



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

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TO: Interested Persons

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SUBJECT: Medicaid Appeals in Colorado: Data on Prior Authorization Denials, Appeals, and Outcomes

Overview

Using data from the Colorado Department of Health Care Policy and Financing (HCPF) on [Health First Colorado](#) (Colorado's Medicaid program), this memo reviews the number of denials of prior authorization requests, the number of annual Medicaid appeals, and the outcomes of those appeals. It concludes with resources for filing an appeal.

Background

HCPF directs and operates Health First Colorado, with benefits assistance supervised by the state and administered by counties. Those applying for benefits can monitor the status of their application through the [Colorado Program Eligibility and Application Kit](#) (PEAK), a web-based system that processes applications for state public benefits including Medicaid and enables recipients to manage their benefits online.

Under current law,¹ HCPF is required to inform Health First Colorado applicants and members in writing at least ten days before denying, approving, terminating, or changing their eligibility for medical assistance benefits. A written Notice of Action explains the intended action, the reasons for taking the action, and the process going forward.

Individuals must [file an appeal](#) within 60 days from the date on their Notice of Action. An applicant or member may appeal if she or he believes the action was incorrect, the application for services was improperly denied, or the application was not addressed in the required time frame. Applicants and members may also file an appeal if they received less than ten days'

¹ Section 25.5-4-207, C.R.S.



notice before the date when an action would impact their health coverage, covered services, or benefits. Additionally, members have the right for their benefits to continue² until the appeal is resolved in cases where the health plan stopped or reduced a previously authorized service.

Denials of Prior Authorization Requests

Looking at HCPF data on annual denials of prior authorization requests from calendar years 2024 and 2025 (Table 1), Health First Colorado fully approved 92 percent of prior authorization requests. It fully denied seven percent of prior authorization requests and partially denied less than two percent of prior authorization requests.

Table 1
Annual Denials Data

Time Range	Prior Authorization Requests (PARs) Completed	PARs Fully Approved	% PARs Fully Approved	PARs Fully Denied	% PARs Fully Denied	PARs Partially Denied	% PARs Partially Denied
CY 2024	340,700	315,435	92.60%	25,265	7.40%	5,678	1.70%
CY 2025	389,684	361,397	92.70%	28,287	7.30%	6,025	1.50%

Source: HCPF

Annual Appeals

Most Health First Colorado appeals involve members rather than applicants (Table 2). Between 2021 and 2025, member appeals comprised 73.6 percent to 87.0 percent of annual appeals. While HCPF does not track the reasons for appeals, it is noteworthy that Colorado's Public Health Emergency unwind began in 2024 and ended in 2025. The unwind required the state to review eligibility of all [1.8 million enrollees](#) who had enrolled in Medicaid since the beginning of the pandemic, when, during the COVID-19 Public Health Emergency, federal law required the state to keep individuals covered by Medicaid. The unwind lasted 14 months, with Colorado sending out the first notices to members in March 2023.

² HCPF does not collect data on use of continuation benefits at this time.



Table 2
Annual Appeals Data

Year	Applicant	Member	Unknown	Total
2021	309	955	34	1,298
2022	282	1,090	26	1,398
2023	329	1,715	41	2,085
2024	318	2,548	64	2,930
2025	390	2,333	39	2,762

Source: HCPF

A [2025 report from the Colorado Health Foundation](#) found that some Health First Colorado members who remained eligible during the unwind experienced gaps in coverage (e.g., resulting from delays in paperwork or processing issues), and other eligible members were unaware that they needed to renew their coverage. The rise in appeals during this time period may partly reflect eligible members appealing after experiencing gaps in coverage or members deemed ineligible who wished to challenge the state's removal of coverage.

Appeal Outcomes

According to HCPF, most appeals are resolved without a hearing. In these cases, the underlying issue may have been resolved, an error was found, or the member understands the reason for the action taken. The Office of Administrative Courts, a division of the state Department of Personnel and Administration, conducts Medicaid hearings in cases where appeals cannot be resolved.

Initial Decisions

In a hearing, an administrative law judge issues an initial decision to the HCPF Office of Appeals following the hearing. Initial decisions rely solely on evidence introduced in the hearings and:

- summarize the facts;
- identify the regulations and evidence supporting the decision; and
- explain that failing to file exemptions waives the right to seek judicial review of a final agency decision.

Anyone who seeks to reverse, modify, or send back an initial decision for further action (i.e., remand) must file exceptions with the Office of Appeals within 18 days (including three days for mailing) of the date the initial decision was mailed. Exceptions must be in writing and state the specific grounds for the request.



Final Agency Decisions

After the initial decision is filed with the HCPF Office of Appeals, HCPF issues a final agency decision based on the record of:

- the written transcript of testimony and exhibits;
- all papers and requests filed in the proceeding;
- the initial decision of the administrative law judge; and
- any exceptions and requests filed in response to the initial decisions.

Unless an extension has been granted, the Office of Appeals will issue the final agency decision within 90 days of the date the request for a hearing was received. If the final decision is favorable for the appealing client, corrective action occurs within three working days of the final decision, retroactive to the date of the incorrect action.

An applicant or recipient can file a written motion for reconsideration with the Office of Appeals within 15 days of the final decision. Applicants can file a motion if they can provide a good reason for not filing exemptions within the required time frame, or if they can show that the final decision was based on a clear error of fact or law.

Appeal Outcomes Following Hearings

For appeals that resulted in a hearing, Table 3 includes the outcomes of those appeals. Between 2021 and 2025, 61.4 percent to 73.7 percent of hearings resulted in initial and final agency decisions that upheld the Medicaid decision. Appeals hearings rarely resulted in a final agency decision reversing the initial Medicaid decision. In 21.7 percent to 26.8 percent of all appeal hearings, the initial decision and final agency decision agreed to reverse the Medicaid decision.



Table 3
Annual Appeal Outcomes Data

Year	Initial Decision (ID) and Final Agency Decision (FAD): Uphold Medicaid Decision*	ID Upholds Medicaid Decision, FAD Reversed	ID Reverses Medicaid Decision, FAD Reversed	ID and FAD Reverse Medicaid Decision	FAD Remanded ID
2021	132	0	6	39	2
2022	70	0	3	41	0
2023	93	3	3	45	1
2024	157	3	5	99	5
2025	168	2	16	55	4

Source: HCPF

*"Medicaid Decision" referred to appeal of eligibility, prior authorization request, or another Medicaid decision.

Resources for Appealing a Medicaid Coverage or Benefits Decision

The Health First Colorado website provides step-by-step details about [how to appeal](#) a health coverage or benefits decision. The website also describes how to submit an appeal for a state fair hearing (also known as appeals or formal hearings) to the Office of Administrative Courts. People requiring faster appeals may request an expedited appeal by explaining why waiting would put their life or health at risk.

For questions about appeals, the Health First Colorado Member Contact Center (1-800-221-3943 (State Relay: 711)) and Office of Administrative Court's Clerk's Office (1-303-866-5626) are also available by phone.