First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

BILL 3

LLS NO. 17-0161.01 Brita Darling x2241 **INTERIM COMMITTEE BILL**

Interim Study Committee on Communication Between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients

A BILL FOR AN ACT

101 CONCERNING AUDITS OF CORRESPONDENCE SENT TO MEDICAID
102 CLIENTS.

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://www.leg.state.co.us/billsummaries.)

Interim Study Committee on Communication Between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients. The bill directs the office of the state auditor (OSA) to conduct or cause to be conducted an audit of client communications, including letters and notices, sent to clients or potential clients in medicaid programs. The audits will be conducted in 2020 and 2023 and

thereafter at the discretion of the state auditor.

Among other items set forth in the bill, the performance audits will review client communications for readability, understandability, and accuracy. In addition, the audits will review available county data regarding customer contacts relating to client confusion with client communications.

The OSA will report audit findings, conclusions, and recommendations to the legislative audit committee, the joint budget committee, the public health care and human services committee of the house of representatives, the health and human services committee of the senate, and the joint technology committee, or any successor committees.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-4-213 as
3 follows:

4 **25.5-4-213. Audit of medicaid client communications.**
5 (1) DURING THE 2020 CALENDAR YEAR AND THE 2023 CALENDAR YEAR,
6 THE OFFICE OF THE STATE AUDITOR SHALL CONDUCT OR CAUSE TO BE
7 CONDUCTED A PERFORMANCE AUDIT OF CLIENT COMMUNICATIONS,
8 INCLUDING LETTERS AND NOTICES, THAT AFFECT OR CONCERN ELIGIBILITY
9 FOR PROGRAM BENEFITS AND SERVICES, SENT TO CLIENTS OR APPLICANTS
10 IN COLORADO MEDICAID PROGRAMS. THEREAFTER, THE STATE AUDITOR
11 IN THE EXERCISE OF HIS OR HER DISCRETION MAY CONDUCT OR CAUSE TO
12 BE CONDUCTED ADDITIONAL PERFORMANCE AUDITS OF CLIENT
13 COMMUNICATIONS PURSUANT TO THIS SECTION. THE AUDIT SHALL
14 INCLUDE COMMUNICATIONS GENERATED THROUGH THE COLORADO
15 BENEFITS MANAGEMENT SYSTEM, AS WELL AS COMMUNICATIONS THAT
16 ARE NOT GENERATED THROUGH THE COLORADO BENEFITS MANAGEMENT
17 SYSTEM.

18 (2) THE PERFORMANCE AUDIT CONDUCTED PURSUANT TO THIS
19 SECTION SHALL INCLUDE BUT NEED NOT BE LIMITED TO:

(a) A REVIEW OF AVAILABLE COUNTY DATA REGARDING CUSTOMER SERVICE CONTACTS THAT ARE RELATED TO CLIENT CONFUSION REGARDING COMMUNICATIONS RECEIVED BY MEDICAID CLIENTS OR APPLICANTS;

(b) A REVIEW OF THE ACCURACY OF CLIENT COMMUNICATIONS; AND

(c) A REVIEW OF WHETHER CLIENT COMMUNICATIONS SATISFY THE REQUIREMENTS OF ANY STATE OR FEDERAL LAW, RULE, OR REGULATION RELATING TO THE SUFFICIENCY OF ANY NOTICE.

(3) IF AUDIT FINDINGS INCLUDE FINDINGS THAT INFORMATION CONTAINED IN CLIENT COMMUNICATIONS IS INACCURATE AT THE TIME THE COMMUNICATION WAS GENERATED, THE AUDIT SHALL IDENTIFY, IF POSSIBLE, THE SOURCE OF THE INACCURATE INFORMATION, WHICH MAY INCLUDE BUT IS NOT LIMITED TO COMPUTER SYSTEM OR INTERFACE ISSUES, COUNTY INPUT ERROR, OR APPLICANT ERROR.

(4) BASED ON THE FINDINGS AND CONCLUSIONS IDENTIFIED DURING THE PERFORMANCE AUDIT CONDUCTED PURSUANT TO THIS SECTION, THE OFFICE OF THE STATE AUDITOR SHALL MAKE RECOMMENDATIONS TO THE STATE DEPARTMENT FOR IMPROVING CLIENT COMMUNICATIONS. ON OR BEFORE DECEMBER 30, 2020, DECEMBER 30, 2023, AND DECEMBER 30 IN ANY CALENDAR YEAR IN WHICH AN AUDIT IS CONDUCTED PURSUANT TO THIS SECTION, THE OFFICE OF THE STATE AUDITOR SHALL SUBMIT THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS FROM THE PERFORMANCE AUDIT IN THE FORM OF A WRITTEN REPORT TO THE LEGISLATIVE AUDIT COMMITTEE, WHICH SHALL HOLD A PUBLIC HEARING FOR THE PURPOSES OF A REVIEW OF THE REPORT. THE REPORT SHALL ALSO BE SUBMITTED TO THE JOINT BUDGET COMMITTEE, THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE

OF THE HOUSE OF REPRESENTATIVES, THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, AND THE JOINT TECHNOLOGY COMMITTEE, OR ANY SUCCESSOR COMMITTEES.

SECTION 2. In Colorado Revised Statutes, 25.5-4-213, **amend** (2)(b); and **add** (2)(d), (2)(e), and (2)(f) as follows:

(2) The performance audit conducted pursuant to this section shall include but need not be limited to:

(b) A review of the accuracy of client communications; ~~and~~

(d) A DETERMINATION AS TO WHETHER CLIENT COMMUNICATIONS COMPLY WITH THE REQUIREMENTS OF SECTION 25.5-4-212;

(e) A REVIEW OF THE SUFFICIENCY OF THE STATE DEPARTMENT'S CLIENT COMMUNICATIONS TESTING PROCESS PURSUANT TO SECTION 25.5-4-212 AND WHETHER TESTING IS UNDERTAKEN PRIOR TO IMPLEMENTING NEW OR SIGNIFICANTLY REVISED CLIENT COMMUNICATIONS; AND

(f) A REVIEW OF THE UNDERSTANDABILITY OF CLIENT COMMUNICATIONS, INCLUDING A SAMPLING OF MEDICAID CLIENTS, INCLUDING BOTH CLIENTS WHO ARE TRAINED AS ADVOCATES AND CLIENTS WHO ARE NOT, AND A REVIEW OF THE FEEDBACK FROM THE STATE DEPARTMENT'S CLIENT COMMUNICATIONS TESTING PROCESS PURSUANT TO SECTION 25.5-4-212.

SECTION 3. Effective date. (1) Except as provided in subsection (2) of this section, this act takes effect upon passage.

(2) Section 2 of this act takes effect only if ___ Bill 17-____ becomes law.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the

ninety-day period after final adjournment of the general assembly (August 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.