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

2023 HCPF Legislative Agenda Overview

December 2022

Nursing Facility Sustainability and Transformation

This bill would implement the Department's recommendations in the [2022 Nursing Facility Reimbursement Recommendations Report] and ensure the nursing facility industry continues to move forward with innovative practices aimed at improving their long-term sustainability. In 2022, HB 22-1247 provided a critical infusion of funding to the nursing facility industry for FY 2021-22. It also directed the Department to establish reporting and result tracking requirements to administer additional supplemental funding, pursue federal matching funds, and engage with stakeholders to produce a recommendation report on ways to improve the industry's financial standing. The report, published on November 1, 2022, includes a number of recommendations including:

- targeting future short-term increases in funding to high Medicaid utilizers,
- increasing transparency in ownership and financial practices in the nursing facility industry,
- increasing funding for behavioral health and complex needs payments,
- increasing funding to rural nursing facilities,
- removing across-the-board rate increases and removing regulatory and licensing barriers where possible.

Public Health Emergency Unwind Alignment

This bill would ensure the Department has the necessary state authority to continue to access federal funding related to COVID-19 response and recovery activities for the 14 month period after the end of the PHE. The expiration of the continuous coverage requirement authorized by the Families First Coronavirus Response Act (FFCRA) presents the single largest health coverage transition event since the first open enrollment period of the Affordable Care Act. Throughout the federally-designated Public Health Emergency (PHE) in response to COVID-19, states have been required to maintain enrollment of nearly all Medicaid enrollees as a condition of receiving a temporary 6.2% Federal Medical Assistance Percentage (FMAP) increase. When the PHE expires, states will have up to 14 months to return to normal eligibility and enrollment operations as provided by the Federal Centers for Medicare and Medicaid Services, but need to access the 6.2% FMAP during that time period.

Removal of Co-Payments in Medicaid

This is a companion bill to the Department's *R-7 Provider Rate Adjustments* budget request, and would grant the Department authority to eliminate copays for most Medicaid benefits. Copays are used to encourage desirable utilization and discourage undesirable utilization in health care. Studies show that copays in Medicaid can lead to delayed care, pill-splitting, and unfilled prescriptions, which can result in poor health outcomes and more expensive utilization. The Department anticipates that removing member copays will lessen the financial burden that members and families might experience as a result of cost-sharing, such as having to borrow money to pay for care or struggling to afford basic needs like rent and food. Copayments are also part of the cost-sharing mechanism for reimbursing health providers. If copayments are reduced, the Department will be able to leverage more federal matching funds through higher overall reimbursement to providers.

Prader Willi Syndrome Technical Changes

This bill would make a technical change to statute by removing outdated and inconsistent language related to Prader-Willi Syndrome. Prader-Willi Syndrome is a rare genetic disorder that results in a number of physical, mental and behavioral complications. Currently, more updated portions of statute, regulations and the Developmental Disabilities (DD), Supported Living Services (SLS) and Children's Extensive Support (CES) waivers have revised definitions of developmental disability that include Prader-Willi syndrome. This proposed change aligns all relevant language.

Medicaid Provider Rate Review Advisory Committee (MPRRAC) Technical Changes

In 2021, the General Assembly passed SB 22-236, which made changes to the MPRRAC by increasing its effectiveness and efficiency, while ensuring providers, consumers and stakeholders have an opportunity to provide input during the rate review process. This bill would make technical changes to accelerate the implementation of the three-year cycle of rate reviews established in SB21-236 and ensure the best use of state resources.

For more information contact

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