

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REREVISED

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

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
Health and Environment

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.

HOUSE
3rd Reading Unam ended
April 18, 2012

HOUSE
Am ended 2nd Reading
April 5, 2012

SENATE
3rd Reading Unam ended
March 12, 2012

SENATE
Am ended 2nd Reading
March 9, 2012

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 - reimbursement**
5 **programs - legislative declaration - report - repeal. (1) (a) THE**
6 **GENERAL 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 OFTEN**
13 **UNAWARE THAT THEY MAY BE ABLE TO RECEIVE LONG-TERM CARE**
14 **SERVICES IN A HOME-LIKE ENVIRONMENT, AT A LOWER COST TO THE**
15 **MEDICAID PROGRAM;**

16 **(IV) STUDIES HAVE BEEN CONDUCTED INFORMING THE STATE THAT**
17 **AN ENHANCED REIMBURSEMENT METHODOLOGY IS NECESSARY FOR THE**

1 ESTABLISHMENT OF A STRONG CONTINUUM OF CARE FOR LONG-TERM
2 CARE;

3 (V) OTHER ALTERNATIVES TO NURSING HOME CARE SHOULD BE
4 DEVELOPED AND IMPLEMENTED; AND

5 (VI) UNLESS COLORADO IMPLEMENTS NEW METHODS FOR
6 FINANCING LONG-TERM CARE, THE COST TO THE STATE FOR LONG-TERM
7 CARE SERVICES WILL CONTINUE TO RISE PRECIPITOUSLY.

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

13 (2) IN ORDER TO DECREASE THE NUMBER OF COSTLY
14 READMISSIONS TO NURSING FACILITIES, THE STATE DEPARTMENT MAY
15 CREATE AN ENHANCED REIMBURSEMENT PROGRAM IN WHICH AN
16 ALTERNATIVE CARE FACILITY RECEIVES A TEMPORARY INCREASE IN THE
17 MEDICAID PER DIEM REIMBURSEMENT RATE FOR A MEDICAID CLIENT
18 DISCHARGED FROM A NURSING FACILITY TO AN ALTERNATIVE CARE
19 FACILITY. THE STATE DEPARTMENT SHALL DEVELOP THE CRITERIA FOR
20 PARTICIPATION IN THE ENHANCED REIMBURSEMENT PROGRAM.

21 (3) IN ORDER TO ADDRESS THE NEEDS OF MEDICAID CLIENTS WHO
22 ARE AT RISK OF NURSING HOME PLACEMENT, THE STATE DEPARTMENT MAY
23 ALSO CREATE A PROGRAM, INFORMED BY PRIOR STUDIES, THAT MAY
24 INCLUDE, BUT NEED NOT BE LIMITED TO, TIERED-RATE, ACUITY, AND
25 ENHANCED REIMBURSEMENTS FOR ALTERNATIVE CARE FACILITIES AND
26 ENHANCED ALTERNATIVE CARE SERVICES. ANY PROGRAM CREATED BY
27 THE STATE DEPARTMENT PURSUANT TO THIS SUBSECTION (3) SHALL BE

1 BUDGET-NEUTRAL OR SHALL PRODUCE COST SAVINGS TO THE STATE
2 DEPARTMENT.

3 (4) AS PART OF ITS ANNUAL REPORTING REQUIREMENT, THE STATE
4 DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET
5 COMMITTEE OF THE GENERAL ASSEMBLY, THE HEALTH AND HUMAN
6 SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEE,
7 AND THE HEALTH AND ENVIRONMENT COMMITTEE OF THE HOUSE OF
8 REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEE, CONCERNING THE
9 DESIGN, IMPLEMENTATION, AND OUTCOME OF ANY PROGRAM CREATED
10 PURSUANT TO SUBSECTIONS (2) OR (3) OF THIS SECTION.

11 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

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