



**Colorado  
Legislative  
Council  
Staff**

**HB17-1143**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 17-0161  
**Prime Sponsor(s):** Rep. Landgraf  
Sen. Crowder

**Date:** August 1, 2017  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Ryan Long (303-866-2066)

**BILL TOPIC:** AUDITS OF MEDICAID CLIENT CORRESPONDENCE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue			
State Expenditures	Minimal workload increase.		
Appropriation Required: None.			
Future Year Impacts: Ongoing expenditure and workload increases.			

**Summary of Legislation**

This bill, *recommended by the 2016 Interim Study Committee on Communication between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients*, requires the Office of the State Auditor (OSA) to conduct performance audits of client correspondence concerning eligibility for Medicaid programs. These audits will be conducted in 2020 and 2023, with any future audits occurring at the discretion of the state auditor. These audits will encompass correspondence generated both inside and outside of the Colorado Benefits Management System.

The performance audits will determine whether client correspondence complies with state and federal requirements, and review the understandability, readability, and accuracy of client correspondence. Additionally, the OSA will review any client correspondence testing conducted by HCPF, and the results of this testing. As a part of these audits, OSA will review available data from counties, HCPF's customer service contract center, and assistors within the Health Benefit Exchange (Connect for Health Colorado) regarding correspondence received by Medicaid clients. The OSA will report audit findings and recommendations to various committees.

**State Expenditures**

This bill increases workload in the OSA and HCPF as discussed below.

**Office of the State Auditor.** This bill will increase workload in the OSA beginning in FY 2019-20 to conduct a performance audit of Medicaid client correspondence sent to clients or potential clients in the Medicaid programs. It is assumed that this audit will be conducted as part of the OSA's annual audit workload and will not require additional appropriations.

***Department of Health Care Policy and Financing.*** This bill will create a minimal increase in workload for HCPF to assist OSA with the audits, which can be accomplished within existing appropriations.

## **Local Government Impact**

This bill requires the OSA to review available county data regarding client confusion with client correspondence. Providing data to OSA may increase workload for counties.

## **Effective Date**

The bill was signed into law by the Governor on March 20, 2017, and takes effect August 9, 2017, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Counties  
Human Services  
State Auditor

Health Care Policy And Financing  
Information Technology