

# QHN Summit



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Colorado Department of Health Care Policy & Financing**

**September 2019**

# Congratulations to QHN's Community Resource Network!

**Second place** in the Robert Wood Johnson Foundation Sponsored “Social Determinants of Health Innovation Challenge”

**Challenge:** can you develop a digital solution to help providers and/or patients connect to services related to social determinants of health?

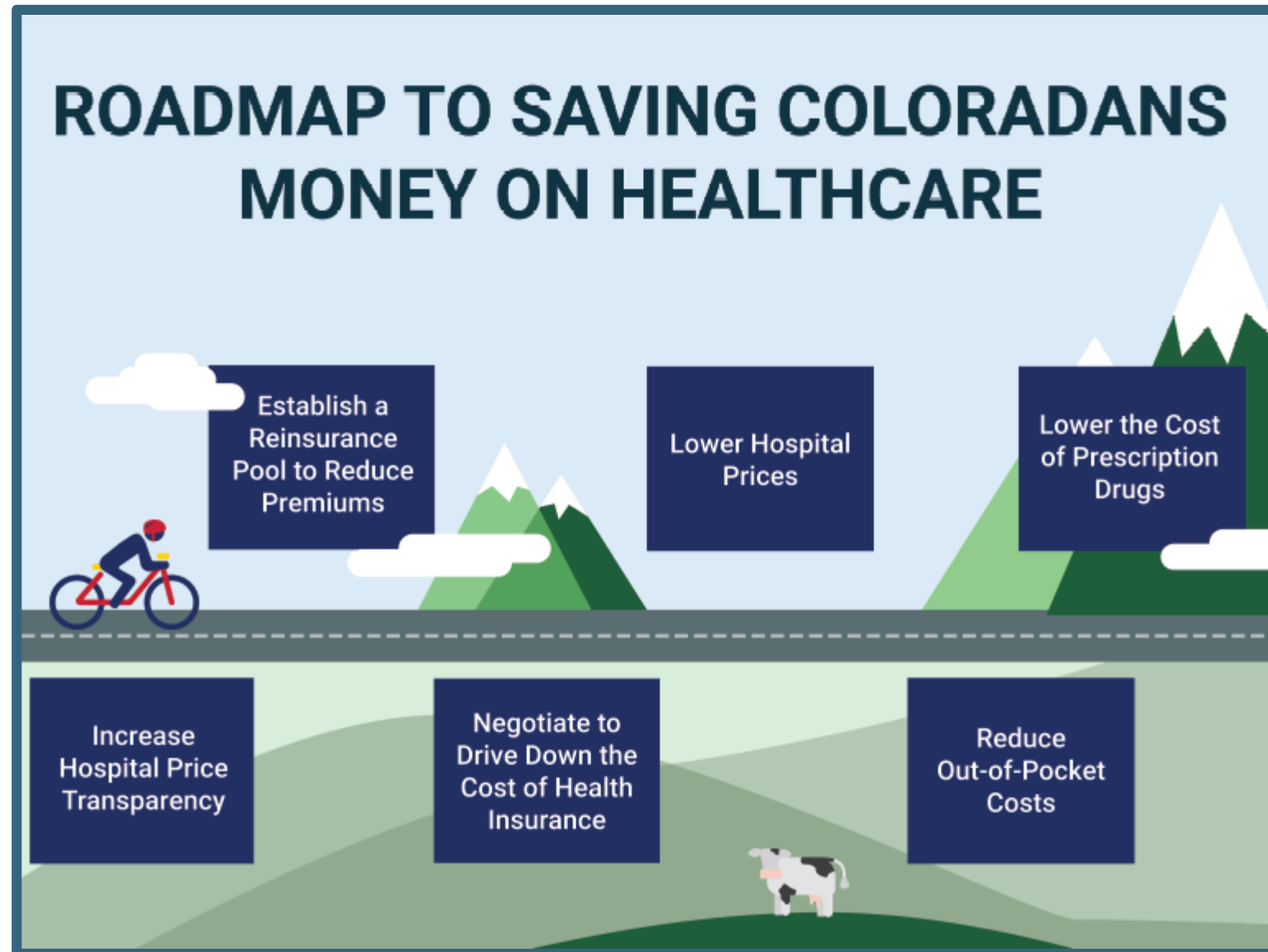
**Awarded:** \$30K total to support continued development rollout

**Community Resource Network -** The Social Determinants of Health Client Profile, a part of the Community Resource Network, creates a whole-person picture across physical, behavioral, and social domains to expedite help for those most at risk, fill in the gaps in care, and optimize well-being.

# Polis-Primavera Administration Goal:

*Lower Healthcare costs to save people money on Healthcare*

## In the Short Term



## In the Mid and Long Term

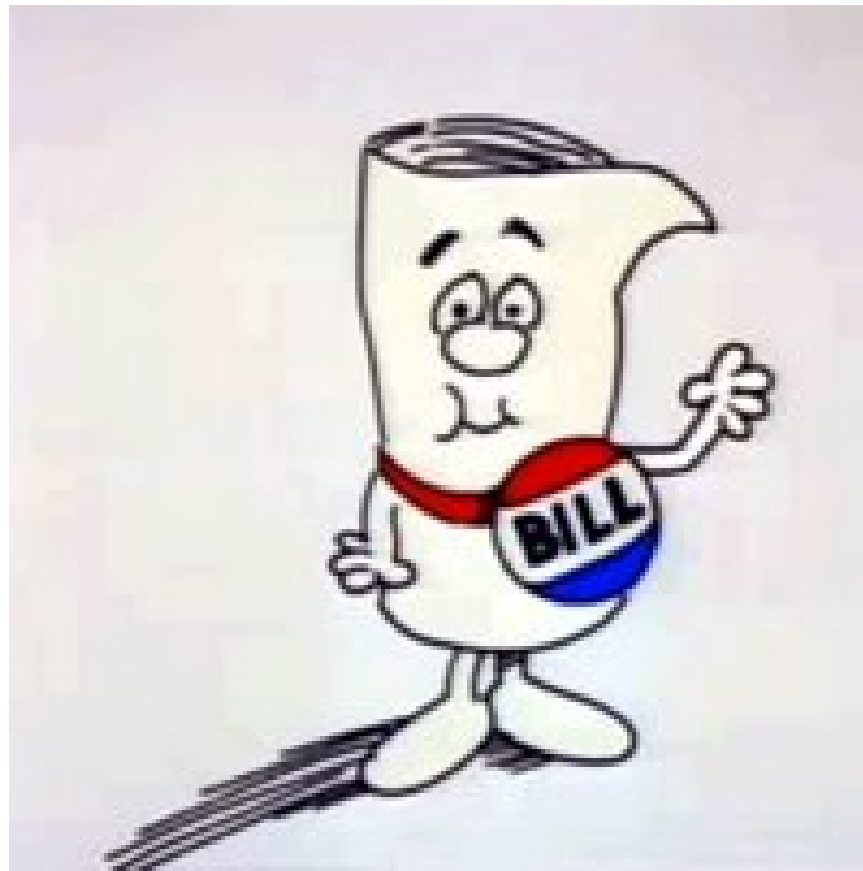
- Launch a state-backed health insurance option
- Improve vaccination rates
- Reward primary and preventive care
- Reform the behavioral health system
- Expand the health care workforce
- Support innovative health care delivery and reform models
- Increase access to healthy food

Source: Polis-Primavera Roadmap to Saving Coloradans Money on Health Care, pages 2-3, April 2019. Full roadmap available at [colorado.gov/governor/sites/default/files/roadmapdoc.pdf](https://colorado.gov/governor/sites/default/files/roadmapdoc.pdf)



# Legislative Action Achieved - Thank You!

## Transforming Healthcare Through Legislation



- HB 19-1174 Out of Network
  - SB 19-004 High Cost Health Insurance Pilot Program (PEAK Alliance)
  - HB 19-1168 Reinsurance (Exchange)
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- HB19-1001 Hospital Transparency
  - HB 19-1320 Hospital Community Benefit Accountability



# HB 1320: Hospital Care Providers' Accountability to Communities

- Requires **nonprofit** hospitals to develop a health needs assessment and a community benefits implementation plan, reported to HCPF annually
- **Nonprofit** hospitals must conduct public meetings annually to seek feedback regarding the hospitals' community benefit activities during the previous year and implementation plan for the next year
  - Public health agencies, chambers, school districts, consumer org., local gov't, public etc.
- Reports to include: 990 form, expenses, revenue less expenses
- HCPF to publish all health needs assessments and community benefits implementation plans on a central website



# Centers of Excellence initiatives are incentivized through the Hospital Transformation Program (HTP)

- Provides \$1B+ / yr to hospitals to reward behavior change, directed by the community
- Incentivizes hospitals to “join an all provider collaborative”, supporting Centers of Excellence and coordinated CHNA work
- Incentivizes hospitals to use Prometheus
- Includes an estimated \$12M to help rural hospitals develop shared community delivery strategies, model APMs, to forecast changing needs of the community, and more
- Starts in 2019 and lasts for at least five years

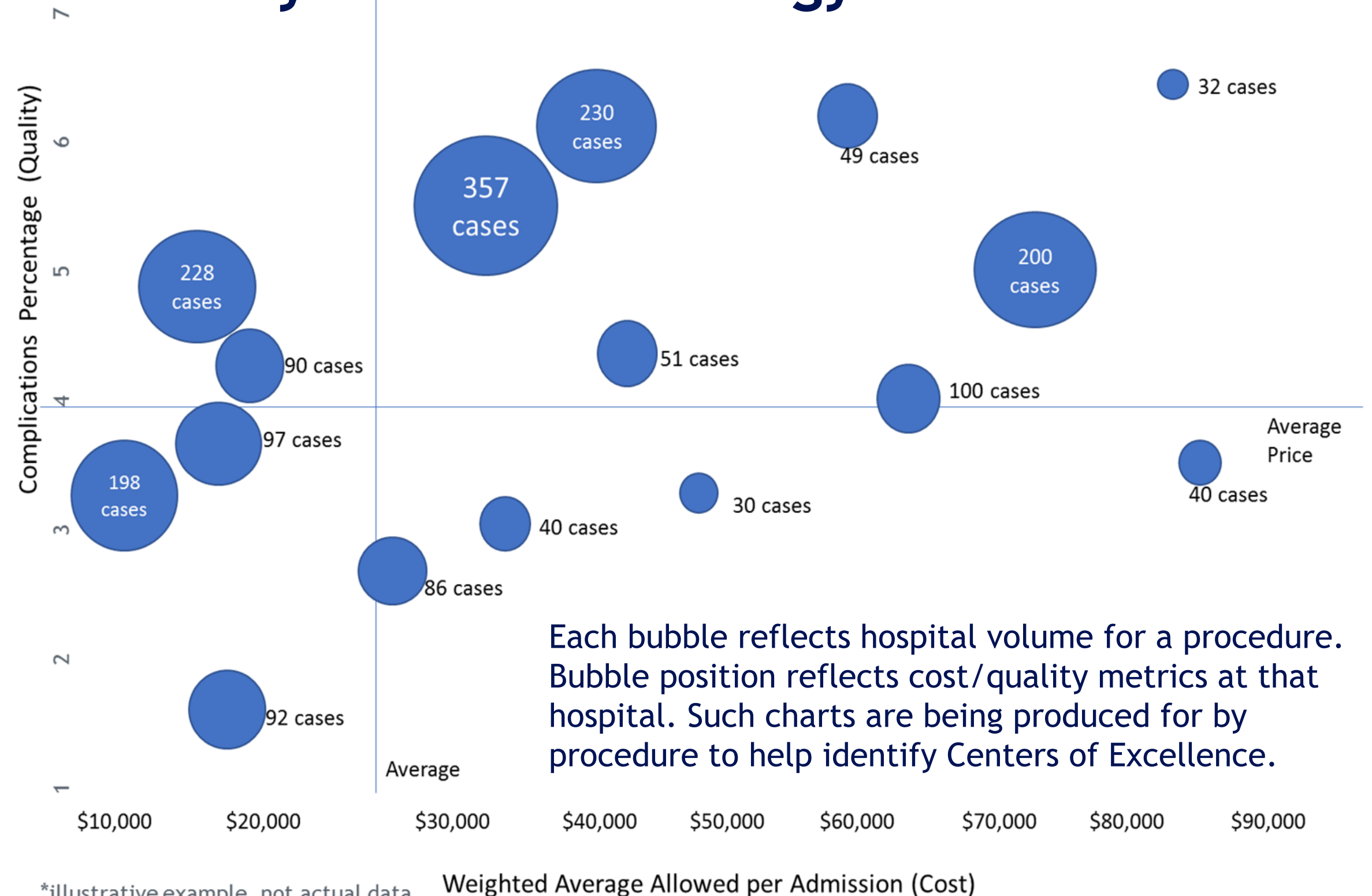


# Solutions: Centers of Excellence Alternate Payment Methodology

**Solution: Drive more  
Consistency in  
Hospital Price and  
Quality**

Drive the community  
to the higher quality,  
lower cost locations  
(sometimes called Centers of  
Excellence)

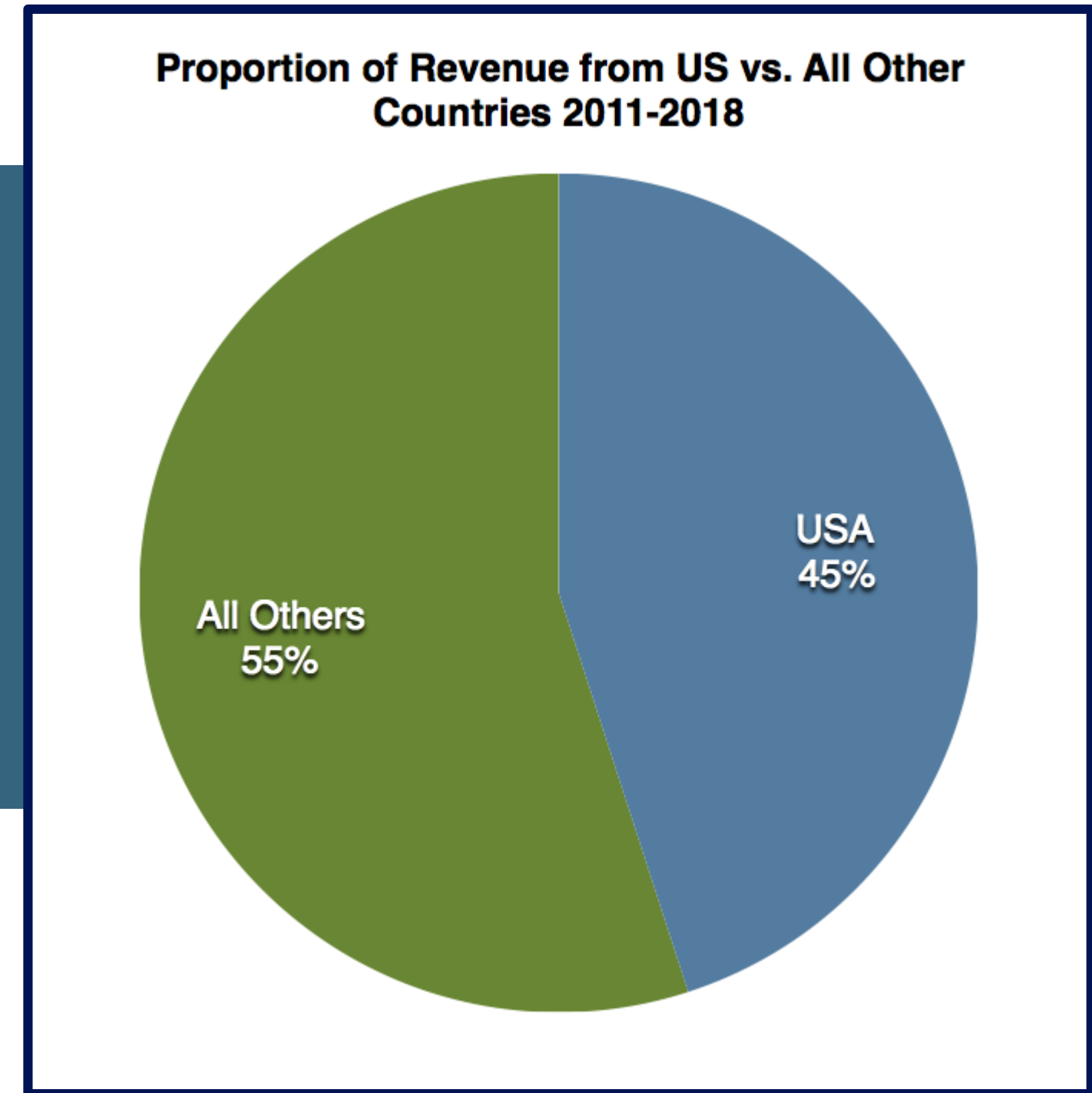
**This will require  
legislation**





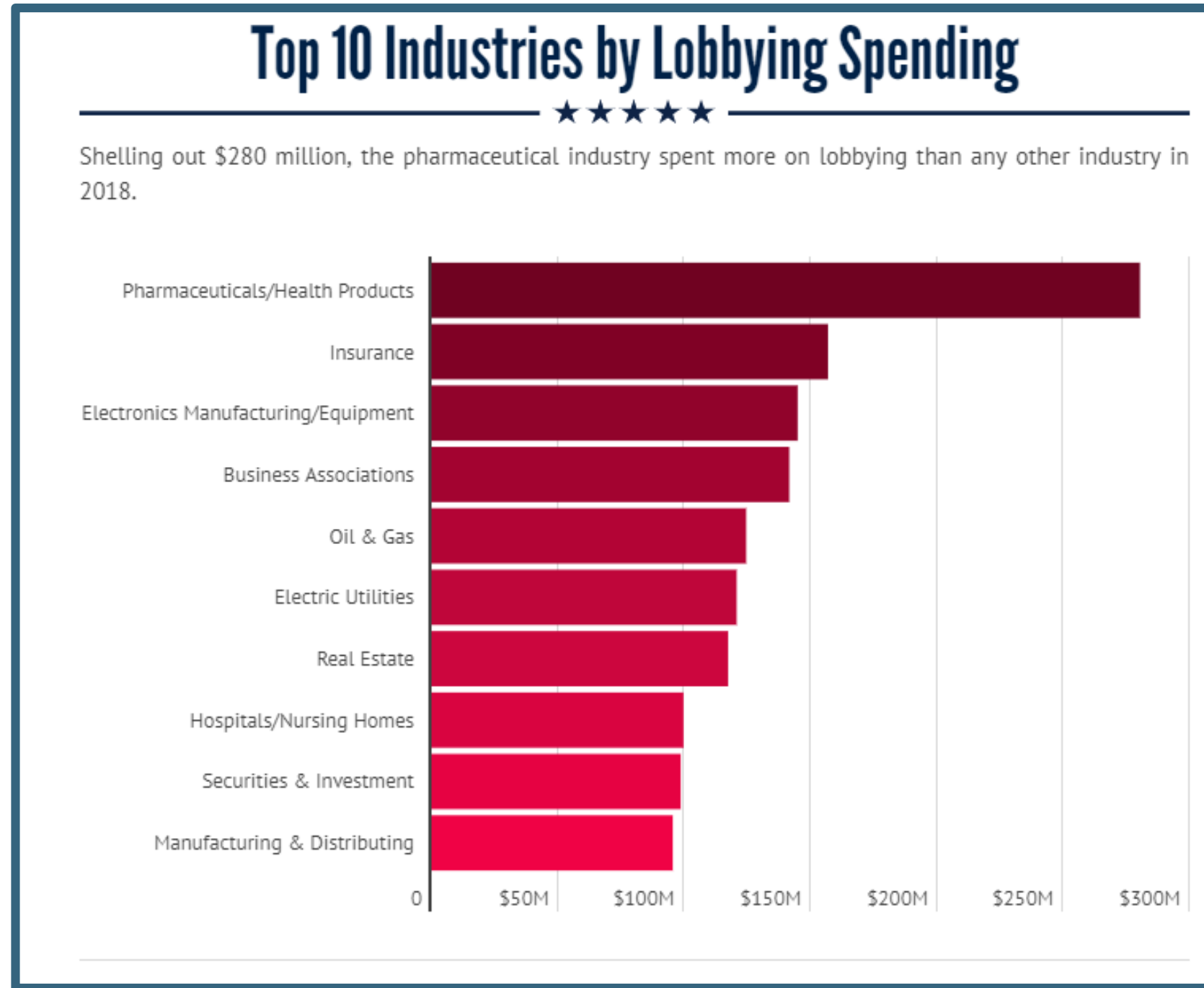
# Rx Affordability Problem: The US represents ~ 5% of the world's population, and 45% of the world's pharmaceutical revenue

- Proportion of total pharmaceutical revenue for the 13 largest pharmaceutical companies from sales in the U.S. vs. sales in all other countries from 2011-2018.



Belk, David, and Paul Belk. "The Pharmaceutical Industry." *True Cost of Healthcare*, [truecostofhealthcare.org/the\\_pharmaceutical\\_industry/](http://truecostofhealthcare.org/the_pharmaceutical_industry/).

# Top 10 Industries by Lobbying Spending, 2018



1. **Pharmaceuticals/Health Products: \$280,305,523**
2. **Insurance: \$156,867,044**
8. **Hospitals & Nursing Homes \$99,686,787**

# Rx Rising Costs (Trends) Medicaid

**Medicaid generates about  
\$1B in Rx claim costs (before rebates)**

**Over the last six fiscal years, 2012  
through 2018:**

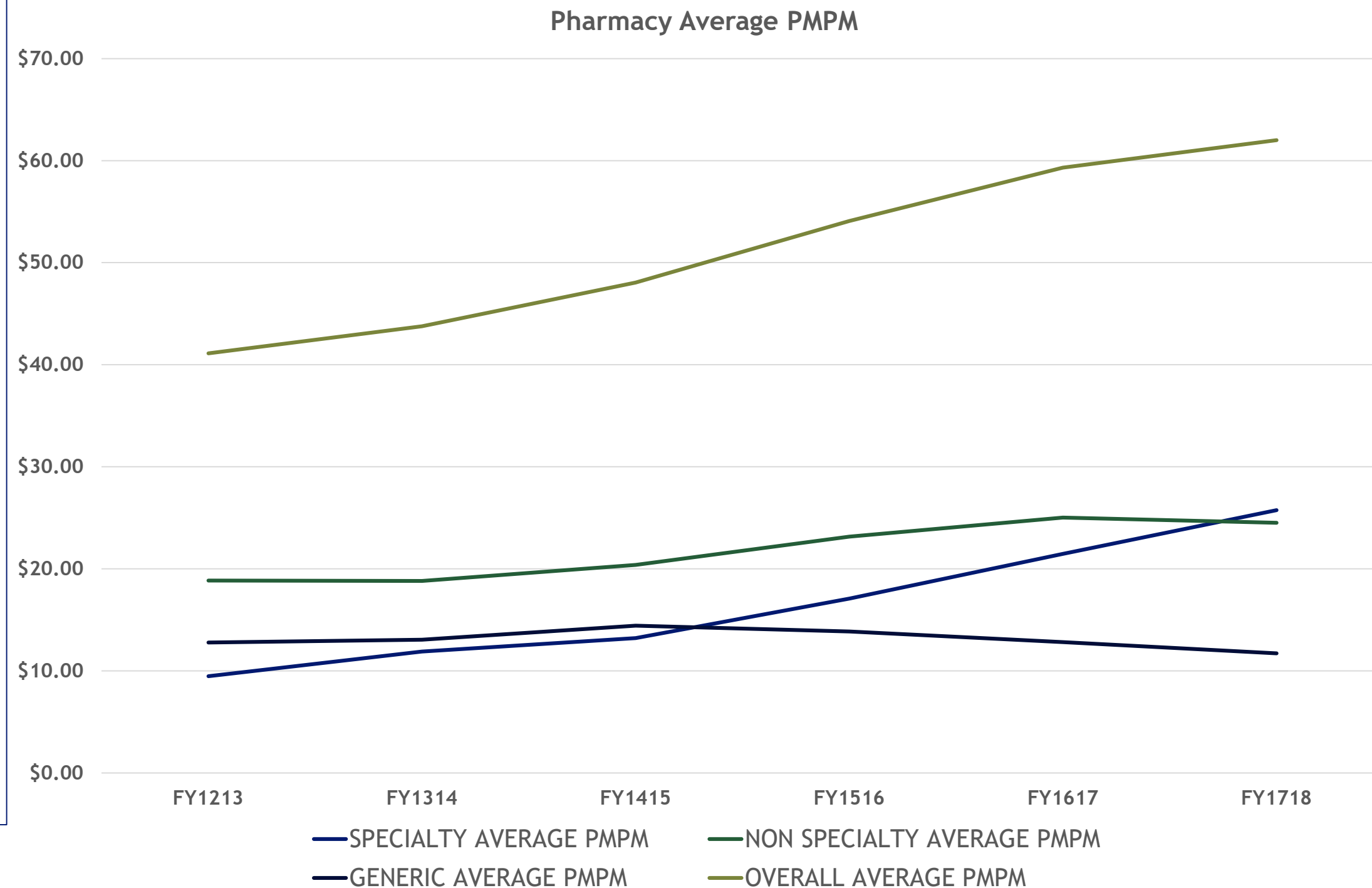
**Generic Rx costs down 8% or 1.3% a year**

**Brand name Rx up 30%, or 5% a year**

**SRx up 171%, or 28.5% a year**

**Total Rx spend is up 51%, or 8.5% a year**

**Of this total 51% Rx trend,  
*more than 75% is due to  
Specialty Drugs.***



# Specialty Drugs: we're at the beginning

**42** new drugs launched in 2017.

**75%** were specialty drugs

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1.25% of CO Medicaid prescriptions (specialty drugs) are so expensive, they are consuming > 40% of Medicaid's Rx resources

**\$12 billion** spent on new drugs in 2017.

**80%** was spent on specialty drugs

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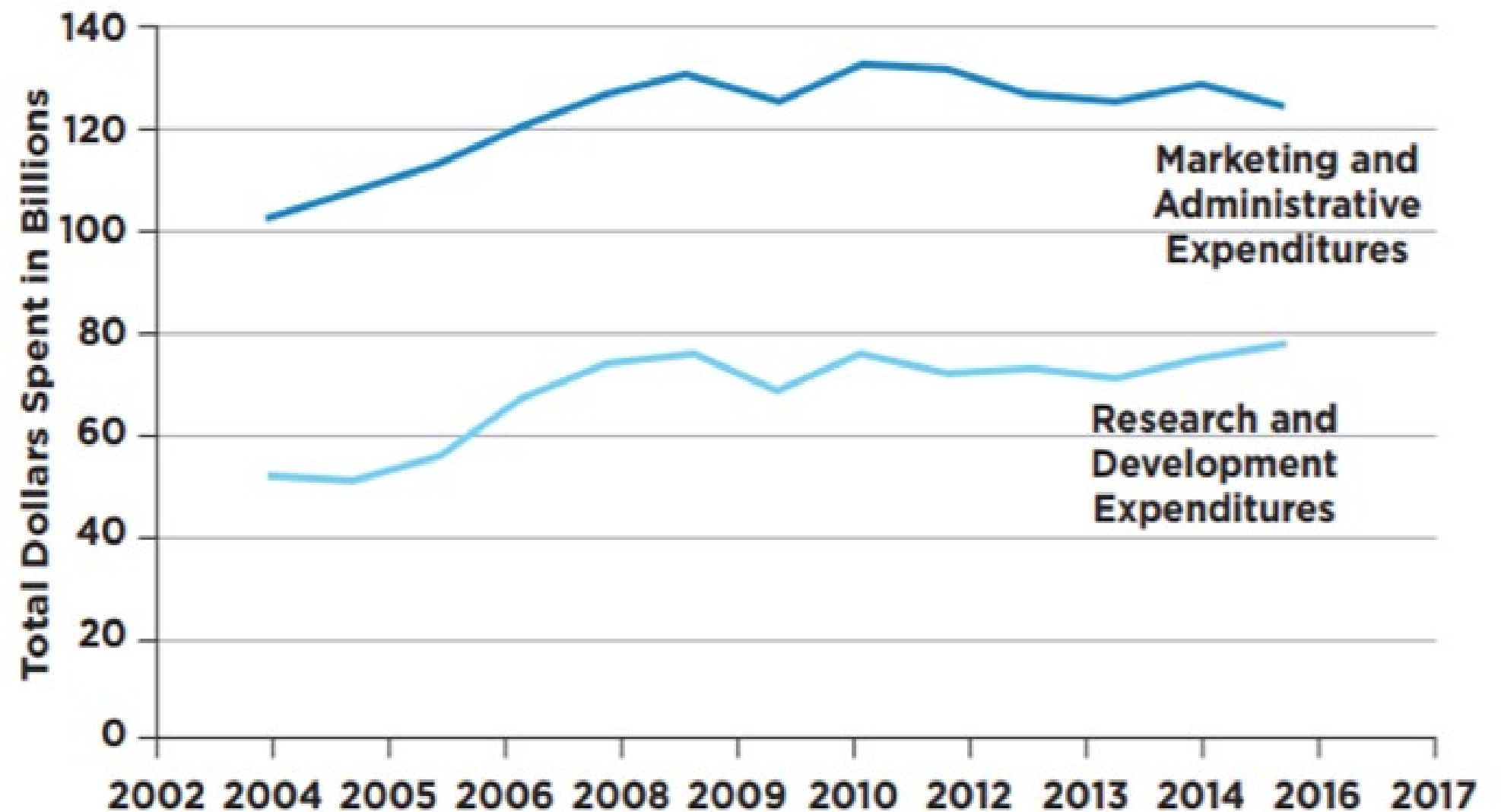
## Specialty drugs pipeline

# No, The High Cost is NOT Due to Research

FACTORS INFLUENCING AFFORDABILITY

91

Drug companies spend about \$40B a year **MORE** on marketing and administrative expenses than on research and the development of new drugs



**FIGURE 3-3** Comparison of total aggregate research and development and marketing-plus-administrative (including executive compensation) expenditures by 12 large pharmaceutical companies from 2003 to 2015.

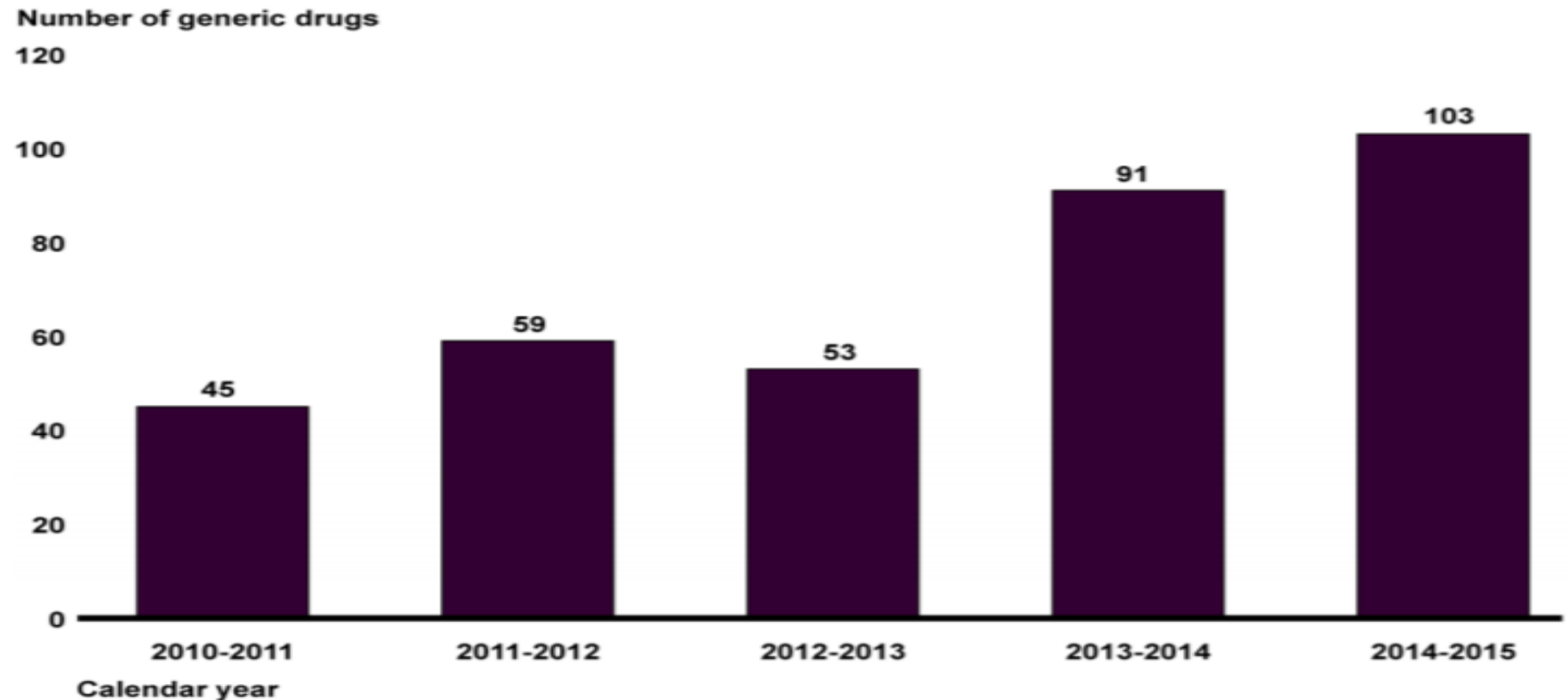
SOURCE: Data retrieved from Belk, 2017. See [http://truecostofhealthcare.org/pharmaceutical\\_financial\\_index](http://truecostofhealthcare.org/pharmaceutical_financial_index) (accessed November 15, 2017).



# Drug Price Increases are a Problem, Too

The US General Accounting Office found that 315 different drugs experienced 351 “extraordinary price increases” at least a doubling in price year-to-year.

**Figure 3: The Number of Established Drugs under Medicare Part D That Experienced an Extraordinary Price Increase, First Quarter 2010 to First Quarter 2015**



Source: GAO analysis of Medicare Part D prescription drug event data. | GAO-16-706

Note: A price increase of at least 100 percent from the first quarter of one year to the first quarter of the next is considered an extraordinary price increase. To be considered an established drug, a drug had to be in the Medicare Part D claims data for each quarter from the first quarter of 2009 through the second quarter of 2015 and meet certain other data reliability standards. A total of 1,441 drugs met these criteria.

Across our study period, the 315 established drugs experienced 351 extraordinary price increases.<sup>21</sup>

# Rx Solutions: Pushing Rx Manufacturer Compensation Through to Employers to Offset Rx Costs

## Manufacturer Rebates and Other Compensation

- CIVHC new data requirement:
  - All carriers to provide Rx manufacturer compensation to the APCD
  - By Sept for 2016, 2017 & 2018
- Goal:
  - Push this \$\$ through to employers
  - Insights into how rebates influence Rx use
  - Partner these insights with future Rx transparency
  - Craft policy to better control Rx costs





# Rx Solutions: Prescriber Tool

- Drives prescribing based on Rx cost & quality
- Battles DTC ads, incentives to influence Rx use
- Loads payer/carrier formularies, reimbursements, copays, prior auth rules and health programs.
- Will include an opioid addiction risk module
- Implementation 2020.
- Sets up more effective prescriber VBPs



# Rx Solutions: Combat Opioid Overprescribing

- CO Medicaid's evolving opioid prescribing guidelines have reduced members taking opioids and opioid pills prescribed by **50%** in 5 years.
- According to a CIVHC report, **50%** of claims for commonly prescribed opioids are more than 7 days.
- Many of these claims may be outside of the 7-day prescribing limits set forth in SB 18-022.



# Rx Solutions: Transforming Healthcare Thru Policy



## Legislation Achieved:

- SB 19-005 Import Rx from Canada
- New HHS Announcement on Draft Rules



# Rx Solutions: Transforming Healthcare Thru Legislation

## Insights that Inform Policy and Legislation Tomorrow



### NEXT on Rx:

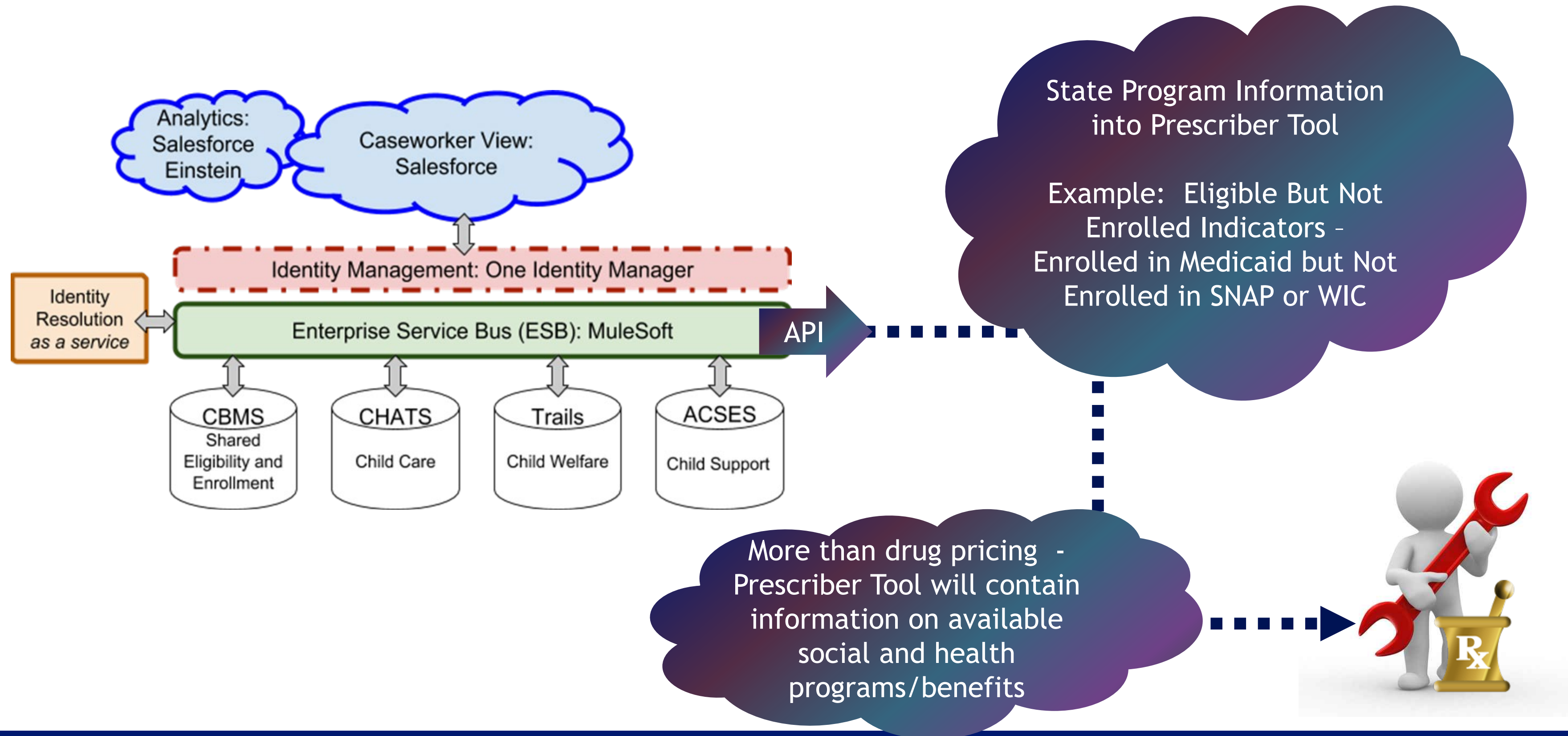
- Exec Dir Rule Analytics - manufacturer compensation btw BigPharma & Carriers
- Rx Report release in October
- Opioid SUD treatment appropriateness
- Inpatient SUD Waiver (7/1 coverage)
- CO is joining various lawsuits against big pharma - opioids, price fixing, etc.

# Request: Align OeHI Priorities and Funding with State Affordability Priority

- Prescriber Tool
  - EMR insights/integration
- Inter-Operability
- End of Life Planning
- TeleHealth/TeleMedicine



# JAI & Prescriber Tool





# Shared Systems and Innovations: TeleHealth / TeleMedicine and Broadband

- **TeleHealth/TeleMedicine** - access opportunities
  - Specialty Care
  - Behavioral Care (battles stigma)
  - Rural Access
  - Access for Individuals with Disabilities & Seniors
- **Office of Broadband** focused on advancing communities needs. Seeking \$\$ from FCC to help our rural communities with Broadband investments.



# Shared Systems: End of Life Planning

- SB 19-073: A Statewide System of Advance Medical Directives
- The bill requires CDPHE to contract with one or more health information organization networks for the creation, administration, and maintenance of a statewide electronic system that allows providers to upload and access advance health care directives
- \$993,147 to be appropriated to CDPHE
- Project to begin in FY20
- Empowering individuals, customer-centricity





# Population Health: Behavioral Health Task Force

**Framework:** ~ 25 members on BHTF; 3 subcommittees, also with ~ 25 members.

**Purpose:** Develop CO's Behavioral Health Blueprint by June 2020.  
Begin implementation of recommendations in July 2020.



## Subcommittees:

- **State Safety Net:** Offers a roadmap to ensure that every Coloradan, regardless of acuity level, ability to pay, or co-occurring disabilities, can obtain appropriate behavioral health services in their community.
- **Children's Behavioral Health:** Develop a plan to address how we deliver and manage children's behavioral health and improve outcomes.
- **Long-Term Competency:** Consistent with consent decree entered into by CDHS, develop a comprehensive plan for individuals in the criminal justice system who have been found incompetent to proceed and future solutions to increase community interventions to reduce demand on forensic solutions to mental health.

# Thank You!