SHG ADVISORS
Where Strategy Meets Social Change

Commission on Medicaid

Tuesday, July 28, 2026 · 11:00 a.m. – 4:30 p.m. · State Capitol · Room 357

SHG ADVISORS
Where Strategy Meets Social Change

Framing our conversation

We need to understand what happened.

We are here to decide what happens next.

Let’s reset.

How we'll work today

1	**It is a conversation**	Jump in — no need to be called on but do state your name.
2	**Fewer slides, by request**	HCPF brings key points and answers live, rather than a long deck.
3	**A parking lot**	Off-topic is not off-limits. A conversation is scheduled if it is in scope.
4	**We adjust after today**	We will discuss what worked and change the format for August 5.

Hard questions are welcome. “We don’t know yet” is also an acceptable answer today.

What we decided on July 6

7 of 10
to adopt a recommendation

6
to make a quorum

50% + 1
for routine business

Votes are recorded. Consensus is labelled where it exists, and minority positions are published alongside.

ALSO ADOPTED

The information-request protocol. Logged, owned, answered on the record.

The work plan and scope framework. What is in scope for December, and what is not.

The mission. Bending general-fund cost growth.

These carry through to the December 11 report.

Today at a glance

11:00	Open & orient
11:20	H.R. 1: the national picture
12:35	HCPF: prior answers & orientation
1:20	H.R. 1 in Colorado
2:30	Rural transformation
3:05	Very initial implementation plan
3:40	Public comment

DEFERRED TODAY

- Redetermination centralization → Aug 18
- HCPF staffing and org chart → Aug 5
- Retrospective federal drawdown → Sept 17
- Colorado SDP and cost-sharing → Sept 17

National Landscape for Medicaid

Robin Rudowitz
SVP, Director, Program on Medicaid and the Uninsured

Colorado Commission on Medicaid
July 28, 2026

KFF
The independent source for health policy research, polling, and news.

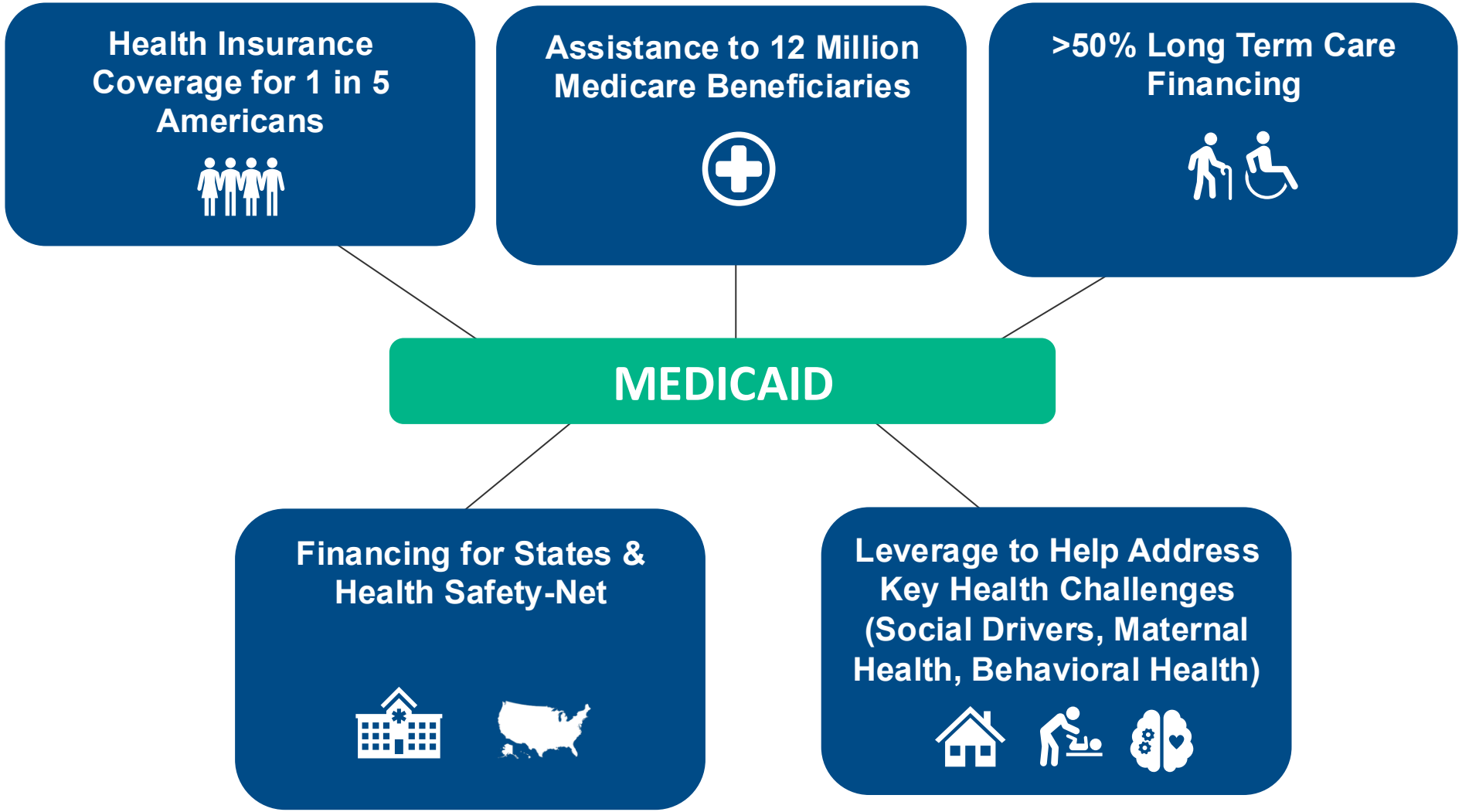
What is KFF?

A leader in health policy analysis, polling and health journalism, KFF is dedicated to filling the need for trusted information on national health issues.

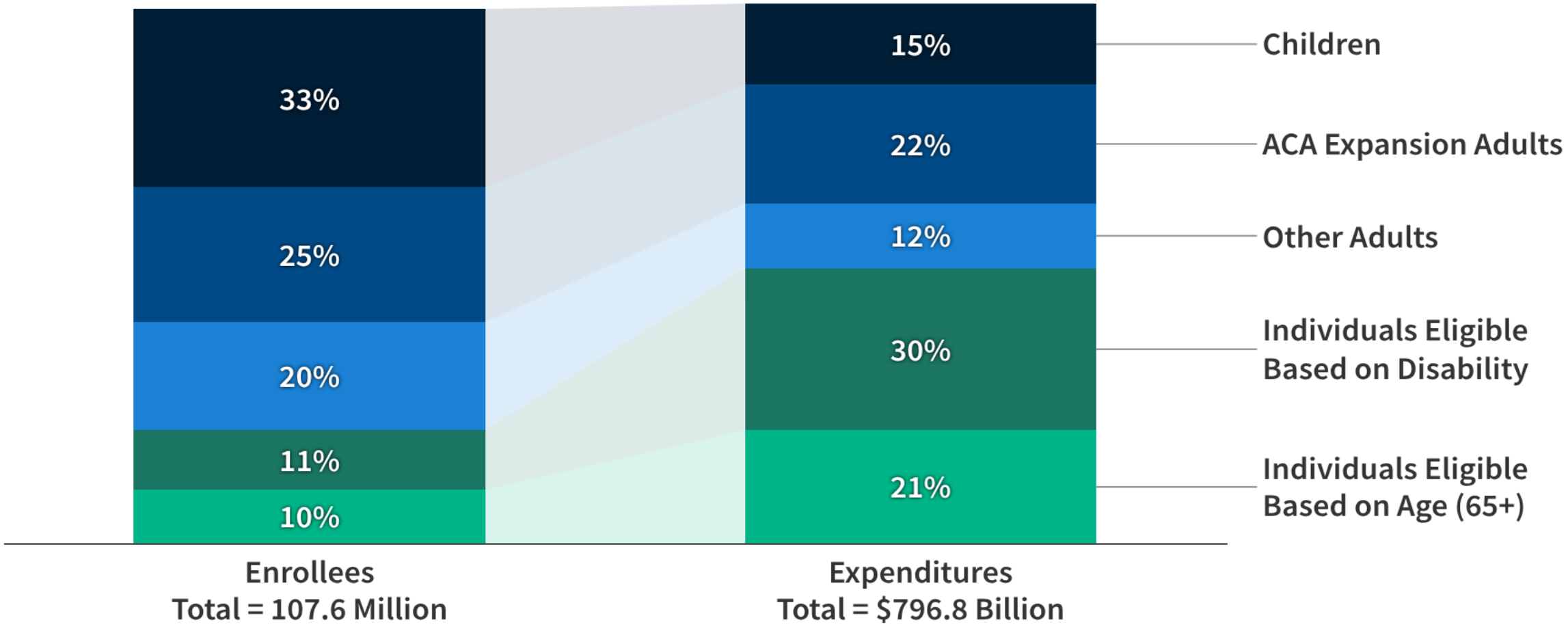
- KFF is a non-profit organization focusing on national health issues, as well as the U.S. role in global health policy
- Unlike grant-making foundations, KFF develops and runs its own policy analysis, journalism and communications programs, sometimes in partnership with major news organizations.
- We serve as a non-partisan source of facts, analysis and journalism for policymakers, the media, the health policy community and the public.
- Our product is information (policy research, facts, numbers, news coverage)
- Always provided free of charge
- The modern day KFF was established in the early 1990s with its current mission
- KFF is NOT associated with Kaiser Permanente

National Medicaid Overview

Medicaid plays a central role in the US health care system.

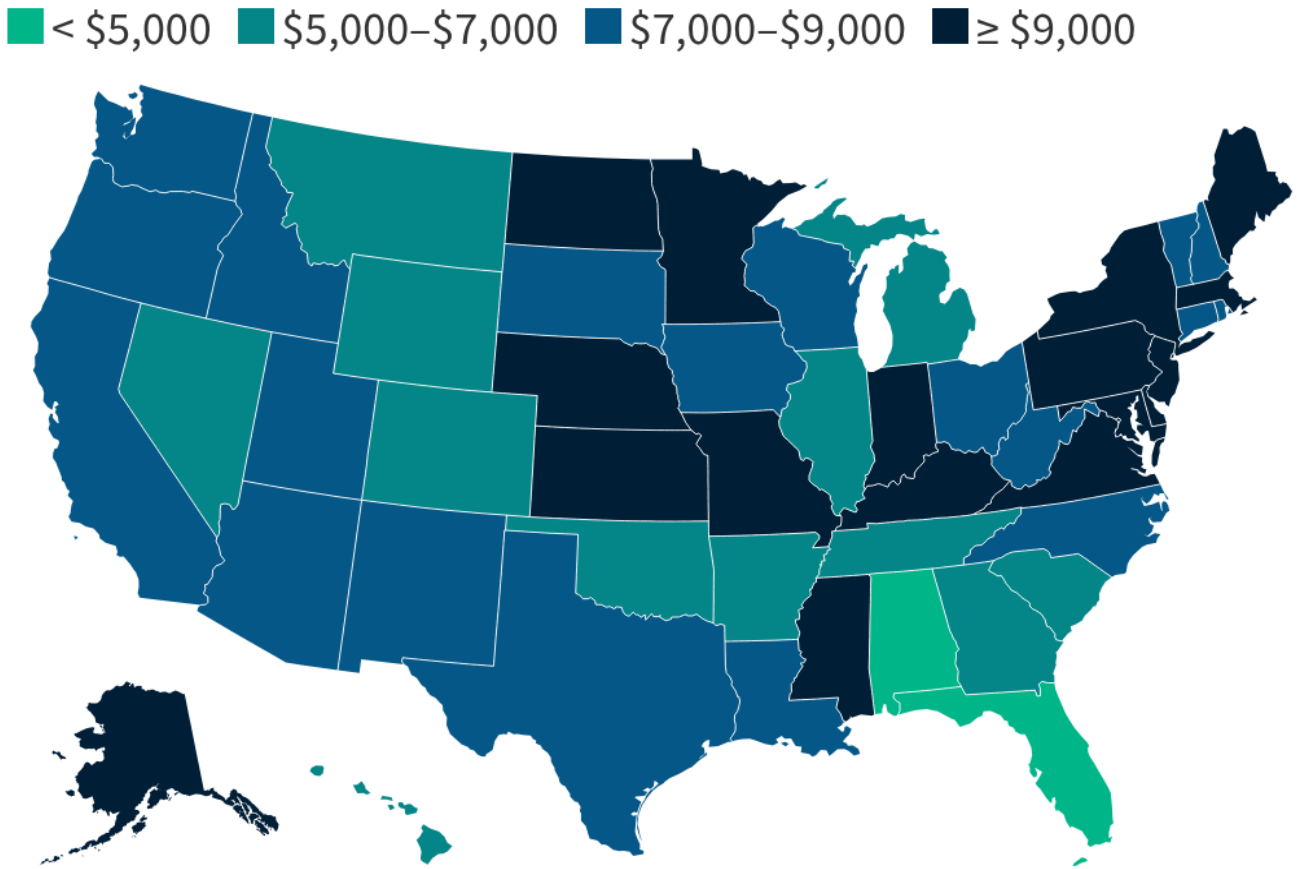


People eligible for Medicaid based on disability or age 65+ accounted for 1 in 5 enrollees but over half of all spending in 2023.



Note: Includes full and partial benefit enrollees enrolled in at least one month of Medicaid during 2021. Total may not sum to 100% due to rounding.
Source: KFF analysis of the T-MSIS Research Identifiable Files, CY 2023

In 2023, Medicaid spending per enrollee ranged from under $5,000 to over $12,000.



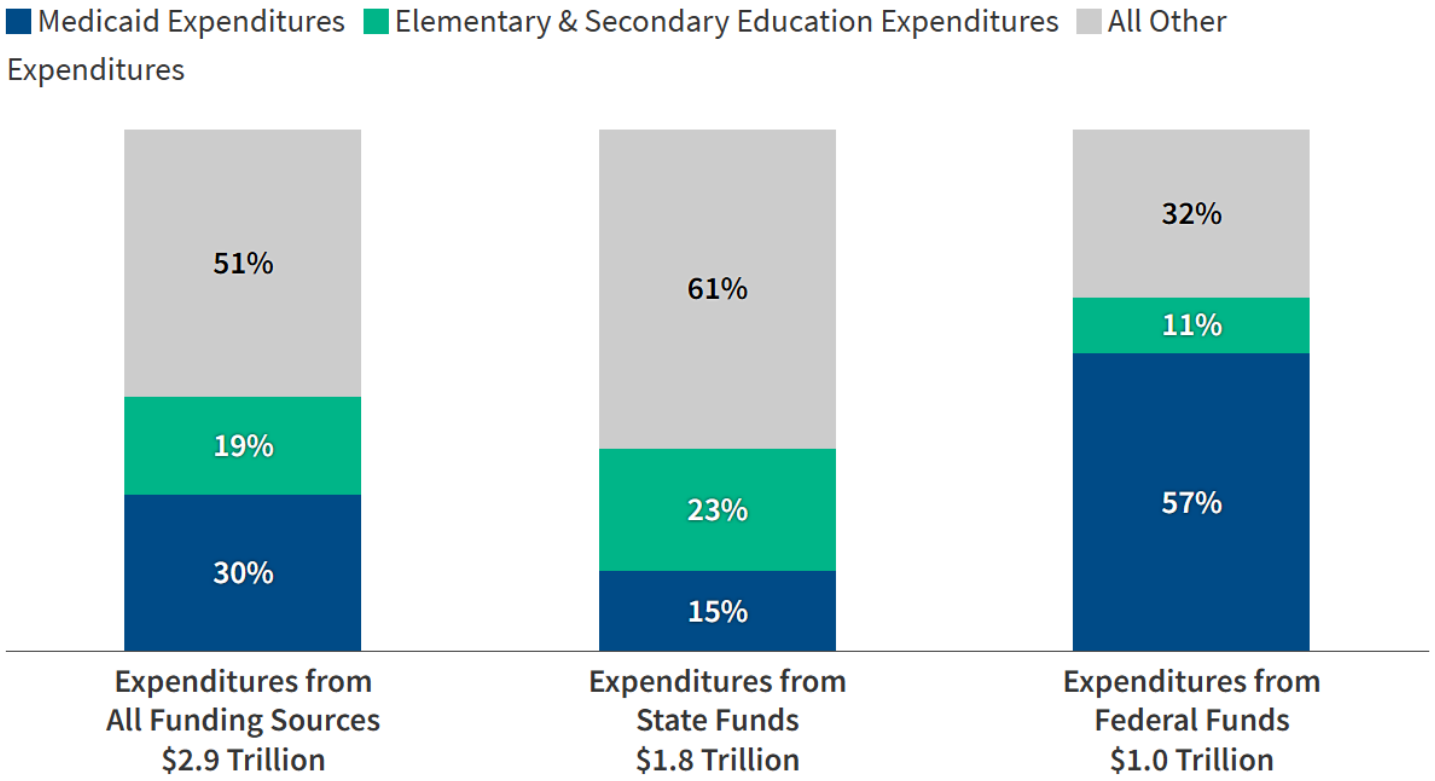
Colorado spending per enrollee data:

- Spending per enrollee = $6,300, making CO 40th overall
- Higher than average spending for people 65+ and people who qualify through disability
- Lower than average spending for children and adults

Source: KFF analysis of the T-MSIS Research Identifiable Files, CY 2023

Medicaid is the largest single source of federal funds for states.

Distribution of state expenditures by source of funds, SFY 2023



Medicaid Spending as Share of Budget in CO:

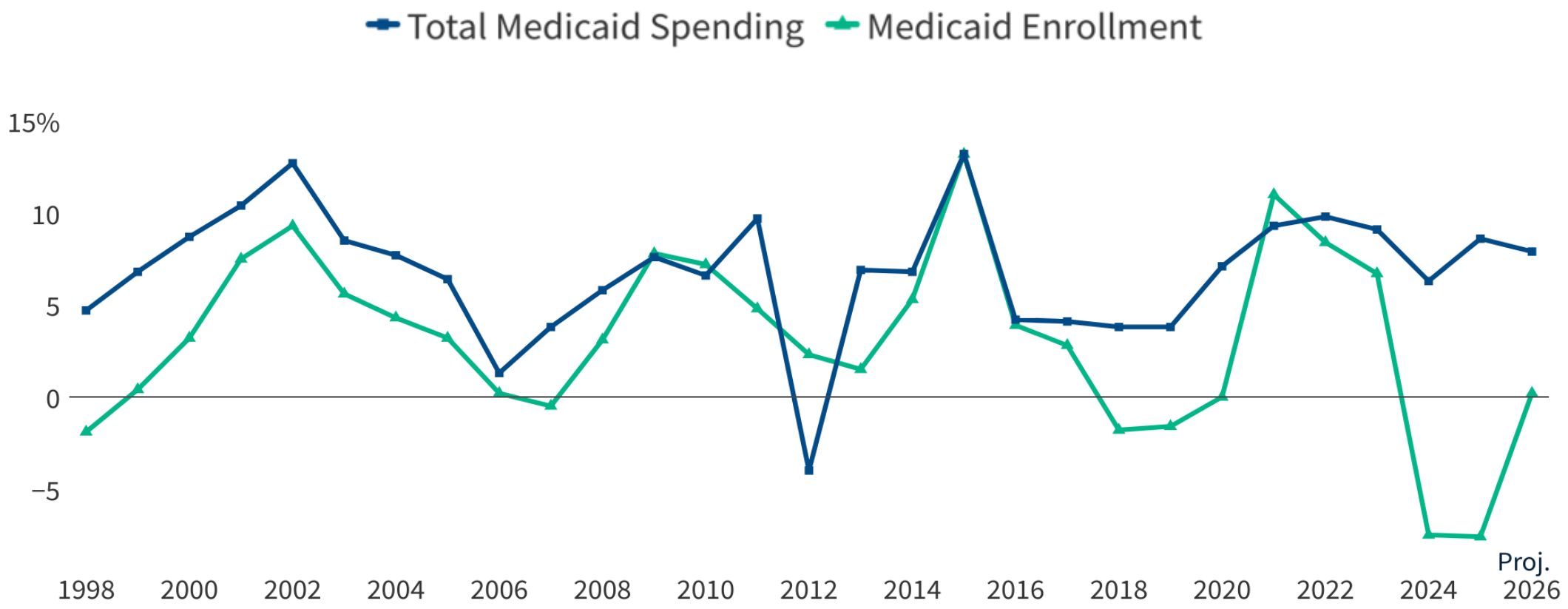
- 33% of overall state budget
- 19% GF / Other Funds
- 66% Federal Funds

Note: SFY = state fiscal year. Expenditures from state funds include state general funds and other state funds. Expenditures from all funding sources include both expenditures from state funds and federal funds as well as bond funds. Expenditures from state funds and federal funds will not total to expenditures from all funding sources due to the exclusion of bond funds from state and federal funds. For additional information and state-specific notes, see data source.

Source: KFF's Medicaid Financing: The Basics

States project flat enrollment post unwinding but upward spending pressures.

Annual percentage changes, FY 1998 - FY 2026

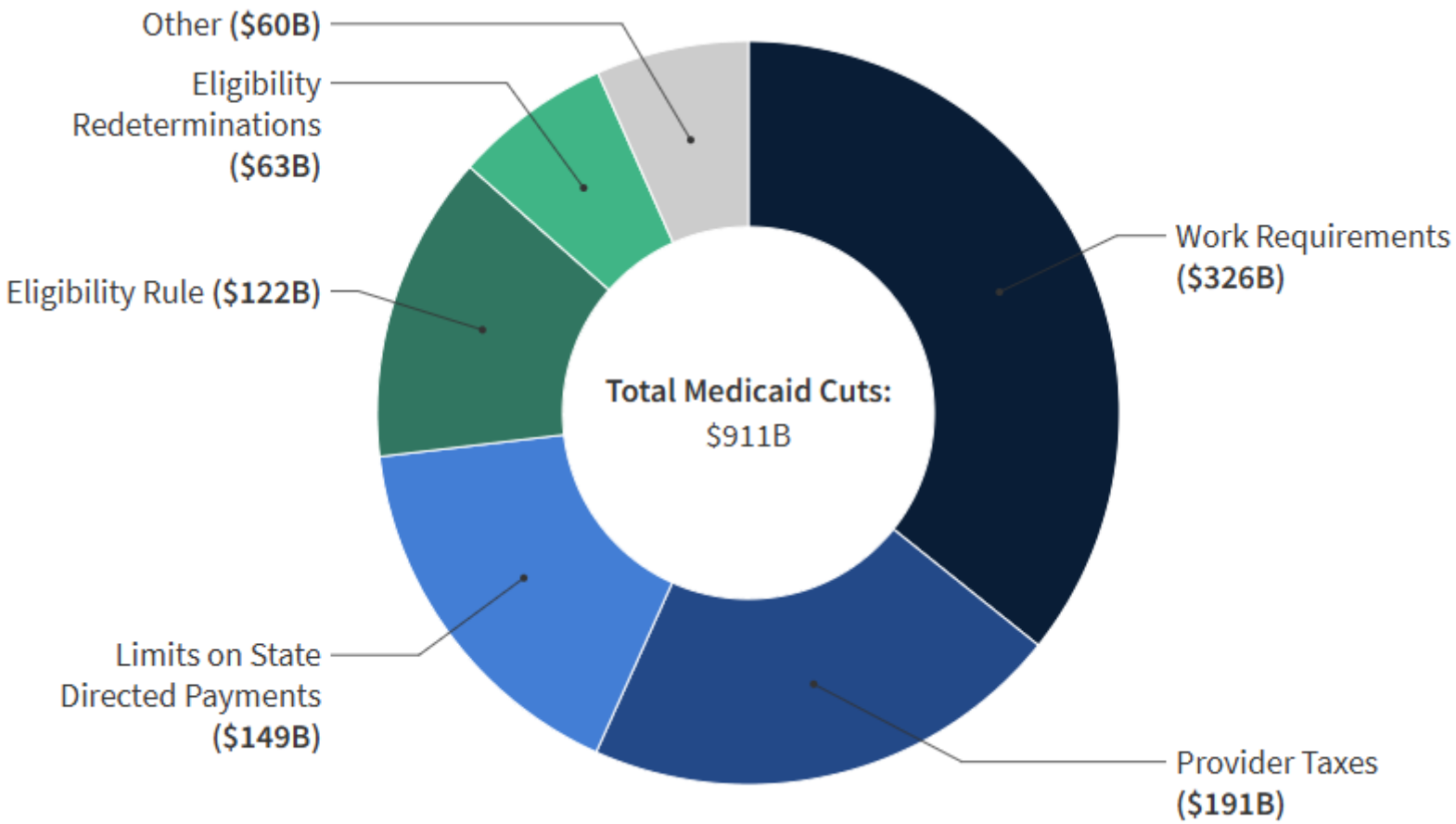


Note: FY 2026 projections based on enacted budgets.
Source: KFF's Medicaid Enrollment & Spending Growth: FY 2025 & 2026

Federal Changes in 2025 Reconciliation Law

CBO estimates the reconciliation law would reduce federal Medicaid spending by $911 billion over 10 years.

CBO's estimated 10-year federal spending cuts, by policy



Source: KFF's analysis of CBO estimates of the enacted reconciliation package

Health provision changes will go into effect over the next few years.

7/04/2025

Provider tax moratorium

Interim rule on implementing work requirements

01/01/2027

Work requirements required to go into effect

State option to implement earlier

10/01/2027

Provider tax limits

Reduces the safe harbor limit for expansion states by 0.5% annually starting in fiscal year 2028 until the safe harbor limit reaches 3.5% in FY 2032.

12/31/2026

Six-month redeterminations

Requires states to conduct eligibility redeterminations every 6 months for Medicaid expansion adults

01/01/2027

New 1115 budget neutrality requirements

Requires CMS Actuary certification and new approach to calculating budget neutrality

01/01/2028

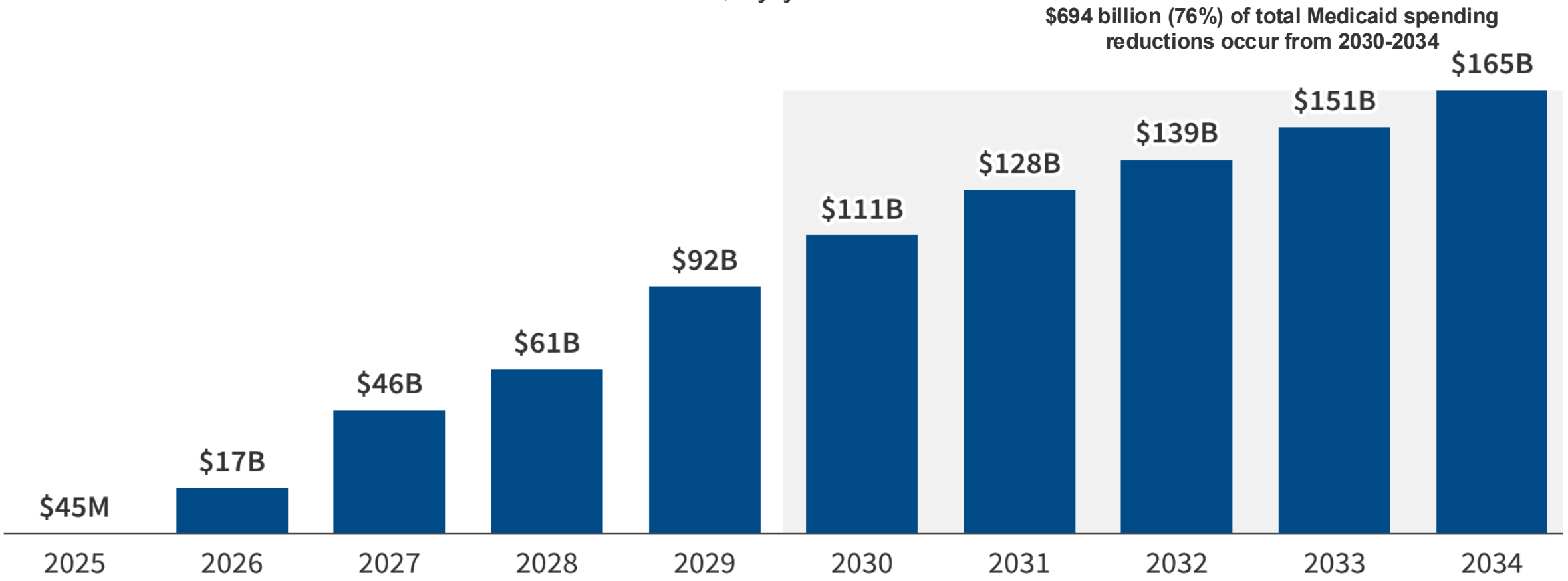
Reducing state directed payments

Begins reducing existing payments that are above the limit by 10 percentage points each year until they reach the new lower limit

Source: KFF's Implementation Dates for 2025 Budget Reconciliation Law

Most of the ten-year reductions in federal Medicaid spending in the 2025 reconciliation law would occur in the final five years of the period.

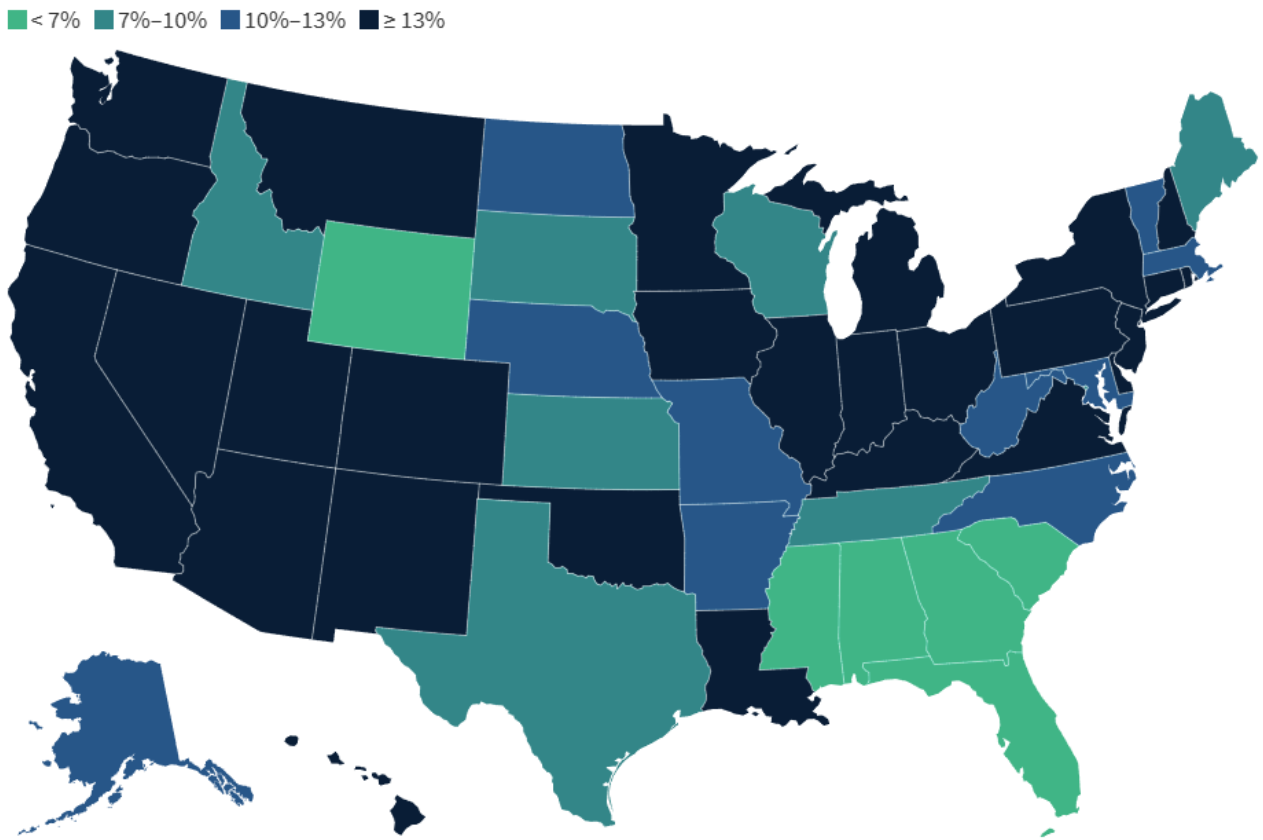
Federal Medicaid cuts in the 2025 reconciliation law, by year



Source: KFF analysis of CBO estimates of the enacted reconciliation package

Medicaid cuts represent a big reduction in federal dollars to states.

Federal Medicaid cuts in the enacted reconciliation law, by state, as a % of baseline federal spending (2025-2034)

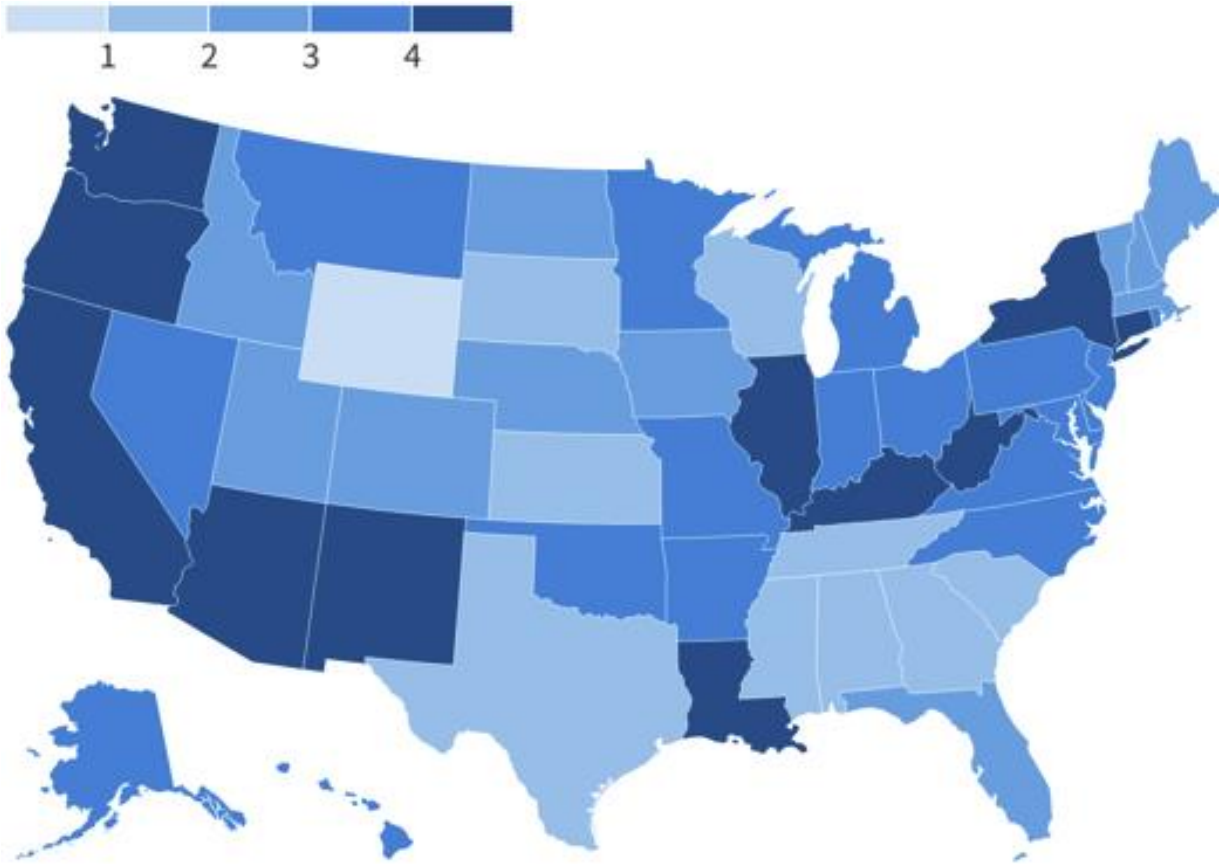


- **Federal cuts to states of $911 billion / 14% of federal spending 2025-2034**
  - CO estimates = 14% reduction; $12 Billion
- **Federal spending cuts of $91 billion per year represent:**
  - 9% of all federal revenue to states
  - 32% of state spending on Medicaid
  - 21% of state spending on elementary and secondary education
  - 42% of state spending on higher education
  - 67% of state spending on transportation
  - 126% of state spending on corrections

Source: KFF's Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package; Based on FY 2023 federal and state spending by budget category from NASBO

Between H.R. 1 and the expiration of enhanced ACA tax credits, an additional 14.2 million people may be uninsured in 2034.

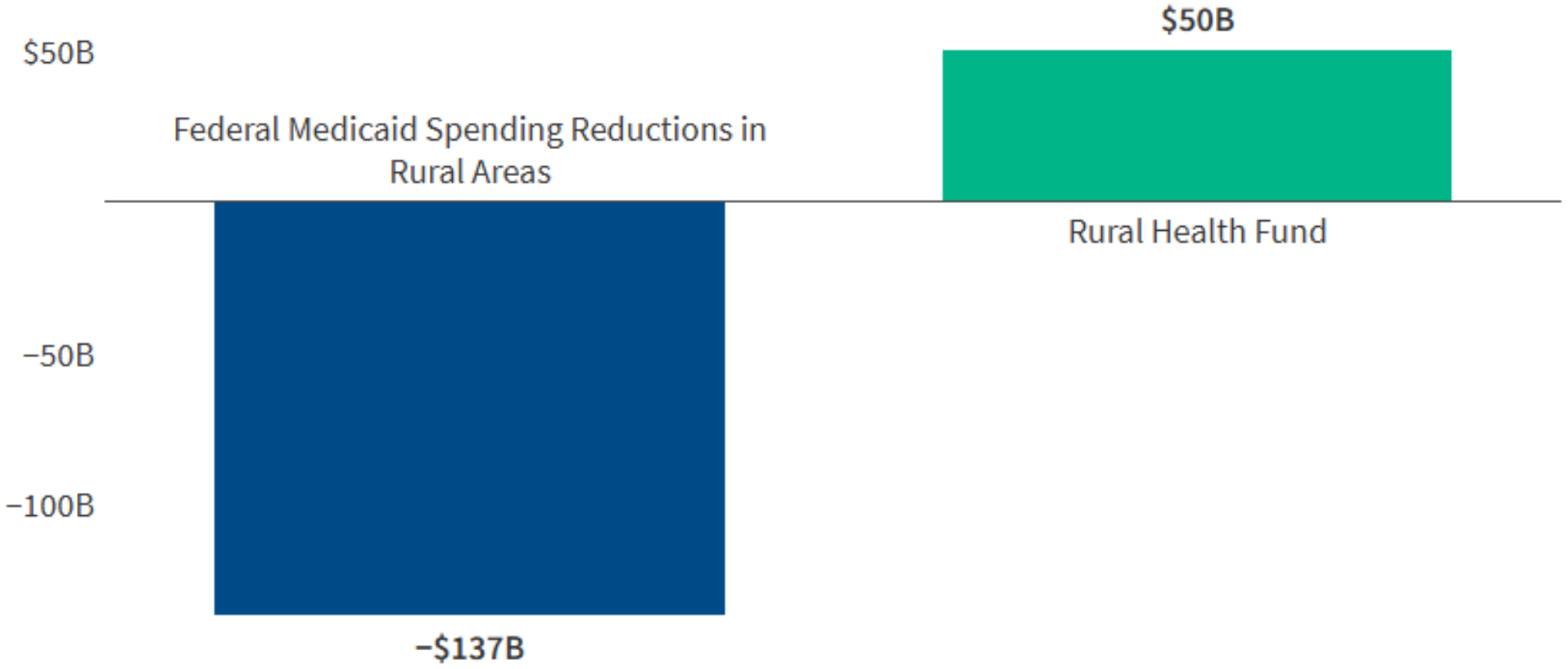
Percentage point increase in the uninsured population



- 7.5 million people are estimated to become uninsured due to the Medicaid changes; 2.1 million people due to ACA marketplace changes; and 0.4 million people due to other policy changes
- The number of uninsured people will increase by more than 14 million when combined with the expiration of the ACA's enhanced premium tax credits
- In CO - 130K would become uninsured due to changes in Medicaid, 56K would become uninsured due to changes in the ACA, and 6.1K would become uninsured because of changes to Medicare and policy interactions.

Note: CMS also estimates that the finalized Marketplace Integrity and Affordability rule will increase the number of uninsured (its impact will be greatest in 2026, before many of its rules sunset).
Source: How Will the 2025 Reconciliation Law Affect the Uninsured Rate in Each State?

The $50 billion set aside in the rural health fund may not offset the reduction of federal Medicaid spending in rural areas.



Note: The analysis uses T-MSIS data to estimate the percentage of Medicaid spending that paid for services used by rural enrollees. Those percentages were then applied to national estimated reductions in federal Medicaid spending from KFF's broader analysis of federal Medicaid spending reductions.

Source: How Might Federal Medicaid Cuts in the Senate-Passed Reconciliation Bill Affect Rural Areas?

Work Requirements

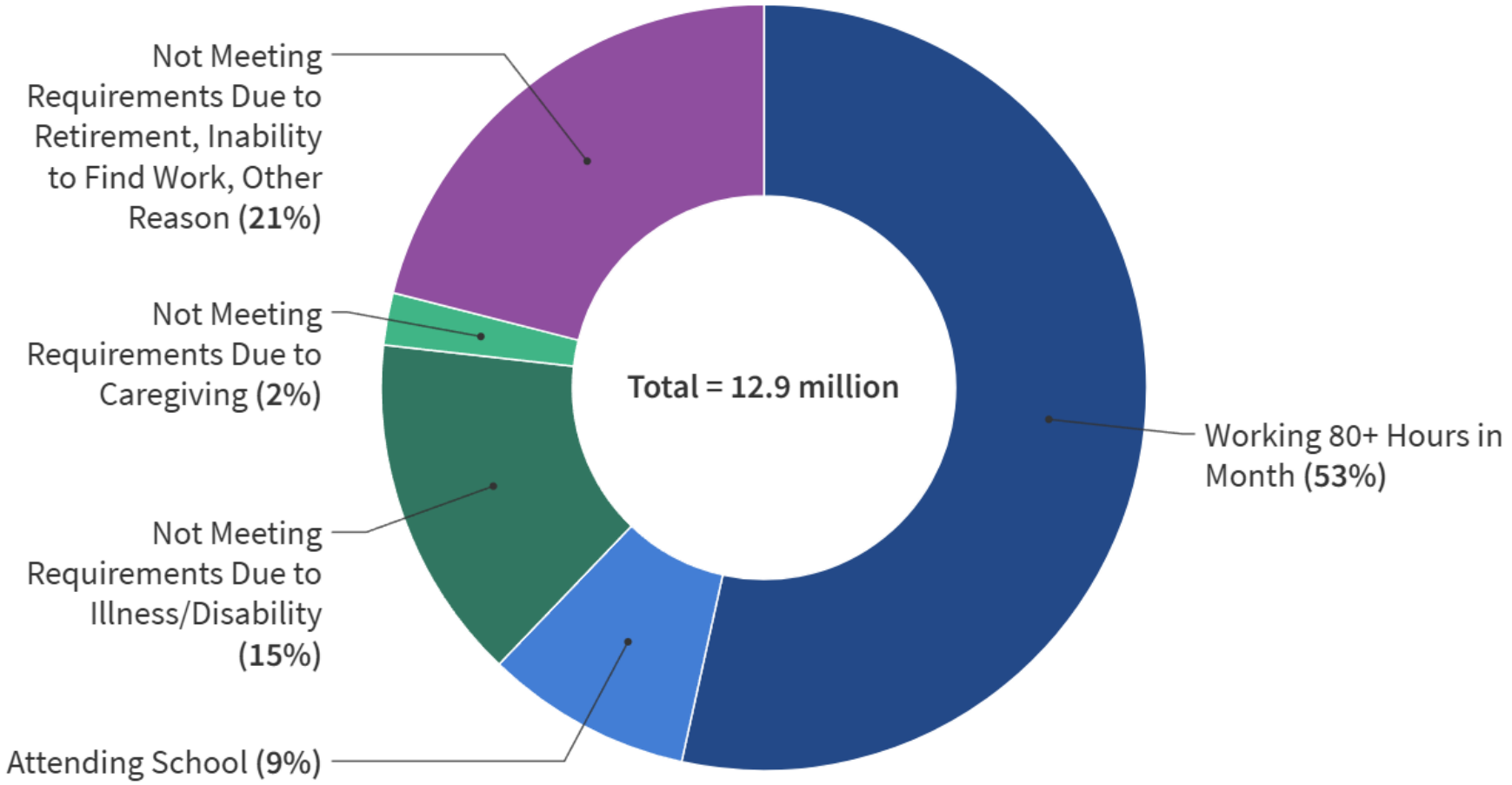
The new law requires states to implement work requirements for the expansion group by January 2027.

States would be required to condition Medicaid eligibility for individuals ages 19-64 applying for coverage or enrolled through the ACA expansion group on meeting qualifying activities or exemption criteria:

Qualifying Activities	Mandatory Exemptions	Optional Hardship Exceptions
• 80 hours per month of work, community service, and/or "work program" participation • Enrolled in education at least half time • Any combination of the above totaling 80 hours per month • Monthly income of minimum wage multiplied by 80 hours • Seasonal workers with an average monthly income over 6 months of minimum wage multiplied by 80 hours	• Parent/guardian/caretakers of dependent children under age 13 or disabled individuals • Pregnant or receiving postpartum coverage • Foster youth/former foster youth under age 26 • Medically frail • Participating in SUD program • Meeting SNAP/TANF work requirements • American Indians and Alaska Natives • Disabled veterans • Incarcerated or released from incarceration within 90 days • Entitled to Medicare Part A/enrolled in Medicare Part B	State option to allow short-term hardship exceptions, for an individual who… • was in an inpatient hospital, nursing facility, intermediate care facility, or inpatient psychiatric hospital • resided in a county with a federally-declared emergency or disaster • resided in a county with a high unemployment rate (above 8% or 1.5x the national unemployment rate), subject to a request from the state to the Secretary • traveled outside of the individual's community for an extended period for medical care for themselves or for their dependent

Source: KFF's A Closer Look at the Work Requirement Provisions in the 2025 Federal Budget Reconciliation Law

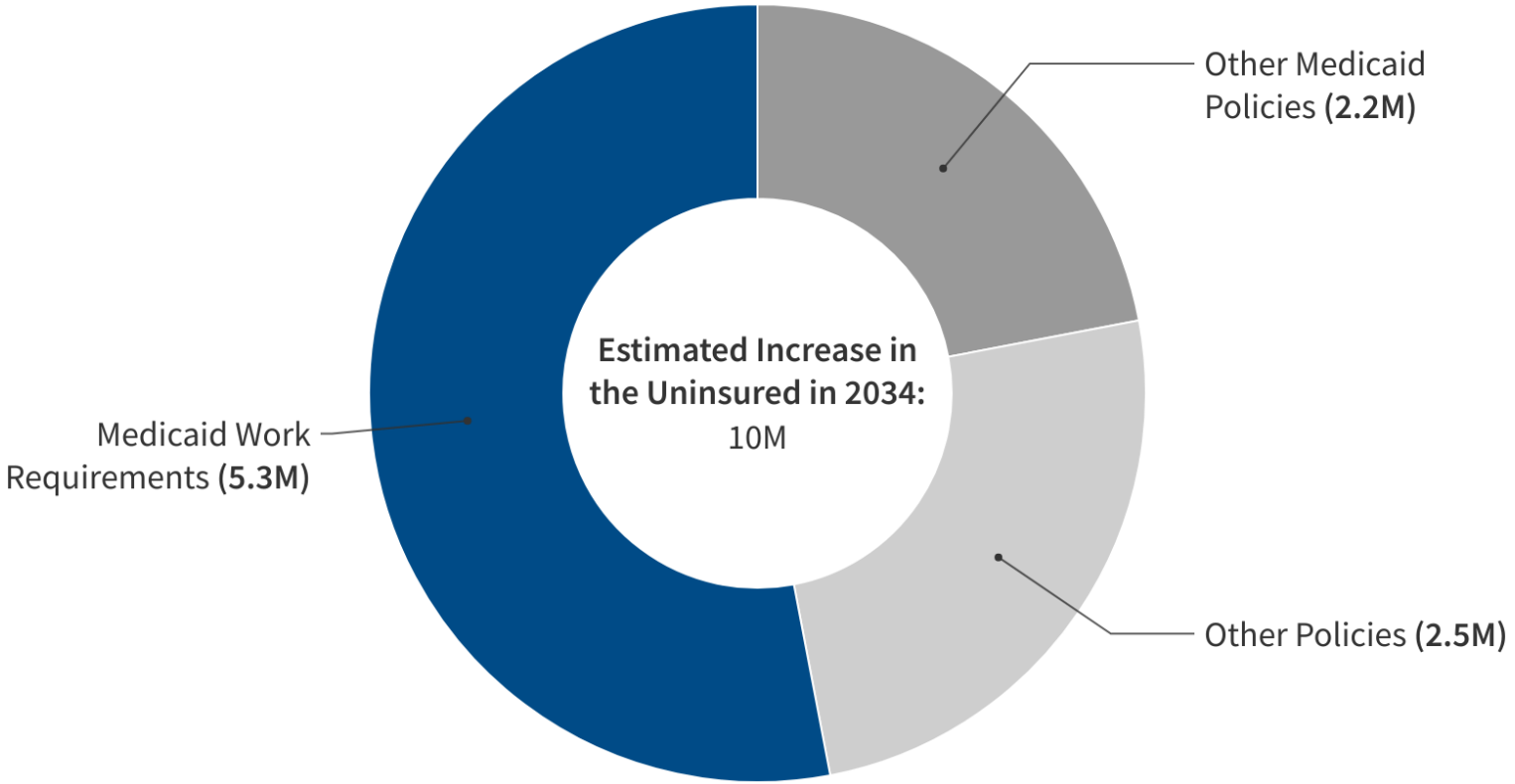
Most adults subject to work requirements are working or face barriers to work



Note: Other includes individuals who did not provide a reason for working fewer than 80 hours in the month or for not working.
Source: KFF analysis of Survey of Income and Program Participation, 2023.

Work requirements are estimated to lead to 5.3 million more uninsured people by 2034

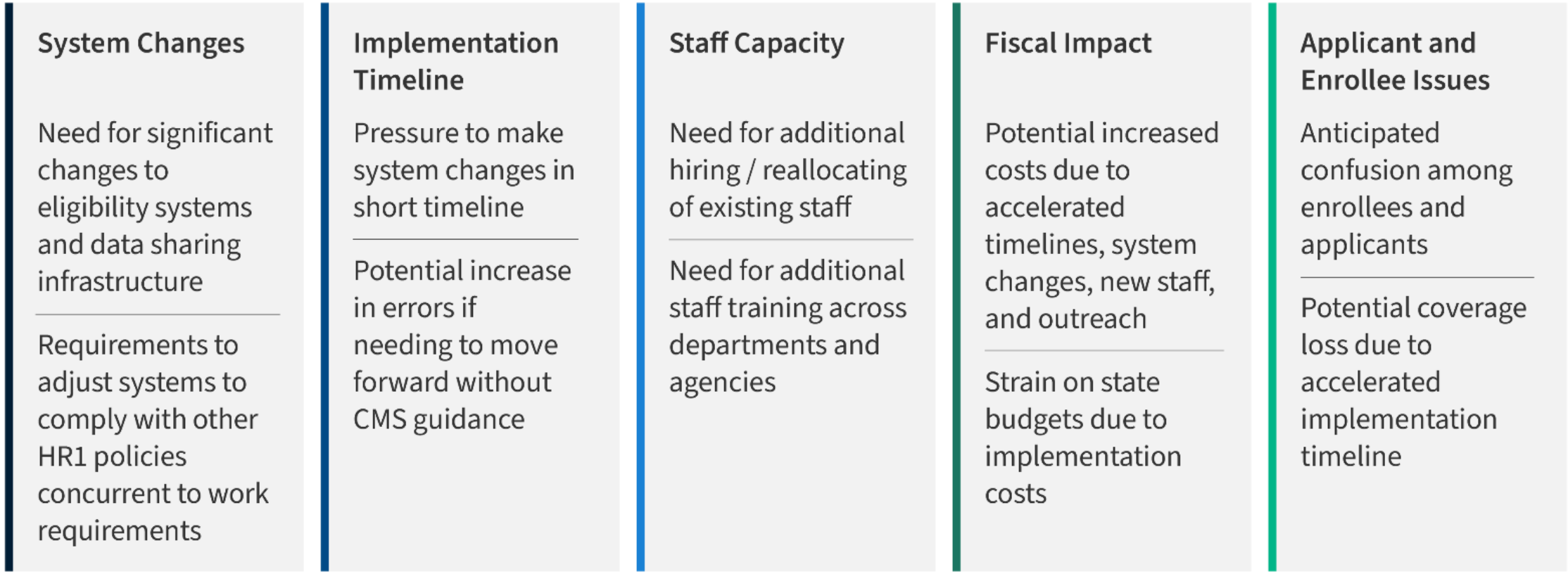
CBO estimates of the increase in the uninsured in 2034 due to the enacted reconciliation law, by source of change:



Note: Total and "other policies" includes 300,000 in estimated coverage loss due to interaction between policies. “Other policies” also include Medicare and Marketplace changes.

Source: KFF analysis of CBO estimates of the enacted reconciliation package. See KFF’s A Closer Look at the Work Requirement Provisions in the 2025 Federal Budget Reconciliation Law.

States reported a variety of anticipated challenges to implementing new Medicaid work requirements by January 2027.



Source: KFF's Challenges with Implementing Work Requirements: Findings from a Survey of State Medicaid Programs

The interim final rule requires a two-part test to qualify for the medical frailty exclusion.

To qualify for the medical frailty exclusion, an individual must have a qualifying condition ***and*** that condition must significantly impair their ability to meet work requirements.

Medically Frail Conditions

- Blind or disabled
- Has a physical, intellectual, or developmental disability that limits their ability to perform one or more ADL
- Has an SUD
- Has a disabling mental disorder
- Has a "serious or complex" medical disorder

+

The condition must significantly impair their ability to consistently work or participate in other community engagement activities

States are required to conduct outreach to individuals who will be subject to the new work requirements.

Outreach requirements included in June 2026 Interim Final Rule:

Who Must Be Notified	Included Information	Frequency
• All individuals eligible for or enrolled in the ACA Medicaid expansion • Individuals eligible for or enrolled in an applicable section 1115 waiver	• How to comply • Explanation of exceptions • Who is an applicable individual • Number of months compliance is required at application and renewal • Frequency of compliance checks • Consequences of non-compliance • How to report changes to status	• Three months prior to implementation month plus the number of lookback months (e.g., September 2026 for January 2027 implementation with one lookback month) • Periodically: at renewal or more frequent compliance check, when hardship exception is adopted, terminated, or expires, upon loss of exemption status

Experience in Arkansas and Georgia highlight implementation challenges with work requirements.

- **Enrollee awareness / outreach**: complex policies caused "confusion and uncertainty."
- **Exemptions:** enrollees struggled to access safeguards for people with disabilities and had trouble navigating the process to qualify for exemptions.
- **Data matching:** about 2/3 of enrollees successfully data matched and exempted from reporting. Among those who had to actively report, about 70% did not obtain an exemption or report compliance, resulting in over 18,000 people losing coverage.

- **Verification at application:** 18 months into the launch of "Pathways" program, GA had only enrolled 7,000 individuals—far short of the state's own estimated enrollment of 25,000 adults in the first year and 64,000 over 5 years.
- **Administrative costs:** recent investigative reporting found "Pathways" program has cost the federal and state government more than $86 million (as of the end of 2024), with three-quarters spent on consulting fees.

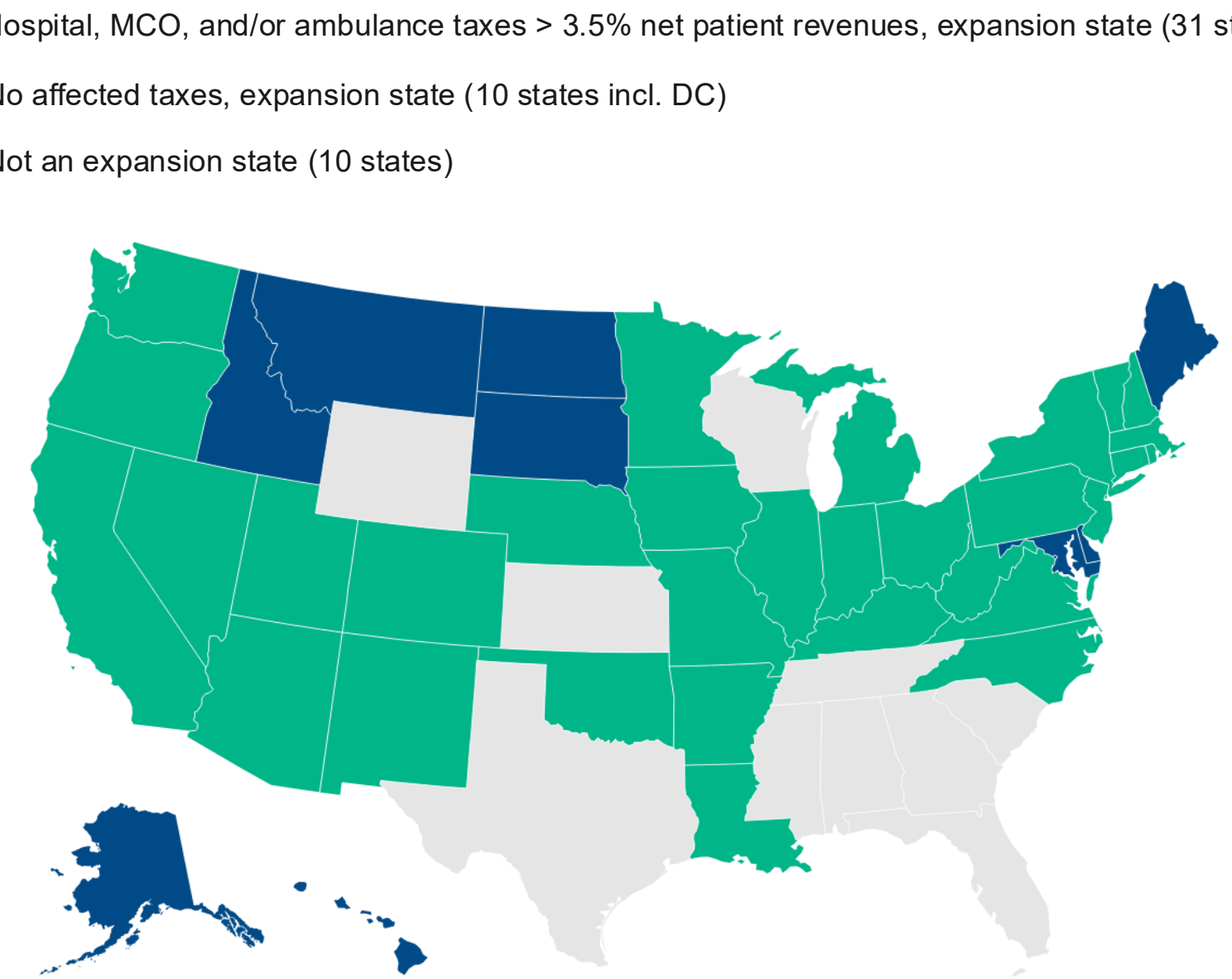
Source: KFF's A Closer Look at the Work Requirement Provisions in the "Big Beautiful Bill" and KFF's Implementing Work Requirements on a National Scale: What We Know from State Waiver Experience

Financing Changes

Provider tax changes are estimated to cut Medicaid spending by $191 billion.

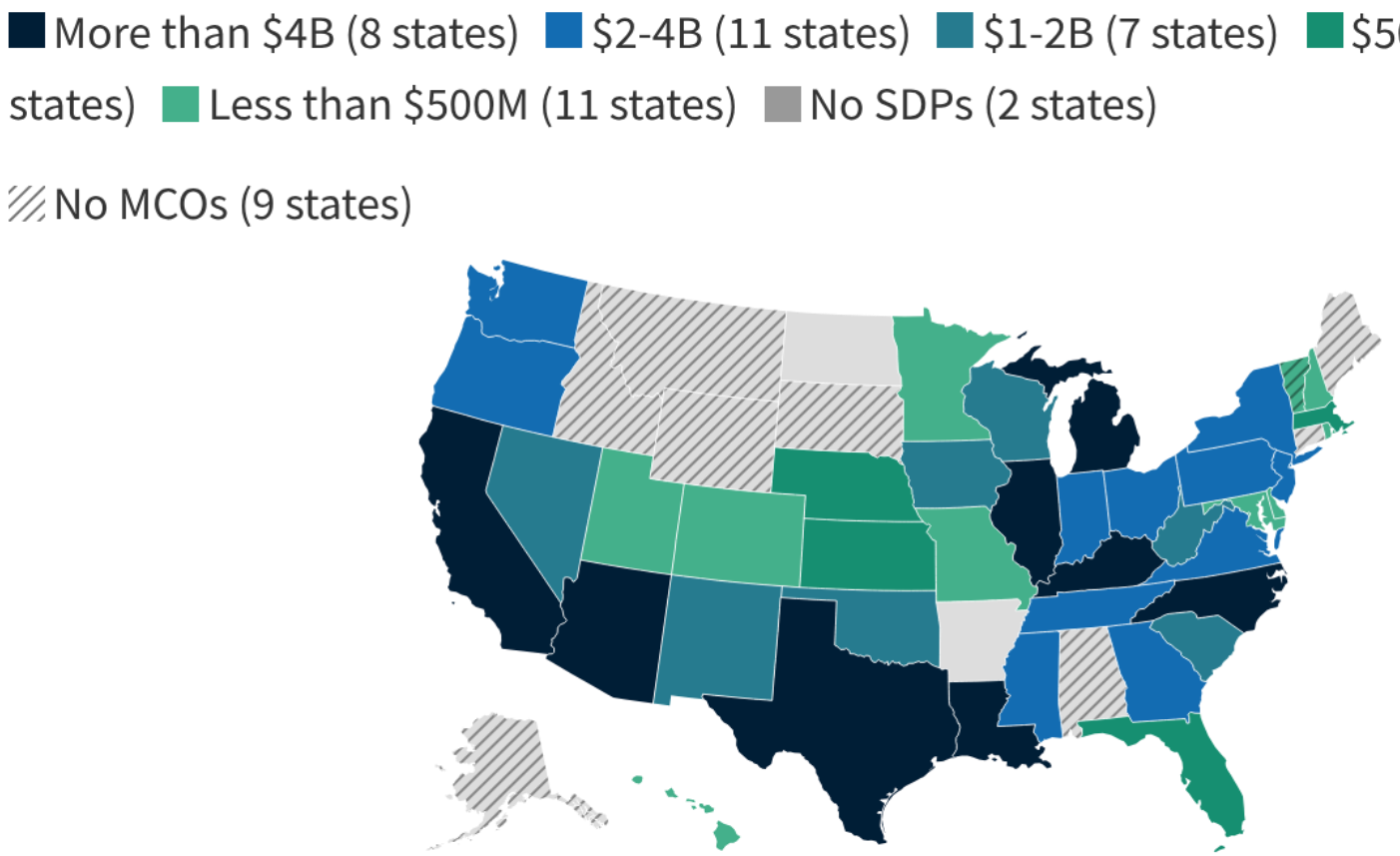
All states will be prohibited from enacting new provider taxes, and ACA expansion states will have to reduce existing taxes.

31 expansion states reported having at least one non-exempt provider tax above 3.5% in place as of July 1, 2025.



Source: KFF's 5 Key Facts About Medicaid and Provider Taxes

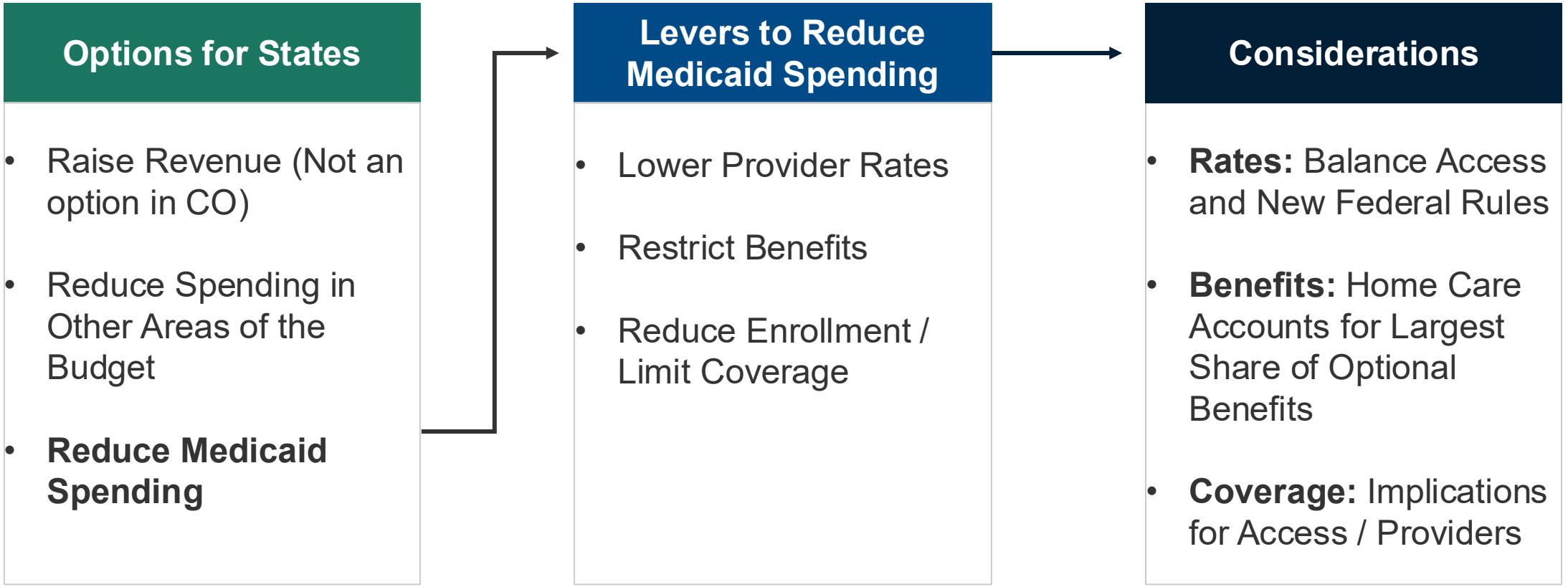
At least 41 states have state directed payments, which are projected at nearly $100 billion in annual federal spending.



Note: Some states do not know whether they will be able to implement planned SDPs. Colorado submitted an SDP proposal to CMS on June 27, 2025, that would pay hospitals using average commercial rates but it has not yet been approved and it is unknown whether the SDP will be permitted to take effect.

State Options and What to Watch

States have limited options to respond to federal Medicaid cuts.



What to watch:

- Medicaid changes happening in context of other federal changes beyond Medicaid

- Financing
  - State budgets
  - Changes in HR 1 – provider taxes, SDPs
  - New focus program integrity

- Implementation and capacity
  - Work requirements – systems, workforce, outreach
  - Program integrity / other oversight – provider recertification, MFCU
  - Uncertainty – additional guidance, litigation

- Impact on plans, providers, and people
  - Coverage loss (Medicaid and ACA)
  - Rate changes – provider sustainability (hospitals, clinics, home care providers)

THANK YOU

For more information, contact: robinr@kff.org

How we are hearing from Coloradans

1 Office hours

Standing drop-in time with the Commission's technical advisor. No agenda required.

Monday, August 3rd from 11am – 1pm – Room HCR 109

Tuesday, August 4th from 9 – 10:30am - Virtual

2 Stakeholder survey

Targeted questions for hospitals, family caregivers, the disability community, and counties.

3 Share your experience

A short form for anyone who wants to tell the Commission what Medicaid has been like for them.

4 Testimony at meetings

Invited, topic-matched stakeholders at every meeting, plus a bounded open slot.

Where the input goes

Input comes in	Emails, office hours, the survey, the experience form, written and verbal testimony.
Themes, not transcripts	SHG synthesizes. Themes go to the full Commission, never attributed to an individual.
Into the meetings	Initial survey findings on August 5.
Into the report	The report synthesizes what stakeholders said — not every individual ask.

Curated and bounded, not open-mic. Structured time for the stakeholders closest to each topic, a short open slot at every meeting, and written channels.

The road to December 11

Aug 5
Meeting 5
Program Level Budget Crosswalk

Aug 18
Meeting 6
Eligibility & benefits

Sept 2
Meeting 7
Delivery, payment & efficiency

Sept 17
Meeting 8
Financing options

Oct 7
Meeting 9
Financing & Full Stakeholder synthesis

October TBD
Meeting 10
Options, legislation-ready

November TBD
Meeting 11
Recommendations & draft

Early Dec TBD
Meeting 12
Final adoption

Report due to the General Assembly: **December 11, 2026**

Dates in navy are confirmed. October and November remain to be set.

Your information requests: where they stand

ANSWERED IN WRITING

- OIT / IT authority
- State directed payments
- Managed care history
- ACC phase-in
- Benefits vs. other states

PARTIALLY ANSWERED

- ACC effectiveness
- Federal drawdown — contested
- October 2026 count

OPEN / IN PROGRESS

- Rural transformation
- H.R. 1 fiscal impact
- Pre-ACA baseline
- Staffing & org chart

Nothing asked for has been lost. Every new request leaves with an owner and a target meeting.

Every request, and where it lands

	Jul 28	Aug 5	Aug 18	Sept 2	Sept 17 Oct–Dec
H.R. 1 exposure	●		○		○
Provider fee, SDP & CHASE	●				○
Rural transformation	●				○
Eligibility & work rules	○		●		
Cost structure & LTSS		●	○		
HCPF staffing & org chart		●			
Managed care, ACC & behavioral health				●	
Federal drawdown	○				●
Program history & original intent		○	○		

● Lead session ○ Returns with more

Ask for the full tracker any time.

If you are speaking today

Three questions. Answer whichever one you can — you do not have to answer all three.

1. **What is the single biggest federal-change risk to the people or providers you represent?**

2. **If the state has to find savings within Medicaid, where should it look before cutting anyone's care?**

3. **What efficiency or missed federal dollars are we overlooking — and has anyone at the state asked you?**

Not speaking today? Written comment carries the same weight as time at the microphone.

Before we close

01 **Action items and new information requests**

They will be integrated into the upcoming schedule.

02 **Info the Rural Health Transformation Program**

The August 1 deadline falls before our next meeting.

03 **What worked today, and what we change**

Format feedback, in the room, out loud — so August 5 is better.

04 **The written response still in progress**

HCPF's pre-ACA baseline memo, for discussion at Meeting 5 or 6.

Next meeting: Wednesday, August 5, 2026 at 11am.

Next: Meeting 5

Wednesday, August 5, 2026