



OPERATIONAL MEMO

Title: Community First Choice (CFC) and HCBS Waiver Rate Alignment	Topic: LTSS
Audience: Case Managers, Case Management Agencies (CMAs), Providers, Health First Colorado Members, HCBS Waiver Members	Sub-Topic: CFC and HCBS Waiver Rate Alignment
Supersedes Number: N/A	Division: Benefits and Services
Effective Date: June 1, 2025	Office: Office of Community Living
Expiration Date: June 1, 2027	Program Area: Community First Choice
Key Words: Home and Community-Based Services (HCBS), Community First Choice (CFC), Long-Term Care (LTC), Long-Term Services and Supports (LTSS), Case Management Agencies (CMAs), Providers, Rates, Reimbursement	
Legal Authority: 2025-26 Long Appropriations Bill	
Memo Author: Julie Jun	
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Approved By: Candace Bailey	

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

Purpose and Audience:

The purpose of this Operational Memo is to inform Health First Colorado (Medicaid) applicants and Members, Home and Community-Based Services (HCBS) waiver Members, Case Managers, Case Management Agencies (CMAs), and Providers about the upcoming rate alignment for several HCBS waiver and Colorado First Choice services effective on July 1, 2025.

Information:

Community First Choice (CFC), also known as a 1915(k) waiver, is an optional Medicaid State Plan Benefit that expands services and service delivery options for HCBS to Medicaid Members who need long-term care, including Members currently on an HCBS waiver. CFC will provide expanded access to services, self-directed service delivery

options, and caregiver options. CFC will be available in Colorado beginning July 1, 2025.

Unlike our 1915(c) waiver programs that can have variances in services, CFC requires that the same service package be available to all members who qualify for CFC and have an assessed need, regardless of disability. This means that services must be aligned to have one rate, service definition, and provider qualifications. For example, the agency-based Personal Care service definition and rate is currently different under the Supported Living Services Waiver and the Brain Injury Waiver; under CFC, agency-based Personal Care must be combined into one service with one rate and definition.

Budget Request, R-09 Provider Rate Adjustments, was approved during the 2025 legislative session to align the rates for all services transitioning to Community First Choice starting on July 1, 2025. HCPF conducted detailed analyses to ensure changes are cost-neutral and comply with federal requirements. In addition to aligning the rate per federal requirements, these changes remedy historical inequities between services based on the waiver in which the service is available. The Department made a conscious effort to minimize the impact to various services as much as possible. As part of the alignment, some services experience rate increases while others have decreases. In addition to the alignment included in R-09 Provider Rate Adjustments, the Joint Budget Committee approved a 1.6% across-the-board provider rate increase. The approved rates for 7/1/2025 will be the "Aligned Rate" + 1.6%.

Rates effective 7/1/2025 can be found on the [Provider Rates and Fee Schedule webpage](#).

Action To Be Taken:

Providers and others should be aware of memo requirements.

Definition(s):

None

Attachment(s):

None

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