



**COLORADO**

**Department of Health Care  
Policy & Financing**

Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

July 1, 2022

The Honorable Julie McCluskie, Chair  
Joint Budget Committee  
200 East 14th Avenue, Third Floor  
Denver, CO 80203

Dear Representative McCluskie:

In accordance with § 25.5-6-409.3 (4), C.R.S., the Colorado Department of Health Care Policy & Financing (the Department) respectfully submits our quarterly status report on the redesign of a consolidated Home and Community-Based Services (HCBS) waiver for Adults with Intellectual and Developmental Disabilities (IDD).

Since the April 2022 update, the Department has continued to make progress on the IDD consolidated waiver and complementary initiatives. The Department continues working to align service design, policies, and implementation across all HCBS waivers to serve all populations, including those who would access the IDD consolidated waiver. In doing so, the Department will advance the mutual aims of IDD waiver redesign, while ensuring needed HCBS services are designed to be flexible and simplified. The Department will make accessing services more straightforward and easier, while helping build provider capacity to streamline and stabilize the future workforce.

Specifically, and as noted below, this quarter, the Department made significant strides in various complementary initiatives that not only support a consolidated waiver, but also strengthen and align the HCBS system and the services our members receive.

- The American Rescue Plan Act (ARPA) Funding includes a provision to increase the federal matching rate (FMAP) for spending on Medicaid HCBS by 10%. The Department continues to implement the approved ARPA Spending Plan. This plan includes various projects and initiatives that will benefit and strengthen our alignment work. The originally submitted plan, which outlines how the state intends to enhance, expand, or strengthen Medicaid HCBS, is publicly available on the [Department's website](#). In particular, the Department's pursuit of Community First Choice will significantly improve service option availability to all HCBS members and make consolidation easier.
- There has been continued work on the [Direct Care Workforce Initiative](#), where, in addition to a robust stakeholder collaborative formed to work in partnership with stakeholders to identify and move forward strategies to support the

recruitment and retention of Colorado's direct care workforce, the Department has implemented a \$15.00 an hour Base Wage Requirement for Direct Care Workers effective January 1, 2022. This wage increase targets workers who currently receive the lowest rate of pay yet provide the vast majority of hands-on care to older adults and individuals with disabilities within our state, including personal care workers, homemakers, direct support professionals, and others. The funding associated with this initiative is part of the overarching effort to leverage the HCBS ARPA funds to stabilize and increase the Direct Care Workforce, while supporting hiring and retention efforts. This work is essential in a consolidated waiver to ensure we have a robust and prepared provider workforce to serve our members in a consolidated waiver. In addition, this quarter, the Colorado General Assembly approved ongoing funding for the base wage, recognizing the importance of these workers and the need to require higher wages.

- The Department implemented Budget Request R-08 Supported Living Services Flexibilities approved in [SB 21- 205](#). The intent of this request is to expand access to care for adults with Intellectual or Developmental Disabilities (IDD) who are likely on the waiting list for the HCBS-DD waiver, by offering additional Long-Term Services and Supports (LTSS) to members enrolled in the HCBS-SLS waiver program to avoid emergency enrollment into HCBS-DD waiver. This R-08 Supported Living Services Flexibilities initiative directly impacts a consolidated waiver as the Department is using direct feedback and recommendations received from Waiver Redesign stakeholders for the design and implementation. Furthermore, the Department anticipates these flexibilities and the availability of additional services and supports will not only give members the appropriate level of care they need, but also the opportunity to remain in the community and the residence of their choosing. Since implementation, the Department has received and approved 13 exception requests for members needing additional support to remain in the community.
- The Department continues to build upon the work completed in the actuarial analysis conducted by Bolton Health Actuarial, (2019) “Intellectual and Developmental Disabilities Waiver Redesign Project Cost Modeling.” Specifically, the Department continues to closely engage stakeholders on the development of the Person-Centered Budget Algorithm (PCBA), which is essential to implement a consolidated waiver. Using information gathered during the new assessment process, the PCBA will help identify a range of resources to be used during the support planning process.
- The Department modified regulations pertaining to Non-Medical Transportation (NMT) in an effort to align service requirements for all waivers. Prior to the revisions, there were vastly different provider requirements for each waiver.

This quarter, the Department continued planning for a "Soft Launch" of the [New Assessment and Person-Centered Support Plan](#). Training for case managers began in April 2022 and will continue through August 2022 for selected case managers to learn the assessment and support planning automation functionality within the new Care and Case Management Information Technology (IT) system, prior to full system implementation. This also will allow for Case Management Agencies to prepare for the full GoLive of the system. The Department will also begin working with stakeholders after the soft launch begins to identify critical variables for the Person-Centered Budget Algorithm (PCBA). This includes the development of a new Exceptions Process to account for exceptional outlier cases of individuals whose needs are extraordinary and not fully captured within the PCBA.

Background information on the consolidated waiver is available on the Waiver Redesign Stakeholder Engagement [website](#). If you require further information or have additional questions, please contact the Department's Legislative Liaison, Jo Donlin, at [Jo.Donlin@state.co.us](mailto:Jo.Donlin@state.co.us).

Sincerely,



Kim Bimestefer  
Executive Director  
KB/mab

Cc: Senator Chris Hansen, Vice Chair, Joint Budget Committee  
Senator Bob Rankin, Joint Budget Committee  
Representative Leslie Herod, Joint Budget Committee  
Representative Kim Ransom, Joint Budget Committee  
Senator Rachel Zenzinger, Joint Budget Committee  
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