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SENATE BILL 22-235

BY SENATOR(S) Rankin and Zenzinger, Hansen, Ginal, Kirkmeyer, Kolker, Pettersen, Simpson;
also REPRESENTATIVE(S) Herod and McCluskie, Ransom, Amabile, Boesenecker, Exum, Gonzales-Gutierrez, Kipp, Lindsay, McCormick, Michaelson Jenet, Ortiz, Ricks, Valdez D..

CONCERNING COUNTY ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS,
AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** 26-1-121.5 as follows:

26-1-121.5. Public assistance funding model - workload study - evaluation - report - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "FUNDING MODEL" MEANS THE COUNTY ADMINISTRATION OF PUBLIC AND MEDICAL ASSISTANCE PROGRAMS FUNDING MODEL TO DETERMINE THE APPROPRIATE LEVEL OF FUNDING FOR EACH COUNTY REQUIRED TO MAKE ELIGIBILITY DETERMINATIONS REGARDING

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

PARTICIPATION IN A PUBLIC ASSISTANCE PROGRAM.

(b) "MEDICAL ASSISTANCE PROGRAMS" MEANS THE FOLLOWING PUBLIC ASSISTANCE PROGRAMS ADMINISTERED BY THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING: THE MEDICAL ASSISTANCE PROGRAM, ESTABLISHED IN ARTICLES 4, 5, AND 6 OF TITLE 25.5, INCLUDING LONG-TERM CARE SERVICES; THE CHILDREN'S BASIC HEALTH PLAN, ESTABLISHED IN ARTICLE 8 OF TITLE 25.5; AND THE OLD AGE PENSION HEALTH AND MEDICAL CARE PROGRAM DESCRIBED IN SECTION 25.5-2-101.

(c) "PUBLIC ASSISTANCE PROGRAMS" MEANS THE PROGRAMS OF PUBLIC ASSISTANCE ADMINISTERED BY THE STATE DEPARTMENT PURSUANT TO ARTICLE 2 OF THIS TITLE 26.

(2) (a) ON OR BEFORE AUGUST 15, 2022, THE STATE DEPARTMENT AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, IN CONSULTATION WITH COUNTY DEPARTMENTS, SHALL DEVELOP A SCOPE OF WORK FOR THE COMPREHENSIVE ASSESSMENT OF BEST PRACTICES RELATED TO THE ADMINISTRATION OF PUBLIC AND MEDICAL ASSISTANCE PROGRAMS, INCLUDING, BUT NOT LIMITED TO, POLICIES, PROCESSES, SIZE AND STRUCTURE OF THE WORKFORCE THAT ADMINISTERS THE PROGRAMS, INFORMATION SYSTEMS INFRASTRUCTURE, AND DATA TO ENSURE IMPROVED ACCESS BY ELIGIBLE INDIVIDUALS TO PUBLIC AND MEDICAL ASSISTANCE PROGRAMS, TIMELINESS OF APPLICATIONS PROCESSING, ADMINISTRATIVE EFFICIENCY, AND COST EFFECTIVENESS.

(b) ON OR BEFORE NOVEMBER 1, 2022, THE STATE DEPARTMENT, AFTER CONSULTATION WITH THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING AND COUNTY DEPARTMENTS, SHALL ENTER INTO AN AGREEMENT WITH A THIRD PARTY TO:

(I) CONDUCT THE COMPREHENSIVE ASSESSMENT WITHIN THE SCOPE OF WORK DEVELOPED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION;

(II) EVALUATE THE EXISTING POLICIES, PROCESSES, SIZE AND STRUCTURE OF PROGRAM WORKFORCE, INFORMATION SYSTEMS INFRASTRUCTURE, AND DATA FOR THE ADMINISTRATION OF THE PUBLIC AND MEDICAL ASSISTANCE PROGRAMS AT THE STATE AND COUNTY LEVELS;

(III) MAKE RECOMMENDATIONS FOR CHANGES TO STATE AND

COUNTY PUBLIC AND MEDICAL ASSISTANCE PROGRAM POLICIES, PROCESSES, SIZE AND STRUCTURE OF PROGRAM WORKFORCE, AND INFORMATION SYSTEMS INFRASTRUCTURE TO ENSURE IMPROVED ACCESS BY ELIGIBLE INDIVIDUALS TO PUBLIC AND MEDICAL ASSISTANCE PROGRAMS, TIMELINESS OF APPLICATIONS PROCESSING, ADMINISTRATIVE EFFICIENCY, AND COST EFFECTIVENESS; AND

(IV) MAKE RECOMMENDATIONS RELATED TO THE ONGOING EVALUATION OF THE PUBLIC AND MEDICAL ASSISTANCE PROGRAM SYSTEM, INCLUDING APPROPRIATE METRICS FOR DETERMINING WHETHER THE EFFICIENCY AND COST-EFFECTIVENESS OF THE SYSTEM HAS IMPROVED AS A RESULT OF THE IMPLEMENTATION OF RECOMMENDATIONS MADE PURSUANT TO THIS SUBSECTION (2)(b).

(c) ON OR BEFORE JULY 1, 2023, THE STATE DEPARTMENT SHALL SUBMIT THE RESULTS OF THE COMPREHENSIVE ASSESSMENT AND RECOMMENDATIONS REQUIRED PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, THE COUNTY DEPARTMENTS, AND THE JOINT BUDGET COMMITTEE.

(d) ON OR BEFORE NOVEMBER 1, 2023, THE STATE DEPARTMENT SHALL SUBMIT AN ANALYSIS OF THE FISCAL IMPACT OF IMPLEMENTING THE RECOMMENDATIONS REQUIRED IN SUBSECTION (2)(b) OF THIS SECTION TO THE JOINT BUDGET COMMITTEE. THE ANALYSIS MUST INCLUDE A DETERMINATION OF THE FEASIBILITY OF IMPLEMENTING THE RECOMMENDATIONS, A TIMELINE FOR IMPLEMENTATION, AND COST OF IMPLEMENTATION FOR EACH FISCAL YEAR INCLUDED IN THE TIMELINE. THE ANALYSIS MUST ALSO INCLUDE A DISCUSSION OF ANY CONCERNS EXPRESSED BY THE STATE DEPARTMENT, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, OR THE COUNTY DEPARTMENTS RELATED TO THE COMPREHENSIVE ASSESSMENT AND RECOMMENDATIONS DESCRIBED IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION.

(e) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JUNE 30, 2024.

(3) (a) ON OR BEFORE JANUARY 2, 2024, THE STATE DEPARTMENT SHALL ENTER INTO AN AGREEMENT WITH AN OUTSIDE ENTITY TO DEVELOP A COUNTY ADMINISTRATION OF PUBLIC AND MEDICAL ASSISTANCE PROGRAMS FUNDING MODEL TO DETERMINE THE AMOUNT OF MONEY NECESSARY TO FUND THE ADMINISTRATION OF PUBLIC AND MEDICAL

ASSISTANCE PROGRAMS IN EACH COUNTY. THE OUTSIDE ENTITY MAY BE THE SAME ENTITY AS THE THIRD PARTY THAT PERFORMS THE COMPREHENSIVE ASSESSMENT DESCRIBED IN SUBSECTION (2) OF THIS SECTION.

(b) THE OUTSIDE ENTITY SHALL WORK WITH THE STATE DEPARTMENT, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND COUNTY DEPARTMENTS TO DETERMINE THE APPROPRIATE PROCESS AND DATA TO BE USED IN THE DEVELOPMENT OF THE FUNDING MODEL.

(c) ON OR BEFORE JULY 1, 2024, THE OUTSIDE ENTITY SHALL DEVELOP THE FUNDING MODEL FOR FISCAL YEAR 2025-26.

(d) ON OR BEFORE NOVEMBER 1, 2024, THE STATE DEPARTMENT SHALL SUBMIT THE RESULTS OF THE FUNDING MODEL TO THE JOINT BUDGET COMMITTEE, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND THE COUNTY DEPARTMENTS.

(e) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JUNE 30, 2026.

(4) (a) ON OR BEFORE JULY 1, 2025, AND ON OR BEFORE JULY 1 EVERY THIRD YEAR THEREAFTER, THE STATE DEPARTMENT SHALL ENTER INTO AN AGREEMENT WITH AN OUTSIDE ENTITY TO ANNUALLY UPDATE AND MODIFY THE FUNDING MODEL. THE OUTSIDE ENTITY MAY BE THE SAME ENTITY THAT DEVELOPED PRIOR VERSIONS OF THE FUNDING MODEL. THE OUTSIDE ENTITY SHALL DEVELOP EACH UPDATE IN CONSULTATION WITH THE STATE DEPARTMENT, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND THE COUNTY DEPARTMENTS.

(b) ON OR BEFORE NOVEMBER 1, 2025, AND ON OR BEFORE NOVEMBER 1 OF EACH YEAR THEREAFTER, THE STATE DEPARTMENT SHALL SUBMIT THE RESULTS OF THE FUNDING MODEL TO THE JOINT BUDGET COMMITTEE, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND THE COUNTY DEPARTMENTS.

(5) THE FUNDING MODEL MUST INCLUDE:

(a) THE NUMBER OF ELIGIBILITY STAFF, LEAD WORKERS, SUPERVISORS AND MANAGERS, CUSTOMER SERVICE STAFF, QUALITY ASSURANCE STAFF, PROGRAM INTEGRITY STAFF, INVESTIGATORS, CLAIMS ESTABLISHMENT AND COLLECTIONS STAFF, APPEALS STAFF, ATTORNEYS, AND

ADDITIONAL SUPPORT STAFF NECESSARY FOR A COUNTY TO PERFORM ALL RESPONSIBILITIES REQUIRED BY STATE AND FEDERAL LAW, AND MUST INCLUDE A COMPONENT THAT CONSIDERS THE VARIOUS RESOURCES, INCLUDING FINANCIAL RESOURCES, REQUIRED TO EFFECTIVELY HIRE, TRAIN, AND RETAIN STAFF IN THEIR RESPECTIVE AREAS OF RESPONSIBILITY ASSOCIATED WITH PUBLIC AND MEDICAL ASSISTANCE PROGRAMS;

(b) DEMOGRAPHIC DATA, INCLUDING POVERTY STATISTICS, AND STATE AND LOCAL ECONOMIC DRIVERS, INCLUDING STAFF COMPENSATION, AT BOTH THE COUNTY AND REGIONAL LEVELS, THAT MAY INFLUENCE THE OVERALL COST OF DELIVERING PUBLIC AND MEDICAL ASSISTANCE PROGRAMS IN EACH COUNTY;

(c) THE ESTIMATED ADMINISTRATIVE WORKLOAD FOR EACH COUNTY TO MAKE PUBLIC ASSISTANCE PROGRAM ELIGIBILITY DETERMINATIONS, TO BE FUNDED BY THE MONEY ALLOCATED TO COUNTIES PURSUANT TO SECTION 26-1-122;

(d) A COMPONENT THAT SUPPORTS BUSINESS PROCESS IMPROVEMENTS AS DESCRIBED IN SECTION 26-1-122.3 (1)(b)(IX) IN EACH COUNTY; AND

(e) ANY MODIFICATIONS TO THE PUBLIC AND MEDICAL ASSISTANCE PROGRAM SYSTEM THAT HAVE BEEN IMPLEMENTED BY THE DEPARTMENT OR THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, INCLUDING THOSE THAT MAY HAVE BEEN RECOMMENDED BY THE THIRD PARTY PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION AND PROVIDED TO THE JOINT BUDGET COMMITTEE PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION.

(6) (a) THE JOINT BUDGET COMMITTEE SHALL USE THE RESULTS OF THE FUNDING MODEL TO INFORM ITS DECISIONS REGARDING THE AMOUNT OF THE APPROPRIATION TO THE STATE DEPARTMENT FOR COUNTY ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS AND THE AMOUNT OF THE APPROPRIATION TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING FOR COUNTY ADMINISTRATION OF MEDICAL ASSISTANCE PROGRAMS.

(b) THE STATE DEPARTMENT SHALL ALLOCATE MONEY TO COUNTIES FOR PUBLIC ASSISTANCE PROGRAMS IN ACCORDANCE WITH THE RESULTS OF

THE FUNDING MODEL. THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL ALLOCATE MONEY TO COUNTIES AS PERMITTED BY STATE AND FEDERAL LAW FOR MEDICAL ASSISTANCE PROGRAMS INFORMED BY THE RESULTS OF THE FUNDING MODEL. IF THE APPROPRIATION MADE FOR A FISCAL YEAR TO EITHER DEPARTMENT IS NOT EQUAL TO THE AMOUNT NECESSARY TO FULLY FUND THE ALLOCATIONS REQUIRED BY THE FUNDING MODEL, THE AFFECTED DEPARTMENT SHALL ADJUST THE ALLOCATION TO EACH COUNTY TO ENSURE THAT THE FUNDING MADE AVAILABLE TO ALL COUNTIES DOES NOT EXCEED THE ANNUAL APPROPRIATION.

(7) (a) ON OR BEFORE NOVEMBER 15, 2026, AND ON OR BEFORE NOVEMBER 15 OF EACH YEAR THEREAFTER, THE STATE DEPARTMENT AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL SUBMIT A JOINT REPORT REGARDING THE FUNDING MODEL TO THE JOINT BUDGET COMMITTEE. THE REPORT MUST INCLUDE THE FOLLOWING INFORMATION CONCERNING THE PREVIOUS FISCAL YEAR:

(I) THE RESULTS OF THE FUNDING MODEL, INCLUDING THE COST PER COUNTY NECESSARY TO MEET ALL STATE AND FEDERAL REQUIREMENTS FOR THE COMPREHENSIVE DELIVERY OF PUBLIC ASSISTANCE BENEFITS AND MEDICAL ASSISTANCE BENEFITS;

(II) THE TOTAL AMOUNT APPROPRIATED FOR PUBLIC ASSISTANCE PROGRAMS TO THE STATE DEPARTMENT AND FOR MEDICAL ASSISTANCE PROGRAMS TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING, AND THE DIFFERENCE BETWEEN EACH COUNTY'S ACTUAL ALLOCATION AND THE ALLOCATION AMOUNT IDENTIFIED BY THE FUNDING MODEL;

(III) THE FINAL CLOSE-OUT FOR THE PREVIOUS FISCAL YEAR;

(IV) ANY MODIFICATIONS MADE TO THE MODEL TO IMPROVE THE ACCURACY OF THE DATA;

(V) A DESCRIPTION OF ANY ASSESSMENT PERFORMED OF COUNTY BUSINESS PROCESSES AND WORKFLOW AND A DESCRIPTION OF MODIFICATIONS MADE BY A COUNTY THAT HAVE IMPROVED OR ARE INTENDED TO IMPROVE WORKFLOW AND THE TIMELINES OF ELIGIBILITY DETERMINATIONS, CLIENT SATISFACTION, AND WORKFORCE RETENTION; AND

(VI) ANY OTHER ISSUES RELATED TO FUNDING THE DELIVERY OF

PUBLIC AND MEDICAL ASSISTANCE BENEFITS.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENT DESCRIBED IN THIS SUBSECTION (7) CONTINUES INDEFINITELY.

SECTION 2. In Colorado Revised Statutes, 26-1-121, **amend** (2) as follows:

26-1-121. Appropriations - food distribution programs.

(2)(a) The general assembly shall appropriate from the general fund for the costs of administering assistance payments, food stamps, social services, the food pantry assistance grant program created in section 26-2-139, and other public assistance and welfare functions of the state department and the state's share of the costs of administering such functions by the county departments amounts sufficient for the proper and efficient performance of the duties imposed upon them by law, including a legal advisor appointed by the attorney general. The general assembly shall make two separate appropriations, one for the administrative costs of the state department and another for the administrative costs of the county departments. Any applicable matching federal funds must be apportioned in accordance with the federal regulations accompanying such funds. Any unobligated and unexpended balances of such state funds so appropriated remaining at the end of each fiscal year must be credited to the state general fund.

(b) BEGINNING WITH FISCAL YEAR 2025-26, BEFORE MAKING THE APPROPRIATION DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION, THE GENERAL ASSEMBLY SHALL CONSIDER, BUT IS NOT REQUIRED TO APPROPRIATE AMOUNTS INCLUDED IN, THE RESULTS OF THE PUBLIC ASSISTANCE PROGRAMS FUNDING MODEL DESCRIBED IN SECTION 26-1-121.5.

SECTION 3. In Colorado Revised Statutes, 26-1-122, **amend** (2)(a) as follows:

26-1-122. County appropriations and expenditures - advancements - procedures. (2) (a) The county boards, in accordance with the rules of the state department, shall file requests with the state department for advancement of funds for the program costs of assistance payments, food stamps (except the value of food stamp coupons), and social services and for the administrative costs of each. The state department shall determine the requirements of each county for ~~such~~ program costs, ~~and~~

~~administrative costs~~, taking into consideration available funds and all pertinent facts and circumstances, AND ADMINISTRATIVE COSTS, IN ACCORDANCE WITH THE FUNDING MODEL DESCRIBED IN SECTION 26-1-121.5, and shall certify by voucher to the controller the amounts to be paid to each county. The amounts so certified ~~shall~~ MUST be paid from the state treasury upon voucher of the state department and warrant of the controller and ~~shall~~ MUST be credited by the county treasurer to the county social services fund in accordance with the law and rules of the state department.

SECTION 4. In Colorado Revised Statutes, 25.5-8-111, **add** (3) as follows:

25.5-8-111. Department - administration - outsourcing. (3) IF THE STATE DEPARTMENT USES COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES TO PERFORM FUNCTIONS RELATING TO THE ADMINISTRATION OF THE CHILDREN'S BASIC HEALTH PLAN PURSUANT TO SUBSECTION (1)(a)(II) OF THIS SECTION AND ALLOCATES MONEY TO A COUNTY FOR THAT PURPOSE, THE STATE DEPARTMENT SHALL MAKE THE ALLOCATION IN ACCORDANCE WITH THE RESULTS OF THE PUBLIC ASSISTANCE PROGRAMS FUNDING MODEL DESCRIBED IN SECTION 26-1-121.5.

SECTION 5. Appropriation. (1) For the 2022-23 state fiscal year, \$80,000 is appropriated to the department of health care policy and financing for use by department of human services medicaid-funded programs. This appropriation consists of \$48,120 General Fund, which amount is subject to the "(M)" notation as defined in the annual general appropriation act for the same fiscal year, and \$31,880 from the healthcare affordability and sustainability fee cash fund created in section 25.5-4-402.4 (5)(a), C.R.S. To implement this act, the department may use this appropriation for administration related to the office of economic security - medicaid funding.

(2) For the 2022-23 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$80,000 in federal funds to implement this act. The appropriation in subsection (1) of this section is based on the assumption that the department will receive this amount of federal funds to be used for administration related to the office of economic security - medicaid funding.

(3) For the 2022-23 state fiscal year, \$280,000 is appropriated to the

department of human services for use by the office of economic security. This appropriation consists of \$120,000 from the general fund and \$160,000 from reappropriated funds received from the department of health care policy and financing under subsections (1) and (2) of this section. To implement this act, the office may use this appropriation for administration.

(4) For the 2022-23 state fiscal year, the general assembly anticipates that the department of human services will receive \$120,000 in federal funds to implement this act. The appropriation in subsection (3) of this section is based on the assumption that the department will receive this amount of federal funds, which is subject to the "(I)" notation as defined in the annual general appropriation act for the same fiscal year.

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Steve Fenberg
PRESIDENT OF
THE SENATE

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO