



## Colorado Health Policy Coalition presentation

June 20, 2024 presentation by Bethany Pray, Colorado Center on Law and Policy<sup>1</sup>

### Introduction

Beginning in June, 2024, CCLP closely tracked the PHE Unwind, meeting twice a month with enrollment assisters and disability advocates and weekly with HCPF to identify issues and discuss fixes. We have detailed knowledge of what people have experienced over the past year and are grateful to have been able to work closely with department staff.

### Overview

1. How Colorado stacks up in terms of numbers dropped & efficiency of our eligibility processing
2. The ongoing economic impacts of incorrect terminations, loss of coverage & churn, as well as the human cost.
3. I'll close with what actions we're requesting.

### Data considerations

- Data concerns renewal and enrollment rates for the Medicaid population as a whole – expansion adults, kids, parents, and people with disabilities.
- However, CCLP and partner National Health Law Program also filed a complaint several months ago with the US Dept of Health & Human Services Office of Civil Rights alleging discrimination against people with disabilities in the renewal process. We were seeing huge numbers of terminations for a population that depends on daily services.
- As Dir. Bimestefer is aware, in response to these problems, HCPF recently paused **all** terminations for the 80,000 or so<sup>2</sup> people enrolled in HCBS waivers and in

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<sup>1</sup> These notes were developed for the oral presentation but are not a verbatim copy of what was said.

<sup>2</sup> HCPF monthly caseload report, *Medicaid Caseload Without Retroactivity*, May 2024. The total is a conservative total of the categories for Disabled Adults 60-64, Disabled Individuals to 59, and Disabled Buy-In.

<https://hcpf.colorado.gov/sites/hcpf/files/2024%20May%2C%20Joint%20Budget%20Committee%20Monthly%20Premiums%20Report%20%28Clean%20Version%29.pdf>

the Buy-In programs. As a result, data from May 2024 on terminations or ex parte rates cannot be compared apples to apples with data during the Unwind.

## Data overview

- About 765,000 Coloradans were terminated during the PHE Unwind.<sup>3</sup>
- Per HCPF, approximately 180,000 Coloradans have returned to Medicaid via appeals, redetermination, new applications.<sup>4</sup>
- According to HCPF caseload data, we're at 1,161,116 enrollees in April 2024, versus 1,758,714 in May 2023 (overall, 597,598 have not returned to Medicaid or CHP+).<sup>5</sup>
- Colorado is #2 nationally in % dropped from coverage.<sup>6</sup>
- HCPF has noted that they have no insight into the current coverage status of 4/10 people dropped from coverage.<sup>7</sup>
- As of December 2023, according to the Georgetown Center for Children & Families, child enrollment in Medicaid and CHP+ in Colorado was below pre-PHE levels.<sup>8</sup>
- A HCPF presentation in May 2024 showed that 39 counties have enrollment below pre-pandemic levels, many of them rural.<sup>9</sup>

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<sup>3</sup> Cumulative total terminations, per monthly HCPF submissions to Centers for Medicare and Medicaid Services, May 2023-April 2024.

<sup>4</sup> HCPF has given different data in various meetings and publications. The recent newsletters have said that 1/3 returned to coverage. The February forecast provided at the March 11 board meeting of Connect for Health Colorado projected that 257,991 people would re-enroll in Medicaid. [https://c4-media.s3.amazonaws.com/wp-content/uploads/2024/03/07121601/20240311\\_PHE\\_HCPF\\_Update.pdf](https://c4-media.s3.amazonaws.com/wp-content/uploads/2024/03/07121601/20240311_PHE_HCPF_Update.pdf) At a Glance, HCPF. June 2024. <https://myemail-api.constantcontact.com/At-a-Glance-June-2024.html?soid=1120776134797&aid=LeRhmisKl4>.

<sup>5</sup> HCPF monthly caseload report, May 2023 and April 2024, Medicaid Caseload Without Retroactivity

<sup>6</sup> *Net Medicaid Enrollment Declines Range From 35.3% in Utah to 0.3% in North Carolina*. Figure 6. Published KFF Medicaid Enrollment and Unwinding Tracker, KFF. June 14, 2024.

<https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/>.

<sup>7</sup> HCPF JBC presentation, June 20, 2024. At a Glance, HCPF. June 2024. <https://myemail-api.constantcontact.com/At-a-Glance-June-2024.html?soid=1120776134797&aid=LeRhmisKl4>.

<sup>8</sup> Joan Alker, Aubrianna Osorio, Tricia Brooks, Edwin Park. *Child Medicaid Disenrollment Data Shows Wide Variation in State Performance as Continuous Coverage Pandemic Protections Lifted*. May 2, 2024. <https://ccf.georgetown.edu/2024/05/02/child-medicaid-disenrollment-data-shows-wide-variation-in-state-performance-as-continuous-coverage-pandemic-protections-lifted/>.

<sup>9</sup> *Providers – HCPF Partnership Discussion*. HCPF presentation. May 21, 2024. Available as pdf only.

- Two-thirds of Coloradans who lost coverage did so because of procedural reasons.<sup>10</sup>
- And equally concerning, a quarter of those determined ineligible due to income and who were referred to Connect for Health, were instead still found income eligible for Medicaid.<sup>11</sup>

## Inefficiencies drive up cost, year after year

Many of these inefficiencies are related to our IT system, the Colorado Benefits Management System and process management, and they result in avoidable costs. We cannot afford to ignore the burden this puts on state & county budgets every year.

- CBMS was developed with 1990s technology and rolled out over user objections in 2004.<sup>12</sup> A lawsuit ensued that focused on lack of timeliness in Medicaid and SNAP and court oversight continued through 2016<sup>13</sup>, but CBMS has been plagued with problems ever since.
- Our rate of behind-the-scenes renewal, also known as ex parte renewal, is low – just 23% of those up for renewal were able to skip the whole renewal form process and keep their coverage.<sup>14</sup> The national average in February 2024 was 45.7%.<sup>15</sup>
  - If CO had just **average** efficiency, it would have needed to send out renewal forms to 20% fewer people (approximately 344,000) and process about 20% fewer forms. That’s a lot of avoidable printing and postage, as well as processing.
- Lack of interoperability between CBMS and federal and state databases and systems both depresses our ex parte rates and makes it more difficult to assess

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<sup>10</sup> Cumulative total terminations, per monthly HCPF submissions to CMS, May 2023-April 2024; confirmed by Figure 6, KFF Medicaid Enrollment and Unwinding Tracker, KFF. June 14, 2024. <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/>.

<sup>11</sup> *Medicaid to Marketplace Bridge Update*. Connect for Health Colorado. May 13, 2024. [https://c4-media.s3.amazonaws.com/wp-content/uploads/2024/05/15120347/20240513\\_C4\\_M2M.pdf](https://c4-media.s3.amazonaws.com/wp-content/uploads/2024/05/15120347/20240513_C4_M2M.pdf).

<sup>12</sup> *Memorandum, Kevin Neimond, JBC staff, to Joint Budget Committee*. March 14, 2012. [https://leg.colorado.gov/sites/default/files/govfig\\_4.pdf](https://leg.colorado.gov/sites/default/files/govfig_4.pdf).

<sup>13</sup> Oversight of Medicaid timeliness was resolved in 2012; SNAP oversight lasted until 2016.

<sup>14</sup> Cumulative ex parte approvals as a percentage of all renewals, from data submitted in monthly HCPF submissions to CMS, May 2023 – April 2024.

<sup>15</sup> Data Reporting. Medicaid and CHIP Renewals: Returning to Regular Operations. Retrieved June 19, 2024. <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-data-reporting/index.html>.

eligibility in general.<sup>16</sup> Processes that could be more automated are instead manual.

- For example, many states can check asset databases to assess eligibility for people with disabilities. Colorado can't.<sup>17</sup> That is more work for people with disabilities - getting copies of bank documents, proof of sale for property people no longer own - and for county workers for the roughly 80,000 Coloradans on HCBS waivers and the buy-in.
- PEAK does not add information "automatically" to someone's case – a worker must know to check for it, download and process documents.<sup>18</sup>
- Manualized processes increase the chance of human error.
- The difficulty of programming or implementing fixes to CBMS means we are stuck with errors and inefficiencies.
  - An example: one fix is needed because the system locks kids into CHP+ even if they become income-eligible for Medicaid. CCLP identified this issue in Nov. 2023 but learned in recent meetings that it won't be fixed until March 2025.<sup>19</sup> These kids can't get the ABA therapy, home health or other services they need,<sup>20</sup> and this harms kids' health long-term and adds to families' costs.
- Because of lack of streamlined automation, many counties had significant backlogs.
  - Backlogs resulted in many terminations for procedural reasons even when people sent or hand-delivered documentation on time or through the

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<sup>16</sup> Based on public meetings and conversations in 2023-2024 between CCLP staff and HCPF staff about retrieval from or sharing of information from databases that include federal asset databases, PEAK, MMIS, the state case management system CCM, and Social Security Administration.

<sup>17</sup> Information based on interviews with enrollees and disability advocates and meetings with HCPF staff. See also *Medicaid Enrollment Policies for Seniors and People with Disabilities (Non-MAGI) During the Unwinding*. KFF. Appendix. June 20, 2024. <https://www.kff.org/report-section/medicaid-eligibility-and-enrollment-policies-for-seniors-and-people-with-disabilities-non-magi-during-the-unwinding-appendix/>.

<sup>18</sup> Advocates identified throughout the Unwind that counties were not consistently downloading documents uploaded to PEAK. In May 2024, HCPF staff acknowledged that many county workers did not know how to use PEAK and created a mandatory online training. The timing of this mandatory training means that issues were not addressed during the PHE Unwind process.

<sup>19</sup> Information shared in May 23, 2024 meeting between HCPF leadership and staff and disability advocates. HCPF prepares slides for those weekly meetings but does not post them or meeting recordings publicly.

<sup>20</sup> CHP+ does not include Medicaid's expansive child benefits available through Early and Periodic Screening, Diagnostic and Treatment.

PEAK app. We saw this repeatedly.<sup>21</sup> You will hear more about that struggle to understand why a termination has taken place from Megan Bowser, incoming ED of Family Voices Colorado.

- CBMS-generated notices also contribute to inefficiencies.
  - The 2023 Medicaid communications audit required by 2017 legislation found an 90% error rate in notices.<sup>22</sup> Many of the same errors were identified in the 2020 audit<sup>23</sup> and, disturbingly, in the 2010-11 CBMS audit.<sup>24</sup> CCLP has collected many notices with no date of action, incorrect appeal timelines, internal contradictions (a notice saying both that you are eligible and that you're not).<sup>25</sup>
  - Bad notices result in avoidable calls to counties – another burden for county workers and community members. Enrollees can't know what is happening or how to respond appropriately.
- Because of these unnecessary terminations, CO's application rate shot up within a month of the unwind beginning, as people tried to re-enroll.<sup>26</sup>
  - CO's application rate was four times higher than Minnesota's and Maryland's, states with similarly sized populations and Medicaid enrollment).<sup>27</sup>

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<sup>21</sup> Based on interviews with enrollment assisters in Community Health Clinics and disability advocates in 2023 to the present, who reported documented instances where renewal forms were submitted weeks prior to due dates but not processed in time to prevent termination. In meetings with HCPF, staff confirmed that 5 large counties were responsible for 70% of the backlogs and said that each county was responsible for submitting a corrective action plan regarding timeliness.

<sup>22</sup> *Medicaid Correspondence Performance Audit*, State of Colorado Office of the State Auditor. September 2023.

[https://leg.colorado.gov/sites/default/files/documents/audits/2261p\\_medicaid\\_correspondence.pdf](https://leg.colorado.gov/sites/default/files/documents/audits/2261p_medicaid_correspondence.pdf).

<sup>23</sup> *Medicaid Client Correspondence Performance Audit*, State of Colorado Office of the State Auditor. September 2020.

[https://leg.colorado.gov/sites/default/files/documents/audits/1936p\\_medicaid\\_client\\_correspondence\\_-\\_september\\_2020.pdf](https://leg.colorado.gov/sites/default/files/documents/audits/1936p_medicaid_client_correspondence_-_september_2020.pdf).

<sup>24</sup> *Memorandum, Dianne Ray, State Auditor, to Members of the Legislative Audit Committee*, August 8, 2011. [https://leg.colorado.gov/sites/default/files/images/committees/2016/cclp\\_-\\_state\\_auditor\\_memorandum\\_aug\\_8\\_2011.pdf](https://leg.colorado.gov/sites/default/files/images/committees/2016/cclp_-_state_auditor_memorandum_aug_8_2011.pdf);

See also *Memorandum, Kevin Neimond, JBC staff, to Joint Budget Committee*. March 14, 2012. <https://leg.colorado.gov/sites/default/files/humfig1.5.pdf>

<sup>25</sup> CCLP has shared these notices with HCPF eligibility staff. Based on CCLP's experience with advocates and pro bono appeals, insufficient notices are a frequent basis for successful administrative appeals.

<sup>26</sup> *State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data*. Centers for Medicare and Medicaid Services. Updated May 31, 2024. <https://data.medicare.gov/dataset/6165f45b-ca93-5bb5-9d06-db29c692a360>.

<sup>27</sup> *Ibid.*

- Processing a new application from someone who should not have lost Medicaid in the first place is a burden on Coloradans and often involves a gap in coverage. Unnecessary new applications are also a huge burden on counties.
- We would ask that the JBC consider the funding available if Colorado could use more efficient processes and avoid the need for 3 of every 4 new applications each month.
- Because many thousands of people returned to coverage – they “churned,” in other words – the state & counties incurred extra administrative costs.
  - Disenrolling & re-enrolling costs \$400-\$600 per person in 2015 dollars<sup>28</sup> and counties have had to shoulder much of that extra cost - or alternatively end up with greater backlogs and delays.
  - I’d ask that the JBC consider costs of churn when thinking about HCPF’s explanation that one-third of those terminated fortunately found their way back to Medicaid.
  - You’ll hear more about this and other county issues shortly from Jamie Ulrich, Human Services Director at Weld County.

## Responses to Director Bimestefer’s testimony on unemployment, minimum wage and employer coverage

- CCLP’s data team has examined changes in the unemployment rate and Medicaid enrollment at the county level and found no correlation.<sup>29</sup>
  - Even if there *were* a correlation, the Bureau of Labor Statistics shows CO with an unemployment rate of 3.7%<sup>30</sup> (not 2.8%, the June 2022 rate

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<sup>28</sup> Katherine Swartz, Pamela Farley Short, Deborah R. Graefe, Namrata Uberoi. *Evaluating State Options for Reducing Medicaid Churning*. Health Affairs, July 2015.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4664196/> Churning-related administrative costs, multiplied by the number of people who churn in a year, generate a significant share of Medicaid expenses. The range in today’s dollars would be \$530-\$795 according to usinflationcalculator.com.

<sup>29</sup> CCLP reviewed multiple time periods and found there was no clear relationship between the change in the unemployment rate and the change in Medicaid enrollment at the county level  
<https://copolicy.org/resource/issue-brief-whats-causing-colorados-decline-in-medicaid-and-chip-enrollment/>.

<sup>30</sup> Bureau of Labor Statistics, Retrieved June 20, 2024. <https://www.bls.gov/charts/state-employment-and-unemployment/state-unemployment-rates-map.htm#>. Colorado’s unemployment rate in May 2023, at the start of the PHE Unwind, was 3.1%, also ranking Colorado in the bottom half of states.

referenced in a recent HCPF publication<sup>31</sup> and not better than the national average), ranking us in the bottom half of states.

- According to CCLP’s analysis, there is no established connection between higher state minimum wage and state Medicaid renewal rates.<sup>32</sup>
  - For example, Maryland has a higher minimum wage<sup>33</sup> even than Colorado, and much lower disenrollment rates.
- Our inefficiencies are a more likely cause of our high rate of disenrollment than unsubstantiated theories about minimum wage, unemployment, and employer coverage.
- Nor do we want to return to the pre-PHE status quo. Because of the inefficiencies and problems identified here, churn and improper disenrollments have been an issue for many years.<sup>34</sup>

## The costs of coverage loss are borne by the state, counties, providers and individuals.

- The expansion population especially brought in federal dollars – with the high 90% federal match - that support coverage, funding thousands more jobs for providers who then spend money locally on housing, food, recreation. Other populations get a lower but still meaningful 50% match. A 2016 report by the Colorado Health Foundation found that the Medicaid expansion added 31,074 jobs and increased economic activity by \$3.8B.<sup>35</sup>
  - We are losing that economic boost when eligible people lose coverage. Laura Luzietti, Executive Director of Every Child Pediatrics, will present today about impacts on their clinic and patient population. And Phyllis

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<sup>31</sup>At a Glance, HCPF. June 2024. <https://myemail-api.constantcontact.com/At-a-Glance-June-2024.html?soid=1120776134797&aid=LeRhmisKIl4>. The June 2022 date is not relevant to the economic situation during the PHE Unwind, which began later and ran from May 2023 through April 2024, with unemployment rates beginning at 3.1%, placing Colorado in the middle of the pack, and rising to 3.7%.

<sup>32</sup> More on CCLP’s data analysis at: <https://copolicy.org/resource/issue-brief-medicaid-and-wages/>.

<sup>33</sup> State Minimum Wage Laws. U.S. Dept. of Labor. <https://www.dol.gov/agencies/whd/minimum-wage/state>. See also updated information on Wikipedia page, *List of US states by minimum wage*. [https://en.wikipedia.org/wiki/List\\_of\\_US\\_states\\_by\\_minimum\\_wage](https://en.wikipedia.org/wiki/List_of_US_states_by_minimum_wage).

<sup>34</sup> Bethany Pray, Allison Neswood and Charlie Brennan. *What’s Causing Colorado’s Decline in Medicaid & CHIP Enrollment?* November 5, 2019. <https://copolicy.org/resource/issue-brief-whats-causing-colorados-decline-in-medicaid-and-chip-enrollment/>.

<sup>35</sup> Charles Brown, Steven B. Fisher, Phyllis Resnick. *Assessing the Economic and Budgetary Impact of Medicaid Expansion in Colorado, FY 2015-16 through FY 2034-35*. Colorado Futures Center at Colorado State University, prepared for The Colorado Health Foundation. <https://coloradohealth.org/reports/assessing-economic-and-budgetary-impact-medicaid-expansion-colorado-fy-2015-16-through-fy>

Resnick, Executive Director of the Colorado Futures Center, authored the Colorado Health Foundation report on the multiplier effect, as well as an upcoming new update, and is in the audience and available for questions today.

- Beyond the multiplier effect from the influx of federal dollars, affordable coverage allows people to get and retain employment and be in a better position to meet their other needs – housing, food, transportation, education, etc.<sup>36</sup>
- Gaps in coverage or lack of coverage are expensive for everyone.
  - Gaps mean missed check-ups, delayed surgeries, interruptions in substance use treatment, cancer care. That harms health long-term and can be life-threatening.
  - Studies show that people who have care-sensitive conditions like diabetes, heart disease, and respiratory diseases had double the rate of emergency department visits and hospitalizations in the month they returned to coverage.<sup>37</sup> That burdens the state budget.
    - Providers can't get reimbursement they rely on to maintain staffing. While large entities may be able to weather some setbacks, smaller facilities and many rural providers can't.
    - People experience an enormous amount of stress from coverage losses – particularly the community members, but also county workers, providers, and we are grateful to the many HCPF staff who have been working over the past year to try to address problems, meet with advocates, design solutions, fix cases.

## What we are calling for today

In addition to increased transparency about the struggle we are having with eligibility processing, we are asking:

- That the state advance the schedule to replace CBMS, so that we don't continue to operate inefficiently and to the detriment of Colorado communities.
- That a committee be established to identify priorities for immediate action, that includes counties, providers, and community advocates.

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<sup>36</sup> Annie Kucklick, Lisa Manzer, Alyssa Mast. *The Self-Sufficiency Standard for Colorado 2022*. Center for Women's Welfare, University of Washington School of Social Work. Nov. 2022. Prepared for the Colorado Center on Law and Policy.

<sup>37</sup> *Issue Brief: Effects of Churn on Potentially Preventable Hospital Use*. MACPAC, July 2022. [https://www.macpac.gov/wp-content/uploads/2022/07/Effects-of-churn-on-hospital-use\\_issue-brief.pdf](https://www.macpac.gov/wp-content/uploads/2022/07/Effects-of-churn-on-hospital-use_issue-brief.pdf)