

# H.R. 1 Provisions Impacting Colorado Medicaid

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# H.R. 1 Overview

## *Key Medicaid Takeaways*

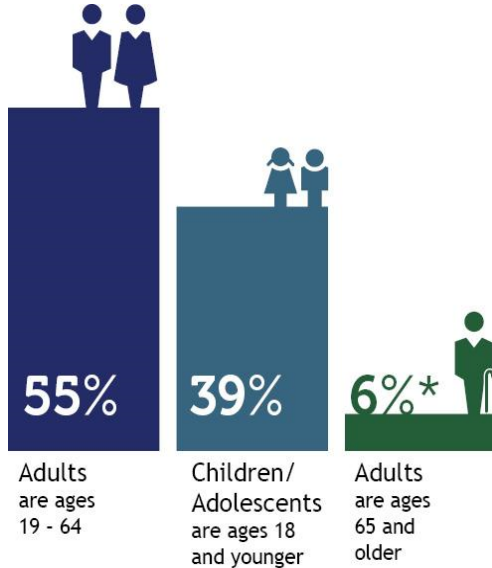
- **Rewrites major eligibility, financing, and compliance rules** over the next 2-8 years that will negatively impact nearly 400,000 people
- **Forces states to make difficult decisions** that influence how costly or disruptive these shifts become for enrollees, providers, General Fund
- Provides very limited funding for states to implement changes and will **drive higher administrative and IT costs**
- **Drives administrative & bureaucratic barriers, coverage loss (estimated >150K by Mannat) & cost shifts**

**Our Commitment:** We are required to implement and abide by federal directives. Within our authority, in partnership with the General Assembly, we are prioritizing our North Stars: **to mitigate inappropriate coverage**



# Health First COLORADO™

Colorado's Medicaid Program



\*Adults age 65 and older includes people partially eligible for Health First Colorado



87%

live in  
urban  
counties



18%

live in  
Denver  
county



11%

live in  
rural  
counties



3%

live in  
frontier  
counties

## 2025 FEDERAL POVERTY LEVELS by Family Size\*

FAMILY OF 1	FAMILY OF 4
\$20,820	\$42,768

\*Some earning more may still qualify



4.7%

of Health First Colorado  
members use long-term  
services and supports  
programs



44%

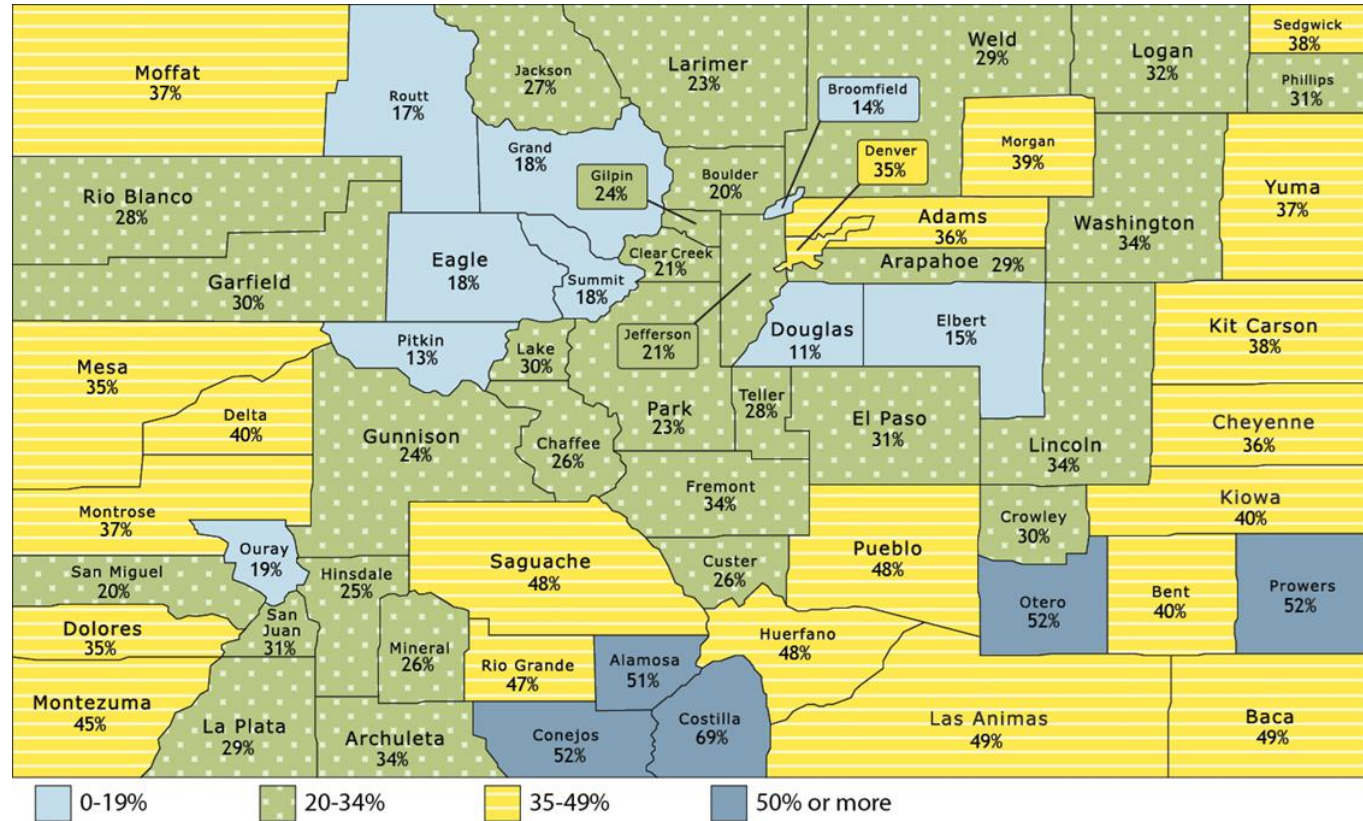
of Colorado births in  
calendar year 2023 were  
covered through Health  
First Colorado and Child  
Health Plan *Plus*



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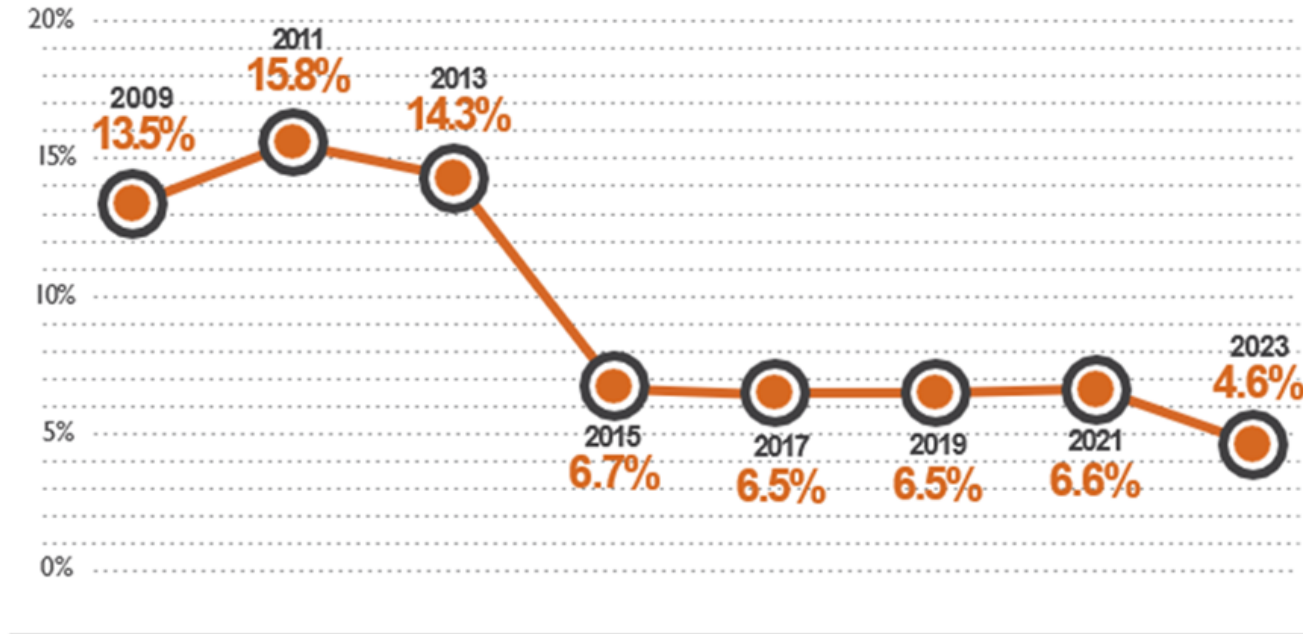
[hcpf.colorado.gov/2024-report-to-community](https://hcpf.colorado.gov/2024-report-to-community)

# Percentage of total population enrolled in Health First Colorado and CHP+ by county



More detailed county level enrollment & spending available at [colorado.gov/hcpf/county-fact-sheets](https://colorado.gov/hcpf/county-fact-sheets)

# Uninsured Rate in Colorado

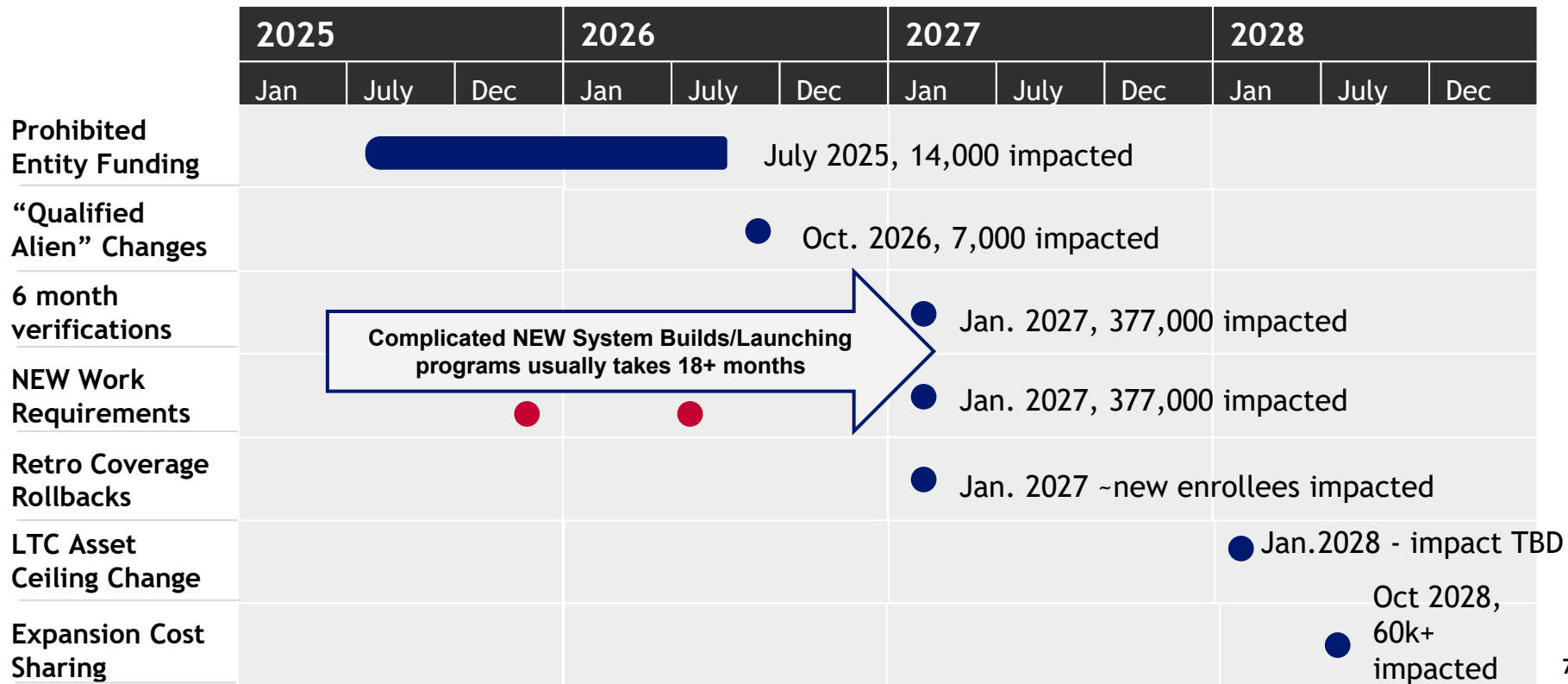


# Coverage & Eligibility Provisions

Rachel Reiter, Policy, Communications and Administration Office Director  
Adela Flores-Brennan, Medicaid Director and Health Policy Office Director

# H.R. 1 Medicaid Eligibility High Level Implementation Timeline

● CMS Guidance Expected - Initial no later than 180 days after enactment, final rules in June 2026




# H.R. 1 Benefit & Eligibility Provision Impacts

Provision	Date	Member Impact	Other Considerations
Prohibited Entity Funding	July 2025	14,000+ members	Reduces access to services
“Qualified Alien” Changes	October 2026	~7,000 lawful immigrants will lose Medicaid coverage	Increases uninsured & uncompensated care
6 month renewals	January 2027	377,000 members	\$\$ admin costs & burden likely will result in coverage loss
Retroactive coverage restrictions	January 2027	Anyone applying for new coverage	Increases uncompensated care
Work Requirements	January 2027	377,000 members (before exemptions)	Paperwork burden for members, coverage loss, \$\$ high costs to administer



# Expansion Population Impacts, Continued

## Increased Paperwork Effective Jan. 2027

- Eligibility renewals every 6 months instead of 12 - affects 377k low income adults
- Retroactive coverage changes for all new applicants
- **Work requirements** 

- **Adults aged 19-64** must document 80 hours/month of work, job training, education or community service.
- **Exempt populations:** pregnant women; AI/AN; parents of a disabled child or a child 13 years of age or younger; veterans; medically frail; already meet TANF or SNAP work requirements or are entitled to Medicare.
- **Implementation Date:** January 1, 2027, waiver option if approved
- **Impact:**
  - Administrative burden and costs
  - Technology costs
  - 377K members at risk of disenrollment due to procedural and not meeting the requirements

# Downstream Impacts of Losing Medicaid Coverage

## Affordability Challenges

- **\$1,735** = Maximum Monthly Income for an individual for Medicaid/\$3,564 family of 4 (ACA expansion population)
  - **~\$1,600** - Average rent for one bedroom in Colorado ([Apartments.com](#) July 2025 estimate statewide)
  - + Food, utilities, childcare

***H.R. 1 reduces food assistance, health insurance marketplace supports***

**For individuals** - delaying care, not accessing needed prescriptions to manage health conditions, missing preventive screenings to catch conditions early, increased medical debt

**For providers** - higher use of ER, uncompensated care for doctors and hospitals and other providers - especially rural providers where enrollments in Medicaid are higher

# Financing Changes, Hospital Provider Fee

Bettina Schneider, Chief Financial Officer

# H.R. 1 Financing & Provider Fees

## High Level Implementation Timeline

	2025			2026			2027			2028		
	Jan	July	Dec	Jan	July	Dec	Jan	July	Dec	Jan	July	Dec
Cap on State Directed Payments												
Uniform Tax Waiver												
Provider Fee .5% Reductions												

● Effective upon enactment - July 4, 2025

● Effective upon enactment - July 4, 2025



FFY 2028 (5.5% begins Oct 2027, 5% Oct 2028, 4.5% Oct 2029, 4% Oct 2030, 3.5% Oct 2031)

# Colorado's Hospital Provider Fees Are Instrumental In...

## Financing health coverage for more than 427,000 Coloradans\*

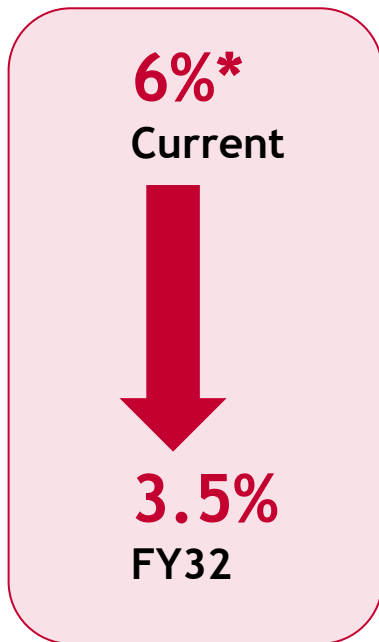
- 367,000 low income adults
- 34,000 kids in Children's Health Insurance Program (CHIP)
- 25,000 adults and children with disabilities via Medicaid Buy-In program
- 1,000 pregnant women in CHIP

\*HCPF provider fee funded enrollment information is from September 2024

## Contributing to state and local economies

- \$3.1B in claims paid to providers for care to Medicaid and CHIP members
  - \$968 million of that paid to hospitals in supplemental payments
- Through the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE), hospitals pay \$1.26B in fees and receive \$1.75B in supplemental payments, generating a net positive \$495 million in increased Medicaid hospital payments (FY23-24) in addition to reducing uncompensated care.

# Changes Begin in October 2027: Reductions in Provider Fees & Federal Funds



- Rates decrease for expansion states
- Implementation Date: Oct. 1, 2027
- Impact: Hospital provider-fee will be dialed back and will lead to lost federal match annually through 2028-2032.
- -\$2.5B federal funds impact when fully implemented
- 425K covered by this funding includes ACA expansion population, kids and pregnant women on CHP+ and Working Adults and Children with Disabilities on the Medicaid Buy-In Program

\*Percentage of net patient revenue



COLORADO  
Department of Health Care  
Policy & Financing

# Rural Provider Relief Funding

Bettina Schneider, Chief Financial Officer

# H.R. 1 Rural Health Transformation Program High Level Implementation Timeline

● Initial CMS Guidance Expected

2025			2026			2027			2028+		
Jan	July	Dec	Jan	July	Dec	Jan	July	Dec	Jan	July	Dec
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			Applications due in Fall 2025, funds to be announced by Dec. 31, 2025								
			Funding to Rural Providers, \$50B total over 5 years/\$10B per year								



# Rural Health Transformation Program

**\$50B in  
Federal  
Funding  
available**

**\$10B/yr x 5yrs  
FFY 2026-2030**

- **Application:** One-time state submission due Fall 2025, with a Rural-Health Transformation Plan (8 required topics) + certification no dollars will fund the state match.
- **Implementation Date:** Disbursements to approved states expected by early 2026
- **Estimated Impact:** Increased federal funding for targeted projects. 50% "base" pot - divided equally among all approved states, while the other 50% is targeted toward “not less than ¼ of approved states”

# Administrative Change Provisions

Ralph Choate, Medicaid Operations Office Director

# H.R. 1 Administrative Change Provisions

## High Level Implementation Timeline

For more information on HCPF's programs to reduce fraud, waste or abuse see our detailed [fact sheet](#).

	2026			2027			2028			2029		
	Jan	July	Dec	Jan	July	Dec	Jan	July	Dec	Jan	July	Dec
Death Master File (members)	HCPF already has processes in place for some elements of these HR 1 provisions.			●								
Death Master File (providers)							●					
Verified Addresses				●								
Connect to CMS eligibility hub				CMS develops eligibility hub, new technology						●		
PERM Audit Changes				New PERM audit changes go into effect looking back to 2026							●	

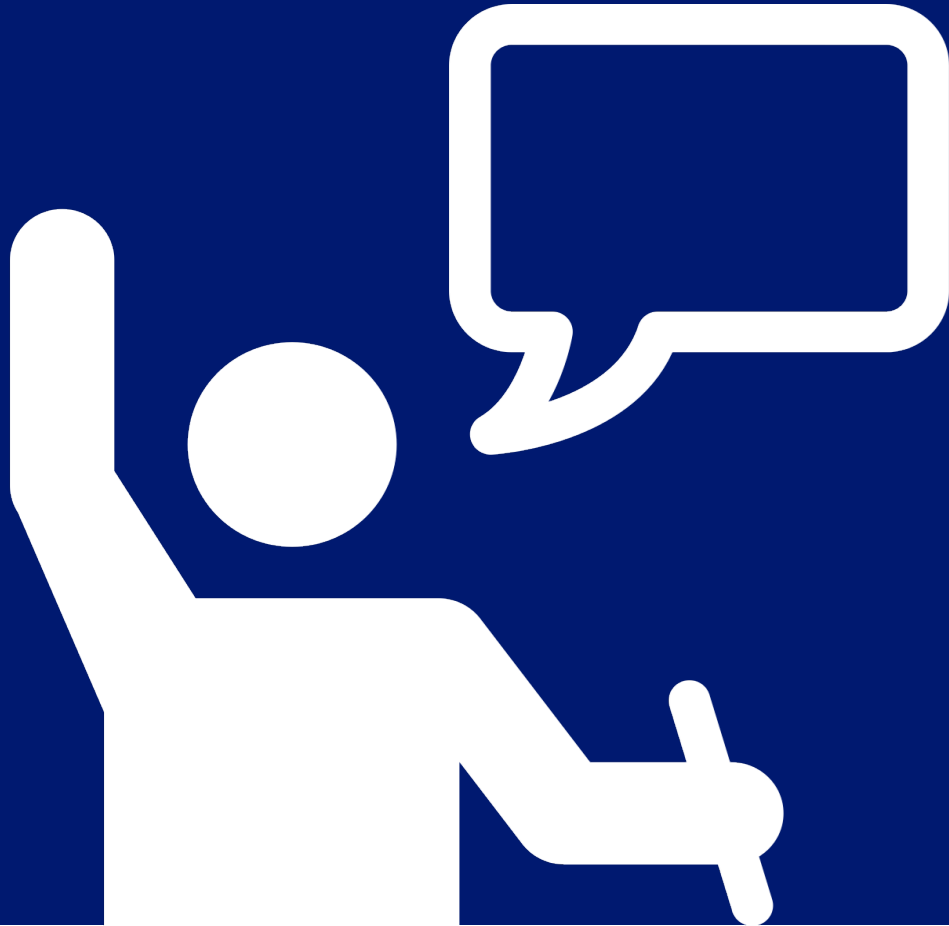
# Federal Changes Impact & Implementation Transparency: Resources

## Understand how federal cuts may impact Medicaid

- [Colorado Medicaid Insights and Potential Federal Medicaid Reduction Impact Estimates](#) - July 2, 2025
- [Hospital Provider Fees Fact Sheet](#) - May 22, 2025 - **update in process**
- [Medicaid Work Requirements Fact Sheet](#) - April 16, 2025 - **update in process**
- [Long Term Services and Supports Fact Sheet](#) - May 20, 2025
- [Protecting Against Fraud, Waste and Abuse Fact Sheet](#) - April 29, 2025
- [Medicaid Coverage and Funding by Congressional District](#)

## Learn about Medicaid in Colorado

- [Medical Assistance Coverage Fact Sheet](#) - March 2025
- [County Medicaid Fact Sheets](#) - updated annually with new fiscal year information, One-page fact sheets that provide a snapshot of key data for Medicaid in every county
- [Medicaid Coverage and Funding by Congressional District](#)
- [2024 Report to the Community](#)
- [Medicaid Sustainability Framework](#) - Jan 2025



# Questions