



COLORADO
Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

FY 2024-25 Long Bill Overview

June 2024

Below is a summary of provisions included in the Long Appropriations Bill or “Long Bill” ([HB 24-1430](#)) 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, 2024 to June 30, 2025. 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 2024 Legislative Session Wrap-Up on our [Legislator Resource Center webpage](#).

The provisions outlined below are generally effective on July 1, 2024; 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 | Provider Rates Adjustments

Summary: The Department received funding for a 2.0% Across-the-Board (ATB) rate increase with targeted rate increases for specific providers. The targeted rate increases 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, 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 \$17.00 per hour for non-Denver counties; and,
- One-time increase the funding available for the Primary Care Fund program.

FY 2024-25 Budget Impact: \$356,726,366 in Total Funds, including \$123,922,561 in General

Fund

FY 2025-26 Budget Impact: \$371,654,824 in Total Funds, including \$141,039,103 in General Fund

R7 | Behavioral Health Continuum

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

- Implementing a 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 60 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: \$9,137,638 in Total Funds, including \$2,065,502 in General Fund

FY 2025-26 Budget Impact: \$9,211,750 in Total Funds, including \$2,095,145 in General Fund

R8 | Eligibility Compliance

Summary: The Department received 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 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. This funding 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: \$8,479,360 in Total Funds, including \$788,878 in General Fund

FY 2024-25 Budget Impact: \$8,523,912 in Total Funds, including \$802,692 in General Fund

R9 | Access to Benefits

Summary: The Department received funding to continue the Centers for Excellence in Pain Management pilot program, which was initially funded through the American Rescue Plan Act (ARPA). The pilot program offers pain management training to primary care medical providers (PCMP) as well as providing peer-to-peer consultations with pain specialists for primary care physicians. The funding will allow the Department to continue the program for two additional years.

FY 2024-25 Budget Impact: \$308,000 in Total Funds, including \$154,001 in General Fund

FY 2025-26 Budget Impact: \$307,039 in Total Funds, including \$153,520 in General Fund

R10 | Third Party Assessments for Nursing Services

Summary: The Department received 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

R12 | Administrative Support

Summary: The Department received funding to ensure it is adequately staffed to provide the proper level of administrative support in two key areas: accessibility compliance and the Senior Dental Program.

FY 2024-25 Budget Impact: \$428,971 in Total Funds, including \$209,310 in General Fund

FY 2025-26 Budget Impact: \$506,147 in Total Funds, including \$285,028 in General Fund

R13 | Convert Contractor Resources to FTE

Summary: The Department received 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 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 will be able to 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: \$133,723 in Total Funds, including a reduction of \$53,845 in General Fund

FY 2025-26 Budget Impact: \$339,619 in Total Funds, including a reduction of \$6,418 in General Fund

R14 | Contract True-Up

Summary: The Department received 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 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 received one-time funding through a separate, JBC-sponsored bill ([HB 24-1401](#)) to help improve the financial stability of the state’s largest safety net provider that provides a disproportionate share of Medicaid and uncompensated care.

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

Other JBC Actions of Note

BA6 | PHE Unwind Resources

Summary: The Department received funding to address several critical needs for completing the unwind process for the public health emergency (PHE). This funding will allow the Department to address escalations related to renewals for members eligible for long-term care (LTC), comply with new CMS guidance on the Department's process for ex parte (automatic) renewals, and process member appeals more timely. It also included a shift in county administration funding from FY 2023-24 to FY 2024-25 to provide counties with more time to spend it.

FY 2023-24 Budget Impact: Reduction of \$9,087,703 total funds, including a reduction of \$2,192,928 in General Fund

FY 2024-25 Budget Impact: \$12,5582,541 in Total Funds, including \$3,186,014 in General Fund

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

Developmental Disabilities Waiver Waitlist Reduction

Summary: The Department received funding to add 129 new placements on the Developmental Disabilities (DD) waiver. This will allow more people with intellectual and developmental disabilities to enroll on the waiver who are currently on the waitlist.

FY 2024-25 Budget Impact: \$5,607,582 in Total Funds, including \$2,803,792 in General Fund

FY 2025-26 Budget Impact: \$9,671,374 in Total Funds, including \$4,835,687 in General Fund

Care & Case Management Stabilization

Summary: The Department received funding to stabilize case management agencies that are experiencing workload and financial challenges due to the implementation of the new care and case management system, the transition to conflict free case management, and the public health emergency (PHE) unwind. The funding includes \$27.6 million in stabilization payments to the case management agencies and resources to address the existing issues in the care and case management system.

FY 2023-24 Budget Impact: \$23,351,593 in Total Funds, including \$11,675,797 in General Fund

FY 2024-25 Budget Impact: \$6,369,584 in Total Funds, including \$2,363,555 in General Fund

FY 2025-26 Budget Impact: \$2,195,654 in Total Funds, including \$273,369 in General Fund

Member Correspondence

Summary: The Department received funding to address concerns raised by the State Auditor about the Department's compliance with statutory standards for, "accurate, understandable,

timely, informative, and clear correspondence.” The funding includes money for centralized administration of the Department's correspondence, dedicated programming hours for improvements to the Colorado Benefits Management System, and risk-based monitoring of the Department's correspondence.

FY 2024-25 Budget Impact: \$1,293,149 in Total Funds, including \$331,596 in General Fund

FY 2025-26 Budget Impact: \$1,454,258 in Total Funds, including \$381,540 in General Fund

For more information contact

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