

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REENGROSSED

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

LLS NO. 22-0991.02 Conrad Imel x2313

SENATE BILL 22-235

SENATE SPONSORSHIP

Rankin and Zenzinger, Hansen, Ginal, Kirkmeyer, Kolker, Pettersen, Simpson

HOUSE SPONSORSHIP

Herod and McCluskie, Ransom

Senate Committees

Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING COUNTY ADMINISTRATION OF PUBLIC ASSISTANCE
PROGRAMS, AND, 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>.)

Joint Budget Committee. The bill requires the department of human services (DHS) and the department of health care policy and financing (HCPF), in consultation with county departments of human and social services (county departments), to develop a scope of work for a comprehensive assessment of the best practices related to the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
3rd Reading Unamended
May 3, 2022

SENATE
Amended 2nd Reading
May 2, 2022

administration of public and medical assistance programs. The bill requires DHS to enter into an agreement with a third party to conduct the comprehensive assessment, evaluate existing practices for the administration of public and medical assistance programs, and to make recommendations related to administration of public and medical assistance programs and ongoing evaluation of the public and medical assistance program system. DHS is required to submit the results of the comprehensive assessment and a fiscal impact analysis of implementing the third party's recommendations to HCPF, county departments, and the joint budget committee.

Following completion of the comprehensive assessment, DHS is required to enter into an agreement with an outside entity to develop a public and medical assistance programs funding model (funding model) to determine the amount of money necessary to fund county administration of certain public assistance programs overseen by DHS and HCPF. DHS shall enter into an agreement with an outside entity to annually update and modify the funding model.

Beginning with fiscal year 2025-26, the joint budget committee shall use the results of the funding model to inform its decisions regarding the amount of the appropriation to DHS and HCPF to fund county administration of public assistance programs. DHS and HCPF shall allocate money to counties for public assistance program administration in accordance with the results of the funding model.

The bill requires DHS and HCPF to submit an annual report to the joint budget committee on the funding model.

The bill appropriates \$80,000 to HCPF for administration related to office of economic security - medicaid funding and \$420,000 to the DHS for administration.

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

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

4 **26-1-121.5. Public assistance funding model - workload study**
5 **- evaluation - report - definitions - repeal.** (1) AS USED IN THIS
6 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "FUNDING MODEL" MEANS THE COUNTY ADMINISTRATION OF
8 PUBLIC AND MEDICAL ASSISTANCE PROGRAMS FUNDING MODEL TO
9 DETERMINE THE APPROPRIATE LEVEL OF FUNDING FOR EACH COUNTY

1 REQUIRED TO MAKE ELIGIBILITY DETERMINATIONS REGARDING
2 PARTICIPATION IN A PUBLIC ASSISTANCE PROGRAM.

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

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

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

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

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

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

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

26 (d) ON OR BEFORE NOVEMBER 1, 2023, THE STATE DEPARTMENT
27 SHALL SUBMIT AN ANALYSIS OF THE FISCAL IMPACT OF IMPLEMENTING THE

1 RECOMMENDATIONS REQUIRED IN SUBSECTION (2)(b) OF THIS SECTION TO
2 THE JOINT BUDGET COMMITTEE. THE ANALYSIS MUST INCLUDE A
3 DETERMINATION OF THE FEASIBILITY OF IMPLEMENTING THE
4 RECOMMENDATIONS, A TIMELINE FOR IMPLEMENTATION, AND COST OF
5 IMPLEMENTATION FOR EACH FISCAL YEAR INCLUDED IN THE TIMELINE. THE
6 ANALYSIS MUST ALSO INCLUDE A DISCUSSION OF ANY CONCERNS
7 EXPRESSED BY THE STATE DEPARTMENT, THE DEPARTMENT OF HEALTH
8 CARE POLICY AND FINANCING, OR THE COUNTY DEPARTMENTS RELATED TO
9 THE COMPREHENSIVE ASSESSMENT AND RECOMMENDATIONS DESCRIBED
10 IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION.

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

12 (3) (a) ON OR BEFORE JANUARY 2, 2024, THE STATE DEPARTMENT
13 SHALL ENTER INTO AN AGREEMENT WITH AN OUTSIDE ENTITY TO DEVELOP
14 A COUNTY ADMINISTRATION OF PUBLIC AND MEDICAL ASSISTANCE
15 PROGRAMS FUNDING MODEL TO DETERMINE THE AMOUNT OF MONEY
16 NECESSARY TO FUND THE ADMINISTRATION OF PUBLIC AND MEDICAL
17 ASSISTANCE PROGRAMS IN EACH COUNTY. THE OUTSIDE ENTITY MAY BE
18 THE SAME ENTITY AS THE THIRD PARTY THAT PERFORMS THE
19 COMPREHENSIVE ASSESSMENT DESCRIBED IN SUBSECTION (2) OF THIS
20 SECTION.

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

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

27 (d) ON OR BEFORE NOVEMBER 1, 2024, THE STATE DEPARTMENT

1 SHALL SUBMIT THE RESULTS OF THE FUNDING MODEL TO THE JOINT
2 BUDGET COMMITTEE, THE DEPARTMENT OF HEALTH CARE POLICY AND
3 FINANCING, AND THE COUNTY DEPARTMENTS.

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

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

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

18 (5) THE FUNDING MODEL MUST INCLUDE:

19 (a) THE NUMBER OF ELIGIBILITY STAFF, LEAD WORKERS,
20 SUPERVISORS AND MANAGERS, CUSTOMER SERVICE STAFF, QUALITY
21 ASSURANCE STAFF, PROGRAM INTEGRITY STAFF, INVESTIGATORS, CLAIMS
22 ESTABLISHMENT AND COLLECTIONS STAFF, APPEALS STAFF, ATTORNEYS,
23 AND ADDITIONAL SUPPORT STAFF NECESSARY FOR A COUNTY TO PERFORM
24 ALL RESPONSIBILITIES REQUIRED BY STATE AND FEDERAL LAW, AND MUST
25 INCLUDE A COMPONENT THAT CONSIDERS THE VARIOUS RESOURCES,
26 INCLUDING FINANCIAL RESOURCES, REQUIRED TO EFFECTIVELY HIRE,
27 TRAIN, AND RETAIN STAFF IN THEIR RESPECTIVE AREAS OF RESPONSIBILITY

1 ASSOCIATED WITH PUBLIC AND MEDICAL ASSISTANCE PROGRAMS;

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

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

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

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

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

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

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

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

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

10 (VI) ANY OTHER ISSUES RELATED TO FUNDING THE DELIVERY OF
11 PUBLIC AND MEDICAL ASSISTANCE BENEFITS.

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

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

17 **26-1-121. Appropriations - food distribution programs.**

18 (2) (a) The general assembly shall appropriate from the general fund for
19 the costs of administering assistance payments, food stamps, social
20 services, the food pantry assistance grant program created in section
21 26-2-139, and other public assistance and welfare functions of the state
22 department and the state's share of the costs of administering such
23 functions by the county departments amounts sufficient for the proper and
24 efficient performance of the duties imposed upon them by law, including
25 a legal advisor appointed by the attorney general. The general assembly
26 shall make two separate appropriations, one for the administrative costs
27 of the state department and another for the administrative costs of the

1 county departments. Any applicable matching federal funds must be
2 apportioned in accordance with the federal regulations accompanying
3 such funds. Any unobligated and unexpended balances of such state funds
4 so appropriated remaining at the end of each fiscal year must be credited
5 to the state general fund.

6 (b) BEGINNING WITH FISCAL YEAR 2025-26, BEFORE MAKING THE
7 APPROPRIATION DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION, THE
8 GENERAL ASSEMBLY SHALL CONSIDER, BUT IS NOT REQUIRED TO
9 APPROPRIATE AMOUNTS INCLUDED IN, THE RESULTS OF THE PUBLIC
10 ASSISTANCE PROGRAMS FUNDING MODEL DESCRIBED IN SECTION
11 26-1-121.5.

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

14 **26-1-122. County appropriations and expenditures -**
15 **advancements - procedures.** (2) (a) The county boards, in accordance
16 with the rules of the state department, shall file requests with the state
17 department for advancement of funds for the program costs of assistance
18 payments, food stamps (except the value of food stamp coupons), and
19 social services and for the administrative costs of each. The state
20 department shall determine the requirements of each county for such
21 program costs, ~~and administrative costs~~, taking into consideration
22 available funds and all pertinent facts and circumstances, **AND**
23 **ADMINISTRATIVE COSTS, IN ACCORDANCE WITH THE FUNDING MODEL**
24 **DESCRIBED IN SECTION 26-1-121.5, and shall certify by voucher to the**
25 **controller the amounts to be paid to each county. The amounts so certified**
26 **shall** **MUST** **be paid from the state treasury upon voucher of the state**
27 **department and warrant of the controller and shall** **MUST** **be credited by**

1 the county treasurer to the county social services fund in accordance with
2 the law and rules of the state department.

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

5 **25.5-8-111. Department - administration - outsourcing.** (3) IF
6 THE STATE DEPARTMENT USES COUNTY DEPARTMENTS OF HUMAN OR
7 SOCIAL SERVICES TO PERFORM FUNCTIONS RELATING TO THE
8 ADMINISTRATION OF THE CHILDREN'S BASIC HEALTH PLAN PURSUANT TO
9 SUBSECTION (1)(a)(II) OF THIS SECTION AND ALLOCATES MONEY TO A
10 COUNTY FOR THAT PURPOSE, THE STATE DEPARTMENT SHALL MAKE THE
11 ALLOCATION IN ACCORDANCE WITH THE RESULTS OF THE PUBLIC
12 ASSISTANCE PROGRAMS FUNDING MODEL DESCRIBED IN SECTION
13 26-1-121.5.

14 **SECTION 5. Appropriation.** (1) For the 2022-23 state fiscal
15 year, \$80,000 is appropriated to the department of health care policy and
16 financing for use by department of human services medicaid-funded
17 programs. This appropriation consists of \$48,120 from the general fund
18 and \$31,880 from the healthcare affordability and sustainability fee cash
19 fund created in section 25.5-4-402.4 (5)(a), C.R.S. To implement this act,
20 the department may use this appropriation for administration related to
21 office of economic security - medicaid funding.

22 (2) For the 2022-23 state fiscal year, the general assembly
23 anticipates that the department of health care policy and financing will
24 receive \$80,000 in federal funds to implement this act. The appropriation
25 in subsection (1) of this section is based on the assumption that the
26 department will receive this amount of federal funds, which is subject to
27 the "(I)" notation as defined in the annual general appropriation act for the

1 same fiscal year.

2 (3) For the 2022-23 state fiscal year, \$280,000 is appropriated to
3 the department of human services for use by the office of economic
4 security. This appropriation consists of \$120,000 from the general fund
5 and \$160,000 from reappropriated funds received from the department of
6 health care policy and financing under subsections (1) and (2) of this
7 section. To implement this act, the office may use this appropriation for
8 administration.

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

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