

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 17-0161.01 Brita Darling x2241

HOUSE BILL 17-1143

HOUSE SPONSORSHIP

Landgraf,

SENATE SPONSORSHIP

Crowder,

House Committees

Public Health Care & Human Services

Senate Committees

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://leg.colorado.gov/>.)

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
February 21, 2017

HOUSE
Amended 2nd Reading
February 17, 2017

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.

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 correspondence -**
5 **definition.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
6 OTHERWISE REQUIRES, "CLIENT CORRESPONDENCE" MEANS ANY
7 COMMUNICATION, THE PURPOSE OF WHICH IS TO PROVIDE NOTICE OF AN
8 APPROVAL, DENIAL, TERMINATION, OR CHANGE TO AN INDIVIDUAL'S
9 MEDICAID ELIGIBILITY; TO PROVIDE NOTICE OF THE APPROVAL, DENIAL,
10 REDUCTION, SUSPENSION, OR TERMINATION OF A MEDICAID BENEFIT; OR TO
11 REQUEST ADDITIONAL INFORMATION THAT IS RELEVANT TO AN
12 INDIVIDUAL'S MEDICAID ELIGIBILITY OR BENEFITS.

13 (2) DURING THE 2020 CALENDAR YEAR AND THE 2023 CALENDAR
14 YEAR, THE OFFICE OF THE STATE AUDITOR SHALL CONDUCT OR CAUSE TO
15 BE CONDUCTED A PERFORMANCE AUDIT OF CLIENT CORRESPONDENCE.
16 THEREAFTER, THE STATE AUDITOR, IN THE EXERCISE OF HIS OR HER
17 DISCRETION, MAY CONDUCT OR CAUSE TO BE CONDUCTED ADDITIONAL
18 PERFORMANCE AUDITS OF CLIENT CORRESPONDENCE PURSUANT TO THIS
19 SECTION. THE AUDIT SHALL INCLUDE CORRESPONDENCE GENERATED

1 THROUGH THE COLORADO BENEFITS MANAGEMENT SYSTEM, AS WELL AS
2 CORRESPONDENCE THAT IS NOT GENERATED THROUGH THE COLORADO
3 BENEFITS MANAGEMENT SYSTEM.

4 (3) THE PERFORMANCE AUDIT CONDUCTED PURSUANT TO THIS
5 SECTION SHALL INCLUDE:

6 (a) A REVIEW OF AVAILABLE DATA FROM COUNTIES, THE
7 DEPARTMENT'S CUSTOMER SERVICE CONTRACT CENTER, AND FROM
8 ASSISTORS WITHIN THE HEALTH BENEFIT EXCHANGE, CREATED IN ARTICLE
9 22 OF TITLE 10, REGARDING CUSTOMER SERVICE CONTACTS THAT ARE
10 RELATED TO CLIENT CONFUSION REGARDING CORRESPONDENCE RECEIVED
11 BY MEDICAID CLIENTS OR APPLICANTS;

12 (b) A REVIEW OF THE ACCURACY OF CLIENT CORRESPONDENCE AT
13 THE TIME IT IS GENERATED;

14 (c) A REVIEW OF WHETHER CLIENT CORRESPONDENCE SATISFIES
15 THE REQUIREMENTS OF ANY STATE OR FEDERAL LAW, RULE, OR
16 REGULATION RELATING TO THE SUFFICIENCY OF ANY NOTICE;

17 (d) A REVIEW OF ANY CLIENT CORRESPONDENCE TESTING PROCESS
18 CONDUCTED BY THE DEPARTMENT AND WHETHER TESTING IS DONE PRIOR
19 TO IMPLEMENTING NEW OR SIGNIFICANTLY REVISED CLIENT
20 COMMUNICATIONS;


21 (e) A REVIEW OF THE RESULTS OF ANY CLIENT CORRESPONDENCE
22 TESTING, INCLUDING CLIENT COMPREHENSION OF THE INTENDED PURPOSE
23 OR PURPOSES OF THE CORRESPONDENCE; AND

24 (f) A REVIEW OF THE ACCURACY OF CLIENT INCOME AND
25 HOUSEHOLD COMPOSITION INFORMATION THAT IS COMMUNICATED
26 ELECTRONICALLY, IF APPLICABLE.

27 (4) IF AUDIT FINDINGS INCLUDE FINDINGS THAT INFORMATION

1 CONTAINED IN CLIENT CORRESPONDENCE IS INACCURATE AT THE TIME THE
2 CORRESPONDENCE WAS GENERATED, THE AUDIT SHALL IDENTIFY, IF
3 POSSIBLE, THE SOURCE OF THE INACCURATE INFORMATION, WHICH MAY
4 INCLUDE BUT IS NOT LIMITED TO COMPUTER SYSTEM OR INTERFACE ISSUES,
5 COUNTY INPUT ERROR, OR APPLICANT ERROR.

6 (5) BASED ON THE FINDINGS AND CONCLUSIONS IDENTIFIED
7 DURING THE PERFORMANCE AUDIT CONDUCTED PURSUANT TO THIS
8 SECTION, THE OFFICE OF THE STATE AUDITOR SHALL MAKE
9 RECOMMENDATIONS TO THE STATE DEPARTMENT FOR IMPROVING CLIENT
10 CORRESPONDENCE. ON OR BEFORE DECEMBER 30, 2020, DECEMBER 30,
11 2023, AND DECEMBER 30 IN ANY CALENDAR YEAR IN WHICH AN AUDIT IS
12 CONDUCTED PURSUANT TO THIS SECTION, THE OFFICE OF THE STATE
13 AUDITOR SHALL SUBMIT THE FINDINGS, CONCLUSIONS, AND
14 RECOMMENDATIONS FROM THE PERFORMANCE AUDIT IN THE FORM OF A
15 WRITTEN REPORT TO THE LEGISLATIVE AUDIT COMMITTEE, WHICH SHALL
16 HOLD A PUBLIC HEARING FOR THE PURPOSES OF A REVIEW OF THE REPORT.
17 THE REPORT SHALL ALSO BE SUBMITTED TO THE JOINT BUDGET
18 COMMITTEE, THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE
19 OF THE HOUSE OF REPRESENTATIVES, THE HEALTH AND HUMAN SERVICES
20 COMMITTEE OF THE SENATE, AND THE JOINT TECHNOLOGY COMMITTEE, OR
21 ANY SUCCESSOR COMMITTEES.

22 
23 **SECTION 2. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2018 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.

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