well



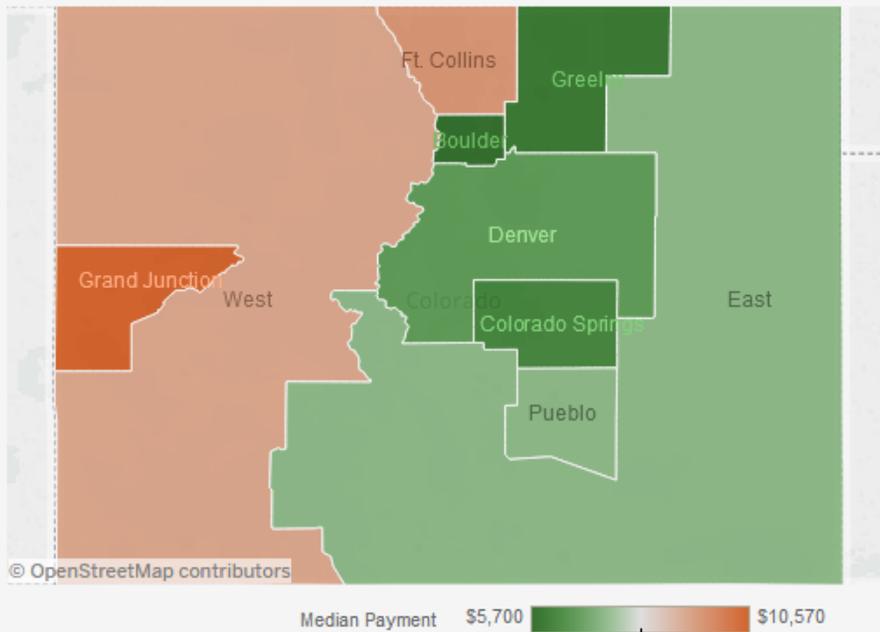
Interactive Report Demo

- Hospital Procedures
- Other Procedures
- Office Visits

Select REGION: Statewide
Select PROCEDURE: Vaginal Delivery (normal), DRG 775
Select YEAR: 2017

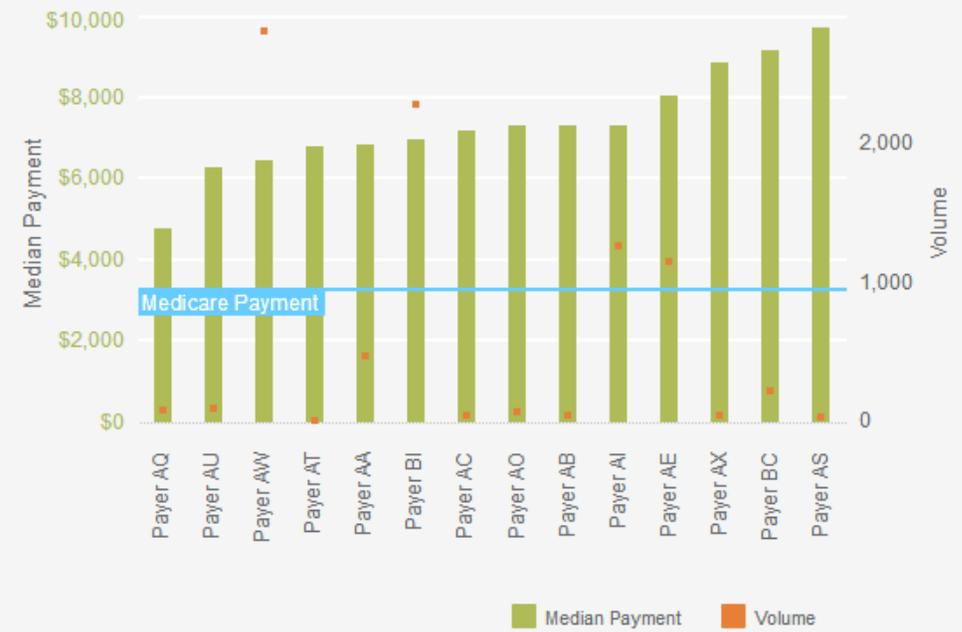
Median Commercial Payment to Facilities by Region

Vaginal Delivery (normal), DRG 775, 2017



Commercial Payer Volume and Median Payment

Vaginal Delivery (normal), DRG 775, Statewide Region, 2017



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)



Public Data



Planned Consumer Shopping Services – 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



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



CENTER FOR IMPROVING
VALUE IN HEALTH CARE



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:

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

Note- In 2nd quarter of FY 2019.



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



CENTER FOR IMPROVING
VALUE IN HEALTH CARE

CIVHC Updates and Discussion

Pete Sheehan

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

The Original CIVHC Business Model

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.

The Original CIVHC Business Model

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

Supports Itself

Public Reporting (Mandate)

including Population Health and Price Transparency

State Operating Funding

Data Management/Governance (Mandate)

State Operating Funding

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

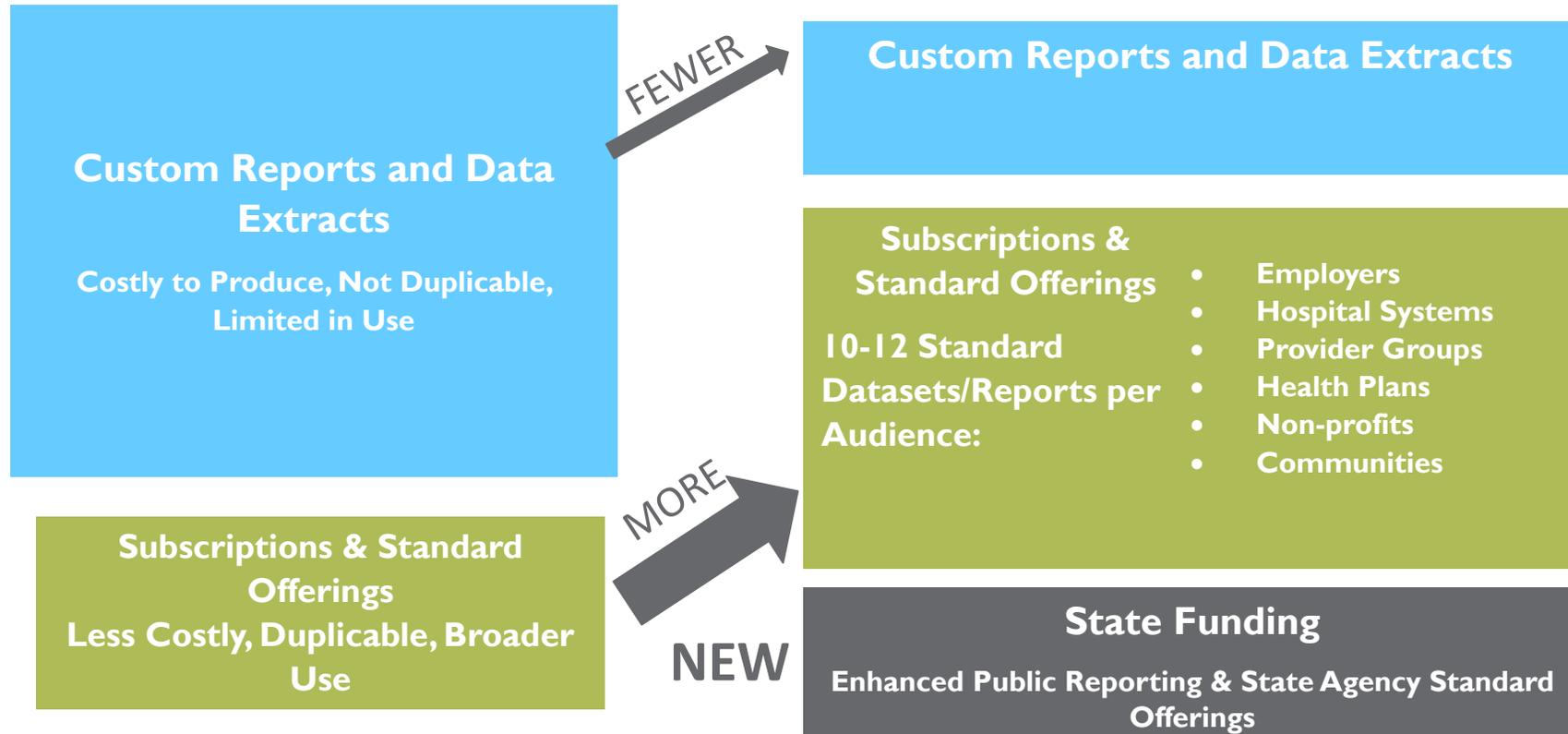
Menu of off the shelf data options, reasonably priced with high accessibility as well as providing custom data & analytics

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



LIMITED REACH/USE OF DATA:
98 Individual Organizations Served

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

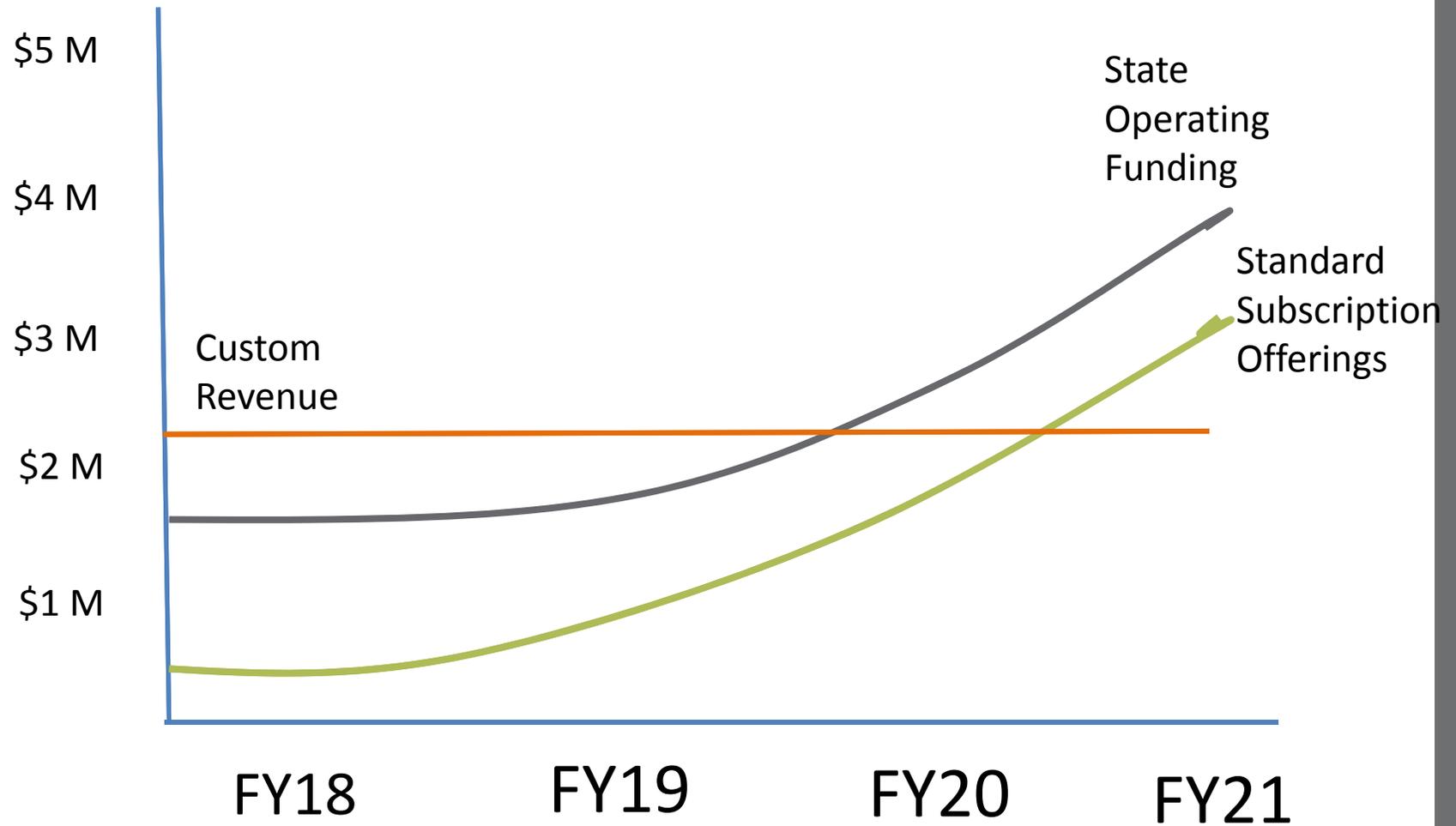
Present



Future



Recalibration Roadmap



Recalibration Roadmap



BROAD REACH/USE OF DATA
1,000s of Potential Change Agents

Funding Source	FY18	FY19	FY20	FY21
Custom Reports and Data Extracts	Status Quo	Status Quo	Status Quo	Status Quo
Subscription & Standard Offering	Initial Development	Secure Partnership with 1 Major Stakeholder Group	Secure Partnership with 2 Major Stakeholder Groups	Secure Partnership with 1 More Stakeholder Group
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

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



CENTER FOR IMPROVING
VALUE IN HEALTH CARE



Committee Business and Discussion

- **Meeting schedule during legislative session**
- **Public Comments and Discussion**