

MODEL OVERVIEW

The Financial Alignment Initiative (FAI) aims to provide individuals dually enrolled for Medicare and Medicaid with a better care experience and better align the financial incentives of the Medicare and Medicaid programs. CMS is working with states to test two integrated care delivery models: a capitated model and a managed fee-for-service (MFFS) model. Colorado and CMS launched the Colorado Accountable Care Collaborative: Medicare-Medicaid Program (ACC:MMP) in September 2014. The demonstration ended in December 2017.

Key Features of the Colorado Demonstration

- Used the MFFS model, which added care coordination as a Medicaid-covered benefit.
- Developed as a special program for dually eligible individuals within the existing Accountable Care Collaborative (ACC).
- Upon its conclusion, enrollees were folded into the broader statewide care coordination model ACC Phase II.

PARTICIPANTS



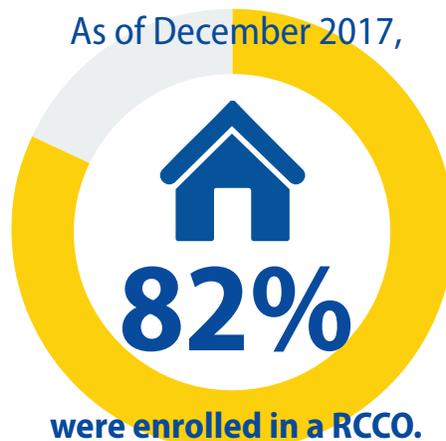
REGIONAL CARE COLLABORATIVE ORGANIZATIONS (RCCOs)

- Were either insurance companies or consortia of local providers.
- Received \$20 per month per enrollee from a state Medicaid payment to deliver assessment and care coordination.
- Were responsible for coordinating enrollees' care across medical, long-term services and supports (LTSS), and behavioral health delivery systems.
- Had limited prior experience with formal care coordination for individuals with complex needs.



BENEFICIARIES

As of December 2017,



were enrolled in a RCCO.

Of the 34,297 eligible Medicare-Medicaid beneficiaries aligned with the Colorado demonstration, 28,175 were enrolled in a RCCO.

FINDINGS



IMPLEMENTATION

- **New requirements were created for ACCs** to adapt the model to meet the population's complex care coordination needs.
- Colorado encountered **major IT challenges and limited staff capacity** to oversee the demonstration.
- RCCOs faced challenges **managing large numbers of new enrollees** each month.
- As quality measures did not align with existing provider or payment requirements, **provider reporting of quality measures was low.**
- **A lack of enforcement mechanisms** limited intended collaboration between RCCOs and State entities responsible for coordinating LTSS and behavioral health services.

FINDINGS *(continued)*



MEDICARE EXPENDITURES

Over the 40 months of the Colorado demonstration, there were **no statistically significant changes** in gross Medicare Parts A and B expenditures (shown below). A separate actuarial analysis conducted for performance payment purposes indicated a 4 percent increase in gross Medicare Parts A and B costs.

Demonstration Period	Average Per Beneficiary Per Month impact on Medicare Expenditures
DY 1 (September 2014–December 2015)	\$1.78
DY 2 (January 2016–December 2016)	\$24.17
DY 3 (January 2017–December 2017)	-\$6.97
Demonstration Period (Years 1–3, cumulative)	\$6.46

DY = demonstration year.

- The State did not receive any performance payments because the demonstration did not result in any savings to the Medicare program.



**SERVICE UTILIZATION AND QUALITY OF CARE:
Demonstration Years 1 through 3 (2014–2017)**

Favorable Results	Unfavorable Results
 Decreased probability of long-stay nursing facility use	 Decreased probability of 30-day follow-up after mental health discharge
	 Increased number of preventable emergency department visits

- There was no statistically significant demonstration effect on inpatient admissions, emergency department visits or physician visits.

KEY TAKEAWAYS

The Colorado ACC:MMP demonstration did not result in Medicare savings or performance payments to the State. The care coordination model and financing did not support the intensive care coordination needed to achieve desired changes in service utilization for Medicare-Medicaid beneficiaries. Over the course of the demonstration, nursing home use decreased, which was a favorable outcome. The provider incentives did not appear to be sufficient to impact quality. The decision to conclude the demonstration on its originally scheduled end date resulted from a lack of State capacity and funding, IT vendor challenges, and the State’s concurrent participation in multiple delivery system reform initiatives.