



**COLORADO**

Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

# FY 2023-24 Long Bill Overview

June 2023

Below is the summary of provisions included in the Long Appropriations Bill or “Long Bill” ([SB 23-214](#)) 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, 2023, to June 30, 2024. 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 2023 Legislative Session Wrap-Up on our [Legislator Resource Center webpage](#).

The provisions outlined below are generally effective on July 1, 2023; 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.

## Department Budget Requests

### R6 | Supporting PCMP Transition with Value Based Payments

**Summary:** The Department received funding for training and incentives for Primary Care Medical Providers (PCMPs) to transition to the Alternative Payment Methodology 2 (APM 2). This program pays PCMPs a partial capitation payment and allows PCMPs to earn incentive payments for managing care for members with chronic conditions. PCMPs who participate in APM 2 will receive data from the Department on their patients with chronic conditions. The PCMPs may not immediately understand how to use the data. Therefore, the Joint Budget Committee (JBC) allocated funding for training and peer-to-peer learning collaboratives for participating providers, based on feedback from PCMPs. These initiatives will provide support to PCMPs as they manage complex health problems, and improve outcomes for members. This request builds upon previous Department budget requests to support HCPF’s efforts to transition away from traditional fee-for-service payments to a system of value-based payments.

**FY 2023-24 Budget Impact:** \$8,679,810 total funds, including \$2,853,173 General Fund

**FY 2024-25 Budget Impact:** \$9,318,127 total funds, including \$3,048,437 General Fund

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

[www.colorado.gov/hcpf](http://www.colorado.gov/hcpf)



## R7 | Provider Rate Adjustments

**Summary:** The Department received funding to provide an across-the-board provider rate increase of 3.0% and make various targeted rate adjustments for Medicaid providers. Increasing reimbursement to providers is the most important thing the Department can do to address workforce shortages and the effects of high inflation. Additionally, the JBC appropriated funds to provide targeted rate adjustments to a variety of providers including:

- Nursing homes with a higher proposed rate increase for facilities serving a higher percent of Medicaid patients;
- An increase for home and community-based waiver services to reflect a \$15.75 per hour base wage for workers statewide and \$17.29 per hour for workers in Denver;
- Eliminating most member co-pays; and,
- An incentive payment for rural providers.

The appropriation also includes funding to implement the recommendations determined through the annual rate review process to promote equity in reimbursement for services rendered. This includes adjusting rates for physician services, lab and pathology, dialysis, injections, eyeglasses, and vision services.

**FY 2023-24 Budget Impact:** \$292,040,697 total funds, including \$103,679,013 General Fund  
**FY 2024-25 Budget Impact:** \$326,528,758 total funds, including \$131,718,055 General Fund

## R8 | Cost and Quality Indicators

**Summary:** The Department received funding to sustain our data integration infrastructure for collecting and sharing relevant and reliable health care data among community partners, and to continue development of mission-critical cost and quality indicators to reveal insights and trends from the underlying data. As data-driven approaches become more ingrained in Department initiatives, the development of cost and quality indicators supports the Department in a variety of ways including ensuring compliance with federal reporting requirements, identifying and addressing health disparities for Health First Colorado members and empowering members by providing them with information on provider performance. The Department will be able to fund:

- Clinical data for care management,
- Social determinants of health supplemental data,
- Immunization and disease reporting and,
- Hospital cost and quality performance indicators, among others.

**FY 2023-24 Budget Impact:** \$7,305,880 total funds, including \$976,855 General Fund  
**FY 2024-25 Budget Impact:** \$6,750,430 total funds, including \$1,012,078 General Fund

## R9 | Advancing Birthing Equity



**Summary:** The Department received funding to promote increased health equity outcomes by implementing coverage for birthing doulas and human donor milk. A doula is a trained, non-medical professional who provides continuous physical, emotional and informational support to a mother before, during and after childbirth to help achieve the healthiest experience possible. Use of human donor milk to feed newborns, especially if the newborn is delivered preterm, has been shown to significantly improve long and short-term infant health outcomes. Use of human donor milk instead of infant formula immediately post-birth also improves breastfeeding rates among new mothers, which has been shown to carry significant short and long-term infant health benefits. This funding allows the Department to cover both doula services and human donor milk in certain circumstances for our members.

**FY 2023-24 Budget Impact:** Reduction of \$232,212 total funds, including a reduction of \$133,173 General Fund

**FY 2024-25 Budget Impact:** \$738,709 total funds, including \$355,087 General Fund

**R10 | Children and Youth with Complex & Co-Occurring Needs**

**Summary:** The Department received funding to enhance critical services for children and youth with complex and co-occurring needs. Specifically, the funds will allow the Department to create a multi-disciplinary team with a focus on benefit navigation and clinical care coordination for children with complex and co-occurring needs. It will also expand access to respite services for children on certain home and community-based waivers. This ensures improved oversight of the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) exceptions process. Additionally, this funding supports the Department’s goals of increasing member access to care, advancing long-term health outcomes for children and promoting equitable outcomes by ensuring access to appropriate levels of care for families who are often negatively affected by a lack of treatment options for their child’s disability.

**FY 2023-24 Budget Impact:** \$3,926,860 total funds, including \$194,001 General Fund

**FY 2024-25 Budget Impact:** \$3,928,538 total funds, including \$1,079,555 General Fund

**R11 | Compliance**

**Summary:** The Department received funding and FTE to comply with recent legislative requirements in a number of areas including identifying fraud, waste, and abuse; increasing levels of cost avoidance in third party liability (TPL) claims; and providing increased stewardship of state resources through the implementation of operational compliance and program oversight measures. These resources will bolster proper oversight and accountability, which are both critical to ensuring that Health First Colorado members are receiving the services they need and taxpayers are getting sufficient returns on the use of these funds.



**FY 2023-24 Budget Impact:** Reduction of \$9,595,941 total funds, including a reduction of \$3,096,639 General Fund

**FY 2024-25 Budget Impact:** Reduction of \$2,002,056 total funds, including a reduction of \$527,211 General Fund

**R12 | Behavioral Health Eligibility and Claims Processing Operations**

**Summary:** The Department received funding to support the ongoing operations of the Behavioral Health Administration’s (BHA) newly established eligibility system, claims processing and submission system and data reporting system serving all of the state’s behavioral health programs. With the establishment of the BHA during the 2022 legislative session, the Department now has the opportunity to work closely with the BHA, CDHS and other state agencies to radically transform the behavioral health system in our state. This funding will support the Department’s eligibility processing, claims and encounter processing, and data reporting vendors to maintain and operate the new program within the infrastructure created.

**FY 2023-24 Budget Impact:** \$2,765,368 total funds, including \$2,765,368 General Fund

**FY 2024-25 Budget Impact:** \$2,896,034 total funds, including \$2,896,034 General Fund

**R13 | Case Management Redesign**

**Summary:** The Department received funding to support case management rate increases, continuous system enhancements to the Care/Case Management (CCM) Tool, case manager training resources, and financial closeout reviews for existing case management entities. Currently, the Department serves members with Intellectual & Developmental Disabilities (IDD) through Community Centered Boards (CCB) and members in need of Long-Term Services and Supports (LTSS) through Single Entry Point (SEP) agencies. HB 21-1187 Long-Term Services and Support Case Management Redesign directed the Department to consolidate IDD, LTSS and private agencies into overarching Case Management Agencies (CMAs). The funding allocated for this request is key to the implementation of HB 21-1187 and the successful transition to a consolidated case management model. The Department will perform federally required closeout reviews of existing case management agencies and implement an improved rate structure, CMA training and funding for the new CCM Tool.

**FY 2023-24 Budget Impact:** \$10,168,670 total funds, including \$1,480,307 General Fund

**FY 2024-25 Budget Impact:** \$26,472,914 total funds, including \$12,828,805 General Fund

**R14 | Convert Contractor Resources to FTE**

**Summary:** The Department received permission from the General Assembly to convert contractor funding to state FTE to achieve more efficient and effective stakeholder engagement for Department programs. The complex nature of HCPF’s programs and policies



requires high-quality collaboration and engagement with diverse stakeholders including Health First Colorado and Child Health Plan *Plus* (CHP+) members, medical providers, legislators, and community groups. The diversity of stakeholders and projects requires a wide variety of engagement techniques including communication and outreach to external partners, facilitated meetings and workgroups, conflict resolution and mediation, and more. These valuable efforts benefit from the skilled professionals trained in these areas. Ultimately, the robust stakeholder engagement supported by these funds will:

- Support the effective implementation of new programs and initiatives;
- Build community trust;
- Improve the Department’s relationships with community and external partners; and
- Support greater equity in implementation and execution of Department priorities.

**FY 2023-24 Budget Impact:** Reduction of \$107,195 total funds, including a reduction of \$45,322 General Fund

**FY 2024-25 Budget Impact:** Reduction of \$32,875 total funds, including a reduction of \$20,794 General Fund

**R15 | Administrative Technical Request**

**Summary:** The Department received a technical adjustment that will increase transparency by aligning existing funding with line items that are more appropriate. The Department will move funding for the Pharmacy Benefits Prescriber Tool from the General Professional Services (GPS) line item to the Medicaid Management Information Systems (MMIS) line item. Additionally, the Department will move funding for the Center for Improving Value in Health Care (CIVHC) Health Information Technology project out of the MMIS line item and into the All-Payer Claims Database (APCD) line item. These adjustments ensure the related funding is under the most appropriate line item in the Department’s budget.

**FY 2023-24 Budget Impact:** \$0 total funds, including \$0 General Fund

**FY 2024-25 Budget Impact:** \$0 total funds, including \$0 General Fund

**Other JBC Actions of Note**

**BA-06 Public Health Emergency Funding**

**Summary:** The Department received critical funding to ensure the redetermination of all Health First Colorado members during the 14-month period after the COVID-19 continuous coverage requirement ended in May 2023. The expiration of the continuous coverage requirement authorized by the Families First Coronavirus Response Act (FFCRA) presents the single largest health coverage transition event since the first open enrollment period of the Affordable Care Act. Throughout the federally-designated Public Health Emergency (PHE) in



response to COVID-19, states have been required to maintain enrollment of nearly all Medicaid enrollees as a condition of receiving a temporary 6.2% Federal Medical Assistance Percentage (FMAP) increase. Now that the PHE has expired, states will have up to 14 months to return to normal eligibility and enrollment operations as provided by the Federal Centers for Medicare and Medicaid Services. The funding will allow for:

- The hiring of term-limited hearing officers and temporary clerks at the Office of the Administrative Courts in the Department of Personnel and Administration;
- The hiring of additional temporary HCPF eligibility and appeals staff to review the anticipated increase in member state appeals at the end of the continuous coverage period;
- Ensuring the continuous employment of county staff to help with anticipated increase in workload as members eligibility must be redetermined across the state.

**FY 2023-24 Budget Impact:** \$28,391,733 total funds, including \$5,965,714 General Fund

**FY 2024-25 Budget Impact:** \$907,217 total funds, including \$214,244 General Fund

**BA-07 Community-based Access to Services**

Summary: The Department received funding to implement several key initiatives in response to findings identified by the Department of Justice (DOJ). In March 2022, the DOJ issued a findings letter stating that Colorado is violating Title II of the Americans with Disabilities Act (ADA) by “administering its long-term care system in a way that unnecessarily segregates individuals with physical disabilities in nursing facilities and places others with physical disabilities at serious risk of unnecessary institutionalization.” In order to address these findings, align with stakeholder feedback, implement positive change within each of the recommended areas identified by the DOJ and avoid litigation, the Department needed funding to invest in the identified areas. The initiatives supported by BA-07 focus on providing more information to members on their options to prevent unnecessary institutionalization, providing effective transition services out of the nursing facilities, expanding access to the community-based service system including implementing Community First Choice, and increasing access to integrated community-based housing opportunities.

**FY 2023-24 Budget Impact:** \$6,341,474 total funds, including \$175,000 General Fund

**FY 2024-25 Budget Impact:** \$17,294,701 total funds, including \$8,125,994 General Fund

**For more information contact**

Jo Donlin, Legislative Liaison, [jo.donlin@state.co.us](mailto:jo.donlin@state.co.us)

Iris Hentze, Senior Legislative Analyst, [iris.hentze@state.co.us](mailto:iris.hentze@state.co.us)

