

**DEPARTMENT OF HUMAN SERVICES**  
**(County Administration, Self Sufficiency, Adult Assistance)**  
**FY 2013-14 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Thursday, December 13, 2012**  
**9:00 am – 12:00 pm**

**9:00-9:30 INTRODUCTIONS, OPENING COMMENTS, COMMON QUESTIONS**

1. The JBC occasionally hears complaints that base personal services reductions to capture vacancy savings result in more vacancy savings as managers reduce staff to absorb the reduction and then still experience turnover. Some departments refer to this as the "death spiral." Has your department experienced this problem? How does your department attempt to minimize and avoid the "death spiral?"

**9:30-10:00 COUNTY ADMINISTRATION AND ADULT ASSISTANCE: ADULT PROTECTIVE SERVICES**

2. Explain the recommendations of the Elder Abuse Task Force as they relate to mandatory reporting of elder-abuse.
  - a) Who are the key professionals who would be required to report elder abuse in Colorado based on the S.B. 12-078 Elder Abuse Task Force recommendations? How does this list compare to the list of mandatory reporters in other states?
  - b) Does the scope of reporting include financial scams?
  - c) Isn't there a professional code of conduct that would require professionals to report, without a law that requires them to do so?
  - d) Do you have an estimate for how often elder abuse is *not* reported by professionals?
  - e) What is the proposed civil or criminal penalty for failure to report abuse? Would providers have to leave their industry?
  - f) Would it be more effective to provide training for providers, teaching them what to report, instead of prosecuting failure to report?
3. Discuss the cost-estimates for Adult Protective Services included in the Elder Abuse Task Force Report.
  - a) How did the Task Force arrive at these estimates? For example, how did it arrive at the estimated increase to the Adult Protective Services caseload based on mandatory reporting? How did it arrive at \$1.0 million as the amount required for flexible county funding?
  - b) How do we know that 34 to 1 caseload for county Adult Protective Services needs to be reduced? Do we have any data on what the most effective caseload might be and why?

- c) How much are these cost estimates likely to change once a bill is drafted based on the recommendations of the Elder Abuse Task Force?
4. Should there be changes in the funding structure and/or state rules for Adult Protective Services, whether or not a mandatory reporting bill moves forward?
- a) Are funding, county requirements, and outcomes for Adult Protective Services sufficiently transparent? If not, what changes are needed?
- b) Should funding for Adult Protective Services be broken-out of the main County Administration line item? How does the Department feel about this? What about counties?
- c) Should there be a new system for allocating Adult Protective Services funding among counties? If so, should this be accomplished via a statutory change? Alternatively, is this something the Department wishes to pursue internally or through its rule-making authority?
- d) Are additional rules needed to ensure that counties administer their Adult Protective Services programs to consistent standards? For example, should certain caseload ratios be mandated?
5. If the State becomes more actively involved in oversight of county Adult Protective Services programs, is there a risk that efforts will be duplicated, *e.g.*, if the state must double-check county work?
6. Will forcing counties to sit at the table to discuss Adult Protective Services funding allocations create new funding demands from counties?
7. JBC staff has recommended that costs for state Adult Protective Services staff be shifted from the Old Age Pension Cash Fund to the General Fund. Do you agree? If so, what should the timing be: FY 2012-13 or FY 2013-14? Are there any other items being funded with Old Age Pension funds that should not be?

**10:00-10:30 COUNTY ADMINISTRATION**

8. Discuss the differences in county spending for the various state-supervised county-administered programs in FY 2011-12, with some counties under-expending and others over-expending their funding allocations. Why do we see such variation across the state? Do these variations indicate a need for changes in overall state funding levels or allocation formulas?
9. The Department indicates it plans to submit a supplemental request for a vendor who will work with the state and counties to improve eligibility-determination business processes. How much do you expect to request? Can you provide more information on your plans?

10. Provide an update on state and county efforts to ensure timeliness in eligibility-determination. Are ongoing problems (for expedited food assistance cases and redeterminations) related to CBMS or county personnel's ability to meet timeframe requirements?
11. Provide more information on Colorado's food assistance "error rate of payment". Are these errors on the high end or errors on the low end?
12. Why is Colorado's Supplemental Nutrition Assistance Program (SNAP) penetration rate so low compared to other states? Does this mean Colorado is not doing enough outreach?
13. How do Colorado's SNAP administrative costs rank compared to other states, based on federal Food and Nutrition Service data?

*Note: A question on the lack of a provider rate increase for Medicaid county administration will be added to the hearing agenda for the Department of Health Care Policy and Financing.*

**10:30-10:45 BREAK**

**10:45-11:00 SELF SUFFICIENCY: TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

14. Please explain why the Department is only requesting \$5.0 million General Fund to replace federal funding in the Division of Child Welfare, rather than requesting \$11.0 million and eliminating all Temporary Assistance for Needy Families funding in the Division for FY 2013-14, as was anticipated by the General Assembly?
15. Should the General Assembly consider reducing TANF support in the Division of Child Welfare in order to preserve TANF for Colorado Works in future years? What about if this means an overall reduction in funding for child welfare (*i.e.*, if the General Assembly does not backfill TANF child welfare reductions with General Fund)? What is CCI's position on this?

**11:00-11:15 ADULT ASSISTANCE: COMMUNITY SERVICES FOR THE ELDERLY AND OLD AGE PENSION**

16. Is the Department planning to propose relocation of Community Services for the Elderly programs to the Department of Health Care Policy and Financing? If so, how and when do you expect pursue this, *e.g.*, are you working with potential sponsors on new legislation for the 2013 legislative session to move this and other programs to HCPF? Do you expect to approach the JBC about this?
17. Discuss the overlap between the Old Age Pension, Social Security and private pensions. How do increases/decreases in social security and private pension payments affect state expenditures for the Old Age Pension? Do we have an obligation to provide cost of living increases for the Old Age Pension?

18. Do you anticipate requesting/providing a cost-of-living increase for the Old Age Pension effective January 1, 2013 (*i.e.*, requesting an FY 2012-13 supplemental, in addition to your FY 2013-14 request)?

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1. The JBC occasionally hears complaints that base personal services reductions to capture vacancy savings result in more vacancy savings as managers reduce staff to absorb the reduction and then still experience turnover. Some departments refer to this as the "death spiral." Has your department experienced this problem? How does your department attempt to minimize and avoid the "death spiral?"

**Response:**

**Base personal services reductions have challenged the Department over the years. The culmination of required personal service reductions over many years has the impact of reducing financial resources for staffing even though workload requirements for programs have not changed and in many cases increased.**

**The Department has been able to minimize the impact of the base personal services reduction by receiving exemptions to the base personal services reductions for direct services programs. As a result, direct service areas including Youth Corrections facilities, Regional Centers for people with disabilities, and the Mental Health Institutes have been able to avoid the reductions and maintain staffing. For those programs that were impacted by the series of reductions, it's difficult to isolate the effects from other funding changes that the programs might have experienced. But it can be assumed that some programs would have had to hold positions vacant, thus impacting program effectiveness at some level.**

**9:30-10:00 COUNTY ADMINISTRATION AND ADULT ASSISTANCE: ADULT PROTECTIVE SERVICES**

2. Explain the recommendations of the Elder Abuse Task Force as they relate to mandatory reporting of elder-abuse.
  - a) Who are the key professionals who would be required to report elder abuse in Colorado based on the S.B. 12-078 Elder Abuse Task Force recommendations?

**Response:**

**The Task Force recommended maintaining the current list of "urged" reporters in Section 26-3.1-102, C.R.S. and added four categories of mandatory reporters, underlined below, to include persons acting as paid or non-paid professionals in a field (for example, volunteer and paid fire protection personnel):**

- Physicians, surgeons, physicians' assistants, osteopaths, physicians in training, podiatrists, and occupational therapists, chiropractors, and physical therapists;
- Medical examiners and coroners;
- Registered nurses, licensed practical nurses, and nurse practitioners;
- Hospital and long-term care facility personnel engaged in the admission, care, or treatment of patients;
- Psychologists and other mental health professionals;
- Social work practitioners;
- Dentists;
- Law enforcement officials and personnel;
- Court appointed guardians and conservators;
- Fire protection and emergency medical services personnel;
- Pharmacists;
- Community-centered board staff;
- Personnel of banks, savings and loan associations, credit unions, and other lending or financial institutions; and
- A caretaker, staff member, or employee of or volunteer or consultant for a licensed or certified care facility, agency, home, or governing board, including but not limited to home health providers; and
- Clergy, as defined in the Children's Code – C.R.S. Sections 19-3-304(2)(aa), and 13-90-107(1)(c).

How does this list compare to the list of mandatory reporters in other states?

**Response:**

**Mandatory reporters in the United States, Puerto Rico, Guam, District of Columbia and the Virgin Islands vary ranging from requiring all persons to very limited groups such as just health care professionals. Twenty-six states/territories have a list of reporters very similar to the Task Force recommendation, 21 states require everyone to report, and 7 have fewer identified mandatory reporters than the recommended list. Additionally, the list of recommended mandatory reporters for Adult Protective Services (APS) is very similar to the list of mandated reporters for Child Protective Services in Colorado.**

b) Does the scope of reporting include financial scams?

**Response:**

**The recommendation regarding mandatory reporting encompasses exploitation, including financial exploitation, which will need to be defined in C.R.S. 18-6.5. The Task Force also supports certain changes to the criminal statutes including**

**development of a new “Financial Exploitation of the Elderly” criminal provision in Title 18. Additionally, the Task Force recommends that the Legislature create a task group to further study financial exploitation and develop recommendations for a comprehensive program for the state, as it is a growing, costly and complicated crime.**

- c) Isn't there a professional code of conduct that would require professionals to report, without a law that requires them to do so?

**Response:**

**To our knowledge, no statute or professional code of conduct requires a report regarding elder or at-risk adult mistreatment to Adult Protective Services. Reports to APS are currently “urged.” Similarly, no statute or professional code of conduct requires a report to law enforcement regarding the victim of elder or at-risk adult mistreatment except in very narrow circumstances, such as when a person comes to the hospital with a gunshot wound or is the victim of domestic violence.**

**Doctors, psychiatrists, psychologists, therapists and others in health professions are required to report to law enforcement if there is a danger to self or others. However, this is in relation to a person in a mental health context not as a victim of a crime.**

**Professionals such as some health providers currently have a duty to report to the Colorado Department of Public Health and Environment if the concern is considered “an occurrence” as defined at C.R.S. 25-1-124 and C.R.S. 25-3-109 (1), (3).**

- d) Do you have an estimate for how often elder abuse is *not* reported by professionals?

**Response:**

**Studies on the prevalence of non-reporting of elder abuse vary. The National Elder Abuse Incidence Study, conducted in 1998 by the National Center on Elder Abuse, is the most respected and widely cited study of underreporting. This study includes all forms of mistreatment currently included in the Colorado APS statute. The estimate from the study is that for every case of mistreatment that is reported, there are five instances that are unreported. Other studies estimate up to as many as 23 unreported instances for each case that is reported.**

- e) What is the proposed civil or criminal penalty for failure to report abuse? Would providers have to leave their industry?

**Response:**

**The Task Force modeled this recommendation after Child Protective Services (CPS) statute defined under 19-3-304, C.R.S.**

**Failure to report child abuse or neglect in Colorado does not include a civil penalty, therefore, it was not considered for APS.**

**Law enforcement and prosecution representatives indicate that prosecutions for non-reporting are rare. However, the Task Force recommends a misdemeanor 3 criminal penalty for failure to report. This penalty aligns with the penalty for failing to report child abuse and provides for prosecutorial discretion. The penalties range from a fine of \$50-750 and/or up to six months jail time.**

**It is unlikely that a penalty for failing to report would cause providers to leave their industry. However, if a person is charged with failure to report, it would likely appear on an employment background check, which may make it difficult for the person to secure employment in a health care field or other employment.**

f) Would it be more effective to provide training for providers, teaching them what to report, instead of prosecuting failure to report?

**Response:**

**Training for mandatory reporters is critical to the development of a strong APS system. Mandatory reporters need to be informed that there are new requirements including when to report, who to report to, and how to recognize signs of mistreatment or crimes. The State APS program is currently developing a comprehensive outreach and training plan for mandatory reporters. Additionally, community training is currently a mandatory requirement for county APS programs. Since 2008, more than 35,000 persons have been trained on elder abuse.**

**However, currently there is no requirement to report.**

3. Discuss the cost-estimates for Adult Protective Services included in the Elder Abuse Task Force Report.

a) How did the Task Force arrive at these estimates? For example, how did it arrive at the estimated increase to the Adult Protective Services caseload based on mandatory reporting?

**Response:**

**The Task Force considered several factors to arrive at its recommendations including the following:**

- **The Task Force determined it did not have accurate data to identify up-to-date estimates of county APS activities including information and referral; investigations; and protective services provided to protect at-risk elders. Therefore, the Task Force recommended that Colorado develop a new data system to collect this data which has been included as a funding request in the Governor's budget. The cost of a data system is estimated to be \$250,000, based on an examination of case management data systems, and as outlined in the Task Force report.**



- The Task Force reviewed data from other states to determine the impact of moving from “urged” to “mandatory” reporting. Other states that have recently implemented mandatory reporting had varying target populations and lists of mandatory reporters, etc., making a direct state-to-state comparison to Colorado difficult. The Task Force did determine that county case workers, and the caseload ratio, is a critical component of a mandatory reporting system. Therefore, the Task Force recommended:
  - A decrease in the existing county APS caseload ratio from 34:1 to 25:1;
  - An estimated 15% increase in reports attributable to the implementation of mandatory reporting. Other states that have recently implemented mandatory reporting have experienced anywhere from a 15% increase to more than 50%. The Task Force chose the more conservative 15% increase, which was also consistent with the April 24, 2012 fiscal note from SB12-078.
  
- The Task Force used the \$1 million estimate included in the April 24, 2012 fiscal note to determine the funding needed for counties to provide adult protective services (e.g. temporary shelter, utilities, capacity evaluations, etc.). This amount was commensurate with an informal survey of county supervisors, who identified approximately \$1.2 million in unmet need for adult protective services.
  
- The Task Force also recommended \$165,000 for training, education, and accountability, which are critical to the successful implementation of mandatory reporting. This recommendation includes additional training for county APS workers and supervisors, education of mandatory reporters and the public, and 1.0 State FTE to enhance quality assurance activities for county APS programs.

How did it arrive at \$1.0 million as the amount required for flexible county funding?

**Response:**

An online survey of county APS supervisors related to unmet protective and emergency services needs was conducted by the Task Force Financial Subcommittee in August 2012. County supervisors from all 64 counties were encouraged to participate and supervisors from 28 counties responded. The survey identified approximately \$1.2 million in unmet need encompassing three general areas including qualified professionals to conduct medical and mental capacity evaluations, costs of emergency services, and client needs. Costs were estimated based on average cost per service and the number of clients needing services for capacity and medical evaluations, emergency shelter, and emergency home services. Details of the survey are in the Task Force Report “S.B. 12-078 Elder Abuse Task Force Policy Decisions” in Appendix 13.

- b) How do we know that 34 to 1 caseload for county Adult Protective Services needs to be reduced? Do we have any data on what the most effective caseload might be and why?

**Response:**

**The National Adult Protective Services Association recommends a caseload of no more than 25:1. APS cases are often very complex. There may be multiple mistreatment categories that need to be investigated and resolved. APS clients tend to have complex medical, cognitive, and/or behavioral diagnoses that make intervention difficult. A lack of emergency and protective services in the community means that additional time must be spent on a case to find a viable solution to reduce risk.**

- c) How much are these cost estimates likely to change once a bill is drafted based on the recommendations of the Elder Abuse Task Force?

**Response:**

**The Task Force is not expecting a significant change to the cost estimates for APS. With regard to law enforcement, there is a field available in CBMS to check when a referral is made to law enforcement. However, this is not a mandatory field. Additionally, there is no way to determine if law enforcement followed up, or what the result of any follow-up. The Task Force polled the criminal justice system and determined the system could absorb these costs or that specific funding allocated for certain functions, (i.e., training) was already built in. Therefore, additional funding for law enforcement was not specifically identified by the Task Force.**

**The Task Force report recommends, and the Department supports, a review of APS data related to mandatory reporting two to three years after implementation to determine if the funding allocation is appropriate for the level of need.**

4. Should there be changes in the funding structure and/or state rules for Adult Protective Services, whether or not a mandatory reporting bill moves forward?
- a) Are funding, county requirements, and outcomes for Adult Protective Services sufficiently transparent? If not, what changes are needed?

**Response:**

**The current APS system is not sufficiently transparent in these areas; therefore, the Department is making significant improvements including:**

- **A complete re-write of the APS program rules was completed by the Department in conjunction with counties and adopted by the State Human Services Board effective August 1, 2012. This revision clarified county requirements with regard to APS. The Department will review any new**

legislation to determine if new rules are necessary if mandatory reporting is adopted.

- The Department submitted a budget request to purchase a new data system for APS. The new data system will allow for better tracking of outcomes and activities related to APS.
- The Department is actively using its performance management system, C-Stat, to measure the timeliness of investigations of APS referrals. The new data system will allow for expansion of C-Stat measures to include recidivism and other outcome measures not currently available in CBMS. C-Stat outcomes are available to the public on a quarterly basis.
- Similar to other county programs, the Department uses random moment sampling to track county personnel allocated and services provided in the APS program. Additionally, county spending on the APS program is currently tracked through the County Financial Management System (CFMS). Changes to the CFMS may be necessary to better track spending in the future.

b) Should funding for Adult Protective Services be broken-out of the main County Administration line item? How does the Department feel about this?

**Response:**

The APS funding should not be pulled out from the County Administration line item. It is important to maintain flexibility of funding, especially for small and medium counties where one worker may be responsible for several programs. The Department will utilize C-Stat and other oversight methods to ensure desired outcomes are achieved related to funding of APS. In addition to C-Stat, the Department conducts quality assurance/quality control (QA/QC) reviews of the counties' APS programs to strengthen program integrity and oversight.

However, case reviews are limited due to staffing. When QA/QC conducts a review, the standard is to look at five cases for small counties and two cases per worker in larger counties. The cases are lengthy and involved which limits the ability of the reviewer to look at a larger sample. The Task Force recommended adding 1.0 FTE to strengthen quality assurance/quality control reviews.

What about counties?

**Response:**

A formal survey of county opinion on this subject has not been conducted. However, the Department has engaged the counties in discussions regarding having a separate APS line item under County Administration through the Policy Advisory Committee (PAC) structure, and feedback from the counties is mixed. The consensus of the counties appears to be a desire to maintain the current flexibility in the funding of County Administration to address the unique needs and caseload fluctuations of each

**county. Colorado Counties, Inc. (CCI) and the Colorado Human Services Directors Association (CHSDA) have not taken an official position on moving the APS funding out of County Administration into a separate line item in the Long Bill. However, the two organizations have had initial discussions with the State regarding this possibility. The CCI steering committee meets in January 2013. Additional information regarding the counties' position may be available after that meeting.**

c) Should there be a new system for allocating Adult Protective Services funding among counties? If so, should this be accomplished via a statutory change? Alternatively, is this something the Department wishes to pursue internally or through its rule-making authority?

**Response:**

**The data available in CBMS does not justify changing the allocation methodology. The Task Force has recommended the purchase of a new data system for APS that can provide for better case management and data collection. The Department has submitted a funding request for an APS Data System in FY 2013-14. If funded, the Department would use this data to internally pursue a new method of allocating funding to the counties based upon caseload and other factors, such as client outcomes, number of cases with county fiduciary duty, etc. The new allocation process would be developed in partnership with the counties through the PAC process.**

d) Are additional rules needed to ensure that counties administer their Adult Protective Services programs to consistent standards? For example, should certain caseload ratios be mandated?

**Response:**

**A complete re-write of the APS program rules was completed by the Department in conjunction with counties and adopted by the State Human Services Board effective August 1, 2012. The re-write cleaned up and clarified county requirements with regard to APS. The Department will review legislation to determine if new rules are necessary if mandatory reporting is adopted.**

5. If the State becomes more actively involved in oversight of county Adult Protective Services programs, is there a risk that efforts will be duplicated, *e.g.*, if the state must double-check county work?

**Response:**

**The State currently performs a training and quality assurance role with the counties. A five day New Worker Training is available twice a year for new APS staff. Additionally, new supervisor training is available twice a year via webinars, which occur two hours per week for four weeks. Additional quarterly training is provided at a regional level and a variety of webinars are available bi-monthly. CBMS training is provided bi-**

monthly and other training is conducted as needed. The Task Force recommended that these activities be enhanced, but no duplication is anticipated.

Additionally, the Department created a Quality Assurance/Quality Control (QA/QC) section to provide better oversight of county APS programs in 2011. The state has conducted reviews in more than 40 counties since 2009, but has been unable to conduct reviews in all 64 counties with current resources. The goals of the reviews include:

- Ensuring that adequate and appropriate protective services are being provided;
- Ensuring that counties are meeting program requirements;
- Providing technical assistance; and
- Identifying training needs.

The Task Force recommended adding 1.0 FTE to strengthen and expand the quality QA/QC reviews across the state.

In addition to the QA/QC, the Department utilizes information gathered at its monthly C-Stat meetings to provide technical assistance to counties under-performing in areas related to timeliness of investigations of APS referrals. The Department can use this data to drill down to a specific county and case, and develop a targeted approach for the county to follow-up directly with case workers in an effort to improve timeliness of investigations. The C-Stat outcomes are available to the public on a quarterly basis.

6. Will forcing counties to sit at the table to discuss Adult Protective Services funding allocations create new funding demands from counties?

**Response:**

**In partnership with counties, the Department has developed mutually supported solutions to a variety of programmatic and funding issues through the Policy Advisory Committee structure. The Department will approach possible changes to the funding allocations in a similar manner.**

7. JBC staff has recommended that costs for state Adult Protective Services staff be shifted from the Old Age Pension Cash Fund to the General Fund. Do you agree? If so, what should the timing be: FY 2012-13 or FY 2013-14? Are there any other items being funded with Old Age Pension funds that should not be?

**Response:**

**The Department agrees with the JBC Staff recommendation that costs for state APS staff and the APS Case Management System should be funded by the General Fund in FY 2013-14. Making this appropriation change will not negatively impact the General Fund because unused Old Age Pension Fund revenues will automatically spill over into General Fund revenue. The Department is reviewing all the activities funded with Old Age Pension funds and will follow up with JBC staff on this issue.**

**10:00-10:30 COUNTY ADMINISTRATION**

8. Discuss the differences in county spending for the various state-supervised county-administered programs in FY 2011-12, with some counties under-expending and others over-expending their funding allocations. Why do we see such variation across the state? Do these variations indicate a need for changes in overall state funding levels or allocation formulas?

**Response:**

**As is the case with budgeting in general, the allocation process is based on sets of broad assumptions with limited and dynamic information. The ability to forecast the need for services is far more difficult for the smaller counties where, for example, one additional high-cost placement in residential care can lead to a county overspending its Child Welfare allocation. For this reason, the Department supports counties' flexibility in the use of allocations, as explained in the answer to Question No. 4.b., above.**

**Other reasons that counties underspend and overspend allocations include:**

- **Ability to meet county match requirements;**
- **Discretionary spending choices made by counties from their allocations (e.g. contracted services funded through Colorado Works);**
- **Availability of additional county funds to augment allocations;**
- **Caseload growth experienced during a fiscal year that was not considered in the setting of allocations; and**
- **Imprecision in the factors used in setting the allocations directly aligning with funding needed at each county's level.**

**The allocation formulas are reviewed by county and state staff annually, and are often adjusted to better reflect the needs, with a greater emphasis being placed on the outcomes on which the programs are focused.**

9. The Department indicates it plans to submit a supplemental request for a vendor who will work with the state and counties to improve eligibility-determination business processes. How much do you expect to request? Can you provide more information on your plans?

**Response:**

**The Department plans to submit a FY 2012-13 supplemental and FY 2013-14 budget amendment titled "Benefits Assistance Programs Business Process Reengineering." The request is being developed and information regarding the request will be provided to the Joint Budget Committee on January 2 during the established timeline for supplemental and budget amendment funding requests.**

10. Provide an update on state and county efforts to ensure timeliness in eligibility-determination. Are ongoing problems (for expedited food assistance cases and redeterminations) related to CBMS or county personnel's ability to meet timeframe requirements?

**Response:**

**Beginning in September 2008, the Food Assistance and Colorado Works caseloads experienced a dramatic increase in applications and number of households receiving benefits due to the downturn in the economy. Colorado Works currently serves 7,267 or 81% more households, and the Food Assistance caseload increased 95% representing an additional 109,752 households, both compared with September 2008.**

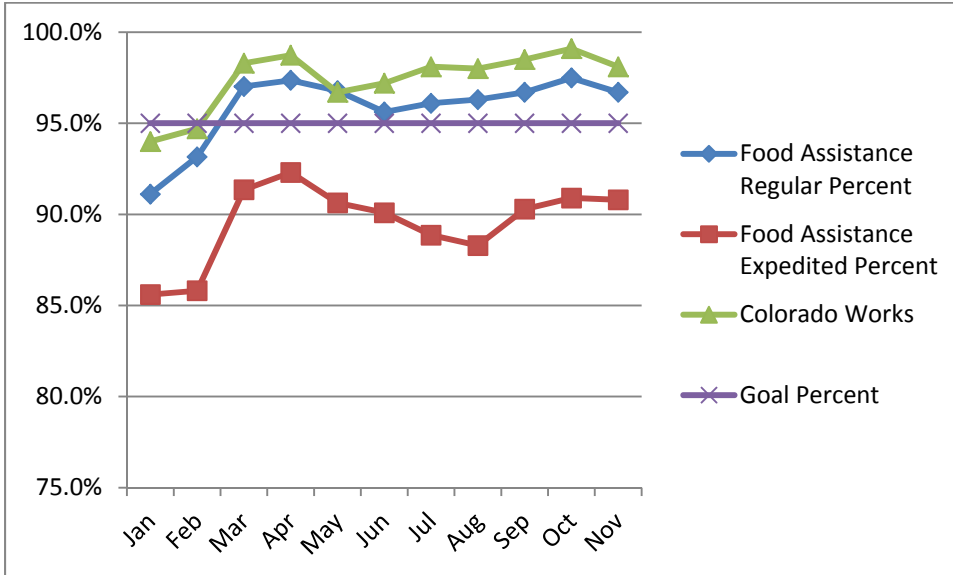
**Despite this unprecedented growth, both programs achieved a rate of 95% timely processing for regular Colorado Works and Food Assistance applications ahead of the agreed upon target date associated with the Amended Court Stipulation Agreement (September 2012). TANF has met or exceeded the 95% performance target each month since March 2012, and has averaged well above 95% since September 2011. Food Assistance has exceeded the 95% timeliness target each month since March 2012. Food Assistance expedited applications are currently at 90% timely processing. Both programs are continuing to work toward the final goal of achieving timely processing of renewal applications in January 2013.**

**A number of measures have been implemented to improve timeliness in the processing of applications and renewals in view of increasing caseload sizes including specific changes to CBMS; realignment of renewal dates across programs; increased funding to counties for Food Assistance administration; and collaborative working relationships between state staff and county staff on how to identify and address problems in individual counties.**

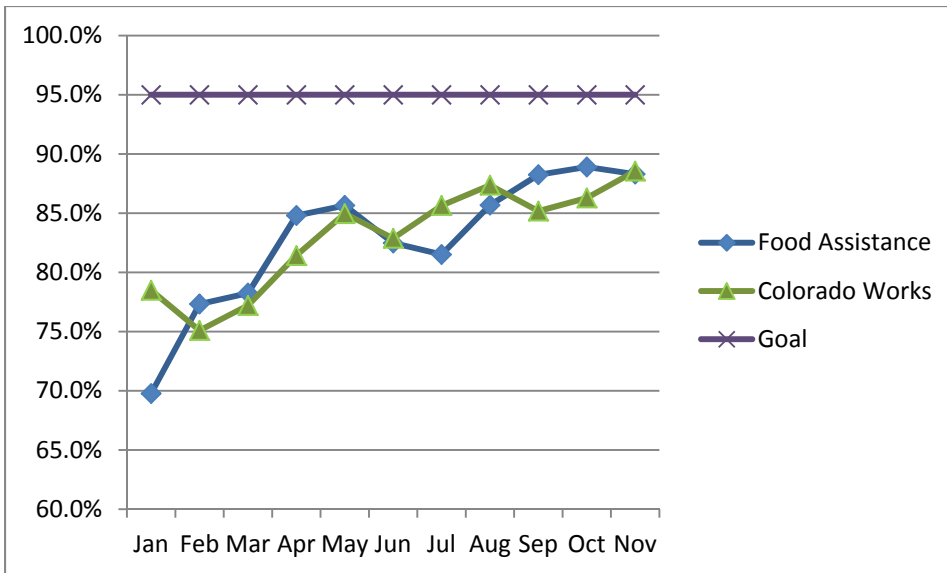
**Food Assistance is anticipating that caseload will increase when health care reform is implemented based on information concerning the number of low income individuals currently not on Medicaid and the high number of projected individuals eligible for but not receiving food benefits. The purpose of the additional funding requested in the FY 2013-14 budget for Food Assistance Administration is to continue to provide the financial resources necessary to support local office operations, while creating and sustaining more efficient business processes so that overall program performance can be maintained and improved.**

**The charts below reflect the timely process of new and renewal applications from January 2012 through November 2012.**

Timeliness of New Applications (January 2012 – November 2012)



Timeliness of Redetermination Applications (January 2012 – November 2012)



11. Provide more information on Colorado’s food assistance “error rate of payment”. Are these errors on the high end or errors on the low end?

**Response:**

**According to the United States Department of Agriculture (USDA) Food and Nutrition Services (FNS), Colorado is ranked 36 out of 53 (50 states, District of Columbia, Guam,**



Virgin Islands) with a current Payment Error Rate of 3.98% for cases reviewed from October 2011 through July 2012. The National Average for Payment Error Rate is 3.28%. Payment errors can either be related to overpayment or underpayment. The average payment error found was \$140, with the largest overpayment being \$1,052. The largest underpayment found was \$208. Payment errors of less than \$50 are not included in the federal error rate.

12. Why is Colorado’s Supplemental Nutrition Assistance Program (SNAP) penetration rate so low compared to other states? Does this mean Colorado is not doing enough outreach?

**Response:**

Colorado has historically been ranked in the bottom five states nationally in penetration rate. Factors that contribute to low participation include a cumbersome application process, long wait times, and lack of public confidence in the process as well as a perceived stigma in receiving assistance.

The Department has improved the State process of applying for public assistance including the ability to apply on-line through the Program Eligibility and Application Kit (PEAK) and reducing the total number of pages of the application from 26 to eight.

The Department is also working to ensure that people who may be eligible for Food Assistance are aware of, have access to and know how to apply for SNAP benefits. The Department in conjunction with Hunger Free Colorado, Care and Share Colorado, Weld Food Bank and Share Our Strength provides education and outreach activities as well as assistance in application process.

13. How do Colorado’s SNAP administrative costs rank compared to other states, based on federal Food and Nutrition Service data?

**Response:**

According to the United States Department of Agriculture Food and Nutrition Services, Colorado was ranked 42 out of 53 (50 states, District of Columbia, Guam, Virgin Islands) in SNAP total State administrative costs based on cost per case per month in Federal Fiscal Year (FFY) 2010. The following table shows the range variance from the lowest administrative cost to the highest cost per case.

Rank	State	Households Participating (Monthly)	Total State Administrative Costs	State Admin Cost Per Case per Month
1	South Carolina	359,506	\$41,975,066	\$9.73
2	Florida	1,370,563	\$191,375,596	\$11.64
3	West Virginia	154,886	\$29,237,697	\$15.73
4	Georgia	681,782	\$129,786,205	\$15.86
5	Tennessee	573,725	\$111,788,421	\$16.24

...				
41	Pennsylvania	740,186	\$350,099,896	\$39.42
42	Colorado	176,289	\$85,486,584	\$40.41
43	Utah	98,805	\$50,406,973	\$42.51
...				
53	Virgin Islands	8,145	\$9,857,363	\$100.85

*Note: A question on the lack of a provider rate increase for Medicaid county administration will be added to the hearing agenda for the Department of Health Care Policy and Financing.*

**10:30-10:45 BREAK**

**10:45-11:00 SELF SUFFICIENCY: TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

14. Please explain why the Department is only requesting \$5.0 million General Fund to replace federal funding in the Division of Child Welfare, rather than requesting \$11.0 million and eliminating all Temporary Assistance for Needy Families funding in the Division for FY 2013-14, as was anticipated by the General Assembly?

**Response:**

**The overall General Fund under-expenditure in the Division of Child Welfare in FY 2011-12 did not justify a request for the \$6 million to replace TANF funds.**

15. Should the General Assembly consider reducing TANF support in the Division of Child Welfare in order to preserve TANF for Colorado Works in future years? What about if this means an overall reduction in funding for child welfare (*i.e.*, if the General Assembly does not backfill TANF child welfare reductions with General Fund)? What is CCI's position on this?

**Response:**

**The Department does not support any reduction in funding to Child Welfare. However, the Department is in support of efforts to minimize the Division of Child Welfare's dependence on TANF over time.**

**The Department has sought a position from the new leadership of CCI. The Health and Human Services Steering Committee does not meet until January 25, 2013; however, CCI is seeking input and will provide preliminary information as available.**

**11:00-11:15 ADULT ASSISTANCE: COMMUNITY SERVICES FOR THE ELDERLY AND OLD AGE PENSION**

16. Is the Department planning to propose relocation of Community Services for the Elderly programs to the Department of Health Care Policy and Financing? If so, how and when do you expect pursue this, *e.g.*, are you working with potential sponsors on new legislation for the 2013 legislative session to move this and other programs to HCPF? Do you expect to approach the JBC about this?

**Response:**

**Governor Hickenlooper issued Executive Order D 2012-027 establishing the Office for Community Living within the Department of Health Care Policy and Financing on July 5, 2012. Along with the creation of this new office, the Executive Order established the Community Living Advisory Group. The objective of the Community Living Advisory Group is to consider and recommend necessary changes to the system to ensure responsiveness, flexibility, accountability, and self-directed long-term services and supports for all eligible persons. The Community Living Advisory Group began meeting in August 2012. To date, the Advisory Group has made no recommendations. The Department of Health Care Policy and Financing is the lead agency working with the Community Living Advisory Group. The Community Living Advisory Group sunsets in September 2014. It is anticipated that any proposed legislation on relocating this program will be initiated by the Advisory Group.**

17. Discuss the overlap between the Old Age Pension, Social Security and private pensions. How do increases/decreases in social security and private pension payments affect state expenditures for the Old Age Pension? Do we have an obligation to provide cost of living increases for the Old Age Pension?

**Response:**

**When a recipient of Old Age Pension (OAP) has other income sources, such as Social Security or private pensions, these sources are factored into the overall grant amount the recipient receives each month. For example, at the current grant standard of \$725, if an OAP recipient receives \$500 from Social Security they would receive an additional \$225 from OAP per month. If the amount of their Social Security went up to \$600 a month, they would only receive \$125 a month from OAP.**

**When the State does not pass along the Cost-of-Living Adjustment (COLA) to OAP recipients, the expenditures for the OAP program go down. These expenditures are critical to meeting the expenditures required by the Social Security Administration (SSA) to meet the Department's Federal Maintenance of Effort (MOE) spending requirement. This mandated spending would need to be replaced by spending in other financial assistance programs, creating an inequitable distribution of benefit dollars across these populations.**

**The State Board of Human Services has the constitutional authority to establish**

**payment levels for OAP.**

18. Do you anticipate requesting/providing a cost-of-living increase for the Old Age Pension effective January 1, 2013 (*i.e.*, requesting an FY 2012-13 supplemental, in addition to your FY 2013-14 request)?

**Response:**

**The OAP COLA, passed by the State Board of Human Services, goes into effect on January 1, 2013, raising the grant standard from \$725 to \$737 per month. A Supplemental request for FY 2012-13 will be submitted to the Joint Budget Committee on January 2, 2013.**

**ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED**

1. The Joint Budget Committee has recently reviewed the State Auditor's Office *Annual Report of Audit Recommendations Not Fully Implemented* (October 2012). If this report identifies any recommendations for the Department that have not yet been fully implemented and that fall within the following categories, please provide an update on the implementation status and the reason for any delay.
  - a. Financial audit recommendations classified as material weaknesses or significant deficiencies;
  - b. Financial, information technology, and performance audit recommendations that have been outstanding for three or more years.

**Response:**

**The Department has set the implementation of audit recommendations as one of its strategic priorities, with the goal of being current with all recommendations by June 30, 2013. Each recommendation is tracked and monitored. Monthly reports are given to Office Directors, and on-going meetings are held with Division Managers to facilitate strategies to implement outstanding recommendations. Dashboards are being used to monitor progress at the department and office level in the implementation of the recommendations (see example below).**

- 1.a. **CDHS has no financial audit recommendations classified as material weaknesses. CDHS does have 35 recommendations classified as significant deficiencies in total (from all years), of which 12 are currently implemented, and 11 are partially implemented. In addition, 28 of these recommendations (80 percent) are related to the AVATAR and County Financial Management System (CFMS) information system, which necessitates work from GOIT in order to implement.**
- 1.b. **CDHS has an additional seven audit recommendations that have been outstanding for three or more years (six financial audit recommendations classified as deficiencies in internal controls and one performance recommendation). Note that we used 6/30/2009 as the cutoff date for this analysis. Of these recommendations, three (43 percent) are currently implemented.**

**Additional Information:**

**Some of the audit recommendations related to reconciling information between COFRS, CFMS, and various feeder systems like CBMS, TRAILS, CHATS, LEAP, and EBT are receiving a fresh effort and focus due to turnover in staff resources. Because of limitations**

in staff resources as well as expertise, only a couple of staff in the past had the in-depth knowledge necessary to perform these reconciliations. New efforts are underway by a team of accounting staff to leverage resources as well as cross train reconciliation efforts to ensure continuity going forward.

Given that 80 percent of the audit recommendations are related to systems, GOIT provided some additional information about Avatar and County Financial Management System (CFMS) recommendations:

**Avatar**

In addition to the status updates regarding Avatar, it should also be noted that the Department has ensured that every user of Avatar or its subsystems has a current system access request form that is properly completed in accordance the *type* of access required along with all required authorizations.

**CFMS**

All outstanding CFMS computer controls on the Audit Recommendation list, if not already addressed, will be implemented by June 2013. The volume of work required to not only implement these controls but document them is greater than the number of resources available and competing higher priority projects within OIT would allow. Progress has been made on these controls over time including implementing a secure version of an operating system that would provide the ability to restrict access and provide additional security. We look forward to completing the last of these controls by June 2013.

**Dashboard Example**

Department Totals	Starting Balance	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Status as of Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Goal = 100%	✗	✗	✗	✗	✗	✗								
Progress		↑	↑	↑	↓	↑								
Actual		15.8%	33.7%	44.1%	43.1%	47.1%								
Total Outstanding Recs due by 6/30/2013	101	85	67	57	58	54		54						
Total Implemented by CDHS	0	(16)	(18)	(10)	2	(4)		(46)						
Total Moved to Another Office	0	0	(4)	(2)	0	0		(6)						
Total Disagreed	0	0	0	(1)	(1)	0		(2)						
Total New / Moved from Another Office	0	0	4	3	0	0		7						

Information Provided by OSA					CDHS All Significant Deficiencies			Current Due Date	Current Status (or update provided for 2012 SW)
Category	Outstanding	Report	Rec No.	Part	Tracking Rec	Contact	Recommendation		
Financial Statement	1 Year	2011 SW Single Audit Report	9	c	2011-09c	Clint Woodruff	The Department of Human Services should ensure that the financial data on COFRS related to counties' administration of public assistance programs are accurate and complete by assigning responsibility to specific employees for conducting the monthly reconciliation process and the supervisory review of the process. (Rec. #7b in Statewide 2008, rec. #13b in Statewide 2009 and rec. #13c in Statewide 2010)	Jan-13	Not implemented - the reconciliation process was being developed and completed by a senior manager on the CDHS Accounting team, who is now on medical leave. The Department has recently formed a new team to complete the reconciliation monthly, develop procedures, and work to retroactively reconcile the complete variance (which may date back to SFY 2000). The team will also work to cross-train staff to assure that monthly reconciliations will continue in the event of staff turnover. The new task group will meet with the Controller, the CFO of Settlement Accounting, and the lead CFMS Program Accountant on a weekly basis to report progress and challenges. That Department anticipates completion of the monthly audits on a go forward basis and development of the procedures within the next few months. A complete reconciliation of the variance going back may take longer. The Department does not have an estimate on how long this will take, until a baseline is established for each monthly reconciliation.
IT	2 Years	2010 SW Single Audit Report	22	c	2011-10c	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by generating, reviewing, and retaining activity logs to identify and investigate anomalous activity, including successful and unsuccessful log-in attempts, and controlling access to activity logs to ensure that logs cannot be altered. (Rec. #22c in Statewide 2010)	Dec-12	Implemented. The last component of installing the Blueance software onto the Avatar database servers occurred on 10/17/2012.
IT	2 Years	2010 SW Single Audit Report	22	d	2011-10d		The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by requiring supervisors to periodically verify the accuracy and relevance of user access for the employees they supervise. (Rec. #22d in Statewide 2010)	Oct-12	Implemented - we received information from Brian Townley on 11/19/2012 to support an implemented status; business area obtained an access form for all current users with the supervisor and data owner signatures
IT	2 Years	2010 SW Single Audit Report	22	e	2011-10e		The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by implementing a procedure to ensure that all users are authorized based on roles and evidence of role-based authorization is retained prior to their gaining access to the system. (Rec. #22e in Statewide 2010)	Oct-12	Implemented - we received information from Brian Townley on 11/19/2012 to support an implemented status; business area obtained an access form for all current users with the supervisor and data owner signatures
IT	2 Years	2010 SW Single Audit Report	22	f	2011-10f	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by generating and implementing log-on banners for AVATAR, including HIPAA banners where required. (Rec. #22f in Statewide 2010)	Jun-13	Not Implemented - Since Avatar does not currently have log-on banner capabilities with the version installed, OIT is looking to implement a log-on banner when logging onto the networks enterprise wide. This has been delayed due to higher priority projects for the desktop team, the lack of resources available and that OIT wants this to be implemented enterprise wide across the State. The current date for implementation is 6/2013.
IT	2 Years	2010 SW Single Audit Report	22	g	2011-10g	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by reviewing and updating user access management and desktop management policies and procedures. (Rec. #22g in Statewide 2010)	Jun-13	Partially Implemented - The user access policies and procedures are complete and the desktop management policies and procedures are in progress. This has been delayed due higher priority projects for the desktop team and the lack of resources available. The current date for full implementation is 12/2012.
IT	2 Years	2010 SW Single Audit Report	22	h	2011-10h	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by ensuring that a system security assessment is performed on a periodic basis and identified security gaps are mitigated. (Rec. #22h in Statewide 2010)	Jun-13	Partially Implemented - This has 2 parts still open. 1) A Nessus security scan was requested for all Avatar servers and OIT needs to go through the process of resolving the issues. 2) Avatar has gone through the risk assessment questionnaire and OIT is finalizing the results. This has been delayed due to higher priority projects for the network and security teams, a lack of resources available. The Risk Assessment went through a new process using Archer to go through the HTRUST questions. The date for full implementation is 6/2013.
IT	2 Years	2010 SW Single Audit Report	22	i	2011-10i	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by hardening system configuration setting for AVATAR, as recommended under separate cover. (Rec. #22i in Statewide 2010)	Dec-12	Partially Implemented - A Nessus security scan was requested for all Avatar servers and OIT needs to go through the process of resolving the issues. This has been delayed due to higher priority projects for the network and security teams and a lack of resources available. The date for implementation is 6/2013.
IT	2 Years	2010 SW Single Audit Report	22	k	2011-10k	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by conducting a review of all data transmissions related to AVATAR and ensuring that sensitive data are encrypted during transmission. (Rec. #22k in Statewide 2010)	Aug-12	Partially Implemented - 2 of the 3 items on securing the data transmissions is complete (Secure FTP and Securing the Avatar website), the last item of securing the telnet session to Lab and Pharmacy systems is scheduled to be implemented on 12/11/2012. This got delayed due to needing help with getting the telnet setup within our environment and working through the issues that came up through trial and error in the test environment.

Information Provided by OSA				CDHS All Significant Deficiencies			Current Due Date	Current Status (or update provided for 2012 SW)	
Category	Outstanding	Report	Rec No.	Part	Tracking Rec	Contact			Recommendation
IT	2 Years	2010 SW Single Audit Report	22	l	2011-10l	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by performing network scans on a periodic basis to identify and mitigate vulnerabilities. (Rec. #22l in Statewide 2010)	Jun-13	Partially Implemented - A Nessus security scan was requested for all Avatar servers and OIT needs to go through the process of resolving the issues. This has been delayed due to higher priority projects for the network and security teams and a lack of resources available. The current date for implementation is 6/2013.
IT	2 Years	2010 SW Single Audit Report	22	m	2011-10m	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by ensuring that all desktop computers are vendor supported and have a firewall in place. Also, documenting the policies and procedures pertaining to desktop security management. (Rec. #22m in Statewide 2010)	Jun-13	Partially Implemented - The firewall being implemented on the desktops is the one item remaining for this recommendation. The firewall software is installed on all machines and is currently recording information. The information being recorded needs to be reviewed and identified so that when this gets turned on CDHS can still function. This has been delayed due to higher priority projects for the desktop team, the lack of resources available and that OIT wants this to be implemented enterprise wide across the State. The current date for implementation is 6/2013.
IT	2 Years	2010 SW Single Audit Report	22	n	2010-10n	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by updating the AVATAR disaster recovery plan and business continuity plan that incorporate all components listed in State Cyber Security Policies. (Rec. #22n in Statewide 2010)	Dec-12	Partially Implemented - This is in process and is currently scheduled to be complete in 12/2012. This has been delayed due to lack of resources available to create the documentation.
IT	2 Years	2010 SW Single Audit Report	22	o	2011-10o	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by ensuring that the disaster recovery plan is tested and the required infrastructure components to restore the system are in place. (Rec. #22o in Statewide 2010)	Mar-13	Partially Implemented - This will test the DR plan mentioned above and is currently scheduled to be complete in 3/2013.
IT	2 Years	2010 SW Single Audit Report	22	p	2011-10p	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by ensuring that application, system, and data backups are performed in accordance with an established schedule that complies with State Cyber Security Policies, and off-site backup tapes are labeled and stored in a fireproof cabinet. (Rec. #22p in Statewide 2010)	Sep-12	Partially Implemented - The only item left on this recommendation is to store tapes in a fireproof cabinet. OIT is in the process of moving away from tape backups and going to digital backups. This has been delayed due to the network person handling this passing away and has not been reassigned to a new staff member. The current date for implementation is 6/2013.
IT	2 Years	2010 SW Single Audit Report	22	q	2011-10q	Brian Townley or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the general IT controls over AVATAR by revising existing contracts to ensure that vendors must comply with State Cyber Security Policies. (Rec. #22q in Statewide 2010)	Jun-13	Not Implemented - This is still scheduled to occur with the contract renewals that are currently moving forward and should be completed by 6/2013.
IT	2 Years	2010 SW Single Audit Report	23	a	2011-11a	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by promptly reviewing and implementing procedures to ensure that access to the "root" or "super-user" account can be traced to an individual user and user access to the "root" account is monitored on a regular basis for appropriateness. In addition, modifying configuration settings to ensure that changes made to system logs are logged separately and audited. (Rec. #23a in Statewide 2010)	Jun-13	Not Implemented - Controls will be in place by 1/31/2013.
IT	2 Years	2010 SW Single Audit Report	23	b	2011-11b	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by implementing strong password parameters at the application, database, and operating system levels that comply with State Cyber Security Policies. (Rec. #23b in Statewide 2010)	Jun-13	Not Implemented - OIT plans to have an exception letter by the end of January 2013, which will essentially acknowledge that the Department and OIT accepts certain risks by not having the technological capability of having strong passwords in place.



Information Provided by OSA					CDHS All Significant Deficiencies		Recommendation	Current Due Date	Current Status (or update provided for 2012 SW)
Category	Outstanding	Report	Rec No.	Part	Tracking Rec	Contact			
IT	2 Years	2010 SW Single Audit Report	23	c	2011-11c	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by reviewing the existing audit log rules to ascertain if current logging is sufficient. Generating, reviewing, and retaining system activity logs to identify and investigate anomalous activity and successful and unsuccessful log-in attempts. Controlling access to activity logs to ensure that logs cannot be altered. (Rec. #23c in Statewide 2010)	Jun-13	Not Implemented - A review process will be in place by 1/31/2013.
IT	2 Years	2010 SW Single Audit Report	23	d	2011-11d	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by requiring supervisors to periodically verify the accuracy and relevance of user access for the employees they supervise. (Rec. #23d in Statewide 2010)	Jun-13	Not Implemented - A review process will be in place by 1/31/2013.
IT	2 Years	2010 SW Single Audit Report	23	e	2011-11e	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by implementing a procedure to ensure that all users are authorized, evidence of authorization (system access request forms) is retained, and a signed statement of compliance is available prior to gaining access to the system. (Rec. #23e in Statewide 2010)	Jun-13	Implemented - Approved Helpdesk tickets are maintained by the Access Control unit as as proof of authorized access.
IT	2 Years	2010 SW Single Audit Report	23	g	2011-11g	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by reviewing and updating user access management and desktop management policies and procedures. (Rec. #23g in Statewide 2010)	Jun-13	Not implemented - This will be implemented in Dec 2012.
IT	2 Years	2010 SW Single Audit Report	23	j	2011-11j	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by implementing malware detection and prevention tools on the CFMS server and a patch management process for the operating system, database, and application to ensure that software patches are reviewed, implemented, and kept current. (Rec. #23j in Statewide 2010)	Jun-13	Not Implemented - OIT plans to have an exception letter by the end of January 2013, which will essentially acknowledge that the Department and OIT accepts certain risks by not having this technology in place.
IT	2 Years	2010 SW Single Audit Report	23	k	2011-11k	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by encrypting sensitive data transmitted between CFMS and other systems and computers, including user credentials. (Rec. #23k in Statewide 2010)	Jun-13	Not Implemented - A secure transmission will be in place by June 2013 for the outstanding systems CBMS, LEAP, Mesa County, El Paso County, and Larimer County
IT	2 Years	2010 SW Single Audit Report	23	l	2011-11l	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by performing network scans on a periodic basis to identify and mitigate vulnerabilities. (Rec. #23l in Statewide 2010)	Jun-13	Not Implemented - OIT plans to have an exception letter by the end of January 2013, which will essentially acknowledge that the Department and OIT accepts certain risks by not having this technology in place.
IT	2 Years	2010 SW Single Audit Report	23	m	2011-11m	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by ensuring that all desktop computers are vendor supported and have a firewall in place. Also, documenting the policies and procedures pertaining to desktop security management. (Rec. #23m in Statewide 2010)	Jun-13	Partially Implemented - The firewall software is installed on all machines and is currently recording information. The information being recorded needs to be reviewed and identified so that when this gets turned on CDHS can still function. This has been delayed due to higher priority projects for the desktop team, the lack of resources available and that OIT wants this to be implemented enterprise wide across the State. The current date for implementation is 6/2013.

Information Provided by OSA					CDHS All Significant Deficiencies				
Category	Outstanding	Report	Rec No.	Part	Tracking Rec	Contact	Recommendation	Current Due Date	Current Status (or update provided for 2012 SW)
IT	2 Years	2010 SW Single Audit Report	23	n	2011-11n	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by updating complete disaster recovery and business continuity plans for CFMS. (Rec. #23n in Statewide 2010)	Jun-13	Implemented - This was completed in November 2012, and a copy is available for review.
IT	2 Years	2010 SW Single Audit Report	23	o	2011-11o	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by ensuring that the disaster recovery plan is tested and the required infrastructure components needed to restore the system are in place. (Rec. #23o in Statewide 2010)	Jun-13	Implemented - This was completed in October 2012.
IT	2 Years	2010 SW Single Audit Report	23	q	2011-11q	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by updating existing contracts with CFMS vendors to ensure that the contracts require compliance with State Cyber Security Policies. (Rec. #23q in Statewide 2010)	Jun-13	Implemented - Acceptance Certificates were provided to the OSA on 10/24/2012.
IT	2 Years	2010 SW Single Audit Report	23	r	2011-11r	Richard Gonzales or Sharon Perko	The Department of Human Services should work with the Governor's Office of Information Technology to improve the County Financial Management System's general computer controls by monitoring vendors to ensure that service-level agreements are being met. (Rec. #23r in Statewide 2010)	Jun-13	Implemented - Signed Monthly Status Reports and Monthly User Meetings were provided to the OSA (Acceptance Certificates) in October 2012.
General Grant Management	2 Years	2010 SW Single Audit Report	100	b	2011-49a		The Department of Human Services should improve controls over its flexplace program by ensuring the Department of Personnel & Administration's (DPA) flexplace policy is consistently followed, including the proper use of DPA flexplace application and agreement forms. (Rec. #2b in ARRA Phase 2 and rec. #100b in Statewide 2010)	Sep-12	Implemented - we received documentation from Francine Hammer on 7/6/2012 to support an implemented status; we reviewed and marked it as implemented on 8/30/2012.
General Grant Management	2 Years	2010 SW Single Audit Report	100	a and c	2011-49b		The Department of Human Services should improve controls over its flexplace program by training approving officials at the division and program levels on their responsibilities for implementing flexplace policies and monitoring staff who participate in flexplace. The training should include requirements for approving and signing of flexplace applications and arrangements, the types of expenses to be covered, what state property will be used offsite, and how protected and confidential data are to be safeguarded. (Rec. #2c in ARRA Phase 2 and rec. #100c in Statewide 2010)	Sep-12	Implemented - we received documentation from Francine Hammer on 7/6/2012 to support an implemented status; we reviewed and marked it as implemented on 8/30/2012.
Financial Statement	2 Years	2010 SW Single Audit Report	13	b	2011-09b	Clint Woodruff	The Department of Human Services should ensure that the financial data on COFRS related to counties' administration of public assistance programs are accurate and complete by developing a procedure by which to reconcile the CFMS and COFRS data each month. The reconciliation procedure should include investigating and resolving all discrepancies and making adjustments as appropriate. (Rec. #7a in Statewide 2008, rec. #13a in Statewide 2009 and rec. #13b in Statewide 2010)	Jan-13	Not implemented - the reconciliation of the information in the two systems has currently been reconciled through SFY-10 and progress has been made on SFY-11 and SFY-12. As the monthly reconciliation is being completed, a process is being developed whereby the reconciliation can be completed on a monthly basis. This reconciliation will then be assigned to one or more accountants to maintain on a monthly basis and will be reviewed by their supervisor. See also item 2011 - 9c
Financial Statement	3 Years	2009 SW Single Audit Report	18		not tracking		The Department of Human Services should improve its controls over the processing and deposit of background check payments to ensure that the payments are deposited with the State Treasurer in accordance with State Fiscal Rules.	N/A	Implemented - it was reported to us as implemented for the 6/30/2010 ATM report; not currently followed up as a PYAR

Information Provided by OSA					CDHS All Significant Deficiencies				
Category	Outstanding	Report	Rec No.	Part	Tracking Rec	Contact	Recommendation	Current Due Date	Current Status (or update provided for 2012 SW)
Financial Statement	4 Years	2008 SW Single Audit Report	39a and 7c		2011-09a	Clint Woodruff	The Department of Human Services should ensure that the financial data in COFRS related to counties' administration of public assistance programs are accurate and complete by reconciling approximately \$1.7 million discrepancy between the County Financial Management System (CFMS) and COFRS for amounts due the counties as of the end of Fiscal Year 2010. (Rec. #8b in Statewide 2007, rec. #7c in Statewide 2008, rec. #13c in Statewide 2009 and rec. #13a in Statewide 2010)	Jan-13	Partially implemented - the reconciliation of the information in the two systems has currently been reconciled through SFY-10 and progress has been made on SFY-11 and SFY-12. As the monthly reconciliation is being completed, a process is being developed whereby the reconciliation can be completed on a monthly basis. This reconciliation will then be assigned to one or more accountants to maintain on a monthly basis and will be reviewed by their supervisor. See also item 2011 - 9c
Nursing Home	4 Years	Report No. 1964 - Fitzsimons	1		not tracking		Follow generally accepted accounting principles in recording anticipation bond interest payments and deferred issue costs and reconciling accounts receivable ledgers to the general ledger.	N/A	<b>Implemented</b> - we received information from Viki Manley on 11/20/2012 to support an implemented status; not currently followed up as a PYAR



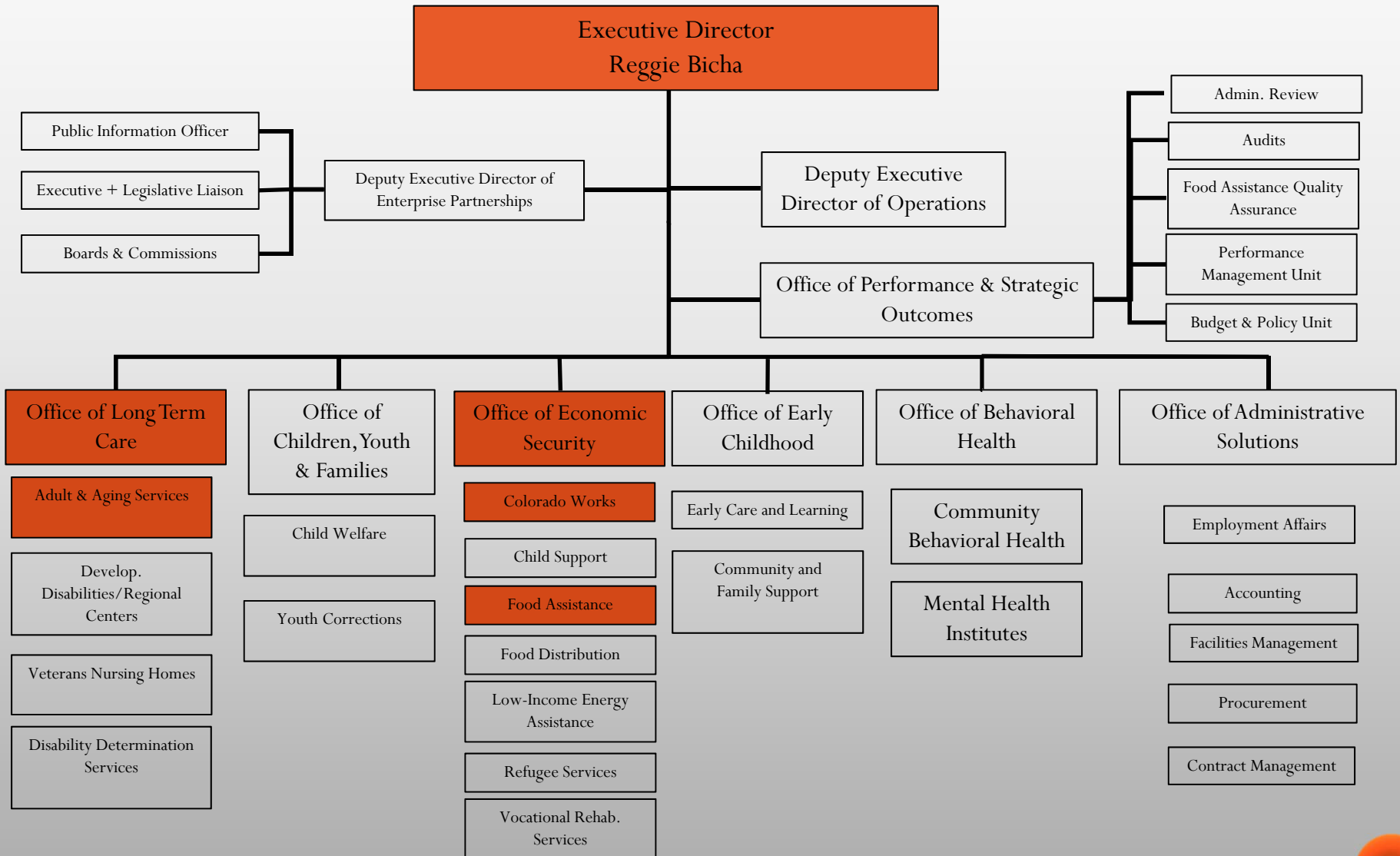
# Joint Budget Committee Hearing

## Colorado Department of Human Services

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Adult Assistance Programs  
Office of Economic Security  
County Administration

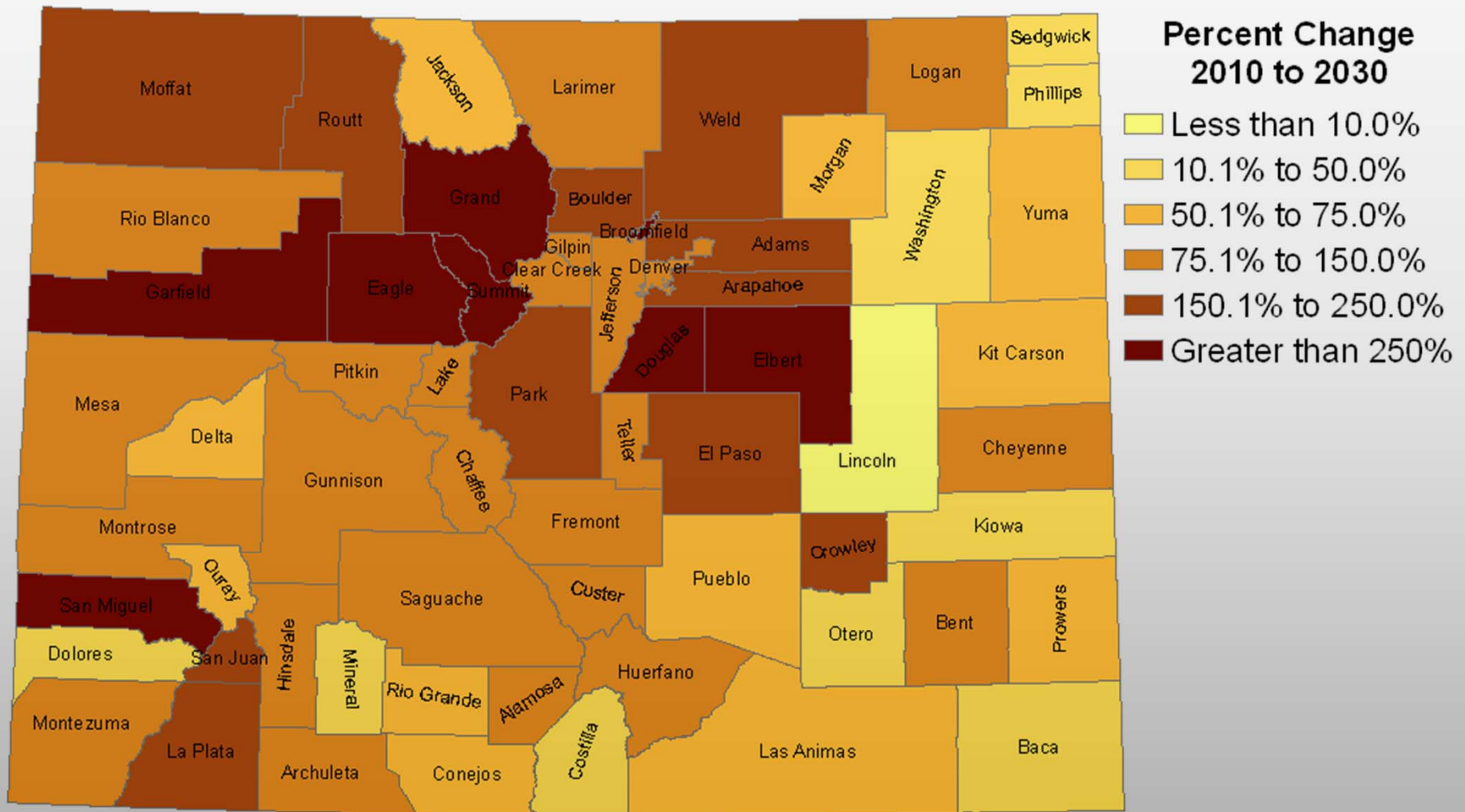
# Colorado Department of Human Services



# Personal Services

- Challenging reductions in personal services over many years
  - Reduced financial resources for staffing
  - Increased workload requirements
- Department has minimized impact by receiving exemptions for direct services programs
  - Youth Corrections Facilities
  - Regional Centers
  - Mental Health Institutes
- Some positions held vacant
  - Some impact to program effectiveness

# Change in 65+, 2010 to 2030



Source: State Demography Office, US Census Bureau

# Senior Services

The Department's budget request - *\$2 million Total Funds* – Enhancing and expanding services for Elderly in need through the Area Agencies on Aging

- AAAs plan, coordinate and access a continuum of services
  - Meals on Wheels
  - Adult In-home Health Care
  - Nutrition services
  - In home services
  - Legal services



# Old Age Pension

- The Department's budget request - *\$1,818,806 Total Funds* – Cost of Living increase
- Provides financial assistance to individuals 60 years of age and older who have little or no income
  - OAP supplements all other income sources
  - Factors include all income sources – Social Security benefits, Supplemental Security Income, private pensions and Veterans Benefits
- State Board of Human Services approved increase effective January 1, 2013
  - Increase of \$12 per person per month, to maximum of \$737 per month
  - A Supplemental request for FY 2012-13 will be submitted on January 2, 2013
  - The Governor's budget proposal includes this COLA for FY 2013-14

# Office of Community Living



- July 2012, Governor's Executive Order established new office in Health Care Policy and Financing
  - New Office designed to improve outcomes, reduce complexity, align services, increase capacity and access, improve efficiency and better leverage existing resources
- Governor also formed Community Living Advisory Group
  - Members from Legislature, CDHS, HCPF, CDPHE, DOH, Colorado Commission on Aging, AAAs, CCBs, Behavioral Health Transformation Council, county partners, community members, clients, family members and advocates
  - Consider and recommend necessary changes to ensure system responsiveness, flexibility, accountability, and self-directed long-term services and supports
  - Proposed legislation is likely to originate from this group

# Adult Protective Services

- National statistics estimate for every incident of a mistreated adult that is reported, five incidents are not reported
- Colorado is one of three states nationwide that does not have a mandatory reporting law
- No professional code of conduct or state law exists in Colorado to compel professionals to report to APS
- Limited and underfunded array of services across the state for vulnerable adults
- Practice is not consistent across the state
- Current data system (CBMS) is not built for APS purposes and does not provide outcomes-focused reporting data



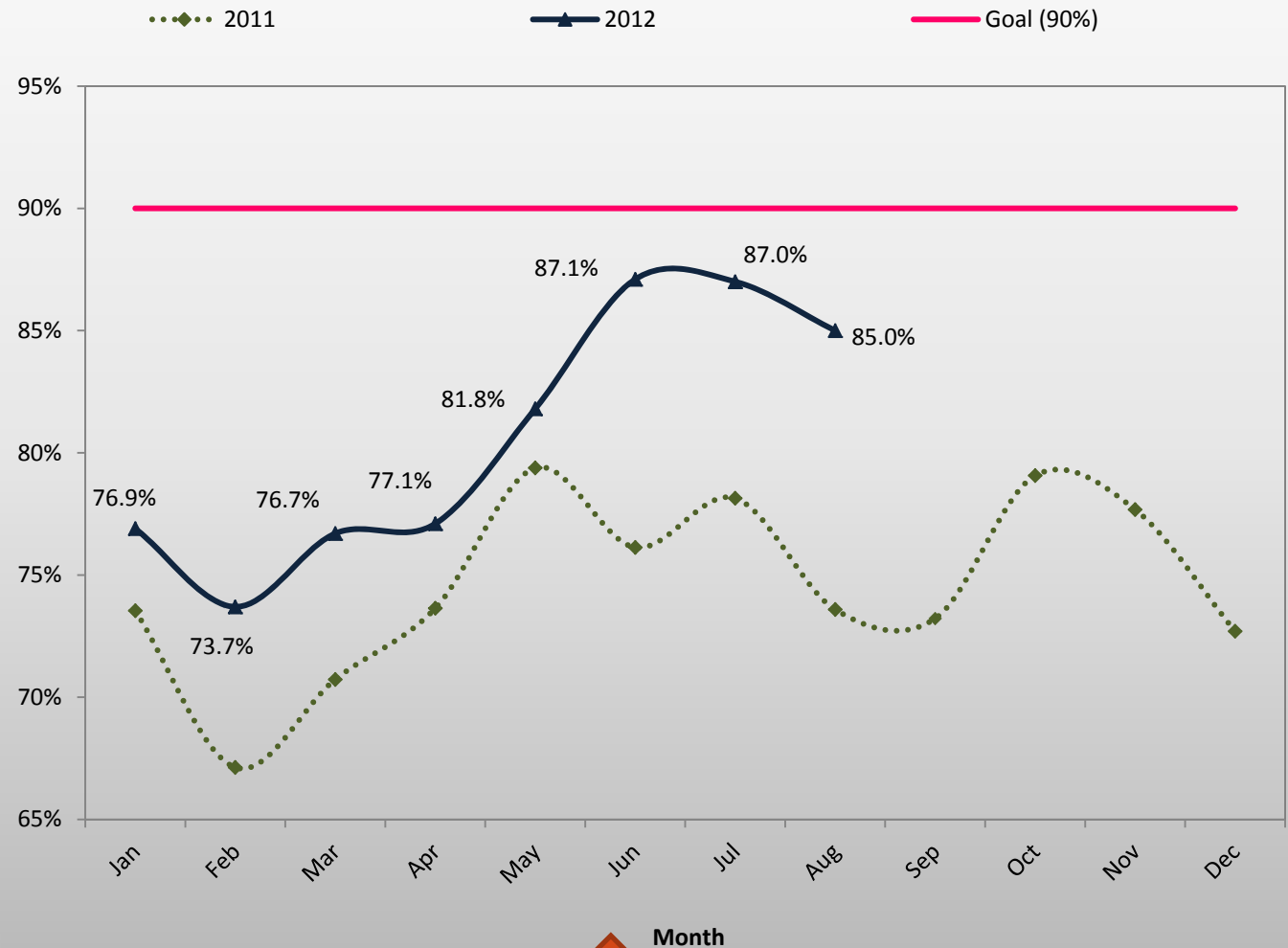
# Timely Adult Protection Inquiries



Description of Trend: Timeliness gradually increased between Feb. and Jun. 2012. Performance is showing a slight decrease to 85% in Aug. 2012.

Numerator: # of Timely Responses

Denominator: # of Responses;  
Current Monthly Denominator = 593



Office of Long Term Care  
Aging and Adult Services

# Elder Abuse Task Force

- SB 12-078 created the Elder Abuse Task Force
  - Charge: To conduct a thorough review of abuse and neglect reporting for at-risk adults
  - Co-chaired by Joscelyn Gay, Director, CDHS Office of Long Term Care, and David Blake, Deputy Attorney General
  - Members included 17 stakeholders representing human services, criminal justice, elder law, health care, elder and disability advocates, social workers and financial institutions
- Proposed legislative and budget recommendations to strengthen Colorado's protection for vulnerable elder adults, 70+
  - Recommended establishing mandated reporting requirements
  - Task Force not expecting significant change to cost estimates

# Task Force Recommendations

- Proposed mandatory reporting for individuals age 70+
  - Physical abuse, sexual abuse, neglect, theft, financial – not including self neglect
- Most recommended changes in criminal code (Title 18), few in Human Services code (Title 26)
  - Reference in Title 26 to mandatory reporting contained in Title 18
- Development of new financial exploitation of the elderly provision in Title 18
  - Also recommends General Assembly establish a dedicated Task Force to develop a strategy to combat financial exploitation as defined in Title 26

# Task Force Recommendations

- Development of outreach and training plan
- Mandatory reporting
  - Current urged reporters become mandatory reporters, plus:
    - Chiropractors
    - Physical Therapists
    - Emergency Medical Services Personnel
    - Clergy
  - Same as Child Protection System mandatory reporters, except child-specific reporters, i.e., teachers, child care workers, etc.
- Mandatory reporters will be more inclusive than most states
  - Similar to 26 other states
- Penalties for failure to report
  - Criminal - Class 3 Misdemeanor
  - No proposed civil penalties

# Task Force Recommendations

- Caseload of no more than 25:1
  - National Audit Protective Services Association recommendation
  - Caseloads for APS workers in Colorado are 34:1
  - 15% increase due to estimates from mandated reporting
- Changes in funding structure
  - \$1 million for flexible county funding for protective services
    - Based on survey of county supervisors and aligned with previous fiscal note
- Training, community education, outreach and accountability
  - 1 FTE for quality assurance
  - Training for county caseworkers, mandatory reporters and the public
- New data system to better track outcomes



# Funding Recommendations

- Elder Abuse Task Force
  - Mandatory Reporting by 2014
  - Flexible County Admin - \$1 million
  - 25:1 caseloads (36 FTE) - \$2.7 million
  - 15% caseload increase (22 FTE) - \$1.7 million
  - Adult Protective Services Data System - \$250,000
  - Training, community education, outreach and accountability - \$165,000
- Governor's Budget Request
  - Recommendations from the Elder Abuse Task Force - \$5 million
  - Adult Protective Services Data System - \$250,000

# Adult Protective Services



- The Department's budget request - *\$250,000 Cash Funds* – Robust data system to manage protection and advocacy services to improve the well-being and safety of at-risk adults
- New system would include:
  - Case management capability
  - Complete case profiles
  - Comprehensive risk assessment for triage and outcome measurements
  - Real-time, outcomes-focused data reports
  - Advanced data security
  - Dashboards to track performance and outcomes
  - Enhanced transparency
- Vendor to be selected through a competitive procurement process

# County Administration

- County Admin line provides funding for counties to administer:
  - Food Assistance
  - Adult Protection
  - Adult Assistance payment programs
  - Child Support Services
  - LEAP
- Allocation process based on broad assumptions with limited and dynamic information
  - Reviewed annually by county and state staff
  - Adjusted as needed to reflect needs with emphasis on outcomes
- Over- and under-spending of counties
  - Ability for county to meet match requirement
  - Discretionary spending choices
  - Availability of additional county funds
  - Caseload fluctuation

# Collaborative Partnership

- State supervised county administered system
  - Partnership between counties to solve issues
- Conducted a complete re-write of APS program rules completed 8/1/2012
  - Counties at the table and involved
- Responsibility to oversee counties
  - C-Stat
  - QAQC – site visits, case reviews, technical assistance – current resources are insufficient (40 counties in 4 years)
  - Random moment time studies
  - Colorado Financial Management System

# County Allocation and Flexibility

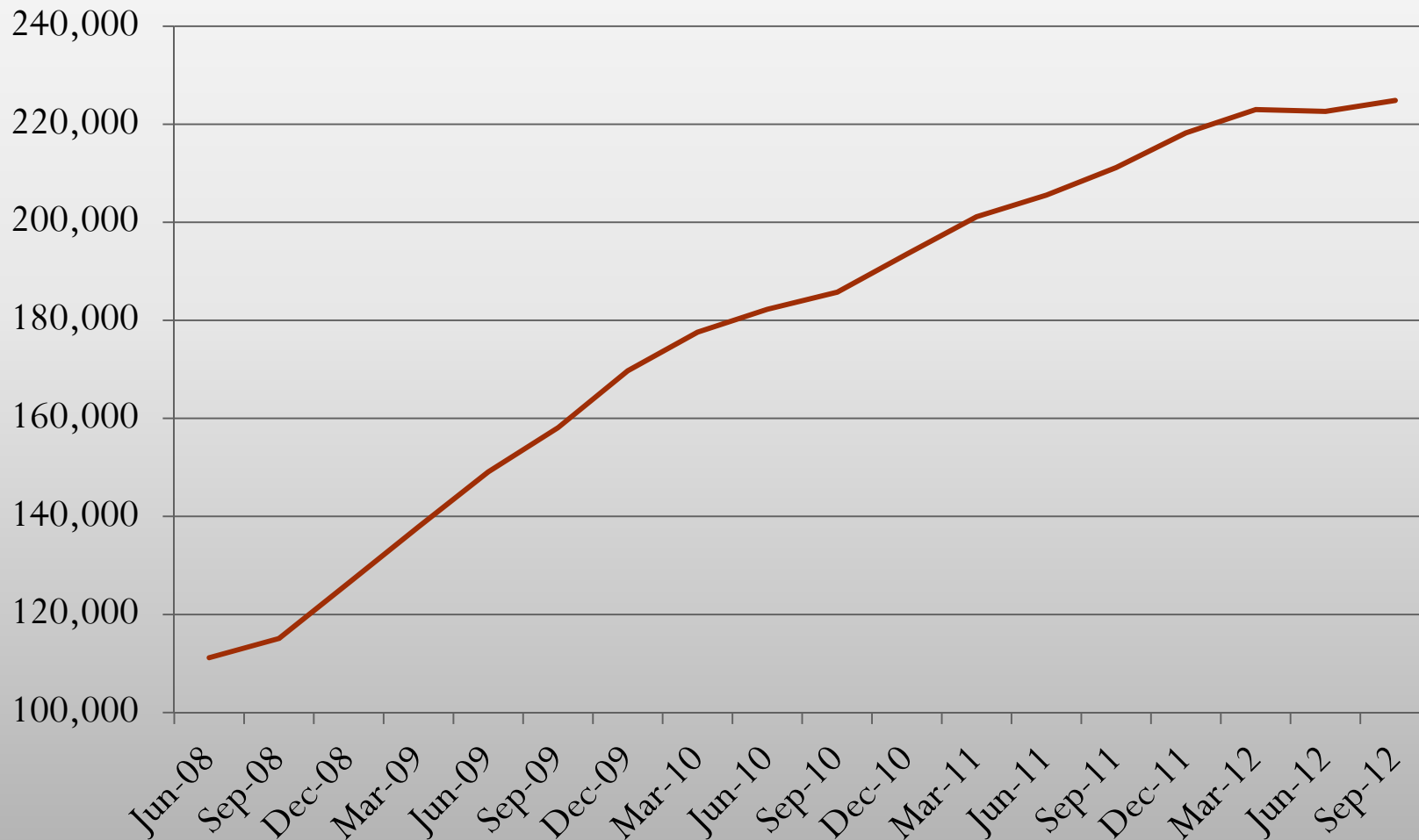
- CBMS data not sufficient to suggest changing allocation methodology
  - New APS data system needed to provide better case management and data collection
- Will reconsider rules after potential legislation is passed
- Premature to change allocation methodology
  - New laws
  - New rules
  - C-Stat
  - Caseload changes
  - Proposed data system
  - County allocation methodology review in 2-3 years
- CCI and CHSDA discussion in January

# TANF

- The Governor's budget proposal requested \$5 million in general fund to replace TANF funding in Child Welfare
  - Scheduled budget action
  - Last year replaced with one time only Title XX funds
  - This year it will be replaced with general fund as opposed to Title XX
  - Under-expenditure in FY11-12 did not justify replacing the remaining \$6 million in TANF funds
  - The Department supports the Governor's budget proposal
    - Agree that we must minimize Child Welfare's dependence on TANF over time

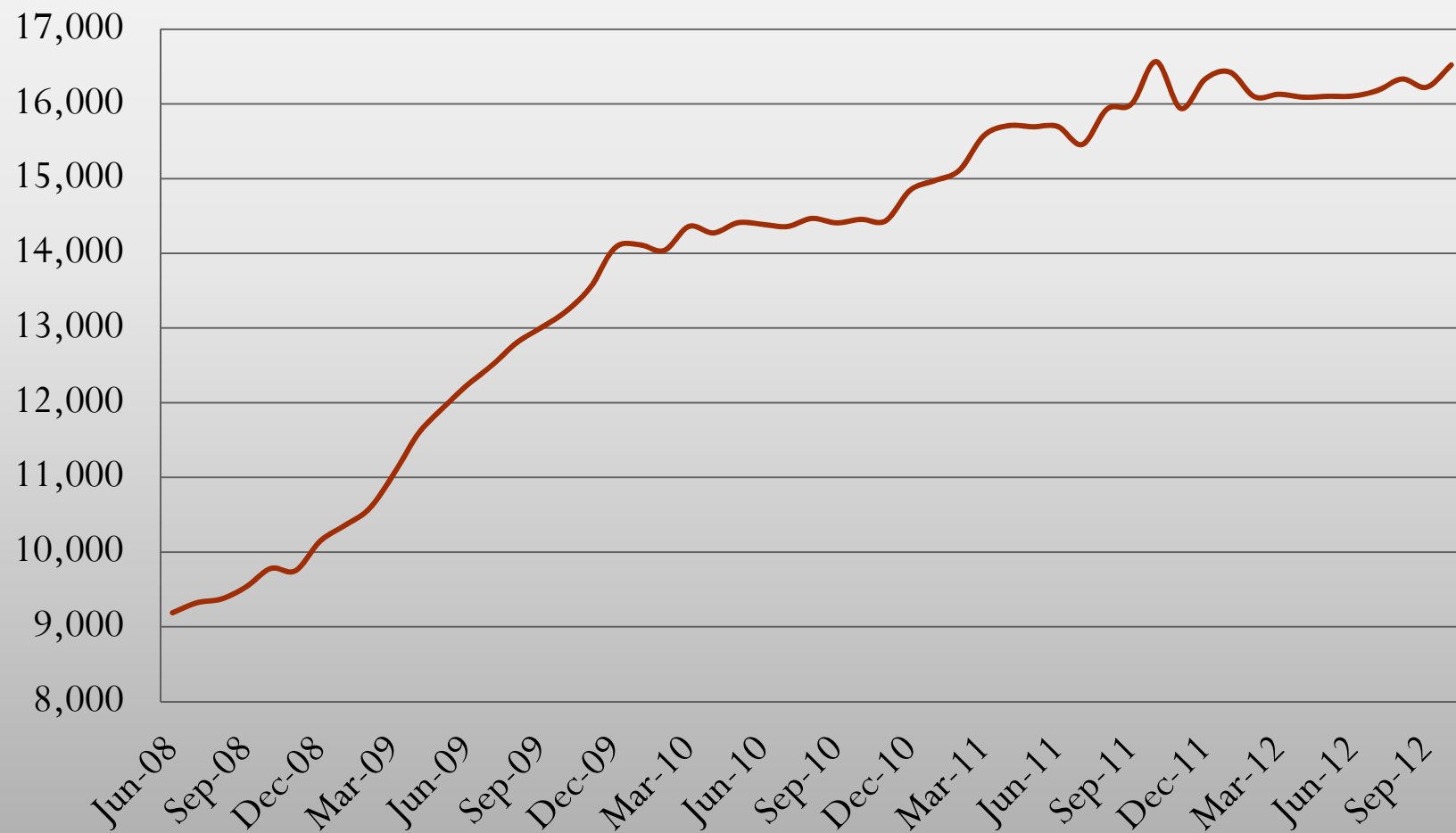
# Food Assistance Caseload

## Food Assistance Caseload



# Colorado Works Caseload

## Colorado Works Caseload





# Timely and Accurate Decisions on Eligibility



- Efforts to improve timeliness
  - County/State collaboration and communication
  - C-Stat
  - Business Process Re-engineering/LEAN at the local level
  - Additional Federal, state and local funding for Food Assistance administration
  - CBMS rebuild –
    - CDHS, HCPF, OIT, county collaboration
    - 93 projects - 1/3 of the way through
    - System and policy enhancements –
      - Redetermination date alignment
      - Dual monitors
- Administrative Costs
  - Colorado ranks 42 out of 53 states and territories
  - Includes additional county expenses beyond state funding

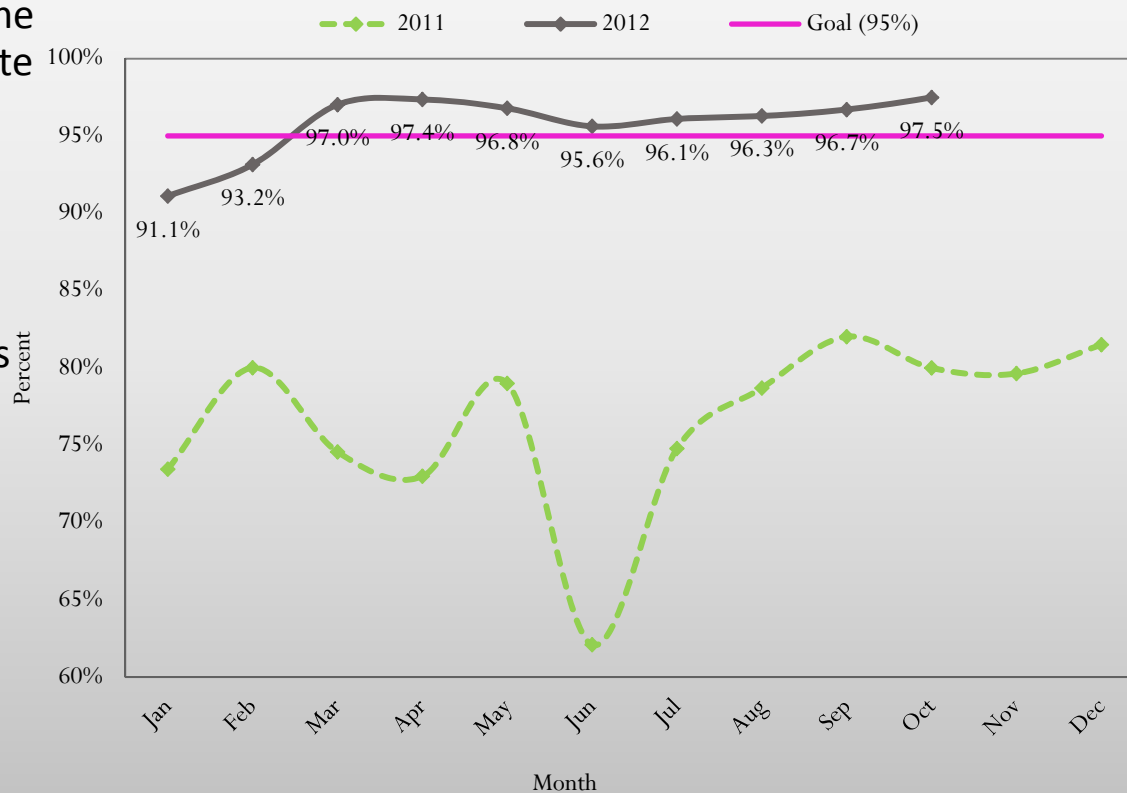


# Food Assistance Timeliness Regular Applications



Description of Trend: Above the goal line since March 2012; steady timeliness rate since that time; highest rate yet in October 2012.

Numerator: # of Timely Regular Applications  
Denominator: # of Regular Applications (12,548)



Office of Economic Security  
Food Assistance



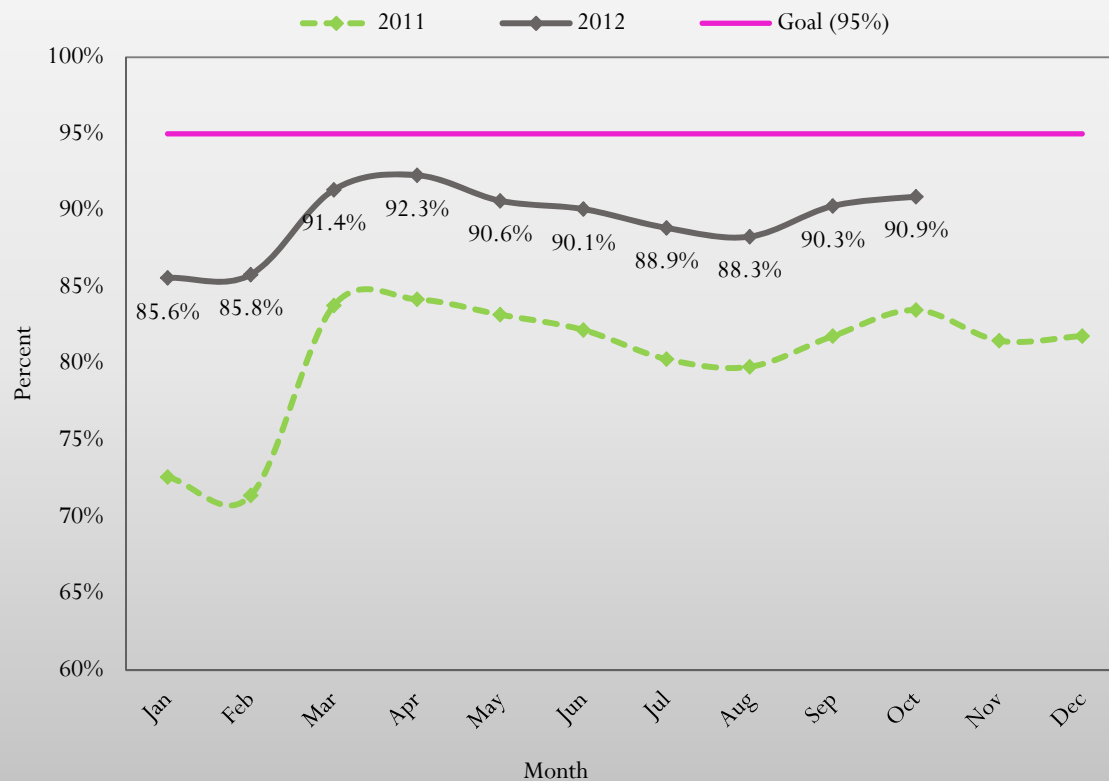
# Food Assistance Timeliness Expedited Applications



Description of Trend: Pattern is remarkably consistent with 2011 data. Trending upward in September and October.

Numerator: # of Timely Expedited Applications

Denominator: # of Expedited Applications (10,269)



Office of Economic Security  
Food Assistance



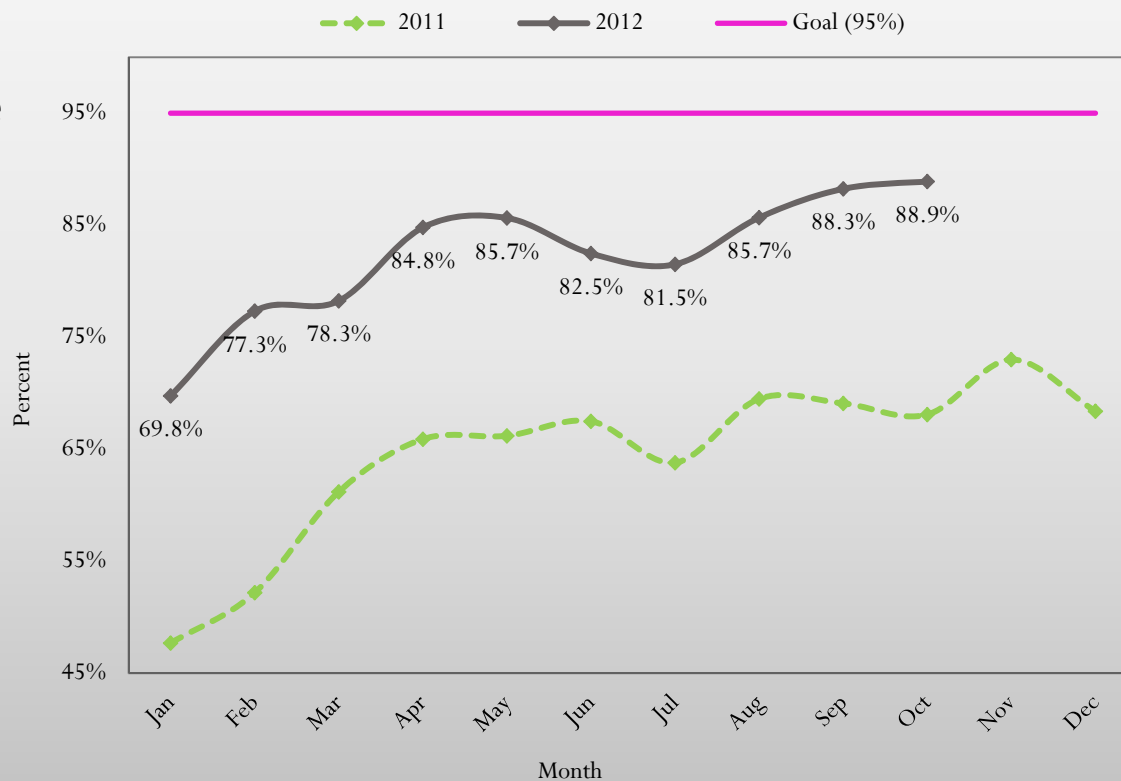
# Food Assistance Timeliness RRR Applications



Description of Trend: 3% decline in June 2012, further decline in July and picking back up in August 2012 with highest rate yet at 88.9 in October 2012%.

Numerator: # of Timely Re-certifications

Denominator: # of Re-certifications  
(20,992)



Office of Economic Security  
Food Assistance



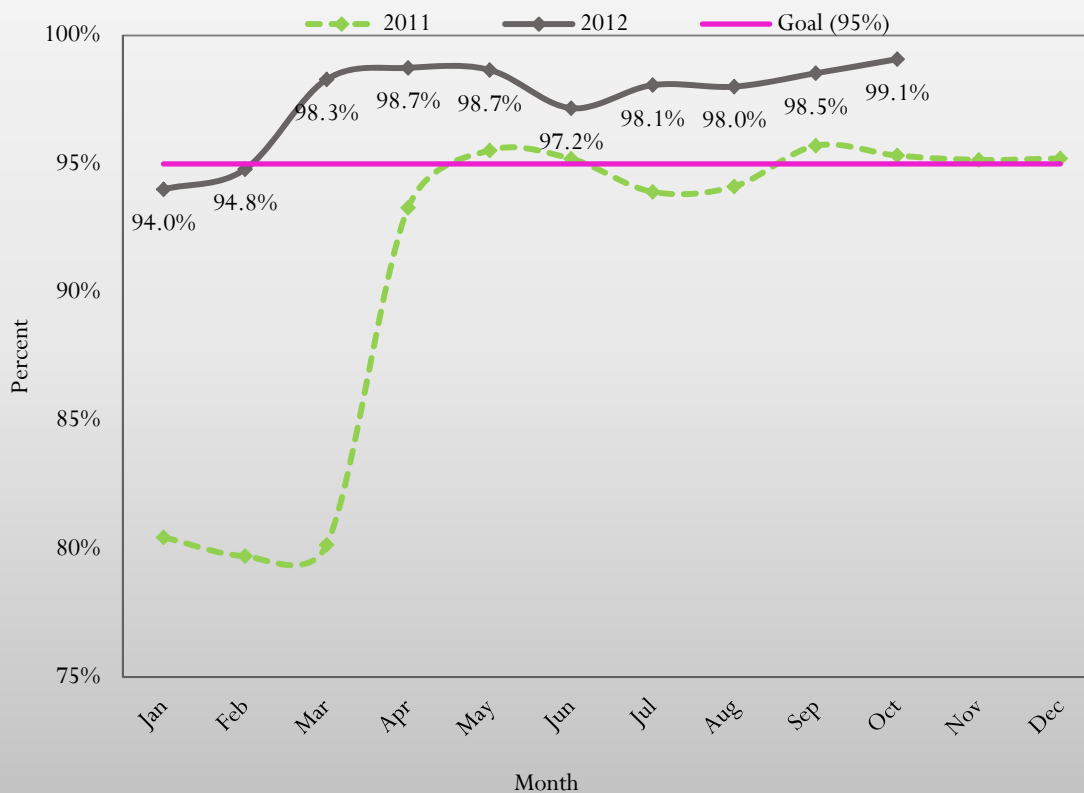
# Colorado Works Timeliness New Applications



Description of Trend: Continued processing above the 95% goal since March 2012; steady rate since that time. Highest processing time yet in October 2012.

Numerator: # of timely new applications

Denominator: # of new applications processed **(3,014)**



Office of Economic Security  
Colorado Works

Internal Working Document



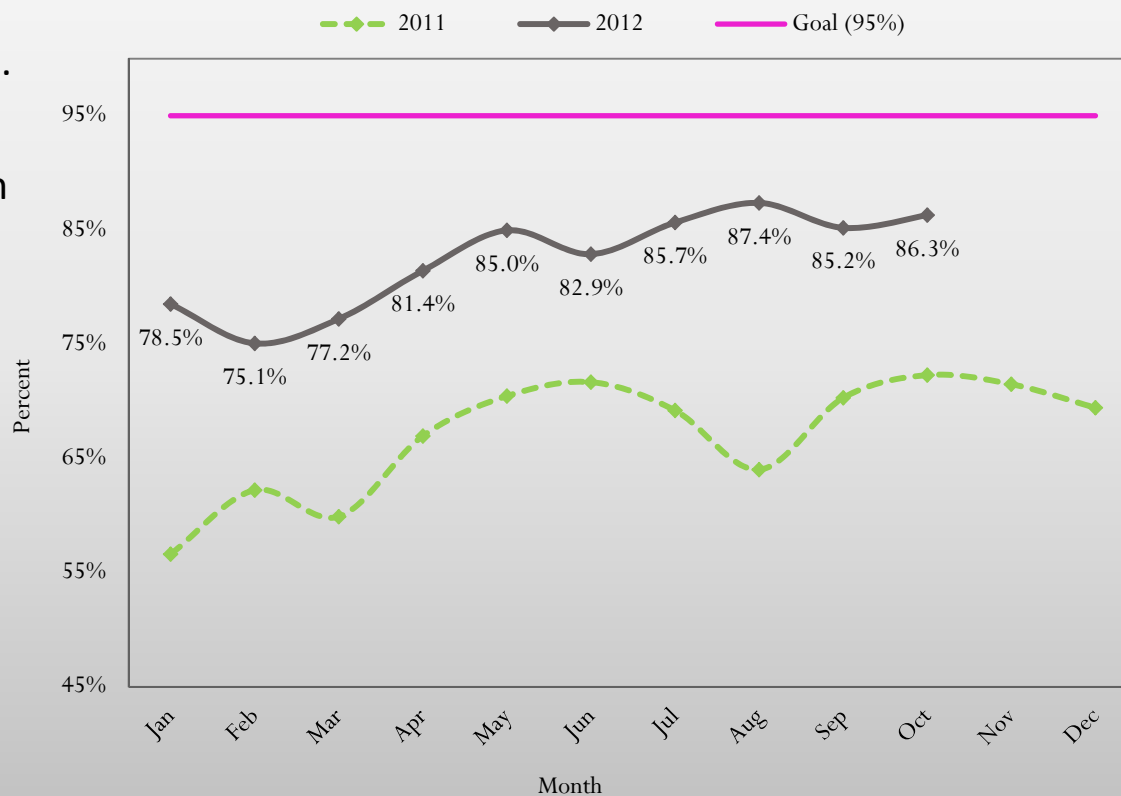
# Colorado Works Timeliness RRR Applications



**Description of Trend:** Trending upward during 2012; highest rate in August 2012.

**Numerator:** # of Timely Re-determination Applications

**Denominator:** # of New Re-determinations Processed (875)



Office of Economic Security  
Colorado Works

# Accuracy and Participation Rate



- Error Rate of Payments
  - Colorado is 36 out of 53 states and territories
  - Current payment error rate of 3.98%; national average 3.28%
  - Average payment error is \$140
- Participation (Penetration) Rate
  - Colorado historically ranks in the bottom 5 states on national comparisons
  - Cumbersome application, lack of public confidence, lack of awareness and stigma
  - Outreach Efforts
    - Shortened 8 page application
    - PEAK
    - Work Support Strategies
    - Statewide Partnerships and Outreach – Hunger Free Colorado; Food Banks - Care and Share Colorado, Weld; Share our Strength
- Projected caseload increase related to Health Care Reform

# County Administration – Food Assistance



- The Department budget request - \$6,796,800 Total Funds in FY 2013-14, and \$8,283,600 Total Funds in FY 2014-15 - for business process reengineering and sustainability
- Two year timeframe for additional funding will enable the State and counties to
  - Monitor the Food Assistance caseload
  - Analyze business processes and business process re-engineering/LEAN
  - Implement improvements
  - Realize the benefits of the CBMS rebuild
  - Re-evaluate after the two year period



# Audit Findings

- Implementation of audit recommendations is a strategic priority
- Goal is to be current with all recommendations by 6/30/2013
  - Excludes those outside of the Department's direct oversight
- New tracking and monitoring system has been developed
- Since July 1, eliminated 47.1% of backlog
- Great relationship with the Office of the State Auditor



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