



**COLORADO**

Department of Health Care  
Policy & Financing

Department of Health Care Policy and Financing  
1570 Grant Street  
Denver, CO 80203

## AGENCY LETTER

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**AGENCY LETTER NUMBER: HCPF 18 - 002**

**SUPRECEDES NUMBER:**

**DATE: 2/26/2018**

**DIVISION OR OFFICE: HEALTH INFORMATION OFFICE ELIGIBILITY DIVISION**

**SUBJECT AREA: HEALTH FIRST COLORADO AND CHILD HEALTH PLAN PLUS**

**SUBJECT: TIMELY DISENROLLMENTS AND GOOD FAITH**

**TYPE: P - PROCEDURAL**

**APPROVED BY: CHRIS UNDERWOOD**

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*HCPF Agency Letters can be accessed online: <https://www.colorado.gov/hcpf/agency-letters>*

**Purpose:** The purpose of this agency letter is to advise eligibility sites on reasonable timeframes regarding timely disenrollments and good faith extensions.

**Background:** Within the *Colorado Medicaid: The PEAK Application and Eligibility Verification* audit in July 2016, the Colorado Office of the State Auditor (OSA) recommended that the Department provide guidance and mechanisms "to ensure that Medicaid recipients who become ineligible are disenrolled from the program in a timely manner". In addition, OSA recommended that the Department strengthen the policy regarding providing good faith extensions to individuals trying to obtain verification documents.

**Information/Procedure:** The Department is providing reasonable timeframes and reports to assist eligibility workers with timely disenrollments and good faith extensions.

### Timely Disenrollments

A disenrollment is based on a change in circumstance that affects a member's eligibility and makes them ineligible for coverage within Health First Colorado (Colorado's Medicaid Program) or Child Health Plan *Plus* (CHP+). A timely disenrollment is defined as processing a change in circumstance and making a determination within 15 calendar days.

Two reports have been developed regarding disenrollments. It is recommended that eligibility sites utilize these reports to monitor timely disenrollments. Both of these

reports are located at the following location: MA Audit folder within the Application Reports folder in the Cognos production environment.

1. **MA Disenrollment Processing Times Report** - The report includes the amount of time between the client reporting the information and the information being acted upon to dis-enroll the individual from the program. The report includes the county demographic information (name, caseload user, etc.), client's demographic information, the aid code and description, the disenrollment reason, the effective begin date, the disenrollment date, the date reported, the data entry day and the number of days (this field calculates the number of days it took the worker to process the information the client provided and terminate the coverage).
2. **MA Timely Disenrollment Report** - The report captures all the individuals who are terminated for MA in the previous month. The report includes the County demographic information (name, caseload user), the client's demographic information, aid code and the number of days that elapsed from the notification date (NOA processed/sent date) to the date the client was dis-enrolled (termination date).

The Medical Eligibility Quality Improvement Plan (MEQIP) manual has also been updated to include "Accurate Disenrollment's" as part of the target improvement areas review every quarter. This will take effect as of the MEQIP quarterly submission for July 2018.

### Good Faith Extensions

A good faith extension is used to provide members or applicants additional time beyond the reasonable opportunity period to submit required verifications for medical programs. Medicaid rules state that an extension to the reasonable opportunity period may be granted if a client is making a good faith effort to obtain the required verifications. The determination of a good faith effort is established by the eligibility site. However, if a client states verbally or in writing that a reasonable effort is being made, eligibility sites are strongly encouraged to interpret the statement as a good faith effort unless the site has reason to believe a good faith effort is not being made. The good faith effort extension to the reasonable opportunity period reduces administrative burden for eligibility sites and members.

Previously the good faith extension did not have a time limit; however, the OSA recommended that policy be strengthened. Going forward the Department requests that the good faith extension period be limited to a maximum of six (6) months. Review of a newly implemented report as well as good faith extension policy from other states indicate this timeframe is reasonable for both members/applicants as well as eligibility workers. The good faith rules can be found at 10 CCR 2505-10 8.100.3.H.10.

A new report has been developed regarding good faith extensions. It is recommended that eligibility sites utilize this report to monitor timely good faith extensions. This report

can be found at the following location: MA Audit folder within the Application Reports folder in the Cognos production environment.

1. **MA Good Faith Report** - The report includes individuals that were granted good faith and it includes the number of days the client has been given an extension due to good faith. The report includes county demographic information (name, caseload user, etc.) client's demographic information, the aid code and description, the good faith begin and end dates and the number of days an extension has been given.

Please refer to the [II Verification Desk Reference](#) document regarding functionality for the good faith extension, also found on the Department's website Colorado.gov/HCPF at *For our Stakeholders>Eligibility Partners>FAQ's & Training>Medical Assistance Sites*. The Department recommends that eligibility workers populate the good faith end date in order to track and automate the ending of the good faith extension and enter clear case comments as well regarding the circumstance.

**Effective Date:**

Immediately

**Contact:**

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