



COLORADO

Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

FY 2024-25 Budget Agenda Summary

Department Budget Fact Sheet November 1, 2023

Below is a summary of the Colorado Department of Health Care Policy & Financing's (the Department) discretionary budget requests submitted to the Colorado General Assembly for consideration as part of the Governor's Fiscal Year (FY) 2024-25 budget, which runs from July 1, 2024 - June 30, 2025.

This year, the Department's budget requests focus on increasing community provider rates through targeted and across-the-board rate adjustments, ensuring Colorado is in compliance with federal law and regulations, ensuring access to behavioral health services for all Health First Colorado members, and increasing access and support for evidence-based programs that have proven successful.

Additional detail is available [on our website](#). The budget becomes final after the Colorado General Assembly passes the Long Bill and the Governor signs it into law.

Budget Requests

R6 | Provider Rates Adjustments

Summary: The Department requests funding to accomplish sustainable Medicaid reimbursement rates that support access to care for our 1.6 million members while balancing other critical budgetary needs for the state. This request includes a 1.0% Across-the-Board (ATB) rate increase for all providers with Targeted Rate increases for specific providers. The targeted rate increases in this budget request cover a diverse set of member services, as described below.

- Implement rate adjustments for services reviewed in this year's Medicaid Provider Rate Review Advisory Committee (MPRRAC) rate review process, including for the following services: dental services, pediatric behavioral therapies, maternity services, surgeries and co-surgeries, ambulatory surgical centers, behavioral health fee-for-service, anesthesia, and abortion services;
- Increase the rates for the home and community based waiver services to reflect a base wage of \$18.29 per hour for Denver and \$16.55 per hour for non-Denver counties;
- Rebase the rate for the new single assessment tool;

- Increase the rate paid for members transitioning from Regional Centers; and,
- Increase the funding available for the Primary Care Fund program in conjunction with sunseting the Colorado Indigent Care Program.

FY 2024-25 Budget Impact: \$244,170,406 in Total Funds, including \$71,295,814 in General Fund

FY 2025-26 Budget Impact: \$270,302,214 in Total Funds, including \$94,312,020 in General Fund

R7 | Behavioral Health Continuum

Summary: The Department requests funding to ensure behavioral health coverage across a full continuum of care. The funds from this request will be used to support behavioral health coverage and services for Medicaid members in a number of areas. These include:

- Implementing new pricing methodologies for safety net providers with a focus on establishing rates and maintaining a fee schedule for providers in the Behavioral Health Safety Net System;
- Extending payment for Institutes of Mental Disease (IMD) stays to cover up to 15 days of member IMD stays;
- Expanding Substance Use Disorder (SUD) coverage to partial hospitalizations allowing members to receive treatment for withdrawal management and medication assisted treatment services while remaining in their community; and,
- Continuing the Permanent Supportive Housing pilot program that provides housing support services for approximately 700 Medicaid members.

FY 2024-25 Budget Impact: \$4,409,298 in Total Funds, including \$945,354 in General Fund

FY 2025-26 Budget Impact: \$4,456,171 in Total Funds, including \$964,102 in General Fund

R8 | Eligibility Compliance

Summary: HCPF requests funding to comply with federal regulations for fiscal subrecipient monitoring, timely processing of appeals, and compliance with recent changes regarding the Federal Data Services Hub used for member income verification. HCPF's compliance with federal regulation is critical in order for members to maintain coverage and eligibility without disruption. Additionally, the Department is committed to being a sound steward of taxpayer dollars by optimizing federal match to cover costs wherever possible. The Department has identified the various programs that would be supported by this request as areas that are at risk of becoming out of compliance, or are already out of compliance, with federal regulation. The funding from this request will ensure the Department can maintain federal compliance in the critical areas of county fiscal oversight, eligibility and member appeals, and the continued use of the federal income verification system for members.

FY 2023-24 Budget Impact: \$8,514,959 in Total Funds, including \$799,917 in General Fund

FY 2024-25 Budget Impact: \$8,518,680 in Total Funds, including \$801,069 in General Fund

R9 | Access to Benefits

Summary: The Department requests funding to expand access to benefits and research potential expansions to future benefits in order to provide better care to members. The Department requests funding for three separate initiatives including research and analysis into the planning, design and development of a Transplant Nurse Navigator program; funding to continue the Centers for Excellence in Pain Management pilot program, which was initially funded through the American Rescue Plan Act (ARPA); and funding to expand the Child Health Plan Plus (CHP+) to provide coverage for Autism Spectrum Disorder (ASD) treatments.

FY 2024-25 Budget Impact: \$14,297,164 in Total Funds, including \$3,122,077 in General Fund

FY 2025-26 Budget Impact: \$14,196,710 in Total Funds, including \$3,071,935 in General Fund

R10 | Third Party Assessments for Nursing Services

Summary: The Department is requesting funding to modernize and streamline the intermittent nursing program by implementing a process by which all members needing skilled services will undergo one assessment, using the same acuity tool, conducted by a third-party clinical assessor. This will make the system of care easier to navigate for members seeking nursing services, whether it be through Private Duty Nursing (PDN), Long-Term Home Health (LTHH), In Home Support Services (IHSS) or Consumer-Directed Attendant Support Services (CDASS). It will allow for consistent, reliable review of all skilled care needs by members, while cutting down on confusion and streamlining the process. Members will be able to choose how they wish to receive their services across all modalities they are eligible for, allowing for a simpler, more person-centered approach.

FY 2024-25 Budget Impact: \$1,938,600 in Total Funds, including \$484,650 in General Fund

FY 2025-26 Budget Impact: \$10,332,605 in Total Funds, including \$2,583,151 in General Fund

R11 | Program Support

Summary: The Department is requesting funding to provide continuing support to four initiatives previously funded using American Rescue Plan Act (ARPA) stimulus funding. The four initiatives included in the request are:

- HCBS Systems Support - funding to support systems changes established using ARPA funding starting January 1, 2025 and ongoing.
- Person-Centered Budget Algorithm - funding to continue the Department's contract to implement the Person-Centered Budget Algorithm (PCBA) within the new Long-Term Services and Supports (LTSS) assessment tool and manage the exceptions process.

- Direct Care Workforce Unit - resources to support work related to the continuation of the Direct Care Workforce Unit starting January 1, 2025. The funding will support data infrastructure, training support, and resource and job connection to bolster the direct care workforce.
- Preventative Care Analyst - a new preventative care outreach analyst to continue and expand on work that was started during the public health emergency to increase Medicaid immunization rates and other preventive care strategies.

FY 2024-25 Budget Impact: \$1,106,846 in Total Funds, including \$431,818 in General Fund
FY 2025-26 Budget Impact: \$1,366,550 in Total Funds, including \$558,079 in General Fund

R12 | Administrative Support

Summary: Due to the passage of legislation from the last several legislative sessions, the programs administered by the Department continue to grow in scope and complexity. The Department's administrative resources have not grown commensurately, resulting in an imbalanced workforce to support important programmatic changes, many of which are required by state statute. The Department is requesting funding to ensure it is adequately staffed to provide the proper level of administrative support in two key areas, including accessibility compliance and the Senior Dental Program.

FY 2024-25 Budget Impact: \$449,355 in Total Funds, including \$216,039 in General Fund
FY 2025-26 Budget Impact: \$527,091 in Total Funds, including \$291,939 in General Fund

R13 | Convert Contractor Resources to FTE

Summary: The Department requests the authority to convert contractor funding to state FTE to help fulfill a number of the agency's responsibilities in a more cost effective manner. The Department has identified an opportunity to enhance several administrative functions by repurposing funding already appropriated for contractor resources to hire FTE to perform the duties instead. The Department could make more progress and provide more ongoing support by using funding for in-house staffing in the following areas:

- Payment reform through the management of value based payments for Federally Qualified Health Centers (FQHCs) and facility cost and quality analysis;
- Substance Use Disorder (SUD) benefit administration including training providers and Regional Accountable Entities (RAEs) in evaluating patients and determining appropriate levels of care; and
- Medicaid member call center support to assist users of the PEAK online benefit portal that allows Colorado residents to apply for and manage benefits across multiple public assistance programs. These FTE would support members through phone calls, email and chat to address issues with applying for benefits, reporting changes, understanding application status, and other technical problems or questions.

FY 2024-25 Budget Impact: \$372,793 in Total Funds, including a reduction of \$6,606 in General Fund

FY 2025-26 Budget Impact: \$315,241 in Total Funds, including a reduction of \$13,826 in General Fund

R14 | Contract True-Up

Summary: The Department is requesting funding to increase the budgets of two critical contracts:

- Denver Health, HCPF’s centralized eligibility vendor, for market-based and inflationary increases for staff that provide critical eligibility and outreach services to Medicaid members. An efficient, fully-staffed eligibility vendor is critical and Denver Health has struggled to maintain sufficient staffing levels due to the tight labor market and the program’s below-market compensation package.
- The Department also requests funding for the Host Home Inspection program for inflationary increases and an expansion of program services to meet the current demand for host homes by Medicaid members. Host homes and host home providers allow members with a disability to receive an appropriate level of care while maintaining a level of independence and autonomy similar to individuals who do not have a disability and live independently in the community.

FY 2024-25 Budget Impact: \$2,018,390 in Total Funds, including \$90,668 in General Fund

FY 2025-26 Budget Impact: \$2,018,390 in Total Funds, including \$90,668 in General Fund

R15 | Continuing Support for Denver Health and Hospital Authority

Summary: The Department is requesting one-time funding to help improve the financial stability of the state’s largest safety net provider that provides a disproportionate share of Medicaid and uncompensated care. The funding would be used to help Denver Health in improving its current information technology systems and providing support for the nurse advice line and processing applications timely as the Department returns to normal eligibility operations after the conclusion of the public health emergency.

FY 2024-25 Budget Impact: \$5,000,000 in Total Funds, including \$5,000,000 in General Fund

FY 2025-26 Budget Impact: \$0 in Total Funds, including \$0 in General Fund

For more information contact

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