



# Reform the Colorado Benefits Management System

Act now to help Coloradans  
and reduce long-term costs

*Colorado uses the Colorado Benefits Management System (CBMS) to determine eligibility for public benefits. Deloitte has been responsible for programming maintenance and updates for CBMS since 2018.*

## We pay a lot . . .

Contract documents show that Colorado has spent \$30-\$50M a year since 2018 on Deloitte, for a total of at least \$315M by the end of fiscal year 2025, and at least \$380M by the end of FY 2027.<sup>1</sup>

- By contract, the state must pay for a set number of “pool hours” without regard for how much time is actually needed. The minimum number of pool hours has increased every year.
- Nothing in the contract identifies how or whether the state will assess the accuracy of Deloitte’s estimate of the thousands of hours needed for projects or enhancements.

## . . . And the results aren’t good.

Deloitte and CBMS have not consistently met the needs of Coloradans.

## Communication generated by CBMS is plagued with errors.

- An initial state audit of Medicaid communications in 2020 found that 67% of letters sent to Medicaid clients in late 2019 had one or more problems with accuracy, completeness, and/or understandability.<sup>2</sup>
- The follow-up audit in 2023 found that errors identified in 2020 had not been addressed, and that 90% of the letters sent to Medicaid clients in early 2023 contained problems with clarity, accuracy, and/or completeness.<sup>3</sup>
- Inaccurate notices may violate members’ due process and put the state in legal jeopardy.

## CBMS programming contributes to inappropriate terminations from Medicaid coverage.

- During the Public Health Emergency’s unwind of the continuous coverage requirement, most enrollees who lost coverage were terminated for procedural reasons—not because they were found ineligible.<sup>4</sup>
- Many lost coverage because the system failed to recognize when they had submitted documents, and failed to keep them enrolled while counties completed processing.
- Notice problems contribute to disenrollment. The 2023 audit found that more than 85% of those who were denied benefits for failing to provide information were never told what information was needed.<sup>5</sup>
- Only three states lost a larger percentage of Medicaid enrollees than Colorado from February 2020 to June 2025.<sup>6</sup>

<sup>1</sup> Amendment 17 to state contract number 98342, between CDHS, HCPF and Deloitte Consulting LLP, executed January 27, 2025.

<sup>2</sup> [https://leg.colorado.gov/sites/default/files/documents/audits/1936p\\_medicaid\\_client\\_correspondence\\_-\\_september\\_2020.pdf](https://leg.colorado.gov/sites/default/files/documents/audits/1936p_medicaid_client_correspondence_-_september_2020.pdf)

<sup>3</sup> [https://leg.colorado.gov/sites/default/files/documents/audits/2261p\\_medicaid\\_correspondence.pdf](https://leg.colorado.gov/sites/default/files/documents/audits/2261p_medicaid_correspondence.pdf)

<sup>4</sup> Calculated using data published by HCPF, which can be found here: <https://hcpf.colorado.gov/ccu-reports>

<sup>5</sup> Id. FN 3

<sup>6</sup> <https://www.kff.org/medicaid/medicaid-enrollment-and-unwinding-tracker/>

## CBMS programming contributes to severe processing delays in the SNAP program.

- Processing one SNAP application requires county staff to click through over 50 screens.
- In FY 2022, Colorado had the 5<sup>th</sup> lowest rate of timely SNAP processing among all states.<sup>7</sup> This resulted in corrective action by the federal government in 2024<sup>8</sup> and will jeopardize federal funding when OBBBA is fully implemented.<sup>9</sup>

## CBMS programming errors can take months to fix.

- HCPF reported to the Joint Technology Committee in 2024 that it had an estimated backlog of 57 CBMS projects. Deloitte estimated that it would take 175,500-250,000 hours over two years to complete.<sup>10</sup>
- One county worker identified a CBMS glitch that kept a client from benefits during her high-risk pregnancy; it took at least two months for Deloitte to correct the glitch, leaving the client with no coverage despite her eligibility and the risk to her health.<sup>11</sup>

## Deloitte's practices have raised concerns nationally.

- In a 2024 complaint filed with the Federal Trade Commission, national groups claimed that Deloitte did not fix known errors in multistate systems and engaged in unfair and deceptive trade practices.<sup>12</sup>
- The US Senate Committee on Finance sent a letter to Deloitte in October 2025 expressing their concern over "eligibility systems plagued by errors."<sup>13</sup>

## Colorado struggles to manage Deloitte.

Contract oversight is very limited.

- States generally struggle to oversee Deloitte due to the mismatch in technical expertise.<sup>14</sup>
- Colorado's legacy system makes it extremely challenging to hold Deloitte accountable; even when a particular "service level" is not met for contracted work, Deloitte is paid in full if it can point to a "pre-existing condition in the CBMS system."
  - And Deloitte was tasked with identifying the pre-existing deficiencies of the system in 2018.
- Historically, Deloitte has policed itself. Deloitte created many of the "performance statistics" through which the state monitors performance.
- New oversight measures, including the hiring of the first-ever Head of Product of CBMS, show promise, but may not have authority to make the needed changes.

## Colorado cannot continue to throw good money after bad. Reform is needed now!

Planning for a new contractor and new system will take years and must begin now. Colorado needs functional, iterative technology to save taxpayer money while meeting the state's obligations to Coloradans who qualify for benefits.

<sup>7</sup> <https://www.fns.usda.gov/snap/fy-2022-reported-application-processing-timeliness>

<sup>8</sup> Brown, J. *Colorado is so behind on processing changes that it's on a corrective action plan.* Colorado Sun, Feb. 5, 2024. <https://coloradosun.com/2024/02/05/food-assistance-delays/>

<sup>9</sup> Pub. L. 19-21

<sup>10</sup> [https://content.leg.colorado.gov/sites/default/files/images/hcpf\\_dhs-cbms\\_presentation.pdf](https://content.leg.colorado.gov/sites/default/files/images/hcpf_dhs-cbms_presentation.pdf)

<sup>11</sup> Weld County DHS CBMS Discussion Video, <https://www.youtube.com/watch?v=2b9qN5qo9Nk>

<sup>12</sup> <https://healthlaw.org/resource/ftc-complaint-request-for-investigation-into-deloittes-texas-medicaid-eligibility-system/>

<sup>13</sup> [https://www.finance.senate.gov/imo/media/doc/100925\\_deloitte\\_letter\\_to\\_contractors\\_on\\_faulty\\_medicaid\\_systems.pdf](https://www.finance.senate.gov/imo/media/doc/100925_deloitte_letter_to_contractors_on_faulty_medicaid_systems.pdf)

<sup>14</sup> <https://www.cpr.org/2024/09/06/deloitte-medicaid-systems-errors-cost-millions/>