

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**REENGROSSED**

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

LLS NO. 07-0191.01 Richard Sweetman

**HOUSE BILL 07-1025**

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**HOUSE SPONSORSHIP**

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**SENATE SPONSORSHIP**

**Boyd,**

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**House Committees**

Health and Human Services

**Senate Committees**

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**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.**

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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 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  
3rd Reading Unamended  
January 30, 2007

HOUSE  
Amended 2nd Reading  
January 29, 2007

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

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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 - 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 COUNTRIES 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 COUNTRIES 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.