



COLORADO
Department of Health Care
Policy & Financing

1570 Grant Street
Denver, CO 80203

October 2, 2023

The Honorable Rachel 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 and Financing's response to the Joint Budget Committee's Request for Information for Multiple Departments #6 regarding the Tobacco Master Settlement Agreement.

Each Department is requested to provide the following information to the Joint Budget Committee by October 1, 2023 for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.

The Department is allocated Tobacco Settlement funding for the Children's Health Plan *Plus* (CHP+) and Children's Autism Program, and the attached report contains the programmatic information of the two programs. In the report, you will find an overview of the program, prior year financials, strategic priorities and key goals, partner relationships, program measures of success, and program opportunities and challenges.

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 FY 2022-23 Multi-Department RFI #6

CC: Representative Shannon Bird, Vice-chair, Joint Budget Committee
Representative Rod Bockenfeld, Joint Budget Committee
Senator Jeff Bridges, Joint Budget Committee
Senator Barbara Kirkmeyer, Joint Budget Committee
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Jo Donlin, Legislative Liaison, HCPF



Multi-Department LRFI #6 (Tobacco Master Settlement Agreement)

Joint Budget Committee's Multi-Department Request for Information #6 regarding the programs funded with Tobacco Master Settlement moneys

October 2, 2023



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I. Children’s Basic Health Plan

A. Program Overview

Program Description:	The Children’s Basic Health Plan, known as the Child Health Plan <i>Plus</i> (CHP+), provides affordable health insurance to children under the age of 19 and pregnant women in low-income families, up to 260% of the Federal Poverty Level (FPL), who do not qualify for Medicaid and do not have private insurance. The program is primarily funded by tobacco settlement monies deposited in the Children’s Basic Health Plan Trust, General Fund, Healthcare Affordability and Sustainability Fee cash fund, and federal funds.	
Eligible Population:	Uninsured children from 143% FPL to 260% FPL and uninsured pregnant adults from 196% FPL to 260% FPL; includes citizens and eligible immigrants.	
Tobacco Settlement Monies Received:	FY 2022-23: \$16,410,296	
Services:	Number of Eligible Persons Served:	
Affordable health insurance and oral health care for CHP+ children and Prenatal Clients.	In FY 2022-23, average monthly caseload for CHP+ was 47,394 (46,430 children and 964 pregnant adults).	

B. Strategic Priorities and Key Goals

- Increase coverage for children and pregnant adults under 260% FPL that are not eligible for Medicaid.

C. Measures of Success

Program Outputs	Program Outcomes
<ul style="list-style-type: none"> In FY 2022-23, CHP+ provided health care to an average monthly caseload of 47,394 children and pregnant adults who would have otherwise been uninsured. This represents a 11.15 percent decrease in the average monthly enrollment over FY 2021-22. 	<ul style="list-style-type: none"> Providing affordable health insurance to children under the age of 19 and pregnant women in low-income families who do not qualify for Medicaid and do not have private health insurance. Offering a defined benefit package that uses privatized administration.

D. Program Opportunities and Challenges

The COVID-19 pandemic presented enrollment challenges for the CHP+ program throughout FY 2022-23, particularly due to the mandates of the now-concluded Public Health Emergency (PHE). The PHE offered opportunities for the state to implement programmatic and regulatory changes in support of public health. However, the need to modify policies and procedures to facilitate access to coverage and care also diverted limited resources to address the public health crisis. Additionally, the Maintenance of Eligibility (MOE) provision, introduced in the Families First Coronavirus Response Act (FFCRA), required states to maintain eligibility for Medicaid beneficiaries until the conclusion of the PHE. This resulted in an increase in Medicaid enrollment and a concurrent reduction in CHP+ program enrollment, bringing the average monthly CHP+ caseload to 47,394 children and pregnant adults during FY 2022-23.

The COVID-19 PHE also introduced a unique challenge to ensure CHP+ members are completing vital primary and preventative care visits. Throughout the pandemic, rates of vaccinations, primary, and preventative services among children have declined, which may impact long-term health outcomes for children enrolled in the program. In response, the Department has taken steps to introduce flexibilities in accessing care via telehealth and will continue to collaborate closely with CHP+ Managed Care Organizations (MCOs) to ensure children catch up on missed vaccines, preventative services, and maintain access to care. During the PHE, annual enrollment fees were postponed and

then waived. HB 22-1289 Health Benefits for Colorado Children and Pregnant Persons removed the enrollment fee for CHP+ members indefinitely, further increasing equity and alignment with Medicaid.

Despite the challenges presented during FY 2022-23, significant strides were made in CHP+ program improvement. In 2018, through the HEALTHY KIDS and ACCESS Acts, federal funding for the CHP+ program has been extended through FFY 2027. This long-term funding extension has allowed the Department to focus on strategic improvements to modernize the CHP+ program. Throughout FY 2021-22 and FY 2022-23, the Department has identified and prioritized key areas of alignment between the CHP+ program and the Accountable Care Collaborative (ACC) program. This allows the Department to bring the CHP+ program into increased alignment with the overall goals of improving member health, furthering performance outcomes, and reducing the cost of care for Coloradans. In alignment with those objectives, key areas of focus within the CHP+ program have included:

- Establishing increased alignment between the contractual requirements for CHP+ and Medicaid MCOs
- Improving the exchange of necessary data and information to more effectively monitor program performance and member health
- Identifying key outcome and performance metrics to strengthen reporting requirements and consistency across CHP+ MCOs so the Department can better measure and manage the quality and cost of care across the CHP+ program
- Building the foundation of quality metrics, performance goals, and strategies to hold CHP+ MCOs accountable for achieving benchmarks
- Providing a framework for identifying targeted populations and conditions to ensure consistent application of evidence-based programs across CHP+ MCOs
- Identifying areas to improve operational processes and performance
- Fostering increased engagement with key stakeholders and improving mechanisms for collaborating in the sharing of ideas and best practices

As part of the effort to modernize the CHP+ program, at the end of FY 2020-21, the Department ended the State Managed Care Network (SMCN), the

administrative service organization (ASO) for the CHP+ program. Moving forward, all CHP+ eligible members will be enrolled into a managed care organization with a brief pre-MCO period of fee-for-service, managed by the Department. The SMCN previously coordinated the care of members in the pre-MCO timeframe. This expansion of a managed care delivery model within the CHP+ program represents improved continuity of care for members and a reduction in duplicative administrative tasks through leveraging the Department's capabilities and infrastructure. Additionally, during FY 2020-21, the Department was granted approval from CMS for a five-year extension of the state's 1115 Prenatal Demonstration. This Demonstration will continue to allow the state to receive Title XXI funds to support increased access to high-quality prenatal, delivery, and postpartum care, and improved health outcomes for low-income mothers and their babies into 2025.

In FY 2022-23 the Department continued to work to improve and modernize the CHP+ program. The Department will leverage the successes of the past year to continue pursuing strategic programmatic improvements, seek feedback and recommendations from key stakeholders to identify opportunities for alignment between CHP+ and Medicaid, and implement overall strategies for further improvement in the CHP+ program. The Department is working collaboratively with the CHP+ Managed Care Organizations and stakeholders to implement the new coverage provisions mandated in HB 22-1289, "Health Benefits For Colorado Children And Pregnant Persons," by January 1, 2025. Specifically, the Department is working to establish new coverage opportunities, allocate Health Services Initiative Funds, and engage with all relevant stakeholders in a meaningful and comprehensive way.

E. FY 2023-24 Tobacco Master Settlement Funds Recommendation

The Department recommends an allocation, consistent with current statute, of eighteen percent of the Tobacco Master Settlement Agreement on an ongoing basis. While caseload has decreased from its FY 2019-20 levels, growth in the CHP+ population is expected in the years to come following the end of the continuous coverage requirement from the COVID-19 public health emergency. In addition, the federal match rate for the CHP+ program decreased in FY 2021-22 and the Department will continue to need an increased state share for the

program. The federal match rate will decrease further following FY 2023-24 due to the conclusion of the COVID-19 public health emergency and the conclusion of the associated enhanced federal match rate. The Department will continue to need a regular funding source to meet the needs of these clients. FY 2021-22 and FY 2022-23 saw the CHP+ Trust Fund depleted, requiring the need for General Fund appropriations to continue to administer the program.

II. Early and Periodic Screening, Diagnostic and Treatment (EPSDT)

A. Program Overview

<p>Program Description:</p>	<p>HB 16-1408 added Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT) to the services covered by the Colorado Autism Treatment Cash Fund. Starting in 2016, behavioral therapy services were moved out of various HCBS programs, including all children’s waivers, into the Medicaid EPSDT benefit. These services are funded by tobacco settlement monies deposited in the Colorado Autism Treatment fund, General Fund, and federal funds.</p>
<p>Eligible Population:</p>	<p>Per C.R.S. 25.5-6-805 the Colorado Autism Treatment fund was created for the purpose of paying for services provided to eligible children, EPSDT services, and program and participant evaluations. The only population that is eligible to be funded by the Colorado Autism Treatment Cash Fund are children with an autism diagnosis who are under the age of 6 at the time of service, which is a subset of the overall population utilizing autism treatment services. The EPSDT benefit provides comprehensive and preventive health care services for children and youth ages 20 and under who are enrolled in Health First Colorado, including autism treatment services for all children and youth based on medical necessity.</p>
<p>Tobacco Settlement Monies Received:</p>	<p>FY 2022-23: \$1,731,494</p>

Services:	Number of Eligible Persons Served:
Comprehensive community support for treatment, mental health assessment, request for assessment, and adaptive behavior treatment.	2,117

B. Strategic Priorities and Key Goals

- Increase the quality of services to children and youth with an autism diagnosis and under the age of 6 who have a documented need for pediatric behavioral therapy services.

C. Measures of Success

Program Outputs	Program Outcomes
<ul style="list-style-type: none"> • In FY 2022-23, pediatric behavioral therapies were provided to 2,117 children under 6 with an autism diagnosis. This represents a 24.38 percent increase in utilization over FY 2021-22. • Expenditures in FY 2022-23 from the cash fund were \$1,731,747, a 7.7 percent increase over expenditures in FY 2021-22. • In FY 2022-23, expenditures from the cash fund for the eligible population under this program were 2.8 percent of total expenditures on pediatric behavioral therapies. • Utilization of pediatric behavioral therapies increased by about 45 	<ul style="list-style-type: none"> • Serving the children most vulnerable to institutionalization. • Keeping children out of institutions and in their communities. • Demonstrating improvement in the child’s expressive and receptive communication, adaptive skills, and a reduction in the severity of the child’s maladaptive behavior, including self-injurious or aggressive behavior and tantrums, using standardized and norm-referenced treatment and assessments. • Increased quality in provider documentation by standardizing documentation to reduce unnecessary delays in care.

times between FY 2018-19 and FY 2022-23.	<ul style="list-style-type: none"> Increased quality of the prior authorization process.
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D. Program Opportunities and Challenges

On September 14, 2015, the Centers for Medicare and Medicaid Services (CMS) denied the Department’s Children with Autism waiver expansion and requested that the State provide the services, when medically necessary, through Early and Periodic Screening, Diagnostic and Treatment (EPSDT). The Department has enrolled providers and is currently providing behavioral therapies to clients through the EPSDT program. Since behavioral therapy was the only service on the Children with Autism waiver, the Department submitted a Waiver Amendment to CMS to phase out the CWA waiver in 2018. The Department stopped all program and waitlist enrollments on January 2, 2018 and ended operations on July 1, 2018. The Department established transition monitoring procedures to work with Case Management Agencies and families to ensure client transitions were appropriate and timely.

In the fall of 2015, CMS also directed the Department to run the Pediatric Behavioral Therapies benefit under EPSDT and remove behavioral services for children and youth 20 years and under from the following waivers: Children’s Extensive Support (CES) waiver, Children’s Habilitative Residential Program (CHRP) waiver, Developmental Disabilities (DD) waiver and the Supported Living Services (SLS) waiver. The Department transitioned all children and youth 20 years and under from waiver behavioral services to Pediatric Behavioral Therapies in FY 2017-18. It is important to note that the cash fund is used to offset costs for only a subset of the members who are receiving behavioral services based on the criteria defined in the Colorado Autism Treatment Cash Fund statute. Autism treatment services for children and youth who do not meet the criteria in the cash fund statute are reimbursed with General Fund as the state share.

Half of the members receiving autism treatment services with a technician are under the age of eight with 39.2% of members in the four to seven age group. The concentration of members in the four to seven age group follows the

evidenced based research of early intervention and treatment is the best model of care.

E. FY 2023-24 Tobacco Master Settlement Funds Recommendation

Consistent with current statute, the Department recommends that the program should continue to receive two percent of the Tobacco Master Settlement on an ongoing basis until the program terminates. Children with an autism diagnosis under the age of 6 continue to utilize behavioral therapy services through the EPSDT benefit. As utilization continues to grow, the Department will continue to need a regular funding source to meet the needs of these clients.

The costs of providing these behavioral services will continue to outpace the annual revenue into the Cash Fund from the Tobacco Master Settlement. Therefore, the funds from the settlement will offset General Fund expenditure on EPSDT and pediatric behavioral therapies for the eligible population.