

# Report Highlights

## Office of Administrative Courts

Department of Personnel & Administration

Performance Audit • November 2024 • 2358P



OFFICE OF THE STATE AUDITOR

C O L O R A D O

### Key Concern

The Office of Administrative Courts (OAC) has taken steps to strengthen its operations and services since our 2012 performance audit. Our current audit found that OAC made a number of improvements in recent years to address prior audit findings and enhance its operations. However, OAC could further improve its timeliness of handling workers' compensation cases and Medicaid cases, and aspects of its customer service and administration.

### Key Findings

- OAC generally met case and hearing timeliness requirements and goals, which are intended to help ensure parties are not negatively affected by untimely administrative court processes. Specifically:
  - 96 percent of workers' compensation hearings and 94 percent of related orders met the timeliness requirements in statute.
  - Medicaid cases were less timely, with 76 percent of cases involving the general Medicaid population, and 63 percent of cases involving special populations (needing enhanced health care services), meeting OAC's internal timeliness goals.

Cases were typically untimely due to parties requesting delays. For factors in OAC's control, there was some inconsistent case data tracking, case management, and timeliness monitoring, and OAC's timeliness goals for Medicaid hearings may be unrealistic given the complexity of some cases.
- Public perception of OAC and its services has improved since our 2012 audit. Parties in cases, state agencies, and stakeholders that interact with OAC report that they have been mostly satisfied with OAC's customer service. However, OAC could further improve its services and public perception by enhancing its communication with parties, website information and hearing guidance, and methods for collecting and addressing feedback from parties.
- OAC has taken steps to improve its administration since 2012, such as by implementing a new case management system. OAC could make further improvements by improving the quality of its case management data and information, developing more consistent virtual hearing processes, and creating procedures to help ensure Administrative Law Judges (ALJs) apply conflicts of interest standards consistently.

### Background

- OAC administers Colorado's centralized, executive branch administrative court system, to provide easily accessible, independent, and cost-effective adjudication of disputes that people served by government programs have related to the government's application of statutes, rules, and regulations.
- Administrative hearings are intended to save the time and expense of litigation in district court. OAC offers in-person hearings in Denver, Colorado Springs, and Grand Junction, and provides virtual hearings.
- In Calendar Year 2023, OAC opened 9,274 cases, completed 1,592 hearings, and served more than 50 state agencies, boards, and other entities. Most cases related to workers' compensation or Medicaid, which were the focus of this audit.
- OAC is administered by the Chief Judge who is also the OAC Director. As of June 2024, OAC had 19 ALJs who presided over hearings, and 20 support staff.

#### Audit Recommendations Made

**12**

#### Responses

Agree: **12**

Partially Agree: **0**

Disagree: **0**