

## **NEW COLORADO MEDICAID PROGRAM DOUBLES ITS SAVINGS IN ONE YEAR**

November 4, 2013

DENVER – November 4, 2013 – The Department of Health Care Policy and Financing (Department) announced today that the Department achieved \$44 million in gross savings or cost avoidance with its Accountable Care Collaborative (ACC) program. This is more than double the amount of cost avoidance achieved by the program last fiscal year. After accounting for payments to providers and regional care organizations, the program's net savings for state fiscal year 2012-13 was approximately \$6 million.

“This program is our premier program to ensure our clients are getting the right care, at the right time, in the right place,” said Susan E. Birch, MBA, BSN, RN, executive director. “We are achieving significant savings, while we are reinvesting in our providers and investing in care coordination. We will continue to build upon the initial success of our ACC program to achieve person centered care that brings together physical, behavioral, oral, long-term care and public health.”

This is the third year of the ACC program, which is designed to improve client health while lowering costs. The Department brought the program to state lawmakers as a budget reduction item in 2009 with the expectation that the program would not only pay for itself, but reduce expenditures in the future.

“In terms of savings, the program has exceeded our expectations. However, there is so much more that the Department wants to address through this program, that we've only scratched the surface,” said Deputy Medicaid Director Laurel Karabatsos. “Next year at this time, we expect to be talking not only about savings, but also about all the ways the program provides value to our providers, clients and the community.”

The Department established three initial key performance indicators to measure improvement among those clients enrolled in the ACC, compared to clients not yet enrolled. In FY 2012-13, those results were:

- Hospital Readmissions: 15-20 percent reduction
- High Cost Imaging: 25 percent reduction
- Emergency Room Utilization: 1.9 percent increase compared to a 2.8 percent increase for those not enrolled in the program

The program will be adding an additional performance metric next year related to well child visits. For more information visit [Colorado.gov/hcpf](http://colorado.gov/hcpf).<<http://colorado.gov/hcpf>>

About the Accountable Care Collaborative: The Accountable Care Collaborative (ACC<[http://www.colorado.gov/cs/Satellite?c=Document\\_C&childpagename=HCPF%2FDo](http://www.colorado.gov/cs/Satellite?c=Document_C&childpagename=HCPF%2FDo)

[cument\\_C%2FHCPFAAddLink&cid=1251596391488&pagename=HCPFWrapper>](#)) is Colorado Medicaid's program to improve clients' health and reduce costs. More than 352,000 clients are currently enrolled in the ACC. Medicaid clients in the ACC receive the regular Medicaid benefit package and belong to a Regional Care Collaborative Organization (RCCO<<http://www.colorado.gov/cs/Satellite?c=Page&childpagename=HCPF%2FHCPFLaout&cid=1251599759791&pagename=HCPFWrapper>>). The ACC program has seven geographical regions, each served by a specific Regional Care Collaborative Organization. These regional organizations provide care coordination, connect members to primary care (a medical home), specialists and community resources as needed.

The ACC is a central part of Medicaid reform that changes the incentives and health care delivery processes for providers from one that rewards a high volume of services to one that holds them accountable for health outcomes.

About the Colorado Department of Health Care Policy and Financing: The department administers the Medicaid and Child Health Plan Plus programs as well as a variety of other programs for low-income Coloradans who qualify. The mission of the department is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources. For more information about the department, please visit [Colorado.gov/hcpf](http://www.colorado.gov/hcpf)<<http://www.colorado.gov/hcpf>>.

Health Care Policy and Financing- press release