

Colorado Healthcare Affordability & Sustainability Enterprise (CHASE) Board

December 16, 2025

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Financing



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Colorado Healthcare Affordability and
Sustainability Enterprise

Our Mission

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



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Agenda

- Call to Order & Introductions
- Approval of the minutes from November 28 meeting
- HCPF & General CHASE Updates
- Cash Fund Reserve and Average Daily Balance
- SNF & ICF-IID Transparency Report
- CHASE Report Update
- Board Discussion
- Public Comment
- Board Action



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Cash Fund Reserve

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CHASE Cash Fund Reserve

- CHASE continues to maximize federal matching funds and maintain the reserve without limiting provider fee dollars for expansion or supplemental payments.
- Since FFY 2021, no provider fees were collected to increase the reserve, and hospitals received refunds of \$22M in FFY 2023 and \$71M in FFY 2025.
- The FFY 2025 ending balance is expected to exceed original projections.
- For FFY 2026, this will result in either additional fee refunds or a limited amount of provider fees being collected to meet the reserve limit.
 - Still fully funding supplemental payments and expansion populations.



FFY 2025 Ending Balance

- At the September 2025 CHASE Board meeting, the Board approved the revised FFY 2025 CHASE Model.
- A handout at the meeting included the FFY 2025 Cash Fund Reserve preliminary estimates.
- The projected ending Cash Fund balance did not include all the information needed to determine the final ending balance.
- Specifically, the following funding components were not included:
 - Differences between projected and actual funding obligations for expansion Medicaid populations and administrative costs,
 - Additional enhanced federal matching funds (eFMAP) drawn down quarterly, and
 - Accrued interest resulting from positive Cash Fund balances.



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FFY 2025 Ending Balance, cont.

- The actual ending Cash Fund balance will differ from the amount presented at the September 2025 CHASE Board meeting, with the additional funding components included.
- A revised ending Cash Fund balance that incorporates these components will be presented to the CHASE Board at a future meeting.
- Below is the estimated impact of two key funding components that will materially affect the final ending fund balance.

FFY 2025 Funding Components	Amount
Additional eFMAP Federal Funds	\$45.0M
Accrued Interest	\$5.0M
Total	\$50.0M



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Increased eFMAP Federal Funds

- FFY 2025 drew down more enhanced federal matching funds than expected.
- The amount of federal funds drawn down depends on the actual split of hospital payments between ACA expansion and standard Medicaid populations.
- This information becomes available only after each quarter ends. In the following quarter, the actual eFMAP rate is calculated, and the related federal funds are drawn down.
- Because the eFMAP rate cannot be known at the beginning of the year, an estimated rate is used for modeling and planning purposes.



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Increased eFMAP Federal Funds, cont.

- The estimated eFMAP rate of 63.00% was expected to draw down an additional \$213 million in federal matching funds.
- The actual eFMAP rate of 65.50% drew an additional \$260 million in federal matching funds.
- The additional eFMAP federal matching funds drawn down in FFY 2025 increased the ending fund balance compared to the September projections.
- For FFY 2026, the projected eFMAP rate will be increased to reflect higher expected federal matching funds.



Average Daily Balance

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Average Daily Balance (ADB)

- This presentation includes Average Daily Balances (ADB) for the months of March 2020 through September 2025.
- ADB is calculated by adding all daily running balances for a month and dividing that total by the number of days in the month.
- ADB is different from the ending fund balance for the month.
 - In September, \$333M in supplemental payments and \$100M in fees occurred on the last day of the month.
 - The ending fund balance is lower than the listed ADB.



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Average Daily Balance, cont.

- There is variation in ADB values across months and fiscal years.
- Monthly ADB values can shift by more than \$100 million.
 - Driven by the timing of provider fees, supplemental payments, and enhanced federal matching funds.
- Some months have lower ADB values, below \$50 million.
- Some months have higher ADB values, above \$150 million.



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Average Daily Balance, cont. 2

- Higher ADB values result from the timing of the CHASE provider fee program.
- During the interim period, eFMAP federal funds are collected but not refunded to hospitals.
- eFMAP Federal funds not used during this period, increasing the Cash Fund balance and ADB value.
- Later in the year, the Department reconciles to the final model and refunds the eFMAP federal funds.

Average Daily Balance, cont. 3

Current Fee Refund Process				
Transaction Type	Month	Provisional Fees	Fee Refunds	CHASE Fees
Interim	October	\$125,000,000	-\$5,000,000	\$120,000,000
	November	\$125,000,000	-\$5,000,000	\$120,000,000
	December	\$125,000,000	-\$5,000,000	\$120,000,000
	January	\$125,000,000	\$0	\$125,000,000
	February	\$125,000,000	\$0	\$125,000,000
	March	\$125,000,000	\$0	\$125,000,000
	April	\$125,000,000	\$0	\$125,000,000
	May	\$125,000,000	\$0	\$125,000,000
	June	\$125,000,000	\$0	\$125,000,000
Reconcile	July	\$125,000,000	-\$25,000,000	\$100,000,000
	August	\$125,000,000	-\$25,000,000	\$100,000,000
	September	\$125,000,000	-\$25,000,000	\$100,000,000
	Total	\$1,500,000,000	-\$90,000,000	\$1,410,000,000

Fee Refunds For
Previous Fiscal Year



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Average Daily Balance, cont. 4

FFY	Month	ADB	Fee Refunds
FFY 20201	October 2020	\$224,718,096	\$0
	November 2020	\$205,850,304	\$0
	December 2020	\$204,225,934	\$0
	January 2021	\$246,544,093	\$0
	February 2021	\$205,114,747	\$0
	March 2021	\$180,295,507	\$0
	April 2021	\$207,951,054	\$0
	May 2021	\$209,779,992	\$0
	June 2021	\$168,173,011	\$0
	July 2021	\$92,618,863	\$0
	August 2021	\$18,373,221	-\$52,854,838
	September 2021	\$17,862,130	-\$52,854,838
FFY 2022	October 2021	\$20,177,583	-\$11,745,501
	November 2021	\$33,548,757	-\$11,745,501
	December 2021	\$7,966,316	-\$11,745,562

FFY 2021
Monthly Fee
Refunds



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Proposed Change

- Proposing to continue interim fee refunds (October - December) until the reconciliation period.
- eFMAP federal funds collected during the interim period are refunded in a timely manner.
- Decreases the monthly Cash Fund balance and ADB values, bringing them closer to the agreed-upon reserve limit.

Proposed Change, cont.

- Fee refunds were not issued previously during the interim period due to the delayed process for drawing down matching federal funds.
 - Delays occur because eFMAP federal funds are drawn down in the quarter after supplemental payments are made.
- The federal funds drawdown process has been streamlined, allowing eFMAP federal funds to be received faster.
- A Cash Fund reserve is needed to float the timing gap between when fee refunds are issued and when eFMAP federal funds are received.



Proposed Change, cont. 2

Proposed Fee Refund Process				
Transaction Type	Month	Provisional Fees	Fee Refunds	CHASE Fees
Interim	October	\$125,000,000	-\$5,000,000	\$120,000,000
	November	\$125,000,000	-\$5,000,000	\$120,000,000
	December	\$125,000,000	-\$5,000,000	\$120,000,000
	January	\$125,000,000	-\$5,000,000	\$120,000,000
	February	\$125,000,000	-\$5,000,000	\$120,000,000
	March	\$125,000,000	-\$5,000,000	\$120,000,000
	April	\$125,000,000	-\$5,000,000	\$120,000,000
	May	\$125,000,000	-\$5,000,000	\$120,000,000
	June	\$125,000,000	-\$5,000,000	\$120,000,000
Reconcile	July	\$125,000,000	-\$15,000,000	\$110,000,000
	August	\$125,000,000	-\$15,000,000	\$110,000,000
	September	\$125,000,000	-\$15,000,000	\$110,000,000
	Total	\$1,500,000,000	-\$90,000,000	\$1,410,000,000

Fee Refunds For
Previous Fiscal Year

New Fee Refunds
Occurring During
Interim Period



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Next Steps

- This change will alter monthly ADB and Cash Fund balances going forward.
- Will monitor monthly ADB on a regular cadence, potentially quarterly.
 - To understand how it changes over time.
- Continued review is required before making decisions based on historical monthly ADB.



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Next Steps, cont.

- No FFY 2026 Cash Fund reserve limit change is being proposed today.
- Do not have all needed information for this discussion.
- This includes the:
 - FFY 2026 ending Cash Fund balance, and
 - FFY 2027 total CHASE funding obligation.
- Once these two components are available, can present them to the CHASE Board.
- A conversation about reserve limits will be important for FFY 2027 due to the future implementation of State Directed Payments (SDP).

SNF & ICF-IID Transparency Report

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Next Steps

- The Colorado Health Care Affordability and Sustainability Enterprise Skilled Nursing Facility (SNF) and Intermediate Care Facility (ICF-IID) Transparency Report is now publicly available on the CHASE website.
- The Nursing Facility Support Board will be convened and begin meeting regularly in the coming months.



CHASE Hospital Report

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Brief Update

- CHASE Board approved report in November.
- Subsequent identification of a minor data error.
- Proportion of Health First Colorado claims for Expansion members paid to hospitals.
 - In approved report: 21%. Updated amount: 24%
- Additionally, a footnote added:
 - “The methodologies for calculating the claims paid for expansion population that go to hospitals has been refined, and will not be comparable to previous years’ estimates.”



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Board Discussion



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Public Comment

Board Action



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Thank You

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