Applicant Preference for Proposal One, San Luis Valley Region:

Valley-Wide Health Systems, Inc. (Valley-Wide or VWHS) has provided primary healthcare services in the San Luis Valley (SLV) in south central Colorado (state) since 1976. Valley-Wide is a private, non-profit (501)(c)(3), Community/Migrant Health Center serving all populations with special consideration for the uninsured, underinsured and medically underserved. **The Colorado Department of Health Care Policy and Financing is requesting consideration for preference based on Valley-Wide's service area status as both rural and underserved areas.** *Please see chart below.*

The counties in this project include**:** Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache. These counties are all designated as rural or sparsely populated (or Frontier – having less than 7 people per square mile) according the Department of Health and Human Services Administration (HRSA) definitions. The SLV is a high alpine valley that is geographically isolated and the counties are all designated as Medically Underserved Areas or Populations (MUA or MUP) – except Mineral County – and Primary Care Health Professional Shortage Areas (HPSA). Combined county averages show the SLV at higher rates for populations living below the Federal Poverty Level (FPL) (SLV=19.4% vs. State=10.2% - 2004 US Census); ≤200% FPL (SLV=56.8% vs. State=22.6% -2000 US Census); uninsured (SLV=19.1% vs. State=15.9% - 2000 US Census); of Hispanic origin (SLV=46.1% vs. State=19.5%); and residents age 65+ (SLV=15.2% vs. State=10.0%) -2005 US Census. Migrant and Seasonal Farm workers also constitute a significant special population. These populations have no other point of regular access into primary care other than through Valley-Wide clinics.

MUA/MUP Designations:

COUNTY	SERVICE AREA NAME	TYPE (MUA/MUP)	*DESIGNATION DATE	*UPDATE DATE, IF APPLICABLE
Alamosa	**Alamosa Governor**	**GOV MUP**	**08/19/94**	**N/A**
Conejos	**Conejos County**	**MUA**	**11/01/78**	**N/A**
Costilla	**Costilla County**	**MUA**	**11/01/78**	**N/A**
Mineral		**None**		
Rio Grande	**Rio Grande County**	**MUA**	**11/01/78**	**N/A**
Saguache	**Saguache County**	**MUA**	**11/01/78**	**N/A**

**The only date noted at HRSA for the MUA/MUPs is the original designation date; therefore we cannot provide a new date after 01/01/2000.*

Primary Care HPSA Designations:

COUNTY	DESIGNATION DESCRIPTION	Score	Rural or Frontier
Alamosa	**Low Income**	**10**	**Rural**
Conejos	**Whole County**	**10**	**Frontier**
Costilla	**Whole County**	**22**	**Frontier**
Mineral	**Whole County**	**14**	**Frontier**
Rio Grande	**Low Income**	**14**	**Rural**
Saguache	**Low Income**	**15**	**Frontier**

PROJECT ABSTRACT: Proposal One, San Luis Valley Region

Governor Ritter has stated that the establishment of medical homes for Medicaid clients is one of the goals of the State of Colorado. A state plan amendment (SPA) allowing hospitals to impose cost-sharing for non-emergency services provided in the ED is under consideration. However, even without a SPA, two of Colorado's Federally Qualified Health Centers (FQHCs - which overall account for about one-third of Medicaid visits in the state) together with their local hospital Emergency Departments (ED) were already working on plans to bring patients who would otherwise access the local Emergency Department (ED) for non-emergency care into the FQHCs. The State of Colorado Department of Health Care Policy and Financing (the Department) supports the efforts of the San Luis Valley and Pikes Peak Regions and presents their respective plans for alternate non-Emergency service provisions.

The situation in the San Luis Valley (SLV) often mirrors that of the national trends of ED use. As of three years ago, strong access indicators were identified through an internal Valley-Wide survey. A majority of patients entering financial eligibility processes reported that they did not have a regular source of care; they saw a healthcare provider less than 1-3 times a year, and felt as though healthcare was not generally accessible. A common theme began to emerge that the ED is the only choice for healthcare services in an access-stringent environment. Valley-Wide has embraced expanded access through an alternative care model, prompting the planning and development of Convenient Care services to be housed in Valley-Wide's largest primary care clinic, SBMC; consequently naming the project SBMC Convenient Care, also referred to as Convenient Care services. Since Valley-Wide is the safety-net provider for primary care in the SLV, increased or alternate hours of operation will help increase access to care to help circumvent inappropriate use of the ED.

During the early summer months of 2007, organizational leaders began meeting to develop guiding principles, scope of care, staffing model, marketing strategies, and operational design for patients seeking non-urgent medical care. While one of the primary goals is to redirect ED patients back into primary care, this model also aims to free up primary care appointment slots for patients with chronic conditions, continuity of care issues, and preventative health services. The proposed breadth of the staffing model is also intended to address interventions that correlate with decreased ED usage, including providing health education, teaching patients how to use the healthcare system, and providing counseling on social/emotional issues. Operational hours will be specifically designed to provide primary care alternatives during hours when there is no other choice than the ED (nights and weekends), while also overlapping mid-afternoon hours with the highest known frequency of visits in the ED

Valley-Wide proposes to offer a new shift Monday through Saturday from 2:00 – 10:00 p.m., and Sunday hours will be added from 9:00 a.m. – 10:00 p.m. resulting in a total of 61 additional hours of operation per week. Based on current UDS (2006) information, Valley-Wide estimates 1,274 patients (new and established) will be seen through 4,000 Convenient Care visits in the first year of operation, and 1,433 patients through 4,500 visits in year two.

PROJECT NARRATIVE: Proposal One, San Luis Valley Region

Statement of Project/Need: The need for accessible, affordable, quality healthcare in the United States has never been greater. Over the past several years, the chronic lack of available medical professionals has impeded the conventional delivery of primary healthcare services in terms of access and availability for all populations, but particularly for the medically indigent. This trend is causing more and more patients to be disconnected from a regular source of care, looking to the San Luis Valley Regional Medical Center's (SLVRMC) Emergency Department (ED) as an alternate source for routine and safety net services. Utilization of the emergency room for primary care needs is costly and a very poor use of resources.

Improvements in health care are one of the foremost goals of the State of Colorado and the Department. Central to legislation and agency planning around these goals is the idea of a medical home, wherein people, especially Medicaid clients, can access more patient-centered, better integrated care in an appropriate, primary care setting. High numbers of Medicaid clients use hospital Emergency Departments (ED) as a first point of care, when often, care could be better, more efficiently and cost-effectively provided elsewhere. Using Health Plan Employer Data Information Set numbers for care delivered in calendar year 2005, the Department determined that the ED visits per 100 Medicaid FTE clients was 64.03, better than the national average of 81 ED visits per 100 Medicaid enrollees, but still far higher than the national average of 39.9 ED visits per 100 people. Although Colorado is considering the state plan amendment for hospitals to impose cost-sharing for non-emergency services provided in a hospital ED, it is not currently in process. EDs want to continue their ongoing efforts to educate Medicaid clients

about more appropriate non-ED care, and divert patients to these alternate care providers, even without the consideration of additional cost-sharing.

Located in south central Colorado and nestled between the ruggedly beautiful Sangre De Cristo and scenic San Juan Mountain ranges, lies the San Luis Valley (SLV or Valley), the largest fertile alpine valley in the world encompassing over 8,000 square miles. The amazing panoramic view, coupled with numerous diverse recreational options, presents a unique allure to residents and visitors alike where the lifestyles are simple and relaxed with varying cultures and traditions. The SLV is comprised of a rural five-county region including Alamosa, Conejos, Costilla, Rio Grande, and Saguache, plus residents from neighboring Mineral County. Largely agricultural with a 90-day growing season, a significant Migrant and Seasonal Farmworker (MSFW) population, and settled-out refugee Guatemalans constitute a vulnerable patient group served by Valley-Wide. A strong agriculture base, tourism, academic institutions, and retail commerce fuel the economy for this community.

Yet while the Valley is replete in scenic beauty, diverse cultures and traditions, and pioneering family heritage, this geographically isolated community is also abounding in economic shortfalls. Charted below are noteworthy characteristics of the counties in the SLV:

	Alamosa	Conejos	Costilla	Mineral	Rio Grande	Saguache	*San Luis Valley	Colorado
Population demographics								
Population (2006 estimates)	15,225	8,406	3,378	929	12,006	7,006	46,950	4,753,377
Median house-hold income 2004	$31,587	$27,077	$22,165	$39,725	$34,680	$23,638	$29,812	$50,105
% Population under age 5 (2005)	7.8%	6.9%	5.5%	3.8%	6.8%	6.6%	6.2%	7.3%
% Population under age 18 (2005)	26.8%	28.9%	22.6%	17.3%	25.7%	26.0%	24.6%	25.3%
% Population age 65+ (2005)	10.6%	15.7%	19.0%	20.5%	15.5%	10.0%	15.2%	10.0%
% Children under age 18 in Poverty 2004	24.2%	24.7%	30.1%	13.9%	23.7%	29.4%	24.3%	12.8%
# Persons with Disability age 5+ (2000)	2,474	1,754	1,057	134	2,364	1,158	8,941	638,654
% White (not Hispanic or Latino – 2005)	48.9%	41.1%	30.3%	97.2%	59.1%	50.7%	54.6%	70.8%
% Hispanic or Latino (not White - 2005)	43.6%	55.9%	63.0%	2.0%	37.6%	45.7%	41.3%	19.5%
% Speak Language other then English (2000)	28.3%	42.1%	59.5%	1.9%	27.6%	36.5%	-	15.1%
% Under Federal Poverty level (FPL) (2004)	19.2%	19.1%	22.4%	9.0%	16.3%	22.7%	18.1%	10.2%
% Under 200% FPL (2000)	44.6%	69.0%	69.6%	52.3%	56.1%	66.7%	59.7%	22.6%
% Uninsured (Estimated - 2000)	20.9%	22.5%	22.6%	15.7%	22.0%	24.7%	21.4%	15.9%
**Unemployment rate (2006 - Annual)	4.70%	6.60%	8.60%	5.20%	4.80%	6.30%	6.03%	4.30%
Disparate Health Indicators from CDPHE (2002-2006 annual average age-adjusted death rate)								
Cardiovascular Disease death rate	248.0	206.4	280.7	DS	300.9	187.7	-	244.9
Heart Disease	184.4	164.6	212.1	DS	215.8	144.5		170.7
Cerebrovascular Disease	52.1	35.5	DS	DS	67.7	DS	-	47.3
Malignant Neoplasms	127.8	129.2	231.2	DS	155.4	149.6	-	164.0
Unintentional Injuries (total)	58.8	68.9	82.8	DS	61.4	52.6	-	42.3
Chronic Lower Respiratory Diseases	84.0	55.5	DS	DS	63.4	59.4	-	52.3
Disparate Health Indicators (2006 age-adjusted death rate)								
Pneumonia and Influenza	30.9	0.0	0.0	0.0	54.9	0.0	-	16.2
Diabetes Mellitus	DS	73.9	DS	0.0	44.6	0.0	-	17.0

*CDPHE = Colorado Dept. of Public Health and Environment DS=Data Suppressed by CDPHE, * Averages or totals for combined six counties*
***Not seasonally adjusted*

The 46,950 SLV residents are served by 10 private primary care clinic systems scattered throughout the SLV in addition to Valley-Wide's seven primary care clinics. Valley-Wide has a clinic located in each of the SLV counties, except Mineral, providing accessible quality care *close to home*. Most of the private clinics offer limited hours of operation, however, Valley-Wide provides full-time services. In addition, extended hours are offered in the evening and on the weekends at Valley-Wide's Sierra Blanca Medical Center (SBMC) in Alamosa County year-round, and in the summer at the Cesar E Chavez Family Medical Center, in Saguache County. Alamosa County is centrally located in the Valley, and the pivotal point for all commerce.

The situation in the SLV often mirrors that of the national trends of ED use. As of three years ago, strong access indicators were identified through an internal Valley-Wide survey. A majority of patients entering financial eligibility processes reported that they did not have a regular source of care, they saw a healthcare provider less than 1-3 times a year, and felt as though healthcare was not generally accessible. A common theme began to emerge that the ED is the only choice for healthcare services in an access-stringent environment. The same concerns were noted in a formal survey conducted by The Jackson Organization Survey Research Consultants in 2005, commissioned by VWHS and the SLV RMC, indicating that SLV residents noted general service gaps with access inhibited by the lack of availability of current primary care providers.

As recent as March 2007, through SLV community forums conducted by the Colorado Health Foundation, the reiteration of lack of access to primary care services and providers placed an exclamation mark on the need to look toward alternate approaches to healthcare delivery to address insufficient primary care availability. A solution-focused strategy to enhance convenient

access to primary care services, through expanded hours of operation and offering same-day access for acute and minor health care needs, was developed to address identified needs. The goal being that caring for minor problems up front will keep people out of the emergency room later. Valley-Wide currently offers extended hours of service, however, patient feedback indicates that more is needed to meet the current level of demand among SLV residents. *Convenient care* access is a viable approach, and Valley-Wide as a Community Health Center is well suited for this model of care.

Overuse and inappropriate use of EDs is well documented in current literature. Inappropriate chronic users are over-represented by public aid and uninsured populations, the elderly, and pediatric patients – the target population of Health Centers nationally. Valley-Wide's system of care is likewise targeted to these populations. By offering a mix of enabling services to address complex and comprehensive needs, such as financial eligibility, case management, pharmacy, and health education, a comprehensive approach to care is achieved. When utilized, health centers reduce hospitalizations, inpatient days, and ED use – while improving community health. Several studies show that health centers save the Medicaid program roughly 30% in annual spending per Medicaid beneficiary due to lower specialty care referrals, ED visits, hospital admissions, and prescription drug costs (NACHC, Fact Sheet #0706, December 2006).

Internal reports from the SLVRMC indicate that the ED averages 1,200 visits monthly, of which 130 are noted as non-emergent. As recently as August 2007, the SLVRMC began a triage tracking system to track data on ED utilization for various levels of care including inappropriate acute or preventive care services. This system is still in development; however, it will provide useful information for future tracking.

Project Justification: To address the above community access concerns and overuse or inappropriate use of the SLVRMC ED, Valley-Wide has embraced expanded access through an alternative care model, prompting the planning and development of Convenient Care services to be housed in Valley-Wide's largest primary care clinic, SBMC; consequently naming the project SBMC Convenient Care, also referred to as Convenient Care services. Since Valley-Wide is the safety-net provider for primary care in the SLV, increased or alternate hours of operation will help increase access to care to help circumvent inappropriate use of the ED.

During the early summer months of 2007, organizational leaders began meeting to develop guiding principles, scope of care, staffing model, marketing strategies, and operational design for patients seeking non-urgent medical care. While one of the primary goals is to redirect ED patients back into primary care, this model also aims to free up primary care appointment slots for patients with chronic conditions, continuity of care issues, and preventative health services. The proposed breadth of the staffing model is also intended to address interventions that correlate with decreased ED usage, including providing health education, teaching patients how to use the healthcare system, and providing counseling on social/emotional issues. Operational hours will be specifically designed to provide primary care alternatives during hours when there is no other choice than the ED (nights and weekends), while also overlapping mid-afternoon hours with the highest known frequency of visits in the ED. Local hospital authorities have documented that hours of peak ED utilization are Friday, Saturday and Sunday from 3:00 until 9:00 p.m., and Mondays are also noted as high volume days. The focus of care is geared toward same day appointment management for patients with minor acute illnesses or injuries, who can easily be managed in quick turnaround times.

Marketing for SBMC Convenient Care will be promoted through patient flyers that can be used within clinic settings as well as in the community to target populations and in Valley-Wide's patient handbook that includes a description of services. Importantly, efforts will also be coordinated with the local hospital to ensure appropriate referrals are made through smooth transitions from one source of care to another.

Health care delivery systems are changing in multifaceted ways and are constantly in flux. As Charles Darwin said: "It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change." Convenient Care services will fill a niche by moving to bridge the chasm between an ailing health care system and a rising new model of care that offers high quality, cost-effective and timely health care.

Project Goal: The primary goal of SBMC Convenient Care is to increase access to primary care services through expanded hours of operation (i.e. evenings and weekends), and establish patients in one of Valley-Wide's primary care sites for a medical home.

Outcomes: Redirect inappropriate Valley-Wide patient ER visits by developing a referral system with SLVRMC. Data projections indicate that 50% of Valley-Wide patients (particularly Medicaid and uninsured) seeking non-emergent care will be referred from the ED into SBMC Convenient Care during the first six months of operation, working toward a goal of 100% by the end of year two.

Estimate of Impact to Beneficiaries: Valley-Wide proposes to offer a new shift Monday through Saturday from 2:00 – 10:00 p.m., and Sunday hours will be added from 9:00 a.m. – 10:00 p.m. resulting in a total of 61 additional hours of operation per week. Based on current UDS (2006) information, Valley-Wide estimates 1,274 patients (new and established) will be

seen through 4,000 Convenient Care visits in the first year of operation, and 1,433 patients through 4,500 visits in year two. Using the SLVRMC's average of 130 non-emergent visits per month (of which 37% are Medicaid), data projections indicate that 50% of Valley-Wide patients (particularly Medicaid and uninsured) seeking non-emergent care will be referred from the ED into SBMC Convenient Care during the first six months of operation, working toward a goal of 100% by the end of year two.

Description of the Magnitude of the Impact to Medicaid: Emergency department (ED) services are often provided for non-emergent care to individuals who lack the education and/or resources for appropriate primary care. Non-emergent care in the ED is expensive and ineffective for health plans, hospitals, and consumers alike. According to data from Valley Wide's Federal 330 grant, their average cost per encounter for Medicaid clients is $123, with a per user/per year cost of $433, far lower than the estimated cost of over $1500 for ED cost of care.

The American Academy of Family Physicians has compared the experience of a sick patient seeking care at an ED to that of going on a blind date – they never know what they are going to get. Many Medicaid patients are "medically homeless" and their plight underlies today's uneven quality in health care. This project will provide Medicaid patients with a medical home at Valley-Wide clinics where they can receive the appropriate acute, chronic and preventive medical care services.

Current ED Utilization Data for only Medicaid patients from only the emergency room at San Luis Valley Regional Medical Center in Alamosa		
Number of ER Visits	Unique Clients	Total Reimbursements
1	1526	$217,667.86

2	435	$128,320.74
3	157	$67,573.40
4	64	$36,470.44
5	33	$24,356.04
6	14	$11,162.81
7	8	$8,804.00
8	3	$1,710.10
9	5	$5,886.27
10	2	$3,387.06
11	1	$1,964.05
12	1	$3,154.78
13	2	$5,271.04
15	1	$379.92
Reporting Note: Two clients for San Luis Valley Med Center were investigated since the sum of their Total Reimbursement appeared to be lower than normal. Both were dual-eligible, which explained the low sum.		

Description of Sustainability of the Project: Since 1976 Valley-Wide has generated revenue from a variety of sources including patient fees and state and local contracts which are further subsidized by federal 330(e) and 330(g) funding to serve the medically indigent. Start-up funding from the Grant Funds for Establishment of Alternate Non-Emergency Services Providers will allow Valley-Wide the ability to increase service access availability to vulnerable populations. Establishment of effective work processes (infrastructure design and patient management, billing, and collection systems) will improve the project's ability to become self-sustaining through the delivery of increased traditional billable services, collection of co-payments, and established working agreements for the delivery of healthcare services. This initiative compliments federal efforts to direct patients into medical homes for ongoing primary and preventive health services, the aim of the health center model.

Evaluation Plan: The success of this project will be determined first and foremost by the implementation of Sierra Blanca Medical Center Convenience Care services which will provide

an alternate, appropriate option for healthcare services other than through the ED serving low-income rural populations.

Evaluation at Valley-Wide is an integral part of the strategic planning process and is tied into organizational Continuous Quality Improvement (CQI) at every level. Through CQI processes, internal integrated components including administrative chart reviews with individualized provider feedback, patient satisfaction/complaint surveys, committee self evaluation tools, adoption of a Plan-Do-Check-Act models and internal health indicator studies help ensure that Valley-Wide is consistent with timely national and state-level standards. Data drives each formal evaluation process that determines if goals and objectives are met for overall success. Also, Valley-Wide's annual Strategic Planning process drives organizational evaluation beginning with a clearly defined strategic focus, integrated measurement systems, and infrastructure for continuous improvement initiatives.

Specifically the evaluation of Convenient Care services will be based on a comparison of inappropriate ER utilization data and establishment of a medical home for unassigned Medicaid patients. A Convenient Care patient survey may be conducted to determine patient's perceptions about access and use of primary care sites for routine and non-emergent services. Success of the project will further be based on the preservation and increase of primary care services for low-income, underserved residents which will ensure future access to safe, quality care services.

Description of Project Implementation Readiness: Valley-Wide is positioned to pilot Convenient Care operations in October 2007. Valley-Wide has identified a health provider champion to pilot core clinical services and a healthcare provider team. Vacancy announcements for necessary nursing positions (i.e. triage and direct services) are currently being advertised. Additional staff positions will be filled as appropriate following notice of grant funding. The pilot will include core clinical services only, with comprehensive, ancillary care services added if

grant-funded (for example casemanagement services, provisions for pharmacy, etc.). Other services would be added within 90 days of the notice of grant award.

Health care, driven by the needs of the patient, is at the heart and soul of the Convenient Care approach and would provide an effective solution to decrease inappropriate utilization of EDs and encourage increased and appropriate utilization of prevention services and chronic care management.

Additionally, the State of Colorado Department of Health Care Policy and Financing will serve as the Fiscal Agent for grant monies received and distribute appropriate funds to Valley-Wide. The State will provide oversight of the grant activities of this regional program and will work with project leads to complete and submit timely grant reports.

BUDGET: Proposal One, San Luis Valley Region

Valley-Wide Health Systems, Inc. - Budget
HHS/CMS Grant Opportunity
Alternate Non-Emergency Service Providers

	Oct-07 Through Sep-08	Oct-08 Through Sep-09
	Year 1	Year 2
Revenue:		
Patient Revenue		
Medicare	71,280	80,190
Medicaid	175,878	197,870
CHC/CICP	122,526	137,835
Self pay		

	43,470	48,904
Commercial Insurance	110,862	124,720
CHP+	15,984	17,981
Gross Patient Revenue	540,000	607,500
Contractuals		
Medicare	2,509	2,823
Medicaid	12,048	13,554
CHC/CICP	99,920	112,404
Self pay	11,919	13,409
Commercial Insurance	23,281	26,191
CHP+	4,736	5,329
Total Contractuals	154,413	173,710
Net Patient Revenue	385,587	433,790
Other Revenue		
Medically Indigent Revenue	91,797	103,272
Contract Revenue	64,800	72,900
Federal Grant Request	455,000	435,000
Total Other Revenue	611,597	611,172
Total Revenue	997,184	1,044,962

Expense:

Personnel

Physician (.50 FTE)

	71,500	75,075
Mid Level (1.00 FTE)	88,000	92,400
Registered Nurse (1.00 FTE)	52,800	55,440
LPN (2.00 FTE)	66,000	69,300
Clinic Manager (.50 FTE)	24,750	25,988
Support Staff (2.00 FTE)	44,000	46,200
Transcriptionist (.50 FTE)	17,600	18,480
Case management (1.00 FTE)	33,000	34,650
Eligibility Technician (1.00 FTE)	30,800	32,340
Subtotal Personnel	428,450	449,873
Fringe		
FICA	32,776	34,415
Professional Development	2,000	2,100
Health Insurance	65,856	69,149
Disability & Life Insurance	9,438	9,910
Worker Compensation	5,398	5,668
Unemployment	2,142	2,249
Employee Health	500	525
Retirement	6,292	6,607
Subtotal Fringe	124,402	130,623
Travel	2,000	2,100
Subtotal Travel	2,000	2,100

Equipment		
Equipment (Medical)	1,000	250
Equipment (Administrative)	500	125
Equipment (Computer)	500	125
Subtotal Equipment	2,000	500
Supplies		
Medical Supplies	40,500	45,563
Administrative Supplies	5,940	6,683
Janitorial Supplies	2,160	2,430
Postage	1,620	1,823
Books & Subscriptions	1,080	1,215
Subtotal Supplies	51,300	57,714
Contractual		
Purchased Services-Laboratory	10,800	12,150
Purchased Services-Radiology	4,860	5,468
Purchased Services-Spec Prov	5,400	6,075
Purchased Services-Pharmacy	23,000	23,690
Janitorial Services	20,520	23,085
Subtotal Contractual	64,580	70,468
Other		
Utilities	19,980	22,478
Telephone		

	16,740	18,833
Licensing & Support	4,320	4,860
Repairs & Maintenance	5,940	6,683
Courier Services	3,240	3,645
Recruitment	3,500	1,000
Printing	3,240	3,645
Marketing	15,000	5,000
Dues & Memberships	2,160	2,430
Security	20,003	20,605
Bad Debts	23,055	27,305
Subtotal Other	117,178	116,484
Total Direct Costs	789,910	827,762
Indirect Costs (26.24%)	207,274	217,200
Total Expense	997,184	1,044,962
Profit (Loss)	-	-

Applicant Preference for Proposal Two, Pikes Peak Region:

Peak Vista Community Health Centers (Peak Vista) has provided primary healthcare services in the Pikes Peak region in southern Colorado (state) since 1971. Peak Vista is a private, non-profit (501)(c)(3), Community/Migrant Health Center serving all populations with special consideration for the uninsured, underinsured and medically underserved. Memorial Health Systems (Memorial) has been providing hospital services in the region since 1904. **The Colorado Department of Health Care Policy and Financing is requesting consideration for preference based on Peak Vista's partnership with Memorial, the main local community hospital. Peak Vista's service area also has status as both a rural and underserved area.** *Please see chart below.*

Peak Vista and Memorial have along working relationship. Both are participants in the region-wide HealthTrack system for tracking patient/client data, allowing them to easily allowing them to share eligibility data. All pre-planning and preparatory work for this program has been collaborative in nature between the two entities. As part of this program, Memorial will designate space on-site at Memorial Emergency Department for case managers and immediate patient consultation. Having Peak Vista outreach staff on-site will increase the ease that patients can learn about alternate non-emergency services available to them, and increase their willingness to utilize those services by immediately helping them register as a Peak Vista patient and schedule an appointment.

MUA/MUP Designations:

COUNTY	SERVICE AREA NAME	TYPE (MUA/MUP)	*DESIGNATION DATE	*UPDATE DATE, IF APPLICABLE
El Paso	**El Paso Service Area #00454**	**MUA score 60.3**	**03/03/1982**	**05/03/1994**
El Paso – Low Income	**El Paso Service Area #05200**	**MUP score 59.9**	**05/27/1999**	**N/A**
Teller – Low Income	**Cripple Creek Service Area #00464**	**MUA score 47.6**	**05/11/1994**	**N/A**

**The only date noted at HRSA for the MUA/MUPs is the original designation date; therefore we cannot provide a new date after 01/01/2000.*

PROJECT ABSTRACT: Proposal Two, Pikes Peak Region

Governor Ritter has stated that the establishment of medical homes for Medicaid clients is one of the goals of the State of Colorado. A state plan amendment (SPA) allowing hospitals to impose cost-sharing for non-emergency services provided in the ED is under consideration. However, even without a SPA, two of Colorado's Federally Qualified Health Centers (FQHCs - which overall account for about one-third of Medicaid visits in the state) together with their local hospital Emergency Departments (ED) were already working on plans to bring patients who would otherwise access the local Emergency Department (ED) for non-emergency care into the FQHCs. The State of Colorado Department of Health Care Policy and Financing (the Department) supports the efforts of the San Luis Valley and Pikes Peak Regions and presents their respective plans for alternate non-Emergency service provisions.

As part of a collaborative effort, Peak Vista Community Health Centers and Memorial Health System propose to establish an effective referral program for non-emergency Medicaid patients seeking care at Memorial's Emergency Department (ED). Memorial's ED staff will provide initial treatment to patients entering the ED for non-emergency care, and then recommend follow-up care with Peak Vista. Funding from this grant will be used to implement the establishment of this infrastructure with a focus on Medicaid patients.

Memorial will provide Peak Vista with space on site for their outreach staff to meet with patients. The Outreach Case Managers will work with the patients to provide information about services that are available, to register them with Peak Vista, determine their Medicaid eligibility if they are not already registered, and also provide scheduling for appointments and follow-up care. The Case Managers will also work with the patient to determine which Peak Vista clinic best suits their long-term primary care needs and will encourage them to utilize Peak Vista as their new medical home.

Peak Vista will accommodate patients initially at the Immediate Care Clinic, located about one mile from the hospital, where a new provider team will be hired to meet the added patient load. In addition to the Case Managers located on site at Memorial, Peak Vista will have Case Managers located on their main campus who will receive contact information from patients who came to the ED for non-emergency care after hours. They will provide additional education to patients on services available to them, as well as help with registration and scheduling of appointments. The Case Managers will also follow-up with patients to remind them to attend scheduled appointments, and provide transportation vouchers to those in need.

This project will focus on reaching three goals: 1) to educate the Medicaid population about alternative non-emergency care options; 2) to offer real time referrals to alternative non-emergency care through the use of Outreach Case Managers; and 3) to promote the concept of a medical home for Medicaid patients so that they will have a better understanding of their healthcare options and appropriately use health care services.

The total budget for this initiative is $926,100 - $468,800 for year one and $457,300 for year two. The CMS Grant will fund .75 FTE Provider, 1.5 FTE Medical Assistants, .5 FTE Receptionist, .5 FTE Scheduler, 7 FTE Case Managers, transportation vouchers for patients in need, equipment costs and electronic health records licensing for the new provider.

In 2006, Memorial Health System's ED saw 101,800 patients, 21,000 of whom were seen for non-emergency services. An intended outcome of this initiative is to significantly reduce the number of non-emergency services ED visits and realize substantial cost savings for Medicaid through the reduced cost for billing for a primary care visit as opposed to an ED visit.

PROJECT NARRATIVE: Proposal Two, Pikes Peak Region
Statement of Project/Need

Improvements in health care are one of the foremost goals of the State of Colorado and the Department. Central to legislation and agency planning around these goals is the idea of a medical home, wherein people, especially Medicaid clients, can access more patient-centered, better integrated care in an appropriate, primary care setting. High numbers of Medicaid clients use hospital Emergency Departments (ED) as a first point of care, when often, care could be better, more efficiently and cost-effectively provided elsewhere. Using Health Plan Employer Data Information Set numbers for care delivered in calendar year 2005, the Department determined that the ED visits per 100 Medicaid FTE clients was 64.03, better than the national average of 81 ED visits per 100 Medicaid enrollees, but still far higher than the national average of 39.9 ED visits per 100 people. Although Colorado is considering the state plan amendment for hospitals to impose cost-sharing for non-emergency services provided in a hospital ED, it is not currently in process. EDs want to continue their ongoing efforts to educate Medicaid clients about more appropriate non-ED care, and divert patients to these alternate care providers, even without the consideration of additional cost-sharing.

In 2006, Memorial Health System's Emergency Department (ED) saw 101,800 patients and was again rated as the busiest Emergency Department in Colorado by the Colorado Hospital Association. Of those patients, 21% were seen for non-emergency services (21,000), much higher than the 15.5% reported as non-urgent nationally by the National Hospital Ambulatory Medical Care Survey in 2004. The majority of those patients were on or qualified for Medicaid. Non-emergency cases, defined by Memorial Health System, include but are not limited to minor head injuries (lacerations), toothaches, sore throats and insect bites. In the long run, patients'

physical health care needs will be better served by having a medical home for their healthcare needs than having to rely on the Emergency Department.

Peak Vista Community Health Centers is the largest provider of Medicaid services in the Pikes Peak region and currently has an ongoing working relationship with Memorial Health System. As part of the community since 1971, Peak Vista Community Health Centers provide high quality, affordable healthcare to residents in the Pikes Peak region. As the only Federally Qualified Health Center (FQHC) in the region, Peak Vista is the largest provider of primary care services to the uninsured and underinsured in the region. Peak Vista operates multiple clinics for all life cycles, including Family, Senior, Women's, Pediatric, Homeless, Immediate Care, and Dental, as well as an array of ancillary services, including pharmacy, laboratory, 24-hour nurse triage, case management and health education. Peak Vista's mission is to provide exceptional healthcare for people facing access barriers. In 2006, Peak Vista served 37,237 patients with 169,102 encounters.

Founded in 1904, Memorial Health System (MHS) has been serving southern Colorado, and more specifically Colorado Springs and El Paso County, for over 100 years. Its mission is to optimize the health, safety and comfort of their patients, their families, and the community they serve by providing the best and most sensitive professional care and service. Memorial provides comprehensive and high-quality medical services to meet community needs. Memorial Hospital North opened in April 2007 and a new building at Memorial Hospital Central (the East Tower) will open in late 2007. In addition, MHS includes the new Memorial Hospital for Children, in partnership with The Children's Hospital; two Level III neonatal intensive care units; leading edge diagnostic capability, and all other core medical and surgical services that a tertiary care hospital system requires, such as cardiology, oncology, orthopedics, trauma/emergency services,

obstetrics, and rehabilitation. With 57% of the local market share, Memorial is the site of 4,500 annual births, 27,800 inpatient admissions, 323,000 outpatient visits, 128,000 patient days, and 101,800 emergency department visits.

Peak Vista Community Health Centers and Memorial Health System have been in close collaboration to develop an effective system for allowing patients who enter Memorial's ED for non-emergency care to receive information about non-emergency care options that are available to them. The major issue has been Emergency Medical Treatment and Active Labor Act (EMTALA) regulations which limit Memorial's ability to offer alternative care options. Current hospital policy requires all patients who enter the Emergency Department to be seen and treated, even when they do not require emergency care.

Pre-planning between the two organizations has resulted in a positive collaboration for this grant opportunity that will provide medical care for patients who present in the ED and will provide non-emergency patients with information about options for less expensive care through Peak Vista. For Medicaid patients, the care is at no cost because of their Medicaid status. Peak Vista will also serve patients who are eligible for Medicaid, but whose application status is pending. Peak Vista plans to apply to become a Medical Assistance site that will allow them to process Medicaid applications and determine eligibility for potentially eligible Medicaid clients that will complement the activities under this grant.

Project Justification

Currently, Memorial Health System reports that their ED sees approximately 21,000 non-emergency cases per year, the majority of which are Medicaid. Many of these patients would benefit greatly from having access to a medical home at Peak Vista, but do not currently have access to that information. By collaborating on this project, Peak Vista and Memorial will put a

system in place that will provide patients with immediate care and education on follow-up and future care options available to them. Memorial's ED will provide medical treatment to all patients entering the system. Following treatment, if it is determined that non-emergency care would be optimal for follow-up for the Medicaid patient, the provider will encourage the patient to meet with a Peak Vista Outreach Case Manager, located on-site, at no charge to learn about alternative care options and to schedule follow-up appointments at Peak Vista's Immediate Care Clinic (ICC.) Patients who are deemed to be eligible for Medicaid will also be encouraged to seek council from Peak Vista's Case Managers about options available to them. Following the ED visit, patients that sought non-emergency care in the ED will be designated as such in El Paso County's HealthTrack System.

The El Paso County HealthTrack System is an integrated client database system that allows the various delivery partners to provide more complete, but unduplicated services. Many agencies serving the Medicaid population in El Paso County use this system, making collaborative tracking easier. The HealthTrack system accommodates demographic data, basic encounter data for the various agencies, and tracks the eligibility screening process, eliminating the need for patients to file duplicate paperwork by allowing agencies to share eligibility data. HealthTrack contains sufficient patient/client data so it functions as a virtual mini-health record for the agencies or clinics that serve those eligible for Medicaid or the uninsured.

Memorial Health Systems will provide Peak Vista with space on-site in their facilities for Peak Vista's Outreach Case Managers. The space will include room for the Case Managers and patient consultation. Having the outreach staff available on-site will increase the willingness of the patients to learn about and seek the less expensive non-emergency services option available

to them, by reducing the time between being seen in the ED and being advised of more appropriate services.

Following the initial referral from the ED provider, patients will meet with a Case Manager from Peak Vista who will provide them with information about Peak Vista's services, locations and the benefits of finding a medical home. If the patient needs an immediate non-emergency follow-up appointment, the Case Manager will schedule an appointment for them at the ICC. For patients in need, Case Managers will also provide transportation vouchers to allow the patient to get to their scheduled appointment.

Peak Vista's ICC is located approximately one mile from Memorial Hospital. Peak Vista will hire an additional medical provider and support staff at this clinic to accommodate the increase in patient load as a result of this outreach project. This will allow for patients to access care without delay. The ICC will be opened 8:00 a.m. to 9:30 p.m. Monday through Friday, 9:00 a.m. to 4:30 a.m. Saturday and 10:00 a.m. to 3:30 a.m. on Sundays.

For patients who do not need to be seen immediately in the ICC, Case Managers located on site at the ED will assist them with registering as a Peak Vista patient, help them determine the best location for their ongoing care, and schedule follow-up and/or future appointments for them. Patient information will then be sent to the Case Managers housed at Peak Vista's main campus who will continue to provide education and support to these patients as they integrate into the Peak Vista system of care.

Peak Vista will have an Outreach Case Manager on site at Memorial from 8:00 a.m. to 12:00 midnight, seven days a week. On-site case management will be available during 60% of the ED's operational day. Memorial will provide an after hours patient list to Peak Vista's Case Managers for Medicaid patients seeking non-emergency care during the remaining 40% of the

time. Case Managers will follow-up with the patients, explain alternative care options and encourage patients to schedule follow- up appointments at the appropriate Peak Vista site.

In addition, Peak Vista is investigating becoming a Medicaid Assistance (MA) site. The MA site designation will allow Peak Vista to process Medicaid applications and determine Medicaid eligibility for potential Medicaid clients. Both the local hospitals the Department of Human Services, and the Department of Health Care policy and Financing support Peak Vista's efforts in this area to identify and enroll clients into the Medicaid program and receive needed health care services. Peak Vista plans to submit their letter of intent by the end of October, 2007. When Peak Vista becomes a MA site, patient's Medicaid applications will be fully processed through their facilities expediting the approval process and alleviate some of the workload at the El Paso County Department of Human Services associated with application processing.

Project Goals and Outcomes

Peak Vista and Memorial have established the following goals for this collaborative project.

1. To educate the Medicaid population about alternative non-emergency care options available to them.
2. To offer real time referrals to alternative non-emergency care through the use of Outreach Case Managers.
3. To promote the concept of a medical home for Medicaid patients so that they will have a better understanding of their healthcare options and appropriately use health.

The expected long-term outcomes of these goals will be an increase in utilization of non-emergency services through Peak Vista by Medicaid patients and a decrease in the overall number of non-emergency Medicaid patients seen at Memorial's Emergency Department. Most

importantly, clients are empowered with the information to make better choices about their heath care that improve their health status and quality of life.

Estimate of Impact to Beneficiaries

The target population for this project is the Medicaid population of the Pikes Peak region who use Memorial's Emergency Department for non-emergency services. According to Memorial Health System, their ED sees approximately 21,000 non-emergency patients annually, the majority of which are Medicaid. While not all non-emergency Medicaid patients may choose to utilize Peak Vista as a medical home, the likelihood increases that many will choose a more appropriate place to receive health care services as a result of the education and outreach efforts.

Patients will see a significant impact on their health as a result of finding a medical home at Peak Vista. They will be able to see a primary care provider who will have access to their medical history and be able to help the patient manage any health conditions they may have or that may arise. With Peak Vista's open access policy for scheduling appointments same day/next day, patients will not see a significant change in the amount of time they have to wait for care from what they currently receive at the ED. Additionally, patients will receive case management services to help with registration and scheduling as well as to remind them of appointments and help to keep them on track with follow-up care. Health outcomes should improve for these patients because of the continuity of care they will receive through a medical home.

Description of Magnitude of the Impact to Medicaid

Medical care provided through EDs, walk-in clinics, and other urgent-care facilities is often more costly and less effective than care given by a physician with prior knowledge of the patient. If only 14% of the 18,109 Medicaid patients (2,600) at Memorial's ED decide to seek

care from Peak Vista rather than the ED, the results could be dramatic. The impact to Medicaid is a reduction in the average cost of billing from $1,784 for ED visits to $76 for a primary care visit. Based on one visit per patient, that equals a total savings of $4,440,800 directly for Medicaid.

The American Academy of Family Physicians has compared the experience of a sick patient seeking care at an ED to that of going on a blind date – they never know what they are going to get. Many Medicaid patients are "medically homeless" and their plight underlies today's uneven quality in health care. This project will provide Medicaid patients with a medical home at Peak Vista where they can receive the appropriate acute, chronic and preventive medical care services.

This will also have a positive impact on Memorial's ED. Despite the reduction in the number of visits, Memorial will see a cost savings. Reimbursement for Medicaid patients is $405 compared to the actual cost of care of $1,784. Memorial could potentially realize a cost savings of $4,638,400 based on the 2,600 possible transfers to Peak Vista.

Current ED Utilization Data for only Medicaid patients from only the emergency room at Memorial Health Systems in Colorado Springs		
Number of ER Visits	Unique Clients	Total Reimbursements
1	7455	$1,657,666.76
2	2022	$914,659.63
3	800	$535,197.04
4	325	$287,940.64
5	176	$200,822.83
6	93	$128,398.63
7	61	$104,464.22
8	33	$67,522.41
9	20	$48,432.97
10	25	$58,480.46
11	14	$43,973.43
12	10	$25,101.24

13	11	$35,607.32
14	2	$7,849.76
15	6	$19,944.74
16	3	$8,390.85
17	2	$6,282.99
18	3	$9,591.74
19	1	$8,454.41
20	1	$644.37
21	2	$6,949.19
22	1	$1,041.52
24	1	$6,977.86
26	2	$16,481.21
27	1	$887.42
31	1	$9,839.61
45	1	$12,172.94
78	1	$36,430.04
Reporting Note: For Memorial Hospital there was one client with 78 ER visits during the span, almost all of which were Alcohol related.		

Description of Sustainability of the Project

The State of Colorado will see a reduction in billed costs as a result of Medicaid patients receiving their non-emergency care at Peak Vista as opposed to the Memorial Hospital ED.

Peak Vista expects this program to be self-sustaining through an increase in Medicaid reimbursements for services provided. As patients register with Peak Vista, they will have the option of several clinical locations conveniently located in different parts of the region for their medical home. This practice will allow Peak Vista to continue to see new Medicaid patients at the ICC and then schedule them for continued primary care at a clinic that is more convenient. This will allow the costs for the providers and support staff to be covered following the end of the grant cycle.

Evaluation Plan

Peak Vista will record statistical data to help evaluate the success of this project. That data will include the number of patients referred from the ED and the number of encounters

provided, including follow-up appointments and future primary care appointments. Primarily, the data will be used to help determine the effectiveness at reaching the objectives described earlier. The secondary utilization of this data will be to identify and correct any problems or concerns that may surface during the initial implementation of this project. Peak Vista and Memorial will work together to share information to determine whether there was an actual decrease in Medicaid non-emergency visits to the ED over the life of this grant.

The goal of educating the Medicaid population about alternative non-emergency care options will be assessed through contact sheet records from the Outreach Case Managers which will indicate the number of patient referrals. The program's goal is that at least 90% of referred patients will receive follow-up education.

The goal to provide real time referrals to alternative non-emergency care by Outreach Case Managers will be measured by the amount of time the Outreach Case Managers are available at the ED. This service will be available 60% of the time, based on the hours the ED is open in comparison to the hours outreach staff are available.

The third goal focuses on whether Medicaid patients will have a better understanding of their healthcare options and utilize health care services more appropriately as well as embrace the concept of a medical home. This will be tracked by Peak Vista patient data on the number of referred Medicaid patients who seek additional primary care services from Peak Vista. We expect that 20% of the total number of patients receiving educational information from our Case Managers will become patients of record.

Description of Project Implementation and Readiness

Memorial Health System and Peak Vista Community Health Centers have worked together on developing this project for several years. Both parties see significant benefits to

providing alternate non-emergency services options. The following timeline shows the plan for implementation set forth by both parties.

Timeline:

November 2007: New staff will be hired to fill the new grant positions.

December 2007: Internal education for both Peak Vista and Memorial Staff. Stock and equip new outreach locations. Community education on use of HealthTrack will occur at the CATCH user group meeting.

January 2008: Peak Vista staff will open the outreach location in Memorial. Memorial's ED will begin referrals to Peak Vista.

February-June 2008: Patients are seen in the ED and referred to Peak Vista for care.

July 2008: Assessments will be done to determine if adjustments need to be made.

July –December 2008: Continue to conduct referrals, assistance, and follow-ups.

January 2009: Compile year-end data to assess status.

January-December 2009: Continue to conduct referrals, assistance, and follow-ups

January 2010: Compile year-end data to assess status.

Ongoing: During the grant cycle, quarterly reports will be submitted to CMS documenting the expenditure of grants funds and the progress being made toward reaching the goals outlined in this proposal.

Additionally, the State of Colorado Department of Health Care Policy and Financing will serve as the Fiscal Agent for grant monies received and distribute appropriate funds to Memorial Hospital and Peak Vista. The State will provide oversight of the grant activities of this regional program and will work with project leads to complete and submit grant reports timely.

BUDGET: Proposal Two, Pikes Peak Region

CMS Grant-ER Diversion Project
Budget Narrative

	Year 1		Year 2	
Expenses:				
Personnel:				
.75 FTE Physician $65.65/hour per 1FTE	$	102,400.00	$	107,500.00
1.5 FTE Medical Assistant $13.45/hour per 1 FTE	$	42,000.00	$	44,100.00
.5 FTE Reception $12.69/hour per 1 FTE	$	13,200.00	$	13,900.00
.5 FTE Scheduler $11.60/hour per 1 FTE	$	12,100.00	$	12,700.00
7 FTE Outreach Worker $13/hour per 1 FTE	$	189,300.00	$	198,700.00
Total Personnel:	$	359,000.00	$	376,900.00
Fringe Benefits				
FICA (7.65%)	$	27,500.00	$	28,800.00
Workers Comp (.5%)	$	1,800.00	$	1,900.00
Unemployment (.453%)	$	1,600.00	$	1,700.00
Medical, Dental, Retirement (11.397%)	$	40,900.00	$	43,000.00
Total Fringe Benefits	$	71,800.00	$	75,400.00
Total Personnel & Fringe Benefits	$	430,800.00	$	452,300.00
Other Costs:				
Desks 9 @$695	$	6,300.00		
Chairs 9 @$149	$	1,300.00		
Computers9 @$800	$	7,200.00		
Phones 9 @ $350	$	3,200.00		
EHR License	$	5,000.00		
Transportation Vouchers	$	5,000.00	$	5,000.00
Recruitment	$	10,000.00		
Total Other Costs	$	38,000.00	$	5,000.00
Total Expenses:	$	468,800.00	$	457,300.00