



COLORADO

Department of Health Care  
Policy & Financing

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

June 9, 2017

Dear Community Centered Board Executive Director,

On March 17, 2014, federal regulation 42 CFR 441.301(c)(1)(vi) became effective requiring the separation of case management from service provision, for all individuals enrolled in a Home and Community Based Services (HCBS) waiver. The federal regulation states:

*Providers of HCBS for the individual, or those who have an interest in or are employed by a provider of HCBS for the individual must not provide case management or develop the person-centered service plan, except when the State demonstrates that the only willing and qualified entity to provide case management and/or develop person-centered service plans in a geographic area also provides HCBS. In these cases, the State must devise conflict of interest protections including separation of entity and provider functions within provider entities, which must be approved by CMS. Individuals must be provided with a clear and accessible alternative dispute resolution process.*

The Colorado General Assembly recently passed House Bill 17-1343, furthering Colorado's efforts to comply with federal regulation. Pursuant to House Bill 17-1343, the Department of Health Care Policy and Financing (the Department) is to inform Community Centered Boards (CCB) of the options available for CCB agencies to comply with federal and state requirements for conflict-free case management (CFCM). The four options available are:

1. Operate as a case management agency only, divesting the agency of direct services;
2. Operate as a direct service provider only, divesting the agency of case management
3. Continue to provide both case management and direct services, but never to the same individual; or
4. Discontinue providing case management and direct services for Medicaid waiver individuals

Additionally, House Bill 17-1343 requires CCBs who are comprised primarily of counties designated by the State Office of Rural Health, as a rural or frontier county, to notify the Department in writing of their request for the Department to seek a federal exception.

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## CFCM Options-Rural Exceptions

### Page 2

The Department requires the following information, in writing, from CCBs seeking a rural exception:

1. Verification from the State Office of Rural Health that the CCB is comprised primarily of counties designated as rural or frontier;
2. Number of other providers providing HCBS waiver services for individuals with intellectual and developmental disabilities (I/DD) in the CCB's catchment area;
3. Number of individuals with I/DD receiving services from other HCBS providers;
4. Evidence that the service is not otherwise available within the CCB's catchment area;
5. Unique demographic considerations for the CCB's catchment area;
6. How the CCB will mitigate conflict of interest and document that individuals have been informed of options for providers; and
7. How the CCB will monitor the entrance of new providers to ensure individuals are afforded choice and transferred to new providers when available.

The above information is due to the Department by July 1, 2017. Upon receipt of the request, the Department will evaluate case management service provider capacity. The Department will determine if the request is sufficient, and if so, the Department will request a rural exception from the federal government.

For more information please contact Brittani Trujillo, Case Management Services Coordinator, at (303) 866-5567.

Sincerely,

*Brittani Trujillo*

Brittani Trujillo  
Case Management Services Coordinator  
Division for Intellectual and Developmental Disabilities

cc: Gretchen Hammer, Director, Medicaid  
Jennifer Martinez, Director, Division for Intellectual and Developmental Disabilities

