

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-22-16  
Baltimore, Maryland 21244-1850



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November 28, 2025

Adela Flores-Brennan  
Medicaid Director  
Colorado Department of Health Care Policy and Financing  
1570 Grant Street  
Denver, CO 80203-1818

RE: CO-2025-10-28-E&E-MMIS-IAPD-CE

Dear Director Flores-Brennan:

This letter is in response to Colorado's submission dated October 28, 2025, requesting that the Centers for Medicare & Medicaid Services (CMS) review and approve the State's combined Eligibility and Enrollment (E&E) and Medicaid Management Information Systems (MMIS) Implementation Advance Planning Document (IAPD) for the Community Engagement (CE) project.

The Colorado Department of Health Care Policy and Financing (HCPF) submitted this IAPD to request enhanced federal funding for system updates needed to comply with new Medicaid work and CE requirements established under the One Big Beautiful Bill Act (H.R. 1, Public Law 119-21), also referred to as the Working Families Tax Credit Act (WFTCA). The State will design, develop, and implement (DDI) functionality across Colorado's E&E and MMIS systems to verify and track participant compliance with federal work and community engagement standards. The state is requesting new total computable funding for Federal Fiscal Years (FFYs) 2026 and 2027 of \$25,627,630.

The initiative involves multiple system vendors, including Deloitte (E&E/PEAK) and Gainwell (MMIS), as well as other enterprise partners, to develop eligibility logic, reporting functions, and data exchange processes that align with CMS policy guidance. This IAPD supports Colorado's efforts to maintain eligibility accuracy, automate verification processes, and ensure timely compliance with new federal statutory requirements for Medicaid work and community engagement.

The State has submitted a state-specific outcome for the CE project, which addresses applying *ex parte* renewal logic to the processing of work requirements for Medicaid recipients required to submit Community Engagement (CE) information. The state expects to reduce manual review of CE data, as outlined in Appendix C.

CMS approves Colorado's APD, CO-2025-10-28-E&E-MMIS-IAPD-CE, effective October 28, 2025, in accordance with Section 1903(a)(3) of the Social Security Act, 42 CFR 433, Subpart C, 45 CFR 95, Subpart F, and the State Medicaid Manual, Chapter 11. CMS is authorizing expenditures under this APD in amounts not to exceed those in the below Medicaid Detailed Budget Tables (MDBTs). CMS's Consolidated MDBTs include approved funding for all Medicaid Enterprise System (MES) Planning, Implementation, and Operational APDs for the listed FFYs. The federal funding authorization for this project will expire on September 30, 2027. This approval is the first for CE activities for the FFYs identified in the MDBTs.

**Please note:** CMS is approving this state Medicaid IT project and the associated funding; however, this APD approval does not constitute approval of any Medicaid program policies. Medicaid program policies must be reviewed and approved through the appropriate state plan amendment or waiver processes.

This project is subject to all the requirements specified in Appendix B, which includes federal regulations and additional information about the state's responsibilities concerning activities described in the APD. The funding and scope of work approved in the APD are subject to these requirements. **Failure to comply with Appendix B's federal requirements and state responsibilities may result in FFP disallowance.** If the state's project deviates from its description in the CMS-approved APD, FFP for project activities could be suspended or disallowed as provided in federal regulations at 45 CFR 95.611(c)(3) and 95.612.

The State must submit monthly status reports for projects under DDI. These reports should measure progress against the approved IAPD. Status reports must be submitted to your MES State Officer by the last day of each month, continuing through project completion or transition to steady-state operations.

The State must obtain CMS's prior approval for APDs, Requests for Proposals (RFPs), contracts, and contract amendments as specified in regulations at 45 CFR 95.611. Per 45 CFR 95.611(d), CMS has 60 days to review and respond to a state's submission. The State is reminded that funding for each FFY expires on September 30 of the corresponding FFY. **Failure to submit an annual or as-needed APD update in a timely manner may put the state at risk of having a gap in approved FFP.**

Formal submissions of MES APDs, RFPs, and contracts should be sent to the CMS appropriate dedicated MES electronic mailbox: [MedicaidE&E\\_APD@cms.hhs.gov](mailto:MedicaidE&E_APD@cms.hhs.gov), with a cover letter addressed to Eugene Gabriyelov, Director, Division of State Systems; or to [MedicaidMMIS@cms.hhs.gov](mailto:MedicaidMMIS@cms.hhs.gov), with a cover letter addressed to the following: Edward Dolly, Deputy Director, Data and Systems Group.

If you have any questions, please contact your MES State Officer, Peg Haire, at [Peggy.Haire@cms.hhs.gov](mailto:Peggy.Haire@cms.hhs.gov).

Sincerely,

**Ricardo**

**Melendez -S**

Digitally signed by Ricardo Melendez -S

Date: 2025.11.28 08:18:05 -07'00'

Ricardo Melendez, Deputy Director  
On behalf of  
Eugene Gabriyelov, Director  
Division of State Systems

CC:

[MESClearance@cms.hhs.gov](mailto:MESClearance@cms.hhs.gov)

Jay Maitri, CMCS/FMG

**Ricardo**

**Melendez -S**

Digitally signed by Ricardo Melendez -S

Date: 2025.11.28 08:18:30 -07'00'

Ricardo Melendez, Deputy Director  
Division of HITECH and MMIS

## Appendix A MDBT-MMIS Project

Colorado–CE –Medicaid Detailed Budget Table\*

Covers Federal Fiscal Years (FFYs) 2026-2027 (ending September 30, 2027)

The table represents new funding for FFYs 2026-2027 for line items 2A/B

|          | MMIS CMS<br>Share<br>(90% FFP)<br>DDI | State Share<br>(10%) | MMIS CMS<br>Share<br>(75% FFP)<br>DDI | State Share<br>(25%) | MMIS CMS<br>Share<br>(75% FFP)<br>M&O | State Share<br>(25%) | <b>MMIS<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | State Share<br>Total | MMIS<br>ENHANCED<br>FUNDING<br>TOTAL<br>COMPUTABLE |
|----------|---------------------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|----------------------|--|----------------------|--|
|          | 2A† + 2B†                             | --                   | 2A† + 2B†                             | --                   | 4A† + 4B†                             | --                   |  |                      |  |
| FFY 2026 | \$1,369,906                           | \$152,212            | \$0                                   | \$0                  | \$0                                   | \$0                  | <b>\$1,369,906</b>                                 | \$152,212            | \$1,522,118  |
| FFY 2027 | \$4,828,694                           | \$536,522            | \$0                                   | \$0                  | \$0                                   | \$0                  | <b>\$4,828,694</b>                                 | \$536,522            | \$5,365,216  |

|          | MMIS CMS<br>Share<br>(50% FFP)<br>DDI | State Share<br>(50%) | MMIS CMS<br>Share<br>(50% FFP)<br>M&O | State Share<br>(50%) | <b>MMIS NOT<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | State Share<br>Total | MMIS NOT<br>ENHANCED<br>FUNDING<br>TOTAL<br>COMPUTABLE |
|----------|---------------------------------------|----------------------|---------------------------------------|----------------------|--|----------------------|--|
|          | 2A† + 2B†                             | --                   | 5A†+5B†+5C†                           | --                   |  |                      |  |
| FFY 2026 | \$0                                   | \$0                  | \$0                                   | \$0                  | <b>\$0</b>   | \$0                  | \$0  |
| FFY 2027 | \$0                                   | \$0                  | \$0                                   | \$0                  | <b>\$0</b>   | \$0                  | \$0  |

|          | <b>MMIS<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | <b>MMIS NOT<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | <b>TOTAL<br/>FFP</b> | STATE<br>SHARE<br>TOTAL | APD TOTAL<br>COMPUTABLE |
|----------|--|--|----------------------|-------------------------|-------------------------|
| FFY 2026 | <b>\$1,369,906</b>                                 | <b>\$0</b>   | <b>\$1,369,906</b>   | \$152,212               | \$1,522,118             |
| FFY 2027 | <b>\$4,828,694</b>                                 | <b>\$0</b>   | <b>\$4,828,694</b>   | \$536,522               | \$5,365,216             |

\*Funding amounts described here are summarized by FFY; however, funding is only approved to be used according to the approval dates described in this letter.

### MDBT-MMIS Consolidated

Colorado– Consolidated Detailed Budget Table\*

Covers Federal Fiscal Years (FFYs) 2026-2027 (ending September 30, 2027)

The table represents increased funding for FFYs 2026-2027 for line items 2A/B

|          | MMIS CMS<br>Share<br>(90% FFP)<br>DDI | State Share<br>(10%) | MMIS CMS<br>Share<br>(75% FFP)<br>DDI | State Share<br>(25%) | MMIS CMS<br>Share<br>(75% FFP)<br>M&O | State Share<br>(25%) | <b>MMIS<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | State Share<br>Total | MMIS<br>ENHANCED<br>FUNDING<br>TOTAL<br>COMPUTABLE |
|----------|---------------------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|----------------------|--|----------------------|--|
|          | 2A† + 2B†                             | --                   | 2A† + 2B†                             | --                   | 4A† + 4B†                             | --                   |  |                      |  |
| FFY 2026 | \$125,178,678                         | \$13,908,740         | \$369,579                             | \$123,193            | \$59,008,103                          | \$19,669,368         | <b>\$184,556,360</b>                               | \$33,701,301         | \$218,257,661                                      |
| FFY 2027 | \$27,977,049                          | \$3,108,561          | \$212,155                             | \$70,718             | \$33,228,073                          | \$11,076,025         | <b>\$61,417,277</b>                                | \$14,255,304         | \$75,672,581                                       |

|          | MMIS CMS<br>Share<br>(50% FFP)<br>DDI | State Share<br>(50%) | MMIS CMS<br>Share<br>(50% FFP)<br>M&O | State Share<br>(50%) | <b>MMIS NOT<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | State Share<br>Total | MMIS NOT<br>ENHANCED<br>FUNDING<br>TOTAL<br>COMPUTABLE |
|----------|---------------------------------------|----------------------|---------------------------------------|----------------------|--|----------------------|--|
|          | 2A† + 2B†                             | --                   | 5A†+5B†+5C†                           | --                   |  |                      |  |
| FFY 2026 | \$0                                   | \$0                  | \$5,998,037                           | \$5,998,037          | <b>\$5,998,037</b>                                     | \$5,998,037          | \$11,996,074   |
| FFY 2027 | \$0                                   | \$0                  | \$5,745,131                           | \$5,745,131          | <b>\$5,745,131</b>                                     | \$5,745,131          | \$11,490,262   |

|          | <b>MMIS<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | <b>MMIS NOT<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | <b>TOTAL<br/>FFP</b> | STATE<br>SHARE<br>TOTAL | APD TOTAL<br>COMPUTABLE |
|----------|--|--|----------------------|-------------------------|-------------------------|
| FFY 2026 | <b>\$184,556,360</b>                               | <b>\$5,998,037</b>                                     | <b>\$190,554,397</b> | \$39,699,338            | \$230,253,735           |
| FFY 2027 | <b>\$61,417,277</b>                                | <b>\$5,745,131</b>                                     | <b>\$67,162,408</b>  | \$20,000,435            | \$87,162,843            |

\*Consolidated funding amounts described above are summarized by FFY; funding is only approved to be used according to approval dates described in this letter.

| †MBES Line Item |  |
|-----------------|--|
| 2A              | MMIS- Design, Development, or Installation of MMIS: Cost of In-house Activities              |
| 2B              | MMIS- Design, Development, or Installation of MMIS: Cost of Private Contractors              |
| 4A              | MMIS- Operations of MMIS: Cost of In-house Activities  |
| 4B              | MMIS- Operations of MMIS: Cost of Private Contractors  |
| 5A              | MMIS- Mechanized Systems, not approved under MMIS procedures: Cost of In-house Activities    |
| 5B              | MMIS- Mechanized Systems, not approved under MMIS procedures: Cost of Private Contractors    |
| 5C              | MMIS- Mechanized Systems, not approved under MMIS procedures: Cost of Interagency Activities |

FFP rates for specific activities and costs can be found at 76 FR 21949, available at <https://federalregister.gov/a/2011-9340>

### MDBT-EE Consolidated

Colorado – Consolidated Detailed Budget Table \*

Covers Federal Fiscal Years (FFYs) 2026-2027 (ending September 30, 2027)

The table represents increased funding for FFYs 2026-2027 for line item 28A/B

|          | Medicaid Share<br>(90% FFP)<br>DDI | State Share<br>(10%) | Medicaid Share<br>(75% FFP)<br>DDI | State Share<br>(25%) | Medicaid Share<br>(75% FFP)<br>M&O | State Share<br>(25%) | Medicaid Share<br>(75% FFP)<br>M&O E&E Staff | State Share<br>(25%) | <b>Medicaid<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | State Share<br>Total | Medicaid<br>ENHANCED<br>FUNDING<br>(TOTAL<br>COMPUTABLE) |
|----------|------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|----------------------|--|----------------------|--|----------------------|--|
|          | 28A &<br>28B†                      | --                   | 28A &<br>28B†                      | --                   | 28C &<br>28D†                      | --                   | 28E & 28F†                                   | --                   |  |                      |  |
| FFY 2026 | \$54,662,616                       | \$6,073,624          | \$0                                | \$0                  | \$48,184,663                       | \$16,061,554         | \$78,637,002                                 | \$26,212,334         | <b>\$181,484,281</b>                                   | \$48,347,512         | \$229,831,793  |
| FFY 2027 | \$26,180,800                       | \$2,908,978          | \$0                                | \$0                  | \$50,149,981                       | \$16,716,660         | \$78,637,002                                 | \$26,212,334         | <b>\$154,967,783</b>                                   | \$45,837,972         | \$200,805,755  |

|          | Medicaid Share<br>(50% FFP)<br>M&O<br>E&E Staff** | State Share<br>(50%) | <b>Medicaid<br/>NOT<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | State Share<br>Total | Medicaid NOT<br>ENHANCED<br>FUNDING<br>(TOTAL<br>COMPUTABLE) |
|----------|---|----------------------|--|----------------------|--|
|          | 28G & 28H†  | --                   |  |                      |  |
| FFY 2026 | \$32,080,735                                      | \$32,080,735         | <b>\$32,080,735</b>  | \$32,080,735         | \$64,161,470   |
| FFY 2027 | \$32,080,735                                      | \$32,080,735         | <b>\$32,080,735</b>  | \$32,080,735         | \$64,161,470   |

|          | <b>Medicaid<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | <b>Medicaid<br/>NOT<br/>ENHANCED<br/>FUNDING<br/>FFP Total</b> | <b>TOTAL FFP</b>     | STATE<br>SHARE<br>TOTAL | APD TOTAL<br>(TOTAL<br>COMPUTABLE) |
|----------|--|--|----------------------|-------------------------|------------------------------------|
| FFY 2026 | <b>\$181,484,281</b>                                   | <b>\$32,080,735</b>  | <b>\$213,565,016</b> | \$80,428,247            | \$293,993,263                      |
| FFY 2027 | <b>\$154,967,783</b>                                   | <b>\$32,080,735</b>  | <b>\$187,048,518</b> | \$77,918,707            | \$264,967,225                      |

\*Consolidated funding amounts described above are summarized by FFY; funding is only approved to be used in accordance with the approval dates described in this letter.

| †MBES Line Item |  |
|-----------------|--|
| 28A             | E&E – Title 19 (Medicaid) DDI - In-house Activities  |
| 28B             | E&E – Title 19 (Medicaid) DDI - Contractors  |
| 28C             | E&E – Title 19 (Medicaid) Software/Services/Ops - In-house Activities  |
| 28D             | E&E – Title 19 (Medicaid) Software/Services/Ops - Contractors  |
| 28E             | E&E – Title 19 (Medicaid) Eligibility Staff - Cost of In-house Activities (staff who make eligibility determinations)  |
| 28F             | E&E – Title 19 (Medicaid) Eligibility Staff - Cost of Private Sector (staff who make eligibility determinations)   |
| 28G             | E&E – Title 19 (Medicaid) Eligibility Staff - Cost of In-house Activities (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.) |
| 28H             | E&E – Title 19 (Medicaid) Eligibility Staff - Cost of Private Sector (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.)      |

FFP rates for specific activities and costs can be found at 76 FR 21949, available at <https://federalregister.gov/a/2011-9340>

## **Appendix B**

This APD project is subject to the federal regulations and state responsibilities as follows:

- 42 CFR 433, Subpart C, “Mechanized Claims Processing and Information Retrieval Systems.”
- 45 CFR 75, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards”; and Subpart D, “Procurement Standards.”
- 45 CFR 95, Subpart F, “Automatic Data Processing Equipment and Services—Conditions for Federal Financial Participation (FFP).”
- 42 CFR 457.230, “FFP for State ADP expenditures.”
- State Medicaid Manual (SMM), Chapter 11
- SMD Letter #16-004 Re: Mechanized Claims Processing and Information Retrieval Systems-Enhanced Funding, and SMD Letter #16-009 Re: Mechanized Claims Processing and Information Retrieval Systems-APD Requirements, which contain additional details on specific FFP rates for qualifying activities
- SMD Letter #22-001 Re: Updated Medicaid Information Technology Systems Guidance: Streamlined Modular Certification for Medicaid Enterprise Systems

### **Approved Funding**

The amounts allocated per Federal Fiscal Year in the above MDBT(s) cannot be reallocated between FFYs, even within the period of this letter’s approval, without submission and approval of an APD update. Only actual costs incurred are reimbursable.

### **Systems Software**

All software development receiving 90 percent FFP must be state-owned and in the public domain in accordance with 42 CFR 433.112(b)(5) and (6) and 45 CFR 95.617. Federal regulations under 45 CFR 95.617(c) specify that 90 or 75 percent FFP is available for the license for proprietary software, but no FFP is available for the development of that software.

According to 45 CFR 95.617, the Department reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, the software, modifications, and documentation for Federal Government purposes.

### **Data Safeguarding and Data Breach Reporting**

The state’s MES projects and operations are subject to federal regulations at 42 CFR Part 431, subpart F, “Safeguarding Information on Applicants and Beneficiaries,” and the Administrative Simplification provisions under the Health Insurance Portability and Accountability Act (HIPAA) requirements as specified in 45 CFR Parts 160 and 164. Further, the state is bound by the requirements in section 1902(a)(7) of the Social Security Act, which requires states to provide safeguards that restrict the use or disclosure of information concerning applicants and beneficiaries for purposes directly connected with the administration of the Medicaid program.

In the event of a data breach, the state must immediately report the incident to the CMS IT Service Desk by email at [cms\\_it\\_service\\_desk@cms.hhs.gov](mailto:cms_it_service_desk@cms.hhs.gov) or by calling the 24/7 CMS Service Desk at 1-800-562-1963.

### **Transformed Medicaid Statistical Information System (T-MSIS) Compliance**

Timely, accurate, and complete T-MSIS data submission remains a CMS priority and is even more critical for national analyses of Medicaid and CHIP services, activities, and expenditures. To comply with the T-MSIS Data Quality Assessment criteria, CMS requests that States continue to submit monthly T-MSIS data and, as much as possible, work towards the recommended timelines for resolving T-MSIS data quality (DQ) issues. CMS will continue to measure and report on T-MSIS DQ issues and provide ongoing technical assistance to states.

As of the September 2025 T-MSIS reporting period, Colorado is compliant with T-MSIS data submission currency and Data Quality requirements. Specifically, Colorado is current on T-MSIS data submissions and has met the targets for Outcomes-Based Assessment (OBA) criteria in critical priority Data Quality checks, high priority Data Quality checks, and the expenditure data content category.

If you need access to the T-MSIS State Support Site, please contact the CMS T-MSIS Help Desk at [T-MSIS\\_Helpdesk@cms.hhs.gov](mailto:T-MSIS_Helpdesk@cms.hhs.gov). CMS expects the state to consider and incorporate T-MSIS requirements in every phase of the Software Development Life Cycle (SDLC) as applicable for any changes to state systems that impact T-MSIS data reporting.

### Appendix C –Outcomes and Metrics

| ID #   | Outcomes   | Metrics  |
|--------|--|--|
| ST-WR1 | Sixty % of existing Medicaid Members who are subject to the work requirements (e.g., ACA Expansion Population) are approved for Medicaid through an ex parte process that does not require manual verification of work requirements. | Total Number of ACA Expansion Population Members subject to the work requirements renewed each month, who pass ex parte (including work requirements), divided by the Total Number of ACA Expansion Population Members subject to the work requirements renewed each month |