Department of Health Care Policy and Financing

Funding Request for the FY 2026-27 Budget Cycle

Request Title

R-09 Provider Directory Compliance

Dept. Approval By: _____ ____ **Supplemental FY 2025-26**

OSPB Approval By: _____ ____ **Budget Amendment FY 2026-27**

X **Change Request FY 2026-27**

Summary Information	Fund	FY 2025-26 Initial Appropriation	FY 2025-26 Supplemental Request	FY 2026-27 Base Request	FY 2026-27 Change Request	FY 2027-28 Continuation
Total of All Line Items Impacted by Change Request	**Total**	**$168,580,826**	**$0**	**$160,804,200**	**$5,955,875**	**$1,870,000**
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	$38,789,721	$0	$36,846,981	$451,455	$311,355
	CF	$15,738,073	$0	$15,108,845	$248,360	$169,235
	RF	$605,524	$0	$605,524	$0	$0
	FF	$113,447,508	$0	$108,242,850	$5,256,060	$1,389,410

Line Item Information	Fund	FY 2025-26 Initial Appropriation	FY 2025-26 Supplemental Request	FY 2026-27 Base Request	FY 2026-27 Change Request	FY 2027-28 Continuation
	Total	**$17,787,189**	**$0**	**$19,025,164**	**($224,000)**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Payments to OIT	GF	$7,168,016	$0	$7,576,548	($76,160)	$0
	CF	$1,437,336	$0	$1,647,792	($35,840)	$0
	RF	$512,320	$0	$512,320	$0	$0
	FF	$8,669,517	$0	$9,288,504	($112,000)	$0
	Total	**$45,936,358**	**$0**	**$40,397,469**	**$224,000**	**$0**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - General Professional Services and Special Projects	GF	$16,663,486	$0	$14,707,769	$76,160	$0
	CF	$3,629,148	$0	$2,846,853	$35,840	$0
	RF	$81,000	$0	$81,000	$0	$0
	FF	$25,562,724	$0	$22,761,847	$112,000	$0
	Total	**$104,857,279**	**$0**	**$101,381,567**	**$5,955,875**	**$1,870,000**
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (B) Information Technology Contracts and Projects, (1) Information Technology Contracts and Projects - MMIS Maintenance and Projects	GF	$14,958,219	$0	$14,562,664	$451,455	$311,355
	CF	$10,671,589	$0	$10,614,200	$248,360	$169,235
	RF	$12,204	$0	$12,204	$0	$0
	FF	$79,215,267	$0	$76,192,499	$5,256,060	$1,389,410

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Health Care Policy and Financing Prioritized Request	**Interagency Approval or Related Schedule 13s:**	No Other Agency Impact

Governor Jared Polis
FY 2026-27 Funding Request

Kim Bimestefer, Executive Director
Department of HCPF
November 3, 2025

Department Priority: R-09
Provider Directory Compliance

Summary of Funding Change for FY 2026-27

Fund Type	FY 2026-27 Base Request	FY 2026-27 Incremental Request	FY 2027-28 Incremental Request
Total Funds	$160,804,200	$5,955,875	$1,870,000
General Fund	$36,846,981	$451,455	$311,355
Cash Funds	$15,108,845	$248,360	$169,236
Reappropriated Funds	$605,524	$0	$0
Federal Funds	$108,242,850	$5,256,060	$1,389,410
FTE	0.0	0.0	0.0

Summary of Request

Problem or Opportunity
Health First Colorado is currently not in compliance with federal provider directory requirements set forth in the Consolidated Appropriations Act of 2023. The Centers for Medicare & Medicaid Services (CMS) now requires states to publish provider directories that are accurate, mobile-accessible, culturally competent, and updated at least quarterly. The Department's existing system lacks required application programming interfaces to drive the directory and some additional directory data points needed to comply with federal standards.

Proposed Solution
The Department requests funding to implement a comprehensive, real-time provider directory platform that complies with federal law. This request advances equitable access to care by improving provider search capabilities for rural members, people with disabilities, and those needing culturally competent care. This request also includes a budget-neutral shift of funding from the Office of Information and Technology (OIT) Common Policy line to the General Professional Services (GPS) line to hire a vendor for member experience enhancements.

Fiscal Impact of Solution
The Department requests $5,955,875 total funds, including $451,455 General Fund, $248,360 cash funds, and $5,256,060 federal funds, and 0.0 FTE in FY 2026-27; and $1,870,000 total funds, including $311,355 General Fund, $169,235 cash funds, and $1,389,410 federal funds, and 0.0 FTE in FY 2027-28 to support the implementation and ongoing operation of a modernized provider directory system. This request does not require statutory changes.

Requires Legislation	Colorado for All Impacts	Revenue Impacts	Impacts Another Department?	Statutory Authority
No	Positive	No	No	25.5-4-211, C.R.S.

Background and Opportunity

The Health First Colorado provider directory is a critical tool for members, providers, care coordinators, and call center staff to locate participating providers and support timely referrals. The current directory is fragmented across vendors and lacks centralized infrastructure to ensure accuracy, accessibility, and consistency. It does not meet federal requirements outlined in the Consolidated Appropriations Act of 2023 (CAA) and the CMS Interoperability and Patient Access Final Rule, which mandate mobile usability, quarterly updates, cultural and linguistic detail, and full accessibility compliance. The Consolidated Appropriations Act (CAA) of 2023 amended Section 1902 of the Social Security Act, extending directory requirements beyond managed care to include Fee-for-Service (FFS) and Primary Care Case Management (PCCM) models. CMS guidance in SHO #24-003 clarifies that states must implement a provider directory that complies with 42 CFR 431.60(c), including the use of a standards-based application programming interface (API) and alignment with updated provider data requirements such as provider affiliations, accessibility features, and indicators of culturally competent care.

Today, provider data is updated primarily during five year re-credentialing cycles or through voluntary submissions. This results in outdated and inaccurate listings. In addition to compliance gaps, the Department has received consistent feedback from members who report difficulty finding providers using the online directory. Provider participation status and contact information frequently change without notice. As a result, members often cannot identify a provider accepting Medicaid and may turn to urgent care or emergency rooms for services. Primary care providers also experience similar barriers when attempting to locate specialists for referrals. This increases administrative time and delays care coordination. Members, especially those in rural areas, people with disabilities, and those seeking culturally appropriate care, face persistent challenges finding accurate information. Regional Accountable Entities (RAEs) and Managed Care Organizations (MCOs) maintain separate directories, creating duplication and inconsistent data. Call center volume rises when members cannot rely on self service tools to access accurate directory information.

The Department cannot rely on private health plan directories because it includes many providers who do not participate in commercial networks, such as those offering home and community based services, nursing facility care, or transportation.The Department has identified compliance gaps in its current directory. The current infrastructure does not support

real time data, clear oversight, or user-friendly search features. A modernized directory is essential not only to achieve federal compliance, but also to resolve persistent access issues experienced by both members and providers.The Department proposes building a centralized platform that includes API integration, artificial intelligence (AI) driven data validation, and structured user experience (UX) testing. These improvements will support compliance and significantly improve member access and provider functionality.

Partial vendor upgrades or temporary fixes would not address the underlying issues and would leave the Department vulnerable to compliance risks and potential loss of federal funds. Dedicated funding is necessary to advance this work and deliver a functional and compliant provider directory that supports equitable access to care statewide.

The Department also has an opportunity to repurpose funding originally requested through the FY 2019-20 R-10, "Transform Customer Experience," initiative to support member centered improvements such as usability testing, interface updates, feedback loops, and directory performance evaluation. Since OIT is unable to deliver these services, the funds need to be moved to a different line item in order to be utilized as originally intended to enable vendor procurement, with no change to the total funding.

Proposed Solution and Anticipated Outcomes

The Department requests $5,955,875 total funds, including $451,455 General Fund, $248,360 cash funds, and $5,256,060 federal funds, and 0.0 FTE in FY 2026-27; and $1,870,000 total funds, including $311,355 General Fund, $169,235 cash funds, and $1,389,410 federal funds, and 0.0 FTE in FY 2027-28. The Department proposes to modernize the Health First Colorado provider directory through the development of a centralized system that supports real time data exchange and meets all federal compliance requirements. This request also includes a budget neutral technical adjustment to shift funds from the OIT line to the General Professional Services (GPS) line to support member experience enhancements originally proposed in the FY 2019–20 R-10, "Transform Customer Experience," request. This request directly supports HCPF's FY 2025-26 strategic goals to improve Operational Excellence and Customer Service, enhance Care Access, and modernize core Medicaid infrastructure, as described in the Department's performance plan. This system would include a secure Application Programming Interface (API), Artificial Intelligence (AI) tools for ongoing data enrichment and error detection, and member focused search functionality that supports mobile and accessible use. The project would also standardize validation processes and conduct User Experience (UX) testing, including stakeholder validation, to ensure accessibility and usability.

The modernized system would consolidate fragmented directories across vendors and delivery systems, improve equitable access to care, and reduce administrative burden for members and providers. It would align with national standards, reduce duplicative work across delivery systems, and provide centralized oversight. The request is essential to avoid federal funding disallowances, comply with federal law, and modernize the digital infrastructure used by Medicaid members and

providers. This solution also addresses persistent member and provider challenges related to the usability and accuracy of the current directory, which have impacted care navigation, referral coordination, and timely access to services.

Key components of the Design, Development, and Implementation (DDI) phase include:

- Development of a centralized directory platform and integrated interface
- Real time data sharing via API integration
- Use of AI tools for data enrichment and error detection
- UX design, accessibility testing, and stakeholder validation
- Project management, planning, and oversight

Ongoing Maintenance and Operations (M&O) costs include:

- Secure hosting and system maintenance
- Data validation, governance, and print on demand capacity
- Training, provider and member support, and help desk integration
- Secret shopper and audit infrastructure to support data accuracy

To support the member facing functionality of the directory, the Department is requesting to shift funding originally requested under the FY 2019–20 R-10 from the Payments to OIT line item to the General Professional Services line item. This shift allows the Department to contract with vendors for activities that cannot be fulfilled through internal IT services. These include member testing, iterative feedback loops, and baseline performance metrics. These elements will ensure that the directory is not only compliant, but also usable and meaningful to members.

The solution would improve member experience by allowing users to search for providers using clinical, cultural, linguistic, geographic, and accessibility criteria. Enhanced data accuracy and search performance could increase trust in digital tools and reduce reliance on printed materials or call center support. Providers and care teams could benefit from more timely and reliable referral capabilities, while administrators could gain improved visibility into directory accuracy and network adequacy.

Performance metrics could include directory update frequency, completeness of provider data fields, and user satisfaction scores. System auditing tools, including secret shopper testing and feedback tracking, could inform future enhancements. The Department would collect both quantitative and qualitative data such as tracking search success rates, evaluating turnaround times for data updates, and gathering user feedback to assess how the new directory could improve access to care and usability for diverse member populations.

Consequences if Not Approved

If the request is not approved, the Department would remain out of compliance with federal regulations and risk disallowance of federal funds. The current patchwork system would continue to place a burden on members, providers, and administrative staff. Without investment, the Department cannot implement a functional and compliant directory that meets the needs of its members or aligns with state priorities for equitable, user centered care.

Supporting Evidence and Evidence Designation

This request is not subject to an evidence designation under House Bill 24-1428 because it does not meet the definition of a program or practice. The provider directory is a required Medicaid administrative system and is not designed to directly deliver services or interventions to a defined population with measurable outcomes. Instead, it functions as a system level infrastructure investment necessary to meet federal compliance requirements and support program integrity.

Although not eligible for an evidence designation, the proposed solution is informed by national standards, CMS technical assistance, and peer state research on best practices in provider directory design. The Department has also incorporated feedback from internal operations, external stakeholders, and accessibility experts in identifying system gaps and prioritizing system improvements. Metrics used by CMS to evaluate directory quality, such as update frequency, completeness, and search functionality, would guide system design and performance monitoring. In addition to federal compliance objectives, this request is grounded in direct member and provider feedback highlighting persistent challenges with finding participating providers, coordinating referrals, and navigating outdated or incomplete directory information.The Department may consider future evaluation work related to user experience or accessibility outcomes, but no formal impact study is proposed at this time. The goal of this request is to align with federal rules and ensure that Health First Colorado members and providers can access accurate, timely, and complete information about the care available to them: reducing disparities in digital access and enhancing usability of Medicaid systems.

Promoting Colorado for All

The Department identifies this request as having a positive impact on Health First Colorado members. This request supports equitable access to care for all Health First Colorado members by improving the accuracy, accessibility, and usability of the provider directory. Members would be able to search for providers based on telehealth availability, physical office accessibility, languages spoken, and cultural competence. These features are essential for individuals who have historically faced barriers in navigating health systems, including people in rural areas, people with disabilities, and those seeking linguistically or culturally appropriate care.

By providing more reliable and complete information, the directory would allow members to make informed choices and access services that match their needs. Primary care providers would also benefit from a more accurate and usable directory to identify specialists who accept Medicaid, which supports more efficient and equitable care coordination. This investment helps close access gaps, supports care coordination, and strengthens digital tools that all Coloradans rely on when interacting with Medicaid.These improvements will reduce administrative barriers, enhance digital access, and support timely connections to care across diverse member populations. This request directly aligns with the Governor's vision of building a Colorado where everyone has the opportunity to succeed.

Assumptions and Calculations

The Department developed this request based on preliminary technical requirements and vendor estimates identified through the Provider Directory Compliance Workgroup. This group has engaged with vendors, analyzed available tools, and reviewed provider directory systems used by other states to inform cost projections. The funding request reflects these estimates and is structured to include both one-time Design, Development, and Implementation (DDI) costs and ongoing Maintenance and Operations (M&O) costs.

The Department assumes system development would begin early in FY 2026-27 following vendor procurement or contract amendments with existing vendors, with core implementation completed within the fiscal year. Federal financial participation rates were applied to each cost category based on CMS match eligibility guidance. The Department anticipates receiving the enhanced match rates but would be required to submit an Advance Planning Document (APD) for CMS approval in order to claim them.

DDI costs are eligible for a 90% federal match. These include: the buildout of a centralized provider directory platform, development of an application programming interface, integration of data standardization and enrichment tools, accessibility testing, user experience design, and project management. These costs are one time in nature and are concentrated in FY 2026-27.

M&O costs are eligible for a 75% federal match. These include: secure hosting, ongoing data validation and print on demand capacity, training and help desk integration, and annual support for secret shopper testing and audit infrastructure. These costs begin in FY 2026-27 and continue in FY 2027-28 and beyond.

Total costs have been allocated based on caseload impacts across multiple funding sources, including the General Fund, the Children's Basic Health Plan (CHP), the CHASE Cash Fund, and federal funds. Based on the most recent caseload data, the Medicaid population is composed of 67% standard Medicaid and 33% Medicaid expansion (CHASE). For CHP, the population is composed of 62% standard CHP and 38% CHP expansion. Overall, the Department allocates 93% of costs to Medicaid and 7% to CHP. The CHP+ Trust Fund is not used for this request, in alignment with efforts to clean up the spending authority for that fund.

The Department anticipates receiving a 88.25% Federal Financial Participation (FFP) rate for all Medicaid-related DDI costs, 74.30% for all M&O costs, and a 65% FFP rate for CHIP-related costs. These assumptions result in a weighted average FFP that reflects the distribution of standard and expansion populations across both programs. Based on the most recent caseload data, the Medicaid population is composed of 67% standard Medicaid and 33% Medicaid expansion (CHASE). For CHP, the population is composed of 62% standard CHP and 38% CHP expansion. Overall, the Department allocates 93% of costs to Medicaid and 7% to CHP. The CHP Plus Trust Fund is not used for this request, in alignment with efforts to clean up the spending authority for that fund.

A portion of the requested funding is repurposed from the FY 2019–20 R-10 request. The Department requests to shift these funds from the Payments to OIT common policy line item to the General Professional Services line item to support member experience enhancements. This is a budget neutral technical shift and results in no net fiscal impact.

This request does not include any FTE. All work would be conducted through contracts with vendors.

Table 1.1
Summary by Line Item
FY 2026-27

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office, (A) General Administration, Payments to OIT	($224,000)	0.0	($76,160)	($35,840)	$0	($112,000)	50.00%	Table 4.1 Row D
B	(1) Executive Director's Office, (A) General Administration, General Professional Services and Special Projects	$224,000	0.0	$76,160	$35,840	$0	$112,000	50.00%	Table 4.1 Row E
C	(1) Executive Director's Office; (B) Information Technology Contracts and Projects	$5,955,875	0.0	$451,455	$248,360	$0	$5,256,060	88.25%	Table 2.1, Row B
D	**Total Request**	**$5,955,875**	**0.0**	**$451,455**	**$248,360**	**$0**	**$5,256,060**	**62.75%**	**Sum of Row A through C**

Table 1.2
Summary by Line Item
FY 2027-28

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (B) Information Technology Contracts and Projects	$1,870,000	0.0	$311,355	$169,235	$0	$1,389,410	74.30%	Table 2.2, Row B
B	**Total Request**	**$1,870,000**	**0.0**	**$311,355**	**$169,235**	**$0**	**$1,389,410**	**74.30%**	**Row A**

Table 1.3
Summary by Line Item
FY 2028-29 and Ongoing

Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (B) Information Technology Contracts and Projects	$1,870,000	0.0	$311,355	$169,235	$0	$1,389,410	74.30%	Table 2.3, Row B
B	**Total Request**	**$1,870,000**	**0.0**	**$311,355**	**$169,235**	**$0**	**$1,389,410**	**74.30%**	**Row A**

Table 2.1
Summary by Initiative
FY 2026-27

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Provider Directory (DDI)	$5,955,875	0.0	$451,455	$248,360	$0	$5,256,060	88.25%	Table 3.1 Row G
B	Shifting Member Experience Enhancement Funding	$0	0.0	$0	$0	$0	$0	0.00%	Row 4.1 Row F
C	**Total Request**	**$5,955,875**	**0.0**	**$451,455**	**$248,360**	**$0**	**$5,256,060**	88.25%	**Sum of Rows A through Q**

Table 2.2
Summary by Initiative
FY 2027-28

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Provider Directory (M&O)	$1,870,000	0.0	$311,355	$169,235	$0	$1,389,410	74.30%	Table 3.2 Row G
B	**Total Request**	**$1,870,000**	**0.0**	**$311,355**	**$169,235**	**$0**	**$1,389,410**	**74.30%**	**Sum of Rows A through Q**

Table 2.3
Summary by Initiative
FY 2028-29 and Ongoing

Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Provider Directory (M&O)	$1,870,000	0.0	$311,355	$169,235	$0	$1,389,410	74.30%	Table 3.2 Row G
B	**Total Request**	**$1,870,000**	**0.0**	**$311,355**	**$169,235**	**$0**	**$1,389,410**	74.30%	**Sum of Rows A through Q**

Table 3.1 Design, Development & Installation (DDI) Costs			
Row	**Item**	**Amount**	**Notes**
A	Vendor System Build (Directory Platform, API, GUI if applicable)	$3,755,875	Vendor Estimate
B	AI/Data Enrichment Tools	$300,000	Vendor Estimate
C	Data Integration and Standardization	$500,000	Vendor Estimate
D	UX/CX Design, Member Testing, Accessibility Compliance	$250,000	Vendor Estimate
E	Project Management and Oversight	$400,000	Vendor Estimate
F	Salesforce Software	$750,000	Vendor Estimate
G	**Total**	**$5,955,875**	**Sum of Row A through F**

Table 3.2 Maintenance & Operations (M&O) Costs			
Row	**Item**	**Amount**	**Notes**
A	Hosting and Maintenance	$500,000	Vendor Estimate
B	Data Governance and Validation Support	$350,000	Vendor Estimate
C	Print-on-Demand Services (est. 700–1,000 annual requests)	$20,000	Vendor Estimate
D	Training, Help Desk Integration, Support	$250,000	Vendor Estimate
E	RAE Integration and SDoH Expansion	$500,000	Vendor Estimate
F	Secret Shopper & Audit Infrastructure	$250,000	Vendor Estimate
G	**Total**	**$1,870,000**	**Sum of Row A through F**

Table 4.1: Member Experience Enhancements Funding from OIT Common Policy to GPS								
Row	**Line Item**	**Total Funds**	**FTE**	**General Fund**	**Cash Funds**	**Reappropriated**	**Federal Funds**	**Notes**
Current Appropriation								
A	(1) Executive Director's Office (A) General Administration; Payments to OIT	$224,000	0.0	$76,160	$35,840	$0	$112,000	FY 26-27 Budget
B	(1) Executive Director's Office (A) General Administration; Personal Services	$0	0.0	$0	$0	$0	$0	FY 26-27 Budget
C	**Total**	**$224,000**	**0.0**	**$76,160**	**$35,840**	**$0**	**$112,000**	**Row A + Row B**
Requested Appropriation								
D	(1) Executive Director's Office (A) General Administration; Payments to OIT	($224,000)	0.0	($76,160)	($35,840)	$0	($112,000)	Reduction of Appropriation
E	(1) Executive Director's Office (A) General Administration; Personal Services	$224,000	0.0	$76,160	$35,840	$0	$112,000	Requested Appropriation
F	**Total**	**$0**	**0.0**	**$0**	**$0**	**$0**	**$0**	**Row D + Row E**