

APPENDIX K: Emergency Preparedness and Response and COVID-19 Addendum

Background:

This standalone appendix may be utilized by the state during emergency situations to request amendments to its approved waiver, to multiple approved waivers in the state, and/or to all approved waivers in the state. It includes actions that states can take under the existing Section 1915(c) home and community-based waiver authority in order to respond to an emergency. Other activities may require the use of various other authorities such as the Section 1115 demonstrations or the Section 1135 authorities.¹ This appendix may be applied retroactively as needed by the state. Public notice requirements normally applicable under 1915(c) do not apply to information contained in this Appendix.

Appendix K-1: General Information

General Information:

A. State: Colorado

B. Waiver Title(s):

- Brain Injury (HCBS-BI)
- Complementary Integrative Health (HCBS-CIH)
- Supported Living Services (HCBS-SLS)
- Children with Life Limiting Illness (HCBS-CLLI)
- Children’s Habilitation Residential Program (HCBS-CHRP)
- Developmental Disabilities (HCBS-DD)
- Elderly Blind and Disabled (HCBS-EBD)
- Community Mental Health Supports (HCBS-CMHS)
- Children’s Home and Community Based Services (CHCBS)
- Children’s Extensive Support (HCBS-CES)

C. Control Number(s):

- HCBS-BI: CO.0288.R06.05
- HCBS-CIH: CO.0961.R02.18
- HCBS-SLS: CO.0293.R05.24
- HCBS-CLLI: CO.0450.R03.16
- HCBS-CHRP: CO.0305.R05.23
- HCBS-DD: CO.0007.R08.23
- HCBS-EBD: CO.006.R09.05
- HCBS-CMHS: CO.0268.R06.05
- CHCBS: CO.4157.R07.01
- HCBS-CES: CO.4180.R05.23

D. Type of Emergency (The state may check more than one box):

<input checked="" type="checkbox"/>	Pandemic or Epidemic
<input type="checkbox"/>	Natural Disaster
<input type="checkbox"/>	National Security Emergency
<input type="checkbox"/>	Environmental
<input type="checkbox"/>	Other (specify):

E. Brief Description of Emergency. *In no more than one paragraph each*, briefly describe the: 1) nature of emergency; 2) number of individuals affected and the state’s mechanism to identify individuals at risk; 3) roles of state, local and other entities involved in approved waiver operations; and 4) expected changes needed to service delivery methods, if applicable. The state should provide this information for each emergency checked if those emergencies affect different geographic areas and require different changes to the waiver.

COVID-19 pandemic. This amendment will apply waiver-wide for each waiver included in this Appendix, to all individuals impacted by the virus or the response to the virus (e.g. closure of day programs, etc.). This Appendix K is additive to the previously approved Appendix K amendments. The Department has implemented 3% Across the Board (ATB) rate increases effective July 1, 2023 through the end of the Appendix K for certain services. The Department has also implemented Targeted Rate Increases (TRI) effective July 1, 2023 through the end of the Appendix K for Non-Medical Transportation (DD and SLS waivers) and Residential Habilitation (DD waiver). The Department will use 9817 ARP funds for these rate increases and will amend the base waivers in July 2023 to have these rates effective beyond the Appendix K approval period.

F. Proposed Effective Date: Start Date: March 10, 2023 Anticipated End Date: 6 months after the conclusion of the public health emergency.

G. Description of Transition Plan.

All activities will take place in response to the impact of COVID-19 as efficiently and effectively as possible based upon the complexity of the change.

H. Geographic Areas Affected:

These actions will apply across the waiver to all individuals impacted by the COVID-19 virus

I. Description of State Disaster Plan (if available) *Reference to external documents is acceptable:*

N/A

Appendix K-2: Temporary or Emergency-Specific Amendment to Approved Waiver

Temporary or Emergency-Specific Amendment to Approved Waiver:

These are changes that, while directly related to the state's response to an emergency situation, require amendment to the approved waiver document. These changes are time limited and tied specifically to individuals impacted by the emergency. Permanent or long-ranging changes will need to be incorporated into the main appendices of the waiver, via an amendment request in the waiver management system (WMS) upon advice from CMS.

f. **Temporarily increase payment rates.**

[Provide an explanation for the increase. List the provider types, rates by service, and specify whether this change is based on a rate development method that is different from the current approved waiver (and if different, specify and explain the rate development method). If the rate varies by provider, list the rate by service and by provider.]

Effective July 1, 2023 through the end of the Appendix K, the Department has implemented a 3% Across the Board (ATB) rate increase for several Home and Community Based Services waivers. The Department has also increased the minimum base wage to \$15.75/hr outside Denver County and \$17.29/hour inside Denver County. The Department will amend the base waivers in July 2023 to have these rates effective beyond the Appendix K approval period. The Department estimated the increase in rates based on the difference between the existing rates and the rates that received targeted adjustments through the American Rescue Plan Act. The rates tables can be located on the Department's website at <https://hcpf.colorado.gov/provider-rates-fee-schedule>. The services receiving the 3% ATB and the base wage increase include the following:

- Adult Day
- Alternative Care Facility
- Consumer Directed Attendant Support Services
- Specialized Habilitation
- Supported Community Connector
- Homemaker
- In Home Support Services
- Community Connector
- Mentorship
- Non-Medical Transportation
- Personal Care
- Prevocational Services
- Residential Habilitation
- Respite
- Job Coaching
- Job Development
- Supported Living Program
- Transitional Living Program

The Department has also implemented Targeted Rate Increases (TRI) effective July 1, 2023 through the end of the Appendix K for Non-Medical Transportation (NMT) (DD and SLS waivers) and Residential Habilitation (DD waiver). These TRIs are in addition to the base wage rate adjustments and the 3% across the board increase. All increases were passed through Colorado's 2023 Legislative session. The percentage of the rate increases range from 12% to 71%. As the base wage reimbursement was initially lower for some services, the percentage increase may exceed 50% for some rates. It was necessary for the Department to increase the rates above 50% to have a competitive wage for workers from different industries.

For the TRI calculations:

The Department calculated the increase in Group Residential Services & Supports (GRSS, Residential Habilitation/DD waiver) rates by evaluating the net increase in rates to align the GRSS rates with a 50% Budget Neutrality Factor. To determine the Budget Neutrality Factor, the Department does an analysis and projection of what the Department views as reasonable costs for the providers, using publicly available data such as average wages, leased space, utilities, supplies, etc. The Department then applies a "budget neutrality factor" to bring the calculated rate in line with the appropriated funding.

The impact of adjusting NMT rates on the DD and SLS waivers was calculated by adjusting NMT services to align with NMT on other waivers.

The Department estimated Home- and Community-Based base wage rate increase based on the current base wage factored into each HCBS rate, and the proposed base wage for each HCBS rate. The Department adjusted each rate based on the relative percentage increase in rates necessary to bring rates up in alignment with the proposed base wage. The Department will use 9817 ARP funds for the above rate increases.

The following formula has been used to equal the 7/1/23 Targeted Rate Increases:
 June 2023 Rates + ATB Rates + Targeted Rate Increase + Base Wage Adjustment = July 2023 Rates

Non-Medical Transportation: Outside Denver County

Type	6/30/23 Rate	Unit	ATB	TRI	Base Wage Adjustment	7/1/23 Rate	% Increase
Mileage Band 0-10 miles (DD, SLS)	\$9.64	1 Trip	\$0.32	\$0.95	\$1.55	\$12.46	29%
Mileage Band 11-20 (DD, SLS)	\$14.38	1 Trip	\$0.66	\$7.63	\$0.61	\$23.28	62%
Mileage Band 20+ (DD, SLS)	\$21.91	1 Trip	\$0.90	\$7.930	\$0.93	\$31.67	45%

Non-Medical Transportation: Inside Denver County

Type	6/30/23 Rate	Unit	ATB	TRI	Base Wage Adjustment	7/1/23 Rate	% Increase
Mileage Band 0-10 (DD, SLS)	\$9.64	1 Trip	\$0.29	-\$0.10	\$3.39	\$13.22	37%
Mileage Band 11-20 (DD, SLS)	\$14.38	1 Trip	\$0.66	\$7.71	\$1.87	\$24.62	71%
Mileage Band 20+ (DD, SLS)	\$21.91	1 Trip	\$0.89	\$7.79	\$2.83	\$33.42	53%

Residential Habilitation-GRSS: Outside Denver County

Type	6/30/23 Rate	Unit	ATB	TRI	Base Wage Adjustment	7/1/23 Rate	% Increase
Level 1	\$129.31	Day	\$5.95	\$68.90	\$1.39	\$205.55	59%
Level 2	\$156.23	Day	\$6.12	\$47.93	\$1.20	\$211.48	35%
Level 3	\$177.53	Day	\$6.80	\$49.30	\$1.37	\$235.00	32%
Level 4	\$203.51	Day	\$7.20	\$36.36	\$0.89	\$247.96	22%
Level 5	\$224.37	Day	\$7.56	\$27.69	\$0.51	\$260.13	16%
Level 6	\$262.61	Day	\$8.89	\$33.87	\$1.42	\$306.79	17%

Residential Habilitation–GRSS: Inside Denver County

Type	6/30/23 Rate	Unit	ATB	TRI	Base Wage Adjustment	7/1/23 Rate	% Increase
Level 1	\$133.21	Day	\$5.95	\$65.00	\$3.79	\$207.95	56%
Level 2	\$161.13	Day	\$6.12	\$43.03	\$3.27	\$213.55	33%
Level 3	\$183.36	Day	\$6.80	\$43.47	\$3.72	\$237.35	29%
Level 4	\$210.51	Day	\$7.20	\$29.36	\$2.39	\$249.46	19%
Level 5	\$232.63	Day	\$7.56	\$19.43	\$1.32	\$260.94	12%
Level 6	\$272.96	Day	\$8.89	\$23.52	\$3.81	\$309.18	13%

Contact Person(s)

A. The Medicaid agency representative with whom CMS should communicate regarding the request:

First Name: Colin
Last Name Laughlin
Title: Deputy Director of the Office of Community Living
Agency: Department of Health Care Policy and Financing
Address 1: 1570 Grant Street
Address 2: Click or tap here to enter text.
City Denver
State Colorado
Zip Code 80128
Telephone: 303-866-2549
E-mail Colin.Laughlin@state.co.us
Fax Number 303-866-4411

8. Authorizing Signature

Signature: /S/

Date: May 25, 2023

State Medicaid Director or Designee

First Name: Adela
Last Name Flores-Brennan
Title: Medicaid Director
Agency: Colorado Department of Health Care Policy and Financing
Address 1: 1570 Grant Street
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