



COLORADO

Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

FY 2022-23 Long Bill Overview

June 2022

Below is the summary of provisions included in the Long Appropriations Bills or Long Bill ([HB 22-1329](#)) for the Colorado Department of Health Care Policy & Financing (the Department). Each year, the Long Bill includes the Department's budget requests and other provisions passed by the General Assembly to fund the operations of state government. The state fiscal year runs from July 1, 2022 to June 30, 2023. Additional detail on each request, as well as caseload information and other technical budget amendments, is available on our [budget request site](#).

A high-level overview of other legislation passed that affects the Department can be found in the 2022 Legislative Session Wrap-Up on our [Legislator Resource Center webpage](#).

The provisions outlined below are generally effective on July 1, 2022; some elements require system changes and/or federal approvals, so please note that implementation dates can vary. Sign up for our e-newsletters to receive updates as they are available.

Department Budget Requests

R6 | Value Based Payments

Summary: The Department received funding for the planning and implementation of three alternative payment models (APMs), including the Pharmacy Prescriber tool APM and the Primary Care and Pediatrics APMs. The Joint Budget Committee (JBC) allocated full funding for these APMs to the Department, including the FTE, contractor, and systems costs, but removed the mandatory components the Department originally requested for each. Finally, the JBC also approved funding for stakeholder engagement and actuarial rate setting for the Maternity bundle and Colorado Providers of Distinction program.

FY 2022-23 Budget Impact: \$7,197,677 Total Funds, including \$2,323,266 General Fund

FY 2023-24 Budget Impact: \$9,032,704 Total Funds, including \$2,451,699 General Fund

FY 2024-25 Budget Impact: \$4,203,042 Total Funds, including \$1,473,465 General Fund

R7 | Utilization Management

Summary: The Department received funding to expand and strengthen utilization management (UM) measures in Colorado's Medicaid program. HCPF's utilization management program is responsible for ensuring quality, cost-effective health care delivery and member

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well-being through the appropriate utilization of services. The Department received funding to compensate HCPF’s UM vendor for expanding medical necessity reviews for outpatient medical services and physician administered drugs (PADs) newly-identified as high-risk for fraud, overutilization, or not routinely considered medically necessary. The funding will also be used to modernize the program by expanding and improving data sharing and reporting capabilities to help identify potential health inequities and disparities within the prior authorization request (PAR) program.

FY 2022-23 Budget Impact: Reduction of \$3,011,223 Total Funds, including a reduction of \$1,512,985 General Fund

FY 2023-24 Budget Impact: Reduction of \$2,999,155 Total Funds, including a reduction of \$1,515,550 General Fund

FY 2024-25 Budget Impact: Reduction of \$3,096,455 Total Funds, including a reduction of \$1,543,474 General Fund

R8 | County Administration, Oversight and Accountability

Summary: The Department received a funding adjustment to backfill some of the State’s annual funding deficit of its County Administration appropriation, increase funding for pay-for-performance through the County Incentives Program allocation, hire additional staff to provide proper fiscal and programmatic oversight of county administration-related services and reduce the amount of time it takes to conduct on-site compliance reviews of all 64 counties. In addition, the request includes resources for the Department to address quality and audit findings as reported in numerous Office of State Auditor (OSA) audits. This will provide the Department with resources to address its OSA error rate, identify erroneous enrollment, and prevent avoidable costs by assuring only those truly eligible are enrolled in the Medical Assistance Program.

FY 2022-23 Budget Impact: Reduction of \$843,774 Total Funds, including an increase of \$385,072 General Fund

FY 2023-24 Budget Impact: Reduction of \$17,361,912 Total Funds, including a reduction of \$3,452,766 General Fund

R9 | Office of Community Living (OCL) Living Program Enhancements

Summary: The Department received funding to increase rates and expand benefits for services offered through the Home and Community-Based Services (HCBS) waivers, increase provider bed capacity and create additional opportunities for care in the community. Specifically, the Department received funding to:

- Expand the current Home Delivered Meals (HDM) service offered in HCBS waivers;
- Increase the rate for the Transitional Living Program (TLP);
- Create a negotiated rate for the Supported Living Program (SLP);
- Align the rates for several long-term care management activities;



- Align services limits and rates between the Children’s Habilitation Residential Program (CHRP) waiver and other HCBS waivers; and
- Maintain the current funding enrollment levels of the State-only programs for people with intellectual and developmental disabilities.

FY 2022-23 Budget Impact: \$2,452,715 Total Funds, including \$1,872,153 General Fund

FY 2023-24 Budget Impact: \$2,443,390 Total Funds, including \$1,867,490 General Fund

FY 2024-25 Budget Impact: \$1,765,740 Total Funds, including \$1,528,665 General Fund

R10 | Provider Rate Adjustments

Summary: The Department received funding for a 2.0% across-the-board rate increase for providers. Additionally, the Department received funding for certain targeted adjustments to provider rates across several service categories, including an increase of DME rates, a temporary increase to certain DME codes, an increase to transportation rates, an increase to speech therapy rates and an increase to physical and occupational therapy rates.

FY 2022-23 Budget Impact: \$238,984,431 Total Funds, including \$87,949,746 General Fund

FY 2023-24 Budget Impact: \$390,632,686 Total Funds, including \$160,392,564 General Fund

FY 2024-25 Budget Impact: \$390,632,686 Total Funds, including \$160,392,564 General Fund

R11 | ACC & CHP+ Accountability

Summary: The Department received funding for 2.0 FTE for the Accountable Care Collaborative (ACC) and Child Health Plan Plus (CHP+) programs to improve the process of care for clients enrolled in these programs. This will allow the Department to expand state-level oversight and accountability with the ACC and CHP+, thus making meaningful improvements in the quality of care and driving equity in the health outcomes of members. The request also includes a technical reduction to the CHP+ Administration line item.

FY 2022-23 Budget Impact: Reduction of \$1,088,495 Total Funds, including a reduction of \$368,236 General Fund

FY 2023-24 Budget Impact: Reduction of \$1,096,859 Total Funds, including a reduction of \$371,792 General Fund

FY 2024-25 Budget Impact: Reduction of \$1,096,859 Total Funds, including a reduction of \$371,792 General Fund

R12 | Convert Contractor Resources to FTE

Summary: The Department received funding to build internal efficiencies, develop institutional knowledge, and adequately support multiple administrative duties. The Department will repurpose funding appropriated for contractor resources to hire State FTE to perform the same duties. This is a more efficient and cost-effective solution and provides benefits such as retaining institutional knowledge and having the ability to quickly refocus staff with changing priorities.



FY 2022-23 Budget Impact: Reduction of \$339,518 Total Funds, including a reduction of \$155,265 General Fund

FY 2023-24 Budget Impact: Reduction of \$597,425 Total Funds, including a reduction of \$266,965 General Fund

R13 | Compliance FTE

Summary: The Department received funding for an increase in staffing, offset by savings, to provide increased stewardship of State resources through the implementation of operational compliance and program oversight measures. The Department’s proper oversight and accountability is critical to ensuring that members are receiving the services they need and taxpayers are getting sufficient returns on these funds. This funding will allow the Department to hire 11.0 new FTE to ensure sound operational compliance and program oversight.

FY 2022-23 Budget Impact: Reduction of \$4,776,152 Total Funds, including a reduction of \$2,440,246 General Fund

FY 2023-24 Budget Impact: Reduction of \$4,745,670 Total Funds, including a reduction of \$2,421,904 General Fund

FY 2024-25 Budget Impact: Reduction of \$4,740,770 Total Funds, including a reduction of \$2,419,454 General Fund

R14 | MMIS Funding Adjustment and Contractor Conversion

Summary: The Department received funding to rebalance the Medicaid Management Information System Maintenance and Projects line item to accurately reflect current costs associated with the operation of the Medicaid Management Information Systems (MMIS) and current federal match rates. The Department received a one-time reduction to its FY 2022-23 appropriation as funding for prior years remains available for FY 2022-23 operations. Additionally, the Department received funding for additional staff to address gaps in operation and management for current and upcoming modular re-procurements.

FY 2022-23 Budget Impact: Reduction of \$56,199,927 Total Funds, including a reduction of \$10,366,213 General Fund

FY 2023-24 Budget Impact: \$633,798 in Total Funds, including a reduction of \$1,117,730 General Fund

FY 2024-25 Budget Impact: \$79,689 Total Funds, including a reduction of \$1,062,269 General Fund

R15 | Restore APCD Scholarship Funds

Summary: The Department received funding to fully restore the APCD Scholarship Program, a small grant program for researchers to access APCD data that was removed in FY 2020-21 as part of budget balancing reductions due to the COVID-19 economic downturn. The Department received additional funding above and beyond what was requested to further



bolster the APCD Scholarship Program and to provide additional resources for APCD operations.

FY 2022-23 Budget Impact: \$1,209,655 in Total Funds, including \$1,209,655 in General Fund

FY 2023-24 Budget Impact: \$1,209,655 in Total Funds, including \$1,209,655 in General Fund

R16 | Urban Indian Health Organization State-Only Payments

Summary: The Department received funding to provide temporary, state-only payments to Urban Indian Health Organization that qualify for a time-limited 100% federal medical assistance percentage (FMPA) provided through Section 9815 of the American Rescue Plan Act (ARPA). The JBC sponsored HB 22-1190, “Supplemental State Payment to Urban Indian Organizations,” to establish the authority for the payment.

FY 2021-22 Budget Impact: \$70,825 in Total Funds, including \$70,825 in General Fund

FY 2022-23 Budget Impact: \$48,025 in Total Funds, including \$48,025 in General Fund

R17 | Screening, Brief Intervention, and Referral to Treatment Training Grant Reduction

Summary: The Department’s request for a reduction in the Screening, Brief Intervention, and Referral to Treatment (SBIRT) program by \$250,000 from the Marijuana Tax Cash Fund (MTCF) was denied by the JBC. Insead, the JBC increased funding for the program by \$750,000.

FY 2022-23 Budget Impact: \$0 in Total Funds, including \$0 in General Fund

FY 2023-24 Budget Impact: \$0 in Total Funds, including \$0 in General Fund

For more information contact

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