

**Version 1**



**COLORADO**

Department of Health Care  
Policy & Financing

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# Home and Community-Based Services (HCBS) Provider Rate Reduction (1.6%)

*September 9, 2025*

In July 2025, providers received a 1.6% across-the-board (ATB) increase. Due to the budget shortfall, this increase will be rolled back.

## What's New

If an HCBS service received a 1.6% rate increase effective July 2025, then that HCBS Provider rate will be decreased by 1.6%.

## What's Changing?

- Most Medicaid providers: 1.6% rate rollback.
- HCBS providers: The same rollback with a planned implementation on October 1, 2025. This includes: 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)**.
- Supports balancing the FY 2025-26 budget under Executive Order D 2025 014.



## Timeline and Implementation

- Effective **October 1, 2025** for all providers, including HCBS.
- New Provider Rates and Fee Schedule will be published as soon as possible on the [Provider Rates and Fee Schedule webpage](#).

## Why is This Happening?

The rollback is a necessary budget savings measure to address the state budget shortfall of over \$1 billion. Rolling back the increase allows Medicaid to remain sustainable while reducing state spending.

## Further Information

HCPF will release an Operational Memo and updated HCBS Provider Rates and Fee Schedule prior to October 1, 2025 with more detailed information.

For more information contact

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