## The Latest in LTSS















# Medicaid Sustainability and Colorado's LTSS System | HCPF

**Federal Policy Changes:** New federal legislation, H.R.1 (One Big Beautiful Bill Act), significantly alters Medicaid financing, administrative requirements, and eligibility processes, which increases state-level financial obligations.

**State Budget Constraints**: Medicaid comprises over one-third of Colorado's state budget. The growth of LTSS expenditures—driven by increasing utilization, demographic shifts, and rising labor costs—has outpaced available revenue.

As a result, several actions have been taken by HCPF and the Governor's office:

- The Governor's Executive Order issued August 28, 2025, initiated \$252 million in budget reductions across state agencies—including approximately \$79 million in reductions to HCPF, reflective of the Department's share of the state budget and its recent cost trends.
  - View HCPF Overview of Budget Cuts Fact Sheet
- The Governor's Executive Order issued October 31, 2025, initiated an additional \$537 million in budget reductions to HCPF, most of which will begin this fiscal year to quickly realize savings to address the state's current and future budget challenges.
- HCPF has proposed several changes through budget requests in Fiscal Year
   2026-2027 as cost containment and sustainability measures.

<u>View Colorado Medicaid & LTSS Sustainability Fact Sheet (November 2025)</u>

## Newsletter Highlights

HCPF update, comment form, and webinar (page 1)

SNAP Updates and Resources (page 2)

Updates to DD Waiver Enrollment (page 3)

PETI Update (page 3)

DVR Draft Waitlist
Plan Comment Form
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Submit comments on the Governor's Budget Announcement through HCPF's Office of Community Living's (OCL)

Stakeholder Comment Form

Join OCL for an informational webinar on the Governor's budget and what it means for Coloradans who use Long-Term Services and Supports (LTSS), their families, and providers. They'll walk through the major sustainability actions affecting OCL programs, share what's changing, and outline the timeline. Register for the webinar

We know that families may have questions as these budget and system changes unfold, but rest assured knowing that services remain in place as these sustainability measures are implemented.















### **SNAP Updates and Resources**

The U.S. Department of Agriculture (USDA) announced in a filing that they will release \$4.65 billion from its contingency fund to cover about **65%** of November Supplemental Nutrition Assistance Program (SNAP) benefits for eligible households. The rollout goes to the states, who have received <u>brief guidance</u> from the USDA on November 5 and a <u>memorandum</u> on November 6. USDA cautions that system changes may be challenging for some states, which could lead to delays in getting benefits to families. TRE will continue sharing updates as more information becomes available.

#### **Colorado Emergency Measures and Resources**

Governor Polis and Lt. Governor Primavera announced emergency measures to safeguard food access for Colorado families during the ongoing federal government shutdown, which has halted November SNAP benefits and frozen WIC funding.

Thanks to the Joint Budget Committee's (JBC) approval:

- \$10 million in emergency funding will be distributed to food banks and pantries across the state through the Community Food Assistance Grant Program. Funds will be released in three phases: November 1, November 15, and December 1.
- Up to \$7.5 million in WIC funding authority will ensure continued nutrition support for nearly 100,000 women, infants, and children through November. The Colorado Department of Public Health and Environment will reimburse the state once federal operations resume.

Additionally, free school meals remain available statewide, ensuring children continue to receive two nutritious meals daily despite federal program disruptions.

We want to make sure you're informed about important changes and potential disruptions to SNAP. We understand that this situation will affect many families and may lead to challenging times in the coming months. While TRE does not have the authority or capacity to directly meet this need, we are committed to supporting you by providing information on resources that may be able to help. Check our <u>website</u> for the most up to date information as we monitor updates.

#### **Resources:**

- TRE regularly updates our Community Resources Page on our website: Food Assistance Resources
  - These resources are specific to El Paso, Park, Teller, and Pueblo Counties.
- Find food assistance in Pueblo County: <a href="https://www.foodpantries.org/co/co-pueblo">https://www.foodpantries.org/co/co-pueblo</a>
- Colorado 211: Call 2-1-1 or 866-760-6489, or visit 211colorado.org (Available in multiple languages)
- Feeding Colorado: Visit <u>feedingcolorado.org/find-food</u> or email <u>info@feedingcolorado.org</u>
- Hunger Free Colorado: Call their Food Resource Hotline at 855-855-4626 (Available in multiple languages)
- CDHS: Supplemental Nutrition Assistance Program (SNAP) | Colorado Department of Human Services















#### Important Updates to DD Waiver Enrollment

#### **Auto Enrollment Changes for Certain Youth Transitions in DD Waiver**

- This reduction ends automatic youth-to-adult Developmental Disabilities (DD) waiver transitions for members aging out of Children's Extensive Supports (CES) or Children's Habilitation Residential Program (CHRP).
- This change to youth transitions does not affect authorizations onto the DD Waiver through Emergency Enrollment, transfers from institutions, or through child welfare services.
- Expected Implementation Date: Pending federal approval; Summer 2026

Youth currently served through the Children's Extensive Services (CES) or Children's Habilitation Residential Program (CHRP) waivers may continue to be added to the Developmental Disabilities (DD) waiver waitlist once they turn 18 and are determined eligible for DD services.

However, please note: When aging out of a children's waiver, individuals will not automatically enroll in the DD waiver. Instead, they must meet Emergency Enrollment criteria and submit a formal request for approval through Health Care Policy and Financing (HCPF).

Individuals aging out of CES or CHRP can still access other adult waivers. Many families may be interested in the Supported Living Services (SLS) waiver, which offers flexibility and supports such as In-Home Support Services (IHSS), Consumer-Directed Attendant Support Services (CDASS), and Community First Choice (CFC) services to help meet individual needs. For more information on the SLS waiver, please see the <u>waiver information page</u>.

For more details, please review the **DD Waiver Enrollment Changes Fact Sheet.** 

## Post Eligibility Treatment of Income (PETI) Update: Coming Summer of 2026

Align Member Cost of Care Contribution in the DD waiver with other residential waiver services:

- HCPF will apply post-eligibility Treatment of income (PETI) for members enrolled in the DD waiver, where
  members contribute part of their income towards service costs. This process ensures that members retain enough
  income for personal needs while contributing the rest toward their care.
- Income evaluation:
  - Income is reviewed to determine how much must be contributed toward services.
  - Certain deductions are allowed (e.g. Personal needs allowance, health insurance premiums).
- PETI amounts may be adjusted based on changes in income or service needs.
- Annual reassessments are required.















### **Division of Vocational Rehabilitation Public Hearing**

On November 6<sup>th</sup> at 11:00am the Division of Vocational Rehabilitation hosted a Formal Public Hearing for the Draft Waitlist Plan. You can view the draft plan, with most suggested changes, starting around page 23. If you have trouble accessing this PDF, please contact <u>Vallen Sarnoff</u>.

DVR is seeking feedback on modifications to the State Plan regarding the implementation of an Order of Selection Waitlist. These changes provide the rationale for a waitlist and describes how DVR will implement the waitlist statewide.

If you weren't able to attend the hearing, you are still able to submit comments through the <u>form</u> until November 7, 2025.

#### What the Acronyms Mean

- ARG = Arbor Review Group (3rd party disability application reviewer)
- CDASS = Consumer-Directed Attendant Support Services
- **CES** = Children's Extensive Support
- **CFC** = Community First Choice
- CHRP = Children's Habilitation Residential Program
- CMA = Case Management Agencies. Formerly CCBs and SEPs.
- CMRD = Case Management Redesign
- CCM = Care and Case Management system (statewide Member health record). This replaced the Benefits Utilization System (BUS)
- **DD** = Developmental Disabilities
- DSA = Direct Service Area. This is how CMRD
  designated CMAs. TRE works with both DSA 11 (El Paso,
  Park, and Teller Counties) and DSA 12 (Pueblo County).

- DVR = Division of Vocational Rehabilitation
- HCPF = Health Care Policy and Financing
- HMA = Health Maintenance Activities
- IHSS = In-Home Support Services
- ISLA = Interim Supports Level Assessment
- LTSS = Long Term Services and Supports. Also known as HCBS (Home and Community Based Services) or LTC (Long Term Care).
- **Member** = person in services
- NA = Nurse Assessor
- OCL = Office of Community Living
- PAR = Prior Authorization Request
- **PETI** = Post Eligibility Treatment of Income
- RAE = Regional Accountable Entity
- **SIS** = Supports Intensity Scale
- SLS = Supported Living Services