



**COLORADO**

**Department of Health Care  
Policy & Financing**

**Name of State:** State of Colorado

**Name of State Agencies:** Health Care Policy & Financing

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## SECTION I: EXECUTIVE SUMMARY

This Implementation Advance Planning Document (IAPD) is submitted by the Colorado Department of Health Care Policy and Financing (HCPF) to request enhanced federal financial participation (FFP) from the Centers for Medicare & Medicaid Services (CMS).

The Department is seeking funding to support the design, development and implementation (DDI) of system changes necessary to comply with the newly enacted Medicaid work and community engagement requirements (referred to as work requirements) introduced under H.R.1. These provisions mandate that certain Medicaid beneficiaries engage in qualifying work or community engagement activities as a condition of eligibility, subject to federal exemptions, reporting requirements, and oversight standards.

To meet these federal requirements, Colorado will need to implement modifications to its Medicaid Eligibility and Enrollment (E&E) system, modules included in the Colorado Medicaid Enterprise Solution (CMES), the Enterprise Data Warehouse Module (EDW), and other related interfaces across programs and partner agencies.

These efforts will involve enhanced coordination with vendors and technology platforms to support the ability to identify members who are exempt or those who must meet these new work requirements, receiving member self-attestations, future compliance verification, data exchange, and federal reporting. The Department does not have sufficient internal staffing resources to implement the new work requirements, so increased state staff (new FTE and a reallocation of existing staff) and staffing resources from existing vendors are necessary. Staffing resources and vendor costs listed in this IAPD are in addition to other APDs, as the Department is implementing these requirements without stopping current projects that are necessary to meet other federal and state requirements.

To comply with federal requirements, the Department will implement a Minimum Viable Product (MVP) within our existing eligibility system infrastructure that enables accurate eligibility redetermination for the impacted population using available data sources, manual entry, and standardized forms that allow a member to self-attest that they meet the work requirements. In addition, existing Intelligent Optical Character Recognition (iOCR) and Artificial Intelligence (AI) technology will scan a member's self-attestation documentation and provide CBMS auto adjudication (no or limited manual intervention) when appropriate.

This advancing technology approach - both the MVP Track 1 and Track 2 Full H.R.1 Compliance - align with CMS verbal direction that we would follow "principles that graduate over time." We interpreted this CMS verbal guidance to mean implementing a MVP that allows for Member Self-Attestation to work requirements for a period, followed by the development of the work requirements verification methodologies if required by federal law or by CMS and ultimately moving to a full ex parte process using new data and interfaces through future implementation phases as required by H.R.1. The Track 2 Full H.R.1 Compliance is where the high IT development costs occur.

The costs included in the APD demonstrate how Colorado intends to pursue a phased, multi-year buildout of a fully automated ex parte eligibility determination system and process to verify a member's self-attestation, consistent with expected future direction from CMS. Given the evolving policy environment, the Department is designing a flexible implementation approach. Should future federal guidance alter our work requirements implementation, the MVP ensures baseline compliance, while the

phased investment in automation and verification can be adapted accordingly. If CMS provides guidance that a member's self-attestation does not have to be verified, then most of the interfaces proposed in Track 2 of this APD do not need to be fully implemented and the costs will be significantly reduced through a future APD update. In addition, if CMS requires verification and such verification can be done through a form submitted by the member with a signature or other approval from an employer, college, volunteer organization, work program, or other entity, then such change to the iOCR technology would be minimal vs building electronic verification through interfaces.

The Department is submitting this IAPD to begin work immediately on these requirements, with the understanding that by the January 1, 2027 effective date, we may only be able to implement a MVP that leverages existing interfaces and information currently manually entered into our eligibility system through various means, including members and existing SNAP/TANF work program vendors. Since renewals for January 2027 start in October 2026, the Department will need to implement changes to the renewal process and notify impacted members approximately 6 months prior to January effective date. Therefore, there is urgency to start work under this APD as soon as possible.

However, since CMS Interim Final Rule (IFR) to implement this section is not required until June 1, 2026, the Department expects that meeting all requirements will not be possible by January 1, 2027, and full implementation will be through an iterative process with system releases each quarter. The Department expects that the full implementation will take two to three years to fully meet the requirements that States must use ex parte processes and third-party data sources to reduce member burden (e.g., automatic checks without member input such as those new systems implemented by the Colorado Department of Labor & Employment, CMS, and public-private partnerships to collect consistent information and verification, such as hours worked, college and educational enrollment, and community services).

All implementation efforts under this IAPD are anchored in a central objective: to ensure that no eligible member is inappropriately disenrolled due to insufficient data, unclear exemption status, or lack of accessible documentation. While the Department is requesting funding to support full compliance with verification over time, this IAPD specifically identifies and prioritizes resources necessary for the Track 1 MVP implementation required to avoid coverage loss for eligible members during the January 2027 redetermination cycle. The Track 1 MVP can be implemented by leveraging existing systems and staff augmentation contracts. The system cost is estimated at approximately \$1.1 million for the Track 1 MVP. The remaining costs under the IAPD are focused on implementing Track 2 with electronic verification through multiple interfaces to systems not currently utilized by Colorado's eligibility system. If CMS requires verification and such verification can be done through a form submitted by the member with a signature or other approval, such change to the iOCR technology would be less than \$500,000 vs building electronic verification through interfaces provided in Track 2 under this IAPD. Please note that work on Track 2 starts in early 2026 as quarterly enhancements to the MVP begin in the first quarter of 2027.

The Department has included funding that can be utilized to interface with any national database created by CMS or through new innovative private-public partnerships to help implement work requirements. In addition, the IAPD includes funding to allow for any required modification of any existing interfaces, such as the Department's interface with Equifax for Work Number data and our current interface with the Colorado Department of Labor & Employment to collect wage and the number of hours worked. The Department expects that many individuals will meet the work requirements through these interfaces, but for those without data in these existing databases we expect

that new interfaces will need to be established. As an example, on the required implementation date of January 1, 2027, the Department is not expected to have automated interfaces completed to determine who meets the definition of monthly community engagement (via one or a mix of employment, community services, educational enrollment), medically frail, or optional requirements to automatically gather information on members who are hospitalized, recently incarcerated, require long-distance travel for complex medical care, or live in counties with high unemployment. Members will use self-attestation to identify that they meet these conditions. The Department expects to phase in interfaces over time as the Department does not have the capacity to implement multiple new interfaces all at the same time or to develop the databases to capture the information we need to be developed with various external partners (e.g., Colorado Department of Labor & Employment; national interface with state colleges and universities; Colorado Department of Corrections; County Jails; hospitals; and the state's Health Information Exchange).

Accordingly, for the Eligibility & Enrollment (E&E) System, Department requests a total of \$7,738,365 in FFY26 and \$11,405,874 in FFY27. For the MMIS system, the Department requests a total of \$1,636,686 in FFY26 and \$5,769,049 in FFY27.

Colorado is requesting Medicaid funding for Design, Development, and Implementation (DDI) for the Federal Fiscal Years (FFYs) and amounts presented in the tables below:

| <b>E&amp;E Summary</b> |                     |                             |                          |                        |
|------------------------|---------------------|-----------------------------|--------------------------|------------------------|
| <b>Year</b>            | <b>Total Cost</b>   | <b>Total Medicaid Share</b> | <b>90% Federal Share</b> | <b>10% State Share</b> |
| <b>FFY26</b>           | <b>\$7,738,365</b>  | <b>\$7,575,086</b>          | <b>\$6,817,577</b>       | <b>\$757,509</b>       |
| <b>FFY27</b>           | <b>\$11,405,874</b> | <b>\$11,165,210</b>         | <b>\$10,048,689</b>      | <b>\$1,116,521</b>     |
| <b>Total</b>           | <b>\$19,144,239</b> | <b>\$18,740,296</b>         | <b>\$16,866,266</b>      | <b>\$1,874,030</b>     |

| <b>MMIS Summary</b> |                    |                             |                        |                          |                        |
|---------------------|--------------------|-----------------------------|------------------------|--------------------------|------------------------|
| <b>Year</b>         | <b>Total Cost</b>  | <b>Total Medicaid Share</b> | <b>Total CHP Share</b> | <b>90% Federal Share</b> | <b>10% State Share</b> |
| <b>FFY26</b>        | <b>\$1,636,686</b> | <b>\$1,522,118</b>          | <b>\$114,568</b>       | <b>\$1,369,906</b>       | <b>\$152,212</b>       |
| <b>FFY27</b>        | <b>\$5,769,049</b> | <b>\$5,365,215</b>          | <b>\$403,833</b>       | <b>\$4,828,694</b>       | <b>\$536,522</b>       |
| <b>Total</b>        | <b>\$7,405,735</b> | <b>\$6,887,333</b>          | <b>\$518,401</b>       | <b>\$6,198,600</b>       | <b>\$688,733</b>       |

These investments are critical to ensure timely and accurate implementation of the new federal mandates under H.R.1, maintain program integrity, and support eligible Coloradans in meeting the new community engagement standards. The estimated total cost over the life of the project is \$54,205,708. This includes \$39,064,715 for contractors and State staff for DDI and \$15,140,993 for contractors and State staff for Operations. The DDI requested in this IAPD is enhancements to certified systems and as such, Operations funding will be requested in the appropriate OAPDs.

## SECTION II: RESULTS OF ACTIVITIES INCLUDED IN THE IAPD

CMS has previously approved enhanced funding for impacted systems in the following APDs. The Department is submitting this IAPD to be able to move with urgency toward implementing requirements from H.R.1 and will request operations funding for work approved under this IAPD in the associated

OAPD:

| System/Module Impacted                                           | Associated APD ID (if known)                                                                                       | Most recent Approval/Submission Date |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Colorado Benefits Management System (CBMS)                       | Eligibility and Enrollment IAPD and OAPD (CO-2025-07-09-EE-IOAPDU)                                                 | Approved September 3, 2025           |
| Program Eligibility and Application Kit (PEAK)                   | Eligibility and Enrollment IAPD and OAPD (CO-2025-07-09-EE-IOAPDU)                                                 | Approved September 3, 2025           |
| Health Information Exchanges (HIEs)                              | Health Information as a Service (HaaS) OAPD (ID: CO-2025-05-08-MMIS-OAPDU-HaaS)                                    | Approved July 6, 2025                |
| Electronic Data Warehouse (EDW)                                  | Decision Support Systems IAPD (ID: CO-2025-04-29-MMIS-IAPDU-BIDM) and OAPD (ID: CO-2025-04-29-MMIS-OAPDU-DSS-BIDM) | Approved June 27, 2025               |
| Enterprise Systems Integrator (ESI, fka MIDA)                    | CO-2025-07-08-MMIS-IAPDU-EPMO-MIDA                                                                                 | Approved August 1, 2025              |
| Base/Core Module of Colorado Medicaid Enterprise Solution (CMES) | CO-2025-06-03-MMIS-OAPDU-CMES-eConsult                                                                             | Approved July 22, 2025               |

### SECTION III: STATEMENT OF NEEDS AND OBJECTIVES OF THE IAPD

The Colorado Department of Health Care Policy and Financing (the Department), Colorado’s single State Medicaid Agency submits this IAPD to implement projects and conduct activities required by H.R.1 to confirm that individuals who are between the ages of 19 and 64 and who are not otherwise unable to work due to a medical condition, family situation, or other listed reason work, or volunteer at least 20 hours per week, based on a monthly average, in order to qualify for Medicaid. The bill requires the change goes into effect on January 1, 2027.

Significant system changes to multiple modules in the Colorado eligibility ecosystem will be required in a relatively short period of time to implement the new requirements.

Federal Funds Participation at the 90 percent match rate is being requested from CMS only for the following projects:

- Systems Updates to the Colorado Benefits Management System (CBMS) and Program Eligibility and Application Kit (PEAK)**– The Department requests funding for Eligibility system changes required for Medicaid Work Requirements Implementation including 15,000 new modification enhancement hours annually for the next 2-3 years. The CBMS and PEAK systems will be updated to make eligibility determinations regarding work requirements including identifying the population required to meet work requirements and determining if they meet exemption criteria or the appropriate work requirements (such as working 80 or more hours,

community service, school enrollment, etc.). Changes within CBMS will also be made to allow the system or eligibility staff to capture the information necessary along with all other eligibility criteria for accurate determination compliant with federal rules. PEAK changes will be made to appropriately capture and apply the information for individuals and members who choose to apply through the online portal and then feed the information appropriately into CBMS for an eligibility determination.

- **Systems Updates to the Health Information Exchanges (HIEs)** – The Department requests funding for a State HIE interface to aid in the Medically Frail determination for new applicants and an interface to share that information with CBMS and PEAK. Using one-time snapshots of a comprehensive data source such as Continuity of Care (CCD), the State intends to use parsed data from the HIE to support our determination efforts. The query will be via an existing API; however, a customized solution may need to be built based on requirements and frequency that is not currently defined.
- **Systems Updates to the Electronic Data Warehouse (EDW)** - The Department requests funding to load and structure enhanced data feeds from CBMS and Base/Core module to the EDW related to member work history, eligibility, and claims. To support this work, the EDW will need to create a new interface to send to the HIEs to determine which members are Medically Frail. Finally, the EDW vendor will need to update existing analytics and Federal Reporting such as T-MSIS and the CMS 64.
- **Systems Updates to the Enterprise Systems Integrator (ESI)** - The Department requests funding for the ESI integrator to orchestrate data exchanges across the CMES modules and other contract vendor systems. Through the management of the data exchanges, the ESI Integrator will enforce Industry Governance standards and best practices to align across all interfaces and data structures with the CMES module and contract vendors.
- **Systems Updates to the Base/Core Module** - The Department requests funding for modifying the Base/Core Module to accept new information from CBMS.
- **Systems Updates to the Enterprise Testing Vendor (ETV)** – The Department requests funding for User Acceptance Testing (UAT) and UAT Testers.
- **Project Management** – The Department requests funding to provide Project Management and Program staff to augment systems changes for Medicaid Work Requirements Implementation. Staffing will include Procurement Partners, Business Analysts (BAs), Technical Project Managers (PMs), System and Program Subject Matter Experts (SMEs), and Program Leads.

#### **SECTION IV: ALTERNATIVE CONSIDERATIONS/COST BENEFIT ANALYSIS**

Due to the urgency to start work immediately, the Department is leveraging its existing contractors to implement the work requirements by January 2027. The Department will implement a minimally viable product solution that leverages existing interfaces and information manually entered into our eligibility system through various means, including members and existing SNAP/TANF work program vendors. This advancing technology approach - both the MVP Track 1 and Track 2 Full H.R.1 Compliance - align with CMS verbal direction that we would follow “principles that graduate over time.” We interpreted this

CMS verbal guidance to mean implementing a MVP that allows for Member Self-Attestation to work requirements for a period, followed by the development of the work requirements verification methodologies if required by federal law or by CMS and ultimately moving to a full ex parte process using new data and interfaces through future implementation phases as required by H.R.1. The Track 2 Full H.R.1 Compliance is where the high IT development costs occur.

As an alternative approach, the Department has included funding that can be utilized to interface with any national database created by CMS or through new innovative private-public partnerships to help implement work requirements. This approach offers an alternative to relying on a single or incumbent vendor(s) by leveraging a broader innovative ecosystem to source, test, and implement targeted IT solutions. Rather than defaulting to one vendor's platform or tools, this model engages diverse stakeholders—startups, providers, technologists, and community organizations—to co-design modular, interoperable technologies that directly meet Medicaid's evolving requirements. Through a competitive vetting process and agile piloting, it ensures that the best-suited solutions—regardless of origin—are integrated into existing systems like CBMS. This not only mitigates vendor lock-in but also fosters a more responsive, scalable, and cost-effective IT strategy.

Therefore, the Department is working on implementation using our existing contractors, while exploring the new innovative private-public partnerships to help implement work requirements. These public-private partnerships are intended to create technology solutions that are repeatable in other states and will then reduce costs as other states implement the solutions. As these alternative approaches become available, the Department will review and prioritize those products. At that time, the Department will submit an update to the IAPD to properly identify those contractors and allocate funding. In addition, the Department would like to work with private-public partnerships and other states to establish forms, processes, and interfaces that all states would use to collect consistent information and verification, such as college and educational enrollment and community services. With consistent forms, processes, and interfaces used by all states, it will be easier for our eligibility systems to transfer, scan or upload that information, while reducing costs for all states relative to every state developing their own forms and systems.

## **SECTION V: NATURE AND SCOPE OF ACTIVITIES**

Colorado's focus is implementing systems changes that meet the requirements set by H.R.1 and avoid burdensome requirements for Medicaid Members and applicants, while mitigating increases labor costs to process the additional requirements manually. Colorado requests FFP from CMS to fund vendor costs for the following:

- **CBMS and PEAK**— The Department requests \$647,345 in FFY26 and \$2,085,248 in FFY27 for enhancements required to implement work requirement rules from H.R.1. System changes include:
  - Implementation of system enhancements that support the administration and enforcement of Medicaid Work Requirements in compliance with federal policy
  - Firewall and cloud operations support from Colorado's Office of Information Technology (OIT)
  - Work requirement updates and enhancements for full implementation; anticipated to take 2-3 years

- **ESI**– The Department requests \$792,000 in FFY26 and \$3,168,000 in FFY27 for enhancements required to implement work requirement rules from H.R.1. System changes include:
  - APIs/interface files to transmit and integrate data feeds between contract vendors and Federal entities for module data consumption to help in eligibility determination
  - DDI of an SFTP file transmission platform
  - Enforcement of governance standards and best practices for comprehensive SDLC documentation, detailed Interface Design Specification, and manage and orchestrate data exchanges across the CMES modules and other vendor systems
- **HIEs** – The Department requests \$75,000 in FFY27 for enhancements required to implement work requirement rules from H.R.1. System changes include:
  - Requirements investigation and development to determine data needs based on medically frail definition
  - Project plan development
  - Interface design
  - Interface/API development/implementation
  - Customization of API calls
  - UAT testing of solution
  - Deployment and Stabilization
- **Base/Core** – The Department requests \$50,000 in FFY26 and \$200,000 in FFY27 for enhancements required to implement work requirement rules from H.R.1. System changes include:
  - Changes to the MMIS to utilize data that needs to be included for claims processing
  - Modifying the interface file between CBMS and MMIS
  - Modifying the interface file between MMIS and EDW
- **EDW** – The Department requests \$143,750 in FFY26 and \$512,500 in FFY27 for enhancements required to implement work requirement rules from H.R.1. System changes include:
  - Enhanced interface from CBMS to EDW to ensure accurate tracking of compliance and exemption status
  - Enhanced interface from MMIS Base/Core
  - Creation of a new interface to support HIEs in determining which members meet requirements for medically frail exemptions
  - Update reporting logic, dashboards and ETLs for existing State and Federal reporting processes
- **ETV** – The Department requests \$387,840 in FFY26 and \$1,551,360 in FFY27 for enhancements required to implement work requirement rules from H.R.1. System changes include:
  - Supporting state staff in planning, coordinating and executing UAT activities across CBMS, PEAK, ESI, EDW, CMES Modules and supporting data platforms
- **Project Management** – The Department requests \$5,678,400 in FFY26 and \$7,415,200 in FFY27 for Project and Program Managers and SMEs, to develop system requirements, and manage DDI efforts.
  - Project management resources will drive the execution of all work components that are needed to successfully meet scope, schedule, and compliance requirements. Technical

and business project management oversight will manage DDI and operational readiness for all vendors, while also fulfilling standard project management roles and responsibilities within the EPMO; such as: risk and issue management, scope management, schedule management, resource management, budget management and forecasting, executive status reporting, documentation management, tracking decisions and action items, vendor management, and serving as a point of escalation, when needed.

- Program management resources, including technical and policy SMEs, will serve as staff augmentation to oversee the broader implementation strategy, in alignment with federal and state goals. This includes technical and policy analysis and drafting requirements to support each impacted module across the Medicaid ecosystem, and the management of module/vendor interdependencies to ensure a cohesive and compliant rollout.
- Organizational Change Management (OCM) resources will play a critical role in preparing staff, Members, Providers, Counties, and other stakeholders for the changes related to implementing work requirements. OCM resources will create and execute stakeholder engagement strategies to address resistance, foster engagement, and deliver targeted communication and training to support adoption and minimize disruption.

## SECTION VI: OUTCOMES AND METRICS

| Outcome Name | Outcome                                                                                                                                                                                                                              | Metric                                                                                                                                                                                                                                                                    |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ST-WR1       | 60% 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 the manual verification of work requirements. | Total Number of ACA Expansion Populations 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 |

## SECTION VII: PROJECT MANAGEMENT PLANNING AND PROCUREMENT

The Department is allocating a total of 3.70 State FTEs to the project detailed in the table below. This includes a total of 1.7 FTEs allocated to the E&E System portion of the project and 2.00 FTEs allocated to the MMIS System portion.

| <b>E&amp;E</b>                                         |                  |              |                  |                  |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------|------------------|--------------|------------------|------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>State Staff</b>                                     | <b>% of Time</b> | <b>Hours</b> | <b>FFY26</b>     | <b>FFY27</b>     | <b>Total</b>     | <b>Description of Responsibilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>State Lead</b>                                      | 100%             | 4,160        | \$171,279        | \$179,842        | \$351,121        | The State Lead for Medicaid Community Engagement Implementation will be responsible for overseeing the integration of all CMS policies and regulatory requirements related to Section 71119 into state eligibility and enrollment systems. This role ensures that federal guidance—both interim and final—is accurately interpreted and operationalized across IT platforms, including compliance tracking, exemption processing, verification protocols, and reporting mechanisms. The Lead will coordinate closely with policy teams, systems vendors, eligibility staff, and federal partners to align system functionality with evolving CMS directives, including early technical assistance, State Medicaid Director letters, and the June 1, 2026 Interim Final Rule. This position is critical to ensuring timely, compliant, and efficient implementation of community engagement requirements by the statutory deadline of January 1, 2027. |
| <b>Marivel Kneekman; Eligibility Division Director</b> | 25%              | 1,040        | \$42,820         | \$44,961         | \$87,780         | Division Director over Eligibility Systems, Operations, and Policy. Supervises the state staff and contractor working under this APD, and leader will be responsible for overseeing the integration of all CMS policies and regulatory requirements related to Section 71119 into state eligibility and enrollment systems.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Shawn Bodiker; Program Management II</b>            | 25%              | 1,040        | \$38,837         | \$40,779         | \$79,617         | Manager over Eligibility Policy. Supervises the state and contractor staff working under this APD, and will be responsible for overseeing the integration of all CMS policies and regulatory requirements related to Section 71119 into state eligibility and enrollment systems                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Claudia Mendez; Analyst IV</b>                      | 10%              | 416          | \$11,592         | \$12,172         | \$23,764         | Provides Subject Matter Expert (SME) level knowledge on various parts of the system development, including dashboards. Integral to system requirements, and data dashboards. Provides analysis of business and functional user requirements, procedures, and issues to automate business processes and enhance system functionality. Provides oversight of the requirements analysis process along with the contracted vendor team. Serves as a primary reviewer on system requirements, design, and functionality implementation. Provides recommendations for operational changes to improve efficiency and effectiveness.                                                                                                                                                                                                                                                                                                                          |
| <b>Ivan Rangel; Policy Advisor IV</b>                  | 10%              | 416          | \$11,592         | \$12,172         | \$23,764         | Provides Subject Matter Expert (SME) level knowledge and advice on eligibility policy for Colorado's Medical Assistance Programs and Child Health Plan Plus (CHIP+). Integral to system requirements, and data dashboards development. Provides policy advice on business and functional user requirements, procedures, and issues to automate business processes and enhance system functionality. Ensures system modifications adhere to existing and/or new federal and state regulations. Supports stakeholder engagement. Provides recommendations for operational changes to improve efficiency and effectiveness.                                                                                                                                                                                                                                                                                                                              |
| <b>Total</b>                                           | <b>170%</b>      | <b>7,072</b> | <b>\$276,120</b> | <b>\$289,926</b> | <b>\$566,047</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| <b>MMIS</b>                             |                  |              |                  |                  |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------|------------------|--------------|------------------|------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>State Staff</b>                      | <b>% of Time</b> | <b>Hours</b> | <b>FFY26</b>     | <b>FFY27</b>     | <b>Total</b>     | <b>Description of Responsibilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>State MES Systems Technical Lead</b> | 100%             | 4,160        | \$115,923        | \$121,719        | \$237,642        | The State MES Technical Lead serves as the key technical authority responsible for designing, integrating, and validating all CMS policy requirements—including community engagement compliance per Section 71119—within the state's Medicaid eligibility and enterprise systems. Leveraging deep expertise in Medicaid operations and IT architecture, this role leads system configuration, data integration, and workflow mapping to support policy-driven functionality such as activity tracking, exemption logic, and automated notices. The lead collaborates closely with policy teams, vendors, system architects, and CMS liaisons to ensure systems align with MITA standards and evolving federal guidance, including early technical assistance and the June 1, 2026 Interim Final Rule.                                                                                                                                                                                                                                           |
| <b>State MES System OCM Lead</b>        | 100%             | 4,160        | \$115,923        | \$121,719        | \$237,642        | The State MES Organizational Change Management (OCM) Lead directs and executes the strategic change management plan required to implement CMS policies—especially the Section 71119 Medicaid community engagement requirements—across the state's Medicaid Enterprise System. This role is responsible for driving stakeholder engagement, designing tailored OCM strategies (communication, training, reinforcement), and ensuring high user adoption and minimal resistance as system functionality evolves. Partnering with policy, systems, and implementation teams (including system integrator and module vendors), the Lead conducts impact assessments, readiness evaluations, and develops executive-level sponsorship models and governance processes. The position demands proven experience in Medicaid OCM engagements, knowledge of modular MES transformations, and proficiency with frameworks such as Prosci ADKAR, supported by demonstrated success in guiding organizational transitions in complex Medicaid environments. |
| <b>Total</b>                            | <b>200%</b>      | <b>8,320</b> | <b>\$231,846</b> | <b>\$243,439</b> | <b>\$475,285</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### Contractor Resources

The Department requests \$8,867,085 in FFY26 and \$16,641,558 in FFY27 for a total of \$25,508,643.

Contractor resources are provided in detail below.

**Contractor Name: Deloitte (CBMS and PEAK Systems Vendor)**

**Current Contract Cost: \$392,943,949**

**Estimated Cost of Work for Project: \$6,562,130**

**Amount Requested in this APD: \$2,732,593**

**Procurement Methodology: Competitive**

**Contract Term: June 1, 2018 – June 30, 2026**

**CMS Approval Status: Approved; Option Letter 3 was submitted to CMS for approval on October 15, 2025**

This contractor is responsible for the administration and operation of the State's CBMS, including design, development, and implementation of system enhancements to the existing CBMS. Vendor is responsible for implementation of system enhancements and updates that will support the administration and enforcement of Medicaid Work Requirements in compliance with federal policy. The

Department will incorporate the work approved in this APD into a new contract Amendment which will be submitted to CMS for Prior Approval.

**Contractor Name: Health Tech Solutions (HTS) (Project Management)**

**Estimated Contract Cost: \$42,879,200**

**Estimated Cost of Work for Project: \$25,251,200**

**Amount Requested in this APD: \$13,093,600**

**Procurement Methodology: State Pricing Agreement**

**Contract Term: TBD**

**CMS Approval Status: Required**

This contractor will provide advanced project and program management, organizational change management and SMEs to implement system enhancements and updates that will support the administration and enforcement of Medicaid Work Requirements in compliance with federal policy. Staff augmentation resources from this contractor will include project managers, SMEs, and product managers. Contractor staff resources will be responsible for trainings, stakeholder engagement, program design, DDI, and organizational change management for stakeholders, counties and members. The Department will incorporate the work approved in this APD into a new Amendment to the State Pricing Agreement which will be submitted to CMS for Prior Approval.

This contractor will also provide Change Management Support. Based on the latest information, H.R.1 signed into law on July 4, 2025, introduces significant changes to Medicaid, including federally mandated work requirements for certain enrollees starting January 1, 2027. Colorado anticipates substantial stakeholder feedback, questions, and concern with the new requirements and plans to proactively engage Organizational Change Management (OCM) resources throughout the entire project.

**Contractor Name: Ernst & Young (ESI Interfaces)**

**Current Contract Cost: \$41,693,201**

**Estimated Cost of Work for Project: \$7,603,200**

**Amount Requested in this APD: \$3,960,000**

**Procurement Methodology: ITN; Competitive**

**Contract Term: November 9, 2022 – June 30, 2026; contract includes annual options to renew through June 30, 2032**

**CMS Approval Status: Approved**

The vendor is responsible for maintaining the ESI Platform with key components including MuleSoft, Amazon Web Services (AWS), AWS Transfer Family Managed File Transfer (MFT), BurstIQ LifeGraph and ESI Data Model, Single Sign On (SSO), Azure DevOps (ADO) for code integration and deployment, security and monitoring, and functional testing. The platform provides a reliable and efficient solution for member and provider data management, SSO integration, and API/Batch integrations. Vendor is responsible for implementation of system enhancements and updates that will support the administration and enforcement of Medicaid Work Requirements in compliance with federal policy. The Department will incorporate the work approved in this APD into a new contract Amendment which will be submitted to CMS for Prior Approval.

**Contractor Name: Colorado Office of Information Technology (OIT)**

**Estimated Cost of Work for Project: \$690,400**  
**Amount Requested in this APD: \$240,400**  
**Procurement Methodology: Interagency Agreement**  
**CMS Approval Status: Not Required**

OIT will provide support for the Colorado Benefits Management System (CBMS) through interface and API management, firewall configuration and maintenance, and cloud operations oversight. This support ensures secure and efficient data sharing between integrated systems while maintaining compliance with all applicable state and federal policies. By automating key processes, strengthening system interoperability, and aligning with OIT's enterprise security and cloud governance standards, this work enhances operational reliability, supports policy-driven compliance. Costs may include the need for the implementation of new software and data storage fees.

**Contractor Name: Gainwell (CMES Modules)**  
**Current Contract Cost: \$371,422,220**  
**Estimated Cost of Work for Project: \$600,000**  
**Amount Requested in this APD: \$250,000**  
**Procurement Methodology: Competitive**  
**Contract Term: February 27, 2014 – June 30, 2030**  
**CMS Approval Status: Approved**

Gainwell Technologies maintains and operates multiple modules in the Colorado Medicaid Enterprise Solution (CMES), with value-added features and enhancements added over time through the change management process. Gainwell will be responsible for making any changes to the MMIS required for implementing work requirements. This includes modifying the interface file between CBMS and the MMIS and then to the EDW. New data captured in CBMS related to work requirements will need to be included in the MMIS to support reporting. The Department will incorporate the work approved in this APD into a new contract Amendment which will be submitted to CMS for Prior Approval.

**Contractor Name: Contexture (HIE Systems Vendor)**  
**Current Contract Cost: \$41,207,416**  
**Estimated Cost of Work for Project: \$700,000**  
**Amount Requested in this APD: \$75,000**  
**Procurement Methodology: Sole Source**  
**Contract Term: October 1, 2021 – June 30, 2026**  
**CMS Approval Status: Approved**

Contexture is responsible to operate, maintain and enhance the State's Medicaid Health Information Exchange. Vendor is responsible for implementation of system enhancements and updates that will support the administration and enforcement of Medicaid Work Requirements in compliance with federal policy. The Department will incorporate the work approved in this APD into a new contract Amendment which will be submitted to CMS for Prior Approval.

**Contractor Name: Conduent (EDW Systems Vendor)**  
**Current Contract Cost: \$71,089,369**

**Estimated Cost of Work for Project: \$900,000**

**Amount Requested in this APD: \$656,250**

**Procurement Methodology: ITN**

**Contract Term: January 2, 2024 – June 30, 2026; contract includes annual options to renew through June 30, 2029**

**CMS Approval Status: Approved; Option Letter 3 was submitted to CMS for approval on July 7, 2025**

The EDW vendor provides operational support for the EDW data model and ETL processes. The EDW stores comprehensive Medicaid administrative data, select national data sources, and a variety of data sources unique to Colorado. Vendor is responsible for developing new interfaces from EDW to CBMS that provide information on the medically frail and collect work requirement data for direct analytics and auditing. The vendor will ensure accurate tracking of compliance and exemption status through updating reporting logic, dashboards and ETLs to further implement system enhancements that will support the administration and enforcement of Medicaid Work Requirements in compliance with federal policy. The Department will incorporate the work approved in this APD into a new contract Amendment which will be submitted to CMS for Prior Approval.

**Contractor Name: North Highland Company (Testing)**

**Contract Cost: \$17,403,099**

**Estimated Cost of Work for Project: \$3,878,400**

**Amount Requested in this APD: \$1,939,200**

**Procurement Methodology: ITN**

**Contract Term: October 1, 2025 – June 30, 2028; Options for three one-year extensions**

**CMS Approval Status: Approved**

The vendor is responsible for the User Acceptance Testing (UAT) plan to coordinate defect tracking and resolution and ensure alignment across test strategies for each module impacted by this project. As the central point for UAT-related release activities, the vendor will manage release schedules, coordinate meetings, report on vendor progress, and validate integration readiness before production deployments. They will also ensure compliance with federal certification requirements by aligning testing practices with applicable regulations and standards. All project management activities will follow the Department's Enterprise Project Management Office (EPMO) standards, including the use of required tools and participation in weekly status reporting. The Department will incorporate the work approved in this APD into a new contract Amendment which will be submitted to CMS for Prior Approval.

**Contractor Name: Prime Health**

**Estimated Contract Cost: \$50,000**

**Estimated Cost of Work for Project: \$50,000**

**Amount Requested in this APD: \$50,000**

**Procurement Methodology: State Pricing Agreement**

**Contract Term: TBD**

**CMS Approval Status: Not Required**

The vendor will support the Department in implementing H.R.1 by leading a multi-phase initiative focused on designing, piloting, and integrating technology solutions that meet the new Medicaid work

requirements. As a trusted convener of innovators and investors driving technology advances that serve the Medicaid and the safety net, Prime Health will coordinate key public and private stakeholders—including providers, community organizations, digital health innovators—through a series of targeted engagements, in service of developing system requirements and solutions. These will include Prime Health Meetups, Innovation Summits, and structured workgroups, each focused on identifying IT-driven strategies to address critical implementation challenges such as cross-agency data sharing, workforce and eligibility verification systems, and digital infrastructure modernization.

To accelerate the development and deployment of these IT solutions, Prime Health will lead a special Medicaid edition of the Prime Health Innovation Challenge, using its established, structured vetting process to identify and fund technological innovations aligned with H.R.1 requirements. Simultaneously, Prime will engage philanthropic and investment communities to establish a Medicaid Innovation Funders Circle, supporting the early-stage and scaling phases of IT solution development. All efforts will culminate in the piloting and integration of finalized digital tools into HCPF's systems, including CBMS, through collaboration with existing contractors (e.g., Deloitte, EY). This project will follow agile, milestone-based IT development practices, ensuring co-design with end users, alignment with CMS guidelines, and transparency through inclusive governance and regular reporting.

**Contractor Name: 22<sup>nd</sup> Century Technologies (Product Management)**

**Estimated Contract Cost: \$5,023,200**

**Estimated Cost of Work for Project: \$5,023,200**

**Amount Requested in this APD: \$2,511,600**

**Procurement Methodology: State Pricing Agreement**

**Contract Term: TBD**

**CMS Approval Status: Required**

To support program area in defining, designing, and implementing system requirements, workflows, and integrations to meet the provisions of H.R.1, the vendor will provide the following roles:

- Product Manager: Translate policy into product requirements, evaluate data sources and services that can be leveraged for work requirement verification, ensure compatibility across benefits programs.
- User Researcher and Designer: Design and test workflows prior to implementation to reduce errors and fixes needed, support the development of training and help documentation.
- Integrations Architect: Determine the architecture, policies, and standards for integrations and interfaces to ensure data integrity, accuracy, and performance.

The Department will incorporate the work approved in this APD into a new Amendment to a State Pricing Agreement which will be submitted to CMS for Prior Approval.

### Contractor Resource Allocation Table

\*These amounts are total share which includes CHP and Medicaid.

| Vendor                    | Description of Activities                              | FFY26              | FFY27               | Total Requested in this IAPD | Total Estimated Cost Over Life of Project | CMS approval Status                            | Term of Contract                                                                        |
|---------------------------|--------------------------------------------------------|--------------------|---------------------|------------------------------|-------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------|
| Deloitte                  | Eligibility Systems Changes and Pool Hours             | \$647,345          | \$2,085,248         | \$2,732,593                  | \$6,562,130                               | Approved                                       | 6/1/2018 to 6/30/2026                                                                   |
| HTS                       | Project Management                                     | \$5,678,400        | \$7,415,200         | \$13,093,600                 | \$25,251,200                              | Required                                       | TBD                                                                                     |
| EY                        | Data Integration and Interface Support                 | \$792,000          | \$3,168,000         | \$3,960,000                  | \$7,603,200                               | Required                                       | 11/9/2022 to 6/30/2026; contract includes annual options to renew through June 30, 2032 |
| OIT                       | Firewall, integrations and licenses                    | \$60,100           | \$180,300           | \$240,400                    | \$690,400                                 | Not Required                                   | N/A                                                                                     |
| Gainwell                  | System Modifications                                   | \$50,000           | \$200,000           | \$250,000                    | \$600,000                                 | Approved                                       | 2/27/2014 to 6/30/2030                                                                  |
| Contexture                | State HIE Interface to determine medically frail       | \$0                | \$75,000            | \$75,000                     | \$700,000                                 | Approved                                       | 10/1/2021 to 6/30/2026                                                                  |
| Conduent                  | Data storage, analytics, and reporting; CBMS interface | \$143,750          | \$512,500           | \$656,250                    | \$900,000                                 | Approved                                       | 1/2/2024 to 6/30/2026                                                                   |
| North Highland            | UAT Testers                                            | \$387,840          | \$1,551,360         | \$1,939,200                  | \$3,878,400                               | Required; Submitted concurrently with this APD | 9/1/2025 to 6/30/2028; Options for three one-year extensions                            |
| Prime Health              | UAT Testers                                            | \$31,250           | \$18,750            | \$50,000                     | \$50,000                                  | Not Required                                   | TBD                                                                                     |
| 22nd Century Technologies | Product Management                                     | \$1,076,400        | \$1,435,200         | \$2,511,600                  | \$5,023,200                               | Required                                       | TBD                                                                                     |
| <b>Total</b>              |                                                        | <b>\$8,867,085</b> | <b>\$16,641,558</b> | <b>\$25,508,643</b>          | <b>\$51,258,530</b>                       |                                                |                                                                                         |

## SECTION VIII: PROPOSED ACTIVITY SCHEDULES

System enhancements described within this IAPD will go through the Department's normal governance process and follow the defined Software Development Life Cycle (SDLC) process for CBMS, which consists of a quarterly build cycle, which assumes a 9-month period from High Level Business Requirements to Go Live.

Additionally, the Department has begun the research and planning process for prioritizing interfaces required for implementation of work requirement. Prioritization will be subject to the availability and value or data in database from which the interface is from and the Department's change control process to incorporate the information in our eligibility determination and renewal process. The Department will give priority to interfaces with any national databases created by CMS or through new innovative private-public partnerships to help implement work requirements. As those databases and interfaces become available, the Department will submit an update to the APD to properly identify those contractors and allocate funding. In addition, a top priority will be any required modification of any existing interfaces, such as the Department's interface with Equifax for Work Number data and our interface with the Colorado Department of Labor & Employment to collect wage information and the number of hours worked.

| Project                                                                                                     | Estimated Start | Estimated Finish |
|-------------------------------------------------------------------------------------------------------------|-----------------|------------------|
| <b>Medicaid Work &amp; Community Engagement Requirements Implementation &amp; Enhancements in CBMS</b>      |                 |                  |
| <b>Execute Contracts with Vendors</b>                                                                       |                 |                  |
| Initial SOW Development (e.g., Deloitte, HTS, Covendis)                                                     | 8/15/2025       | 9/30/2025        |
| CMS Approval                                                                                                | 10/1/2025       | 12/31/2025       |
| Contract Effective                                                                                          | 1/1/2026        | 1/15/2026        |
| Onboard Department and Contractor Staff                                                                     | 1/1/2026        | 2/28/2026        |
| Ongoing Contract Development, Modifications/Annual Amendments, & CMS Approval Process for all Other Vendors | 3/1/2026        | 9/29/2031        |
|                                                                                                             |                 |                  |
| <b>Medicaid Work &amp; Community Engagement Requirements Minimal Viable Project Implementation in CBMS</b>  |                 |                  |
| System Requirements                                                                                         | 1/1/2026        | 3/12/2026        |
| System Design & Development                                                                                 | 3/13/2026       | 10/24/2026       |
| System Testing                                                                                              | 10/25/2026      | 12/29/2026       |
| Go Live                                                                                                     | 12/30/2026      | 12/30/2026       |
|                                                                                                             |                 |                  |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b>                                      |                 |                  |
| System Requirements                                                                                         | 4/1/2026        | 6/10/2026        |
| System Design & Development                                                                                 | 6/11/2026       | 1/22/2027        |
| System Testing                                                                                              | 1/23/2027       | 3/29/2027        |
| Go Live                                                                                                     | 3/30/2027       | 3/30/2027        |
|                                                                                                             |                 |                  |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b>                                      |                 |                  |

|                                                                        |            |            |
|------------------------------------------------------------------------|------------|------------|
| System Requirements                                                    | 7/1/2026   | 9/9/2026   |
| System Design & Development                                            | 9/10/2026  | 4/23/2027  |
| System Testing                                                         | 4/24/2027  | 6/28/2027  |
| Go Live                                                                | 6/29/2027  | 6/29/2027  |
|                                                                        |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b> |            |            |
| System Requirements                                                    | 10/1/2026  | 12/10/2026 |
| System Design & Development                                            | 12/11/2026 | 7/24/2027  |
| System Testing                                                         | 7/25/2027  | 9/28/2027  |
| Go Live                                                                | 9/29/2027  | 9/29/2027  |
|                                                                        |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b> |            |            |
| System Requirements                                                    | 1/1/2027   | 3/12/2027  |
| System Design & Development                                            | 3/13/2027  | 10/24/2027 |
| System Testing                                                         | 10/25/2027 | 12/29/2027 |
| Go Live                                                                | 12/30/2027 | 12/30/2027 |
|                                                                        |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b> |            |            |
| System Requirements                                                    | 4/1/2027   | 6/10/2027  |
| System Design & Development                                            | 6/11/2027  | 1/22/2028  |
| System Testing                                                         | 1/23/2028  | 3/28/2028  |
| Go Live                                                                | 3/29/2028  | 3/29/2028  |
|                                                                        |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b> |            |            |
| System Requirements                                                    | 7/1/2027   | 9/9/2027   |
| System Design & Development                                            | 9/10/2027  | 4/22/2028  |
| System Testing                                                         | 4/23/2028  | 6/27/2028  |
| Go Live                                                                | 6/28/2028  | 6/28/2028  |
|                                                                        |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b> |            |            |
| System Requirements                                                    | 10/1/2027  | 12/10/2027 |
| System Design & Development                                            | 12/11/2027 | 7/23/2028  |
| System Testing                                                         | 7/24/2028  | 9/27/2028  |
| Go Live                                                                | 9/28/2028  | 9/28/2028  |
|                                                                        |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b> |            |            |
| System Requirements                                                    | 1/1/2028   | 3/11/2028  |
| System Design & Development                                            | 3/12/2028  | 10/23/2028 |
| System Testing                                                         | 10/24/2028 | 12/28/2028 |

|                                                                                                                                                                                                                                                                                                                 |            |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Go Live                                                                                                                                                                                                                                                                                                         | 12/29/2028 | 12/29/2028 |
|                                                                                                                                                                                                                                                                                                                 |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b>                                                                                                                                                                                                                                          |            |            |
| System Requirements                                                                                                                                                                                                                                                                                             | 4/1/2028   | 6/10/2028  |
| System Design & Development                                                                                                                                                                                                                                                                                     | 6/11/2028  | 1/22/2029  |
| System Testing                                                                                                                                                                                                                                                                                                  | 1/23/2029  | 3/29/2029  |
| Go Live                                                                                                                                                                                                                                                                                                         | 3/30/2029  | 3/30/2029  |
|                                                                                                                                                                                                                                                                                                                 |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b>                                                                                                                                                                                                                                          |            |            |
| System Requirements                                                                                                                                                                                                                                                                                             | 7/1/2028   | 9/9/2028   |
| System Design & Development                                                                                                                                                                                                                                                                                     | 9/10/2028  | 4/23/2029  |
| System Testing                                                                                                                                                                                                                                                                                                  | 4/24/2029  | 6/28/2029  |
| Go Live                                                                                                                                                                                                                                                                                                         | 6/29/2029  | 6/29/2029  |
|                                                                                                                                                                                                                                                                                                                 |            |            |
| <b>Medicaid Work &amp; Community Engagement Quarterly Enhancements</b>                                                                                                                                                                                                                                          |            |            |
| System Requirements                                                                                                                                                                                                                                                                                             | 10/1/2028  | 12/10/2028 |
| System Design & Development                                                                                                                                                                                                                                                                                     | 12/11/2028 | 7/24/2029  |
| System Testing                                                                                                                                                                                                                                                                                                  | 7/25/2029  | 9/28/2029  |
| Go Live                                                                                                                                                                                                                                                                                                         | 9/29/2029  | 9/29/2029  |
|                                                                                                                                                                                                                                                                                                                 |            |            |
|                                                                                                                                                                                                                                                                                                                 |            |            |
| New Interfaces Development (e.g., EDW, State HIE, MMIS, employment information and gather information on members engaged in community services, educational enrollment, hospitalized, recently incarcerated, require long-distance travel for complex medical care, or live in counties with high unemployment) |            |            |
| <b>Interface #1, #2, and #3 TBD (e.g., EDW, MMIS, employment information)</b>                                                                                                                                                                                                                                   |            |            |
| System Requirements                                                                                                                                                                                                                                                                                             | 1/1/2026   | 3/12/2026  |
| System Design & Development                                                                                                                                                                                                                                                                                     | 3/13/2026  | 10/24/2026 |
| System Testing                                                                                                                                                                                                                                                                                                  | 10/25/2026 | 12/29/2026 |
| Go Live                                                                                                                                                                                                                                                                                                         | 12/30/2026 | 12/30/2026 |
|                                                                                                                                                                                                                                                                                                                 |            |            |
| <b>Interface #4 &amp; #5 TBD (e.g., EDW, MMIS, employment information)</b>                                                                                                                                                                                                                                      |            |            |
| System Requirements                                                                                                                                                                                                                                                                                             | 1/1/2026   | 9/9/2026   |
| System Design & Development                                                                                                                                                                                                                                                                                     | 9/10/2026  | 4/23/2027  |
| System Testing                                                                                                                                                                                                                                                                                                  | 4/24/2027  | 6/28/2027  |
| Go Live                                                                                                                                                                                                                                                                                                         | 6/29/2027  | 6/29/2027  |
|                                                                                                                                                                                                                                                                                                                 |            |            |
| <b>Interface #6 &amp; #7 TBD (e.g., EDW, MMIS, employment information)</b>                                                                                                                                                                                                                                      |            |            |
| System Requirements                                                                                                                                                                                                                                                                                             | 6/1/2026   | 12/10/2026 |

|                                                                                                                                                                                                                                                                        |            |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| System Design & Development                                                                                                                                                                                                                                            | 12/11/2026 | 7/24/2027  |
| System Testing                                                                                                                                                                                                                                                         | 7/25/2027  | 9/28/2027  |
| Go Live                                                                                                                                                                                                                                                                | 9/29/2027  | 9/29/2027  |
|                                                                                                                                                                                                                                                                        |            |            |
| <b>Interface #8 TBD (e.g., State HIE)</b>                                                                                                                                                                                                                              |            |            |
| System Requirements                                                                                                                                                                                                                                                    | 9/1/2027   | 3/12/2027  |
| System Design & Development                                                                                                                                                                                                                                            | 3/13/2027  | 10/24/2027 |
| System Testing                                                                                                                                                                                                                                                         | 10/25/2027 | 12/29/2027 |
| Go Live                                                                                                                                                                                                                                                                | 12/30/2027 | 12/30/2027 |
|                                                                                                                                                                                                                                                                        |            |            |
| <b>Interface #9 &amp; #10 TBD (e.g., gather information on members engaged in community services, educational enrollment, hospitalized, recently incarcerated, require long-distance travel for complex medical care, or live in counties with high unemployment)</b>  |            |            |
| System Requirements                                                                                                                                                                                                                                                    | 1/1/2027   | 6/10/2027  |
| System Design & Development                                                                                                                                                                                                                                            | 6/11/2027  | 1/22/2028  |
| System Testing                                                                                                                                                                                                                                                         | 1/23/2028  | 3/28/2028  |
| Go Live                                                                                                                                                                                                                                                                | 3/29/2028  | 3/29/2028  |
|                                                                                                                                                                                                                                                                        |            |            |
| <b>Interface #11 &amp; #12 TBD (e.g., gather information on members engaged in community services, educational enrollment, hospitalized, recently incarcerated, require long-distance travel for complex medical care, or live in counties with high unemployment)</b> |            |            |
| System Requirements                                                                                                                                                                                                                                                    | 3/1/2027   | 9/9/2027   |
| System Design & Development                                                                                                                                                                                                                                            | 9/10/2027  | 4/22/2028  |
| System Testing                                                                                                                                                                                                                                                         | 4/23/2028  | 6/27/2028  |
| Go Live                                                                                                                                                                                                                                                                | 6/28/2028  | 6/28/2028  |
|                                                                                                                                                                                                                                                                        |            |            |
| <b>Reporting Development (e.g., program monitoring, CMS compliance requirements)</b>                                                                                                                                                                                   |            |            |
| <b>Initial Reporting Development - Program Monitoring</b>                                                                                                                                                                                                              |            |            |
| System Requirements                                                                                                                                                                                                                                                    | 1/1/2026   | 6/10/2026  |
| System Design & Development                                                                                                                                                                                                                                            | 6/11/2026  | 1/22/2027  |
| System Testing                                                                                                                                                                                                                                                         | 1/23/2027  | 3/29/2027  |
| Go Live                                                                                                                                                                                                                                                                | 3/30/2027  | 3/30/2027  |
|                                                                                                                                                                                                                                                                        |            |            |
| <b>Reporting Development - CMS Compliance Requirements (TBD)</b>                                                                                                                                                                                                       |            |            |
| System Requirements                                                                                                                                                                                                                                                    | 1/1/2026   | 9/9/2026   |
| System Design & Development                                                                                                                                                                                                                                            | 9/10/2026  | 4/23/2027  |
| System Testing                                                                                                                                                                                                                                                         | 4/24/2027  | 6/28/2027  |
| Go Live                                                                                                                                                                                                                                                                | 6/29/2027  | 6/29/2027  |
|                                                                                                                                                                                                                                                                        |            |            |
| <b>Reporting Development - Enhancements</b>                                                                                                                                                                                                                            |            |            |

|                             |            |            |
|-----------------------------|------------|------------|
| System Requirements         | 6/1/2026   | 12/10/2026 |
| System Design & Development | 12/11/2026 | 7/24/2027  |
| System Testing              | 7/25/2027  | 9/28/2027  |
| Go Live                     | 9/29/2027  | 9/29/2027  |

## SECTION IX: PROPOSED BUDGET

For the E&E System, the Department requests a total of \$7,738,365 in FFY26 and \$11,405,874 in FFY27. For the MMIS system, the Department requests a total of \$1,636,686 in FFY26 and \$5,769,049 in FFY27.

Colorado is requesting Medicaid funding for Design, Development, and Implementation (DDI) for the Federal Fiscal Years (FFYs) and amounts presented in the tables below:

| <b>E&amp;E Summary</b> |                     |                             |                          |                        |
|------------------------|---------------------|-----------------------------|--------------------------|------------------------|
| <b>Year</b>            | <b>Total Cost</b>   | <b>Total Medicaid Share</b> | <b>90% Federal Share</b> | <b>10% State Share</b> |
| <b>FFY26</b>           | <b>\$7,738,365</b>  | <b>\$7,575,086</b>          | <b>\$6,817,577</b>       | <b>\$757,509</b>       |
| <b>FFY27</b>           | <b>\$11,405,874</b> | <b>\$11,165,210</b>         | <b>\$10,048,689</b>      | <b>\$1,116,521</b>     |
| <b>Total</b>           | <b>\$19,144,239</b> | <b>\$18,740,296</b>         | <b>\$16,866,266</b>      | <b>\$1,874,030</b>     |

| <b>MMIS Summary</b> |                    |                             |                        |                          |                        |
|---------------------|--------------------|-----------------------------|------------------------|--------------------------|------------------------|
| <b>Year</b>         | <b>Total Cost</b>  | <b>Total Medicaid Share</b> | <b>Total CHP Share</b> | <b>90% Federal Share</b> | <b>10% State Share</b> |
| <b>FFY26</b>        | <b>\$1,636,686</b> | <b>\$1,522,118</b>          | <b>\$114,568</b>       | <b>\$1,369,906</b>       | <b>\$152,212</b>       |
| <b>FFY27</b>        | <b>\$5,769,049</b> | <b>\$5,365,215</b>          | <b>\$403,833</b>       | <b>\$4,828,694</b>       | <b>\$536,522</b>       |
| <b>Total</b>        | <b>\$7,405,735</b> | <b>\$6,887,333</b>          | <b>\$518,401</b>       | <b>\$6,198,600</b>       | <b>\$688,733</b>       |

| <b>E&amp;E</b>             |                                 |                        |                          |                        |                  |                  |                  |
|----------------------------|---------------------------------|------------------------|--------------------------|------------------------|------------------|------------------|------------------|
| <b>FFY26</b>               |                                 |                        |                          |                        |                  |                  |                  |
| <b>State Cost Category</b> | <b>Total Cost Excluding CHP</b> | <b>Total CMS Share</b> | <b>CMS Federal Share</b> | <b>CMS State Share</b> | <b>FNS Share</b> | <b>ACF Share</b> | <b>DHS Share</b> |
| State Personnel            | \$276,120                       | \$270,294              | \$243,265                | \$27,029               | \$0              | \$0              | \$0              |
| Deloitte                   | \$647,345                       | \$633,686              | \$570,317                | \$63,369               | \$0              | \$0              | \$0              |
| HTS                        | \$5,678,400                     | \$58,832               | \$52,949                 | \$5,883                | \$0              | \$0              | \$0              |
| OIT                        | \$60,100                        | \$1,053,688            | \$948,319                | \$105,369              | \$0              | \$0              | \$0              |
| 22nd Century Technologies  | \$1,076,400                     | \$5,558,586            | \$5,002,727              | \$555,859              | \$0              | \$0              | \$0              |
| <b>Total</b>               | <b>\$7,738,365</b>              | <b>\$7,575,086</b>     | <b>\$6,817,577</b>       | <b>\$757,509</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       |

| <b>E&amp;E</b>             |                     |                             |                          |                        |                  |                  |                  |
|----------------------------|---------------------|-----------------------------|--------------------------|------------------------|------------------|------------------|------------------|
| <b>FFY27</b>               |                     |                             |                          |                        |                  |                  |                  |
| <b>State Cost Category</b> | <b>Total Cost</b>   | <b>Total Medicaid Share</b> | <b>CMS Federal Share</b> | <b>CMS State Share</b> | <b>FNS Share</b> | <b>ACF Share</b> | <b>DHS Share</b> |
| State Personnel            | \$289,926           | \$283,809                   | \$255,428                | \$28,381               | \$0              | \$0              | \$0              |
| Deloitte                   | \$2,085,248         | \$2,041,249                 | \$1,837,124              | \$204,125              | \$0              | \$0              | \$0              |
| HTS                        | \$7,415,200         | \$176,496                   | \$158,846                | \$17,650               | \$0              | \$0              | \$0              |
| OIT                        | \$180,300           | \$1,404,917                 | \$1,264,426              | \$140,492              | \$0              | \$0              | \$0              |
| 22nd Century Technologies  | \$1,435,200         | \$7,258,739                 | \$6,532,865              | \$725,874              | \$0              | \$0              | \$0              |
| <b>Total</b>               | <b>\$11,405,874</b> | <b>\$11,165,210</b>         | <b>\$10,048,689</b>      | <b>\$1,116,521</b>     | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       |

|                            |                    |                                     |                              |                            |
|----------------------------|--------------------|-------------------------------------|------------------------------|----------------------------|
| <b>MMIS</b>                |                    |                                     |                              |                            |
| <b>FFY26</b>               |                    |                                     |                              |                            |
| <b>State Cost Category</b> | <b>Total Cost</b>  | <b>Total<br/>Medicaid<br/>Share</b> | <b>90% Federal<br/>Share</b> | <b>10% State<br/>Share</b> |
| State Personnel            | \$231,846          | \$215,617                           | \$194,055                    | \$21,562                   |
| EY                         | \$792,000          | \$736,560                           | \$662,904                    | \$73,656                   |
| Gainwell                   | \$50,000           | \$46,500                            | \$41,850                     | \$4,650                    |
| Contexture                 | \$0                | \$0                                 | \$0                          | \$0                        |
| Conduent                   | \$143,750          | \$133,688                           | \$120,319                    | \$13,369                   |
| North Highland             | \$387,840          | \$360,691                           | \$324,622                    | \$36,069                   |
| Prime Health               | \$31,250           | \$29,063                            | \$26,156                     | \$2,906                    |
| <b>Total</b>               | <b>\$1,636,686</b> | <b>\$1,522,118</b>                  | <b>\$1,369,906</b>           | <b>\$152,212</b>           |

|                            |                    |                                     |                              |                            |
|----------------------------|--------------------|-------------------------------------|------------------------------|----------------------------|
| <b>MMIS</b>                |                    |                                     |                              |                            |
| <b>FFY27</b>               |                    |                                     |                              |                            |
| <b>State Cost Category</b> | <b>Total Cost</b>  | <b>Total<br/>Medicaid<br/>Share</b> | <b>90% Federal<br/>Share</b> | <b>10% State<br/>Share</b> |
| State Personnel            | \$243,439          | \$226,398                           | \$203,758                    | \$22,640                   |
| EY                         | \$3,168,000        | \$2,946,240                         | \$2,651,616                  | \$294,624                  |
| Gainwell                   | \$200,000          | \$186,000                           | \$167,400                    | \$18,600                   |
| Contexture                 | \$75,000           | \$69,750                            | \$62,775                     | \$6,975                    |
| Conduent                   | \$512,500          | \$476,625                           | \$428,963                    | \$47,663                   |
| North Highland             | \$1,551,360        | \$1,442,765                         | \$1,298,488                  | \$144,276                  |
| Prime Health               | \$18,750           | \$17,438                            | \$15,694                     | \$1,744                    |
| <b>Total</b>               | <b>\$5,769,049</b> | <b>\$5,365,215</b>                  | <b>\$4,828,694</b>           | <b>\$536,522</b>           |

## SECTION X: COST ALLOCATION PLAN FOR IMPLEMENTATION ACTIVITIES

### MMIS Impacted Systems

The Department has allocated 93% of the costs to the Medicaid Program, and 7% to the CHP Program. The cost distribution between the programs is based on the number of participants in the programs as of June 2025 and is part of the Department's most recently submitted public assistance cost allocation plan.

The DDI and Operations costs related to the Medicaid program are allocated in the appropriate FFP rate split (90/10, 75/25, or 50/50) between Federal and State funds. The DDI costs related to the CHP+ program are allocated as a 76.50/23.50 split in FFY20 and 65.00/35.00 split in FFY21 and forward

between Federal and State funds.

### **E&E Impacted Systems**

Cost Allocation estimates for E&E Impacted Systems were estimated by attributing costs to each benefiting program based on the current CMS approved E&E cost allocation methodology. Medicaid is the only beneficiary of projects included in this IAPD. For the Medicaid portion of the E&E Impacted Systems, the Department sums all of the Title XIX federal funds because the work is identified as a DDI project with a requested 90/10 match.

## **SECTION XI: SECURITY, INTERFACE, DISASTER RECOVERY, AND BUSINESS CONTINUITY PLANNING**

Colorado assures all impacted systems and modules are compliant with federal standards and regulations related to IT security and privacy for the administration of the Medicaid Program. Colorado specifically assures compliance with the Business Continuity Planning and Disaster Recovery Plan requirements.

## **SECTION XII: CONDITIONS AND STANDARDS FOR RECEIPT OF ENHANCED FFP**

Projects supported under this IAPD are aligned with the Conditions and Standards as outlined in 42 CFR Part 433.

| <b>Standard/Condition</b>    | <b>Compliance Discussion</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Modularity Standard          | Solutions requested follow the modularity standard. The addition of these modules adheres to Colorado's service-oriented architecture (SOA) approach to implement a modernized complex system with open interfaces. The architecture will continue to provide flexibility for future system improvements.                                                                                                                                                                                                                                                                                                                                                                                                               |
| MITA Condition               | The system changes described in the IAPD-U will improve client eligibility and enrollment processes and continue to provide interoperable electronic and automated processes. Projects will meet MITA 3.0 compliance ensuring the system is designed, developed, and maintained with up-to-date industry best practices, so that the resulting system is modular and technically suitable for sharing and reuse.                                                                                                                                                                                                                                                                                                        |
| Industry Standards Condition | <p>The Department is a Covered Entity under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-1320d-8) and its implementing regulations (HIPAA), adopted by the Office of the National Coordinator for Health IT in accordance with 45 CFR part 170, subpart B. the Department will comply fully with all industry standards adopted by the Secretary of HHS. Projects will evaluate applicable federal and state regulations on IT system architectures that relate to the MMIS and health technology, including, but not limited to, all the following:</p> <ul style="list-style-type: none"><li>▪ OIT guidelines for the State IT systems, architectures, and data sharing</li></ul> |

| Standard/Condition                                                           | Compliance Discussion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                              | <ul style="list-style-type: none"> <li>▪ Federal regulations and guidance for health insurance Marketplace technology.</li> <li>▪ Federal regulations and guidance on health information Marketplace, and associated provider incentive payments related to meaningful use.</li> <li>▪ Federal regulations and guidance related to provider enrollment in Medicaid.</li> <li>▪ Federal regulations and guidance related to the implementation of the Patient Protection and Affordable Care Act (P.L. 111-148).</li> </ul>                |
| Leverage Condition                                                           | Consideration of solutions provided in a Software as a Service model or COTS software, as provided by vendors or other States' solutions. Colorado is in conversations with other states and intends to share and reuse Medicaid technologies where applicable.                                                                                                                                                                                                                                                                           |
| Business Results Condition                                                   | Colorado will be able to improve timeliness and consistent claims processing for eligibility and subsequently enrolled clients. Projects will support accurate and timely processing of claims via the real-time state and federal interfaces, Electronic Document Management System, Integrated Support Model, interoperability, improvements to county infrastructure, and PEAK.                                                                                                                                                        |
| Reporting Condition                                                          | High-level requirements will determine the specific reporting and data required to evaluate CBMS performance as it relates to interoperability for Marketplace, Human Services and Medicaid programs and systems for continuous improvement. Colorado's investment in enhancing CBMS will produce transaction data, reports and performance.                                                                                                                                                                                              |
| Interoperability Condition                                                   | Projects will evaluate solutions, which will provide continued interoperability between the Marketplace, the Federal Data Services Hub, CBMS (including other human service programs), and the MMIS as applicable. Projects will address the use of interoperability to improve the consumer experience, data sharing capabilities between the agencies, re-engineering workflow and data sharing practices to improve care coordination and re-develop underlying policies and procedures to ensure compliance with federal regulations. |
| Modified Adjusted Gross Income (MAGI) – based System Functionality Condition | For E&E systems, the State must have delivered acceptable MAGI-based system functionality, demonstrated by performance testing and results based on critical success factors, with limited mitigations and workarounds.                                                                                                                                                                                                                                                                                                                   |
| Mitigation Plan Condition                                                    | The State must submit plans that contain strategies for reducing the operational consequences of failure to meet applicable requirements for all major milestones and functionality.                                                                                                                                                                                                                                                                                                                                                      |
| Key Personnel Condition                                                      | The agency, in writing through the APD, must identify key state personnel by name, type and time commitment assigned to each project.                                                                                                                                                                                                                                                                                                                                                                                                     |
| Documentation Condition                                                      | Systems and modules developed, installed or improved with 90 percent match must include documentation of components and                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Standard/Condition                                                  | Compliance Discussion                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                     | procedures such that the systems could be operated by a variety of contractors or other users.                                                                                                                                                         |
| Minimization of Cost for Operation on an Alternate System Condition | For software systems and modules developed, installed or improved with 90 percent match, the State must consider strategies to minimize the costs and difficulty of operating the software on alternate hardware or operating systems.                 |
| Process for Determining New Conditions                              | Other conditions for compliance with existing statutory and regulatory requirements, issued through formal guidance procedures, determined by the Secretary to be necessary to update and ensure proper implementation of those existing requirements. |

## SECTION XII: IAPD REQUIRED FEDERAL ASSURANCES

The state should indicate by checking “Yes” or “No” whether or not it will comply with the Code of Federal Regulations (CFR) and the State Medicaid Manual (SMM) citations.

The state should provide an explanation for any “No” responses.

### *Procurement Standards (Competition / Sole Source)*

|                        |              |      |
|------------------------|--------------|------|
| 42 CFR Part 495.348    | <u>X</u> Yes | • No |
| SMM, Part 11           | <u>X</u> Yes | • No |
| 45 CFR Part 95.615     | <u>X</u> Yes | • No |
| 45 CFR Part 92.36      | <u>X</u> Yes | • No |
| 45 CFR Part 75.333     | <u>X</u> Yes | • No |
| 2 CFR 200 Part 318-320 | <u>X</u> Yes | • No |
| 7 CFR 277.14           | <u>X</u> Yes | • No |

### *Access*

|                        |              |      |
|------------------------|--------------|------|
| 42 CFR Part 495.350    | <u>X</u> Yes | • No |
| 42 CFR Part 495.352    | <u>X</u> Yes | • No |
| 42 CFR Part 495.346    | <u>X</u> Yes | • No |
| 42 CFR Part 433.112(b) | <u>X</u> Yes | • No |
| 45 CFR Part 95.615     | <u>X</u> Yes | • No |
| SMM Section 11267      | <u>X</u> Yes | • No |

### *Software & Ownership Rights, Federal Licenses, Information Safeguarding, HIPAA Compliance, and Progress Reports*

|                     |              |      |
|---------------------|--------------|------|
| 42 CFR Part 495.360 | <u>X</u> Yes | • No |
| 45 CFR Part 95.617  | <u>X</u> Yes | • No |
| 42 CFR Part 431.300 | <u>X</u> Yes | • No |
| 42 CFR Part 433.112 | <u>X</u> Yes | • No |
| 45 CFR Part 164     | <u>X</u> Yes | • No |
| 2 CFR 200.315       | <u>X</u> Yes | • No |

*Independent Verification and Validation (IV&V)*

45 CFR Part 95.626

☒ Yes    • No

## APPENDIX A: MEDICAID PROPOSED BUDGET

### Colorado Medicaid Detailed Budget Table – for E&E System

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

Funding amounts described below are summarized by FFY; however, funding is only approved to be used in accordance with the approval dates described in this letter

|                        | Medicaid Share<br>(90% FFP) DDI | State Share<br>-10% | Medicaid Share<br>(75% FFP) DDI<br>(COTS) | State Share<br>-25% | Medicaid Share<br>(75% FFP) M&O | State Share<br>-25% | Medicaid Share<br>(75% FFP) M&O<br>E&E Staff | State Share<br>-25% | Medicaid<br>ENHANCED<br>FUNDING<br>FFP Total | State Share Total  |
|------------------------|---------------------------------|---------------------|-------------------------------------------|---------------------|---------------------------------|---------------------|----------------------------------------------|---------------------|----------------------------------------------|--------------------|
|                        | 28A & 28B†                      | --                  | 28A & 28B†                                | --                  | 28C & 28D†                      | --                  | 28E & 28F†                                   | --                  |                                              |                    |
| <b>FFY 2026</b>        | <b>\$6,817,577</b>              | <b>\$757,509</b>    | <b>\$0</b>                                | <b>\$0</b>          | <b>\$0</b>                      | <b>\$0</b>          | <b>\$0</b>                                   | <b>\$0</b>          | <b>\$6,817,577</b>                           | <b>\$757,509</b>   |
| <b>FFY 2027</b>        | <b>\$10,048,689</b>             | <b>\$1,116,521</b>  | <b>\$0</b>                                | <b>\$0</b>          | <b>\$0</b>                      | <b>\$0</b>          | <b>\$0</b>                                   | <b>\$0</b>          | <b>\$10,048,689</b>                          | <b>\$1,116,521</b> |
| Total FFY<br>2026-2027 | \$16,866,266                    | \$1,874,030         | \$0                                       | \$0                 | \$0                             | \$0                 | \$0                                          | \$0                 | \$16,866,266                                 | \$1,874,030        |

|                        | Medicaid Share<br>(50% FFP) M&O | State Share<br>-50% | Medicaid Share<br>(50% FFP)<br>General | State Share<br>-50% | Medicaid<br>NOT ENHANCED<br>FUNDING<br>FFP Total | State Share Total |
|------------------------|---------------------------------|---------------------|----------------------------------------|---------------------|--------------------------------------------------|-------------------|
|                        | 28G & 28H†                      | --                  | 49†                                    | --                  |                                                  |                   |
| <b>FFY 2026</b>        | <b>\$0</b>                      | <b>\$0</b>          | <b>\$0</b>                             | <b>\$0</b>          | <b>\$0</b>                                       | <b>\$0</b>        |
| <b>FFY 2027</b>        | <b>\$0</b>                      | <b>\$0</b>          | <b>\$0</b>                             | <b>\$0</b>          | <b>\$0</b>                                       | <b>\$0</b>        |
| Total FFY<br>2026-2027 | \$0                             | \$0                 | \$0                                    | \$0                 | \$0                                              | \$0               |

|                        | CHIP FFP %    | STATE %       | CHIP Share       | State Share     | CHIP<br>FFP Total | State Share Total |
|------------------------|---------------|---------------|------------------|-----------------|-------------------|-------------------|
|                        |               |               | 33†              | --              |                   |                   |
| <b>FFY 2026</b>        | <b>65.00%</b> | <b>35.00%</b> | <b>\$106,132</b> | <b>\$57,148</b> | <b>\$106,132</b>  | <b>\$57,148</b>   |
| <b>FFY 2027</b>        | <b>65.00%</b> | <b>35.00%</b> | <b>\$156,432</b> | <b>\$84,232</b> | <b>\$156,432</b>  | <b>\$84,232</b>   |
| Total FFY<br>2026-2027 | N/A           | N/A           | \$262,563        | \$141,380       | \$262,563         | \$141,380         |

|                                | Medicaid<br>ENHANCED<br>FUNDING<br>FFP Total | Medicaid<br>NOT<br>ENHANCED<br>FUNDING<br>FFP Total | CHIP<br>FFP Total | TOTAL FFP           | STATE SHARE<br>TOTAL | APD TOTAL<br>(TOTAL<br>COMPUTABLE) |
|--------------------------------|----------------------------------------------|-----------------------------------------------------|-------------------|---------------------|----------------------|------------------------------------|
| <b>FFY 2026</b>                | <b>\$6,817,577</b>                           | <b>\$0</b>                                          | <b>\$106,132</b>  | <b>\$6,923,709</b>  | <b>\$814,656</b>     | <b>\$7,738,365</b>                 |
| <b>FFY 2027</b>                | <b>\$10,048,689</b>                          | <b>\$0</b>                                          | <b>\$156,432</b>  | <b>\$10,205,120</b> | <b>\$1,200,753</b>   | <b>\$11,405,874</b>                |
| <b>Total FFY<br/>2026-2027</b> | <b>\$16,866,266</b>                          | <b>\$0</b>                                          | <b>\$262,563</b>  | <b>\$17,128,829</b> | <b>\$2,015,410</b>   | <b>\$19,144,239</b>                |

|                        | Project Total* <sup>(1)</sup> | Medicaid/CHIP<br>Allocation<br>Percentage | Medicaid/CHIP<br>Allocation<br>Amount | Medicaid<br>Allocation<br>Percentage | Medicaid<br>Allocation Amount | CHIP<br>Allocation<br>Percentage | CHIP<br>Allocation Amount | Human Services<br>Allocation<br>Percentage* | Human Services<br>Allocation<br>Amount* | Public Health &<br>Environment<br>Allocation<br>Percentage | Public Health &<br>Environment<br>Allocation<br>Amount* | State<br>Share Total | State-Only<br>Share | Exchange Grant<br>Share |
|------------------------|-------------------------------|-------------------------------------------|---------------------------------------|--------------------------------------|-------------------------------|----------------------------------|---------------------------|---------------------------------------------|-----------------------------------------|------------------------------------------------------------|---------------------------------------------------------|----------------------|---------------------|-------------------------|
| FFY 2026               | \$7,738,364                   | 89.47%                                    | \$6,923,709                           | 88.10%                               | \$6,817,577                   | 1.37%                            | \$106,132                 | 0.00%                                       | \$0                                     | 0.00%                                                      | \$0                                                     | \$814,656            | \$0                 | \$0                     |
| FFY 2027               | \$11,405,873                  | 89.47%                                    | \$10,205,120                          | 88.10%                               | \$10,048,689                  | 1.37%                            | \$156,432                 | 0.00%                                       | \$0                                     | 0.00%                                                      | \$0                                                     | \$1,200,753          | \$0                 | \$0                     |
| Total FFY<br>2026-2027 | \$19,144,237                  | 89.47%                                    | \$17,128,829                          | 88.10%                               | \$16,866,266                  | 1.37%                            | \$262,563                 | 0.00%                                       | \$0                                     | 0.00%                                                      | \$0                                                     | \$2,015,410          | \$0                 | \$0                     |

| †MBES Line Item |                                                                                                                                                                                 |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2&A             | E&E - Title 19 (Medicaid) DDI- In-house Activities                                                                                                                              |
| 2&B             | E&E - Title 19 (Medicaid) DDI- Contractors                                                                                                                                      |
| 2&C             | E&E - Title 19 (Medicaid) Software/Services/Ops- In-house Activities                                                                                                            |
| 2&D             | E&E - Title 19 (Medicaid) Software/Services/Ops- Contractors                                                                                                                    |
| 2&E             | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of In-house Activities (staff who makes eligibility determinations)                                             |
| 2&F             | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of Private Sector (staff who makes eligibility determinations)                                                  |
| 2&G             | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of In-house Activities (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.) |
| 2&H             | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of Private Sector (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.)      |
| 33              | E&E - Title 21 (CHIP) Administration                                                                                                                                            |
| 49              | E&E - Title 19 (Medicaid) Other Financial Participation                                                                                                                         |

**Medicaid Proposed Budget for MMIS System  
Colorado Medicaid Detailed Budget Table**

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

Funding amounts described below are summarized by FFY; however, funding is only approved to be used in accordance with the approval dates described in this letter.

|                     | Project Title:                  |                      | Work Requirements               |                      |                                 |                      |                                                |                   |                                                            |
|---------------------|---------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|------------------------------------------------|-------------------|------------------------------------------------------------|
|                     | MMIS CMS Share<br>(90% FFP) DDI | State Share<br>(10%) | MMIS CMS Share<br>(75% FFP) DDI | State Share<br>(25%) | MMIS CMS Share<br>(75% FFP) M&O | State Share<br>(25%) | MMIS Medicaid<br>ENHANCED FUNDING<br>FFP Total | State Share Total | MMIS Medicaid<br>ENHANCED<br>FUNDING (TOTAL<br>COMPUTABLE) |
|                     | 2A† + 2B†                       | --                   | 2A† + 2B†                       | --                   | 4A† + 4B†                       | --                   |                                                |                   |                                                            |
| FFY 2026            | \$ 1,369,906                    | \$ 152,212           | \$ -                            | \$ -                 | \$ -                            | \$ -                 | \$ 1,369,906                                   | \$ 152,212        | \$ 1,522,118                                               |
| FFY 2027            | \$ 4,828,694                    | \$ 536,522           | \$ -                            | \$ -                 | \$ -                            | \$ -                 | \$ 4,828,694                                   | \$ 536,522        | \$ 5,365,216                                               |
| Total FFY 2026-2027 | \$ 6,198,600                    | \$ 688,734           | \$ -                            | \$ -                 | \$ -                            | \$ -                 | \$ 6,198,600                                   | \$ 688,734        | \$ 6,887,334                                               |

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

|                     | MMIS Medicaid<br>ENHANCED<br>FUNDING<br>FFP Total | MMIS Medicaid<br>NOT ENHANCED<br>FUNDING<br>FFP Total | TOTAL FFP    | STATE SHARE<br>TOTAL | APD TOTAL (TOTAL<br>COMPUTABLE) |
|---------------------|---------------------------------------------------|-------------------------------------------------------|--------------|----------------------|---------------------------------|
| FFY 2026            | \$ 1,369,906                                      | \$ -                                                  | \$ 1,369,906 | \$ 152,212           | \$ 1,522,118                    |
| FFY 2027            | \$ 4,828,694                                      | \$ -                                                  | \$ 4,828,694 | \$ 536,522           | \$ 5,365,216                    |
| Total FFY 2026-2027 | \$ 6,198,600                                      | \$ -                                                  | \$ 6,198,600 | \$ 688,734           | \$ 6,887,334                    |