



REPORT OF

THE

STATE AUDITOR

**Inmate Benefits Application Assistance
Department of Corrections**

**PERFORMANCE AUDIT
January 2007**

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This report contains the results of a performance audit of the Department of Corrections, Inmate Benefits Application Assistance process. The audit was conducted pursuant to Section 17-1-113.5 (5), C.R.S., which requires the State Auditor to audit the functions of the Departments of Corrections, Health Care Policy and Financing, and Human Services in assisting and expediting the inmate application process for receipt of medical assistance or supplemental security income prior to release and in providing education concerning supplemental security income processes. The report presents our findings, conclusions, and recommendations, and the responses of the Departments of Corrections, Health Care Policy and Financing, and Human Services.

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**Inmate Benefits Application Assistance
Performance Audit
January 2007**

Authority, Purpose, and Scope

This performance audit was conducted under the authority of Section 17-1-113.5, C.R.S., which requires the Office of the State Auditor to audit the functions of the Departments of Corrections and Health Care Policy and Financing in assisting and expediting the application process of an inmate for receipt of medical assistance or supplemental security income prior to release and the function of the Department of Human Services in providing education concerning supplemental security income systems and processes. The audit work was conducted between August and October 2006 in accordance with generally accepted government auditing standards. As part of our audit we evaluated the adequacy of the Departments' implementation of the statutory requirements, conducted site visits to five correctional facilities, reviewed inmate files, evaluated national research, and interviewed staff from the Departments of Corrections, Health Care Policy and Financing, and Human Services, as well as from the federal Social Security Administration and county departments of social services. We gratefully acknowledge the assistance and cooperation extended by staff from all of these agencies.

Overview

Supplemental Security Income (SSI) and Medicaid programs provide benefits to people with disabilities or who otherwise meet certain age, income, or medical criteria. Federal law does not allow individuals who are in the custody of public institutions, including correctional facilities, to receive SSI or Medicaid. In November 2006 the Colorado Department of Corrections housed approximately 18,800 inmates in state-run and private prisons, and up to one-fourth of these inmates had moderate to severe medical and/or mental health conditions. Some of these individuals were eligible for SSI and/or Medicaid prior to incarceration; some may be eligible when released.

For further information on this report, contact the Office of the State Auditor at 303.869.2800.

In 2002 the General Assembly passed House Bill 02-1295 requiring the Department of Corrections to assist soon-to-be-released inmates in applying for SSI and/or Medicaid. According to Section 17-1-113.5, C.R.S., effective January 1, 2003, correctional facility personnel are to provide application assistance to any inmate in a correctional facility who was receiving SSI and/or Medicaid immediately prior to entering the correctional facility or who is reasonably expected to meet eligibility criteria upon release. The statute requires correctional facility personnel to provide application assistance at least 90 days prior to an inmate's release or sooner if possible. In addition, according to the statute, the Department of Health Care Policy and Financing (HCPF), which oversees Colorado's Medicaid program, should expedite benefits application processing for inmates, promulgate rules simplifying the processing of inmate applications, and provide training to staff at each correctional facility on Medicaid eligibility requirements. Finally, the statute requires the Department of Human Services (DHS), which assists the federal Social Security Administration (SSA) with processing Colorado's SSI applications, to provide staff at each correctional facility with information and education regarding SSI systems and processes.

Summary of Audit Comments

Our audit reviewed the Department of Corrections' implementation of the benefits application assistance process to determine whether the Department has effective practices for identifying and assisting inmates who would likely qualify for medical assistance and other benefits. Overall, we found that the Department of Corrections did not fully implement an effective application assistance process and that the Department lacks complete and reliable information on those inmates who received application assistance. We also found that sufficient data to determine whether the application assistance process is effective do not exist. However, providing assistance in applying for SSI and/or Medicaid benefits is congruent with the Department's current responsibilities for inmate transition planning, and state and national data show that providing medical assistance to physically disabled and mentally ill inmates upon release could increase the likelihood that an inmate's transition back into the community will be successful. We identified improvements related to the identification of potentially eligible inmates, the processing of applications, data collection and analysis, and staff training to address the following problems:

- **The Department could not demonstrate that it has identified all of the inmates who previously received benefits or who may be eligible for benefits in the future, as required by the statute.** We found that the Department lacks an effective mechanism for identifying inmates who received SSI and/or Medicaid benefits prior to entering the correctional facility as well as a comprehensive system and standards for identifying inmates who may meet benefits eligibility criteria upon release. For example, the Department does not require staff to assist developmentally disabled inmates with applying for SSI and/or Medicaid, although these individuals may qualify for benefits. As a result, potentially eligible inmates who should be offered application assistance may not be identified by Department staff.

- **Correctional staff do not provide a consistent level of application assistance to potentially eligible inmates.** We found inconsistent assistance practices, with some correctional facility staff working directly with inmates to complete applications while other staff expect the inmates to complete the applications independently. Department documentation indicates that some potentially eligible inmates have been assessed with serious disabilities or mental illnesses that make it unlikely these inmates could correctly complete SSI and/or Medicaid applications without assistance. In addition, some inmates' SSI and/or Medicaid applications are denied or returned because the correctional staff submit incomplete applications or send the applications to the wrong location.
- **The Department of Corrections lacks reliable and complete data regarding benefit application assistance.** We found a lack of consistent documentation regarding the assistance provided to potentially eligible inmates. For example, we contacted 22 correctional facilities and found that only 1 facility could provide documentation showing the assistance provided to potentially eligible inmates since 2003. Without complete and comprehensive information on the application assistance provided to inmates, the Department lacks critical data needed to monitor and evaluate the application assistance process. As a result, the Department cannot ensure that all potentially eligible inmates receive assistance or that staff efforts to provide assistance are not duplicative.
- **Department of Corrections staff have not received consistent training on SSI and/or Medicaid eligibility requirements and processes.** Although both the Departments of Health Care Policy and Financing and Human Services provided some training to correctional staff, the training has been inconsistent. Federal and state laws and regulations governing SSI and Medicaid benefits eligibility are complex and ever-changing. Therefore, periodic training and interagency communication are essential if the Department of Corrections is to ensure that its staff are sufficiently knowledgeable to assist inmates.

A summary of the recommendations and responses can be found in the Recommendation Locator on page 5. The complete audit findings and recommendations and the responses of the Departments of Corrections, Health Care Policy and Financing, and Human Services can be found in the body of the audit report.

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RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Addressed	Agency Response	Implementation Date
1	20	Improve processes for identifying inmates potentially eligible for Supplemental Security Income (SSI) and/or Medicaid benefits by (a) working with agencies to identify current inmates who received benefits prior to incarceration and documenting this information, (b) providing staff training on how to determine whether an inmate received a prior benefit, (c) working with agencies to identify the types of developmental disabilities that may qualify inmates for benefits and implementing processes to identify and assist these inmates with benefits applications, and (d) establishing standards to ensure staff generate a disability eligibility report showing all potentially eligible inmates whether they will be released in 1 or 130 days.	Department of Corrections	Agree	a. Ongoing b. April 2007 c. April 2007 d. April 2007
			Department of Health Care Policy and Financing	Agree	a. Ongoing
				Department of Human Services	Agree
2	25	Improve the quality of inmate SSI and Medicaid benefits application assistance by (a) requiring staff to help inmates complete application forms and implementing a checklist for ensuring applications are complete before they are submitted, (b) ensuring staff submit Medicaid applications to the correct county, (c) ensuring case manager supervisors monitor the assistance provided by case managers, (d) working with the Social Security Administration to create a Memorandum of Understanding establishing consistent and appropriate application acceptance and processing time frames, and (e) working with relevant agencies to best determine how eligible inmates should obtain required documentation to access their benefits.	Department of Corrections	Agree	a. May 2007 b. April 2007 c. April 2007 d. March 2007 e. May 2007
				Department of Health Care Policy and Financing	Agree
3	27	Work with the county departments of social services to establish procedures for accepting and processing Medicaid-only applications from inmates and detail the procedures in an Agency Letter.	Department of Health Care Policy and Financing	Agree	February 2007

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Addressed	Agency Response	Implementation Date
4	29	Improve data collection for the benefits application assistance provided to inmates applying for SSI and/or Medicaid by (a) developing standards for the type of information to be documented, including information on staff who provided assistance, type of assistance provided, dates of assistance, and agency contacts; (b) requiring supervisory review to ensure staff comply with documentation standards; (c) ensuring clinical staff document any application assistance they provide and make such documentation available to case managers; and (d) obtaining and analyzing data on the outcomes of the application assistance process to determine if improvements can be made to the process and modifying the process accordingly.	Department of Corrections	Agree	a. May 2007 b. May 2007 c. May 2007 d. July 2007
			Department of Health Care Policy and Financing	Agree	d. Ongoing
5	32	Ensure correctional staff maintain current knowledge of SSI and Medicaid application requirements by (a) arranging for staff to receive regularly updated SSI and Medicaid training, (b) designating Department of Corrections staff responsible for providing internal training and maintaining knowledge of benefits application requirements, and (c) developing and implementing a comprehensive training plan.	Department of Corrections	Agree	a. Ongoing b. Implemented c. April 2007
			Department of Health Care Policy and Financing	Agree	a. Ongoing
			Department of Human Services	Agree	a. Ongoing

Inmate Benefits Application Assistance

Overview

Background

In Fiscal Year 2006 the Colorado Department of Corrections (the Department) housed approximately 18,800 inmates in state-run and private prisons, not including inmates in community corrections or under parole supervision. According to data provided by the Department, in November 2006 up to 5,200 inmates had moderate to severe medical and/or mental health conditions. Some of these individuals were eligible for federal and state medical assistance and disability benefits prior to being incarcerated in a correctional facility. Others may be eligible when released from incarceration.

Supplemental Security Income (SSI), a federally funded program, and Medicaid, a federally and state-funded program, provide benefits to people with disabilities or who otherwise meet certain age, income, or medical criteria. However, according to Title 20 of the United States Code of Federal Regulations, individuals who are in the custody of public institutions are not eligible for SSI. This restriction applies to incarcerated inmates. Federal law also prohibits incarcerated individuals from receiving Medicaid. Upon release from incarceration to parole, the community, or into community corrections, former inmates who meet the criteria for eligibility may receive SSI and/or Medicaid benefits.

During the 2002 Legislative Session, the General Assembly passed House Bill 02-1295 requiring the Department of Corrections to assist soon-to-be-released inmates in applying for SSI and/or Medicaid. According to Section 17-1-113.5, C.R.S., effective January 1, 2003, correctional facility personnel are to provide assistance in applying for SSI or medical benefits to any person sentenced to a term of imprisonment in a correctional facility who was:

- Receiving medical assistance immediately prior to entering the correctional facility or who is reasonably expected to meet eligibility criteria upon release.
- Receiving supplemental security income benefits under the federal Social Security Act immediately prior to entering the correctional facility, or who is reasonably expected to meet eligibility criteria upon release.

According to the statute, assistance from correctional facility personnel is to occur at least 90 days prior to an inmate's release from a correctional facility or sooner if possible. In addition to the requirements directed to the Department of Corrections, the statute requires the following of the Departments of Health Care Policy and Financing (HCPF) and Human Services (DHS):

- **Health Care Policy and Financing** oversees Colorado's Medicaid program and is charged with expediting benefits application processing for inmates, promulgating rules simplifying the processing of inmate applications, and providing training to staff at each correctional facility on Medicaid eligibility requirements.
- **Human Services** assists the federal Social Security Administration (SSA) with processing Colorado's SSI applications and is statutorily charged with providing staff at each correctional facility with information and education regarding SSI systems and processes.

Finally, the statute is repealed effective July 1, 2007. Prior to repeal, the State Auditor is required to audit the functions of the three Departments in "assisting and expediting the application process for receipt of medical assistance or supplemental security income prior to release and in providing education concerning supplemental security income processes." [Section 17-1-113.5 (5), C.R.S.]

Supplemental Security Income

Supplemental Security Income is a federal program administered by the Social Security Administration that provides cash assistance to eligible individuals to meet basic food, clothing, and shelter needs. Individuals must meet certain income requirements and be disabled, blind, or age 65 or older to receive SSI. Federal law defines disability as:

. . . the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. To meet this definition an applicant must have a severe impairment(s) that makes the individual unable to do his or her past relevant work or any other substantial gainful work that exists in the national economy.

The federally set 2006 monthly cash benefit for an individual receiving SSI was \$603. As of September 2006, there were approximately 56,200 SSI recipients in Colorado (about 47,500 blind/disabled and 8,700 elderly). No state agency has data on the number of SSI recipients who were formerly inmates.

Medicaid

Medicaid is a federal-state medical assistance program that pays for health care, including payments to doctors and hospitals, for qualifying individuals. In Fiscal Year 2006 about 399,700 Coloradans received Medicaid. Similar to SSI, no state agency has data on the number of Medicaid recipients who were formerly incarcerated. All applicants for Medicaid must meet income and resource requirements, and in some cases disability or age requirements, to qualify for benefits. The disability and income requirements for Medicaid differ from those for SSI. Colorado has an agreement with the federal government that allows individuals who meet SSI eligibility requirements to automatically qualify for Medicaid. Most inmates with moderate to severe medical and/or mental health conditions typically apply for SSI. However, some inmates may apply for Medicaid only. Therefore, some individuals who are not eligible for SSI may be eligible for Medicaid. The Medicaid program serves five general categories of individuals, including (1) people who are elderly, (2) people with disabilities, (3) families with dependent children, (4) pregnant mothers and their young children, and (5) children in foster care. Inmates who may be eligible for Medicaid are low income and are typically elderly, have a qualifying disability, or in limited cases are pregnant mothers.

Administration

As noted, three state departments—Corrections, Health Care Policy and Financing, and Human Services—have statutory responsibility for some aspect of inmate benefits application assistance. In addition, the federal Social Security Administration oversees the SSI application process, and Colorado county departments of social services make Medicaid eligibility determinations. A brief description of these entities and their respective responsibilities for inmate application assistance follows.

Department of Corrections

The Department of Corrections is responsible for managing, supervising, and controlling about 14,100 inmates housed in 22 state-run facilities and 4,700 inmates housed in 6 private facilities. Both state-run and private prisons must comply with Colorado Revised Statutes, Department administrative regulations, applicable court orders, and American Correctional Association standards. Thus, both state-run and private correctional facilities are subject to the statutory requirements for providing inmates with assistance in applying for SSI and/or Medicaid.

Upon an inmate's initial entry into the correctional system and transfer to different correctional facilities, the Department assesses the inmate's medical and mental health needs. The assessments serve as the basis for establishing each inmate's level of need. According to Department records, in November 2006 correctional facilities housed up to 5,200 inmates whose needs assessments indicated they had medical or mental health conditions that could potentially qualify them for SSI and/or Medicaid.

Statute requires the correctional facilities to provide application assistance at least 90 days prior to release. The Department has determined that assistance should begin 130 days prior to release to allow sufficient time to obtain necessary information and complete the application. Inmates identified through the screening process as potentially eligible for benefits should receive assistance from staff in completing their SSI and/or Medicaid applications.

Budget and Staffing

The Department of Corrections has a Fiscal Year 2007 budget of about \$646 million with about 6,100 full-time equivalent (FTE) employees. The Department does not receive a separate appropriation and does not budget funds specifically to assist potentially eligible inmates in completing applications for SSI and Medicaid. Rather, a variety of Department staff are responsible for assisting inmates with these applications as part of their regular duties. Staff who play a role in the benefits application assistance process include case managers, clinicians, community reentry and parole staff, and administrative personnel as described below:

- **Case managers.** As part of the case management section's inmate pre-release planning and preparation function, case managers are the primary staff responsible for helping inmates complete benefit applications. The Department estimates that, systemwide, about 190 of its 240 case managers handle cases involving inmates eligible for application assistance. The remaining 50 case managers work at facilities that do not house inmates potentially eligible for SSI and/or Medicaid. Case managers also work with clinical services staff to identify inmates who are potentially eligible for SSI and/or Medicaid and forward applications to the appropriate benefits agencies.
- **Clinical staff.** The Department estimates that about 120 of its clinical staff (e.g., physicians and nurses) conduct medical and psychiatric screenings to identify inmates who might qualify for SSI and/or Medicaid. Department regulations require clinical staff to notify case managers when inmates require application assistance. Additionally, clinical staff copy and seal inmate medical records and documents required for the benefits applications. In some facilities, such as San Carlos Correctional Facility, clinical staff,

rather than case managers, provide inmates with direct assistance in completing applications. San Carlos Correctional Facility is one of the Department's special-needs facilities and houses about 250 inmates who are mentally ill and/or developmentally disabled. Clinical staff at San Carlos are responsible for providing treatment to and preparing inmates for reintegration into the general population or the community, including providing benefits application assistance.

- **Community reentry and parole staff.** The Department employs about 12 community reentry staff who work with case managers and parole officers to develop and implement transition plans to help offenders reintegrate into the community. Approximately 110 parole staff supervise offenders who are completing their sentences in the community. According to the Department, in Fiscal Year 2006 approximately 750 inmates transitioned into the community each month. From time to time, community reentry and parole staff may assist paroled offenders in determining the status of pending benefits applications or directing offenders to SSI and Medicaid offices for specialized assistance.
- **Administrative staff.** Two staff located within the Department's central office in Colorado Springs are responsible for direct oversight of the benefits application assistance process, among other assigned management duties. These two administrators facilitate communication with SSI and Medicaid staff, coordinate training for correctional staff, and provide other guidance on the application process, as needed.

Department of Human Services

Although SSI applications initially go to the federal Social Security Administration, the Department of Human Services (DHS) receives a federal grant to assist the SSA in processing these applications. In particular, DHS staff make the initial disability determinations for all Colorado SSI applicants, including inmates. For those applicants meeting the SSI disability criteria, DHS staff forward the applications to the SSA for the final eligibility determination. Statute (Section 17-1-113.5, C.R.S.) requires DHS to provide information and education regarding SSI systems and processes to staff at each correctional facility. DHS offers this training in coordination with the SSA. DHS staff teach the disability eligibility section of the training, while SSA staff teach the application processing portion. The Department of Human Services does not receive funding specifically for processing SSI applications received from inmates.

Department of Health Care Policy and Financing

The Department of Health Care Policy and Financing (HCPF) administers the State's Medicaid program including interpreting federal and state Medicaid laws and regulations and monitoring the eligibility process to ensure individuals receive the benefits for which they are eligible. The statute (Section 17-1-113.5, C.R.S.) specifies that HCPF "shall promulgate rules to simplify the processing of applications for medical assistance" and "shall provide information and training on medical assistance eligibility requirements and assistance to each correctional facility to assist in and expedite the application process for medical assistance for any inmate held in custody." In Fiscal Year 2003, HCPF was appropriated about \$50,600 in general funds to cover the increased health care costs to the State for inmates who would be eligible for Medicaid benefits immediately upon release from incarceration. HCPF has not received administrative funding related to applications for inmates.

County Departments of Social Services

As mentioned above, the Department of Health Care Policy and Financing administers the State's Medicaid program. Effective July 1, 2006, statute (Section 25.5-1-118, C.R.S.) provides that county departments of social services operate as agents of HCPF for the Medicaid program. County staff and staff at designated medical assistance sites are responsible for obtaining and entering all necessary information for Medicaid eligibility determinations into the Colorado Benefits Management System (CBMS). The county departments of social services and medical assistance sites are responsible for determining an individual's eligibility for Medicaid on the basis of the information in CBMS. Therefore, staff in Colorado's county departments of social services and medical assistance sites process all Medicaid applications, including those submitted by inmates. Neither county departments of social services nor medical assistance sites receive funding specifically for processing Medicaid applications received from inmates.

Audit Scope

As previously stated, Section 17-1-113.5 (5), C.R.S., requires the State Auditor to audit the medical assistance application process. Specifically, the statute requires the State Auditor to audit the functions of the Department of Corrections and the Department of Health Care Policy and Financing in assisting and expediting the application processes of an inmate for receipt of medical assistance or supplemental security income prior to release, and the function of the Department of Human Services in providing education concerning supplemental security income systems and processes. The State Auditor is to submit a report to the Legislative Audit

Committee containing conclusions and recommendations by January 1, 2007, on the value and effectiveness of the medical benefits application assistance provided by Department staff. For purposes of this audit, we assessed “value and effectiveness” by evaluating the adequacy of the Departments’ implementation of the requirements set forth in statute with regard to the benefits application assistance process.

As part of our audit, we conducted site visits to five correctional facilities—Denver Reception and Diagnostic Center, Denver Women’s, Fremont, Territorial, and San Carlos. We reviewed inmate files, evaluated national research, and interviewed staff from the Departments of Corrections, Health Care Policy and Financing, and Human Services, as well as from the federal Social Security Administration and county departments of social services.

Assistance Implementation

State and national data show that providing medical assistance to physically disabled and mentally ill inmates upon their release from prison contributes positively to successful reentry into the community. Conversely, when disabled and mentally ill inmates do not continue to receive the types of support services upon release that they received while incarcerated, they are more likely to resume the behavior that led to their incarcerations. Data also indicate that when mentally ill inmates are released without benefits or community support services, costs are higher than if services were provided. Further, according to the U. S. Department of Justice, inmates with mental illnesses typically serve more of their sentences than other inmates, and therefore are more likely than the general prison population to be discharged rather than paroled. This is true in Colorado. An October 2006 Department of Corrections report states, “Offenders with mental illnesses often serve the full duration of their sentences in prison and do not have intermediate assistance before assimilating into the community.” Moreover, the number of mentally ill inmates within Colorado’s prison population is growing. According to the Department, between July 2002 and July 2006, the number of inmates with mental illnesses increased from about 2,600 to almost 3,600, or by about 38 percent. The Department expects the growth in the mentally ill inmate population to continue increasing and reach an estimated 4,500 mentally ill inmates in 2010.

As indicated by the research described above, providing medical assistance and other benefits to eligible inmates can be key to an inmate’s successful transition back to society. Our audit reviewed the Department’s implementation of its benefits application assistance process to determine whether the Department’s practices were effective at identifying and assisting inmates who would likely qualify for medical assistance and other benefits. Overall, we found that the Department did not implement its benefits application assistance in keeping with legislative intent or

statutory requirements. As we explain throughout this report, the Department did take some steps toward implementation, such as adopting internal procedures for assisting inmates with benefits applications. However, the Department did not demonstrate the diligence that is needed to fully implement an effective application assistance process. For example, statute required the Department to implement the application assistance process on January 1, 2003. We found that staff from only 1 of the 23 state-run and private correctional facilities housing inmates potentially eligible for SSI and/or Medicaid could demonstrate that the process had been implemented in 2003. Further, we found that as of the start of 2006, three private correctional facilities had not yet implemented the application assistance process. Department representatives reported that these three private facilities implemented the process between August and October 2006. Additionally, we found that the Departments of Health Care Policy and Financing and Human Services did not provide training prior to the January 1, 2003 implementation date. The Departments did offer some training and information related to preparing benefits applications beginning in the summer of 2003. However, we found that not all correctional staff received this training.

Because the process was not fully implemented and because the Department of Corrections does not have reliable or complete information on the inmates assisted, sufficient data to determine whether the application assistance process is effective do not exist. For example, aggregate data on the number of inmate disability determinations that DHS staff processed are available from DHS. However, aggregate data on the total number of SSI applications processed by the Social Security Administration are not available from the SSA. More specifically, the SSA does not track the number of inmates who have applied for SSI or the number of inmates who have been approved. Also, because of federal laws restricting the release of personally identifiable information, the SSA would not provide us with individual data on the inmates in our sample who applied for or were determined eligible for benefits. With regard to Medicaid, neither the Department of Health Care Policy and Financing nor the Department of Human Services tracks information on Medicaid applications submitted by inmates. Therefore, neither HCPF nor DHS could provide aggregate data regarding the number of inmates who have applied for Medicaid benefits, the number determined eligible, or the costs associated with any benefits paid.

In spite of these data limitations, we concluded that providing potentially eligible inmates with assistance in applying for medical benefits is not incongruous with existing Department of Corrections programs intended to increase the chances that an inmate's transition back into the community will be successful. For example, community reentry and parole staff develop and implement transition plans that include housing, employment, education, and family support services for inmates. Therefore, including benefits application assistance in the existing menu of services

would be appropriate. On the basis of all of these factors, we believe the Department of Corrections should strengthen its existing application assistance process by fully implementing it in all correctional facilities that house potentially eligible inmates and by addressing the weaknesses discussed in the following sections.

Application Assistance

Department of Corrections staff reported that they adopted an administrative regulation in 2003 that established procedures for correctional staff to follow when assisting potentially eligible inmates with applying for benefits, including SSI and Medicaid. According to the regulation, Department staff are required to:

- **Identify disabled inmates.** At least 130 days prior to an inmate's proposed release date, the Health Services Administrator or designee at each correctional facility is to review the Department's disability eligibility report to identify those inmates with physical and/or mental disabilities who might be eligible to receive either SSI or Medicaid benefits.
- **Conduct clinical medical and mental health screening.** Clinical staff are to screen inmates indicated as disabled on the Department's disability eligibility report to determine whether they may meet SSI and/or Medicaid disability requirements. Clinical staff are to inform case managers of those inmates who should receive assistance in applying for benefits.
- **Assist in application completion.** Case managers, and in limited situations clinical staff, are responsible for meeting with the identified inmates to provide assistance in the completion and submission of benefit application packets to the appropriate agency. Staff are to document instances in which inmates reject application assistance.
- **Track assistance.** Case management supervisors are to maintain a log of those inmates who receive application assistance and the status of their benefits applications.

We reviewed the Department's regulation and processes for providing inmates with assistance in applying for benefits. We identified weaknesses in a number of areas. Specifically, as described in the following four sections, we found the Department needs to (1) improve identification of inmates who are potentially eligible for benefits, (2) strengthen staff competency and compliance in providing application assistance, (3) develop procedures for obtaining and analyzing comprehensive data regarding application assistance, and (4) work with other state agencies to coordinate and improve training for case managers and clinical staff who identify and assist

potentially eligible inmates in completing their benefits applications. Making improvements in these areas could help provide assurance that all potentially eligible inmates apply for available assistance and streamline the Department's processes.

Identifying Potentially Eligible Inmates

Statute requires the Department of Corrections to provide SSI and/or Medicaid application assistance to inmates meeting one or both of the following conditions: (1) those who received benefits prior to entering the correctional facility, or (2) those who are reasonably expected to meet benefits eligibility requirements upon release from incarceration. We reviewed inmate files and other documentation and found that the Department lacks a comprehensive process for identifying inmates who meet one or both of these conditions. As a result, potentially eligible inmates who should be screened and offered application assistance may not be identified by Department staff and, ultimately, may not receive benefits that could assist them with their transition back to society upon release. We identified problems in the following areas:

Inmates who previously qualified for benefits. We found that the Department does not have information to identify all inmates who received Social Security (including SSI) and/or Medicaid benefits prior to their incarcerations. Inmates who received benefits before entering prison are likely to be eligible for benefits again, upon their release. We recognize that identifying prior benefit recipients from among the inmate population presents challenges for the Department. First, similar to the problems we encountered, Department staff report that they have difficulty obtaining inmates' personal data related to Social Security and Medicaid benefits. Second, the Department must rely on inmates to self-report whether they have received SSI and/or Medicaid in the past, and some inmates do not report accurate information. Finally, according to Department personnel, the name under which an inmate enters the correctional system may not be the same name under which the inmate received medical assistance benefits. That is, name changes and aliases exacerbate the already difficult task of identifying inmates who previously qualified for benefits. Although these issues pose challenges for the Department, we do not believe the Department has demonstrated due diligence in addressing them.

First, the Department does not have comprehensive information on prior Social Security benefits for inmates who entered the correctional system before April 2002. The Department has a manual tracking system that uses information provided by the Social Security Administration to identify inmates who previously received any Social Security benefits, including SSI. The tracking system only includes benefits information for inmates incarcerated from April 2002 through the present. We

reviewed files for a sample of 50 inmates who potentially met the SSI benefit criteria. We found that five (10 percent) had received benefits prior to their incarcerations. The Department identified four of these eligible inmates. The other inmate was not identified as a previous Social Security benefits recipient.

Second, we found that the Department of Corrections also does not have a method for identifying inmates who received Medicaid benefits prior to incarceration. As discussed previously, some inmates who do not qualify for SSI benefits may qualify for Medicaid benefits. Establishing a mechanism for identifying these Medicaid-only inmates would provide added assurance that the Department is identifying all inmates who may be eligible for benefits upon release so that appropriate application assistance may be provided.

Finally, we found that even when the Department documents an inmate's prior receipt of SSI benefits in the electronic case record (for inmates incarcerated in April 2002 or later), not all clinical staff are identifying these inmates when screening them for application assistance. During interviews, some correctional staff reported that they were not aware that the electronic case record included a field that contained this information. If correctional staff are not aware that a potentially eligible inmate received Social Security or SSI benefits prior to his or her incarceration, they may not offer application assistance or take appropriate steps to ensure benefits are reinstated upon the inmate's release.

Inmates with developmental disabilities. Currently the Department's administrative regulation requires staff to assist inmates with mental or physical disabilities but does not specifically require staff to assist developmentally disabled inmates with applying for SSI and/or Medicaid benefits. According to the Social Security Administration, individuals who have severe developmental disabilities (individuals with significantly sub-average intellectual functioning or underdeveloped verbal and nonverbal communication skills) may qualify for SSI benefits. The SSA's definition of severely developmentally disabled includes individuals with conditions such as mental retardation, autism, and other developmental disorders. As of November 2006, clinical staff identified about 990 inmates with moderate to severe developmental disabilities in Colorado's state-run and private correctional facilities. In particular, San Carlos and Colorado Territorial correctional facilities house inmates with more serious developmental disabilities. Staff at these facilities stated that they typically provide application assistance to their developmentally disabled population. However, we found that staff at the Department's other facilities do not consistently assist developmentally disabled inmates in completing SSI and/or Medicaid applications. In our review of 50 inmate files, we identified 9 inmates who, on the basis of Department assessments, were moderately to severely developmentally disabled. The Department did not consider these developmental disabilities when deciding whether to offer benefits application

assistance for these nine inmates. Seven of these inmates (78 percent) were offered assistance on the basis of other factors, such as medical issues, physical disabilities, or mental illness. Two of these inmates (22 percent) were not offered any application assistance from correctional staff.

Inmates to be released within next 130 days. The Department maintains a disability eligibility reporting system that identifies the inmates with medical issues, physical disabilities, or mental illness, along with their release date. The Department's administrative regulation requires clinical services staff to use this reporting system to identify potentially eligible inmates who will be released within 130 days and may be eligible for SSI and/or Medicaid benefits upon release. The Department established the 130-day window because it determined that was the amount of time needed to fully complete the SSI and/or Medicaid application process. Inmates whose release dates fall within the 130-day window should be screened and offered benefits application assistance as appropriate.

We found that not all correctional staff use this reporting system to identify the potentially eligible inmates who will be released within the upcoming 130 days. We interviewed staff at 10 facilities. Staff at 4 facilities used the reporting system to identify the inmates to be released within the next 1 to 180 days. Staff at 5 facilities use the reporting system to identify only those inmates to be released in 120 or more days. That is, these facilities did not capture data on inmates who would be released sooner than 120 days. Staff at one facility used the reporting system inconsistently, identifying inmate release dates for a variety of different time periods. Facilities that do not effectively identify all potentially eligible inmates who will be released within the full upcoming 130 days will miss inmates who may have transferred to the facility within 130 days of their release dates. According to Department staff, about one-fifth of the inmate population transfers between correctional facilities each month.

We also found that the Department's disability eligibility reporting system does not capture inmates with developmental disabilities. Because correctional staff use the disability eligibility report as the first step in identifying inmates who need to be screened and offered application assistance, staff may not identify all inmates with developmental disabilities for possible screening and application assistance.

As a result of the problems we identified, the Department cannot demonstrate that it has identified all of the inmates who previously received benefits or who may be eligible for benefits in the future, as required by the statute. Establishing a more comprehensive process for identifying inmates who may be eligible for SSI and/or Medicaid upon release will increase efficiency, help ensure that all potentially eligible individuals apply for these benefits, and may ease the inmates' transitions

back into society. To that end, the Department needs to make the following improvements:

- **Matching automated data.** The Department should work with the SSA to determine whether it could acquire and match automated data to identify inmates who entered correctional facilities before April 2002 and who received Social Security or SSI benefits prior to incarceration. If the data match can be automated successfully, the Department would have an efficient mechanism to identify all members of the current inmate population who received these benefits prior to entering a correctional facility. Similarly, the Department should work with the Department of Health Care Policy and Financing to obtain data from the Colorado Benefits Management System (the eligibility database) or the Medicaid Management Information System (the claims database) to identify inmates who were eligible for Medicaid prior to their incarcerations.
- **Manually checking prior benefits eligibility prior to release.** If efforts to automate a data match with SSA are not successful, the Department should work with SSA to verify on a case-by-case basis whether potentially eligible inmates who will be released within the next 130 days received SSI benefits previously. This information should then be documented in the inmate's electronic case record.
- **Providing benefits application assistance for inmates with developmental disabilities.** The Department should adopt procedures to assist developmentally disabled inmates with applying for SSI and/or Medicaid benefits. This should include working with the Department of Human Services to determine the types of developmental disabilities that may qualify an inmate for SSI and/or Medicaid eligibility. Additionally, the Department should modify the disability eligibility reporting system to ensure these reports identify inmates with developmental disabilities in addition to inmates with other types of disabilities or illness.
- **Establishing standards for identifying inmate release dates.** The Department should ensure staff identify all potentially eligible inmates for benefits screening and assistance, including inmates who transferred into the facility recently, by establishing specific standards for extracting this information from the disability eligibility reporting system. The standards should ensure that staff identify all potentially eligible inmates who will be released at any point within the next 130 days.

Recommendation No. 1:

The Department of Corrections should improve its processes for identifying inmates who are potentially eligible for Supplemental Security Income (SSI) and/or Medicaid benefits upon release by:

- a. Working with the Social Security Administration and the Department of Health Care Policy and Financing to develop a comprehensive mechanism for identifying all current inmates who received SSI or Medicaid benefits prior to incarceration and documenting this information in the electronic case file.
- b. Providing training to case managers and clinical staff to ensure they understand how to determine whether an inmate was a prior benefit recipient from the electronic case file.
- c. Working with the Department of Human Services to enable the Department of Corrections to identify the types of developmental disabilities that may qualify inmates for SSI and Medicaid eligibility and implementing processes to identify and assist these potentially eligible inmates in applying for benefits prior to release.
- d. Establishing specific standards for extracting information from the disability eligibility reporting system and ensuring correctional staff identify all potentially eligible inmates who will be released at any point within the next 130 days.

Department of Corrections Response:

- a. Agree. Implementation Date: Ongoing.

The Department agrees with the need to develop a mechanism for accurate identification of affected inmates who have received benefits prior to incarceration. The Department will initiate efforts to work with the Social Security Administration and Department of Health Care Policy and Financing. Current processes of manual tracking and data retrieval are extremely time-consuming and labor-intensive but will continue until an electronic system is in place. The Department is currently analyzing costs for database programming as well as needed FTE to build and maintain an accurate model and system. With a program that crosses intergovernmental lines and agencies, to reach the desired outcome will

be a joint effort between all agencies; the Department is committed to seeking a successful and working partnership.

- b. Agree. Implementation Date: April 2007.

Once Part “a” is accomplished, Part “b” will be completed. In the interim, ongoing training with the current processes will be provided to appropriate correctional staff.

- c. Agree. Implementation Date: April 2007.

The Department agrees to work with the Department of Human Services to determine the types of developmental disabilities that may qualify inmates for SSI and/or Medicaid benefits. The Chief of Mental Health will ensure the appropriate clinical services staff responsible for the developmentally disabled inmate population lead the effort to identify these potentially eligible inmates. As the inmates are identified and referred, case management in the correctional facilities will assist the inmates through the application process.

- d. Agree. Implementation Date: April 2007.

The Department will modify the current system of retrieving the list of potentially eligible inmates. The Chief of Mental Health will mandate refresher training for appropriate clinical services staff utilizing a simplified, more user-friendly document to successfully identify the target inmate population.

Department of Health Care Policy and Financing Response:

Auditor’s Note: The Department of Health Care Policy and Financing was asked only to respond to Part “a.”

Part “a”: Agree. Implementation Date: Ongoing.

The Department of Health Care Policy and Financing agrees to work with the Department of Corrections to assist it in developing a comprehensive mechanism for identifying all current inmates who received Medicaid benefits prior to incarceration.

Department of Human Services Response:

Auditor's Note: The Department of Human Services was asked only to respond to Part "c."

Part "c": Agree. Implementation Date: April 2007.

The Department of Human Services agrees to work with the Department of Corrections to determine the types of developmental disabilities that may qualify inmates for SSI benefits.

Processing Applications

The Department of Corrections' regulation requires case managers to (1) meet with potentially eligible inmates to offer assistance in completing SSI and/or Medicaid application forms, (2) obtain a sealed packet of the inmate's medical records from clinical staff, and (3) submit the application and medical records to the appropriate benefits agency. Additionally, statute (Section 17-1-113.5, C.R.S.) requires HCPF to expedite and simplify the application process for Medicaid benefits. We found that, depending on the correctional facility, Department staff do not provide a consistent level of assistance to potentially eligible inmates and that some SSI and Medicaid applications are denied or returned because the applications contain errors or are incomplete. The Department needs to be more proactive and work with SSA and HCPF to establish consistent time lines and practices for processing benefits applications. We describe these issues below.

Staff assistance. The Department's administrative regulation requires case managers, and in some cases clinical staff, to offer potentially eligible inmates assistance with completing all required SSI and/or Medicaid application forms. We interviewed staff at 10 facilities to determine their application assistance process. Staff at seven facilities worked directly with the potentially eligible inmates to complete the applications. At the three remaining facilities, staff provided the applications to the inmates and expected them to complete the application independently. According to documentation maintained by the Department, some of these inmates have been assessed with serious disabilities or medical and mental illnesses. Therefore, they are unlikely to complete applications correctly without direct assistance from staff.

Incomplete applications. Social Security Administration and Department of Human Services staff do not process SSI applications unless they are complete and contain all required documentation. According to SSA and DHS staff, the

Department of Corrections often submits incomplete SSI applications. Between May 2004 and June 2006, DHS staff reported that of the almost 340 applications received, approximately 50 (15 percent) of the inmate SSI applications submitted by the Department of Corrections lacked some of the required completed forms or medical records. DHS staff reported that when they receive incomplete SSI applications, they contact the Department of Corrections for additional information or return the applications. In our sample of 50 we identified 16 inmates who received application assistance from the Department of Corrections. Of these 16 inmates, 2 (13 percent) had their applications returned by DHS because the applications were incomplete. Incomplete applications cause delays, lengthen processing time, and may cause the application to be denied. As a result, eligible inmates may not receive the benefits to which they are entitled upon their release.

Application submission. By statute (Section 17-1-113.5(4)(a), C.R.S.), applications for Medicaid benefits must be submitted to the county where the inmate specifies that he or she will reside upon release. We found that Department of Corrections' staff sometimes fail to send applications to the county where the inmate will live when released. Specifically, staff at two of the five county departments of social services contacted during the audit reported that the Department frequently sends Medicaid applications to the wrong county. Consequently, county social services staff must then forward the applications to different counties. This delays the processing of the application and may result in an inmate with disabilities not having Medicaid benefits upon release.

Disability determination and level-of-care assessment. The Department of Health Care Policy and Financing's rules require individuals under the age of 65 applying for the Medicaid long-term care medical assistance program to have been determined disabled by the Social Security Administration when applying for SSI, or by HCPF. Clients must also have a level-of-care assessment completed prior to the eligibility determination. There are no rules precluding an inmate from receiving this level-of-care assessment while still in prison. We found that some county departments of social services will allow the assessment to be performed in the prison, while other county departments will not conduct the assessment until the inmate is released. Waiting until after release to conduct the assessment delays the process for determining Medicaid eligibility and delays Medicaid benefits for eligible inmates.

Timeliness of applications. The Department's regulation requires staff to begin offering application assistance to potentially eligible inmates at least 130 days prior to an inmate's release. Department of Human Services staff stated that the SSA will not process any application for SSI submitted more than 120 days prior to an inmate's release date. Our analysis found that 120 days may not be sufficient time to fully process an inmate's SSI application, particularly when an inmate's initial application has been denied and the inmate proceeds with an appeal. According to

the SSA representatives, about 66 percent of SSI applicants, including inmate applicants, are initially denied; however, about one-half of those applicants who were initially ineligible are determined eligible after appeal. The Memorandum of Understanding (MOU) between the Department of Corrections and the SSA states that the SSA may deny benefits to an inmate if an application is processed quickly and the inmate is determined eligible for SSI more than 30 days prior to the inmate's release. Similarly, we found that county departments of social services, which process applications from inmates who are applying only for Medicaid, do not consistently interpret the time lines for processing applications. Federal regulations require that Medicaid applications be fully processed within 45 days for age- and income-related Medicaid eligibility and 90 days for disability-related Medicaid eligibility. We interviewed county staff regarding application processing for disability-related Medicaid. We found that some counties wait until the inmate is within 90 days of release before processing applications for disability-related Medicaid; other counties do not. Finally, we found that at least one county denies inmates benefits if the application is processed quickly and eligibility is granted while the inmate is still incarcerated. The Department of Health Care Policy and Financing should work with the county departments of social services to establish consistent procedures for processing applications, including addressing timing issues.

Although not directly related to helping inmates apply for Medicaid and/or SSI benefits, the Department reported that inmates sometimes have difficulty accessing their benefits after release because they lack the required identity documentation. For example, both federal and state law require all benefits recipients to produce official identification, such as passports, valid driver's licenses, state-issued photo identification cards, or birth certificates, to initiate either SSI or Medicaid benefits. The Department needs to work with relevant agencies to identify ways to help eligible inmates obtain required documentation so that they can access their benefits.

Overall, the problems we identified create barriers that prevent potentially eligible inmates from applying for and receiving SSI and/or Medicaid benefits. To address these issues, the Department should improve its own processes as well as its efforts to coordinate with SSA and HCPF. First, the Department should require that staff directly assist potentially eligible inmates in completing their SSI and/or Medicaid applications. Second, the Department should ensure that staff submit completed applications containing all required forms and records. We found that San Carlos Correctional Facility, which serves a large number of potentially eligible inmates, has created a checklist detailing all SSI and Medicaid application requirements. The Department should adopt this checklist, or one that is similar for all facilities to use when assisting inmates with applications. Third, the Department should inform all staff that Medicaid applications must be submitted to the department of social services in the county in which the inmate will live when released, and follow up to ensure staff comply with this requirement. Fourth, case management supervisors

should monitor the application assistance provided by case managers to ensure all Department requirements are met. Fifth, the Department should work with the federal Social Security Administration to create an MOU that establishes consistent time frames for accepting and processing SSI applications. In addition, the Department of Health Care Policy and Financing should work with the county departments of social services to establish procedures for accepting and processing Medicaid-only applications from inmates. These procedures should be detailed in an Agency Letter to the counties with a copy provided to the Department of Corrections. Furthermore, the Agency Letter should address procedures for providing level-of-care assessments. Finally, the Department of Corrections should work with relevant agencies to determine the best methods for helping eligible inmates obtain required identification documentation so they can access their benefits. These steps should not only help potentially eligible inmates access SSI and/or Medicaid benefits upon release but also improve the efficiency and effectiveness of application processes for the agencies involved.

Recommendation No. 2:

The Department of Corrections should improve the quality of its benefits application assistance for inmates potentially eligible for Supplemental Security Income (SSI) and/or Medicaid by:

- a. Standardizing assistance across facilities by requiring staff to help potentially eligible inmates with completing application forms and implementing a standard application assistance checklist for ensuring SSI and Medicaid applications are complete before they are submitted to either the Social Security Administration or to the county departments of social services.
- b. Ensuring that staff submit Medicaid applications to the department of social services in the county in which the inmate will reside upon release.
- c. Ensuring that case management supervisors monitor the application assistance provided by case managers so that all Department requirements are met.
- d. Working with the Social Security Administration to create a memorandum of understanding that establishes consistent and appropriate time frames for the acceptance and processing of SSI applications.
- e. Working with relevant agencies to determine the best methods for helping eligible inmates obtain required identification documentation so they can access their benefits.

Department of Corrections Response:

- a. Agree. Implementation Date: May 2007.

The Department will more clearly mandate standards through training and direction in the applicable Administrative Regulation for providing assistance to inmates with the completion of SSI and/or Medicaid applications. The Department will work with the Department of Health Care Policy and Financing to simplify the application process as mandated by Section 17-1-113.5, C.R.S. The simplified process will assist this special population in transitioning to the community and reduce the workload for correctional staff. The Department agrees to work with the Social Security Administration and the Department of Health Care Policy and Financing to increase training and develop an acceptable checklist to ensure applications are complete when submitted. This will reduce the number of inaccurate applications sent to the Social Security Administration and county departments of social services.

- b. Agree. Implementation Date: April 2007.

The Department will provide training to appropriate correctional staff to ensure Medicaid application packets are sent to proper county offices at the time the application process is completed. Should the inmate change residency plans between the initial mailing and release date, every attempt will be made to forward the information to the correct county office.

- c. Agree. Implementation Date: April 2007.

The Department will provide training to the appropriate case managers and case management supervisors to ensure they are in compliance with Department regulations and expectations. Ongoing case management audits will occur to ensure compliance. As the electronic systems become available, additional monitoring components will then exist.

- d. Agree. Implementation Date: March 2007.

The Department will initiate efforts to create a viable Memorandum of Understanding for the acceptance and processing of SSI applications.

- e. Agree. Implementation Date: May 2007.

The Department agrees to continue efforts and negotiations with appropriate state agencies to resolve obstacles inmates encounter in

receiving proper identification upon release from the Department for benefits requirements.

**Department of Health Care Policy and Financing
Response:**

Auditor’s Note: The Department of Health Care Policy and Financing was asked only to respond to Part “e.”

Part “e”: Agree. Implementation Date: May 2007.

The Department of Health Care Policy and Financing agrees to assist the Department of Corrections in understanding the requirements for citizenship and identity documentation as required by the federal Deficit Reduction Act of 2005 and as promulgated by the federal Centers for Medicare and Medicaid Services and the Department of Health Care Policy and Financing.

Recommendation No. 3:

The Department of Health Care Policy and Financing should work with the county departments of social services to establish procedures for accepting and processing Medicaid-only applications from inmates including the procedures for providing level-of-care assessments for inmates. These procedures should be detailed in an Agency Letter to the county departments of social services with a copy provided to the Department of Corrections.

**Department of Health Care Policy and Financing
Response:**

Agree. Implementation Date: February 2007.

The Department agrees with the recommendation. There are established procedures to accepting and processing Medicaid applications. An Agency Letter will be generated to remind counties and medical assistance sites of their responsibilities in processing applications, specifically how to deal with inmate applications for Medicaid.

Application Assistance Data

The Department of Corrections’ administrative regulation requires case management supervisors to maintain a log or tracking system to identify (1) which potentially

eligible inmates were evaluated for assistance in completing SSI and Medicaid applications, (2) those inmates who received such assistance, and (3) the status of the inmates' applications. In addition, Department policies mandate that case managers document any assistance they provide to inmates completing SSI and Medicaid applications. The Department maintains this information in a database that contains each inmate's electronic file record. We reviewed the information in the database and found that case managers and case management supervisors do not consistently enter application assistance information as required. For example, we contacted 22 correctional facilities that house potentially eligible inmates and found that only 1 facility could provide a log and documentation showing the assistance provided to these inmates since 2003. Similarly, in June 2006 the Department released an audit report detailing case management services. The audit found that staff failed to document significant meetings or interactions with inmates consistently in the Department's electronic database. Furthermore, clinical staff who are responsible for screening inmates for application assistance, and in some cases helping the inmates complete the applications, are not required to document the assistance they provide. These clinical staff also lack access to the database maintained by case managers to document application assistance. As a result, the Department is unable to track or document, in a comprehensive manner, the assistance provided by case managers or clinical staff.

Without complete and comprehensive information on the application assistance provided to inmates, the Department lacks critical data needed to monitor and evaluate the process. For example, data on the number of potentially eligible inmates screened, the number of inmates to whom assistance was provided, the number of applications submitted, and the outcome of those applications would allow the Department to determine the effectiveness of the application assistance process. To obtain data on the outcome of the application assistance process, the Department would need to work with HCPF to obtain information from the Colorado Benefits Management System on inmates' eligibility status. Comprehensive data would also help the Department evaluate and establish the time frames necessary for submission of SSI and Medicaid applications to ensure eligible inmates receive these benefits upon release as required by statute. Additionally, accurate documentation on the assistance provided to inmates helps ensure the efficient use of staff. As discussed previously, approximately one-fifth of the inmate population transfers to a different facility each month. Without consistent documentation of the assistance provided to inmates at prior facilities, correctional staff at new facilities may duplicate the assessments or assistance already provided. For example, we identified 54 potentially eligible inmates who were screened by staff for application assistance at three or more facilities. Additionally, between July 2003 and October 2006, turnover among case managers was approximately 18 percent. Documenting the assistance provided would allow new staff to continue the application assistance process and minimize duplication.

The Department needs to establish procedures and methods to ensure it collects complete and comprehensive data regarding the assistance provided to those inmates applying for SSI and Medicaid benefits. As part of this process, the Department should determine what specific assistance-related information must consistently be documented. Additionally, the Department should require supervisors to review database information to ensure case managers and clinical staff comply with documentation requirements. Furthermore, the Department should ensure clinical staff document their interactions with inmates and have access to the current database. After the Department collects more complete and comprehensive data, the Department needs to regularly analyze the data to determine the effectiveness of the application assistance provided to inmates and make modifications, as needed.

Recommendation No. 4:

The Department of Corrections should improve the data collected on the benefits application assistance provided to inmates applying for Supplemental Security Income (SSI) and/or Medicaid by:

- a. Developing standards for the specific type of information that should be documented, including the staff who provided the assistance, the type of assistance provided, dates the phases of the assistance process were completed, and records of agency contacts.
- b. Requiring supervisory review to ensure that case managers and clinical staff comply with documentation standards.
- c. Ensuring that clinical staff document any application assistance they provide and make such documentation available to case management staff for inclusion in the inmate's case file.
- d. Working with the Department of Health Care Policy and Financing to obtain data on outcomes of the application assistance process and then analyzing all available data on an ongoing basis to determine whether any improvements can be made to the benefits application assistance process and modifying the process as needed.

Department of Corrections Response:

- a. Agree. Implementation Date: May 2007.

The Department recognizes the benefit of developing standards to capture specific information on the assistance provided by appropriate staff, and

the Department commits to establishing these standards. However, this carries a significant fiscal impact.

- b. Agree. Implementation Date: May 2007.

The Department will continue to provide case management training and audits as they relate to proper documentation of information. New training and review components will be included in clinical services audits to ensure staff comply with documentation standards. Joint peer audits will be conducted to ensure compliance.

- c. Agree. Implementation Date: May 2007.

The Department agrees and will train appropriate staff to ensure clinical staff document application assistance they provide and make such documentation available to case management staff for inclusion in the inmate's file.

- d. Agree. Implementation Date: July 2007.

The Department acknowledges the need to analyze data on the outcome of applications to determine how the application assistance process can be improved. However, this requirement is not part of the statute and will have a fiscal impact to the Department as well as potentially impact other agencies involved. Additionally, the outcome information is proprietary in another agency and is not in the jurisdiction of the Department. Within our existing data systems, the Department is not able to efficiently retrieve and collate aggregate information.

Department of Health Care Policy and Financing Response:

Auditor's Note: The Department of Health Care Policy and Financing was asked only to respond to Part "d."

Part "d": Agree. Implementation Date: Ongoing.

The Department will work with the Department of Corrections to supply data on the outcomes of inmates applying for medical assistance to the extent it does not conflict with the federal Health Insurance Portability and Accountability Act of 1996.

Eligibility Assistance Training

The federal and state laws and regulations that govern SSI and Medicaid benefits eligibility are complex and ever-changing. In addition, federal and state entities responsible for the eligibility determination and benefits application processes typically establish documentation requirements, adopt procedures, and set timetables for their respective processes. The failure to comply with regulations or to meet deadlines can delay and possibly result in the denial of a benefit application. Therefore, training and interagency communication are essential if the Department of Corrections is to ensure that its staff are sufficiently knowledgeable to adequately assist inmates.

The statute that established the medical benefits application assistance function within the Department of Corrections mandated that the Departments of Health Care Policy and Financing and Human Services provide information and training to correctional facilities (Section 17-1-113.5, C.R.S.). Specifically, the statute mandated that on or before January 1, 2003:

- The Department of Health Care Policy and Financing provide information and training on medical assistance eligibility requirements and support to assist in and expedite the application process for any inmate held in custody who meets statutory criteria.
- The Department of Human Services provide information and education regarding the supplemental security income systems and processes.

While both HCPF and DHS provided training, none of the training occurred on or prior to January 1, 2003, as required by the statute. The Department of Health Care Policy and Financing provided correctional staff with Medicaid training in August 2003 and has not offered subsequent training. The Department of Human Services, in coordination with SSA, provided SSI training in August 2003, March 2004, and October 2005; however, no formal training has taken place since these times. In addition, not all Department of Corrections staff who should have attended these training sessions did so. Moreover, the Department of Corrections has not developed any other methods of ensuring that staff maintain current knowledge of SSI and Medicaid benefits application processes and requirements.

As noted throughout this chapter, a number of the weaknesses we identified in the Department's application assistance practices can be attributed to a lack of staff knowledge related to the types of information and records that should be included in an SSI or Medicaid application package. This was confirmed through interviews with clinical and case management staff who generally reported that they did not

have up-to-date and accurate information about the requirements of these benefits programs. We recognize that regular, formal training at all correctional facilities is neither feasible nor necessary. However, the Department could work with DHS, SSA, and HCPF to devise a training plan and methods of disseminating SSI and Medicaid updates to correctional staff. DHS, SSA, and HCPF have a stake in ensuring that the applications they receive from the Department of Corrections are complete. As stated previously, incomplete or inaccurately completed applications require additional effort from DHS, SSA, or county department of social services staff involved in eligibility determination and application review, as well as in delays in the application process.

The Department of Corrections should take steps to ensure staff have sufficient knowledge of current application requirements for SSI and Medicaid benefits eligibility. The Department needs to provide periodic training to all correctional facility staff involved in the benefits application assistance process. The training could be provided regionally and via teleconferencing technology, as needed. Additionally, the Department of Corrections could designate one or more individuals, possibly at each affected facility, as the primary staff member(s) responsible for maintaining current knowledge of SSI and Medicaid application requirements. These staff could attend relevant DHS, SSA, and HCPF training and then provide direct, in-house training to correctional staff. Finally, DHS has designated a professional relations officer to coordinate all training with the Department of Corrections. We suggest that HCPF also designate a liaison with the Department of Corrections to facilitate timely notification of changes in benefits requirements.

Recommendation No. 5:

The Department of Corrections should ensure correctional staff maintain current knowledge of Supplemental Security Income (SSI) and Medicaid application requirements by:

- a. Arranging with the Departments of Health Care Policy and Financing and Human Services for correctional staff to regularly receive updated SSI and Medicaid training and materials.
- b. Designating Department staff with responsibility for providing internal training and maintaining current knowledge of SSI and Medicaid benefits application requirements.

- c. Developing and implementing a training plan and schedule for all relevant correctional staff and ensuring the training is provided periodically, as needed.

Department of Corrections Response:

- a. Agree. Implementation Date: Ongoing.

The Department will coordinate with the Department of Health Care Policy and Financing and the Social Security Administration to ensure ongoing training is provided to appropriate staff concerning SSI and Medicaid benefits and application processes.

- b. Agree. Implementation Date: Implemented.

The Department's Chief of Case Management and Chief of Mental Health Services will provide training on the application process changes as they relate to SSI and Medicaid benefits. Due to the complexity of the SSI and Medicaid programs, training on significant program changes should be a collaborative effort among all agencies.

- c. Agree. Implementation Date: April 2007.

The Department will incorporate into the case management and clinical services training a plan to ensure all appropriate correctional staff are trained in the benefits application process.

Department of Health Care Policy and Financing Response:

Auditor's Note: The Department of Health Care Policy and Financing was asked only to respond to Part "a."

- Part "a": Agree. Implementation Date: Ongoing.

The Department of Health Care Policy and Financing will work with the Department of Corrections to ensure that its staff is kept up-to-date on the yearly income standard changes and any changes to the existing application process. The Department of Corrections must submit a request to HCPF for training sessions for newly hired staff.

Department of Human Services Response:

Auditor's Note: The Department of Human Services was asked only to respond to Part "a."

Part "a": Agree. Implementation Date: Ongoing.

The Department of Human Services agrees to work in partnership with the Social Security Administration to provide updated SSI training and materials to Department of Corrections liaisons.

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