

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

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4.27.22

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LLS NO. 22-0991.02 Conrad Imel x2313

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "County Admin Of Public Assistance Programs"

A BILL FOR AN ACT

101 **CONCERNING COUNTY ADMINISTRATION OF PUBLIC ASSISTANCE**
102 **PROGRAMS.**

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 administration of public and medical assistance programs. The bill

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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.

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
10 REQUIRED TO MAKE ELIGIBILITY DETERMINATIONS REGARDING
11 PARTICIPATION IN A PUBLIC ASSISTANCE PROGRAM.

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

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

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

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

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

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

5 (III) MAKE RECOMMENDATIONS FOR CHANGES TO STATE AND
6 COUNTY PUBLIC AND MEDICAL ASSISTANCE PROGRAM POLICIES,
7 PROCESSES, SIZE AND STRUCTURE OF PROGRAM WORKFORCE, AND
8 INFORMATION SYSTEMS INFRASTRUCTURE TO ENSURE IMPROVED ACCESS
9 BY ELIGIBLE INDIVIDUALS TO PUBLIC AND MEDICAL ASSISTANCE
10 PROGRAMS, TIMELINESS OF APPLICATIONS PROCESSING, ADMINISTRATIVE
11 EFFICIENCY, AND COST EFFECTIVENESS; AND

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

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

23 (d) ON OR BEFORE NOVEMBER 1, 2023, THE STATE DEPARTMENT
24 SHALL SUBMIT AN ANALYSIS OF THE FISCAL IMPACT OF IMPLEMENTING THE
25 RECOMMENDATIONS REQUIRED IN SUBSECTION (2)(b) OF THIS SECTION TO
26 THE JOINT BUDGET COMMITTEE. THE ANALYSIS MUST INCLUDE A
27 DETERMINATION OF THE FEASIBILITY OF IMPLEMENTING THE
28 RECOMMENDATIONS, A TIMELINE FOR IMPLEMENTATION, AND COST OF

1 IMPLEMENTATION FOR EACH FISCAL YEAR INCLUDED IN THE TIMELINE. THE
2 ANALYSIS MUST ALSO INCLUDE A DISCUSSION OF ANY CONCERNS
3 EXPRESSED BY THE STATE DEPARTMENT, THE DEPARTMENT OF HEALTH
4 CARE POLICY AND FINANCING, OR THE COUNTY DEPARTMENTS RELATED TO
5 THE COMPREHENSIVE ASSESSMENT AND RECOMMENDATIONS DESCRIBED
6 IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION.

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

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

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

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

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

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

28 (4) (a) ON OR BEFORE JULY 1, 2025, AND ON OR BEFORE JULY 1

1 EVERY THIRD YEAR THEREAFTER, THE STATE DEPARTMENT SHALL ENTER
2 INTO AN AGREEMENT WITH AN OUTSIDE ENTITY TO ANNUALLY UPDATE
3 AND MODIFY THE FUNDING MODEL. THE OUTSIDE ENTITY MAY BE THE
4 SAME ENTITY THAT DEVELOPED PRIOR VERSIONS OF THE FUNDING MODEL.
5 THE OUTSIDE ENTITY SHALL DEVELOP EACH UPDATE IN CONSULTATION
6 WITH THE STATE DEPARTMENT, THE DEPARTMENT OF HEALTH CARE POLICY
7 AND FINANCING, AND THE COUNTY DEPARTMENTS.

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

13 (5) THE FUNDING MODEL MUST INCLUDE:

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

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

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

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

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

15 (7) (a) THE JOINT BUDGET COMMITTEE SHALL USE THE RESULTS OF
16 THE FUNDING MODEL TO INFORM ITS DECISIONS REGARDING THE AMOUNT
17 OF THE APPROPRIATION TO THE STATE DEPARTMENT FOR COUNTY
18 ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS AND THE AMOUNT OF
19 THE APPROPRIATION TO THE DEPARTMENT OF HEALTH CARE POLICY AND
20 FINANCING FOR COUNTY ADMINISTRATION OF MEDICAL ASSISTANCE
21 PROGRAMS.

22 (b) THE STATE DEPARTMENT SHALL ALLOCATE MONEY TO
23 COUNTIES FOR PUBLIC ASSISTANCE PROGRAMS IN ACCORDANCE WITH THE
24 RESULTS OF THE FUNDING MODEL. THE DEPARTMENT OF HEALTH CARE
25 POLICY AND FINANCING SHALL ALLOCATE MONEY TO COUNTIES AS
26 PERMITTED BY STATE AND FEDERAL LAW FOR MEDICAL ASSISTANCE
27 PROGRAMS INFORMED BY THE RESULTS OF THE FUNDING MODEL. IF THE
28 APPROPRIATION MADE FOR A FISCAL YEAR TO EITHER DEPARTMENT IS NOT

1 EQUAL TO THE AMOUNT NECESSARY TO FULLY FUND THE ALLOCATIONS
2 REQUIRED BY THE FUNDING MODEL, THE AFFECTED DEPARTMENT SHALL
3 ADJUST THE ALLOCATION TO EACH COUNTY TO ENSURE THAT THE FUNDING
4 MADE AVAILABLE TO ALL COUNTIES DOES NOT EXCEED THE ANNUAL
5 APPROPRIATION.

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

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

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

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

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

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

1 AND

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

4 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
5 REPORTING REQUIREMENT DESCRIBED IN THIS SUBSECTION (8) CONTINUES
6 INDEFINITELY.

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

9 **26-1-121. Appropriations - food distribution programs.**

10 (2) (a) The general assembly shall appropriate from the general fund for
11 the costs of administering assistance payments, food stamps, social
12 services, the food pantry assistance grant program created in section
13 26-2-139, and other public assistance and welfare functions of the state
14 department and the state's share of the costs of administering such
15 functions by the county departments amounts sufficient for the proper and
16 efficient performance of the duties imposed upon them by law, including
17 a legal advisor appointed by the attorney general. The general assembly
18 shall make two separate appropriations, one for the administrative costs
19 of the state department and another for the administrative costs of the
20 county departments. Any applicable matching federal funds must be
21 apportioned in accordance with the federal regulations accompanying
22 such funds. Any unobligated and unexpended balances of such state funds
23 so appropriated remaining at the end of each fiscal year must be credited
24 to the state general fund.

25 (b) BEGINNING WITH FISCAL YEAR 2025-26, BEFORE MAKING THE
26 APPROPRIATION DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION, THE
27 GENERAL ASSEMBLY SHALL CONSIDER, BUT IS NOT REQUIRED TO
28 APPROPRIATE AMOUNTS INCLUDED IN, THE RESULTS OF THE PUBLIC

1 ASSISTANCE PROGRAMS FUNDING MODEL DESCRIBED IN SECTION
2 26-1-121.5.

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

5 **26-1-122. County appropriations and expenditures -**
6 **advancements - procedures.** (2) (a) The county boards, in accordance
7 with the rules of the state department, shall file requests with the state
8 department for advancement of funds for the program costs of assistance
9 payments, food stamps (except the value of food stamp coupons), and
10 social services and for the administrative costs of each. The state
11 department shall determine the requirements of each county for ~~such~~
12 program costs ~~and administrative costs~~ taking into consideration available
13 funds and all pertinent facts and circumstances, AND ADMINISTRATIVE
14 COSTS, IN ACCORDANCE WITH THE FUNDING MODEL DESCRIBED IN SECTION
15 26-1-121.5, and shall certify by voucher to the controller the amounts to
16 be paid to each county. The amounts so certified ~~shall~~ **MUST** be paid from
17 the state treasury upon voucher of the state department and warrant of the
18 controller and ~~shall~~ **MUST** be credited by the county treasurer to the county
19 social services fund in accordance with the law and rules of the state
20 department.

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

23 **25.5-8-111. Department - administration - outsourcing.** (3) IF
24 THE STATE DEPARTMENT USES COUNTY DEPARTMENTS OF HUMAN OR
25 SOCIAL SERVICES TO PERFORM FUNCTIONS RELATING TO THE
26 ADMINISTRATION OF THE CHILDREN'S BASIC HEALTH PLAN PURSUANT TO
27 SUBSECTION (1)(a)(II) OF THIS SECTION AND ALLOCATES MONEY TO A
28 COUNTY FOR THAT PURPOSE, THE STATE DEPARTMENT SHALL MAKE THE

1 ALLOCATION IN ACCORDANCE WITH THE RESULTS OF THE PUBLIC
2 ASSISTANCE PROGRAMS FUNDING MODEL DESCRIBED IN SECTION
3 26-1-121.5.

4 **SECTION 5. 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, or safety.