Supporting Colorado Primary Care Practices in ACC Phase III: HCPF Updates

April 22, 2026

Presented by:
Lisa Rothgery, MD, Chief Medical Officer, HCPF

With Contributions from:
HCPF ACC, Payment Reform, and Quality Teams

Agenda

- **The State of Medicaid**
  - Executive Director Transition
  - H.R.1
  - State Budget Update
  - Rural Health Transformation Project (RHTP)

- **The State of HCPF's VBPs**
  - ACC Phase III
    - Quality metric update
  - Future of VBPs

Leadership Update

Gretchen Hammer

Executive Director

Gretchen Hammer is a seasoned public leader with deep connections to Colorado and a passion for expanding and improving health care access. She served as Colorado's Medicaid Director from 2015-2018 at the Colorado Department of Health Care Policy and Financing. As a member of the Executive team she provided strategic direction for Colorado's Medicaid program to ensure access to high quality health care for Coloradans.

Prior to her service at HCPF she was involved in state health policy through a number of positions and coalitions where she developed her passion for community level collaboration to increase access to health care for underserved communities. Hammer brings decades of leadership and health care expertise to HCPF and high-level management experience most recently as a Senior Fellow at Mathematica, where she worked with state and local governments on health and human services programs. Hammer is a graduate of Colorado College and has a Masters of Public Health from the University of Washington.

Federal Update: HR-1 (OBBB)

H.R.1 Provisions

Coverage & Eligibility

- Prohibited Entity Funding
- Eligibility changes for certain immigrants
- Retroactive coverage restrictions
- Work/Community Engagement requirements for certain members
- 6-mo eligibility redeterminations for certain members
- Cost sharing for certain members

Provider Fees, Payments & Tax Provisions

- Limits on new provider fees
- Limits new state directed payments
- Provider Fee reductions (e.g. CHASE)

RHTP

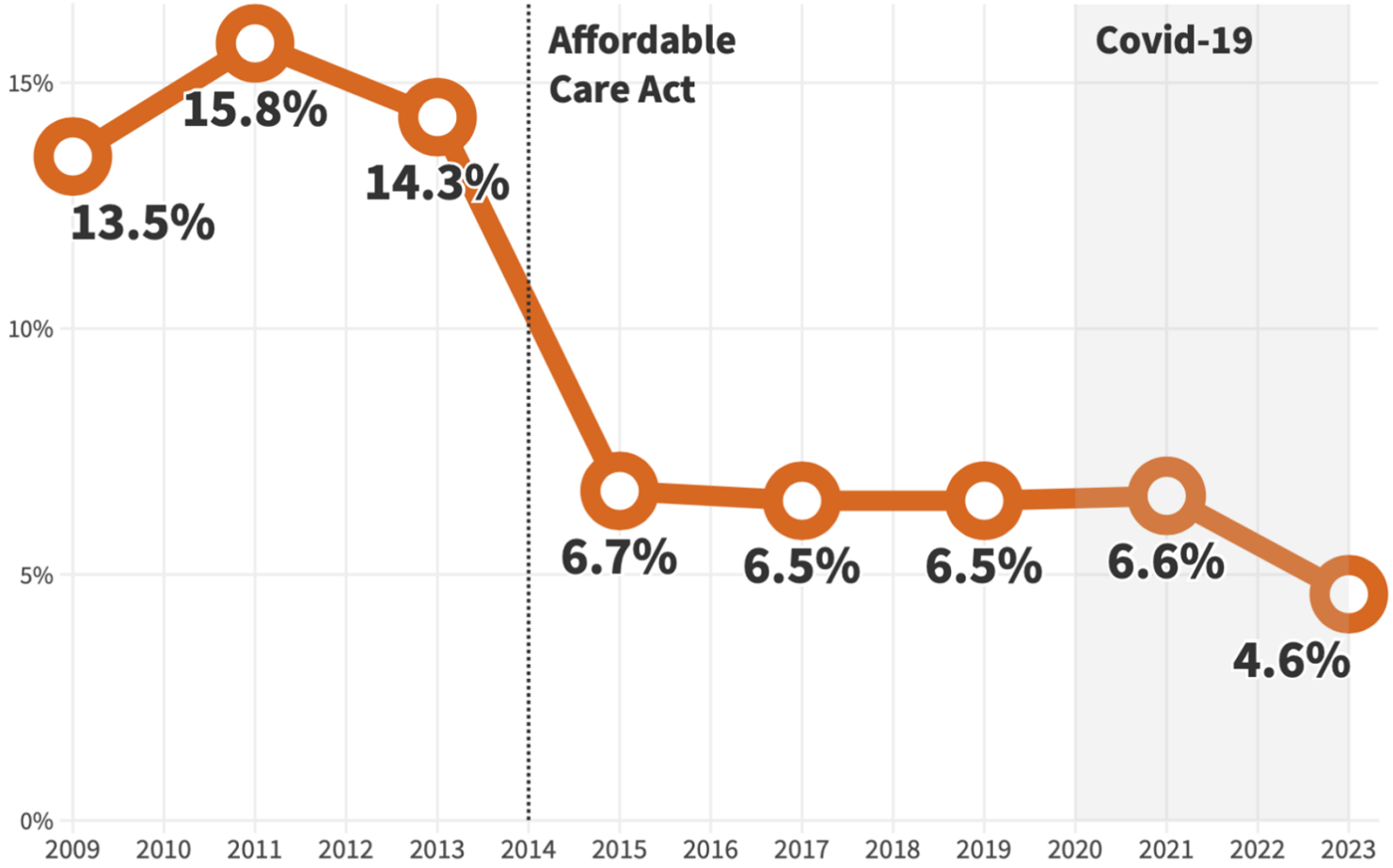
H.R.1 creates a $50B Rural Health Transformation Program (2026-2030) supporting rural providers with no state match required.

Key HR1 Provisions Affecting Colorado

Key Provisions Affecting Expansion Adults	Colorado and Member Impact
Work requirements for most able-bodied Expansion adults, starting Jan. 1, 2027	Affecting up to 377,019 members; admin. costs could total >$57M
Cost sharing for expansion adults earning >100% of the federal poverty level, starting Oct. 2028	Affecting 59,976 members
Increased frequency of eligibility redeterminations for expansion adults (from annually to semi-annually), starting Jan.1, 2027	Affecting 377,019 members; potential for more members to lose coverage; higher costs for counties
Reduced provider fees by 0.5% annually starting in FY 2028 until it reaches 3.5% in FY 2032	Funds coverage for 438,000 expansion Coloradans ; each 0.5% reduction results in est. $115M less provider fees collected and >$180M loss of federal matching funds

Colorado's History of Progress on Coverage

Topic: Uninsured rate. **Population:** All Coloradans. **Years:** 2009 to 2023.



Source: Colorado Health Access Survey

[Colorado Health Institute]

H.R.1 Impact on CHASE Provider Fees

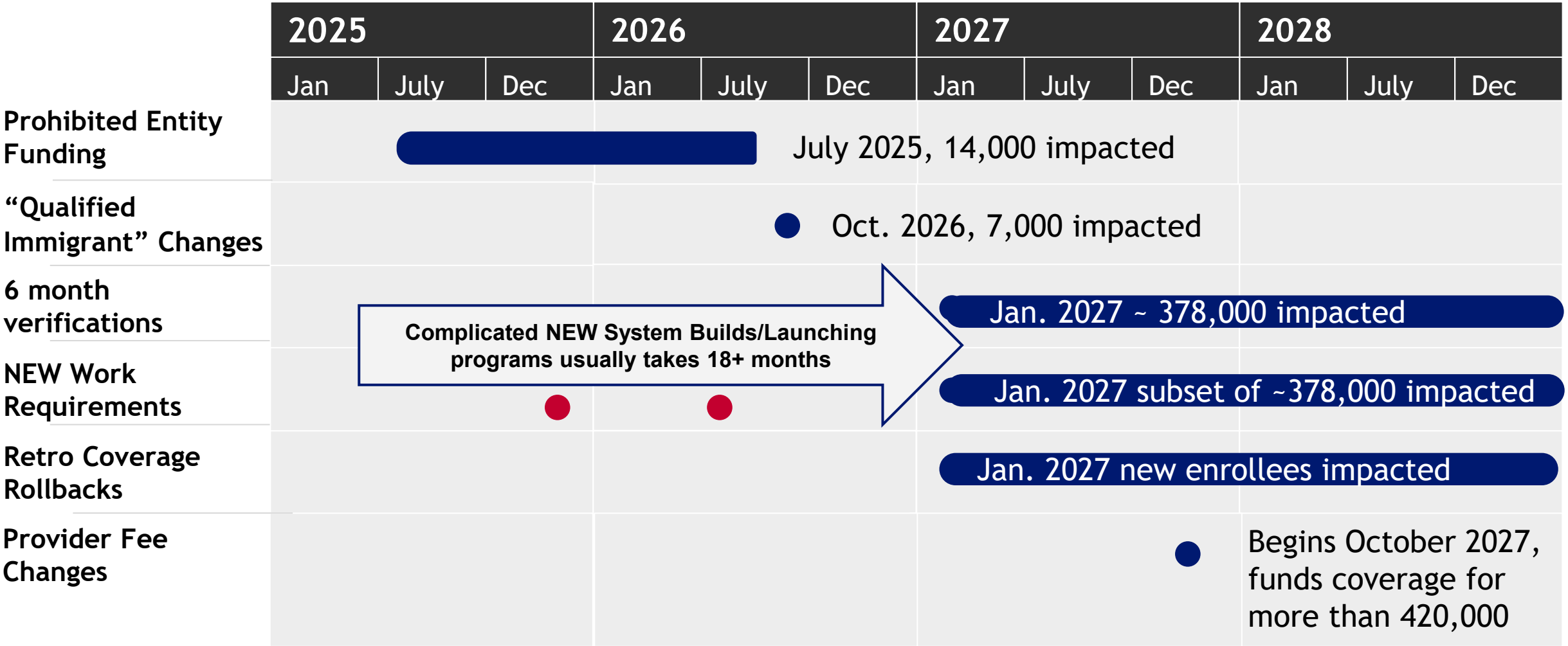
- **Federal Funding Reductions** due to H.R.1 “Provider Tax” provisions
  - Ratchets the provider fee down by 0.5% per year beginning Oct. 2027
- **Impact to health care coverage**
  - By FFY 2032, shortfall of $853M non-federal share and reduced federal revenues by $3.9B annually
  - Current hierarchy - hospitals are funded before coverage
  - **438,000 covered** including ACA expansion population, kids and pregnant women on CHP+ and Working Adults and Children with Disabilities on the Medicaid Buy-In Program.

Key Provisions Affecting Immigrant Populations	Colorado and Member Impact
Restricts the populations eligible for federal matching funds to citizens, nationals, or specified immigrant populations, starting Oct. 2026	Increases number of uninsured Coloradans; increases costs for providers
Limits federal match for Emergency Medicaid for individuals who would otherwise be eligible for expansion coverage except for their immigration status to the state's regular match rate, starting Oct. 2026	Reduced provider payments; eliminates the 90% expansion federal match rate or any other enhanced rate

Key Provisions Affecting Providers	Colorado and Member Impact
Prohibited entities provision prohibits state Medicaid programs from reimbursing certain nonprofit organizations for any services rendered to Medicaid members	10,000 Medicaid members served annually; 5,000 with PPRM as PCMP
Reduced mandatory retroactive coverage period from 3 months to 1 month prior to the month of application for Expansion adults, 2 months for all others, starting Jan. 2027	Increase unpaid claims for providers; higher out of pocket costs for members for healthcare services received during months they would have been eligible under current rules
Creates the Rural health transformation program that will provide $50B in grants over 5 years, money available 2026-2030	Grants to be used for technology, workforce, and financial stabilization of rural providers
Limit State Directed Payments to Medicare published rate	Reduces ability to draw down additional federal funds

H.R.1 Medicaid Coverage, Eligibility and Financing
(*not comprehensive of all changes*)

- **Federal Guidance - preliminary guidance in December 2025, final rules in June 2026**



Colorado State Update

Colorado Budget Landscape

- As you saw on the HR-1 slides we have more cuts coming. It's important to understand that the state is managing a budget crisis that extends beyond a single fiscal year.
- HCPF has already moved from targeted savings actions to broader reimbursement and benefit changes.
- FY 2026-27 balancing depends on both cost-control reforms and across the board provider rate reductions.
- H.R.1 compounds an existing budget problem; it does not arrive in a vacuum.

H.R.1 will deepen Medicaid budget pressure over time

- Reduces federal matching over time & adds administrative burden that will require hard financing decisions in later years.
- Affects member eligibility, financing, compliance, and operations for the indefinite future.
- Colorado faces added risk because balanced-budget rules and TABOR limit state fiscal flexibility.

Budget Updates

- HCPF has begun implementing FY 2025-26 reductions and is proposing continued actions in FY 2026-27 per the Govenor's latest Executive Order D2025 002
  - ➢ Provider rate reductions - not primary care
  - ➢ Pharmacy cost controls
  - ➢ LTSS/HCBS limits
  - ➢ NEMT and claims integrity reforms
  - ➢ Benefits/program scope changes
  - ➢ Financing & Federal match strategies

HCPF Budget Reductions Fact Sheet FY 2025-26 & 2026-27 Projected Reductions
Fact Sheet: HCPF BA-07 Additional Budget Reductions FY 2026-27

Rural Health Transformation Program (RHTP)

RHTP is a grant program authorized by H.R.1

- Provides $50 billion in federal funds over 5 years (2030).
- The funds are divided between all 50 states.
- The funds are distributed as grant funds to approved applicants based on specified focus areas.

Colorado will receive $200,105,604 per year for 5 years at which time the program ends.

Colorado RHTP plans focuses on 5 areas:

- Make Rural America Healthy Again
- Sustainable Access
- Workforce Development
- Innovative Care
- Tech Innovation

What's Next

HCPF's Budget Amendment is with CMS, awaiting approval → RHTP employees hired in April and May → Contracting grant administrative support

Webinars - May/June 2026 for Vendors and Applicants → Rural Provider Technical Assistance for applicants

RFA Released May/June 2026 → Grant Announcements August/September 2026 → Budget Year 1 funds obligated October, 30 2026

Contact Info

Written comment may be shared via email to hcpf_RHTP@state.co.us with "RHTP Public Comment" as the subject line.

Courtney Roy
RHTP Program Director
Courtney.Roy@state.co.us

Cristen Bates
Deputy Medicaid Director
Cristen.Bates@state.co.us

Future of Value-Based Payment

The State of HCPF's VBPs

- VBPs are a core cost containment strategy & priority
  - 52% of total payments from HCPF are tied to VBPs
    - ACC 3.0, HTP, HQIP, Prescriber Tool APM

- ACC 3.0 streamlines primary care value based payments into one program

ACC Phase III: Key VBP Developments

Quality Program

- Multi-payer aligned measures
- Practice focused attribution
- Pathway for small practice participation

Chronic Conditions Shared Savings

- TCOC focus
- Stronger RAE-PCMP alignment & accountability
- Tailored benchmarks
- Expanded participation

Access Stabilization Payments

- Monthly payments to support pediatric, small, & rural PCMPs

- *Unimplemented due to current budget constraints, but still a strong HCPF priority*

Immunization Metric Changes

- ACIP pediatric vaccine schedule changed significantly in January of this year.
- CO state leadership quickly reacted.
  - CDPHE issued guidance recommending the use of AAPs pediatric vaccine schedule
  - Policy changes were implemented to allow for the use of recognized guidelines other than ACIP.

Colorado's vaccine guidance and protections

- We recommend that families and providers follow the 2025 Recommended Child and Adolescent Immunization Schedule issued by the American Academy of Pediatrics (AAP), which is developed by infectious disease experts and reflects decades of peer-reviewed evidence and safety monitoring.
- Following the passage of new state law (HB 25-1027), the Colorado Board of Health updated 6 CCR 1009-2 on Dec. 17, 2025, to incorporate the 2025 AAP schedule by reference into the state's school and child care immunization requirements. This schedule remains the gold standard for pediatric care in the U.S.
- Colorado has also taken steps to protect families from potential financial barriers. Under new state law (SB 25-196), state-regulated insurance plans may be required to continue covering preventive vaccines recommended as of January 2025, regardless of subsequent federal changes.
- Colorado's school and child care immunization requirements have not changed.

CDPHE

Pediatric Vaccine Schedule Changes

New "Recommended for All Children" Schedule

- Tetanus, diphtheria and pertussis (whooping cough)
- Haemophilus influenzae
- Pneumonia
- Inactivated Polio
- Measles/Mumps/Rubella
- Varicella (Chicken Pox)
- Human Papillomavirus (HPV) - new single dose

11 vaccines remain on this schedule

6 vaccines previously uniformly recommended have been moved to:

High Risk or Shared Decision-Making recommendation

- Hepatitis B
- Hepatitis A
- Meningitis - Meningococcal ACWY
- Rotavirus
- Influenza
- COVID-19

3 vaccines continue to be recommended for High-Risk groups or through Shared Decision Making

- RSV (Previously for high-risk groups)
- Dengue (Previously for high-risk groups)
- Meningitis B (Previously Shared Decision Making)

Core Metric Set Changes

- The pediatric immunization metrics currently measured in ACC III have been removed from the CMS mandatory reporting list.
- In an effort to continue to prioritize vaccination, but not penalize our providers and RAEs on the downstream impact of federal immunization guideline changes, we are adjusting our ACC III immunization quality metrics.

CHILDHOOD IMMUNIZATION STATUS (CIS)	
	Option 2
Population Measured	Use HEDIS CIS Eligible Population Definition
Vaccines Incentivized	5 parts (Each individual vaccine)
Thresholds Used	each individual vaccine's HEDIS Benchmark
Payment Achievement	All or Nothing

IMMUNIZATIONS FOR ADOLESCENTS (IMA)	
	Option 2
Population Measured	Use HEDIS IMA Eligible Population Definition
Vaccines Incentivized	only those recommended by CDC (2 for IMA)
Thresholds Used	each individual vaccine's HEDIS Benchmark
Payment Achievement	All or Nothing

The Future of VBP

- Stabilize and scale what's already launched (ACC Phase III Primary Care Payment Structure) before adding new complexity
- Avance primary care prospective payment—with a focus on simplicity and financial predictability
- Strengthen TCOC alignment between PCMPs and RAEs over time
- Phase in new models thoughtfully (e.g., maternity), grounded in provider input and operational reality

Thank you!