



OPERATIONAL MEMO

Title: October 1, 2025 Rate Decrease: Alternative Care Facility (ACF) and Supported Living Program (SLP) Post-Eligibility Treatment of Income (PETI)	Topic: Benefits
Audience: Case Managers, Case Management Agencies, Providers	Sub-Topic: HCBS
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Approved By: Bonnie Silva	

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 case management agencies, providers and all interested stakeholders the impact the 1.6% across-the-board rate decrease will have on the following services: Alternative Care Facility (ACF) and Supported Living Program (SLP), including Post-Eligibility Treatment of Income (PETI) processes and timelines.

Information:

Colorado is facing a significant budget shortfall in the current fiscal year due to revenue reductions tied to recent federal tax changes (H.R. 1). Although the state passed a balanced budget in April 2025, the new federal law retroactively reduced state revenues by over \$1.2 billion, creating an \$800 million deficit for FY 2025-26. To

bring the budget back into balance, the Governor issued [Executive Order D 2025 014](#) directing state agencies to implement spending reductions.

As part of this effort, the Department of Health Care Policy and Financing (HCPF) is required to roll back the 1.6% across-the-board provider rate increase that went into effect on July 1, 2025. The rollback is expected to reduce General Fund spending by \$38.3 million this year. The following guidance will explain the impact and the process for ACF/SLP PETI and Prior Authorization Requests (PAR), in light of this rate decrease.

Beginning October 1, 2025 the 1.6% rate increase will be removed from all PETI calculations and ACF/SLP PAR lines. The Department will execute an Auto-PETI process that automatically removes this rate increase effective October 1, 2025. **The Department will notify Case Management Agencies (CMAs) once the Auto-PETI process has been run.** The Auto-PETI run will include the following system actions:

For Members with existing PAR/PETI lines that cross October 1, 2025

Case managers need not take action. The Department will automatically end-date the existing active PETI worksheets for current ACF/SLP members on September 30, 2025. Existing active PAR lines for procedure codes T2031 and T2033 will automatically be end-dated on September 30, 2025. New PETI worksheets starting on October 1, 2025 will automatically be created for these Members. New PAR lines with the new rate, starting on October 1, 2025 for procedure codes T2031 and T2033 will automatically be created for these Members.

For Members with ACF/SLP certifications starting throughout September 2025

Case managers should create these PARs and PETIs as soon as possible to ensure the automatic revision is completed effective October 1, 2025. Failure to create an ACF/SLP PAR line and PETI worksheet that crosses October 1, 2025 will result in a line that will not be revised automatically.

For Members with existing PPAs with a status of either “In Progress” or “Suspended”

The Auto-PETI process will not be applied. Case Managers are advised to resolve these types of PARs before the Auto-PETI is run.

For Members with ACF/SLP certifications starting October 1, 2025, or later

Case managers should create these PARs and PETIs. The ACF and SLP rates have been updated in the Bridge as of September 8, 2025. Case managers should move forward with creating these PARs/PETIs. PARs/PETIs that were created prior to September 8th will require a manual revision with the new rate.

The Department will notify Case Management Agencies (CMAs) of the PARs/PETIs that require a manual revision in order for the new rate to be reflected. CMA's will have their assigned reports uploaded to their CMA SharePoint sites. Case Managers will need to be assigned per their caseload to complete the manual revisions. Should Case Managers need additional guidance on how to complete these revisions, please refer to the LTSS Training Web Page under PETI, as this includes a demo and step by step process for revisions.

Action To Be Taken:

- Once the automated process has been run, case managers will need to check the new PETIs and PAR lines for accuracy.
- Case managers must send updated copies of PETIs and PARs to the Member and provider.
- Please collect the Member's signature on the revised PETI worksheet and upload the signed PETI to the Document Center within the Care and Case Management (CCM) system.

Available Training and Support

- For Case Managers new to the PETI/PAR process or for those needing a refresher, Case Managers are encouraged to review the February 2025 "*Post-Eligibility Treatment of Income (PETI) for Case Managers*" Web-Based Training Module on the [LTSS Training Web Page](#).
- Case Managers should access the WBT module through COLearn for credit.
- Additional, helpful information can be found in the June 2024 "*PETI Training for Case Managers*," which can also be found on the [LTSS Training Web Page](#).

Definition(s):

[Long-Term Services and Supports - Benefits and Services Glossary](#)

Attachment(s):

None

HCPF Contact:

For assistance with this process beyond the training materials, please contact the Care and Case Management (CCM) Help Desk by emailing ccmhelpdesk@gainwelltechnologies.com