

# HCPF County Administration 2025 Proposed Rule Revisions

Partner Relations and Administration Division



**COLORADO**  
Department of Health Care  
Policy & Financing



# Our Mission:

Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.



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# Agenda

- Review of Guiding Principles
- Where we are in the process
- Review of redlines and county feedback
- Next Steps

# Purpose of Meeting

The purpose of this meeting is to give HCPF and county partners an opportunity to have a working session on each section of the proposed 2025 county administration rules

Because of open meeting laws, any member of the public can participate. However, members of the public will only be allowed to provide comment during the public comment period of the meeting.

We also have additional meetings scheduled for providers, advocates and the general Public



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# Guiding Principles

1. Improving Member Experience
2. Addressing federal non-compliance
3. Incorporating lessons learned from the Public Health Emergency (PHE) and PHE Unwind
4. Modernizing fiscal rules
5. Improving state compliance and oversight  
*Streamlining administrative requirements and processes and incorporating subregulatory guidance*



# County Important Dates

Goal: July 1, 2025 Effective Date

## Fall 2024

- County fiscal rule committee

## January 2025

- Bi-weekly walk throughs with counties on program and fiscal rules

## March

- File Rulemaking Notice

## May 2025

- Adopt Rules

## December 2024

- 12/10 Rule overview
- Begin collecting written rule comments

## February 2025

- Continue rule walk throughs
- Advocate, Provider, & Public meetings

## April

- April 30th Hearing Date

## July

- Rules effective



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# 1.010.1 Definitions

## 1.010.1 Definitions

Please be advised that the definitions set forth in 1.010.1 also apply to 1.020

The following definitions are used in this rule manual, unless the context otherwise requires.

2 CFR Part 200, the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, also known as Uniform Guidance, is the federal uniform administrative requirements, cost principles, and audit requirements for federal awards such as Medical Assistance.

# 1.010.1 Definitions

Assistance Listing Number (ALN), formerly known as the Catalog of Federal Domestic Assistance (CFDA), is a five-digit number that identifies federal assistance programs, including grants.

Capital Expenditure shall be the cost of the asset including the cost to put it in place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the County Department of Social/Human Services' accounting policies.



# 1.010.1 Definitions

Cash Reconciliation means the treasurer/bank balance shall be agreed to the general ledger cash balance using an outstanding warrant list and possibly other identifiable reconciling items.

~~Catalog of Federal Domestic Assistance Number (CFDA) means a five digit number assigned in the awarding document to most grants and cooperative agreements funded by the Federal government. The CFDA number for Medicaid is 93.778 and the CFDA for the Children's Health Insurance Program is 93.767.~~

Chart of Accounts is a numbered list of accounts that gives order and consistency to a bookkeeping system. Common terminology and classifications shall be used consistently throughout the budget, the accounts, and the financial reports of the fund.

Colorado Benefits Management System (CBMS) is the computer system that determines an applicant's eligibility for Medical Assistance (Medicaid eligibility determination system).

# 1.010.1 Definitions

Colorado Department of Local Affairs means the agency in which the Board of County Commissioners submits the annual county department of human/social service budget.

Colorado Government Human Services Financial Officer's Association (CGHSFOA) improves the practice of governmental finance and accounting and develops closer relationships and understanding among those concerned with public human service finance in Colorado.

Colorado Human Services Directors Association (CHSDA) is a nonprofit association representing the social/human services directors from across the state of Colorado.

# 1.010.1 Definitions

County Board of Social/Human Services or County Board means the county's Board of County Commissioners, county board of social or human services or district board of social or human services except in the case of the City and County of Denver or the City and County of Broomfield, this means the city and county board with responsibility for Medical Assistance and related activities.

County Financial Management System (CFMS) means the financial system of record to report all county expenditures to the State Department.

# 1.010.1 Definitions

Generally Accepted Accounting Principles (GAAP) maintain accounting records in accordance with those standards and in compliance with has the meaning specified by the Financial Accounting Standards Board (FASB). The FASB is a private, non-profit organization standard-setting body whose primary purpose is to establish and improve Generally Accepted Accounting Principles within the United States in the public's interest. They encompass a wide spectrum of accounting guidelines, ranging from basic concepts and standards to detailed methods and procedures. The priority sequence of sources that an entity should look to for accounting and reporting guidance is discussed in the Statement of Federal Financial Accounting Standards (SFFAS) 34, The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board (2020), which is hereby incorporated by reference. Governmental Accounting Standards Board (GASB) pronouncements.

# 1.010.1 Definitions

~~Governmental Auditing Standards: The Comptroller General of the United States issues Generally Accepted Governmental Auditing Standards. They are the standards for audits of governmental organizations, programs, activities and functions, and of governmental assistance received by contractors, nonprofit organizations and other nongovernmental organizations. They are more commonly also known as the "Yellow Book." Generally Accepted Government Auditing Standards (GAGAS), also known as the Yellow Book, means generally accepted government auditing standards issued by the Comptroller General of the United States, which apply to financial audits.~~

~~HHS Financial Guidance is the US Department of Health and Human Services (HHS) 45 CFR Part 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards, commonly referred to as the "HHS Uniform Guidance," which superseded requirements from OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122, and A-133, officially adopted 2 CFR Part 200 for Federal financial guidance, including grants and cooperative agreements on September 27, 2024.~~

# 1.010.1 Definitions

Management Decision Letter means the evaluation by the federal awarding agency or pass-through entity of the audit and/or review findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.

Nursing Facility is a state-certified institution that provides 24-hour medical and nursing care, rehabilitation, and other health-related services.

Partisan refers to any election in which any one of the candidates for office is nominated or elected representing a political party whose candidates for presidential election received votes at the last preceding election at which presidential electors were selected.

Pass-through Entity (PTE) is a non-federal entity that provides a subaward to one or more subrecipients to carry out part of a federal program. HCPF is the PTE for the Medical Assistance Program.

# 1.010.1 Definitions

Pre-audit is the examination and verification of expenditures before reimbursement with State and/or federal funds.

Procurement card, also known as a p-card or credit card, is a simplified purchasing process which allows employees to quickly and efficiently purchase without involving the accounts payable process.

Program is a generic term for any "social services", "assistance payments,"

Revenue Expenditure is one that benefits only the current year and is treated as an expense to be matched against revenue; ~~it is less than \$5,000.00 or a lesser amount established by the County Department and the expenditure is not for land, a building or a permanent part of a building and does not lose its identity through incorporation into a more complex unit, such as wages and salaries, rent, utilities, travel, etc.~~

# 1.010.1 Definitions

~~Social Services are services and payments for services available, directly or indirectly, through the County Department or through State designated agencies, where applicable, for the benefit of eligible persons.~~

State Department means the Colorado Department of Health Care Policy and Financing.

Subrecipient means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. Guidance on distinguishing between a subrecipient and a contractor is provided in ~~the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards 2 CFR §200.330-331 and US Department of Health and Human Services 45 CFR Section 75.351 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards.~~ County Departments of Human/Social Services are subrecipients for the Medical Assistance Program.



# 1.010.1 Definitions

Vendor generically means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program. Additional guidance on distinguishing between a subrecipient and a vendor is provided in in 2 CFR §200.331-Office of Management and Budget (OMB) Circular A133, Audits of States, Local Governments and Non-Profit Organizations.

# 1.020.1.3 Purpose and Scope

These rules are the fiscal rules for County Departments concerning Medical Assistance and the administration of that assistance including but not limited to fiscal internal controls, financial reporting, accounting and auditing.

The Colorado Department of Health Care Policy and Financing's Finance and Accounting Manual consists entirely of Executive Director rules as allowed by Section 25.5-1-108, C.R.S.



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# 1.010.3 Board of County Commissioners

1. Board of County Commissioners Responsible for Appropriating up to Twenty Percent Share

As per Section 25.5-4-206 C.R.S., the Board of County Commissioners for each county shall annually appropriate as provided by law the funds necessary to defray up to the county twenty percent share of the overall cost of Medical Assistance administration and related activities delivered in the county, including the costs allocated to the administration of each, and shall include in the tax levy the funds appropriated for that purpose. Such appropriation shall be based upon the County Department budget prepared by the County Department Director.

2. Board of County Commissioners Responsible for Availability of up to Twenty Percent Share

Additional funds shall be made available by the Board of County Commissioners if the county funds so appropriated prove insufficient to defray up to the county twenty percent share of actual costs for Medical Assistance administration.

3. Approval of the County Department Budget

The Board of County Commissioners approves the final County Department budget and makes a county levy to provide the necessary money to defray the local share of amounts appropriated for administration of Medical Assistance payments eligibility determination and the administration of the County Department.

4. Distribution of the Budget

No later than thirty days following the beginning of the calendar year, the Bboard of Ceounty Ccommissioners shall file the budget adopted pursuant to section 29-1-108, including the budget message, with the Colorado Department of Local Affairs, <https://dlq.colorado.gov/budget-information-and-resources>.

4. Send a Copy of the Approved Budget to the Colorado Department of Health Care Policy and Financing

A copy of the Approved final budget shall be submitted to the Colorado Department of Health Care Policy and Financing electronically to HCPF\_Audit@state.co.us as soon as the budget is approved or by January 1 of each year, whichever date is earlier.



# 1.010.3 Board of County Commissioners

## 5. ~~Approval of the County Merit System Plan~~

~~On or before January 1 of each year, the board of county commissioners shall submit to the State Department a certification that the county merit system is in conformity with 9 CCR 2502-1, Volume 2 (2021), which is hereby incorporated by reference.~~

## 65. Liability Insurance

The Bboard of County Commissioners shall purchase insurance for its officers, employees and agents that protects them against any liability for injuries or damages resulting from their negligence or other ~~t~~Tortious~~stortuous~~ conduct during the course of their service or employment. The Bboard of County Commissioners can, in writing, assume the risk and the financial responsibility of a reasonable deductible.

## 76. Surety Bond or Insurance

A surety bond shall be purchased for the County Department Director and other County Department employees, who receive, disburse, handle or have access to currency, checks, money orders, and warrants. The bond shall be in favor of the County Department and be the greater of \$10,000 or 15% of the maximum value of cash and or cash-like items the County Department Director and employees have access to during a year. In lieu of a surety bond, crime insurance coverage may be purchased. The Bboard of County Commissioners can, in writing, assume the risk and the financial responsibility of a reasonable deductible. This bonding requirement applies to any contractual employees having the same responsibilities.



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# 1.010.3 Board of County Commissioners

## 7. Sign All Warrants

One member of the County Board shall have their facsimile signature on all social/human services warrants. In the case of a facsimile signature there shall be detailed written procedures that set forth accounting and fiscal internal controls surrounding the application of the facsimile signature.

## 8. Approve All Expenditures

One member of the County Board, who shall be designated by resolution for that purpose, shall review and approve in writing the expenditure of salaries and expenses prior to the disbursement of funds. Such written approvals shall indicate the approval of the board of county commissioners and the County Board.

## 9. Financial Statements

The County Board is ultimately responsible for the preparation, content, completion and/or distribution of materially correct financial statements of the social/human services fund prepared by the County Department staff, or outside entities.



# 1.010.4 Financial and Budgetary Responsibilities of the County Department Director

## 1. Responsibilities for County-wide Functions/Reporting

The County Department Director shall ensure that countywide functions and/or reporting responsibilities normally administered by a department other than social/human services are fulfilled. Authority can be delegated; however, the County Department Director retains ultimate responsibility for these activities.

- a. Assets obtained must maintain their federally-funded identity. For example, the County may have a central property management database whereby county staff conduct an annual inventory; however, the County Department Director is responsible for accounting for assets funded by the Medical Assistance program.



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# 1.010.4 Financial and Budgetary Responsibilities of the County Department Director

23. Responsible for Overseeing the Maintenance and Utilization of the County Department Accounting System

The County Department Director shall be responsible for overseeing the maintenance and utilization of the County Department accounting system.

- a. Financial Reports Follow Generally Accepted Governmental Accounting Principles

Each monthly reporting period shall be regarded as an integral part of the fiscal year. Revenues shall be allocated to monthly reporting periods in accordance with generally accepted governmental accounting principles. Expenditures, such as salaries and operating expenditures, shall be allocated to interim periods in which they were incurred. Arbitrary assignment to a monthly period shall not be allowed. The County Department Director shall submit these monthly reports to the County Board within 60 calendar days of the end of each month.

- b. Financial Reports Come from the General Ledger

The county general ledger and supporting systems to the general ledger shall be the system used to record the county financial information and the system from which standard reports shall be prepared and forwarded to the County Board of Social/Human Services.

- c. Quarterly Financial Reports

Pursuant to section 1.010. 5(3)(e)4(7)(e) of these rules, the County Department Director shall be responsible for submitting at a minimum quarterly financial reports to the Board of County Commissioners. These financial reports shall be available for use by county executive management and their respective staffs for planning purposes and decision-making.



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# 1.010.4 Financial and Budgetary Responsibilities of the County Department Director

## d. ~~Annual Financial Statements~~

~~The County Department Director shall be responsible for generating un-audited annual financial statements fully disclosing the financial position of the social/human services fund by March 1 of the subsequent fiscal year.~~

## 34. Federal Compliance on Pass Through Funds

The County ~~Department Director is~~ Departments are responsible for administering federal programs that involve contracts, grants, block grants, and other agreements and shall comply with the applicable federal and state laws and regulations even though the funds were passed through the State Department.



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# 1.010.4 Financial and Budgetary Responsibilities of the County Department Director

## 34. Federal Compliance on Pass Through Funds

The County ~~Department Director~~ ~~is~~ ~~Departments are~~ responsible for administering federal programs that involve contracts, grants, block grants, and other agreements and shall comply with the applicable federal and state laws and regulations even though the funds were passed through the State Department.

## 45. Responsibility for ~~Administrative Internal Control and~~ Accounting and Fiscal Internal Control.

The County Department Director is responsible for organizing staff functions to assure adequate control and safeguards for all cash, fixed assets and negotiable items (~~cash, bonds, securities, etc. checks and money orders~~) handled by, stored in or used in the County Department and establish appropriate fiscal internal controls and separation of duties.

### a. Fiscal Internal Control Activities

Fiscal ~~internal~~ ~~internal~~ control activities include, but are not limited to, reviews by the County Department ~~Director~~ ~~director~~ or high level financial staff member of actual performance, controls over information processing, physical controls over vulnerable assets, establishment and review of performance measures and indicators, segregation of duties, proper execution of transactions, accurate and timely recording of transactions, and access restrictions to and accountability for resources and records.



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# 1.010.4 Financial and Budgetary Responsibilities of the County Department Director

## 5. ~~Responsibility for Internal Control on Trust Accounts~~

### a. ~~Signatures Required~~

~~Internal control on trust accounts or other funds entrusted or maintained for others outside the County Department shall require at least two signatures, one of which is to be the County Department Director or designee of the County Department Director, for making withdrawals from savings accounts, checking accounts or for the sale of, or redemption of bonds or other securities.~~

### b. ~~High Degree of Fiduciary Responsibility~~

~~Trust accounts require a high degree of fiduciary responsibility. The County Department Director is responsible for every trust account transaction.~~



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# 1.010.4 Financial and Budgetary Responsibilities of the County Department Director

## ~~e.~~ ~~Distribution of the Budget~~

~~The County Department Director shall submit the original budget request to the County Board and as many copies as it may need. A copy of the approved final budget shall be submitted to the State Department, Audits Section, Denver CO 80203-1818 or HCPF\_Audit@state.co.us no later than February 15 of each year. The budget shall be submitted to the board of county commissioners no later than October 15 of each year.~~

## dc. Spending Within Budgeted Appropriations

The County Department Director shall be responsible for assuring that expenditures do not exceed appropriations and for controlling the county fund balance at all times.

## ed. Quarterly Budget Reports to Commissioners

The County Department Director, or designee shall be responsible for timely submitting quarterly reports to the Board of County Commissioners Commissioners concerning:



# 1.010.5 County Treasurer

## 2. Bank Accounts External to County Treasurer's Office Bank Accounts

To prevent unauthorized closures and access, bank accounts external to the County Treasurer's Office, which consist of County match dollars intended for federal and state reimbursement, are not permitted.

## 3.2 County Treasurer's Reports

The County Treasurer, or county entity acting as the County Treasurer, shall prepare a monthly report to the County Department Director and the County Board, which indicates a beginning balance of cash, the amount of monies deposited into the social/human services fund each month, the warrants redeemed by the treasurer or designated redemption entity each month, and an ending cash balance. Alternate forms of tracking the monthly amounts of cash through a redemption entity are also accepted. One example of this is the use of a zero balance account(s) where the balance of this account(s) at any point in time is the amount of unredeemed warrants.



# 1.010.6 Chart of Accounts

- No Changes Made



# HCPF Written Comment Reviews

For every written comment received, HCPF will document what actions were taken or not taken within the written comment tracker and on what date. These actions are:

- **Approved** - HCPF accepted the suggested edits/revisions
- **Partial Approval** - HCPF accepted a portion of the edits/revisions, with reason for partial approval
- **Rejected** - HCPF rejected the suggested edits/revisions, with reason for rejection
- **Partial Rejected** - HCPF rejected a portion of the edits/revisions, with reason for partial rejection
- **Pending HCPF Leadership Review** - The suggested edits/revisions require review and approval by HCPF Leadership
- **Pending Federal Clarification** - The suggested edits/revisions require federal clarification and are pending until clarification is received
- **Pending State Clarification** - The suggested edits/revisions require state clarification and are pending until clarification is received



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# County Written Comments - 1.010.1, 1.010.2, 1.010.3, 1.010.4, 1.010.5 and 1.010.6

None Received, but comment period still open  
through 4/15



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# Questions?



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# Next Meeting

- Program Rules

- Wednesday, January 22nd, 9-11am

- 1.020.4 County Personnel/Staffing Standards and Requirements
- 1.020.5 Colorado Department of HCPF Statewide Automated Systems
- 1.020.6 Confidentiality
- Review of Business Standards definition (continued discussion from previous meeting)

- Fiscal Rules

- 

- 1.010.7 General Ledger
- 1.010.8 Financial Statement Reporting
- 1.010.9 Accounting and Fiscal Internal Control
- 1.010.10 Balance Sheet Accounts
- 1.010.11 Accounts Receivable
- 1.010.12 Fixed Assets



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# Public Comments



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# Contact Information

Partner Relations and Administration Division

[HCPF\\_CountyRelations@state.co.us](mailto:HCPF_CountyRelations@state.co.us)

[County Relations Webform](#)

[County Administration Webpage](#)

[County Administration Rulemaking Webpage](#)



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