



INFORMATIONAL MEMO

Title: American Rescue Plan Act (ARPA) Home and Community-Based Services (HCBS) Direct Provider Payment	Topic: HCBS
Audience: HCBS Providers	Sub-Topic: Provider Funding
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Memo Author: Hayley Gleason	
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Purpose and Audience:

The purpose of this informational memo is to inform select HCBS Providers that, as outlined in last year's supplemental budget request that was signed into effect on Feb. 27, 2025, the Department of Health Care Policy and Financing (HCPF) is implementing an American Rescue Plan Act (ARPA) Home and Community-Based Services (HCBS) direct provider payment.

Information:

Background

Funding has been made available to states through ARPA so that states may improve HCBS programs and services. States were given authority to use funding to supplement their efforts but not supplant current spending on HCBS. HCPF has been working to implement sixty-one (61) initiatives based on these requirements since 2021 and will

end all ARPA spending by March 31, 2025. See the [HCPF's ARPA web page](#) for more information.

HCPF is providing a final HCBS provider payment for select services utilizing ARPA HCBS funding with Joint Budget Committee (JBC) approval because providers have been, and continue to be, extremely valued partners in Colorado's efforts and mission to see people receive services needed to remain living in the community of their choice.

In HCPF's previous [Informational Memo \(IM\) 24-033](#), HCBS providers were instructed to submit all claims for dates of service July 1, 2024 - Dec. 31, 2024, quickly in order to be eligible for this retroactive rate increase. HCPF was able to include claims for dates of service July 1, 2024 - Dec. 31, 2024, and billed by Thursday, Feb. 28, 2025.

Next Steps

HCPF was approved to apply a 4.5% rate increase retroactively to select HCBS benefits identified through last year's supplemental request. The 4.5% rate increase was applied to HCBS claims that were submitted by Feb. 28, 2025, as outlined in [IM 24-033](#), for services rendered July 1, 2024 - Dec. 31, 2024. Each provider will receive a one-time direct payment in this sum, reflected on their provider Remittance Advice (RA). Providers may see multiple payment entries that represent this one-time payment on their RAs, but each payment entry will have the same reason code, 2025, description: "ARPA HCBS - DPP". **Providers do not need to take any action. Providers do not need to resubmit claims and claims will not be reprocessed.**

[View a full list of eligible procedure codes, including all modifiers](#) This one-time retroactive payment will not be on-going. Rates have not increased for these services. If you have questions about current rates for services, please review the current [Rates Schedules](#).

HCPF expects this payment to be used to support the direct care workforce. While this one-time payment is not sustainable for the long-term needs of providers and the direct care workforce, there are ways to use this funding to support and meet short-term needs. Potential fund uses include, but are not limited to:

- Training opportunities
- Performance bonuses for direct care staff
- Emergency assistance funds
- Temporary business project needs

Definition(s):

None

Attachment(s):

None

HCPF Contact:

HCPF_HCBS_Questions@state.co.us