



Date

Provider Name
Address
City State Zip

Dear _____:

Recently, several counties received communication from various providers requesting rate increases ahead of any determination of a rate setting methodology. Counties are committed to developing a fair and equitable rate setting methodology informed by the results of the salary survey and actuarial analysis as outlined in the pending legislation and within existing child welfare allocations.

HB17-1292 has been introduced which sets forth guidelines for the establishment of rates for licensed out of home placement providers. Included in the legislation is a salary survey and study related to the delivery of child welfare services, an actuarial analysis of actual vendor costs and development of a rate setting methodology for provider compensation.

In addition, Counties have stated that Health Care Policy and Finance (HCPF) needs to examine the definition of medical necessity to prevent children from unnecessarily being referred to the child welfare system. Counties believe reimbursement rates should be optimized for treatment services so we are not augmenting Medicaid through maintenance rates. Counties support a review of child care licensing rules and regulations to determine if any rules not affecting the safety and well-being of children can be modified to reduce costs for the provision of services.

SB97-218 established “block” funding to counties for the delivery of child welfare services, creating some line item flexibility, but also creating financial risk for the counties. Exceeding allocations puts counties at risk for having to use “county only” funds to cover excess costs. To assist counties in mitigating their risk, they were given the authority to negotiate provider rates as a tool to control costs.

Volume 7, 7.406.1 (12 CCR 2509-5) states, “subject to available appropriations, a county negotiates provider rates by either a request for proposal process or other methodology that is submitted at least annually to and approved by the State...” Counties will continue to negotiate rates based on the specific needs of each child and per the accepted methodology.

HB17-1292 will ensure the independent vendor solicits input to develop the rate-setting methodology for licensed out-of-home placement providers. Representatives from the State Department, Counties, the Provider Community and the Department of Health Care Policy and Financing will work together in creating this methodology and we look forward to engaging in this process with you.

Sincerely,

Nancy Sharpe
Arapahoe County Commissioner
CCI Health & Human Services, Chair

Wendy Buxton-Andrade
Prowers County Commissioner
CCI Health & Human Services, Vice Chair