



**COLORADO**  
Department of Health Care  
Policy & Financing

Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

February 16, 2021

The Honorable Dominick Moreno, Chair  
Joint Budget Committee  
200 East 14<sup>th</sup> Avenue, Third Floor  
Denver, CO 80203

Dear Senator Moreno:

Enclosed please find the Department of Health Care Policy and Financing's response to the Joint Budget Committee's Request for Information #2 regarding Utilization Management Reviews.

Legislative Request for Information #2 states:

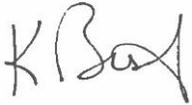
*The Department is requested to submit a report by February 15, 2021 on utilization management reviews of health maintenance activities within the participant directed service delivery models. The report should include a discussion of the key criteria used for determining authorizations and the evidence basis for the criteria, a summary of any changes in utilization trends with the implementation of utilization management, the estimated fiscal impact of changes in utilization trends, a summary of trends in appeals, and a summary of stakeholder feedback including post implementation.*

For Fiscal Year (FY) 2020-21, pursuant to R13 Long-Term Care Utilization Management, the Department requested and received funding to enhance the scope of work of the Long-Term Care Utilization Management (LTC UM) contract. The enhanced scope will direct utilization management activities of the In-Home Support Services (IHSS) and Consumer Directed Attendant Support Services (CDASS) populations requesting skilled health maintenance activities (HMA). Utilization Management (UM) is the evaluation of the appropriateness and medical necessity of health care services based on evidence-based guidelines; reviewers will ensure members' skilled services are authorized appropriately beginning in March 2021.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Jo Donlin, at [Jo.Donlin@state.co.us](mailto:Jo.Donlin@state.co.us).



Sincerely,



Kim Bimestefer  
Executive Director

KB/ET

Enclosure(s): Health Care Policy and Financing FY 2020-21 Department RFI #2

CC: Representative Julie McCluskie, Vice-chair, Joint Budget Committee  
Representative Leslie Herod, Joint Budget Committee  
Representative Kim Ransom, Joint Budget Committee  
Senator Bob Rankin, Joint Budget Committee  
Senator Chris Hansen, Joint Budget Committee  
Carolyn Kampman, Staff Director, JBC  
Eric Kurtz, JBC Analyst  
Lauren Larson, Director, Office of State Planning and Budgeting  
Edmond Toy, Budget Analyst, Office of State Planning and Budgeting  
Legislative Council Library  
State Library  
John Bartholomew, Finance Office Director, HCPF  
Tracy Johnson, Medicaid Director, HCPF  
Bonnie Silva, Community Living Interim Office Director, HCPF  
Tom Massey, Policy, Communications, and Administration Office Director, HCPF  
Anne Saumur, Cost Control Office Director, HCPF  
Parrish Steinbrecher, Health Information Office Director, HCPF  
Rachel Reiter, External Relations Division Director, HCPF  
Jo Donlin, Legislative Liaison, HCPF



# Legislative Request for Information HCPF #2

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February 15, 2021

Submitted to: Joint Budget Committee



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## I. Legislative Request for Information & Introduction

For Fiscal Year (FY) 2020-21, pursuant to R13 Long-Term Care Utilization Management, the Department requested and received funding to enhance the scope of work of the Long-Term Care Utilization Management (LTC UM) contract. The enhanced scope will direct utilization management activities of the In-Home Support Services (IHSS) and Consumer Directed Attendant Support Services (CDASS) populations requesting skilled health maintenance activities (HMA). Utilization Management (UM) is the evaluation of the appropriateness and medical necessity of health care services based on evidence-based guidelines.

Determinations of service authorization in IHSS and CDASS are made by case management agency representatives who frequently lack clinical expertise. The additional UM activities will ensure case managers are authorizing services at the appropriate skill level for members.

The Joint Budget Committee (JBC) asked the Department to “submit a report by February 15, 2021 on utilization management reviews of health maintenance activities within the participant directed service delivery models. The report should include a discussion of the key criteria used for determining authorizations and the evidence basis for the criteria, a summary of any changes in utilization trends with the implementation of utilization management, the estimated fiscal impact of changes in utilization trends, a summary of trends in appeals, and a summary of stakeholder feedback including post implementation.”

## II. Status of Procurement

The Department issued an Intent to Negotiate (ITN) August 20, 2019. Preliminary rounds of in-person interviews determined whether potential vendors met the necessary Quality Improvement Organization (QIO) requirements. After the Department determined the qualified vendors, internal evaluations and negotiations began with each remaining vendor.

The initial ITN included work between two HCPF offices, the Office of Community Living (OCL) and the Cost Containment and Quality Improvement (CCQI) Office. The Department required the vendors in consideration to have extensive person-

centered competencies and participant-directed programs experience. During the internal evaluations and negotiations with vendors, the committee determined that the work CCQI and OCL were procuring were too diverse, for the offices to benefit from a single vendor. The Department determined that awarding the work to two vendors in two separate contracts, splitting the work by Office, would be the best decision.

During the evaluation process and the subsequent removal of vendors, a protest was filed by a vendor that had been disqualified, delaying the Department's ability to make an award until the protest period ended. Upon denial of the vendor's protest, the vendor sought an injunction against the Department. The Department was able to award the contract after the first protest; however, a second protest was filed against the Department upon awarding the contract. These protests have delayed implementation, which was initially projected to start in July 2020. The Department awarded the contract to Telligen, Inc. on October 14, 2020. The contract with Telligen was executed on January 1, 2021.

The Department has begun scheduling kick-off meetings specifically for the IHSS and CDASS activity. The Department anticipates the vendor to begin completing the IHSS and CDASS work on March 1, 2021.

### **III. Stakeholder Engagement & Outcomes**

The Department convened a Utilization Review /Utilization Management (URUM) Subcommittee group in June 2020. The subcommittee meetings are open to the public; participants include members, case managers, provider agencies, authorized representatives, advocacy organizations, and Department staff.

The Subcommittee's charge is to review the role of the URUM vendor, the process of utilization reviews, reporting, and general stakeholder concerns related to the proposed URUM process. This subcommittee reports to the Participant-Directed Programs Policy Collaborative (PDPPC) and meets monthly. The meetings will continue indefinitely and will include the URUM vendor beginning in January 2021.

The Subcommittee has reviewed and made recommendations to the Department regarding the process for submission of authorization reviews by case management, the development of supplemental guidelines for documentation, and opportunities for efficiencies. These recommendations will be incorporated into the URUM process implementation. Subcommittee members have been engaged in meetings and are invested in supporting implementation.

#### **IV. Process and Implementation**

The Participant Directed Programs scope of the contract is in the development phase and, as noted above, OCL anticipates that this work will begin in January 2021.

The criteria for assessing and authorizing services are established in the Colorado Code of Regulations, at 10 CCR 2505-10 § 8.552.3.D.3. and 8.510.3.B.3. The URUM vendor will review authorizations to ensure compliance with established definitions and requirements as they pertain to HMA, the skilled component of services available in CDASS and IHSS.

At this time, the Department does not have information sufficient to report on changes in utilization trends or trends in appeals, as reviews under the LTC UM contract have not yet begun. The Department is working with the vendor to develop reporting to include specific data on implementation, utilization changes, and appeal trends. The Department looks forward to collaboration with members, stakeholders, and the vendor to ensure appropriate authorization of health maintenance activities.