



January 28, 2021

Bonnie Silva
Director, Office of Community Living
Colorado Department of Health Care Policy & Financing

Dear Ms. Silva,

On behalf of Alliance, we write to thank you for the diligence and hard work of the Office of Community Living to mitigate the worst impacts of the COVID-19 pandemic for Day Habilitation providers and to express our support for the latest changes to Day Habilitation Services announced on in OM 20-105. **We recommend that HCPF implement this proposal as soon as practicable.**

As you know, since the federal government curtailed its retainer payment policy with very little notice to Colorado, Day Habilitation providers have seen drastic losses in revenue. These losses have worsened during the fall and winter, and are expected to continue until COVID restrictions can safely be relaxed and/or until a large number of people with IDD can receive the vaccine. Many programs have made drastic staffing reductions, and a number may be at risk of permanent closure without department action. Moreover, individuals who depend on day services have also seen drastic reductions in their ability to access these critical supports, whether due to avoiding in-person contact altogether, limitations in accessing remote supports, inability or unwillingness to wear masks (including after receiving vaccination), or because they could not access small group services due to the pre-existing reimbursement structure. We also know that Day Habilitation rates have lagged behind the cost to deliver the services for many years, and, even before COVID, many agencies were taking losses or barely breaking even on these services. Because of this, we have serious concerns about the ability of agencies to re-build the capacity they have lost in their day programs, which could create significant service access issues long into the future.

Over the summer, we continued to hear from many Alliance members that continuing Day Habilitation as it was provided pre-pandemic was simply not an option for many agencies. Alliance supports the new 3-tiered Day Habilitation structure as a positive move toward providing more individualized supports in alignment with the person-centered goals of the settings rule and the long-held desires of the Colorado IDD community. The ability to provide 1:1 support will provide those who want to continue to receive services during the pandemic with a safer option to do so. It will also improve the quality of day services beyond the immediate needs of the pandemic by allowing more individualized activity options, something individuals, families, and providers have been asking for for many years. While we know that this policy may need adjustments and improvements over time, we believe that its swift implementation is critical to putting Colorado on a path to sustain these services now and in the future.

We are grateful that the department heard the concerns expressed by stakeholders, including Alliance, about the previously proposed dollar caps, and that you have proposed a way to ensure that people don't see significant reductions to services. We recognize that, without additional funding from the Colorado General Assembly, HCPF does not have the authority to exceed its budget appropriation in



order to implement the new structure. We appreciate the efforts on the part of the department to engage stakeholders in the process and problem-solve in short order. We believe that the current proposal strikes an appropriate balance between providing flexibility and the need for budget neutrality, and we are committed to continuing to work with HCPF on future adjustments as needed.

Even with the new tiered structure, we hear from providers that their programs will still experience significant losses, that they will not be able to retain or bring back staff, and that some may still be at risk of permanent closure. This is due to the ongoing restrictions created by COVID as well as the very rational decision among many participants not to return to in-person services right now.

Since retainer payments ended, we believe that a significant portion of the current Day Habilitation appropriation is going unused and will be reverted. Alliance data collected for the month of August demonstrates an approximately 60% reduction in billings for Day Habilitation as well as Non-Medical Transportation compared to the prior year. HCPF's caseload and expenditure reports show a reduction of \$5-7 million per month for the IDD budget line since September, most of which we believe is attributable to dramatic reductions in Day Habilitation utilization. As a result, we believe that there are enough unexpended dollars in the current year's appropriation to meaningfully support community providers and prevent further program closures.

We appreciate OCL's willingness to look at options to support community providers, including the recently implemented rate enhancements. In the coming weeks, we will be working with the Colorado Joint Budget Committee to protect the anticipated reversion and find ways to prevent further program closures and support providers to re-build post-pandemic. If and when a strategy is approved, we look forward to partnering with HCPF to implement it.

We appreciate the challenges that 2020 has presented for everyone involved in serving Coloradans with IDD, and we once again commend the OCL's work to navigate the hurdles presented by the need to implement complex systems change within extremely difficult timelines. We look forward to continuing to work with HCPF to make the new Tiered Day Habilitation structure a success and support Day Habilitation programs to remain intact for the day when we can all move beyond this unprecedented crisis.

Sincerely,

Josh Rael
Executive Director

Matt VanAuken
Board President