



## COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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John W. Hickenlooper, Governor • Susan E. Birch MBA, BSN, RN, Executive Director

July 25, 2011

RE: CMS Review of Colorado Eligibility and Enrollment

Dear County and Medical Assistance Site Directors,

The Centers for Medicare and Medicaid Services (CMS) conducted a review on Medicaid and CHP+ Eligibility and Enrollment systems and processes from July 2010 through December 2010. The findings from this review were published in a final report released on July 1, 2011.

The report identified eight findings:

1. **Timely Determination of Eligibility** – The Department is not in compliance with the federal regulation at 42 CFR 435.911: “Timely Determination of Eligibility”. The regulation requires eligibility to be determined within 90 days for applicants who apply on the basis of disability and 45 days for all other applicants.
2. **State Control** – The Single State Agency currently does not maintain control over the operations of the Medicaid program (Section 1902(a)(5) of the Act and 42 CFR 431.10 of the federal regulations). The Department does not have oversight or control responsibilities in place regarding Medicaid operations within CBMS.
3. **Citizenship and Identity Documentation** – The Department is not in compliance with federal regulations at 42 CFR 435.406 and 435.407(j): “reasonable opportunity period to present satisfactory documentary evidence of citizenship by delaying Medicaid benefits while clients are gathering necessary citizenship and identity documentation during a reasonable opportunity period”.
4. **Citizenship and Alienage** – The Department is not in compliance with 42 CFR 435.406(b) citizenship and alienage. CMS determined that CBMS is not programmed to deny and/or terminate Medicaid eligibility after the reasonable opportunity period has passed and the individual has not provided satisfactory documentation of citizenship and identity.
5. **CBMS Redeterminations of Medicaid Eligibility** – The Department is not in compliance with the federal regulation at 42 CFR 435.916 which requires that “the Medicaid agency re-determine the eligibility of Medicaid recipients at least every 12 months”.
6. **Periodic Redeterminations** – The Department is not in compliance with federal regulations at 42 CFR 435.916(c): “Periodic Redeterminations of Medicaid Eligibility”. Federal regulations state, “The agency must promptly re-determine eligibility when it receives information about changes in a recipient’s circumstances that may affect his eligibility.”
7. **Client Notifications** – The Department is not in compliance with federal regulations at 42 CFR 431.211, which requires that “the state or local agency must mail a notice at least 10 days before the date of action”.

8. Vanishing Eligibility Spans – CMS found that, in an analysis performed by the Department, when a valid eligibility span in CBMS is retroactively removed, historical records of the span are also removed from the Medicaid Management Information System (MMIS) in a majority of the vanishing cases.

We recognize your diligence in exceeding the June 30, 2011 settlement benchmark of 75 percent timely processing for new applications (this benchmark can be found on the June 6, 2011 County and Medical Assistance Site Director Letter), which resulted in 78 percent timeliness statewide. Thank you for your commitment. We are confident that with your continued dedication that Colorado can achieve all of the benchmarks set forth in both the settlement agreement and the CMS review. In order for this to occur we are requesting your continued assistance and collaboration.

There are two findings within the CMS review that require immediate attention:

*Finding 5, CBMS Redeterminations of Medicaid Eligibility.*

CBMS is programmed to terminate eligibility when a medical case is not re-determined timely, causing clients to lose benefits inappropriately. Auto-Re-Enrollment/Ex-parte, or Project 1805, will automate the ex-parte process by utilizing information received for other public assistance programs and interfaces to re-determine Medicaid eligibility. While this project is scheduled for August 2011 implementation, CMS requires an interim solution be implemented immediately, to pend clients that have responded timely to the re-determination so that they do not lose their benefits inappropriately.

*The Department requests that Eligibility sites use the following process.* Upon receipt of the re-determination information from the clients, eligibility workers will need to start the RRR within CBMS by clicking the “Start RRR” button within the View RRR Detail Listing window. This process will place the case into a pending status and will maintain eligibility for the client until the eligibility worker has completed the re-determination process and run EDBC.

The Department recognizes that this interim process could be more time consuming than re-determining Medicaid, therefore we strongly advise eligibility sites to focus efforts on completing the Medicaid re-determination and to pend the case only if necessary. We look forward to the August implementation that will reduce the need for this interim process.

*Finding 6, Periodic Re-determinations.*

CMS is concerned that inappropriate denials are occurring due to an alleged loss of paperwork and differing processes across the state. Auto-Re-Enrollment and automation of the Income and Eligibility Verification System (IEVS) are scheduled to be implemented in August 2011. CMS is requiring a description of specific processes, procedures, safeguards and supervisory-level oversight being used to re-determine Medicaid benefits. The Department must submit this information to CMS within 60 days of the final report (August 30, 2011). *Please complete the attached template and return to Mao Lee (mao.lee@state.co.us) by Tuesday, August 2, 2011.*

We understand the importance of collaboration and have been working closely with individuals from the county departments and MA sites. We will continue to use the standing Performance Improvement Plan (PIP) meetings as well as the Colorado Eligibility Business Process

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Improvement Collaborative (CEPIC) as vehicles to define and refine accurate and useful timely processing reports.

In collaboration with individual county representatives, we are developing a Corrective Action Plan (CAP) that is due to CMS July 31, 2011. We will be requesting your feedback at the July 27<sup>th</sup> Integrated Project Team (IPT), July 29<sup>th</sup> PIP and August 18<sup>th</sup> Self Sufficiency Directors meetings. We will continue to use these standing meetings to work closely with counties to refine the CAP, which is a living, breathing document.

We appreciate your dedication and partnership as we address these challenges. If you have questions or wish to be more involved, please contact Heather Hewitt at <mailto:heather.hewitt@state.co.us> or 303-866-4429.

Sincerely,



Susan E. Birch, MBA, BSN, RN  
Executive Director

SEB:at

Enclosures

Cc: Antoinette Taranto, Acting Client and Community Relations Office Director  
Heather Hewitt, Community Relations Manager