ATTACHMENT D

COLORADO DEPARTMENT OF HEALTH CARE POLICY

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

October 16, 2009

Ms. Sally Symanski, State Auditor
Office of the State Auditor
Legislative Council Building
200 E. 14th Avenue
Denver, CO 80203

Dear Ms. Symanski:

Please find the Department of Health Care Policy and Financing's status update to the January 2009 Access to Medicaid Home and Community-Based Long-Term Care Services Audit Report.

If you have any questions or comments, please feel free to contact the Department's Audit Coordinator, Laurie Simon at 303-866-2590 or laurie.simon@state.co.us.

Sincerely,

Sandeep Wadhwa, MD, MBA
State Medicaid Director

SW:las

cc: Represenative Dianne Primavera, Chair
Senator David Schultheis, Vice-Chair
Senator Morgan Carroll, Legislative Audit Committee
Representative Jim Kerr, Legislative Audit Committee
Representative Frank McNulty, Legislative Audit Committee
Representative Joe Miklosi, Legislative Audit Committee
Senator Shawn Mitchell, Legislative Audit Committee
Senator Lois Tochtrop, Legislative Audit Committee
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COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING ACCESS TO MEDICAID HOME AND COMMUNITY-BASED LONG-TERM CARE SERVICES PERFORMANCE AUDIT OCTOBER 2009 STATUS UPDATE

Recommendation 1a

Improve written guidance to direct Single Entry Point agencies on all aspects of the intake, functional assessment, and service planning processes, including how case managers should document information in the Benefits Utilization System.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

During its own State Fiscal Year 2007-2008 annual program review of Single Entry Point (SEP) agency performance, the Department identified the need to improve written guidance to Case Management Agencies (CMAs)—SEP agencies, Community Centered Boards, and private case management agencies. On October 15, 2008, the Department issued Dear Administrator Letter (DAL) 09-04-CB providing specific guidance to CMAs on the intake and referral processes. This guidance included time frames and documentation requirements. The Department is drafting similar DALs to address the assessment and service planning processes. The Department is also developing rule revisions that will support necessary changes to the intake, functional assessment, and service planning processes. The Department will continue to develop written guidance to CMAs as deemed necessary to ensure key processes are adequately applied and appropriate documentation entered in the Benefits Utilization System.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: July 2010.

The Department conducted four regional trainings for long term care Case Managers in spring 2009 with specific focus on the areas identified in this audit finding. In addition to working on revisions to program rules, the Department has issued Dear Administrator Letters (DAL) as follows: In May, the Department issued DAL May 1, 2009 to provide case managers with direction regarding the type of assistance the case manager may offer clients in choosing HCBS providers. The Department issued a DAL July 1, 2009 to provide contingency planning guidance to case managers for HCBS clients residing in alternative care facilities (ACF). Contingency planning is a part of the client's overall HCBS Service Plan. The Department is currently drafting a DAL to provide guidance to all long term care Case Managers on the importance of matching activities of daily living (ADL) scoring with service planning, service authorization and provision of services.

Recommendation 1b
Modify State Medicaid Rules to more clearly define how to score functioning when the individual uses an assistive device, and making appropriate corresponding changes to the Department's functional assessment instrument.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

Currently the Department is in the process of revamping the functional assessment tool (ULTC 100.2) and will be issuing detailed instructions to the Single Entry Point (SEP) agencies, Community Centered Boards (CCBs), and private Case Management Agencies (CMAs) on completion of the form. Online instructions are being programmed into the Business Utilization System, and written instructions will be conveyed to the SEP agencies, CCBs, and CMAs through the Dear Administrator Letter process. In addition, training will be provided to the SEP agencies, CCBs, and CMAs in the Spring of 2009 regarding the proper completion of the assessment tool. Modifications to the State Medicaid rules to reflect the changes are in the drafting stage, with a target date of July 2009 and an effective date of October 2009.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: February 2010.

The Department has a Dear Agency Letter (DAL) in the approval process that provides direction on the scoring of the mobility and transferring activities of daily living for clients/applicants who use assistive devices/equipment when performing these activities. Clarification to the Department's Rules have been drafted but the rule promulgation process is taking longer than originally anticipated as adjustments have been needed due to budget balancing decisions. The Department has also drafted an addendum to the uniform assessment tool (ULTC 100.2) that will assist case managers in scoring children. This addendum is currently undergoing final legal counsel review.

Recommendation 1c
Strengthen state-sponsored training by making standard core training courses available to all Single Entry Point agencies. Case managers should be required to complete state-sponsored or state-approved training in core areas commensurate with their level of experience and responsibility on a routine basis. Case managers who fail to complete the required training should be prohibited from conducting functional assessments and developing service plans for clients.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

The Department has provided, and will continue to provide, trainings on specific programs, waivers, and issues. Due to resource limitations, trainings to date have been modeled on a Train-the-Trainer approach and offered to agency supervisors and trainers on an annual basis at a statewide training. The Department will be revising this approach and will provide multiple regional trainings to case managers over the next several months. These trainings will target the important processes relevant to waiver access, service plan development, and utilization review. The Department will continue to explore case management training and credentialing programs as resources permit.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: October 2010.

In spring, 2009, the Department held four (4) regional case management trainings in Fort Collins, Denver, Grand Junction and Pueblo. These trainings were targeted to field-based case managers of the SEPs, CCBs and private case management agencies. Attendance was open to all interested attendees up to the allowed capacity of the training space. Topics included: Waivers "101" and the Waiver Quality Improvement Strategy (QIS), Critical Incident Reporting, Appeals Training, Behavioral Health, Adult Assessment Scoring, Children's Waiver Training and Case Management Documentation and Timelines. Additionally, the Department offered separate regional trainings to case management, provider and County eligibility staff on a broad range of Medicaid-related topics. Efforts continue to develop a standardized case management certification program to ensure all staff performing case management tasks will be fully qualified to do so. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out this recommendation, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 1d
Set minimum standards for Single Entry Point agencies' quality assurance and case file review practices. Standards should include steps for measuring inter-rater reliability of functional assessment scoring and for systematically compiling, reporting, and addressing the results of the case file reviews.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

The Department will expand its existing Single Entry Point (SEP) agency monitoring efforts to include case file development and inter-rater reliability on functional assessment scoring. These efforts will include the establishment of minimum standards for SEP agency quality assurance and case file review practices. The Department is developing specific performance measures addressing a number of assurances in its waiver applications with the federal Centers for Medicare and Medicaid Services. Systemic processes are being reviewed and changed when appropriate to allow the Department to compile, report, and address the results of all case file reviews.

The Department will review this recommendation in the context of existing Department resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance of the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: October 2010.

The Department is continuing to develop operational and administrative monitoring tools which, among other things, will identify assessment scoring variances. These monitoring results will be taken into account in determining which strategies are necessary to pursue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 2a
Provide clear and consistent written guidance to Single Entry Point agencies regarding how the timeliness of the functional assessment and other processes will be measured. Guidance should specify defined dates that anchor the start and end of the time frames being measured.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

The Department issued a Dear Administrator Letter 09-04-CB on October 15, 2008, providing guidance on the intake and referral process for assessment, including time frames and documentation requirements. Additional written direction under development will target other aspects of assessment and service planning. Recently approved waiver applications to the Centers for Medicare and Medicaid Services ensure the important time frames identified in this audit will be addressed and monitored.

Department Status Update (October 2009):

Implementation Status: Implemented and Ongoing.

The Department completed four (4) regional trainings in spring 2009 that specifically included training on all the elements of the waiver Quality Improvement Strategy (QIS). The QIS includes performance measures on timelines for the completion of the functional assessment and other processes. All these were discussed and will be monitored going forward. Start dates (referral, assessment or financial eligibility dates) and end dates (authorization dates) were clarified with all training attendees and CMAs.

Recommendation 2b
Make improvements to the Benefits Utilization System to capture all dates necessary to evaluate the timeliness of Single Entry Point agencies' intake and functional assessment processes. This should include moving relevant information currently maintained in case log notes into defined date fields. Timeliness statistics should be tracked and reported for the entire client population by Single Entry Point agency and systemwide on a routine basis. System improvements should be accompanied by written guidance to ensure that all data fields are populated and treated consistently by users.

Department Response (January 2009):

Agree. Implementation Date: December 2009.

Improvements to the Business Utilization System (BUS) to capture timeliness are in process and ongoing. The BUS reporting capabilities are being enhanced to provide timeliness statistics on each agency, for the entire system, and by waiver program. Dear Administrator Letter 09-04-CB published and distributed on October 15, 2008, provided written guidance on the use of various date fields related to the intake and referral for assessment section of the BUS. Additional written guidance on a variety of core case management concerns will be provided as those areas are completed. The Department will also continue to make necessary improvements to the BUS as resources permit.

Department Status Update (October 2009):

Implementation Status: In Progress.

The Department is continuing to make modifications to the BUS so it is possible to track and report on timelines associated with referrals, assessments and authorization dates. While the scope of this project is larger than was originally anticipated and is taking some additional time and resources to complete, the Department expects to meet the December 2009 implementation date.

Recommendation 2c
Provide written guidance to ensure county Medicaid technicians consistently and accurately capture the start of the Medicaid application processing time frame in the Colorado Benefits Management System.

Department Response (January 2009):

Agree. Implementation Date: Spring 2009.

The Department is in the process of rewriting the Medicaid eligibility rules, which will provide clarity of the start of the application processing time frames. The rules are anticipated to become effective in Spring 2009.

Department Status Update (October 2009):

Implementation Status: Implemented.

The Department presented the eligibility rules to the Medical Services Board on January 9, 2009, with an effective date of April 1, 2009. Rule 10 CCR 2505-10 8.100.1 Definitions-Complete Application and 8.100.3.D.1.a-c., clarified the application processing timelines for all Medicaid eligibility sites.

Recommendation 2d
Make changes to weekly reports in the Colorado Benefits Management System to identify all pending Medicaid long-term care applications that exceed required processing time frames and compile summary statistics on the timely processing of Medicaid applications by county and statewide. The Department should continue to work with county departments of human/social services to identify reasons why Medicaid applications are processed late or remain pending beyond established deadlines and address problems.

Department Response (January 2009):

Agree. Implementation Date: Contingent upon available funding and joint prioritization.

Contingent upon available funding for system changes and upon the joint prioritization process with the Department of Human Services, the Department will work toward modifying the Colorado Benefits Management System reports to accurately capture the 90-day time frames for long-term care applications subject to a disability determination and the 45-day time frames for long-term care applications that are not subject to a disability determination.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. The Committee has created a Medical Eligibility Quality Improvement Plan. One goal of the plan is to improve the timely processing of applications. Work toward meeting this goal will continue in 2009.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: July 2010 for CBMS reporting.

To date, the Department has received 62 Medical Assistance Quality Improvement Plans from eligibility sites. The Department anticipates the MEQIP process will be ongoing.

CBMS is already reporting on the cases exceeding application processing guidelines for LTC. Those reports are currently using the Application Date as the "Req/Resc Date". The change request for Interactive Interview Verification Modifications (CR2135) requests updates to existing reports to use a more accurate "Clock Start Date" to measure when the application is ready to start processing by the technician. Based on the current build schedules for CBMS, these changes will not be able to be implemented into CBMS until July 2010.

Recommendation 2e

Work with the disability determination contractor and county departments of human/social services to investigate and address the underlying factors contributing to delays in transmitting disability applications.

Department Response (January 2009):

Agree. Implementation Date: Starting in June 2009.

The Department is preparing the Request for Proposals (RFP) and contract for the July 1, 2009 disability determination vendor procurement. The RFP and contract are anticipated to require the vendor to propose and implement solutions to address the delay in transmitting disability applications.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. This committee has created a Medical Eligibility Quality Improvement Plan. One goal of the plan is to improve the controls over timely processing of medical applications, which includes long-term care. As monitoring quality is a continuous effort, work toward meeting this goal will continue throughout 2009.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: January 2010.

The Department's Procurement Office is preparing to announce the Request for Proposals for the FY 09-10 Disability Determination Services Contract. The RFP requests solutions to improve the process and timeliness of the submission of complete applications.

The contract with the current vendor has been extended through October 31, 2009. Due to unanticipated delays with the procurement process and the unanticipated outcome of another audit immediately terminating the contractor's ability to obtain much needed data from Disability Determination Services, the agency authorized to determine disability for SSA applications, the Department has not been able to begin this work with the current vendor.

Recommendation 2f

Capture and analyze data on an ongoing basis to monitor and evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services from the time they first enter the system.

Department Response (January 2009):

Agree. Implementation Date: October 2010.

The Department will determine a methodology to capture and analyze data to evaluate how long it takes eligible individuals to gain access to Medicaid long-term care services.

Department Status Update (October 2009):

Implementation Status: In Progress.

The CBLTC Section continues to work with IT Support staff on improvements to the Benefits Utilization System (BUS) to track days between client/applicant referral to the Single Entry Point Agency and HCBS service authorization. Dates captured in BUS-based reports will be combined with information from the Department's Eligibility Section to identify total time elapsed from Medicaid application receipt through the authorization and provision of LTC services.

Recommendation 2g
Establish an overall goal or time frame for determining whether access to long-term care services is timely.

Department Response (January 2009):

Agree. Implementation Date: Ongoing.

The Department's goal is to meet federal regulations pertaining to eligibility determination of 45 to 90 days depending upon the need for disability determination. The Single Entry Point agencies will be required to initiate long-term care services within five business days of notice of the eligibility determination.

The Department has created a Medical Eligibility Quality Improvement Committee which includes our eligibility site partners. The Committee has created a Medical Eligibility Quality Improvement Plan. One goal of the plan is to improve the time frame for eligibility determination. Work toward meeting this goal will continue in 2009.

Department Status Update (October 2009):

Implementation Status: In Progress.

The Department continues to develop a methodology for tracking the number of days from application receipt through the provision of HCBS services. Days from the receipt of a completed application through the financial determination are tracked by CBMS. Days from the time the Case Management Agency (CMA) receives a functional assessment referral through the final authorization date will be captured in the BUS (see response 2f). The BUS-based data is an important subset of the timeline tracked by CBMS. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 3

The Department of Health Care Policy and Financing should provide clear guidance and direction to Single Entry Point agencies regarding the case manager's role and involvement in the provider selection process when the client has no preference or requests assistance. This should include working with the Single Entry Point agencies to ensure they implement adequate controls to mitigate the risks of the chosen provider selection practice and that appropriate oversight and monitoring of provider selection practices occur.

Department Response (January 2009):

Agree. Implementation Date: July 2009.

Written guidance is forthcoming from the Department to direct case managers to provide assistance to clients who specifically request help in choosing a provider. Client choice will continue to be the primary factor driving the decision, but barring clear client preference, case managers will be directed to utilize a number of resources to assist the client in making the selection. The Department is considering including such resources as information available from the Department of Public Health and Environment (DPHE) and information available from DPHE's survey of the specific service agency related to the number and type of substantiated complaints filed against a provider(s).

Department Status Update (October 2009):

Implementation Status: Implemented.

The Department issued DAL 05-09-1 CB in May 2009. This DAL was specifically written to provide guidance to CMA case managers in responding to client requests for provider selection assistance. This recommendation is fully satisfied and closed.

Recommendation 4a

Modify the functional assessment and service plan modules in the Benefits Utilization System to systematically capture client-level data on unmet service needs. Once captured, these data should be compiled and analyzed on a routine basis to identify aggregate trends in clients' unmet needs and inform Single Entry Point district and statewide resource development efforts.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

Specific changes to the Benefits Utilization System (BUS) to identify and track unmet service needs are presently under consideration. Data collected will be used to direct resource development efforts. The Department will continue to implement changes to the BUS to meet identified concerns as resources permit.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: January 2010.

The Department is working on a BUS system change that will permit case managers to indicate when a needed service is unavailable. A report will capture this information by case management agency for any time frame requested. This modification is expected to be completed by the revised implementation date of January 2010.

Recommendation 4b
Hold Single Entry Point agencies accountable for complying with State Medicaid Rules regarding resource development planning requirements. The Department should clearly specify the required format and reporting elements for any required resource development plans and progress updates.

Department Response (January 2009):

Agree. Implementation Date: November 2009.

Single Entry Point (SEP) agencies will be held accountable for complying with State Medicaid Rules regarding resource development planning requirements, including the creation of resource development plans and annual progress updates on plan implementation. The Department will work with the SEP agencies to develop the required reporting elements for the plans' progress updates and provide instructions that define how to complete the progress plans.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: February 2010.

The Department has drafted contract and rule language to target agency resource development activities. The rule drafting process is taking longer than originally anticipated as adjustments have been necessary due to budget balancing reductions in funding available to Case Management Agencies. The implementation date has been revised to February 2010. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 4c

Take a more direct and active role in overseeing and coordinating Single Entry Point agencies' resource development efforts. This should include exploring options for designating a staff position within the Community-Based Long-Term Care Section to serve as a resource coordinator for the Single Entry Point System.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

The Department will seek input from the Single Entry Point (SEP) agencies and the Department's Long-Term Care Advisory Committee in the development of a strategy for overseeing and coordinating local resource development efforts. The Community-Based Long-Term Care Section will renew efforts to enforce existing Medicaid rules regarding resource development and require an annual plan from the SEP agencies outlining local resource development activities.

The Department will review this recommendation in the context of existing Department resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: July 2010.

The Department is currently exploring strategies to implement this recommendation with the SEP agencies. However, budget balancing reductions in funding to the SEP agencies is driving the need to prioritize this recommendation against other core SEP functions. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 5a
Evaluate available cost control measures for HCBS waiver services, including whether individual cost limits should be used as a denial point in the eligibility process or as a maximum cap when authorizing services for HCBS waiver clients.

Department Response (January 2009):

Partially agree. Implementation Date: January 2010.

The Department agrees to continue to evaluate cost-control measures for HCBS waiver programs, as we are committed to ensuring that its HCBS waiver programs continue to be cost-effective alternatives to institutionalization. However, the Department does not agree that individual cost limits should be used as a denial point in the eligibility process. State and federal policy direction provide clear guidance and expectations around serving individuals in the least-restrictive setting. Federal policy direction is provided by the United States Supreme Court *Olmstead* decision *[L.C. & E.W. v. Olmstead]* and clarifying State Medicaid Director Letters. State statutory authority at C.R.S. § 25.5-6-308 specifies that the costs of services for the HCBS Elderly, Blind and Disabled program shall meet **aggregate** federal waiver budget neutrality requirements (emphasis added). Taken in conjunction with the waiver's federal approval for the process whereby the Department is authorized to approve additional services in excess of an individual cost limit, the Department believes the specific strategy outlined in this recommendation to be contrary to explicit state and federal authority.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: July 2010.

Given the current economic climate the Department began engaging stakeholders in discussions in March 2009 to identify possible utilization control options. Effective September 1, 2009 non-medical transportation has been limited to 2 round-trips per week, with the exception of trips to adult day programs. During the remainder of the fiscal year the Department will be conducting benefits collaborative activities focused on long-term care services. Benefits collaborative activities use a combination of best practice, data analysis results and stakeholder feedback to develop benefit/service authorization level guidelines.

Recommendation 5b
Examine how expanded availability of HCBS waiver services has affected the demand for long-term care services and therefore overall program costs.

Department Response (January 2009):

Agree. Implementation Date: July 2010.

The Department will continue to review utilization of long-term care services and how policy decisions and population growth affect demand. Data and information, as well as any proposed modifications to long-term care programs, will be shared with the Medical Services Board, the Department's Long-Term Care Advisory Committee, and other stakeholders for review and input, as appropriate. Supporting data and information will be provided to the General Assembly through normal channel and processes when proposed modifications to long-term care programs require statutory change consideration.

Department Status Update (October 2009):

Implementation Status: In Progress.

The Department plans to conduct benefits collaborative efforts focused on long-term care services during the remainder of the fiscal year. Benefits collaborative activities use a combination of best practice, data analysis results and stakeholder feedback to develop benefit/service authorization level guidelines. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 5c
Analyze functional assessment data to identify the underlying factors driving the need for long-term care services and how these factors may differ between the HCBS waiver and nursing facility populations.

Department Response (January 2009):

Agree. Implementation Date: December 2009.

The Department will continue its efforts to promote appropriate use of community-based long-term care services and supports. HCBS waiver programs by definition are designed to serve as alternatives to nursing facility placement so the functional assessment tool must set a threshold for long-term care program eligibility. However, once that eligibility has been determined, client choice of service setting must be honored.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: October 2010.

The Department continues to identify strategies focused on promoting community-based long-term care services and supports. The Long Bill for fiscal year 2009-2010 includes approval for community transition services in the HCBS waiver for persons with mental illness. The Long-Term Care Advisory Committee is the lead agency for the development of a state Olmstead Plan, with the plan due by October 2010. The functional assessment tool sets the threshold for long-term care program eligibility but client choice of service setting must be honored. The Department's Olmstead Plan development work will identify barriers to appropriate community placement and other factors influencing nursing facility placement decisions, with the intent to reduce such barriers and foster increased client selection of community settings.

Recommendation 5d
Identify the extent to which HCBS waiver clients access other public outlays of non-Medicaid benefits and the cost of these other services to determine the true cost of serving long-term care clients in the community versus in a nursing facility.

Department Response (January 2009):

Agree. Implementation Date: December 2009.

The service plan component of the Business Utilization System (BUS) includes identification of non-Medicaid services on a client-specific basis. The Department's plans for enhancing the BUS reporting capabilities will provide opportunities to collect data on the use of other sources of care but will not provide cost information. The Department will explore matching Medicaid cost data with data collected and maintained by the Department of Human Services in an effort to discover and consider total costs for analysis purposes.

The Department will review this recommendation in the context of existing Department resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance of the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Department Status Update (October 2009):

Implementation Status: In Progress.

The Department continues to develop reporting capabilities in the BUS to include identification of non-Medicaid service needs. We have trained Case Managers on the importance of capturing all service supports associated with the client. The supports include both community-based and funding/payment supports used to purchase services. The Department will continue to work with the Department of Human Services to review this recommendation in the context of existing resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 6:
The Department of Health Care Policy and Financing should improve controls to ensure that required reviews of HCBS waiver service Prior Authorization Requests take place and that Prior Authorization Requests have the proper authorizing agent sign-offs before being entered into the Medicaid Management Information System.

Department Response (January 2009):

Agree. Implementation Date: June 2009.

The Department will improve controls of HCBS waiver service Prior Authorization Requests by ensuring that they have the proper authorizing sign-offs before they are approved.

Department Status Update (October 2009):

Implementation Status: Implemented.

In the June 2009 Provider Bulletin the Department outlined a new process for HCBS prior authorization requests.

Recommendation 7a
Develop a mechanism to provide HCBS service utilization information to all Single Entry Point agencies for the clients they serve. Once available, the Department should require Single Entry Point agency case managers to review clients' HCBS waiver service utilization patterns during the Continued Stay Review.

Department Response (January 2009):

Agree. Implementation Date: July 2009.

The Department believes a mechanism to provide service utilization information to Single Entry Point (SEP) agencies exists. Once a long-term care Prior Authorization Request (PAR) is entered in the Medicaid Management Information System, providers with a trading partner identification can access the Department's web portal to ascertain the number of used and unused units. The Department will encourage SEP agencies who have not already done so to obtain trading partner identification. The Department will offer training to the SEP agencies on how to use the web portal to assess unused PAR units.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: December 2009.

The Department is currently in the process of ensuring that each SEP has a trading partner ID. Once accomplished, training will be provided. Additional time has been required to assess the levels and types of access required for the SEPs to ensure that the new access does not allow the same provider to submit both PARs and claims. The Department expects to fully implement this recommendation by December 2009.

Recommendation 7b
Revise State Medicaid Rules to require that Single Entry Point agencies submit a revised Prior Authorization Request when there is a decrease in or a discontinuation of HCBS waiver services.

Department Response (January 2009):

Partially agree. Implementation Date: July 2009.

The Department is currently reviewing State Medicaid Rules for long-term care and proposing revisions as necessary. Rules associated with long-term care Prior Authorization Request (PAR) management requiring Single Entry Point agencies to submit revised PARs with end dates when there is a discontinuation of HCBS waiver services will be proposed to the Medical Services Board. Because claim payments can be delayed for a number of legitimate reasons, reducing PAR units more frequently than once each year would be problematic.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: February 2010.

The Department continues to amend long-term care rules. Draft revisions include a requirement that PARs be terminated for all discharged clients. The rule drafting process is taking longer than originally anticipated as adjustments have been necessary due to budget balancing reductions in funding available to Case Management Agencies. The implementation date has been revised to February 2010. The current fiscal agent contract with ACS does not require ACS to adjust PAR units downward. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 7c
Streamline the prior authorization process for HCBS waiver services to make it more efficient and less cumbersome for the Single Entry Point agencies. This should include exploring options for Single Entry Point agencies to electronically submit Prior Authorization Requests directly to the Department's Medicaid Fiscal Agent.

Department Response (January 2009):

Agree. Implementation Date: Ongoing.

Implementation of a standardized electronic Prior Authorization Request (PAR) submission process for non-providers/utilization review contractors is a long-term goal of the Department. The Department is currently testing an electronic PAR submission process with two of these contractors. As this process requires extensive systems programming expertise and funding for both the Department and Single Entry Point (SEP) agencies, implementation of an electronic submission PAR process for all of the 23 different SEP agencies is dependent upon sufficient, long-term allocation of resources. This is an on-going process and the Department will assess an implementation date after the testing of the two contractors has been completed.

Department Status Update (October 2009):

Implementation Status: Not Implemented.

Investment of the resources to initiate and implement an expansion of the electronic PAR submission process has been delayed. To expand this process to waiver PARs would require extensive programming for each of the SEP agencies as well as system changes in the MMIS. Also, the willingness and/or ability of each of the 23 SEP agencies to make investments to fulfill this goal remains uncertain. The Department will revisit this opportunity as the budgetary environment allows.

Recommendation 8

The Department of Health Care Policy and Financing should ensure that reports submitted to the federal government regarding the HCBS waivers are accurate and complete by:

a. Developing procedures to review the accuracy of CMS-372 reports and the underlying data prior to submitting the reports to the federal Centers for Medicare and Medicaid Services.

b. Completing its research on the discrepancy identified during the audit regarding the Fiscal Year 2007 CMS-372 report for the Elderly, Blind, and Disabled Waiver and submitting a corrected report to the federal Centers for Medicare and Medicaid Services as necessary.

Department Response (January 2009):

Agree. Implementation Date: June 2009.

The Department verifies the CMS 372 data against the Decision Support System. Because of this check, errors were found for the Fiscal Year 2006-2007 reports, which were corrected before being submitted to the federal Centers for Medicare and Medicaid Services (CMS). However, acute care expenditures for clients while they were in the waiver were not verified. The Department will add a reasonableness check for acute care services for waiver clients, check the home health care expenditures on the internal version of the report, and expand our review of its accuracy. New procedures instituted by CMS will allow for more time to verify the expenditures. In particular, the requirement to report has been extended from six months after the waiver fiscal year end to eighteen months after the waiver fiscal year end.

The Department continues to research the issues raised in this section of the audit. If a problem is found to exist, the report will be corrected and resubmitted to the federal Centers for Medicare and Medicaid Services (CMS). If research proves that the additional home health services were not included in the acute care services calculation correctly, documentation will be submitted to CMS.

Department Status Update (October 2009):

Implementation Status: Implemented.

After reviewing these reports, the Department believes that current standard review procedures are adequate. The Department's fiscal agent reviewed the code and processing and found no errors in the creation of the CMS 372 reruns that were done in the fall of 2008. At this time, the problem appears to be fixed. The State will continue to monitor reports for accuracy and completeness.

Recommendation 9
The Departments of Health Care Policy and Financing and Human Services should work together to assess and evaluate how to align program functions and administration of the State's community long-term care programs in a manner that will ensure more efficient and effective use of resources and maximize elderly and disabled clients' access to needed services. The Departments should seek statutory, regulatory, and budgetary changes as appropriate.

Department Response (January 2009):

Agree. Implementation Date: Ongoing.

The Department will continue its current work with the Department of Human Services to maximize coordination of programs and policy. There are many and varied legitimate reasons stemming from state, local and federal funding sources that drive differences in program eligibility, operation, and policy.

Department Status Update (October 2009):

Implementation Status: Implemented and Ongoing.

The Department continues to work closely with the Division for Developmental Disabilities, Department of Human Services to ensure consistency across all waiver programs. The Department of Human Services (DHS) was a partner in the regional spring trainings to SEPs, CCBs, and private case management agencies. In addition, the Department participates in the Aging, Disability Resource Center (ADRC) grant activities conducted by DHS Aging and Adult Services. As the current fiscal environment has prompted consideration of program changes, both Departments' program staff have worked together to review potential interactions and to develop strategies that are the most cost-effective.

Recommendation 10a
Issue a written policy and procedure manual for Single Entry Point agencies and updating the manual on a routine basis.

Department Response (January 2009):

Agree. Implementation Date: December 2009.

The Department is currently revising the SEP Manual in conjunction with the development of on-line instructions for the Business Utilization System (BUS). However, the State Medicaid Rule revisions currently being drafted will need to be completed prior to finalization of the manual. Updates to the completed manual will be made available on a routine basis once the manual is released.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: March 2010.

The rule drafting process is taking longer than originally anticipated as adjustments have been necessary as changes in programs and contractor scope of work are being made due to budget balancing reductions in funding available to Case Management Agencies. The SEP Manual will be made available shortly after the approval of all proposed rule revisions. The implementation date of this recommendation has been revised to March 2010.

Recommendation 10b
Evaluate and revise training offered to Single Entry Point agencies to make training timely, in-depth, and targeted toward participants' needs.

Department Response (January 2009):

Agree. Implementation Date: December 2009.

The Department previously employed an annual statewide Train-the-Trainer approach for agency-wide training events. Going forward, the Department is employing a focused, in-depth, regional approach inclusive of additional case management staff. Four regional trainings are being planned for the Spring of 2009.

Department Status Update (October 2009):

Implementation Status: Implemented and Ongoing.

The Department provided four targeted regional trainings this past Spring. A shift away from the "Train-the-Trainer" approach resulted in an attendance total over 400. The format of the trainings provided for in-depth, focused topic discussion. The Department's initial plan for future trainings was to follow a similar structure. However given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to implement fiscal year 2009-2010 trainings as originally anticipated. The Department will take advantage of new technology acquisitions such as WebEx to continue training initiatives with reductions in travel costs.

Recommendation 10c
Improve mechanisms to ensure clear, consistent, timely, and responsive communication with Single Entry Point agencies.

Department Response (January 2009):

Agree. Implementation Date: July 2009.

The Department issued a Community-Based Long-Term Care Section (CBLTC) organization chart with position titles, responsibilities and individual names and contact information in August 2008. Instructions to Single Entry Point agencies were included on how to contact the appropriate individual with questions, concerns and comments. The Department will update this organizational chart as necessary. The Department is also developing a Frequently Asked Questions file that will be posted on the Department's external website. This file will be updated periodically and made available to all stakeholders. A review of internal Standards of Operating Procedures regarding timely responses to emails, voicemails, and messages will be reviewed by all CBLTC Section staff.

Department Status Update (October 2009):

Implementation Status: Implemented and Ongoing.

The Department has created a Frequently Asked Questions (FAQ) file and a methodology for posting/updating on the Department's external website. Agencies have been given a direct email address for submitting questions. These questions will be reviewed, distributed to and answered by appropriate subject matter expert(s). Updates to the FAQ file will be made available via the Department's website. The target implementation date for starting the web posting is October 1, 2009. In addition, all CBLTC staff have been reminded of the importance of timely responses to emails, voicemails and written requests/questions/comments.

Recommendation 10d
Develop a mechanism to provide all Single Entry Point agencies with Medicaid eligibility information maintained in the Colorado Benefits Management System for the clients they serve.

Department Response (January 2009):

Agree. Implementation Date: July 2009.

Design of a report to provide the required information to the Single Entry Point agencies has begun. Significant development effort cannot begin until after transition of the Colorado Benefits Management System operations and maintenance to its new Administrative Services Organization. This transition is expected to be completed in April 2009.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: June 2010.

The Department has researched the high level requirements for this report and will develop a system change request to provide the new report. It is estimated that this will be implemented June 2010.

Recommendation 11a
Develop meaningful performance measures for Single Entry Point system processes, outputs, and outcomes.

Department Response (January 2009):

Agree. Implementation Date: July 2009.

As part of the Department's obligations under each federally approved waiver, we are working with the federal Centers for Medicare and Medicaid Services on establishing meaningful performance measures for system processes, outputs and outcomes. The outcome of this effort will significantly improve case management and Department oversight efforts.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: January 2010.

The Department has received CMS approval on performance measures specifically designed to track system processes, outputs and outcomes by waiver. The Department has drafted operational and administrative monitoring tools to facilitate reviews of all case management agencies. These tools will be finalized and applied to this fiscal year's monitoring effort. The Department continues to meet with CMS and update processes as necessary. The implementation date for this recommendation has been extended to January 2010 to reflect implementation delays due to the additional time it took CMS to approve the sampling methodology. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Recommendation 11b
Improve the Benefits Utilization System and develop additional mechanisms to routinely collect and report on performance measurement data.

Department Response (January 2009):

Agree. Implementation Date: July 2009.

The Benefits Utilization System (BUS) is being revised to both collect and report on the performance measures the Department must provide to the federal Centers for Medicare and Medicaid Services (CMS) to demonstrate achievement of federal waiver assurances. As joint efforts with CMS to improve these performance measures continue, updates to the BUS will be proposed.

The Department will review this recommendation in the context of existing Department resources. Plans for implementation will be prioritized based on the availability of resources and the relative importance the issue. In the event that it is determined that additional staff, outside contractors, or other resources are needed to carry out the recommendations, the Department will request funding through the normal budget process. Given the current economic climate and the fact that the Department is currently understaffed, the Department anticipates it may not be able to request all of the funding it needs to implement all of its prioritized items during the current or next fiscal year.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: March 2010.

The Department continues to make changes to the BUS, specifically related to CMS-approved performance measures. A BUS-based standardized complaint process is under development as are date tracking and resource development reports. Due to the number of BUS improvement projects underway and the complexities/timelines associated with computer programming, the implementation date for this recommendation has been adjusted to March 2010.

Recommendation 11c
Analyze, report, and use performance measurement data on an ongoing basis to direct program improvements and refine program goals and outcomes.

Department Response (January 2009):

Agree. Implementation Date: October 2009.

The enhancement to the Benefits Utilization System (BUS) data collection and reporting capabilities, in conjunction with other health outcomes data, will be used to direct program changes and policy revisions on an ongoing basis.

Department Status Update (October 2009):

Implementation Status: In Progress.
Revised Implementation Date: December 2009.

The Department's approved waiver Quality Improvement Strategy (QIS) includes performance measures corresponding to all federally required assurances. These performance measures, report results, health outcome measures and identification of trends will serve as the basis for refinement of program goals and drive improvements to achieve enhanced outcomes.

STATE OF COLORADO

Colorado Department of Human Services
people who help people

OFFICE OF SELF SUFFICIENCY AND INDEPENDENCE
Pauline Burton, Deputy Executive Director

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Director

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Governor

Karen L. Beye
Executive Director

October 5, 2009

Ms. Sally Symanski, CPA
Office of the State Auditor
200 E. 14th Avenue
Denver, CO 80203

Dear Ms. Symanski:

Enclosed is the response to the Legislative Audit Recommendation implementation status report for Access to Medicaid Home and Community-Based Long-Term Care performance audit. This audit was for the Department of Health Care Policy and Financing, but recommendation number 9, included Aging and Adult Services, Colorado Department of Human Services. Recommendation 9 is for the Departments to work together to assess and evaluate how to align program functions and administration of the State's community long-term care programs.

The Department of Human Services has recently received an additional grant from the Administration on Aging to continue to fund and expand the Adult Resources for Care and Help (ARCH) program, which is of the Colorado program for the Aging and Disabilities Resource Centers.

If you have any additional questions, please contact Jeanette Hensley, Director, Aging and Adult Services, at 303-866-2636, or at jeanette.hensley@state.co.us.

Sincerely,

Karen L. Beye

Karen L. Beye
Executive Director

cc: Pauline Burton
Jeanette Hensley

Attachment

PROGRAM/ORGANIZATION AUDITED: Colorado Department of Human Services
AUDITOR: Colorado Office of the State Auditor
TITLE: Access to Medicaid Home and Community-Based Long-Term Care Services
CONTACT: Susan Hunt, Jeanette Hensley, Diana Pratt Wilson, Dan Smith
STATUS: Open

#	RECOMMENDATION	*STATUS AS OF 6/30/08	DUE DATE	STATUS AS OF 6/30/09
9.	The Departments of Health Care Policy and Financing and Human Services should continue to work together to assess and evaluate how to align program functions and administration of the State's community long-term programs in a manner that will ensure more	N/A	Ongoing	The Departments of Human Services and Health Care Policy and Financing continue to work closely together in the implementation of the four Adult Resources for Care and Help (ARCH) pilot sites serving as highly visible and trusted places where people with disabilities of all ages can turn for information on the full range of long term support options and to access a single point of entry to public long-term support programs and benefits. The Department of Human Services recently received a grant from the U.S. Administration on Aging that will allow the ARCH sites to expand to additional regions.

* This report was opened during this reporting period; therefore, there is no previous status update.