

Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

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

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 AFTER THE RECIPIENT HAD BEEN DETERMINED TO BE
20 ELIGIBLE BASED UPON THE RECORDS OF THE DIVISION OF EMPLOYMENT
21 AND TRAINING, THE ESTABLISHMENT OF RECOVERY AND THE RECOVERY OF
22 ERRONEOUS MEDICAL PAYMENTS SHALL BE THE RESPONSIBILITY OF THE
23 STATE DEPARTMENT AND NOT THE COUNTY DEPARTMENT AND THE STATE
24 DEPARTMENT AND NOT THE COUNTY DEPARTMENT SHALL BE RESPONSIBLE
25 FOR ANY FEDERAL ERROR RATE SANCTIONS RESULTING FROM SUCH
26 DETERMINATION.

27 (II) (A) THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS

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

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17 2008, THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2009.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19 SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1, 2009.

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

23 (d) (I) In addition, an applicant who is eighteen years of age or
24 older shall be required to supply a form of personal photographic
25 identification either by providing a valid Colorado driver's license or a
26 valid identification card issued by the department of revenue pursuant to
27 section 42-2-302, C.R.S. The state department may adopt rules that

1 exempt applicants from the requirement of supplying a form of personal
2 photographic identification if ~~such~~ THE requirement causes an
3 unreasonable hardship or if ~~such~~ THE requirement is in conflict with
4 federal law.

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

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

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

15 **25.5-8-109. Eligibility - children - pregnant women - repeal.**

16 (4.5) (a) (I) THE DEPARTMENT SHALL ONLY REQUIRE AN APPLICANT TO
17 STATE THE APPLICANT'S FAMILY INCOME AND THAT THE APPLICANT'S
18 FAMILY INCOME SHALL BE VERIFIED BY THE DEPARTMENT THROUGH THE
19 MOST RECENTLY AVAILABLE RECORDS OF THE DIVISION OF EMPLOYMENT
20 AND TRAINING IN THE DEPARTMENT OF LABOR AND EMPLOYMENT. THE
21 DEPARTMENT SHALL ALLOW AN APPLICANT TO PROVIDE INCOME
22 INFORMATION MORE RECENT THAN THE RECORDS OF THE DIVISION OF
23 EMPLOYMENT AND TRAINING.

24 (II) THE DEPARTMENT SHALL PROVIDE FOR ADMINISTRATIVE
25 VERIFICATION AT REENROLLMENT SO THAT THE DEPARTMENT SHALL
26 ANNUALLY VERIFY THE RECIPIENT'S INCOME ELIGIBILITY THROUGH THE
27 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING IN THE

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

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

15 (b) (I) THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION
16 (4.5) SHALL ONLY TAKE EFFECT IF BY JUNE 15, 2008, THE DEPARTMENT
17 RECEIVES AN AMOUNT THROUGH GIFTS, GRANTS, AND DONATIONS THAT IS
18 EQUAL TO OR GREATER THAN THE FINAL FISCAL ESTIMATE FOR SENATE
19 BILL 08-161, AS ENACTED AT THE SECOND REGULAR SESSION OF THE
20 SIXTY-SIXTH GENERAL ASSEMBLY, TO COVER THE ESTIMATED COSTS OF
21 IMPLEMENTING PARAGRAPH (a) OF THIS SUBSECTION (4.5) AND SECTION
22 25.5-4-205 (3) (b) (I). ANY GIFTS, GRANTS, OR DONATIONS RECEIVED BY
23 THE DEPARTMENT PURSUANT TO THIS SUBPARAGRAPH (I) SHALL BE
24 DEPOSITED INTO THE DEPARTMENT OF HEALTH CARE POLICY AND
25 FINANCING CASH FUND CREATED PURSUANT TO SECTION 25.5-1-109.

26 (II) ON OR BEFORE JUNE 30, 2008, THE EXECUTIVE DIRECTOR
27 SHALL FILE A WRITTEN NOTICE WITH THE REVISOR OF STATUTES

1 INDICATING THAT THE ESTIMATED AMOUNT OF MONEYS WAS RECEIVED
2 PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b). IF THE NOTICE
3 IS NOT RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
4 SUBSECTION (4.5) IS REPEALED, EFFECTIVE JULY 1, 2009. IF THE NOTICE
5 IS RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
6 PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2009.

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

9 **25.5-1-202. Advisory committee on covering all children in**
10 **Colorado - reports - definitions - repeal.** (3) (b) In connection with its
11 duties as described in paragraph (a) of this subsection (3), the committee
12 shall:

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

15 **SECTION 4. Appropriation - legislative intent.** (1) In addition
16 to any other appropriation, there is hereby appropriated, to the department
17 of health care policy and financing, executive director's office, general
18 administration, for operating expenses, for the fiscal year beginning July
19 1, 2008, the sum of ten thousand five hundred forty-one dollars (\$10,541)
20 cash funds, or so much thereof as may be necessary, for the
21 implementation of this act. Said sum shall be from the department of
22 health care policy and financing cash fund created pursuant to section
23 25.5-1-109, Colorado Revised Statutes. In addition to said appropriation,
24 the general assembly anticipates that the department of health care policy
25 and financing will receive ten thousand five hundred forty-one dollars
26 (\$10,541) federal funds in the fiscal year beginning July 1, 2008, for the
27 implementation of this act. Although the federal funds are not

1 appropriated in this act, they are noted for the purpose of indicating the
2 assumptions used relative to these funds in developing state appropriation
3 amounts.

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

24 (3) In addition to any other appropriation, there is hereby
25 appropriated, to the department of human services, for the Colorado
26 benefits management system, for the fiscal year beginning July 1, 2008,
27 the sum of nine thousand three hundred forty-five dollars (\$9,345). Of

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

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

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

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