

**Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0237.01 Brita Darling x2241

**SENATE BILL 12-128**

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**SENATE SPONSORSHIP**

**Roberts,**

**HOUSE SPONSORSHIP**

**Summers,**

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**Senate Committees**

Health and Human Services

**House Committees**

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**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.**

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**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.

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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) ALTERNATIVES TO NURSING HOME CARE SHOULD BE**  
17 **DEVELOPED AND IMPLEMENTED; AND**

1           (V) UNLESS COLORADO IMPLEMENTS NEW METHODS FOR  
2 FINANCING LONG-TERM CARE, THE COST TO THE STATE FOR LONG-TERM  
3 CARE SERVICES WILL CONTINUE TO RISE PRECIPITOUSLY.

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

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

17           (3) THE STATE DEPARTMENT MAY ALSO CREATE A PROGRAM THAT  
18 USES ALTERNATIVE CARE FACILITIES AND ENHANCED ALTERNATIVE CARE  
19 SERVICES TO ADDRESS THE NEEDS OF MEDICAID CLIENTS WHO ARE AT RISK  
20 OF NURSING HOME PLACEMENT.

21           (4) AS PART OF ITS ANNUAL REPORTING REQUIREMENT, THE STATE  
22 DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET  
23 COMMITTEE OF THE GENERAL ASSEMBLY, THE HEALTH AND HUMAN  
24 SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEE,  
25 AND THE HEALTH AND ENVIRONMENT COMMITTEE OF THE HOUSE OF  
26 REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEE, CONCERNING THE  
27 DESIGN, IMPLEMENTATION, AND OUTCOME OF ANY PROGRAM CREATED

1 PURSUANT TO SUBSECTIONS (2) OR (3) OF THIS SECTION.

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

3 **SECTION 2. Act subject to petition - effective date.** This act  
4 takes effect at 12:01 a.m. on the day following the expiration of the  
5 ninety-day period after final adjournment of the general assembly (August  
6 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a  
7 referendum petition is filed pursuant to section 1 (3) of article V of the  
8 state constitution against this act or an item, section, or part of this act  
9 within such period, then the act, item, section, or part will not take effect  
10 unless approved by the people at the general election to be held in  
11 November 2012 and, in such case, will take effect on the date of the  
12 official declaration of the vote thereon by the governor.