

# Local Health Department Experiences with the State Innovation Model Initiative: Colorado

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## Introduction

Through the State Innovation Models (SIM) Initiative, the Centers for Medicare and Medicaid Services (CMS) has provided up to \$300 million since early 2013 to support the design, development, and testing of state-based models for multi-payer payment and healthcare delivery system transformation to improve health system performance for residents of participating states. The CMS has funded 25 states to develop or implement State Health Care Innovation Plans for improving health and reducing healthcare costs:

- Six states were designated **Model Testing Award** states and received \$250 million to implement their already developed State Health Care Innovation Plans.
- Three states, including Colorado, were designated **Model Pre-Testing** states and received funding to continue to develop comprehensive State Health Care Innovation Plans within six months of receiving funding.<sup>1</sup>
- Sixteen states were designated **Model Design** states and received funding to develop a new State Health Care Innovation Plan.

The National Association of County and City Health Officials (NACCHO), with funding from the Centers for Disease Control and Prevention, is producing a series of reports to educate local health departments (LHDs) about SIM-related activities in their states. As states reframe and redesign their financing and delivery structures, LHDs must ensure that their local perspective is represented.

## Implementation

Colorado, a Medicaid expansion state under the Affordable Care Act, worked with its state coalition to further develop and refine its comprehensive State Health Care Innovation Plan, building on a proposal to implement and test its Statewide Health Innovations Fostering Transformation program (SHIFT). SHIFT is a statewide effort to integrate behavioral health and clinical care.<sup>2</sup>

In Colorado, it was critical that LHDs ensured their participation in the early stage of state planning initiatives with the governor's office. Sometimes LHDs are left out of the planning for new initiatives either because the state health department is perceived as the public health lead or because healthcare is the focus. The



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Colorado Behavioral Health Council, representing behavioral health centers, and the state health department, were also involved because the plan focused on integrating primary care and behavioral health. During the short funding period, a public health workgroup was created to provide input and insight into the public health sections of Colorado's State Health Care Innovation Plan.

Ultimately, the plan describes what state and local officials would do with more funds to integrate primary care and behavioral health within the state. State and local public health officials and leaders from the state affiliate of NACCHO were involved in the public health workgroup. The goal was to produce system-wide change by focusing on a state-wide view of the approach to integrations and incorporating all necessary partners.

## Challenges

Some of the system interventions written into Colorado's State Health Care Innovation Plan are already in development and are partially funded through other sources; if additional funding becomes available, special attention will have to be paid to how to finance the overall approach most effectively. Some aspects of the plan are already being implemented, but the plan calls for a much more coordinated approach. Changes to the current payment system in the state will need to be made to ensure all aspects of the plan can be supported.

Also challenging was the fact that LHDs in Colorado have seen many recent retirements of public health directors, creating an era of new leadership. The learning curve for the new leaders is a challenge, but therein lies opportunity to be involved in the progress of expansion and implementation of provisions of the Affordable Care Act in a new way.

In addition, LHDs have struggled to input the local perspective into the plan due to a lack of definition about what the ultimate role of public health, especially at the local level, will be.

## Opportunities

Colorado has affiliated all Medicaid patients in the state with Accountable Care Collaboratives and created Regional Care Collaborative Organizations (RCCOs) to support these patients. This new Medicaid approach is intended to improve clients' health and reduce costs. Each client will receive the regular Medicaid benefit package, will be connected to a RCCO, and will choose a primary care provider. This model is designed as part of Medicaid reform to change the incentives and healthcare delivery processes for providers from one that rewards a high volume of services to one that holds providers accountable for health outcomes.<sup>3</sup> RCCOs connect Medicaid clients to Medicaid providers and also help clients find community and social services in their area.

The state is considering using RCCOs as models for health services, expanding the state focus to all patients from just Medicare and Medicaid. LHD involvement in RCCOs varies across the state; RCCOs that span more than one public health jurisdiction may contract with different agencies to provide different services. LHDs can support RCCOs in providing complex chronic disease case management and other services, but each relationship has to be developed separately. If LHDs get involved with RCCOs, funding opportunities could potentially increase for LHDs to assist in the provision of services that RCCOs are overseeing.

## Recommendations

LHDs need space and funding to figure out what they can bring to the newly evolving system. LHDs need to be incorporated into conversations at the state and local levels to help ensure that primary prevention, population-health, and the public health perspective are included.

LHD funds and human capital need to be increased to help LHDs improve and work more effectively together and with other partners, and LHDs need to develop more strategies to reach out to potential partners, including RCCOs.

## ADDITIONAL RESOURCES

### NACCHO'S HEALTH REFORM PROJECT WEBPAGE

[www.naccho.org/topics/healthreform/](http://www.naccho.org/topics/healthreform/)

### SIM INITIATIVE WEBPAGE

<http://innovation.cms.gov/initiatives/state-innovations/>

### GLOSSARY OF AFFORDABLE CARE ACT TERMS

<https://www.healthcare.gov/glossary/>

## References

1. Centers for Medicare and Medicaid Services. *State Innovation Models Initiative Fact Sheet: Model Pre-Testing Awards*. Retrieved March 17, 2014, from <http://innovation.cms.gov/initiatives/state-innovations-model-pre-testing/>
2. Ibid
3. Department of Health Care Policy and Financing. Colorado Official State Web Portal. Retrieved March 28, 2014, from <http://www.colorado.gov/cs/satellite/hcpf/hcpf/1233759745246>

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The mission of the National Association of County and City Health Officials (NACCHO) is to be a leader, partner, catalyst, and voice for local health departments.

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