

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

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

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**

Health and Human Services

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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.*

SENATE  
3rd Reading Unamended  
April 2, 2007

SENATE  
Amended 2nd Reading  
March 30, 2007

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 LICENSED PROVIDERS. ■ ■

17 (c) A COUNTY THAT NEGOTIATES OR RENEGOTIATES RATES,  
18 SERVICES, AND OUTCOMES PURSUANT TO PARAGRAPH (a) OF THIS  
19 SUBSECTION (6) SHALL INCLUDE AS PART OF SUCH NEGOTIATIONS OR  
20 RENEGOTIATIONS COST OF LIVING ADJUSTMENTS AND PROVIDER RATE  
21 INCREASES APPROVED BY THE GENERAL ASSEMBLY.

22 (d) BY JULY 1, 2008, AND BY JULY 1 OF EACH EVEN-NUMBERED  
23 YEAR THEREAFTER, THE STATE DEPARTMENT SHALL COMPLETE A REVIEW  
24 OF THE METHODOLOGY BY WHICH COUNTRIES NEGOTIATE RATES, SERVICES,  
25 AND OUTCOMES WITH LICENSED PROVIDERS, WHICH METHODOLOGY IS

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

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

8 **25.5-4-406. Rate setting - medicaid residential treatment**  
9 **service providers - monitoring and auditing - report.** (1) The state  
10 department shall approve a rate-setting process consistent with medicaid  
11 requirements for providers of medicaid residential treatment services in  
12 the state of Colorado as developed by the department of human services.  
13 The rate-setting process developed pursuant to this section may include,  
14 but shall not be limited to:

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

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

26 (3) The state department and the department of human services,  
27 in consultation with the representatives of the counties and the provider

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

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

6 **26-1-132. Department of human services - rate setting -**  
7 **residential treatment service providers - monitoring and auditing -**  
8 **report.** (1) The state department shall develop a rate-setting process  
9 consistent with medicaid requirements for providers of residential  
10 treatment services in the state of Colorado. Representatives of counties  
11 and the provider community shall be involved in the actual development  
12 of the rate-setting process. The rate-setting process for rates funded by  
13 medicaid shall be approved by the department of health care policy and  
14 financing. The rate-setting process developed pursuant to this section  
15 may include, 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 (3) The rate-setting process developed by the state department,  
24 counties, and providers and approved by the department of health care  
25 policy and financing pursuant to subsection (1) of this section shall  
26 include ~~recommendations for~~ a two- or three-year implementation  
27 timeline with implementation beginning in state fiscal year ~~2007-08~~

1 2008-09.

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

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

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