

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Health Care Policy and Financing

Request Title

R-12 LPHA Partnerships

Dept. Approval By: Josh Block  11/1/16 Supplemental FY 2016-17
 OSPB Approval By:  10/28/16 Change Request FY 2017-18
 Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$0	\$711,000	\$711,000
FTE		0.0	0.0	0.0	0.0	0.0
GF		\$0	\$0	\$0	\$355,500	\$355,500
CF		\$0	\$0	\$0	\$0	\$0
RF		\$0	\$0	\$0	\$0	\$0
FF		\$0	\$0	\$0	\$355,500	\$355,500

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
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FF		\$0	\$0	\$0	\$355,500	\$355,500

CF Letternote Text Revision Required?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Type of Request?	Department of Health Care Policy and Financing Prioritized Request		
Interagency Approval or Related Schedule 13s: Department of Public Health and Environment			



Cost and FTE

- The department requests \$1,066,500 total funds, including \$0 General Fund in FY 2017-18 and future years in order to fund the Local Public Health Agency (LPHA) & Regional Care Collaborative Organization (RCCO) partnership initiative. These partnerships intend to bridge the gap between medical and public health systems.
- This request would increase funding available for LPHAs by \$355,500 through an increase in federal funds by repurposing existing General Fund appropriations.

Current Program

- LPHAs are responsible for a multitude of public health activities. Those that are related to population-based health efforts that intersect with the RCCOs' work include: disease prevention, investigation, and control; maternal and child health prevention and education; injury prevention and education; and clinical services.
- RCCOs are responsible for the care coordination of Medicaid members enrolled in the Accountable Care Collaborative (ACC), including connecting members to non-medical needs.
- Currently LPHA-RCCO collaborations form on a voluntary and underfunded basis. There is a fair amount of fragmented and duplicative work being done to identify members in need of different direct health and population-based health services, and to coordinate services for members.

Problem or Opportunity

- RCCOs and LPHAs have indicated they want to work more collaboratively with each other to address health outcomes of the common Medicaid population they serve through their respective programs.
- The state dollars that the LPHAs currently spend on services provided to Medicaid-eligible Coloradans qualify for a federal match. These existing state dollars would need to be appropriated to the Department to earn the match, as it is the single state agency administering Medicaid.
- Introducing a financial incentive through offering new federally matched funds could help encourage more LPHA-RCCO partnerships, reducing fragmentation and duplication of efforts and sparking innovation in creating population-based health programs that would specifically target Medicaid members.

Consequences of the Problem

- The State is not maximizing the amount of money that is eligible for a federal match for these programs. Some of these programs are at risk of being cut back or ending due to expiring grant funding.
- Without additional funding, these organizations would continue to operate largely in isolation without the capability to share data systems and resources to coordinate and build upon their respective public health outreach efforts, ensuring duplicative and fragmented work would continue to occur.

Proposed Solution

- The Department requests a transfer of \$355,500 General Fund in FY 2017-18 and future years to draw down an additional \$355,500 in federal funds. These funds would be reappropriated to the Department of Public Health and Environment (CDPHE) as reappropriated funds. CDPHE would lower its General Fund request by \$355,500 so that no new State dollars are allocated to LPHAs.
- In FY 2017-18, this federally enhanced funding would be used to hire community health workers to help Medicaid members navigate between the medical and public health systems, and to provide LPHAs with access to their RCCOs' data systems.



COLORADO
Department of Health Care
Policy & Financing

FY 2017-18 Funding Request | November 1, 2016

John W. Hickenlooper
Governor

Susan E. Birch
Executive Director

Department Priority: R-12

Request Detail: Local Public Health Agency Partnerships

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
Local Public Health Agency Partnerships	\$1,066,500	\$0

Problem or Opportunity:

This request seeks to reduce the fragmentation between medical and public health systems by joining the population-based health¹ work performed by the Local Public Health Agencies (LPHAs)² and Regional Care Collaborative Organizations (RCCOs) through a common funding mechanism. RCCOs and LPHAs have indicated they want to work more collaboratively with each other to address health outcomes of the common Medicaid population they are serving through their respective programs. The departments have identified four collaboration partnerships that seek to reduce the fragmentation between the two health systems through sharing data systems and using community health workers to help members understand and navigate between different services. The departments have a chance to fund these collaboration efforts, without requesting additional state funds, through using the existing state dollars the LPHAs spend on Medicaid members to draw down a federal match. Not using this available financing mechanism would mean the four partnerships would have insufficient resources to implement innovative coordination efforts between the medical and public health systems. If this request is not approved, the State would miss an opportunity for receiving additional federal funding for Medicaid members who benefit significantly from the work done by local public health programs.

The Department views these partnerships as an opportunity to integrate LPHAs into the framework of the Accountable Care Collaborative (ACC). The Accountable Care Collaborative (ACC) program promotes improved health for members by delivering care in an increasingly seamless way. It is easier for members

¹ Population-based health concentrates on integrating health systems and emphasizes health promotion, disease prevention, and interventions that focus on upstream factors, and underlying causes of poor health behaviors, such as physical inactivity, behavioral risk factors, and lack of preventative care and poor nutrition. Results of population-based health efforts are measured by a population or group's health outcomes. <<https://www.academyhealth.org/files/AH2013pophealth.pdf>>

² LPHAs are responsible for a multitude of public health activities. Those that are related to population-based health efforts include: disease prevention, investigation, and control; maternal and child health prevention and education; injury prevention and education; and clinical services. Examples of LPHA programs include: teen pregnancy assistance and teen pregnancy prevention; women, infant, and children (WIC) programs; nurse family partnerships; and diabetes assistance and prevention.

and providers to navigate and it makes smarter use of every dollar spent. The ACC is made up of seven Regional Care Collaborative Organizations (RCCOs)³, which are responsible for connecting members to Medicaid providers and helping members find community and social services in their area, many of them administered through the public health system through the LPHAs. By formalizing partnerships between RCCOs and LPHAs focusing on population health and community outreach, the Department could improve access to various public health programs, such as diabetes management or teen pregnancy prevention, which would have a long term impact on member health care outcomes. The departments, LPHAs and RCCOs have been working together for the last two years to identify and improve areas of collaboration between LPHAs and RCCOs. The options for collaboration fall into three categories:

- Disease prevention, education, and referrals;
- Data and information sharing; and
- Prevention and population health promotion.

The departments identified four separate collaborations that could be funded through Medicaid dollars, and have based this request on those programs. The current collaborations include work by the Mesa County Health Department, the San Juan Basin Health Department (SJBH), Northwest Colorado Health, and Boulder County Public Health (BCPH). Mesa County, SJBH, and Northwest would work with RCCO 1, Rocky Mountain Health Plans (RMHP), and BCPH would work with RCCO 6, Colorado Community Health Alliance (CCHA). Using the additional funds, these collaborations would set up data sharing systems to properly identify members in need of services and contract with community health workers to coordinate members' care within the two organizational structures. LPHAs do not currently have the capacity or resources to gain access to the RCCOs' data systems, nor to devote to these care coordination efforts.

The ability to provide financial support would help encourage meaningful and effective LPHA-RCCO partnerships, allow the two entities to formally align health goals and metrics, and spark innovation in creating population-based health programs that would specifically target Medicaid members. Medicaid members oftentimes have few resources to acquire meaningful health education, potentially resulting in poor health outcomes. LPHAs and RCCOs would have the ability to combine their knowledge and resources to address the health of Medicaid members from both a direct health perspective and a population-based health one.

For example, two efforts that combine direct health and population-based health are the GENESIS and GENESISTERS programs⁴ run by Boulder County Public Health (BCPH) in the RCCO 6 region. In the partnership proposed for these programs, the RCCO would be involved in coordinating care within the medical neighborhood, including connecting the member with a primary care physician, an obstetrician, and other providers who would be able to assist the member with the medical needs of her pregnancy. The LPHA

³ Beginning July 1, 2018, the Department will transition RCCOs to "Regional Accountable Entities" (RAEs). See the Department's November 1, 2016 budget request R-6 "Delivery System and Payment Reform" for more information about the Department's Accountable Care Collaborative Phase II initiative. Although this request uses terminology from the existing ACC program, the Department would fully integrate the proposed programs in this request with the ACC Phase II program redesign.

⁴ GENESIS aims to provide pregnant teens with community assistance, and GENESISTER targets pregnancy prevention efforts towards the sisters of pregnant teens. Boulder County has more information on these programs on its website: <http://www.bouldercounty.org/family/pregnancy/pages/genesservices.aspx>.

program GENESIS would then be involved in coordinating resources to make sure the member succeeds in the non-medical aspects of her life that are just as influential in determining her health outcomes. Examples of services offered by the Boulder GENESIS program include:

- Providing transportation to medical appointments,
- Assisting with re-entry into school or GED programs,
- Linking the mother to job training programs,
- Providing access to healthy and affordable food, and
- Offering counseling and support.

BCPH would use the requested funding to support sharing member information with RCCO 6, as well as making sure the members are enrolled in RCCO 6 and know how to access RCCO and county services. The ability to cross-refer members to these medical and non-medical services in a coordinated manner demonstrates a more person-centered approach to health care that is in line with the mission of the ACC.

The LPHA-RCCO collaboration partnerships also mean more steady streams of funding for LPHA programs. Programs such as GENESIS and GENESISTERS are at risk of ending or being cut back due to insufficient or expiring grant funding. GENESIS and GENESISTERS recently had a Robert Wood Johnson Foundation yearly grant of \$125,000 expire, an amount that accounted for roughly half of the programs' yearly budget. Under the LPHA-RCCO collaboration initiative, these programs would be effectively incorporated into the ACC with the blended state and federal funding.

Proposed Solution:

The Department requests \$711,000 total funds, including a budget neutral transfer of \$355,500 General Fund in FY 2017-18 and future years from the Department of Public Health and Environment in order to fund LPHA-RCCO collaborations. This request also includes a corresponding reduction to the Department of Public Health and Environment's (CDPHE) General Fund request by \$355,500 and an increase in reappropriated funds of \$711,000 in each year. The requested General Fund would be used to draw down a federal match, and then the full amount would be reappropriated to CDPHE. CDPHE would be tasked with disbursing this money to the LPHAs that are a part of the collaboration initiatives, as part of its ongoing administration of its programs. Finally, to ensure that CDPHE can continue to provide the full amount of state funding to the LPHAs regardless of how much federal funding is received, the Department requests that the General Assembly appropriate the funding without an "M" headnote restriction.

Going forward, the funding for the LPHA-RCCO program would vary by year, depending on which programs request funding. If additional programs are identified in the future, the departments would use the regular budget process to request adjustments to spending authority. Each individual program would be required to have a LPHA-RCCO collaborative component and the LPHA and RCCO must sign a memorandum of understanding (MOU) agreeing to that collaboration. Although it would be possible to pass the federally matched funding back to the LPHAs without a collaboration requirement, the departments believe these funds should be leveraged to encourage stronger partnerships and coordination efforts between LPHAs and RCCOs, particularly as it has been established as a goal by both entities.

The consequences of not funding this request are that the State would not maximize the amount of money that is eligible for a federal match and RCCOs and LPHAs care coordination efforts might continue to operate in underfunded silos. There are many programs and efforts run by the LPHAs that intersect with the work of the RCCOs and are eligible for a federal match, but are currently funded solely with state funds. The LPHAs identified in this initial solicitation currently do not have the capacity to fully help Medicaid members navigate between the medical and public health systems, nor do they have the resources to access their RCCOs' data systems. Without these resources, the LPHAs are less able to effectively coordinate care, potentially leading to poorer health outcomes for Medicaid members who oftentimes lack the knowledge and resources to go through the medical and public health systems on their own.

Differences from FY 2015-16 R-11 “Public Health and Medicaid Alignment” Request

As part of the FY 2015-16 budget cycle, the Department requested funding under R-11 “Public Health and Medicaid Alignment” to coordinate and encourage LPHA-RCCO collaborations. The Joint Budget Committee did not approve the request. During Figure Setting, the committee's staff based its recommendation to deny the request in part because it did not understand why these collaborations could not be accomplished within existing resources. The current request is different in two ways:

First, there is no requested increase in State funds. The departments would use General Fund that is already appropriated to CDPHE and used by the LPHAs on Medicaid members to draw down a federal match. Total funds would increase by the corresponding amount of federal funds earned through the federal financial participation, and the inclusion of reappropriated funds in CDHPE's appropriations.

Second, the funding would be used on LPHA-RCCO partnership programs that have already identified a plan for collaboration. In order for the LPHAs to request this funding, the LPHAs were required to work with their RCCO, to outline areas of collaboration, and the departments, to determine how much of their General Fund allocation they would need for these areas of collaboration.

Anticipated Outcomes:

The funding of this request would mean that LPHAs and RCCOs would have more resources to coordinate health care and align direct health services with population-based health services. Specifically, for the collaborations in FY 2017-18, these additional resources would be used to facilitate data sharing⁵ and support community health workers in coordinating resources between the two health systems. Sharing data means less duplicative work performed by the LPHAs and RCCOs in identifying members in need of specific direct-health and population-based health services. The coordination of these two health systems should lead to a higher volume of low-cost interventions and preventive care, and less use of higher cost services such as the emergency department. These partnerships align with the Department's performance goals of being more person-centered, improving the efficiency and effectiveness of the care-coordination process, and the partnerships represent a creative solution that employs both the strengths of the LPHAs and RCCOs.

⁵ RCCO 1, Rocky Mountain Health Plans (RMHP), intends to allow access to its Essette data system to LPHAs participating in this pilot. RCCO 6, Colorado Community Health Alliance (CCHA), also plans on exchanging member information with their LPHA, Boulder County Public Health (BCPH).

The health care industry is undergoing a transformation with more value being placed in low-cost preventive measures, health interventions, and integrated delivery systems. Initiatives such as the ACC and Comprehensive Primary Care (CPC) program encourage patients to be involved with their health and empowers them to seek early preventive care. Population-based health programs recognize that social determinants of health are just as important as direct-health to a person’s wellbeing. The LPHA-RCCO partnership programs are another piece of this shift of creating a culture of health and wellness.

Assumptions and Calculations:

Funding and Payment Mechanisms

In order to draw down a federal Medicaid match for these programs, the Department must develop a defensible way to tie the funding for these programs to services provided to Medicaid members. This would require working with the LPHAs to establish an allocation methodology of their funding. The LPHAs would identify the percentage of their current funding from CDPHE that would be spent on the proposed initiatives. The LPHAs would also identify the population served by each initiative, and the percentage of that population that is enrolled in Medicaid, in order to calculate the percentage of the funding eligible for Medicaid federal financial participation. As the single state agency administering Medicaid, the funding would need to be appropriated to HCPF in order to receive the federal match. The funding would be paid as reappropriated funds to CDPHE, which would then use the funding to pay the LPHAs for the costs incurred by Medicaid members participating in the approved collaboration initiatives. This financing methodology is dependent on approval from the Centers for Medicare and Medicaid Services (CMS).

The following table shows the funds requested by each department.

Department	Total Funds	General Fund	Reappropriated Funds*	Federal Funds
Health Care Policy and Financing	\$711,000	\$355,500	\$0	\$355,500
Public Health and Environment	\$355,500	(\$355,500)	\$711,000	\$0
Total Requested Funds	\$1,066,500	\$0	\$711,000	\$355,500

* The departments note that through CDPHE reappropriating funds from HCPF, these funds are being double-counted. The funding mechanism is necessary so that both agencies have the proper spending authority.

Federally matched reappropriated funds cannot be used on non-Medicaid individuals, services that are already funded by federal dollars, or clinical services that are already covered under a Medicaid billable code. The amount of funding provided to any LPHA is contingent on the availability of federal funds; however, if the Department is unable to draw down the full amount of federal funds, the departments anticipate that CDPHE would still provide the General Fund appropriation to the LPHAs, and the departments would revert unused reappropriated and federal funds spending authority.

Funds Requested by LPHA-RCCO Partnership

As part of the proposal process, the departments worked with the LPHAs to identify the amount of General Fund they would spend on their programs in FY 2017-18 and to estimate the percentage of their clients that

are Medicaid eligible. The product of these two quantities represents the General Fund share that would be used to earn the 50% federal funds match for administrative activities; the enhanced total funds are detailed in Table 2 by partnership. These calculations were made with the assumption that CMS would approve a cost allocation methodology.

Table 2: FY 2017-18 Funds Requested by LPHA-RCCO Partnership	
LPHA-RCCO Partnership	Total Funds
Northwest Colorado Health - Rocky Mountain Health Plans	\$11,000
San Juan Basin Health Dept. - Rocky Mountain Health Plans	\$72,000
Mesa County Health Dept. - Rocky Mountain Health Plans	\$228,000
Boulder County Public Health - Colorado Community Health Alliance	\$400,000
Total Requested Funds	\$711,000