

**Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 08-0773.01 Jerry Barry

SENATE BILL 08-161

SENATE SPONSORSHIP

Boyd, Spence, and Groff

HOUSE SPONSORSHIP

Merrifield,

Senate Committees

Health and Human Services
Appropriations

House Committees

Health and Human Services
Appropriations

A BILL FOR AN ACT

101 **CONCERNING ELIGIBILITY FOR PUBLIC MEDICAL BENEFITS, AND**
102 **MAKING AN APPROPRIATION THEREFOR.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Subject to the receipt of sufficient gifts, grants, or donations to cover the costs, provides that the department of health care policy and financing ("department") shall adopt rules to:

- ! Allow the department to verify income eligibility under medicaid and the children's basic health plan through the records of the division of employment and training in the department of labor and employment ("division");

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
April 16, 2008

SENATE
Amended 2nd Reading
April 15, 2008

- ! Allow applicants to submit income information more current than the records of the division; and
- ! Reenroll recipients of medicaid and the children's basic health plan if the records of the division establish the recipient's income eligibility.

Directs the advisory committee on covering all children in Colorado to investigate the feasibility of combining medicaid and the children's basic health plan.

Makes an appropriation to implement the act.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 25.5-4-205 (3) and (5) (b), Colorado Revised
 3 Statutes, are amended to read:

4 **25.5-4-205. Application - verification of eligibility -**
 5 **demonstration project - rules - repeal.** (3) (a) The state department
 6 shall promulgate rules to simplify the processing of applications in order
 7 that medical benefits are furnished to recipients as soon as possible,
 8 including rules that:

9 (I) Provide for initial processing of applications and determination
 10 of eligibility for medical assistance only at locations other than the county
 11 departments, at locations used for processing applications for the
 12 Colorado works program, or at the location used by the private service
 13 contractor that administers the children's basic health plan for determining
 14 eligibility of children for ~~such~~ THE plan; AND

15 (II) ~~Said rules~~ May make provision for the payment of medical
 16 benefits for a period not to exceed three months prior to the date of
 17 application in cases where the applicant did not make application prior to
 18 his or her need for said medical benefits.

19 (b) (I) THE STATE DEPARTMENT SHALL PROMULGATE RULES THAT:

20 (A) PROVIDE THAT AN APPLICANT SHALL ONLY BE REQUIRED TO

1 STATE THE APPLICANT'S INCOME AND THAT THE APPLICANT'S INCOME
2 SHALL BE VERIFIED BY THE STATE DEPARTMENT THROUGH THE MOST
3 RECENTLY AVAILABLE RECORDS OF THE DIVISION OF EMPLOYMENT AND
4 TRAINING IN THE DEPARTMENT OF LABOR AND EMPLOYMENT; EXCEPT
5 THAT THE RULES SHALL ALSO PROVIDE THAT AN APPLICANT MAY PROVIDE
6 INCOME INFORMATION MORE RECENT THAN THE RECORDS OF THE DIVISION
7 OF EMPLOYMENT AND TRAINING; AND

8 (B) PROVIDE FOR ADMINISTRATIVE VERIFICATION AT
9 REENROLLMENT SO THAT THE STATE DEPARTMENT SHALL AT LEAST
10 ANNUALLY VERIFY A RECIPIENT'S INCOME ELIGIBILITY THROUGH THE
11 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING IN THE
12 DEPARTMENT OF LABOR AND EMPLOYMENT AND THAT, IF THE RECIPIENT
13 MEETS ALL ELIGIBILITY REQUIREMENTS, THE RECIPIENT SHALL REMAIN
14 ENROLLED IN THE PROGRAM. THE RULES SHALL ALSO PROVIDE THAT A
15 RECIPIENT MAY SUPPLY INCOME INFORMATION MORE RECENT THAN THE
16 INFORMATION SUPPLIED BY THE RECORDS OF THE DIVISION OF
17 EMPLOYMENT AND TRAINING.

18 (C) IF IT IS DETERMINED THAT A RECIPIENT WAS NOT ELIGIBLE FOR
19 MEDICAL BENEFITS SOLELY BASED UPON THE RECIPIENTS'S INCOME AFTER
20 THE RECIPIENT HAD BEEN DETERMINED TO BE ELIGIBLE BASED UPON THE
21 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING, THE
22 ESTABLISHMENT OF RECOVERY AND THE RECOVERY OF ERRONEOUS
23 MEDICAL PAYMENTS SHALL BE THE RESPONSIBILITY OF THE STATE
24 DEPARTMENT AND NOT THE COUNTY DEPARTMENT AND THE STATE
25 DEPARTMENT AND NOT THE COUNTY DEPARTMENT SHALL BE RESPONSIBLE
26 FOR ANY FEDERAL ERROR RATE SANCTIONS RESULTING FROM SUCH
27 DETERMINATION.

1 (II) (A) THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS
2 PARAGRAPH (b) SHALL ONLY TAKE EFFECT IF BY JUNE 15, 2008, THE STATE
3 DEPARTMENT RECEIVES AN AMOUNT THROUGH GIFTS, GRANTS, AND
4 DONATIONS THAT IS EQUAL TO OR GREATER THAN THE FINAL FISCAL
5 ESTIMATE FOR SENATE BILL 08-161, AS ENACTED AT THE SECOND
6 REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY, TO COVER
7 THE ESTIMATED COSTS OF IMPLEMENTING SUBPARAGRAPH (I) OF THIS
8 PARAGRAPH (b) AND SECTION 25.5-8-109 (4.5) (a). ANY GIFTS, GRANTS,
9 OR DONATIONS RECEIVED BY THE STATE DEPARTMENT PURSUANT TO THIS
10 SUB-SUBPARAGRAPH (A) SHALL BE DEPOSITED INTO THE DEPARTMENT OF
11 HEALTH CARE POLICY AND FINANCING CASH FUND CREATED PURSUANT TO
12 SECTION 25.5-1-109.

13 (B) ON OR BEFORE JUNE 30, 2008, THE EXECUTIVE DIRECTOR
14 SHALL FILE A WRITTEN NOTICE WITH THE REVISOR OF STATUTES
15 INDICATING THAT THE ESTIMATED AMOUNT OF MONEYS WAS RECEIVED
16 PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II). IF
17 THE NOTICE IS NOT RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30,
18 2008, THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2009. IF THE
19 NOTICE IS RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
20 SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1, 2009.

21 (c) Adequate safeguards shall be established by the state
22 department to ensure that only eligible persons receive benefits under this
23 article and articles 5 and 6 of this title.

24 (d) (I) In addition, an applicant who is eighteen years of age or
25 older shall be required to supply a form of personal photographic
26 identification either by providing a valid Colorado driver's license or a
27 valid identification card issued by the department of revenue pursuant to

1 section 42-2-302, C.R.S. The state department may adopt rules that
2 exempt applicants from the requirement of supplying a form of personal
3 photographic identification if ~~such~~ THE requirement causes an
4 unreasonable hardship or if ~~such~~ THE requirement is in conflict with
5 federal law.

6 (II) The state department shall also adopt rules that allow for
7 assistance to be provided on an emergency basis until the applicant is able
8 to obtain or qualify for a driver's license or identification card; however,
9 a county department or an entity designated by the state department
10 pursuant to subsection (1) of this section is not required to recover
11 emergency assistance from an applicant who fails, upon recertification,
12 to meet the photographic identification requirement.

13 ~~(5) (b) This subsection (5) is repealed, effective July 1, 2008.~~

14 **SECTION 2.** 25.5-8-109, Colorado Revised Statutes, is amended
15 BY THE ADDITION OF A NEW SUBSECTION to read:

16 **25.5-8-109. Eligibility - children - pregnant women - repeal.**

17 (4.5) (a) (I) THE DEPARTMENT SHALL ONLY REQUIRE AN APPLICANT TO
18 STATE THE APPLICANT'S FAMILY INCOME AND THAT THE APPLICANT'S
19 FAMILY INCOME SHALL BE VERIFIED BY THE DEPARTMENT THROUGH THE
20 MOST RECENTLY AVAILABLE RECORDS OF THE DIVISION OF EMPLOYMENT
21 AND TRAINING IN THE DEPARTMENT OF LABOR AND EMPLOYMENT. THE
22 DEPARTMENT SHALL ALLOW AN APPLICANT TO PROVIDE INCOME
23 INFORMATION MORE RECENT THAN THE RECORDS OF THE DIVISION OF
24 EMPLOYMENT AND TRAINING.

25 (II) THE DEPARTMENT SHALL PROVIDE FOR ADMINISTRATIVE
26 VERIFICATION AT REENROLLMENT SO THAT THE DEPARTMENT SHALL
27 ANNUALLY VERIFY THE RECIPIENT'S INCOME ELIGIBILITY THROUGH THE

1 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING IN THE
2 DEPARTMENT OF LABOR AND EMPLOYMENT. IF A RECIPIENT MEETS ALL
3 ELIGIBILITY REQUIREMENTS, A RECIPIENT SHALL REMAIN ENROLLED IN THE
4 PLAN. THE DEPARTMENT SHALL ALSO PROVIDE THAT A RECIPIENT MAY
5 PROVIDE INCOME INFORMATION MORE RECENT THAN THE RECORDS OF THE
6 DIVISION OF EMPLOYMENT AND TRAINING.

7 (III) IF IT IS DETERMINED THAT A RECIPIENT WAS NOT ELIGIBLE FOR
8 MEDICAL BENEFITS SOLELY BASED UPON THE RECIPIENT'S INCOME AFTER
9 THE RECIPIENT HAD BEEN DETERMINED TO BE ELIGIBLE BASED UPON THE
10 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING, THE
11 ESTABLISHMENT OF RECOVERY AND THE RECOVERY OF ERRONEOUS
12 MEDICAL PAYMENTS SHALL BE THE RESPONSIBILITY OF THE STATE
13 DEPARTMENT AND NOT THE COUNTY DEPARTMENT AND THE STATE
14 DEPARTMENT AND NOT THE COUNTY DEPARTMENT SHALL BE RESPONSIBLE
15 FOR ANY FEDERAL ERROR RATE SANCTIONS RESULTING FROM SUCH
16 DETERMINATION.

17 (b) (I) THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION
18 (4.5) SHALL ONLY TAKE EFFECT IF BY JUNE 15, 2008, THE DEPARTMENT
19 RECEIVES AN AMOUNT THROUGH GIFTS, GRANTS, AND DONATIONS THAT IS
20 EQUAL TO OR GREATER THAN THE FINAL FISCAL ESTIMATE FOR SENATE
21 BILL 08-161, AS ENACTED AT THE SECOND REGULAR SESSION OF THE
22 SIXTY-SIXTH GENERAL ASSEMBLY, TO COVER THE ESTIMATED COSTS OF
23 IMPLEMENTING PARAGRAPH (a) OF THIS SUBSECTION (4.5) AND SECTION
24 25.5-4-205 (3) (b) (I). ANY GIFTS, GRANTS, OR DONATIONS RECEIVED BY
25 THE DEPARTMENT PURSUANT TO THIS SUBPARAGRAPH (I) SHALL BE
26 DEPOSITED INTO THE DEPARTMENT OF HEALTH CARE POLICY AND
27 FINANCING CASH FUND CREATED PURSUANT TO SECTION 25.5-1-109.

1 (II) ON OR BEFORE JUNE 30, 2008, THE EXECUTIVE DIRECTOR
2 SHALL FILE A WRITTEN NOTICE WITH THE REVISOR OF STATUTES
3 INDICATING THAT THE ESTIMATED AMOUNT OF MONEYS WAS RECEIVED
4 PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b). IF THE NOTICE
5 IS NOT RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
6 SUBSECTION (4.5) IS REPEALED, EFFECTIVE JULY 1, 2009. IF THE NOTICE
7 IS RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
8 PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2009.

9 **SECTION 3.** 25.5-1-202 (3) (b), Colorado Revised Statutes, is
10 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

11 **25.5-1-202. Advisory committee on covering all children in**
12 **Colorado - reports - definitions - repeal.** (3) (b) In connection with its
13 duties as described in paragraph (a) of this subsection (3), the committee
14 shall:

15 (IV.5) INVESTIGATE THE FEASIBILITY OF COMBINING MEDICAID
16 AND THE CHILDREN'S BASIC HEALTH PLAN;

17 **SECTION 4. Appropriation - legislative intent.** (1) In addition
18 to any other appropriation, there is hereby appropriated, to the department
19 of health care policy and financing, executive director's office, general
20 administration, for operating expenses, for the fiscal year beginning July
21 1, 2008, the sum of ten thousand five hundred forty-one dollars (\$10,541)
22 cash funds, or so much thereof as may be necessary, for the
23 implementation of this act. Said sum shall be from the department of
24 health care policy and financing cash fund created pursuant to section
25 25.5-1-109, Colorado Revised Statutes. In addition to said appropriation,
26 the general assembly anticipates that the department of health care policy
27 and financing will receive ten thousand five hundred forty-one dollars

1 (\$10,541) federal funds in the fiscal year beginning July 1, 2008, for the
2 implementation of this act. Although the federal funds are not
3 appropriated in this act, they are noted for the purpose of indicating the
4 assumptions used relative to these funds in developing state appropriation
5 amounts.

6 (2) In addition to any other appropriation, there is hereby
7 appropriated, to the department of health care policy and financing,
8 department of human services Medicaid-funded programs, office of
9 information technology services - Medicaid funding, for the Colorado
10 benefits management system, for the fiscal year beginning July 1, 2008,
11 the sum of two thousand nine hundred thirty-three dollars (\$2,933) cash
12 funds, or so much thereof as may be necessary, for the implementation of
13 this act. Of said sum, two thousand five hundred ninety-nine dollars
14 (\$2,599) shall be from the department of health care policy and financing
15 cash fund created pursuant to section 25.5-1-109, Colorado Revised
16 Statutes, and three hundred thirty-four dollars (\$334) shall be cash funds
17 from the children's basic health trust fund created in section 25.5-8-105
18 (1), Colorado Revised Statutes. In addition to said appropriations, the
19 general assembly anticipates that the department of health care policy and
20 financing will receive two thousand six hundred twenty-one dollars
21 (\$2,621) federal funds in the fiscal year beginning July 1, 2008, for the
22 implementation of this act. Although the federal funds are not
23 appropriated in this act, they are noted for the purpose of indicating the
24 assumptions used relative to these funds in developing state appropriation
25 amounts.

26 (3) In addition to any other appropriation, there is hereby
27 appropriated, to the department of human services, for the Colorado

1 benefits management system, for the fiscal year beginning July 1, 2008,
2 the sum of nine thousand three hundred forty-five dollars (\$9,345). Of
3 said sum, two thousand five hundred eleven dollars (\$2,511) shall be
4 from the department of health care policy and financing cash fund created
5 pursuant to section 25.5-1-109, Colorado Revised Statutes, one thousand
6 two hundred eighty dollars (\$1,280) cash funds shall be from the old age
7 pension fund created in section 1 of article XXIV of the Colorado
8 constitution, and five thousand five hundred fifty-four (\$5,554) shall be
9 reappropriated funds transferred from the department of health care
10 policy and financing. In addition to said appropriations, the general
11 assembly anticipates that the department of human services will receive
12 six thousand six hundred fifty-five dollars (\$6,655) federal funds in the
13 fiscal year beginning July 1, 2008, for the implementation of this act.
14 Although the federal funds are not appropriated in this act, they are noted
15 for the purpose of indicating the assumptions used relative to these funds
16 in developing state appropriation amounts. _____

17 (4) It is the intent of the general assembly that the appropriation
18 in this section shall only be effective upon receipt of the notice required
19 in sections 25.5-4-205 (3) (b) and 25.5-8-109 (4.5), Colorado Revised
20 Statutes.

21 **SECTION 5. Effective date.** This act shall take effect upon
22 passage; except that section 4 of this act shall only take effect upon
23 receipt of the notice required in sections 25.5-4-205 (3) (b) and
24 25.5-8-109 (4.5), Colorado Revised Statutes.

25 **SECTION 6. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, and safety.