



# Improving Health Care Equity, Access, and Outcomes for Coloradans Through Health First Colorado and Child Health Plan Plus

Medicaid 101 - Health First Colorado and Child Health Plan Plus Basics for New Providers



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Department of Health Care  
Policy & Financing





An Overview of Medical Assistance Programs

Medical Assistance Oversight: The Role of HCPF

Covered Services: Health First Colorado and CHP+

Health First Colorado and CHP+ Delivery System

Medical Assistance Programs and BH

Becoming a Health First Colorado Provider



# Learning Objectives

1. Participants will be able to describe Colorado's Medical Assistance programs, including Medicaid (Health First Colorado) and CHIP (Child Health Plan *Plus* or CHP+).
2. Participants will be able to describe who is eligible for Colorado's Medicaid and CHIP programs.
3. Participants will be able to describe the benefits and services offered by CHP+ and Health First Colorado, including behavioral health services.
4. Participants will be able to describe the CHP+ and Health First Colorado's service delivery systems, including the role of the Department of Health Care Policy & Financing (HCPF) and Managed Care Entities (MCEs).
5. Participants will be able to describe how services are reimbursed and the steps to become a Health First Colorado & CHP+ provider.

# An Overview of Medical Assistance Programs



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# What are Medical Assistance Programs?

- Medical Assistance Programs are free (or low-cost) health insurance options for families and children who meet certain income and other requirements
- Colorado's Medical Assistance programs include:
  - Health First Colorado, Colorado's Medicaid program
  - Child Health Plan *Plus* (CHP+)\*, Colorado's Children's Health Insurance Program

\*To stay current on CHP+ and Health First Colorado programs and any future changes please visit [hcpf.Colorado.gov](http://hcpf.Colorado.gov).

# What is Medicaid?

- Medicaid is public health insurance that was authorized in 1965 and became Title XIX of the Social Security Act (SSA).
- Medicaid is a state-federal partnership program jointly funded by the federal government and administered by states within broad federal guidelines.
- The Centers for Medicare and Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS) oversees states' Medicaid programs and works in partnership with states to administer Medicaid.

# What is Medicaid? (continued)

## Medicaid is an **OPTIONAL** program

- All states, the District of Columbia, and the U.S. territories participate in the program.
- States that choose to participate in Medicaid must comply with all federal requirements.

## Medicaid is an **ENTITLEMENT** program

- This means all Medicaid-eligible persons have a right to receive medically necessary health care services defined in statute **AND** the federal government is obligated to fund a share of the costs of those services.







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## Who Does Medicaid Cover? - A National View

Medicaid is the **single largest** health coverage program for low-income Americans.

Medicaid covered almost 90 million individuals in June 2023, including 4 of 10 children.

Almost 1 of 5 Medicaid enrollees nationwide are age 65+ or are people with disabilities; this population accounts for over half of Medicaid spending.

43% of Medicaid enrollees are non-elderly people with disabilities.





# Who is Eligible for Medicaid?

Medicaid eligibility rules vary by state.

Every state covers some individuals and families, including children, pregnant individuals, elderly people with certain incomes, and people with disabilities.

Some states that expanded Medicaid through the Affordable Care Act (ACA), like Colorado, cover other adults based on income alone. Under the ACA expansion, any Coloradan whose income is less than 133% of the Federal Poverty Level may be eligible for Health First Colorado.

Under federal law, all U.S. citizens and certain legal immigrants who meet Medicaid financial and non-financial criteria are entitled to Medicaid.



# Who is Eligible for Health First Colorado, Colorado's Medicaid program?

Must be a resident of Colorado.

Must be a U.S. national, citizen, permanent resident, or legal alien in need of health insurance.

Unqualified non-citizens may be eligible for Emergency Only Medicaid.

HB 22-1289, signed into law in June 2022, uses state funds to expand the availability of Medicaid and CHP+ coverage in 2025 to **undocumented pregnant people and children who might not otherwise be eligible except for immigration status.**



# What is CHIP?

- CHIP was created as part of the Balanced Budget Act of 1997 as Title XXI of the Social Security Act (SSA).
- Unlike Medicaid, CHIP funding must be regularly reauthorized. The latest reauthorization (Bipartisan Budget Act of 2018) extends CHIP funding through 2027.
- Like Medicaid, CHIP is a state-federal partnership program jointly funded by the federal government and administered by states within broad federal guidelines.
- Like Medicaid, CMS oversees states' CHIP programs and works in partnership with states to administer CHIP.



# What is CHIP (cont.)?

- Like Medicaid, states can design their CHIP within broad federal guidelines.
- States can apply to change their CHIP state plan using a CHIP state plan template. For example, a state can change a separate CHIP into a Medicaid expansion program.

## **Federal funds can be used to design a CHIP in three basic ways:**

1. Separate child health program (state receives federal funding to create a separate CHIP): 2 states (WA, CT).
2. Expand Medicaid (state receives federal funding to cover CHIP eligible children under Medicaid): 10 states (AK, HI, NC, ND, NH, NM, OH, SC, VT, WY) 5 territories, DC.
3. Combination: (state receives federal funding to implement both an expansion and a separate CHIP): 38 states, including Colorado.



# What is CHIP (continued)?

## CHIP provides low-cost health coverage to children

- CHIP provides low-cost health coverage to children (and in some states, pregnant women) for families who make too much money to qualify for Medicaid but not enough to buy private insurance.
- CHIP covers fewer individuals than Medicaid and involves less federal spending.

## CHIP is an **OPTIONAL** program

- CHIP, like Medicaid, is optional and all states, D.C., and the U.S. Territories participate in the program.
- States that choose to participate in CHIP must comply with all federal requirements.

## CHIP is NOT an Entitlement Program

- Unlike Medicaid, there is no individual entitlement to coverage in separate CHIP programs and funding is not open-ended.

## Separate CHIP programs have different rules from Medicaid

- States with a separate program, like Colorado, operate under a separate set of federal rules which let states design insurance plans that look more like commercial insurance.



# Who is Eligible for CHP+, Colorado's CHIP?

- Resident of Colorado
- Lawfully residing children and pregnant women with no 5-year waiting period
- Not eligible for Health First Colorado
- Do not have any other health insurance

+

Be a:

- Child  $\leq$  18 years of age
- Pregnant individual  $\geq$  19 years of age
- Primary caregiver with children  $\leq$  18 years of age

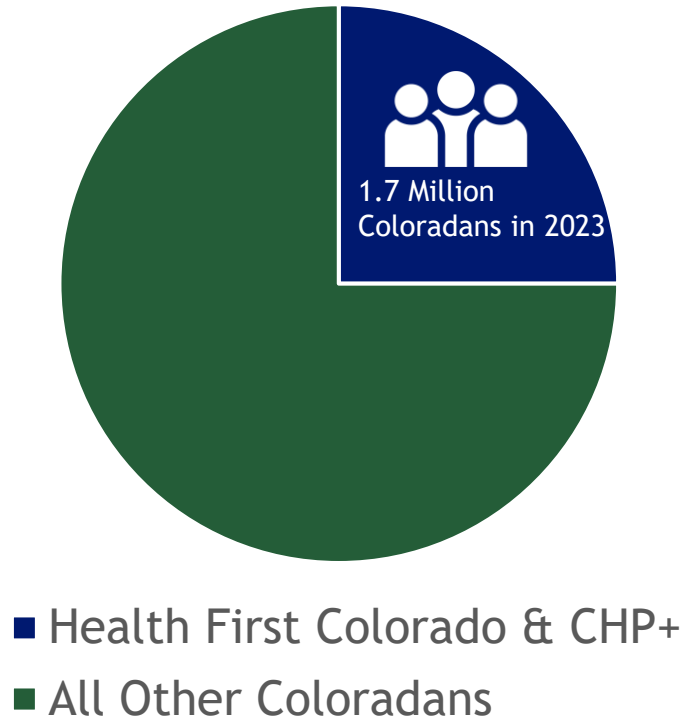
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Have an annual household income  $<$  260% FPL



# Who Does CHP+ and Health First Colorado Cover?

## Medicaid & CHP+ Coverage in Colorado



- About 87.3 million Americans were enrolled in Medicaid and CHIP in October 2023
- 39.4 million of these individuals are children or 46.3% of total Medicaid and CHIP enrollment
- Health First Colorado and CHP+ covered almost 30% of Coloradans in 2023



# Exercise #1



## True or False?

Colorado's Medical Assistance programs include Health First Colorado and CHP+.



## True or False?

States are responsible for fully funding the Children's Health Insurance Program (CHIP) for their state.



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# Exercise #1 Answers



**True:** Colorado's Medical Assistance programs include Health First Colorado - Colorado's Medicaid program; and Child Health Plan *Plus* (CHP+) - Colorado's Children's Health Insurance Program.



**False:** Like Medicaid, CHIP is a state-federal partnership program jointly funded by the federal government and administered by states within broad federal guidelines.



# Medical Assistance Oversight: The Role of HCPF



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# What is Department of Health Care Policy & Financing?

- **Medicaid:** Federal law requires each state to designate a single state agency in the “state plan” to administer (or supervise the administration of) the state’s Medicaid program
  - Colorado designates the Department of Health Care Policy & Financing (HCPF) as the Medicaid single state agency
- **CHIP:** Although there is not a single state agency requirement, like Medicaid, the state must identify the state agency responsible for CHIP oversight and administration.

# HCPF Core Functions: Health First Colorado & CHP+

HCPF's core functions are similar for both programs

Serves as the Single State Agency for Health First Colorado & Administers CHP+

- Administers (or supervises the administration of) the State's Medicaid program and the state's CHIP (although there is no single state agency requirement with CHIP, the state must identify the officials responsible for the program).

Ensures compliance with all applicable federal laws, rules & requirements

- Develops Medicaid and CHIP state plans that assures the federal government that Colorado will abide by federal rules and allows the State to claim federal matching funds for its activities.
- Monitors and oversees intermediaries -Managed Care Entities (MCEs) for Health First Colorado and 4 managed care organizations (MCOs) for CHP+.

Determines Program Eligibility

- Establishes procedures to ensure all eligible persons have a right to receive medically necessary health care services defined in statute.
- Informs potentially eligible individuals about the program.
- Conducts fair hearings if a person wants to challenge a determination.



# HCPF Core Functions (continued)

## Establishes Benefits & Services

- Ensures the provision of federally required services
- Determines which additional (optional) services will be provided
- For separate CHIP, chooses to provide either benchmark coverage, benchmark-equivalent coverage\*, or Secretary-approved coverage, Benchmark coverage must be equal to the Federal Employees Health Benefit Plan, State Employee Plan, or a Health Maintenance Organization Plan (the commercial plan with the largest non-Medicaid enrollment in the state)

## Determines Reimbursement Policies & Related Infrastructure

- Establishes reimbursement policies
- Provides the state matching funds required as part of the cost sharing with the federal government
- For Medicaid, Maintains the Medicaid Management Information System (MMIS)

## Works with Intermediaries, Providers, Consumers and Others to Ensure Needs of the Community are Being Met

- Establishes provider network and related policies
- Partners with intermediaries on the delivery and administration of services and programs
- Establishes quality measures and monitoring systems to improve quality and increase access to services



# How does the Federal Government Share Health First Colorado and CHP+ Costs?

CMS matches every dollar a state spends on Medicaid and CHIP services at different rates that may vary year-to-year based on a state's average per capita income and federal eligibility category.

## Federal Financial Participation (FFP)

Federal government's share for most Medicaid health care services and program administration

## Federal Medical Assistance Percentage (FMAP) (or enhanced-FMAP for CHIP)

Formula through which the federal government calculates FFP. FMAP reflects' states differing per capita incomes



# Federal Medicaid Assistance Program (FMAP)

- Health First Colorado receives approximately 60% of its funding from the federal government, while CHP+ is approximately 66% federally funded.
- Less than 4% of HCPF's budget goes to administrative costs, while 96% are payments to health care providers.
- At the federal level, unlike Medicaid, CHIP funding is capped and state allotments are determined annually. The FMAP is paid out of the state's allotment.
- There are federal CHIP contingency funds available to states that spend their CHIP allotments and meet enrollment targets.

## Exercise #2



### True or False?

HCPF Serves as the Single State Agency for Health First Colorado & Administers CHP+



### True or False?

The federal government pays for all Medicaid & CHIP costs



## Exercise #2 Answers



**True:** Colorado designates the Department of Health Care Policy & Financing (HCPF) as the Medicaid single state agency. Although there is not a single state agency requirement like Medicaid, HCPF is identified as the state entity responsible for CHIP oversight and administration.



**False:** The federal government shares the costs of the Medicaid program with states based on a formula (FMAP)



# Covered Services: Health First Colorado and CHP+



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# Health First Colorado Benefits and Services - What's Covered?

-  Early and Periodic Screening, Diagnostic, and Treatment
-  Dental Services
-  Hospitalization, Emergency Services & Transportation
-  Maternity & Newborn Care
-  Pharmacy & Durable Medical Equipment
-  Physical, Occupational, and Speech Therapy
-  Laboratory Services
-  Preventive & Wellness Visits
-  Family Planning
-  Behavioral Health Care

Health First Colorado covers a wide range of **medically necessary services**

*The Medicaid Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) is key to ensuring that children and youth receive appropriate preventive, dental, mental health, developmental and specialty services.*

# CHP+ What's Covered?



Dental Services through DentaQuest (“carved out”)



Primary Care



Urgent & Emergent Care



Hospital Services



Prescription Drugs



Immunizations



Maternity & Newborn Care



Behavioral Healthcare

CHP+ covers a wide range of **medically necessary** services

*A significant difference from Medicaid is the lack of an EPSDT benefit for children*

# Medical Necessity as defined in the Code of Colorado Regulations

## Medical necessity means a Medical Assistance program good or service:

- a. Will, or is reasonably expected to prevent, diagnose, cure, correct, reduce, or ameliorate the pain and suffering, or the physical, mental, cognitive, or developmental effects of an illness, condition, injury, or disability. This may include a course of treatment that includes mere observation or no treatment at all;
- b. Is provided in accordance with generally accepted professional standards for health care in the United States;
- c. Is clinically appropriate in terms of type, frequency, extent, site, and duration;
- d. Is not primarily for the economic benefit of the provider or primarily for the convenience of the client, caretaker, or provider;
- e. Is delivered in the most appropriate setting(s) required by the client's condition;
- f. Is not experimental or investigational; and
- g. Is not more costly than other equally effective treatment options





## Exercise #3



### True or False?

Health First Colorado and  
CHP+ provide the same  
benefits and services



### True or False?

CHP+ includes an EPSDT  
benefit for children



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## Exercise #3 Answers



**False:** Colorado administers a separate CHIP. CHP+ has different benefits and services than Medicaid.



**False:** A significant difference of CHP+ and Medicaid is the lack of an EPSDT benefit for children

# Health First Colorado & CHP+ Delivery System



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# MA Programs Delivery System

Colorado uses a hybrid fee-for-service (FFS)/managed care approach for Health First Colorado and comprehensive risk-based managed care for CHP+:

## FFS

The state pays providers directly for physical health services plus up to six low acuity BH services. Payment is based on a fee schedule.

FFS (Physical Health) & FFS OP BH Benefit

>1% of Health First Colorado members are NOT assigned to an MCE and all services are covered under FFS

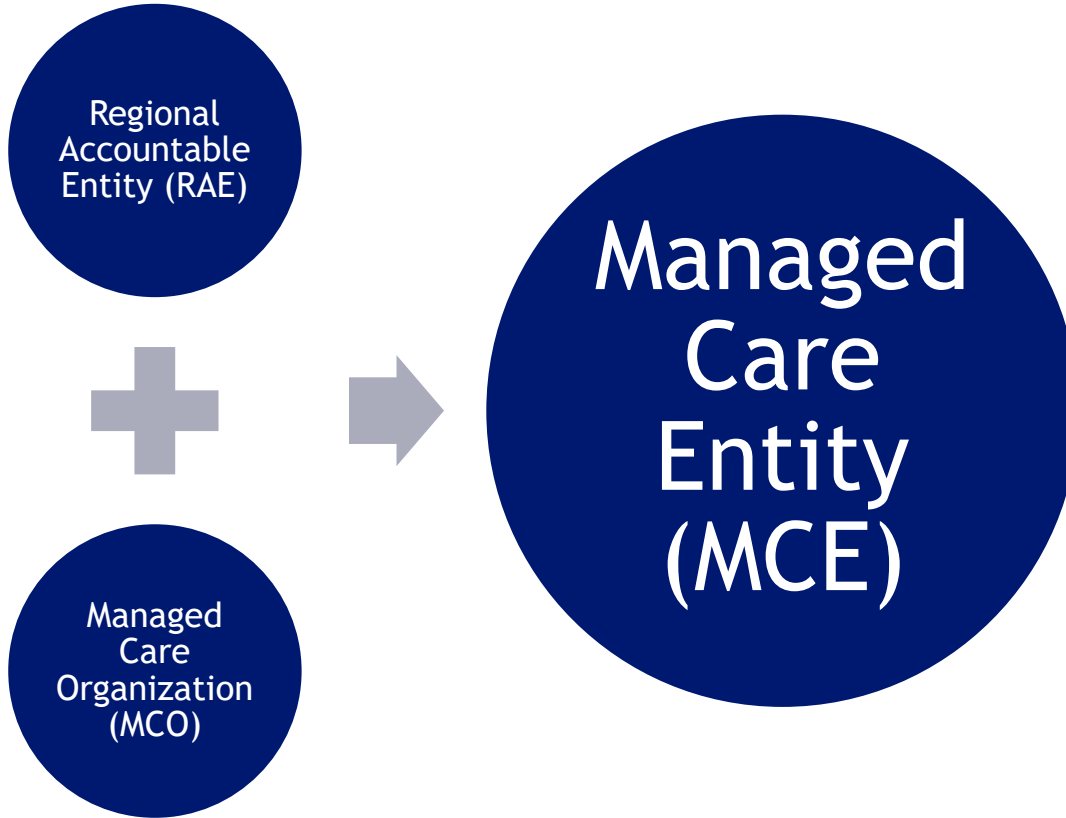
## Managed Care

**Primary Care Case Management (PCCM):** Colorado pays health plans (known as Managed Care Entities (MCEs)) a PMPM to manage and coordinate Medicaid member access to care. MCEs pass on some of the PMPM to “primary care medical providers” who are responsible for managing and coordinating all services an assigned member receives.

**Comprehensive Risk-Based Managed Care:** Colorado also contracts with the MCEs to cover most Medicaid BH covered services for Medicaid enrollees. The state pays the plans a capitation rate (or fixed PMPM) to cover a defined set of BH services. Plans are at financial risk if the spending exceeds payments.



# What is a Managed Care Entity?



# Health First Colorado Delivery System

## Physical Health

- HCPF pays FFS claims for physical health services and HCBS providers
- Primary Care Medical Providers (PCMPs) can also bill for up to 6 short term BH visits to an onsite BH clinician per member per year
- Some SUD benefits, like Suboxone, are considered outpatient FFS benefits (not an SUD benefit) and are paid FFS (see Physical Health)

## Behavioral Health

- MCEs administer, operate, and manage the Medicaid capitated BH benefit
- MCEs are responsible for paying for the majority of BH services
- MCEs pay providers via FFS or other arrangements arrived at with providers
- There is also a FFS OP BH Benefit for those not enrolled in managed care



# How are Health First Colorado Benefits & Services Delivered?

Coordinate Health First Colorado member care in their regions, including collaboration with home and community-based services case management and with behavioral health providers.

Build networks of acute, primary, and BH care providers.

Administer the State's capitated BH program, including payment for BH services.

Monitor data and metrics to ensure MCEs and providers meet performance and quality goals.

Manage value-based payment programs and shared savings payments.

- ✓ HCPF administers and oversees the delivery of care through the Accountable Care Collaborative (ACC), which is implemented by Managed Care Entities (MCEs)
- ✓ HCPF requires the MCEs to perform key functions





# How are CHP+ Benefits & Services Delivered?

CHP+ members are enrolled into a MCO. Each CHP+ MCO uses its own group of hospitals, pharmacies and doctors for the counties it serves.

The county you live in will determine which MCO you or your child enrolls with. If more than one MCO is available in your county, a health plan will be selected for you, but you can change MCOs for up to 90 days after you qualify for CHP+.

MCOs build networks of acute, primary, and BH care providers.

- ✓ HCPF administers and oversees the delivery of care through managed care organizations (MCOs).
- ✓ HCPF requires the MCOs to perform key functions.



## Exercise #4



### True or False?

HCPF administers and oversees the delivery of Health First Colorado through care through the Accountable Care Collaborative.



### True or False?

There are no FFS BH benefits.



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## Exercise #4 Answers



**True:** HCPF administers and oversees the delivery of care through the Accountable Care Collaborative (ACC), which is implemented by Managed Care Entities (MCEs)



**False:** Health First Colorado (Colorado's Medicaid Program) members may receive up to 6 short-term behavioral health services (STBHS) provided by a licensed BH clinician working as part of a member's Primary Care Medical Provider (PCMP).

# Medical Assistance Programs and Behavioral Health



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## What is HCPF's Role in BH?

- HCPF offers a wide range of behavioral health (BH) services that are medically necessary, appropriate, and cost-effective through the Medicaid Capitated BH Benefit.
- Creates alternative payment methodologies and creates value-based payment opportunities to improve quality and build sustainability for providers.
- Sets Behavioral Health Medicaid policy and advances the continuum through Medicaid policy (e.g., Substance use Residential Benefit, Mobile Crisis Response).
- Quality Monitoring.
- Technical Assistance.

# Medicaid and CHP+ Behavioral Health Initiatives and Coverage (BHIC) Office

BHIC governs HCPF's specific behavioral health policies, benefits, special projects and strategies.

The office also ensures that HCPF is fully aligned and engaged to support the Colorado Behavioral Health Administration (BHA) and its vision.

This includes implementing elements of the statewide behavioral health transformative initiatives attributed to HCPF while ensuring that HCPF continues to improve the behavioral health access, quality, equity and service provided to Medicaid and CHP+ members.

## BHIC Vision

BHIC develops, supports, and implements evidence-based behavioral health initiatives for Coloradans through intentional problem-solving. We are empowered to be collaborative, accountable and curious within an inclusive culture of learning and growth.



# What are the Health First Colorado MCE's Role in BH?

- MCEs are required to contract with a statewide network of providers to deliver BH benefits and maintain network adequacy standards. MCEs must submit quarterly BH network adequacy reports to HCPF.
- Each MCE negotiates what they will pay their network providers.
- Each MCE implements utilization management criteria that uses a nationally recognized UM tool, follows Colorado Statewide Standardized UM (SSUM) Guidelines for members under 21, and follows ASAM criteria.
- HCPF requires MCEs to process BH claims in a timely manner.
- MCEs must spend a minimum of 85% of every health care dollar they get from HCPF on covered services.
- Each MCE reports to HCPF on certain performance and utilization measures.
- The MCEs do not have a role within CHP+.



# What BH Services does Health First Colorado Cover?

Health First Colorado offers the full continuum of SUD and MH benefits:

- **Hospital Services**

- Inpatient Psychiatric Hospital Services rendered by acute care/general hospitals, free-standing psychiatric hospitals or state hospitals
- Outpatient Hospital Services

- **Emergency and Post Stabilization Care Services**

- **Substance Use Disorder Residential Services**

- **Mental Health Residential Services**

- Adult Transitional Living
- Acute Treatment Unit
- Crisis Stabilization Unit

- **High Intensity Outpatient Services**

- **Mental Health/Substance Use Disorder Outpatient Services**

- Crisis Services
  - Mobile Crisis Response
  - Behavioral Health Secure Transportation
- Care Coordination
- Recovery Supports
- Respite

- **Screening and Assessment Services**

- **Treatment Services**

- **Physician Services**





# Colorado also Covers Residential & Inpatient SUD Treatment

- The goal of the waiver is to improve health outcomes, promote long-term recovery, and reduce overdose deaths in a cost-effective manner.
- These new services are open to all Health First Colorado members with an eligible SUD diagnosis who meet medical necessity criteria.
- MCEs cover the cost of treatment services while room and board is carved out and paid for by the BHA using SAMSHA block grants because Federal regulations prohibit Medicaid payment for room and board in residential settings.



## Exercise #5



### True or False?

MCEs must spend a minimum of 75% of every health care dollar they get from HCPF on covered services.



### True or False?

MCEs cover all costs associated with SUD residential services.



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## Exercise #5 Answers



**False:** MCEs must spend a minimum of 85% of every health care dollar they get from HCPF on covered services.



**False:** MCEs cover the cost of treatment services while room and board is carved out and paid for by the BHA using SAMSHA block grants because Federal regulations prohibit Medicaid payment for room and board in residential settings.

# Becoming a Health First Colorado and CHP+ Provider



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# Becoming a Health First Colorado Provider

For more information on becoming a Health First Colorado and CHP+ provider, please visit the Colorado HCPF at: <https://hcpf.colorado.gov/become-a-provider>





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## How do Providers Get Reimbursed for BH Services?

- Providers contract with a MCE to deliver BH services.
- Providers negotiate their payment directly with the MCEs.
- The MCEs receive a BH capitation PMPM payment from HCPF which they use to reimburse providers according to their contract.
- CHP+ providers are reimbursed by the MCO.

# Value Based Payment & Incentives



In addition to PMPM payments, MCEs can earn value-based and outcomes-based payments based on performance on selected metrics, including Key Performance Indicators, Performance Pools, and Shared Savings opportunities.



MCEs pass on incentive payments to providers serving their members.



Colorado intends to have 50% of Medicaid payments tied to value based arrangements by 2025.

# HCPF Incent MCEs to Improve Care and Increase Access

HCPF operates several incentive programs for MCEs to meet program level goals and objectives and encourage improvements in quality, population health, and access to care



Key Performance Indicators (KPIs) which are measured across the state



Performance Pool which is funding set aside for MCE incentive to place emphasis on health outcomes and cost containment



BH Incentive Program includes specific key performance metrics for behavioral health that result in increased payment to MCEs and providers



## Exercise #6



### True or False?

BH Providers are paid by the MCE and not HCPF.



### True or False?

To become a Health First Colorado provider, you must contract with a MCE.



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## Exercise #6 Answer



**True:** BH Providers negotiate rates directly with the MCE, which reimburses them for services.



**True:** Providers contract with a MCE to deliver BH services.

To better inform our future trainings and request topics for office hours, please complete this short survey. Use the QR code or short URL to access it. Your feedback is important. Thank you!



<https://bit.ly/bhprovidertrainingsurvey>



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# Appendix A: Additional Resources

## Office Hours

Last Friday of the month (March-June) @ 12pm MST, [Register Here](#)

## Listserv

Join the Listserv to receive notifications of trainings, technical assistance, and other stakeholder engagement opportunities: [Register Here](#)

## HCPF Safety Net Provider Website

Visit the website for details on upcoming training topics and announcements, training recordings and presentation decks, FAQs and more: <https://hcpf.colorado.gov/safetynetproviders>

## TTA Request Form and E-Mail

Request TTA support or share your ideas, questions and concerns about this effort using the [TTA Request Form](#) or e-mail questions and comments to: [info@safetynetproviders.com](mailto:info@safetynetproviders.com)



# Appendix B: References

- CMS: <https://www.medicaid.gov/>
- Department of Health Care Policy & Financing: <https://hcpf.colorado.gov/>
- Medicaid and CHIP Payment and Access Commission: [macpac.gov](https://www.macpac.gov)
- Kaiser Family Foundation: <https://www.kff.org/>

