



# Memorandum

**To:** Joint Budget Committee  
**From:** Eric Kurtz, JBC Staff (303-866-4952)  
**Date:** November 18, 2025  
**Subject:** Medicaid provider rate review schedule

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Pursuant to statute<sup>1</sup>, the Joint Budget Committee (JBC) must decide by December 1 each year whether to direct the Department of Health Care Policy and Financing to review a Medicaid rate out of the established rate review schedule or include an exempted rate in the review. If the Department receives any petitions for out-of-cycle rate reviews, it must forward them to the JBC. This memo provides background information to help the JBC decide whether to make any modifications to the rate review schedule. Analysis of the Department's provider rate recommendations for FY 2025-26 will be provided at the briefing for the Department of Health Care Policy and Financing.

The JBC staff does not recommend any modifications to the rate review schedule or exempt services.

## Rate review process

The Department reviews provider rates on a three-year cycle. The rate reviews are intended to inform the Governor's annual budget request and the General Assembly's deliberations about funding for the Department. As part of the review, the Department must:

- Compare Medicaid rates to available benchmarks
- Use metrics to assess whether payments are sufficient to:
  - allow provider retention and client access; and
  - support appropriate reimbursement of high-value services.

The rate reviews are conducted with input from the Medicaid Provider Rate Review Advisory Committee (MPRRAC). The Department and MPRRAC meet at least quarterly to discuss provider rates and receive public input. In addition to the JBC, the MPRRAC can direct a change to the rate review schedule.

The Department must submit a report by November 1 each year summarizing: their analysis of the provider rates under review; the public input received and the Department's response; how the public input informed the Department's recommendations; and the Department's rate recommendations. The [2025 Medicaid Provider Rate Review Analysis and Recommendation Report](#) is available through the Department's web site.

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<sup>1</sup> Section 25.5-4-401.5 (1), C.R.S.

By December 1 each year, the MPRRAC must present to the JBC an overview of the rate review process, a summary of the rates reviewed, and the strategies for responding to the findings of the review. The discussion of strategies includes any fiscal or non-fiscal approaches or rebalancing of rates, any advisory committee recommendations for rate adjustments, and any recommendations for improving capacity and access to services.

## Review schedule

The Department just completed the third year of the three-year rate review cycle. Next year will begin a new three-year cycle. The table below summarizes the rate review cycle.

**Rate Review Schedule**

2025 Review (complete)	2026 Review	2027 Review
Dental (IDD)	Abortion	Ambulatory Electroencephalogram Monitoring
Dialysis and Nephrology Services	Ambulatory Surgical Centers	Emergency Medical Transportation
Durable Medical Equipment	Anesthesia	Substance Use Disorder (fee-for-service)
Eyeglasses and Vision	Behavioral Health (fee-for-service)	Home- and Community-Based Services
Laboratory and Pathology Services	Dental	Home Health Services
Physical, Occupational, and Speech Therapy	Maternity Services	Non-emergent Medical Transportation
Physician Services	Pediatric Behavioral Therapy	Pediatric Personal Care
Prosthetics, Orthotics, Disposable Supplies	Surgeries	Private Duty Nursing
Specialty Care Services		Psychiatric Residential Treatment Facilities
Targeted Case Management		Qualified Residential Treatment Programs
		Sleep Studies

## Exempt services

The rates reviewed by the MPRRAC represent a subset of the Department's service expenditures. The Department may exempt rates from review because the rates are adjusted periodically based on another state or federal law or regulation. A little over half of the Department's appropriations for services are exempted from the rate review process. For rates exempt from the MPRRAC review, any required annual adjustments get included in the forecast requests (R1-R5). The exempted rates include:

- Hospital supplemental payments and other financing
- Hospital rates
- Behavioral health managed care
- Pharmaceuticals
- Nursing
- HMOs
- PACE managed care
- Insurance (Medicare premiums & buy in)
- CHP+ managed care
- Medicare Modernization Act
- FQHCs and RHCs
- Accountable Care Collaborative & disease management
- Hospice

- Administrative case management contracts
- Office of Community Living State-only Program
- Health benefits for children lacking access due to immigration status
- Reproductive health care for individuals not eligible for Medicaid

## Recommendation

The JBC staff recommends no modifications to either the rate review schedule or exempt services. The JBC staff recommends allowing the executive branch to proceed in the order deemed most administratively feasible. The Department's decisions appear reasonable to group similar services, align the schedule with the public release of key benchmarks, and synchronize the schedule with key Department deadlines. The proposed exemptions for rates that are adjusted periodically as a result of another state or federal law or regulation appear appropriate.

If the JBC agrees with the staff recommendation, no further action is necessary. If the JBC wants the Department to review a rate out of cycle or review an exempt rate, then the JBC needs to take a vote on a motion so that a letter can be sent to the Department prior to the December 1 statutory deadline. The Department would then begin the rate review or notify the JBC within 30 days of any obstacles to conducting the review. This could include the Department requesting additional funds to complete the review or explaining why the review cannot be completed in the available time.