

# Multi-Department LRFI #4 (Tobacco Master Settlement Agreement)

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*Joint Budget Committee's Multi-Department Request for Information #4 regarding the programs funded with Tobacco Master Settlement moneys*

**October 1, 2024**



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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, General Fund, 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 adults from 196% FPL to 260% FPL.	
<b>Tobacco Settlement Monies Received:</b>	FY 2023-24: \$16,753,114	
<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 2023-24, average monthly caseload for CHP+ was 68,566 (67,139 children and 1,427 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>
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<ul style="list-style-type: none"> <li>• In FY 2023-24, CHP+ provided health care to an average monthly caseload of 68,566 children and pregnant adults who would have otherwise been uninsured. This represents a 44.67 percent increase in the average monthly enrollment over FY 2022-23.</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>
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#### D. Program Opportunities and Challenges

The COVID-19 pandemic presented significant enrollment challenges for the CHP+ program due to the mandates of the Public Health Emergency (PHE). The PHE offered 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 also diverted limited resources to address the immediate public health crisis. Additionally, the Maintenance of Eligibility (MOE) provision, introduced in the Families First Coronavirus Response Act (FFCRA), required states to maintain eligibility for Medicaid beneficiaries until the conclusion of the PHE. This resulted in reductions in CHP+ program enrollment, beginning in FY 2019-20 at the onset of the PHE and continuing until the start of the PHE Medicaid continuous coverage unwinding in May 2023. During the PHE unwind process, CHP+ program enrollment grew substantially, reaching an average monthly caseload of 68,566 children and pregnant adults in FY 2023-24, an increase of 44.67 percent over FY 2022-23. Current CHP+ program enrollment now exceeds program enrollment prior to the start of the PHE but remains lower than the program’s peak enrollment in FY 2017-18. The Department anticipates that program enrollment will continue to grow.

The COVID-19 Public Health Emergency (PHE) posed unique challenges in ensuring that CHP+ members completed essential primary and preventive care visits. Throughout the pandemic, rates of vaccinations, primary care, and preventive services among children declined, potentially impacting long-term health outcomes for those enrolled in the program. In response, the Department introduced flexibilities in accessing care via telehealth and collaborated closely with CHP+ Managed Care Organizations (MCOs) to help children catch up on missed vaccines and preventive services, as well as to maintain access to care. During the PHE, annual enrollment fees were

postponed and ultimately waived. Additionally, HB 22-1289, Health Benefits for Colorado Children and Pregnant Persons, permanently removed the enrollment fee for CHP+ members, further increasing equity and alignment with Medicaid.

Despite the challenges presented in previous years, significant strides were made in improving the CHP+ program. In 2018, through the HEALTHY KIDS and ACCESS Acts, federal funding for the CHP+ program was extended through FY 2026-27. This long-term funding extension has allowed the Department to focus on strategic improvements to modernize the CHP+ program. Throughout FY 2022-23 and FY 2023-24, the Department identified and prioritized key areas of alignment between the CHP+ program and the Accountable Care Collaborative (ACC) program. This alignment enables the Department to further the goals of improving member health, enhancing performance outcomes, and reducing the cost of care for Coloradans. In support of these objectives, key areas of focus within the CHP+ program have included:

- Establishing increased alignment between the contractual 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, the Department ended the State Managed Care Network (SMCN), the administrative service organization (ASO) for the CHP+ program, at the end of FY 2020-21. Moving forward, all CHP+ eligible members are enrolled in a managed care organization, with a brief pre-MCO period of fee-for-service managed by the Department. 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 by leveraging the Department's capabilities

and infrastructure. Additionally, during FY 2020-21, the Department received approval from CMS for a five-year extension of the state's 1115 Waiver 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, improving health outcomes for low-income mothers and their babies through 2025.

In FY 2023-24 the Department continued to work to improve and modernize the CHP+ program. The Department will leverage the successes of past years 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 for further improvement in the CHP+ program. The Department has worked collaboratively with the CHP+ Managed Care Organizations and stakeholders to implement the new coverage provisions mandated in HB 22-1289 by January 1, 2025. Specifically, the Department is working to establish new coverage opportunities, allocate Health Services Initiative Funds, and engage with all relevant stakeholders in a meaningful and comprehensive way.

Also, in FY 2023-24, CHP+ included gender-affirming care in its benefit package, increasing alignment with Medicaid's recent updates to the service. Systems changes were implemented to better manage the care of newborn members, contract language was updated to improve outcomes for the pregnant population, and messaging and communication with providers and managed care staff were increased. CHP+ has embraced the Department's Health Equity Plan and has consciously and consistently infused equity, diversity, inclusion, and accessibility into everyday practices, framing all work accordingly. CHP+ recently updated its websites to be more accessible and member-focused, including a Spanish web page and the addition of a provider page with CHP+ specific information.

Despite all the strides CHP+ has made during and since the PHE, there is still much work to be done in the coming years. Medicaid's ACC Phase III presents unique and exciting opportunities to further align services, systems, and contracting with Medicaid. The Behavioral Health Administration is working with the Department to improve behavioral health for all Coloradans, especially youth. CHP+ will work diligently to ensure that any gap between Medicaid and commercial coverage is competently managed by the CHP+ program, leveraging higher federal financial participation and aligning with

Medicaid to ensure a comprehensive approach to serving children and families in Colorado.

**E. FY 2024-25 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. Program caseload has recovered and now exceeds FY 2019-20 levels, demonstrating the program's resilience and the return of many enrollees following the end of the continuous coverage requirement from the COVID-19 public health emergency. The enhanced federal match rate that supported the program during the pandemic is no longer effective as of January 1, 2024. Consequently, the Department will require an increased state share to maintain the program. The need for a stable and regular funding source is critical to meet the ongoing needs of these members. The depletion of the CHP+ Trust Fund in FY 2021-22, FY 2022-23, and FY 2023-24 underscore the necessity for continued General Fund appropriations to ensure the program's sustainability and administration.