



**Notice of Public Comment Process  
Medicaid Section 1115 Demonstration Extension**

Public Comment Period Begins: September 10, 2024, at 8:00 am MST

Public Comment Period Ends: October 10, 2024, at 5:00 pm MST

Public notice is hereby given that the State of Colorado's Department of Health Care Policy & Financing (HCPF) is seeking public comments on an extension and amendment to the Expanding the Substance Use Disorder (SUD) Continuum of Care Section 1115 Demonstration (Demonstration). As part of this extension request, Colorado is requesting that the Demonstration be converted to a comprehensive 1115 and that the Demonstration be renamed, "Comprehensive Care for Colorado." Approval of this request would extend the demonstration through December 31, 2030.

Colorado is proposing no change to the SUD waiver authority granted by the federal government, effective January 1, 2021 through December 31, 2025. Colorado is submitting information with this extension request to add an additional program to the 1115 authority for presumptive eligibility (PE). In addition, Colorado is requesting that the following programs in pending 1115 amendments be incorporated into the Demonstration:

1. Re-entry services for adults and youth transitioning from correctional facilities – submitted April 1, 2024
2. Reimbursement for acute inpatient and residential stays in institutions for mental disease (IMDs) for individuals diagnosed with a serious mental illness or serious emotional disturbance – submitted April 1, 2024
3. Continuous eligibility for children 0-3 years and 12 months of continuous coverage for individuals leaving incarceration – submitted April 1, 2024
4. Health-related social needs (HRSN), housing and nutrition supports – submitted August 12, 2024

[Opportunity for Public Comment](#)

The proposed Section 1115 Demonstration extension is available for public review and comment at:

[Colorado Draft 1115 Extension Request](#)

[Full Public Notice](#)

To request a copy of the extension, please contact HCPF by:

- Sending an email request to: [hcpf\\_1115waiver@state.co.us](mailto:hcpf_1115waiver@state.co.us)
- Sending a request by fax to 1-303-866-4411, Attn: 1115 SUD Demonstration Extension

- Obtaining, in person, at the Colorado Department of Health Care Policy and Financing, 303 E 17th Avenue, Denver, CO 80203

During the public comment period, comments may be sent to: [hcpf\\_1115waiver@state.co.us](mailto:hcpf_1115waiver@state.co.us). Public comments may also be submitted by post to:

Director, Health Programs Office  
 Colorado Department of Health Care Policy and Financing  
 303 E 17th Avenue  
 Denver, Colorado 80203  
 ATTN: Public Comment - 1115 SUD Demonstration Extension

Additional information will be posted on HCPF’s *Expanding the Substance Use Disorder Continuum of Care Waiver* webpage at: <https://hcpf.colorado.gov/1115sudwaiver>.

**Public Hearings**

HCPF invites the public to attend public hearings in person or join by teleconference/webinar to learn more about Colorado’s Demonstration amendment and provide comments.

	Public Hearing #1	Public Hearing #2
<b>Date</b>	September 25, 2024	October 3, 2024
<b>Time</b>	6:00 pm-7:30 pm	12pm -2 pm
<b>Venue</b>	Virtual (State Medical Assistance and Services Advisory Council Meeting [Night MAC])	Colorado Department of Health Care Policy and Financing 303 E 17th Ave, Denver, CO 80203 Conference room 11A
<b>Teleconference</b>	+1-720-928-9299	+1-719-359-4580
<b>Webinar</b>	<a href="#">Register</a>	<a href="#">Register</a>

*Reasonable accommodations will be provided upon request. Auxiliary aids and services for individuals with disabilities, and language services for individuals whose first language is not English, may be provided upon request. Please notify 1-303-866-3438 or the 504/ADA Coordinator at: [hcpf504ada@state.co.us](mailto:hcpf504ada@state.co.us) at least one week prior to the meeting to make arrangements.*

**CMS/Medicaid Demonstration Website**

Relevant webpages and additional information regarding the Medicaid Demonstration can be viewed on the CMS/Medicaid website at: <https://www.medicaid.gov/medicaid/section-1115-demo/index.html>

**Summary Description of Proposed Extension**

This abbreviated public notice provides information regarding the proposed amendment request to the Centers for Medicare & Medicaid Services (CMS) for six initiatives: 1) SUD, 2)



re-entry services for individuals transitioning from correctional facilities, 3) reimbursement for acute inpatient and residential stays in IMDs for individuals diagnosed with a serious mental illness (SMI) or serious emotional disturbance (SED), 4) continuous eligibility for children ages zero to three years old and adults leaving a Colorado Department of Corrections (DOC) facility, 5) HRSNs, and 6) presumptive eligibility.

### **SUD Initiative Extension:**

Through the SUD/opioid use disorder (OUD) demonstration, the State has maintained and expanded critical access to OUD and other SUD services. The State continues delivery system improvements for these services to provide more coordinated and comprehensive SUD/OUD treatment for Medicaid beneficiaries. This Demonstration component will continue to provide the State with authority to provide high quality, clinically appropriate SUD treatment services for short-term residents in residential and inpatient treatment settings that qualify as an IMD. The Demonstration will also build on the State's existing efforts to improve models of care focused on supporting individuals in the community and home, outside of institutions, and strengthen a continuum of SUD services based on the American Society of Addiction Medicine Criteria and its nationally recognized assessment and placement tools that reflect evidence-based clinical treatment guidelines.

The State will continue to test whether the SUD Section 1115 Demonstration amendment described in these Special Terms and Conditions is likely to assist in promoting the objectives of Medicaid by achieving the following results:

- Increased rates of identification, initiation, and engagement in treatment
- Increased adherence to and retention in treatment
- Reductions in overdose deaths, particularly those due to opioids
- Reduced utilization of emergency department (ED) and inpatient hospital settings for treatment in which the utilization is preventable or medically inappropriate, considering the opportunity for improved access to other continuum of care services
- Fewer readmissions to the same or higher level of care (LOC) in which the readmission is preventable or medically inappropriate
- Improved access to care for physical health conditions among beneficiaries

### **Reentry Initiative:**

The Reentry Initiative will enable Medicaid and CHP+ coverage and federal financial participation (FFP) using Medicaid and Children's Health Insurance Program (CHIP) matching funds for adults incarcerated by DOC and youth detained throughout the state receiving a targeted benefit package that would ordinarily not be covered under federal law. This Reentry Initiative will ensure a continuum of care strategy that enables robust coordination, service provision, and community connections after release.

Colorado is requesting this authority to design and implement a "Reentry Initiative" that provides:



1. **Medicaid and CHP+ Coverage** for eligible inmates in the State’s correctional system, including all correctional centers (jails and courthouses) and correctional institutions (prisons), juvenile and community residential centers throughout the state. Eligible inmates include those with behavioral health needs, including mental health disorders and SUD, certain other health conditions, and incarcerated youth.
2. **A Targeted Benefit Package** for these individuals to include case management services, medication-assisted treatment for SUD, a 30-day supply of medications upon release, and certain other supportive services.
3. **A Coverage Period of up to 90 Days** immediately prior to the release of the incarcerated individual from the correctional system.

Colorado’s specific goals for the Reentry Initiative are to:

1. Increase coverage, continuity of coverage, and appropriate service uptake through assessment of eligibility and availability of coverage for benefits in carceral settings just prior to release
2. Improve access to services prior to release, and improve transitions and continuity of care into the community upon release and during reentry
3. Improve coordination and communication between correctional systems, Medicaid systems, managed care organizations, and community-based providers
4. Increase additional investments in health care and related services, aimed at improving the quality of care for beneficiaries in carceral settings and in the community to maximize successful reentry post-release
5. Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and HRSN
6. Reduce all-cause deaths in the near-term post-release
7. Reduce the number of ED visits and inpatient hospitalizations among recently incarcerated Medicaid beneficiaries through increased receipt of preventive and routine physical and behavioral health care

To receive services under the Reentry Initiative, a beneficiary will need to meet all of the following qualifying criteria:

Meet the definition of an inmate of a public institution, as specified in 42 CFR 435.1010 and be incarcerated in a State correctional system, including all correctional centers (jails and courthouses) and correctional institutions (prisons), and juvenile and community residential centers

Be enrolled in Medicaid or otherwise eligible for CHIP, if not for their incarceration status

Identified as expected to be released in the next 90 days, and identified for participation in the Demonstration



This Reentry Initiative will not change the underlying Medicaid or CHIP program; in particular, it will not change the current Colorado managed care delivery system, eligibility requirements, covered services, or cost-sharing. This Reentry Initiative will allow for the provision of certain approved services within carceral settings in the 90 days prior to release, and designate new entities able to coordinate and provide those services. Cost-sharing requirements will not differ from those provided under the State Plan for either Medicaid or CHIP. HCPF will determine when each applicable facility is ready to participate in the Reentry Initiative based on a facility-submitted assessment (and appropriate supporting documentation) of the facility's readiness to implement.

The pre-release services authorized under the Reentry Initiative include the provision or facilitation of pre-release services for a period of up to 90 days immediately prior to the expected date of release, including the facility's ability to support the delivery of services furnished by providers in the community that are delivered via telehealth. All facilities must implement the minimum CMS benefits:

- Reentry transitional case management services to assess and address physical and behavioral health needs and HRSN
- Medication-assisted therapy, for all Food and Drug Administration approved medications, including coverage for counseling
- Covered outpatient prescribed medications and over-the-counter drugs (a minimum 30-day supply as clinically appropriate, consistent with the approved Medicaid State Plan) provided to the individual immediately upon release from the correctional facility.
- Administrative FFP will be available for the following activities related to JI infrastructure development for technology, development of business or operational practices, workforce development, outreach, education, and stakeholder convening.

**Severe Mental Illness Initiative:**

- Through this amendment, HCPF seeks to expand this authority to reimburse for acute inpatient and residential stays in an IMD for individuals diagnosed with a SMI or SED. This request seeks to:
- Reform HCPF's current IMD reimbursement policy to cover up to 60 days, as long as providers maintain an average length of stay (ALOS) of 30 days or less
- Reduce utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings
- Reduce preventable readmissions to acute care hospitals and residential settings
- Improve availability of crisis stabilization services, including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings throughout the state



- Improve access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED, including through increased integration of primary and behavioral health care,
- Improve care coordination, especially continuity of care, in the community following episodes of acute care in hospitals and residential treatment facilities.

CMS provides two options for states to receive FFP for short-term IMD stays. First, states may use “in lieu of authority” through its managed care contracts to reimburse IMD stays of up to 15 days in a calendar month. Second, under 1115 waiver authority, states may reimburse for IMD stays of up to 60 days if an average statewide length of stay of 30 days or less is maintained. Currently, Colorado utilizes “in lieu of” authority through its managed care contracts with RAEs to provide IMD reimbursement for stays of up to 15 days in a calendar month. This authority has provided sufficient coverage for most acute psychiatric inpatient stays. However, there remain IMD stays that exceed the 15-day limit due to issues such as patient acuity and additional time needed to ensure a safe and appropriate transition to community-based services. Stays that exceed the 15-day ALOS rule are not eligible for any reimbursement for services rendered.

This amendment incorporates feedback from stakeholders that requests HCPF seek authority to reimburse for stays up to 60 days while maintaining an ALOS of 30 days. This will permit the State to modify its current practice through which a prorated capitation payment is made to the managed care entity (MCE) for the days within the month that the enrollee was not in an IMD and the MCE’s subsequent payment recoupment from the IMD for the entire stay.

### **Continuous Eligibility Initiative:**

Colorado House Bill 23-1300 authorizes HCPF, by April 1, 2024, to seek federal authority to provide continuous Medicaid coverage for children up to age three years and for twelve months for adults who have been released from a Colorado Department of Corrections facility, regardless of any change in income during that time by January 1, 2026.<sup>1</sup> Through this legislation, Colorado aims to improve the health and well-being of people in Colorado through consistent access to health care coverage during critical periods in life. During the COVID-19 public health emergency, longer periods of continuous coverage in the State’s medical assistance programs allowed more Colorado families to access and maintain health insurance. This continuous coverage reduces family stress, increases the use of preventive services, and reduces costly, avoidable ED visits and hospitalization stays. Continuous coverage assists children in healthy early development and strengthens overall mental health through regular connections with the health system.

Providing continuous Medicaid coverage can decrease gaps in insurance coverage and enhance the continuity of care and delivery of physical and behavioral health services during early childhood and when adults experience the difficult transition of leaving the criminal justice system.

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<sup>1</sup> Continuous Eligibility Medical Coverage Act, HB23-1300. 2023 Colorado State Legislative Session. Retrieved from <https://leg.colorado.gov/bills/hb23-1300>





This demonstration request will end churn<sup>2</sup> among Medicaid and CHP+<sup>3</sup> enrolled children through age three years, enabling their families and providers to better address their primary and preventive health care needs.<sup>4</sup> Children need consistent access to health care, especially in their early years, when frequent screenings, vaccinations, and wellness checkups are critical to their development and school readiness. This request will ensure that coverage disruptions do not prevent children from receiving ongoing treatment and services they require during the critical early years of development and growth. This request seeks to:

- Ensure continuous Medicaid and CHP+ coverage for young children
- Promote longer-term access to and continuity of physical health care, behavioral health care, dental care and preventive services
- Combat racial inequities
- Improve health outcomes and well-being for low-income young children

This demonstration request will also end churn among Medicaid-enrolled adults for the year after they leave a Colorado DOC facility and re-enter the community, enabling these individuals and their providers to better address their physical and behavioral health care needs. Ensuring continuous coverage for previously incarcerated adults not only improves health outcomes but supports stability and may also improve public safety by reducing rates of recidivism. For example, adults with SUD convictions have a greater risk of criminal re-involvement and recidivism.<sup>5</sup>

This request will ensure that coverage disruptions do not prevent adults leaving incarceration in Colorado DOC facilities from receiving ongoing treatment for physical or behavioral health needs during a critical time that can improve SUD and mental health treatment, reduce recidivism rates, and reduce costly hospitalizations and unnecessary ED visits.<sup>6</sup> This request seeks to:

- Ensure 12 months of continuous Medicaid coverage for adults leaving a DOC facility
- Promote longer-term access to and continuity of physical and behavioral health care and care coordination
- Combat racial inequities
- Improve short- and long-term physical and behavioral health outcomes, and reduce recidivism for adults leaving a Colorado DOC facility

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<sup>2</sup> Churn is the issue of temporarily losing coverage and then reestablishing coverage, often for administrative reasons or small fluctuations in income.

<sup>3</sup> In Colorado, the Children's Health Insurance Program is called the Child Health Plan Plus (CHP+)

<sup>4</sup> Alker, J., Kenney G., Rosenbaum S. (2022) *The Biden Administration Should Approve Oregon's Request To Cover Children Until Their Sixth Birthday*. Health Affairs. Retrieved from: <https://www.healthaffairs.org/content/forefront/biden-administration-should-approve-oregon-s-request-cover-children-until-their-sixth>

<sup>5</sup> NIDA. (2020) *Criminal Justice DrugFacts*. National Institute on Drug Abuse. Retrieved from: <https://nida.nih.gov/publications/drugfacts/criminal-justice>

<sup>6</sup> Frank, J. W., Linder, J. A., Becker, W. C., Fiellin, D. A., & Wang, E. A. (2014) *Increased hospital and emergency department utilization by individuals with recent criminal justice involvement: results of a national survey*. *Journal of general internal medicine*, 29(9), 1226-1233. Retrieved from: <https://doi.org/10.1007/s11606-014-2877-y>



### Health Related Social Needs Initiative:

This request will provide HRSN services in the form of housing and nutrition supports to certain Medicaid enrollees.

Eligible enrollees include:

1. Individuals eligible in the Permanent Supportive Housing Vouchers
2. Individuals eligible for Colorado Fostering Success Vouchers
3. Individuals eligible for Community Access Team Vouchers

HCPF proposes to provide the following housing supports through this Waiver amendment:

- Rent/temporary housing for up to six months
- Utility costs, including activation expenses and back payments to secure utilities for individuals receiving rent/temporary housing as described above
- Pre-tenancy and tenancy-sustaining services, including tenant rights education and eviction prevention
- Housing transition navigation services
- One-time transition and moving costs (e.g., security deposit, first month's rent, utility activation fees, movers, relocation expenses, pest eradication, pantry stocking, and the purchase of household goods and furniture)
- Housing deposits to secure housing, including application and inspection fees and fees to secure needed identification

Through this amendment, HCPF proposes to provide the following nutrition services:

Nutrition counseling and instruction, tailored to health risk, nutrition-sensitive health conditions, and/or demonstrated outcome improvement

Medically tailored meals to high-risk expectant individuals at risk of or diagnosed with diabetes, up to three meals a day, delivered in the home or private residence for up to six months

Home-delivered meals or pantry stocking

The State believes this Demonstration is likely to promote the objectives of Medicaid by providing services that address HRSN, thereby leading to improved health outcomes through the following goals and outcomes:

1. **Improve the health status of Medicaid beneficiaries** by removing social barriers to health.  
**Objective a.** Addressing unmet HRSN within the Medicaid-eligible population will improve health outcomes  
**Objective b.** Addressing unmet HRSN within the Medicaid-eligible population will reduce the cost of care





**Objective c.** HRSN services will result in a reduction in avoidable hospitalizations (e.g., lower avoidable ED visits)

**2. Improve connections between Medicaid beneficiaries and community services** to address physical health, behavioral health, and health-related social needs (HRSN).

**Objective d.** HRSN services (improvements in housing stability and nutrition) will result in an increase in recommended and/or preventive care

**Presumptive Eligibility Initiative**

Presumptive eligibility permits states to designate certain entities to enroll members in benefit programs who are likely to be ultimately eligible for the program. During the PE period, the member's full eligibility for Medicaid is processed while the member receives Medicaid services and, in this case, some HCBS benefits for which they are applying.

Presumptive eligibility in Colorado is allowable for children (42 CFR § 435.1102), pregnant women, those with diagnoses of breast or cervical cancer, and those eligible for limited family planning benefits (42 CFR § 435.1103). In addition, the current Colorado Medicaid State Plan allows for Federal Financial Participation for PE as stated in 42 CFR § 435.1001 and 1002 pursuant to subpart L.

Receipt of authority for long-term services and supports (LTSS) PE will help close a barrier to services currently experienced by Colorado Medicaid members at risk of institutionalization. The goals of this program support HCPF objectives including:

**Improving health care access.** Reducing the time that members in crisis situations must wait before receiving needed services and supports will improve access to care, allowing members a greater chance of residing in their environment of choice. This program will allow members to receive services and benefits while their Long Term Care Medicaid application is being processed.

**Improving health care outcomes.** Reducing the barrier of long enrollment timelines for eligible members who need care right away will improve health outcomes. Allowing members to self-declare eligibility and start receiving services right away will help avoid or delay more intensive and/or costly levels of care and improve life quality and expectancy.

**Saving Coloradans money on health care.** HCPF believes that both members and the State will benefit through LTSS PE. Members will be able to access needed supports right away, in some cases discharging from more costly settings like hospitals or nursing facilities, using the LTSS PE expedited time frame, or avoid admission altogether. This program will also serve to allow members a choice of living environment while ensuring their service needs are met.

