

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING  
FY 2009-10 JOINT BUDGET COMMITTEE HEARING**

**Wednesday, December 17, 2008  
9:30 am – 5:00 pm**

**Eligibility Modernization  
Presentation Narrative**

Presenters: Sue Williamson, Director, Office of Client and Community Relations  
Jennifer Evans, Director, Administration and Operations Office

**Background**

The Department's February 15, 2008 request titled "Building Blocks to Health Care Reform" (S-1A, BA-A1A) included funding to create a single state-level entity for eligibility and enrollment determination for the Medicaid and Children's Basic Health Plan programs. This entity was envisioned to enhance and complement the current multiple county-level processes that determine eligibility (the original "Centralized Eligibility Vendor" definition under the Department's February 15, 2008 "Building Blocks to Health Care Reform" request now referred to as the "Eligibility Modernization Vendor"). As part of that request, the Department requested funding for an outside vendor with the requisite experience, skills and knowledge (the "RFP Vendor") to gather the requirements and draft the request for proposals for the Eligibility Modernization Vendor. Further, Colorado Benefits Management System (CBMS) enhancements were proposed. Both these items, the RFP Vendor and CBMS enhancements, were funded. However, to allow more time for stakeholder input into the process, the funding to contract with an Eligibility Modernization Vendor was not appropriated. In the Department's November 3, 2008 FY 2009-10 Budget Request, DI-5 titled "Improved Eligibility and Enrollment Processing" restates the need for funding to contract with a vendor to provide administrative responsibility and accountability over the eligibility and enrollment processes for the Department's health care programs.

**Eligibility and Enrollment Process Questions**

**QUESTION #28**

**Please provide an overview for the Department's Eligibility Modernization Project including responding to the questions below.**

**QUESTION #29**

**Please present the outcomes of the "Best Practices Study" that performed by Public Knowledge regarding the current eligibility and enrollment process.**

**RESPONSE:** *(both questions answered together below)*

## **What is Eligibility Modernization?**

The Department's goal for eligibility modernization is to achieve operational accountability, improved access and enhanced customer satisfaction. Around the nation many state agencies that administer state programs for health care and financial assistance are considering or implementing reforms to update their eligibility models. Models that each state use differ greatly, but national experts propose these common elements of modernization:

- Paperless processes supported by electronic document management systems
- Customer contact centers that move work to the phone instead of in-person
- Web-based access to programs and services to increase flexibility in access
- Moving from caseload-driven to task-based business processes

While there is no one model or system that could solve every challenge with Medicaid and Children's Basic Health Plan eligibility and enrollment, the Department's Eligibility Modernization Project will identify and implement the best practices to improve the current eligibility and enrollment processes.

## **Why Eligibility Modernization?**

The Department is committed to improving access to health care for low-income and uninsured Colorado residents, improving the quality of health care services our clients are receiving, and decreasing overall health care costs. Over the last two years, legislation was passed and funds appropriated supporting these goals. As a result, the Department anticipates that the number of applications submitted to counties and medical assistance sites will significantly increase over the coming years. The Department must assure that the appropriate infrastructure is in place to support the timely and accurate processing of applications while maintaining the highest level of customer service.

The counties and medical assistance sites have worked diligently to meet the current workload requirements related to the eligibility determination process. However, funding issues, staff attrition and problems associated with the implementation of CBMS in 2004, have hampered the ability of some counties to accommodate the Medicaid and Children's Basic Health Plan caseload. Several of the current issues that the Department needs to address were noted in the Statewide Single Audit for the fiscal year ended June 30, 2007. In that report, the Department needed to address several findings related to the eligibility determination process including:

- Ensure that new Medicaid cases and redeterminations, as well as Children's Basic Health Plan applications, are processed within federal guidelines.
- Ensure that Medicaid eligibility is terminated in a timely manner when individuals are no longer eligible for the program.
- Ensure that case file documentation for the Medicaid program is adequate to support all eligibility determinations.
- Improve controls over Medicaid eligibility determinations and data entry by establishing reviews that compare case file information in CBMS on an ongoing basis.
- Address electronic system information discrepancies within 45 days of receiving notification as required by federal regulations.

- Respond to findings that identify eligibility errors and that corrective action plans are adequate to address deficiencies identified.

Further, with the anticipated growth of application submissions for public health insurance programs, the Department must identify operational strategies to build capacity while not increasing the growth rate in related costs over the long run. One approach focuses on creating a single point of responsibility and accountability for eligibility and enrollment functions. By leveraging existing technology together with implementing improvements in how eligibility tasks are performed, centralization of the eligibility and enrollment functions will make the administration of the public health insurance programs more effective and efficient, regardless of geography. The Department believes there are a number of increased efficiencies and economies of scale to be gained by centralizing certain eligibility and enrollment activities and processes. The Department plans to achieve this goal by contracting with an “Eligibility Modernization Vendor.”

The Department's approach to finding a new way to help clients gain access to health care includes contracting with a vendor to serve as the single point of accountability and responsibility for eligibility tasks while supporting certain eligibility and enrollment activities to be performed at the local level. The Department's goal is to leverage technology and to implement improvements in the way eligibility tasks are performed so that as caseloads increase, the total annual cost remains the same. Most importantly, the Department wants to implement a new eligibility process that meets the needs of the client. There should be no “wrong door” with respect to how and when clients apply for health care coverage. The application should then be processed as quickly as possible so that eligible clients can receive appropriate health care services.

### **Stakeholder Input**

To better refine the Department's vision and to evaluate the options available, the Department formed a taskforce consisting of stakeholder and partner representatives, which includes clients, client advocates, county representatives and other eligibility experts. This taskforce has been meeting on a monthly basis since June 2008. The charter of the taskforce was to solicit stakeholder feedback regarding the Department's plan to centralize certain eligibility and enrollment processes for all public health insurance programs. For these meetings the Department and stakeholders have developed a shared vision for an eligibility delivery system, which includes the following guiding principles:

- Clients should receive their eligibility status timely and accurately.
- Clients deserve to be treated with dignity and respect.
- Clients should receive their benefits timely and accurately.
- Clients deserve predictability and consistency of results throughout Colorado.
- Coloradans should expect that government programs are run efficiently and effectively.
- Colorado should streamline and simplify options to increase enrollment and retention.
- Clients should have a variety of self-service options available to learn about, apply for, enroll in, and retain health insurance coverage including the option for face-to-face guidance.
- Document management, including imaging, storage and retrieval should meet minimum standards across the state.

- Clients should have the option of applying for public health insurance programs when they are applying for other human services programs.
- Technology should be harnessed to improve Medicaid and Children's Basic Health Plan enrollment and retention.

### **Process to Gather Information**

To assist with the Eligibility Modernization Project, the Department hired two consulting firms. Bailit Health Purchasing, a national health care consulting firm, was contracted to assist the Department in the facilitation of the stakeholder's meetings and to provide technical assistance on a request for information (RFI). Further, Bailit Health Purchasing has provided input and feedback on various activities related to the Eligibility Modernization Project. The contract with Bailit Health Purchasing was funded through a generous grant from a local health foundation.

Further, to provide a comprehensive report on the current status of Colorado's eligibility and enrollment processes and national best practices, the Department contracted with Public Knowledge, LLC. The contract awarded to Public Knowledge was funded through the Department's February 15, 2008 request for an outside vendor with the requisite experience, skills and knowledge to gather the requirements and draft the request for proposals for the Eligibility Modernization Vendor. Based on their analysis, Public Knowledge will work with the Department develop a request for proposals (RFP) for a vendor to manage various aspects of the eligibility and enrollment processes for both the Medicaid and Children's Basic Health Plan programs.

Public Knowledge's analysis targeted eligibility and enrollment processes for Medicaid and Children's Basic Health Plan in the State of Colorado. Public Knowledge specifically focused on the eligibility processes for applications, redeterminations, and case maintenance. The analysis and identified modernization options are based on a review of representative eligibility sites but are not aimed at specific site's operations and policies. Instead, their analysis focused on efficient and effective processes for Colorado's Medicaid and Children's Basic Health Plan programs as a whole.

Public Knowledge's approach to the project was developed in close collaboration with the Department during the project planning phase. During this phase, stakeholders were identified, the project vision was confirmed with the Department, the project work plan was developed, eligibility sites were selected for visits, and status reporting and communication protocols were established.

Once the planning phase was completed, Public Knowledge gathered data and information to support the analysis. This included the following tasks:

- **Visited and reviewed selected eligibility sites:** Public Knowledge conducted site visits to ten county offices, as well as a Medical Assistance site and the Children's Basic Health Plan eligibility and enrollment vendor, to gain an understanding of the eligibility sites' eligibility and enrollment processes, to identify the similarities and variations in how eligibility sites perform their functions, and to identify efficiencies and inefficiencies in current operations.

- **Conducted research into best practices:** Public Knowledge conducted research on best practices and lessons learned from other states and Colorado’s eligibility and enrollment processes.
- **Reviewed responses to request for information:** Public Knowledge reviewed responses to a request for information that the Department released to solicit ways to modernize eligibility and enrollment processes. The Department received five responses from national vendors and non-profit organizations.
- **Identified and documented findings:** Based on the information gathered through various sources, including stakeholder interviews, eligibility site visits, and a review of request for information responses, Public Knowledge identified and documented the relevant findings associated with Medicaid and Children’s Basic Health Plan eligibility and enrollment processes.
- **Identified modernization options:** Based on the above findings, Public Knowledge identified gaps in Colorado’s eligibility and enrollment processes. As a result of this gap analysis, and in collaboration with Department representatives, Public Knowledge developed eligibility and enrollment modernization options for the Medicaid and Children’s Basic Health Plan programs.

### **Current Statewide Eligibility Practices**

In order to evaluate the current Medicaid and Children’s Basic Health Plan administrative practices in Colorado, Public Knowledge conducted statewide level research that included an onsite review of current eligibility and enrollment processes in ten county offices that administer eligibility for these programs. The ten county sites represented both urban and rural areas serving diverse populations. As part of the site visits, Public Knowledge conducted interviews with county leaders and management, including directors, senior management, and supervisors. Public Knowledge also performed job shadowing with selected eligibility technicians to supplement our understanding of each selected county’s eligibility and enrollment processes. Lastly, Public Knowledge developed process maps for each county’s application, redetermination and case maintenance processes, as applicable. The process maps serve as a visual representation of how individual eligibility sites process applications and redeterminations and manage case maintenance. The process maps provide additional insight to variances in eligibility and enrollment processes among eligibility sites and efficiencies, or lack of efficiencies, of the processes. Summaries of the information obtained were shared in draft form with each county involved and modifications reflecting their input were made.

In addition to the ten county reviews, separate onsite reviews were conducted at: 1) a Denver Health Medical Assistance site (Denver Health contracts with the Department to offer enrollment services at 11 locations throughout the greater Denver area); and 2) the Denver site of the Department’s Children’s Basic Health Plan eligibility and enrollment vendor, Affiliated Computer Services (ACS). The county reviews occurred in:

- Adams County Department of Social Services
- Arapahoe County Department of Human Services
- Delta County Department of Health and Human services
- El Paso County Department of Human Services

- Fremont County Department of Human Services
- Gilpin County Department of Human Services
- Jefferson County Department of Human Services
- Larimer County Department of Human Services
- Mesa County Department of Human Services
- Prowers County Department of Social services

Although there are some differences in terms of eligibility technician responsibilities and tasks, the high-level eligibility processes are similar among the diverse eligibility sites. Sites that abandoned the traditional case-based business model and adopted a task-based eligibility model greatly differed from other sites due to the “team approach” to managing caseloads.

Based on eligibility site visits in Colorado, the study of best practices and lessons learned from other states, as well as internal knowledge and experience, Public Knowledge categorized the findings into three overarching categories.

### **1. Outdated eligibility and enrollment processes hinder client access to programs**

- **The overall model utilized in Colorado is outdated and does not fit current workload and demographic trends.** Traditional eligibility and enrollment models depend on the eligibility technician to handle every aspect of the eligibility process, from intake to case closure. The eligibility determination process nearly always involves a face-to-face interview and occurs in a sequential fashion, with one-step having to be completed before another could be undertaken.

In response to the rising number of application submissions and cases, states are forced to work smarter. The growing trend in modernized eligibility and enrollment models proves that the technician dependency and added client face-time impedes efficiency in application processing. Modern technological innovations now allow Medicaid and Children’s Basic Health Plan eligibility related tasks to be divided among several eligibility technicians who specialize in different tasks (such as redeterminations or client updates). As a result, many aspects of the eligibility and enrollment model can occur simultaneously as opposed to sequentially. This team approach to the caseload speeds up the eligibility and enrollment process and increases efficiency in application processing. Since face-to-face contact is not needed for Medicaid and Children’s Basic Health Plan applicants, many states do not offer interviews for clients, which frees up even more time for eligibility technicians to process applications.

Public Knowledge found significant differences in eligibility and enrollment processes at various eligibility sites. Although some counties have recently adopted the modernized task-based model, other counties still rely on their client/eligibility technician relationship to handle all aspects of eligibility and enrollment. At the majority of eligibility sites, applicants and clients had direct contact with their assigned eligibility technician. The eligibility technician handles every aspect of that applicant or client’s case, which includes answering client inquires, processing applications, tracking verification and performing case

maintenance. Technicians at many eligibility sites expressed concern over the amount of time each eligibility technician spends on tasks other than application processing.

There is also an excessive amount of “pending cases” at eligibility sites. Applicants are often missing needed verifications, which forces the eligibility technician to stop what they are doing and “pend” the case until the verification is delivered. This is especially true with Long-Term Care cases. The stop-and-start method of processing applications is inefficient, and negatively impacts the overall caseload and adds interruptions to the eligibility technician’s day.

- **The current model is confusing to many clients and hinders access to programs.** The eligibility sites Public Knowledge visited appeared to deliver inconsistent messages regarding how applications could be submitted. Most eligibility sites promoted mail-in submittals, but due to the recent Deficit Reduction Act (DRA) requirements, clients are usually forced to deliver their original or certified citizenship and identity verifications to the office. Depending on the eligibility site, an interview might be conducted as well. Although there appeared to be multiple ways to submit an application, the different application processes across the State increases the level of complexity for the applicants.

The application process is further complicated if an applicant qualifies for multiple programs. Many eligibility sites have different units that process applications for Food Stamps or Temporary Assistance for Needy Families program (TANF), which can be confusing for the clients who often have to work with multiple eligibility technicians and submit multiple applications and verifications. This complexity is further illustrated with families that receive both Medicaid and Children’s Basic Health Plan benefits. Eligibility sites determine eligibility for both Medicaid and Children’s Basic Health Plan, but the cases are maintained by the State’s Children’s Basic Health Plan Eligibility and Enrollment Vendor. Basic questions, changes or renewals are burdensome for these families since they have to work with two different entities on any concern or process, which is confusing to clients and impacts overall customer service.

Some programs in other states have implemented what they call a “no wrong door” policy regarding eligibility and enrollment processes. The policy increases flexibility in the application process by designing additional access points for the applicant (i.e. online applications, call centers, community-based organizations). Although it is, in theory, being deployed at some Colorado eligibility sites, the complex application processes and verification requirements in place make complete implementation of “no wrong door” nearly impossible without streamlining those processes.

- **The current model fosters inconsistencies in the timing and manner in which eligibility determinations are made.** Although the implementation of CBMS has promoted consistency in the eligibility and enrollment processes, there are still significant differences among eligibility sites in the length of time required to process applications and maintain caseloads. Public Knowledge visited some sites that were in crisis mode and maintained a significant backlog of cases, while others were keeping up with the caseload and were easily meeting compliance standards. From an applicant perspective, he or she could submit their

application to one site and maybe get benefits within the 45 given days or could travel 20 miles down the road to another eligibility site and receive benefits that same week. Although factors such as the amount of applications received and available resources differ among eligibility sites, the differences in the application processing period impacts both customer service and program integrity.

There is also some evidence from Public Knowledge's reviews that counties are applying policies inconsistently, resulting in potentially conflicting eligibility results for the same clients depending on the county. For example, an applicant would be deemed eligible for benefits at a Medical Assistance site but would later be denied by the county to which the case was transferred. Differences in training, performance monitoring and quality assurance could all influence the differences in eligibility determination.

## **2. Lack of centralized support impacts quality and accountability**

- **The current model lacks accountability.** Public Knowledge found no single document that clearly outlines the Department's expectations of eligibility sites. There is a lack of uniform performance measures and consistent monitoring at the State level. The majority of managers that were interviewed agreed that the time it takes to process an application and redetermination is the most important performance indicator, but had no benchmark to determine an appropriate metric. It was also reported that the reports and tools provided to help monitor performance were insufficient, and were inconsistently used among eligibility sites. Some sites were able to create detailed ad-hoc reports from Business Objects that provided a high-level overview of the site's caseload, as well as individual performance. In contrast, other eligibility sites did not even attempt to translate the reports since they were "not user friendly" or intuitive.

A lack of accountability was also apparent in the inconsistent quality assurance programs applied across the State. Eligibility sites reported that there is no centralized Quality Management Plan and that every site was expected to come up with its own set of quality assurance processes. As such, quality assurance measures are inconsistent among eligibility sites. One site has a documented Quality Management Plan that outlines expectations down to the individual level. The site has a dedicated Quality Assurance Team that conducts three case reviews per eligibility technician per month. A standard checklist of items is reviewed and the evaluation is shared with both the eligibility technician and their supervisor. Each eligibility technician had a goal of a 95% accuracy rate. If the rate is not achieved, a clear plan of corrective action is administered and monitored.

On the other hand, some eligibility sites have no formal quality assurance procedures for their Medicaid or Children's Basic Health Plan eligibility and enrollment processes. The only time a Medicaid or Children's Basic Health Plan case is reviewed is when the client is also on the Food Stamps program, which has a set of federally enforced quality assurance standards. If that combined application happens to be picked in the random Food Stamp sample, the eligibility site will also review the Medicaid or Children's Basic Health Plan eligibility for accuracy. This contrast in quality assurance processes further illustrates the lack of centralized support and accountability in the current eligibility and enrollment model.

- **No consistent training program exists for Medicaid, particularly for new eligibility technicians.** Public Knowledge recognizes that the Department has recently hired additional training resources, but the results are not yet evident in the eligibility sites. Most Medicaid and Children’s Basic Health Plan training for new eligibility technicians occur at the local level and does not seem to be centrally coordinated.

Many sites reported that State-provided materials are too high-level and do not train “real-life” eligibility issues or difficult case scenarios. As a result, each eligibility site has augmented the training materials with its own curriculum and materials. Some eligibility sites have a comprehensive training plan with an in-house training team that uses a hands-on approach to provide training in policy, CBMS and case scenarios. Other sites relied on their supervisors to train new eligibility technicians, many of whom were carrying a heavy caseload and other responsibilities. Eligibility sites recommended that a “train the trainer” model be implemented in Colorado so that the materials and message can be communicated top-down, while still allowing the eligibility sites some control over the training methods.

### **3. Inadequate tools supporting eligibility lead to inefficiency**

- **The eligibility model is hindered by a reliance on paper documentation, limiting organizational options for managing the workload.** Every eligibility site visited relied heavily on paper documentation, impacting the eligibility technician’s ability to efficiently complete the application process. The paper applications and paper copies of verifications are shuffled between clerical workers and eligibility technicians, and could only be viewed by one person at a time. Not only does this hinder efficiency in the application processing, it also increases the chance of losing paper files.

Although some eligibility sites have already implemented basic document imaging technology, the imaging systems lack the vital management technology that allows the scanned files to be easily triaged, tracked or sorted. In addition, the existing imaging systems are not compatible with other eligibility sites’ systems, which does not aid in case transfers. Imaging at most scanning sites is primarily done once a case has been completed, so documents are often not available to eligibility technicians during the determination process, further limiting productivity.

- **CBMS still does not fully support Medicaid and Children’s Basic Health Plan eligibility.** The Department is currently evaluating CBMS and planning next steps with the system. However, since, CBMS issues were among the top complaints during visits to eligibility sites, the issues that were identified are listed here for completeness.

Overall, the eligibility sites reported that CBMS is cumbersome to use. There are too many screens and too many data fields required to be filled out with cumbersome navigation capability. Many of the data fields call for client information that is not currently required in the medical assistance applications. The data input process in CBMS needs to be streamlined with the Medicaid and Children’s Basic Health Plan applications to reduce the overall time it takes to process an application.

It was also reported that CBMS automatically generates client notices that are confusing to Medicaid and Children's Basic Health Plan applicants and clients. Therefore, eligibility technicians must manually check the notices for accuracy and delete any unnecessary notices in CBMS prior to being sent to the client. If the inappropriate client notices go out by mistake, the confused clients generally call their county eligibility technicians, taking the eligibility technician's time away from application processing.

The management reports were often described as not being user friendly. A number of managers are either unaware of current Business Objects (reporting module for CBMS data) reports, or do not use them since they feel the data is unusable. Many sites have additional report requests, but are unable to properly extract any readable data with the limited ad-hoc reporting tool.

- **Eligibility sites use inconsistent methods for tracking case status and workloads.** During the visits to the eligibility sites, Public Knowledge found a variety of methods for tracking cases as well as individual workloads. Some eligibility sites have invested in sophisticated case tracking systems, while others still rely on a paper log that has to be manually updated. The manual process limits any form of workload monitoring since it cannot produce reports for supervisors. Some eligibility sites use Business Objects reports to help track cases and workload, but these sites reported that data is not available in real time, limiting its usefulness to get an accurate view of the current caseload.
- **Medicaid and Children's Basic Health Plan review periods are not aligned with redetermination periods for other types of assistance programs, causing duplicate work for both eligibility technicians and clients.** Many low-income clients apply for and are eligible for multiple public assistance programs, such as Food Stamps. In addition, nearly all TANF program recipients are also eligible for Medicaid. Each program requires a periodic redetermination of eligibility, usually at six-month intervals from the date the application was approved. In order to complete a redetermination, all factors of eligibility must be re-verified which is a time consuming process for both the eligibility technician and client. Unfortunately, in many cases, the redetermination dates for each program do not align despite the fact that the eligibility information needed is nearly the same for each redetermination. By not synchronizing redetermination dates, eligibility technicians are forced to repeat the same task several times through a given year. The process is also confusing and time consuming for clients since they must supply the same information for each program at different times during a given year.

### **Vendor Recommended Best Practices**

On August 13, 2008, the Department issued a request for information (RFI) to experienced vendors, stakeholders and interested parties to obtain recommendations regarding processes and best practices to organize and implement a new eligibility process for Medicaid and Children's Basic Health Plan. Following that solicitation, on September 24, 2008, four of the five vendors that submitted request for information responses presented information to the Department. General advice provided by vendors included:

- The Department must develop an overall eligibility modernization strategy that contemplates its goals and objectives, guiding principles and all aspects of how any new tools or technology could be successfully incorporated into the eligibility process going forward.
- Vendors suggested that an incremental approach that prioritizes components of eligibility modernization would be preferred over a broad-scale implementation process. A realistic timeframe must also be set for implementation.
- The vendors also felt that document imaging, storage, retrieval and workflow process technology is an important first step in eligibility modernization and should be the highest priority due to the added flexibility and increased efficiency in the eligibility process.
- Giving the eligibility sites (county departments of human/social services and other application sites) better tools to do their work, such as the ability to have electronic access to the case file, better workflow and task management tools, and a centralized call center capability, could significantly improve the eligibility process for consumers.
- Vendors indicated that a “single centralized case record” that contains all information about a consumers’ contact with the Department would be critical to moving this effort forward in a manner that was “customer-centric”.
- The potential vendors advocated for a centralized contact center with a single 1-800-number. It was further suggested that the Department explore the use of Interactive Voice Response (IVR) technology and strong web-based services as a means to enhance self-service options, reduce wait times and increase overall customer satisfaction.
- Vendor respondents also described the importance of providing different service options for consumers. Vendors can provide tools and technology that support self-service options such as kiosks, home computers and publically available computers.
- If the Department plans to employ an online application process going forward, the Department must resolve its ability to accept signatures electronically. The Department must also review its policy with regard to (paper) document retention and develop new policies in the event that the Department wishes to purchase a document management system.
- The request for proposals (RFP) to contract for any services should anticipate, to the extent possible, the potential for future changes to eligibility rules and processes to allow for the most flexibility. The request for proposals should also include processes and measures for both the implementation and ongoing operation of the contract and of operations within county offices and community-based organizations.

### **Public Knowledge Identified Best Practices**

Public Knowledge researched several states for eligibility best practices and lessons learned. Public Knowledge also considered nationwide trends based on discussions with the states, and participation at national eligibility conferences. Initial research efforts also included interviews with leaders from national organizations, such as the Center on Budget and Policy Priorities and the National Academy for State Health Policy. By gathering information at the national level, as well as enlisting feedback from Colorado stakeholders and partners, Public Knowledge was able to examine programs in other states that have recently changed their eligibility model, implemented statewide systems, have a reputation for being innovative or have had significant issues with recent eligibility and enrollment processes.

Keeping in mind that there is no one model or system that could solve every challenge with Medicaid and Children's Basic Health Plan eligibility and enrollment, the best practices are organized into stand-alone components that the Department can adopt individually based on the likelihood of improving its Medicaid and Children's Basic Health Plan eligibility and enrollment processes. Listed in no particular order, the best practices are:

- **Solicit eligibility technician feedback when designing eligibility and enrollment processes:** Feedback from eligibility technicians is crucial when developing and implementing a new eligibility and enrollment model. Eligibility technicians are key stakeholders since they are the ones relying on the model for their everyday work. Enlisting help early on in the project will also help win eligibility technicians' buy-in and increase the acceptance levels of major changes, and ultimately create a better product or process. Some states develop a committee consisting of a diverse group of staff to act as a steering committee for the duration of the project. This is the most direct way to enlist the experience and thinking of your most knowledgeable workers. Other stakeholders, such as clients and community-based organizations, can also provide valuable input and guidance in implementing new models.
- **Provide clients with online self-screening tools to increase communication about medical assistance programs and processes:** Many states are implementing online self-screening and education tools for clients to use at their discretion. The combination of online tools can help potential clients better gauge whether they will be eligible for benefits, as well as inform them about next steps in the application process. Though not everyone has access to the Internet, states have reported that online tools still reach a broad range of applicants and can provide applicants with added communication on medical assistance programs and processes. Like any system, the testing of the screening tools is crucial so that applicants are not deterred from applying for benefits.
- **Establish customer service centers to promote customer service and streamline the eligibility and enrollment processes:** Customer service centers can be a valuable resource for clients by providing a flexible and easy way to receive answers to questions and guidance on the application process. By staffing customer service centers with trained eligibility technicians, many of the basic procedures such as checking eligibility status, adding household members, or updating a change of address can be handled over the phone, thus, saving the client a trip to the office. Client calls and interruptions can easily consume an eligibility technician's day and greatly impact his or her ability to process applications. Customer service centers can alleviate the majority of client's questions and basic needs from the eligibility technicians, allowing more time to dedicate to case management activities.
- **Provide extensive employee training to promote uniform practice and consistent application of eligibility rules and customer service:** Although new business models and systems can greatly assist staff in their daily work, eligibility technicians must be thoroughly trained in order to effectively apply the changes. The system training models that have proved most effective focus on training tasks rather than functionality. Eligibility technicians are more likely to identify with a familiar process (such as redeterminations or client updates) and can apply new information easier if training is focused on their job responsibilities rather than the system. States reported that training should prepare eligibility technicians for how their job roles will change with the implementation of a new system or model. Managers and supervisors will also need special focus since they are likely to receive questions from their eligibility technicians. In addition, states with effective training models have utilized

incremental sessions for staff where eligibility technicians can refresh their skills and learn shortcuts to promote increased efficiency in their daily work.

- **Implement new models in phases, starting with the least complicated procedures first:** “Big Bang” rollouts can easily overwhelm eligibility technicians, and potentially lead to a catastrophic backlog of cases. States that had successful implementations rolled out their new model in phases, usually easing their eligibility technicians into the change by introducing the simplest processes first (i.e. starting with client updates or redeterminations before introducing application processing to eligibility technicians). By adopting the “slow and steady” theory to their implementation schedule, eligibility technicians were able to master each new process and grow more familiar with the system before the complicated procedures were introduced.
- **Allow applications, updates and eligibility redeterminations to be processed by applicants or clients online to reduce workload:** Online applications provide an additional access point for applicants, as well as increase flexibility in the application process. States with online tools have reported that clients who submit an online application usually have a more complete application, allowing eligibility technicians to determine eligibility more quickly. Some states have implemented online redetermination processes as well, reducing the amount of data entry and case tracking for the eligibility technician. Online tools have further evolved and often include enhanced features, where clients can check their application status, benefit amounts and even request new Medicaid Identification cards online. Though not every applicant has access to a computer, states with online applications have creatively addressed the need by partnering with community-based organizations and public libraries, and setting up computer kiosks in eligibility sites. States with online applications report that about 25-50 percent of all applications are submitted online.
- **Develop reporting capabilities that allow management to monitor performance and workload down to the individual eligibility technician level:** Individual workload reports are crucial for managing the overall performance of any department. Not only do individual workload reports help supervisors monitor eligibility technicians, they act as a tool for eligibility technicians when prioritizing work and help managers track overall trends in caseload performance. In addition, performance reports are a fundamental component in contractual agreements with vendors. States that have outsourced any part of eligibility process have defined specific metrics and have dedicated resources to monitoring the vendor’s performance.
- **Implement an electronic document management system (EDMS):** One of the top tools used by states to improve efficiency is an integrated electronic document imaging and management system. Document imaging and management systems have advanced far beyond basic scanning functions. Many states now rely on electronic document management system for workload management and performance measures. With advanced bar-coding technology, documents can be automatically catalogued and placed in a special queue to be processed by the appropriate eligibility technician. Newly scanned applications can be triaged to eligibility technicians for processing. Reports can easily be produced for managers and supervisors to help monitor caseloads down to the individual eligibility technician. States have also dramatically saved on overhead costs due to the decrease of paper storage needs.
- **Use a uniform automated client eligibility system to promote consistent practice:** Access to the same automated tools is crucial for eligibility technicians. A centralized

automated client eligibility system is essential to staff effectiveness. Colorado already has a working system, CBMS, in place to help automate the eligibility process. Any enhancements to the Department's information technology resources should be implemented in a uniform and centralized manner.

- **Create interfaces to other state systems to increase automated exchange and reduce manual labor efforts:** To reduce the amount of data entry required of their eligibility technicians, many states have created automatic interfaces to external systems with client data. Popular interfaces include links to Labor and Wage data, Vital Statistics, Internal Revenue, Social Security Administration and employment or training contractor systems. With the Deficit Reduction Act's recent mandate that requires originals or certified copies of identification and citizenship documentation with each application, real-time interfaces are even more crucial to the efficiency of application processing.
- **Create an Internet portal that will allow eligibility technicians to access the automated client eligibility system and electronic file with more flexibility:** More and more eligibility systems are enabling eligibility technicians to conduct work functions over the Internet. Internet-based systems provide for more flexible access to the system, and typically require less hardware expenditures. With increasing staff turnover and growing facility costs, some states have transitioned their automated client eligibility systems online to help resolve such issues. Eligibility technicians can be located virtually anywhere that has access to the Internet. Some states have introduced virtual office incentives for eligibility technicians, and as a result, have seen a significant increase in employee satisfaction. In addition, states with virtual office employees have been able to reduce their facility needs and cut overall administration costs.

### **Public Knowledge Identified Lessons Learned**

In identifying best practices among states, it is important to recognize areas where states have struggled in implementing changes to eligibility and enrollment processes and models. The following information summarizes the key lessons learned from projects that unfortunately, were not successful.

- **“Big Bang” implementation approaches are risky:** The most frequently reported issue is states implementing too much, too soon. With any new project, the excitement and pressure to dramatically improve current conditions can often lead to a scope that is unreasonable for state resources to manage. Even with sufficient training, there is always a steep learning curve with new procedures and systems. Ideally, the least complicated procedures (such as updating existing information, redeterminations) should be implemented first, so that eligibility technicians can more easily grasp new concepts and system functionality.
- **Don't try to implement new systems or procedures without appropriate operational support:** There is no point in investing both time and money into implementing a new system or process if resources are not available to support it. For example, a customer service center with sophisticated management software is of little value if there is not sufficient staff to support it. As a result, clients are frustrated due to the lack of response and revert to in-person customer service, which is more costly to provide. Successful states considered their resources and capacity when setting the scope of their modernization efforts, and were realistic when placing new expectations on eligibility technicians.

- **Be cautious when piloting a new model by county:** Although the county pilot model has been successful for many states, there have been issues reported with case transfers between counties that are using the new model and counties that are not. It is crucial that workflows are clearly defined, so that if a case is transferred in or out, counties on both ends of the transfer understand each step in the procedure and successfully help the client with the transfer.
- **Make sure that the most up-to-date eligibility rules and policies are reflected in automated systems:** Medicaid and Children’s Basic Health Plan rules and policies often change. Most states have a procedure in place to communicate such changes to staff, but some have failed to update those changes in their automated client eligibility systems and tools. As a result, eligibility technicians struggle with keeping the up-to-date information fresh in their minds while their systems reflect outdated rules and procedures. Conversely, sometimes changes are made in the system, but eligibility technicians are inadequately trained to use it. This can lead to an increase in error rates and eligibility technician frustration due to the added complications with the systems. States reported that having an accessible program administrator and concrete change management process is vital for handling the continuously changing Medicaid and Children’s Basic Health Plan rules and policies.
- **Be prepared to spend time and resources to monitor performance if any contractors are used:** Many states contract out a portion of their Medicaid and Children’s Basic Health Plan eligibility and enrollment processes to a vendor. Frequently, outsourced operations were characterized by a lack of state defined performance measures, contract monitoring plans and resources to hold vendors accountable to contract requirements and state expectations. The more successful states have created full-time positions and even units to help monitor vendor performance. Although contracting out services can save time and money, the model can only be successful if the state dedicates the needed effort and resources into monitoring the vendor’s performance.

### **Public Knowledge’s Component Recommendations**

Based on the analysis of Colorado’s current eligibility and enrollment model, visits to eligibility sites, states’ best practices and feedback from county partners and stakeholders, Public Knowledge recommends the following modernization options:

- **Implement an electronic document management system (EDMS).** Implementing an electronic document management system in Colorado’s eligibility process should be a high priority for the State because it would provide greater flexibility to the State’s eligibility and enrollment workflow that can produce significant gains in worker productivity. Although significant savings would be gained in paper storage and retrieval costs, even greater savings would occur by being able to better manage workflows. The workflow management software in an electronic document management system supports processing eligibility work by task, which is a trend in eligibility process improvements.

Modern electronic document management systems are being used in several states, including Wisconsin, Utah, Washington, Louisiana and Florida. Some have been developed by in-house information technology resources, but can also be purchased from private vendors.

Vendors typically supply not only the imaging equipment, but also the accompanying management hardware and software, as well as technical assistance to the user. The more advanced systems utilize barcode and optical character recognition technology so that the system “recognizes” what type of document has been imaged, associates it with similar documents pertaining to the same case, and even assigns it a specified queue for processing.

Once images are scanned into the electronic document management systems, the documents are available instantaneously to users at multiple locations. The increased flexibility of document access allows work to be easily distributed and tracked. The management software also provides enhanced management reporting and the ability to reassign work to either cover vacancies or meet increasing demands for service. Because of this, states that have already implemented an electronic document management system experienced an increase in the timeliness and accuracy of document processing.

- **Implement a centrally-managed customer service center to broaden client access.** Many states use customer service centers to handle questions and basic Medicaid and State Children’s Health Insurance Program (SCHIP or Children’s Basic Health Plan in Colorado) case actions such as change reporting. Some customer service centers are even equipped to handle all aspects of the eligibility process, including redeterminations and applications. Customer service centers are the first point of contact for client inquiries, and can help to triage the inquiries based on severity of the concern or complexity of the question.

Another important feature of customer service centers technology is an Interactive Voice Response (IVR) system that allows clients to access some information and take basic action on their case 24-hours a day through an automated system. Many states have mirrored their web-based services in their customer service center Interactive Voice Response systems. The use of this technology provides yet another option for clients to access program information specific to their application, and is highly efficient as it requires little human intervention.

Customer service centers in other states are also being used to proactively obtain recertification information from clients over the phone, rather than waiting for the client to return a paper form. This process prevents some clients from having gaps in medical coverage because they did not fill out and submit a redetermination packet. States that have implemented this model, like Louisiana and Utah, report a higher retention of Medicaid enrollees and a reduction in the administrative costs associated with re-opening cases.

- **Expand the involvement of community-based organizations in the eligibility and enrollment process.** The traditional model of eligibility and enrollment involves minimal outreach to those who might be eligible for services. Under this model, everyone wishing to apply for Medicaid or Children’s Basic Health Plan is required to come to an office. The office then processes the application, determines eligibility, and maintains the case until services are no longer needed.

Many jurisdictions have learned that seeking out those who need medical services is less costly in the long run than waiting until an illness becomes chronic and more costly to treat.

This is particularly true for children, which is one reason states participating in SCHIP are required to describe their outreach methods in their state plans and to coordinate enrollment in their SCHIP with the Medicaid program. According to a study conducted by the Government Accounting Office (GAO), “states must specify in their SCHIP plans how they have established a system that identifies, refers, and enrolls eligible children in the appropriate program – a process called ‘screening and enrollment.’” The same Government Accounting Office study pointed out that when states aggressively pursue SCHIP outreach activities, they tend to find many children who are eligible for Medicaid, thus extending health care benefits to a vulnerable population, which in many cases was not aware such benefits were available to them.

In addition, states are now experimenting with having community-based organizations perform virtually every component of the eligibility determination process. Colorado has done a commendable job of involving community-based organizations in the process, but may wish to do even more to increase the number of Medicaid and Children’s Basic Health Plan eligible people participating in the program particularly in under-served populations.

- **Develop web-based services for clients and community-based organizations.** Web-based services create one more flexible option for clients to receive customer service, and a tool for community-based organizations to use in application assistance. Many states (currently 13) are using Internet technology in the eligibility and enrollment process.

The objective of most state online applications, one of the primary features of web-based services for clients, is to relieve some of the intake and data entry work for eligibility technicians while increasing access for clients. Other features of web-based service include: online redeterminations and change reporting, the ability to check on the status of documents submitted to an electronic document management systems, and the ability to check benefit account status. Most web-based services for clients also include a pre-screening tool and answers to Frequently Asked Questions about programs and services.

Almost every state, including Colorado, allows individuals to download applications online for many programs, including Medicaid and Children’s Basic Health Plan. The paper applications can then be submitted in person, by mail, or faxed to an eligibility site. This is not considered an online application from a modernization perspective. Clients must be able to electronically submit an application for it to be considered web-based. With federal regulations that allow for the acceptance of electronic signatures, clients can easily submit an application or redetermination online.

Thirteen states have now made it possible for applications to be submitted online. Log-in protocols, much like those used by banks and other financial institutions, are used as electronic signatures so the system can verify that the information is being submitted by the client or their authorized representative. Most state websites include a self-screening tool that allows individuals who are not certain if they qualify for benefits to see if the application process is worthwhile. Some states have interfaces with their eligibility systems to capture the online submission so that it can be validated and processed by eligibility technicians without data entry.

- **Replace paper documentation with electronic client data where possible.** Developing additional interfaces to external systems would help automate the lengthy process of gathering needed client documentation. Among the top requested interfaces in the eligibility site visits were labor and wage information, vital statistics and Social Security data.

Many states have upgraded their automated client eligibility systems to include interfaces to systems such as Vital Statistics, Labor and Wage, as well as Social Security information. Client data from the external systems automatically populates the automated client eligibility system, saving workers valuable time in data entry and document verification.

Some states have developed gopher systems like Utah's E-Find that acts as a search engine for client documentation. The eligibility technician could fill out basic information on the client and desired documentation, and E-Find will search all systems for a match. Other states have created a web-portal for their eligibility technicians so that they can more quickly access external systems to search for client data.

### **Centralization Recommendation**

In reviewing these modernization components with stakeholders and Department leaders during the project, Public Knowledge found widespread agreement that such components are needed in Colorado. The Department currently operates with a decentralized eligibility and enrollment model that does not uniformly support the components listed above.

The modernization steps that are necessary require a much higher degree of centralization than is currently supported by the Department. There is inadequate infrastructure or expertise extant within the Department, either in the counties or at the central office, for the centralization of components that have been identified. The expertise will need to be developed in-house or acquired through outsourcing.

In reviewing the successes and failures of other states, it is much too simplistic to frame the question as whether to adopt a centralized or decentralized approach to eligibility and enrollment. Instead, it is necessary to define the areas under consideration and to assess the degree of centralization currently against the desired outcomes of a more centralized approach. Below is a matrix that attempts to highlight areas for consideration of a more centralized approach. Note that some eligibility and enrollment processes are still performed at the local level even in the most centralized programs.

The term "centralization" is commonly used when describing a modernized Medicaid and Children's Basic Health Plan model. It is clear from the best practice results that centralizing elements of the Medicaid and Children's Basic Health Plan model maximizes efficiency and effectiveness in eligibility and enrollment processes. It is Public Knowledge's belief that centralizing the recommended modernization options would provide eligibility sites with the tools they need to help run a successful eligibility and enrollment model in Colorado.

After a detailed analysis of Colorado’s Medicaid and Children’s Basic Health Plan eligibility and enrollment model, Public Knowledge has developed the following assessment of the State’s current state of centralization:

**Table: Assessment of Colorado’s Current Centralization Model**

| Assessment of Colorado’s Current Centralization Model  |               |         |               |         |         |
|--|---------------|---------|---------------|---------|---------|
| Less centralized ←————→ More centralized   |               |         |               |         |         |
| Option   | Level 1       | Level 2 | Level 3       | Level 4 | Level 5 |
| Implement a Statewide Electronic Document Imaging and Management System (EDMS)                           | Current State |         |               |         |         |
| Implement a centrally-managed customer service center (CSC) to broaden client access                     |               |         | Current State |         |         |
| Expand the involvement of community-based organizations (CBOs) in the eligibility and enrollment process |               |         | Current State |         |         |
| Develop web-based services for clients and CBOs  | Current State |         |               |         |         |
| Replace paper documentation with electronic client data where possible                                   | Current State |         |               |         |         |

Public Knowledge recommends that the Department implement the following modernization options to reflect the centralization model below.

**Table: Recommended Future Centralization Model**

| Recommended Future Centralization Model  |         |         |              |         |              |
|--|---------|---------|--------------|---------|--------------|
| Less centralized ←————→ More centralized   |         |         |              |         |              |
| Option   | Level 1 | Level 2 | Level 3      | Level 4 | Level 5      |
| Implement a Statewide Electronic Document Imaging and Management System                                  |         |         |              |         | Future State |
| Implement a centrally-managed customer service center (CSC) to broaden client access                     |         |         |              |         | Future State |
| Expand the involvement of community-based organizations (CBOs) in the eligibility and enrollment process |         |         | Future State |         |              |
| Develop web-based services for clients and CBOs  |         |         |              |         | Future State |
| Replace paper documentation with electronic client data where possible                                   |         |         |              |         | Future State |

## Conditions for Success

Before implementing any new tools or changes to the Medicaid and Children's Basic Health Plan eligibility and enrollment model, Public Knowledge recommends that the Department strengthen certain core elements of the current model. The Department should invest time and resources in the following tasks:

- **Enhance CBMS to maximize eligibility and enrollment efficiency.** Eligibility sites report that issues associated with CBMS are the top challenges sites face on a daily basis. Eligibility sites also stated that the system was cumbersome to use and greatly impacts overall efficiency in the eligibility and enrollment process.

Although system enhancements have been made since the implementation, there are still many reported issues that continue to frustrate eligibility sites. To address CBMS issues, the Department contracted with Electronic Data Systems (EDS) to conduct a technical assessment of CBMS and deliver a series of Realignment Alternatives that the Department could implement to improve the system and increase flexibility in serving clients.

- **Solidify a Quality Management Plan to promote consistency in eligibility and enrollment processes and strengthen program integrity.** To promote accountability and strengthen program integrity, the Department must develop a detailed Quality Management Plan for monitoring the quality of Medicaid and Children's Basic Health Plan eligibility determinations and ongoing case maintenance. The Quality Management Plan must communicate a case review process that includes standard application items to check, a minimum amount of cases to review each period, a defined corrective action plan when errors are found and a series of performance metrics (such as a goal error rate, sufficient time frames for processing applications, etc.) that the Department can use to fairly measure quality among eligibility sites.
- **Develop a comprehensive training program that will provide greater support and deliver a uniform message.** A strong training program is essential to the success of any organization. Although the Department does conduct training sessions and develop training materials, the eligibility sites reported that the training is outdated and does not address the "challenging eligibility scenarios" that eligibility technicians face on a daily basis. In result, many eligibility sites have created in-house training units to supplement the Department training. Although the eligibility sites stated that they prefer some control over their employee training, they recommended that the Department develop a more robust "train the trainer" model and enhance current training materials and methods to better support the eligibility sites.
- **Create a detailed communication strategy to encourage collaboration between Departments, county partners, Medical Assistance sites and community-based organizations.** Colorado's current Medicaid and Children's Basic Health Plan eligibility and enrollment model is comprised of a web of relationships between State departments, county partners, Medical Assistance sites and community-based organizations. In order to satisfy the needs of all parties, Public Knowledge recommends that the Department develop a

detailed communication strategy to encourage knowledge sharing and collaboration in all modernization efforts. Each party has unique insight into the eligibility and enrollment model and can provide valuable feedback in the design of modernization elements.

- **Realign the redetermination dates among the programs to streamline tasks.** All major public assistance programs (i.e. Food Stamps, Medicaid, TANF) require periodic redeterminations of eligibility. A redetermination consists of a comprehensive review of eligibility factors that may be subject to change. Most of the assistance programs' redeterminations require similar client information as well as verifications. As a result, the client must submit the same information multiple times throughout the year for the eligibility technician to process. Not only is this time consuming for both the client and the eligibility technician, but inefficient since the same process must be repeated several times.

With a small amount of planning and interagency cooperation, many states have realigned the dates of redeterminations for clients on multiple assistance programs. Redetermination dates for one program can be adjusted so the initial Medicaid or Children's Basic Health Plan redetermination falls on the same date as, for instance, the next Food Stamp Program redetermination. As a result, there is significant potential for time saving, postage and mailing costs, as well as an increase in efficiency for both clients and eligibility technicians.

### **Department Recommendations for Eligibility Modernization**

When Department staff presented the recommendations of the Public Knowledge study to the Colorado Directors of Social Services Association (CDSSA) meeting at a recent Colorado County, Inc. conference, there was general agreement that the recommendations made a lot of sense. At the time, the Department did not have the final report from Public Knowledge and the subject of what activities should be centralized or decentralized were not included in the draft report. The Department supports the recommendations in the Public Knowledge report and believes that because of the inter-dependencies of the various strategies that all of them should be funded and implemented. Accordingly, the Department has not assigned a priority ranking to these strategies and finds they should be included as part of a Request for Proposal (RFP) that would be released in March of 2009 contingent on available funding.

**Electronic Document Management System (EDMS).** An EDMS would provide greater flexibility to the eligibility and enrollment workflow resulting in significant gains in worker productivity. In addition, the Department finds that hiring a vendor to manage an EDMS centrally would minimize the amount of interfaces and hardware needed, as well as ensure that all documents can be easily accessed electronically among all eligibility sites. The Department understands that several counties have implemented their own scanning and imaging systems to serve as an "electronic file cabinet". However, the EDMS solution includes a workflow management component that routes work to the appropriate worker. All applications and supporting documentation will be routed to a centralized mailing address where documents will be bar-coded, scanned, imaged and routed to the worker. Some vendors estimate that 60-70 percent of data entry is eliminated through this process.

The Department will implement EDMS technology that can be accessed from anywhere in the State. Implementing a single system would ensure scanned images could be shared across the State and that a consistent level of quality assurance is applied to each image. To ensure that all documents are accounted for, the vendor would implement a robust quality control process. Managers and supervisors at eligibility sites could easily manage incoming documents and triage tasks to available resources.

In contrast, a decentralized model would require the Department to purchase enough hardware and software to be located in every eligibility site or other point of service delivery, leaving quality assurance and temporary storage of paper documentation the responsibility of the local offices. The Department finds such a model to be inefficient leading to wide variations across the State.

States that have implemented eligibility modernization strategies emphasize the need to go paperless. Clients often report having to submit their application and verifications multiple times because the paperwork cannot be located. EDMS technology will create greater efficiencies in the process and eliminate the need for counties to maintain paper case files for applicants applying only for medical programs. Based on information presented by vendors during the request for information and Public Knowledge's findings, the EDMS technology is rapidly improving relative to costs, making it a cost-effective solution to implement.

If all the documents related to Medicaid and Children's Basic Health Plan cases are in the EDMS, the Department could better ensure that the case file documentation is adequate to support all eligible determinations. Audits performed with respect to the eligibility and enrollment process have often cited the lack of supporting documentation in case files to support eligibility determinations, and this solution would address this problem. This strategy also meets one of the guiding principles of eligibility modernization that Coloradans should expect that government programs are run efficiently and effectively as well as the guiding principle that document management, including imaging, storage and retrieval should meet minimum standards across the state.

The implementation would focus first on all Medicaid and Children's Basic Health Plan re-determinations. Completed re-determination packets would be sent to the Eligibility Modernization Vendor to be scanned and imaged and then routed to the appropriate eligibility worker. The second phase of implementation will focus on new Medicaid and Children's Basic Health Plan applications. The Department would work with the county department of social/human services and medical assistance sites to coordinate the process for sending Medicaid and Children's Basic Health Plan applications to the central processing center.

Timeline: Begin procurement for the Eligibility Modernization Vendor in January 2009, with the implementation starting in January 2010. This timeline corresponds the Department's November 1, 2008 Budget Request.

**CBMS Realignment.** The goals of the CBMS Realignment Project were as follows:

- Segregate data to prevent contention across programs. Currently, changes in one program can impact other programs. For example, the federal agencies that oversee the financial and medical programs have different definitions of commonly used categories such as income and household composition. What constitutes income is different for Food Stamps than it is for Medicaid. These differences create a level of complexity within CBMS that requires significant resources to negotiate and resolve. The goal of CBMS Realignment is that a change in one program should not impact the other programs.
- Increase the flexibility in how CBMS serves the Department and Department of Human Services' clients. The Department and the Department of Human Services have identified over 80 fields in CBMS that no program uses. Another goal of the CBMS Realignment Project is to simplify data entry by streamlining the number of screens that eligibility technicians have to navigate to enter information into the system. The streamlining of data fields and screens will reduce the processing time so that more applications can be processed more quickly.
- Align screens and correspondence with specific programs for which client is applying. Another common complaint amongst both eligibility technicians and clients is the confusing client correspondence generated from CBMS. The goal of CBMS Realignment is to look at ways the system could be changed to streamline client correspondence for both the financial and health programs.

EDS proposed two alternatives. The CBMS Realignment Work Group comprised of representatives from the Department, the Department of Human Services, counties and medical assistance sites reviewed the two alternatives and made the following recommendations:

- Split certain application and data components by major program area
- Customize data entry screen queue and required fields
- Retain current client identification processes
- Address eligibility and batch process that adversely impact programs within a major program area on a case-by-case basis
- Use existing formatting, customization and filtering features for improvements to client correspondence
- Analyze and modify interfaces to populate two separate data schemes
- Analyze and modify reports to handle two separate data sources

One of the major advantages of this alternative is that it will create an environment that allows for data entry and eligibility determinations for medical assistance programs which will not adversely impact data entry and eligibility determinations for financial assistance programs. This alternative prevents cross-program eligibility errors by not allowing Medical Program updates to change Financial Program client/case data/eligibility results, and conversely. Additionally, it simplifies data entry and reduces processing time by making the CBMS front end more user-friendly. Users will enter only the information necessary to determine eligibility for the specific program for which the client applied. It also provides mechanisms to enable CBMS

workers to transfer data from one major program area to another without the need to re-enter data. Also, separate Reference Tables for each Department will be created allowing each major program area the ability to modify and maintain these tables without impact to the other major program area. This alternative will improve client communications by enabling each major program area to control all correspondence sent to clients. It also assures retention of current functionality of interfaces into and out of CBMS.

CBMS Realignment enables both Departments to implement State and federally-mandated eligibility rules changes and processing improvements in CBMS in a timely and cost-effective manner. For example, the cost of the implementation of the Presumptive Eligibility for Medicaid Children, SB 07-211, in CBMS (over \$304,000) was more than doubled due to additional security constraints required to prevent Presumptive Eligibility Site staff access to Financial Assistance client data and eligibility results per federal rule. Another change request, titled "Create Mass Update Trigger for Verifications Upgrade", took almost a year to implement and required approximately 60% more requirements analysis and development time due to cross-program issues. The revision and simplification of certain re-determination correspondence has not been completed due to cross-program language rules issues. With CBMS Realignment, it is estimated that changes could be made in CBMS 25-50% faster than the current methodology.

CBMS Realignment will eliminate the risk of errors and sanctions for the Food Stamp program that is caused by failure to follow federal rules that require action based on information received only through financial programs. It further reduces risk of Food Stamps errors caused when a Medical worker re-runs eligibility back in time and re-calculates historical Food Stamp benefits. Missing verification documents for one client can hold up the eligibility determination for other members on the case. For example, waiting on the pregnancy verification for a pregnant woman on the case will cause the rest of the case to be in a pending status, even if the other clients on the case have submitted all required verification documents.

For all of the above reasons, the Department finds that CBMS Realignment should be implemented and will serve to complement the eligibility modernization strategies contemplated by the Department.

Timeline: Begin development in January 2009, with implementation by June 2010. The Department has been appropriated funding for the CBMS Realignment and can start the development and implementation independently from the Eligibility Modernization Vendor.

**CBMS Web-Based Portal.** As part of the re-procurement process for the CBMS, vendors were required to submit their solution for an enhancement identified as the Medicaid portal. Vendor's solutions were not scored as part of the re-procurement process, but served to provide the Department with additional information as to the feasibility and costs associated with allowing clients to apply for eligibility for programs from any location with Internet access. Web-enabled functionality within CBMS would serve to promote the "no wrong door" approach to eligibility and enrollment. Research studies indicate that people eligible for public health insurance programs have greater access to the Internet and are using the Internet with greater frequency. As health care eligibility expands to higher income levels, persons applying for health care programs administered by the Department will require a variety of options, many of them self-

service options, will be needed to ensure the timely and accurate process of applications that do not require the intervention of eligibility technicians.

Based on information from other states, it is estimated that at least 60 percent of call volume is generated based on clients wanting to know the status of their application. By offering clients real-time information about their application status and benefits, this will promote better customer service and generate greater efficiencies and potential cost savings. When the Colorado Workload Study was released in 2007, 17 percent of the cost associated with County Administration was attributed to the intake process, which included phone calls regarding the status of applications and answering general eligibility questions. The benefits of web-enabled functionality for the Colorado Benefits Management System for the applicants, clients, and eligibility workers are apparent.

Timeline: The Department has been appropriated funding for the CBMS Realignment which can be used to implement the CBMS Web-Based Portal. The Department can complete the development and implementation independent of the Eligibility Modernization Vendor RFP.

**Centralized Customer Service Center.** The Department finds that it should implement a centralized customer service center, with an associated application process center. At first, the centralized customer service center will handle Children's Basic Health Plan questions and basic Medicaid and Children's Basic Health Plan case actions such as change of address. Eventually the customer service center will be the first point of contact for clients, county and community-based organization inquiries, and can help to triage the inquiries based on severity of the concern or complexity of the question. As such, the Department should staff a Medicaid and Children's Basic Health Plan customer service center with experienced or highly trained eligibility technicians.

Centralized customer service centers in other states are also being used to proactively obtain recertification information from clients over the phone, rather than waiting for the client to return a paper form. This process prevents some clients from having gaps in medical coverage because they did not fill out and submit a redetermination packet. States that have implemented this model, like Louisiana and Utah, report a higher retention of Medicaid enrollees and a reduction in the administrative costs associated with re-opening cases.

The Department agrees that the centralized customer service center should utilize an Interactive Voice Response (IVR) system that allows clients to access some information and take basic action on their case 24-hours a day through an automated system. The use of this technology provides yet another option for clients to obtain needed information regarding their application or case at any time. Some states also utilize the predictive dialing technology as part of their call center operations. When clients are missing documents or when reminders are needed for re-determinations, the technology permits the client to be called automatically with the needed information.

A national vendor reported in their response to the request for information, that Virginia experienced a 20 percent reduction in the number of calls that required a live representative's assistance with the implementation of an Interactive Voice Response. According to costs

calculated in the Colorado Workload Study from the spring of 2007, a 20 percent reduction in eligibility workers time spent on client communications and processing changes in client circumstances would translate to a savings of \$1.9 million per year of eligibility workers time.

In the second phase of implementation, the customer service center will be equipped to handle all aspects of the eligibility and enrollment process, including redeterminations and applications. Not only will the centralized customer service center assist clients on the phone, but it will serve as a central processing center for Medicaid and Children's Basic Health Plan applications that are not directed to the county department of human/social services. This will allow the Department to reduce the workload at the county departments of human/social services for those clients that are only applying for Medicaid or Children's Basic Health Plan and who are beyond the income level for financial assistance programs. Such applications do not require a face-to-face interview. Further, if counties fall behind the application processing standard, applications can be redirected to the centralized customer service center to relieve the burden at the county level and assure that clients' applications are processed timely.

Timeline: Begin procurement for the Eligibility Modernization Vendor in January 2009, with the implementation starting in July 2010. For the Children's Basic Health Plan program, the centralized customer service center should begin January 2010. This timeline corresponds closely to the information provided in the Department's November 3, 2008 FY 09-10 Budget Request.

**Additional Eligibility Modernization Components.** Finally, the Department finds it should implement the additional recommendations made by Public Knowledge that include the following:

- Expand the involvement of community-based organizations in the eligibility and enrollment process. This will include creating a detailed communication strategy to encourage collaboration between Departments, counties departments of human/social services, Medical Assistance sites and community-based organizations.
- Implement a Quality Management Plan to promote consistency in eligibility and enrollment processes and strengthen program integrity.
- Realign the re-determination dates among the programs to streamline tasks.
- Develop reporting capabilities that allow management to monitor performance and workload down to the individual eligibility technician level:
- Build additional interfaces to external systems to help automate the lengthy process of gathering information.
- Centralize training with the Eligibility Modernization Vendor to provide consistency of results and eliminate the need for counties departments of human/social services and Medical Assistance sites to develop their own internal training units.