



**COLORADO**

Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

## FY 2021-22 Budget Agenda Summary

Below is a summary of the Colorado Department of Health Care Policy & Financing's (the Department) discretionary budget requests submitted to the Colorado General Assembly for consideration as part of the Governor's Fiscal Year (FY) 2021-22 budget, which runs from July 1, 2021 – June 30, 2022.

Budget requests 1-5 are directly related to enrollment and cost projections for Health First Colorado (Colorado's Medicaid program) and Child Health Plan *Plus* (CHP+), including physical and behavioral health services, prescription drugs, and services for people with intellectual and developmental disabilities. These budget lines are "trued" each year as actual enrollment and per capita costs are reconciled with projections. The requests below outline other budget requests not related to enrollment. As a result of the COVID-19 pandemic, the FY 2021-22 budget requests focus on addressing the state's current budget shortfall while still prioritizing and protecting member benefits and services given budget constraints.

Each request is summarized below; additional detail is available [on our website](#). The budget becomes final after the Colorado General Assembly passes it and the Governor signs it into law.

### Budget Requests

#### R6 | Remote Supports for HCBS Programs

**Summary:** The Department requests to add a remote support benefit to five Home and Community-Based Services (HCBS) waiver programs. Remote supports are an emerging service model that combines technology and direct care to support people with disabilities. When hands-on care is not required, remote supports make it possible for direct care staff to provide supervision, prompting, or instruction from a remote location, reducing the need for residential or in-person services. A remote support option will help address workforce shortages by increasing provider efficiency, improving access to care in rural areas and helping members stay safely in their homes and communities.

**FY 2021-22 Budget Impact:** Reduction of \$716,616 total funds, including a reduction of \$348,345 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$2,149,847 total funds, including a reduction of \$1,045,040 General Fund

#### R7 | Nurse Advice Line

**Summary:** The Department requests a funding adjustment to continue operation of the Nurse Advice Line (NAL) services. The NAL is a 24-hour phone line, available 365 days a year, for members to call for medical information and advice. The NAL ensures members receive the most appropriate level of care and, in some cases, prevents unnecessary emergency room visits. The Centers for Medicare and



Medicaid Services (CMS) informed the Department the NAL will no longer qualify for federal funds and required the Department to repay federal funds claims for the NAL in prior years. As a result, the Department is requesting to backfill the loss of funds with General Fund to continue the NAL and to repay CMS for disallowed federal funds.

**FY 2020-21 Budget Impact:** \$966,896 total funds, including \$1,117,028 General Fund  
**FY 2021-22 Budget Impact:** \$0 total funds, including an increase of \$898,265 General Fund  
**FY 2022-23 Budget Impact:** \$0 total funds, including an increase of \$898,265 General Fund

R8 | Supported Living Services Flexibility

**Summary:** The Department requests to expand access to care for adults with intellectual or developmental disabilities by offering additional long-term services and supports to members enrolled in the Home and Community Based Services Support Living Services (HCBS-SLS) waiver program. HCBS-SLS offers similar services and supports to the Persons with Developmental Disabilities (HCBS-DD) waiver except the SLS waiver does not provide living arrangements and 24-hour supervision. The request seeks funding to offer exceptions to unit limits and Service Plan Authorization Limits (SPAL) to members on HCBS-SLS, which could potentially delay or avoid enrollments into the HCBS-DD program. HCBS-DD program is the only waiver currently with a waiting list.

**FY 2021-22 Budget Impact:** \$940,718 total funds, including \$470,359 General Fund  
**FY 2022-23 Budget Impact:** \$1,881,437 total funds, including \$940,719 General Fund

R9 | Patient Access and Interoperability Rule Compliance

**Summary:** The Department requests funding adjustments to comply with the CMS Patient Access and Interoperability final rule. Under the rule, all state Medicaid agencies and Children’s Health Insurance Program plans (Health First Colorado and CHP+ in Colorado) must meet specific technology and data sharing standards that enable patient access to personal health information. The requested funding will enhance new system functionalities to meet rule standards and develop application programming interfaces to facilitate the exchange of member claims data with third-party applications.

**FY 2021-22 Budget Impact:** \$2,862,999 total funds, including a reduction of \$1,552 General Fund and 1.0 FTE  
**FY 2022-23 Budget Impact:** \$2,004,759 total funds, including \$303,157 General Fund and 1.0 FTE

R10 | Convert Contractor Resources to FTE

**Summary:** The Department requests to repurpose funding appropriated for contractor resources and instead hire state FTE to perform these duties. Outside vendors are a less cost-effective way to meet the Department’s need for provider field representatives and project management capacity. This change would allow the Department to build internal efficiencies and build more institutional knowledge on complex subject matter without additional General Fund.

**FY 2021-22 Budget Impact:** Reduction of \$1,028,965 total funds, including \$0 General Fund  
**FY 2022-23 Budget Impact:** Reduction of \$719,409 total funds, including \$0 General Fund

R11 | Medicaid Funding for Connect for Health



**Summary:** The Department is requesting spending authority to reimburse Connect for Health Colorado (C4HCO) for Medicaid-related customer service and eligibility determination costs. C4HCO provides these services for individuals eligible for Health First Colorado and CHP+. The current appropriation levels are not sufficient to cover all allowable costs for administration of Department programs unless additional spending authority is granted.

**FY 2020-21 Budget Impact:** \$4,049,364 total funds, including \$0 General Fund

**FY 2021-22 Budget Impact:** \$4,509,043 total funds, including \$0 General Fund

**FY 2022-23 Budget Impact:** \$4,991,706 total funds, including \$0 General Fund

#### R12 | ARRA-HITECH Funding Transition

**Summary:** The Department requests to reallocate existing appropriations due to the expiration of federal matching funds authorized under ARRA-HITECH (Health Information Technology for Economic and Clinical Health Act, part of the American Recovery and Reinvestment Act of 2009). This funding is used to build health information exchange infrastructure in Colorado and incentivize eligible providers for the adoption and meaningful use of Certified Electronic Health Record Technology. Using HITECH funding and state appropriations, the Department has been able to connect over 300 clinics and 90 hospitals' Electronic Health Records (EHRs) to Colorado's Health Information Exchanges (HIEs). With the expiration of federal funding, the Department is transitioning existing state funding to the MMIS (Medicaid Management Information System) line item to maintain a 90% federal match. The request is budget neutral.

**FY 2020-21 Budget Impact:** \$0 total funds, including \$0 General Fund

**FY 2021-22 Budget Impact:** \$0 total funds, including \$0 General Fund

#### R13 | Funding for Family Medicine Residency Training Programs

**Summary:** The Department requests to restore funding to the University of Colorado Family Medicine Residency, which was eliminated for FY 2020-21. The family medicine and residency programs in Colorado receive proportionate state and federal match funds. Most Department payments to family medicine residency programs are funded from the Commission on Family Medicine Residency Programs line item. The allocation for the University of Colorado Family Medicine Residency Program was paid through the State University Teaching Hospitals line item. During FY 2020-21 budget-balancing, the Joint Budget Committee approved a reduction to both line items. As a result, multiple reductions were made to family medicine residency training programs. The Department seeks to restore the funding to maintain current levels in the University of Colorado program.

**FY 2020-21 Budget Impact:** \$1,204,207 total funds, including \$353,723 General Fund

**FY 2021-22 Budget Impact:** \$1,208,936 total funds, including \$379,468 General Fund

**FY 2022-23 Budget Impact:** \$1,208,936 total funds, including \$379,468 General Fund

#### R14 | Technical Adjustments

**Summary:** The Department requests to make several technical adjustments in the budget to increase funding transparency and align appropriations with existing programs. These changes include: (1) collapsing the funding for Community Centered Boards (CCBs) and Single Entry Points (SEPs) into one line item, (2) moving funds from Preadmission Screening and Resident Review (PASRR) to the Contracts for Special Eligibility Determinations line item, (3) moving Healthy Communities funding to



the Medical Services Premiums line item, and (4) restoring appropriate state funding to Colorado Department of Public Health and Environment (CDPHE).

**FY 2020-21 Budget Impact:** \$0 total funds, including \$0 General Fund

**FY 2021-22 Budget Impact:** Reduction of \$728,105 including a reduction of \$364,052 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$728,105, including a reduction of \$364,052 General Fund

#### R23 | Behavioral Health Claims and Eligibility Processing

**Summary:** The Department requests funding to implement recommendations from Colorado’s Behavioral Health Task Force. Currently, the state’s Behavioral Health System is fragmented and confusing for consumers. To achieve the goals of the Task Force and meet the behavioral health needs of the community, the funding will be used to establish an eligibility system, a claims processing and submission system, and a data reporting system to serve all of the state’s behavioral health programs. The Department will leverage existing Medicaid infrastructure to create these systems to help reduce administrative cost and provide efficiencies.

**FY 2021-22 Budget Impact:** \$7,466,780 total funds, including \$7,488,276 General Fund

**FY 2022-23 Budget Impact:** \$2,052,479 total funds, including \$2,073,975 General Fund

#### R24 | Addressing Health Care Disparities

**Summary:** The Department requests funding to address health disparities in the Medicaid program and Colorado by collecting data to identify health disparities by race and ethnicity and use the data to inform outcome-based value-based payments to Medicaid providers. The funding will support data transfer from community partners and provide data analytics to better target the efforts of community-based organizations, including outreach, training, and technical assistance.

**FY 2021-22 Budget Impact:** \$5,900,000 total funds, including \$1,000,000 General Fund

**FY 2022-23 Budget Impact:** \$0 total funds, including \$0 General Fund

## **Budget Reductions**

#### R15 | Transfer HAS Fee

**Summary:** The Department requests a one-time reduction of \$80 million from the Healthcare Affordability and Sustainability Fee Cash Fund (HAS) to reduce the General Fund cost of the state’s Medicaid program.

**FY 2021-22 Budget Impact:** \$0 total funds, including a reduction of \$80,000,000 General Fund

**FY 2022-23 Budget Impact:** \$0 total funds, including \$0 General Fund

#### R16 | Provider Rate Adjustments

**Summary:** The request makes targeted adjustments to provider rates across several service categories, including reductions to anesthesia rates to the Medicare benchmark; reductions to rates related to the preparation of antigens and administration of allergy testing; repricing pulse oximeters; reductions of certain rates to Medicare reimbursement rates; reducing nursing facility growth limit to 0%; reducing Outpatient Hospital Physician Administrated Drugs; and a reduction in lab testing rates.



These reductions align with appropriate benchmarks for reimbursements, including those identified by the Medicaid Provider Rate Review Advisory Committee.

**FY 2021-22 Budget Impact:** Reduction of \$41,349,862 total funds, including a reduction of \$15,751,003 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$64,726,693 total funds, including a reduction of \$27,251,639 General Fund

#### R17 | Medicaid Benefit Adjustments

**Summary:** The Department requests to make targeted benefit reductions in the Medicaid program, including setting a limit on outpatient speech therapy evaluations, implementing an enrollment cap on the Program of All-Inclusive Care for the Elderly, and eliminating funding for the state-only preventive dental hygiene program.

**FY 2021-22 Budget Impact:** Reduction of \$7,164,645 total funds, including a reduction of \$3,614,741 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$7,955,920 total funds, including a reduction of \$4,010,379 General Fund

#### R18 | Behavioral Health Program Adjustments

**Summary:** The Department requests to adjust the funding for the inpatient and residential substance use disorder (SUD) benefit and reduce the behavioral health value-based payment program by 25%. The reduction to the SUD benefit aligns with current expectations for the level of provider capacity available. The behavioral health adjustment would reduce payments to providers for meeting outcome metrics, resulting in a reduction to the Regional Accountable Entities (RAEs), but will not reduce behavioral health capitation rates or cause benefit reductions for members.

**FY 2021-22 Budget Impact:** Reduction of \$89,357,696 total funds, including a reduction of \$23,578,390 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$82,321,347 total funds, including a reduction of \$29,105,824 General Fund

#### R19 | Financing and Grant Program Adjustments

**Summary:** The Department requests to eliminate the Pediatric Specialty Hospital line item, refinance the Primary Care Fund Program to access available federal funds and eliminate the Screening, Brief Intervention, and Referral to Treatment Training Grant Program.

**FY 2021-22 Budget Impact:** Reduction of \$10,013,985 total funds, including a reduction of \$15,882,005 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$10,013,985 total funds, including a reduction of \$15,882,005 General Fund

#### R20 | MMIS Annualization Delay

**Summary:** The Department requests a one-time reduction to the Department's funding for a Services Integrator vendor for the Medicaid Management Information System (MMIS). The Department has



delayed the implementation timeline for a full-scale Services Integrator vendor and will not require the full amount of the appropriation until FY 2022-23.

**FY 2021-22 Budget Impact:** Reduction of \$7,376,207 total funds, including a reduction of \$2,035,713 General Fund

**FY 2022-23 Budget Impact:** \$0 total funds, including \$0 General Fund

R21 | Increased Medicaid Match for Financing Payments

**Summary:** The Department requests a one-time reduction to allow the state to use a temporary increase in federal financial participation available through the Families First Coronavirus Response Act as an offset to General Fund expenditure.

**FY 2021-22 Budget Impact:** Reduction of \$9,314,184 total funds, a reduction of including \$4,358,071 General Fund

**FY 2022-23 Budget Impact:** \$0 total funds, including a reduction of \$3,464,463 General Fund

R22 | Executive Director's Office Reduction

**Summary:** The Department requests a 2.5% reduction to the Department's appropriation for Health, Life, and Dental, in the Executive Director's Office General Administration line item.

**FY 2021-22 Budget Impact:** Reduction of \$445,628 total funds, including a reduction of \$445,628 General Fund

**FY 2022-23 Budget Impact:** Reduction of \$445,628 total funds, including a reduction of \$445,628 General Fund

**For more information contact**

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