

Department of Health Care Policy and Financing

Funding Request for the FY 2025-26 Budget Cycle

Request Title

R-08 CMES Administration

Dept. Approval By: _____

Supplemental FY 2024-25

OSPB Approval By: _____

Budget Amendment FY 2025-26

X

Change Request FY 2025-26

Summary Information	Fund	FY 2024-25		FY 2025-26		FY 2026-27
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$103,433,272	\$0	\$99,838,172	\$1,900,121	\$1,938,089
Total of All Line Items Impacted by Change Request	FTE	795.8	0.0	753.3	16.6	18.0
	GF	\$39,074,406	\$0	\$40,103,699	\$343,562	\$350,197
	CF	\$10,507,832	\$0	\$7,466,571	\$0	\$0
	RF	\$3,353,819	\$0	\$3,055,959	\$0	\$0
	FF	\$50,497,215	\$0	\$49,211,943	\$1,556,559	\$1,587,892

Line Item Information	Fund	FY 2024-25		FY 2025-26		FY 2026-27
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$74,559,074	\$0	\$71,488,619	\$1,300,058	\$1,413,108
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	FTE	795.8	0.0	753.3	16.6	18.0
	GF	\$27,137,849	\$0	\$28,080,949	\$234,913	\$255,340
	CF	\$8,253,521	\$0	\$5,832,260	\$0	\$0
	RF	\$3,153,686	\$0	\$2,988,332	\$0	\$0
	FF	\$36,014,018	\$0	\$34,587,078	\$1,065,145	\$1,157,768

	Total	\$13,109,391	\$0	\$13,288,253	\$232,304	\$271,440
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, and Dental	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$5,465,466	\$0	\$5,677,146	\$42,589	\$49,764
	CF	\$953,573	\$0	\$680,909	\$0	\$0
	RF	\$59,708	\$0	\$0	\$0	\$0
	FF	\$6,630,644	\$0	\$6,930,198	\$189,715	\$221,676

	Total	\$63,638	\$0	\$117,713	\$1,724	\$1,998
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$52,016	\$0	\$50,724	\$311	\$361
General Administration - Short-term Disability	CF	\$9,094	\$0	\$5,301	\$0	\$0
	RF	\$568	\$0	\$0	\$0	\$0
	FF	\$1,960	\$0	\$61,688	\$1,413	\$1,637

	Total	\$363,855	\$0	\$375,873	\$5,175	\$5,625
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$156,036	\$0	\$152,172	\$935	\$1,016
General Administration - Paid Family and Medical Leave Insurance	CF	\$21,973	\$0	\$27,258	\$0	\$0
	RF	\$1,705	\$0	\$0	\$0	\$0
	FF	\$184,141	\$0	\$196,443	\$4,240	\$4,609

	Total	\$8,320,007	\$0	\$7,879,076	\$114,988	\$124,988
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$3,467,483	\$0	\$3,381,599	\$20,778	\$22,585
General Administration - Unfunded Liability AED Payments	CF	\$605,199	\$0	\$368,909	\$0	\$0
	RF	\$37,888	\$0	\$0	\$0	\$0
	FF	\$4,209,437	\$0	\$4,128,568	\$94,210	\$102,403

	Total	\$3,244,093	\$0	\$3,029,493	\$162,172	\$37,230
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$1,302,594	\$0	\$1,254,022	\$28,691	\$5,786
General Administration - Operating Expenses	CF	\$307,043	\$0	\$265,664	\$0	\$0
	RF	\$61,415	\$0	\$28,778	\$0	\$0
	FF	\$1,573,041	\$0	\$1,481,029	\$133,481	\$31,444

	Total	\$3,773,214	\$0	\$3,659,145	\$83,700	\$83,700
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$1,492,962	\$0	\$1,507,087	\$15,345	\$15,345
General Administration - Leased Space	CF	\$357,429	\$0	\$286,270	\$0	\$0
	RF	\$38,849	\$0	\$38,849	\$0	\$0
	FF	\$1,883,974	\$0	\$1,826,939	\$68,355	\$68,355

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-08 Colorado Medicaid Enterprise System Administration

Summary of Funding Change for FY 2025-26

Fund Type	FY 2025-26 Base Request	FY 2025-26 Incremental Request	FY 2026-27 Incremental Request
Total Funds	\$99,838,172	\$1,900,121	\$1,938,089
General Fund	\$40,103,699	\$343,562	\$350,197
Cash Funds	\$7,466,571	\$0	\$0
Reappropriated Funds	\$3,055,959	\$0	\$0
Federal Funds	\$49,211,943	\$1,556,559	\$1,587,892
FTE	753.3	16.6	1.4

Summary of Request

Problem or Opportunity: The Centers for Medicare & Medicaid Services (CMS) published a final rule revising 42 C.F.R Part 433, Subpart C - Mechanized Claims Processing and Information Retrieval Systems, requiring states to use a modular procurement strategy when re-reprocuring Medicaid IT system contracts. While the Department is currently in the process of transitioning from 3 vendors to upwards of 9 and from 3 modules to 16, it is apparent that the current staffing levels to support these new modules are not adequate to maintain system functionality. Current staff are at capacity and additional testers, contract managers, project managers, and administrative support are needed to support the Colorado Medicaid Enterprise System (CMES) transition.

Proposed Solution: The Department proposes to add various Department FTE to effectively manage and maintain the new contracts, testing requirements, and project management created through the CMES modular procurement.

Fiscal Impact of Solution: The Department requests \$1.9 million total funds, including \$0.3 million General Fund and 16.6 FTE in FY 2025-26 and \$1.9 million total funds, including \$0.4 million General Fund and 18.0 FTE in FY 2026-27 and ongoing to hire staff to manage the significant administrative increase resulting from the CMES modular procurement project.

Requires Legislation	Equity Impacts	Revenue Impacts	Impacts Another Department?	Statutory Authority
No	Neutral	No	No	25.5-4-204, C.R.S.

Background and Opportunity

The Colorado Medicaid Enterprise System (CMES) ecosystem is made up of the information systems which are used to operate Health First Colorado (Colorado’s Medicaid Program), Child Health Plan Plus (CHP+) and other programs the Department manages. Each of these systems serves a critical purpose in supporting and working with providers and other partners to provide quality care to eligible members.

The Department is required to procure contracts related to the CMES for a maximum term of ten years under State and federal regulations. The last time the Department procured the CMES contracts was in 2017. At the time, federal requirements allowed for a big bang approach, i.e. procuring a single vendor to operate all functionality, to operate and manage the system. Shortly after the Department went through the procurement and executed contracts, CMS published a final rule that would change the way states must procure these systems going forward. Under the revised rule 42 CFR Part 433, Subpart C - Mechanized Claims Process and Information Retrieval Systems, CMS requires states to follow a modular approach that supports timely and cost-effective projects. CMS considers a module ‘a packaged, functional business process or set of processes implemented through software, data, and interoperable interfaces that are enabled through design principles in which functions of a complex system are partitioned into discrete, scalable, reusable components.’ This modular approach allows the Department to select progressive technology from different vendors, along with the flexibility to procure solutions over time as needed. With the expiration of the current modules, including Pharmacy Benefit Management System (PBMS) in October 2025, Medicaid Management Information System (MMIS) in April 2025, and Business Intelligence Data Management System (BIDM) in June 2024, the Department has procured or is currently procuring modular solutions to replace the current setup. Those contracts are being procured through three separate solicitations and consist of 16 modules. The Department has awarded 15 of 16 modules to 9 different vendors (versus the 3 previous vendors).

As the Department implements the new modules, oversight responsibilities and ongoing support has placed a significant burden on staff with a 53% increase in workload. Current staffing levels were based on the level of support needed for the core 3 CMES modules. This is no longer sufficient to support the additional modules and increase in vendors. Staff has experienced an increase in evaluating the current business process and policies, identifying potential improvements/enhancements through the CMES System Development Lifecycle, identifying solutions for new federal, state, and Department policy changes, and working with the vendors to ensure successful implementation of the changes. The increase in workload was calculated based on the current number of staff hours to manage the existing CMES system versus the number of staff hours needed to manage the 16 modules and 9 vendors.

The example scenario described below highlights the complexity of the new system for a project that makes modifications to the eligibility for Long-Term Support Services (LTSS) members. This type of project would have a major impact on five modules: MMIS, Enterprise Data Ware, CBMS, Program Integrity (PI), and Provider Call Center (PCC). Under the current system, the project would only impact MMIS, and CBMS systems.

CCM is responsible for determining members who qualify for a Long-Term Support Services (LTSS) program, which then submits the results to the CBMS eligibility system. CBMS would finalize the member's Medicaid eligibility; if the member is determined eligible, CBMS notifies the MMIS system of the member's eligibility span to receive Medicaid benefits. If the member is not Medicaid eligible, CBMS sends a response to the CCM system indicating that.

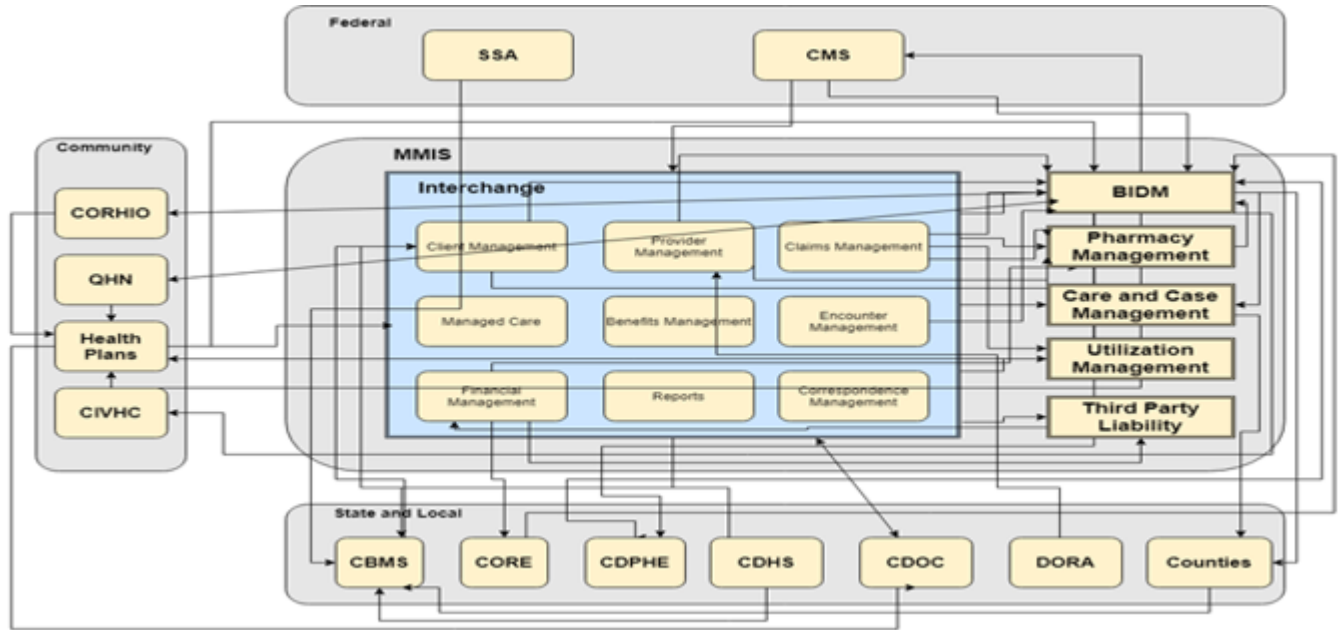
In addition, MMIS and CCM send the member's record of eligibility and any subsequent claims payments that are recorded in the Enterprise Data Warehouse (EDW) module for federal reporting and federal funds matching purposes. The provider, eligibility and claims data is transferred to the Program Integrity (PI) module for review by Department staff to assist in identification of unauthorized Medicaid expenditures.

The Provider Call Center module uses real-time Application Programming Interface (API) between the MMIS and its Interactive Voice Response (IVR) system to answer member eligibility inquiries from providers. Any new eligibility, benefit or waiver types could require changes to the API layout or changes to IVR. The Provider Call Center module also uses training simulation tools and scripting for their call center agents, which require updating for any system changes so that the provider call center agents can be properly trained prior to implementations.

Coordination of changes with additional modules contributes to complexities across modules, and the need for additional processes, controls, end-to-end testing, and communications across the enterprise.

The increase in contracts with multiple vendors has resulted in an administrative increase that cannot be absorbed within existing resources. Failure to address this administrative shortfall could result in significant gaps in oversight of the new contracts and create operational gaps in managing the systems.

Table 1 - Current CMES Environment



Proposed Solution and Anticipated Outcomes

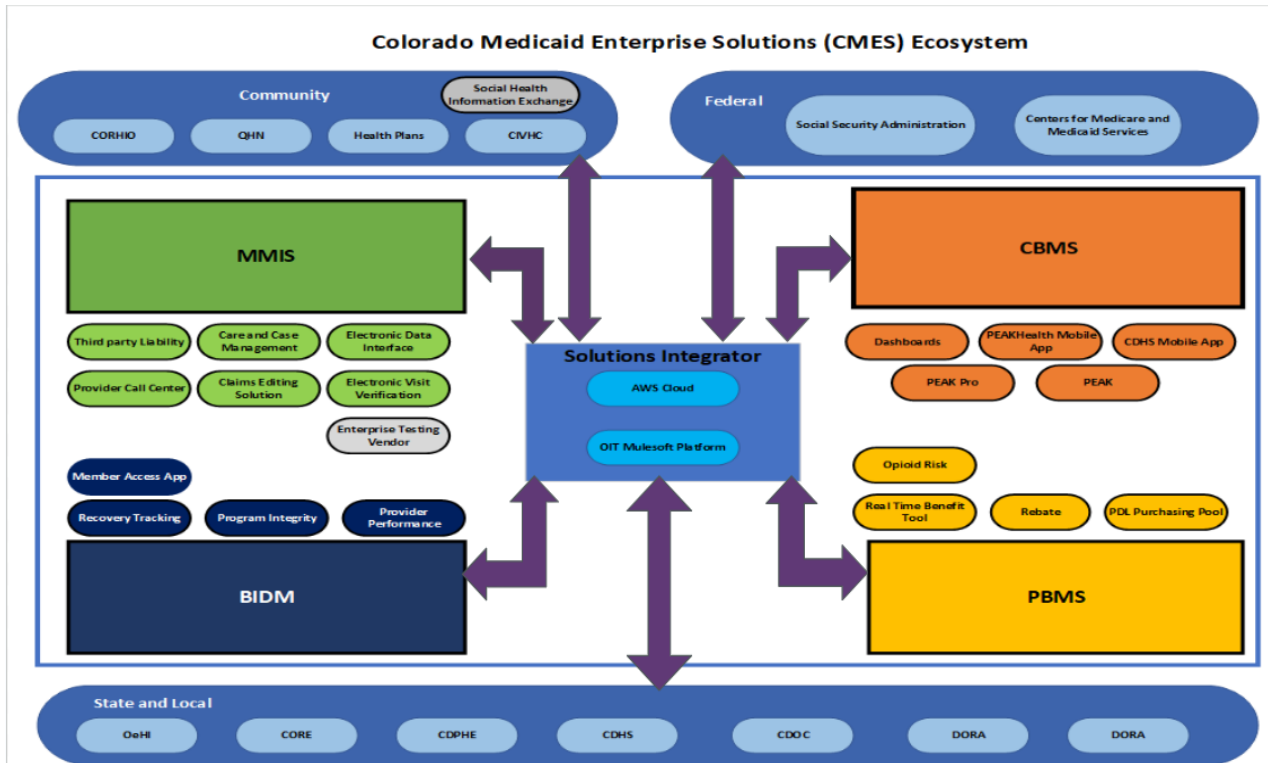
The Department requests \$1,900,121 total funds, including \$343,562 General Fund and 16.6 FTE in FY 2025-26 and \$1,938,089 total funds, including \$350,197 General Fund and 18.0 FTE in FY 2026-27 and ongoing to hire staff to manage the significant administrative increase resulting from the CMES modular procurement project.

As the Department integrates the new modules into the CMES, it anticipated that the enhancement hours will increase 53% over current volume levels, which current staff cannot support. Without this staffing to handle the additional workload, there will be a reduction in staff capacity to complete required enhancements, System Change Requests (SCRs), and updates for federal and state legislative mandates, and there could be an increase in defects, which would impact services to our members and providers. The chart below shows the new format of the CMES and the module integration.

The Department is requesting 18.0 FTE vital for the ongoing Operational and Enhancement Support across the CMES Modules solution.

Business analyst and testing staff will be assigned to the additional modules being integrated into the CMES platform. Each new module requires business analysts and testers to continually maintain the systems to comply with federal and state legislation. This includes researching findings that could turn into new requirements or defects for each new module that requires additional modifications. Currently, when a defect is found, the Department only needs to research one system. However, as the additional modules are integrated in the CMES, multiple systems can be impacted by a minor change requiring the additional staff to research and identify modifications to the other impacted systems.

Table 2 - New CMES Environment



Business Analyst Team

The Department is requesting 3.0 FTE at the Analyst IV level ongoing for the business team. The business analyst team was originally structured to support the CORE 3 CMES modules. With the additional modules being integrated in CMES, staff has experienced an increase in business process improvements and identifying system changes through the CMES System Development Lifecycle that need to be completed to align with new federal and state legislation and Department policy. Current staff are at capacity with the existing CBMS and Care & Case Management (CCM) processes. The business analysts would continually evaluate the current business processes and policies, identify potential improvements and enhancements, identify solutions for new federal and state legislation and Department policy changes, and work with the vendors to ensure successful implementation of the changes.

Business analysts support these activities in the following ways:

- Evaluates program and business needs and turn them into requirements for CMES modules
- Evaluates reports or research requests from the program and end-user community that identify trends that need immediate attention
- Identifies if the system is executing rules and features correctly, identifies if a modification in the process or system enhancement is needed, and begins coordinating the development of the change
- Maintaining the systems requires the business analyst to continuously make configuration changes for rules or features that are not meeting Medicaid program policies

To address increase in enhancement hours and the increase complexities of the multi-module environment, the Department is requesting additional business analysts to sufficiently support ongoing enhancements, state and federal mandates, and system change requests. The Department currently has 11.0 FTE as Business Analyst working on 3 core modules. Adding 3.0 FTE would bring the staff count to 14.0 FTE for 16 modules.

Testing Team

The Department is requesting 4.0 FTE at the Analyst IV level ongoing for the testing team. The testing team was structured to support only the interChange but was reallocated to support the Care & Case Management system. The CCM system enhancements have increased by over 40% over the past three years and continue to grow, thereby utilizing all available testers. With the additional CMES modules being integrated, the testing team does not have the bandwidth to absorb any additional testing for the CMES. Failure to develop test cases to identify system irregularities could result in CMES inoperability. The role of the testing team/testers is to validate business requirements, then develop test cases that need to be executed and validated to ensure the changes are end-user friendly. The testers are required to report executed test cases that failed and re-execute the test case after the vendor fixes the system. The testing team is also required to review all test cases and test case results with the end users and/or the program leads. The team meets with the end users and the program leads to demonstrate that system changes are meeting the needs of the customer. Testers are vital to support the additional modules being added to the CMES and validate that all the modules are executing policies accurately between the various systems.

Testers support these activities in the following ways:

- Develop test plans and test cases based on requirements and business cases
- Execute test cases in all of the systems that are impacted by each minor or major change
- Track and monitor any defects identified during testing and retest

The Department anticipates testing activities will double, since the new modules will require in-depth testing and coordination between other modules as SCRs are implemented. There are currently 6.0 FTEs as testers for the 3 modules. This request would add an additional 4.0 FTE as testers for the additional 13 modules.

Project Management Team

The Department is requesting 5.0 FTE at the Project Manager I level ongoing to support the increase in CMES system modules to be managed by project managers (PMs). The project management team was originally structured to support the core 3 CMES modules (MMIS, BIDM, and PBMS) plus CBMS. The CMES system is increasing to 16 modules resulting in a substantial growth in the number of complex projects that will need to be managed by program managers (PMs). With increased complexity comes increased risk requiring more detailed tracking, coordination, communication, risk profile, and release management to ensure successful rollout of features across these solutions. What was previously a single system change now requires coordination of system changes across multiple modules. Current project managers are operating at over 100% capacity and this high workload presents challenges in managing the intricate interdependencies arising from multi-module projects. As the Department moves to a modular environment, it will see a 53% increase in enhancement hours, and an increase in complexity which results in more project meetings requiring project management assistance.

Project Managers would be assigned to help plan the budget, initiate the project, prioritize the work components, and plan, monitor, and control the enhancement associated with each of the impacted systems. Because the CMES modules are managed by various vendors, the change management and related process are unique to each solution, making coordination and communication critical to a synchronized release of a set of features. Depending on the size of a system change and the complexity/risk associated with each system to complete the work, multiple PMs may be assigned. This ensures the Department has the dedicated resources needed to deliver successful and synchronized releases.

- Effective Project Management: PMs will oversee budgeting, initiation, prioritization, and change management for each impacted system.
- Streamlined Collaboration: PMs will coordinate between internal teams, external vendors and stakeholders, aligning schedules and ensuring all requirements are captured
- Risk Mitigation: PMs will proactively identify and address risks and issues throughout the project lifecycle
- Enhanced Efficiency: Staff will optimize testing sequences and ensure cross-system dependencies are considered and planned for
- Improved Communication: PMs will develop and execute communication plans, keeping all stakeholders informed
- Operational Readiness: PMs will ensure appropriate activities are undertaken to prepare for successful system rollout

Adding more project managers will result in efficient CMES project management across all modules and minimize system risks. The Department currently has 11.0 FTE as project managers. Adding 5.0 FTE project managers would provide 16.0 FTE for 16 modules.

Contract Management Team

The Department is requesting 3.0 FTE at the Contract Administrator IV level ongoing for drafting contract documents; processing invoices; managing vendor performance, including monthly assessments of meeting SLAs/Quality Maintenance Payments (QMPs); and attending all vendor contact status meetings. The contract management team was initially structured to support the three vendors managing the CMES. Since the Department vendors have increased from 3 to 9 vendors, there was an increase of 180% in contract documents and an increase of 200% in Service Level Agreements (SLA). Current staff are at capacity with the current vendors and cannot absorb the increased workload. Proper management of vendor contracts is vital to ensure compliance with federal and state policies. Without adequate contract managers, the Department could be at risk of statutory violations and potential overpayments to vendors. The additional contract manager support is vital for the Department to manage multiple vendor and contract performance ensuring that all contracts meet assigned deliverables, and monthly invoices are reviewed and approved according to the various contracts statement of work.

Contract Administrators duties include:

- Administering an agreement (contract or purchase order) including defining the need, assessing risks, and complying with all legal requirements
- Monitor contractor's performance to ensure goods and services provided conform to the contract requirements

- Comparing measured performance to established standards, communicating concerns, and taking corrective actions as necessary to ensure successful completion of the agreement

The Department currently has 5.0 FTE contract managers for the three vendors and three modules. The BIDM procurement process and evaluation of 15 vendors has been completed, which has resulted in three new modules/contracts and new vendors. The MMIS procurement resulted in the evaluation of 22 vendors across eight separate modules which now includes five new vendors. The PBMS procurement resulted in six new vendors across five modules. The additional 3.0 FTE would support nine vendors and 16 modules.

Fiscal Agent Operations Team

The Department is requesting 3.0 FTE of various classifications to provide operational support. The fiscal agent operations team was initially structured to support the core operations for the MMIS, BIDM, and PBMS. The Fiscal Agent Operations staff would be assigned to the system change across the multiple modules to ensure that changes impacting providers are being documented and communicated.

The team would be responsible for:

- Ensuring provider communications are being drafted and sent out in a timely manner
- Provider manuals are being updated and posted to necessary websites
- Ensure Provider Call Center is aware of any upcoming changes and agents are trained and ready for go live to answer any provider questions

The number of modules under the CMES that require fiscal agent operations support is increasing to six modules thereby increasing the need for 1.0 FTE Administrator III as an Operations Analyst to provide operational oversight, management, and coordination between these six vendors. This position will serve as a triage point for provider escalations from any source (Provider Call Center, Fiscal Agent, PBMS vendor, etc.) and facilitate resolution. The Department also needs 1.0 FTE Administrator III as an Operations Liaison to monitor date, service level agreements, metrics, and call center trends to ensure accuracy and quality. Additionally, this position will coordinate communications to the provider community. Communication deliverables are estimated to increase 40% after the transition. The Department also requests 1.0 FTE Analyst III as the Data Analyst. The fiscal agent operations Data Analyst will track vendor performance by creating Power BI Dashboards and standard reporting. Fiscal agent operations will ensure the PCC vendor is educated on all Department policies for the 69 provider types and systems, which will require substantial effort.

Supporting Evidence and Evidence Designation

The Department assumes that an Evidence Designation is not applicable to this request because the request does not meet the statutory definition for a program or practice. To be considered a program or practice, the request must have specific outcomes, a target population, and defined and replicable elements. This request is only asking for FTE to manage the changes in the IT system and is strictly administrative.

This request supports the Department's Performance Plan (DPP) to Keep Coloradans Covered by following federal laws and directives on the CMES to ensure that those Coloradans who qualify for Health First Colorado and CHP+ obtain coverage. The request also supports the DPP on

Managing Rising Health Care Costs by implementing PBMS modularity and incentivizing the use of the Prescriber Tool.

Promoting Equitable Outcomes

This request is expected to be equity neutral. The request is not expected to have any direct impact on any underserved population groups. The administration of the Department's claims processing systems is critical to state government operations but has no known disproportionate effects on any individual groups of Coloradans. The Department is committed to continuous improvements to modernize its existing processes, systems, and tools as well as to align business processes to improve operations of the Health First Colorado and CHP+ programs.

Assumptions and Calculations

The Department anticipates that approval of the request would provide resources to perform critical functions not generally realized with contractors. Staffing allows for better retention of institutional knowledge and subject matter expertise, which are critical for Medicaid Enterprise projects that typically involve overlapping state and federal regulations, technical requirements, policy concerns, and project management methodologies and tools. These positions will also allow for greater ability to reprioritize Department projects and quickly refocus staff in response to changes in policy, federal regulations, and other circumstances.

Detailed calculations can be found in Appendix A. Tables 1.1 provide a summary of the request by line item and table 2 provides a summary of the request by initiative.

In order to determine the number of FTE needed, the Department reviewed the current workload of staff assigned to three CMES modules, the increase in workload on vendor procurement contracts with 16 modules and going from 3 vendors to 9 vendors (200% increase). The workload increase in core modules consists of continually testing, monitoring, analyzing, coordinating with vendors/stakeholders, and implementing changes and managing efficiency between all the modules (400% increase). Based on this, the Department calculated that 18.0 FTE would be the minimum number of FTE needed to successfully implement and maintain CMS's modular approach. Table 3 provides a listing of the requested FTE and Operating costs along with a detailed description in Table 4 of the duties the positions will perform and support. All positions were requested at minimum of the range and prorated to start on August 2025 and ongoing in lieu of hiring contractors at a higher cost.

The Department assumes that some of the positions would qualify for a 90% match for the majority of their work and 50% match when they are not working on systems activities (e.g. staff meetings, PTO, etc.). The positions include the business analyst team, the project management team, and the testing team. The Department assumes that 90% of their time would be at the enhanced rate. Therefore, the weighted FFP to account for both enhanced and non-enhanced activities would be 86%.

The Department assumes that the remaining positions would qualify for a 75% match for the majority of their work and 50% match when they are not working on systems activities (e.g. staff meetings, PTO, etc.). This includes the contract management team and the fiscal agent operations team. The Department assumes that 90% of their time would be at the enhanced rate. Therefore, the weighted FFP to account for both enhanced and non-enhanced activities would be 73%.

The Department included \$2,000 per staff excluding the Fiscal Agent Operations and Contract Management Team for Salesforce license needed to access the CMES system modules.

R-08 Colorado Medicaid Enterprise System Administration
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2025-26									
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	\$1,300,058	16.6	\$234,913	\$0	\$0	\$1,065,145	81.93%	Table 2 Row A
B	(1) Executive Director's Office (A) General Administration; Health, Life, and Dental	\$232,304	0.0	\$42,589	\$0	\$0	\$189,715	81.67%	Table 2 Row A
C	(1) Executive Director's Office (A) General Administration; Short-term Disability	\$1,724	0.0	\$311	\$0	\$0	\$1,413	82.00%	Table 2 Row A
D	(1) Executive Director's Office (A) General Administration; Unfunded Liability AED Payments	\$114,988	0.0	\$20,778	\$0	\$0	\$94,210	81.93%	Table 2 Row A
E	(1) Executive Director's Office (A) General Administration; Paid Family and Medical Leave Insurance	\$5,175	0.0	\$935	\$0	\$0	\$4,240	81.93%	Table 2 Row A
F	(1) Executive Director's Office (A) General Administration; Operating Expenses	\$162,172	0.0	\$28,691	\$0	\$0	\$133,481	82.31%	Table 2 Row A
G	(1) Executive Director's Office (A) General Administration; Leased Space	\$83,700	0.0	\$15,345	\$0	\$0	\$68,355	81.67%	Table 2 Row A
H	Total Request	\$1,900,121	16.6	\$343,562	\$0	\$0	\$1,556,559	81.92%	Sum of Rows A through G

R-08 Colorado Medicaid Enterprise System Administration
Appendix A: Assumptions and Calculations

Table 1.2 Summary by Line Item FY 2026-27									
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	\$1,413,108	18.0	\$255,340	\$0	\$0	\$1,157,768	81.93%	Table 2 Row A
B	(1) Executive Director's Office (A) General Administration; Health, Life, and Dental	\$271,440	0.0	\$49,764	\$0	\$0	\$221,676	81.67%	Table 2 Row A
C	(1) Executive Director's Office (A) General Administration; Short-term Disability	\$1,998	0.0	\$361	\$0	\$0	\$1,637	82.00%	Table 2 Row A
D	(1) Executive Director's Office (A) General Administration; Unfunded Liability AED Payments	\$124,988	0.0	\$22,585	\$0	\$0	\$102,403	81.93%	Table 2 Row A
E	(1) Executive Director's Office (A) General Administration; Paid Family and Medical Leave Insurance	\$5,625	0.0	\$1,016	\$0	\$0	\$4,609	81.94%	Table 2 Row A
F	(1) Executive Director's Office (A) General Administration; Operating Expenses	\$37,230	0.0	\$5,786	\$0	\$0	\$31,444	84.46%	Table 2 Row A
G	(1) Executive Director's Office (A) General Administration; Leased Space	\$83,700	0.0	\$15,345	\$0	\$0	\$68,355	81.67%	Table 2 Row A
H	Total Request	\$1,938,089	18.0	\$350,197	\$0	\$0	\$1,587,892	81.93%	Sum of Rows A through G

R-08 Colorado Medicaid Enterprise System Administration
Appendix A: Assumptions and Calculations

Table 1.3 Summary by Line Item FY 2027-28 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	\$1,413,108	18.0	\$255,340	\$0	\$0	\$1,157,768	81.93%	Table 2 Row A
B	(1) Executive Director's Office (A) General Administration; Health, Life, and Dental	\$271,440	0.0	\$49,764	\$0	\$0	\$221,676	81.67%	Table 2 Row A
C	(1) Executive Director's Office (A) General Administration; Short-term Disability	\$1,998	0.0	\$361	\$0	\$0	\$1,637	81.93%	Table 2 Row A
D	(1) Executive Director's Office (A) General Administration; Unfunded Liability AED Payments	\$124,988	0.0	\$22,585	\$0	\$0	\$102,403	81.93%	Table 2 Row A
E	(1) Executive Director's Office (A) General Administration; Paid Family and Medical Leave Insurance	\$5,625	0.0	\$1,016	\$0	\$0	\$4,609	81.94%	Table 2 Row A
F	(1) Executive Director's Office (A) General Administration; Operating Expenses	\$37,230	0.0	\$5,786	\$0	\$0	\$31,444	84.46%	Table 2 Row A
G	(1) Executive Director's Office (A) General Administration; Leased Space	\$83,700	0.0	\$15,345	\$0	\$0	\$68,355	81.67%	Table 2 Row A
H	Total Request	\$1,938,089	18.0	\$350,197	\$0	\$0	\$1,587,892	81.93%	Sum of Rows A through G

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Appendix A: Assumptions and Calculations

Table 2.1 Summary by Initiative FY 2025-26									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	CMES Modular Staffing	\$1,900,121	16.6	\$343,562	\$0	\$0	\$1,556,559	81.92%	Table 3
B	Total Request	\$1,900,121	16.6	\$343,562	\$0	\$0	\$1,556,559	81.92%	Row A

Table 2.2 Summary by Initiative FY 2026-27									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	CMES Modular Staffing	\$1,938,089	18.0	\$350,197	\$0	\$0	\$1,587,892	81.93%	Table 3
B	Total Request	\$1,938,089	18.0	\$350,197	\$0	\$0	\$1,587,892	81.93%	Row A

Table 2.3 Summary by Initiative FY 2027-28 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	CMES Modular Staffing	\$1,938,089	18.0	\$350,197	\$0	\$0	\$1,587,892	81.93%	Table 3
B	Total Request	\$1,938,089	18.0	\$350,197	\$0	\$0	\$1,587,892	81.93%	Row A

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Table 3 FTE Calculations							
Personal Services							
Position Classification	FTE	Start Month	End Month (if Applicable)	FY 2025-26	FY 2026-27	FY 2027-28	Notes
ADMINISTRATOR III	2.0	Jul 2025	N/A	\$122,455	\$133,103	\$133,103	Operations Liaison/Provider Call Center
ANALYST III	1.0	Jul 2025	N/A	\$61,227	\$66,552	\$66,552	Data Analyst
CONTRACT ADMINISTRATOR IV	3.0	Jul 2025	N/A	\$223,276	\$242,691	\$242,691	Contract Managers
ANALYST IV	3.0	Jul 2025	N/A	\$223,276	\$242,691	\$242,691	Business Analysts
PROJECT MANAGER I	5.0	Jul 2025	N/A	\$372,125	\$404,484	\$404,484	Project Managers
ANALYST IV	4.0	Jul 2025	N/A	\$297,699	\$323,587	\$323,587	Testers
				\$0	\$0	\$0	
				\$0	\$0	\$0	
Total Personal Services (Salary, PERA, Medicare)	18.0			\$1,300,058	\$1,413,108	\$1,413,108	

Centrally Appropriated Costs							
Cost Center	FTE Year 1	FTE Year 2+	Cost or Percentage	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Health, Life, Dental	16.6	18.0	Varies	\$232,304	\$271,440	\$271,440	
Short-Term Disability	-	-	Varies	\$1,724	\$1,998	\$1,998	
Unfunded Liability AED Payments	-	-	10.00%	\$114,988	\$124,988	\$124,988	
Paid Family and Medical Leave Insurance	-	-	0.45%	\$5,175	\$5,625	\$5,625	
Centrally Appropriated Costs Total				\$354,191	\$404,051	\$404,051	

Operating Expenses							
Ongoing Costs	FTE Year 1	FTE Year 2+	Cost	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Supplies	18.0	18.0	\$500	\$8,280	\$9,000	\$9,000	
Telephone	18.0	18.0	\$235	\$3,892	\$4,230	\$4,230	
Salesforce Licenses/Software	12.0	12.0	\$2,000	\$24,000	\$24,000	\$24,000	
<i>Subtotal</i>				<i>\$36,172</i>	<i>\$37,230</i>	<i>\$37,230</i>	
One-Time Costs (Capital Outlay)	FTE		Cost	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Furniture	18.0		\$5,000	\$90,000	\$0	\$0	
Computer	18.0		\$2,000	\$36,000	\$0	\$0	
Other	18.0		\$0	\$0	\$0	\$0	
<i>Subtotal</i>				<i>\$126,000</i>	<i>\$0</i>	<i>\$0</i>	
Total Operating				\$162,172	\$37,230	\$37,230	

Leased Space							
	FTE Year 1	FTE Year 2+	Cost	FY 2025-26	FY 2026-27	FY 2027-28	Notes
Leased Space	18.0	18.0	\$4,650	\$83,700	\$83,700	\$83,700	

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Appendix A: Assumptions and Calculations

Appendix A: FTE Description				
Component	Position Classification	Position Name	FTE	Description
HIO CMES Liaison	Administrator III	Operations Liaison	1.0	The liaison monitors data, service level agreements, metrics, and call center trends to ensure accuracy and quality. Provides additional communications to the provider community as necessary with the given increase in vendors that providers interact with. Communication deliverables are estimated to increase 40% after the CMES transition. manages all deliverables for operational impacts with the Gainwell project manager. The position will be a liaison between vendors and the Department to prepare and coordinate project communication, production releases, and training materials ensuring all information is relay to applicable parties for a smooth transition.
MOO Eligibility	Administrator III	Provider Call Center Analyst	1.0	Position will provide operational oversight, management, and coordination between the multiple vendors. The position serves as the triage point for escalated provider issues and concerns received from any sources, track issues, and facilitates resolution with providers. Position will ensure smooth flow of data and information between the call center, Department staff, and CMES module vendors which have increased from 3 to 9 vendors. Additionally, the position will ensure PCC vendor is educated on all Department policies for the 69 provider types and systems.
HIO Systems	Analyst IV	Business Analysts	3.0	These positions will manage the 13 additional modules being integrated within the CMES System Development Lifecycle (SDLC) and the increase in enhancement pool hours which adds increased workload and complexities to the budget analyst team. The staff will evaluate the current business process and policies for conversion to the 16 modules that will now be in place. They will identify potential improvements/enhancements, and identify and implement solutions for new federal/state legislation and Department policy changes, and work with the 9 vendors to ensure successful implementation of the changes.
HIO Contracts	Contract Administrator IV	Contract Managers	3.0	These positions manage the 180% increase in contract documents and the 200% increase in Service Level Agreements (SLAs) in vendor contracts as the modules increased from 3 to 16 in CMES. Contract managers are responsible for drafting contract documents, processing invoices, managing vendor and contract performance, and attend monthly vendor status meetings for the CMES system for each module and vendor. Current staff only managed 3 modules and for 16 modules, three additional staff are requested.
HIO Rates	Analyst III	Data Analyst	1.0	Position will collect, track, and analyze operations data from various vendors. Position will compile data reports, build Power BI Dashboards, track vendor performance metrics, and perform data analysis to enable the Department to implement long-term decisions and monitor the overall health of the module implementation.
HIO EPMO	Project Manager I	Project Managers	5.0	The CMES modules have increased from 3 modules to 16 modules required more specific project management. These positions will manage the 16 project modules across CMES and portfolios along with CBMS project management, enabling efficient project execution, ensure project timelines, deliverables, and milestones are on point, in scope, and within budget. Increased complexity and integration of modules increases risk, thus requiring more day-to-day project management for detailed tracing, coordination, risk profile, and release management for successful rollout of features across solutions. These project managers are along with CMBS and BIDM project managers. One current project manager was converted to Care & Case Management duties. These project managers will work on PBMS, EDW, and MMIS new modules added.
HIO Systems	Analyst IV	Testers	4.0	These positions provide end to end testing across current and additional CMES modules, which adds complexity to the testing support. The Testers are vital in validating all new modules being added to CMES are executing policies accurately between various systems and CMES modules. The Testers perform QA testing and provide support to program and policy on user acceptance testing and test case scenarios. All modules are tested as new releases and changes occur to identify incompatibilities and defects in connection with new applications and services. Since the numbers of modules has increase from 3 to 16, there needs to be more testing efforts in order to minimize risk and delay in application implementations. The testers will be used for MMIS, EDW, CBMS-PEAK, and PBMS as changes occur.