

**First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 07-0191.01 Richard Sweetman

HOUSE BILL 07-1025

HOUSE SPONSORSHIP

Jahn,

SENATE SPONSORSHIP

Boyd,

House Committees

Health and Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE FUNDING OF CHILD WELFARE SERVICES, AND, IN**
102 **CONNECTION THEREWITH, REQUIRING THE STATE DEPARTMENT**
103 **OF HUMAN SERVICES TO REVIEW RATES, SERVICES, AND**
104 **OUTCOMES NEGOTIATED BY COUNTIES WITH PROVIDERS.**

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 state department of human services ("state department") to review rates, services, and outcomes negotiated by counties with providers. Requires the state department to promulgate rules governing how counties may negotiate rates, services, and outcomes

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.*

HOUSE
Amended 2nd Reading
January 29, 2007

with providers. Requires the state department to review the rate-setting process every 2 years.

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 - rules.**

5 (6) **County negotiations with providers.** (a) ~~On and after July 1, 1997~~
6 SUBJECT TO RULES PROMULGATED BY THE STATE DEPARTMENT PURSUANT
7 TO PARAGRAPH (b) OF THIS SUBSECTION (6), a county shall be authorized
8 to negotiate rates, services, and outcomes with providers if the county has
9 a request for proposal process in effect for soliciting bids from providers
10 or another mechanism for evaluating the rates, services, and outcomes
11 that it is negotiating with such providers that is acceptable to the state
12 department.

13 (b) NO LATER THAN JANUARY 1, 2008, THE STATE DEPARTMENT
14 SHALL PROMULGATE RULES GOVERNING THE METHODOLOGY BY WHICH
15 COUNTIES MAY NEGOTIATE RATES, SERVICES, AND OUTCOMES WITH
16 PROVIDERS. ■ ■

17 (c) PROVIDER RATE INCREASES AND COST OF LIVING ADJUSTMENTS
18 THAT ARE APPROVED BY THE GENERAL ASSEMBLY SHALL NOT BE SUBJECT
19 TO RULES PROMULGATED BY THE STATE DEPARTMENT PURSUANT TO
20 PARAGRAPH (b) OF THIS SUBSECTION (6) BUT SHALL BE ADDED TO THE
21 AUTOMATED PAYMENT SYSTEM USED BY THE STATE DEPARTMENT AND
22 SHALL BE PASSED THROUGH DIRECTLY TO THE FOSTER CARE HOMES.

23 (d) BY JULY 1, 2008, AND BY JULY 1 OF EACH EVEN-NUMBERED
24 YEAR THEREAFTER, THE STATE DEPARTMENT SHALL COMPLETE A REVIEW
25 OF THE METHODOLOGY BY WHICH COUNTIES NEGOTIATE RATES, SERVICES,

1 AND OUTCOMES WITH PROVIDERS, WHICH METHODOLOGY IS GOVERNED BY
2 RULES PROMULGATED BY THE STATE DEPARTMENT PURSUANT TO
3 PARAGRAPH (b) OF THIS SUBSECTION (6). IN PREPARING FOR AND
4 CONDUCTING THE REVIEW, THE STATE DEPARTMENT SHALL INVITE AND
5 ACCEPT THE PARTICIPATION OF REPRESENTATIVES OF THE COUNTIES AND
6 THE PROVIDER COMMUNITY.

7 **SECTION 2.** 25.5-4-406 (1) (a), (2), and (3), Colorado Revised
8 Statutes, are amended to read:

9 **25.5-4-406. Rate setting - medicaid residential treatment**
10 **service providers - monitoring and auditing - report.** (1) The state
11 department shall approve a rate-setting process consistent with medicaid
12 requirements for providers of medicaid residential treatment services in
13 the state of Colorado as developed by the department of human services.
14 The rate-setting process developed pursuant to this section may include,
15 but shall not be limited to:

16 (a) A range for reimbursement that represents a base-treatment
17 rate for serving a child who is subject to out-of-home placement due to
18 dependency and neglect, a child placed in a residential child care facility
19 pursuant to the "Child Mental Health Treatment Act", article 10.3 of title
20 27, C.R.S., or a child who has been adjudicated a delinquent, which
21 includes a defined service package ~~and does not link the rate to the~~
22 ~~child's evaluation or assessment~~ TO MEET THE NEEDS OF THE CHILD;

23 (2) The medicaid rate-setting process approved by the state
24 department shall include ~~recommendations for~~ a two- or three-year
25 implementation timeline with implementation beginning in state fiscal
26 year ~~2007-08~~ 2008-09.

27 (3) The state department and the department of human services,

1 in consultation with the representatives of the counties and the provider
2 community, shall review the rate-setting process every two years and
3 shall submit any recommended changes to the joint budget committee of
4 the general assembly.

5 **SECTION 3.** 26-1-132 (1) (a), (3), and (4), Colorado Revised
6 Statutes, are amended to read:

7 **26-1-132. Department of human services - rate setting -**
8 **residential treatment service providers - monitoring and auditing -**
9 **report.** (1) The state department shall develop a rate-setting process
10 consistent with medicaid requirements for providers of residential
11 treatment services in the state of Colorado. Representatives of counties
12 and the provider community shall be involved in the actual development
13 of the rate-setting process. The rate-setting process for rates funded by
14 medicaid shall be approved by the department of health care policy and
15 financing. The rate-setting process developed pursuant to this section
16 may include, but shall not be limited to:

17 (a) A range for reimbursement that represents a base-treatment
18 rate for serving a child who is subject to out-of-home placement due to
19 dependency and neglect, a child placed in a residential child care facility
20 pursuant to the "Child Mental Health Treatment Act", article 10.3 of title
21 27, C.R.S., or a child who has been adjudicated a delinquent, which
22 includes a defined service package ~~and does not link the rate to the~~
23 ~~child's evaluation or assessment~~ TO MEET THE NEEDS OF THE CHILD;

24 (3) The rate-setting process developed by the state department,
25 counties, and providers and approved by the department of health care
26 policy and financing pursuant to subsection (1) of this section shall
27 include ~~recommendations~~ for a two- or three-year implementation

1 timeline with implementation beginning in state fiscal year ~~2007-08~~
2 2008-09.

3 (4) (a) The state department, in conjunction with the counties and
4 providers, shall submit an initial report to the joint budget committee of
5 the general assembly on or before ~~July 1, 2006~~ JANUARY 1, 2008. The
6 report shall include the rate-setting process and the ~~recommended~~
7 implementation timeline developed pursuant to this section.

8 (b) The department of health care policy and financing and the
9 state department, in consultation with the representatives of the counties
10 and the provider community, shall review the rate-setting process every
11 two years and shall submit any ~~recommended~~ changes to the joint budget
12 committee of the general assembly.

13 **SECTION 4. Effective date.** This act shall take effect at 12:01
14 a.m. on the day following the expiration of the ninety-day period after
15 final adjournment of the general assembly that is allowed for submitting
16 a referendum petition pursuant to article V, section 1 (3) of the state
17 constitution, (August 8, 2007, if adjournment sine die is on May 9, 2007);
18 except that, if a referendum petition is filed against this act or an item,
19 section, or part of this act within such period, then the act, item, section,
20 or part, if approved by the people, shall take effect on the date of the
21 official declaration of the vote thereon by proclamation of the governor.