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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-16-0008

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1961 Stout Street, Room 08-148
Denver, CO 80294



Region VIII

October 28, 2016

Susan E. Birch, MBA, BSN, RN, Executive Director
Department of Health Care Policy & Financing
303 East 17th Avenue, 7th Floor
Denver, CO 80203

RE: Colorado #16-0008

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 16-0008. This Amendment would implement the asset verification system.

Please be informed that this State Plan Amendment was approved October 26, 2016, with an effective date of July 1, 2016. We are enclosing the CMS-179 and the amended plan page(s).

The approval of this State plan amendment requires Colorado to fully implement its Asset verification System no later than December 29, 2017, to begin use no later than January 1, 2018. This approval requires detailed bi-monthly reports on the HCPF's progress on the implementation, beginning in December 2016. Reports need to be submitted to the CMS Regional Office no later than the 15th of each month in which the report is due. The reports must detail the status of the steps identified in the state's timeline, identify whether the state is on time with the steps, or how the time will be made up if behind, and identify any issues or concerns with the implementation.

In order to track expenditures associated with this amendment, Colorado should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM). This amendment would affect administrative expenditures reported on the Form CMS-64.10 Base, Line 5B - Costs of Private Sector Contractors. Please note, in order for the State agency to claim Federal funds for these administrative activities, the cost allocation plan will need to be amended in order to clearly establish how these contractual costs will be allocated between all benefitting programs, as well as supported by a system which has the capability to isolate the costs which are directly related to the support of the Medicaid program from all other costs incurred by the agency as per 45 CFR Part 95.507.



If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,



Trinia J. Hunt
Acting Associate Regional Administrator
Division for Medicaid & Children's Health Operations

cc: Gretchen Hammer John Bartholomew
Pat Connally Amanda Forsythe

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 15-0008	2. STATE: COLORADO
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One): NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE 07/01/2016	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 1940(a) of the Social Security Act 42 U.S.C. 1396w		7. FEDERAL BUDGET IMPACT a. FFY_2016-17 \$ 83,000 b. FFY_2017-18 \$ 261,152 c. FFY_2018-19 \$ 318,869	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Page 1-3 of Supplement 16 to Attachment 2.6-A		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) New	
10. SUBJECT OF AMENDMENT Implementation of the asset verification system			
11. GOVERNOR'S REVIEW (Check One) GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 15 January, 2015 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: David DeNovellis	
13. TYPE John Bartholomew			
14. TITLE Finance Director			
15. DATE SUBMITTED 9/30/16			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED September 30, 2016		18. DATE APPROVED October 26, 2016	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2016		20. SIGNATURE OF REGIONAL OFFICER 	
21. TYPED NAME Trinia J. Hunt		22. TITLE Acting ARA, DMCHO	
23. REMARKS			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: _____ Colorado _____

ASSET VERIFICATION SYSTEM

1940(a)
of the Act

1. The agency will provide for the verification of assets for purposes of determining or re-determining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.
 - A. The request and response system must be electronic:
 - (1) Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
 - (2) The system cannot be based on mailing paper-based requests.
 - (3) The system must have the capability to accept responses electronically.
 - B. The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department’s National Institute of Standards and Technology, or NIST).
 - C. The system must establish and maintain a database of FIs that participate in the agency’s AVS.
 - D. Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant’s home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or re-determine the individual’s eligibility.
 - E. The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.

TN No. _____ 16-0008 _____

Supersedes

Approval Date: 10/26/2016 Effective Date: 07/01/2016

TN No. _____ New _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: _____ Colorado _____

ASSET VERIFICATION SYSTEM

2. System Development

_____ A. The agency itself will develop an AVS.

In 3 below, provide any additional information the agency wants to include.

 X B. The agency will hire a contractor to develop an AVS.

In 3 below provide any additional information the agency wants to include.

_____ C. The agency will be joining a consortium to develop an AVS.

In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

_____ D. The agency already has a system in place that meets the requirements for an acceptable AVS.

In 3 below, describe how the existing system meets the requirements in Section 1.

_____ E. Other alternative not included in A. – D. above.

In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

TN No. _____ 16-0008 _____

Supersedes _____ Approval Date: 10/26/2016 Effective Date: 07/01/2016

TN No. _____ New _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: _____ Colorado _____

ASSET VERIFICATION SYSTEM

- 3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

Colorado is in the process of evaluating the necessary steps to secure a vendor to implement AVS system as of January 2018.

The vendor selected will have a system that meets the requirements of Supplement 16 to Attachment 2.6-A, page 1.