



COLORADO
Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

February 15, 2022

The Honorable Senator Zenzinger, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Zenzinger:

Enclosed please find the Department of Health Care Policy & Financing's response to the Joint Budget Committee's Request for Information #3 regarding administration of the Children's Basic Health Plan, known in Colorado as the Child Health Plan Plus+ (CHP+).

HCPF Legislative Request for Information #3 states:

The Department is requested to submit a report by February 15, 2023 detailing the progress on all outstanding issues with administration of the Children's Basic Health Plan, known in Colorado as the Child Health Plan Plus+ (CHP+). The report should include a progress report on completing backlogged issues since the authorized additional FTE and a projection of when each backlogged issue will be completed and program authorities will become current and compliant. Finally, the report should include a recommendation on whether the administrative staffing level for CHP is sufficient to maintain effective operation into the future.

The report, presented to the Joint Budget Committee, describes the progress the Department is making in the administration of the CHP+ program including in hiring an additional FTE, systems and policy corrections, benefit management initiatives and compliance activities that have remained outstanding for at least 12 months.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Jo Donlin, at Jo.Donlin@state.co.us or 720-610-7795.



Sincerely,

Kim Bimestefer
Executive Director



KB/maq

Enclosure: Health Care Policy and Financing Response to the Department LRFI #3 Children's Basic Health Plan

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Representative Rod Bockenfeld, Joint Budget Committee
Senator Jeff Bridges, Joint Budget Committee
Senator Barbara Kirkmeyer, Joint Budget Committee
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LRFI #3 Children's Basic Health Plan

FY 2022-23

Feb. 15, 2023

Submitted to: The Joint Budget Committee





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Legislative Request for Information 3 states:

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I. BACKGROUND INFORMATION

This report is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to Legislative Request for Information 3. An additional FTE was authorized for the Children's Basic Health Plan due in part to out-of-date compliance and backlogged issues related to accurately defining the benefit package, state plan amendments, payment inaccuracies and recoupments, and system change initiatives. The program has made progress on many outstanding issues despite delays in hiring and similar human resources activities. As of this report, we are now fully staffed in the CHP+ program.

As we were working to fully staff the CHP+ program, we needed to reprioritize projects, which contributed to a queue of work. Presented in sections below are examples of systems and policy corrections, benefit management initiatives, and compliance activities that have remained outstanding for at least 12 months.

A. Staffing Challenges

As a result of attrition and human resources challenges driven by the pandemic economy and the infusion of ARPA FTE, the Children's Basic Health Plan operated 3,691 person-hours or 1.77 FTEs beneath its allocation throughout Calendar Year 2022. This resulted in \$161,072 in vacancy savings. Despite this challenge, many backlogged issues and initiatives were either completed or moved forward.

II. PROGRAM UPDATE

A. Progress Report on Outstanding Issues

Since the authorization of an additional FTE for administration of the Children's Basic Health Plan, program staff successfully completed two projects from the list of 10 outstanding issues previously communicated, which are enumerated in Table 1 below from a-j. Specifically, the outstanding quarterly reconciliations were completed and are now completed every quarter as intended (item c). The state's 2018 State Plan Amendment (SPA) 18-0027 regarding Mental Health Parity and Addiction Equity Act (MHPAEA) compliance was approved by CMS (item f). Except for one SPA related to the SUPPORT Act 20-0032 (item g), which is held on a Request for Information status with CMS, all outstanding SPAs and new SPAs related to the program



are complete. This amounts to seven SPAs completed in 2021 and 2022 — one of which is conditionally approved, and one that is completed, but is awaiting tribal consultation.

Material progress was made on a variety of backlogged issues to the extent that their ultimate completion is expected as early as the end of 2023. An outstanding statutory violation related to specialty drug payment is prepared. It is pending receipt of appropriate documentation from the Managed Care Organization before final submission. Extensive work on the initiative to properly and completely define the Children’s Basic Health Plan benefit package is 85% complete. Completion of this initiative is a precursor to several remaining outstanding issues. These are related to development of an updated and accurate fee schedule, full modernization of the Children’s Basic Health Plan Rule, and resolution of varied inconsistencies related to FPL categories and copayments between Program contracts, Rule and the State Plan.

Table 1 - Progress Report on Outstanding Issues		
Outstanding Issues	Program Update:	In Progress Solutions:
a) Five Systems policy projects to correct enrollment and eligibility artifacts, which each individually drive adverse member experiences and inaccurate payments.	We have seen challenges with continuity of care for Medicaid and CHBP members when churning between Medicaid and CHBP. Correcting enrollment and eligibility artifacts will positively affect continuity of care during member churn.	<ol style="list-style-type: none"> 1. System Change Request to Improve Continuity of Care for Member's Churning between Medicaid and CHBP: In progress and on track; awaiting implementation date. 2. System Change Request to Correct and Resolve Instances of Eligibility and Enrollment Mismatch Between CBMS and Interchange: Pending COVID-19 Continuous Coverage Unwinding. 3. System Change Request to Disable Retroactive Disenrollment: Policy development complete.
b) Nine Systems policy projects to correct varied policy inaccuracies within our MMIS; seven of which are directly related to implementing corrective measures/payment protections to prevent inaccurate payments.	This is still outstanding.	<ol style="list-style-type: none"> 1. System Change Request to Disable Retroactive Disenrollment Functionality and Alter Eligibility and Enrollment Capitation Payment Methodology: In progress. 2. Location-Based DME Reimbursement: Outstanding. 3. Prevent Duplicate Long-Lasting Injectable Pharmaceuticals: Outstanding.



		<p>4. Correct system logic to align with program policy for CHBP members entering or vacating incarceration: Outstanding.</p> <p>5. Correct system logic to align with program policy regarding CHBP Dental Encounter Processing Logic for prenatal members: Outstanding.</p> <p>6. Correct system logic to align with program policy for dietician providers: Outstanding.</p> <p>7. Correct system logic to process pharmacy encounters using the correct child-rate classification(s): Outstanding.</p> <p>8. Correct system logic to align with program policy related to common encounter processing edits: In progress.</p>
c) Routine quarterly reconciliation processes went unaddressed and unmanaged by policy staff for several years starting in 2019. Attempts to restart this work has been slow to implement, taking the past year.	Consistent reconciliations and now completed and this is no longer an issue.	Completed
d) Recoupment of inaccurate payments made to healthcare providers in 2017-2019 has yet to be resolved.	This is still outstanding.	Pending staff resources and sufficient training to enact the recoupments and interface with the affected providers.
e) Proper and complete determination of the CHBP benefit at the individual code level to allow for the development of an accurate fee schedule.	The program has engaged a vendor to research and develop a manual with covered benefits listed and codes. This has resulted in a draft manual. Regular updates will be necessary moving forward.	Policy changes based on completed benefit sections must be made to update the fee schedule and contracts.
f) SPA-18-0027: MHPAEA Compliance: Yet to be resolved with CMS since placed on RAI 08/03/2018.	Completed and approved by CMS.	Completed
g) SPA-20-0032: SUPPORT Act— Yet to be resolved with CMS since placed on RAI 08/06/2020.	This is still outstanding. Completion of item f permits this work to now begin.	The newly hired compliance staff member has started work toward an RAI response and the project is in progress.



<p>h) Rates/Payment Statutory Violation related to Specialty Drugs from May 2021 has yet to be resolved.</p>	<p>Statutory Violation Form completed and awaiting dates of service and total cost from health plan.</p>	<p>Program staff is seeking required documentation from the health plan.</p>
<p>i) CCR Update for the CHBP has yet to be finished with work spanning over the past 1.5 years on this effort. This is a compliance requirement.</p> <ul style="list-style-type: none"> • Correction of inconsistencies and inaccuracies of the programs FPL premium and copayment policy between multiple authorities—CHIP State Plan, CHBP CCR, and Managed Care Contracts—has been unresolved since 2020. • Example: The language still recognizes and references “food stamps”. 	<p>The CHP+ FPL discrepancy was resolved through legislation during the previous session. The Program may now address the required Colorado Code of Regulation update.</p>	<p>Pending completion of the initiative to properly and completely redetermine the CHP+ benefit package.</p>
<p>j) Detailed update of the CHBP package to incorporate medical practice, coding, and diagnostic classification changes over the past decade remains ongoing. After 1.5 years of resource investment work remains related to compliance and appropriate rate setting for all Managed Care Organizations. As an example, the CHBP+ program still uses the DSM-IV for classification of BH/SUD benefits, (ex. recognizes autism, but not autism spectrum disorders).</p>	<p>This has been dependent on the benefit package project (item e) and barriers from low staffing resources have delayed its progress. The vendor has uncovered several potential policy changes due to discrepancies or outdated contract language. Either changes to program policy, which may require legislation, or changes to the fee schedule are necessary in order to resolve discrepancies.</p>	<p>Pending completion of the initiative to properly and completely redetermine the CHP+ benefit package.</p>

The Children’s Basic Health Plan is making progress in policy changes. For example, to remove barriers for families seeking health coverage, House Bill 22-1289 included an amendment to eliminate the Children’s Basic Health Plan enrollment fee at intake and renewal. Effective July 1, 2022, members no longer must pay an enrollment fee for the Program.

Currently, the benefit determination and documentation initiative (item e) is sufficiently complete to begin reviewing approximately 20,000 individual CPT and HCPCS codes, which is necessary to identify the final list of covered services. The project may be completed by the end of 2023 if there are sufficient actuarial resources to compare the updated list of covered services against managed care rates and set the updated fee schedule.

In tandem, work will proceed in completing the dependent initiatives of a full modernization to the Children’s Basic Health Plan Rule and resolution of inconsistencies related to the



Program's FPL classifications between the CHIP State Plan, Children's Basic Health Plan CCR, and Managed Care Contracts (item i). These initiatives are forecasted to be completed for presentation to the Medical Service Board and CMS as early as the end of 2023.

While a full modernization of the Children's Basic Health Plan Rule is still outstanding, new rule changes were enacted timely throughout the period, such that backlogged work regarding this matter did not grow. The previously mentioned enrollment fee elimination not only removes a barrier for Coloradans eligible for the Children's Basic Health Plan, but also saves the administrative burden of resuming the waived enrollment fee collection during the PHE.

The initiative to complete a detailed update of the Children's Basic Health Plan benefit package (item j) has made significant progress over the last year. This has included incorporation of present prevailing standards in medical practice, coding, and diagnostic classification changes. These changes have been identified at a high level and will be further solidified in the related work on the benefit package at the individual code level. Following completion of that work, one additional rate setting cycle may be required to effectuate any changes identified into the Program's capitation rates. This will happen during the rate cycle immediately following the conclusion of this code level initiative.

System-level initiatives and changes have continued during the period of analysis. Three of the outstanding items in this category significantly moved forward at least through policy delineation of the relevant change and preparation of business requirements. Specifically, these projects relate to improving Children's Basic Health Plan enrollment and Medicaid attribution logic to support enhanced continuity of care for members churning between Medicaid and Children's Basic Health Plan, or the reverse. The projects also address the adverse externalities of retroactive disenrollment and enhancing the policy of capitation payments in the event of retroactive disenrollment. A definitive implementation date of these initiatives is at least partially subject to system changes required due to the COVID-19 Continuous Coverage Unwinding. Continuous Coverage Unwinding systems changes will be prioritized over the next 14 months.

III. COMPLETION

A. Projection of Completion

In addition to those projects, either completed or materially progressed forward, there are several initiatives originally reported to the Legislature that fall outside these classifications. Specifically, backlogged work that is pending action (item a) include two system change projects to implement corrections for known eligibility and enrollment mismatches. This is on hold until system changes related to unwinding actions are completed. The preparatory work for these initiatives is complete and will be implemented in the system as soon as Continuous Coverage Unwinding efforts are either complete, or complete to the extent that further system change capacity is available.

Further, seven general system change initiatives (item b) remain incomplete and work on these changes will commence in the second quarter of calendar year 2023 with target



completion dates of the end of calendar year 2023. Each of these changes are small in nature and, as a result, may have less dependency on Continuous Coverage Unwinding system changes, such that the target completion date may reasonably be achieved. Understandably, this is an assumption. These changes generally include policy alignment in the Department's interChange system to match programmatic policy related to processing of encounters. These are not paid encounters, but rather data gathering encounters submitted by the CHP+ MCOs.

Improved staffing capacity will allow for work to recoup inaccurate payments made to healthcare providers in 2017-2019 through the then-active State Managed Care Network (item d). This work will commence the first quarter of calendar year 2023 with an expected completion date no later than the end of the 2023. Additionally, having secured CMS approval for the CHIP SPA regarding MHPAEA, dependent work on the outstanding SUPPORT ACT SPA may begin under the same timeline.

Table 2 - Estimated Completion	
a	PHE Unwind-dependent
b	Estimated completion December 31, 2023
c	Resolved
d	Estimated completion December 31, 2023
e	Estimated completion December 31, 2023
f	Resolved
g	Estimated completion June 30, 2023
h	In progress. Estimated completion June 30, 2023.
i	Estimated completion December 31, 2023
j	Dependent on item e. Estimated completion June 30, 2024

B. Program Authorities

The initiatives and planned completion timelines mentioned herein will bring the program's authorities into compliance, with one exception. The CHP+ program's authorities and operation of covered services related to autism spectrum disorders (ASD) need to be updated. Under SB09-244, the General Assembly created exceptions for ASD-relevant treatments due to the Great Recession. The Department requires an update to legislative and budget authorities in order to provide ASD treatments for the CHP+ population.

C. Recommendations on Administrative Staffing Level for CHP+

The CHP+ program currently has 4.5 FTE, which represents a 75% staffing level compared to allocated FTE resources. These employees generally manage and support policy development, contract development and management, authority compliance, quality outcome improvement, and program improvement. While still beneath full staffing, 4.5 FTEs provides a far greater support structure for the current operations of the program than the 3.0 FTE a year ago.

The forecasted completion timelines assume that the Program's administrative staffing level will continue to grow as hiring activities for HB22-1289 are completed by March 1, 2023. This would bring staffing to 92%. It is further assumed that the Program will not experience any



attrition; that the one FTE allocated to HB22-1289 will in fact prove sufficient, and that no changes emerge in Departmental Strategic Goals, Master Goals, and Program Goals.

If full staffing is achieved, that capacity level would be appropriate for the program in its present structure, with some reservation regarding HB22-1289, as it is a new program of scope and complexity unprecedented for the CHP+ program. It is expected that work related to this initiative will present opportunities to uncover and address presently unknown system errors and allow for improved structure and process documentation. Staffing levels will need to be reevaluated as changes are required through legislation or other new policymaking.

