

Fiscal Year 2024-25 HCPF Performance Plan

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HCPF Overview

The Colorado Department of Health Care Policy & Financing (HCPF) fiscal year (FY) 2024-25 performance plan is an annual report on progress made toward achieving our mission and supporting goals. This report includes accomplishments, project status, findings, data and policy, and administrative difficulties in the operations of our programs as of FY 2023-24, Quarter 3. This report is completed for the Colorado General Assembly, stakeholders, providers and contractors, the people of Colorado, and HCPF staff.

HCPF is the single state agency responsible for administering the Medicaid program (Title XIX of the Social Security Act) and the Children’s Health Insurance Program (Title XXI of the Social Security Act) for Colorado. Colorado’s Medicaid program is called [Health First Colorado](#) and our Children’s Health Insurance Program is called [Child Health Plan Plus](#) (CHP+). In addition to these programs, HCPF administers the Colorado Indigent Care Program (CICP), the Old Age Pension State Medical Program, the Primary Care Fund and the School Health Services Program.

HCPF also provides health care policy leadership, such as affordability best practices, care innovations and advances, policy guidance and subject matter expertise to the benefit of the state’s executive branch, legislative branch, consumers and purchasers. As the largest health payer in the state covering about 22% of Coloradans, we collaborate with the care providers, federal partners and other payers to create best practices on shared initiatives to the benefit of all Coloradans. HCPF also leverages its oversight of the state’s All Payer Claims Database (APCD) to illuminate health care quality, access, equity and affordability insights that help stakeholders and industry leaders achieve shared goals.

HCPF is also the fiscal agent for the Office of eHealth Information (OeHI) and provides support services to OeHI such as procurement, budgeting, contract management, federal engagement support, and office space.

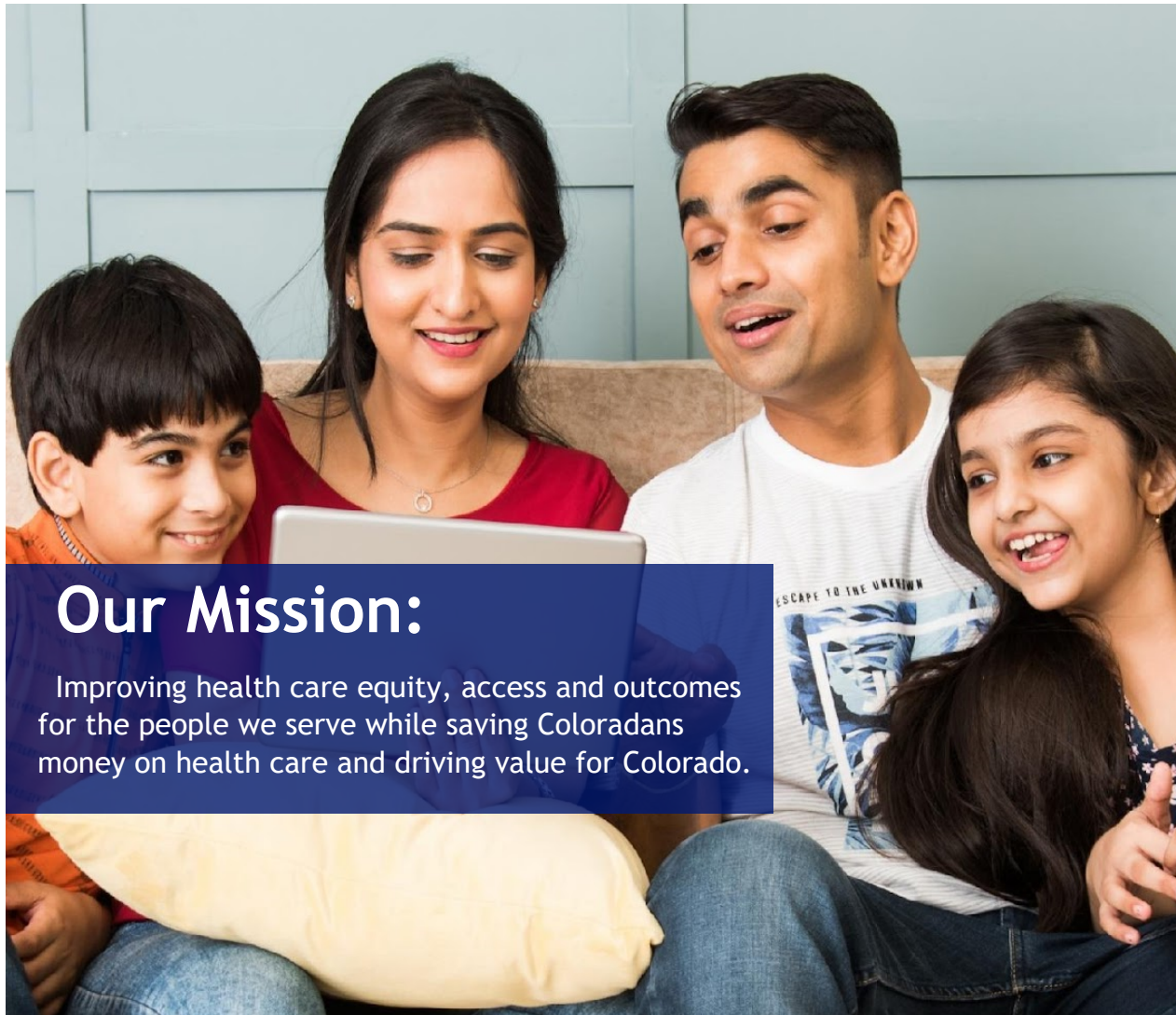
In FY 2024-25, HCPF will provide health care coverage including medical, prescription drug, dental and behavioral health, to an average of about 1.3 million people through its safety net coverage programs. HCPF does not directly deliver health care services; rather, we administer programs as well as contract with a network of providers (medical, dental, behavioral health, vision, pharmacy as well as long-term services and supports providers and other care providers) who render services to eligible

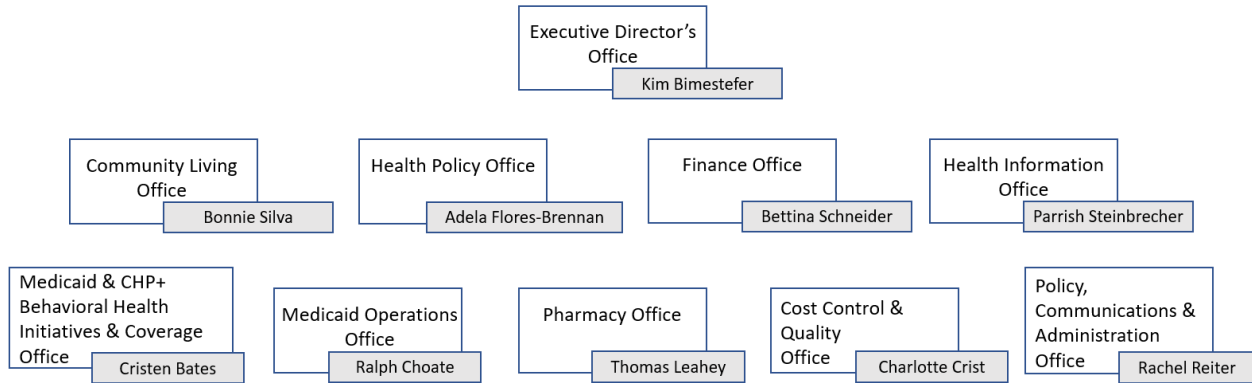
members, similar to commercial carriers. To administer Health First Colorado, CHP+ and our other safety programs, we partner with other state agencies; the Centers for Medicare and Medicaid Services (CMS); service contractors; expert consultants and advisors; health plans and commercial health insurance carriers; and entities that help individuals apply for benefits such as Colorado counties, local government agencies and medical assistance sites.

Health First Colorado receives approximately 60% of its funding from the federal government, while CHP+ is approximately 66% federally funded. About 4% of HCPF's budget goes to cover our administrative costs, while the remaining 96% goes to reimburse providers for the care they deliver to Coloradans who are eligible for our safety net coverage programs. This 4% reflects a far lower administrative allocation than our commercial carrier peers, enabling more funds to go to contracted provider reimbursements.

Mission and Organizational Chart

Our mission statement guide our work and are shown below:





HCPF Description

HCPF is structured into Offices, led by Office Directors, reporting to the Executive Director. This structure enables HCPF to be more agile in responding to the changing dynamics of health care, while leveraging the expertise and specialization associated with each office.

Executive Director’s Office: Kim Bimestefer was reappointed Executive Director of HCPF by Governor Jared Polis, after her first appointment effective Jan. 8, 2018, by then Governor John Hickenlooper. The Executive Director is responsible for setting the strategic direction of HCPF as well as leading HCPF to achieve its mission and annual goals; creating alignment with other state agencies to achieve the health care agenda of the Polis/Primavera Administration; responding and collaborating with the legislature to advance health care policy; overseeing HCPF operations and programs that are provided by both employees and contractors; and ensuring HCPF operates in an efficient and effective manner. This office oversees the facilities and real estate that house HCPF employees; strategy, goal and key project tracking; Human Resources, Learning & Development; equity, diversity, inclusion and accessibility (EDIA); Department culture work; and hiring, retaining and cultivating our employees to rise and thrive in their quest to meet HCPF’s mission and goals.

Health Policy Office: The Health Policy Office oversees Health First Colorado fee-for-service benefits such as physical/medical, prescription drugs, dental and transportation, and develops and implements policy on children and

maternal health. The office manages benefit policy development, maintenance and oversight, and federal and state compliance activities.

Office of Community Living: The Office of Community Living oversees Health First Colorado’s long-term services and supports (LTSS) programs and manages efforts to transform Colorado’s LTSS system to ensure responsiveness, flexibility, accountability and person-centered supports for all eligible persons. The office also manages policy development, maintenance and oversight of the benefits provided to individuals with disabilities and adults 65 and older covered by related waiver programs. In recent years, the office has also been tasked with overseeing the implementation and providing oversight of the American Rescue Plan Act funded projects across the Department.

Pharmacy Office: The Pharmacy Office oversees the prescription drug benefits provided to Health First Colorado members through our pharmacy benefit manager (PBM) and directly from providers, like pharmacies, hospitals and doctors. The office is responsible for ensuring appropriate prescription drug policy as well as clinically appropriate and cost-effective use of medications. Focus areas include the Colorado Preferred Drug List Program; drug utilization review including analysis and input from the Colorado Drug Utilization Review Board; value based contracts; prescription drug affordability policy; reimbursement strategy; and contracting. The office also manages the point-of-sale pharmacy claims adjudication system (the Pharmacy Benefit Management System, or PBMS). The Pharmacy Office also collaborates with the Executive Director’s Office to craft prescription drug affordability policy to the benefit of Coloradans covered by commercial coverage to help Coloradans and their employers save money on health care.

Medicaid Operations Office: The Medicaid Operations Office oversees Health First Colorado and CHP+ health plan operations performed by both HCPF employees and third-party contractors. In addition, this office establishes and monitors the operational performance standards for internal operations and HCPF contractors, and performs fraud, waste and abuse oversight and mitigation functions. Operations include claims payments, member and provider call centers, member enrollment, eligibility determinations made by contracted partners and provider network management. This office has had the primary responsibility for guiding the successful unwinding of the federal Public

Health Emergency (PHE) for COVID-19's Medicaid continuous coverage requirement (as directed by the federal government) and all of the systems, reporting, appeals processing and Medicaid technician guidance associated.

Finance Office: The Finance Office is responsible for HCPF financial operations. This includes accounting, budgeting, external and internal audits, rate setting and provider supplemental payment calculations, and procurement operations of HCPF. The Finance Office also leads Medicaid payment reform efforts, including the creation of value-based payment models, and manages several health care financing programs that are either part of Medicaid or state-only programs. The office is also responsible for monitoring, developing and implementing rates for payments to providers and managed care rate setting for capitated programs. Last, the Finance Office also oversees the Hospital Transformation Program (HTP) as well as the hospital transparency and affordability work.

Cost Control & Quality Improvement Office: The Cost Control & Quality Improvement Office was established July 1, 2018, by the Medicaid Cost Containment law ([Colorado Senate Bill 18-266](#)). This office manages Health First Colorado's delivery system, improves quality, advances health equity, drives affordability for all Coloradans and oversees utilization management programs for Medicaid to ensure right care, right time, right place for the right price. As such, this office oversees Regional Accountable Entity innovations and performance evaluation. This office establishes quality and health equity strategy, insights and performance improvement. This office manages programs that improve Health First Colorado affordability, which helps protect benefits given HCPF is about one-third of the state's budget. This office also manages claims data repositories as well as tools and resources to produce directional analyses and management insights such as utilization patterns, unit cost, quality and overall cost trends for Health First Colorado, CHP+ and other health programs HCPF administers. The office oversees utilization review, population management, disease management program innovations, quality scorecard metrics, cost management strategy, vendors and program effectiveness.

Policy, Communications and Administration Office: The Policy, Communications and Administration Office manages the legislative agenda, government affairs, communications, media relations and legal affairs. This

includes collaborating with the General Assembly, counties, and leaders of federally recognized tribes and urban American Indian communities.

Health Information Office: The Health Information Office develops, implements and maintains HCPF’s claims payment system (Medicaid Management Information System, or MMIS) and data management system (Business Intelligence Data Management System, or BIDM). The office oversees health information technology (HIT) projects and related information technology (IT) infrastructure. This office coordinates with the Governor’s Office of Information Technology (OIT), the Office of eHealth Innovation (OeHI) and other stakeholders on HIT and IT projects that impact HCPF. In 2021, and in partnership with the Medicaid Operations Office, HIO assumed shared responsibility with the Colorado Department of Human Services (CDHS) for the management of the state’s eligibility system, Colorado Benefits Management System (CBMS) and collaborates with the Office of Information Technology (OIT) in the Governor’s Office, which is responsible for cybersecurity, in order to achieve shared data protection goals.

Medicaid and CHP+ Behavioral Health Initiatives and Coverage Office: The Medicaid and CHP+ Behavioral Health Initiatives and Coverage Office governs HCPF’s specific behavioral health policies, benefits, special projects and strategies. The office ensures HCPF is fully aligned and engaged to support the Colorado Behavioral Health Administration (BHA) and its vision to achieve transformative goals while also improving HCPF’s focus and ability to meet the expectations of our advocates, legislators, providers, counties and other stakeholders in the provision of Medicaid and CHP+ behavioral health services. This includes implementing elements of the statewide behavioral health transformative initiatives attributed to HCPF while ensuring that HCPF continues to improve the behavioral health access, quality, equity and service provided to Health First Colorado and CHP+ members.

Environment

The following are key environmental factors influencing HCPF’s performance:

1. Keep Coloradans Covered

During the COVID-induced Public Health Emergency (PHE), Colorado grew its Health First Colorado (Colorado’s Medicaid Program) and Child Health Plan Plus (CHP+) safety net enrollment by more than 45%, or about 550,000 Coloradans. That percentage increase, according to our research, is the second highest in the nation of the Medicaid Expansion States. Our collaborative efforts helped to renew and enroll 1.8 million Coloradans or 30% of the population into our programs. These are historic, unprecedented milestones and accomplishments achieved without warning or playbook. Health First Colorado and CHP+ were there for Coloradans when they needed them, and that is why safety net coverage programs like Health First Colorado and CHP+ exist.

As the nation’s economy recovered, the federal government called an end to the PHE. Following [federal law and directives](#) for all states, including Colorado, and in collaboration with our county partners, HCPF resumed the standard eligibility review process beginning May 2023 for Health First Colorado and CHP+, after more than a three-year pause during the federal COVID-19 Public Health Emergency (PHE). The renewal process to unwind the PHE federally required redetermining all of the approximately 1.8 million Coloradans covered under Health First Colorado and CHP+ through April 2024, resulting in an estimated net enrollment reduction of 519,000 Coloradans¹ covered by our Medicaid and CHP+ safety net coverage programs. The end-of-unwind enrollment level tracks within 2% of the pre-pandemic enrollment level.

For Colorado, April 2024 marked the last month of the year-long “unwinding” of the Medicaid continuous coverage requirement (“PHE Unwind”), reflecting the federal directive for Medicaid program eligibility operations to return to normal. While our work is not yet done, we have a lot of emerging data to share as the optics into this historic year and chapter become clearer. Those insights can help further collaboration to address opportunities and challenges. We appreciated partnership with members, health care providers, health plan

¹ [Continuous Coverage Unwind Data Reporting | Colorado Department of Health Care Policy & Financing](#)

partners, community partners, advocates, counties and medical assistance sites, state agency partners, stakeholders, and the legislature for the collaboration and partnership in preparing for and executing the PHE Unwind.

It was expected that the hundreds of thousands of Coloradans we enrolled into our safety net programs during the COVID-induced economic downturn would largely return to employer-sponsored coverage given the state's economic recovery, thereby returning the percent of Coloradans covered by employer-sponsored coverage back to its historic 50% norm. Still, we want to recognize that returning to business-as-usual renewal processes has not been easy - not for members, providers, eligibility processing partners, or those who advocate for all these important communities. We appreciate continued partnership through and beyond the PHE Unwind to achieve our shared goal to Keep Coloradans Covered.

As we continue to pursue this important goal, the emerging data can help inform our evolving strategies to the betterment of Coloradans, providers, counties, medical assistance sites, and all stakeholders. In addition to the below, more information is available on our [website](#):

- Through the PHE Unwind, Health First Colorado and CHP+ enrollments have returned to pre pandemic levels of about 1.28 million members, meaning that about the same number of members disenrolled during the PHE Unwind (estimated net reduction of 519,000) as were enrolled during the PHE (about 550,000). Ultimately, the PHE Unwind enrollment level should track within 2% of the pre pandemic enrollment levels.
- PHE Unwind renewals (approvals) and disenrollments are within 3% of pre pandemic norms:
 - 57% pre pandemic renewal approval rate versus 54% during the PHE Unwind
 - 41% pre pandemic disenrollments versus 44% during the PHE Unwind
- **For member renewals due in May 2024, the first month after the PHE Unwind, the renewal rate (approval rate) was 76%, which is a historic high and reflects a favorable 40% increase over the PHE Unwind renewal approval rate and a 33% increase over the pre pandemic renewal approval rate.** This 76% renewal approval rate milestone illustrates that while there is still a great deal of work to do to improve our safety net eligibility processes and systems, the automation, innovation, and policy adjustments implemented during this PHE chapter

have significantly improved Colorado’s overall processing results to the betterment of those served, mitigation of a rising uninsured rate, and the reduction in county workloads, which is also a critical priority.

- Automation of renewal processing (ex parte) improves accuracy, timeliness and efficiency. It also improves the member experience while reducing workload for counties. Ex parte rates have significantly increased from an average of about 33% through the PHE Unwind to 59% overall for renewals that were due in May 2024. Ex parte rates are even higher, at 67%, for households where eligibility is determined based on income (MAGI).
- Procedural disenrollments for May renewals have also returned to pre pandemic levels at 12%, down from about 25% during the unwind - a 50% favorable reduction.
- Reducing Whereabouts Unknown (members we can’t find at renewal) has decreased from 22% in May 2023 to 5% in May 2024.
- County enrollment levels are very close to pre pandemic enrollment levels. Our PHE [website](#) provides two charts to illustrate each county’s comparative metrics. (See “Enrollment Changes by County and Enrollment as a Percent of Population”).
- Colorado will have more individuals disenroll from our rosters through the PHE Unwind compared to other states for several reasons:
 - We grew Medicaid enrollment as a percent by so much more than other states did during the PHE - *45% enrollment growth* - meaning we will disenroll more people as we return to pre pandemic enrollment numbers.
 - Since we expanded Medicaid through the Affordable Care Act, this enabled Colorado to grow its membership during the COVID-induced economic downturn more than states that did not expand Medicaid.
 - Our economy recovered faster and stronger than the nation’s, coming out of the COVID-induced economic downturn.
 - Low unemployment rate: Colorado’s unemployment rate was 2.8% in December 2019 (pre pandemic) and then increased significantly due to the COVID-induced downturn. It returned to pre pandemic levels of 2.8% in June 2022. The nation’s unemployment rate followed the same trend from a timing perspective, but was 28% less favorable in comparison at 3.6% in December of 2019 and June 2022. Colorado’s unemployment rate today continues to be lower than the national average.



- Our minimum wage is higher than other states, while the federal poverty level to qualify for Medicaid is the same, meaning that in states where pay is higher, fewer people qualify for Medicaid. Between 2020-2024, Colorado’s minimum wage increased by 20% (\$12.02 to \$14.42 per hour), making it the 8th highest in the nation; that means 42 other states have minimum wages lower than ours. Denver’s minimum wage increased 42% (\$12.85 to \$18.29 per hour). To illustrate this impact, a single person working full-time in Colorado at a minimum wage job will likely not qualify for Medicaid based on income, while a person working a full-time job in another state, at say a \$10 hourly wage, is far more likely to qualify. Further, the national minimum wage is \$7.25 per hour, with 13 states at the federal minimum wage, meaning those working at such wages are far more likely to qualify.
- On a temporary basis, our Medicaid disenrollments may seem comparatively high because we have fewer renewals “pending” than most other states; further, Colorado has finished its PHE Unwind 12-month period. As other states complete their Unwind and address their “pending” renewals through that process, the comparisons will grow more reliable. That clarity should occur in the coming months.

Are Coloradans disenrolling from Medicaid getting connected to other coverage? What we know from our analysis performed using data through December 2023 from the All Payer Claims Database (APCD) is that approximately 33% re-enroll into Medicaid and at least 25% of people disenrolling from Medicaid have other insurance. The breakdown of that 25% is: 18% have Employer Sponsored Commercial coverage, 5% are enrolled into Medicare, and 2% are enrolled in an individual plan through the Connect for Health Colorado Marketplace Exchange. We also know that 33% of those who disenrolled from Medicaid actually re-enrolled at a later date - better than the 40%+ re-enrollment pre pandemic comparative norm.

Re-enrolled into Medicaid: 33%
 Enrolled in Employer Sponsored Commercial Coverage: 18%
 Enrolled in Medicare: 5%
 Enrolled in Connect for Health Marketplace Exchange: 2%
 Unknown - more information pending from the APCD: 42%

We don't have optics into the other 42% at this time, but we will have additional insights as the data becomes available. Further, we are conducting two surveys now that will help us better understand: (a) if disenrolling members are connecting to other coverage and if so, what type, and (b) why members re-enrolled in Medicaid after disenrolling. While we await all those findings, we are concerned about the known barriers to individuals enrolling in other coverage, such as:

- Individuals disenrolling from Medicaid likely did not have the traditional support they needed to enroll in employer sponsored or Medicare coverage because more than 80% of Coloradans disenrolled off cycle with the traditional open enrollment educational and outreach periods.
- Disenrolling members may have missed the window to enroll in their employer's coverage. Specifically, employers may not have expanded the time Coloradans had to enroll after a qualifying event, such as being disenrolled from Medicaid. This enrollment period has historically been 60-days, but the federal government recommended that [employers, plan sponsors and issuers](#) extend this period to 1 year during the national PHE Unwind.
- Some may be prioritizing other household expenses over paying for health insurance coverage after being enrolled with Medicaid; Colorado Medicaid does not charge premiums, deductibles or copays for most services, making it far more affordable than other coverages.

The goal through the PHE unwind was to **Keep Coloradans Covered** by working to ensure that those Coloradans who continued to qualify for Health First Colorado and CHP+ coverage stayed enrolled; and by collaborating with commercial carriers, Connect for Health Colorado, care providers, state departments, and other stakeholders to connect those Coloradans who no longer qualified for our programs to alternative, affordable forms of health coverage.

HCPF worked with many partners to renew members who continued to qualify, and to transition those who no longer qualified to other, affordable coverage through our [KeepCOCovered](#) campaign. Our PHE unwind outreach and engagement campaign conducted more than 2 million outreach activities to more than 540,000 households between May 2023 and March 2024. This statewide campaign included outreach to every member who hadn't responded to their coverage renewal an average of four times through email, text, phone, and mail based on member communication preferences, with an emphasis on

high risk members. Partners helped raise awareness about the importance of Medicaid members completing renewals by leveraging HCPF's nationally leading PHE Unwind toolkits. From May 2023 to March 2024, HCPF and its partners outreached households in the following ways:

- sent 357,064 text messages (310,444 in English and 46,620 in Spanish),
- sent 131,097 emails, mailed 112,937 reminder letters,
- executed 68,329 public service announcement spots (8,432 TV, 59,897 radio)
- pushed 43,074 application notifications.

During this time period, partners accessed HCPF web pages and toolkits to assist with their outreach:

- KeepCOCovered web page was visited 18,148 times
- associated toolkit accessed 1,038 times;
- Get Ready to Renew web page was visited 6,295 times;
- Take Action on Your Renewal webpage was visited 3,005 times
- its toolkit was accessed 958 times;
- Update Your Address web page was visited 2,573 times
- its toolkit was accessed 776 times.

Colorado's Connect for Health marketplace exchange also reached out to individuals and families disenrolling from Medicaid to help them access federal subsidies that make insurance coverage more affordable.

Throughout, HCPF worked with our county partners, the Colorado Human Services Directors Association (CHSDA), Colorado Counties, Inc. (CCI) and the Joint Budget Committee to secure additional funding to assist counties through this uniquely challenging chapter with adequate resources to support the increased workload from continuous coverage. The increased funding allowed counties to add additional staff capacity for eligibility determinations, customer service functions, appeals and other operational costs as member renewals were conducted through the end of continuous coverage.

Starting before the unwind period, HCPF made meaningful systemic advances to Keep Coloradans Covered. HCPF put in place greater automation and streamlined processes based on information from other data interfaces so that

the member or county worker didn't need to complete or process a renewal packet. During the unwind period (May 2023-April 2024), about 33% of households were renewed automatically, which substantially reduced the need for member or county action. This figure increased to 59% for May 2024 renewals, the first renewal month post the PHE Unwind.

HCPF made the renewal packet 33% shorter and allowed e-signing. We made continuous improvements to the digital tools members use to renew coverage based on their feedback including the online Colorado Program Eligibility and Application Kit (PEAK) platform and the Health First Colorado app. To improve processing speeds, HCPF leveraged an Overflow Processing Center, worked with nursing facilities to provide data on members needing more support, helped eligibility partners with process improvements, and created an escalation process to help members navigate corrects or clarifications when they felt their renewal was incorrectly processed or when they couldn't get their renewal fully processed.

Many of these advances were made possible through federal emergency 1902(e)(14)(A) waivers, which allowed HCPF greater flexibility to renew members more easily. These waivers expire June 30, 2025, and may not be extended further. Thanks to House Bill 24-1400, HCPF has the authority to continue these waivers if the federal government makes these emergency waivers permanent; otherwise, HCPF will need to undo some of our advances that helped make renewals easier for members once these waivers expire.

Although April was the last month of the PHE Unwind, our work is not done! [Keeping Coloradans Covered](#) remains a focus, as we continue to work towards ongoing improvements to the Medicaid renewal process while collaborating with partners to achieve shared goals, including:

- We are working in collaboration with CDHS and the counties on three long term projects to improve the eligibility process: CBMS vision and strategy; Joint Agency InterOperability; Senate Bill 22-235 Long Term plan (provides recommendations to properly resource our state-county infrastructure).
- We are updating our standard eligibility correspondence to improve clarity by December 2024, and we will continue to implement improvements that increase ex parte automation and PEAK capabilities (our member digital tool).

- We will continue to drive the analytics that identify what we can do to continually improve our systems and procedures to the betterment of members, counties and providers.
- We continue to collaborate with employers, chambers, providers and other partners to raise awareness of all coverage options and thereby help connect disenrolling Coloradans to other affordable coverage.
- We will continue to work to maintain the affordability of Medicaid and CHP+ coverage, while partnering with other state agencies, providers and stakeholders to Save Coloradans Money on Health Care, thereby mitigating the biggest barrier to coverage - *its affordability*.

Of note, many of the Coloradans who joined Health First Colorado and CHP+ during the pandemic and have transitioned off during the PHE unwind represent a healthier population while those who have remained covered tend to have additional health risks and accordingly higher health care costs. Thus, while we expect HCPF's overall claims costs to go down, the per member per month (PMPM) claims costs will rise. This shift in the population will impact our overall medical and pharmacy cost trends. Additionally, some members skipped preventive, routine and other health care during the pandemic, which could lead to worse health outcomes and increased future costs for Health First Colorado. Finally, we do not yet fully know the impacts of long-term COVID-19.

Colorado's strong economy, wage increases, low unemployment rate, and related factors influence the percent of people renewed and disenrolled during the PHE Unwind. When wages are increased and the unemployment rate is low, less people will requalify for Medicaid and CHP+ at their renewal, given that Medicaid and CHP+ are income-based programs. In addition, Health First Colorado is very affordable with no premiums, deductibles or copays. So some people disenrolling from Medicaid may be struggling to afford other coverage, or could be prioritizing other household expenses given limited budgets.

2. Successfully Conclude American Rescue Plan Act Projects

The American Rescue Plan Act (ARPA) provided unprecedented relief to address the impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. HCPF focused on directing ARPA funding toward transformational projects such as:

- Strengthening the behavioral health safety net, stabilizing behavioral health crisis services, improving behavioral health access and integrating behavioral health into primary care
- Closing gaps in the care continuum such as improving the affordability and accessibility of rural care
- Addressing health disparities with a focus on COVID-19 vaccination rates, including through evidence-based policy interventions
- Targeting services to high-risk populations, especially members with disabilities and members aged 65 and older
- Investing in the health care workforce with particular attention to the direct care workforce
- Funding new wraparound services such as housing supports

Of note, ARPA included a one-time 10% federal medical assistance percentage (FMAP) increase for home and community-based services (HCBS). From the beginning, HCPF's intent with the historic stimulus funding was to address immediate needs of those we serve and make lasting improvements to the health care delivery system. That is why we prioritized this work and dedicated substantial time, technology and resources to it.

With one year remaining for spending completion, as of May 2024, HCPF's 62 initiatives are well underway to make improvements to HCBS, including focused efforts to improve the recruitment and retention of direct care workers. Five initiatives are complete with another 10 on track to close by the end of the fiscal year. All other initiatives are anticipated to be completed by March 31, 2025. HCPF follows a comprehensive process to ensure all work associated with the approved scope of each project has been completed. Information about the outcomes of projects are on [HCPF's ARPA HCBS webpage](#) for easy review by stakeholders. The latest quarterly reports were submitted to CMS and the Colorado General Assembly Joint Budget Committee (JBC) in Spring 2024 with dashboards illustrating statuses of projects and a total projected spend of about \$551.7 million to achieve shared goals. These projects have been developed and executed in close collaboration with stakeholders through 258 meetings and engagement of over 10,445 different stakeholders (through March 2024). Another important way HCPF has kept stakeholders informed is through our [ARPA webpage](#) and monthly [newsletter](#). Through March 2024, 1,382

individuals are signed up to receive the Project Pulse ARPA HCBS newsletter, published monthly to share updates, highlight successes, and provide information about upcoming engagement opportunities.

HCPF completed the second round of risk assessment and project monitoring, and implemented a grantee monitoring program to ensure that grantees are abiding by state and federal requirements in the use of the ARPA HCBS funds.

3. Stabilizing Long-Term Services and Supports

The state's Long-Term Services and Supports (LTSS) system is being impacted by several concurrent challenges:

- Increased county workload due to the end of the Public Health Emergency (PHE) combined with a record number of Medicaid and Supplemental Nutrition Assistance Program (SNAP) renewals;
- Issues with the implementation of IT system changes that has resulted in additional workload and frustration for case managers; and
- Unanticipated complications with the transition of members to new case management agencies (CMAs) to achieve conflict-free case management.

The impact of all three occurring at once - which was not intended - is causing short-term challenges to member eligibility, provider reimbursement, CMA processing and member service response time. In the coming months, the IT innovations and case management redesign modernizations will create a better system for members, providers and CMAs.

Our top priority during stabilization is ensuring ongoing coverage for LTSS members while mitigating payment delays for LTSS providers so members can access needed services. We have identified both short and long-term solutions to urgently address the most pressing issues. We've identified five major issues and areas of work to stabilize the LTSS system.

1. Protecting Coverage for LTSS Members
2. Paying Providers Timely to Protect Access to Services
3. Identifying and Resolving Known IT Issues
4. Reducing Case Management and County Backlog

5. Addressing Appeals and Escalations Backlog

Within each area of work, there are several actions we've implemented or are in the process of implementing. All of this work and more information can be found on our [webpage](#).

4. Transform Medicaid and CHP+ Behavioral Health

HCPF is collaborating closely with the BHA on behavioral health transformation that puts people first and makes bold changes to how the state delivers mental health and substance use services, including the \$550 million in ARPA funding to implement [Behavioral Health Transformation Task Force Recommendations](#). HCPF continues to invest, strengthen and transform behavioral health care:

- Prioritizing high-acuity youth: \$26 million is being directed to support high-acuity children and youth in getting the behavioral health services they need at the right time and in the right setting, thereby avoiding costs associated with preventable hospitalization, criminal justice involvement, adult behavioral health costs, child welfare involvement, and homelessness.
- Investing in the behavioral health safety net: Public programs like Health First Colorado serve those with the highest behavioral health needs, the state's most vulnerable and marginalized. HCPF's FY 2024-25 budget includes \$1.05 billion in funding for behavioral health programs, a significant and steady increase in the state investment over the past five years. The behavioral health budget is up more than \$400 million since FY 2018-19 (\$631 million in expenditures that year). This investment has allowed for the creation of new provider types and service provisions, the addition of the inpatient and residential behavioral health benefit, integrated primary care with mental health and substance abuse, improvements to the crisis continuum focused on community delivered services, and a reduction in reliance on law enforcement and emergency medical services.
- Improving behavioral health access: In June 2020, HCPF had 6,391 behavioral health providers contracted in-network and by December 2023, there were 11,672 providers for a net increase of 5,281 behavioral

health providers over a three and a half year period. HCPF and BHA have received a number of letters of intent from providers intending to be approved by BHA for safety net status as a Comprehensive or Essential Behavioral Health Safety net Provider, which qualifies them for safety net payment rates. Comprehensive providers provide all of the following behavioral health safety net services: emergency/crisis care, outpatient care, intensive outpatient care, recovery support, care management, outreach/engagement/education, outpatient competency, and screening services. Essential providers provide care coordination and at least one of the following behavioral health services: emergency/crisis care, outpatient care, intensive outpatient care, residential services, withdrawal management services, inpatient care, integrated care, hospital alternatives, or additional services determined necessary for a specific region or throughout the state. All Regional Accountable Entities (RAEs) have expanded their behavioral health provider networks between FY 2021-22 and FY 2023-24.

- Expanded mobile crisis response (MCR) and behavioral health secure transport (BHST) benefits: [House Bill 21-1085](#) directed HCPF to implement a behavioral health secure transportation paid benefit by July 1, 2023, to improve access to behavioral health care.² This collaborative effort between HCPF, BHA, and the Colorado Department of Public Health and Environment (CDPHE) provides transportation for members experiencing a behavioral health crisis to appropriate behavioral health facilities. This program further reduces reliance on law enforcement and emergency medical services for people experiencing behavioral health crises and is focused on community delivered services.

5. Manage Rising Health Care Costs

The affordability of health care continues to be one of the most significant challenges here in Colorado and across the nation. From February 2023 to January 2024 our per member per month (PMPM) trend increased 11.3% and the risk-adjusted PMPM increased 14%. This unusually high PMPM trend reflects the fact that disenrolling members through the PHE are healthier (lower acuity) compared to those who we are retaining; the inverse impact occurred as

² Secure Transportation Behavioral Health, House Bill 21-1085

Medicaid grew during the PHE, with healthier (lower acuity) Coloradans added to the HCPF eligibility rosters. While our trend going forward won't be as high, it will still outpace the Taxpayer's Bill of Rights (TABOR) CPI. For reference, CMS predicts that [national health spending](#) will grow at an average rate of 5.4% per year between 2022 and 2031, outstripping growth in the nation's Gross Domestic Product. CMS also predicts that Medicaid spending will grow at a rate of 5.6% over 2025-2031, which is between the projected rate of Medicare growth at 7.8% and private health insurance growth at 5.2%. CMS identifies drivers including rapid increases in prescription drug spending, hospital spending, and physician and clinical services. To this trend driver list, we should underscore that the trend for individuals covered by LTSS waiver services - a core focus for HCPF - is multiples of the MAGI population.

HCPF trend is a product of many factors, such as:

- benefit increases like covering inpatient and residential care for substance abuse disorder
- increases in Medicaid provider participation and therefore access
- increases in reimbursement rates to our valued health care providers (recognizing the increase in their costs)
- increases in the cost of technology, such as high cost drugs
- general inflation.

Colorado state revenue dollars are experiencing increased pressure to keep pace with rising expenses. At the same time, federal stimulus dollars are diminishing. It is important to note that the state's TABOR provisions do not recognize the higher trend association with medical inflation versus CPI or that HCPF health care expenses consume about one-third of available state General Fund, creating even more pressure on the state budget.

That is one reason why driving health care affordability is a top priority. In alignment with the Polis-Primavera Administration priority to Save People Money on Health Care, HCPF supports the Office of Saving People Money on Health Care and participates in the Health Cabinet, both of which are led by Lt. Gov. Primavera. Additionally, HCPF's mission statement includes "...*saving Coloradans money on health care and driving value for Colorado,*" and is reflected in HCPF goals intended to drive policy, transformation and

affordability impact to Medicaid and All Coloradans. In partnership with the Health Cabinet, HCPF completes research, analytics and reporting that identify drivers of rising health care costs and further identifies and implements the strategies to address them, to the betterment of Medicaid and all Coloradans.

As such, HCPF is focused on delivery system innovations and regulatory advances that prioritize better health outcomes and affordability. The top two drivers affecting affordability are prescription drug costs and hospital costs. Below are HCPF strategies to address these drivers:

- The high cost of prescription drugs, especially specialty drugs, is a challenge for Health First Colorado, CHP+ and all health plans. Extended patent protections, the lack of the broad based price negotiations similar to all other developed nations, promotional marketing directly to consumers and providers and perverse incentives and influences of middle men like PBMs and carriers are the top factors fueling rising drug costs. Notably, less than 2% of drugs are so expensive, they are driving about 50% of prescription drug costs for Medicaid and Commercial coverage.³ In particular, retail prices of new specialty drugs are alarming, such as: Lenmeldy \$4.25 million for a treatment to preserve cognitive and motor function in metachromatic leukodystrophy; Hemgenix \$3.5 million for a potentially curative treatment option for patients with severe hemophilia B; Elevidys \$3.2 million for a one-time gene therapy for select patients with Duchenne Muscular Dystrophy; Skysona \$3 million to treat a degenerative neurological condition in children; and \$2.9 million for one infusion treatment option for patients with severe hemophilia A. To reduce the costs of prescription drugs for Coloradans, HCPF is:
 - Negotiating value-based contracts with drug manufacturers, which are based on the provision of quality care and outcomes for members to hold manufacturers accountable for their clinical promises. Value based agreements enable us to better hold manufacturers financially accountable to the clinical outcomes

³ CIVHC, *Prescription Drug Rebates In Colorado Colorado All Payer Claims Database, 2022*, <https://civhc.org/get-data/public-data/focus-areas/prescription-drug-rebates>.

demonstrated by real world evidence and results, which is especially important given these prices.

- HCPF is collaborating with CMS and other states to jointly negotiate prices and value based agreements with high cost specialty drug manufacturers and expects to begin the group contracting opportunity in January 2025.
- HCPF is also pursuing drug importation from Canada, as their drug prices are about 60% lower than those in the U.S. for the same drugs.
- The Prescriber Tool empowers providers with information on prescription drug costs and affordable alternatives, and shares the savings with those providers to encourage them to be part of the affordability solution. This tool can be used by providers to control both Medicaid and commercial prescription drug costs.
- [House Bill 22-1370](#) requires commercial carriers to pass through all payments between drug manufacturers and themselves to their insured clients and allows self-insured employers to opt into this drug savings policy. Rebates for all employers and insurers participating in the program in 2022 are calculated at \$417M by CIVHC (not including the self-insured ERISA market).⁴
- House Bill 23-1201 eliminates the practice of “spread pricing,” or up-charging of prescription drugs by middlemen on insured individual and group policies as well as Medicaid while improving transparency into pharmacy benefit manager and carrier prescription drug pricing to help employers, brokers and communities drive better pricing and therefore, savings. HCPF continued to invite and promote the opportunity for self-funded employers to opt into rebates, pass through savings and spread pricing legislation.
- HCPF advises the Division of Insurance on the Prescription Drug Advisory Board (PDAB) which identifies drugs that may be subject to an affordability review, conducts affordability reviews on selected eligible drugs, determines whether a prescription drug is unaffordable for Colorado consumers, and if a drug is found to be

⁴ [CO APCD Annual Reports, 2023](#)



unaffordable, the Board may set an upper payment limit. The PDAB also makes policy recommendations to the General Assembly.

- Lastly, HCPF takes an active role on the Prescription Drug Affordability Advisory Council (PDAAC) which advises the PDAB and provides stakeholder input on prescription drug affordability.
- Colorado’s hospitals have historically had among the highest prices, profits, costs and construction in the country.⁵ In collaboration with the industry, the rate of hospital price increases to commercial insurance carriers have come down.⁶ Moreover, large variations from historic trends occurred in 2022 due in part to rising health care wages and outlier investment returns.^{7, 8} At the same time, 47% of U.S. adults reported difficulties affording out-of-pocket costs for medical care⁹ and one in five Coloradans chose not to seek health care services because of affordability.¹⁰

⁵ Data extracted from the Nov. 2022 Healthcare Cost Report Information System (HCRIS) update. Data includes data for short-stay hospitals across the nation. Other state values are adjusted for cost of living. HCPF adjustments are made to ensure data is error free and outliers are removed. For further details on HCPF’s Medicare Cost Report analysis, please see Appendix A of *Hospital Cost, Price and Profit Review* and *2023 Hospital Insights Bulletin* at <https://hcpf.colorado.gov/hospital-reports-hub>

⁶ The CHASE Annual Report provides payment-less-cost per patient figures. Although not within the report, commercial insurance payment per patient figures have been calculated using the same dataset. Commercial insurance payment per patient figures have increased almost every year since 2015 (except 2021 which was stable with 2020) along with commercial insurance payment-less-cost per patient figures. 2022 was a departure from this trend with commercial payment per patient figures falling back to 2019 amounts. Department of Health Care Policy & Financing. (2024, February). 2024 CHASE Annual Report. Retrieved from <https://hcpf.colorado.gov/colorado-healthcare-affordability-and-sustainability-enterprise-chase-board>.

⁷ See Figure 1 on page 8 of the *Hospital Cost, Price & Profit Review*. Department of Health Care Policy & Financing. (2021, August). *Hospital Cost, Price & Profit Review*. Retrieved from <https://hcpf.colorado.gov/hospital-reports-hub>.

⁸ Health services make up 45.9% of the FY 2023-24 state budget and include: Health Care Policy & Financing (38.1%), Department of Public Health & Environment (2.0%) and the Department of Human Services (5.8%). Colorado General Assembly. (n.d.). Budget Package and Long Bill Narrative. Retrieved from <https://leg.colorado.gov/publications/fy-2024-25-budget-package-and-long-bill-narrative>.

⁹ Montero, A., Presiado, M., Hamel, L., & Lopes, L. (2024, March 1). Americans’ Challenges with Health Care Costs. Kaiser Family Foundation. Retrieved from <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs>.

¹⁰ Colorado Health Institute. (2021, October 25). 2021 Colorado Health Access Survey: Health Insurance Coverage. Retrieved from <https://www.coloradohealthinstitute.org/research/colorado-health-access-survey-2021>.

- While Colorado is fortunate to have a healthier population that helps drive lower per capita costs, the prices for individual procedures, inpatient care and outpatient care are in the top 10 in the nation and vary widely across hospitals. This is a significant improvement from our Top 3 position in 2019, reflecting meaningful and intentional changes implemented by hospitals during contractual negotiations with commercial carriers. HCPF reporting tools consist of:
 - an analysis of the quality of hospitals' Price Transparency postings (Hospital Price Transparency Posting Evaluation Report). The February 2024 [Price Transparency Posting Evaluation](#) shows 62.7% of Colorado hospitals have an overall price transparency quality rating of Good, while 12.0% ranked as Fair and 25.3% ranked Poor. More recent meetings with hospitals indicates that hospitals are refocusing efforts to address scorecard findings, which will result in an improvement in price transparency;
 - a new Hospital Price Transparency tool using the above postings;
 - a tool for analysis of hospitals' breakeven rates, the Breakeven Analysis tool, provides better insights into what hospitals need to charge commercial carriers in order to offset the underpayments of public payers. This Breakeven tool allows carriers, employers, other payers and communities to negotiate price reductions with their hospital partners in a more informed way;
 - a tool for analysis of hospitals' payments received for inpatient care by code and in aggregate (Payment Variation tool);
 - a preview of profits and reserves information for Colorado's major hospital systems for recent years;
 - three financial reports on costs, prices, profits and community benefit: [Colorado Healthcare Affordability and Sustainability Enterprise \(CHASE\) Annual Report](#),¹¹ the

¹¹ CHASE Report, 2024 | Colorado Department of Health Care Policy & Financing



[Hospital Expenditure Report](#) and the [Hospital Community Benefit Accountability](#).

- Note that the 2024 CHASE Annual Report illustrates that the CHASE provided \$464 million in increased reimbursement to hospital providers, which helped fund health insurance coverage through Colorado Medicaid and Child Health Plan Plus (CHP+) for more than 622,000 Coloradans - with no increase in Colorado General Fund expenditures.
- Colorado's high ranking hospital prices, patient services profit, and total profits which incorporate investment earnings indicate price reduction opportunities. The 2022 stabilization of prices provides an opportunity to limit future price increases due to inflation to bring Colorado hospital prices and profits more in line with the nation.
- The [Hospital Transformation Program \(HTP\)](#) is one of the largest and most comprehensive programs impacting hospital affordability to the benefit of all Coloradans and the Health First Colorado program. The HTP is the state's first major effort to significantly redirect hospital supplemental payments toward major delivery model transformation to the betterment of all Coloradans, regardless of payer or coverage type. The goal of the HTP is to improve the quality of hospital care provided to Health First Colorado members by tying provider fee funded hospital payments to quality-based initiatives. An important complementary component of the HTP is the Rural Support Fund, which helps support and prepare critical access and rural hospitals for future value based payment environments. Through the end of Program Year 2 that ended Sept. 30, 2024, hospitals completed 6,493 activities across 647 interventions, conducted 2,701 consultations with key stakeholders, 550 Community Advisory Meetings and 206 Public Engagement meetings totaling 3,457 Community and Health Neighborhood Engagement activities.
- HCPF is implementing value based payments programs that tie a portion of reimbursements on outcomes, affordability or other performance

metrics, driving more accountability on the part of providers to be part of the systemic and transformative solution. Areas of focus for HCPF include primary care, maternity, prescription drugs (both with manufacturers and prescribers), hospitals (the Hospital Transformation Program), and specialists and facilities (providers of distinction). This work will drive changes not only to Health First Colorado outcomes and affordability but also to commercial and Medicare affordability and outcomes as well. More information is on our [Value-Based Payments webpage](#).

- Finally, HCPF is working to avoid inappropriate Medicaid payments by ensuring compliance with federal and state laws through both retrospective recoveries and prospective cost avoidance of fraud, waste and abuse activities and other primary coverage compliance.

6. Reduce Health Disparities

HCPF is working alongside our dedicated and mission-driven providers and advocates to help remove barriers to quality care and close health disparity gaps for all Coloradans. Since July 1, 2022, health equity plans have been included in our Accountable Care Collaborative partner RAE/Managed Care Entity (MCE) contracts. This important lever is foundational in achieving desired health outcomes as well as decreasing disparities for our members. In addition to targeted interventions to population needs and health priorities, listening to the lived experiences of our members and shoring up our data collection are key tactics HCPF is employing to inform our decisions and innovations to improve quality of care.

HCPF partnered with the Governor’s Office and CDPHE to pass [Senate Bill 21-181](#), which creates a shared health equity strategic plan across state agencies and provides funding and staff to implement it. In alignment with this legislation, HCPF created a robust and comprehensive [health equity plan](#) to address health outcomes and disparity indicators in four areas: vaccinations, maternal health, behavioral health, and prevention in Health First Colorado and CHP+ programs. Further, HCPF is expanding coverage for pregnant people and children, notably with the implementation of programs covering midwives

and doulas beginning in 2024.¹² [HCPF also launched a statewide health equity task force](#) composed of 60 ambassadors across the state that work together to identify additional disparities, with representation from members, RAEs, hospitals, clinics and grassroots organizations.

7. Serve Colorado’s Aging Population

In 2022, Coloradans 65 and older represented the fastest and largest-growing age cohort in Colorado with over 928,000 individuals, and are estimated to account for 50% of total population growth through 2030.¹³ By 2035, the over-65 population in Colorado will reach 1.3 million people or 20% of the projected 6.8 million population, according to the State Demography Office.¹⁴ Indeed, Colorado is one of the fastest aging states in the country¹⁵, and Health First Colorado, as a payor of long-term care, is witnessing the impacts of this demographic change. In addition to leveraging ARPA to make significant investments in HCBS to ensure older adults can continue to age in their community, HCPF has also taken steps to bolster other key benefits and services to ensure a continuum of care is available.

In previous years, HCPF has seen a steady growth in Program for All-Inclusive Care for the Elderly (PACE) program expenditures. Currently, there are five PACE organizations serving 13 counties and over 4,000 participants in Colorado. Given PACE’s expansion in Colorado, HCPF is taking steps to improve the overall quality of the program and its value. Further ensuring a comprehensive focus on quality and outcomes, HCPF is overhauling PACE oversight in Colorado, with the goal of setting expectations for PACE organizations to ensure active compliance with our regulations, thereby increasing overall quality. HCPF is developing a pay for performance program aimed at improving the value of health care services, where value is a function of both quality and cost. The guiding principles for this program can be summarized into four iterative and interlocking processes: engaging stakeholders; coordinating efforts; simplifying administrative burden; and making data-driven decisions. In collaboration with

¹² [Reproductive and Maternal Health Resources | Colorado Department of Health Care Policy & Financing](#)

¹³ [2022 Population Summary, State Demography Office](#)

¹⁴ [State Demography Office, Population Estimates by Age 1990-2050](#)

¹⁵ Source: Colorado State Demography Office • Note: Data is based on estimates through 2020 and then based on forecasts.

PACE organizations, HCPF has identified key performance measures that increase quality of care and are anchored to five HCPF goals: person-centered care, care coordination, participant satisfaction, promoting effective prevention, and regulatory compliance.¹⁶ Through these efforts, Colorado is at the forefront of ensuring responsible growth and increased performance within Colorado’s PACE program.

The state’s skilled nursing facilities are another critical provider of both short- and long-term care for older Coloradans. Nursing facilities have faced escalating challenges maintaining adequate staffing due to rising labor costs and burnout from the COVID-19 pandemic. To address these challenges, HCPF has invested an additional \$88 million since FY 2021-22 supporting nursing facilities and their workforce. HCPF has additionally committed funds to ensure all workers in these settings receive a base wage of at least \$17 (\$18.29 in Denver) per hour.

HCPF also realizes that this is not a short-term problem, but rather an issue many decades in the making. For this reason, HCPF worked in collaboration with the state’s nursing facilities to create a statewide plan outlining [recommendations](#) to permanently change provider reimbursement policy to prioritize quality, sustainability and sound fiscal stewardship. The plan was developed in November 2022 and resulted in changes passed in [House Bill 23-1228](#) that provides the path toward long-term transformation, ensuring these critical providers remain viable and available for those who need them. In FY 2023-24, HCPF began implementation of House Bill 23-1228 to refocus the nursing facility reimbursement structure toward workforce development, quality improvement and support for high needs individuals. In addition, this increased financial oversight on nursing home providers will allow HCPF to measure the effectiveness of the changes and make ongoing proactive improvements through regulation.

HCPF has also implemented a new Care and Case Management (CCM) IT system. Active work is in process, as noted earlier in this report, to improve this system’s performance. HCPF is also implementing Case Management Redesign

¹⁶ [CO PACE Value Based Payment Program Design | Colorado Department of Health Care Policy & Financing](#)

(CMRD) to achieve the federal government’s requirement of conflict free case management. This reduces the number of CMAs from 44 agencies to 15.

8. Address Social Determinants of Health

The U.S. Department of Health and Human Services (HHS) Office of Disease Prevention and Health Promotion define social determinants of health (SDOH) as the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.¹⁷ HHS groups SDOH into 5 domains: economic stability, education access and quality, health care access and quality, neighborhood and built environment, and social and community context.

HCPF has tied its active ARPA HCBS projects to the SDOH domains outlined by HHS. Currently, HCPF is operating 36 projects which positively impact health care access and quality; 20 projects which positively impact social and community context; 11 projects which positively impact economic stability; 8 projects which positively impact education access and quality; and 7 projects which positively impact neighborhood and built environment. Additionally, HCPF has identified 23 ARPA projects that advance equity across the Colorado health care system. One such program is the Statewide Supportive Housing Expansion (SWHSE) Pilot Project. HCPF has implemented a pilot program to provide supportive housing services for over 700 Medicaid members. Participating members receive housing vouchers from the Colorado Department of Local Affairs (DOLA). This initiative is modeled on the evidence-based social impact bond project in Denver. It focuses on individuals who have serious mental illness and have a history of homelessness and emergency care. HCPF has also been selected for a technical assistance program by the National Academy for State Health Policy (NASHP) about how to best integrate services across state agencies to expand housing options to their shared clients who are unhoused.

In partnership with CDHS and the Department of Local Affairs (DOLA), we are planning to submit an 1115 waiver to CMS to support health related social needs for Medicaid members. Through this waiver, we are proposing housing

¹⁷ [Health.gov Social Determinants of Health - Healthy People 2030](https://www.health.gov/social-determinants-of-health)

and nutrition services, including: pre-tenancy and tenancy sustaining services, housing transition navigation services, one-time transition and moving costs, housing deposits to secure housing, rent/temporary housing for up to 6 months, utility costs, nutrition counseling and education, including on healthy meal preparation, meals or pantry stocking, and medically-tailored meals up to 3 meals per day delivered in the home or private residence for up to 6 months. The waiver includes Medicaid-eligible individuals who are 18 years or older, at 30% or less of area median income, and homeless or at risk of homelessness, or transitioning from an institutional setting. They would also need to have a chronic physical health condition or a behavioral health condition (mental health or substance use disorder) or be ages 18 through 24 and aged out of the foster care system to qualify. CMS requires states to provide state matching funds to draw down additional federal resources. DOLA and CDHS have been key partners in planning and identifying existing state-only funding that can be used to bring in federal matching funds.

Further, HCPF worked with the Office of eHealth Innovation (OeHI) to finance and build the Social Health Information Exchange (SHIE). The SHIE leads the next phase of evolving prescriber tools. It will enable providers, Regional Accountable Entities (RAEs) and community workers to better support individuals through payer programs, state programs, and community supports. Long term, the tool will help connect individuals to payer health improvement programs like prenatal and related maternity programs, diabetes management, cardiac or asthma programs; it will help refer individuals to state health related social needs (HRSNs) program such as Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants and Children (WIC), or Housing Vouchers; it will also aid provider care teams and community workers in connecting individuals to community food banks, homeless shelters and other related supports. The contract with Resultant, the state's vendor partner, was executed in November of 2023. HCPF also engaged with the Colorado Food is Medicine Summit and evolving movement, along with more than 200 stakeholders from almost 80 organizations. This work seeks to tackle the critical issue of how to increase health through access to essential nutrition programs. This is in complement to home delivered meals HCPF already provides for older adults and people with disabilities discharged from

inpatient hospital care and through community-based services available through LTSS services.

9. Protect Against Increasing Cybersecurity Threats

Like other government agencies and private sector businesses, HCPF is susceptible to the impacts of increasing cybersecurity threats. An alarming rise in cyberattacks has hit health organizations in recent years; according to HHS, more than 88 million Americans were affected by large health data breaches in 2023, up 60% from the previous year.¹⁸ In May 2023, one of HCPF’s vendors was impacted by a global cybersecurity incident, thereby impacting on Medicaid members.¹⁹ In February 2024, a cyberattack was conducted against a subsidiary of UnitedHealth Group affecting payment systems which roughly half of U.S. health care relies on, including hospitals, pharmacies, doctors, medical equipment vendors, and others.²⁰ This same cyberattack made it harder for patients nationwide to get prescriptions filled. HCPF collaborates with OIT leadership to protect members from any and all cybersecurity risks. When a breach is identified, HCPF immediately notifies potentially affected parties, and works to mitigate the issue and confirm the extent of the breach. The agency and its vendors are committed to responsive and decisive action in the event of potential cybersecurity breaches.

¹⁸ [HHS Office for Civil Rights Settles Ransomware Cyberattack Investigation](#)

¹⁹ [MOVEit Global Cyber Attack | Colorado Department of Health Care Policy & Financing](#)

²⁰ [Cyberattck affecting prescriptions reveals weakness in health care system](#)



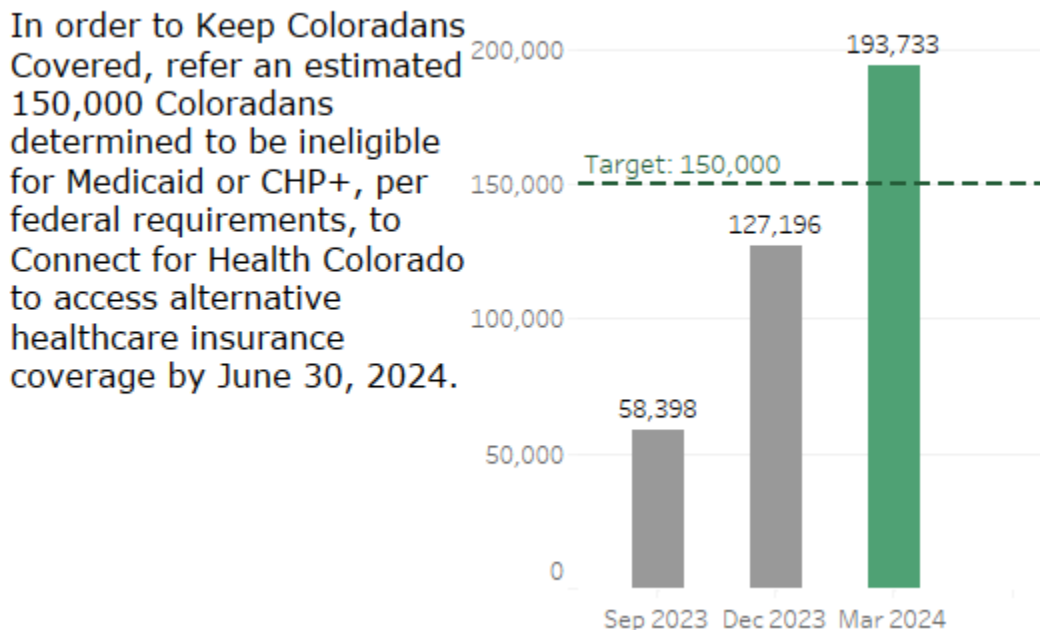
Performance Evaluation: Fiscal Year 2023-24, Q3

HCPF had three Wildly Important Goals (WIGs) in our FY 2023-24 performance plan: 1) Keep Coloradans Covered, 2) Pharmacy Cost Savings, and 3) Hospital Price Transparency. Data from these measures is reported below, as of Q3.

WIG 1: Keep Coloradans Covered

In order to Keep Coloradans Covered, refer an estimated 150,000 Coloradans determined to be ineligible for Medicaid or CHP+, per federal requirements, to Connect for Health Colorado to access alternative healthcare insurance coverage by June 30, 2024. Keeping Coloradans covered is a priority for HCPF. If someone no longer qualifies for Health First Colorado or CHP+ coverage, they may qualify for reduced-cost health insurance coverage through Connect for Health Colorado. Losing Health First Colorado or CHP+ coverage is a “qualifying event,” which means they can apply for health insurance through Connect for Health Colorado during a special enrollment period.

As of FY 2023-24 Q3, 193,733 members were referred to Connect for Health Colorado, exceeding our target of 150,000.



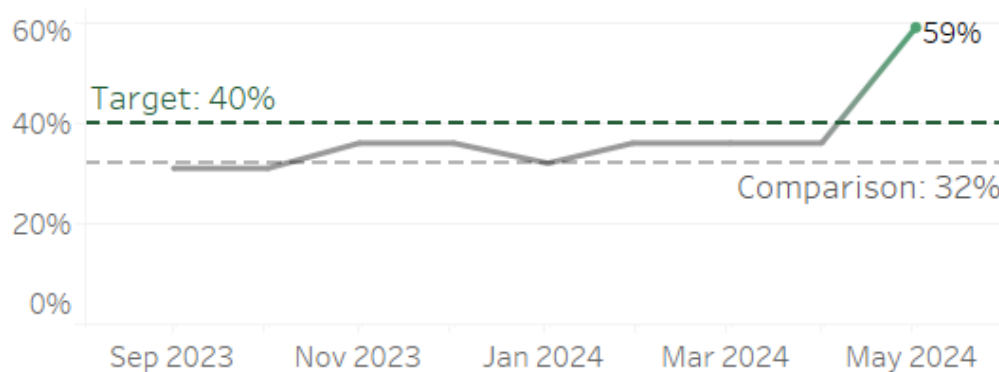
To achieve this WIG, HCPF implemented two lead measures to Keep Coloradans Covered by initiating automated renewals to reduce the number of Medicaid and CHP+ members who would have needed to take an action to renew coverage, and by

implementing a comprehensive outreach campaign with our RAEs to raise awareness of the need for members to complete renewal packets.

1. Medicaid Monthly Renewals

Our first lead measure was to increase total member automated renewals (ex parte) monthly rate from 32% to at least 40% by June 30, 2024, thereby reducing the number of Medicaid and CHP+ members who will need to take an action to be renewed. As of May 2024, we have achieved the goal by automating 59% of member renewals.

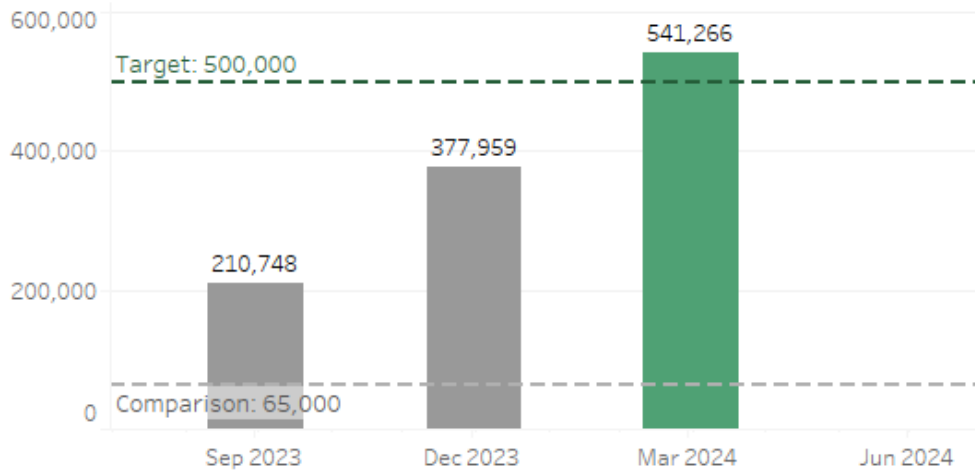
Increase total member automated renewals (ex parte) monthly rate from 32% to at least 40% by June 30, 2024, to reduce the number of Medicaid and CHP+ members who will need to take an action to be renewed.



2. Renewals and Transitions Outreach

Our second lead measure was to conduct outreach to 500,000 households, in partnership with RAEs, regarding renewals and/or transitions to other affordable coverage by June 30, 2024. We achieved this goal in March 2024 with 541,266 households outreached regarding renewals and/or transitions to other affordable coverage.

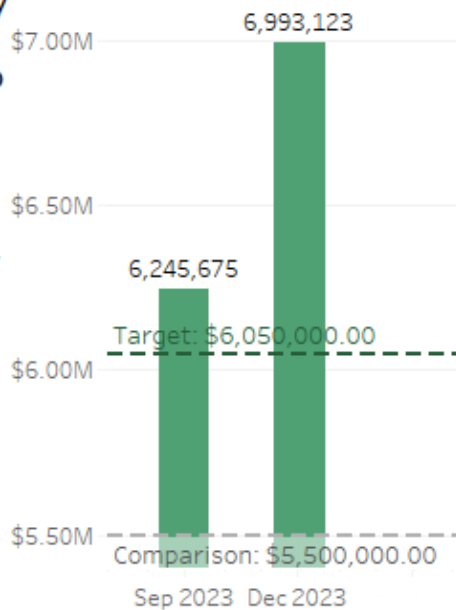
Conduct outreach to 500,000 households regarding renewals and/or transitions to other affordable coverage by June 30, 2024.



WIG 2: Pharmacy Cost Savings

Our second agency WIG was to increase Medicaid pharmacy cost savings by 10%, from an estimated \$5.5 million to \$6.05 million gross of rebates from Colorado prescribers using the Department’s Prescriber Tool affordability module by June 30, 2024. As of December 2023, we exceeded the goal when savings reached \$6.993 million.

Increase Medicaid pharmacy cost savings by 10%, from an estimated \$5.5 million to \$6.05 million gross of rebates, from Colorado prescribers using the Department’s Prescriber Tool affordability module by June 30, 2024.

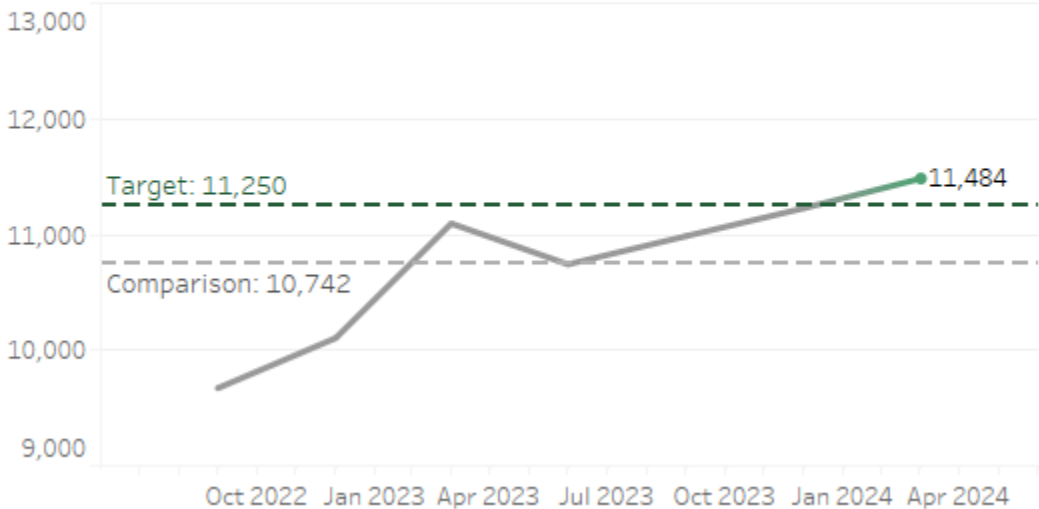


To achieve this WIG, HCPF implemented two lead measures to drive down costs of pharmaceuticals in Colorado by increasing the number of eligible Medicaid-enrolled prescribers using HCPF’s Prescriber Tool and by generating additional value-based arrangements with speciality drug manufacturers so that Coloradans are paying for care value rather than care volume.

1. Prescriber Tool Enrollment

Our first lead measure was to increase the number of eligible Medicaid-enrolled prescribers using the Prescriber Tool from 10,742 to 11,250 by June 30, 2024, in order to drive prescription drug cost savings. We exceeded this goal in March 2024 with 11,484 prescribers using the tool.

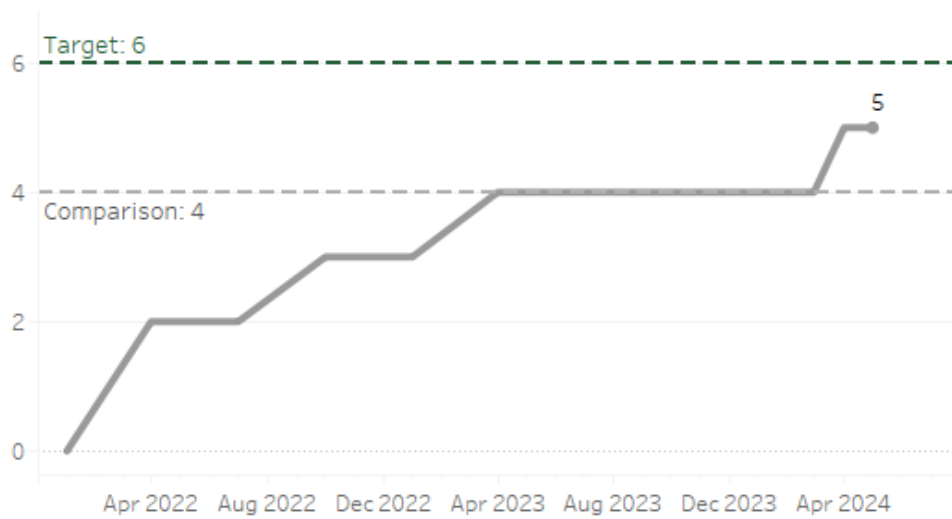
Increase the number of eligible Medicaid-enrolled prescribers using the Prescriber Tool from 10,742 to 11,250 by June 30, 2024, in order to drive prescription drug cost savings.



2. Value-Based Arrangements for Speciality Drugs

Our second lead measure was to increase the number of value-based arrangements with specialty drug manufacturers from 4 to 6 by June 30, 2024. As of March 2024, we have 5 value-based agreements with specialty drug manufacturers.

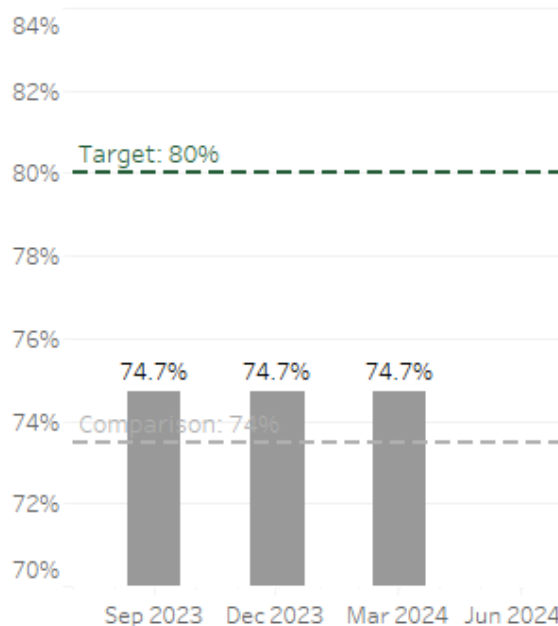
Increase the number of value-based arrangements with specialty drug manufacturers from 4 to 6 by June 30, 2024.



WIG 3: Hospital Price Transparency

Our last agency WIG was to increase the number of Colorado hospitals with an overall price transparency quality rating of “Good” or “Fair” from 73.5% to 80% by moving 5 hospitals up from “Poor” by June 30, 2024. By increasing hospital price transparency, we make it easier for purchasers to compare and negotiate prices across hospitals to save people and employers money on health care. The Department is on track to exceed this goal.

Increase the number of Colorado hospitals with an overall price transparency quality rating of "Good" or "Fair" from 73.5% to 80% by moving 5 hospitals up from "Poor" by June 30, 2024.

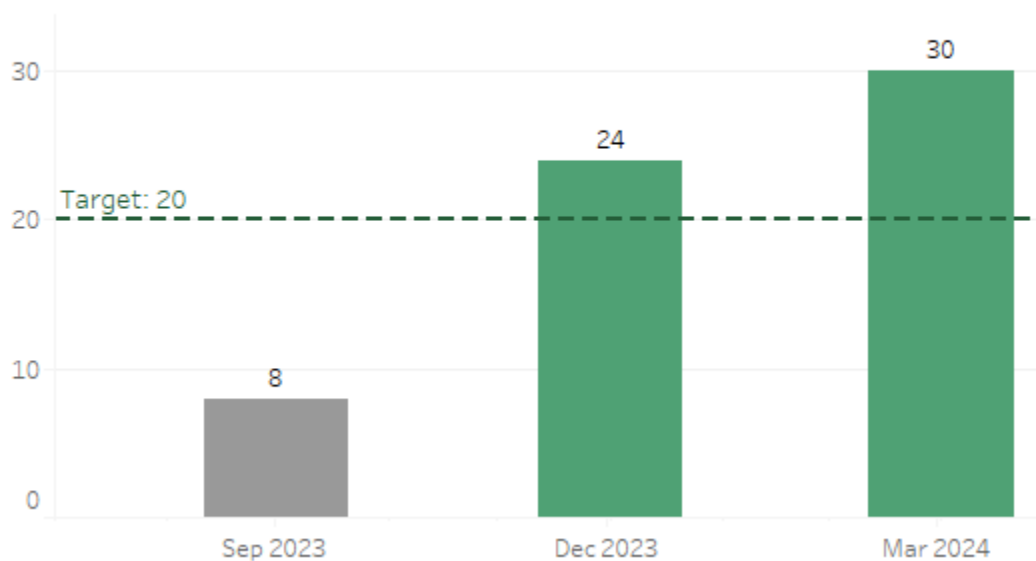


HCPF implemented two lead measures to improve hospital price transparency by meeting and providing technical assistance to those hospitals with prices rated “Poor” or “Fair,” and publishing scorecards demonstrating hospitals prices.

1. Hospital Price Transparency Scorecard

Our first lead measure was to communicate with and provide technical assistance impacting at least 20 hospitals rated “Poor” or “Fair” by March 31, 2024. As of March 2024, we have exceeded this goal by communicating with and providing technical assistance to 30 hospitals.

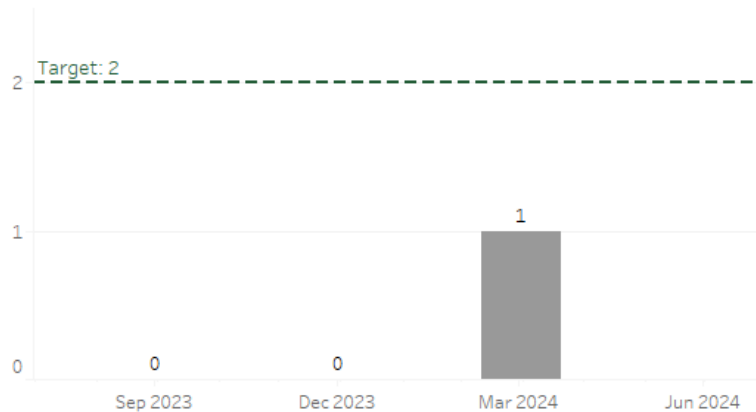
Communicate with and provide technical assistance impacting at least 20 hospitals rated “Poor” or “Fair” by March 31, 2024.



2. Scorecard Semi-Annual Publication

Our second lead measure was to publish at least 2 updated hospital price transparency scorecards by June 30, 2024. The first was published in January 2024 and the second will be published in June 2024.

Publish at least 2 updated Hospital Price Transparency Scorecards by June 30, 2024.



Shared Agency WIGs: Governor’s Health Cabinet Working Group

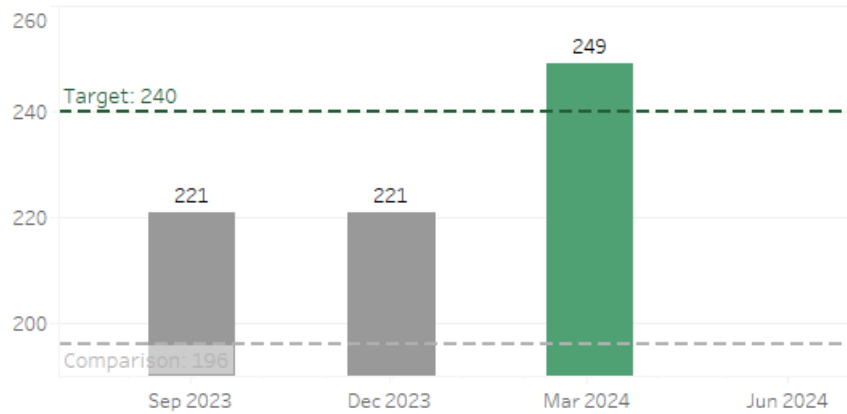
In addition to the three HCPF-specific Governor’s WIGs above, HCPF partnered with the Governor’s Office of Saving People Money on Health Care and the Colorado Departments of Human Services, Public Health & Environment and Regulatory Agencies (CDHS, CDPHE and DORA), as well as the Behavioral Health Administration (BHA) to accomplish [shared agency prioritized WIGs](#):

1. Saving Coloradans Money on Health Care

This Health Cabinet goal created the programmatic, preventive and administrative infrastructure to continue current policies and implement new reforms that save both consumers and employers money on health care.

HCPF’s measure increased primary care practice sites participating in the adult primary care Alternative Payment Model 2 from 196 sites to 240 sites by June 30, 2024. As of Q3, we exceeded this goal with 249 sites participating in the adult primary care Alternative Payment Model 2.

Increase primary care practice sites participating in the adult primary care Alternative Payment Model 2 from 196 to 240 by June 30, 2024.

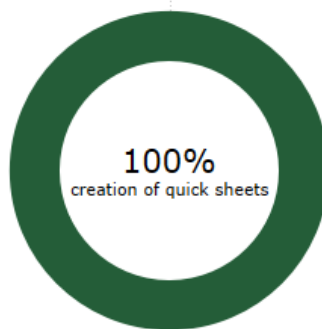


Shared Agency WIGs: Governor’s Crime Prevention Cabinet Working Group
HCPF partnered with the Crime Prevention Cabinet Working Group to accomplish [shared agency prioritized WIGs](#):

1. Naloxone Medicaid Member and Provider Education

Our first measure was to create and publish public-facing "quick sheets" on how to access zero copay naloxone. The “quick sheets” provide information to both members and providers and were published in November 2023. As of Q3, we have completed all “quick sheets” for member and provider education.

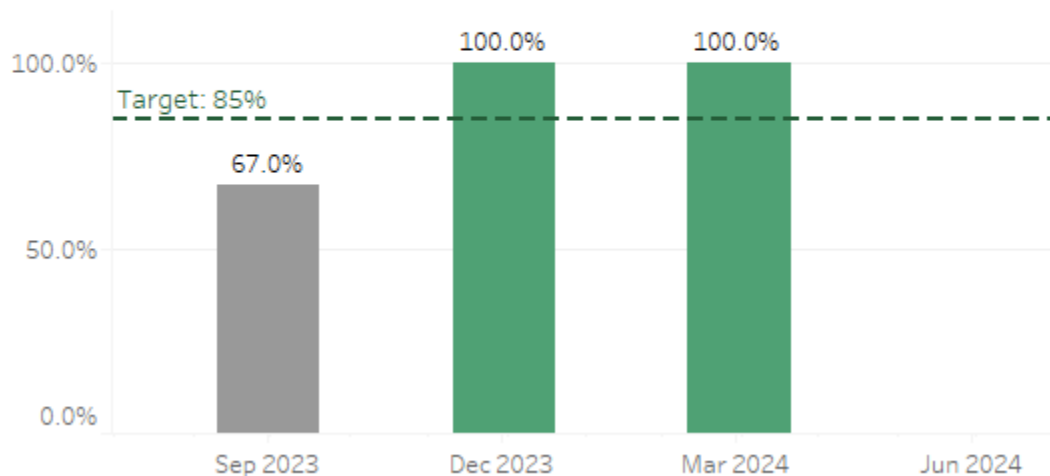
The Colorado Department of Healthcare Policy and Financing will create and publish public-facing "quick sheets" on how to access zero copay naloxone by June 30, 2024.



2. Naloxone Medicaid Prescriber Education

Our second measure was to conduct outreach about how to access zero copay naloxone to 85% of Medicaid opioid prescribers who provide care for members with no history of filling naloxone by June 30, 2024. This goal was achieved in December 2023 with 100% of prescribers who provide care for members with no history of filling naloxone having been outreached about how to access zero copay naloxone.

The Colorado Department of Healthcare Policy and Financing will conduct outreach about how to access zero copay naloxone to 85% of Medicaid opioid prescribers who provide care for members with no history of filling naloxone by June 30, 2024.



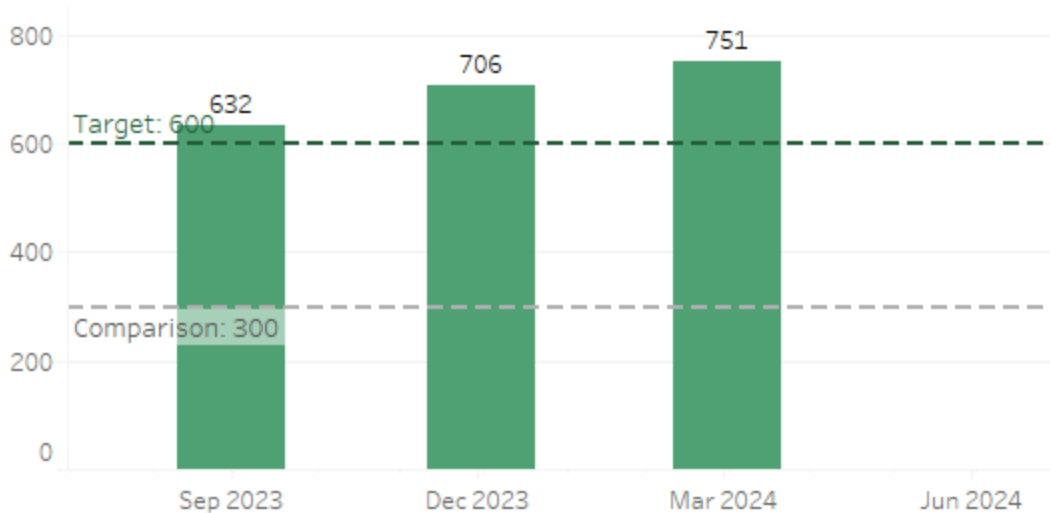
Shared Agency WIGs: Governor’s Reducing Homelessness Cabinet Working Group

Last, HCPF partnered with the Reducing Homelessness Cabinet Working Group to accomplish [shared agency prioritized WIGs](#):

1. Statewide Supportive Housing Expansion Pilot

Our measure was to increase the total count of people who have received wraparound services through the statewide supportive housing expansion (SWSHE) pilot from 300 to 600 by June 30, 2024. As of Q3, we exceeded the goal with 751 people who have received services through the SWSHE pilot.

Increase the total count of people who have received wraparound services through the statewide supportive housing expansion (SWSHE) pilot from 300 to 600 by June 30, 2024.

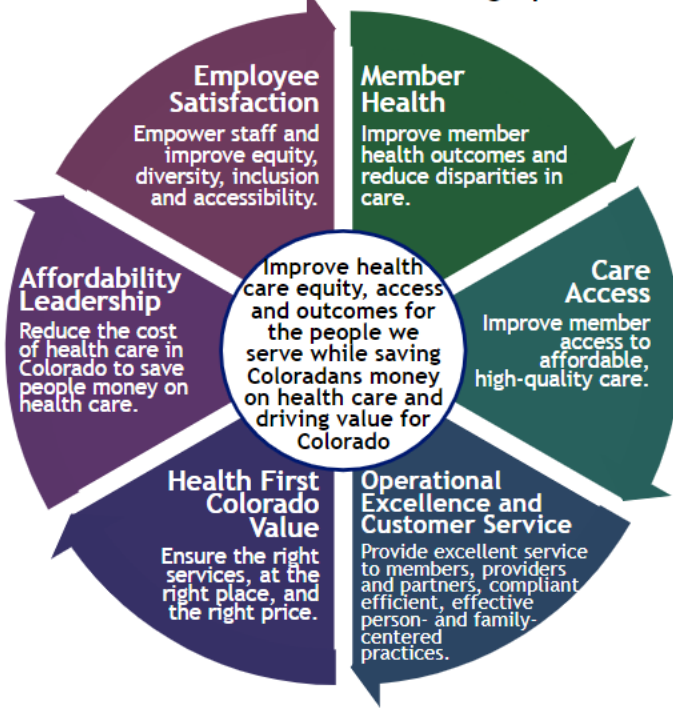


Key Accomplishments

In addition to our Wildly Important Goals (described above), HCPF's FY 2023-24 work was organized to achieve key priorities for each of our six strategic pillars in support of our mission, as summarized on the next page below. Following that are key HCPF accomplishments of FY 2023-24 organized by strategic pillar.



Mission statement and strategic pillars



Member Health	Care Access	Operational Excellence and Customer Service	Health First Colorado Value	Affordability Leadership	Employee Satisfaction
Execute health equity plan	Expand coverage, benefits, & services	Keep Coloradans Covered	Expand value based payments and insights	Appropriately mitigate rising pharmacy costs	Strengthen work culture to drive employee satisfaction
Transform behavioral health	Increase #/% providers seeing members	Make eligibility and enrollment easier	Streamline audit program for providers	Make hospital prices and financials transparent	Accelerate equity, diversity, inclusion, accessibility
Implement quality improvement initiatives	Transform residential, community-based care (HCBS)	Modernize enterprise solutions & cyber security	Modernize Medicaid delivery system	Advance provider tools to improve population health	Retain expert workforce & recruit new talent
Advance Hospital Transformation Program	Improve MPRRAC process & provider reimbursements	Drive service quality across all contracted partners	Ensure right care, right time, right place, right price	Propel and align value based payments	Foster career growth, training and investment

Below are some of our FY 2023-24 accomplishments, organized by pillar:



1. Member Health

In FY 2023-24, HCPF worked to improve member health outcomes and reduce disparities in care:

- Continued to implement our comprehensive and culturally responsive HCPF [Health Equity Plan](#) to reduce health disparities. On January 2, 2024, RAEs, Managed Care Entities and CHP+ plans submitted 13 Health Equity Plans to HCPF for review. These formal plans are key levers in our collective commitment to the about 1.3 million Health First Colorado and CHP+ members to meaningfully address and eliminate health disparities. These plans provide robust strategies to improve quality of care in the following focus areas: maternity and perinatal health, behavioral health, and prevention. In April 2024, the Health Equity Task Force submitted 15 recommendations spanning 5 workgroups including: access to care, maternity and perinatal health, vaccinations, behavioral health, and prevention and population health.
- On prevention, worked to increase vaccination rates as well as visits. We conducted data analysis, partnered with RAEs, implemented communications, provided provider incentives to vaccinate, partnered with CDPHE, expanded partnerships with community-based organizations to expand vaccine access, are incentivizing Single Entry Points and Community Centered Boards (education and vaccinations), and leveraging the Childhood Immunization Information System to monitor progress and disparities.
- To increase culturally responsive maternity service options, HCPF added Direct Entry Midwives/Certified Professional Midwives as eligible Medicaid providers as of April 1, 2024. A new doula benefit goes live July 1, 2024.
- Continued to invest, strengthen and transform behavioral health care through collaboration with BHA; developed behavioral health value-based payment models centered on health care quality; prepared providers and systems for universal contract provisions; contracted for behavioral-physical health integration; expanded high intensity behavioral health services for youth with complex needs; and continued investment in the behavioral health safety net.
- Implemented quality and patient safety improvement priorities including reporting on a majority of the [CMS Child and Adult Health Care Quality Core](#)

- [Measures](#). Aligned programs and value-based payments with national standardized measures, sent measure specifications for the Accountable Care Collaborative (ACC) incentive program, developed plans to address health outcome disparity gaps, and developed an internal standardized Quality of Care Grievance workflow. Ensured that all RAEs can report the Child and Adult Core Measures disaggregated by race/ethnicity, age, gender, language, geography, and disability. Engaged with CDHS to develop an action plan to modify the Medicaid application to include demographics.
- Partnered with the Department of Local Affairs and CDHS to propose a ground-breaking 1115 waiver amendment for federal consideration to support adult Medicaid members with chronic medical/behavioral health conditions in need of housing and food supports.
 - Advanced the performance-based [Hospital Transformation Program](#) to improve quality of care and health outcomes as well as drive value. 95% of hospitals are on track to hit all of their Program Year 3 milestones - the first performance year of the program. Through the end of Program Year 2 which ended Sept. 30, 2023, hospitals completed 6,493 activities across 647 interventions, conducted 2,701 consultations with key stakeholders, 550 Community Advisory Meetings and 206 Public Engagement meetings totaling 3,457 Community and Health Neighborhood Engagement activities.

2. Care Access

In FY 2023-24, HCPF worked to improve member access to affordable, high-quality care:

- Automatically enrolled qualifying children into CHP+ who were disenrolling from Medicaid as part of the effort to Keep Coloradans Covered throughout and beyond the PHE unwind.
- Removed barriers to members accessing care — Health First Colorado has no premiums, no deductibles, and as of July 2023, eliminated most member copays.
- Further increased coverage to care. Continued work to implement Cover All Coloradans, House Bill 22-1289 Health Benefits for Colorado Children and Pregnant Persons, to expand health coverage to children and pregnant persons regardless of immigrant status beginning Jan. 1, 2025. Increased the

number of individuals enrolled in the family planning only benefit coverage through Emergency Medicaid Services, increased the number of individuals enrolled in a family planning-only coverage benefit that are eligible based on an expanded income criteria, and increased the number of individuals enrolled in full-coverage Medicaid 61-365 days postpartum. Increased access to equitable maternal and perinatal health by providing access to Direct Entry Midwives/Certified Professional Midwives and doulas, and enhancing lactation support services.

- Expanded our provider network by 10% to 105,000 providers, an increase of 9,500 providers, in the last two years. In May 2024, approximately 14,000 providers were disenrolled for failure to complete provider revalidation. This could be due to retirement, a move out of state, or other reasons. Given the end of the PHE, provider enrollments and disenrollments are expected monthly going forward.
- Pursued authority to expand coverage to certain populations. HCPF submitted an amendment to our 1115 waiver on April 1, 2024, seeking:
 - Criminal justice reentry services effective July 2025
 - Serious mental illness and serious emotional disturbance (SMI & SED) inpatient care effective July 2025
 - Continuous eligibility coverage for children 0-3 years effective January 2026
 - Continuous eligibility coverage for adults released from Colorado Department of Corrections facilities effective January 2026
- Implemented 62 ARPA funded HCBS initiatives to transform community-based care. Initiatives include, but are not limited to:
 - Strengthen the Workforce and Enhance Rural Sustainability
 - Improve Crisis and Acute Services
 - Improve Access to HCBS for Underserved Populations
 - Support Post-COVID Recovery and HCBS Innovation
- Continued work to redesign the LTSS case management system to facilitate improved access to LTSS, planned to be completed by July 1, 2024.
- Continued to allocate 96% of HCPF's budget to providers. Provided across-the-board provider reimbursement rate increases of 2% for next FY 2024-25,

3% for this FY 2023-24, 2% in FY 2022-23 and 2.5% in FY 2021-22.

Collaborated with the [Medicaid Provider Rate Review Advisory Committee \(MPRRAC\)](#) to assist in targeted provider rate reimbursements for Pediatric Behavioral Therapies, ambulatory surgical centers, surgical, behavioral health, maternal health, and dental. Helped secure unprecedented, targeted rate increases for nursing facilities and supported continued HCBS wage increases to stabilize the nursing facility industry and increase the HCBS workforce, in support of long term care access for those who need it. Supported personal care workers by increasing direct care workers' hourly base wage from \$12.41 to \$15 (Jan. 1, 2022) to \$15.75 (July 1, 2023) to \$17 and Denver from \$17.29 to \$18.29 effective July 1, 2024. Developed a direct care worker training program and job hub platform to streamline job searches and employer matching, and expanded the [Direct Care Workforce Collaborative](#) group to increase the number of meeting attendees who are direct care workers or members and true statewide representation. Raised awareness of state opportunities to build the pipeline for tomorrow's health care workforce through Care Forward Colorado: free, short-term health care training; Career Advance: credentials in other high-demand industries; Colorado Healthcare Corps: 150 AmeriCorps in facilities statewide; Opportunity Now: industry and education collaboration; and [House Bill 24-1231](#): state funding for four medical professions at specific higher education institutions.

- Invested in rural health care access to keep care local with: \$60 million to help 23 critical access and rural hospitals modernize, better serve their communities and prepare for value based payments through the Rural Support Fund component of the HTP; \$17.4 million in funding for rural connectivity and access to virtual care that resulted in 100% of rural safety net providers now connected to the state health information exchange; \$10.6 million to improve rural access and affordability; rural sustainability annual payments of \$100,000 per hospital and \$20,000 per provider; and CHASE prepayments to help cover payroll for two rural hospitals as they implemented parallel sustainability solutions.

3. Operational Excellence and Customer Service

In FY 2023-24, HCPF worked to provide excellent service to members, providers and partners. Continued to invest in operational enhancements to facilitate compliant, efficient and effective person- and family-centered practices:

- Made it easier for eligible members to renew coverage and Keep Coloradans Covered by automating 59% of renewals, shortening renewal packets by one-third, making it easier to renew online, putting in the place the Overflow Processing Center, working with nursing facilities to provide data on members needing more support, implementing an escalation process, reducing Whereabouts Unknown denials, helping eligibility partners with process improvements, extending the timeframe for long term care member renewals²¹, and upgrading our systems to improve member service and reduce county workload.
- Further improved eligibility processing automation, timelines, accuracy, and member access to Health First Colorado benefits by increasing the number of renewal packets returned by active members through PEAK to 45%, planning and implementing Asset Verification Program training and ongoing monitoring, and implementing an LTSS outreach strategy through the Member Contact Center to minimize procedural terminations and process LTSS cases based on outreach strategy, ensuring coordination with counties and Medical Assistance sites, in alignment with the state's low 2.8% unemployment rate. PEAK enhancements include self-service updates to member contact information saving county worker time from processing over 18,000 data elements per month and technical upgrades that expand smartphone access to members.
- Referred 193,733 Coloradans determined to be ineligible for Health First Colorado or CHP+ to Connect for Health Colorado to access alternative health care insurance coverage.
- Partnered with state agencies, contracted partners, providers, community partners, counties, RAEs, Connect for Health Colorado, consumer advocates, health plans, and others to Keep Coloradans Covered. Conducted 2 million outreach activities to more than 540,000 households between May

²¹ [COVID-19 Public Health Emergency FAQs | Colorado Department of Health Care Policy & Financing](#)

2023 and March 2024 including: 357,064 text messages sent (310,444 in English and 46,620 in Spanish), 131,097 emails sent, 112,937 reminder letters mailed, 68,329 public service announcement spots (8,432 TV, 59,897 radio), 43,074 app push notifications, 18,148 KeepCOCovered webpage visits and 1,038 toolkit accesses, 6,295 Get Ready to Renew webpage visits, 3,005 Take Action on your Renewal visits and 958 toolkit accesses, 2,573 Update Your Address webpage visits and 776 toolkit accesses. Additionally, each member who was not auto-renewed and had not yet renewed was outreached at least four times to be reminded to take action to renew their coverage.

- Implemented 285 IT projects in the Medicaid Management Information System (MMIS), with only 2 significant defects since 2019. Improved Colorado Medicaid Enterprise Solutions (CMES) by completing vendor procurement (benefits, claims, provider support and pharmacy systems) to increase integration, federal and state compliance, automation, accuracy and customer and user experiences. Integrated BHA programs into CMES.
- Ensured service quality network-wide: Our Member Contact Center answered calls in well under one minute on average. For our providers, claims were processed in less than four days and calls were answered in under one minute on average for FY 2023-24.
- Improved customer service and overall member experience by applying feedback from members obtained through our Member Experience Advisory Council, member surveys about what's working and not working from members' perspectives, member interviews, and usability and accessibility testing sessions to improve online benefits management on PEAK and the Health First Colorado mobile app.
- Improved transparency and accountability in county performance, in collaboration with county partners. Implemented and established county programmatic and fiscal performance and compliance, including average speed of answer performance baselines, targets for renewals pending Exceeding Processing Guidelines, county complaints and escalations tracking, and completed the year 2 study for [Senate Bill 22-235](#), the County Funding Model, through procurement, study, and final deliverables.

4. Health First Colorado Value

In FY 2023-24, HCPF worked to drive affordability and therefore value for Colorado by delivering the right services, in the right place, at the right time, for the right price for Health First Colorado members:

- Kept HCPF’s administrative overhead under four percent (staff and vendors), which is significantly lower than major commercial carriers’ average at more than 13.5% administration; more than 96% of our budget goes directly to paying health care providers for providing health care services to members.
- Surpassed 30% of Medicaid payments in the form of value based payments. Advanced [value based payments](#) that reward improved access to quality care, reduce disparities, improve outcomes and drive affordability across the spectrum of care. Key programs include the [Hospital Transformation Program](#), primary care payment reform with Colorado’s community health centers and primary care medical providers, prescription drug affordability through historic [value based payment arrangements with drug manufacturers](#) and the [Prescriber Tool](#) alternative payment model, and [maternity bundled payments](#). We also continue to work with our consultant partner to refine these methodologies to better capture all of our VBP spend.
- Developed a strategic framework and streamlined existing Medicaid affordability initiatives across the Department. The eConsult contract and platform went live in February 2024. Created contract requirements within ACC Phase III for RAEs to build care management guides that will be updated annually. Developing [Colorado Providers of Distinction](#), a program that will produce cost and quality indicators, which will help primary care providers refer to specialists delivering greater value.
- Made significant progress on developing ACC Phase III, which modernizes Medicaid’s delivery system. The ACC is the primary vehicle for delivering health care to Health First Colorado members, with RAEs as the central component responsible for propelling members’ physical and behavioral care coordination, case management and overall health. Released the formal [request for proposal \(RFP\)](#) for four RAEs. Engaged more than 3,400 stakeholders across more than 75 meetings to ensure broad input on the



[ACC Phase III](#) priorities to improve quality care for members, close health disparities and promote health equity, improve care access, improve the member and provider service experience and manage costs to protect member coverage and benefits, and provider reimbursements.

Requirements for the RAEs include, among others, evolving primary care payment to align with HCPF’s value-based payment strategies with the Division of Insurance (DOI) Primary Care Alternative Payment Model, as well as supporting the full continuum of care coordination for physical health, behavioral health and health-related social needs, including connecting members with benefits like SNAP and WIC.

- Worked with the Attorney General’s Office and providers to reduce burden for providers while streamlining audit requirements. Rapidly responded to fraud through partnership with federal and state governments.
- Launched the department-wide utilization management (UM) strategy to align with the pending [CMS Interoperability Rule](#) to publicly report Prior Authorization Review (PAR) data and compare data across UM programs. Created a provider satisfaction survey composed of standardized questions which UM contractors are contractually required to report on annually. Refined the Inpatient Hospital Transition program design with planned launch September 2024. Developed and implemented a Private Duty Nursing nurse liaison program and process.

5. Affordability Leadership

In FY 2023-24, HCPF contributed to Saving People Money on Health Care by leveraging HCPF expertise to drive health care affordability initiatives, affordability policy, and related thought leadership to the benefit of all Coloradans and our employers:

- Continued to drive the reduction of commercial pharmacy costs. Submitted our [state Canadian drug importation program plan](#) to bring prescription drug savings to Colorado consumers and employers. Shared House Bill 23-1201 with chambers of commerce to raise awareness that it eliminates the practice of “spread pricing,” or up-charging of prescription drugs by middlemen on insured individual and group policies as well as Medicaid while improving transparency into pharmacy benefit manager and carrier prescription drug pricing to help employers, brokers and communities drive

better pricing and therefore, savings. Continued to invite and promote the opportunity for self-funded employers to opt into rebate pass through savings and the spread pricing legislation.

- Participated on the Advisory Council to the Prescription Drug Affordability Board to lower prescription drug costs, while providing expert consultation to DOI, in support of the Prescription Drug Affordability Board.
- Increased provider use of the affordability module of the [Prescriber Tool](#), while maintaining member access to high-quality, clinically effective medications. CMS approved the Prescriber Tool Alternative Payment Model (APM) which allowed HCPF to share \$1.15M in savings with more than 800 practices and further encouraged providers to use the tool to save people money on health care.
- Promoted hospital affordability through increased transparency with reports. Published reports consisting of an analysis of the quality of hospitals' price transparency postings; updated a tool for and analysis of hospitals' breakeven rates; a preview of profits and reserves information for Colorado's major hospital systems in 2022 and 2023; and [three recently released financial reports on costs, prices, profits and community benefit](#). The [Hospital Transparency Scorecard](#) analyzes the quality of hospitals and shows 59.4% of all Colorado hospitals and 62.7% of Colorado system hospitals having an overall quality rating of Good.
- Promoted hospital affordability through increased transparency with tools. Released a new [Hospital Price Transparency Tool](#) for employers, other health care payers, and state regulators to better understand hospital prices. This is a powerful tool to assist payers in negotiating fair prices with hospitals. The tool displays more than 1.5 million commercial negotiated rates from 74 Colorado hospitals and is available at no cost. The tool allows consumers to compare multiple hospitals' gross charges, cash discounted prices, estimated Medicare costs, and commercially negotiated rates by insurance carriers and plans for a single procedure code. It was created by pulling down the prices posted by all Colorado hospitals, in accordance with [Senate Bill 23-252](#), and was developed as part of our FY 2022-23 WIGs. The [Breakeven Analysis tool](#) enables a comparison of what hospitals are currently being paid by commercial payers to what hospitals currently need

to be paid by these payers in order to breakeven. The [Payment Variation tool](#) enables comparison of payments for inpatient procedures for hospitals. Both tools provide a better understanding of hospital costs and prices.

- Promoted hospital affordability through increased transparency with policy. Implemented legislation that strengthened hospital price transparency and compliance and advanced hospital financial transparency. [House Bill 23-1226](#) and Senate Bill 23-252⁷⁰ furthered hospital financial transparency and price transparency, respectively. [House Bill 23-1243](#) enhanced hospital community benefit activity requirements and imposes certain requirements on public meetings and [House Bill 23-1215](#) limits hospital facility fees. Implemented legislation (House Bill 23-1243) that builds upon existing legislation to further increase nonprofit, tax-exempt hospitals' accountability to their communities.
- Advanced multipayer alternative payment model alignment and HCPF's leadership in value based payment. As a result, the Center for Medicare and Medicaid Innovation (CMMI) chose Colorado as one of 9 pilot states for the Making Care Primary model. This model is a partnership between Medicare and Medicaid and will include commercial payers to move together towards value based payments for primary care providers in Colorado. HCPF also was a key stakeholder in the development of [DOI's primary care multipayer alternative payment model regulation](#) and HCPF's value based payments were used as one of the models to develop this regulation, which applies to commercial payers in Colorado. This regulation will align all primary care value based payments in Colorado under a common set of parameters and move Colorado one step closer to improving patient outcomes through the creation of a strong foundation of primary care.
- Oversaw the Colorado All Payer Claims Database (CO APCD) to drive quality reporting and increase access to data-driven policy and affordability solutions. Participated on the CIVHC Board of Directors to help address health care costs and value, and further develop public facing affordability dashboards. This included support on the new Shop for Care tool. The tool allows consumers to compare prices and quality for health care services across Colorado facilities, based on Commercial payer claims data for service dates in 2022.

- Worked with the Office of eHealth Innovation (OeHI) to finance and build the Social Health Information Exchange (SHIE). The SHIE leads the next phase of evolving prescriber tools. It will enable providers, RAEs and community workers to better support individuals through payer programs, state programs, and community supports. Long term, the tool will help connect individuals to payer health improvement programs like prenatal and related maternity programs, diabetes management, cardiac or asthma programs; it will help refer individuals to state health related social needs (HRSNs) program such as Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants and Children (WIC), or Housing Vouchers; it will also aid provider care teams and community workers in connecting individuals to community food banks, homeless shelters and other related supports. The contract with Resultant, the state’s vendor partner, was executed in November of 2023.

6. Employee Satisfaction

In FY 2023-24, HCPF worked to empower staff and improve equity, diversity, inclusion and accessibility (EDIA):

- Maintained higher than 90% HCPF staff retention by creating an inclusive culture where employees are free to bring their authentic selves to work, addressing manager workloads, celebrating achievements, supporting flexible work arrangements, and fostering career growth and opportunity. HCPF also implemented skills-based hiring practices.
- Advanced multiple strategies to nurture a workplace culture of belonging where staff can be their true and authentic self at every level, within a positive, safe, welcoming culture that is vital to HCPF’s success in achieving strategies, goals, and projects.
- Accelerated equity, diversity, inclusion and accessibility (EDIA) resulting in 94.7% of staff responding that they support HCPF EDIA efforts. Held more than 75 EDIA related events, launched 6 employee affinity groups to support inclusion, cultivated a pipeline and connection between Employee Council and the EDIA Core Committee and its Subcommittees, expanded our Ambassador Program to support new hire relationship building, piloted a mentorship program, and integrated the EDIA checklist within our HR onboarding practices. Increased pay equity by implementing developmental

pay plans and conducting equity reviews, which resulted in a notable decrease in wage disparity for employees of color. As a result, 83.6% of staff reported applying EDIA principles into their daily job duties, 74.3% said they feel like they belong and 73.2% said they feel like they can be their authentic selves at work.

- Worked to ensure staff and vendors have adequate knowledge of accessibility fundamentals in accordance with [House Bill 21-1110](#). Developed tools and resources for staff to learn how to successfully integrate accessibility features into their digital assets.
- Provided 710 hours of executive and management coaching to improve leadership and management skills to the benefit of all employees. In addition, 111 HCPF staff participated in learning academies on leadership, management, Medicaid and contract management.
- The HCPF total workforce (35.6%) is more diverse than the Denver Metro (32%), while 1 in 5 HCPF employees self-identify as a person with a disability/neurodivergent (21.4%)
- HCPF employees completed 3,285 hours of live learning and had 57,636 total virtual training views to learn, develop and grow. 379 staff participated in team building.

HCPF leadership and staff are proud of all we have accomplished in FY 2023-24 in collaboration with our partners, providers, stakeholders, members and employees. We look forward to continuing our efforts to achieve our mission of *“Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.”*

In the next section, you can read more about our performance plan for the next fiscal year.

Performance Goals: Fiscal Year 2024-25

HCPF's "Wildly Important Goals" (WIGs), developed in collaboration with the Governor's Office, reflect the major goals of HCPF elevated as a priority, but do not reflect all major goals HCPF will be pursuing. WIGs adhere to the "SMART" goal format, meaning they are specific, measurable, achievable, relevant and time bound.

The below WIG measure baselines and targets for FY 2024-25 are in draft form and subject to change.

WIG 1: Medicaid Efficiency

Save Medicaid \$400M by June 30, 2027, (while maintaining current benefit levels) by partnering with providers to tie payment to performance through value based programs and avoiding inappropriate costs. To achieve this WIG, HCPF is implementing two lead measures:

1. Reduce Medicaid Spending with Value Based Care

Reduce Medicaid preventable costs of \$12.1 million by June 30, 2027, by partnering with providers to deliver higher quality of care, resulting in members experiencing healthier outcomes and thereby reducing preventable use of hospitals, and by using more affordable prescription drugs.

2. Reduce Inappropriate Medicaid Spending

Reduce inappropriate Medicaid spending of \$387 million from July 2023 to June 30, 2027, through retrospective recoveries and prospective cost avoidance. Prospective cost avoidance reduction estimates may be susceptible to cybersecurity and/or fraud risks.

WIG 2: Automate Member Coverage Renewals

Improve member service and reduce county workload by increasing the proportion of Medicaid renewals approved automatically via ex parte and returned digitally through PEAK from an estimated 58% of member renewals to at least 71% of member renewals by June 30, 2026. To achieve this WIG, HCPF is implementing three lead measures:

1. Auto Renewal of Medicaid Coverage

For those Medicaid individuals renewed based on income (MAGI), increase ex parte auto-renewal performance from 40% to 73% by June 30, 2026, pending the federal government making the emergency e14 waivers permanent.

Improving auto renewals (ex parte) removes the burden on members for

renewing their coverage every 12 months and makes it easier for eligible members to retain coverage year-over-year.

2. Online Medicaid Renewals

Increase member renewals returned through PEAK from an estimated 45% to 53% by June 30, 2026. PEAK is the online service for Coloradans to screen and apply for medical and other assistance programs. Members who renew online experience a faster submission process due to the PEAK portal's instantaneous submission of materials.

3. Medicaid Correspondence Improvement

Improve member correspondence accuracy and readability by revising 55 frequently used member eligibility correspondences prototypes by December 31, 2024, pending state and federal budget, approvals and federal regulations, and pending the shared HCPF-CDHS queue for implementing system changes. This will be accomplished by centralizing the team, streamlining processes, and increasing vendor compliance.

WIG 3: Increase Access to Prenatal Care

Increase timely utilization of prenatal care in the Medicaid program from 62.7% to 70.0% by June 30, 2027.²² Getting early and regular prenatal care improves the chances of a healthy pregnancy and prevents complications. To achieve this WIG, HCPF is implementing four lead measures:

1. Perinatal Outreach to Members

In partnership with HCPF, RAEs, Managed Care Entities, and CHP+ partners' prenatal and postpartum care and case management teams will outreach at least 3,000 birthing Medicaid members by June 30, 2027, to help connect eligible members to prenatal programs and timely care.

2. Prenatal Care Performance Improvement

Meet with each RAE quarterly on their performance on the timeliness of prenatal care measure and collaborate on performance improvement by June 30, 2025. These meetings share performance data with RAEs, allow for deep dives and dialogue on performance improvement, as well as help establish RAE-specific performance improvement plans. Performance on timeliness of

²² [National Committee for Quality Assurance Timeliness of Prenatal Care Measure](#)

prenatal care is important to RAEs because if a RAE does not meet performance expectations, they would not earn incentive payments.

3. Increase Access to More Service Options

Improve birth equity through increased access to and choice of providers and supports for birthing people including direct entry midwives for home births and doulas, as measured by implementing 100% of programmatic requirements by June 30, 2025.

4. Expand Coverage to More Pregnant Persons

Expand health coverage to 3,600 children and pregnant persons regardless of immigration status through Cover All Coloradans by June 30, 2025, pending state and federal approval and funding. People without health coverage often avoid seeking preventive care like prenatal care, which is vital to the health of the child and the pregnant person.

Shared Agency WIGs: Governor’s Health Cabinet Working Group

In addition to the HCPF-specific Governor’s WIGs above, HCPF partners with the Governor’s Office of Saving People Money on Health Care and the Colorado Departments of Human Services, Public Health & Environment and Regulatory Agencies (CDHS, CDPHE and DORA), as well as the Behavioral Health Administration (BHA) to accomplish shared agency prioritized WIGs.

Additional HCPF Goals

In addition to the Governor’s Wildly Important Goals, HCPF establishes more than 40 goals annually aligned with its strategic plan. HCPF manages priority projects under six pillars in order to achieve those goals. The pillars have been a cornerstone of achieving our strategic plan for the past several years, and we have refined them to ensure focus on areas prioritized by the Polis-Primavera Administration and stakeholders such as our members, care providers, elected officials, counties and other critical partners. Each pillar is below:

1. Member Health

Improve quality of care and member health outcomes while reducing disparities in care.

2. Care Access

Improve member access to affordable, high-quality care.

3. Operational Excellence and Customer Service

Provide excellent service to members, providers and partners with compliant, efficient, effective person- and family-centered practices.

4. Health First Colorado Value

Ensure the right services, at the right place and the right price.

5. Affordability Leadership

Reduce the cost of health care in Colorado to save people money on health care.

6. Employee Satisfaction

Invest in HCPF employees at all levels while improving equity, diversity, inclusion and accessibility.

Other HCPF Strategic Variables

1. Select Opportunities and Threats

HCPF and the health care industry face a number of environmental opportunities and threats. Our strategic approach includes initiatives to address these, noted below:

- Highlighted Opportunities
 - Strategies to expand the health care workforce
 - Behavioral health transformation
 - Addressing social determinants of health
 - Improve health equity and close health disparities
 - Modernizing our approach to care management, case management, and delivery through the Accountable Care Collaborative Phase III
 - Paying for health care value rather than volume; continue to leverage value based payment advances to achieve 50% of all payments in this structure
 - Improving birth equity, reproductive choice, and maternal health outcomes

- Improve our Medicaid Recovery Audit Contractor (RAC) program by reducing provider administration, while holding providers more accountable to bill properly and follow the RAC processes
- Transform Home & Community Based Services through 61 projects and more than \$500 million in ARPA dollars
- Fraud, waste, and abuse plan execution
- Rural modernization efforts
- Implementing case management system redesign in order to streamline access to LTSS members
- Innovating and transforming nursing home facilities
- Supporting EDIA/skills-based hiring to continue diversifying HCPF's workforce
- **Highlighted Threats**
 - Health care workforce challenges combined with access challenges across LTSS, BH, medical specialists
 - County underfunding impacting their ability to keep pace with eligibility application workload and processing and properly serve members
 - Too many HCPF core systems bidding at once
 - Rising health care costs due to hospital and pharmaceutical costs, wage inflation, aging population, mergers and acquisitions (M&A) activities, private equity
 - Provider compliance with federal and state Medicaid billing laws and RAC processes
 - Expiration of one-time federal program funding through the PHE, combined with the TABOR limit impact on available state funds
 - Escalating cybersecurity threats to the health care industry
 - Potential federal changes that might impact Medicaid programs and funding
 - Rising uninsured rate
 - Simultaneous changes (end of PHE, new CCM LTSS tool, CMRD) have negatively impacted supports to LTSS members, provider payments, county eligibility processing, and CMA productivity.
 - Rural and safety net provider sustainability
 - Compliance with HB 21-1110 accessibility for all digital products

2. Big Boulders Facing HCPF and Health Care

Related, and to address many of these threats and opportunities, HCPF is managing an array of “big boulders,” noted below:

- Balancing inflation, provider rates, workforce access and affordability
- Keeping Coloradans Covered post Public Health Emergency continuous coverage
- Facilitating health care workforce growth and address gaps in access
- Driving quality, equity, access and affordability through Providers of Distinction, eConsults, Prescriber Tool and other innovations
- Advancing value based payments to reward quality, equity, access and affordability
- Transforming behavioral health
- Saving people money on healthcare
- Promoting health equity: behavioral health, maternity, prevention
- Transforming long term care: HCBS; nursing homes; case management redesign; for people with disabilities
- Supporting struggling providers: safety net, nursing home, HCBS, special needs, behavioral health, rural, etc.
- Advancing Social Determinants of Health supports and payments
- Modernizing how Medicaid delivers care: Accountable Care Collaborative Phase III
- Modernizing Medicaid benefits systems
- Investing in our people

3. Accountable Care Collaborative

HCPF’s Phase II of the Accountable Care Collaborative (ACC) ends on June 30, 2025. To support ACC modernization, evolution and design through Phase III, which begins on July 1, 2025, HCPF is engaging stakeholders, with various opportunities to help advance policies, programs, accountability and performance. HCPF has also developed Phase III goals: improve quality care for

members, close health disparities and promote health equity for members, improve care access for members, improve the member and provider service experience, and manage costs to protect member coverage, benefits, and provider reimbursements. Additionally, HCPF has identified priority areas for improvement and innovation intended to better align with our modernized mission, initiatives in process to address environmental threats and opportunities, advances made by our sister agencies, and stakeholder input. More about Phase III on our [Preparing for Accountable Care Collaborative Phase III webpage](#).

4. Process Improvement

HCPF is committed to continuous improvements to modernize its existing processes, systems and tools as well as to align business processes to improve operations of the Health First Colorado and CHP+ programs. We use a combination of Lean Six Sigma and the Performance Measurement Process (PuMP). Covering one in four Coloradans during a fiscal downturn necessitates innovations that prudently improve Colorado value and health, enabling us to better protect provider reimbursements and member benefits. HCPF's administrative costs are about 4% of our budget, which is significantly lower than the average commercial carrier administrative costs of more than 13%. Our efficiency enables us to allocate more than 95 cents on every dollar to care. We have also utilized professional coaches and are investing in equity, diversity, inclusion and accessibility initiatives to help all of our employees rise and thrive at the Department as part of our continuous improvement approach.

5. Accountability

HCPF partners with our delivery system and our contracted vendor partners on process improvement. HCPF will continue to hold RAEs accountable for condition management programming with specific focus on maternity, diabetes and members with complex care needs, as well as continue to work with RAEs to strengthen Primary Care Medical Provider-based condition management programs, set performance measures and goals, and improve risk stratification among members to identify members to participate in the program. HCPF is also continuing to monitor RAE performance and guide continuous improvement regarding targeted populations and chronic conditions through additional cost and health outcome metrics within the Performance Pool program.

As we move from paying for reporting to paying for performance and outcomes under the Hospital Transformation Program, hospitals are required to implement quality based initiatives and projects to receive supplemental payments and demonstrate meaningful community engagement and improvements in health outcomes.

In collaboration with our county partners, HCPF established the County and Eligibility Site Oversight and Accountability program to reduce audit findings related to eligibility determinations, thereby improving accuracy and timeliness while reducing the chance of federal funding clawbacks and improving the member experience. This includes the revisions of HCPF's County Administrative Rules, giving HCPF the ability to hold county partners accountable and build oversight mechanisms for Counties and Eligibility Sites, including Management Evaluations of operations (administrative, fiscal and eligibility areas); Eligibility Quality Assurance (EQA) monthly state-level case reviews; and Medical Assistance Performance (MAP) Dashboards with indicators of timely and accurate determinations to assist HCPF and improve County and Eligibility Site performance.

Related Resources

[HCPF 2022-2023 Annual Report to the Community](#)

[Maternal Health Equity Report](#)

[Health Equity Plan](#)

[HCPF Value Based Payments](#)

[HCPF Hospital Reports Hub](#)

[HCPF Affordability Toolkit](#)

[Legislative Resource Center](#)

[Accountable Care Collaborative](#)

