

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

REVISED

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

LLS NO. 13-0525.01 Jerry Barry x4341

SENATE BILL 13-044

SENATE SPONSORSHIP

Nicholson,

HOUSE SPONSORSHIP

Coram,

Senate Committees
Health & Human Services

House Committees
Public Health Care & Human Services

A BILL FOR AN ACT

101 **CONCERNING INCENTIVE PAYMENTS IN PREPAID INPATIENT HEALTH**
102 **PLAN AGREEMENTS.**

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 changes the time when a quality incentive payment is made under a prepaid inpatient health plan agreement from within 6 months to within a reasonable period of time.

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
Amended 2nd Reading
March 8, 2013

SENATE
3rd Reading Unamended
February 5, 2013

SENATE
2nd Reading Unamended
February 4, 2013

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-5-407.5, **amend**

3 (2) (a) as follows:

4 **25.5-5-407.5. Prepaid inpatient health plan agreements - rules.**

5 (2) (a) A PIHP agreement may include a provision for a quality incentive
6 payment that is distributed to the contractor within ~~six months~~ A
7 REASONABLE PERIOD OF TIME, AS SPECIFIED IN THE CONTRACT, following
8 the end of each fiscal year if the contractor substantially exceeds
9 predetermined quality indicators. The quality indicators shall be based
10 upon broadly accepted measures of performance adopted by rule of the
11 state board and agreed upon at the outset of the contract period, and shall
12 include, but need not be limited to, the health plan employers data and
13 information set measures. The quality incentive payment may be made
14 proportional if the state board establishes multiple quality measurements.
15 The quality incentive payments shall not exceed the total cost savings
16 created under the PIHP agreement, as determined by comparison of the
17 PIHP members with an actuarially equivalent fee-for-service population,
18 and the quality incentive payment shall not exceed five percent of the
19 total medicaid payments received by the contractor during the
20 performance period of the PIHP agreement.

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