

# Bending the Cost Curve

*Five Colorado Trends*

September 7, 2012

**Health Committee**  
**Denver Metro Chamber of Commerce**

# The Outlook: Five Trends

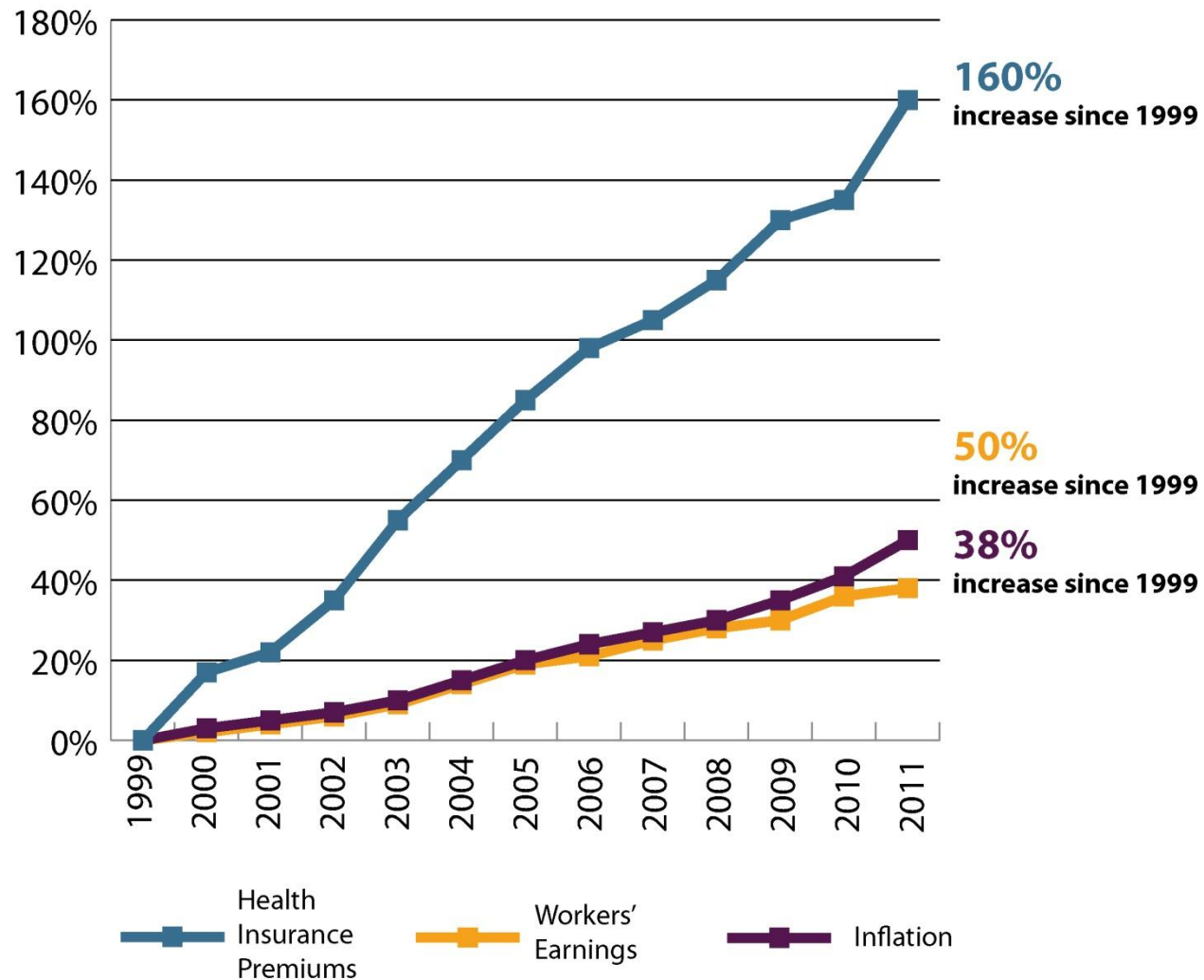
1. The Role of Public – Private Partnerships
2. Medicaid: The Promise of Integration
3. Room for Experimentation: HB 1281
4. Whose Cost Curve? A Dilemma for Small Employers
5. A Steep Learning Curve: Purchasing Insurance





*The Big Idea*

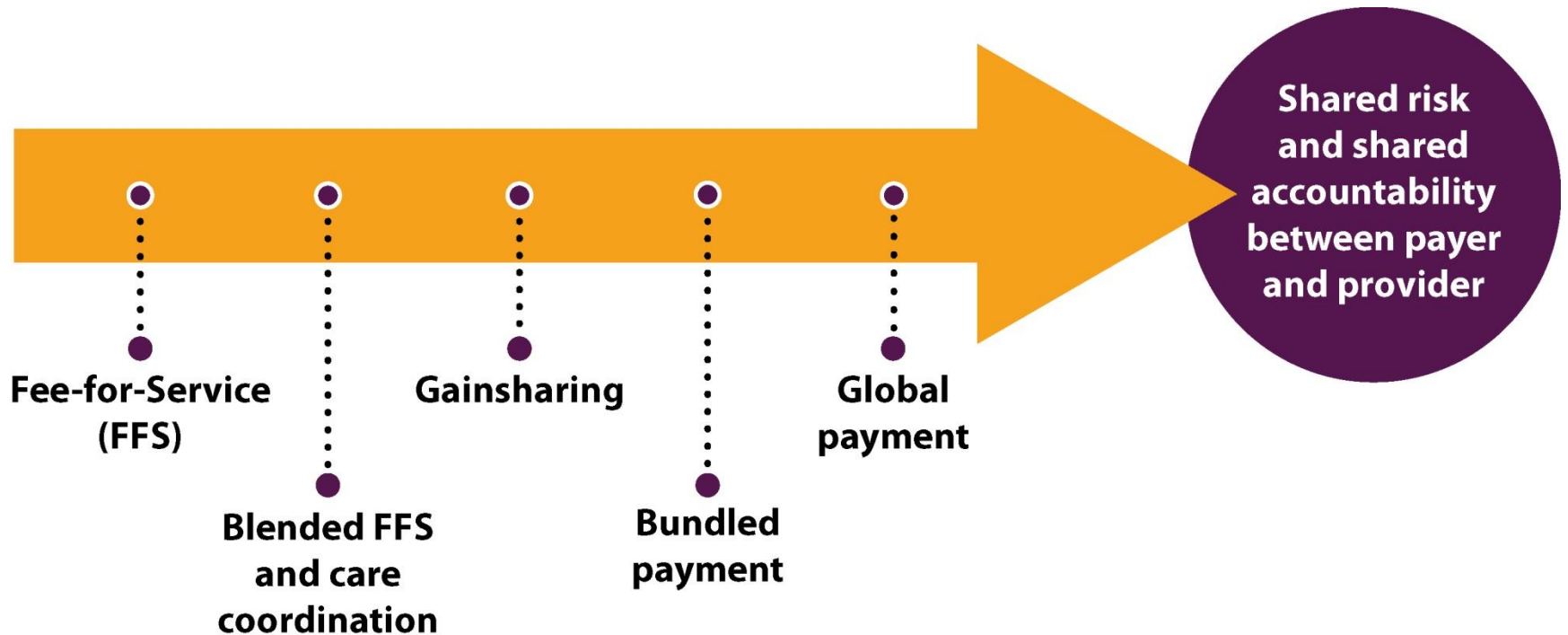
# The Curve in Need of Bending



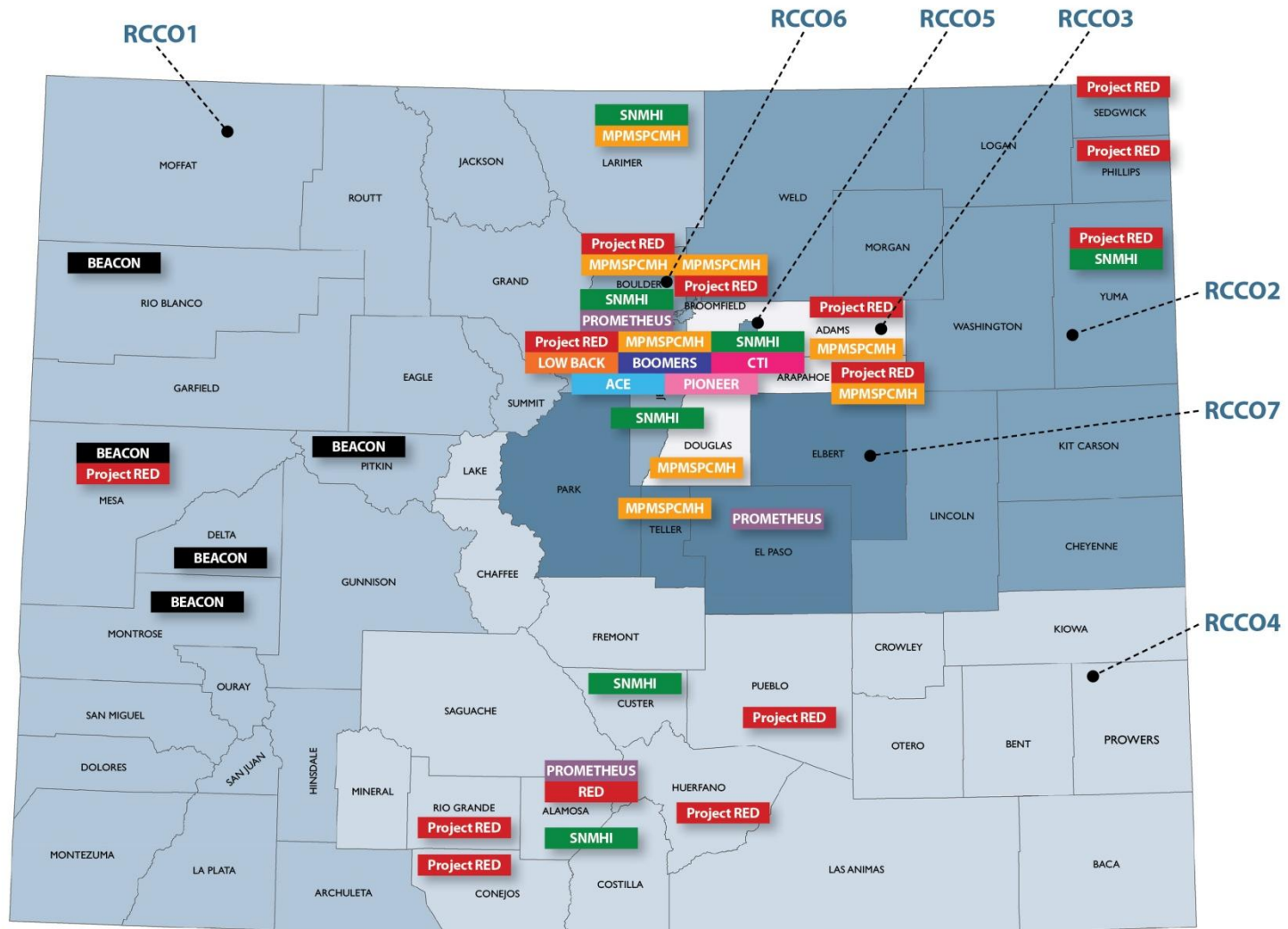
Sources: <ftp://ftp.bls.gov/pub/suppl/empsit.ceseeb2.txt>, <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>



# What's the Big Idea?



# Colorado Payment Reform Initiatives



**Statewide programs:**

- CCQIP
- CCHAP
- CPNTP
- BTE
- PCMH
- PQRS
- PULSE
- ACC



# Colorado Payment Reform Initiatives

#	TOPIC	POPULATION	Patient Education	PCP Involvement	IT Data Efficiency	New Care Model (WF)	Payment Change
1	ACC/RCCO	Medicaid					
2	Low Back	Commercial					
3	CCQIP	Commercial					
4	Boomers	Workforce					
5	Beacon	Western Slope					
6	CCHAP	Kids/ MK					
7	MPMSPCMH	Commercial					
8	Care Transitions (CTI)						
9	Patient Navigator (CPNTP)	Chronic disease					
10	Project RED	Inpatients					
11	ACE Demo	Cardio IP					
12	Bridges (BTE)	Cardiac and diabetes					
13	PQRS	Physicians					
14	Prometheus	Commercial					
15	PPO Pulse	Physicians					
16	PCMH	Chronic condition					
17	Pioneer ACO	All payers					
18	Safety Net MH (SNMHI)	Vulnerable					

SOURCE: Center for Improving Value in Health Care (CIVHC), September 2011





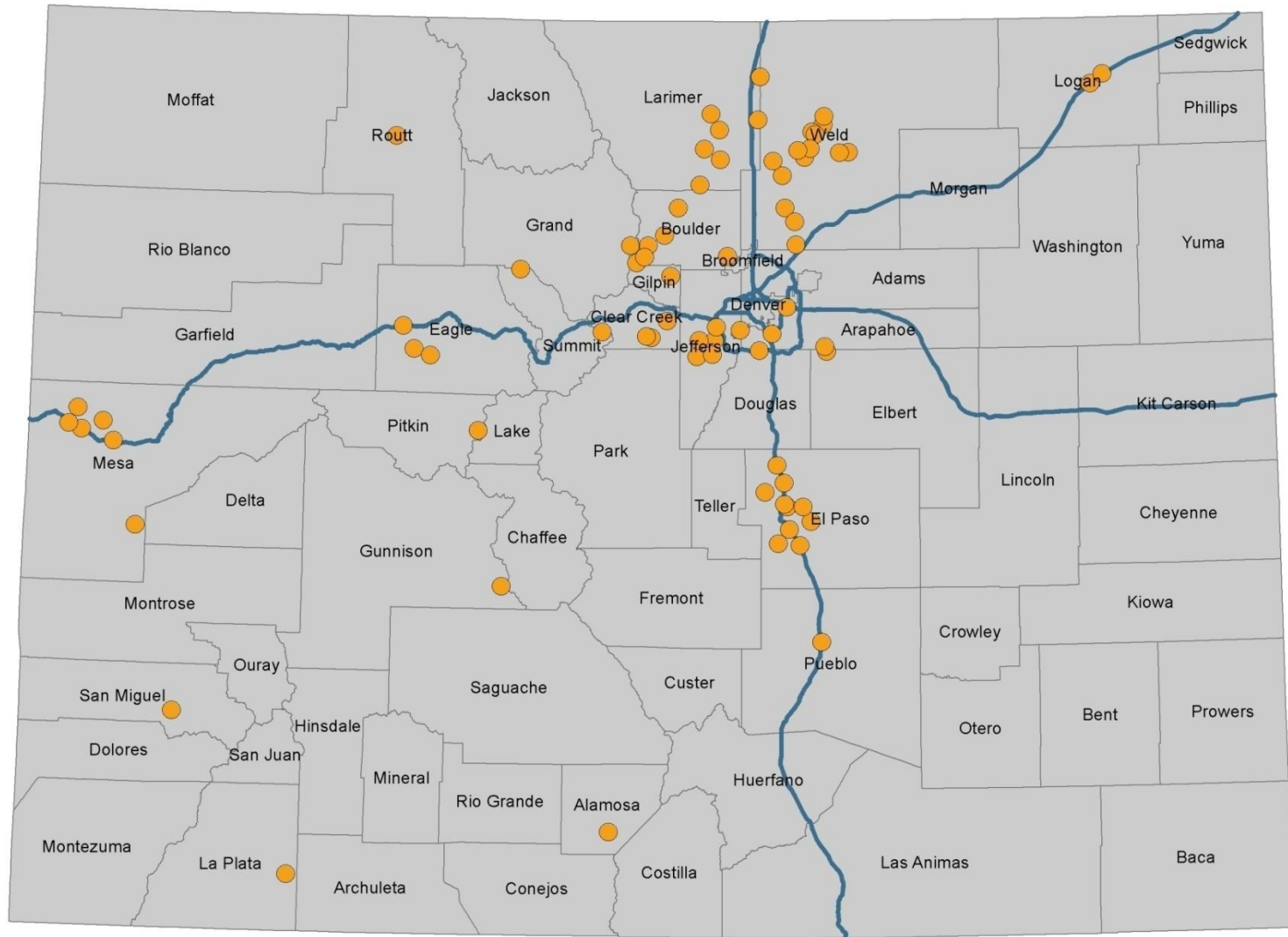
# *#1: The Role of Public- Private Partnerships*



# The Importance of Partnerships

- Contractual agreement
- Public agency (federal, state or local) and a private sector entity
- Skills and assets of each are shared to deliver a service or facility
- For the use of the general public
- Sharing in the risks and rewards
  - National Council of Public Private Partnerships
  - <http://www.ncppp.org/howpart/index.shtml>

# An Example: Comprehensive Primary Care Initiative



0 20 40 80 Miles

● Primary Care Practice

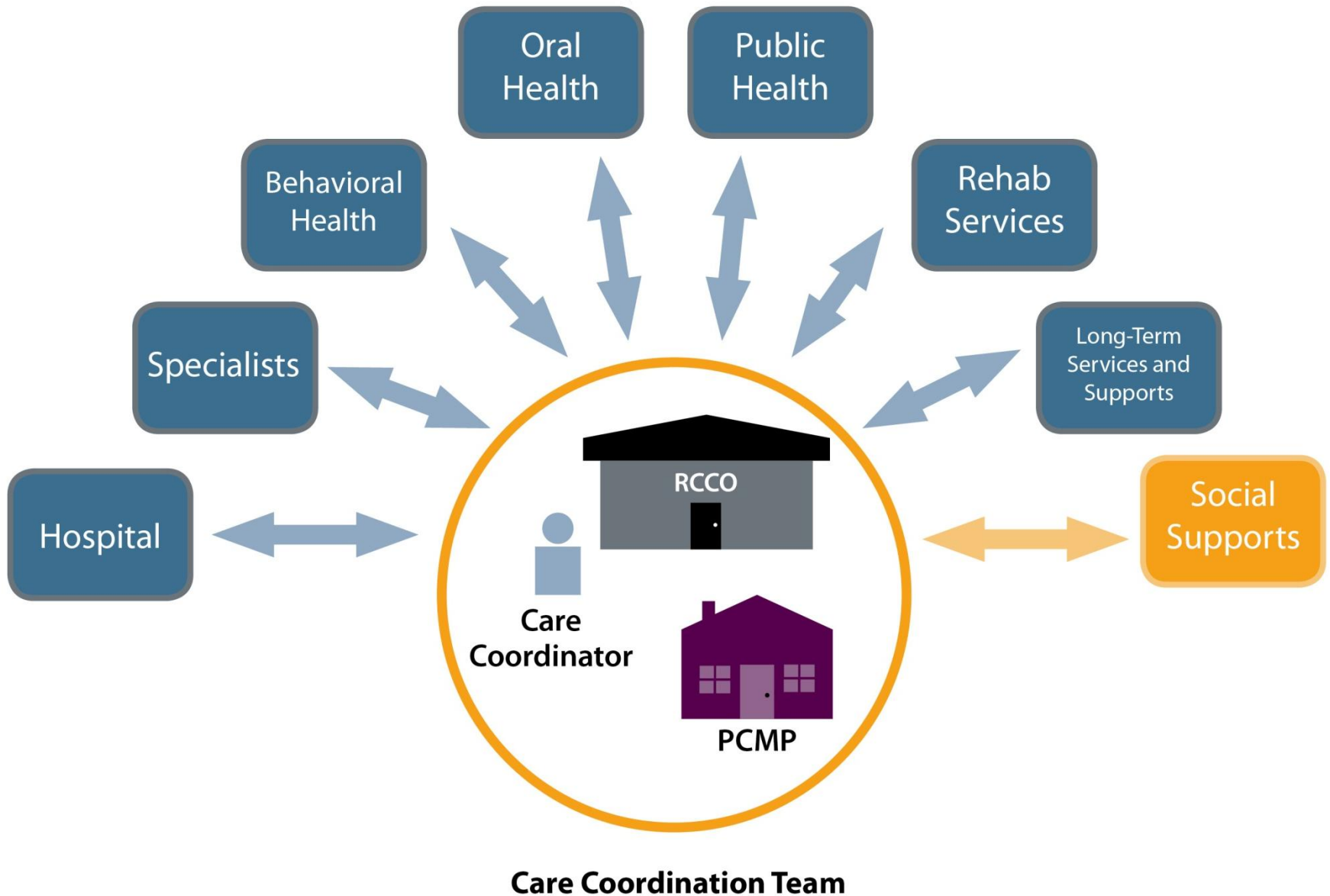
Source: Centers for Medicare & Medicaid Services  
Map Created September 4, 2012





*#2: Medicaid: The  
Promise of  
Integration*

# Medicaid: The Promise of Integration



# Medical Home: Impact on Cost Control

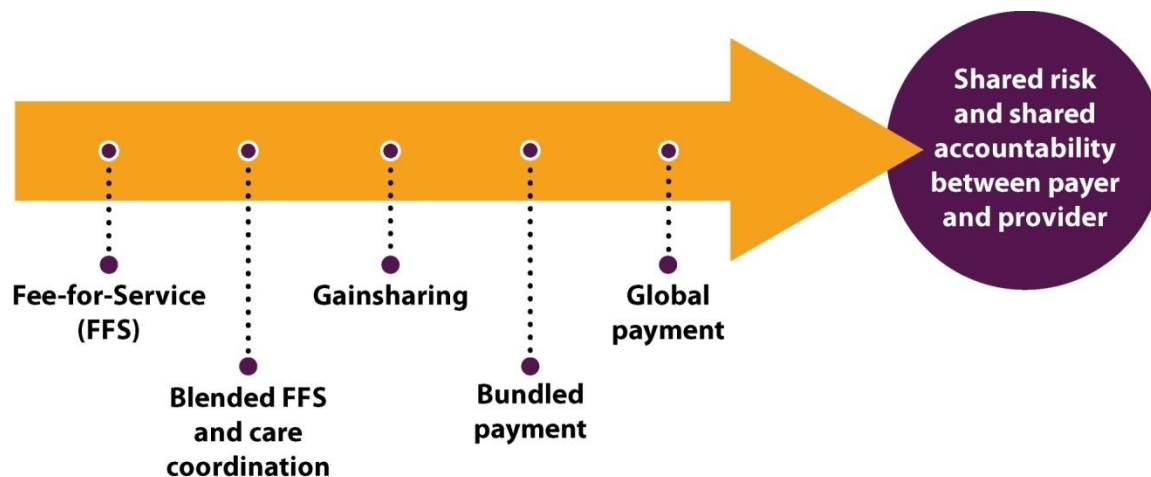
- CMHI demonstrates savings but targeted to lower-cost populations
- Colorado programs still being evaluated, early returns and national results encouraging
- Complex, lengthy, resource-intensive process for practices to become medical homes



*#3: Room for  
Experimentation:  
HB 1281*

# Room for Experimentation: HB 1281

- **HB 12-1281: The Medicaid Innovation Bill**
  - Calls for payment reform pilot projects
  - Away from fee-for-service, toward global payment
  - Built on existing ACC framework
  - Pilots evaluated after 2-3 years



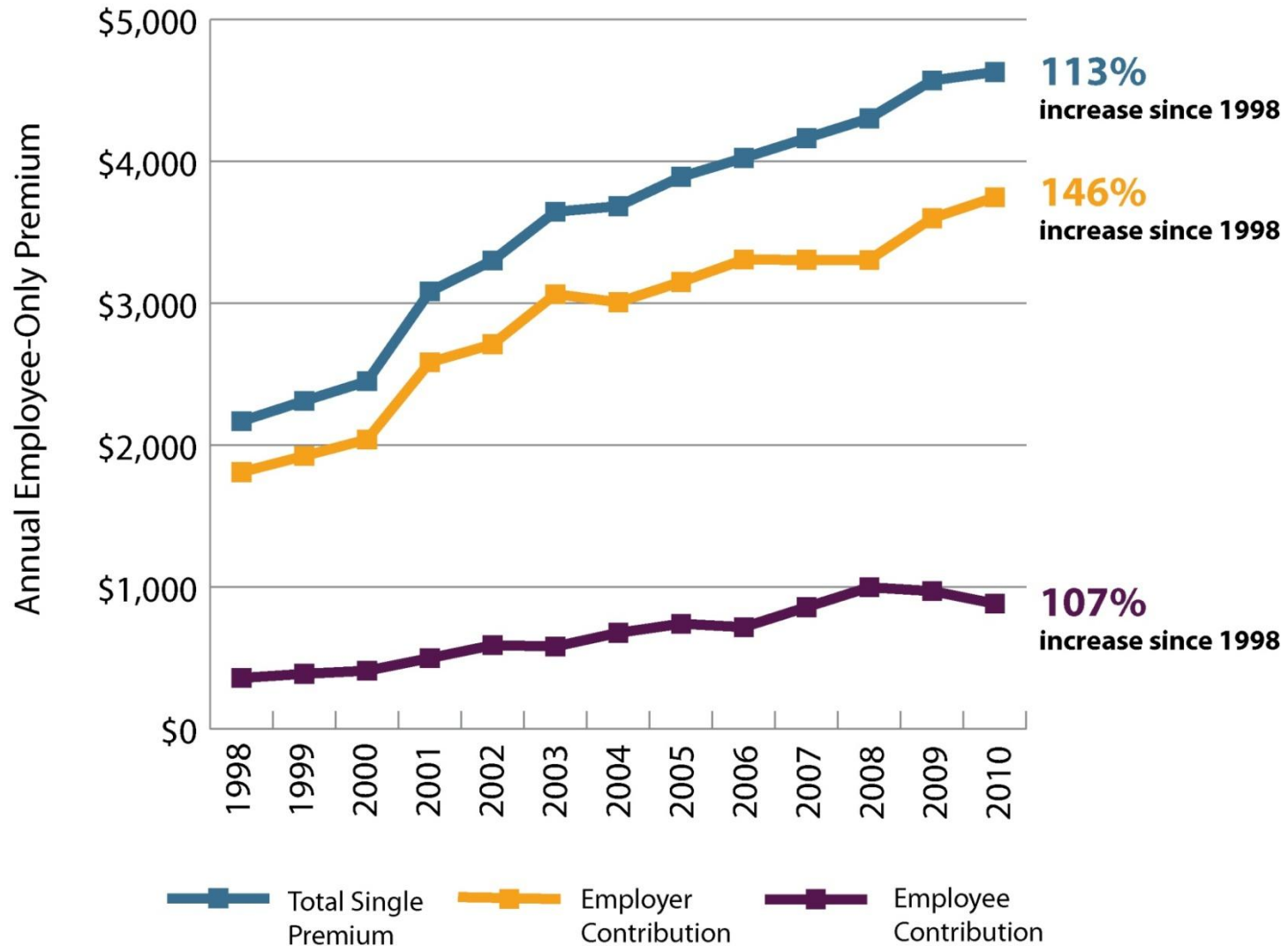
# More Experimentation on the Way?





*#4: Whose Cost  
Curve? A Dilemma  
for Small  
Employers*

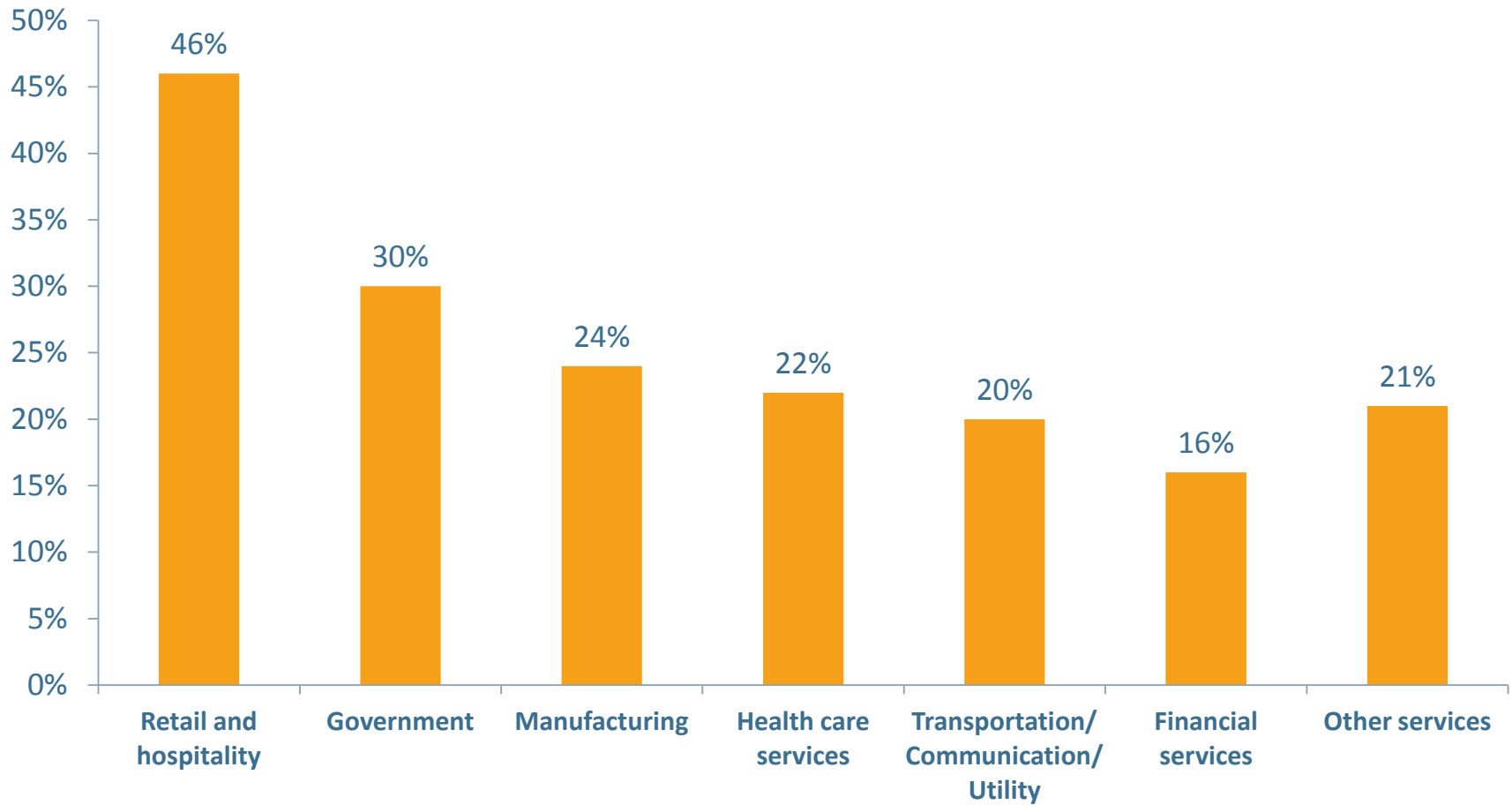
# Whose Cost Curve?



SOURCE: Medical Expenditure Panel Survey

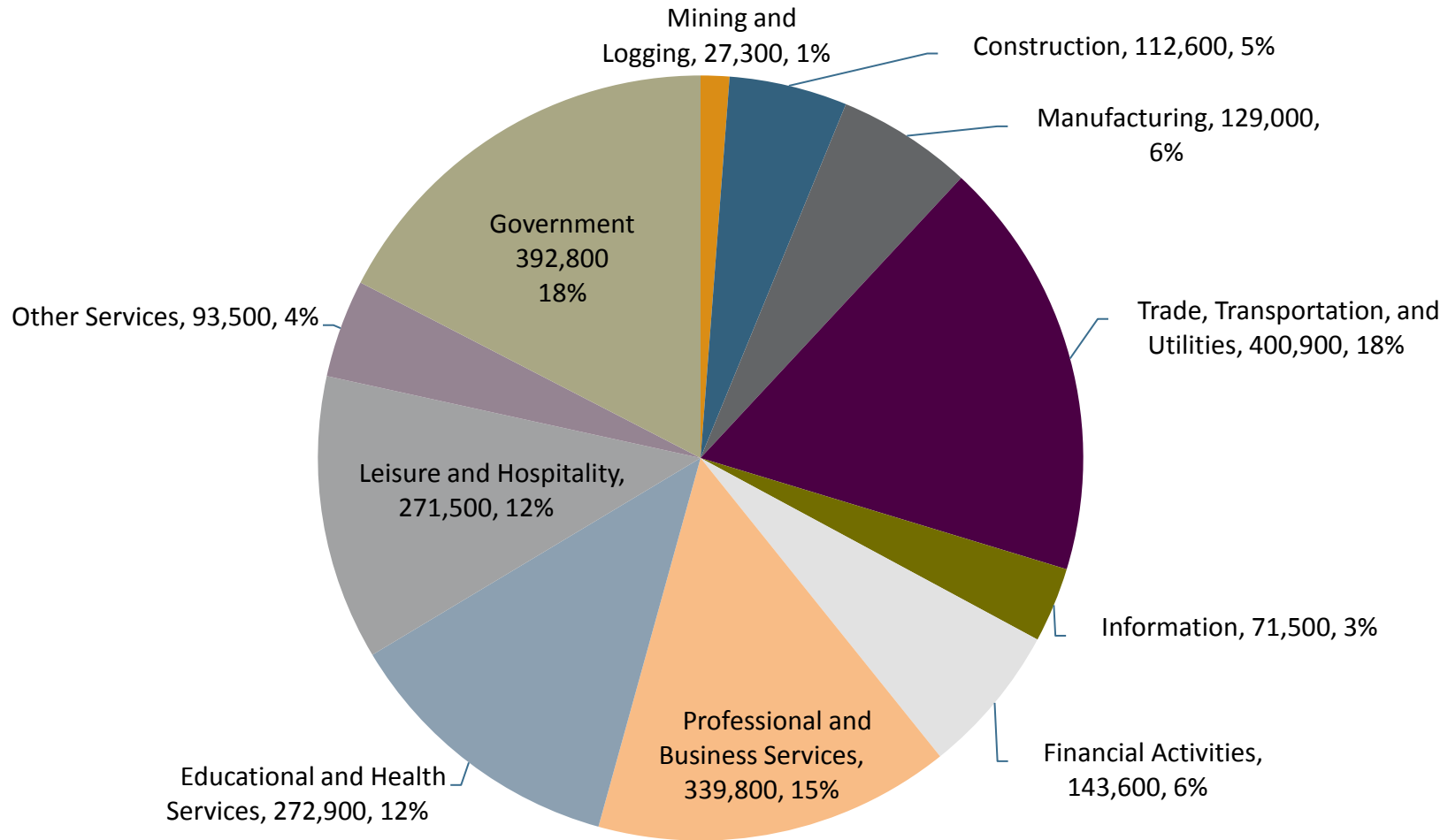


# Employers and the 30-Hour Requirement



SOURCE: "Health reform poses biggest challenges to companies with the most part-time and low-paid employees" Mercer LLC, August 8, 2012

# Colorado Employment by Sector, 2011



SOURCE: 2011 Current Employment Statistics Data, Colorado Department of Labor and Employment



*#5: A Steep  
Learning Curve:  
Purchasing  
Insurance*

# Employer and Employee Learning Curve

## Where You Buy

Brokers

SHOP Exchange

Individual Exchange

Private Exchanges

Broker Market

## What You Buy

Basic Health Plan

Gold

Silver

Bronze

“Health” Plan

## Who Bears Risk

Employer

Employee

Insurer

## The Cost of Coverage

Employer

Employee

Subsidy?

# Benefit Design: The New Frontier





Source:

<http://www.colorado.gov/dpa/doit/archives/cch/home.htm>

Colorado State Home for Dependent and Neglected Children

1898



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