Joint Technology Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION INFORMATION TECHNOLOGY BUDGET REQUEST

Colorado Department of Health Care Policy and Financing
Rural Connectivity

Project Summary

The Department of Health Care Policy and Financing (HCPF), in partnership with Office of eHealth Innovation (OeHI), is requesting to extend the cash funds and federal funds spending authority for the Rural Connectivity project.

Table 1
Prior Appropriation and Request Information

Fund Source	Budget Year FY 2021-22	Budget Year FY 2022-23	Future Requests	Total Costs
CCF	$1,081,800	$5,489,004	$0	$6,570,804
FF	$5,416,200	$5,489,003	$0	$10,905,203
Total	**$6,498,000**	**$10,978,007**	**$0**	**$17,476,007**

Project Status

HCPF requests a three-year extension to its cash and federal funds spending authority for the project, which is currently set to expire June 30, 2025. The project received $6.5 million in state and federal funds in FY 2021-22 and $11 million in state and federal funds in FY 2022-23.

Project Description

Background. The Colorado Rural Connectivity Program aims to increase rural health care providers' access to health information, analytics, and technical support to improve the health and safety of rural communities.

This project will develop a model to connect rural health care providers to Colorado health information exchanges (HIEs) and electronic health record (EHR) systems through a group purchase.

OeHI states that this project will also provide technical assistance to rural safety-net health care facilities that are not prepared to connect to an EHR or HIE system, and will create a financially sustainable path for these facilities to continue using these connections in the future. A survey conducted in 2020 identified that 49 out of 84 rural safety–net facilities were not connected to the HIE network. To date, 25 of those 49 have since been connected which the department says is a notable accomplishment.

Problem/Justification. OeHI explains that many rural health care facilities operate on small budgets and are generally unable to pay for individual connections to either of Colorado's HIEs. Costs and fees to connect to an HIE include: broadband connection, data transmission, data access, analytic reports creation, and connections to electronic health record (EHR) vendors. HIEs and EHRs allow clinics to manage their patient population by sharing real-time data with other clinics in Colorado, which reduces health care inefficiencies, provider burden, and prescription drug costs while improving patient health outcomes and data quality, and lowers costs over time.

IT Accessibility. The department states the new system will be in compliance with the accessibility requirements in HB 21-1110, SB 23-244, and Section 24-85-103, C.R.S.

Additional Cost Information

Cost Benefit Analysis. The department was unable to quantify cost savings as required by Section 24-37-304 (1)(c.5)(V), C.R.S., but noted that complex case management, which will be a Medicaid program associated with SHIE, helps better support the 4 percent of Medicaid members who consume 40 percent of Medicaid spending. The system will connect members to care coordination and the complex case management will have a direct increase in program utilization, savings, and better outcomes.