



**COLORADO**

Department of Health Care  
Policy & Financing

303 E. 17<sup>th</sup> Ave. Suite 1100  
Denver, CO 80203

# Medicaid Innovation, Sustainability, and Opportunities Project

Released May 30, 2025

## STATEMENT OF WORK: PART ONE - MEDICAID COST DRIVERS LANDSCAPE ANALYSIS

**Purpose:** The state of Colorado, led by the Governor's Office (GO) and the Department of Health Care Policy and Financing (HCPF), seeks to contract with an external, nationally recognized consultant that has a comprehensive knowledge of the national and Colorado Medicaid landscape, to provide an analysis and comparison of Colorado's Medicaid and CHP+ programs with national best practices and norms, including: per-member spending, benefits, provider reimbursement levels, cost trends, federal funding, legislature partnership, overpayment/FWA initiatives, delivery system structure, eligibility levels, and for LTSS recipients the portion of the population accessing services, living in the community and portion of the population that are employed. The goal of the engagement is to help Colorado identify and consider cost-saving solutions that will better enable it to improve the effectiveness and efficiencies of its Medicaid and CHP+ programs taking into account current initiatives that seek to achieve these aims including but not limited to the Accountable Care Collaborative Phase III being implemented July 1, 2025, while operating these programs to achieve quality and access goals within its state fiscal limits and pending federal funding cuts.. The engaged contracted consultant will also collaborate with GO/HCPF to ascertain Medicaid and CHP+ program cost drivers, propose a series of policy options for consideration evaluated against state-provided criteria, and analyze costs, timelines, and implementation considerations.

### **Part 1. Deliverables on Medicaid Models, Recommendations, and Financial Analysis**

The Study and Analysis Contractor shall prepare three iterative and progressive reports or presentations on Medicaid cost drivers, trends, cost control mechanisms, and inefficiencies, as well as recommendations for sustainability that incorporate Colorado-specific political context, including state laws such as TABOR, Colorado's overall health care landscape and the Accountable Care Collaborative (ACC) Phase III model being implemented July 1, 2025.

**Deliverable 1**, Landscape Analysis shall include:

- Segregated by LTSS and non-LTSS, provide a comparison of how Colorado compares to other states, including on the following dimensions: per-member spending, benefits, provider reimbursement levels, cost trends, cost control initiatives, federal funding, overpayment/FWA initiatives, delivery system structure, eligibility levels, administrative spending.



- For LTSS recipients, also provide the portion/percentage of the population accessing LTSS services (divided by children and adults), living in the community and portion of the population that are employed.
- Strengths and challenges of Colorado's current Medicaid model and trends.
- Identification of similar projects in other states and relevant lessons learned.

This deliverable must consider, as relevant, the following:

- Address considerations of cost drivers nationally and state-wide, including at a minimum:
  - o Percentage of Colorado Medicaid costs and outlier costs coming from major segments of the health care system, such as hospital costs, prescription drugs, professional services, laboratory services, radiology, behavioral health, LTSS, etc.
  - o Provider reimbursement rate comparisons and outliers coming from the above, with specialist insights as well
  - o Include comparisons that illuminate opportunities in the areas of:
    - Rural health
    - Provider fees and other avenues to increase federal match revenues to the state
    - Initiatives that transfer risk to plans, providers, and/or other entities, such as managed care, VBP, ACOs, health system full capitation, and incentive arrangements, including using different Medicaid authorities (e.g. 1115s, 1915s)
    - Utilization review, case management, care coordination and other industry standard cost control measures
    - Fraud, waste and abuse
    - Technology solutions
    - Eligibility accuracy
    - Efficiency of the state-supervised, county- administered system



- Contractor costs
  - Opportunities that reduce costs or growth by keeping people healthy
  - Reducing administrative costs and burdens for providers, patients, and the state
  - Other areas as determined by the consultant
- Include information on other states, national trends, national benchmarks, and case studies by incorporating analyses completed by national organizations such as NAMD and ADvancing States, and other state Medicaid agencies.
  - Include Colorado-specific data and consideration of the state and federal budgets.
  - Use approved or state-vetted state and national data sources.
  - Include an executive summary, materials that can be used with stakeholders, and citations for all data and evidence and base data that is driving insights, recommendations and conclusions.
  - DELIVERABLE: Landscape Analysis
  - DUE: Within 45 Calendar days of Effective Date

**Deliverable 2, Recommendations for Colorado shall include:**

- Based on the landscape analysis and identified best practices, provide the state with a Colorado-specific, actionable and feasible menu of recommendations for further analysis on the above topics and insights.
  - Recommendations should include both suggestions for incremental adjustments to Colorado's current policy, programs, operational methodologies, and payment structure (including the areas identified in Deliverable 1) as well as more significant recommendations for changes that would better ensure the sustainability of the Colorado Medicaid program.
- Evaluate the options on the menu for cost savings against specific criteria (provided by the state), and a high-level timeline (by month or quarter) for implementing changes.
- The report shall also include concepts that should not be considered, briefly explaining why.



- The report should include an executive summary, materials that can be used with stakeholders, and citations for all data and evidence.
- DELIVERABLE: Recommendations Report
- DUE: Within 90 Calendar Days following the Effective Date

**Deliverable 3, Presentation on Findings at Stakeholder Engagement Meetings:** Contractor shall participate in a stakeholder engagement effort designed to vet, gather feedback, and narrow the recommendations for further analysis and consideration. The state is engaging with a separate contractor (“Contractor #2/Stakeholder Engagement Contractor”) to lead these meetings and handle the majority of the stakeholder engagement work; Contractor #1 is expected only to present key findings from Deliverables 1 and 2 and listen to the meetings.

- DELIVERABLE: Participation in stakeholder meetings and presentation of information from Deliverables 1 and 2
- DUE: Within 30-60 days of the delivery of Deliverable 2

**Deliverable 4, Implementation and Financial Analysis:** After working with stakeholders, the state will determine which recommendations to pursue for further cost and implementation analysis and will provide that list to the vendor. The vendor will complete an analysis of those options, including:

- Timeline of how the recommended changes can be applied in CO
- Multi-year program-specific and total Medicaid cost analysis including cost, revenue, and cost avoidance implications of the recommended changes.
- Identify costs upfront, costs of the change, savings, and ongoing costs.
- Identify opportunities to maximize federal funding.
- Identify what controls the state should implement to mitigate risk.
- Identify effective accountability mechanisms that ensure limitations and cost saving efforts are retained and sustained over time.



- Describe how the recommendations could reduce administrative burdens for the Department, providers and members.
- Include an executive summary, materials that can be used with stakeholders, and citations for all data and evidence.
- DELIVERABLE: Implementation and Finance Analysis
- DUE: Within 180 Calendar Days following the Effective Date

### ***General Expectations***

- Contractor will host weekly briefings with key state staff to test assumptions, ask questions, confirm direction, and address any barriers.
  - Contractor will facilitate meetings, keep minutes, and retain a decision log and action log for the project.
  - DELIVERABLE: Weekly meetings with key state staff
- Contractor will host a monthly Leadership meeting, to include executive, senior executive, Cabinet, and Governor's Office leadership to present updates on analysis and make decisions.
  - Contractor will facilitate meetings, keep minutes, and retain a decision log and action log for the project.
  - DELIVERABLE: Monthly Leadership Meetings
- The state will provide the Contractor with existing and requested data, reports, strategic planning materials, and Department descriptions.
- HCPF and GO shall review and approve all materials.
- HCPF and GO shall set criteria by which the Consultant is determining recommendations.
- Contractor will coordinate with Stakeholder Engagement Contractor, attending stakeholder meetings and incorporating stakeholder feedback where appropriate.



**State-Provided Data, Trend Analysis, Stakeholder Input, and Cost-Containment Strategies**  
Health Care Policy & Financing (HCPF) will supply the Colorado Medicaid comparative data points associated with Deliverable 1, including but not limited to, the following at no cost to the vendor:

- **Cost Trend Data:** Quarterly and annual claims by program, service category, population cohort, and other breakdowns as requested.
- **Quality Metrics:** Program-level performance indicators such as readmission rates, preventive care utilization, and member satisfaction scores.
- **Utilization Reports:** Detailed service utilization trends across fee-for-service and managed care populations.
- **Custom Extracts and Dashboards:** Tailored datasets and interactive visualizations reflecting the state’s evolving cost and quality landscape may be available.
- **Stakeholder Engagement and Feedback Summaries:** The state will contract with a state-based vendor to support stakeholder engagement to ensure that Medicaid members, providers, advocates and other partners are kept up to date on the work herein, and provide feedback on recommendations. The state and the stakeholder engagement vendor will include the Contractor in external stakeholder meetings and provide synthesized reports to Contractor.
- **Cost-Containment Strategies Inventory:** A comprehensive list of ongoing and proposed cost-containment initiatives, including policy reforms, payment-model pilots, utilization-management protocols, Accountable Care Collaborative Phase III program attributes effective July 1, and administrative efficiencies under consideration by HCPF.

Vendors shall not include any line items in their fee proposals for acquisition, cleansing, processing, or basic analysis of these state-supplied data sets, metrics, stakeholder summaries, or cost-containment inventories—HCPF will furnish them at no additional charge.

### ***Proposal Requirements***

Submit questions and your proposal, up to 10 pages, no later than 11:59pm MT on Wednesday, June 11, 2025 to Adela Flores-Brennan, Medicaid Director, [adela.flores-brennan@state.co.us](mailto:adela.flores-brennan@state.co.us).



- Font 11 for main text, 10 for tables, Include page numbers
- Proposal Sections
  - Executive Summary (1 page)
  - Contractor qualifications with examples (2 pages)
  - Work plan/Gantt chart (1 page - please include commentary and recommendations on our proposed timeline for deliverables, and what data may not be available)
  - Proposal narrative (5 pages)
  - Key reports, data, and resources (1 page)
  - Key personnel resumes (does not count toward total page number)
  - Budget (does not count toward total page number)

**Timeline:**

- Vendor selection: Mid-to-late June 2025
- Contractor negotiations: late June/early July 2025
- Goal of executing a contract by July 7, 2025

**Estimated budget:** \$500,000 to \$1,000,000

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**Below for reference is a separate solicitation for the stakeholder engagement and facilitation elements of the project. DO NOT SUBMIT A PROPOSAL THAT INCLUDES PART TWO. THIS SOLICITATION IS ONLY FOR PART ONE. The text below was included only for purposes of informing your proposal responding to PART ONE of the project.**

**STATEMENT OF WORK: PART TWO - STAKEHOLDER ENGAGEMENT AND FACILITATION**



**Purpose:** The state of Colorado, led by the Governor’s Office (GO) and the Department of Health Care Policy and Financing (HCPF), is seeking a contractor (“Contractor #2, or the Stakeholder Engagement Contractor”) to conduct a stakeholder process that: educates stakeholders on the current Colorado Medicaid cost trend drivers and infrastructure using the landscape analysis provided by Contractor #1/Study and Analysis Contractor, shares recommendations from the prepared analysis, solicits feedback on potential changes and incorporates stakeholder ideas.

Stakeholders will include providers, consumer advocates, other state agencies, and HCPF partners. The health care community in Colorado is highly active and participatory. Providers, advocates, and payers alike have historically been at the table to negotiate changes, and there is an expectation of inclusion.

**Qualifications:** The vendor supporting stakeholder engagement for this project has to have strong knowledge of the Colorado health care landscape and players, and knowledge of the dynamics. The vendor should be trusted by the key Medicaid stakeholders in Colorado: advocates, providers, patients, plans, and the state. The vendor must maintain a high degree of transparency and be able to navigate opposing viewpoints. In addition, the vendor must be skilled at navigating complex political dynamics and building trust among parties. In support of this contract, the vendor must:

- Create a stakeholder engagement plan that includes a list of relevant stakeholders, a timeline, number and style of engagements.
  - DELIVERABLE: Stakeholder Engagement Plan
  - DUE: 15 days after effective date of contract.
- Plan, execute, and provide facilitation for stakeholder meetings in coordination with the Study and Analysis Contractor. Meetings must meet state accessibility requirements.
  - DELIVERABLE: Stakeholder meetings
  - DUE: Initiate 30 days after effective date.
- Collect notes for each stakeholder meeting.
  - DELIVERABLE: Notes from each meeting
  - DUE: 15 days after each meeting
- Analyze feedback and draft report on conclusions for delivery to state and Study and Analysis Contractor.





- DELIVERABLE: Stakeholder Feedback Report
- DUE: tentatively December 1, 2025

Please send your proposal submission to Adela Flores-Brennan, Medicaid Director, at [adela.flores-brennan@state.co.us](mailto:adela.flores-brennan@state.co.us) by 11:59pm on Wednesday, June 11, 2025.

**Timeline:**

- Select vendor: June 2025
- Negotiate Contract: July 2025

**Estimated maximum budget:** \$50,000.

**Background:** The state of Colorado, led by the Governor’s Office (GO) and the Department of Health Care Policy and Financing (HCPF), seeks to contract with an external, nationally recognized consultant (“Contractor #1/Study and Analysis Contractor”) that has a comprehensive knowledge of the national and Colorado Medicaid landscape, to provide an analysis and comparison of Colorado’s Medicaid and CHP+ programs with national best practices and norms, including: per-member spending, benefits, provider reimbursement levels, cost trends, federal funding, legislature partnership, overpayment/FWA initiatives, and delivery system structure, eligibility levels, and for LTSS recipients the portion of the population living in the community and portion of the population that are employed. The goal of the engagement is to help Colorado identify and consider solutions that will better enable it to improve the effectiveness and efficiencies of its Medicaid and CHP+ programs, while operating these programs to achieve quality and access goals within its state fiscal limits and pending federal funding cuts. The engaged contracted consultant will collaborate with GO/HCPF to ascertain Medicaid and CHP+ program cost drivers, propose a series of policy options for consideration evaluated against state-provided criteria, and analyze costs, timelines, and implementation considerations.

