



COLORADO

Department of Health Care
Policy & Financing

Notice of Public Comment Process Medicaid Section 1115 Demonstration Amendment

Public Comment Period Begins: June 10, 2024, at 8:00 a.m. MST

Public Comment Period Ends: July 10, 2024, at 5:00 p.m. MST

Public notice is hereby given that the State of Colorado’s Department of Health Care Policy & Financing (HCPF) is seeking public comments on an amendment to the Expanding the Substance Use Disorder (SUD) Continuum of Care Section 1115 Demonstration (Demonstration).

Proposed Amendment Summary

Colorado is requesting an amendment to the Demonstration to authorize Health Related Social Needs (HRSN) Services for certain Medicaid enrollees.

The proposed HRSN services are housing and nutrition supports. The State intends to help address unmet needs related to a lack of adequate housing and nutrition support in three target populations. The lack of adequate housing and nutrition support contributes to poor health for individuals that are: 1) homeless or at risk of homelessness, 2) transitioning from residing in nursing facilities, or 3) transitioning out of foster care.

Amendment Objectives and Goals

Under Section 1115 of the Social Security Act, states may implement “experimental, pilot or Demonstration projects which, in the judgment of the Secretary [of Health and Human Services] are likely to assist in promoting the objectives of [Medicaid].” The State believes this Demonstration is likely to promote the objectives of Medicaid by providing services that address HRSN thereby leading to improved health outcomes.

Consistent with the CMS policies as outlined in the November 16, 2023, CMCS Information Bulletin, and in the CMS All States presentation on December 12, 2022, Colorado’s specific goals for the HRSN Demonstration are to:

1. **Improve the health status of Medicaid beneficiaries** by removing social barriers to health; and
 - **Objective a.** Addressing unmet HRSN within the Medicaid-eligible population will improve health outcomes
 - **Objective b.** Addressing unmet HRSN within the Medicaid-eligible population will reduce the total cost of care.
 - **Objective c.** HRSN services will result in a reduction of readmissions within 30 days, to Emergency Departments (EDs) and hospitals.

2. **Improve connections between Medicaid beneficiaries and community services** to address physical health, behavioral health, and health-related social needs (HRSN).
- **Objective d.** HRSN services (improvements in housing stability and nutrition) will result in an increase in recommended and/or preventive care.

HCPF is seeking to provide HRSN services beginning July 1, 2025.

Health Care Delivery

Health First Colorado, Colorado's Medicaid program, provides access to physical and behavioral health care, hospitalization, nursing facility care, prescription drugs, dental care and other benefits for qualifying adults and children. Physical health services are paid for through the traditional fee-for-service structure through HCPF. While behavioral health and care coordination services are capitated and provided by RAEs through contracts with HCPF. The RAEs have data sharing agreements with the Department of Corrections to better support members as they transition to community.

Since 2011, the Accountable Care Collaborative (ACC) has served as the core vehicle for delivering and managing member care for Health First Colorado. All full-benefit Health First Colorado members are enrolled in the ACC except for members enrolled in the Program for All Inclusive Care for the Elderly. The ACC integrates managed fee-for-service physical health care and managed care for behavioral health. The ACC's regional model allows it to be responsive to unique community needs. Key components of the ACC include care coordination and member support.

The health care delivery system is not anticipated to change under this amendment.

Eligibility

The proposed amendment does not alter Medicaid eligibility.

To qualify for HRSN services under this waiver, a beneficiary must meet the requirements for one of the following three categories for some or all of the expected HRSN Services:

- Individuals eligible for Permanent Supportive Housing (PSH) vouchers experiencing a behavioral health need and/or chronic health condition.
- Individuals eligible for Colorado Fostering Success (CFS) vouchers.
- Individuals eligible for Community Access Team (CAT) vouchers.

Individuals Eligible for Permanent Supportive Housing Vouchers

An individual must:

- Be 18 years of age or older;
- Have a disabling condition;



- Have a history of homelessness or be at risk of homelessness; and
- Must be at or below 30% of the area median income.

For purposes of this Demonstration, the PSH population is further divided into three distinct eligibility groups based on the individual's status vis-à-vis a PSH voucher:

- Individuals matched to a PSH voucher within the past 12 months ("PSHa population");
- Individuals eligible for PSH but not yet matched to a voucher ("PSHb population"); and
- Individuals residing in PSH for more than one year ("PSHc population").

HCPF anticipates 11,000 individuals eligible for services under this category in the first year of operation.

Individuals eligible for Colorado Fostering Success Vouchers

Young adults ages 18 through 26 who left foster care on or after their 18th birthday, transitioning out of the foster care system:

- Be at least eighteen years of age or older but less than twenty-six years of age;
- Have prior foster care or kinship care involvement in at least one of the following ways:
 - Have been in foster care on or after the youth's fourteenth birthday;
 - Have been in noncertified kinship care on or after the youth's fourteenth birthday and have been adjudicated dependent and neglected; or
 - Have turned eighteen years of age when the youth was a named child or youth in a dependency and neglect case;
- Reside in Colorado; and

Have an income level at or below 50% of the area median income based on the county where the young adult resides.

HCPF proposes to cap the number of individuals eligible for this category to 100 annually.

Individuals Eligible for CAT Vouchers

An individual must:

- Be 18 years of age or older;
- Be at or below 30% of the area median income;
- Meet the Housing and Urban Development (HUD) definition of a disability; and
- Receive Home and Community Based (HCBS) Medicaid services or State Plan services or are eligible for such services.

The goal of CATV is to move persons with disabilities out of nursing homes and other long term care and into the community, and to prevent people with disabilities from being placed in an institution due to a lack of housing they can afford.

HCPF anticipates that 300 individuals in this category will be eligible for services in the first year of operation.

Benefits



Housing Services

HCPF proposes to provide the following housing supports through this Waiver amendment:

- Rent/temporary housing for up to six months;
- Utility costs including activation expenses and back payments to secure utilities for individuals receiving rent/temporary housing as described above;
- Pre-tenancy and tenancy sustaining services, including tenant rights education and eviction prevention;
- Housing transition navigation services;
- One-time transition and moving costs (e.g., security deposit, first month’s rent, utility activation fees, movers, relocation expenses, pest eradication, pantry stocking, and the purchase of household goods and furniture); and
- Housing deposits to secure housing, including application and inspection fees and fees to secure needed identification.

Nutrition Services

Through this amendment, HCPF proposes to provide the following nutrition services:

- Nutrition counseling and instruction, tailored to health risk, nutrition-sensitive health conditions, and/or demonstrated outcome improvement;
- Medically tailored, home delivered meals tailored to health risk and eligibility criteria, and/or certain nutrition-sensitive health conditions; and
- Home delivered meals or pantry stocking.

Not all target populations will qualify for all of the services available under this Demonstration. HCPF is proposing to limit service availability based on the individual characteristics of each target population. Please see the two tables below for details of the populations eligible for each service.

Please see the Tables below for a complete list of Housing and Nutrition services by eligibility group.

Table 1. Proposed Eligibility by Housing Service

Housing Service	Population
Rent/temporary housing for up to six months including utility costs that are a part of the housing.	PSHa, CFS, and CAT



Pre-tenancy and housing transition navigation services.	PSHa, PSHb, and CFS
One-time transition and moving costs (e.g., security deposit, first month's rent, utility activation fees, movers, relocation expenses, pest eradication, pantry stocking, and the purchase of household goods and furniture). This also includes housing deposits to secure housing, including application and inspection fees and fees to secure needed identification.	PSHa and CFS
Tenancy sustaining services, including tenant rights education and eviction prevention.	PSHc and CAT

Table 2. Proposed Populations by Nutrition Service

Nutrition Service	Population
Nutrition counseling and instruction, tailored to health risk, nutrition-sensitive health conditions, and/or demonstrated outcome improvement, including, for example, guidance on selecting healthy food and meal preparation for up to six months.	PSHa, PSHc, CFS, and CAT
Medically tailored, home delivered meals tailored to health risk and eligibility criteria, and/or certain nutrition-sensitive health conditions, for up to six months.	PSHa, PSHc, and CFS
Home delivered meals or pantry stocking.	PSHa, CFS, and CAT

Cost Sharing

There are no proposed changes to cost sharing under this amendment.

Delivery System



No changes to Colorado’s delivery system are proposed under this amendment. The State will deliver HRSN benefits through a mix of fee-for-service (FFS) and managed care systems to align with the population mix outlined. Although physical health claims are paid for through HCPF’s Medicaid Management Information Systems (MMIS), the Managed Care Entities (MCEs) coordinate member care and pay for behavioral health services. HCPF anticipates that MCEs will be key partners in identifying members potentially eligible for HRSN services and organizing necessary screenings to make such determinations.

Demonstration Hypotheses and Measures

With the help of an independent evaluator, the State will amend the approved SUD evaluation plan for evaluating the HRSN-related hypotheses indicated below. Colorado will calculate and report all performance measures under the Demonstration. The State will submit the updated evaluation plan to CMS for approval.

The State will conduct ongoing monitoring of this Demonstration and will provide information regarding monitoring activities in the required quarterly and annual monitoring reports.

The State will test, and comprehensively evaluate through robust hypotheses testing, the effectiveness of HRSN services in achieving the articulated goals and hypotheses of the initiative. The following goals and associated hypotheses will be tested during the approval period:

1. **Improve the health status of Medicaid beneficiaries** by removing social barriers to health; and
 - a. Addressing unmet HRSN within the Medicaid-eligible population will improve health outcomes
 - b. Addressing unmet HRSN within the Medicaid-eligible population will reduce the cost of care.
 - c. HRSN services will result in a reduction in avoidable hospitalizations (e.g., lower avoidable ED visits)
2. **Improve connections between Medicaid beneficiaries and community services** to address physical health, behavioral health, and HRSN.
 - d. HRSN services (improvements in housing stability and nutrition) will result in an increase in recommended and/or preventive care.

Table 1A: Demonstration Goals, Hypotheses and Data Sources

Goal	Research Hypothesis	Plan to Test Hypothesis	Data Sources	Evaluation Design
Improve the health status of Medicaid beneficiaries by removing social barriers to health	1. Addressing unmet HRSN within the Medicaid-eligible population will	Measure changes in the rates of relevant health outcomes	Measure: Premature Death including Suicide or Overdose Deaths for individuals	Evaluation Design: Independent evaluator will develop quantitative and qualitative measures to include in a quasi-



Goal	Research Hypothesis	Plan to Test Hypothesis	Data Sources	Evaluation Design
Objective a. Addressing unmet HRSN within the Medicaid-eligible population will improve health outcomes.	improve health outcomes.		receiving Medicaid Data Source(s): Medicaid claims /encounter data; State Vital Statistics Data; Centers for Disease Control and Prevention Wonder data (suicide and overdose deaths)	experimental design, including an interrupted time series analysis.
Improve the health status of Medicaid beneficiaries by removing social barriers to health Objective b. Addressing unmet HRSN within the Medicaid-eligible population will reduce the total cost of care.	2. Addressing unmet HRSN within the Medicaid-eligible population will reduce the total cost of care.	Measure changes in the total cost of care	Measures: Total Medicaid cost associated with members receiving HRSN; Per Capita costs associated with Members receiving HRSN Data Source: Medicaid claims /encounter data.	Evaluation Design: Independent evaluator will develop quantitative and qualitative measures to include in a quasi-experimental design, including an interrupted time series analysis.
Improve the health status of Medicaid beneficiaries by removing social barriers to health Objective c. HRSN services will result in a reduction of readmissions within 30 days, to EDs and hospitals.	3. HRSN services will result in a reduction of readmissions within 30 days, to EDs and hospitals.	Measure changes in the rates of readmissions within 30 days, to EDs and hospitals.	Measures: Inpatient and ED utilization per 1,000 Data Source: Medicaid claims /encounter data.	Evaluation Design: Independent evaluator will develop quantitative and qualitative measures to include in a quasi-experimental design, including an interrupted time series analysis.
Improve connections between Medicaid beneficiaries and	4.HRSN services (improvements in housing stability and	Measure changes in the utilization rates of	Measure: Access to Preventive/ Ambulatory Health Services	Evaluation Design: Independent evaluator will develop quantitative and



Goal	Research Hypothesis	Plan to Test Hypothesis	Data Sources	Evaluation Design
community services to address physical health, behavioral health, and health-related social needs (HRSN). Objective d. HRSN services (improvements in housing stability and nutrition) will result in an increase in recommended and/or preventive care.	nutrition) will result in an increase in recommended and/or preventive care.	recommended and/or preventive care among enrollees receiving housing and nutrition supports	for Medicaid beneficiaries Data Source: Medicaid claims /encounter data.	qualitative measures to include in a quasi-experimental design, including an interrupted time series analysis.

In addition to the independent evaluation, HCPF will provide quarterly and annual reporting specific to this amendment and in accordance with a CMS-approved Monitoring Protocol to be submitted following approval.

Proposed Federal Demonstration Authorities

The State seeks such waiver authority as necessary under the Demonstration to receive a federal match on costs not otherwise matchable for services rendered to HRSN services-eligible individuals. The State also requests the following proposed waivers and expenditure authority to operate the Demonstration.

Requested Waiver Authorities and Associated Reasons

Waiver Authority	Reason and Use of Waiver Authority Will Enable the State To:
Reasonable Promptness Section 1902(a)(8)	To allow the state to create service caps and the potential use of waiting lists for Housing and Food and Nutrition services.
Amount, Duration, and Scope of Services and Comparability Section 1902(a)(10)(B) and 1902(a)(17)	To enable the state to provide a varying amount, duration, and scope of HRSN services to a subset of beneficiaries depending on need, which are not otherwise available to all beneficiaries in the same eligibility group. To the extent



Waiver Authority	Reason and Use of Waiver Authority Will Enable the State To:
	necessary to enable the state to limit housing services and supports under the demonstration to certain targeted groups of participants.

The State requests expenditure authority to provide Medicaid benefits to Demonstration eligible individuals. Colorado requests FFP for evidence-based HRSN services subject to the restrictions described below. Expenditures for HRSN services will be limited to costs not otherwise covered under Title XIX, but consistent with Medicaid Demonstration objectives that enable Colorado to continue to improve health outcomes and increase the efficiency and quality of care.

Requested Expenditure Authorities

Title XIX Expenditure Authority	Expenditures
Health-Related Social Needs (HRSN) Services.	Expenditures for approved evidence-based health-related social needs services not otherwise eligible for Medicaid payment furnished to individuals who meet the qualifying HRSN criteria
Health-Related Social Needs (HRSN) Services Infrastructure.	Expenditures for allowable administrative costs and infrastructure not otherwise eligible for Medicaid payment, to the extent such activities are authorized as part of the approved HRSN infrastructure activities.

Estimated Impact of the Demonstration

The table below estimates the projected annual enrollment of beneficiary member months (without and with the waiver) for each Demonstration Year (DY).

Estimated Projections of Annual Enrollment

Member Months under the Amendment*	DY5	DY6	DY7	DY8	DY9	5 year total
Total projected member months without the Amendment	0	0	0	0	0	
Total projected member months under the Amendment	69,256	139,552	140,947	142,357	143,780	635,892

The table below estimates the projected annual expenditures (without and with the waiver) for each DY.



Estimated Projections of Annual Expenditures

Projected Services Costs under the Amendment*	DY5	DY6	DY7	DY8	DY9	5 year total
Total projected administration and service costs without the Amendment	0	0	0	0	0	0
Total projected service costs under the Amendment	\$19,983,420	\$41,801,911	\$44,373,147	\$47,102,539	\$49,999,816	\$203,260,834
Total projected non-service costs under the Amendment	\$3,526,486	\$7,376,808	\$7,830,555	\$8,312,213	\$8,823,497	\$35,869,559

*Using a 5.1% trend rate; effective July 1, 2025 (six-months of (DY5))

Opportunity for Public Comment

The proposed Section 1115 Demonstration amendment is available for public review and comment at:

[Draft Amendment](#)

To request a copy of the amendment, please contact HCPF by:

- Sending an email request to hcpf_1115waiver@state.co.us;
- Sending a request by fax to 303-866-4411, Attn: 1115 SUD Demonstration Amendment; or
- Obtaining in person at the Colorado Department of Health Care Policy and Financing, 303 E 17th Avenue, Denver, CO 80203.

During the public comment period, comments may be sent to hcpf_1115waiver@state.co.us. Public comments may also be submitted by post to:

Director, Health Programs Office
 Colorado Department of Health Care Policy and Financing
 303 E 17th Avenue
 Denver, Colorado 80203
 ATTN: Public Comment - 1115 SUD Demonstration Amendment

Additional information will be posted on HCPF’s *Ensuring a Full Continuum of SUD Benefits* webpage, at <https://www.colorado.gov/pacific/hcpf/ensuring-full-continuum-sud-benefits>.

Public Hearings



HCPF invites the public to attend public hearings in person or join by teleconference/webinar to learn more about Colorado's Demonstration amendment and provide comments.

	Public Hearing #1	Public Hearing #2
Date	June 20, 2024	June 24, 2024
Time	11 a.m.-1 p.m. MST	12:30-2:30 p.m. MST
Venue	Colorado Department of Health Care Policy and Financing 303 E 17th Ave, Denver, CO 80203 Room 7B	Old Town Public Library 201 Peterson St, Fort Collins, CO 80524 Large Meeting Room 2
Teleconference	833 548 0276 Code: 394674	833 548 0276 Code: 394674
Webinar	https://us02web.zoom.us/webinar/register/WN_5Eai1Mm4Te6kFXAgvk_Ycg	https://us02web.zoom.us/webinar/register/WN_5Eai1Mm4Te6kFXAgvk_Ycg

Reasonable accommodations will be provided upon request. Auxiliary aids and services for individuals with disabilities and language services for individuals whose first language is not English may be provided upon request. Please notify 303-866-3438 or the 504/ADA Coordinator at hcpf504ada@state.co.us at least one week prior to the meeting to make arrangements.

CMS/Medicaid Demonstration Website

Relevant webpages and additional information regarding the Medicaid Demonstration can be viewed on the CMS/Medicaid website, at: <https://www.medicaid.gov/medicaid/section-1115-demo/index.html>

This notice is submitted pursuant to Title 42 Code of Federal Regulations, Part 431.408, Subpart G, which outlines public notice processes and transparency requirements for Section 1115 Demonstrations.

