



## Colorado's Medicaid Program and Physical Health

Health First, Colorado's Medicaid program, is a public health insurance program for eligible Coloradans funded jointly by a federal-state partnership. In 2018, Health First Colorado launched the development of the Regional Accountable Entities (RAEs) to help administer Medicaid. The RAE contracts were awarded through a competitive bidding process by the Department of Health Care Policy and Financing (HCPF) to five private organizations who deliver services in seven designated regions across the state. RAEs replaced and consolidated the administrative functions of Regional Care Collaborative Organizations (RCCOs) and Behavioral Health Organizations (BHOs).

### Primary Care and the RAEs

The majority of Health First Colorado Members are assigned to a RAE that manages their physical and behavioral health care. All members that are eligible for full Medicaid benefits are assigned to a primary care medical provider (PCMP). Members can either choose their PCMP, they are assigned to a provider they saw within the last 18 months, or they are assigned to a provider in close physical proximity. The member is then assigned to the RAE that contracts with the members' PCMP. Members may see any Medicaid provider they choose and they are not required to see their PCMP. The RAEs build a network of PCMPs in their regions to serve as the medical homes for their members and the PCMPs partner with the RAEs to coordinate all of the member's health care needs. PCMPs must be enrolled as a Health First provider and then they contract directly with the RAE.

The RAEs are required to pass along at least 33 percent of the \$11.50 per-member per month payment they receive from HCPF to the PCMP for the responsibility of

serving as a medical home. The RAEs also pay PCMPs an administrative fee of at least \$2 per-member per-month for each RAE member the provider is responsible for, or the RAE and PCMP negotiate a value-based payment arrangement. Physical health care services provided by the PCMP are reimbursed in a fee-for-service payment structure from HCPF directly the PCMP. Physical health care services provided by the PCMP are reimbursed in a fee-for-service payment structure from HCPF directly the PCMP.<sup>1</sup>

#### Members of Health First Colorado are eligible for comprehensive medical benefits including:

- Allergy tests and shots
- Ambulance rides
- Audiology
- Doctor visits
- Emergency room visits
- Family planning counseling
- Home health
- Hospice
- Inpatient medical and surgical care
- Lab work
- Long-term home health therapies
- Medical equipment, like wheelchairs or oxygen
- Outpatient hospital services
- Radiology
- Prescription drugs
- Specialist visits
- Speech, physical and occupational therapy
- Telemedicine
- Urgent care
- Women's health services

1. Legislative Council Staff, [Regional Accountable Entities](#), November 2019

## Managed Care Options

While physical health is typically managed in a fee-for-service structure, two managed care capitation payment options currently operate in certain counties in RAE Region 5 through Health Medicaid Choice and Region 1 through Rocky Mountain Prime Health. Members are auto-enrolled in these programs but may choose to opt out to receive physical health benefits through a fee-for-service structure. <sup>2</sup>

## Health First Co-Pays

Coloradans covered by Medicaid do not pay premiums for their health care benefits. Some services covered by Health First Colorado have copays. The co-pays range from \$0 to \$10 per day. Some services never have co-pays including: Behavioral health services; emergency services; family planning services and supplies; and preventive services, such as annual wellness exams and vaccines. There is a monthly co-pay maximum for members that cannot exceed five percent of the member's monthly household income. This means that once a member has paid up to a certain amount in co-pays for the month, they do not have to pay any additional co-pays for the remainder of that month. If a member cannot pay the co-pay right away, the provider must still see the member. Members may be required to pay the co-pay later. <sup>3</sup>

## Payment Structure for the RAEs

The federal government and the Colorado Legislature jointly provide funding for Medicaid on an annual basis. The RAEs are responsible for effective and coordinated utilization of fee-for-service medical and surgical Medicaid benefits while HCPF is responsible for reimbursing providers for the services. Unlike commercial plans, HCPF and the federal government are responsible for determining the reimbursement rates for medical and

Regional Accountable Entity Regions



surgical services. HCPF pays an administrative fee of \$15.50 per-member per month, minus \$4, to each RAE to cover the cost of coordinating medical and surgical care for its members. The \$4 that is withheld is deposited into a pool and awarded to the RAEs to incentivize certain performance metrics.

## Additional Services

In addition to coordinating the physical and behavioral health services for their members, the RAEs advocate for their members, working closely with local leaders and community organizations to improve health for their enrollees. The RAEs provide many services for their Medicaid members including help finding long-term housing, transportation for medical appointments, access to nutritious foods, dental care, health education, and access to social services.

2. Legislative Council Staff, [Regional Accountable Entities](#), November 2019

3. Health First Colorado Co-Pays: <https://www.healthfirstcolorado.com/copay/>