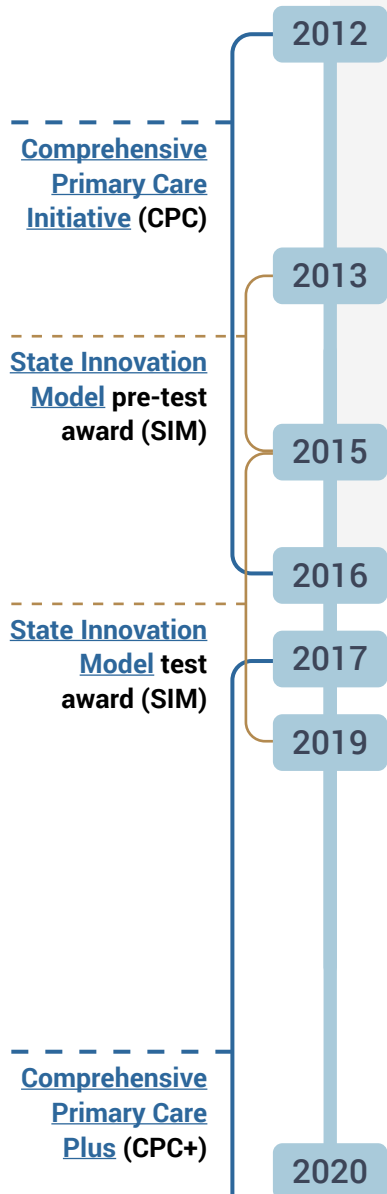


Colorado Snapshot

Federal



At a glance

Two major pieces of legislation shaped how state-regulated commercial plans pay for primary care. A 2019 bill expanded the authority of the Division of Insurance (DOI) to set affordability standards related to primary care and created the multistakeholder Primary Care Payment Reform Collaborative (PCPRC) to advise the DOI on the development of these standards. Based on recommendations from the PCPRC, the DOI mandated increases in spending on primary care and recommended, but did not require, that 25% of primary care payments be made prospectively. The state convened another multistakeholder group to explore consensus on alternative payment model (APM) alignment; the group recommended core features of a primary care APM rather than a single standardized model. This work led to a 2022 bill requiring aligned parameters of primary care APMs. While legislation and regulation have promoted the use of prospective payments, they have not made them mandatory.

State

HB19-1233 Investments in Primary Care to Reduce Health Costs

- Expands authority of the DOI to set affordability standards related to primary care, including targets for primary care investments.
- Creates the PCPRC to advise in the creation of affordability standards, including recommendations on targets for primary care investment and increasing the use of APMs. The PCPRC is scheduled to sunset in 2025; however, a state agency responsible for sunset review processes recommended the PCPRC continue, and at the time of this report's publication, a bill to extend the PCPRC through 2032 is under consideration.
- Mandates an annual primary care spend report from the All-Payer Claims Database (APCD), including the portion of payments in APMs.

Regulation 4-2-72 Concerning Strategies to Enhance Health Insurance Affordability

- Mandates an increase in the amount of total medical expenditures allocated to primary care by 1% per year in 2022 and 2023 without increasing premiums. (A 2024 [report](#) showed this target was not achieved at the market level; the percentage of total medical spending on primary care for commercial plans was 9% in 2021 and 8% in 2023).
- Sets a target (not a mandate) of 25% of primary care expenditures in prospective payments by the end of 2023.
- Requires carriers to submit annually a Primary Care Implementation Plan describing strategies for increasing primary care investment, and an APM Implementation Plan describing strategies for APM adoption.

Federal

State

2021

Colorado Alternative Payment Model (APM) Alignment Initiative

- Multistakeholder work on APM alignment to increase standardization of approach across payers. The initiative was convened by the Lieutenant Governor's Office in collaboration with the DOI, the state's Medicaid agency, and the agency administering the state employee health plan.
- Recommends core features of an aligned APM in lieu of a single standardized APM to allow for flexibility in payment structures across payers and providers.

2022

HB22-1325 Primary Care Alternative Payment Models

- Builds on recommendations from the Colorado APM Alignment Initiative and the PCPRC.
- Directs the DOI to establish aligned parameters for primary care APMs in collaboration with the state Medicaid agency, state health department, state employee health plan, the PCPRC, and carriers and providers participating in APMs.
- APM parameters must include, at a minimum, quality measures, patient attribution, risk adjustment, and core competencies.
- Additional APM parameters include incorporating prospective payment, ensuring shared savings arrangements minimize financial risk to providers, preserving options for carriers and providers to negotiate appropriate levels of APMs suited to the practice, and incentivizing behavioral health integration.

2023

Regulation 4-2-96 Concerning Primary Care Alternative Payment Model Parameters

- Requires carriers to incorporate requirements into APMs related to the parameters mandated in HB22-1325 and report on their use in their APM Implementation Plans:
 - Risk adjustment: describe methodologies used.
 - Attribution: describe methodologies used, provide and regularly review attribution lists at minimum quarterly, and create a process for requests for reattribution.
 - Core competencies: utilize the DOI's set of aligned core competencies. The core competencies establish a common set of expectations for high-quality primary care delivery around domains such as care coordination and team-based care, including behavioral health integration. The competencies include three tracks for participation.
 - Quality measures: incorporate the aligned DOI adult and pediatric quality measure set in primary care APMs.

2024

2025

Primary Care
First (PCF)

Health Care
Payment
Learning & Action
Network State
Transformation
Collaborative
(HCPLAN STC)

Making Care
Primary (MCP)