

Multi-Department LRFI #8 (Tobacco Master Settlement Agreement)

Joint Budget Committee's Multi-Department Request for Information #6 regarding the programs funded with Tobacco Master Settlement moneys

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I. Children’s Basic Health Plan

A. Program Overview

Program Description:	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.	
Eligible Population:	Uninsured children from 143% FPL to 260% FPL and uninsured pregnant adults from 196% FPL to 260% FPL.	
Tobacco Settlement Monies Received:	FY 2024-25: \$14,933,721	
Services:		Number of Eligible Persons Served:
Affordable health insurance and oral health care for CHP+ children and Prenatal Clients.		In FY 2023-24, average monthly caseload for CHP+ was 88,685 (86,572 children and 2,113 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

Program Outputs	Program Outcomes
<ul style="list-style-type: none">In FY 2024-25, CHP+ provided health care to an average monthly caseload of 88,685 children and pregnant adults who would have otherwise been uninsured. This represents a 29.34 percent increase in the average monthly enrollment over FY 2023-24.	<ul style="list-style-type: none">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.Offering a defined benefit package that uses privatized administration.

D. Program Opportunities and Challenges

The Public Health Emergency (PHE) had some lasting impact on CHP+ and Medicaid enrollment, mainly causing members to move between CHP+ and Medicaid. 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, and has continued to grow reaching an average monthly caseload of 88,658 children and pregnant adults in FY 2024-25, an increase of 29.34 percent over FY 2023-24. 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 despite some recent downward pressure on CHP+ caseload.

During the PHE, annual CHP+ enrollment fees were postponed and ultimately waived. HB 22-1289, Health Benefits for Colorado Children and Pregnant Persons, permanently removed the enrollment fee for CHP+ members.

Despite the challenges presented in previous years, significant strides were made in improving the CHP+ program. In 2023 the Consolidated and Appropriations Act extended federal funding for CHIP through the end of 2029. Throughout FY 2024-25, 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

In FY 2024-25 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. The Department implemented Cover All Coloradans, to provide Health First Colorado and CHP+ to children ages 18 and younger and pregnant people in Colorado, regardless of their documentation status. The bill also added breast pump and lactation services and support for postpartum adults receiving care through Health First Colorado and CHP+. Additionally, the Department continues to work with our federal partners to establish new coverage opportunities, by allocating Health Services Initiative Funds. Six months after implementation, over 20,000 members were enrolled in Health First Colorado

or CHP+ via Cover All Coloradans. Almost 15,000 of those members were children. The Department will continue working with the MCOs and community partners to track utilization and enrollment in the program.

Also, in FY2024-25, system changes were implemented to improve the continuity of care for members who move from Medicaid to CHP+. Extensive consultation with providers and other stakeholders informed person-centered process improvement that will ensure all members are able to keep their provider and managed care medical home when changing coverage. CHP+ staff worked closely with ACC Phase 3 teams to update contract language and deliverable due dates and templates. Phase 3 has also provided opportunities for CHP+ to clearly define where program authorities and requirements differ, and communicate effectively to our stakeholders what contract performance standards are applicable to CHP+ MCOs. CHP+ continues to update the member and provider focused websites with up to date content and information, including our CHP+ Spanish web page.

The Behavioral Health Administration is working with the Department to improve behavioral health for all Coloradans, especially youth. The Medicaid System of Care, which is now the Colorado System of Care, provides opportunities for CHP+ to better meet the behavioral health needs of Colorado youth. The Department is also managing the impacts to CHP+ of H.R 1, and the expected impact on the state budget. 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 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 2022-23, FY 2023-24, and FY 2024-25 underscore the necessity for continued General Fund appropriations to ensure the program's sustainability and administration.