

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

**REREVISED**

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

LLS NO. 13-0401.01 Brita Darling x2241

**HOUSE BILL 13-1068**

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**HOUSE SPONSORSHIP**

**Young,**

**SENATE SPONSORSHIP**

**Roberts,**

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**House Committees**  
Public Health Care & Human Services

**Senate Committees**  
Health & Human Services

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**A BILL FOR AN ACT**

101 **CONCERNING ON-SITE INSPECTIONS OF MEDICAID PROVIDERS.**

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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>.)*

Currently, state law requires the department of health care policy and financing (department) to provide advance notice to a medicaid provider of a review or audit of the provider.

Federal law requires that the department require a provider to permit the department or its contractors and the federal medicaid agency or its agent to conduct on-site inspections of provider locations, unannounced and without advance notice to the provider, for purposes of

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  
March 28, 2013

SENATE  
2nd Reading Unamended  
March 27, 2013

HOUSE  
3rd Reading Unamended  
February 26, 2013

HOUSE  
Amended 2nd Reading  
February 25, 2013

ensuring the accuracy of records and compliance with federal and state medicaid requirements. The bill amends the statute to allow for unannounced inspections of medicaid providers.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-4-301, **add** (14)  
3 as follows:

4 **25.5-4-301. Recoveries - overpayments - penalties - interest -**  
5 **adjustments - liens - review or audit**  
6 **procedures.** (14) NOTWITHSTANDING ANY PROVISION OF THIS SECTION  
7 TO THE CONTRARY:

8 (a) (I) THE STATE DEPARTMENT, OR THE STATE DEPARTMENT'S  
9 DESIGNATED AGENT, SHALL CONDUCT PRE-ENROLLMENT AND  
10 POST-ENROLLMENT SITE VISITS OF PROVIDERS WHO ARE DESIGNATED AS  
11 MODERATE OR HIGH CATEGORICAL RISKS TO THE MEDICAID PROGRAM. THE  
12 PURPOSE OF THE SITE VISIT IS TO VERIFY THAT THE INFORMATION  
13 SUBMITTED TO THE STATE DEPARTMENT IS ACCURATE AND TO DETERMINE  
14 COMPLIANCE WITH FEDERAL AND STATE ENROLLMENT REQUIREMENTS.

15 (II) AS ESTABLISHED IN RULES PROMULGATED BY THE STATE  
16 BOARD, THE STATE DEPARTMENT MAY WAIVE PRE-ENROLLMENT AND  
17 POST-ENROLLMENT SITE VISITS OF PROVIDERS IF THE SITE VISITS ARE  
18 CONDUCTED BY MEDICARE OR OTHER FEDERALLY DESIGNATED ENTITIES.

19 (III) A PROVIDER IS DESIGNATED AS A LIMITED, MODERATE, OR  
20 HIGH CATEGORICAL RISK PURSUANT TO THE MEDICARE PROGRAM AND  
21 FEDERAL REGULATIONS. IF A PROVIDER IS NOT DESIGNATED IN A RISK  
22 CATEGORY PURSUANT TO THE MEDICARE PROGRAM AND FEDERAL  
23 REGULATIONS, THE PROVIDER'S RISK CATEGORY SHALL BE ESTABLISHED  
24 PURSUANT TO RULES PROMULGATED BY THE STATE BOARD.

1 (b) A PROVIDER ENROLLED IN THE MEDICAID PROGRAM SHALL  
2 PERMIT THE CENTERS FOR MEDICARE AND MEDICAID SERVICES OR ITS  
3 AGENT OR DESIGNATED CONTRACTORS AND THE STATE DEPARTMENT OR  
4 ITS AGENT TO CONDUCT UNANNOUNCED, ON-SITE INSPECTIONS OF ANY  
5 AND ALL PROVIDER LOCATIONS. PAYMENT FOR ANY AGENT DESIGNATED  
6 BY THE STATE DEPARTMENT TO PERFORM ON-SITE INSPECTIONS SHALL NOT  
7 BE BASED ON ANY RECOVERIES PAID TO THE STATE DEPARTMENT BY A  
8 PROVIDER FOR VIOLATIONS DISCOVERED AS A RESULT OF THE ON-SITE  
9 INSPECTION.

10 **SECTION 2. Safety clause.** The general assembly hereby finds,  
11 determines, and declares that this act is necessary for the immediate  
12 preservation of the public peace, health, and safety.