

Community Guide:

2026-27 Medicaid Budget Recommendations

This guide was assembled and approved by the following organizations to share our collective agreements on the recommendations included in this document:



Colorado Developmental
Disabilities Council



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Summary

For the past several months, Colorado disability advocacy groups have listened to the hopes and fears of our community. We understand that legislators are in an impossible position this year; the budget must balance and there are no painless options. We strongly wish cuts were not necessary, but we also understand the fiscal constraints are real. While we may not agree on every detail, we have found many areas of agreement. We are sharing these solutions to help find budget fixes that ensure long-term stability with the least amount of harm to people with disabilities and the state we call home.

Our Guiding Principles

- **Focus on the Future:** We want to protect Medicaid services for the long term. We support lasting improvements over one-time cuts.
- **Use Data:** We support specific, data-driven reductions rather than cutting entire programs or lowering rates for everyone.
- **Solidarity:** We stand for a community where no one is left behind to balance a budget. Our recommendations prioritize collective stability and the rights of every member.
- **Fair Exceptions:** We support clear, fast processes for unique situations to ensure every person gets the specific care they need.
- **Transparency:** We advocate for changes that are clear and easy to understand for individuals, families, providers, and case managers.

Recommendations for Budget Actions



What We Support

Our commitment to these changes goes hand-in-hand with our deep respect for the incredible care families and professionals provide. We also believe it is necessary to set clear boundaries on what Medicaid can pay for to keep the system running, now into the future.

Some of the recommendations in this document are in process for the current 2025-26 budget year, but must still be approved in figure setting for the 2026-27 state fiscal year.

Community Connector Services:

- We support age-appropriate limitations that focus these hours on helping people meaningfully connect with their community, rather than providing personal care while out of the house or care typically provided by a parent for a child of the same age.

Waiver Enrollment Changes:

- Stop automatic enrollments in the DD Waiver for all youth on the CES and CHRP waivers except those in the foster care system. With Community First Choice (CFC), people who want to live in their family home now have other good options for support - making this an unfortunate but acceptable change.

Program Revisions:

- Eliminate the nursing facility wage supplement.
- Update how billing works for Home Health and Private Duty Nursing to include group rates and other efficiencies.

One Clear Assessment Tool:

- Finish and start using the Colorado Single Assessment Tool. We need one transparent, Colorado-based system to manage Medicaid long-term. This project has been in the works for 10 years, has active stakeholder engagement, and needs to be completed.



What We Support, with Conditions

Service Limits (Community First Choice and Community Connector)

- **Our Requirement:** If the state limits these services, there must be a timely, consistent and clear way for members to ask for more hours when necessary to ensure safety and continuity of care.

56-Hour Caregiver Limit

- **Our Requirement:** If a caregiver is limited to 56 hours per week, there must be a timely, consistent and clear way to request more hours to keep the member safe. Any new limits must be phased in slowly to prevent sudden financial hardship.

Adjusting Residential (IRSS) Rates

- **Our Requirement:** If the state lowers these rates that people have relied on for years, any new limits must be phased in slowly so members and their families have enough time to prepare and adjust their budgets.

Income and Expenses (Post-Eligibility Treatment of Income - PETI)

- **Our Requirement:** If PETI will now be required across waivers, we want exemptions for people who live in their own homes (not host or family homes) and pay their own bills.



What We Oppose

We are firmly against actions that disproportionately impact specific groups within our shared disability community. Any time we implement waitlists or changes that target specific disability communities, we weaken protections and services for all of us.

We are firmly against **Across-the-Board Provider Rate Cuts** that destabilize our community.

- Proposed cuts of up to **3.9%** threaten to impact smaller, rural, and providers that offer a more diverse set of services.
- Flat cuts impact core health services such as primary care, dental care, durable medical equipment, therapies and more.
- There is also a risk that large, private-equity-backed firms will be best able to absorb the cuts, reducing consumer choice and taking revenue out of Colorado's economy.

Areas of Concern

We have serious concerns about how these changes would impact individuals and families, especially people with intellectual and developmental disabilities (IDD):

DD Waitlist Slowdown: The state plans to only admit one person to the DD waiver for every two people who leave the list. This must be a temporary solution with active planning and recommendations to ensure the needs of people with IDD who enroll in this waiver are met.

- **Current Waitlist:** The state must first review the current waitlist to confirm the number of persons who still live in Colorado and meet the eligibility criteria.
- **Family Crisis:** Many caregivers are aging. Delays force families to wait for an emergency to get help, rather than planning safely for the future.
- **Growing Wait Times:** Since the "youth transition" option was removed, many more people will be added to the list. The wait could reach 20+ years for most members.

Additional Recommended Actions

We support these actions under family caregiving and direct support workforce, which are vital to ensure continuity of care, safety, and community access of people with disabilities.

- **Consistent Implementation of Family Caregiver Benefit:** We support clear guidelines for agencies (PASAs and Home Healthcare Agencies) including transparency about rates and benefits, service monitoring, and support recruiting caregivers as requested.
- **Inclusive Admissions:** Agencies must have a system to support customers' needs whether they use a family caregiver, provide their own non-family caregivers, or are in need of a caregiver.
- **Resilient Workforce:** Agencies must have enough staff to support customers who need more than 56 hours of care. We need a pool of trained professionals who can provide reliable backup and respite care during ongoing, intermittent and emergency situations.

Conclusion

Our collective goal is to keep Colorado's Medicaid services strong for years to come while protecting the individuals and families who depend on them. We believe budget solutions should be based on data and specific needs. We oppose broad, "across-the-board" cuts that hurt providers so significantly there will ultimately be fewer choices for the community. Within that context, we must always consider the real-life hardships these changes bring to a community already facing many challenges.

We are deeply grateful to the community members and partners who shared their stories to help shape these recommendations. We also thank our elected officials and the state staff for their hard work in balancing the state budget. We stand ready to partner to protect the future of all Coloradans with disabilities.