



Innovative Health Care Payment and Delivery to be Piloted in Colorado

Colorado is one of four states selected by the Centers for Medicare and Medicaid Services to participate in a new initiative advancing value-based payments in health care

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Denver, CO - Today the Centers for Medicare and Medicaid Services (CMS) announced the State of Colorado, along with Arkansas, California, and North Carolina, have been selected to participate [in an initiative \(https://lansummit.org\)](https://lansummit.org) to implement alternative payment models (APMs) that improve health care outcomes, equity, and value for all Coloradans. This new partnership with the [Health Care Payment Learning and Action Network \(https://hcp-lan.org/\)](https://hcp-lan.org/) (LAN) initiates State Transformation Collaboratives (STCs) that will accelerate the movement towards alternative payment models that drive higher quality and more equitable care.

“Alternative payment models help health care providers move from volume-based payments to value-based payments,” said Kim Bimestefer, executive director for the Department of Health Care Policy & Financing. **“They also align compensation with the achievement of shared affordability and quality results, including reducing health disparities which is a priority goal for our state. This partnership with LAN underscores the importance and efficacy of paying for outcomes, shown by our existing value-based programs in maternity and primary care.”**

This partnership also supports Governor Polis’s goal of saving Coloradans money on health care, while also improving health care affordability for employers and Medicaid.

“The shift to APMs and value-based payments is a key component of the Division’s ongoing work to improve health care quality, access, and affordability for Colorado consumers,” said Colorado Insurance Commissioner Michael Conway. **“Taking an aligned approach, through the STC partnership, will allow Colorado to better measure and track health care quality, increase access to high-quality care, and build on the success of the Colorado Option and State Reinsurance program to bring more affordability to consumers.”**



The State of Colorado is committed to improving health care quality, access, and outcomes for all Colorado residents through more person-centered and value-based care. Central to this commitment is moving away from traditional fee-for-service payment models that reward health care providers for doing more tests and procedures, instead of rewarding health care providers for improving their patients' health.

Many payers, including Health First Colorado (Colorado's Medicaid Program), are shifting towards value-based care, which seeks to improve upon the fee-for-service model and better incentivize providers who keep patients healthy through comprehensive care with a focus on primary care and prevention. Alternative Payment Models (APMs) are a set of approaches and innovations that prioritize high-quality and cost-efficient care.

“Common, standardized alternative payment models will greatly benefit purchasers and consumers alike,” said Robert Smith, executive director of Colorado Business Group on Health. **“With this partnership, the State is creating a more solid framework for a market-based solution. This is another example of how Colorado is leading the nation in health care reform.”**

Implementing alternative payment models is key to achieving alignment across markets: between government sponsored health care like Medicare and Medicaid, commercial payers, the state employee health plan, and purchasers and employers including the Colorado Purchasing Alliance. The goal of all these activities is to improve outcomes and equity in primary and maternity care.

State-level collaboration between Medicare, Medicaid, and commercial payers will support industry progress in critical areas including advanced primary care, behavioral health integration, and health equity. Colorado is honored to be selected to participate along with Arkansas, California, and North Carolina, and to be part of an initiative to provide more equitable, accessible, and high value care for all Coloradans.

About the LAN

The LAN is an active group of public and private healthcare leaders dedicated to providing thought leadership, strategic direction and ongoing support to accelerate our care system's adoption of alternative payment models (APMs). The LAN mobilizes payers, providers, purchasers, patients, product manufacturers, policymakers and others in a shared mission to lower care costs, improve patient experiences and outcomes, reduce the barriers to APM participation and promote shared accountability.

More information about the LAN is available at <https://hcp-lan.org>.