

FY 2026-27 R-07 Driving Efficiencies in Benefit Service Delivery Shared Services

Colorado Department of Health Care
Policy and Financing
Colorado Department of Human Services

FY 2026-27

R-07: Shared Services



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Department of Health Care
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R-07: Driving Efficiencies in Benefit Services Delivery - Shared Services

- For FY 2026-27, the State will move to implement Shared Services as a way to drive efficiencies in benefit service delivery for public and medical assistance programs.
- Shared Services centralize, in one county, various administrative functions that support eligibility determination and optimize requirements and best practices across all counties (ex: Returned Mail Center model).
- Shared Services will allow counties to focus on the core duty of determining eligibility.
- Shared Services will provide financial and workload relief to counties statewide while modernizing current administration processes with an emphasis on increasing efficiency, reducing costs and creating sustainability.
- All counties will be required to participate in Shared Services.



What Shared Services will be implemented?

There are two Shared Services HCPF and CDHS are partnering on:

Tier 1 Call Center - creates a statewide call center to take all eligibility-related calls for CBMS programs, under a contract with one county. This includes staffing of over 250+ FTEs as call center agents. The T1 Call Center could process applications, renewals and case changes over the phone. Calls unresolved by the T1 Call Center would then transition to the county, who would be structured as a Tier 2 Call Center. This also leverages the Interactive Voice Response (IVR) system funded in FY 2025-26 HCPF R7 request (already exists for SNAP).

Central Document Scanning - repurposes the Overflow Processing Center and converts the contract to a central scanning center, where all documents not physically dropped off at the county would be scanned, indexed and work assigned to the appropriate county.



What Shared Services will be implemented?

Additionally, HCPF will implement two Medicaid-specific Shared Services:

Quality Assurance (QA): the QA Shared Service would conduct Medical Assistance case reviews on behalf of all counties, alleviating counties of those duties. Case reviews would have a statistically significant statewide sample size, ensuring a robust universe of cases to review. Helps ensure adequate data to prevent PERM disallowances.

Member Case Integrity (MCI): the Member Case Integrity Shared Service would conduct fraud investigations under direction from HCPF; counties would no longer be individually responsible for this function. Also implements a centralized fraud referral process in CBMS for counties to report fraud issues to the MCI Shared Service. Recoveries from fraud would be reinvested in the Shared Service under direction from HCPF.



When will Shared Services be implemented?

Shared Services will be implemented over a two year period, starting July 1, 2026 through June 30, 2028.

By July 1, 2028, Shared Services will be fully operational and duties will be transitioned from the individual counties.

Funding for Shared Services is 30% of total funds for FY 2026-27, accounting for contract processes and staff onboarding.

In FY 2027-28, Shared Services has 100% of funds available, ensuring staff are onboarded and trained before the July 1, 2028 fully operational date



R-07 Services Financing

To fund implementation of R-07 Shared Services, there will be **no reduction in either the HCPF or CDHS county administration appropriation**. Rather,

- HCPF is requesting \$1.5mil (FY26-27) and \$2.7mil (FY27-28 and ongoing) in new funding
- HCPF reduced the County Incentives appropriation from \$8.3mil to \$2mil; the \$6.3mil GF will draw down federal funds to pay for Shared Services
- HCPF also requested targeted reductions in MA/EAP Site Lines to support Shared Services
- CDHS is requesting \$1.15mil (FY26-27) and \$5mil (FY27-28 and ongoing) in new funding

Taken together, R-07 represents \$48.8mil in new TF (\$7.8mil GF) in new investments for Shared Services County Contractors



General Shared Services Questions

What is the cost to county for Shared Services?

- There is no cost to counties for Shared Services; they are fully funded with state and federal funds only. There is no local share or cost sharing requirement.

How costs are allocated?

- Costs are allocated between HCPF and CDHS programs for the Tier 1 Call Center and Central Document Scanning, based on CBMS cost allocation methodology. The Quality Assurance and Member Case Integrity Shared Services are fully funded by HCPF only.

Will existing county staff work for the Shared Services?

- Counties will have multiple options for their staff that do the work Shared Services will take over; that includes being directly hired by the Shared Service, operating under a subcontract with the Shared Service, or the county shifting those staff to other areas, including eligibility determination

General Shared Services Questions

How will subcontracting work for the Shared Services?

- Shared Services will be required to leverage existing staff throughout the state, if the county chooses to have their staff subcontracted by the Shared Service. A subcontract between the Shared Service and the county would allow for the county to request reimbursement from the Shared Service for time spent completing on Shared Services work. Only the Shared Service would have access to CFMS codes to bill the State directly.

What is the process for the State selecting the Shared Services County Contractors?

- By the end of 2025, the State will publish minimum bidding requirements for each of the Shared Services, except for Central Document Scanning, which will be managed through the existing Overflow Processing Center contract. Counties will then have a certain amount of time to “bid” by submitting the necessary documentation. A selection committee will then select the Contractor. The goal is to have a contract in progress and/or signed by June 30, 2026, so funding can be accessed effective July 1, 2026.
- In the event that no county submits a bid for any of the Shared Services, the State may elect to do a formal Request for Procurement (RFP) to procure a private contractor to complete the identified scopes of work.

Impacts to Existing Staff

As Shared Services takes over duties from existing county staff, county departments will have 3 options on how to their staff can be leveraged:

- **Repurpose:** the county can choose to shift those staff to other duties or focus them on the core duty of eligibility determination
- **Direct hire by Shared Service:** the county can encourage staff to apply for jobs directly hired by the Shared Service
- **Subcontract with county DHS:** the county department can enter into a subcontract agreement with the Shared Service to retain some of their existing staff, with duties assigned by the Shared Service (more on this in next slide)

Subcontracting with Shared Services

The intent of the Shared Services subcontract is to retain talented, qualified county staff, but shift those staff to duties determined by the Shared Service. Shared Service will enter into a subcontract with the county department, not the staff themselves.

Subcontract will specify a maximum amount of reimbursement the county can request. The maximum is based on the salary levels specified in the R-07 request. The salary levels also included funding for benefits and operational costs. The county can pay staff lower than the maximum, but higher salaries will only be reimbursed to the maximum.

Staff operating under subcontract will be expected to meet requirements, production quotas and/or other work expectations set by the Shared Service, but the chain of supervision remains with the county department.

Staff under subcontract will also be expected to complete any work assigned, from across the state, not just work for their county.



Management of County Staff under Shared Services Subcontract

For county staff operating under Shared Services subcontracts, the **employer-employee relationship remains with the county department.**

The subcontract will specify contractual requirements these staff would need to meet. The county department is responsible for working with the Shared Service to ensure they comply with those requirements and staff are meeting expectations.

If the Shared Service determines that county staff operating under subcontract are not meeting expectations, the following remedies would be pursued:

1. A progressive escalation process with the county department will be implemented to address performance concerns. The county itself must address those with the subcontracted employees.
2. With State approval, the Shared Service may withhold a certain percentage of reimbursement until the county ensures subcontracted staff meet expectations.
3. If performance concerns remain unresolved, the Shared Service may, with State approval, withhold all reimbursement and/or terminate the subcontract. The county department then determines next steps for those employees.



Preparing for Implementation

Understanding the multiple, concurrent policy and ecosystems challenges we're working through together, HCPF and CDHS were intentional about requesting resources to support implementation of Shared Services:

- Dedicated project managers
- Change management contractors
- Business process mapping contractors

These resources are term-limited through June 2028.



Project and Change Management Resources

Project Management Resources

- Dedicated Lead Project Manager for high-level project management and executive dashboards and visibility
- Dedicated Project Manager for Tier 1 Call Center and Central Document Scanning (CDHS/ HCPF shared contracts)
- Dedicated Project Manager for Medical Assistance Quality Assurance and Member Case Integrity (HCPF only contracts)

Change Management Resources

- 2 dedicated contractors on change management across all Shared Services
- Change management plans to be co-developed with county representatives selected by CHSDA

Business Process Mapping

Because counties have done the work, for years, that will be taken over by Shared Services, the State did not want to lose some of those best practices and innovative ideas that have been implemented locally.

To address this, each of the Shared Services will be assigned a business process mapping contractor. Each business process mapping contractor will be responsible for:

- Conducting onsite sessions documenting the business process used by counties
- Documenting the technological systems used by counties for the business processes
- Capturing best practices and innovative approaches that the Shared Services can implement statewide

HCPF and CDHS Steering Committees

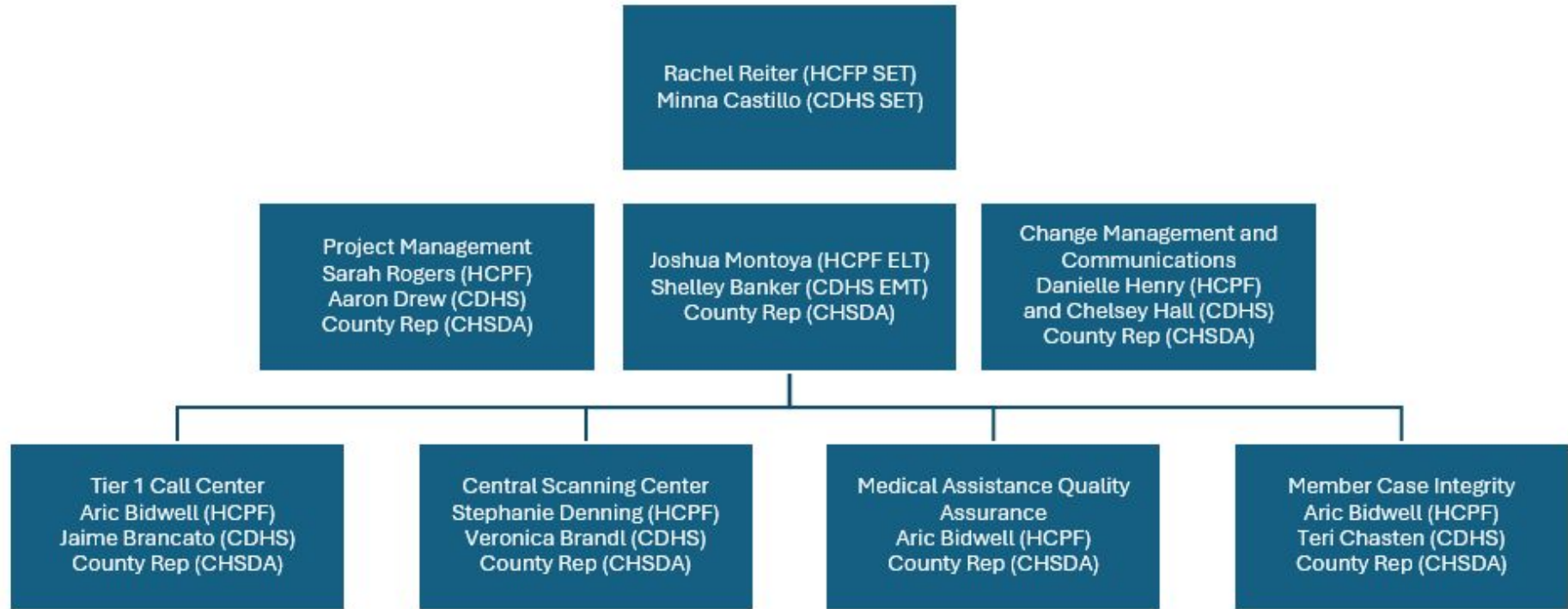
To operationalize each of the Shared Services, the State will establish working groups consisting of state and county representatives.

These working groups will nail down specifics and guide the implementation of the Shared Services.

HCPF and CDHS have designated leads for implementation; CHSDA will determine county representation within these groups.

There will be specific groups that focus on project management, change management and operationalization

Workgroup Structures



County Bidding Process

By January 1, 2026, HCPF and CDHS will publish minimum requirements for counties to “bid” on the work to become a Shared Services County Contractor

Published documents will be a formal bidding document with minimum requirements, along with executive summaries of those requirements. These requirements will include:

- General requirements, such as support from the Board of County Commissioners, the county’s ability to staff up to levels determined by R-07 while staying on budget, allowances for remote work and subcontracting with existing staff, etc.
- Program-specific requirements, such as robust internal controls for quality assurance, experience with call center technology systems, and specific or innovative practices currently used by the bidding county that should be implemented statewide

To support counties who want to bid to become a Shared Services County Contractor, HCPF and CDHS will host an informational session with those counties by middle of January 2026. **County bids will be due by February 28, 2026.**



Selecting Shared Services County Contractors

With county bids due February 28, 2026, the State will then move to review the submitted bids.

County representatives, along with other representatives, will assist the State in reviewing the submitted bids and will provide recommendations to the State on the merits of each bid.

HCPF and CDHS will review the bids, and associated recommendations, and will make the final determination of which counties are selected.

Formal notices of award will go out to those counties by March 15, 2026.

Contracting processes will begin in March 2026 with the goal of having signed contracts in place by July 1, 2026.



Transparency on Shared Services Performance

To reassure both counties and the general public around the performance of Shared Services, the State will aim to release public dashboards that create greater transparency than currently exists.

Dashboards would include implementation progress and milestones, and once fully implemented, performance data for the Shared Services.

Some would be available to only counties, while the majority would be publicly published.