

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0237.01 Brita Darling x2241

SENATE BILL 12-128

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

Summers,

Senate Committees
Health and Human Services

House Committees

A BILL FOR AN ACT

101 CONCERNING ACHIEVING EFFICIENCIES IN THE MEDICAID LONG-TERM
102 CARE PROGRAM THROUGH GREATER UTILIZATION OF
103 ALTERNATIVE CARE FACILITIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill establishes the 3-year alternative care facilities pilot program (pilot program) designed to increase the utilization of alternative care facilities in the medicaid program. Alternative care facilities participating in the pilot program will receive a reimbursement for not

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.

more than 1000 clients equal to \$3000 per client, per month, after considering the client portion of the cost, to provide long-term care services to clients who have been residing in a nursing facility prior to the referral to an alternative care facility. The single entry point agency shall assess the client residing in a nursing facility to determine whether the client will achieve the same or better health outcomes and client satisfaction in the alternative care facility.

On or before September 1, 2013, September 1, 2014, and September 1, 2015, the department of health care policy and financing shall report to the joint budget committee of the general assembly and the health and human services committee of the senate and the health and environment committee of the house of representatives concerning the design, implementation, and outcomes of the pilot program on client health outcomes, costs, and client satisfaction.

The pilot program repeals on July 1, 2016.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-6-113 as
3 follows:

4 **25.5-6-113. Alternative care facilities pilot program -**
5 **legislative declaration - rules - report - repeal.** (1) (a) THE GENERAL
6 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

7 (I) THE NUMBER OF COLORADANS NEEDING LONG-TERM CARE IS
8 INCREASING;

9 (II) STATE GENERAL FUND EXPENDITURES FOR LONG-TERM CARE
10 ALREADY REPRESENT A SIGNIFICANT PORTION OF THE STATE'S MEDICAL
11 ASSISTANCE BUDGET;

12 (III) MANY PERSONS IN NEED OF LONG-TERM CARE ARE UNAWARE
13 THAT THEY MAY BE ABLE TO RECEIVE LONG-TERM CARE SERVICES IN A
14 HOME-LIKE ENVIRONMENT, RATHER THAN A NURSING HOME, AND AT A
15 LOWER COST TO THE MEDICAID PROGRAM;

16 (IV) ALTERNATIVES TO NURSING HOME CARE FOR PERSONS WHO
17 DO NOT NEED OR WANT THAT TYPE OR LEVEL OF CARE SHOULD BE

1 DEVELOPED AND IMPLEMENTED;

2 (V) WHILE BEDS IN PRIVATE ALTERNATIVE CARE FACILITIES ARE
3 AVAILABLE, MANY OF THESE FACILITIES CANNOT ACCEPT MEDICAID
4 CLIENTS BECAUSE THE REIMBURSEMENT RATE FOR THESE FACILITIES
5 UNDER THE MEDICAID PROGRAM IS NOT SUFFICIENT TO INCENTIVIZE THESE
6 OFTEN SMALLER FACILITIES TO ACCEPT MEDICAID CLIENTS; AND

7 (VI) UNLESS COLORADO IMPLEMENTS NEW METHODS FOR
8 FINANCING LONG-TERM CARE, THE COST TO THE STATE FOR LONG-TERM
9 CARE SERVICES WILL CONTINUE TO RISE PRECIPITOUSLY, AND MANY
10 CLIENTS WILL CONTINUE TO BE SERVED IN NURSING HOMES PROVIDING A
11 LEVEL OF CARE THAT THE CLIENT NEITHER NEEDS NOR WANTS.

12 (b) THEREFORE, THE GENERAL ASSEMBLY FINDS THAT IT IS
13 APPROPRIATE TO ESTABLISH A PILOT PROGRAM TO PROVIDE GREATER
14 FINANCIAL INCENTIVES TO ALTERNATIVE CARE FACILITIES THAT ARE ABLE
15 TO MEET THE NEEDS OF MEDICAID CLIENTS AT A LOWER COST TO THE
16 MEDICAID PROGRAM.

17 (2) (a) ON OR BEFORE SEPTEMBER 1, 2012, THE STATE
18 DEPARTMENT SHALL ESTABLISH THE ALTERNATIVE CARE FACILITIES PILOT
19 PROGRAM THAT MAXIMIZES UTILIZATION OF ALTERNATIVE CARE FACILITY
20 PLACEMENTS FOR MEDICAID CLIENTS RECEIVING LONG-TERM CARE
21 SERVICES, REFERRED TO IN THIS SECTION AS THE "PILOT PROGRAM".

22 (b) UNDER THE PILOT PROGRAM, AN ALTERNATIVE CARE FACILITY
23 SHALL BE REIMBURSED AT THE RATE SET FORTH IN PARAGRAPH (c) OF THIS
24 SUBSECTION (2) FOR A MEDICAID-ELIGIBLE CLIENT REFERRED TO AN
25 ALTERNATIVE CARE FACILITY WHO WAS RESIDING IN A NURSING FACILITY
26 IMMEDIATELY PRIOR TO THE REFERRAL. FOR PURPOSES OF THE PILOT
27 PROGRAM:

1 (I) A CLIENT SHALL BE ELIGIBLE TO RECEIVE LONG-TERM CARE
2 SERVICES UNDER THE MEDICAID PROGRAM AND SHALL BE REASONABLY
3 EXPECTED TO CONTINUE TO NEED LONG-TERM CARE SERVICES FOR THE
4 FORESEEABLE FUTURE; AND

5 (II) AS PART OF THE REGULAR ASSESSMENT PROCESS, A SINGLE
6 ENTRY POINT AGENCY SHALL HAVE REFERRED THE CLIENT TO AN
7 ALTERNATIVE CARE FACILITY AFTER DETERMINING THAT THE CLIENT WILL
8 ACHIEVE THE SAME OR BETTER HEALTH OUTCOMES AND CLIENT
9 SATISFACTION IN THE ALTERNATIVE CARE FACILITY AS IN HIS OR HER
10 CURRENT NURSING FACILITY PLACEMENT.

11 (c) THE STATE DEPARTMENT SHALL REIMBURSE ALTERNATIVE
12 CARE FACILITIES PARTICIPATING IN THE PILOT PROGRAM AT A PER DIEM
13 RATE THAT EQUALS THREE THOUSAND DOLLARS PER MONTH, PER CLIENT,
14 REDUCED BY THE CLIENT PORTION OF THE COST. STATE DEPARTMENT
15 REIMBURSEMENTS TO ALTERNATIVE CARE FACILITIES PURSUANT TO THIS
16 PARAGRAPH (c) SHALL NOT EXCEED ONE THOUSAND CLIENTS.

17 (3) BASED SOLELY ON THE PROVISIONS OF THIS SECTION, A CLIENT
18 SHALL NOT BE REQUIRED TO MOVE FROM THE NURSING FACILITY WHERE HE
19 OR SHE RESIDES TO AN ALTERNATIVE CARE FACILITY, NOR SHALL THE
20 CLIENT, ONCE MOVED, BE REQUIRED TO STAY IN AN ALTERNATIVE CARE
21 FACILITY IF HIS OR HER FUTURE CONDITION NECESSITATES CARE IN A
22 NURSING FACILITY.

23 (4) THE STATE DEPARTMENT SHALL PROMULGATE RULES AND
24 SHALL SEEK ANY FEDERAL AUTHORIZATION NECESSARY TO IMPLEMENT
25 AND ADMINISTER THE PILOT PROGRAM.

26 (5) ON OR BEFORE SEPTEMBER 1, 2013, SEPTEMBER 1, 2014, AND
27 SEPTEMBER 1, 2015, THE STATE DEPARTMENT SHALL SUBMIT A WRITTEN

1 REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY,
2 THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY
3 SUCCESSOR COMMITTEE, AND THE HEALTH AND ENVIRONMENT COMMITTEE
4 OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEE,
5 CONCERNING THE DESIGN, IMPLEMENTATION, AND OUTCOME OF THE PILOT
6 PROGRAM. THE REPORT SHALL INCLUDE, AT A MINIMUM, DATA AND
7 INFORMATION CONCERNING CLIENT HEALTH OUTCOMES, COST OF CARE,
8 AND CLIENT SATISFACTION, AND SHALL INCLUDE A COMPARISON OF THOSE
9 OUTCOMES, IF THE DATA AND INFORMATION ARE AVAILABLE, FOR SIMILAR
10 CLIENTS RESIDING IN NURSING FACILITIES DURING THE DURATION OF THE
11 PILOT PROGRAM.

12 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016.

13 **SECTION 2. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2012 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.