



INFORMATIONAL MEMO

TITLE:	CONFLICT FREE CASE MANAGEMENT RURAL EXCEPTIONS
SUPERSEDES NUMBER:	N/A
EFFECTIVE DATE:	JUNE 2, 2022
DIVISION AND OFFICE:	CASE MANAGEMENT AND PROGRAM QUALITY OFFICE OF COMMUNITY LIVING
PROGRAM AREA:	CASE MANAGEMENT REDESIGN
KEY WORDS:	CASE MANAGEMENT REDESIGN, CONFLICT FREE CASE MANAGEMENT
INFORMATIONAL MEMO NUMBER: HCPF IM 22-014	
ISSUE DATE: JUNE 2, 2022	
APPROVED BY: BONNIE SILVA	

HCPF Memo Series can be accessed online: <https://www.colorado.gov/hcpf/memo-series>

Background:

Case management redesign (CMRD) refers to several initiatives aimed at simplifying access to long-term services and supports, creating stability for the case management system, increasing and standardizing quality requirements, requiring accountability, and achieving federal compliance.

Conflict-free case management is required by the Centers for Medicare & Medicaid Services (CMS) to maintain federal match funding and come into compliance with the Home and Community-Based Services (HCBS) Final Settings Rule. Exceptions to conflict-free case management are allowed by CMS when no other willing or qualified providers exist in a catchment area. Case Management Agencies (CMAs) will be selected for each catchment area through a competitive process through the Department's procurement Request for Proposal (RFP). All CMAs will be required to

serve all waivers for their catchment area, including both children and adult waivers and state plan programs.

Purpose and Audience:

The purpose of this Informational Memo is to inform all stakeholders of the Colorado Department of Health Care Policy & Financing (Department) process for exceptions to conflict-free case management starting July 1, 2024 for CMRD implementation as required by [HB 21-1187](#).

Information:

The CMA may be granted a waiver (i.e., a rural exception) by the Department to provide specific direct services within their catchment area. The CMA will need a waiver for each service it will provide and will need to comply with the following:

1. The CMA shall document in a formal letter of application for the waiver that the service is not otherwise available within the CMA catchment area. This letter should be included with the CMA RFP response.
 - a. If a CMA needs a waiver between CMA contract cycles, the CMA will submit the letter of application for the waiver and maintain the documentation for the next RFP submission.
2. The CMA that is granted a waiver shall provide an annual report to the Department with a summary of individuals participating in direct services, how the CMA has ensured informed choice, and how the CMA continues to support the recruitment of willing and qualified providers in their catchment area.
3. The direct service provider functions and CMA functions must be administratively separated (including staff) with safeguards to ensure a distinction between direct services and case management exists as a protection against conflict of interest.
4. In the event that new providers become available in the area, the CMA may continue to provide direct services while the Department and the CMA support the alternate providers in stabilizing and expanding to accommodate all needs in that service area.
 - a. "Stabilize" means the Department and the provider(s), along with CMA collaboration, agree that the provider(s) have both demonstrated a history of providing services (3 years minimum) and the capacity to expand their services to serve the members in that catchment area for that service.

This will minimize the disruption to members should they discontinue services.

- b. If other providers are available in the area, the case manager must document the offering of choice of provider in the Care and Case Management IT system.
- c. The Department will analyze data on service utilization and provider availability in the catchment area for every CMA contract cycle to grant waivers and assess provider capacity in each catchment area. Based on this data, the Department will work with the local service agencies and CMAs to ensure stabilization and expansion is happening in each catchment area, as needed.
- d. To ensure conflict of interest is being mitigated by the CMA, the Department will conduct annual quality reviews that will include but not be limited to, reviews of documentation of provider choice and informed consent for services.

CMAs will be notified of their waiver application acceptance at the time of CMA contract award notifications. If the waiver application is denied, the Department will coordinate with the CMA for a transition period within their contract period. These processes and procedures will begin at the start of the new CMA contract period beginning no later than July 2024.

Only Willing and Qualified Provider

The Department aims to ensure that all members across the state of Colorado have access to as many services as possible to support their needs and to create and maintain a conflict-free system. For CMAs who are granted a waiver, as identified above, and are also providing direct services, the Department will have direct oversight of the separation of entities to ensure the administrative structure is in place to mitigate conflict. To mitigate conflict and ensure other providers are recruited to address conflict, the Department will:

1. Analyze data on service utilization and provider availability in the catchment area where a waiver to conflict-free case management exists.
2. Track service providers' longevity, capacity, willingness, and ability to serve the full population of that specific service in all counties in a catchment area to determine stabilization required. If service options are unavailable and the CMA

is the only willing and qualified provider for a service requested by an individual, the direct service will be allowed.

- a. When a service is not provided by other entity(s) or a catchment area has not demonstrated stability in recruitment and retention of adequate service providers, a CMA's direct service provider arm will be allowed as the Only Willing and Qualified provider until the Department determines it no longer meets the criteria at the time of the contract renewal (i.e., stability of other providers has been established).
 - b. The Department's review of non-CMA providers for stability will include but not be limited to: capacity for increased number of members served, quality outcomes of audits, and provider longevity in that catchment area (at least 3 years).
3. CMAs providing direct services will be required to submit an annual report detailing their process for safeguarding member choice and actions taken for improvement of provider availability in the catchment area.

Next Steps

The Department will continue to work with internal and external stakeholders to create appropriate processes and procedures at the local level. An operational memo and/or necessary training will be forthcoming as part of the CMA transition process when new contracts are awarded. (See the [CMRD website](#) for more information on the CMA transition process).

Attachment(s):

None

Department Contacts:

Tiffani Domokos

Tiffani.domokos@state.co.us

Cassandra Keller

Cassandra.keller@state.co.us