



OPERATIONAL MEMO

Title: Second Round of Physical Security Improvements for County Departments of Human/Social Services	Topic: County Cybersecurity Compliance
Audience: County Departments of Human/Social Services	Sub-Topic: Physical Security
Supersedes Number: N/A	Division: Partner Relations and Administration
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Approved By: Rachel Reiter	

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Purpose and Audience:

The purpose of this Operational Memo is to inform county departments of human/social services of a second chance to apply for funds made available through the Department of Health Care Policy and Financing (HCPF). These purchases must focus on enhancing services for Home and Community Based Services (HCBS) population through improved county office physical and environmental security. This memo provides guidance on the process to access funding for these purposes through the American Rescue Plan Act (ARPA) and the County Targeted Grant Program.

Background:

The main purpose of this project is to enhance technology security measures for the County Departments of Human Services and Single-Entry Points. These departments

are responsible for making eligibility determinations for individuals applying for and receiving Medicaid, Medicaid LTSS (Long-Term Services and Supports) including HCBS, state-funded HCBS, and other public assistance benefits.

In the first round of physical security improvements, 23 counties received \$731,760.65 in ARPA funds and \$58,097.54 in County Targeted Grant funds to mitigate the most likely and highest impact physical security threats.

Counties who wish to apply for additional improvements can do so following the process outlined below.

Any projects funded by this grant must supplement, not supplant existing funding streams dedicated to physical security. [Find more information here.](#)

Information:

Requirements for accessing these funds include:

1. Submitting an intent to apply and receiving a Notice of Determination from the Department
2. Participating in periodic grant monitoring and reporting
3. All grant deliverables must complete, including final spending of funds, by Sept. 30, 2024. Final invoices must be submitted no later than Oct. 15, 2024.

Grant Process

This grant opportunity to enhance physical security is funded through Home and Community Based Services (HCBS) American Rescue Plan Act (ARPA) and supplemented with HCPF County Targeted Grant Program funds.

ARPA funds will only cover 100% of purchases including keypad/key card entry systems, door closers, and security camera systems. Counties may request funding for other physical security needs as identified in onsite visits which may be partially funded at 40% by the County Grant Program.

The Department will review requests and note which line items and amounts are approved for this funding through the Notice of Determination.

Under these grant funds, there are specific items that are not allowable. These include:

1. Personnel and Fringe Costs: The grant does not cover the expenses related to the salaries, benefits, or fringe costs of employees who are involved in installing equipment or overseeing the contract.
2. Travel: Costs associated with travel, such as transportation, accommodation, meals, and incidental expenses, are not eligible for funding through the Security Grant.
3. Supplies: The grant does not cover the costs of purchasing supplies, including equipment not related to physical security, materials, or consumables required for the project.
4. Leased Space: Expenses related to leasing or renting space for the project, such as office or storage space, are not allowable under the Security Grant.
5. Indirect Charges: The grant does not cover indirect charges, such as administrative overhead, general operating expenses, or indirect costs associated with the project.

Any requests for capital expenditures costs outside of the following must comply with state capital expenditure requirements and will require additional review:

- Cybersecurity measures to protect member information, including case file scanning and the purchase of tools to support physical security such keypad/key card entry systems, door closers, and security camera systems.

It is important to review the specific guidelines and restrictions of the Security Grant program to ensure compliance and eligibility for funding.

The second round of targeted grants will be open to counties in September and are a first-come first-served disbursement process. ARPA funds must be spent by September 2024. County Grant funds must be spent by June 30, 2024.

The process to access funds is described in the following steps:

1. Counties decide which physical security solutions they need for their offices
2. Counties submit an “Intent to Apply” letter on county department letterhead to Department between **September 15 - October 15, 2023** and detail their needs.
 - The “Intent to Apply” must be submitted to the [County Relations webform](#), under the “Grant Program”
 - This intent to apply should include the following FIVE items:
 1. County point of contact
 2. Itemized budget
 3. Project Work Plan - September 30, 2023 - June/September 30, 2024

4. Quote from vendor
5. Outline of new policy/procedure for each equipment purchase

Project Budget Template

<i>Provide a budget in the following table and expand as needed.</i>			
ITEM BRIEF DESCRIPTION	RATE AND UNIT OF MEASURE	QUANTITY	TOTAL FOR PROJECT
<i>EXAMPLE</i> AA Software	\$400.00 per license	2 licenses	\$800.00
PROJECT BUDGET TOTAL			

Project Work Plan Template

MAJOR TASK OR ACTIVITY	TASK/ACTIVITY/START/COMPLETION DATES	RESPONSIBLE INDIVIDUAL	DELIVERABLE
<i>EXAMPLE</i> Develop customer service messaging for Call Center agents regarding the new business process	Start Date: 12/20/2022 Messaging due: 1/5/2023 Process approval due: 1/20/2023	Call Center review: Alex M./Call Center Messaging: Tracy R./Communications	Process approval via email: John B. Messaging blurb, no more than two paragraphs: Tracy R.

	Completion Date: 1/31/2023	Process Approval: John B./Director	
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3. The Department provides a Notice of Determination that opens access to physical security funds
 - *The Notice of Determination may also include Conditions of Funding that must be carried out for the project funding to be opened.*
4. Counties begin purchasing physical security solutions and charge the Department through County Financial Management System (CFMS)
 - *Instructions on how to code physical security projects to CFMS will be shared in each Notice of Determination*
 - *Counties must provide receipts for all purchases to the Department*
5. Funding is first-come first-served until expended. Proposals will be reviewed and merited if they support deterring and detecting unauthorized access to secured areas, particularly staff-only areas with member records, servers and areas that support essential eligibility and HCBS business functions.

Monitoring process

In order to ensure that this project is effective for all counties, the Department will monitor monthly reports from Settlement Accounting. Accordingly, the Department will reach out to county departments who delay in spending funds in order to assist any roadblocks that they may experience to access or spend their funds. If a county department decides to forego their project, they should notify the Department as soon as possible, and the funds may be redistributed to other counties or used in another ARPA project.

If a county department does not expend their funds and does not notify the Department or respond to several attempts made by the Department through both email and phone to contact them regarding their physical security grant funding, the Department may notice the county of intent to redistribute their funds to other counties. The Department will provide a date by which the county department should respond in order to retain their grant funds, otherwise the funds will be redistributed to other counties.

Action To Be Taken:

Apply for second round of Physical Security grant funds from September 15 - October 15, 2023.

Definition(s):

None

Attachment(s):

None

HCPF Contact:

HCPF_CountyRelations@state.co.us