

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 17-0162.01 Brita Darling x2241

SENATE BILL 17-121

SENATE SPONSORSHIP

Crowder and Lundberg,

HOUSE SPONSORSHIP

Danielson and Landgraf,

Senate Committees

Health & Human Services
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING IMPROVING MEDICAID CLIENT CORRESPONDENCE, AND,**
102 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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://leg.colorado.gov/>.)

Interim Study Committee on Communication Between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients. The bill requires the department of health care policy and financing (department) to engage in an ongoing process to improve medicaid client communications, including client letters and notices, that concern eligibility for or the denial, reduction, suspension, or termination

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.*

SENATE
Amended 2nd Reading
April 11, 2017

of a benefit. Among other requirements included in the bill, the department shall ensure that client communications are accurate, readable, and understandable, clearly conveying the purpose of the letter or notice and the specific action or actions that the client must take in response to the letter or notice.

The bill requires the department to include in certain notices a specific and plain language explanation of the basis for the denial, reduction, suspension, or termination of a benefit; specific and detailed information concerning household composition, income sources and amounts, and assets; and a description of necessary information or documents that the client has not provided.

To the extent practicable, the department shall test new or significantly revised client communications against the requirements included in the bill with a representative sample of medicaid clients, advocacy organizations, and counties prior to implementing the client communications. As part of the testing, the department shall solicit feedback from a workgroup established by the department to provide customer and community partner feedback regarding client communications.

The department shall also ensure that letters and notices affecting clients with disabilities, seniors, and other vulnerable populations are appropriately prioritized for improvement consistent with the requirements in the bill. The department shall receive feedback from the workgroup established to provide customer and community partner feedback regarding client communications as part of the department's involvement in state-level decision-making relating to computer system changes and training.

The department shall provide information concerning medicaid client communications improvements as part of its annual presentation to its legislative committee of reference.

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

2 **SECTION 1. In Colorado Revised Statutes, add 25.5-4-212 as**
3 **follows:**

4 **25.5-4-212. Medicaid client correspondence improvement**
5 **process - legislative declaration - definition. (1) (a) THE GENERAL**
6 **ASSEMBLY FINDS AND DECLARES THAT:**

7 **(I) ACCURATE, UNDERSTANDABLE, TIMELY, INFORMATIVE, AND**
8 **CLEAR CORRESPONDENCE FROM THE STATE DEPARTMENT IS CRITICAL TO**

1 THE LIFE AND HEALTH OF MEDICAID RECIPIENTS, AND, IN SOME CASES, IS
2 A MATTER OF LIFE AND DEATH FOR OUR MOST VULNERABLE POPULATIONS;

3 (II) UNCLEAR, CONFUSING, AND LATE CORRESPONDENCE FROM THE
4 STATE DEPARTMENT CAUSES AN INCREASED WORKLOAD FOR THE STATE,
5 COUNTIES ADMINISTERING THE MEDICAID PROGRAM, AND NONPROFIT
6 ADVOCACY GROUPS ASSISTING CLIENTS; AND

7 (III) GOVERNMENT SHOULD BE A GOOD STEWARD OF TAXPAYERS'
8 MONEY, ENSURING THAT IT IS SPENT IN THE MOST COST-EFFECTIVE
9 MANNER.

10 (b) THEREFORE, THE GENERAL ASSEMBLY FINDS THAT IMPROVING
11 MEDICAID CLIENT CORRESPONDENCE IS CRITICAL TO THE HEALTH AND
12 SAFETY OF MEDICAID CLIENTS AND WILL REDUCE UNNECESSARY
13 CONFUSION THAT REQUIRES CLIENTS TO CALL COUNTIES AND THE STATE
14 DEPARTMENT OR FILE APPEALS.

15 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
16 REQUIRES, "CLIENT CORRESPONDENCE" MEANS ANY COMMUNICATION, THE
17 PURPOSE OF WHICH IS TO PROVIDE NOTICE OF AN APPROVAL, DENIAL,
18 TERMINATION, OR CHANGE TO AN INDIVIDUAL'S MEDICAID ELIGIBILITY; TO
19 PROVIDE NOTICE OF THE APPROVAL, DENIAL, REDUCTION, SUSPENSION, OR
20 TERMINATION OF A MEDICAID BENEFIT; OR TO REQUEST ADDITIONAL
21 INFORMATION THAT IS RELEVANT TO DETERMINING AN INDIVIDUAL'S
22 MEDICAID ELIGIBILITY OR BENEFITS. CLIENT CORRESPONDENCE DOES NOT
23 INCLUDE COMMUNICATIONS REGARDING THE STATE DEPARTMENT'S
24 REVIEW OF TRUSTS OR REVIEW OF DOCUMENTS OR RECORDS RELATING TO
25 TRUSTS.

26 (3) THE STATE DEPARTMENT SHALL IMPROVE MEDICAID CLIENT
27 CORRESPONDENCE BY ENSURING THAT CLIENT CORRESPONDENCE REVISED

- 1 OR CREATED AFTER JANUARY 1, 2018:
- 2 (a) IS WRITTEN USING PERSON-FIRST, PLAIN LANGUAGE;
- 3 (b) IS WRITTEN IN A FORMAT THAT INCLUDES THE DATE OF THE
4 CORRESPONDENCE AND A CLIENT GREETING;
- 5 (c) IS CONSISTENT, USING THE SAME TERMS THROUGHOUT TO THE
6 EXTENT PRACTICABLE INCLUDING COMMONLY USED PROGRAM NAMES;
- 7 (d) IS ACCURATELY TRANSLATED INTO THE SECOND MOST
8 COMMONLY SPOKEN LANGUAGE IN THE STATE IF A CLIENT INDICATES THAT
9 THIS IS THE CLIENT'S WRITTEN LANGUAGE OF PREFERENCE OR AS REQUIRED
10 BY LAW;
- 11 (e) INCLUDES A STATEMENT TRANSLATED INTO THE TOP FIFTEEN
12 LANGUAGES MOST COMMONLY SPOKEN BY INDIVIDUALS IN COLORADO
13 WITH LIMITED ENGLISH PROFICIENCY INFORMING AN APPLICANT OR CLIENT
14 HOW TO SEEK FURTHER ASSISTANCE IN UNDERSTANDING THE CONTENT OF
15 THE CORRESPONDENCE;
- 16 (f) CLEARLY CONVEYS THE PURPOSE OF THE CLIENT
17 CORRESPONDENCE, THE ACTION OR ACTIONS BEING TAKEN BY THE STATE
18 DEPARTMENT OR ITS DESIGNATED ENTITY, IF ANY, AND THE SPECIFIC
19 ACTION OR ACTIONS THAT THE CLIENT MUST OR MAY TAKE IN RESPONSE TO
20 THE CORRESPONDENCE;
- 21 (g) INCLUDES A SPECIFIC DESCRIPTION OF ANY NECESSARY
22 INFORMATION OR DOCUMENTS REQUESTED FROM THE APPLICANT OR
23 CLIENT;
- 24 (h) INCLUDES CONTACT INFORMATION FOR CLIENT QUESTIONS;
- 25 AND
- 26 (i) INCLUDES A SPECIFIC AND PLAIN LANGUAGE EXPLANATION OF
27 THE BASIS FOR THE DENIAL, REDUCTION, SUSPENSION, OR TERMINATION OF

1 THE BENEFIT IF APPLICABLE.

2 (4) SUBJECT TO THE AVAILABILITY OF SUFFICIENT APPROPRIATIONS
3 AND RECEIPT OF FEDERAL FINANCIAL PARTICIPATION, ON AND AFTER JULY
4 1, 2018, THE STATE DEPARTMENT SHALL MAKE ELECTRONICALLY
5 AVAILABLE TO A CLIENT SPECIFIC AND DETAILED INFORMATION
6 CONCERNING THE CLIENT'S HOUSEHOLD COMPOSITION, ASSETS, INCOME
7 SOURCES, AND INCOME AMOUNTS, IF RELEVANT TO A DETERMINATION FOR
8 WHICH CLIENT CORRESPONDENCE WAS ISSUED. IF IMPLEMENTED, THE
9 STATE DEPARTMENT SHALL NOTIFY CLIENTS IN THE WRITTEN
10 CORRESPONDENCE OF THE OPTION TO ACCESS THIS INFORMATION.

11 (5) THE STATE DEPARTMENT IS ENCOURAGED TO PROMOTE THE
12 RECEIPT OF CLIENT CORRESPONDENCE ELECTRONICALLY OR THROUGH
13 MOBILE APPLICATIONS FOR CLIENTS WHO CHOOSE THOSE METHODS OF
14 DELIVERY AS ALLOWED BY LAW.

15 (6) AS PART OF ITS ONGOING PROCESS TO CREATE AND IMPROVE
16 CLIENT CORRESPONDENCE, THE STATE DEPARTMENT MAY ENGAGE WITH
17 EXPERTS IN WRITTEN COMMUNICATION AND PLAIN LANGUAGE TO TEST
18 CLIENT CORRESPONDENCE AGAINST THE CRITERIA SET FORTH IN
19 SUBSECTION (3) OF THIS SECTION WITH A GEOGRAPHICALLY DIVERSE AND
20 REPRESENTATIVE SAMPLE OF MEDICAID CLIENTS RELEVANT TO THE CLIENT
21 CORRESPONDENCE BEING REVISED. THE STATE DEPARTMENT SHALL ALSO
22 DEVELOP A PROCESS TO REVIEW AND CONSIDER FEEDBACK FROM
23 STAKEHOLDERS INCLUDING CLIENT ADVOCATES AND COUNTIES PRIOR TO
24 IMPLEMENTING SIGNIFICANT CHANGES TO CORRESPONDENCE.

25 (7) THE STATE DEPARTMENT SHALL ENSURE THAT CLIENT
26 CORRESPONDENCE THAT MAY ONLY AFFECT A SMALL NUMBER OF CLIENTS,
27 BUT MAY, NONETHELESS, HAVE A SIGNIFICANT IMPACT ON THE LIVES OF

1 THOSE CLIENTS, IS APPROPRIATELY PRIORITIZED FOR REVISION.

2 (8) AS PART OF ITS ANNUAL PRESENTATION MADE TO ITS
3 LEGISLATIVE COMMITTEE OF REFERENCE PURSUANT TO SECTION 2-7-203,
4 THE STATE DEPARTMENT SHALL PRESENT INFORMATION CONCERNING:

5 (a) ITS PROCESS FOR ONGOING IMPROVEMENT OF CLIENT
6 CORRESPONDENCE;

7 (b) CLIENT CORRESPONDENCE REVISED PURSUANT TO CRITERIA SET
8 FORTH IN SUBSECTION (3) OF THIS SECTION DURING THE PRIOR YEAR AND
9 CLIENT CORRESPONDENCE IMPROVEMENTS THAT ARE PLANNED FOR THE
10 UPCOMING YEAR; AND

11 (c) A DESCRIPTION OF THE RESULTS OF TESTING OF NEW OR
12 SIGNIFICANTLY REVISED CLIENT CORRESPONDENCE PURSUANT TO
13 SUBSECTION (6) OF THIS SECTION, INCLUDING A DESCRIPTION OF THE
14 STAKEHOLDER FEEDBACK.

15 **SECTION 2. In Colorado Revised Statutes, 25.5-4-213, amend**
16 **as added by House Bill 17-1143 (1) as follows:**

17 **25.5-4-213. Audit of medicaid client correspondence -**
18 **definition. (1) As used in this section, unless the context otherwise**
19 **requires, "client correspondence" means any communication, the purpose**
20 **of which is to provide notice of an approval, denial, termination, or**
21 **change to an individual's medicaid eligibility; to provide notice of the**
22 **approval, denial, reduction, suspension, or termination of a medicaid**
23 **benefit; or to request additional information that is relevant to an**
24 **individual's medicaid eligibility or benefits HAS THE SAME MEANING AS**
25 **DEFINED IN SECTION 25.5-4-212.**

26 **SECTION 3. Appropriation. (1) For the 2017-18 state fiscal**
27 **year, \$141,890 is appropriated to the department of health care policy and**

1 financing for use by the executive director's office. Of this appropriation
2 \$95,662 is from the general fund and \$46,228 is from the hospital
3 provider fee cash fund created in section 25.5-4-402.3 (4)(a), C.R.S., and
4 is based on an assumption that the department will require an additional
5 0.7 FTE. To implement this act, the office may use this appropriation as
6 follows:

7 (a) \$24,576, which consists of \$16,569 from general fund and
8 \$8,007 from the hospital provider fee cash fund created in section
9 25.5-4-402.3 (4)(a), C.R.S., for personal services, which amount is based
10 on an assumption that the office will require an additional 0.7 FTE;

11 (b) \$11,982, which consists of \$8,078 from general fund and
12 \$3,904 from the hospital provider fee cash fund created in section
13 25.5-4-402.3 (4)(a), C.R.S., for operating expenses;

14 (c) \$50,000, which consists of \$33,710 from general fund and
15 \$16,290 from the hospital provider fee cash fund created in section
16 25.5-4-402.3 (4)(a), C.R.S., for general professional services and special
17 projects; and

18 (d) \$55,332, which consists of \$37,305 from general fund and
19 \$18,027 from the hospital provider fee cash fund created in section
20 25.5-4-402.3 (4)(a), C.R.S., for medicaid management information system
21 maintenance and projects.

22 (2) For the 2017-18 state fiscal year, the general assembly
23 anticipates that the department of health care policy and financing will
24 receive \$141,891 in federal funds to implement this act, which amount is
25 included for informational purposes only. The appropriation in subsection
26 (1) of this section is based on the assumption that the department will
27 receive this amount of federal funds to be used as follows:

- 1 (a) \$24,577 for personal services;
2 (b) \$11,982 for operating expenses;
3 (c) \$50,000 for general professional services and special projects;
4 and
5 (d) \$55,332 for medicaid management information system
6 maintenance and projects.

7 **SECTION 4. Appropriation.** For the 2017-18 state fiscal year,
8 \$8,100 is appropriated to the department of personnel for use by the
9 administrative courts. This appropriation is from the general fund. To
10 implement this act, the administrative courts may use this appropriation
11 for operating expenses.

12 **SECTION 5. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly (August
15 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
16 referendum petition is filed pursuant to section 1 (3) of article V of the
17 state constitution against this act or an item, section, or part of this act
18 within such period, then the act, item, section, or part will not take effect
19 unless approved by the people at the general election to be held in
20 November 2018 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.