



CMBS Case Gets Settled

CCLP to take on watchdog role; Plaintiffs made whole for benefits lost

January 2008

Summary:

In December 2007, CCLP and plaintiffs' lawyers reached agreement in principle with lawyers for the State of Colorado to settle the September 2004 lawsuit involving the state's Computer Benefits Management System (CBMS). That proposed settlement is before the Denver District Court waiting for approval.

The settlement agreement calls for the Colorado Department of Human Services and Department of Health Care Policy and Financing to provide retroactive benefits to any person who can show they did not receive correct benefits during the pendency of the suit; to issue detailed monthly reports to plaintiffs' counsel by county and program of processing times; to copy plaintiffs' counsel on all reports to the federal government relating to Food Stamps, Medicaid, Child Health Plan plus and other programs; to continue the emergency hotline; and to forego any overpayment claims where the claimed overpayment is due to CBMS errors. All individual plaintiffs in the case have been made whole again for lost benefits they suffered.

The District Court has not yet set a hearing on whether the settlement should be approved. In the meantime, plaintiffs' counsel and State employees and counsel are meeting in mid-February to assure the reports are understandable and complete, and to address matters relating to implementation of the settlement.

Background and History:

The suit initially challenged the implementation of CBMS, charging that the complex computer system had not been sufficiently tested by the State and counties, and that they were not ready for its implementation. Events soon proved plaintiffs correct.

Since the State implemented the System anyway, plaintiffs focused on necessary improvements, including speeding up the time period for processing applications and reducing the number of applications where processing was overdue, correcting notices to clients so that they were correct, not internally inconsistent and timely, prohibiting collection of overpayments initially caused not by client errors but the System itself, and requesting and obtaining the establishment of an emergency hotline for clients. These

goals were obtained in the District Court's December 2004 preliminary injunction requiring the State to perform in those areas.

Since 2004, the State has worked to improve the System, but CCLP and others it works with, have continued to learn of recurring problems with the processing of applications and the timely receipt of accurate benefit amounts. Colorado Legal Services has represented individual clients in seeking relief for such problems, but no System-wide fix was immediately forthcoming.

In 2006 and 2007, plaintiffs' counsel—including CCLP—negotiated toward a settlement with the State. Negotiations were delayed by the change in Administration. Plaintiffs' counsel proposed a plan to overcome deficiencies to the Ritter Administration but the plan was not adopted. Instead, in December 2007, a settlement was reached.

For more information, or to answer any questions, please feel free to contact CCLP Health Program Director at earenales@cclponline.org or 303-573-5669, ext. 302
