COLORADO
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Across the Board Provider Rate Reductions (1.6% and 2%)

Updated: April 2026

In July 2025, providers, including Home and Community Based Services (HCBS) providers, received a 1.6% across-the-board (ATB) increase. Due to the budget shortfall, this increase was rolled back. In addition, an across the board 2% rate reduction will be applied to further support budget balancing efforts.

What's New

If an HCBS service received a 1.6% rate increase effective July 2025, then that HCBS Provider rate was decreased by 1.6% on October 1, 2025. Additionally, HCPF proposed that all HCBS and case management services will receive a 0.75% rate decrease on July 1, 2026. On March 31, 2026 the Joint Budget Committee modified the proposed 0.75% rate decrease to a 2% rate decrease.

What's Changing?

- Effective October 1, 2025 - Most Medicaid providers: 1.6% rate rollback.
- Effective July 1, 2026 - Most Medicaid providers: 2% rate reduction.
- These rate reductions impact: Case Management Agency (CMA) contract rates, including State General Fund programs and Targeted Case Management.

How will this affect Members and Direct Care Workers?

- This change is not anticipated to impact members' services or care.
- Providers are still required to pay direct care workers a legislatively set base wage. This means that direct care workers' wages may not be cut below this set base wage.
- Consumer Directed Attendant Support Services (CDASS) members can expect a decrease in their monthly and annual allocation amounts (unless there has been an allocation change due to increased care needs). More information will be available in a forthcoming CDASS Rate Decrease operational memo.

Fiscal Impact

- Savings of **$38.3 million General Fund (GF)** for the 1.6% reduction and **$88.6 million GF** for the 2.0% reduction.
- Supports balancing the FY 2025–26 budget under Executive Order D 2025 014 and the Supplemental/Budget Amendment process.

Timeline and Implementation

- 1.6% reduction was effective **October 1, 2025**.
- 2% reduction will take effect **July 1, 2026**.
- New Provider Rates and Fee Schedule will be published on the Provider Rates and Fee Schedule webpage.

Why is This Happening?

The rate reductions are a necessary budget savings measure to address the state budget shortfall of over $1 billion. Rolling back the previous increase and imposing an additional reduction allows Medicaid to remain sustainable while reducing state spending.

Further Information

HCPF released an updated HCBS Provider Rates and Fee Schedule prior to the October 1, 2025 reduction. The revised HCBS Provider Rates and Fee Schedule will be released prior to the July 1, 2025 reduction.

For more information contact

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