

# REPORT HIGHLIGHTS



COLORADO MEDICAID: THE PEAK APPLICATION AND  
ELIGIBILITY VERIFICATION  
PERFORMANCE AUDIT, JULY 2016

DEPARTMENT OF HEALTH CARE  
POLICY AND FINANCING

## CONCERN

We found that the Department of Health Care Policy and Financing (Department) should improve its data and monitoring related to Colorado's Medicaid program (Medicaid) to ensure the State disenrolls recipients from Medicaid in a timely manner after the program has verified that they are no longer eligible for benefits.

## KEY FINDINGS

- When we reviewed how Medicaid processes online applications through the PEAK website, we found that it has adequate procedures for ensuring the eligibility determinations are accurate and timely.
- The Colorado Benefits Management System (CBMS) uses electronic interfaces with other data sources, such as federal systems, to conduct automated verifications of information needed to determine applicants' eligibility for Medicaid. For example, CBMS verifies each applicant's income, identity, citizenship, and immigration status.
- Between October 2013 and December 2015, the audit period reviewed, the Department met its strategic goal to process at least 95 percent of eligibility determinations within required federal timeframes. On average, applicants who applied online through the Department's PEAK website received determinations within 21 days, and all other applicants received determinations within 27 days.
- Between October 2013 and December 2015, the Department conducted annual redeterminations of eligibility, as required by federal regulations, for about 99 percent of Medicaid recipients.
- The Department reported that, between Fiscal Years 2013 and 2016, Colorado counties recovered \$835,400 from Medicaid recipients who were not eligible for the benefits they received.
- The Department does not have mechanisms for ensuring that all recipients who become ineligible for Medicaid due to changes in their circumstances are disenrolled from the program in a timely manner so that the State does not continue to pay for their medical costs. The Department's Fiscal Year 2016 SMART Government Act performance plan includes strategic initiatives to ensure sound stewardship of Medicaid funds and ensure efficiency and effectiveness through process improvement.

## BACKGROUND

- Medicaid is a federal-state program that provides health care coverage and services to eligible low-income individuals and families with children. As of June 2016, 1.3 million Coloradans were enrolled in Medicaid.
- In Calendar Year 2015, the Department received over 555,000 applications for Medicaid, of which about 62 percent were submitted through the Department's PEAK website; 38 percent were submitted in-person, by mail, or by telephone.
- Eligibility for Medicaid is determined and periodically re-verified by CBMS.
- In Fiscal Year 2016, about \$6.8 billion was appropriated to Medicaid in Colorado, of which about \$2.6 billion were State funds.

## KEY RECOMMENDATION

The Department of Health Care Policy and Financing should conduct monitoring to ensure that Medicaid recipients who become ineligible are disenrolled from the program in a timely manner. This should include tracking the data needed to monitor disenrollments and providing counties clear guidance on disenrolling ineligible recipients.

The Department agreed with the audit recommendation.