Health Care Policy & Financing SMART Act Hearing

Joint Health and Human Services Committees
January 28, 2026

COLORADO
Department of Health Care Policy & Financing

Customized HCPF SMART Act Agenda

- Medicaid Cost Trends, Drivers, Approach to Address Them
- Impact of H.R.1, Related Federal Fiscal Challenges
- Budget Impact & Overview
- Eligibility Modernization: County Shared Services, Districts & Systems
- Federal Funding Opportunities: State Directed Payments & Rural Health Transformation Program
- Legislatively Mandated SMART Act Updates

Fiscal Yr	Year End GF (in millions)	*% Growth*	*GF Actuals Growth*
FY 2014-15	$2,210.6	22%	$404.10
FY 2015-16	$2,364.0	7%	$153.40
FY 2016-17	$2,407.5	2%	$43.50
FY 2017-18	$2,679.6	11%	$272.10
FY 2018-19	$2,824.8	5%	$145.20
FY 2019-20	$2,822.5	0%	($2.30)
FY 2020-21	$2,556.6	-9%	($265.90)
FY 2021-22	$2,865.7	12%	$309.10
FY 2022-23	$3,452.3	20%	$586.60
FY 2023-24	$4,362.0	26%	$909.70
FY 2024-25	$5,082.5	16%	$720.50

Unsustainable Medicaid trends due to increases in medical inflation, increases in our benefits, expansion of our coverage programs, outlier trends in certain areas, and outlier increases to our provider reimbursement rates.

Medicaid General Fund cost trends averaged 6% annually (0-11% range) from FY 2015-16 to FY 2018-19, and averaged +19% (12%-26% range) from FY 2021-22 to FY 2024-25.

Recent Benefit Expansions (see attachment)

50+ bills expanded eligibility, broadened covered benefits and reduced barriers to care

Eligibility Expansions

- Medicaid buy-in options for individuals with disabilities
- Family planning for individuals over-income for Medicaid
- Coverage of health services for incarcerated individuals prior to release
- Reproductive health coverage for immigrants
- Extended postpartum coverage (12 months)
- Cover All Coloradans initiative
- CHP+ expansion to 260% FPL

Behavioral Health Transformation

- Creating a statewide behavioral health system \ Behavioral Health Administration
- Expanded crisis services
- Peer supports
- Mobile crisis response
- Substance use disorder treatment
- Certified Community Behavioral Health Clinics
- Colorado System of Care for Children and Youth

Maternal and Reproductive Health

- Doula services
- Choline supplements
- Family planning expansion
- Supports for high-risk pregnancies

Reduced Barriers to Care

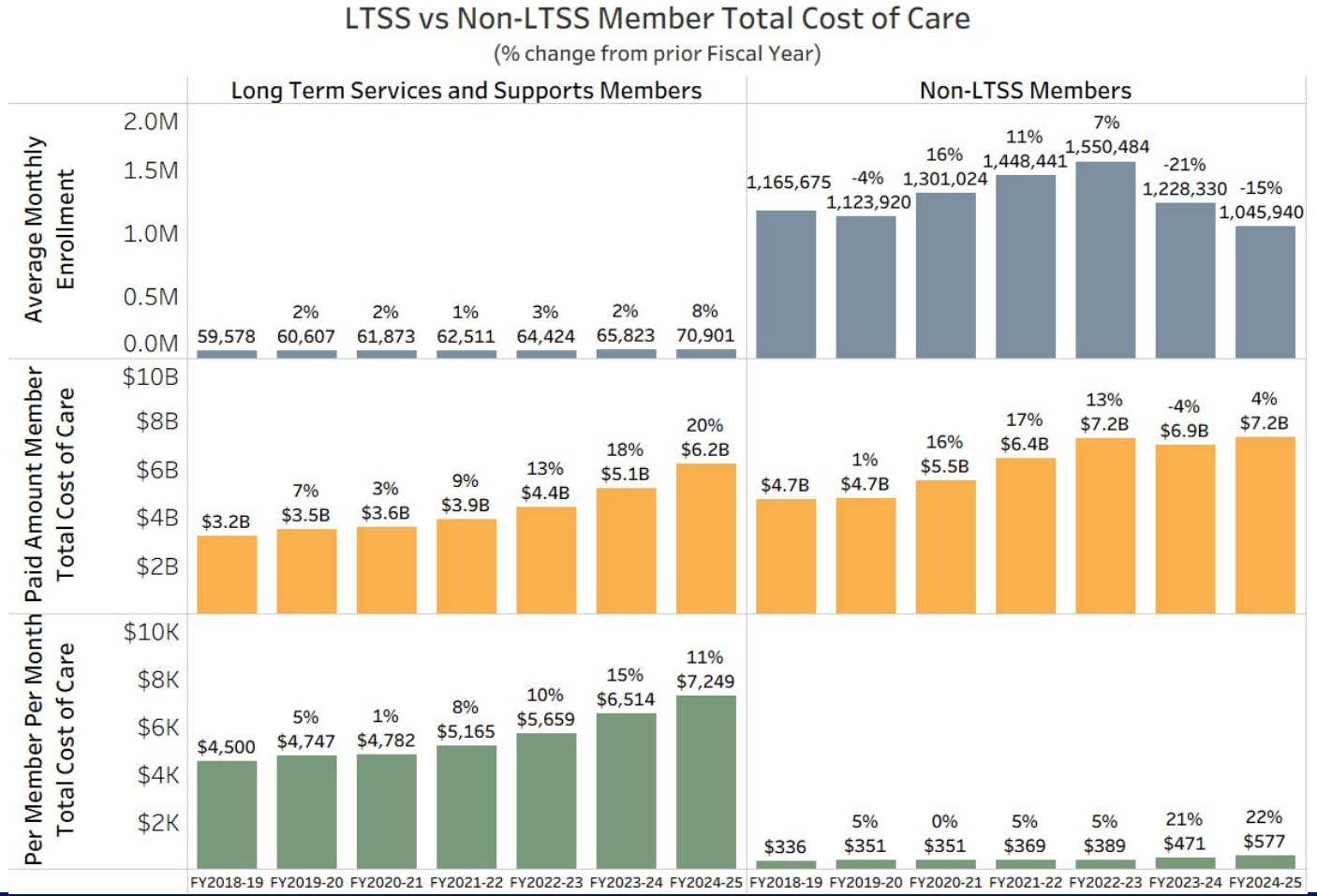
- Removal of prior authorization for psychotherapy and equipment repairs
- Elimination of pharmacy, outpatient copays and CHP enrollment fees
- Step therapy exceptions
- Coverage of clinical trial costs

Long Term Services and Supports

LTSS ~**6**% of members: 45% of spend and per member trend of 11% last year

Non-LTSS ~85% of members: 53% of spend and per member trend of 22% last year (due to PHE unwind)

Taking care of people with disabilities is core to Medicaid programs.



Partial Coverage Members (9% of members and 2% of spending) are excluded above that are in the Budget: Partial Medicare Dual Eligibles, Family Planning, and Non-Citizens.

Behavioral Health Trend Drivers and Solutions to Address

Expected Increases

- **50 BH bills in 5 years** from BH Task force, Opioid Committee, based on need for change
- **New and expanded Medicaid benefits**: full continuum of substance use treatment, expanded crisis, secure transport, high acuity youth services, integrated care, opioid treatment, peers, criminal justice prevention/diversion
- Active **recruitment and expansion of BH networks** and workforce

Unexpected Increases

- **Increased BH needs nationally** following the trauma of COVID, depression and anxiety up from 20 to 30%, more people need treatment.
- **Expanded covered services from unlicensed providers** without any limitation on volume or location, led to skyrocketing utilization
- **Substance Use Disorder (SUD) expansion in withdrawal management** spiked, but when people didn't get connected to ongoing treatment, resulted in high rates of readmission
- **Removal of cost controls**, like prior authorization, changed provider behavior, leading to increase in unnecessary care

Pediatric Behavioral Therapies (PBT/ABA)

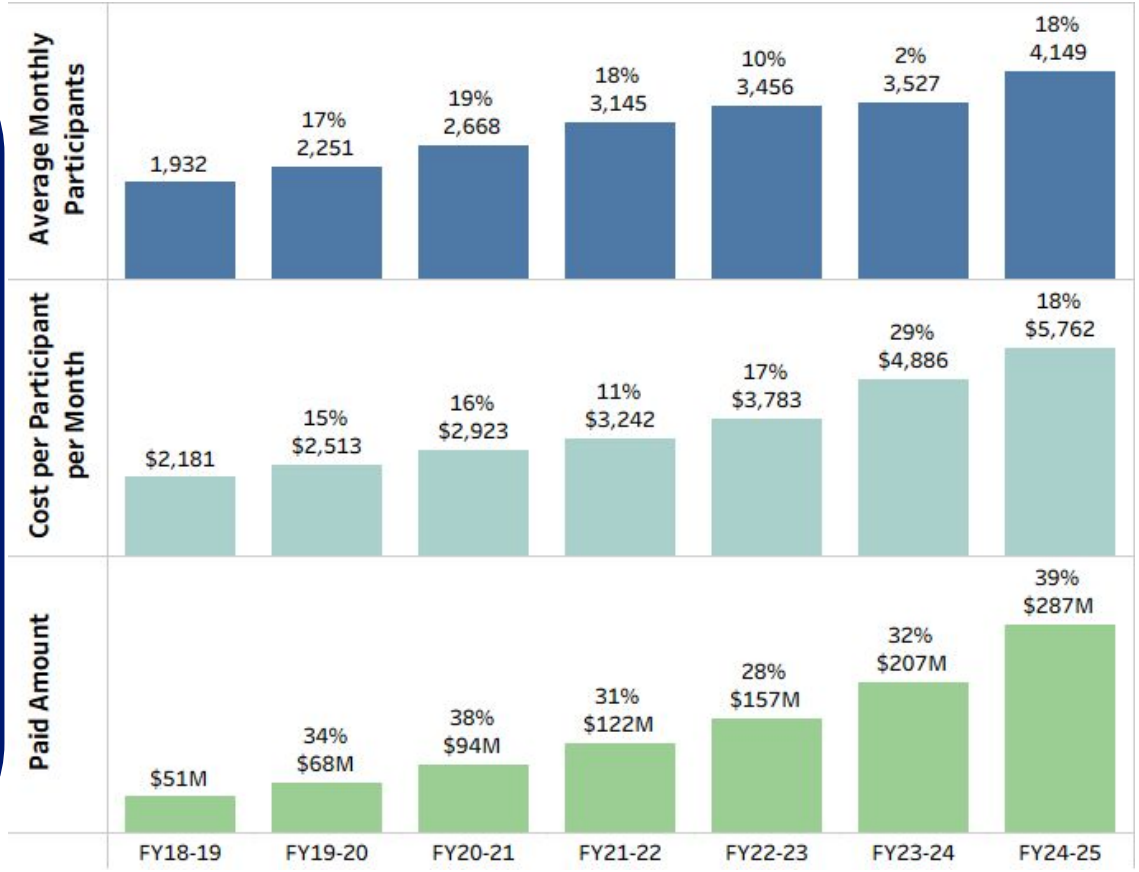
467% increase in paid $ FY18/19 to FY24/25.
+34% paid trend/yr. +18% PMPM trend/yr.

Drivers:

- Private equity provider behavior
- Requiring minimum patient hrs/wk
- Billing for uncredentialed providers
- Billing for nontherapeutic and noncontact hours like naps/playtime

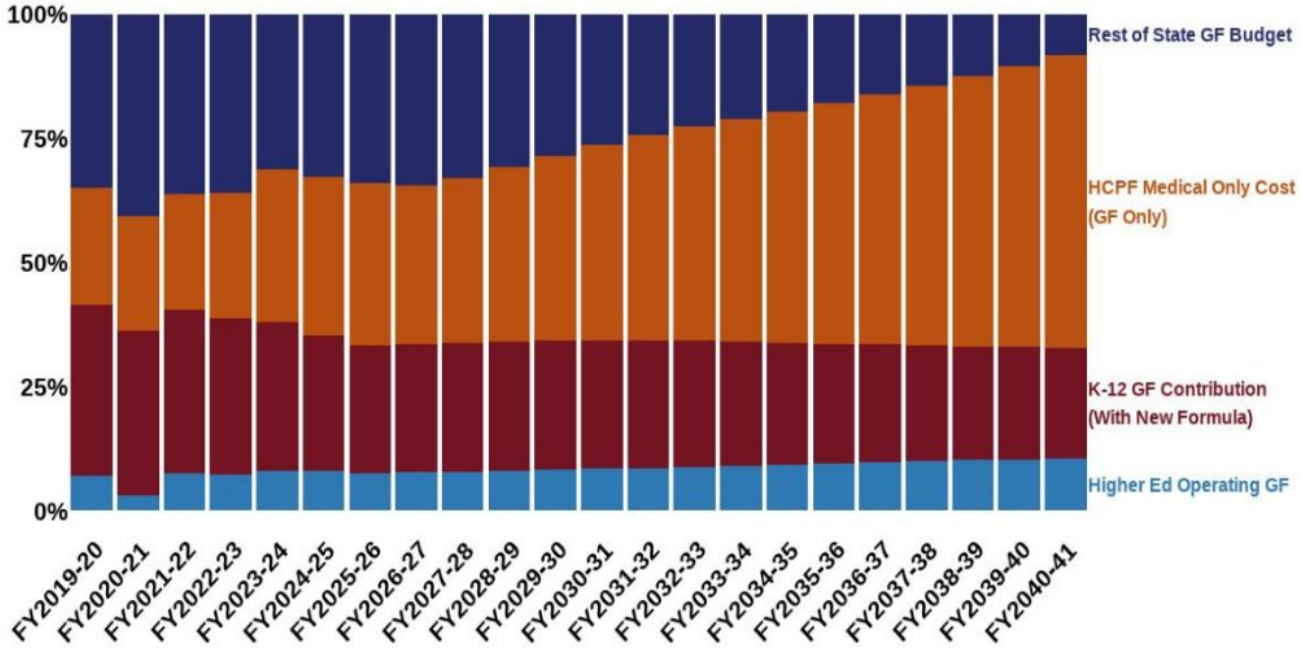
Potential Solutions:

- Policy change
- Address Private Equity Behaviors
- Benefit design changes
- Advancing prior auth criteria
- Pre and post payment review
- Rollback of rate increases
- Additional fraud referrals



A More Sustainable Medicaid

Action is needed to put Medicaid on more affordable path to prevent crowding out the State's other important work



Medicaid Sustainability Framework helps us better manage Medicaid trends **and avoid draconian cuts**

1. **Address Drivers of Trend:** Better address all the controllable factors that drive Medicaid cost trends
2. **Maximize Federal Funding:** Leverage and maximize HCPF's ability to draw down additional federal dollars
3. **Invest in Coloradans:** Continue investing in initiatives to drive a Colorado economy and educational system to reduce the demand for Medicaid over the long term as Coloradans rise and thrive
4. **Make Reasonable Medicaid Cuts or Adjustments:** Identify where programs, benefits, and reimbursements are comparative outliers or designed in such a way that we are seeing - or will experience - higher than intended trends or unintended consequences
5. **Reassess New Policies:** Consider pausing or adjusting recently passed policies not yet implemented
6. **Exercise Caution in Crafting Increases** to the Medicaid program going forward

HCPF August Annual Webinar Poll Result:

In accordance with our Medicaid Sustainability Framework, are you in agreement with our focus on implementing solutions to battle outlier trends?

89% Yes

11% No

Robust HCPF Plan to help navigate our realities

- Discipline to Medicaid Sustainability Framework: Grounded in facts/insights and alignment around shared goals
- Understanding H.R.1 impacts and aligned goals:
  - Eligibility ecosystem and state/county modernizations
  - Fraud, Waste, Abuse enhancements
  - North Star: Shared efforts to help Coloradans comply and stay covered
- Leverage ACC Phase III and Innovations (eConsults, Prescriber Tools, Value Based Payments, etc.) to control trends and improve quality
- Prioritize engagement, transparency, partnership, leadership
- Leverage third-party insights, state comparisons, learnings
- Robust Affordability Work

HCPF's FY 2026-27 Budget Overview

- Proposed annual budget is **$20.6B** total funds (TF), **$5.99B** General Fund (GF)
  - **$2.3B TF & $413M GF Increase,** including reduction of $537M TF, $217M GF
  - About 96% of TF allocation goes to providers to care for members
  - Represents 32% of GF for the entire state budget

- HCPF's Jan. 2nd supplemental/budget amendment package includes additional **reductions of $243.9M TF, $126.8M GF**
  - S-7/BA-7 Additional Reductions Package: ($118M) GF
  - S-8/BA-8 Resources for HR 1 Compliance: $5.6M GF
  - S-9/BA-9 New Federal Regulation Compliance: $1.0M GF
  - S-10/BA-10 Housing Vouchers Resources and Savings: ($8.9M) GF
  - BA-11 Certified Community Behavioral Health Clinic Waivers: ($6.5M) GF

Resources: HCPF FY 2026-27 Budget Agenda Summary; FY 2025-26 HCPF Budget Reductions Fact Sheet; FY 2026-27 Budget Requests

HCPF Measure	FY 2018/19	FY 2024/25
Member Call Center, Speed of Answer	> 45 minutes	< 2 minutes
Network of Providers	60,000	>105,000
Network BH Providers	~ 6,000	14,800
# of Claims Paid	28.7 million	38.6 million
Eligibility CBMS Automation MAGI/LTSS	35%/20%	76%/41%
Eligibility Approval Rate	55-57%	> 80%
Significant Benefit, Rate Increases		
# of Audits on the Dept	Averaging ~ 20	Averaging ~ 30 growing
Fed Requirements: HCPF Systems	Integrated	Modularized
H.R.1 WR, every 6 months elig		New Work/Risk
H.R.1 Audits, PERM Risk, FWA +		New Work Risk

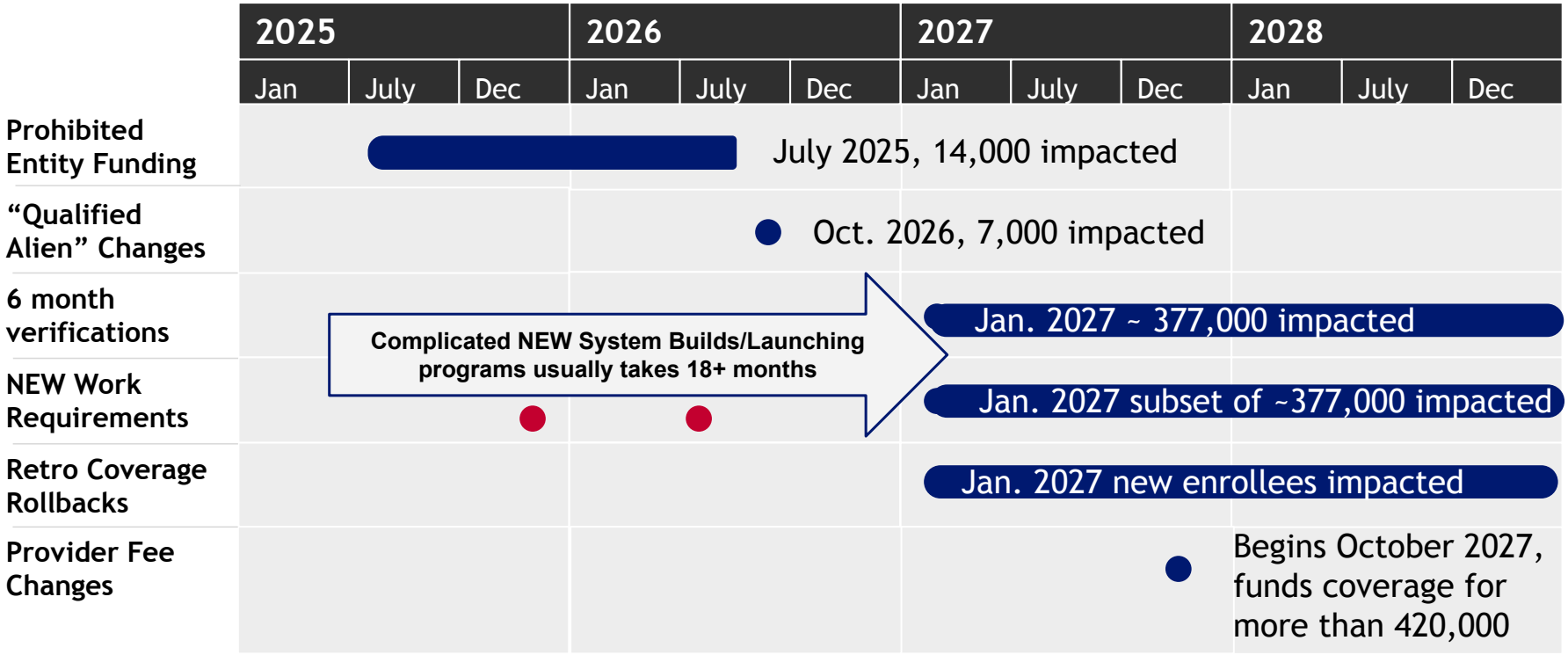
Federal Fiscal Challenges

(Medicaid H.R.1 Updates Webinar Feb. 24, register here)

- COVID related federal stimulus dollars are gone.
- Federal general perspectives of Medicaid's purpose have changed, threatening funding for already approved programs and care, or creating new risks
- H.R.1 causes state tax revenue reductions & ratchets down fed funding via its Medicaid Provider Tax provisions by 0.5%/yr from FFY 2028 (starts October 2027) to FFY 2032 (ends September 2032), reducing fed revenues by $1B-$2.5B
- Admin burden goes up - work requirements, 6 vs 12 months renewals, FWA, immigration
- Fed funding clawback risk increases with H.R.1 Medicaid Payment Error Ratio Measurement (PERM) audit provisions: every 0.1% over 3% = $9.3M; i.e.: 5%= $186M

H.R. 1 Medicaid Coverage, Eligibility & Financing
(not comprehensive of all changes)

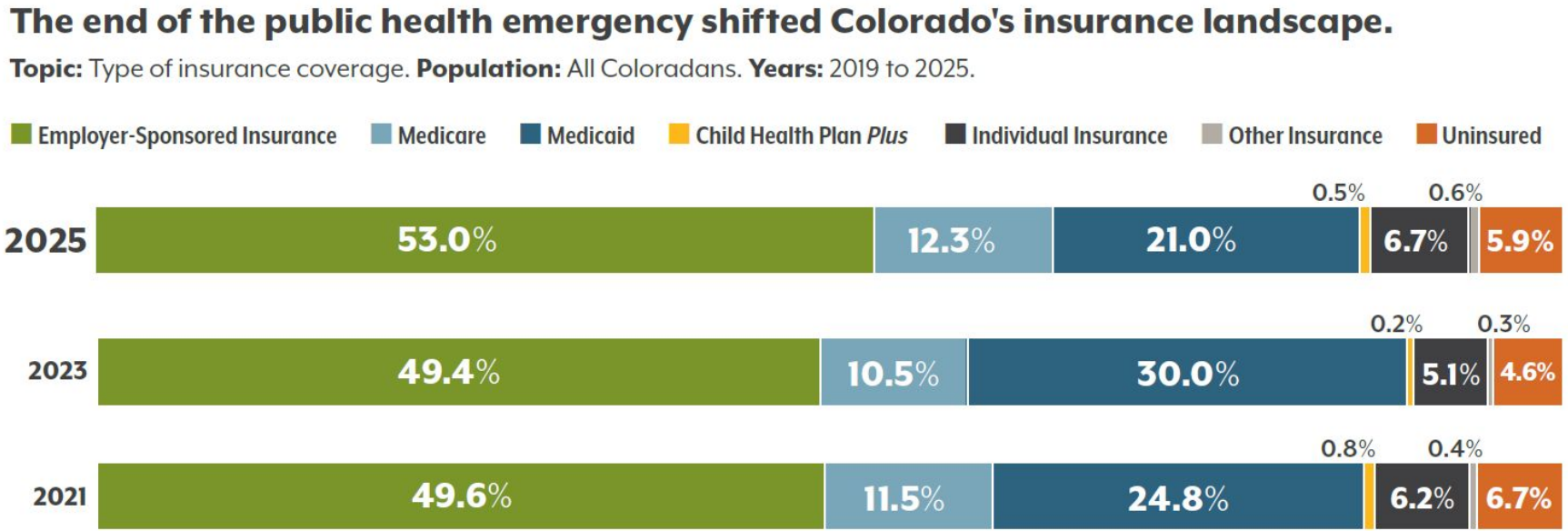
- CMS Guidance - preliminary guidance in December 2025, final rules in June 2026



North Star: Mitigate coverage losses and its catastrophic consequences to Coloradans, providers, economy

COLORADO
Department of Health Care Policy & Financing

Colorado's uninsured rate at 5.9%
Lower than pre pandemic rate of 6.7%



Efforts to connect Coloradans to coverage working, BUT **significant challenges are ahead with H.R. 1** mandate compliance

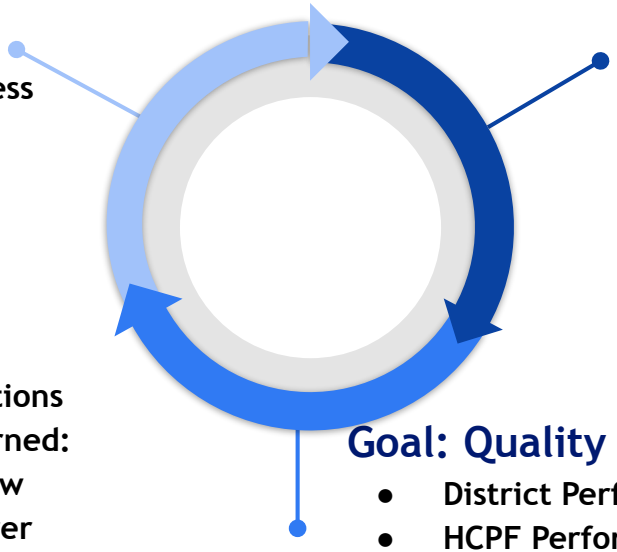
Source: Colorado Health Access Survey, November 2025

Driving Efficiencies in County Administration: Shared Services & Regionalizing into Districts

Goal: Consistent Member Experience

- District Agreements with Business Process Standards, ie: Hours of operations & access to support
- One Call Center model
- Member Fraud Investigations Shared Services

Incorporates SB 22-235 Recommendations PHE Unwind & Wisconsin Lessons Learned: Standardization, mitigate backlogs, low pending rates, higher approvals & lower procedural denials, allows local presence, low error rates



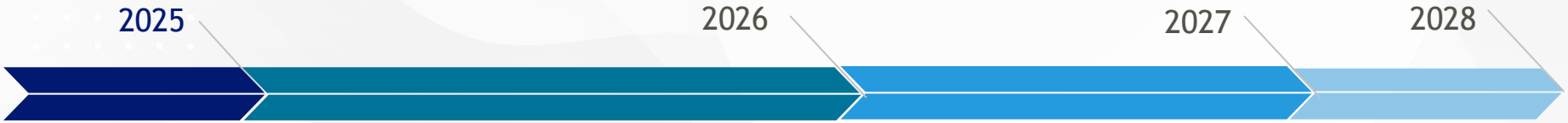
Goal: Admin Cost Containment

- County Administration Increases of ~14% annually are not sustainable
- State budget crisis, provider fee & federal funding reductions
- Leverages Districts & Shared Services, emerging tech, Intelligent Character Recognition (ICR), Joint Agency Interoperability

Goal: Quality & Mitigation of Fed Penalties

- District Performance Based Contracts
- HCPF Performance Error Rate Measure (PERM) & CDHS PER accuracy focus
- Quality Assurance Shared Service
- FWA Shared Services

Proposed District Timeline - Revised December 2025



Technology		**Jan-April 2026:** Contracting and design		**May 2026 - June 2027:** • Design and implementation of document management & workflow management, PEAK improvements/replacement, and Phase 1 CBMS replacement	**July - Dec. 2027:** • Rollout and implementation of document management, workflow management, and scheduler with phased district launch	
Shared Services		**Jan-June 2026:** Shared Services Workgroups. Shared Services Procurement. Contracting, and Set Up				**July 2028:** Shared Services fully operational
Districts	**Dec. 2025:** • Advisory Group • Fiscal Workgroup • Budget Amendment (BA) revisions	**Jan. 2026:** • Budget Amendment is public • Expanded workgroups & engagement	**Jan. - May 2026:** • Policy decisions (training, staffing, fiscal, legal, etc.) via Leg Session • Workgroups established • Develop Performance Based Contracts	**July 2026 - June 2027:** • Draft and negotiate Hub Agreements • Change- management, stakeholder engagement, operational readiness, eligibility business processes	**July - Dec. 2027:** • Phased district launch; roll out July (2), Sept.(5), Dec. (4).	**July 2028:** • Districts fully operational

Leveraging Federal Funding
Rural Health Transformation Program

CMS announced Dec. 29, 2025: CO was awarded $200M annually, or $1 billion over 5 years to support rural health care

- Fed defines rural providers: Rural Hospitals; Tribes and Facilities; Community Health Centers; Rural Health Clinics; Comprehensive Behavioral Health Providers; Opioid Treatment Programs; and Emergency Medical Services organizations
- CO's submitted grant application
- CMS issued a set of restrictions for RHTP
- Advisory Committee to be seated targeting February. Includes rural providers, consumers, public health, education, and state leaders.

Leveraging Federal Funding: State Directed Payments

- H.R. 1 changed the way states can leverage provider fees and State Directed Payments
- HCPF worked with the CHASE Board, hospitals and other stakeholders to submit new State Directed Payment pre-prints, with potential for $378M in new federal funding and an additional $8M for Denver Health
    - Our proposal is pending CMS approval
- **HCPF will continue to explore new federal funding opportunities as they arise**

Continue Work to Save People Money on Hospital Care - (Hospital Webinar Feb. 11, register here)

Reports

- Hospital Financial Transparency Report
- Hospital Community Benefit Report
- CHASE Annual Report
- Price Transparency Posting Evaluation
- Break-even Analysis Write-Up
- Hospital Insights Bulletin 2023

Policies

- HB23-1226: Hospital Transparency
- SB23-252: Medical Price Transparency
- HB23-1243: Hospital Community Benefit

Tools

- **Break-even Analysis Tool:** insights into what hospitals need to charge commercial carriers overall to offset the underpayments of public payers
- **Hospital Cost Reporting Tool:** displays hospital cost, price and profit metrics and trends - by hospital and hospital system
- **Payment Variation Tool:** compares hospital inpatient payments to identify low-cost providers, reducing health benefit costs for businesses and employees
- **Price Transparency Tool:** enables price comparisons at the procedure level across carrier plans
- **All Payer Claims Database**

Continue Work to Save People Money on Rx

5 recommendations	Advances made on <u>all</u> recommendations
Value-based arrangements for specialty drugs	**9 Medicaid value-based contracts** hold drug manufacturers accountable for clinical outcomes while sharing 100% of savings on the prescriber tool
Canadian Drug importation	**Awaiting FDA approval on Canadian drug importation program plan** to bring savings to consumers and employers
Rebate Pass Through, Pricing Transparency and Contract Pass Through (eliminate spread pricing)	**HB22-1370:** Effective Jan. 2024, health insurers required to use all rebates to lower employers and consumers Rx costs **HB23-1201:** Effective Jan. 2025, eliminates "spread pricing," or up-charging of Rx drugs carriers/pharmacy benefit managers on insured policies and Medicaid; 10-25% est. Rx savings for currently impacted employers
Prescription Drug Affordability Board (PDAB)	Sets upper payment limits on certain drugs - The Colorado PDAB set an upper payment limit for the drug Enbrel, which will be effective January 1, 2027.
Prescriber Tools: Opioid Response. Affordability Modules. Social Health Information Exchange in process.	**OpiSafe:** >5k allocated licenses. **Affordability:** ~65% Medicaid prescribers using the tool, which also improves member and provider experience. **Social Health Information Exchange:** First phases is LIVE! Accelerating Home & Community Based Services transitions referrals.

Legislatively Mandated SMART Act Updates

HCPF : Colorado Dept. of Health Care Policy & Financing

State Dept. that administers Health First Colorado (Colorado's Medicaid program), Child Health Plan *Plus* (CHP+) and other health care programs

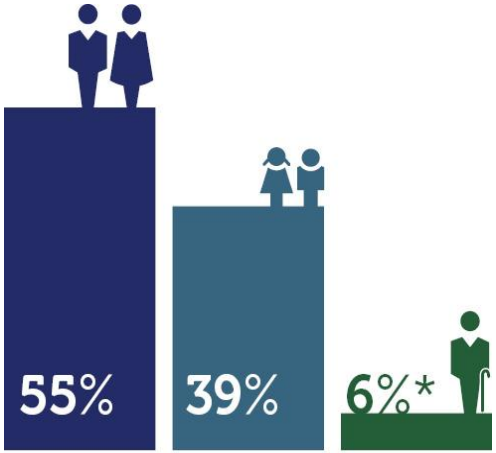
- Covering ~**1.3 million or 22% of** Coloradans, **40%+** state's children, **40%+** births
- Proposed FY 2026-27 **$20.6B** total funds, **$5.99B** General Fund
- **96%** budget pays providers, **4%** admin, **0.5%** staff

Mission: Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.

- Health First Colorado (Colorado's Medicaid program)
- Child Health Plan *Plus*
- Buy-In Programs
- Hospital Discounted Care
- Long Term Services and Supports
- Senior Dental Program
- Family Planning
- Cover All Coloradans
- Federal Match, Continuous Coverage
- Health Related Social Needs
- School Health Services

Health First COLORADO™

Colorado's Medicaid Program



Adults are ages 19 - 64

Children/ Adolescents are ages 18 and younger

Adults are ages 65 and older

*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*

HCPF Pillars Organize Our Focus

Fiscal Year 2025-26: HCPF has 40 Goals and 160+ projects in the below subjects

Member Health	Care Access	Operational and Service Excellence	Health First Colorado Value	Affordability Leadership
• Deliver intensive in-home behavioral health care coordination as part of the Colorado System of Care • Improve child/youth immunizations and prenatal care • Improve health equity in prevention, maternity care, behavioral health • Improve quality of hospital care (Hospital Transformation Program) • Support health related social needs like housing and food security, pending federal changes	• Protect member coverage and mitigate inappropriate coverage losses • Ease paperwork burdens while implementing federal directives • Transform home and community based services for people with disabilities • Increase statewide access to high intensity outpatient behavioral health services • Increase access to doulas to improve maternal health outcomes	• Advance eligibility systems, automation and digitization, letter clarity • Advance Recovery Audit Contractor program and mitigate fraud, waste, and abuse • Transition to statewide Non-Emergent Medical Transportation broker to improve oversight • Stabilize Long-term Services and Supports ecosystem for people with disabilities • Innovate and smoothly implement system changes; cyber security	• Medicaid Sustainability Framework - reasonable reductions, cost controls, avoid draconian cuts • Operationalize the Accountable Care Collaborative Phase III • Drive innovation (eConsults, Prescriber Tools, Social Health Information Exchange, cost and quality indicators) • Leverage additional federal funds opportunities to improve hospital finances • Right care, right time, right place, right price	• Mitigate loss of coverage from H.R.1 • Importation of Rx from Canada • Invest in rural providers to improve access, efficiencies, affordability • Improve hospital affordability; advance transparency & results (tools, reports, and policies) • Lead value based payments across payers • Mitigate rising pharmacy cost trends

HCPF employees are foundational to all work. More info at: CO.gov/HCPF/performance-plan

HCPF Executive Leadership, Office Structure

Kim Bimestefer, Executive Director, CEO

Melanie Schoenberg, Chief Administration Officer

Alicia Masell, Human Resources Director

Bonnie Silva, Office of Community Living Director

Joshua Block, Acting Finance Office Director

Adela Flores-Brennan, Medicaid Director, Health Policy Office Director

Cristen Bates, Office of Medicaid and CHP+ Behavioral Health Initiatives and Coverage Director

Parrish Steinbrecher, Health Information Office Director, CIO

Ralph Choate, Medicaid Operations Office Director, COO

Rachel Reiter, Policy, Communications and Administration Office Director

Charlotte Crist, Cost Control and Quality Improvement Office Director

Tom Leahey, Pharmacy Office Director

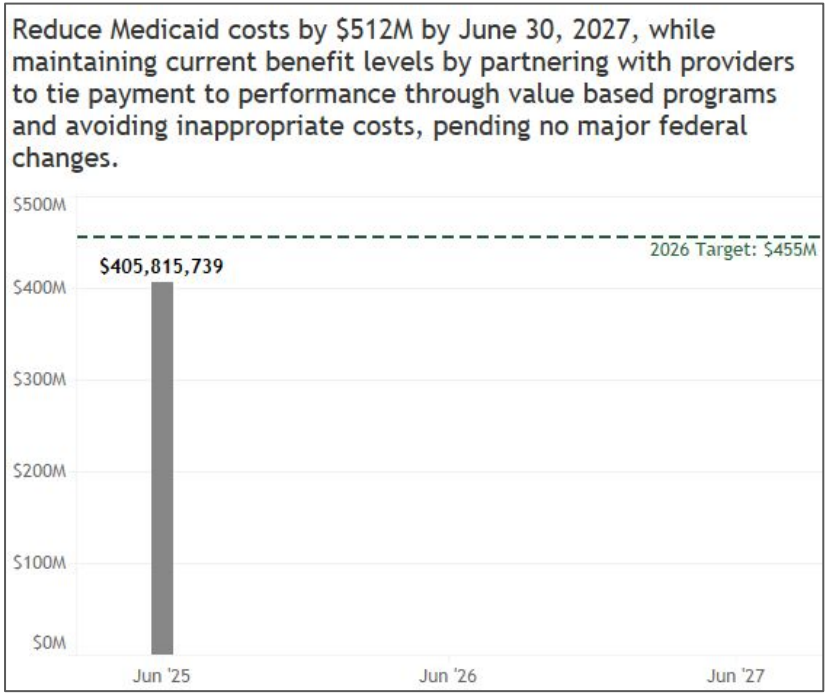
Fiscal Year 2025-26 Wildly Important Goals (WIGs)	Dec. 2025
1. Medicaid Efficiency: $512M by 6/30/27	$546,977,730*
1a. Medicaid Spending: $12.1M by 6/30/27	$2,668,386*
1b. Inappropriate Medicaid Spending: $500M by 6/30/27	$544,309,344
2. Automate and Digitize Member Coverage Renewals: 71% by 6/30/26	77%
2a. Auto Renewal of Medicaid Coverage for income eligible (MAGI): 73% by 6/30/26	76%
2b. Online Medicaid Renewals: 53% by 6/30/26	64%
2c. Member Communications: Meet 3 milestones by 11/30/25	Completed
3. Increase Access to Prenatal Care: 70% by 6/30/27	72%
3a. Perinatal Outreach to Members: 3,000 by 6/30/27	TBD Feb 2026
3b. Serve Members Through Doula Program: 1,000 by 6/30/27	1,835

**Preliminary: Not all data is available or final and subject to change upward or downward for this time period through 12/31/26*

Fiscal Year 2025-26 Wildly Important Goals (WIGs)	Dec. 2025
4. Medicaid Sustainability Framework	50%
4a. Develop and implement a Medicaid Sustainability Framework by January 30, 2025.	Completed
4b. Analyze Medicaid cost trend drivers, develop communication tools, educate stakeholders, and initiate the planning process for navigating the federal landscape by February 28, 2026.	Completed
4c. Collaborate with the Governor's Office on the Medicaid Innovation, Sustainability and Opportunities Project and share findings with stakeholders by March 7, 2026.	In progress
4d. Advance Innovations, Tools and/or Controls to Better Contain Medicaid Cost Trends by June 30, 2027.	In progress
Core 5 Health Cabinet WIGs	
5a. Treatment through High Fidelity Wraparound Services: 50% by 6/30/27	45%
5b. Post-Discharge In-Home Treatment with Wraparound Services: 50% by 6/30/27	55%
6a. Follow-Up After Hospitalization for Mental Illness: TBD by 6/30/27	TBD
6b. Follow-Up After Emergency Department Visit for Substance Use: TBD by 6/30/27	TBD

HCPF FY 2025-26 Wildly Important Goals (WIGs)

Medicaid Efficiency: Reduce Medicaid costs by $512M by June 30, 2027, while maintaining current benefit levels by partnering with providers to tie payment to performance through value based programs and avoiding inappropriate costs, pending no major federal changes.

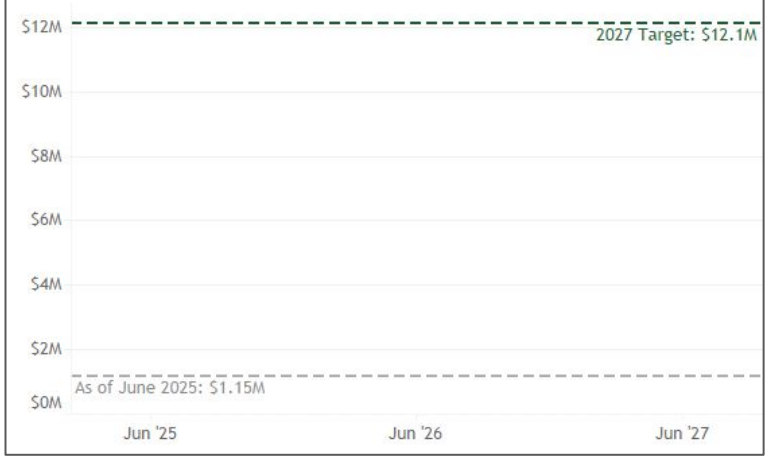


Context: Successful completion of this goal will result in healthier outcomes for Medicaid members and avoid preventable hospital costs associated with worsening conditions, increased prescription drug affordability, and lower inappropriate costs in partnership with providers.

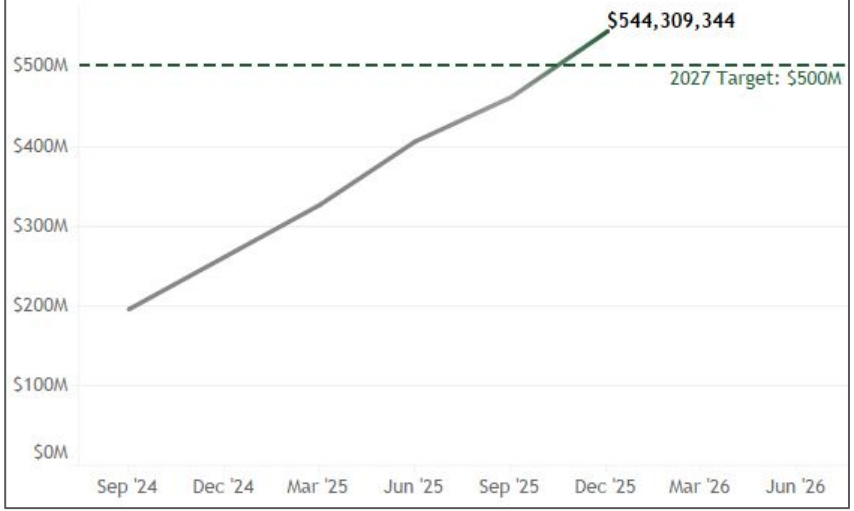
How HCPF will accomplish the WIGs

The Department of Health Care Policy & Financing will pursue and track completion of the following strategies to achieve this goal:

Reduce Medicaid preventable costs by $12.1M by June 30, 2027, by partnering with providers to deliver higher quality of care, resulting in members experiencing healthier outcomes and thereby reducing preventable use of hospitals, and by using more affordable prescription drugs, pending no major federal changes.

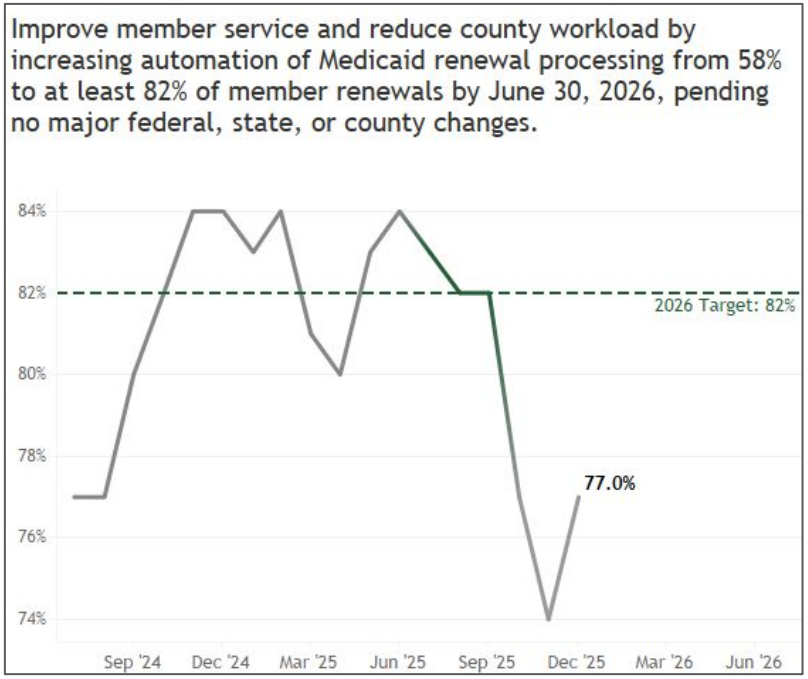


Reduce inappropriate Medicaid Spending by $500M from July 2023 to June 30, 2027, through retrospective recoveries and prospective cost avoidance, pending no major federal changes.



HCPF FY 2025-26 Wildly Important Goals (WIGs)

Automate & Digitize Member Coverage Renewals: Improve member service and reduce county workload by increasing automation of Medicaid renewal processing from 58% to at least 82% of member renewals by June 30, 2026, pending no major federal, state, or county changes.



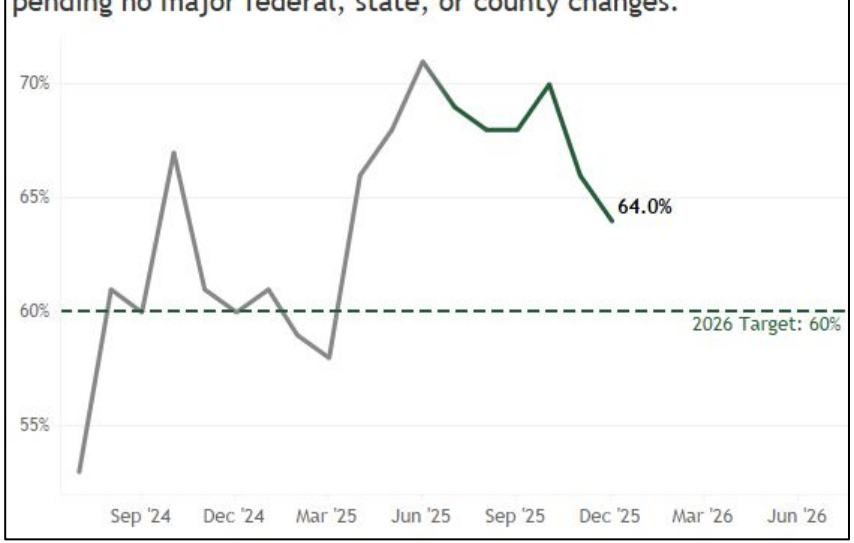
Context: Successful completion of this goal will make it easier for eligible Coloradans to renew Medicaid through automation improvements, digital tool innovations, communications and related efficiencies.

How HCPF will accomplish the WIGs

The Department of Health Care Policy & Financing will pursue and track completion of the following strategies to achieve this goal:

For those Medicaid individuals renewed based on income (MAGI), increase ex parte auto-renewal performance from 40% to 73% by June 30, 2026, pending no major federal, state, or county changes.

Increase member renewals returned through the Colorado Program Eligibility and Application Kit (PEAK) from 45% to 60% by June 30, 2026. PEAK is the online service for Coloradans to screen and apply for medical and other assistance programs, pending no major federal, state, or county changes.



How HCPF will accomplish the WIGs

The Department of Health Care Policy & Financing will pursue and track completion of the following strategies to achieve this goal:

Data Status: Up to Date

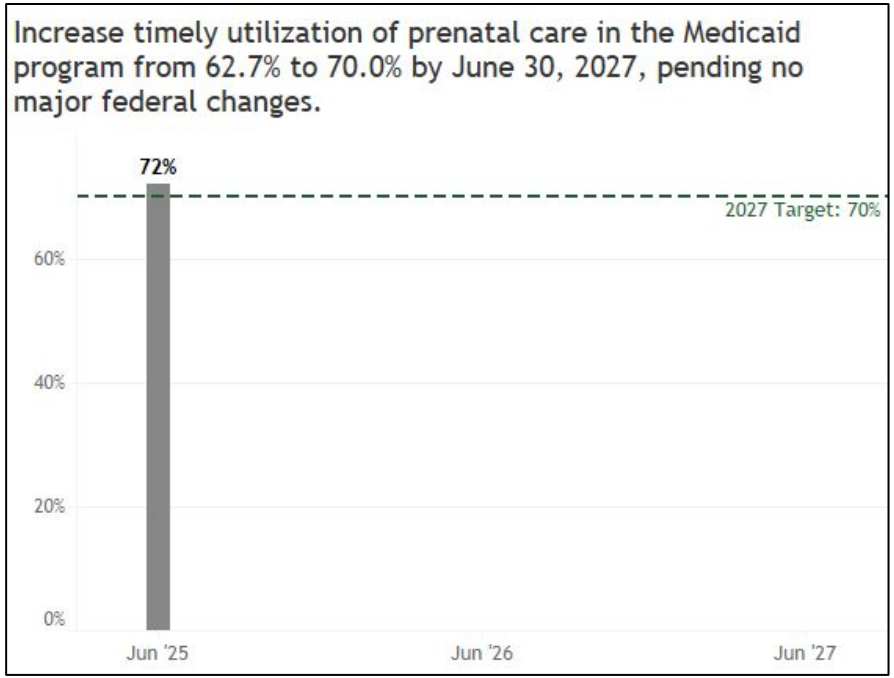
Last year, HCPF improved member correspondence accuracy and readability by revising 55 frequently used member eligibility correspondences prototypes. This year, to ensure that member communications are reviewed for plain language and accessibility and audited at a regular cadence to reduce duplicative and confusing notices, HCPF will create a new correspondence review system, with the following milestones, by November 30th, 2025, pending no major federal changes.

Complete
as of December 2025

Key Project Milestones:	
Create auditing tool for standardizing reviews by July 31, 2025.	**Complete** as of September 2025
Implement document management system by September 30, 2025.	**Complete** as of December 2025
Implement new process to inventory and audit member correspondence by November 30, 2025.	**Complete** as of December 2025

HCPF FY 2025-26 Wildly Important Goals (WIGs)

Increase Access to Prenatal Care: Increase timely utilization of prenatal care in the Medicaid program from 62.7% to 70.0% by June 30, 2027, pending no major federal changes.



Context: Successful completion of this goal will mean that birthing people and newborns have improved pregnancy outcomes by getting early and regular prenatal care.

How HCPF will accomplish the WIGs

The Department of Health Care Policy & Financing will pursue and track completion of the following strategies to achieve this goal:

Data Status: Up to Date

Meet with each RAE quarterly on their performance on the timeliness of prenatal care measure and collaborate on performance improvement by June 30, 2026.

Complete
as of December 2025

Data Status: Up to Date

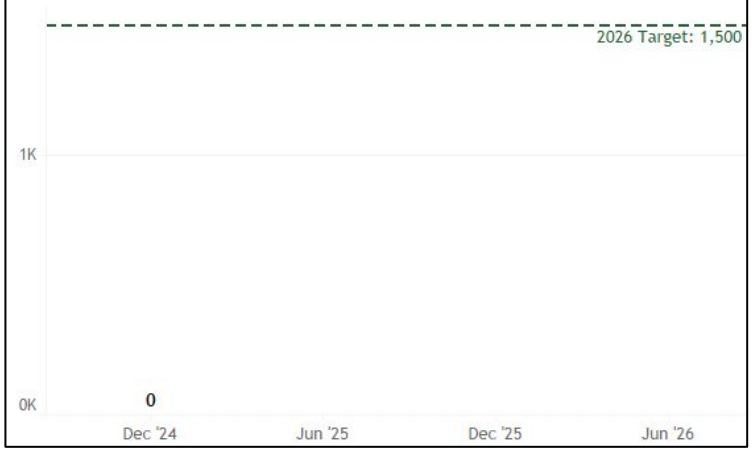
Improve birth equity through increased access to and choice of providers and supports for birthing people including direct entry midwives for home births and doulas by implementing 100% of programmatic requirements by July 1, 2025.

Complete
as of December 2024

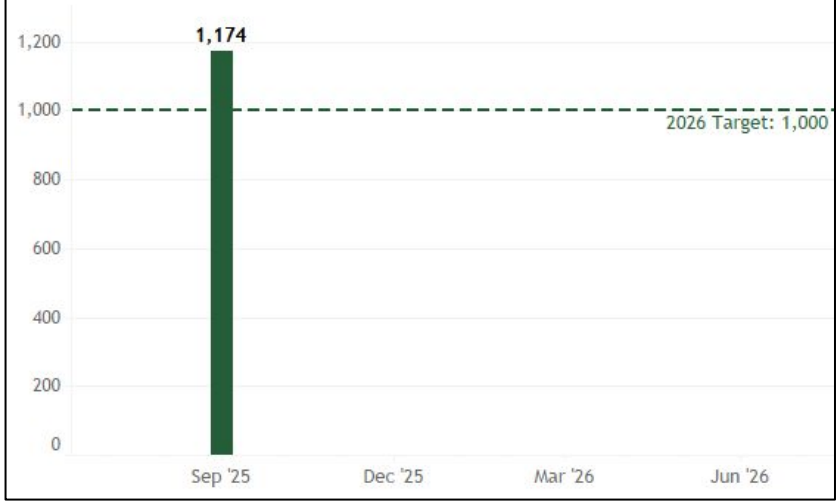
How HCPF will accomplish the WIGs

The Department of Health Care Policy & Financing will pursue and track completion of the following strategies to achieve this goal:

In partnership with HCPF, Regional Accountable Entities (RAEs), Managed Care Entities, Child Health Plan Plus partners, prenatal and postpartum care and case management teams will outreach at least 3,000 birthing members by June 30, 2027, to help connect eligible members to prenatal programs and timely care, pending no federal changes.



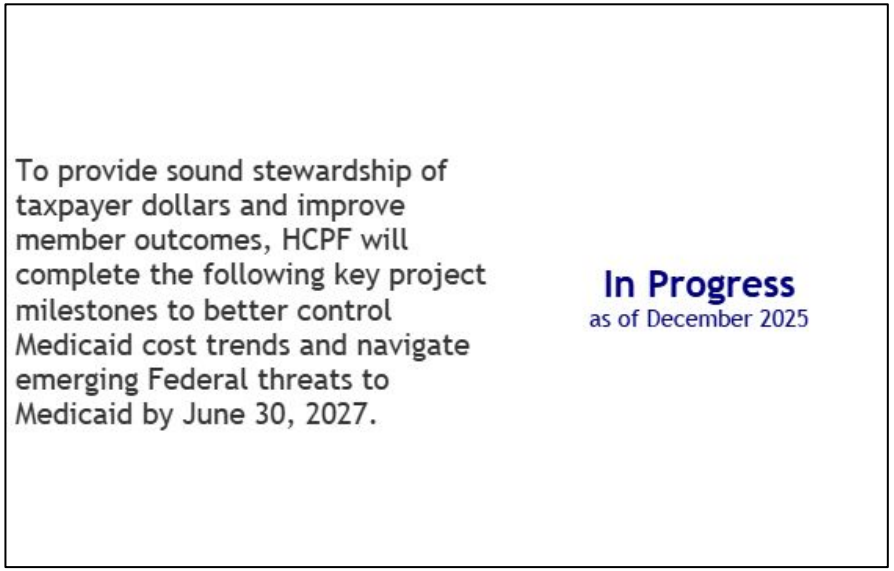
Last year, HCPF improved birth equity through increased access to and choice of providers and supports for birthing people including direct entry midwives for home births and doulas. This year, HCPF will serve 1,000 Medicaid members through the doulas program by June 30, 2027, pending no major federal or state changes.



COLORADO
Department of Health Care Policy & Financing

HCPF FY 2025-26 Wildly Important Goals (WIGs)

Medicaid Sustainability: To provide sound stewardship of taxpayer dollars, HCPF will complete the following key project milestones to better control Medicaid cost trends and navigate emerging Federal threats to Medicaid by June 30, 2027.



Context: Successful completion of this goal will help us better manage Medicaid cost trends and avoid draconian cuts to Medicaid by targeting our trend management efforts in a thoughtful, data-driven way.

How HCPF will accomplish the WIGs

The Department of Health Care Policy & Financing will pursue and track completion of the following strategies to achieve this goal:

Develop and implement a Medicaid Sustainability Framework by January 30, 2025. **Complete** as of September 2025

Data Status: Up to Date

Analyze Medicaid cost trend drivers, develop communication tools, educate stakeholders, and initiate the planning process for navigating the federal landscape by December 31, 2025. **Complete** as of December 2025

Data Status: Up to Date

Collaborate with the Governor's Office on the Medicaid Innovation, Sustainability and Opportunities Project and share findings with stakeholders by March 9, 2026. **In Progress** as of December 2025

More Info: Wildly Important Goals & Department Performance

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the Governor's Dashboard.

For more information on additional Department goals and context, view our FY 2025-26 Performance Plan.

HCPF FY 2026-27 Budget Request

FY 2026-27 Budget Request Snapshot

FY 2026-27 Total Funds: $20.3 billion
FY 2026-27 General Fund: $5.9 billion

Notes: (1) Includes Nov. 1, 2025 budget request and Jan. 2, 2026 budget amendments, and (2) county administration is reflected in HCPF Main.

COLORADO
Department of Health Care Policy & Financing

Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Budget Related Statute Changes
  - R-06 Executive Order and Other Spending Reductions
  - S-07/BA-07 Additional Budget Reductions
  - R-07 Driving Efficiency in Benefit Service Delivery
  - R-13 Denver Health Physician State Directed Payments
  - R-19 Office of Community Living Long Bill Reorganization

- No Fiscal Impact Agenda Items
  - Updates to Jail Medication Assisted Treatment (MAT) Policy
  - Federal Compliance

Regulatory Agenda

Rule Title	Hearing Month
Hospital Back Up Level of Care	December 2025
State Funded Supported Living Services (State SLS) Program	December 2025
Physician Services	January 2026
Primary Care Fund	February 2026
Individual Residential Service and Supports (IRSS)	February 2026
Federally Qualified Health Centers	February 2026
Home and Community Based Services Outcome-Based Supported Employment Model	February 2026
Hospital Community Benefit Accountability	March 2026
Community First Choice	March 2026
Mental Health Transitional Living Homes	March 2026
Federally Qualified Health Centers	March 2026
Nursing Facility Benefits	May 2026

The above is not a comprehensive list, for more information visit our Medical Services Board website at Colorado.gov/hcpf/medical-services-board

Colorado for All

In accordance with the Governor's Executive Order 2020 175, HCPF has implemented the following efforts in accordance with its equity, diversity, and inclusion plan:

- Directly aligned with **Statewide Equity Office** (2025 Colorado For ALL Report submitted to SEO for review, 12/4/25 briefing)
  - EDIA maturity status: **Optimized**
- **635+ staff** have completed at least 1 culture and belonging training (2021-2025)
- Currently in Phase III of Department Culture Improvement Project
  - **8 culture plays** have been implemented to increase employee engagement
- Successfully supporting **7 Affinity Groups** (Colleague Resource Groups)
- Launched **Colorado For All Academy** to support emerging leaders from diverse backgrounds (In collaboration with Learning and Development)
- In compliance with **HB21-1110** Accessibility for All
  - Average accessibility score as of September 2025: **95.5%** (+1 point since June 2025)

HB22-1289: Health Benefits for Colorado Children and Pregnant Persons

What is Cover All Coloradans?

As of January 1, 2025, Colorado children ages 18 and younger and pregnant people living in Colorado, no matter what their immigration is, can apply to get health coverage through Health First Colorado (Colorado's Medicaid program) and Child Health Plan *Plus* (CHP+).

Enrollment (12/30/2025)

Children	19,790
Pregnant/Postpartum	7,092
Total	26,882

Top 5 services by Utilization & Expense

Utilization/POS	**Expense**
FQHC	Hospital Inpatient
Dental	FQHC
Hospital Outpatient	Dental
Physician Services	Hospital Outpatient
Pharmacy	Physician Services

Studies show providing coverage to children and pregnant individuals is cost effective.

- Providing health insurance to Medicaid/CHIP-eligible uninsured children improves health, healthcare access and quality, and parental satisfaction; reduces unmet needs and out-of-pocket costs; and saves money.*
- Members with fragmented and/or less prenatal care cost more than DOUBLE (total prenatal + newborn costs) what the members who receive coordinated, consistent care cost, on average.**

SB23-189: Increase Access to Reproductive Health Care

With SB21-009, creates Family Planning and Family Planning-Related services benefit for eligible individuals regardless of immigration status

Total Cost of Repro Healthcare Program:
(FY 24-25)
$1,787,441

Demographics of Eligible Individuals

Race/Ethnicity	Percentage of Eligible Members
Hispanic/Latino	85.7%
Black/African American	1.3%
AAPI	1.2%
White/Caucasian	1.5%

Gender Identity

- 60.3% female
- 39.6% male

Income level
(FY 24-25 data)

- 0-108% FPL: 86% of members
- 109-133% FPL: 11% of members

COST SAVINGS
$1 Invested, $7.09 Saved
(Guttmacher Institute)

Example:
$373,000 invested in LARC for FY24-25 for RHCS could result in cost savings of over $2.6 million.
(Guttmacher framework)

Avg. Daily Cost of NICU stay: $3,741
(Level IV care-2021; Health Care Cost Institute)

LARC (Implant and IUD) and Sterilization are preferred methods of contraception.

SB23-288: Coverage For Doula Services

Since 7/1/24 130+ providers enrolled, over 1 million in claims paid and over 1.4k unique members served across all of Colorado.

Scholarship Program:

- Four organizations provided scholarships to their unique criteria, skills, and community connections which allowed them to:
  - Offer trainings both in-person and online in English and Spanish
  - Outreach to diverse communities (eg: location, BIPOC, ESL, & LGBTQ+)
  - Trained 100+ community-based doulas to serve Medicaid members.

Member information

- 1/3 identified Spanish as a preferred language vs. 1/5 of in total birthing population
- 15% of doula users identified as Black/African American vs. 7% of total birthing population
- 97% doula users would recommend one to another member (HCPF Member survey)

HB22-1290: Changes to Medicaid for Wheelchair Repairs

- Purpose: create transparency and accountability in the quality of Complex Rehabilitation Technology (CRT) repairs.
- Providers must report metrics for all applicable repairs 2X/year.
- ~2600 CRT repairs reported
- Reporting period for repairs completed: December 2024-May 2025.

Metric	Dec 2024- May 2025
Total number of repairs	2618
Members with secondary equipment	1689
Members with primary Medicare coverage	924
Members satisfied with the quality of their repair	2468
Average days from evaluation to creation	11
Average days from evaluation to fulfillment	11
Average total days to fulfillment	22

SB23-002 Medicaid Reimbursement for Community Health Services

- Due to the State's budget shortfall, the Colorado General Assembly passed legislation (SB 25-229) that postpones CHW Medicaid reimbursement until January 1, 2026.
- Governor's Executive Order D25 014 further delayed until January 1, 2028.

HB 21-1198: Hospital Discounted Care

- **House Bill 21-1198 Health-Care Billing Requirements for Indigent Patients (referred to as Hospital Discounted Care). Hospitals report data HCPF determines necessary to evaluate compliance across race, ethnicity, age, and primary language spoken patient groups with the screening, discounted care, payment plan, and collections practices.**
- Data is due annually to HCPF by September 1 and will cover the previous state fiscal year
    - The most recent data covered FY 2024-25
    - Of the 85 required hospitals, 84 reported 67,863 patients received financial assistance for their hospital bills, an increase of 3,690 patients over FY 2023-24
- During FY 2024-25, the HCPF audits team audited 12 hospitals' completed patient applications and billing data for FY 2023-24. HCPF requires hospitals to complete corrective action plans when their audit findings have 10% or higher error rate within any section of the audit.
    - Common areas of findings include: Required timelines not being met related to initiating screenings, sending determination notices, and billing; some required worksheets not being included within the Uniform Application; and misreported or incorrectly-included data in the annual submission

SB25-166: Incidents Of Workplace Violence In A Hospital Setting

- Senate Bill 25-166 **This Act includes a performance metric related to workplace violence in determining quality incentive payments made to hospitals. The current Hospital Quality Incentive Payment Program (HQIP) was determined to house this new metric. This metric has a stipulation of a 100 beds or more.**
- **September 2025:** A committee was formed to identify metric direction and provided recommendations to the HQIP subcommittee on November 6, 2025.
- **HQIP subcommittee**
  - Draft measure language was introduced to the HQIP subcommittee on 11/6/25 for discussion.
  - The subcommittee reached consensus to collect data on implementation of a formal workplace violence policy for HQIP 2026 (data to be collected in May of 2026).
  - The subcommittee reached consensus to recommend implementation of a broader measure spanning 3 elements (structural, staff training, and procedural) for HQIP 2027 (data collected in May 2027).
  - Subcommittee took the recommendations and developed out a strategy to address workplace violence in a hospital setting and will present a measure recommendation to the CHASE board in February of 2026.

SB22-177: Investment in Care Coordination and HB23-1236: Implementation Updates to Behavioral Health

Data from 7/2025-11/2025	Rocky RAE 1	NHP RAE 2	CCHA RAE 3	COA RAE 4	Denver Health MCO	Rocky Prime MCO
Average attribution	161,927	154,152	281,744	377,819	97,233	39,656
# of members engaged	1,089	1,533	4,761	3,890	3,011	1,092
# of members referred to community resources	244	43	776	2077	906	558
% of membership engaged	0.7%	1.0%	1.7%	1.0%	3.1%	2.8%
% of engaged members referred to community based services	22%	3%	16%	53%	30%	51%

HB21-1085 - Behavioral Health Secure Transportation (BHST)

- House Bill 21-1085 directs HCPF to implement a behavioral health secure transportation, which benefit no later than July 1, 2023 (C.R.S. 25-3.5-103).
- Beginning July 1, 2025, BHST is included in the capitation and paid by the Regional Accountable Entities (RAEs).

Data	Year 1 (FY 23-24)	Year 2 (FY 24-25)	% Change
BHST Enrolled Providers	12	74	+517%
Ambulance Providing BHST	8	4	-50%
One-Way Trips	3,332	9,171	+175%
Unique Members Served	2,314	3,196	+38%
Total Expenditures	$2,081,253.95	$3,675,430.59	+77%

HB22-1268: Behavioral Health Rates Action Plan

Completed Tasks

- New Comprehensive and limited Essential safety net provider payment methodologies implemented.
- Received federal approval for State Directed Payments.
- Monitoring new safety net provider payments for effectiveness and working to improve measurement for future value-based options.

Continued efforts

- Improving cost reports for Comprehensive safety net providers to align with the new Prospective Payment System (PPS). PPS Guardrails Report being drafted.
- Reviewing contracted provider payments to commercial rates.

HB23-1197: Stakeholder Process for Oversight of Host Home Providers

Bill directed HCPF to develop recommendations for Oversight of Host Home Providers:

Stakeholder meetings were held from August, 2023 - September, 2024, including a variety of opportunities for stakeholder involvement, such as workgroups and focus groups.

- The new Host Home Database has been developed with contractor and stakeholder support. This database is a critical tool for implementing a system that tracks “bad actors” and holds providers accountable when they attempt to transfer between agencies due to delinquent behavior. It will equip HCPF with the necessary tools to identify problematic providers, allowing for a safer and healthier environment for Members receiving IRSS. Before we can fully implement, HCPF needs funding to:
    - Develop Training Materials and educate users on the new platform
    - Pilot the program with Provider Agencies and Host Home providers
    - Plan for the broader rollout of the program with all Provider Agencies