

**Second Regular Session  
Sixty-third General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 02-0579.01 Michele Hanigsberg

**HOUSE BILL 02-1196**

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**HOUSE SPONSORSHIP**

**Boyd,** and Tochtrop

**SENATE SPONSORSHIP**

**(None),**

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**House Committees**

Health, Environment, Welfare, & Institutions  
Local Government

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING CHILD WELFARE SERVICE RATES.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Requires the department of human services ("department") and county departments of social services ("county departments") to annually pass through the entire portion of treatment and room and board rate increases for child welfare services appropriated by the general assembly to the providers of these services. Requires the department to make necessary changes to ensure that cost reporting requirements for child welfare service providers ("providers") are instructive so that the department receives consistent and uniform cost reports from providers.

Authorizes the department to annually adjust base room and board

**Shading denotes HOUSE amendment.** Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

provider rates. Requires the department, on or before December 1, 2002, to develop a rate setting methodology for providers that utilizes the providers' cost reports and adjusts for the levels of service provided. Requires the department to establish an appeals process for rate disputes. Requires the department to report on the new rate setting methodology, implementation, and potential costs by a specified date and to implement this new rate methodology in fiscal year 2004-05.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** 26-5-104 (6), Colorado Revised Statutes, is  
3 amended to read:

4           **26-5-104. Funding of child welfare services.** (6) (a) On and  
5 after July 1, 1997, a county shall be authorized to negotiate rates,  
6 services, and outcomes with providers if the county has a request for  
7 proposal process in effect for soliciting bids from providers or another  
8 mechanism for evaluating the rates, services, and outcomes that it is  
9 negotiating with such providers that is acceptable to the state department.

10           (b) NOTWITHSTANDING PARAGRAPH (a) OF THIS SUBSECTION (6),  
11 THE STATE DEPARTMENT AND COUNTY DEPARTMENTS SHALL ANNUALLY  
12 PASS THROUGH THE ENTIRE PORTION OF TREATMENT AND ROOM AND  
13 BOARD RATE INCREASES FOR CHILD WELFARE SERVICES APPROPRIATED BY  
14 THE GENERAL ASSEMBLY TO THE PROVIDERS OF THESE SERVICES UNLESS  
15 OTHERWISE DIRECTED BY THE GENERAL ASSEMBLY.

16           **SECTION 2.** Article 5 of title 26, Colorado Revised Statutes, is  
17 amended BY THE ADDITION OF A NEW SECTION to read:

18           **26-5-104.5. Residential treatment center providers - rates -**  
19 **cost reporting - appeals - report.**

20           (1) THE STATE DEPARTMENT IS AUTHORIZED TO ANNUALLY ADJUST  
21 THE BASE ROOM AND BOARD PROVIDER RATES.

22           (2) THE STATE DEPARTMENT SHALL MAKE ALL NECESSARY

1 MODIFICATIONS TO THE CURRENT RATE SETTING METHODOLOGY IN ORDER  
2 TO DEVELOP AN EQUITABLE RATE SETTING PROCESS THAT UTILIZES THE  
3 PROVIDERS' COST REPORTS AND ADJUSTS FOR THE LEVELS OF SERVICE  
4 PROVIDED. THE STATE DEPARTMENT SHALL CONSIDER WHO SHOULD SET  
5 THE RATES AND TO WHAT EXTENT THE RATES SHOULD BE NEGOTIATED.  
6 THE STATE DEPARTMENT SHALL WORK WITH THE PROVIDERS TO DEVELOP  
7 THE METHODOLOGY AND COMPLETE THE RATE SETTING METHODOLOGY ON  
8 OR BEFORE DECEMBER 1, 2002.

9 (3) THE STATE DEPARTMENT SHALL ESTABLISH BY RULE AN  
10 APPEALS PROCESS FOR PROVIDERS THAT IS TIMELY AND ALLOWS FOR AN  
11 APPEAL IF THE PROVIDER BELIEVES THE RATE SET IS INEQUITABLE.

12 (4) THE STATE DEPARTMENT SHALL REPORT ON THE NEW RATE  
13 SETTING METHODOLOGY, IMPLEMENTATION, THE POTENTIAL COSTS OF THE  
14 NEW RATE SETTING METHODOLOGY, AND ANY NECESSARY LEGISLATIVE  
15 CHANGES FOR THE IMPLEMENTATION OF THE NEW RATE SETTING  
16 METHODOLOGY TO THE JOINT BUDGET COMMITTEE OF THE GENERAL  
17 ASSEMBLY, THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS  
18 COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE HEALTH,  
19 ENVIRONMENT, CHILDREN AND FAMILIES COMMITTEE OF THE SENATE ON  
20 OR BEFORE MAY 31, 2003.

21 (5) WITH THE APPROVAL OF THE JOINT BUDGET COMMITTEE OF THE  
22 GENERAL ASSEMBLY, THE STATE DEPARTMENT SHALL IMPLEMENT THE NEW  
23 RATE SETTING METHODOLOGY IN FISCAL YEAR 2004-05.

24 (6) FOR PURPOSES OF THIS SECTION, "PROVIDERS" MEANS  
25 PROVIDERS OF CHILD WELFARE SERVICES AS DEFINED IN SECTION 26-5-101  
26 (3), INCLUDING PROVIDERS OF SECURE RESIDENTIAL TREATMENT CENTERS  
27 AS DEFINED IN SECTION 26-6-102 (9).

1           **SECTION 3. Effective date.** This act shall take effect at 12:01  
2 a.m. on the day following the expiration of the ninety-day period after  
3 final adjournment of the general assembly that is allowed for submitting  
4 a referendum petition pursuant to article V, section 1 (3) of the state  
5 constitution; except that, if a referendum petition is filed against this act  
6 or an item, section, or part of this act within such period, then the act,  
7 item, section, or part, if approved by the people, shall take effect on the  
8 date of the official declaration of the vote thereon by proclamation of the  
9 governor.