

**Second Regular Session
Seventieth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 16-1198.01 Brita Darling x2241

SENATE BILL 16-190

SENATE SPONSORSHIP

Steadman, Grantham, Lambert

HOUSE SPONSORSHIP

Rankin, Hamner, Young

Senate Committees
Appropriations

House Committees
Appropriations

HOUSE
3rd Reading Unamended
May 4, 2016

A BILL FOR AN ACT

101 **CONCERNING IMPROVING THE PROCESS FOR COUNTY ADMINISTRATION**
102 **OF PUBLIC ASSISTANCE PROGRAMS, AND, IN CONNECTION**
103 **THEREWITH, MAKING AND REDUCING APPROPRIATIONS.**

HOUSE
2nd Reading Unamended
May 3, 2016

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

SENATE
3rd Reading Unamended
April 26, 2016

Joint Budget Committee. The bill requires the department of human services (department) and county departments of human or social services (county departments) to endeavor to exceed federal performance

SENATE
2nd Reading Unamended
April 25, 2016

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

measures for administering the supplemental nutrition assistance program. If the department receives federal performance bonus money as a result of meeting those measures, the department shall pass the bonus money through to the county departments. The department may also award state-funded administration performance bonuses to county departments. If the department receives federal monetary sanctions for failing to meet the federal performance measures, the department shall pass the monetary sanction through to the county departments.

The state department, county departments, and additional parties as identified by the state department and the county departments, shall mutually agree upon a method and formula for distributing state and federal monetary bonuses and federal monetary sanctions to the county departments.

The bill also requires the department to contract with an external vendor to collect and analyze data relating to county department costs and performance associated with administering public assistance programs listed in the bill that are administered by the department or the department of health care policy and financing. The bill outlines the areas for data collection and analysis.

Prior to awarding the contract, the department shall consult with an external vendor to work with administrators, fiscal agents, and program stakeholders to identify the scope of the data collection and analysis contract.

In collaboration with county departments, the department shall design a continuous quality improvement program and shall provide a description of the program to the joint budget committee.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 26-2-301.5 as
3 follows:

4 **26-2-301.5. Performance standards - incentives - sanctions.**

5 (1) (a) IN IMPLEMENTING THE SUPPLEMENTAL NUTRITION ASSISTANCE
6 PROGRAM, THE STATE DEPARTMENT AND COUNTY DEPARTMENTS SHALL
7 ENDEAVOR TO EXCEED FEDERAL PERFORMANCE MEASURES IN THE
8 FOLLOWING AREAS:

9 (I) APPLICATION PROCESSING TIMELINESS;

10 (II) PAYMENT ERROR RATE; AND

1 (III) CASE AND PROCEDURAL ERROR RATE.

2 (b) IF THE STATE DEPARTMENT RECEIVES FEDERAL PERFORMANCE
3 BONUS MONEY AS A RESULT OF MEETING THE FEDERAL PERFORMANCE
4 MEASURES SET FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (1), THE
5 STATE DEPARTMENT SHALL PASS THE FEDERAL PERFORMANCE BONUS
6 MONEY THROUGH TO THE COUNTY DEPARTMENTS; EXCEPT THAT A COUNTY
7 DEPARTMENT SHALL ONLY RECEIVE THAT PORTION OF FEDERAL
8 PERFORMANCE BONUS MONEY ATTRIBUTABLE TO THE COUNTY
9 DEPARTMENT'S PERFORMANCE.

10 (c) IN ADDITION TO FEDERAL PERFORMANCE BONUS MONEY,
11 SUBJECT TO AVAILABLE APPROPRIATIONS FOR PURPOSES OF THIS
12 PARAGRAPH (c), THE STATE MAY AWARD STATE-FUNDED ADMINISTRATION
13 PERFORMANCE BONUSES TO COUNTY DEPARTMENTS.

14 (d) THE STATE DEPARTMENT, COUNTY DEPARTMENTS, AND ANY
15 ADDITIONAL PARTIES IDENTIFIED BY THE STATE DEPARTMENT AND
16 COUNTY DEPARTMENTS, SHALL MUTUALLY AGREE UPON A METHOD AND
17 FORMULA FOR DISTRIBUTING TO COUNTY DEPARTMENTS ANY FEDERAL
18 PERFORMANCE BONUS MONEY PURSUANT TO PARAGRAPH (b) OF THIS
19 SUBSECTION (1) AND ANY STATE-FUNDED ADMINISTRATION PERFORMANCE
20 BONUSES PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (1).
21 PERFORMANCE BONUSES MAY BE USED BY COUNTY DEPARTMENTS FOR THE
22 ADMINISTRATION OF THE SUPPLEMENTAL NUTRITION ASSISTANCE
23 PROGRAM UPON RECEIPT OF FEDERAL APPROVAL OF THE COUNTY
24 DEPARTMENTS' PLANS.

25 (2) (a) THE STATE DEPARTMENT SHALL PASS THROUGH TO THE
26 COUNTY DEPARTMENTS ANY MONETARY SANCTIONS IMPOSED BY THE
27 FEDERAL GOVERNMENT FOR FAILING TO MEET FEDERAL PERFORMANCE

1 MEASURES IN ANY OF THE FOLLOWING AREAS:
2 (I) APPLICATION PROCESSING TIMELINESS;
3 (II) PAYMENT ERROR RATE; AND
4 (III) UNRESOLVED COMPLIANCE ISSUES OVER WHICH THE COUNTY
5 DEPARTMENT HAS CONTROL, AS MUTUALLY DETERMINED BY THE STATE
6 DEPARTMENT AND COUNTY DEPARTMENTS BASED UPON ANALYSIS OF
7 VALIDATED DATA, SPECIFIC TO A COUNTY DEPARTMENT'S
8 RESPONSIBILITIES IN ADMINISTERING THE SUPPLEMENTAL NUTRITION
9 ASSISTANCE PROGRAM, INCLUDING CLAIM DISCREPANCIES.

10 (b) THE STATE DEPARTMENT, COUNTY DEPARTMENTS, AND ANY
11 ADDITIONAL PARTIES IDENTIFIED BY THE STATE DEPARTMENT AND
12 COUNTY DEPARTMENTS, SHALL MUTUALLY AGREE UPON A METHOD AND
13 FORMULA FOR CHARGING TO COUNTY DEPARTMENTS ANY FEDERAL
14 MONETARY SANCTION FOR FAILING TO MEET PERFORMANCE MEASURES
15 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2); EXCEPT THAT A
16 COUNTY DEPARTMENT SHALL ONLY BE RESPONSIBLE FOR THE PORTION OF
17 A FEDERAL MONETARY SANCTION ATTRIBUTABLE TO THE COUNTY
18 DEPARTMENT'S PERFORMANCE RELATING TO ACTIVITIES WITHIN THE
19 COUNTY DEPARTMENT'S CONTROL, AS MUTUALLY DETERMINED BY THE
20 STATE DEPARTMENT AND COUNTY DEPARTMENTS BASED UPON ANALYSIS
21 OF VALIDATED DATA.

22 **SECTION 2.** In Colorado Revised Statutes, **add** 26-1-122.3 as
23 follows:

24 **26-1-122.3. Public assistance programs - county**
25 **administration - data collection and analysis - vendor contract.**

26 (1) (a) THE STATE DEPARTMENT SHALL CONTRACT WITH AN EXTERNAL
27 VENDOR TO COLLECT AND ANALYZE DATA RELATING TO COUNTY

1 DEPARTMENT COSTS AND PERFORMANCE ASSOCIATED WITH
2 ADMINISTERING PUBLIC ASSISTANCE PROGRAMS, INCLUDING:

3 (I) THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM,
4 ESTABLISHED IN PART 3 OF ARTICLE 2 OF THIS TITLE;

5 (II) THE MEDICAL ASSISTANCE PROGRAM, ESTABLISHED IN
6 ARTICLES 4, 5, AND 6 OF TITLE 25.5, C.R.S.;

7 (III) THE CHILDREN'S BASIC HEALTH PLAN, ESTABLISHED IN
8 ARTICLE 8 OF TITLE 25.5, C.R.S.;

9 (IV) THE COLORADO WORKS PROGRAM, ESTABLISHED IN PART 7 OF
10 ARTICLE 2 OF THIS TITLE;

11 (V) THE PROGRAM FOR AID TO THE NEEDY DISABLED, PURSUANT
12 TO ARTICLE 2 OF THIS TITLE;

13 (VI) THE OLD AGE PENSION PROGRAM, PURSUANT TO PART 1 OF
14 ARTICLE 2 OF THIS TITLE; AND

15 (VII) LONG-TERM CARE SERVICES, PURSUANT TO ARTICLE 6 OF
16 TITLE 25.5, C.R.S.

17 (b) THE CONTRACTED VENDOR'S DATA COLLECTION AND DATA
18 ANALYSIS SHALL PROVIDE THE GENERAL ASSEMBLY, EXECUTIVE AGENCIES,
19 COUNTY DEPARTMENTS, AND PUBLIC ASSISTANCE PROGRAM
20 STAKEHOLDERS WITH THE FOLLOWING INFORMATION THAT MAY BE USED
21 TO MAKE TARGETED PROGRAM IMPROVEMENTS:

22 (I) THE STATUS OF EACH COUNTY DEPARTMENT IN MEETING
23 PERFORMANCE MEASURES FOR ADMINISTERING PUBLIC ASSISTANCE
24 PROGRAMS;

25 (II) AN INVENTORY OF RELEVANT COUNTY DEPARTMENT
26 ACTIVITIES, INCLUDING, AMONG OTHERS, APPLICATION INITIATION,
27 INTERACTIVE INTERVIEWS, AND CASE REVIEWS, AND THE PURPOSE OF THE

1 ACTIVITIES, WHICH MAY INCLUDE COMPLIANCE WITH FEDERAL OR STATE
2 LAW;

3 (III) AN ASSESSMENT OF ADMINISTRATIVE WORK NOT YET
4 COMPLETED BY EACH COUNTY DEPARTMENT AND THE CAUSE OF ANY
5 DELAY IN COMPLETING THE WORK;

6 (IV) THE AMOUNT OF TIME SPENT BY EACH COUNTY DEPARTMENT
7 ON EACH ACTIVITY;

8 (V) THE COST INCURRED BY EACH COUNTY DEPARTMENT,
9 INCLUDING STAFF AND OPERATING COSTS, RELATING TO EACH ACTIVITY
10 AND EACH CLIENT;

11 (VI) ANY VARIANCES AMONG COUNTY DEPARTMENTS WITH
12 RESPECT TO THE COST INCURRED, TIME ASSOCIATED WITH EACH ACTIVITY,
13 AND RETURN ON INVESTMENT, AND THE SOURCE OF THOSE VARIANCES;

14 (VII) THE RELATIONSHIP, IF ANY, BETWEEN THE TIME AND COST
15 ASSOCIATED WITH EACH ACTIVITY AND THE COUNTY DEPARTMENT'S
16 PERFORMANCE WITH RESPECT TO THE PERFORMANCE STANDARDS FOR THE
17 PUBLIC ASSISTANCE PROGRAM;

18 (VIII) THE LEVEL OF TOTAL COUNTY DEPARTMENT FUNDING
19 NEEDED TO MEET THE COUNTY DEPARTMENT'S REQUIRED WORKLOAD
20 RELATING TO THE ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS FOR
21 WHICH DATA IS COLLECTED AND ANALYZED PURSUANT TO THIS SECTION.
22 THIS INFORMATION MUST INCLUDE THE TOTAL COUNTY DEPARTMENT
23 FUNDING NEEDED FOR CURRENT BUSINESS PROCESSES AND THE TOTAL
24 COUNTY DEPARTMENT FUNDING NEEDED IF ALL COUNTY DEPARTMENTS
25 IMPLEMENT BEST PRACTICES AND BUSINESS REENGINEERING CONCEPTS
26 ADOPTED BY PEER COUNTIES FOUND TO OPERATE IN THE MOST
27 COST-EFFECTIVE MANNER WHILE MEETING PERFORMANCE MEASURES.

1 (IX) BUSINESS PROCESS IMPROVEMENTS THAT CONTRIBUTE TO A
2 COUNTY DEPARTMENT'S DECREASED TIME OR COSTS ASSOCIATED WITH
3 EACH ACTIVITY AND TO A COUNTY DEPARTMENT'S ABILITY TO MEET OR
4 EXCEED THE PERFORMANCE STANDARDS FOR THE PUBLIC ASSISTANCE
5 PROGRAM, INCLUDING IMPROVEMENTS ASSOCIATED WITH PREVIOUS
6 STATE-FUNDED BUSINESS PROCESS REENGINEERING INITIATIVES; AND

7 (X) OPTIONS FOR A COST ALLOCATION MODEL FOR THE
8 DISTRIBUTION OF STATE FUNDING TO COUNTY DEPARTMENTS FOR
9 ADMINISTERING PUBLIC ASSISTANCE PROGRAMS IDENTIFIED IN PARAGRAPH
10 (a) OF THIS SUBSECTION (1).

11 (2) IN ORDER TO ENSURE THAT THE DATA COLLECTION AND
12 ANALYSIS CONTRACTED FOR PURSUANT TO SUBSECTION (1) OF THIS
13 SECTION YIELDS INFORMATION THAT IS BENEFICIAL FOR ITS INTENDED
14 USES, PRIOR TO CONTRACTING WITH AN EXTERNAL VENDOR FOR DATA
15 COLLECTION AND ANALYSIS, THE STATE DEPARTMENT SHALL CONTRACT
16 WITH AN EXTERNAL CONSULTANT TO WORK WITH PROGRAM
17 ADMINISTRATORS, FISCAL AGENTS, AND PROGRAM STAKEHOLDERS TO
18 IDENTIFY THE SCOPE OF THE DATA COLLECTION AND ANALYSIS TO BE
19 PERFORMED PURSUANT TO THIS SECTION.

20 (3) IN COLLABORATION WITH THE COUNTY DEPARTMENTS, THE
21 STATE DEPARTMENT SHALL DESIGN A CONTINUOUS QUALITY
22 IMPROVEMENT PROGRAM THAT, AT A MINIMUM, SOLICITS FEEDBACK FROM
23 THE EMPLOYEES OF THE COUNTY DEPARTMENTS TO IDENTIFY
24 INCREMENTAL AND BREAKTHROUGH CONTINUOUS IMPROVEMENTS THAT
25 SHOULD BE IMPLEMENTED TO IMPROVE THE PRODUCTS, SERVICES, AND
26 PROCESSES ASSOCIATED WITH THE ADMINISTRATION OF PUBLIC
27 ASSISTANCE PROGRAMS. THE STATE DEPARTMENT SHALL PROVIDE A

1 DESCRIPTION OF THE PROGRAM TO THE JOINT BUDGET COMMITTEE BY
2 FEBRUARY 1, 2017.

3 **SECTION 3. Appropriation - adjustments to 2016 long bill.**

4 (1) To implement this act, the general fund appropriation made in the
5 annual general appropriation act for the 2016-17 state fiscal year to the
6 department of human services for use by the division of child welfare for
7 child welfare services is decreased by \$550,000.

8 (2) For the 2016-17 state fiscal year, \$1,100,000 is appropriated
9 to the department of human services. This appropriation consists of
10 \$550,000 from the general fund and \$550,000 federal funds from the
11 temporary assistance for needy families block grant. To implement this
12 act, the department may use this appropriation as follows:

13 (a) \$450,000 from the general fund for the collection and analysis
14 of data on county costs and county performance associated with the
15 administration of public assistance programs;

16 (b) \$50,000 from the general fund for the development of the
17 scope of the data collection and analysis project funded under paragraph
18 (a) of this subsection (2) prior to commencing the project;

19 (c) \$50,000 from the general fund for the initial phase of a quality
20 improvement project associated with the county administration of public
21 assistance programs; and

22 (d) \$550,000 from the federal temporary assistance for needy
23 families block grant for use by the division of child welfare for child
24 welfare services.

25 (3) If the state department receives additional federal funds for the
26 implementation of this act, the state department shall expend those federal
27 funds in lieu of general fund money appropriated pursuant to paragraphs

1 (a), (b), and (c) of subsection (2) of this section, and any unspent general
2 fund money shall be transferred to the Colorado long-term works reserve
3 created in section 26-2-721 (1), C.R.S.

4 **SECTION 4. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.