



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

# Quarterly Report #1

## Implementation of the American Rescue Plan Act of 2021, Section 9817

---

*Enhancing Colorado's Home and Community-Based Services  
System through an Enhanced Federal Match*

**November 1, 2021**

**Submitted to: The Joint Budget Committee**

Quarterly Report  
July 2021- September 2021



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

Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

November 1, 2021

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

Dear Senator Moreno:

Enclosed please find the Department of Health Care Policy & Financing's (HCPFs) quarterly Implementation of the American Rescue Plan Act of 2021, Section 9817 report to the Joint Budget Committee.

*Section 25.5-6-1804, C.R.S. requires the Department, commencing November 1, 2021 and occurring quarterly thereafter to report to the Joint Budget Committee concerning the status of expenditures pursuant to this part 18. The report must include:*

- (a) The scope, intended impact, and amount of money disbursed from the money received pursuant to the "American Rescue Plan Act";*
- (b) A description of how the state department incorporated stakeholder feedback into plans for the disbursement of money; and*
- (c) An update as to the total amount of money disbursed from the money received pursuant to the "American Rescue Plan Act", the remaining amount of money, and the projected amount of anticipated federal financial participation.*

HCPF submitted its initial proposal of American Rescue Plan Act (ARPA) Medicaid Home and Community-Based Services (HCBS) spending to the Centers for Medicare and Medicaid Services (CMS) on June 13, 2021. Since receiving Joint Budget Committee approval on September 21, 2021, Colorado also received conditional approval from CMS. Conditional approval simply entails the state's compliance with the applicable requirements set forth under section 9817 of the Act and fulfillment of the requirements as stated in State Medicaid Directors Letter # 21-003.

This report serves as an initial communication to provide an update of current progress, identify a framework for the delivery of future reporting, and establish a spirit of transparency for project operations. 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,



Kim Bimestefer  
Executive Director

KB/JM

CC: Representative Julie McCluskie, Vice-chair, Joint Budget Committee  
Senator Chris Hansen, Joint Budget Committee  
Representative Leslie Herod, Joint Budget Committee  
Senator Bob Rankin, Joint Budget Committee  
Representative Kim Ransom, Joint Budget Committee  
Carolyn Kampman, Staff Director, JBC  
Robin Smart, JBC Analyst  
Lauren Larson, Director, Office of State Planning and Budgeting  
Edmond Toy, Budget Analyst, Office of State Planning and Budgeting  
Legislative Council Library  
State Library  
Tracy Johnson, Medicaid Director, HCPF  
Tom Massey, Policy, Communications, and Administration Office Director, HCPF  
Anne Saumur, Cost Control 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

# Colorado Spending Plan Quarterly Report to the Joint Budget Committee

## Table of Contents

Background	5
Introduction	5
Spending Plan Progress	7
Administrative Status	7
Budget Status	9
Stakeholder Engagement Status	9
Analytics and Project Tracking	9
Project Status	10
Appendix: Resources	18

## I. Background

The Department of Health Care Policy & Financing (HCPF) submitted its initial proposal of American Rescue Plan Act (ARPA) Medicaid Home and Community-Based Services (HCBS) spending to the Centers for Medicare and Medicaid Services (CMS) on June 13, 2021. Since submission, HCPF has worked to refine the outlined initiatives, engage with stakeholders, and work collaboratively with both Governor Jared Polis' Office and the CMS.

Since receiving Joint Budget Committee (JBC) approval on September 21, 2021, Colorado also received conditional approval from CMS. Conditional approval simply entails the state's compliance with the applicable requirements set forth under section 9817 of the Act and fulfillment of the requirements as stated in State Medicaid Directors Letter # 21-003. The Department must also adhere to federal requirements for claiming Federal Financial Participation (FFP), the obligations related to 1915(c) waivers and 1115 demonstrations, and submission requirements to the State Plan Amendment, where applicable.

## II. Introduction

This report serves as an initial communication to provide an update of current progress, identify a framework for the delivery of future reporting, and establish a spirit of transparency for project operations. Since receiving approval, the Department has worked to set the groundwork to successfully accomplish the initiatives set before us. The Department has three guiding principles that we hope to achieve through this and future quarterly reports: progress, engagement, and transparency as shown in figure 1. The Department will take the opportunity to provide updates on overall progress, including expanding administrative capacity, as well as our 67 individual projects. We will also offer insight into our engagement with stakeholders, including feedback received. Finally, we will use these reports as one of many opportunities to be transparent in our goals, progress, and spending.

Figure 1: Guiding Principles



Though the Department recognizes the need for brevity in communication, we also realize the broad scope of the 67 initiatives and the importance of adequately conveying progress. To overcome this challenge and maintain readability, future reports to the JBC will:

- Summarize overall progress and metrics;
- Provide a concise spending update through budget tables;
- Outline progress of stakeholder engagement efforts;
- Illustrate progress towards acquisition of staff and contractor resources to expand capacity; and
- Outline progress and detail specific progress and outcome metrics for each initiative.

To further facilitate the need for compact delivery, links to external sources will be provided where available and appropriate. Given the limited time since the Department's presentation to the JBC on September 21, 2021, the current report includes an abbreviated version of the content above.

### III. Spending Plan Progress

#### Administrative Status

The Department’s plan includes 67 initiatives (collapsed down from the previously reported 72,) to enhance, expand and strengthen the State’s HCBS system. Leadership prioritized the initiatives into four phases with achievability and resource concerns in mind. Phase 1 projects launched as of October 18, 2021. The project teams for these initiatives are assembling resources, drafting statements of work to engage contractors and vendors to assist, and planning for stakeholder engagement.

As new term-limited staff may work across projects, the 58 FTEs included in the plan are now organized into tiers to both ensure current staff have adequate support to complete the project work, while also taking into account the challenging job market and the capacity of our human resources staff. The Department, recognizing the breadth of activity required, is working closely with the Human Resources team to organize workflow and progress reporting around these efforts. Additionally, the Department has contracted with an outside vendor to provide support with developing position descriptions and processes to maximize hiring efficiency. The hiring process has been broken down into four broad categories, as seen in Figure 2, by which recruiting progress will be measured, tracked and reported. The Department will conduct regular reviews of the process to identify opportunities to improve throughput.

Figure 2: Recruitment Process and Tracking



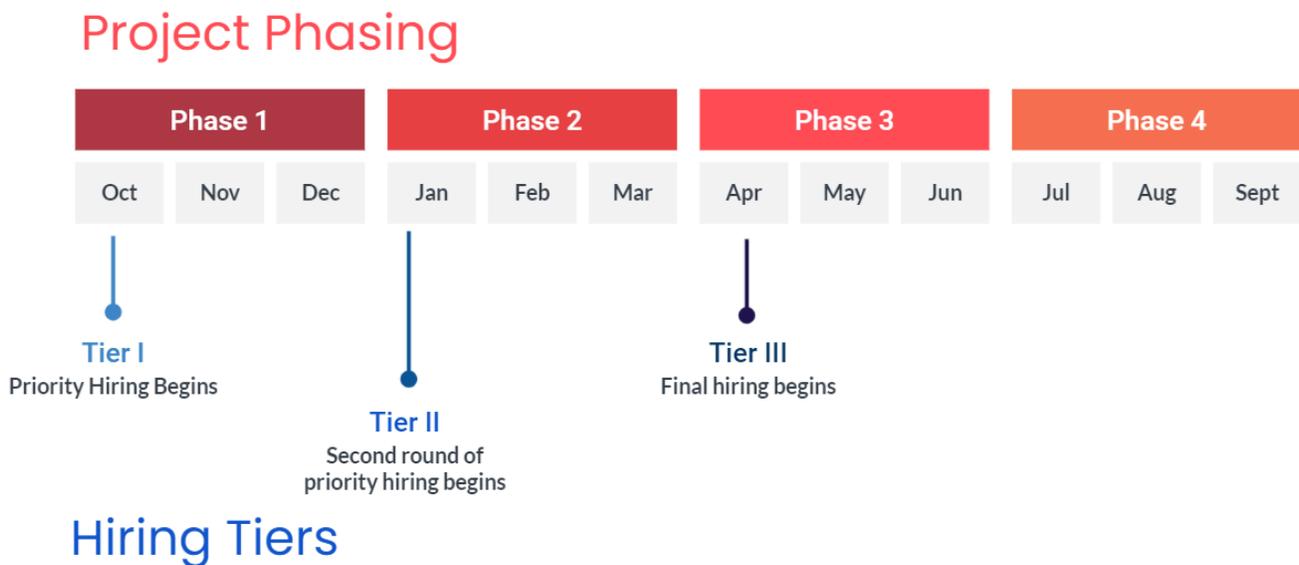
All 30 positions deemed as Tier I have drafted position descriptions, 18 of which have been delivered to Human Resources. One position is currently posted, three positions are in the interview phase, and three positions have been hired (table 1).

Table 1: Hiring Progress, Tier I Positions

Tier I Positions-Total	Position Description Developed	Recruitment In-Process	Interview & Hiring Process Underway	Position Hired
30	30	1	3	3

Figure 3 illustrates the phased and tiered approach the Department is taking to rollout the ARPA HCBS projects. Projects will launch during their determined phase, with phase 1 beginning now, phase 2 launching in January 2022, phase 3 in April 2022, and phase 4 in July 2022. The hiring tiers will coincide with the phased timeline. Tier I positions are actively being moved through the human resources process now (as stated above). Tiers II and III will move forward in January 2022, and April 2022 respectively.

Figure 3: Project Phases and Hiring Tiers



Using funds from Senate Bill 21-286, project managers and a contractor are working to set-up the processes and systems, focusing on the phase 1 projects. These include assembling the framework needed to appropriately monitor progress across all 67 projects, as well as setting up reporting mechanisms for an array of audiences. As transparency is at the forefront of our efforts, we continue to build out our ARPA webpage, stand-up public-facing dashboards to display progress, and arrange for on-going project-level and Department-level updates and communication to our stakeholders, including launching a monthly ARPA focused newsletter. Below, we

outline additional details about our phase 1 projects, as well as more information about the phasing of the projects and tiers for hiring new term-limited staff.

## Budget Status

The Department’s HCBS Spending Plan includes \$512.3 million to support enhancing, expanding and strengthening our HCBS system, including \$304.0 million from reinvested state funds and \$208.3 million from matching federal funds. The funding will be spread out over three fiscal years as shown in table 2 below.

Table 2: Project Expenditures

Total	FY 2021-22	FY 2022-23	FY 2023-24
\$512.3 million	\$179.8 million	\$252.2 million	\$80.3 million

To date, limited expenditures have been incurred as the projects are still in the planning phase. The budget has shifted slightly as we continue to refine our anticipated spending, particularly as it relates to the rate increases and \$15 base wage initiative. The most up-to-date budget is included as Addendum 1. In the future, this section will include a dashboard with overall spend to date and progress on approved metrics.

## Stakeholder Engagement Status

Since CMS guidance was released in May, the Department has hosted eleven stakeholder meetings attended by over 1,000 people. The general consensus was supportive of the Department’s approach, and where suggestions were voiced, adjustments to project plans were made. Since presenting to the JBC on September 21, 2021, the Department has continued to communicate with stakeholders through email blasts, our website and live interactive webinars, of which nearly 400 people participated. The Department is now developing a comprehensive stakeholder engagement strategy relative to our ongoing project work and anticipate this plan to be released no later than January 2022.

## Analytics and Project Tracking

The ARPA Projects Team is currently working closely with the HCPF Enterprise Project Management Office (EPMO) to develop a suite of analytics and reporting tools with the intent of maintaining consistency across the agency. The Department will use Microsoft Project, Project Web App, as the basis for all project planning, and develop dashboard functionality through the Power BI data visualization tool. As all the Phase

1 projects are now in the planning and ramp-up stage, finalized outcome measurements and timelines are still under development. The ARPA Projects Team is in the process of developing a reporting metric dictionary through which all measures, algorithms, and metric characteristics will be captured. Currently, the Department foresees developing reporting metrics for each initiative focused on three areas:

- Project - Project management metrics reported consistently across all projects
- Process-based - Practical, initiative-specific measurement elements
- Outcome-Based - Initiative-specific metrics connected directly to the intended purpose or spirit of the project

## Project Status

As stated above, the Department has adopted a phased approach to launching the 67 projects included in our ARPA HCBS Spending Plan. The phasing for projects was decided using input from the project leads on six criteria: the projects relationship to other ARPA projects, the projects relationship to other Department projects, timeliness, ease of launching, general importance to stakeholders, and general importance to the Department.

The Phase 1 projects launched as of October 18, 2021, and are actively pursuing procurement of contractors, finalizing stakeholder engagement plans, and developing project-level metrics for tracking and reporting. Phase 1 projects, as well as the phasing for all other projects are included in Table 3.

As a critical component of our overall plan, and an immediate response to the current staffing crisis facing our system, the Department would like to provide the JBC with additional details about our infusion of funding to support providers and direct care workers. This phase 1 initiative is well on its way to implementation with the 2.11% rate increase already announced and in place to provide an increase to provider rates for the services listed below with the exception of Consumer-Directed Attendant Support Services (CDASS), and adding Non-Medical Transportation, retroactive to April 1, 2021, and going forward through March 31, 2022. The Department received approval from CMS on October 19, 2021 for an Appendix K amendment for this rate increase with an effective date of April 1, 2021 through March 31, 2022. A memo went out to providers on October 15, 2021 announcing this rate increase and providing instruction on how to receive the increase.

To ensure stability across the long-term services and supports continuum, case management rates will also be increased by 2.11% from April 1, 2022 through March 31, 2023, pending federal approval. Additional adjustments for PACE due to common

policy changes within HCBS as well as a specific rate increase next calendar year will be addressed in the near future.

In addition to the provider rate increase, the Department, in collaboration with the Polis-Primavera administration, will be implementing a \$15 per hour required base wage for Colorado's Medicaid, HCBS direct care workers. This new base wage requirement for frontline staff providing direct hands-on care will be implemented beginning Jan. 1, 2022, through April 15, 2023. The services targeted for this increase include:

- Adult Day
- Alternative Care Facility
- Consumer-Directed Attendant Support Services (CDASS)
- Community Connector
- Day Habilitation
- Homemaker
- In-Home Support Services (IHSS)
- Mentorship
- Personal Care
- Prevocational Services
- Residential Habilitation
- Respite Care
- Supported Community Connections
- Supported Employment
- Supportive Living Program

The Department understands that direct care workers' wages vary considerably across geography, provider type, and internally, depending on experience and length of employment. For this reason, the expectation will be that all direct care workers currently employed will have their wage increased to receive the new required base wage of \$15 an hour. All new Home and Community-Based Services direct care workers hired after Jan. 1, 2022, must also have a wage of at least \$15 per hour.

Understanding that the ARPA funds have an end date and the increased compensation for these workers cannot, we are committed to identifying funds to ensure long-term sustainability of this effort. The Department submitted an Emergency Preparedness and Response Appendix K (Appendix K) amendment on October 20, 2021, which included these rate increases and wage passthrough. As Colorado's Appendix K amendment is effective until July 1, 2022, the Department plans to submit a 1915(c) waiver amendment to ensure these changes continue long-term. We will continue to

work in collaboration with our state and federal partners to pursue all avenues to continue to support these compensation increases for our HCBS workers.

Table 3. Project Phasing

Project Title	Category							
<i>PHASE 1 PROJECTS</i>	Workforce & Rural Sustainability	Crisis & Acute Services	Access for Underserved	Recovery & Innovation	Case Management	Tools & Technology	Emergency Preparedness	Quality
<b>Case Management Rates</b>					X			
<b>Case Management Agency Training Program</b>					X			
<b>Case/Care Management Best Practices</b>					X			
<b>Case Management Capacity Building</b>					X			
<b>PACE Licensure</b>								X
<b>Supported Employment Pilot Extension</b>				X				
<b>Child/Youth Step-down Options Program and Provider Recruitment</b>				X				
<b>Community First Choice</b>				X				
<b>Respite Rate Enhancement</b>				X				
<b>Home Mod Budget Enhancements</b>				X				
<b>Updates to Salesforce Database</b>						X		
<b>HCBS Provider Digital Transformation</b>						X		
<b>Care &amp; Case Management System Investments</b>						X		
<b>Systems Infrastructure for Social Determinants of Health</b>						X		
<b>Home Health/PDN Acuity Tool</b>						X		

<b>HCBS Provider Electronic Health Record System Upgrades</b>						X		
<b>Eligibility Systems Improvements</b>						X		
<b>Disability Cultural Competency Training for BH Providers</b>			X					
<b>Wrap-Around Services, including Peer Supports for Members with Complex Needs</b>			X					
<b>Expand the Behavioral Health Safety Net</b>			X					
<b>Increase Payments to Providers and Workers</b>	X							
<b>Resource &amp; Job Hub</b>	X							
<b>Direct Care Workforce Data Infrastructure</b>	X							
<b>Standardized Core Curriculum &amp; Specialization</b>	X							
<b>Rural Sustainability &amp; Investment</b>	X							

Project Title	Category							
	Workforce & Rural Sustainability	Crisis & Acute Services	Access for Underserved	Recovery & Innovation	Case Management	Tools & Technology	Emergency Preparedness	Quality
<b>PHASE 2 PROJECTS</b>								
<b>Behavioral Health Transition Support Grants</b>		X						
<b>Expand Behavioral Health Crisis Teams</b>		X						
<b>IMD Exclusion, Risk Mitigation Policy</b>		X						
<b>Quality Measures &amp; Benefits Training</b>								X
<b>P4P for PACE</b>								X
<b>CMS Quality Metrics</b>								X
<b>ACF Tiered Rates &amp; Benefit</b>				X				
<b>Residential Innovation</b>				X				
<b>New Systems of Care</b>				X				
<b>Pilot CAPABLE</b>				X				
<b>Connect CMAs to CORHIO</b>						X		
<b>Centers for Excellence in Pain Management</b>						X		
<b>Member-Facing Provider Finder Tool Improvement</b>						X		
<b>Improvements - System Communication [Interface with Trails]</b>						X		
<b>Establish a Training Fund</b>	X							
<b>Career Pathways</b>	X							

Project Title	Category							
<i>PHASE 3 PROJECTS</i>	Workforce & Rural Sustainability	Crisis & Acute Services	Access for Underserved	Recovery & Innovation	Case Management	Tools & Technology	Emergency Preparedness	Quality
Improve & Expedite Long-Term Care Eligibility Processes					x			
P4P for HCBS Waivers								x
Department of Corrections Partnership								x
Provider Oversight								x
P4P for HH								x
Innovative Tech Integration						x		
Specialty Search in Provider Specialty Tool						x		
Member Data Sharing						x		
Equity Study			x					
HCBS Training for Members & Families			x					
Translation of Case Management Material			x					
Behavioral Health Capacity Grants			x					
Public Awareness Campaign	x							
Workforce Compensation Research	x							

Project Title	Category							
<i>PHASE 4 PROJECTS</i>	Workforce & Rural Sustainability	Crisis & Acute Services	Access for Underserved	Recovery & Innovation	Case Management	Tools & Technology	Emergency Preparedness	Quality
Member Emergency Preparedness							X	
Emergency Response Plans							X	
Provider Score Cards								X
Waiver Quality Expansion								X
eConsult to Improve Quality								X
Respite Grant Program				X				
Hospital Community Investment Requirements				X				
Promote Single Occupancy				X				
Data Sharing with the SUA						X		
Member Tech Literacy						X		
Buy-In Analysis			X					
Home Health Delegation	X							

## IV. Appendix: Resources

### Colorado Department of Health Care Policy & Financing HCBS ARPA Links:

- HCPF ARPA Webpage: <https://hcpf.colorado.gov/arpa>

### *Center for Medicare & Medicaid Services*

- HCPF Spending Plan Submitted to CMS:  
[https://hcpf.colorado.gov/sites/hcpf/files/CO%20State%20Spending%20Plan%20for%20Implementing%20Section%209817%20of%20ARPA%2C%20June%202021\\_Acc.pdf](https://hcpf.colorado.gov/sites/hcpf/files/CO%20State%20Spending%20Plan%20for%20Implementing%20Section%209817%20of%20ARPA%2C%20June%202021_Acc.pdf)
  - Appendix:  
[https://hcpf.colorado.gov/sites/hcpf/files/American%20Rescue%20Plan%20Act%20-%20Project%20Cost%20Estimate\\_Acc.pdf](https://hcpf.colorado.gov/sites/hcpf/files/American%20Rescue%20Plan%20Act%20-%20Project%20Cost%20Estimate_Acc.pdf)
- Initial CMS Partial Approval Letter:  
<https://hcpf.colorado.gov/sites/hcpf/files/Colorado%209817%20Approval.pdf>
- HCPF Response to Partial Approval:  
<https://hcpf.colorado.gov/sites/hcpf/files/CMS%20ARP.Response%20Letter8.2.21.pdf>
- CMS Conditional Approval Letter:  
<https://hcpf.colorado.gov/sites/hcpf/files/CO%20CMS%20ARPA%20Conditional%20Approval%209-21-2021.pdf>

### *Joint Budget Committee:*

- Senate Bill 21-286:  
[http://leg.colorado.gov/sites/default/files/2021a\\_286\\_signed.pdf](http://leg.colorado.gov/sites/default/files/2021a_286_signed.pdf)
- HCPF Spending Plan Submitted to the JBC:  
<https://hcpf.colorado.gov/sites/hcpf/files/FY%202022-23%20ARPA%20Spending%20Plan.pdf>
  - Appendix: <https://hcpf.colorado.gov/sites/hcpf/files/FY%202022-23%20ARPA%20Spending%20Plan%20Appendix%20A.pdf>
- Presentation to the Joint Budget Committee:  
<https://hcpf.colorado.gov/sites/hcpf/files/ARPA%20JBC%20Presentation%209.21.pdf>

### Federal HCBS ARPA Links:

- ARPA Legislation: <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>
- Home & Community Based Services Section of ARPA:  
<https://www.congress.gov/bill/117th-congress/house-bill/1319/text#toc-H04B309FDB3FA4109B306C6622D55C4D8>

- CMS ARPA Guidance: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf>