



Regional Accountable Entities

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Colorado's Medicaid program, Health First Colorado, is administered by the Department of Health Care Policy and Financing (HCPF). HCPF contracts with Regional Accountable Entities (RAEs), to coordinate health care for Medicaid members. This issue brief provides an overview of RAEs

Creation and Purpose of RAEs

RAEs, initially called Regional Care Collaborative Organizations (RCCOs), were created in 2011 under the Accountable Care Collaborative (ACC). In this care coordination model, HCPF contracts with one organization for each region of the state to develop and coordinate a network of Medicaid providers.

Phase II of the ACC was implemented in 2018 to better integrate Behavioral Health into the ACC model.

On July 1, 2025, HCPF implemented Phase III of the ACC to address stakeholder feedback. New contracts were drafted, and the total number of RAEs were reduced from seven to four.

HCPF created the RAEs with the following objectives: combining physical and mental health under one entity; requiring the building of "health neighborhoods," which are networks of health providers and community

organizations; allowing for member choice of provider; incentivizing value by tying a proportion of payments to health outcomes; and ensuring accountability and transparency through data collection and reporting.

Health Care Networks

Primary care

Since the implementation of Phase II of the ACC, almost every Medicaid member eligible for full benefits is enrolled in a RAE. All members are assigned to a primary care medical provider (PCMP).

Medicaid members can choose their PCMP or be assigned to a provider. The member is then assigned to the RAE that contracts with the PCMP. Members may see any Medicaid provider they choose and are not required to see their PCMP.

RAEs are required to build a network of PCMPs in their regions to serve as medical homes for their members. The PCMP partners with the RAE to coordinate all of the member's health care needs. The PCMP must be enrolled as a Health First Colorado provider and then contract directly with the RAE that oversees the physical location of its practice.

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Behavioral health care

The RAEs are required to build a network of behavioral health care providers in their region. Behavioral health providers must be enrolled as Health First Colorado providers, and then be contracted and credentialed by the RAE. The RAEs are required to contract with both community mental health centers and private behavioral health practitioners.

Payment Structure

HCPF pays each RAE an administrative fee to cover the cost of care coordination and capitated payments to cover the cost of the capitated health benefits. Capitated benefits are benefits that are not reimbursed based on usage but a set per member per month agreement.

HCPF may make additional payments to RAEs or PCMPs based on available funding and their participation in programs to distribute those funds. Typically, HCPF awards incentive payments to RAEs as discussed in the next section.

Historically, HCPF has incentivized participation in the Alternative Payment Model Program, but this is expiring due to the implementation of the ACC Phase III.

Recently, [Senate Bill 25-290](#) and the federal H.R. 1 (see the Other Provisions section of this [H.R. 1 Issue Brief](#)) created new revenue streams for HCPF to distribute additional payments to providers.

Incentives and Monitoring

HCPF tracks RAE performance across a variety of indicators and awards related incentive payments. This data and payments are posted on the [ACC Public Reporting page](#) and summarized below.

KPI incentive payments

RAEs are eligible to earn incentive payments by meeting key performance indicators (KPIs). An example of a KPI is the percentage of members who utilize certain services, such as dental visits or prenatal care.

Performance pool

Unused funds for KPI performance are put into a pay-for-performance pool. RAEs can earn additional payments from the pool by participating in new state or federal initiatives as decided upon between the RAE and HCPF. For example, RAEs will be paid for meeting pre-established targets for lowering costs and improving health outcomes for members with complex health conditions.

Behavioral health incentive program

RAEs can earn a percentage of the [Hospital Provider Fee](#) for meeting certain behavioral health metrics. These metrics include the percentage of members who receive a follow-up contact after an inpatient hospital episode for a mental health condition or an emergency department visit for a substance use disorder.