COLORADO
Department of Health Care Policy & Financing

Proposal: Remove Select Services from HCBS Waivers

Policy Impact Summary - October 2026

What is being considered?

The Colorado Department of Health Care Policy and Financing (HCPF) is considering removing eight services from certain Home and Community-Based Services (HCBS) waivers.

HCPF is reviewing these services as part of its broader efforts to address rising Long-Term Services and Supports (LTSS) expenditures while maintaining access to essential services.

No final policy decisions have been made. HCPF is seeking stakeholder input to better understand potential impacts, identify unintended consequences, and consider alternatives before making final decisions.

The following services are being considered for removal.

1. Community Connector, through the Children's Extensive Support (CES) and Children's Residential Program (CHRP) waivers, helps children with disabilities participate in activities in their communities. The service helps children develop skills, build relationships, make friends, and participate in activities alongside children without disabilities.

2. Mentorship, through the Supported Living Services (SLS) waiver, helps people with intellectual or developmental disabilities build self-advocacy skills and become more independent. Services may include learning how to interview providers, understand health and safety information, participate in advisory groups, and make informed decisions.

3. Primary Caregiver Education, through the CES waiver, helps parents and caregivers better understand and support a child's disability-related needs. It may

include training, educational materials, workshops, conferences, and other learning opportunities that help caregivers support their child's development and well-being.

4. Mental Health Counseling, through the Brain Injury (BI) waiver, helps people with brain injuries and their support systems manage emotional and mental health challenges related to living with a brain injury. Services may include individual, family, or group counseling.

5. Substance Use Counseling, through the BI waiver, helps people with brain injuries address substance use concerns. Services may include individual, family, or group counseling and may involve family members or others who provide support.

6. Extraordinary Cleaning, through CES and SLS waivers, provides specialized cleaning, disinfecting, and sanitizing when a person's disability creates needs beyond routine household cleaning. Examples include cleaning areas exposed to bodily fluids, specialized disinfection, and cleaning needed to maintain a safe living environment.

7. Adaptive Therapeutic Recreation Equipment and Fees, through CES and SLS waivers, helps eligible members with disabilities participate in recreational activities by providing specialized equipment or covering certain recreation-related fees. Examples may include adapted bicycles, adapted strollers, specialized recreational toys, and equipment that supports participation in swimming or other activities.

8. Youth Day Services, through CES and CHRP waivers, provides care and supervision for children ages 12–17 while their primary caregiver works, volunteers, or looks for employment. Services may be provided individually or in groups, in a home or community setting.

For more information about these services, see the LTSS Benefits and Services Glossary.

Why is HCPF considering these changes?

Community-Based Long-Term Care expenditures are projected to require approximately $245 million more State General Fund in FY 2026-27 than previously forecast.

HCPF is reviewing the broader HCBS benefit package to identify opportunities to reduce expenditures and simplify programs while protecting access to essential services. In particular, HCPF identified benefits that:

- Have experienced high expenditure trends or service utilization, or on the contrary, have nearly zero utilization,
- Are more supplemental and may not be required to meet essential health and safety needs,
- May be duplicative of alternative services or where Members could meet their needs with similar or like services, and
- Are not federally or legislatively required services.

Removing certain waiver services is one approach being considered. HCPF recognizes that even services with relatively low utilization or expenditures can provide important support to the members and families who use them. Stakeholder feedback will help HCPF better understand those impacts before final decisions are made.

These proposals are part of a broader LTSS sustainability effort that includes reviewing high-growth services, examining the HCBS and CFC benefit package, and considering changes to LTSS program design.

Fiscal impact

HCPF has evaluated the potential savings associated with removing these services. The savings associated with each service removal are outlined in the table below.

These estimates are preliminary and subject to change based on updated data and further fiscal analysis.

Service & Waiver	Number of Members Using the Service	Estimated Annual General Fund Savings
Community Connector (CES, CHRP)	11,282 members	$15.6 million state general fund
Mentorship (SLS)	1,634 members	$1.2 million state general fund
Primary Caregiver Education (CES)	89 members	$20,500 state general fund
Substance Use Counseling (BI)	0 members	$0
Mental Health Counseling (BI)	108 members	$11,400 state general fund

Extraordinary Cleaning (CES, SLS)	7,825 members	$12.8 million state general fund
Adaptive Therapeutic Recreation Equipment and Fees (CES, SLS)	697 members	$276,800 state general fund
Youth Day Services (CES, CHRP)	93 members	$82,800 state general fund

What assumptions are behind the estimate?

Important considerations include the number of members currently receiving each service, current expenditures, the proposed implementation date, and whether members may need other Medicaid services if these benefits are removed.

If members begin using other Medicaid services to meet their needs, the actual savings could be lower than initially estimated.

What could change for current members?

If HCPF moves forward with these proposals, the identified services would no longer be available through the affected HCBS waivers.

Members currently receiving these services would need to work with their case managers to review their needs and determine whether other available services or supports could help meet those needs.

- Removing a waiver service does not necessarily mean that another Medicaid service will be available to replace it.
- The availability of other services would depend on the member's eligibility, assessed needs, and applicable program requirements.

HCPF is still evaluating how these changes could be implemented and what transition considerations may be necessary, including how members would be notified and whether certain populations or circumstances require additional consideration.

Known risks and concerns

- **Impact on members and families:** Removing services could reduce access to supports that help members participate in their communities, develop independence, and maintain their health and well-being.
- **Movement to other services:** Members may seek other Medicaid services to meet needs previously addressed through the removed benefit. This could reduce the projected savings.
- **Caregiver impacts:** Removing services could increase responsibilities for family members and unpaid caregivers.
- **Access to behavioral health services:** Members receiving Mental Health Counseling or Substance Use Counseling through the BI waiver may need help understanding which services remain available through other Medicaid benefits.
- **Provider impacts:** Providers currently delivering these services could experience changes in service demand and reimbursement.
- **Implementation considerations:** Case managers, providers, members, and families would need clear information about the changes, implementation dates, and available options.

Implementation requirements

Federal allowability: Yes
State Plan Amendment: Not Needed
Waiver amendment: Needed
Rulemaking: Needed
System changes: Needed

Where stakeholder input is essential

HCPF must make policy changes to help ensure Colorado's LTSS system can be sustained within available resources and federal requirements.

Stakeholder feedback will help HCPF better understand the potential impacts of removing these services, identify unintended consequences, and consider ways to reduce disruption.

HCPF is seeking input and solutions on:

- **Understanding member impacts:** How are members and families currently using these services? What impacts should HCPF consider if they are no longer available?
- **Identifying other available services:** Are there other Medicaid services that could meet similar needs? What barriers might members face when trying to access them?
- **Understanding unintended consequences:** Could removing these services lead to increased use of other Medicaid benefits, greater reliance on unpaid caregivers, or other unintended outcomes?
- **Supporting successful implementation:** What timelines, communication, training, or other supports would help members, families, providers, and case managers prepare for these changes?
- **Considering alternative approaches:** Are there other ways to change these benefits that could achieve meaningful savings while reducing impacts on members?