



## Legislative Audit Committee June 10, 2024 Minutes

The Legislative Audit Committee (LAC) convened a hearing on June 10, 2024, at 9:02 a.m. in the Old Supreme Court Chambers. Representative Lisa Frizell called the meeting to order. Roll was called with the following members present or excused:

### Committee Members

Representative Gabe Evans, Senator Julie Gonzales (remote), Representative William Lindstedt, Senator Dafna Michaelson Jenet, Senator Rod Pelton, Senator Kevin Van Winkle (remote), Representative Andrew Boesenecker (Vice Chair) (remote), Representative Lisa Frizell (Chair)

The following Office of the State Auditor (OSA) staff attended:

### OSA

Kerri L. Hunter, State Auditor; Michelle Colin (Deputy State Auditor); Marisa Edwards, Deputy State Auditor); Monica Bowers, Matt Devlin, Crystal Dorsey, Cindi Radke

### Other Attendees

#### Colorado State University

Brandon Bernier, Vice President of Information Technology and Chief Information Officer

Dr. Cassandra Moseley, Vice President for Research (remote)

Steven Lovaas, University Information Security Officer

Dr. Melissa Reynolds, Faculty Research Director of Core Facilities

#### Department of Health Care Policy & Financing

Kim Bimestefer, Executive Director

Ralph Choate, Chief Operating Officer/Medicaid Operations Office Director

Bart Armstrong, Fraud, Waste, & Abuse/Program Integrity Division Director

Alyssa Gilger, Contractor Audit Operations Unit Supervisor

Pinnacol Assurance

Akasha Absher, Chair, Board of Directors  
John O'Donnell, President & Chief Executive Officer  
Kathy Kranz, Vice President & Chief Financial Officer

BerryDunn

Yoko McCarthy, Principal  
Colin Buttarazzi, Manager  
Dawn Webb, Manager  
Elliott Simpson, Senior Consultant

Eide Bailly LLP

Anders Erickson, Principal  
Matt Solomon, Manager

Johnson Lambert LLP

Sarah McConnell, Partner

9:03 a.m.

**Department of Health Care Policy & Financing, Evaluation of the Recovery Audit Contractor Program, May 2024**

Senator Michaelson Jenet made a motion to release the *Department of Health Care Policy & Financing, Evaluation of the Recovery Audit Contractor Program, May 2024*. Senator Pelton seconded the motion, and the motion passed unanimously.

Ms. Colin introduced self, staff, and contractor.

Ms. Bimestefer (*Department of Health Care Policy & Financing*) introduced self and staff.

BerryDunn staff presented an overview of the evaluation.

Recommendations 1, 2, and 4 were reviewed, discussed, and agreed to by the Department of Health Care Policy and Financing (Department).

Discussion ensued regarding identified overpayments, contingency fee percentages, payment processes, contract renewal timeline, and claims appeals.

Recommendation 5 was reviewed and discussed. Subparts B-D were agreed to by the Department, while Subpart A was disagreed with by the Department.

Policy considerations A and B were reviewed and discussed by the Department.

Discussion ensued regarding the increase in RAC audit findings and provider appeals made in 2022 as opposed to previous years, per capita percentage of audits in urban versus rural areas, legislation implementation, streamlining the appeals process, and providers' responses to recommendations.

Recommendation 6 was reviewed, discussed, and agreed to by the Department.

Discussion ensued regarding subset of providers requesting appeals and the definition of a provider.

Policy consideration D and E were reviewed and discussed by the Department.

Discussion ensued regarding the look-back periods for audits, procedures instituted in other states, cause of under- and overpayments, and federal government audits.

Policy consideration F was reviewed.

Discussion ensued regarding audit appeals.

Policy consideration H was reviewed and discussed by the Department.

Additional discussion ensued regarding the working relationship between providers and Department.

11:05 a.m.

**Colorado State University System, Evaluation of Cybersecurity Maturity Model Certification (CMMC) Readiness Public Report, May 2024**

Senator Michaelson Jenet made a motion to release the *Colorado State University System, Evaluation of Cybersecurity Maturity Model Certification (CMMC) Readiness Public Report, May 2024*. Senator Pelton seconded the motion, and the motion passed unanimously.

Mr. Devlin introduced self, staff, and contractor.

Mr. Erickson (*Eide Bailly, LLP*) presented an overview of the evaluation.

Recommendation 1 was reviewed.

Mr. Bernier (Colorado State University) introduced self and staff.

Recommendation 1 was discussed and agreed to by Colorado State University.

11:27 a.m.

**Colorado State University System, Evaluation of Cybersecurity Maturity Model Certification (CMMC) Readiness Confidential Report, May 2024**

Representative Michaelson Jenet made a motion to conduct an Executive Session in accordance with Section 24-6-402(3)(a)(IV), C.R.S., to review the *Colorado State University System, Evaluation of Cybersecurity Maturity Model Certification (CMMC) Readiness Confidential Report, May 2024* (a discussion on specialized details of security investigations). Senator Pelton seconded the motion, and the motion passed unanimously.

11:54 a.m.

**Executive Session concluded**

Discussion ensued regarding the importance of information security.

11:57 a.m.

**Pinnacol Assurance, Audited Statutory Financial Statements and Supplementary Information, Years ended December 31, 2023 and 2022, with Report of Independent Auditors**

Senator Michaelson Jenet made a motion to release the *Pinnacol Assurance, Audited Statutory Financial Statements and Supplementary Information, Years ended December 31, 2023 and 2022, with Report of Independent Auditors*. Representative Lindstedt seconded the motion, and the motion passed unanimously.

Ms. Edwards introduced self, staff, and contractor

Ms. Absher (*Pinnacol Assurance*) introduced self and staff.

Ms. McConnell (*Johnson Lambert LLP*) presented an overview of the audit.

12:21 p.m.

**Minutes**

Senator Pelton made a motion to approve the *March 26, 2024, LAC hearing minutes*. Senator Michaelson Jenet seconded the motion, and the motion passed unanimously.

12:22 p.m.

**Connect for Health Colorado Audit Request**

Ms. Colin presented an overview of the OSA research regarding the *Connect for Health Colorado audit request*.

Senator Michaelson Jenet made a motion to approve the audit request. Senator Pelton seconded the motion. A roll call vote was conducted, and the motion passed 6-1, with one excused. The results were as follows:

Representative Evans – Yes

Senator Gonzales – Excused

Representative Lindstedt – No

Senator Michaelson Jenet – Yes

Senator Pelton – Yes

Senator Van Winkle – Yes

Representative Boesenecker – Yes

Representative Frizell - Yes

12:25 p.m.

**Colorado Mine Subsidence Protection Program Audit Request**

Auditor Hunter presented an overview of the *Colorado Mine Subsidence Protection Program audit request*.

Senator Pelton made a motion to approve the requested preliminary research time. Senator Michaelson Jenet seconded the motion. A roll call vote was conducted, and the motion passed 7 - 0, with one excused. The results were as follows:

Representative Evans – Yes  
Senator Gonzales – Excused  
Representative Lindstedt – Yes  
Senator Michaelson Jenet – Yes  
Senator Pelton – Yes  
Senator Van Winkle – Yes  
Representative Boesenecker – Yes  
Representative Frizell – Yes

12:28 p.m.

**Additional Discussions**

Auditor Hunter presented an overview of the results of the Office of the State Auditor peer review.

Additional discussion ensued regarding potential legislation arising from the Department of Health Care Policy & Financing, Evaluation of the Recovery Audit Contractor Program audit.

**Hearing adjourned at 12:31 p.m.**

Minutes submitted by:

Jayne Watson

Executive Assistant, Office of the State Auditor