



**COLORADO**  
Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

October 1, 2022

The Honorable Julie McCluskie, Chair  
Joint Budget Committee  
200 East 14<sup>th</sup> Avenue, Third Floor  
Denver, CO 80203

Dear Representative McCluskie:

Enclosed please find the Department of Health Care Policy and Financing's response to the Joint Budget Committee's Request for Information for Multiple Departments #9 regarding the Tobacco Master Settlement Agreement.

*Each Department is requested to provide the following information to the Joint Budget Committee by October 1, 2022 for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.*

The Department is allocated Tobacco Settlement funding for the Children's Health Plan Plus (CHP+) and Children's Autism Program, and the attached report contains the programmatic information of the two programs. In the report, you will find an overview of the program, prior year financials, strategic priorities and key goals, partner relationships, program measures of success, and program opportunities and challenges.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Jo Donlin, at [Jo.Donlin@state.co.us](mailto:Jo.Donlin@state.co.us) or 720-610-7795.

Sincerely,

A handwritten signature in black ink, appearing to read 'K Bimestefer'.

Kim Bimestefer  
Executive Director



KB/maq

Enclosure: Health Care Policy and Financing FY 2021-22 Multi-Department RFI #9

CC: Senator Chris Hansen, Vice-chair, Joint Budget Committee  
Representative Leslie Herod, Joint Budget Committee  
Senator Bob Rankin, Joint Budget Committee  
Representative Kim Ransom, Joint Budget Committee  
Senator Rachel Zenzinger, Joint Budget Committee  
Carolyn Kampman, Staff Director, JBC  
Robin Smart, JBC Analyst  
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Cristen Bates, Office of Medicaid and CHP+ Behavioral Health Initiatives and Coverage, HCPF  
Adela Flores-Brennan, Medicaid Director, HCPF  
Ralph Choate, Medicaid Operations Office Director, HCPF  
Charlotte Crist, Cost Control & Quality Office Director, HCPF  
Thomas Leahey, Pharmacy Office Director, HCPF  
Tom Massey, Policy, Communications, and Administration Office Director, HCPF  
Bettina Schneider, Finance Office Director, HCPF  
Bonnie Silva, Office of Community Living Director, HCPF  
Parrish Steinbrecher, Health Information Office Director, HCPF  
Rachel Reiter, External Relations Division Director, HCPF  
Jo Donlin, Legislative Liaison, HCPF



# Multi-Department LRFI #9 (Tobacco Master Settlement Agreement)

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*Joint Budget Committee's Multi-Department Request for Information #6 regarding the programs funded with Tobacco Master Settlement moneys*

October 1, 2022



**COLORADO**  
Department of Health Care  
Policy & Financing

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## I. Children’s Basic Health Plan

### A. Program Overview:

<b>Program Description:</b>	The Children’s Basic Health Plan, known as the Child Health Plan <i>Plus</i> (CHP+), provides affordable health insurance to children under the age of 19 and pregnant women in low-income families, up to 260% of the Federal Poverty Level (FPL), who do not qualify for Medicaid and do not have private insurance. The program is primarily funded by tobacco settlement monies deposited in the Children’s Basic Health Plan Trust, Healthcare Affordability and Sustainability Fee cash fund, and federal funds.	
<b>Eligible Population:</b>	Uninsured children from 143% FPL to 260% FPL and uninsured pregnant women from 196% FPL to 260% FPL.	
<b>Tobacco Settlement Monies Received:</b>	FY 2021-22: \$15,856,50310	
<b>Services:</b>	<b>Number of Eligible Persons Served:</b>	
Affordable health insurance and oral health care for CHP+ children and Prenatal Clients.	In FY 2021-22, average monthly caseload for CHP+ was 53,343 (52796 children and 547 pregnant adults).	

### B. Strategic Priorities and Key Goals

- Reduce the number of uninsured children and pregnant adults under 260% FPL that are not eligible for Medicaid.

**C. Measures of Success:**

<b>Program Outputs</b>	<b>Program Outcomes</b>
<ul style="list-style-type: none"><li>In FY 2021-22, CHP+ provided health care to an average monthly caseload of 53,343 children and pregnant adults who would have otherwise been uninsured. This represents a 19.40 percent decrease in the average monthly enrollment over FY 2020-21.</li></ul>	<ul style="list-style-type: none"><li>Providing affordable health insurance to children under the age of 19 and pregnant women in low-income families who do not qualify for Medicaid and do not have private health insurance.</li><li>Offering a defined benefit package that uses privatized administration.</li></ul>

**D. Program Opportunities and Challenges:**

The COVID-19 pandemic has presented enrollment challenges for the CHP+ program throughout SFY21-22, particularly as the state of Colorado complies with the mandates of the ongoing Public Health Emergency (PHE). The PHE has presented opportunities for the state to implement programmatic and regulatory changes in support of public health. However, the need to modify policies and procedures to facilitate access to coverage and care has continued to shift limited resources to focus on responding to the public health crisis. Additionally, the Maintenance of Eligibility (MOE) provision, introduced in the Families First Coronavirus Response Act (FFCRA), which requires states to maintain eligibility for Medicaid beneficiaries until the end of the PHE, has caused a decrease in CHP+ program enrollment, bringing the average monthly caseload to 53,343 children and pregnant adults during SFY21-22.

The COVID-19 PHE also introduced a unique challenge to ensure CHP+ members are completing vital primary and preventative care visits. Throughout the pandemic, rates of vaccinations, primary, and preventative services among children have declined, which may impact long-term health outcomes for children enrolled in the program. In response, the Department has taken steps to introduce flexibilities in accessing care via telehealth and will continue to collaborate closely with CHP+ Managed Care Organizations (MCOs) to ensure children catch up on missed vaccines, preventative services, and maintain access to care.

Despite the challenges presented during FY21-22, significant strides were made in CHP+ program improvement. In 2018, through the HEALTHY KIDS and ACCESS Acts, federal funding for the CHP+ program has been extended through FFY2027. This long-term funding extension has allowed the Department to focus on strategic improvements to modernize the CHP+ program. Throughout SFY21-22, the Department has identified and prioritized key areas of alignment between the CHP+ program and the Accountable Care Collaborative (ACC) program. This allows the Department to bring the CHP+ program into increased alignment with the overall goals of improving member health, furthering performance outcomes, and reducing the cost of care for Coloradans. In alignment with those objectives, key areas of focus within the CHP+ program have included:

- Establishing increased alignment between the requirements for CHP+ and Medicaid MCOs
- Improving the exchange of necessary data and information to more effectively monitor program performance and member health
- Identifying key outcome and performance metrics to strengthen reporting requirements and consistency across CHP+ MCOs so the Department can better measure and manage the quality and cost of care across the CHP+ program
- Building the foundation of quality metrics, performance goals, and strategies to hold CHP+ MCOs accountable for achieving benchmarks
- Providing a framework for identifying targeted populations and conditions to ensure consistent application of evidence-based programs across CHP+ MCOs
- Identifying areas to improve operational processes and performance
- Fostering increased engagement with key stakeholders and improving mechanisms for collaborating in the sharing of ideas and best practices

As part of the effort to modernize the CHP+ program, at the end of SFY21, the Department ended the State Managed Care Network (SMCN), the administrative service organization (ASO) for the CHP+ program. Moving forward, all CHP+ eligible members will be enrolled into a managed care organization. This expansion of a managed care delivery model within the CHP+ program represents improved continuity of care for members and a reduction in duplicative administrative tasks through leveraging the Department's capabilities and infrastructure. Additionally, during SFY21, the Department was granted approval from CMS for a five-year extension of the state's 1115 Prenatal Demonstration. This Demonstration will continue to allow the state to

receive Title XXI funds to support increased access to high-quality prenatal, delivery, and postpartum care, and improved health outcomes for low-income mothers and their babies.

SFY22 represented the continuation toward improving and modernizing the CHP+ program. The Department will leverage the successes of the past year to continue pursuing strategic programmatic improvements, seek feedback and recommendations from key stakeholders to identify opportunities for alignment between CHP+ and Medicaid, and implement overall strategies to further improvement in the CHP+ program.

**E. FY 2022-23 Tobacco Master Settlement Funds Recommendation:**

The Department recommends an allocation, consistent with current statute, of eighteen percent of the Tobacco Master Settlement Agreement on an ongoing basis. While caseload has decreased from its FY 2019-20 levels, the CHP+ population has been mostly stable during the past years and more growth is expected in the years to come. In addition, the federal match rate for the CHP+ program decreased in FY 2021-22 and the Department will continue to need an increased state share for the program. The Department will continue to need a regular funding source to meet the needs of these clients. FY 2021-22 saw the CHP+ Trust Fund depleted, and the Department began using General Fund appropriations to continue to administer the program.

**I. Early and Periodic Screening, Diagnostic and Treatment (EPSDT)**

**A. Program Overview**

<b>Program Description:</b>	HB 16-1408 added Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT) to the services covered by the Colorado Autism Treatment Cash Fund. Starting in 2016, behavioral therapy services were moved out of various HCBS programs, including all children’s waivers, into the EPSDT benefit. These services are funded by tobacco settlement monies deposited in the Colorado Autism Treatment fund, General Fund, and federal funds.
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<b>Eligible Population:</b>	Per C.R.S. 25.5-6-805 the Colorado Autism Treatment fund was created for the purpose of paying for services provided to eligible children, EPSDT services, and program and participant evaluations. Eligible children are children under the age of six that have received a diagnosis of autism. The EPSDT benefit provides comprehensive and preventive health care services for children and youth ages 20 and under, who are enrolled in Health First Colorado. The only population that is eligible to be funded by the Colorado Autism Treatment Cash Fund, however, are those children with an autism diagnosis and who are under the age of 6 at the time of service.	
<b>Tobacco Settlement Monies Received:</b>	FY 2021-22: \$1,731,494	
<b>Services:</b>	<b>Number of Eligible Persons Served:</b>	
Comprehensive community support treatment, mental health assessment, request for assessment, and adaptive behavior treatment.	1,702	

**B. Strategic Priorities and Key Goals**

- Increase the quality of services to EPSDT children and youth with an autism diagnosis and under the age of 6 who have a documented need for pediatric behavioral therapy services

**C. Measures of Success**

<b>Program Outputs</b>	<b>Program Outcomes</b>
<ul style="list-style-type: none"> <li>• Increased quality in provider documentation by standardizing</li> </ul>	<ul style="list-style-type: none"> <li>• Serving the children most vulnerable to institutionalization without the</li> </ul>

<p>documentation to reduce any unnecessary delays in care</p> <ul style="list-style-type: none"> <li>• Increased percentage of goals met per child</li> <li>• Increased quality of the prior authorization process</li> </ul>	<p>services provided with quality services and higher percentage of goals met</p> <ul style="list-style-type: none"> <li>• Keeping children out of institutions and in their communities</li> <li>• Demonstrating improvement in the child’s expressive and receptive communication, adaptive skills, and a reduction in the severity of the child’s maladaptive behavior, including self-injurious or aggressive behavior and tantrums, through the use of standardized and norm-referenced treatment and assessments</li> </ul>
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**D. Program Opportunities and Challenges**

On September 14, 2015, the Centers for Medicare and Medicaid Services (CMS) denied the Department’s Children with Autism waiver expansion and requested that the State provide the services, when medically necessary, through Early and Periodic Screening, Diagnostic and Treatment (EPSDT). The Department has enrolled providers and is currently providing behavioral therapies to clients through the EPSDT program. Since behavioral therapy was the only service on the Children with Autism waiver, the Department submitted a Waiver Amendment to CMS to phase out the CWA waiver in 2018. The Department stopped all program and waitlist enrollments on January 2, 2018 and ended operations on July 1, 2018. The Department established transition monitoring procedures to work with Case Management Agencies and families to ensure client transitions were appropriate and timely.

In the fall of 2015 CMS also directed the Department to run the Pediatric Behavioral Therapies benefit under EPSDT and remove behavioral services for children and youth 20 years and under from the following waivers: Children’s Extensive Support (CES) waiver, Children’s Habilitative Residential Program (CHRP) waiver, Developmental Disabilities (DD) waiver and the Supported Living Services (SLS) waiver. The Department

transitioned all children and youth 20 years and under from waiver behavioral services to Pediatric Behavioral Therapies in FY 2017-18. It is important to note that members who are receiving EPSDT and behavioral services must also meet eligible criteria of the Colorado Autism Treatment Cash Fund statute. The member must have an autism diagnosis and be under the age of 6.

**E. FY 2022-23 Tobacco Master Settlement Funds Recommendation**

Consistent with current statute, the Department recommends that the program should continue to receive two percent of the Tobacco Master Settlement on an ongoing basis until the program terminates. Children with an autism diagnosis under the age of 6 are continuing to utilize behavioral therapy services through the EPSDT benefit. As utilization continues to grow, the Department will continue to need a regular funding source to meet the needs of these clients.

The costs of providing these behavioral services will continue to outpace the annual revenue into the Cash Fund from the Tobacco Master Settlement. Therefore, the funds from the settlement will serve as an offset to General Fund expenditure on EPSDT and pediatric behavioral therapies for the eligible population.