



**Colorado
Legislative
Council
Staff**

HB17-1143

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0161
Prime Sponsor(s): Rep. Landgraf
Sen. Crowder

Date: February 9, 2017
Bill Status: House Public Health Care and
Human Services
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: AUDITS OF MEDICAID CLIENT CORRESPONDENCE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue			
State Expenditures	Minimal workload increase.		
Appropriation Required:	None.		
Future Year Impacts:	Ongoing expenditure and workload increases.		

Summary of Legislation

This bill, *recommended by the 2016 Interim Study Committee on Communication between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients*, requires the Office of the State Auditor (OSA) to conduct performance audits of client communications concerning eligibility for Medicaid programs. These audits will be conducted in 2020 and 2023, with any future audits occurring at the discretion of the state auditor. These audits will encompass communications generated both inside and outside of the Colorado Benefits Management System.

The performance audits will determine whether client communications comply with state and federal requirements, and review the understandability, readability, and accuracy of client communications. As a part of these audits, OSA will review available county data related to communications received by Medicaid clients. The OSA will report audit findings and recommendations to various committees.

State Expenditures

This bill increases workload in the OSA and HCPF as discussed below.

Office of the State Auditor. This bill will increase workload in the OSA beginning in FY 2019-20 to conduct a performance audit of Medicaid client communications sent to clients or potential clients in the Medicaid programs. It is assumed that this audit will be conducted as part of the OSA's annual audit workload and will not require additional appropriations.

Department of Health Care Policy and Financing. This bill will create a minimal increase in workload for HCPF to assist OSA with the audits, which can be accomplished within existing appropriations.

Local Government Impact

This bill requires the OSA to review available county data regarding client confusion with client communications. Providing data to OSA may increase workload for counties.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed, except that Section 2 of this bill only takes effect if Senate Bill 17-121 becomes law, in which case this act takes effect on the effective date of this bill or Senate Bill 17-121, whichever is later.

State and Local Government Contacts

Counties	Health Care Policy And Financing
Human Services	Information Technology
State Auditor	