

**Strategic Discussion: September 15, 2017**  
**Medicaid reform: Where do we go from here?**

**Why the board is having this discussion:**

1. An exercise at the July 14 board meeting to get a sense of the board's priorities for the 2017-2018 fiscal year operational plan revealed "Medicaid Reform" as an emerging high priority.
2. A Medicaid reform project plan for the board's 2017-2018 operational plan should be completed once the board provides clarity on the concept through a strategic discussion.
3. The CEO, Sr. Directors and leadership desire clear direction about preferred actions for engaging in Medicaid advocacy during the next 12 months.

**How information from the board's Medicaid reform strategic discussion will be used:** Staff and leadership will use the information from the board's discussion to develop a Medicaid reform project plan for discussion and action at the board's November 17 meeting (inclusion in the board's 2017-2018 operational plan).

**How the strategic discussion on Medicaid reform will be conducted on September 15:** Ms. Cody Belzley, from Common Good Consulting, will make a presentation to the board that puts the strategic discussion into context, focusing on Colorado Medicaid over the last 10 years. She will then facilitate the discussion around a set of key questions.

To: Colorado Medical Society Board of Directors  
From: Cody Belzley, Common Good Consulting  
Date: September 1, 2017  
Re: Medicaid Reform: Where do we go from here?

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**Background: What is Medicaid**

Created in 1965, Medicaid is a federal / state partnership program that provides health coverage to low-income and disabled people. The program is administered by states, within federal guidelines, and funded by a combination of federal and state funds. It is one of the largest payers for health care in the United States. In Colorado, Medicaid is administered by the Department of Health Care Policy & Financing (HCPF) and has recently been rebranded as *Health First Colorado: Colorado's Medicaid Program*.

**Medicaid By The Numbers**

**How many people get their health care coverage through Medicaid?**

- 69 million Americans enrolled in Medicaid (May 2017, [Medicaid.gov](http://Medicaid.gov))

- 1,360,760 Coloradans enrolled in Medicaid (July 2017, [HCPF](#))
  - This is about 20 percent of Colorado's total population

### **Who makes up the Medicaid population in Colorado?**

- Adults (21 to 64 yrs): 48 percent
- Children & Adolescents (under age 20): 42 percent
- People with Disabilities (all ages): 7 percent
- Older Adults (65+ yrs): 3 percent

(2015-16 data, [HCPF presentation](#) to Joint Budget Cmte, December 2016)

### **How much does Colorado spend on Medicaid and where does that money come from?**

The Medical Services Premiums (acute and long-term physical care expenses) totaled \$6.8 billion in 2015-16. About 60 percent of the revenue is from federal funds and 40 percent from state sources

(Joint Budget Committee [Appropriation Report](#) for 2017-18)

### **How do physicians figure into Medicaid's budget?**

- HCPF paid \$769.7 million (9 percent of expenditures for health care services provided) to physicians, clinicians, specialists and other providers in 2015-16. This compares to
  - \$2.8 billion (32.6 percent) to hospitals
  - \$848.9 million (9.9 percent) to pharmacies
  - \$529.8 million (6.2 percent) to managed care organizations

([HCPF presentation](#) to Joint Budget Cmte, December 2016)

### Recent History: 2007 to 2017

Over the last decade, Medicaid has experienced a tremendous amount of growth and change, both nationally and in Colorado. The Colorado Medical Society has been a key stakeholder in helping shape the program in Colorado during this time.

#### *Growth*

This table illustrates the Colorado Medicaid enrollment numbers over a 10-year period:

<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17*</b>	<b>2017-18</b>
391,962	436,812	498,787	619,963	682,944	860,957	1,161,206	1,296,986	1,353,070	1,412,000

\*Indicates a projection

(Joint Budget Committee Appropriation Reports from [2013-14](#) and [2017-18](#))

#### *Change*

The current round of health care reform, including Medicaid reform, in Colorado finds its roots in the Senate Bill 208 Blue Ribbon Commission for Health Care Reform (208 Commission), a bi-partisan panel of health experts who dedicated two years to researching health care reform and developing a comprehensive set of recommendations. The 208 Commission's report has served as something of a blueprint for Colorado's health reform efforts over the past decade. Physician leaders of the Colorado Medical Society were

integrally involved in all levels of the Commission's work. The [final report of the 208 Commission](#) included 32 recommendations for health care change in Colorado, including those to:

- Increase the use of prevention and chronic care management.
- Provide a medical home for all Coloradans.
- Pay providers based on quality.
- Improve benefits and case management for disabled and elderly in Medicaid.
- Improve the delivery of services to vulnerable populations.
- Expand eligibility in a combined Medicaid / CHP+ plan to cover more uninsured, low-income Coloradans.

The 208 Commission's work generally and these recommendations specifically all had implications for the Medicaid program. The leadership at the Department of Health Care Policy and Financing under the Ritter administration (Jan 2007 – Jan 2011) worked closely with stakeholders, including CMS, to implement policy change to move Medicaid away from a disorganized fee-for-service model to a more coordinated care delivery system, reflected in the **Accountable Care Collaborative (ACC)**.

Implemented in May 2011, the ACC started with one practice and 500 people. As of 2015, the ACC program includes 520 practices and an enrollment of about 900,000 members. The ACC is designed to provide a person-centered approach to care. It connects members to medical and community resources, minimizing barriers to access. The goal is better health outcomes at lower costs. Under the umbrella of the ACC or in coordination therewith, Medicaid has launched a number related initiatives, including a Medicaid-Medicare Program to provide intensive care coordination for dual eligible clients, the Rocky Mountain Health Plans Prime program to pilot alternative payment arrangements and the State Innovation Model (SIM) grant project to better coordinate physical and behavioral health services across Medicaid and private pay client populations.

In 2015, the Medicaid program released [a new vision](#) for the ACC program, focused largely on furthering the integration of behavioral and physical health care. Earlier this year, they issued a Request for Proposals to contractors interested in serving at Regional Accountability Entities (RAEs) to implement ACC 2.0. HCPF is expected to award RAE contracts this fall and new the ACC 2.0 is anticipated to launch in summer 2018.

### Looking Ahead: The Only Certainty is Change

We are in a time of significant change for the Medicaid program. Over the next 18 months we are certain to see at the state level:

- Fall 2017: Award of new contracts for Regional Accountability Entities
- Summer 2018: Launch of ACC 2.0
- Fall 2018: Gubernatorial election in Colorado
- January 2019: Installation of a new administration

Despite the failure of comprehensive legislation at the federal level so far this year, there is on-going talk of efforts to dramatically change the nature of the Medicaid program either

through Congressional or administrative action, including the use of waivers to allow for significant innovation at the state level.

### **Information about Common Good Consulting and Cody Belzley:**

Cody Belzley is a results-based leader who has dedicated her career to catalyzing policy change for the benefit of the common good. In 2015 Cody founded Common Good Consulting, LLC, offering public policy and organizational strategy services primarily to non-profit organizations working in the areas of health and early childhood development. From 2009 to 2015, Cody was Vice President of Health and Strategic Initiatives for the Colorado Children's Campaign, the state's leading non-profit child advocacy organization. In that role, she established and advanced the organization's child health agenda and served on the leadership team responsible for an annual operating budget of about \$2M and a staff of 18. Prior to joining the Children's Campaign, Cody served as the Senior Policy Analyst for Health in the Office of Policy and Initiatives for Colorado Governor Bill Ritter, Jr. from 2007 to 2009. Cody has also worked for Denver Health and Hospital Authority and SE2, a Denver-based strategic communications consulting firm.

Cody has played leadership roles in many state and local ballot measures and legislative initiatives to fund health care and early learning programs in Colorado, including the 2004 statewide tobacco tax measure, the 2006 Denver preschool tax measure and the 2009 hospital provider fee legislation. Cody also served as the Policy Director for the 2016 NO on Amendment 69 campaign, a statewide ballot proposal to create a single-payer health care system in Colorado, which was defeated by a vote of nearly 80 percent.

Cody has contributed her volunteer time and service to a number of community organizations, including Mile High Early Learning, where she serves as Chair of the Board of Directors, the education committee of Rose Community Foundation, Colorado Access and Montview Boulevard Presbyterian Church. Cody is a graduate of The Colorado College and completed the Annie E. Casey Foundation's Leadership Institute for State-based Advocates. She was honored by the American Academy of Pediatrics' Colorado Chapter with the Child Health and Welfare Award in 2014. Cody and her husband, Seth, live in Denver with their two young children, Liza and Cooper.

Email: [cody@commongoodconsultingllc.com](mailto:cody@commongoodconsultingllc.com)

Profile: [www.linkedin.com/in/codybelzley/](http://www.linkedin.com/in/codybelzley/)