

Department of Health Care Policy and Financing

Funding Request for the FY 2024-25 Budget Cycle

Request Title

R-08 Eligibility Compliance

Dept. Approval By:

Erin Doherty

Supplemental FY 2023-24

OSPB Approval By:

Adrian Leiter

Budget Amendment FY 2024-25

X

Change Request FY 2024-25

Summary Information	Fund	FY 2023-24		FY 2024-25		FY 2025-26
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$159,398,695	\$0	\$128,853,458	\$8,514,959	\$8,518,680
	FTE	741.0	0.0	732.1	1.8	2.0
Total of All Line Items Impacted by Change Request	GF	\$49,776,605	\$0	\$49,314,147	\$799,917	\$801,069
	CF	\$26,392,354	\$0	\$10,921,689	\$639,862	\$640,569
	RF	\$3,184,377	\$0	\$3,372,784	\$0	\$0
	FF	\$80,045,359	\$0	\$65,244,838	\$7,075,180	\$7,077,042

Line Item Information	Fund	FY 2023-24		FY 2024-25		FY 2025-26
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$68,472,030	\$0	\$68,122,067	\$167,731	\$182,314
	FTE	741.0	0.0	732.1	1.8	2.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$25,204,598	\$0	\$26,276,162	\$51,997	\$56,517
General Administration - Personal Services	CF	\$7,546,836	\$0	\$6,115,966	\$31,868	\$34,639
	RF	\$2,674,462	\$0	\$2,881,078	\$0	\$0
	FF	\$33,046,134	\$0	\$32,848,861	\$83,866	\$91,158
	Total	\$10,436,584	\$0	\$10,167,437	\$20,300	\$22,066
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$4,144,398	\$0	\$4,144,398	\$6,293	\$6,840
General Administration - Health, Life, and Dental	CF	\$753,615	\$0	\$619,042	\$3,857	\$4,193
	RF	\$221,797	\$0	\$221,797	\$0	\$0
	FF	\$5,316,774	\$0	\$5,182,200	\$10,150	\$11,033
	Total	\$98,551	\$0	\$95,751	\$237	\$258
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$38,706	\$0	\$38,706	\$73	\$80
General Administration - Short-term Disability	CF	\$7,097	\$0	\$5,698	\$45	\$49
	RF	\$1,911	\$0	\$1,911	\$0	\$0
	FF	\$50,837	\$0	\$49,436	\$119	\$129
	Total	\$0	\$0	\$0	\$668	\$727
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$0	\$0	\$0	\$207	\$225
General Administration - Paid Family and Medical Leave Insurance	CF	\$0	\$0	\$0	\$127	\$138
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$334	\$364
	Total	\$3,290,125	\$0	\$3,202,526	\$7,425	\$8,071
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$1,292,773	\$0	\$1,292,773	\$2,302	\$2,502
General Administration - Amortization Equalization Disbursement	CF	\$237,090	\$0	\$193,292	\$1,410	\$1,533
	RF	\$62,817	\$0	\$62,817	\$0	\$0
	FF	\$1,697,445	\$0	\$1,653,644	\$3,713	\$4,036

Line Item Information	Fund	FY 2023-24		FY 2024-25		FY 2025-26
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,290,125	\$0	\$3,202,525	\$7,425	\$8,071
01. Executive Director's Office, (A) General Administration, (1)	FTE	0.0	0.0	0.0	0.0	0.0
General Administration - Supplemental	GF	\$1,292,773	\$0	\$1,292,773	\$2,302	\$2,502
Amortization	CF	\$237,090	\$0	\$193,292	\$1,411	\$1,533
Equalization	RF	\$62,817	\$0	\$62,817	\$0	\$0
Disbursement	FF	\$1,697,445	\$0	\$1,653,643	\$3,712	\$4,036
	Total	\$3,703,098	\$0	\$2,931,345	\$15,470	\$1,470
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$1,424,388	\$0	\$1,239,975	\$4,796	\$456
General Administration - Operating Expenses	CF	\$461,677	\$0	\$234,818	\$2,939	\$279
	RF	\$40,724	\$0	\$22,515	\$0	\$0
	FF	\$1,776,309	\$0	\$1,434,037	\$7,735	\$735
	Total	\$3,925,908	\$0	\$3,703,002	\$9,300	\$9,300
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$1,477,587	\$0	\$1,462,006	\$2,883	\$2,883
General Administration - Leased Space	CF	\$448,474	\$0	\$348,876	\$1,767	\$1,767
	RF	\$38,849	\$0	\$38,849	\$0	\$0
	FF	\$1,960,998	\$0	\$1,853,271	\$4,650	\$4,650
	Total	\$62,877,160	\$0	\$34,123,691	\$249,804	\$249,804
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$13,811,567	\$0	\$12,477,539	\$77,439	\$77,439
General Administration - General Professional Services and Special Projects	CF	\$16,155,462	\$0	\$2,665,692	\$47,463	\$47,463
	RF	\$81,000	\$0	\$81,000	\$0	\$0
	FF	\$32,829,131	\$0	\$18,899,460	\$124,902	\$124,902
	Total	\$3,305,114	\$0	\$3,305,114	\$8,036,599	\$8,036,599
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (D) Eligibility Determinations and Client Services, (1)	GF	\$1,089,815	\$0	\$1,089,815	\$651,625	\$651,625
Eligibility Determinations and Client Services - Work Number Verification	CF	\$545,013	\$0	\$545,013	\$548,975	\$548,975
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$1,670,286	\$0	\$1,670,286	\$6,835,999	\$6,835,999

Auxiliary Data

Requires Legislation? NO

Type of Request? Health Care Policy and Financing
Prioritized Request

**Interagency Approval or
Related Schedule 13s:**

No Other Agency Impact



**Department Priority: R-8
 Eligibility Compliance**

Summary of Funding Change for FY 2024-25			
		Incremental Change	
	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2025-26 Request
Total Funds	\$159,398,695	\$8,514,959	\$8,518,680
FTE	741.0	1.8	2.0
General Fund	\$49,776,605	\$799,917	\$801,069
Cash Funds	\$26,392,354	\$639,862	\$640,569
Reappropriated Funds	\$3,184,377	\$0	\$0
Federal Funds	\$80,045,359	\$7,075,180	\$7,077,042

Summary of Request

The Department requests \$8,514,959 total funds, including \$799,917 General Fund and 1.8 FTE in FY 2024-25 and \$8,518,680 total funds, including \$801,069 General Fund and 2.0 FTE in FY 2025-26 and ongoing in order to comply with federal regulations for fiscal subrecipient monitoring, timely processing of appeals, and compliance with recent changes regarding the Federal Data Services Hub used for member income verification. The Department’s proper oversight and compliance of federal regulation is critical in order for members to maintain coverage and eligibility without disruption, while also being a sound steward of financial resources by optimizing federal match to cover costs where allowable. This request supports the Department’s Wildly Important Goal of Keeping Coloradans Covered by ensuring that member applications and renewals are processed timely and accurately and with minimal disruption.

This request represents an increase of less than 0.5% of the Department’s FY 2023-24 Long Bill total funds appropriation.

Requires Legislation	Equity Impacts	Impacts Another Department?	Statutory Authority
No	Neutral	No	25.5-4-205, C.R.S.

Current Program

The Department is responsible for overseeing various programs that are funded through federal Medicaid dollars. To keep these programs running effectively and with minimal disruption to Medicaid members, it is imperative that the Department abide by federal regulations and remain in compliance. This also ensures the Department can continue to draw down federal match for these programs, so the State can use state dollars for other priorities.

County Fiscal Subrecipient Monitoring

Currently, the Department oversees an appropriation of over \$120 million total funds in which it reimburses the 64 Colorado counties for activities that are eligible to receive Medicaid match. Even at that level of funding, the County Administration Program has minimal resources in place to pre-approve major program or staffing changes, nor does it conduct the necessary amount of post-expenditure reviews to ensure only allowable costs were charged to Medicaid, as required per 2 CFR Part 200¹. Currently, post-expenditure reviews are only conducted on approximately 2% of eligible reimbursements.

State Appeals and Eligibility Processing

When a Medicaid member submits an application and is denied or receives a notice of adverse action (such as an upcoming disenrollment) or reduction of benefits, they have a legal right to file an appeal. From the beginning of the appeal through the final determination, a member may continue to receive continuous Medicaid benefits, as long as the appeal was submitted prior to the member being disenrolled. A member can request for a state appeal within 60 of days after receiving a notice of adverse action. This process involves the Office of Administrative Courts (OAC) (part of the Department of Personnel and Administration) opening a case file, scheduling the matter for a hearing, and an evidentiary hearing conducted by an Administrative Law Judge (ALJ) who issues an Initial Decision.

Concurrently, a hearing notice for all appeals (provider, benefits, eligibility) is sent to the Department to track all actions (Expedite, Initial Decision, Final Decision) that occur during the hearing process. The Department then coordinates all hearing notices and decisions in order to track, research and establish if continued benefits criteria has been met to reopen a case during

¹ § 200.332 (d) specifies that the pass-through entity (such as the Department) must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

the appeals process, works with eligibility sites on hearing packets and hearing processes, files motions to dismiss an appeal when necessary, reviews the Initial Decision by OAC, works with eligibility sites to file exceptions to the Initial Decision, and works with eligibility sites on Final Agency Decisions.

Federal regulations issued by the Centers for Medicare and Medicaid Services (CMS) require that member appeals must be processed within a 90-day timeframe, per 42 C.F.R. § 431.244(f)(1). Additionally, in 2018 the Department was federally mandated to provide an expedited hearing option, further adding to the workload.

Federal Data Services Hub

The Department currently uses CMS's Federal Data Services Hub (FDSH) to conduct income verification to determine a member's medical assistance eligibility at the time of application and renewal. It is used to pull together data from various federal departments, including the Social Security Administration, the Internal Revenue Service, the Department of Veterans Affairs, and Medicare.

FDSH is intended to support efficiency and data security by streamlining connections to federal data, instead of requiring each Marketplace, Medicaid agency, and CHIP agency to create separate data linkages to these sources. Over 30 Medicaid agencies currently use FDSH to confirm sources of income for new applications and redeterminations of eligibility.

Since October 2013, this service has been available to states at no cost. FDSH is used by the Department as part of a multi-faceted income verification approach, where a member's application is first verified through FDSH, followed by Equifax's Work Number Verification, and then by the Department of Labor and Employment's (CDLE) Income and Eligibility Verification System (IEVS). The ability to verify income through these various interface services is crucial for the automated member benefit renewal process and minimizes member intervention and county impact. Currently, this process succeeds in automated approvals for 32% of member renewals.

Problem or Opportunity

Given the size of the Department's budget and the number of people served through its programs, proper oversight is critical to ensure members are receiving and can continue to receive the services and supports they need. Part of the Department's ability to receive Medicaid funding is contingent on following guidelines issued by CMS and that costs attributed to Medicaid are authorized and allowable. This oversight also extends to its partners and vendors that help the Department deliver services to its members. If the Department falls out of compliance with state and/or federal rules and regulations, it risks having to repay federal funds. All repayments to the federal government would be paid directly with General Fund, therefore any General Fund that must be used to repay federal funds is taken away from another state priority.

As such, the Department has identified various programs that are at risk of becoming out of compliance, or are already out of compliance with federal regulation, and seeks to address this through additional resources that would help ensure the Department can comply with these regulations.

Proposed Solution and Anticipated Outcomes

The Department requests \$8,514,959 total funds, including \$799,917 General Fund and 1.8 FTE in FY 2024-25 and \$8,518,680 total funds, including \$801,069 General Fund and 2.0 FTE in FY 2025-26 and ongoing in order to improve county financial oversight and sub-recipient monitoring, hire additional appeals staff for more timely appeals processing, continue to use the FDSH income verification system, and true up the Work Number Verification appropriation.

County Fiscal Oversight

The Department's County Administration Program is at risk of being non-compliant with Federal statute by not having adequate resources to provide ongoing financial sub-recipient monitoring or to work with the counties in advance when they undergo major financial systemic changes and ensure they are within compliance. The existing County Administration team has 1.0 FTE dedicated to county fiscal and expenditure oversight; this position is responsible for conducting 64 (reflecting all counties) onsite reviews of accounting and fiscal rules, reviews of county expenditures, review of annual county budgets and Single Audits and trending and analysis of county administration expenditures, in addition to other duties. As such, current post-expenditure reviews are only conducted on approximately 2% of eligible reimbursements. There is not a prior approval process for county administration funding as required per 2 CFR Part 200, meaning that significant county staffing or funding changes are not reviewed and approved prior to the county making those changes.

Per 2 CFR Part 200, any pass-through agency should have internal controls in place in order to ensure that any federal funds awarded and paid out are allowable and appropriate costs and activities. In this scenario, the Department would be considered the pass-through agency while the counties would be the sub-recipients, carrying out part of the federal award received by the Department. This helps mitigate any potential audit risk from CMS, as the Department would ultimately be liable if any payment was identified as an unallowable cost. Continuous audit findings could also put the Department's county administration federal funding at risk as well.

To improve county financial oversight and sub-recipient monitoring, the Department requests 1.0 FTE and funding for contractor resources. Contractor funding would allow the Department to conduct post-expenditure review on approximately 5% of county costs to ensure eligibility for reimbursement. This would allow the Department to focus on auditing county expenditures that are reported at higher dollar amounts. It would help ensure counties are not spending funding on unnecessary or unrelated costs. For example, in two recent reviews of county expenditures, it was discovered that the counties reviewed had received duplicative reimbursements for certain indirect costs that were then also charged directly to the county's standard allocation. In these

instances, the costs charged to the standard allocation were ineligible for reimbursement because the county had already received reimbursement through their indirect costs rate.

The FTE requested would act as a fiscal administrator that would operationalize the prior approval process of major systemic changes at the county, as required by 2 CFR Part 200, in addition to managing the activities related to oversight of the contractor post-expenditure review services requested. The requested FTE would also review prior approval requests, coordinate with existing fiscal and policy staff to determine whether the requested change is allowable, issue approvals for those requested changes, and ensure ongoing monitoring of the approved changes through implementation. The Department anticipates these resources would help improve county oversight by pre-empting non-allowable changes and help to set the groundwork for a long-term strategy for county financial subrecipient monitoring. Without this funding, the Department cannot provide proper county financial subrecipient monitoring, and is at risk for potential audit findings from unallowable costs.

Appeals Staffing

For the last two decades, the Department has remained static at its level of staffing for eligibility and appeals related activities. As of FY 2023-24, the Department has one permanent eligibility appeals specialist who handles all escalated Medicaid eligibility appeals issues while the appeals are going through the hearing phase, and one internal appeals officer to issue Final Agency Decisions for all member appeals. Both of these positions were funded prior to Medicaid expansion in 2013. However, since that time the Department has seen a significant growth of Medicaid members, with an increase of 59.64% since the first Marketplace Open Enrollment Period and related Medicaid program changes in October 2013². This has resulted in an increased number of state appeals year over year. For example, in 2010 the Department issued 936 Final Agency Decisions, whereas in 2020 that number more than doubled to a high of 2,072 Final Agency Decisions.

Metric	Amount
Total Medicaid and CHP+ Enrollment- July-Sept. 2013	922,446
Total Medicaid and CHP+ Enrollment- July 2024 (estimated)	1,472,549
% Growth	59.64%

While the Department has absorbed much of the increase in workload, it is no longer within compliance of resolving appeals within a timely manner, averaging around 180 days against the 90-day requirement. The Department can no longer absorb the increase in workload from increased appeals and process appeals within the appropriate timeframe set forth by CMS. Furthermore, until a Final Decision has been made on a pending appeal, members who request a continuation of benefits typically continue to receive benefits, which requires the state to continue to pay for any services provided and capitations paid during the pendency of appeals. Additionally, CMS has indicated that post-unwind they may invoke penalties on states outside of the 90-day compliance period.

² <https://www.medicaid.gov/state-overviews/stateprofile.html?state=colorado>

The Department was given additional resources in its FY 2023-24 S-06/BA-06, “Public Health Emergency Funding,” for 11.6 temporary FTE related to the anticipated increase in state appeals due to the end of continuous coverage from the Public Health Emergency. However, these positions are temporary; they have been hired to help with the increase in appeals during the PHE Unwind period and are set to expire by July 2024.

The Department requests 1.0 FTE, which would help reduce the number of days it takes the Department to issue Initial Agency Decisions and Final Agency Decisions after a hearing to help bring the Department’s state appeals processing timeline back into compliance of within 90 days. Since 2010, Final Agency Decisions have more than doubled, and currently there are 274 appeals which have been pending for over 90 days. Adding a second appeals officer would provide the Department with a proper appeals officer to appeals ratio and would help Medicaid members receive more timely Final Agency Decisions on their appeals to help maintain a processing timeframe of less than 90 days.

An increase in appeals cases year after year has created more administrative responsibility for the Department, including: an increase in correspondence with members and relevant parties; the reviewing of Initial Decisions and issuance of Final Agency Determinations; and Department oversight of expedited member hearings. If the appeals staffing resources are not funded, the Department will continue to process state appeals outside of the 90-day requirement, which could result in penalties from CMS.

Funding for Federal Data Services Hub Commercial Sources of Income

CMS has notified states that it has seen an exponential increase in states’ use of the Commercial Sources of Income (CSI) function of FDSH over the past three years and does not have the means to cover the rise in costs. Therefore, CMS has set a target date of July 1, 2024 to migrate the FDSH CSI function to a Medicaid-claimable service that will be eligible for Federal Financial Participation (FFP). The Department does not have the state funding required to draw down the federal match to pay for this service once it is no longer covered entirely by CMS.

Therefore, the Department requests state funding to draw down 75% enhanced FFP to cover the costs of the FDSH CSI function, which will begin to be charged to the Department as of July 1, 2024. This would allow the Department to maintain its income verification interface process, and members would not notice any change in timeliness of benefit application or renewal processing.

Approximately 32% of income reported in member applications and renewals is verified through the FDSH CSI function. The Department anticipates that this number will increase after the conclusion of the PHE unwind process, as current volume is being diluted by locked-in members. This creates efficiencies and cost savings as this process is automated and requires minimal Department or county review. Without the requested funding to continue the FDSH CSI function, counties could potentially see an increase in workload created by an uptake of a more manual income verification process. Eligibility redeterminations could be delayed, disrupting the member experience.

Work Number Verification True Up and Line-Item Name Change

The Department also requests to true up the Work Number Verification line-item fund source splits, as it has recently identified the ability to draw down 75% FFP instead of 50% FFP on its Equifax income verification return costs. This would result in state fund savings. The Department requests to use the state funding savings to offset the state costs for the FDSH CSI function.

Initially, the Department had requested a 50% FFP when it established the Work Number Verification program. With recent guidance from CMS that FDSH would qualify for 75% FFP, the Department has identified that since the Work Number Verification program is also income eligibility related, it can pursue a 75% FFP for those activities. As such, the Department requests a corresponding reduction in state funds and increase in federal funds.

Additionally, the Department requests a Long Bill line item name change to the Section (1) Executive Director’s Office; (D) Eligibility Determinations and Client Services, Work Number Verification line item, proposing a new line item name “Income Verification Programs”, as it anticipates the funding for the FDSH CSI function would be appropriated to this line item as well.

This request supports the Department’s WIG of Keep Coloradans Covered, as maintaining or increasing the automated member benefit renewal rate minimizes member disruption during the renewal process. It also supports the Department’s Pillar of Health First Colorado Value, ensuring members are receiving the right services through the right plan and at the correct cost.

Supporting Evidence and Evidence Continuum

This request falls under Step 3 (Assess Outcomes) on the Evidence Continuum. Under the S.B. 21-284 definitions, this program would be characterized as “Theory-Informed”.

The Department tracks the number of days that elapse from the time an appeal is filed by a member until the Department issues a Final Agency Decision, and the appeal is closed. Currently, the Department averages 180 days. If funded, this request would add an additional 1.0 FTE to help with appeals processing. The Department would be able to measure the results in the long term by seeing how many days on average it takes to close an appeal. The Department could further measure the change in the number (or percentage) of the appeals decisions that are completed within the 90-day time frame requirement that result from the additional resources requested.

Program Objective	Process member state appeals within a 90-day timeframe.
Outputs being measured	The number of appeals that have a Final Agency Decision issued within 90 days of the appeal being filed.
Outcomes being measured	The change in the number (or percentage) of the decisions that are completed within the 90 day requirement.

Type and Result of Evaluation	N/A
S.B. 21-284 Evidence Category and Evidence Continuum Level	Theory-Informed, Step 3

Promoting Equitable Outcomes

The Department believes this request to be equity-neutral. Increased appeals staff would benefit all members by having more timely resolutions to their appeals issues. Funding the FDSH CSI function would allow the Department to apply the same income verification process to all members without creating an additional burden on any specific population.

Assumptions and Calculations

Detailed calculations can be found in Appendix A.

County Fiscal Oversight

The Department assumes a standard rate of \$214 for contractor costs related to post expenditure review of county reported costs. The Department estimates it would spend an average of 53 hours per county review, and would review a third, approximately 22 counties, each year.

Contractor work would include coordinating with the existing county compliance team to pull a larger subset of expenditures for review during the county’s previously scheduled Management Evaluation (ME) Review. This minimizes the county burden by utilizing existing review processes, while increasing the percentage of expenditures reviewed from 2% to a 5% standard. To do this review, the contractor will be provided existing county expenditure documentation, compare that to data entry into the County Financial Management System (CFMS) and ensure those expenditures were allowable per 2 CFR Part 200 (allowable costs) and state fiscal rules and guidance. If unallowable expenditures are uncovered by the contractor, findings will be issued and monitored through the existing ME Review process currently in place.

Appeals Staffing

The Department was given additional resources in its FY 2023-24 S-06/BA-06, “Public Health Emergency Funding,” for 11.6 temporary FTE related to the anticipated increase in state appeals due to the end of continuous coverage from the Public Health Emergency. However, these positions are temporary and are set to expire by July 2024. Of these temporary FTE, the Department will hire two term-limited Administrative Law Judges (ALJs) for the anticipated surge in post-PHE unwind appeals. If approved, this request would permit the Department to retain one of these ALJ positions at the close of the PHE unwind.

Funding for Federal Data Services Hub Commercial Sources of Income

While there are a large number of requests sent to the FDSH CSI hub, CMS only pays for usable results, with different rates for tier 1 (data is 0-45 days old) and tier 2 results (data 45-90 days old). The Department assumes that the FDSH CSI function rate for both tiers will be similar to its Equifax Work Number Verification rate. The rate is also in line with CMS’s vendor’s General Services Administration rate of \$9.72³ for each successful transaction or result. In FY 2022-23, the Department paid \$6.65 per hit for its Equifax Work Number Verification. In FY 2023-24, the rate is set at \$8.60 per hit and in FY 2024-25 at \$9.89 per hit.

While the rate is increasing, the Department anticipates that Medicaid caseload will decrease by FY 2024-25 as member application and renewal activity resume normality after a year of the post Public Health Emergency (PHE) unwind period. To account for this, the Department used its forecasted average monthly caseload in its cost projections.

CMS also provided the Department with 15 months of data of returned verification results (or hits) for the time period of January 2022 through March 2023. The Department used this data to calculate the average number of returned verifications compared to Medicaid and CHP+ caseload over the 15-month period to make the assumption that 4.50% of total caseload will result in verified results through FDSH CSI.

The Department assumes the state funds requested for FDSH would be eligible for 75% federal financial participation (FFP). The Department also assumes that it would draw down 75% FFP instead of 50% FFP on its Work Number Verification line item starting in FY 2024-25.

Position Name	Position Classification	Number of FTE	Description
Appeals Officer	Administrative Law Judge II	1.0	This position would serve as an Appeals Officer, issuing binding Final Agency Decisions in the federally mandated State Fair Hearing process. The Appeals Officer reviews Initial Decisions as well as any exceptions or transcripts before writing the Final Agency Decision. This may involve analysis of complex legal issues and legal research. Additionally, the Appeals Officer also manages the expedited hearing process and holds hearings when necessary. Other duties may include answering questions and directing staff on how to respond to issues that may arise in individual cases as well as providing backup support to the other Appeals Office staff.

³ https://www.gsaadvantage.gov/ref_text/GS02F0235X/GS02F0235X_online.htm

<p style="text-align: center;">County Subrecipient Monitoring Agent</p>	<p style="text-align: center;">Administrator IV</p>	<p style="text-align: center;">1.0</p>	<p>This position would act as a fiscal administrator that would operationalize the prior approval process of major, systemic changes at the county, as required by 2 CFR Part 200, in addition to managing the activities related to oversight of the contractor services requested. The requested FTE would also review prior approval requests, coordinate with existing fiscal and policy staff to determine whether the requested change is allowable, issue approvals for those requested changes, and ensure ongoing monitoring to ensure those approved changes are implemented.</p>
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R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2024-25									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Personal Services	\$167,731	1.8	\$51,997	\$31,868	\$0	\$83,866	50.00%	Table 2.1 Row A + Table 2.1 Row G
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	\$20,300	0.0	\$6,293	\$3,857	\$0	\$10,150	50.00%	Table 6 and Table 7 FTE and Operating
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	\$237	0.0	\$73	\$45	\$0	\$119	50.00%	Table 6 and Table 7 FTE and Operating
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	\$7,425	0.0	\$2,302	\$1,410	\$0	\$3,713	50.00%	Table 6 and Table 7 FTE and Operating
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$7,425	0.0	\$2,302	\$1,411	\$0	\$3,712	50.00%	Table 6 and Table 7 FTE and Operating
F	(1) Executive Director's Office; (A) General Administration; Paid Family and Medical Leave Insurance	\$668	0.0	\$207	\$127	\$0	\$334	50.00%	Table 6 and Table 7 FTE and Operating
G	(1) Executive Director's Office; (A) General Administration; Operating Expenses	\$15,470	0.0	\$4,796	\$2,939	\$0	\$7,735	50.00%	Table 6 and Table 7 FTE and Operating
H	(1) Executive Director's Office; (A) General Administration; Leased Space	\$9,300	0.0	\$2,883	\$1,767	\$0	\$4,650	50.00%	Table 6 and Table 7 FTE and Operating
I	(1) Executive Director's Office; (A) General Administration; General Professional Services	\$249,804	0.0	\$77,439	\$47,463	\$0	\$124,902	50.00%	Table 2.1 Row E
J	LINE ITEM NAME CHANGE: (1) Executive Director's Office; (D) Eligibility Determinations and Client Services; Income Verification Programs	\$8,036,599	0.0	\$651,625	\$548,975	\$0	\$6,835,999	NA	Table 2.1 Row P
K	Total Request	\$8,514,959	1.8	\$799,917	\$639,862	\$0	\$7,075,180	N/A	Sum of Rows A through J

R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 1.2 Summary by Line Item FY 2025-26 and Ongoing									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; Personal Services	\$182,314	2.0	\$56,517	\$34,639	\$0	\$91,158	50.00%	Table 2.2 Row A + Table 2.2 Row G
B	(1) Executive Director's Office; (A) General Administration; Health, Life, and Dental	\$22,066	0.0	\$6,840	\$4,193	\$0	\$11,033	50.00%	Table 6 and Table 7 FTE and Operating
C	(1) Executive Director's Office; (A) General Administration; Short-term Disability	\$258	0.0	\$80	\$49	\$0	\$129	50.00%	Table 6 and Table 7 FTE and Operating
D	(1) Executive Director's Office; (A) General Administration; S.B. 04-257 Amortization Equalization Disbursement	\$8,071	0.0	\$2,502	\$1,533	\$0	\$4,036	50.00%	Table 6 and Table 7 FTE and Operating
E	(1) Executive Director's Office; (A) General Administration; S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$8,071	0.0	\$2,502	\$1,533	\$0	\$4,036	50.00%	Table 6 and Table 7 FTE and Operating
F	(1) Executive Director's Office; (A) General Administration; Paid Family and Medical Leave Insurance	\$727	0.0	\$225	\$138	\$0	\$364	50.00%	Table 6 and Table 7 FTE and Operating
G	(1) Executive Director's Office; (A) General Administration; Operating Expenses	\$1,470	0.0	\$456	\$279	\$0	\$735	50.00%	Table 6 and Table 7 FTE and Operating
H	(1) Executive Director's Office; (A) General Administration; Leased Space	\$9,300	0.0	\$2,883	\$1,767	\$0	\$4,650	50.00%	Table 6 and Table 7 FTE and Operating
I	(1) Executive Director's Office; (A) General Administration; General Professional Services	\$249,804	0.0	\$77,439	\$47,463	\$0	\$124,902	50.00%	Table 2.2 Row E
J	LINE ITEM NAME CHANGE: (1) Executive Director's Office; (D) Eligibility Determinatinos and Client Services; Income Verification Programs	\$8,036,599	0.0	\$651,625	\$548,975	\$0	\$6,835,999	NA	Table 2.2 Row P
K	Total Request	\$8,518,680	2.0	\$801,069	\$640,569	\$0	\$7,077,042	N/A	Sum of Rows A thru J

R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 2.1 Summary by Initiative FY 2024-25									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
County Subrecipient Monitoring									
A	FTE Salaries	\$72,886.0	0.9	\$22,595	\$13,848	\$0	\$36,443	50.00%	Table 6 FTE and Operating
B	FTE POTS	\$16,995.0	0.0	\$5,269	\$3,229	\$0	\$8,497	50.00%	Table 6 FTE and Operating
C	FTE Operating and Leased Space	\$12,385.0	0.0	\$3,839	\$2,353	\$0	\$6,193	50.00%	Table 6 FTE and Operating
D	FTE Total	\$102,266.0	0.9	\$31,703	\$19,430	\$0	\$51,133	50.00%	Sum: Rows A through C
E	Contractor Costs: Post-expenditure Review	\$249,804.0	0.0	\$77,439	\$47,463	\$0	\$124,902	50.00%	Table 3.1 Row D
F	Subtotal	\$352,070.0	0.9	\$109,142	\$66,893	\$0	\$176,035	50.00%	Sum: Rows D + E
State Appeals and Eligibility Processing									
G	FTE Salaries	\$94,845	0.9	\$29,402	\$18,020	\$0	\$47,423	50.00%	Table 7 FTE and Operating
H	FTE POTS	\$19,060	0.0	\$5,909	\$3,621	\$0	\$9,530	50.00%	Table 7 FTE and Operating
I	FTE Operating and Leased Space	\$12,385	0.0	\$3,839	\$2,353	\$0	\$6,193	50.00%	Table 7 FTE and Operating
J	FTE Total	\$126,290	0.9	\$39,150	\$23,994	\$0	\$63,146	50.00%	Sum: Rows G through I
K	Subtotal	\$126,290	0.9	\$39,150	\$23,994	\$0	\$63,146	50.00%	Sum: Row J
Federal Data Services Hub									
L	FDSH Commercial Source of Income Function	\$8,036,599	0.0	\$1,245,673	\$763,477	\$0	\$6,027,449	75.00%	Table 4.1 Row E
M	Savings: Claim 75% FFP for WNV	\$0	0.0	(\$594,048)	(\$214,502)	\$0	\$808,550	NA	Table 5.1 Row C
N	Subtotal	\$8,036,599	0.0	\$651,625	\$548,975	\$0	\$6,835,999	NA	Sum Row L + Row M
O	Total Request	\$8,514,959	1.8	\$799,917	\$639,862	\$0	\$7,075,180	NA	Sum Row F + Row K + Row N

Table 2.2 Summary by Initiative FY 2025-26 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
County Subrecipient Monitoring									
A	FTE Salaries	\$79,223	1.0	\$24,559	\$15,052	\$0	\$39,612	50.00%	Table 6 FTE and Operating
B	FTE POTS	\$18,475	0.0	\$5,727	\$3,510	\$0	\$9,238	50.00%	Table 6 FTE and Operating
C	FTE Operating and Leased Space	\$5,385	0.0	\$1,669	\$1,023	\$0	\$2,693	50.00%	Table 6 FTE and Operating
D	FTE Total	\$103,083	1.0	\$31,955	\$19,585	\$0	\$51,543	50.00%	Sum: Rows A through C
E	Contractor Costs: Post-expenditure Review	\$249,804	0.0	\$77,439	\$47,463	\$0	\$124,902	50.00%	Table 3.1 Row D
F	Subtotal	\$352,887	1.0	\$109,394	\$67,048	\$0	\$176,445	50.00%	Sum: Rows D + E
State Appeals and Eligibility Processing									
G	FTE Salaries	\$103,091	1.0	\$31,958	\$19,587	\$0	\$51,546	50.00%	Table 7 FTE and Operating
H	FTE POTS	\$20,718	0.0	\$6,423	\$3,936	\$0	\$10,359	50.00%	Table 7 FTE and Operating
I	FTE Operating and Leased Space	\$5,385	0.0	\$1,669	\$1,023	\$0	\$2,693	50.00%	Table 7 FTE and Operating
J	FTE Total	\$129,194	1.0	\$40,050	\$24,546	\$0	\$64,598	50.00%	Sum: Rows G through I
K	Subtotal	\$129,194	1.0	\$40,050	\$24,546	\$0	\$64,598	50.00%	Sum: Row J
Federal Data Services Hub									
L	FDSH Commercial Source of Income Function	\$8,036,599	0.0	\$1,245,673	\$763,477	\$0	\$6,027,449	75.00%	Table 4.1 Row E
M	Savings: Claim 75% FFP for WNV	\$0	0.0	(\$594,048)	(\$214,502)	\$0	\$808,550	NA	Table 5.1 Row C
N	Subtotal	\$8,036,599	0.0	\$651,625	\$548,975	\$0	\$6,835,999	NA	Sum Row L + Row M
O	Total Request	\$8,518,680	2.0	\$801,069	\$640,569	\$0	\$7,077,042	NA	Sum Row F + Row K + Row N

R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 3.1 Contractor Funding for County Post Expenditure Review			
Row	Description	Value	Source
<i>Financial Post Expenditure Review</i>			
A	Expected Number of Hours per Review	53	Department Estimate
B	Number of Counties Reviewed per Year	22	Department Estimate
C	Hourly Rate	\$214	Department Standard Costs
D	Total	\$249,804	Row A * Row B * Row C

R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 4.1 Federal Data Services Hub Commercial Sources of Income Cost Projections				
Row	Item	FY 2024-25	FY 2025-26 and Ongoing	Notes
A	Estimated Monthly Average Caseload of Medicaid and CHP Members	1,504,812	1,504,812	Department Estimate.
B	Estimated % of Verifications	4.50%	4.50%	Department Assumption ¹
C	Estimated Verifications Returned per Year	812,598	812,598	Row A * B * 12
D	Cost per Returned Verification	\$9.89	\$9.89	Based on Equifax WNV Rate
E	Total Annual Costs for Verifications Returned	\$8,036,599	\$8,036,599	Row C * Row D

¹Based on 15 months of data of HCPF caseload and CMS verification returns from Jan. 2022- Mar. 2023

R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 5.1 Work Number Verification Line Item True Up							
Row	Item	Total Funds	General Fund	Cash Funds	Federal Funds	FFP	
A	Work Number Verification Current Appropriation	\$3,305,114	\$1,089,815	\$545,013	\$1,670,286	50%	Appropriation in Long Bill SB 23-214
B	Work Number Verification Requested Appropriation	\$3,305,114	\$495,767	\$330,511	\$2,478,836	75%	Requested appropriation based on 75% FFP
C	Change	\$0	(\$594,048)	(\$214,502)	\$808,550	NA	Row B - Row A

R-8 Eligibility Compliance
Appendix A: Assumptions and Calculations

Table 6 FTE Calculations- County Subrecipient Monitoring								
Personal Services								
Position Classification	FTE	Start Month	End Month (if Applicable)	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
ADMINISTRATOR IV	1.0	Jul 2024	N/A	\$72,886	\$79,223	\$79,223	\$76,919	
Total Personal Services (Salary, PERA, Medicare)	1.0			\$72,886	\$79,223	\$79,223	\$76,919	
Centrally Appropriated Costs								
Cost Center	FTE Year 1	FTE Year 2+	Cost or Percentage	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Health, Life, Dental	0.9	1.0	\$11,033	\$10,150	\$11,033	\$11,033	\$11,033	
Short-Term Disability	-	-	0.16%	\$103	\$112	\$112	\$109	
Amortization Equalization Disbursement	-	-	5.00%	\$3,226	\$3,507	\$3,507	\$3,405	
Supplemental Amortization Equalization Disbursement	-	-	5.00%	\$3,226	\$3,507	\$3,507	\$3,405	
Paid Family and Medical Leave Insurance	-	-	0.45%	\$290	\$316	\$316	\$306	
Centrally Appropriated Costs Total				\$16,995	\$18,475	\$18,475	\$18,258	
Operating Expenses								
Ongoing Costs	FTE Year 1	FTE Year 2+	Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Supplies	1.0	1.0	\$500	\$500	\$500	\$500	\$500	
Telephone	1.0	1.0	\$235	\$235	\$235	\$235	\$235	
Other	1.0	1.0	\$0	\$0	\$0	\$0	\$0	
<i>Subtotal</i>				\$735	\$735	\$735	\$735	
One-Time Costs (Capital Outlay)	FTE		Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Furniture	1.0		\$5,000	\$5,000	\$0	\$0	\$0	
Computer	1.0		\$2,000	\$2,000	\$0	\$0	\$0	
Other	1.0		\$0	\$0	\$0	\$0	\$0	
<i>Subtotal</i>				\$7,000	\$0	\$0	\$0	
Total Operating				\$7,735	\$735	\$735	\$735	
Leased Space								
	FTE Year 1	FTE Year 2+	Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Leased Space	1.0	1.0	\$4,650	\$4,650	\$4,650	\$4,650	\$4,650	

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Appendix A: Assumptions and Calculations

Table 7 State Appeals and Eligibility Processing FTE Calculations Personal Services								
Position Classification	FTE	Start Month	End Month (if Applicable)	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
ADMIN LAW JUDGE II	1.0	Jul 2024	N/A	\$94,845	\$103,091	\$103,091	\$103,091	
Total Personal Services (Salary, PERA, Medicare)	1.0			\$94,845	\$103,091	\$103,091	\$103,091	

Centrally Appropriated Costs								
Cost Center	FTE Year 1	FTE Year 2+	Cost or Percentage	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Health, Life, Dental	0.9	1.0	\$11,033	\$10,150	\$11,033	\$11,033	\$11,033	
Short-Term Disability	-	-	0.16%	\$134	\$146	\$146	\$146	
Amortization Equalization Disbursement	-	-	5.00%	\$4,199	\$4,564	\$4,564	\$4,564	
Supplemental Amortization Equalization Disbursement	-	-	5.00%	\$4,199	\$4,564	\$4,564	\$4,564	
Paid Family and Medical Leave Insurance	-	-	0.45%	\$378	\$411	\$411	\$411	
Centrally Appropriated Costs Total				\$19,060	\$20,718	\$20,718	\$20,718	

Operating Expenses								
Ongoing Costs	FTE Year 1	FTE Year 2+	Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Supplies	1.0	1.0	\$500	\$500	\$500	\$500	\$500	
Telephone	1.0	1.0	\$235	\$235	\$235	\$235	\$235	
Other	1.0	1.0	\$0	\$0	\$0	\$0	\$0	
<i>Subtotal</i>				<i>\$735</i>	<i>\$735</i>	<i>\$735</i>	<i>\$735</i>	
One-Time Costs (Capital Outlay)	FTE		Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Furniture	1.0		\$5,000	\$5,000	\$0	\$0	\$0	
Computer	1.0		\$2,000	\$2,000	\$0	\$0	\$0	
Other	1.0		\$0	\$0	\$0	\$0	\$0	
<i>Subtotal</i>				<i>\$7,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	
Total Operating				\$7,735	\$735	\$735	\$735	

Leased Space								
	FTE Year 1	FTE Year 2+	Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Leased Space	1.0	1.0	\$4,650	\$4,650	\$4,650	\$4,650	\$4,650	