



**GOVERNOR'S OFFICE
OF INFORMATION TECHNOLOGY**

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FY 2011-12 Supplemental Request

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Department Priority: S-14
Improve and Modernize Colorado Benefits Management System (CBMS)

Summary of Incremental Funding Change for FY 2011-12	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Total Request*	\$23,225,332	\$13,682,336	\$470,405	\$9,072,591	22.0
Department of Human Services	\$10,939,741	\$7,553,949	\$451,176	\$2,934,616	11.0
Department of Health Care Policy and Financing	\$12,285,591	\$6,128,387	\$19,229	\$6,137,975	11.0

*\$21,230,022 will be Reappropriated Funds to the Governor's Office of Information Technology (OIT).

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Total Request**	\$7,215,648	\$4,154,082	\$147,151	\$2,914,415	27.0
Department of Human Services	\$3,148,094	\$2,124,813	\$141,136	\$882,145	11.0
Department of Health Care Policy and Financing	\$4,067,554	\$2,029,269	\$6,015	\$2,032,270	11.0

**\$5,593,933 and 5.0 FTE will be Reappropriated Funds to the Governor's Office of Information Technology (OIT).

Request Summary:

The Governor's Office of Information Technology (OIT), the Department of Health Care Policy and Financing (HCPF), and the Department of Human Services (DHS) jointly request an increase of \$23,225,332 total funds spending authority, including \$13,682,336 General Fund in FY 2011-12 to support changes to the Colorado Benefits Management System (CBMS) to improve and modernize CBMS. In addition, OIT and the Departments request \$7,215,648 total funds, including \$4,154,082 General Fund in FY 2013-14 to complete the projects. These funds will be primarily utilized through contracted services with the current vendor, Deloitte, or other vendors to upgrade and

modernize CBMS. In addition, the FY 2011-12 supplemental request includes roll forward authority via a Footnote for any remaining funding that has not been expended by June 30, 2012 and removal of the M head note. A budget request will be submitted during the normal budget process for the FY 2013-14 funding need.

In September 2004, the State of Colorado implemented the Colorado Benefits Management System (CBMS). Its purpose was to replace six aging legacy systems supporting various state-administered welfare programs with a single system using current technologies. CBMS was designed, and is currently used, to determine an

applicant's eligibility for public assistance and calculate benefits (e.g., the amount of food and cash assistance available to a client) for twelve program groups including Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Colorado Works. In addition, CBMS is utilized for client notification, administrative reporting and to support the State supervised county administered eligibility and benefits model.

By replacing the legacy systems, the expected goals of CBMS were to provide better service to clients and assurance that the state's welfare programs were being administered properly. Since implementation, the performance issues with CBMS have been well documented. Today, technological and resource limitations continue to plague the system and obstruct Colorado citizens from receiving benefits efficiently, effectively and timely. With state and county caseloads bulging from the economic downturn, the potential for more than an additional hundred thousand Coloradans becoming eligible for medical assistance through new programs taking effect in 2014, and the availability of enhanced federal funds - now is the time to make a significant investment to improve and modernize CBMS.

CBMS is managed by the Governor's Office of Information Technology (OIT) for the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS). In 2008, Deloitte Consulting (Deloitte) was selected to maintain the system. The governance of CBMS is managed through two groups who meet on a weekly or bi-weekly basis. The Integrated Project Team has two representatives (one of which is an Office Director or Division Director) from OIT, HCPF, DHS, Deloitte and two county representatives. This team works to analyze, schedule and manage the multiple of system changes to CBMS. The Governor's Office (which chairs the committee), the three Executive Directors of OIT, HCPF, DHS, along with two Executive Directors of the

County Departments of Human/Social Services serve on the Executive Steering Committee to provide strategic guidance for CBMS. These teams allow executive and senior level staff to be directly involved in the ongoing development and monitoring of CBMS.

The Governor's Office has worked to enhance the partnership with the counties by including county staff on the CBMS project teams (Integrated Project Team and Executive Steering Committee), and visiting almost every county, as well as Medical Assistance sites to discuss the problems and issues with CBMS. The issues discussed include training, workforce development, help desk ticket problems, "hour glass" issues, as well as lengthy discussions on how to best provide the counties with the tools necessary to provide the most efficient and effective services to their clients. This supplemental budget request was developed as a result of those site visits and discussions.

Over the previous three months, the Governor's Office, OIT, the two Departments, county representatives, and Deloitte have worked through a collaborative effort to develop an 18-Month Plan to stabilize, upgrade, modernize and increase the reliability of the system and operations. The plan rebuilds CBMS by utilizing advances in technology and proven methods for increasing the capacity and worker productivity to speed eligibility determinations and benefits delivery. The 18-Month Plan includes the following specific actions:

- Enhance the online application (PEAK) to allow real-time eligibility determinations to minimize workload at county and medical assistance sites.
- Convert hard coded eligibility and financial calculations into a modern rules engine, which improves system functionality and reduces time for future system changes.
- Redesign client notification to reduce the volume of paper notices received by clients and increase the accuracy of those notices.

- Add infrastructure and web based access to CBMS to reduce the demand on the current Citrix servers, which will increase system performance for the county user.
- Add infrastructure to allow more concurrent users to access CBMS as the current environment does not have sufficient capacity to support the existing number of users.
- Provide the ability to troubleshoot performance issues on an ongoing basis to eliminate system performance issues that cause a degradation of performance (slowness) across CBMS, transactions taking longer than usual, and potentially system freezes.
- Upgrade the current infrastructure (servers, monitoring tools) to increase disaster recovery capability to meet current and future demands.
- Design flexible workflow in CBMS that allows the county user to work in a more efficient manner while only displaying the necessary information available to complete a task, increasing the user's productivity.
- Move to a Cloud Computing model that will allow the State to consolidate CBMS server infrastructure and operations into a managed and on-demand environment.
- Build web services interfaces that will give CBMS more interoperability options with other systems and interfaces.
- Allow the current processing that occurs to determine benefits and produce reports to run without negatively impacting CBMS performance.
- Provide a user log-on routine that does not require users to go through multiple authentications to access CBMS which will reduce security risks.
- Allow county users to have dual monitors to increase work productivity.

- Implement changes for outstanding audit findings from federal regulators to eliminate federal sanctions.
- Expedite improvements to mitigate a potential lawsuit by three legal groups that represent clients who have been impacted by delays in eligibility determination.

It has become clear that certain changes are essential for existing systems and business processes in order to provide our citizens with efficient and effective services. In order to achieve this, OIT, HCPF and DHS, have categorized the project that directly support the following priorities, realizing our shared goal of offering streamlined, programmatically aligned services to the people of Colorado as follows:

- Any door is the right door to eliminate unnecessary work through efficient screening mechanisms;
- Provide workers with the tools to perform their jobs efficiently and effectively;
- Build infrastructure that supports the volume of customers, while respecting manageable workloads;
- Be responsible stewards of public funds by ensuring correct decisions on enrollment and eligibility at first contact; and
- Communicate clearly and consistently to both clients and workers.

Goal/Solution:

Simply stated, the goal of this effort is to deliver timely, accurate benefits to Colorado citizens. Improving and modernizing CBMS is an important step in improving Colorado citizens efficiently, effectively, and timely eligibility and benefit determinations; however, it is not the only step that must occur. In addition to system improvements and technology upgrades, advancements to business processes, changes to help desk activities, and improvements to worker training need to be implemented.

To implement system changes in a more efficient manner, OIT and Deloitte will convert the current software development life system (or the process of creating or altering information systems) from a Waterfall model to a modern Agile model. Currently, the business requirements for system changes are often changed by policy staff and stakeholders during development. Changing business requirements in the Waterfall model generates additional system changes or necessitates programming to stop until the new business requirements can be incorporated. By moving to the Agile model, new business requirements can be incorporated without stopping the system changes or programming.

If there is an issue with a CBMS defect, programming defect or a general problem with a client's case that the county user cannot resolve without assistance, the county user is required to submit a Help Desk Ticket. Historically there have been insufficient resources to resolve Help Desk Tickets that require a change to the system. There is a current backlog of over a hundred Help Desk Tickets that need to be resolved. A majority of these Help Desk Tickets require assistance by program and policy staff that have detailed knowledge of the impacted area. To resolve this backlog and provide a timely response to county users, several changes to processing Help Desk Tickets must be made. The specific changes are as follows:

- General Help Desk Technicians transitioned to the larger OIT Help Desk to allow more general resources to process Help Desk Tickets. The next step is to have Help Desk Tickets be directed to the program and policy experts in each Department to address the issue or generate system requirements to modify CBMS.
- The creation of online electronic forms, routing of the forms, metrics, and report creation. The electronic forms allow a county user with an issue to provide the right information necessary to analyze their issue.

In collaboration with county representatives, OIT, and the state Departments are requesting additional funding to develop, deliver, and maintain a comprehensive training system for county, state, and Medical Assistance site staff who are responsible for the eligibility determination of all programs within CBMS. Through the continued evaluation of Colorado Works and TANF program over the last 6 years of evaluation, CBMS and policy training were consistently outlined by both county staff and county leadership as the number one priority for the state to address.

This request will produce an efficient, non-duplicative, and responsive training array that promotes an integrated and holistic service delivery system and better access to timely benefits for consumers statewide. The training array will support new and ongoing workers in gaining core competencies as well as professional development in policy, program knowledge, ethics, communication, and customer service. Standardized training and modernized training tools will allow the almost 4,300 CBMS end-users statewide to deliver more efficient, effective, and timely services to the most vulnerable Coloradans.

As described in Attachment 1, the state Departments and OIT are confident that this bold plan to improve and modernize CBMS will help Coloradans receive proper benefits efficiently, timely, and accurately if funding is appropriated by the General Assembly. Due to the importance of this request, the Executive and senior management staff for OIT, HCPF, and DHS have been directly involved in developing this strategic vision and 18-Month Plan. Further, through the availability of enhanced federal funding for changes to state eligibility systems made available by Centers for Medicare and Medicaid Services (CMS), there is a unique opportunity to minimize the impact of General Fund expenditure on these changes which will benefit both medical and financial assistance programs.

It should be noted that the complete 18-Month Plan is included in Attachment 1 as the first two pages. The full 18-Month Plan includes other projects that already have an identified funding source. This plan contains over 90 projects and includes projects that will take beyond FY 2012-13 to complete. The funding sources for the project not included in this request include legislation from previous sessions and grant funding made available to HCPF through Health Resources and Services Administration (HRSA).

Financial Summary:

	FY 2011-12	FY 2013-14	Total
Any Door is the Right Door	\$246,060	\$0	\$246,060
Providing Workers the Right Tools	\$4,972,520	\$263,200	\$5,235,720
Managing Caseload Volume	\$7,952,387	\$3,851,342	\$11,803,729
Ensuring Correct Decisions are made on Eligibility	\$6,485,596	\$2,061,360	\$8,546,956
Increasing Effective Communication and Training	\$3,568,769	\$1,039,746	\$4,608,515
Total Request	\$23,225,332	\$7,215,648	\$30,440,980

Any Door is the Right Door to eliminate unnecessary work through efficient screening mechanisms

OIT, HCPF, and DHS jointly request \$246,060 total funds in FY 2011-12 to support changes to the Colorado Benefits Management System (CBMS) based on getting people to the right door and eliminate unnecessary work through efficient screening mechanisms. This will include projects

that will eliminate manual county work-arounds for caretaker and guardianship cases, improve PEAK (Program Eligibility & Application Kit) screening logic and reduce applicant confusion and county workload, as well as improve the efficiency of inter-county transfers of Colorado Works cases.

Providing Workers the Right Tools to deliver timely benefits and help workers perform their jobs efficiently and effectively

OIT, HCPF, and DHS jointly request \$4,972,520 total funds in FY 2011-12 to support changes to the Colorado Benefits Management System (CBMS) based on Providing Workers the Right Tools to perform their jobs efficiently and effectively. In FY 2013-14 the request contains \$263,200 total funds.

This project is targeted at improving worker productivity through the utilization of technology and is designed to complement the county process improvement initiatives. This includes providing dual monitors to all county based users in order to improve efficiency, creating a single sign-on capability, and redesigning an online help function.

Managing Caseload Volume by ensuring the infrastructure supports the customer and worker

OIT, HCPF, and DHS jointly request \$7,952,387 total funds in FY 2011-12 to support changes to the Colorado Benefits Management System (CBMS) based on building infrastructure that supports the customer while respecting manageable workloads. In FY 2013-14 the request contains \$3,851,342 total funds.

In addition, funding for contracted services, Business Analysts, Project Managers, and Subject Matter Experts are needed to support implementation of projects. The cost for the Subject Matter Experts is based on adding four business analysts, three project managers and four testers over an 18 month period. The staffing will be a combination of staff contractors and

increased contracting staff at Deloitte to serve as subject matter experts on behalf of the state. The cost estimate is based on the equivalent cost of hiring 11.0 FTE at the General Professional IV level for 18 months at a cost of \$1,567,218 total funds. This total cost includes \$363,732 starting in FY 2013-14 for continuous funding that will be dedicated to expanding the team of state OIT staff by 5.0 FTE to support CBMS in future years. The request allocates the funding for this portion of the request to OIT, HCPF, and DHS following the estimated results of the Random Moment Sampling methodology.

Help desk technology changes include the creation of electronic forms, routing of forms, metrics, and report creation. Electronic forms allow a user with an issue to provide the right information necessary to analyze their issue. This will result in issues being resolved quicker and improving the user experience with the system and reducing worker lost time. It will also improve the timeliness of getting benefits to clients when there is an issue with their case.

Historically, there have been insufficient resources to resolve help desk tickets that require a change to the system. There are currently 2,200 active financial program help desk tickets and 2,460 active Medical program help desk tickets. In addition, the current CBMS help desk process does not efficiently distinguish between technical problems that need to be addressed by OIT, Deloitte, or the Departments. This approach will fix this issue by creating a CBMS help desk managed by state policy areas for non-technical data fixes. The 8.0 FTE (4.0 FTE to each Department) will be responsible for resolving policy questions, data entry errors and system errors related to help desk tickets. They will also work through solutions with county users when the system result is different than what they expected and complete secured data exchanges that can only be resolved at the state level. Because these new FTE will be primarily working on policy and program operations questions, they will be located at and appropriated to the Departments so they can

retain current program knowledge from the current staff. The Departments are requesting 4.0 FTE for HCPF and 4.0 FTE for DHS.

Be responsible stewards of public funds by Ensuring Correct Decisions are made on Eligibility and enrollment at first contact

OIT, HCPF, and DHS jointly request \$6,485,596 total funds in FY 2011-12 to support changes to the Colorado Benefits Management System (CBMS) based on being responsible stewards of public funds by ensuring correct decisions are made on eligibility and enrollment at first contact. For FY 2013-14 the request includes \$2,061,360 total funds for this purpose.

This request includes additional pool hours for HCPF and DHS, funds annual eligibility requirements that result from annual changes to the federal poverty limit, funds requests for auditor data requests, corrects periods of ineligibility in the system, corrects lengths of certification periods for Food Assistance, distinguishes between SSI eligible and recipients of Colorado Works, as well as 14 other projects detailed in Attachment 1, pages 19-27, that will ensure correct eligibility and enrollment decisions are made on first client contact.

Increasing Effective Communication and Training to both clients and workers

OIT, HCPF, and DHS jointly request \$3,568,769 total funds in FY 2011-12 to support changes to the Colorado Benefits Management System (CBMS) based on increasing effective communication and training to both clients and workers. For FY 2013-14 the request contains \$1,039,746 total funds for this purpose.

The costs are to develop, deliver, and maintain a comprehensive training system for county, state, and medical assistance site staff who are responsible for the eligibility determination of all programs housed within CBMS.

The Departments are requesting 14.0 FTE (7.0 FTE to each Department). Thirteen of the FTE are requested at the General Professional IV level for trainers and one FTE at the General Professional V level as the training supervisor (located at HCPF). Each of the teams would have extensive knowledge of CBMS operations, PEAK (Program Eligibility and Application Kit) operations (the client web portal into CBMS), and program policies. The teams would be responsible for the development and updates to the training curriculum. Individual trainers would be subject matter experts in the particular programs for each Department. The team members would also be responsible for training CBMS and PEAK workflows and functionality, program policies, procedures, rules and regulations, background on the Departments' organization, stakeholders, and program populations to new eligibility sites and new workers at all eligibility sites. This training would ensure that every eligibility site is thoroughly trained to ensure proper eligibility for the citizens of Colorado. To cover the entire state, the FTE would travel to the various sites, and travel expenses would be provided accordingly.

Roll Forward and M Headnote Request

Due to the heavy workload of numerous computer programming changes projects that OIT and Deloitte must perform in FY 2011-12 and because of the projects have overlapping deadline requirements it will be necessary to carry over the requested funding into FY 2012-13. Therefore, the Department requests Roll Forward authority for any remaining funding from this request that has not been fully used by June 30, 2012. The request is for a footnote be placed in the Supplemental Bill to allow the unexpended funds be rolled forward.

Because the HCPF will be seeking enhanced federal funding from CMS for several of the CBMS project, HCPF requests that an M head note not be included when appropriating the General Fund. This will allow additional

flexibility to complete the projects and the ability to complete additional projects if the enhanced federal funding is received.

Enhanced Federal Funding Request

To assist with these changes, the Centers for Medicare and Medicaid Services (CMS) have provided an opportunity for states to build or upgrade their eligibility systems utilizing enhanced federal funding. In April 2011, CMS announced the availability of enhanced federal funding for new or upgraded Medicaid eligibility systems with CMS providing 90% of the development cost, often referred to 90/10 federal funding. This enhanced federal funding is available through December 2015.

HCPF has taken the initial step to receive the enhanced federal funding to upgrade and modernize CBMS. On December 30, 2011, HCPF received approval of a Planning Advanced Planning Document (APD) which authorizes the Department to receive enhanced federal funding to develop an implementation plan to receive enhanced federal funding related to the system change provided in the 18-Month Plan. If funding is approved by the General Assembly, HCPF will integrate the components that are eligible for enhanced federal funding into a comprehensive and detail Implementation APD for CMS to review. Through this plan, CMS will allocate enhanced federal funding to HCPF. Since federal approval is not expected to be received until June 2012, funding from the General Assembly has been requested as the standard federal match rates. Through the normal budget process, the appropriation will be adjusted to account to the additional federal funds which will reduce the General Fund expenditure. Additional information on the availability of enhanced federal funding is in Attachment 2.

Anticipated Outcomes:

CBMS Performance Improvement

CBMS would be able to make significant improvements that allow for with minimal delays, allow client to receive real-time eligibility determinations for Medical Assistance through PEAK (Program Eligibility and Application Kit), allow clients to receive timely and accurate notices, allow county users to process applications timely, and reduce audit findings.

Help Desk Improvements

This will result in issues being resolved quicker, improve the user experience with CBMS and reduce worker misplaced time processing and researching errors. It will also improve the timeliness of getting benefits to clients when there is an issue with their case.

Training Improvements

The training would have sufficient staff to cover all counties and assistance sites, not just the metropolitan areas. The training would be consistent for all locations. Implementation of new processes would occur smoothly due to adequate training. Counties and assistance sites would have access to training staff as a focal point for their questions on policies and procedures. Training materials could also be used as references for future questions. Improved training would lower the risk for lawsuits for inconsistent and malfunctioning procedures that do not meet required regulations.

Assumptions for Calculations:

See Attachment 1, page 5.

- The Departments assume Business Analysts, Project Managers, and Subject Matter Experts would be allocated evenly across the three agencies.
- The agencies assume that the FTE salary range would be the standard salaries for General Professional IV.
- The Departments assume that the standard level of operating expenses used when calculating fiscal note impacts, would be provided for the FTE.

- The Departments assume the costs associated with the FTE would be allocated according to Random Moment Sampling methodology currently used for CBMS expenditures.

Each project on Attachment 1 was evaluated and priced individually based on the information provided to Deloitte. Several of these estimates are based on high-level assumptions and were created similarly to how fiscal notes are priced during the legislative session. As with all projects, final pricing is not provided until the business requirements are clearly defined by OIT and the State Departments through a High Level Business Requirements document. Then Deloitte will provide an Order of Magnitude to estimate the cost. Once a cost is defined and agreed to by OIT and Deloitte a contract amendment is drafted to cover the scope of work. This process can take several weeks of work for each project.

Many of the projects already have an Order of Magnitude (approximately 40%), or vendor quotes, ready to be included in contract amendments once funding becomes available. For those projects without an Order of Magnitude estimates were based on the descriptions provided by OIT and the Departments as requirements were not available when developing the work plan. For this request, OIT and Deloitte used its knowledge of previous similar efforts on CBMS and/or similar Deloitte projects for other Public Sector clients to determine the effort required to implement these projects. Where assumptions had to be made, OIT and Deloitte took a conservative approach and defaulted to the option that required the greatest effort to assure that the final Order of Magnitude would be lower. The rate used to calculate the cost estimates were the rates in the current CBMS contract (\$108/hour in FY 2011-12 and \$112/hour for FY 2012-13).

As this plan is updated and final costs are known it is expected that OIT, HCPF, and DHS will submit a revised plan through the normal budget process next session.

- The Departments assume that the Training FTE would reside in the two Departments with 7.0 FTE at HCPF and 7.0 FTE at DHS for a total of 14.0 FTE.
- The Departments assume that the FTE salary range would be the standard salaries for General Professional IV and General Professional V levels (located at HCPF).
- The Departments assume that the standard level of operating expenses used when calculating fiscal note impacts, would be provided for the FTE.
- The Departments assume that travel expenses would be provided in order for the trainers to cover all locations in Colorado.
- The Departments assume the costs associated with the FTE would be allocated according to Random Moment Sampling methodology currently used for CBMS expenditures.
- The Departments assume that 4.0 FTE would be assigned to HCPF and 4.0 FTE would be assigned to DHS.
- As mentioned earlier related to Training FTEs, the Departments assume that standard operating expenses, as calculated for fiscal note impacts, would be associated with Help Desk FTEs.
- The Departments assume that Random Moment Sampling methodology would apply for allocation of costs.
- The Departments assume that Help Desk FTE expenditures would apply to both HCPF and DHS but not to OIT.

Consequences if not Funded:

CBMS Performance Improvement

The current situation would continue with delayed implementation of expanded capacity for users and slow computer programming changes by using only funding available from normal operating funding and limited funding available from special bills passed by the General Assembly. Furthermore, the Departments will continue to be out of compliance with Federal regulations and guidelines, thereby putting

federal financial participation in many of the programs at risk, as well as future potential lawsuits.

Help Desk Improvements

The backlog of Help Desk Tickets would remain and continue to grow. Client and user issues will not be resolved timely and an increase in worker lost time will occur. The timeliness of getting benefits to clients when there is a problem with their case will increase, which will generate additional audit findings and potential lawsuits.

Training FTE and Operations Support

The current situation would continue with no formal training program and no staff to provide training. Inconsistencies in application of policies and procedures would continue and require frequent overrides by manual processing fixes. Processing of applications for clients could lag due to inefficient use of the system. Lawsuits would be more likely to continue.

The current lack of a formal system for training rarely takes the diverse job structure and functions of the county workers into consideration. The non-linear structure, lack of consistent training standards and protocols, and lack of a competency-based credentialing system has consistently been, in addition to the unprecedented caseload growth, the core reason for:

- Continued findings in State Audits;
- State sanctions for failure to comply with federal rules and regulations;
- Potential lawsuits;
- Increase in County Administration spending authority;
- Potential sanctions for failure to comply with federal performance measures;
- Lack of continuity in business processes;
- Frustration and morale issues at the counties;

- Continued county and state staff turnover;
- Lack of critical state/county communication;
- Lack of communication regarding promising practices; and
- Lack of input by the county users in the development of changes in policy/system direction.

over \$1 billion over the past ten years to modernize, but not fully replace, its system.

Impact to Other State Government Agency:

OIT, HCPF and DHS are impacted by this request.

Cash Fund Projections:

Training Staff Funding

The Old Age Pension Fund, managed by DHS and the Children’s Basic Health Plan Trust Fund, managed by HCPF, would provide part of the funding for this request, as calculated by the RMS calculator. The Old Age Pension Fund, created in Article XXIV of the State Constitution, does not have a specific balance but is managed by the State Controller to have the amount needed for programs for eligible Old Age Pension clients. Both HCPF and DHS use Old Age Pension funding for CBMS.

The training consultancy must provide a continuum of continual education and training opportunities that support a skilled Colorado workforce in the human services arena that can quickly respond to changes in best practices, business process and policy changes. Without continued support to this growing workforce, we cannot ensure that Colorado’s most vulnerable families’ needs are addressed in the most easeful and efficient manner, with standardized processes and best practices.

To rebuild or “start over” with a new system would take two to four years to implement, and cost over \$100 million, as seen with the following examples from other states:

The Children’s Basic Health Plan Trust projection is below.

- Kansas recently signed a contract with Accenture for \$135 million for a new eligibility system which will include Medicaid and other assistance programs.
- Oklahoma’s seven year contract with HP for \$281 million is only for Medicaid eligibility and health care reform: it does not include other assistance programs but they have received approval for 90% enhanced federal funding. [Note, enhance federal funding is available for Medicaid-only program changes.]
- North Carolina’s contract with CSC is expected to exceed initial projections of \$320.3 million; their system will include other public assistance programs.
- The state of Washington invested \$161 million to replace its 25 year old legacy mainframe and New York has paid out

Cash Fund Name	Children's Basic Health Plan Trust Fund
Cash Fund Number	11G
FY 2010-11 Expenditures	\$43,062,875
FY 2010-11 End of Year Cash Balance	\$7,745,026
FY 2011-12 End of Year Cash Balance Estimate	\$9,332,096
FY 2012-13 End of Year Cash Balance Estimate	\$8,036,989
FY 2013-14 End of Year Cash Balance Estimate	\$6,924,385

Relation to Performance Measures:

This request relates to strategic goals by HCPF of increasing the number of insured Coloradans that leads to increased access to health care. The strategic goals tie with performance measures to meet timely processing requirements for 95% of all new applications for medical assistance and to meet timely processing requirements for 95% of all redeterminations for medical assistance. Similar measures of meeting timely processing requirements for financial assistance programs managed by DHS would also apply.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

This request meets supplemental criteria of new data because the extent of the needs for CBMS improvements just recently was determined.

Current Statutory Authority or Needed Statutory Change:

CBMS statutory authority is under 25.5-4-106 (3), C.R.S. (2010 and 25.5-4-204 (1), C.R.S. (2010). No changes to statutes are needed.