

Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

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.*

HOUSE
3rd Reading Unam ended
April 25, 2008

HOUSE
Am ended 2nd Reading
April 24, 2008

SENATE
3rd Reading Unam ended
April 16, 2008

SENATE
Am ended 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) TO THE EXTENT AUTHORIZED UNDER FEDERAL LAW, PROVIDE

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

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

22 (C) IF IT IS DETERMINED THAT A RECIPIENT WAS NOT ELIGIBLE FOR
23 MEDICAL BENEFITS SOLELY BASED UPON THE RECIPIENT'S INCOME AFTER
24 THE RECIPIENT HAD BEEN DETERMINED TO BE ELIGIBLE BASED UPON THE
25 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING OR THE
26 INCOME, ELIGIBILITY, AND VERIFICATION SYSTEM, THE STATE
27 DEPARTMENT SHALL NOT PURSUE RECOVERY FROM A COUNTY

1 DEPARTMENT FOR THE COST OF MEDICAL SERVICES PROVIDED TO THE
2 RECIPIENT, AND THE COUNTY DEPARTMENT SHALL NOT BE RESPONSIBLE
3 FOR ANY FEDERAL ERROR RATE SANCTIONS RESULTING FROM SUCH
4 DETERMINATION.

5 (D) NOTWITHSTANDING ANY OTHER PROVISION IN THIS
6 PARAGRAPH (b), FOR APPLICATIONS THAT CONTAIN SELF-EMPLOYMENT
7 INCOME, THE STATE DEPARTMENT SHALL NOT IMPLEMENT THIS
8 PARAGRAPH (b) UNTIL IT CAN VERIFY SELF-EMPLOYMENT INCOME
9 THROUGH THE INCOME, ELIGIBILITY, AND VERIFICATION SYSTEM OR OTHER
10 VERIFICATION AS AUTHORIZED BY RULES OF THE STATE DEPARTMENT AND
11 FEDERAL LAW.

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

24 (B) ON OR BEFORE JUNE 30, 2008, THE EXECUTIVE DIRECTOR
25 SHALL FILE A WRITTEN NOTICE WITH THE REVISOR OF STATUTES
26 INDICATING THAT THE ESTIMATED AMOUNT OF MONEYS WAS RECEIVED
27 PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II). IF

1 THE NOTICE IS NOT RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30,
2 2008, THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2009. IF THE
3 NOTICE IS RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
4 SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1, 2009.

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

8 (d) (I) In addition, an applicant who is eighteen years of age or
9 older shall be required to supply a form of personal photographic
10 identification either by providing a valid Colorado driver's license or a
11 valid identification card issued by the department of revenue pursuant to
12 section 42-2-302, C.R.S. The state department may adopt rules that
13 exempt applicants from the requirement of supplying a form of personal
14 photographic identification if ~~such~~ THE requirement causes an
15 unreasonable hardship or if ~~such~~ THE requirement is in conflict with
16 federal law.

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

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

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

27 **25.5-8-109. Eligibility - children - pregnant women - repeal.**

1 (4.5) (a) (I) TO THE EXTENT AUTHORIZED BY FEDERAL LAW, THE
2 DEPARTMENT SHALL ONLY REQUIRE AN APPLICANT TO STATE THE
3 APPLICANT'S FAMILY INCOME AND THAT THE APPLICANT'S FAMILY INCOME
4 SHALL BE VERIFIED BY THE DEPARTMENT THROUGH THE MOST RECENTLY
5 AVAILABLE RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING IN
6 THE DEPARTMENT OF LABOR AND EMPLOYMENT OR THROUGH THE INCOME,
7 ELIGIBILITY, AND VERIFICATION SYSTEM. THE DEPARTMENT SHALL ALLOW
8 AN APPLICANT TO PROVIDE INCOME INFORMATION MORE RECENT THAN THE
9 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING OR THE
10 INCOME, ELIGIBILITY, AND VERIFICATION SYSTEM.

11 (II) THE DEPARTMENT SHALL PROVIDE FOR ADMINISTRATIVE
12 VERIFICATION AT REENROLLMENT SO THAT THE DEPARTMENT SHALL
13 ANNUALLY VERIFY THE RECIPIENT'S INCOME ELIGIBILITY THROUGH THE
14 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING IN THE
15 DEPARTMENT OF LABOR AND EMPLOYMENT OR THROUGH THE INCOME,
16 ELIGIBILITY, AND VERIFICATION SYSTEM. IF A RECIPIENT MEETS ALL
17 ELIGIBILITY REQUIREMENTS, A RECIPIENT SHALL REMAIN ENROLLED IN THE
18 PLAN. THE DEPARTMENT SHALL ALSO PROVIDE THAT A RECIPIENT MAY
19 PROVIDE INCOME INFORMATION MORE RECENT THAN THE RECORDS OF THE
20 DIVISION OF EMPLOYMENT AND TRAINING OR THE INCOME, ELIGIBILITY,
21 AND VERIFICATION SYSTEM.

22 (III) IF IT IS DETERMINED THAT A RECIPIENT WAS NOT ELIGIBLE FOR
23 MEDICAL BENEFITS SOLELY BASED UPON THE RECIPIENT'S INCOME AFTER
24 THE RECIPIENT HAD BEEN DETERMINED TO BE ELIGIBLE BASED UPON THE
25 RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING OR THE
26 INCOME, ELIGIBILITY, AND VERIFICATION SYSTEM, THE STATE
27 DEPARTMENT SHALL NOT PURSUE RECOVERY FROM A COUNTY

1 DEPARTMENT FOR THE COST OF MEDICAL SERVICES PROVIDED TO THE
2 RECIPIENT, AND THE COUNTY DEPARTMENT SHALL NOT BE RESPONSIBLE
3 FOR ANY FEDERAL ERROR RATE SANCTIONS RESULTING FROM SUCH
4 DETERMINATION.

5 (IV) NOTWITHSTANDING ANY OTHER PROVISION IN THIS
6 PARAGRAPH (a), FOR APPLICATIONS THAT CONTAIN SELF-EMPLOYMENT
7 INCOME, THE STATE DEPARTMENT SHALL NOT IMPLEMENT THIS
8 PARAGRAPH (a) UNTIL IT CAN VERIFY SELF-EMPLOYMENT INCOME
9 THROUGH THE INCOME, ELIGIBILITY, AND VERIFICATION SYSTEM OR OTHER
10 VERIFICATION AS AUTHORIZED BY RULES OF THE STATE DEPARTMENT AND
11 FEDERAL LAW.

12 (b) (I) THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION
13 (4.5) SHALL ONLY TAKE EFFECT IF BY JUNE 15, 2008, THE DEPARTMENT
14 RECEIVES AN AMOUNT THROUGH GIFTS, GRANTS, AND DONATIONS THAT IS
15 EQUAL TO OR GREATER THAN THE FINAL FISCAL ESTIMATE FOR SENATE
16 BILL 08-161, AS ENACTED AT THE SECOND REGULAR SESSION OF THE
17 SIXTY-SIXTH GENERAL ASSEMBLY, TO COVER THE ESTIMATED COSTS OF
18 IMPLEMENTING PARAGRAPH (a) OF THIS SUBSECTION (4.5) AND SECTION
19 25.5-4-205 (3) (b) (I). ANY GIFTS, GRANTS, OR DONATIONS RECEIVED BY
20 THE DEPARTMENT PURSUANT TO THIS SUBPARAGRAPH (I) SHALL BE
21 DEPOSITED INTO THE DEPARTMENT OF HEALTH CARE POLICY AND
22 FINANCING CASH FUND CREATED PURSUANT TO SECTION 25.5-1-109.

23 (II) ON OR BEFORE JUNE 30, 2008, THE EXECUTIVE DIRECTOR
24 SHALL FILE A WRITTEN NOTICE WITH THE REVISOR OF STATUTES
25 INDICATING THAT THE ESTIMATED AMOUNT OF MONEYS WAS RECEIVED
26 PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (b). IF THE NOTICE
27 IS NOT RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS

1 SUBSECTION (4.5) IS REPEALED, EFFECTIVE JULY 1, 2009. IF THE NOTICE
2 IS RECEIVED BY THE REVISOR OF STATUTES BY JUNE 30, 2008, THIS
3 PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2009.

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

6 **25.5-1-202. Advisory committee on covering all children in**
7 **Colorado - reports - definitions - repeal.** (3) (b) In connection with its
8 duties as described in paragraph (a) of this subsection (3), the committee
9 shall:

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

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

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

21 (3) In addition to any other appropriation, there is hereby
22 appropriated, to the department of human services, for the Colorado
23 benefits management system, for the fiscal year beginning July 1, 2008,
24 the sum of nine thousand three hundred forty-five dollars (\$9,345). Of
25 said sum, two thousand five hundred eleven dollars (\$2,511) shall be
26 from the department of health care policy and financing cash fund created
27 pursuant to section 25.5-1-109, Colorado Revised Statutes, one thousand

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

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

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

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