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June 20, 2024

# General Assembly Newsletter



**COLORADO**  
Department of Health Care  
Policy & Financing

Stay up to date on what's new at the Department of Health Care Policy & Financing (HCPF) with our newsletter created specifically for the Colorado General Assembly.

## Editor's Note

This newsletter is published monthly while the legislature is in session, and quarterly outside of the legislative session.

Please continue to direct any questions to HCPF's legislative team:

- [Lauren Reveley](#), HCPF Government Relations Director
- [Jo Donlin](#), HCPF Legislative Liaison
- [Isabel Hinshaw](#), Legislative Analyst
- [Tegan Gough](#), HCPF Legislative Coordinator Intern

## Constituent Outreach

[Our constituent services form is online.](#) If you have a constituent who needs assistance or has questions about their Medicaid coverage, this is the best way to reach us. You can also email [Isabel Hinshaw](#), our Legislative Analyst, for help.

## A Message from Executive Director Kim Bimestefer



## Public Health Emergency Unwind Update

During the COVID-induced Public Health Emergency (PHE), Colorado grew its Health First Colorado (Colorado's Medicaid Program) and Child Health Plan *Plus* (CHP+) safety net enrollment by more than 45%, or about 550,000 Coloradans. That percentage increase, according to our research, is the second highest in the nation of the Medicaid Expansion states. Our collaborative efforts helped to renew and enroll 1.8 million Coloradans, or 30% of the population, into our programs. These are historic, unprecedented milestones and accomplishments achieved without warning or playbook. We should all be incredibly proud of that. Together, we were there for Coloradans when they needed us, and that is why safety net coverage programs like Health First Colorado and CHP+ exist. Thank you. This was a massive, impressive team effort, and we are very grateful for your engagement and partnership.

As the nation's economy recovered, the federal government called an end to the PHE. For Colorado, April 2024 marks the last month of our year-long "unwinding" of the Medicaid continuous coverage requirement ("PHE Unwind"), reflecting the federal directive for Medicaid program eligibility operations to return to normal. While our work is not yet done, we have a lot of emerging data to share as the optics into this historic year and chapter become clearer. Those insights can help further collaboration to address opportunities and challenges.

First, we want to recognize and thank our members, health care providers, health plan partners, community partners, advocates, counties and medical assistance sites, state agency partners, stakeholders, and the legislature for your collaboration and partnership in preparing for and executing the PHE Unwind. *Thank you for doing your part.* Your engagement has been continual, and we are deeply appreciative.

It was expected that the hundreds of thousands of Coloradans we enrolled into our safety net programs during the COVID-induced economic downturn would largely return to employer-sponsored coverage given the state's economic recovery, thereby returning the percent of Coloradans covered by employer-sponsored coverage back to its historic 50% norm. Still, we want to recognize that returning to business-as-usual renewal processes has not been easy - not for members, providers, eligibility processing partners, or those who advocate for all

these important communities. We appreciate your partnership through the PHE Unwind to achieve our shared goal to Keep Coloradans Covered.

As we continue to pursue this important goal, the emerging data can help inform our evolving strategies to the betterment of Coloradans, providers, counties, medical assistance sites, and all stakeholders. In addition to the below, more information is available on our [website](#):

- Through the PHE Unwind, Health First Colorado and CHP+ enrollments have returned to prepandemic levels of about 1.28 million members, meaning that about the same number of members disenrolled during the PHE Unwind (estimated net reduction of 519,000) as were enrolled during the PHE (about 550,000). Ultimately, the PHE Unwind enrollment level should track within 2% of the prepandemic enrollment levels.
- PHE Unwind renewals (approvals) and disenrollments are within 3% of prepandemic norms:
  - 57% prepandemic renewal approval rate versus 54% during the PHE Unwind
  - 41% prepandemic disenrollments versus 44% during the PHE Unwind
- For member renewals due in May 2024, the first month after the PHE Unwind, the renewal rate (approval rate) was 76%, which is a historic high and reflects a favorable 40% increase over the PHE Unwind renewal approval rate and a 33% increase over the prepandemic renewal approval rate. This 76% renewal approval rate milestone illustrates that while there is still a great deal of work to do to improve our safety net eligibility processes and systems, the automation, innovation, and policy adjustments implemented during this PHE chapter have significantly improved Colorado's overall processing results to the betterment of those served, mitigation of a rising uninsured rate, and the reduction in county workloads, which is also a critical priority.
- Automation of renewal processing (ex parte) improves accuracy, timeliness and efficiency. It also improves the member experience while reducing workload for counties. Ex parte rates have significantly increased from an average of about 33% through the PHE Unwind to 59% overall for renewals that were due in May 2024. Ex parte rates are even higher, at 67%, for households where eligibility is determined based on income (MAGI).
- Procedural disenrollments for May renewals have also returned to prepandemic levels at 12%, down from about 25% during the unwind - a 50% favorable reduction.
- Reducing Whereabouts Unknown (members we can't find at renewal) has decreased from 22% in May 2023 to 5% in May 2024.
- County enrollment levels are very close to prepandemic enrollment levels. Our PHE [website](#) provides two charts to illustrate each county's comparative metrics. (See "Enrollment Changes by County and Enrollment as a Percent of Population").
- Colorado will have more individuals disenroll from our rosters through the PHE Unwind compared to other states for several reasons:
  - We grew Medicaid enrollment as a percent by so much more than other states did during the PHE - *45% enrollment growth* - meaning we will disenroll more people as we return to prepandemic enrollment numbers.
  - Since we expanded Medicaid through the Affordable Care Act, this enabled Colorado to grow its membership during the COVID-induced economic downturn more than states that did not expand Medicaid.
  - Our economy recovered faster and stronger than the nation's, coming out of the COVID-induced economic downturn.
    - Low unemployment rate: Colorado's unemployment rate was 2.8% in December 2019 (prepandemic) and then increased significantly due to the COVID-induced downturn. It returned

to prepandemic levels of 2.8% in June 2022. The nation's unemployment rate followed the same trend from a timing perspective, but was 28% less favorable in comparison at 3.6% in December of 2019 and June 2022. Colorado's unemployment rate today continues to be lower than the national average.

- Our minimum wage is higher than other states, while the federal poverty level to qualify for Medicaid is the same, meaning that in states where pay is higher, fewer people qualify for Medicaid. Between 2020-2024, Colorado's minimum wage increased by 20% (\$12.02 to \$14.42 per hour), making it the 8th highest in the nation; that means 42 other states have minimum wages lower than ours. Denver's minimum wage increased 42% (\$12.85 to \$18.29 per hour). To illustrate this impact, a single person working full-time in Colorado at a minimum wage job will likely not qualify for Medicaid based on income, while a person working a full-time job in another state, at say a \$10 hourly wage, is far more likely to qualify. Further, the national minimum wage is \$7.25 per hour, with 13 states at the federal minimum wage, meaning those working at such wages are far more likely to qualify.
- On a temporary basis, our Medicaid disenrollments may seem comparatively high because we have fewer renewals "pending" than most other states; further, Colorado has finished its PHE Unwind 12-month period. As other states complete their Unwind and address their "pending" renewals through that process, the comparisons will grow more reliable. That clarity should occur in the coming months.

Are Coloradans disenrolling from Medicaid getting connected to other coverage? What we know from our analysis performed using data through December 2023 from the All Payer Claims Database (APCD) is that approximately 33% re-enroll into Medicaid and at least 25% of people disenrolling from Medicaid have other insurance. The breakdown of that 25% is: 18% have Employer Sponsored Commercial coverage, 5% are enrolled into Medicare, and 2% are enrolled in an individual plan through the Connect for Health Colorado Marketplace Exchange. We also know that 33% of those who disenrolled from Medicaid actually re-enrolled at a later date - better than the 40%+ re-enrollment prepandemic comparative norm.

Re-enrolled into Medicaid: 33%  
 Enrolled in Employer Sponsored Commercial Coverage: 18%  
 Enrolled in Medicare: 5%  
 Enrolled in Connect for Health Marketplace Exchange: 2%  
 Unknown - more information pending from the APCD: 42%

We don't have optics into the other 42% at this time, but we will have additional insights as the data becomes available. Further, we are conducting two surveys now that will help us better understand: (a) if disenrolling members are connecting to other coverage and if so, what type, and (b) why members re-enrolled in Medicaid after disenrolling. While we await all those findings, we are concerned about the known barriers to individuals enrolling in other coverage, such as:

- Individuals disenrolling from Medicaid likely did not have the traditional support they needed to enroll in employer sponsored or Medicare coverage because more than 80% of Coloradans disenrolled off cycle with the traditional open enrollment educational and outreach periods.
- Disenrolling members may have missed the window to enroll in their employer's coverage. Specifically, employers may not have expanded the time Coloradans had to enroll after a qualifying event, such as being

disenrolled from Medicaid. This enrollment period has historically been 60-days, but the federal government recommended that [employers, plan sponsors and issuers](#) extend this period to 1 year during the national PHE Unwind.

- Some may be prioritizing other household expenses over paying for health insurance coverage after being enrolled with Medicaid; Colorado Medicaid does not charge premiums, deductibles or co-pays for most services, making it far more affordable than other coverages.

Although April was the last month of the PHE Unwind, our work is not done! [Keeping Coloradans Covered](#) remains a focus, as we continue to work towards ongoing improvements to the Medicaid renewal process while collaborating with partners to achieve shared goals, including:

- We are working in collaboration with CDHS and the counties on three long term projects to improve the eligibility process: CBMS vision and strategy; Joint Agency InterOperability; SB22-235 Long Term plan (provides recommendations to properly resource our state-county infrastructure).
- We are updating our standard eligibility correspondence to improve clarity by December 2024, and we will continue to implement improvements that increase ex parte automation and PEAK capabilities (our member digital tool).
- We will continue to drive the analytics that identify what we can do to continually improve our systems and procedures to the betterment of members, counties and providers.
- We continue to collaborate with employers, chambers, providers and other partners to raise awareness of all coverage options and thereby help connect disenrolling Coloradans to other affordable coverage.
- We will continue to work to maintain the affordability of Medicaid and CHP+ coverage, while partnering with other state agencies, providers and stakeholders to Save Coloradans Money on Health Care, thereby mitigating the biggest barrier to coverage - *its affordability*.

In addition to the work being done to Keep Coloradans Covered, HCPF has [published](#) the Accountable Care Collaborative (ACC) Phase III Request for Proposal (RFP) on May 10, 2024; proposals are due July 13, 2024. The ACC is Health First Colorado's care delivery model designed to improve access to care, health care equity, quality outcomes and value. ACC Phase III is scheduled to begin July 1, 2025. Thank you to the 5,700+ attendees across 135 stakeholder meetings for your feedback over the past 18 months as we partnered on developing the ACC Phase III RFP. More information is on the [ACC Phase III webpage](#). HCPF has also been closely collaborating with the Behavioral Health Administration (BHA) and stakeholders to thoughtfully align the Medicaid ACC Phase III with the BHA's Behavioral Health Administrative Services Organization (BHASO) model, where appropriate. That RFP was also posted in May. BHASOs and the ACC Phase III have the same July 1, 2025, launch date and regional map to improve the member and provider experience, facilitate contractor transitions, and enhance collaboration in each region.

We appreciate your active engagement, and we thank you for your continued partnership to achieve shared goals.

## 2024 Legislative Recap

Thank you for your partnership throughout the 2024 legislative session. This session, the Department of Health Care Policy and Financing (HCPF) tracked 63 bills, successfully navigated 15 [agenda and priority bills](#) through the process and completed 78 fiscal

analyses of 71 unique bills. Thank you for your partnership in helping pass bills of interest, with 85% of final votes in support. We are now working to implement all the bills and budget requests that impact HCPF safety net programs or leverage our expertise to the betterment of Coloradans. This includes 45 bills, eight legislative requests for information and nine new or changed legislative reports. Please visit our [Legislator Resource Center](#) for our latest fact sheets on the 2024 legislative session.

Thank you to the General Assembly, advocates, providers and other stakeholders for partnering to advance bills that support the Coloradans we cover and serve, provide added supports for Coloradans in need of substance use disorder (SUD) and behavioral health care, protect the health and safety of members, and expand eligibility and services for some of our most vulnerable members. We are also very thankful for new policies and funding that continue to support our health care providers who provide valued access to care for our members. Below are key highlights of the legislative session.

HCPF was involved in two bills that address substance use disorders (SUD). [HB24-1045](#) creates and expands programs and services for SUD treatments while [SB-047](#) creates several measures regarding the prevention of SUD. HCPF also focused on creating and expanding programs for youth who are in, or at risk of being placed in, out-of-home care through [HB24-1038](#).

Both [HB24-1400](#) and [HB24-1229](#) address Colorado Medicaid's eligibility procedures. [HB24-1400](#) allows HCPF to no longer require additional verification during a member's Medicaid redetermination if certain criteria are met. [HB24-1229](#) gives HCPF the authority to pursue an 1115 waiver to expand presumptive eligibility to include individuals with disabilities and facilitate prompt delivery of services in a community setting. Both of these bills support the Polis-Primavera Administration goal of Keeping Coloradans Covered.

As part of the Joint Budget Committee and [Long Bill](#), bills were passed to extend the Rural Stimulus Grants funding through the end of 2024 ([HB24-1465](#)), as well as sunset the Colorado Indigent Care Program (CICP) as a distinct program due to funding for CICP clinics being repealed in 2021 ([HB24-1399](#)).

Other bills passed protect the health and safety of members and state dollars in cases of organized crime or organized fraud schemes ([HB24-1146](#)); make a variety of technical changes to multiple state agencies' required legislative reports to ensure relevancy, timeliness, accountability and transparency ([SB24-135](#)); allow a one-time payment of \$5 million to safety net hospital Denver Health ([HB24-1401](#)); and retroactively discontinue transfers to the autism treatment fund while transferring any remaining balance to the tobacco litigation settlement cash fund ([HB24-1208](#)).

HCPF's [fiscal year 2024-25 budget](#) is \$15.9 billion Total Fund and \$5.0 billion General Fund, reflecting about one-third of the state's budget. 96% of that budget goes to pay our valued health care providers caring for Medicaid and Child Health Plan *Plus* (CHP+) members. This includes a 2% increase in provider reimbursement rates across the board, on top of last fiscal year's 3% increase and prior year increases of 2% and 2.5%, targeted provider rate increases, and direct care workers wage increase across the state to \$17 per hour and to \$18.29 per hour in Denver, effective July 1, 2024.

Thank you for your collaboration throughout this legislative session to advance important policies for the betterment of all Coloradans. We appreciate the hard work, passion and expertise of our elected officials, advocates, providers, partners and stakeholders.

## Drug Importation

FDA has been reviewing Colorado's amended Drug Importation application for over 100 days (HCPF submitted Feb. 27, 2024). HCPF expects to hear from FDA any day in the form of an RFI (Request for Information), follow up questions, or a program approval.

## ACC Phase III Updates

We are pleased to announce that we officially published the Accountable Care Collaborative (ACC) Phase III Request for Proposal (RFP) on May 10, 2024. You can access the RFP on the [Colorado Vendor Self Service website](#) as RFP-UHAA-2024000332-1. More information on how to access the RFP is available on the [ACC Phase III webpage](#). The RFP will remain open through July 13, 2024.

The RFP outlines the contractual requirements for Regional Accountable Entities (RAEs) for Phase III of the ACC that is scheduled to begin on July 1, 2025. The RFP reflects more than 18 months of collaboration with stakeholders to define new policies and programs. The [ACC Phase III webpage](#) contains a variety of materials on the different phases of this work, including past presentations and summaries of stakeholder feedback.

## FY 2023-24 Legislative Reports and Legislative Requests for Information (LRFI) Reports

HCPF has submitted four Legislative Reports and nine LRFIs to the General Assembly since the last edition of the newsletter. You can find them all on HCPF's [website](#).

## County-By-County Resources

Our [county fact sheets](#) provide an annual snapshot, by fiscal year, for Health First Colorado (Colorado's Medicaid program) activity, including average annual caseload and top five claim types for each county.

## Legislator Resource Center

The [Legislator Resource Center](#) on our website is available to help legislators and legislative staff easily find information. It includes links to reports, fact sheets and overviews of the budget process to help inform legislators.

## Follow HCPF on Social Media

We invite legislators to follow us on social media to stay informed of news and happenings at HCPF. You can follow us on [Facebook](#), [Twitter](#) and [LinkedIn](#).

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HCPF Updates: General Assembly Newsletter

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