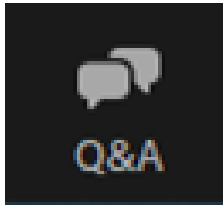
COLORADO
Department of Health Care Policy & Financing

HCPF 2025 Stakeholder Webinar

August 12, 2025 • 9-11 a.m.

Webinar Logistics

- ➔ >3k Registrants: Questions for Speakers: Use Q&A feature on the toolbar. We may not get to every question live. HCPF experts are answering online.



- ➔ Please leverage the event pop-up polls to help us capture aggregate perspectives.

- ➔ Presentations, links and materials will be posted in the Chat. Otherwise, the Chat is closed and is being used for behind the scenes communications.
- ➔ Materials will also be posted to CO.gov/HCPF/events
- ➔ Accessibility: American Sign Language, audio only, Spanish interpretation, closed captioning

Today's Agenda

9:00 Welcome, Logistics, Agenda

9:05 Overview of Challenges and Our Plan

9:20 Medicaid Cost Trend Drivers and Solutions to Address Them

9:55 Federal H.R.1 Medicaid Impact and What's Next

10:25 HCPF Priorities

10:30 Q&A

10:50 Closing Remarks and Next Steps

Speakers Today

- **Kim Bimestefer,** HCPF Executive Director
- **Tom Leahey,** Pharmacy Office Director
- **Cristen Bates,** Deputy Medicaid Director and Office of Medicaid and CHP+ Behavioral Health Initiatives & Coverage Director
- **Bonnie Silva,** Office of Community Living Director
- **Adela Flores-Brennan,** Medicaid Director and Health Policy Office Director
- **David Ducharme,** Accountable Care Collaborative Division Director
- **Nancy Dolson,** Special Financing Division Director
- **Bettina Schneider,** Finance Office Director and CFO
- **Rachel Reiter,** Policy, Communications and Administration Office Director
- **Joshua Montoya,** Partner Relations and Administration Division Director

Our HCPF/Medicaid Fiscal Challenges - State

State Fiscal Challenges Impacting HCPF

- TABOR generally limits revenue growth to inflation. Balanced budget provision. Need voter approval to raise taxes.
- **In the last 40 years, no commercial or Medicaid health plan has consistently controlled its trends at or below general inflation.**
- **Medical** inflation for 2026 is projected to continue in the 8% range
- HCPF represents about one-third of the state's budget, with Medicaid trends that run higher than medical inflation.
- Last year, CO had a $1.2B budget shortfall to close. This year, because of H.R.1, we are out of balance with a >$1B shortfall.
  - Special Session beginning August 21, 2025

More information at: CO.gov/tax/TABOR and pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html

Our HCPF/Medicaid Fiscal Challenges - Federal

Federal Challenges

- COVID related federal stimulus dollars are gone.
- Federal Medicaid funding and general perspectives of its purpose have changed.
- H.R.1 tax reductions are reducing state revenues, pushing the state out of balance for this year's budget and future budgets as well
- H.R.1 ratchets down fed funding to Colorado via its Medicaid Provider Tax provisions by 0.5%/yr from 2028-2032, reducing fed revenues by $1B-$2.5B
- Federal funding is going down through H.R.1 while admin burden is going up for federal mandates like Work Requirements and more frequent eligibility determinations
- Threat to coverage, higher due to the short time to implement systems

More information at: CO.gov/tax/TABOR and pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html

HCPF : Colorado Dept. of Health Care Policy & Financing

- Health First Colorado (Colorado's Medicaid program)
- Child Health Plan *Plus*
- Buy-In Programs
- Hospital Discounted Care
- Long-Term Services and Supports
- Senior Dental Program
- Family Planning
- Cover All Coloradans
- Federal Match, Continuous Coverage
- Health Related Social Needs
- School Health Services

- Covering **1.3 million or 22%** of Coloradans, **40%+** state's children, **40%+** births
- Administer the programs on the left
- FY 2025-26 budget **$18.2B** total funds, **$5.5B** General Fund, about **1/3** state budget
- **96%** budget pays providers, **4%** admin including **0.5%** staff

Fiscal Yr	Year End GF (in millions)	*% Growth*	*GF Actuals Growth*
FY 2014-15	$2,210.6	22%	$404.10
FY 2015-16	$2,364.0	7%	$153.40
FY 2016-17	$2,407.5	2%	$43.50
FY 2017-18	$2,679.6	11%	$272.10
FY 2018-19	$2,824.8	5%	$145.20
FY 2019-20	$2,822.5	0%	($2.30)
FY 2020-21	$2,556.6	-9%	($265.90)
FY 2021-22	$2,865.7	12%	$309.10
FY 2022-23	$3,452.3	20%	$586.60
FY 2023-24	$4,362.0	26%	$909.70
FY 2024-25	TBD	**16%	**Based on forecast

Outlier budget growth last 4 years, aligned with COVID stim investments and other actions.

Our fiscal realities have changed.

We must change, too. We must manage within budget realities.

Medicaid Sustainability Framework helps us better manage Medicaid trends **and avoid draconian cuts**

1. **Address Drivers of Trend:** Better address all the controllable factors that drive Medicaid cost trends
2. **Maximize Federal Funding:** Leverage and maximize HCPF's ability to draw down additional federal dollars
3. **Invest in Coloradans:** Continue investing in initiatives to drive a Colorado economy and educational system to reduce the demand for Medicaid over the long term as Coloradans rise and thrive
4. **Make Reasonable Medicaid Cuts or Adjustments:** Identify where programs, benefits, and reimbursements are comparative outliers or designed in such a way that we are seeing - or will experience - higher than intended trends or unintended consequences
5. **Reassess New Policies:** Consider pausing or adjusting recently passed policies not yet implemented
6. **Exercise Caution in Crafting Increases** to the Medicaid program going forward

H.R.1 Medicaid Coverage Threats

Medicaid Expansion population - 377,000 Medicaid members:

- **Federal CHASE Funding Reductions** impacting this population
- **Eligibility redeterminations increased from every 12 months to every 6,** starting January 1, 2027
- **Work requirements** for most "able-bodied adults", starting Jan. 1, 2027
  - Working, Going to school, or Volunteering at least 80 hrs/mo to qualify
- **Coloradans may lose coverage because** they don't meet the new requirements or because of administrative complications

North Star: Mitigate coverage losses and its catastrophic consequences to Coloradans, providers, economy

Why this North Star Focus? Coverage Loss Impact!

- **Negative Population Health Impact:** Care delays, not filling Rx, missing preventive screenings
- When care is sought, **increased medical debt/bankruptcies**
- **Uncompensated Care Costs:** higher use of ER, uncompensated care for doctors, hospitals and other providers - especially concerning for providers without margins to cover, like rural providers. Access decisions. Layoffs.
- **Economy:** Health Care is the largest component of Colorado's and U.S. economies

2025 FEDERAL POVERTY LEVELS by Family Size*

FAMILY OF 1	FAMILY OF 4
$20,820	$42,768

***Some earning more may still qualify**

Loss of health coverage risk to Connect for Health Marketplace enrollment, too

- Enhanced Premium Tax Credits expire December 31, 2025. Premium increases will impact 321,000 Coloradans
- Est. 100,000 - 110,000 Coloradans will lose coverage due to affordability
- 40% cut to reinsurance program due to less funding, which will raise premiums
- 2026: 28% avg. requested prem. increase
  - Much higher in rural communities
  - Avg. statewide increases were 5.6% in 2025, 9.7% in 2024, 10.4% in 2023 and 1.1% in 2022

Family of Four Premium Increase			
Rating Area	2026 Annual Premium	Approx. Net Premium Increase - 400% FPL	Percent Change
1. Boulder	$24,453	$13,353	26.7%
2. CO Springs	$26,027	$15,027	24.2%
3. Denver	$25,129	$14,129	25.4%
4. Fort Collins	$25,676	$14,676	29.4%
5. Grand Junction	$29,091	$18,091	38.4%
6. Greeley	$25,686	$14,686	29.0%
7. Pueblo	$26,419	$15,419	30.4%
8. East	$32,309	$21,309	33.4%
9. West	$36,832	$25,832	38.8%

Robust HCPF Plan to help navigate our realities

- Discipline to Medicaid Sustainability Framework
  - Grounded in facts/insights and alignment around shared goals
  - State budget challenges, Medicaid trend drivers, solutions
- Understanding H.R.1 impacts and aligned goals: North Star - prevent inappropriate loss of coverage; No draconian cuts to Medicaid
  - System builds and investments and eligibility processor investments
- Leverage ACC Phase III and Innovations (eConsults, Prescriber Tools, Value Based Payments, etc.) to control trends and improve quality
- Leverage third party insights, state comparisons, learnings
- **Prioritize engagement**, transparency, partnership, leadership

Sample Medicaid Cost Trend Drivers and Options to Address Them

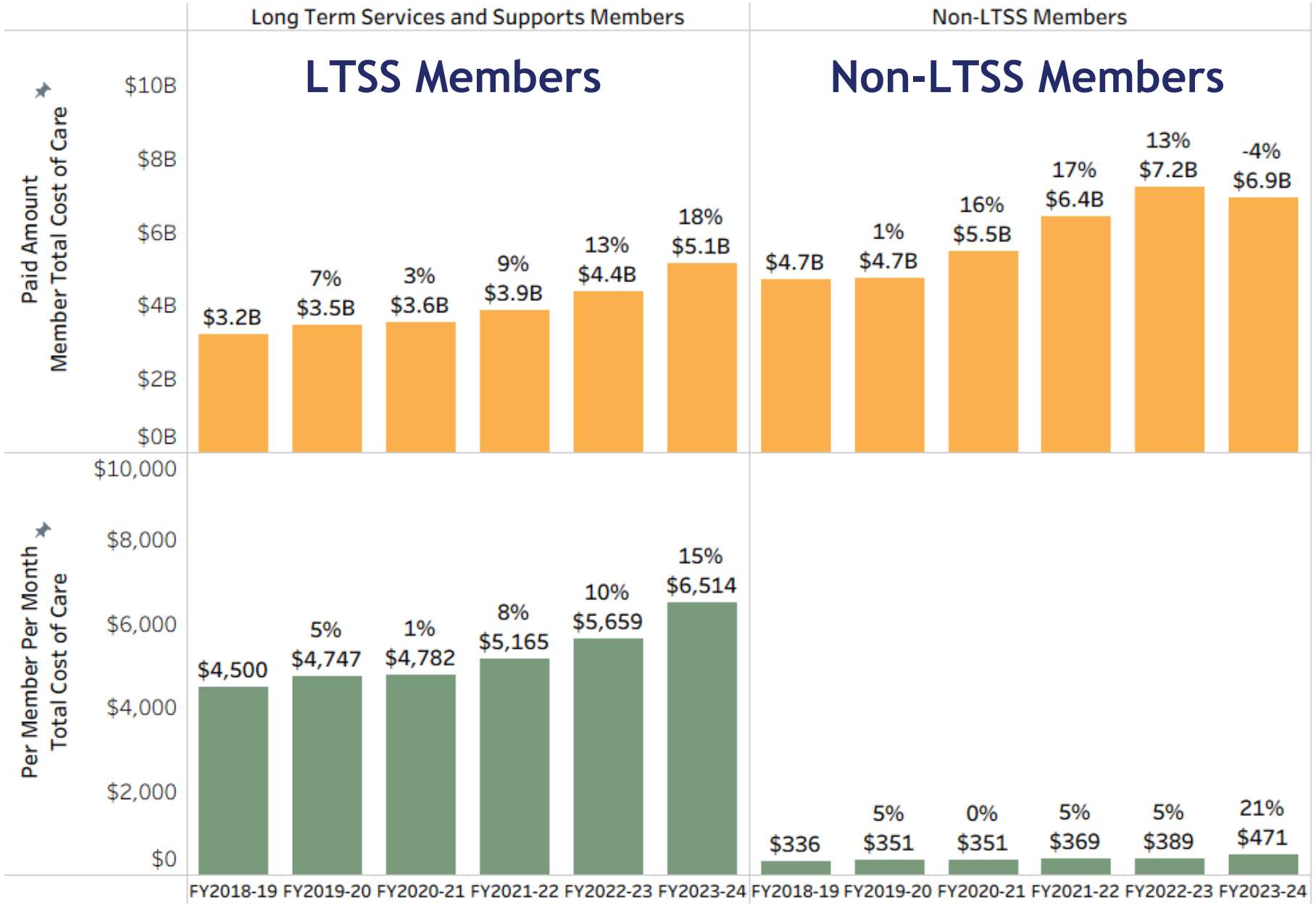
Kim Bimestefer, Executive Director and CEO
Tom Leahey, Pharmacy Office Director
Cristen Bates, Deputy Medicaid Director and Office of Medicaid and CHP+ Behavioral Health Initiatives & Coverage Director
Bonnie Silva, Office of Community Living Director
Adela Flores-Brennan, Medicaid Director and Health Policy Office Director

Long-Term Services and Supports

LTSS ~**5**% of members: 42% of spend at higher trend of 9-12%

Non-LTSS ~95% of members: 56% of spend at a lower trend of 8-9%

Taking care of people with disabilities is core to Medicaid programs.



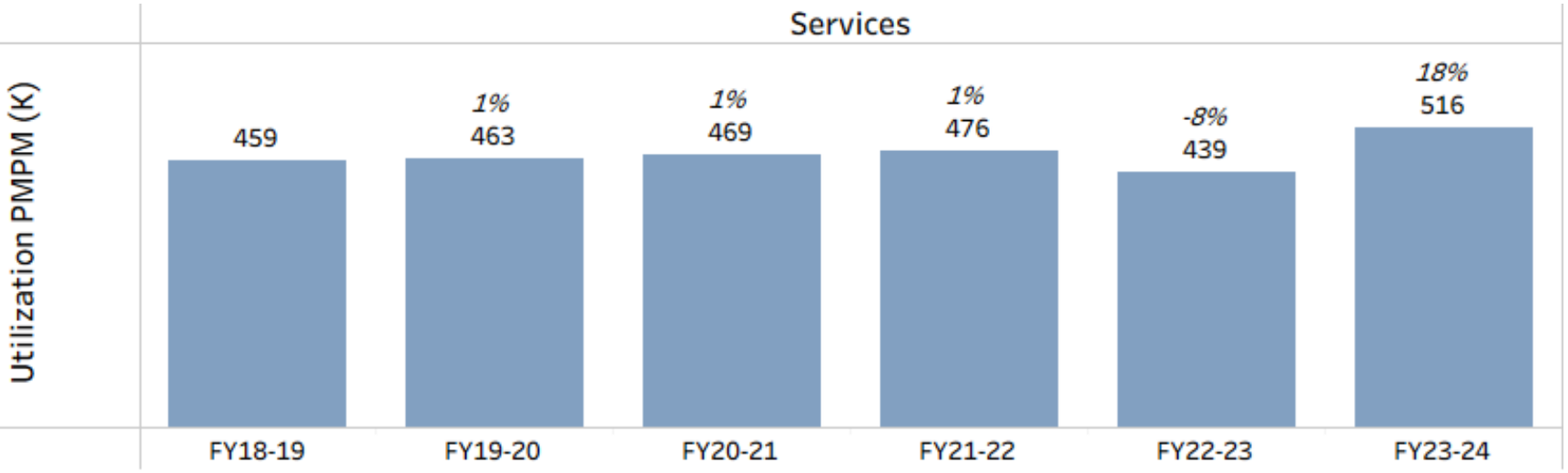
Physician+ Care

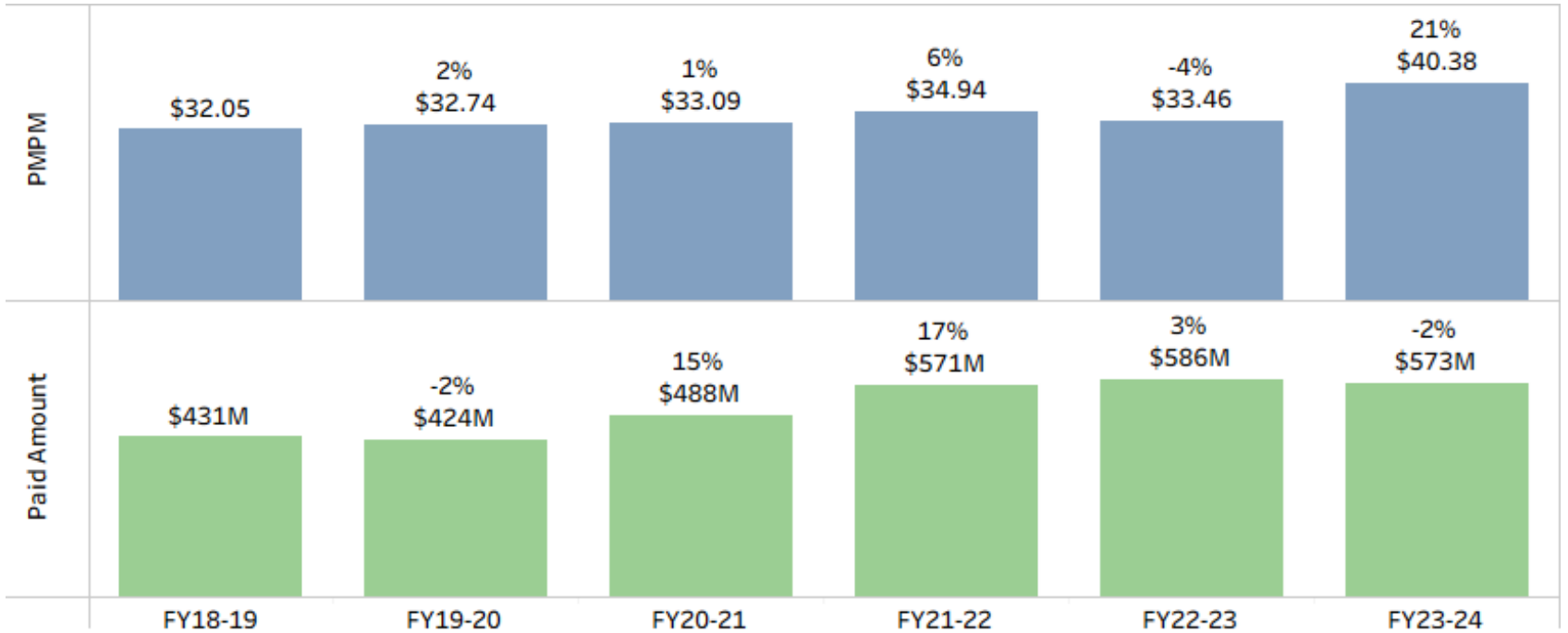
Trends

- Flat utilization
- <1% PMPM trends until FY23/24 uptick
- +6.5% paid trend

Solutions:

- Increase eConsults uptake
- Reimbursements



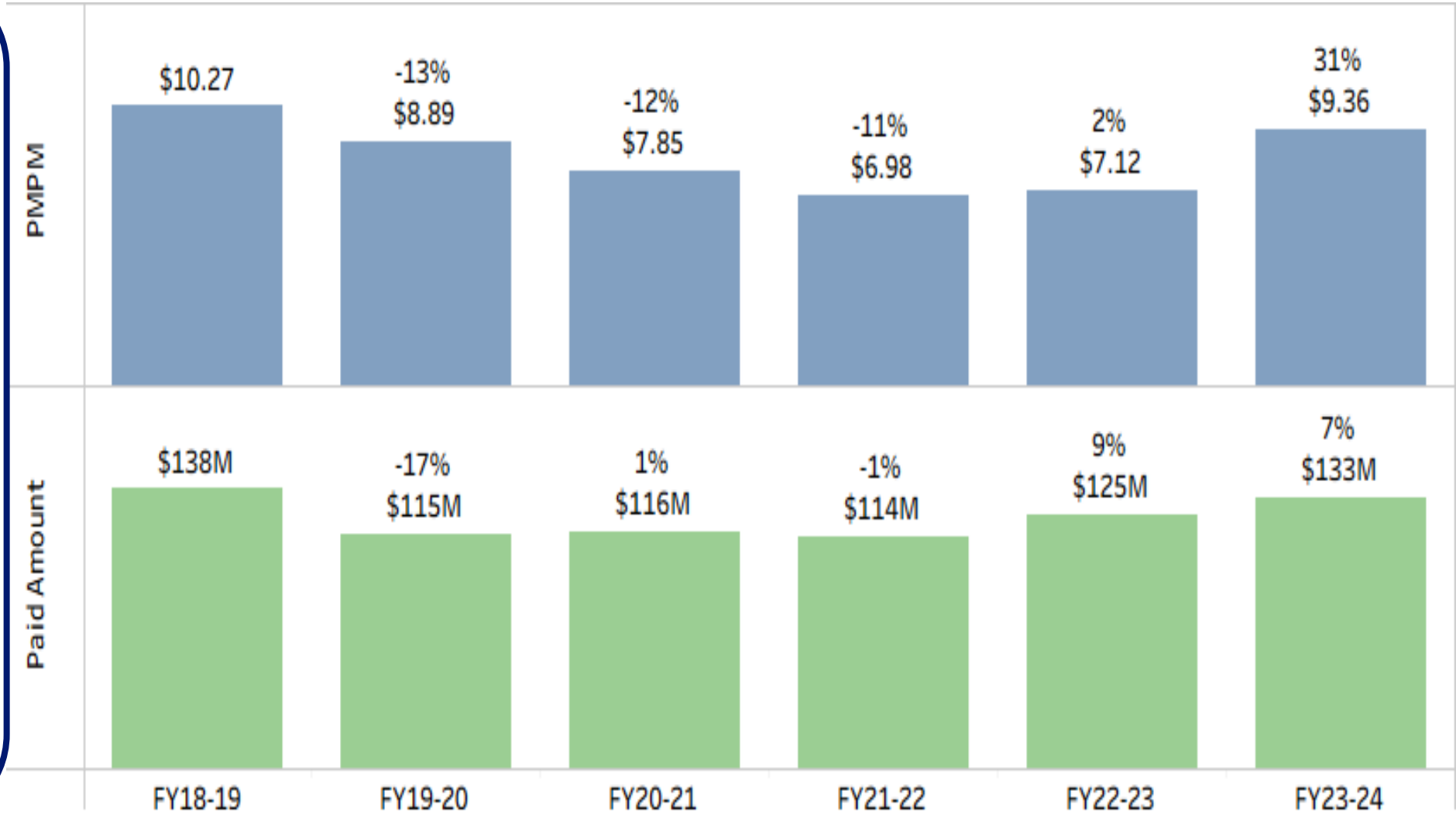


Independent Labs

PMPM trend is -9% and Paid Amount trend is -3.6% between FY18/19 and FY23/24. But recent uptick!

Current Controls

- Claim processing software prevents overbillings
- Policies on genetic testing and other abuses
- Retrospective claim reviews via RAC
- Outlier lab and outlier drug testing, FWA, termination



Generic Prescription Drugs

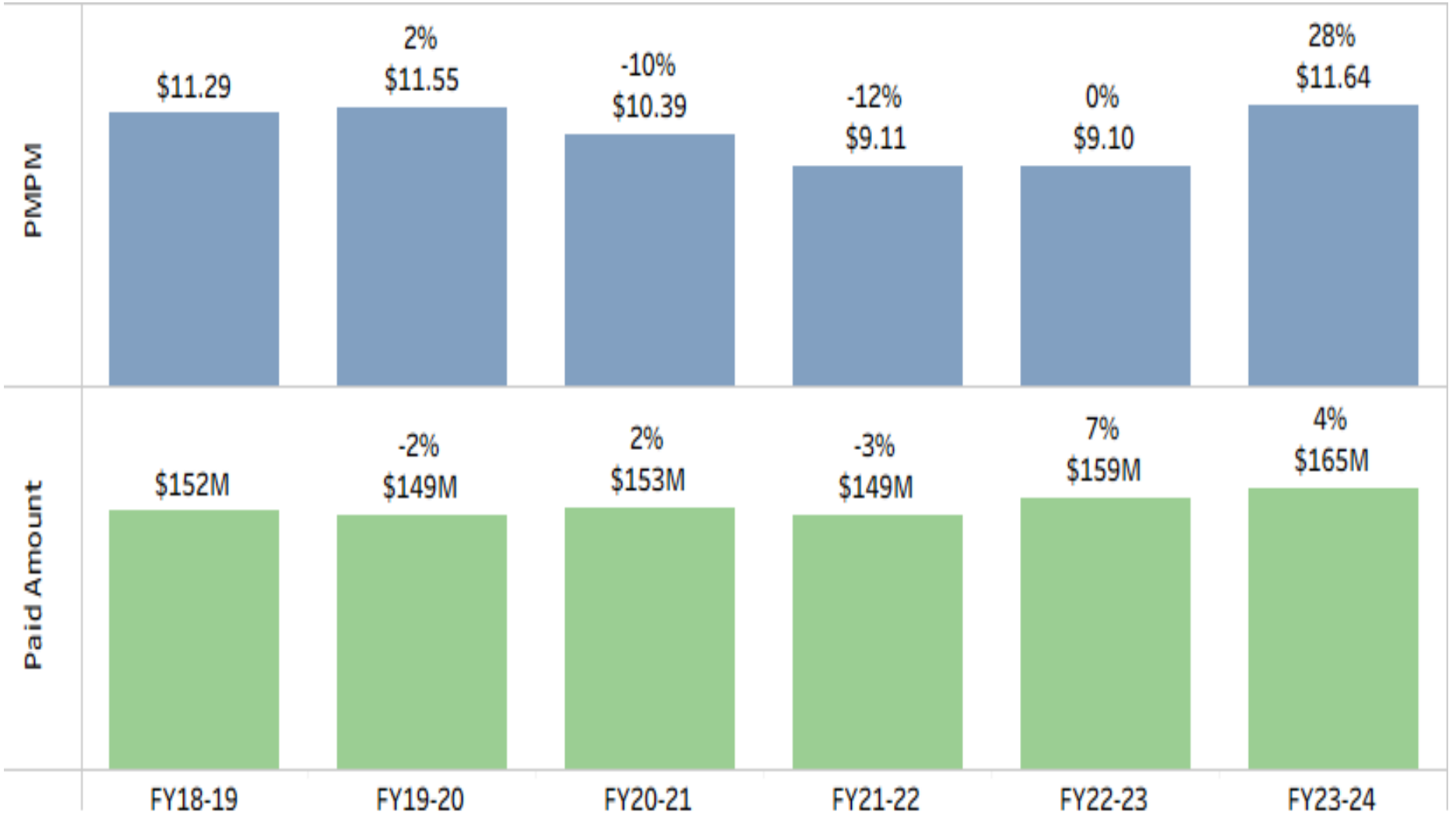
PMPM trend is <1% per year. Paid trend is <2% per year. Generics trend is below TABOR trend.

Generics: 85%+ of Medicaid dispensed drugs, running at <2% annual trend

$165M Generic Rx spend for 85% of drug therapy.

Strategies:

- Payment policy
- Prescriber Tool
- Prior Auth to promote generic use



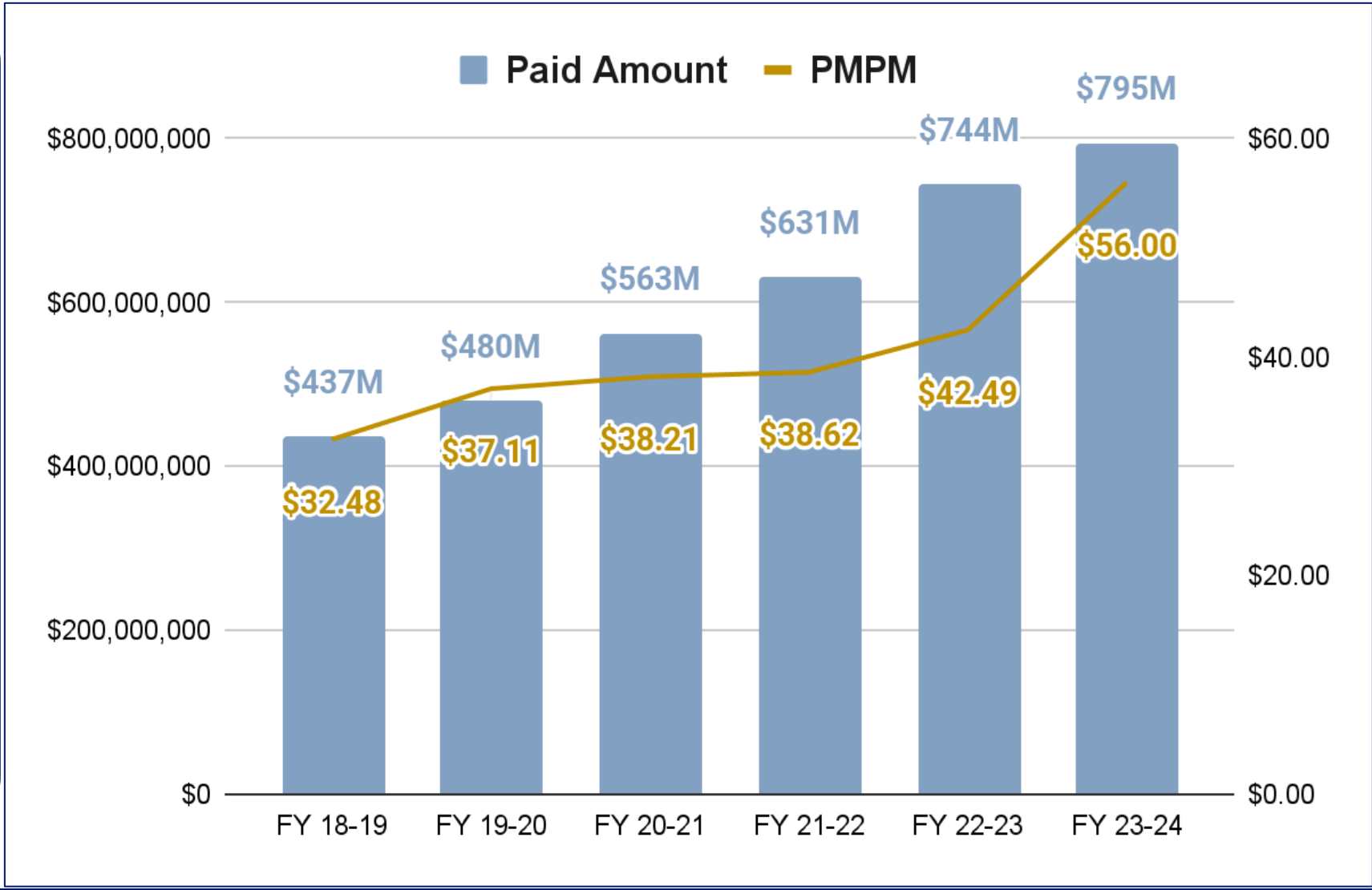
Specialty Prescription Drugs

+82% Increase in paid $$ from FY 18/19 to FY 23/24. Trend is +16% per year.

Driver:
<2% of scripts are so expensive, driving 50% of Medicaid (& Commercial) Rx costs. Trend 14-16%/yr.
$800M in Paid $$ (pre-rebate reduction)

Solutions:

- Right care, right price, right outcome
- Medicaid states price negotiations
- Manufacturer rebates
- Value-based contracts
- Canadian Importation



Behavioral Health Services

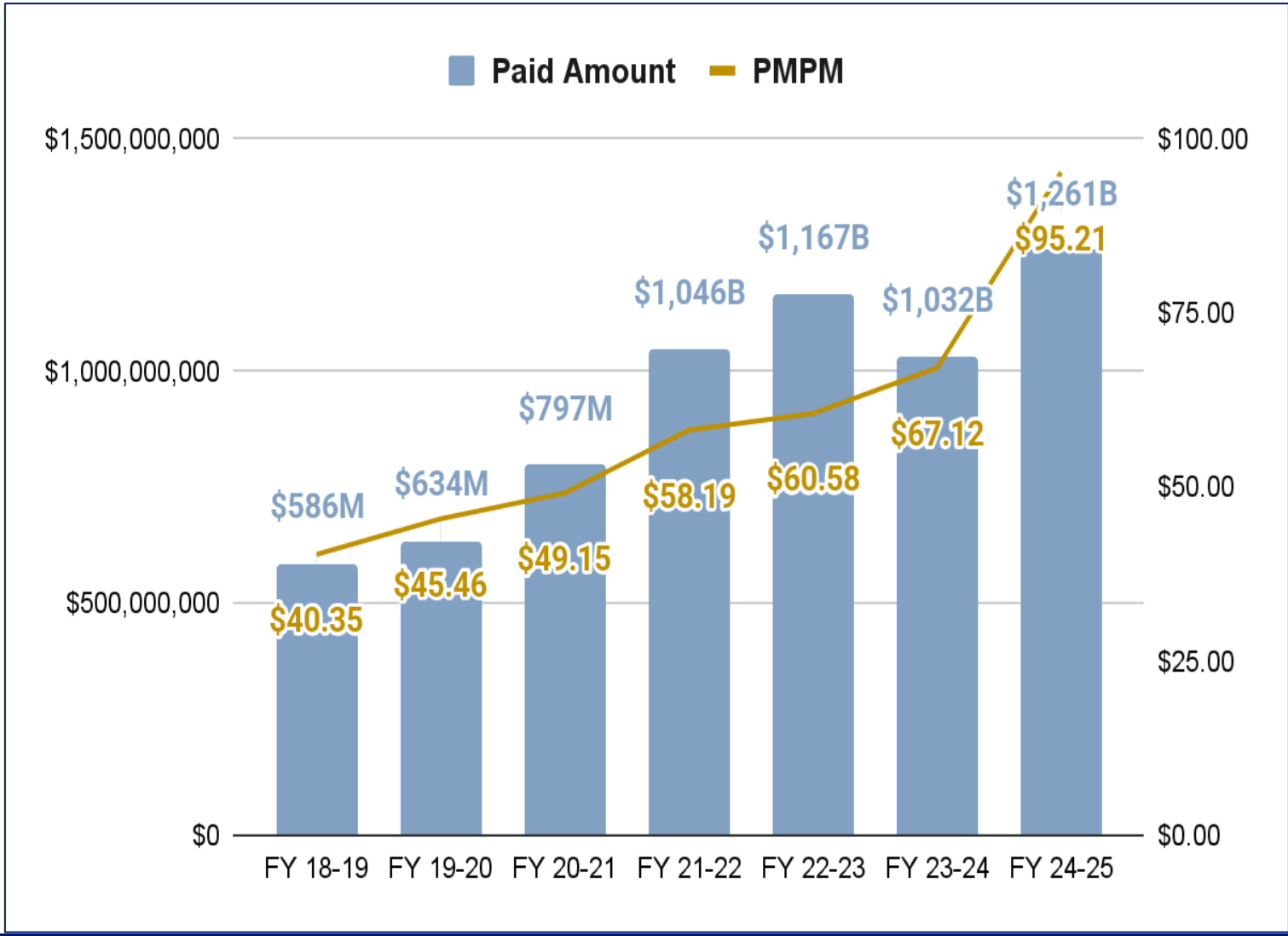
+115% Increase in Paid $$, FY18/19 to FY23/24; +23% trend/year.

Drivers:

- Network growth: 6k to 13k+
- Increased provider rates
- Added new benefits
- Medicaid intended to sustain BH transformation initiatives

Potential Solutions:

- National standards for service limits
- Address unexpected, outlier growth in specific services
- Address providers with outlier utilization
- Limit services and directed payments to specific provider types or settings



Monitoring Cost Trends In BH

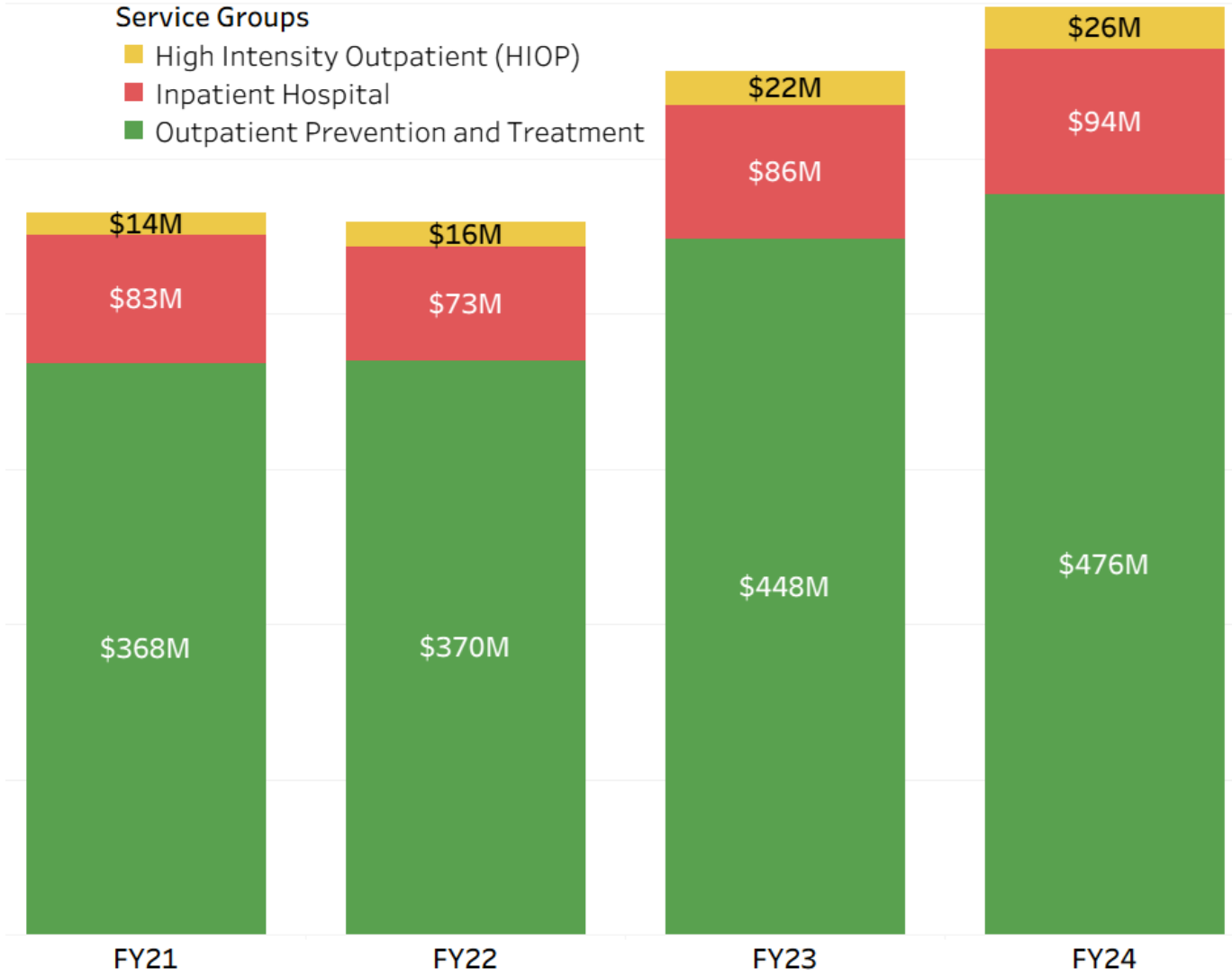
Supported and funded expanded benefits, increased access and rates

- Substance Abuse Disorder (SUD) full continuum of care
- Increase intensive outpatient for adults and youth to decrease inpatient needs
- Provider recruitment and workforce supports

Monitor for unexpected, unfunded growth

- Impacts of ending prior auth on psychotherapy services
  - 1 yr PHE Unwind: +$38M increase
  - 61% increase in 25+ visits/yr
  - 98% increase in 56+ visits/yr
- Peer support utilization

Payments to Providers



Peer Support Services Growth Trends

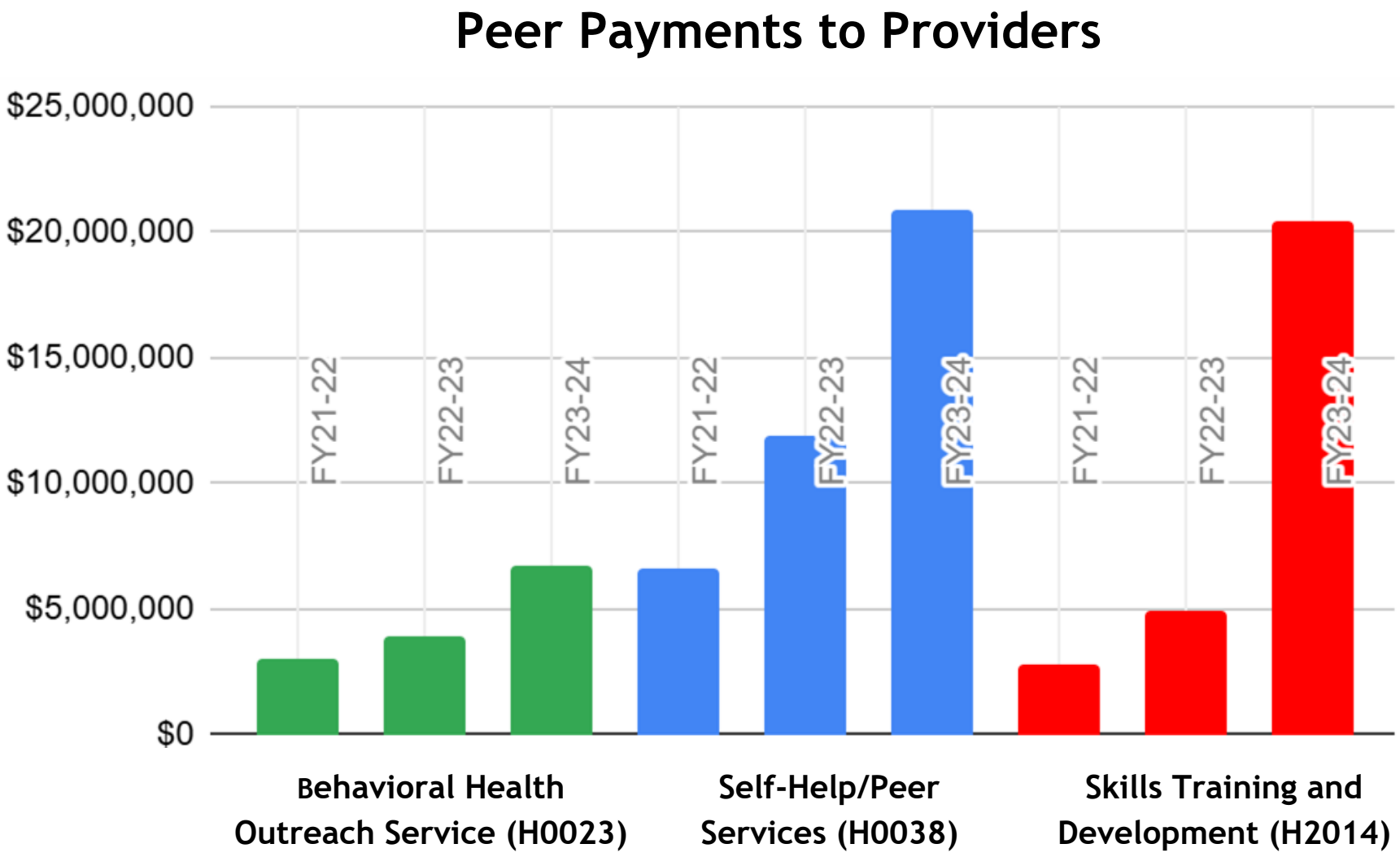
+286% increase in paid $ from FY21/22 to FY23/24. That's +95% trend per year.

Drivers:

- No limits on daily hours, place of care
- Outlier provider utilization/billings

Solution:

- Effective July 2025, adjusted providers who could bill for services and when
- Tracking/educating providers
- Corrective actions

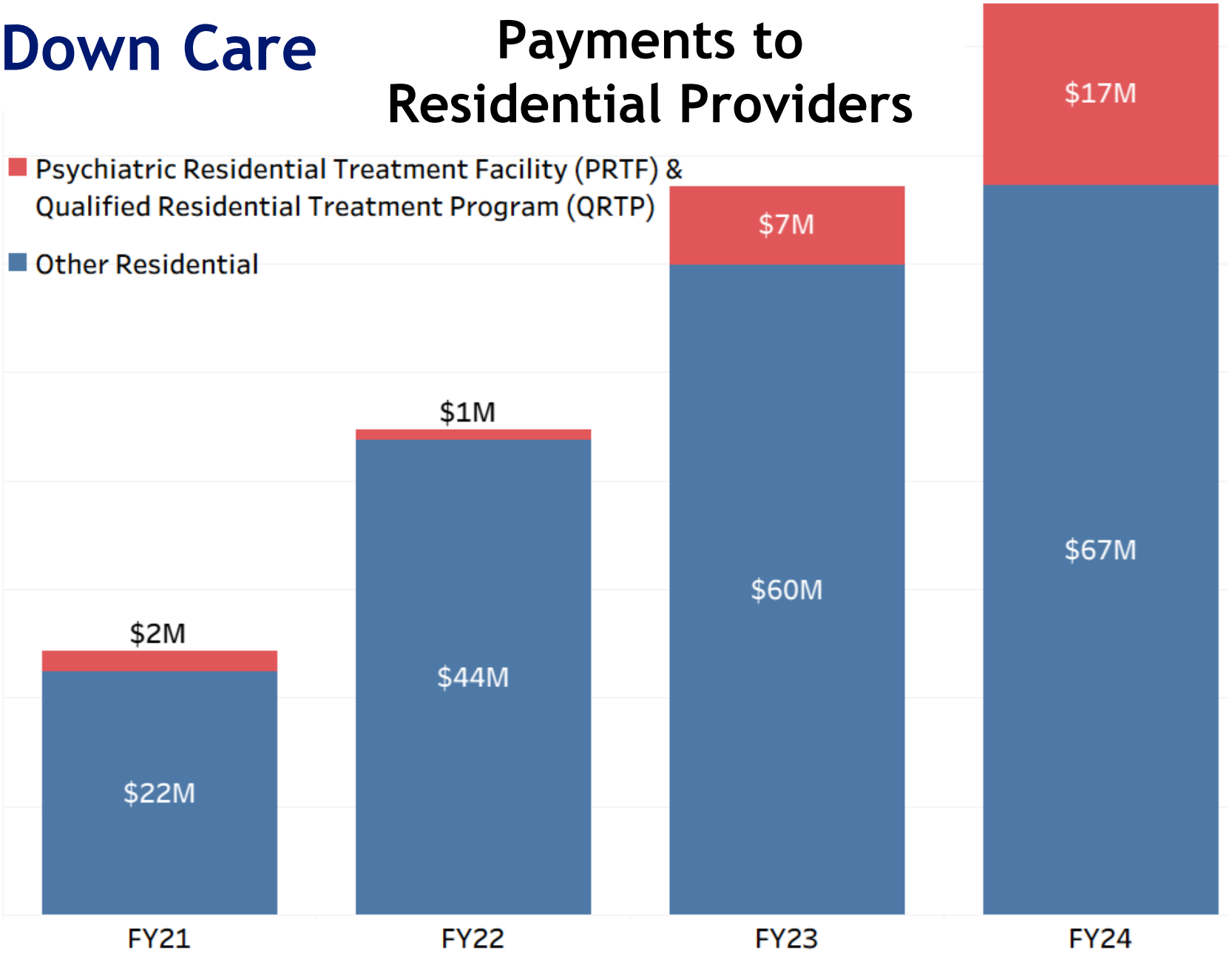


Residential and Step Down Care

Right care. Right place.

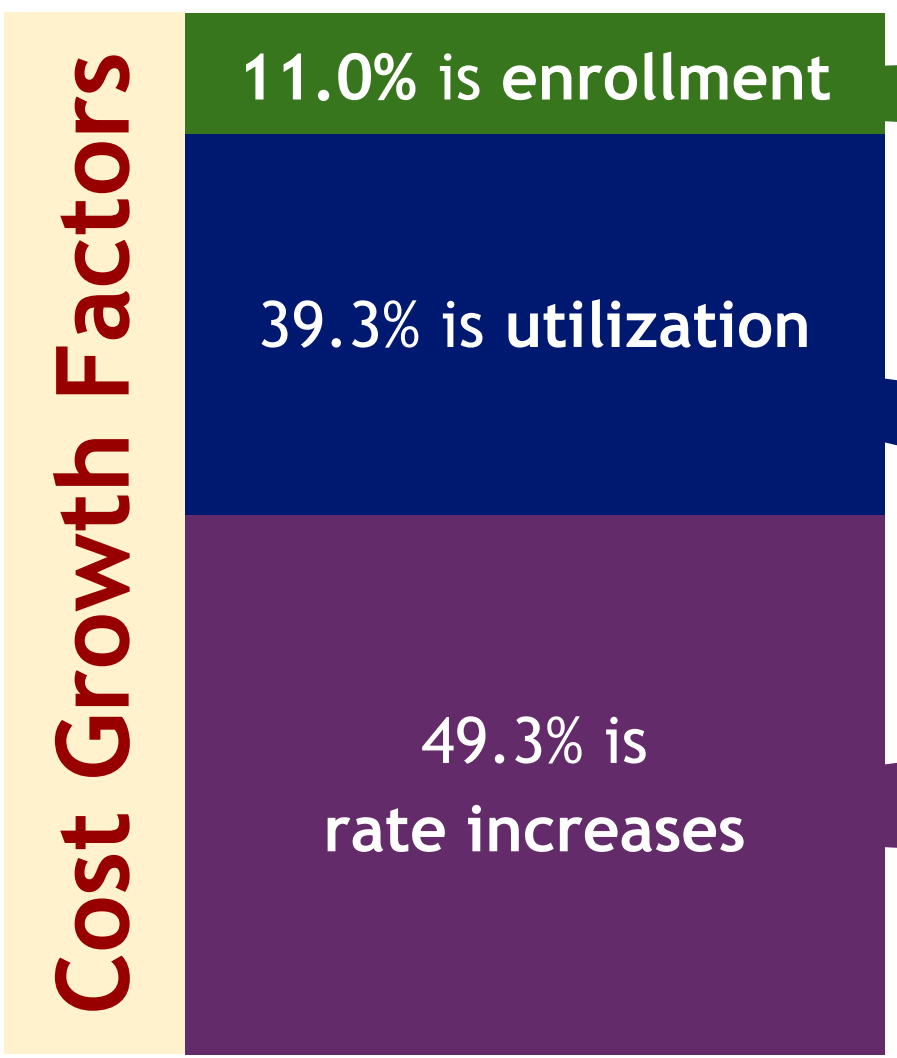
- Medicaid Systems of Care services cost 80% less than residential
- Invest upstream to reduce condition escalation
- Intensive Outpatient and Partial Hospital
- Mental Health Transitional Living
- 1115 waiver supports

Payments to Residential Providers



LTSS Cost Growth: FY20-21 to FY23-24

44% increase in costs: From $2.9B to $4.1B



- Enrollment is skewed towards more complex pop's & expensive waivers (ex.DD waiver avg. cost is $98k vs $36k for EBD waiver)
- JBC added 796 enrollments to DD waiver

- 70+% of increases due to utilization come from LTHH and IHSS
- Utilization per member has increased 33% for these two services

- LTSS Base Wage to meet local minimum wage adjustments
- Across the board provider rate increases
- Targeted rate increases
- Statutorily required rate increases

Approx 0.4% is due to JBC/Legislative and HCPF benefit changes

Long-Term Home Health

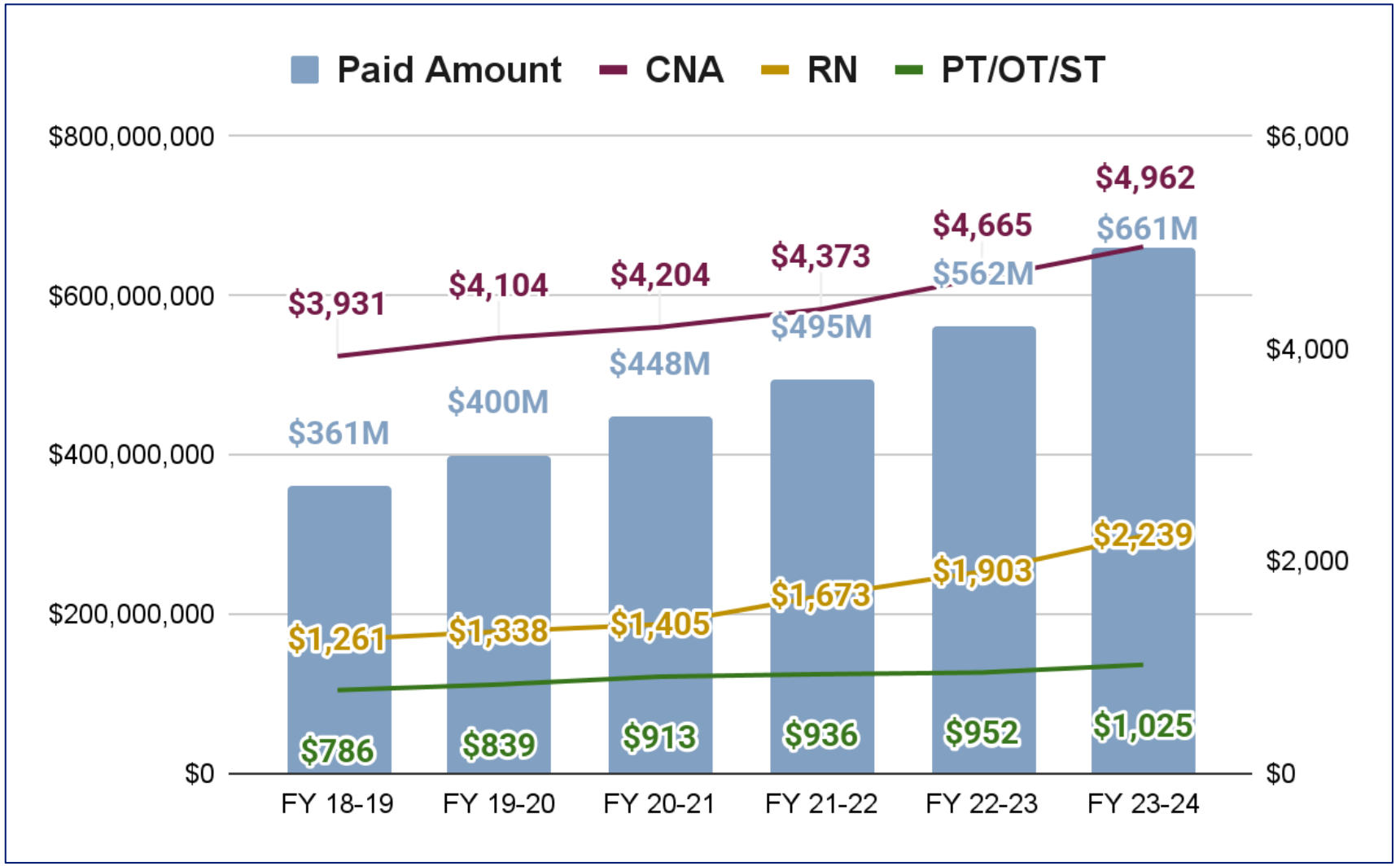
+83% increase in paid $ from FY18/19 to FY23/24. That's +17% trend per year.

Strategies Completed or In Process

- Clarify duplication across services
- Launch prior authorization review process for Long-Term Home Health (LTHH)
- Launch the Nurse Assessor Program

Strategies Under Review

- Rate methodology adjustments



LTSS: Community Connector

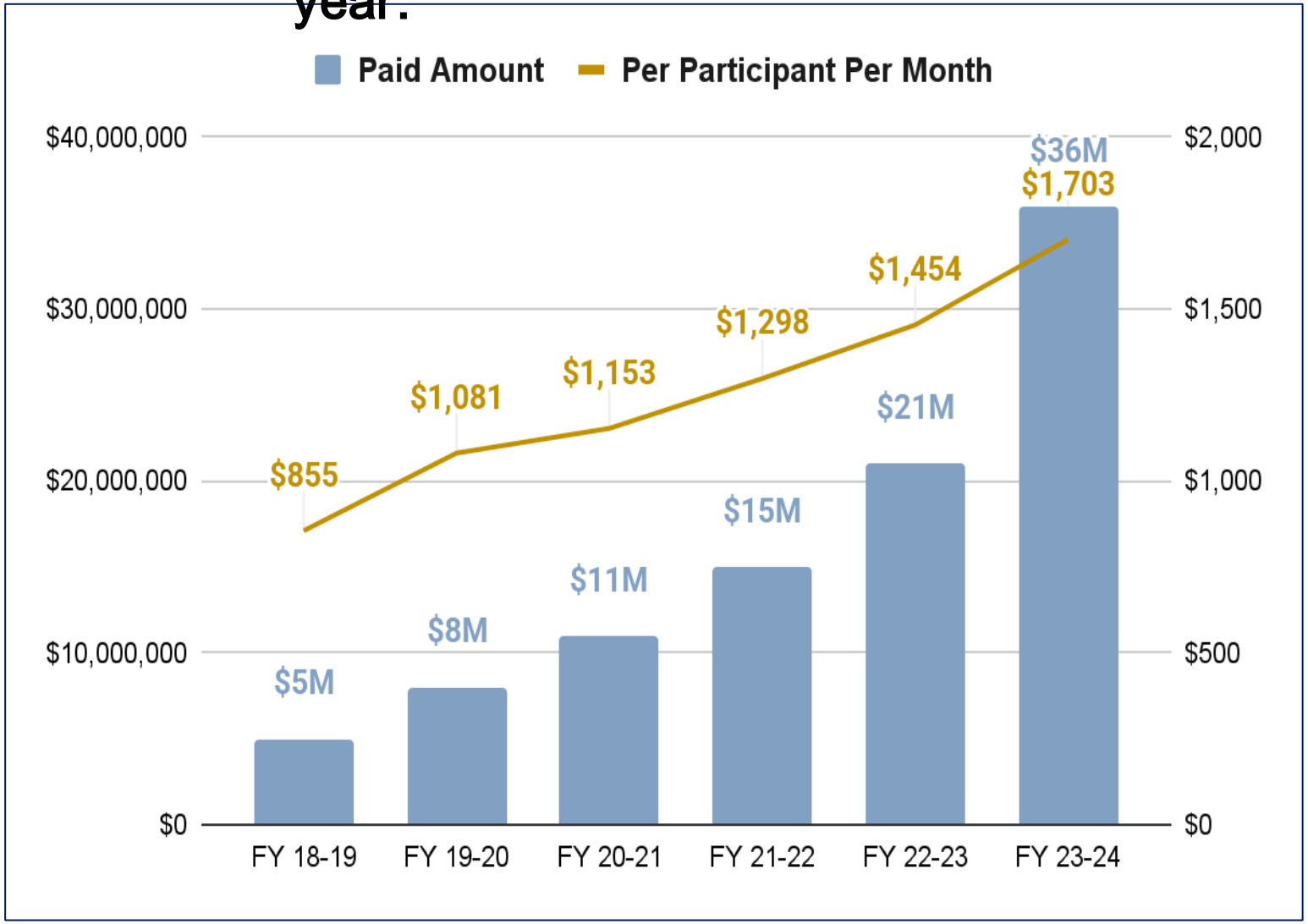
+620% increase in paid $$ from FY18/19 to FY23/24. That's +124% avg. trend per year.

Strategies Completed or In Process

- Cap units for legally responsible persons
- Cap service to 2,080 units/520 hours per year per child, for all caregivers
- Required additional training for CMAs on effective service authorization
- Required ages and stages assessment
- Review of high billing/utilizing agencies

Strategies Under Review

- Rate methodology adjustments
- Changes to eligibility
- Revise allowable activities



LTSS: In-Home Support Services (IHSS)

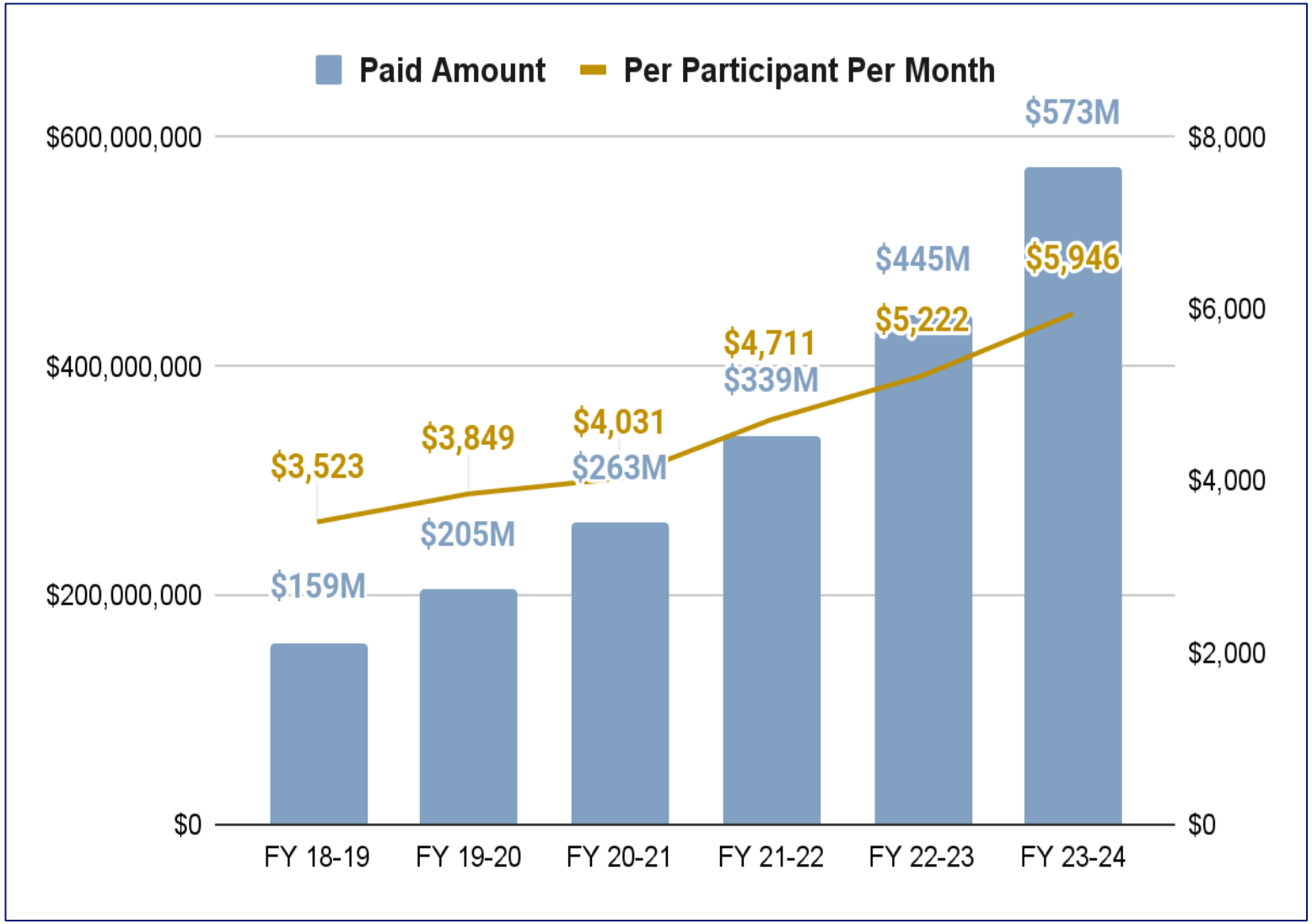
+260% increase in paid $$ from FY18/19 to FY23/24. That's +52% trend per year.

Strategies Completed or In Process

- Duplication reviews
- Initial daily and weekly cap for caregivers for certain service lines
- UM process for Health Maintenance Activities
- Eliminated IHSS Agency as Authorized Rep (AR); introduced Shared Responsibility Plans
- Developed IHSS Member/AR training; Launched Info and Assistance for Participant Direction via CDCO
- Launched the Nurse Assessor Program

Strategies Under Review

- Caps/limits on utilization
- Rate methodology adjustments



LTSS: Homemaker (CES Waiver)

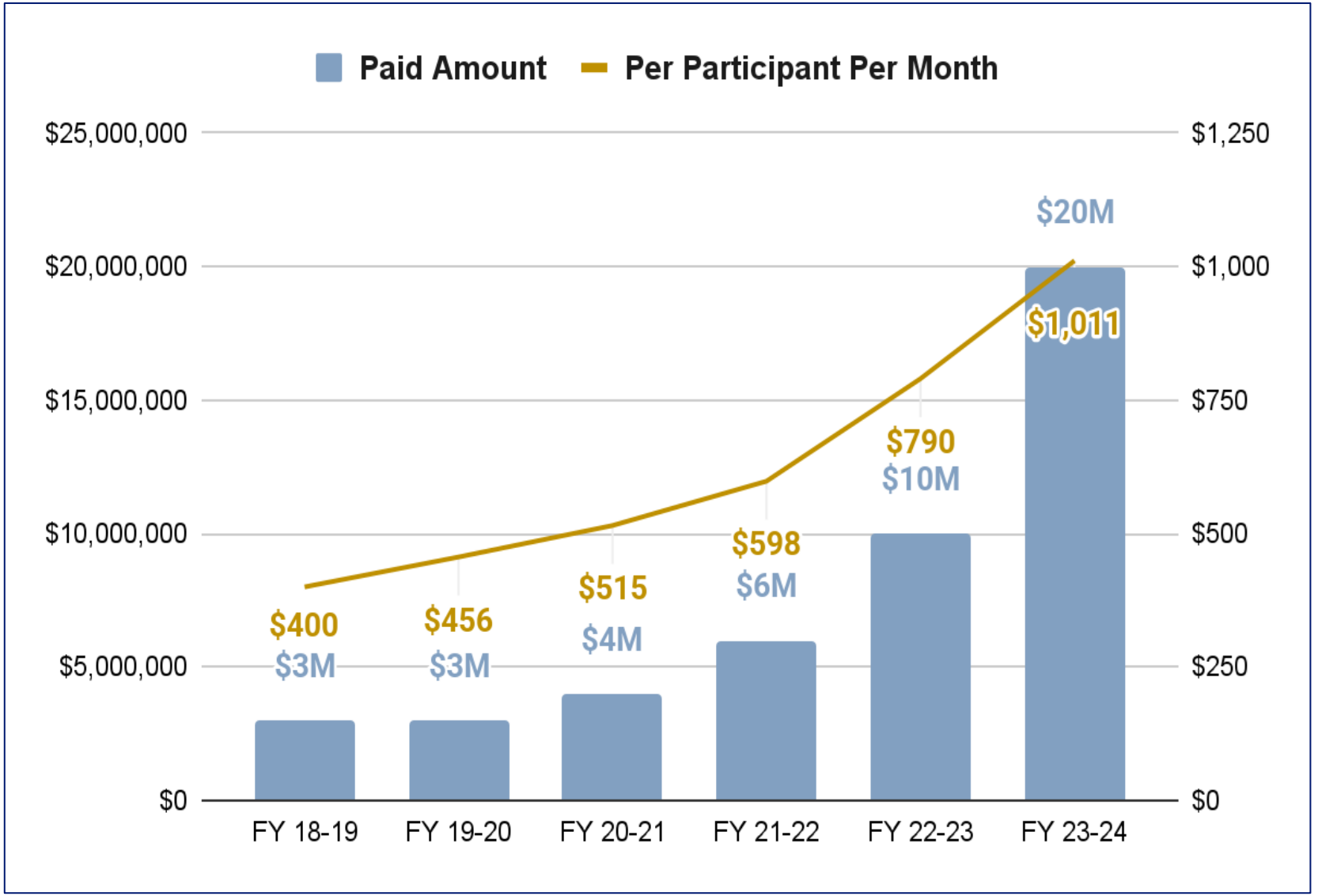
+566% increase in paid $$ from FY18/19 to FY23/24. Trend is +113% per year.

Strategies Completed or In Process

- Decreased Enhanced Homemaker rate
- Additional requirements/cap on family caregivers requiring homemaker for children

Strategies Under Review

- Rate methodology adjustments
- Caps/limits on utilization



Pediatric Behavioral Therapies (PBT/ABA)

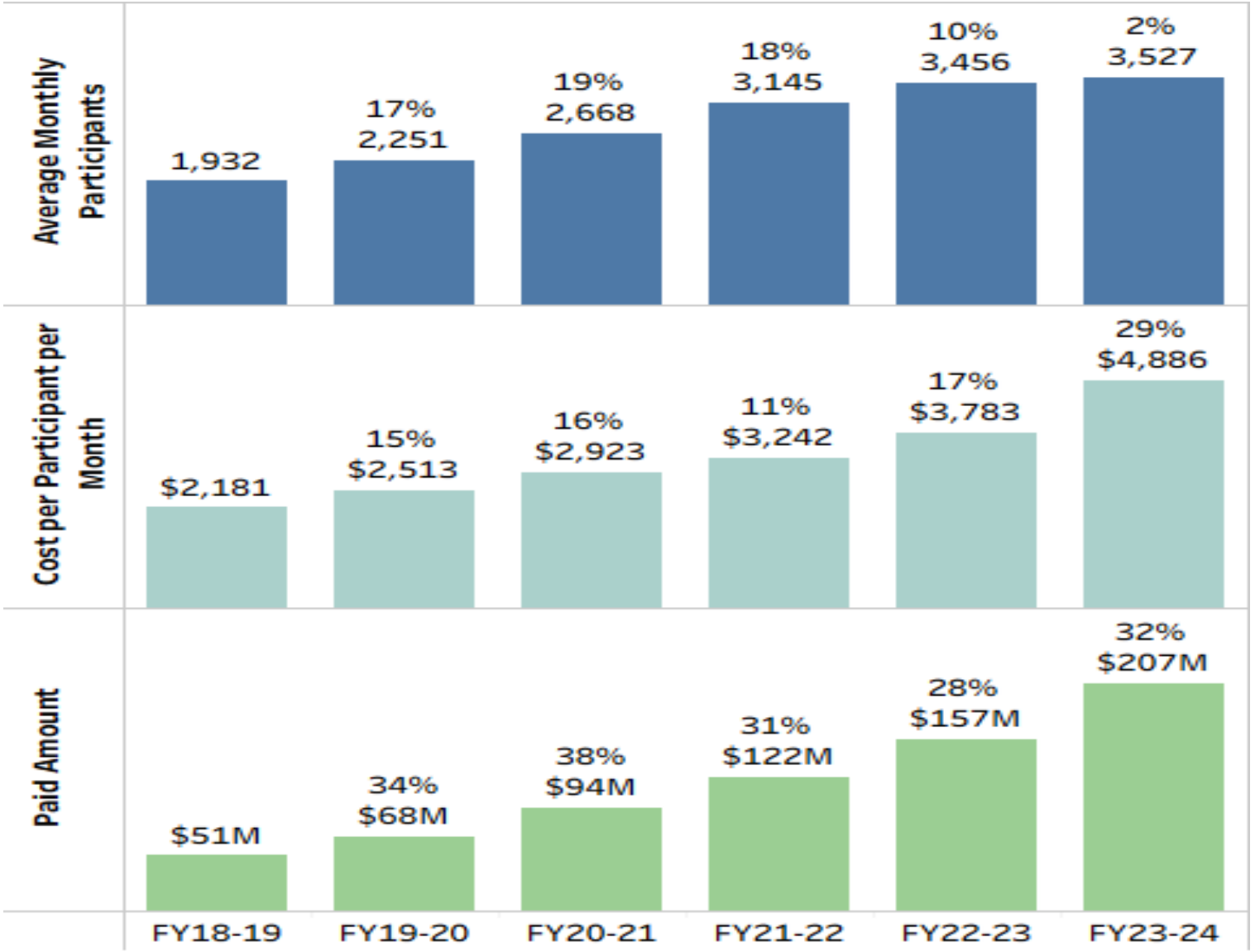
306% increase in paid $ FY18/19 to FY23/24.
+61% paid trend/yr. +30% PMPM trend/yr.

Drivers:

- Private equity provider behavior
- Requiring minimum patient hrs/wk
- Billing for uncredentialed providers
- Billing for nontherapeutic and noncontact hours like naps/playtime

Potential Solutions:

- Policy change
- Address Private Equity Behaviors
- Benefit design changes
- Advancing prior auth criteria
- Pre and post payment review
- Rollback of rate increases
- Additional fraud referrals



Additional Bold Solutions

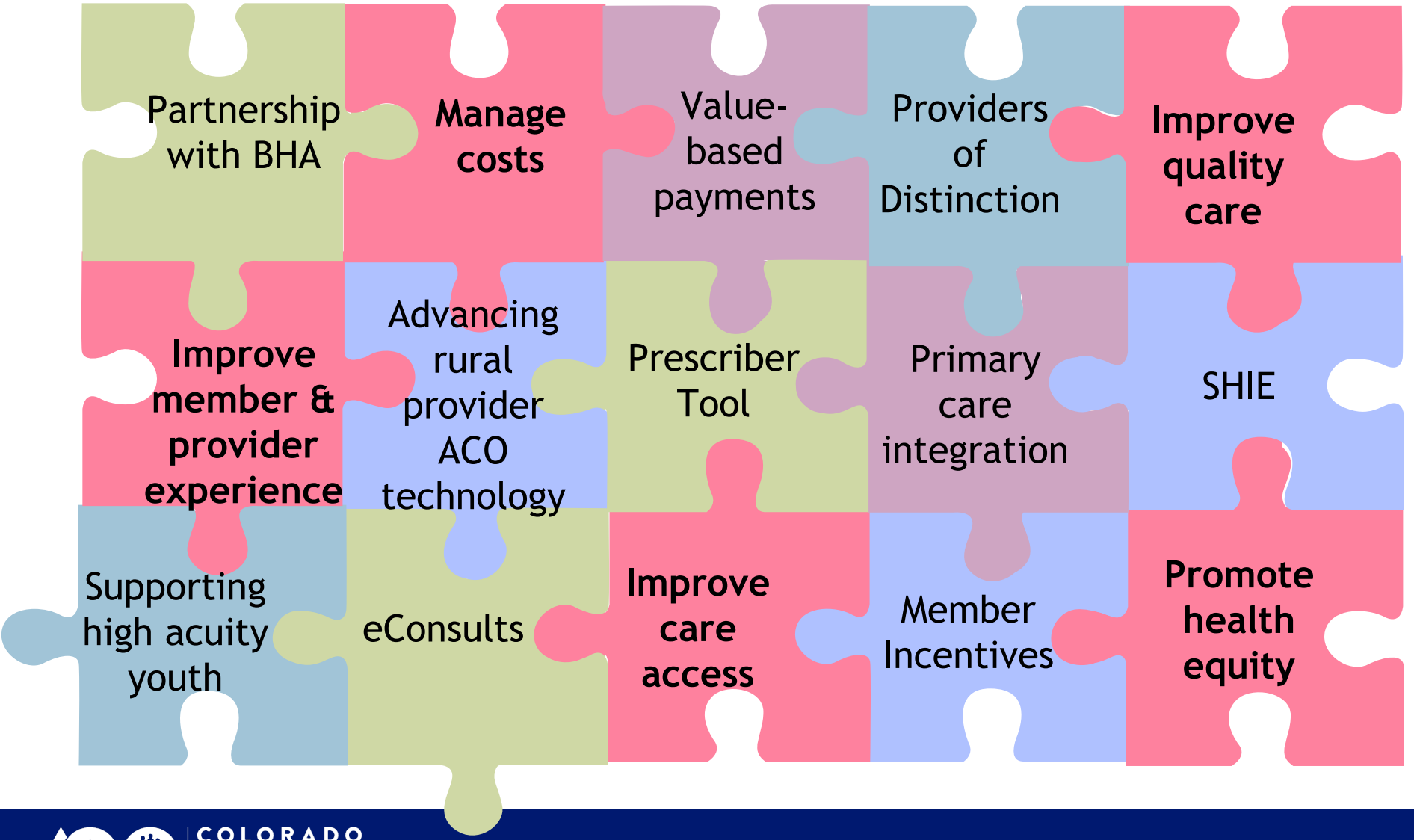
David Ducharme, Accountable Care Collaborative Division Director
Nancy Dolson, Special Financing Division Director
Bettina Schneider, Finance Office Director and CFO
Kim Bimestefer, Executive Director and CEO

ACC Phase III: Our most prominent tool to battle trend

- Thank you all for ACC Phase III design engagement.
- Phase III went live July 1: Medicaid delivery system
- Key advancements:
  - Expanded expectations for RAEs to support members' transitions of care.
  - Streamlined payment model for PCMPs.
  - Redesigned quality incentive program to reduce costs & promote health
  - Enhanced accountability for RAEs. Increased program transparency.
  - Incorporates Innovations: eConsults, Prescriber Tool, ACO-like tools for rural/independent PCMPs, soon - CO SHIE

1. **Improve** quality care for members
2. **Close** health disparities. **Promote** health equity for members
3. **Improve** care access for members
4. **Improve** member and provider experience
5. **Manage** costs to protect member coverage, benefits, provider reimbursements

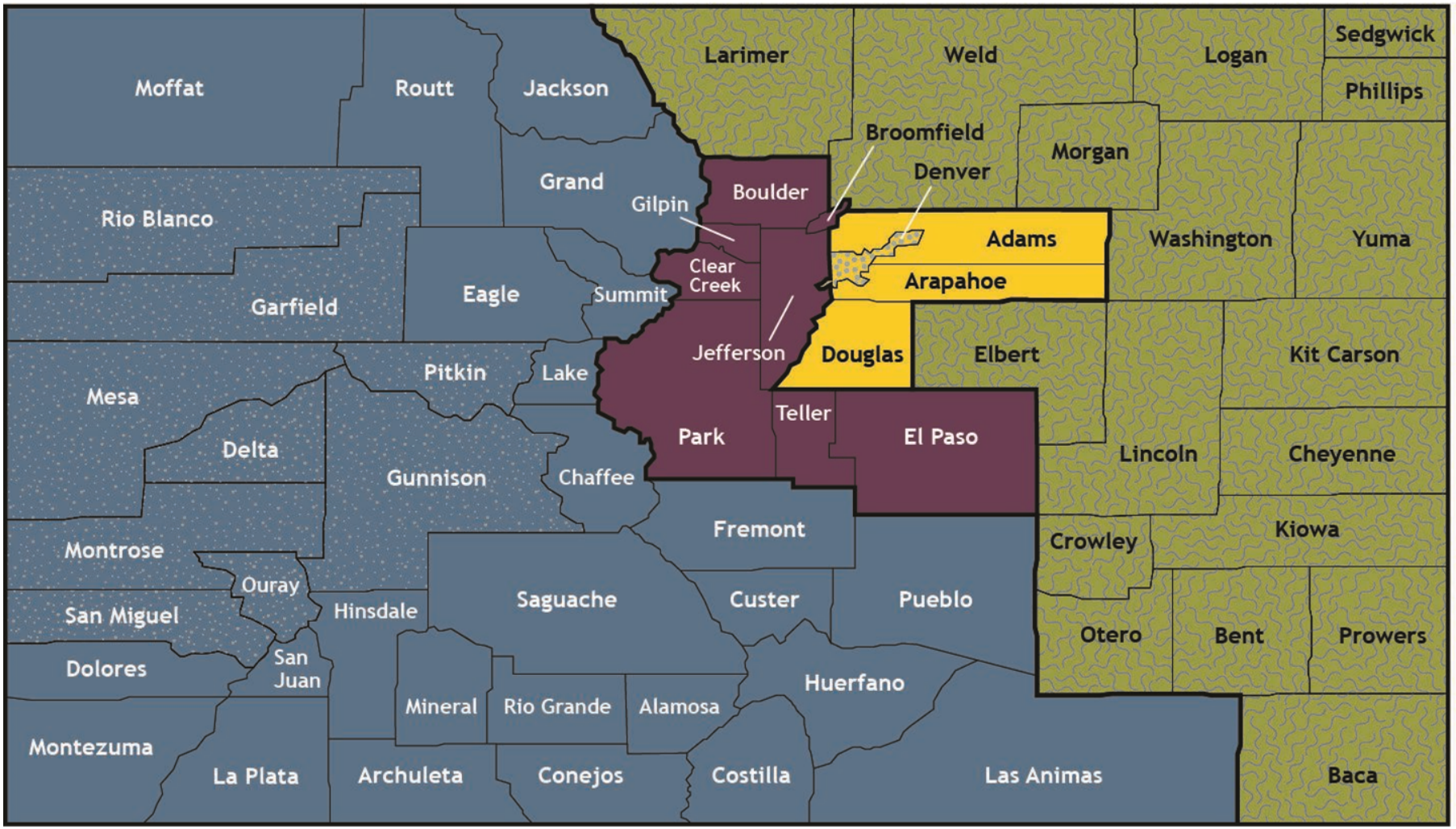
Addressing Medicaid Cost Drivers: ACC Phase III



- Connects key Medicaid innovations, creating a cohesive, cost effective program that supports members and providers.

- ACC Phase III webpage:
  - Member Messaging Resource Center
  - Provider and Stakeholder Resource Center

ACC Phase III Regions: July 1, 2025



Region 1
Rocky Mountain Health Plans

Rocky Mountain Health PRIME

Region 2
Northeast Health Partners

Region 3
Colorado Community Health Alliance

Region 4
Colorado Access

Denver Health Medicaid Choice (DHMC)

ACC Regions align with Behavioral Health Administrative Service Organizations (BHASOs).

Maximize Federal Funding: State-Directed Payment (SDP) Proposal

HCPF submitted to CMS a SDP proposal that boosts hospital payments

- Hospital SDP bolster payments for inpatient and outpatient services, now including psychiatric hospitals
- If approved, SDP could **increase net new funds by $378 million** in FY 2025-26
- HCPF submitted its **new** SDP program before H.R.1 was signed, meaning we will have higher payment rate and draw more federal funds as a legacy SDP. But, that payment rate will begin decreasing as part of H.R. 1 starting in January 2028

State-Directed Payments are a mechanism used to allow additional, targeted payments under Medicaid managed care like RAEs and MCOs

Drive value based payments (VBPs) to incent quality outcomes, equity and affordability

VBP impact 50%+ of Medicaid Payments		
Part	**Program**	**Participation**
Hospital	Hospital Transformation Program	100% of hospitals
Primary Care	Moving to full or partial capitation	53% members and 29% of PCMPs
Prescription Drugs	• Value-based Rx contracts • Prescriber Tool shared savings	• 6 contracts w/ manufacturers • 66% prescribers using tool
Maternity Care	Bundled payment program	~35% deliveries
Behavioral Health	Prospective Payment System	100% of Comprehensive Safety Net Providers

- **Cost and Quality Indicators, eConsults**: to drive right care, right place

Investing in Coloradans: Rural Providers, Access and Affordability

- **Hospital Transformation Program Rural Support Fund** - $60M over 5 years to help 23 critical access and rural hospitals modernize (through September 2025)
  - CHASE Board approved 1 year extension of $12M through September 2026 for same hospitals, providing over $500k per hospital
  - Working on next version of this program, effective October 2026
- **Improving Rural Access and Affordability** - $10.6M rural access and affordability grants plus $0.5M remote patient monitoring grants
- **Leverage SB23-298 and SB24-168** - help rural hospitals partner to drive efficiencies in other ways, i.e., licensure; joint purchasing of supplies, equipment, pharmaceuticals; shared back office and data services; and more
- **Actions for Rural Providers** - leverage funding and collaborative partnerships opportunities above, operationalize PCMP ACO-like option, utilize tools (eConsults, Prescriber Tools, Providers of Distinction, Value Based Payments), etc.

H.R.1 - Rural Health Transformation Program

$50B in Federal Funding Available

$10B/yr x 5yrs
FFY 2026-2030

- **Application:** One-time state submission due Fall 2025, with a Rural-Health Transformation Plan (8 required topics) + certification no dollars will fund state match.
- **Implementation Date:** Disbursements to approved states expected early 2026
- **Estimated Impact:**
  - Increased federal funding for targeted projects.
  - 50% "base" pot divided equally among all approved states
  - Other 50% is targeted toward “not less than ¼ of approved states”
- HCPF will follow best practices from administering SB22-200 Rural Access & Affordability grants and similar programs to engage stakeholders, create an advisory board, etc.

See our Fact Sheet

Federal Medicaid Changes and What's Next

Rachel Reiter, Policy, Communications and Administration Office Director
Joshua Montoya, Partner Relations and Administration Division Director

H.R.1 Overview: Key Medicaid Takeaways

- **Rewrites major eligibility, financing, and compliance rules** over the next 2-8 years that will negatively impact nearly 400,000 Coloradans
- Forces **states to make difficult decisions** that influence how costly or disruptive these shifts become for enrollees, providers, state budgets (our General Fund)
- Provides very limited funding for states to implement changes and will **drive higher administrative and IT costs**
- **Drives administrative and bureaucratic barriers, coverage loss and cost shifts to commercial coverage**

Our Commitment: In partnership with all stakeholders, **our North Star** priority is **to mitigate inappropriate coverage losses while avoiding draconian cuts wherever possible.**

Who we Serve

In fiscal year 2023-2024:

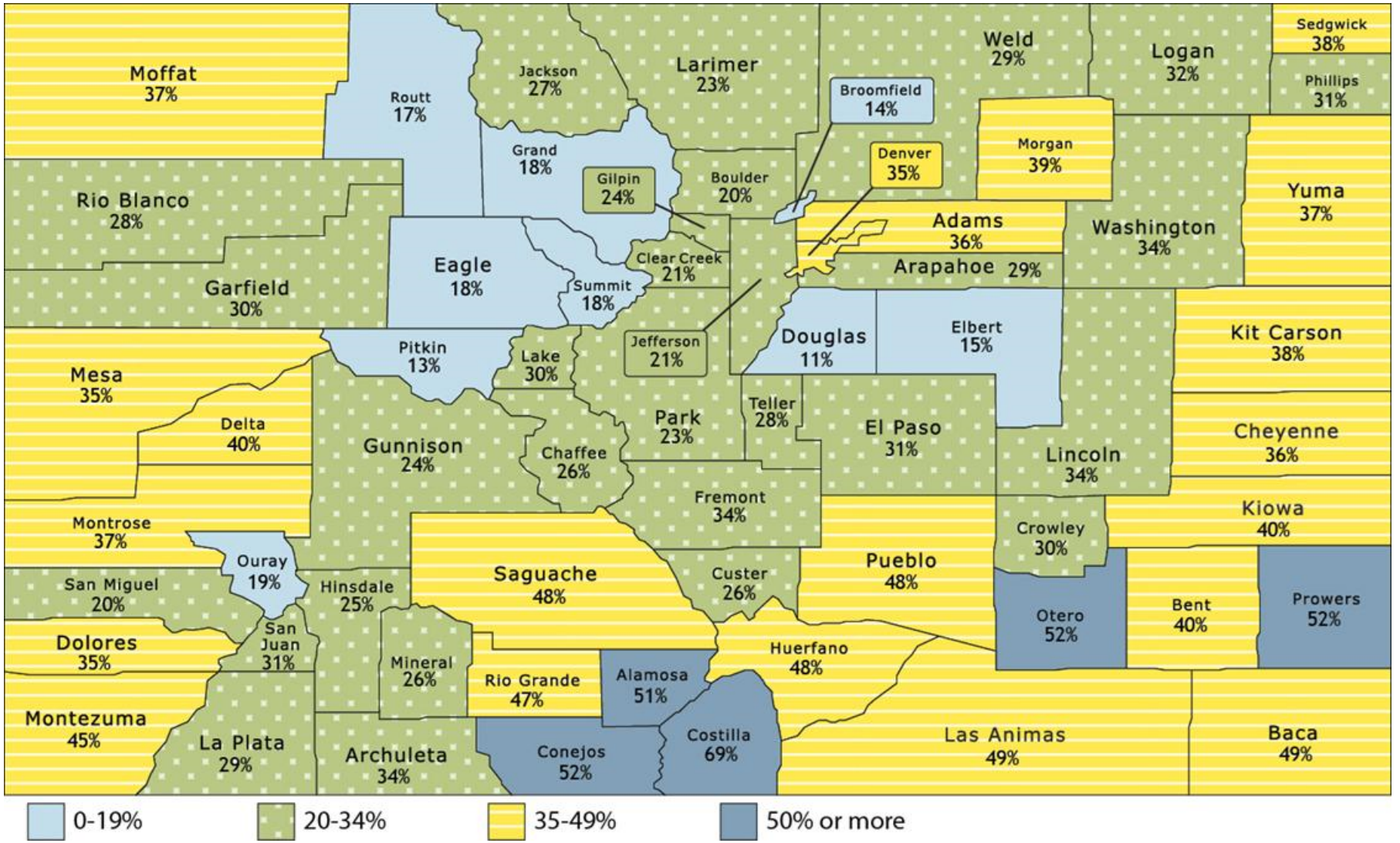
- 55%: adults ages 19-64
- 39%: children, ages 18 and younger
- 6%: adults age 65 and older
- 5% are people with disabilities
- 87% live in urban areas
- 14% live in rural/frontier

2025 Federal Poverty Levels (Medicaid Eligibility)

- Family of 1: $20,820
- Family of 4: $42,768

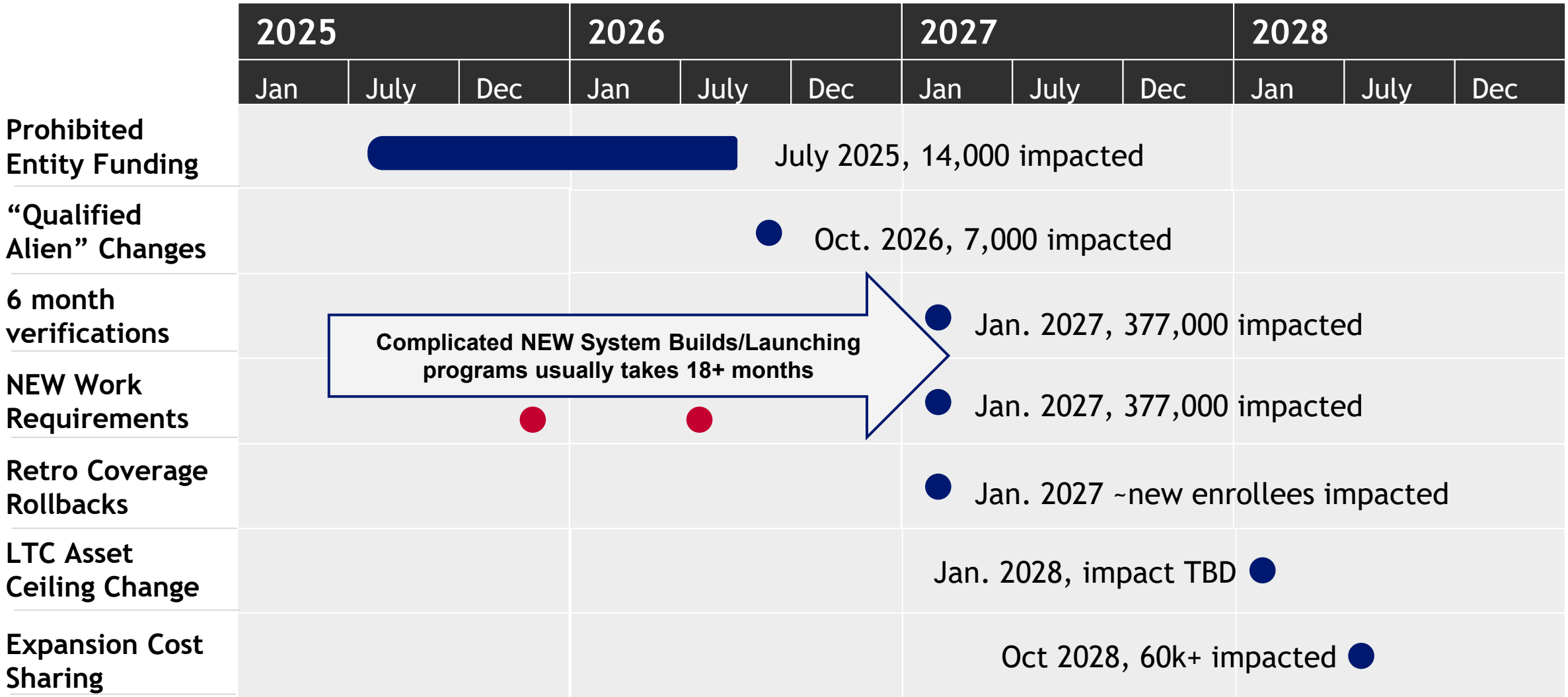
*some earning more may still qualify

% of population enrolled in Medicaid & CHP+ by county



H.R. 1 Medicaid Coverage & Eligibility Provisions High Level Implementation Timeline

- **CMS Guidance Expected - Initial no later than 180 days after enactment, final rules in June 2026**



Expansion Population Impacts

Increased Paperwork Effective Jan. 2027

Eligibility renewals every 6 months vs. 12. Effects 377k low income adults.

Retroactive coverage changes for all new applicants.

Work requirements

- **Adults aged 19-64** must document 80 hours/month of work, job training, education or community service.
- **Exempt populations:** pregnant; AI/AN; parents of kids with disabilities or a child 13 years of age or younger; veterans; medically frail; already meet TANF or SNAP work requirements or have Medicare.
- **Implementation Date:** January 1, 2027 (Shouldn't rely on CMS waiver extension)
- **Impact:**
  - Administrative burden and costs
  - New technology need and costs
  - **Non exempt individuals at risk of disenrollment due to procedural or not meeting the requirements**

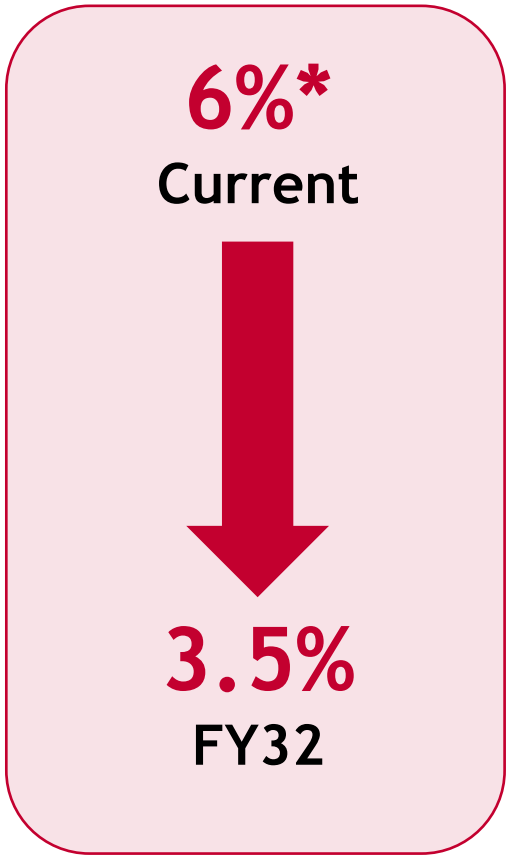
H.R.1 Key Medicaid Provisions, Continued

Federal Administrative Changes effective over coming years:

- **Fraud, Waste and Abuse:** HCPF existing processes address elements of new H.R.1 provisions:
  - Address verifications and data matches with other states to check for dual enrollment, disenrolling members covered by other states
  - Processes to ensure deceased members or providers are respectfully removed from systems to mitigate inappropriate payments
- **Federal Government has changed PERM audit provisions**, increasing risks of federal clawbacks if eligibility errors exceed 3% (current averages 3-4%)
- **Financing Changes:** Caps on State Directed Payments - effective July 4, 2025 and a NEW Rural Health Transformation Program

For more info on HCPF's fraud, waste, abuse programs, see detailed fact sheet.

Changes Begin in October 2027: Reductions in Provider Fees and Federal Funds



- **Rates decrease for expansion states**
- **Implementation Date**: October 1, 2027
- **Impact**: Hospital provider-fee will be dialed back and will lead to lost federal match annually through 2028-2032.
- **$1B to $2.5B federal funds reduction when fully implemented**
- **425K covered by this funding** includes ACA expansion population, kids and pregnant women on CHP+ and Working Adults and Children with Disabilities on the Medicaid Buy-In Program

*Percentage of hospital net patient revenue

Partnering to Meet H.R. 1 Challenges Ahead

- **No Existing Roadmap for Medicaid Work Requirement**
  - Technology connections to verify exemptions as outlined in H.R.1 and processes to verify individuals subject to the requirement has met the requirement do not exist in Medicaid
  - Working on connectivity to boost automation - like CDLE, EquiFax
  - States working together to tackle this reality
  - Leveraging learnings from SNAP/TANF and other states who have tried work requirements
- **Very Tight Timelines** - October 2026 release for January 2027 renewals
- **Leveraging Lessons Learned**
- **Opportunity for HCPF-stakeholder partnerships** to achieve North Star

Driving Efficiencies Together

- **Partnering with Counties to Improve Operations**
  - Identifying shared business process standards in partnership with providers and members.
  - Collaborating with county leaders and staff to eliminate inefficiencies, outdated steps, and duplicative work.
  - Modernizing outdated rules that are administratively burdensome.
- **Finding Efficiencies Amid Limited Funding**
  - Targeting cross-agency savings and shared solutions.
  - Aligning, where ever possible with CDHS for greater impact.
- **Invest in technology, automation and administration** in partnership with counties: FY 2024-25 R7 budget request, Joint Agency Interoperability and future investments.

Our Ask of YOU: Share Resources and Partner with us on implementation of federal changes

- **Share Our Member Message** from Exec. Dir. Bimestefer - a short, high level overview of what is in H.R. 1 and when members may see changes. Critical that we reach members along the way.
- Bookmark our resource center Colorado.gov/hcpf/impact and sign up for HCPF newsletters to receive key implementation updates and understand how federal cuts impact Medicaid.

Thank you for your partnership and engagement as we work together to implement H.R. 1 and focus on our North Star.

HCPF Priorities FY 2025/26

Kim Bimestefer
Executive Director and CEO

Top 10 Priorities within our 39 2025/26 Goals

Medicaid Sustainability Framework

- Navigate budget challenges: finalize budget reduction considerations to address outlier and overall trends; avoid draconian cuts to Medicaid/CHP+.
- Transparent communications. Data sharing. Look for partnership discussions.
- Funding for hospitals/rurals: CMS approval of new CHASE State Directed Payments (+$378M). Settle outstanding CHASE challenges. Rural Transformation $ release.

New H.R.1 Federal Admin Regulations  Mitigate coverage losses

- Implement eligibility system design/programming/automate. County efficiency, accuracy, timeliness initiatives. Avoid Fed penalties/clawbacks.
- Ready the state for work requirements and redeterminations every 6 vs. 12 months.
- Broadly collaborate across stakeholders to help members understand, comply, submit work requirement info (80 hours - work, school, volunteer).

Top 10 Priorities within our 39 2025/26 Goals

- **Retain our amazing, expert, passionate leaders/staff. They do the work!**
- **Long-Term Services and Supports:**
  - Continue transitioning members in congregant settings to community care
  - Stabilize Care and Case Management (CCM) tool and advance all modules
  - Implement the Nurse Assessor Program and the Skilled Care Assessment tool
- Smooth February 1, 2026 implementation of **new Medicaid PBM** (8M+ claims)
- Smooth **implementation of ACC Phase III** to control trend and improve quality
- Advance **Value Based Payments,** rewarding value over volume

Top 10 Priorities within our 39 2025/26 Goals

- **Comprehensive CO Medicaid review**, stakeholder, implement select advances.
- **Cost Control and Fraud, Waste and Abuse** opportunities to control trend, ensure Federal compliance, mitigate Federal clawbacks and overpayments. Restart modernized RAC audits.
- **Children and Youth Behavioral Health System of Care -** increase access to intensive community services, returning children to their homes.

Questions?

Thank You!

- We have a lot to do
- And so much risk
- We need Alignment. Partnership. Focus.
- Thank you in advance for your engagement to achieve shared goals.

North Star to guide our work:

Mitigate coverage losses and its catastrophic consequences to Coloradans, providers, economy

Leverage the Medicaid Sustainability Framework with thoughtful reductions and trend management. Avoid draconian cuts.