



CO L O R A D O

Department of Health Care
Policy & Financing

303 E. 17th Avenue
Denver, CO 80203

Vote Yes HCPF CBMS Reprocurement Systems Enhancement CCF-IT FY 25-26

December 2024

What does this IT Capital Construction Request do?

The Department of Health Care Policy and Financing, in collaboration with Colorado Department of Human Services (CDHS) and the Governor's Office of Information Technology (OIT), is requesting year two funding of five phases for the Colorado Benefits Management System (CBMS) re-procurement effort. The request of \$9.6 million in total funds includes \$1.8 million in Capital Construction Fund (CCF) in FY 2025-26 for continuation funding for a *Systems Enhancement Regulatory Compliance IT* project.

The Department is required to procure contracts related to the CBMS every 10 years, both under state procurement rules and Center for Medicare and Medicaid Services (CMS) regulations. The funding would assist with the re-procurement work and ensure the Department stays on schedule and complies with federal regulations.

Why is this budget request needed?

HCPF is required by state procurement regulations and CMS guidelines to perform a competitive procurement process for the CBMS. In order to receive enhanced federal funding for development, maintenance, and operations, the CBMS and its modules must meet all applicable standards and conditions, including modularity. HCPF is only appropriated enough funds to operate the CBMS and this request would allocate funds to contract staff and temporary FTE who would provide integral expertise and assist with the day-to-day operations needs during the procurement process.

What are the consequences if this budget request isn't funded?

Without dedicated vendor funding, the Department is unable to transition in a timely manner, which puts the State out of compliance with federal and state procurement requirements. Non-compliance puts HCPF at risk of losing Federal Financial Participation (FFP) and having to pay back any federal funding received while being out of compliance.

What is the overall fiscal impact for this budget request?

FY 2025-26: \$9,618,906 Total Funds; \$1,805,083 CCF-IT; \$7,813,823 Federal Funds

For more information contact

Jo Donlin, Legislative Liaison, jo.donlin@state.co.us

Isabel Hinshaw, Legislative Analyst, 720-951-3716, isabel.hinshaw@state.co.us