

**First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 15-0690.01 Brita Darling x2241

**SENATE BILL 15-137**

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**SENATE SPONSORSHIP**

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**DelGrosso and Ginal, Kraft-Tharp**

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**Senate Committees**

Business, Labor, & Technology

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**A BILL FOR AN ACT**

101 **CONCERNING BUSINESS ENTITIES PERMITTED TO PROVIDE THE**  
102 **PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY.**

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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>.)*

Under current law, nonprofit organizations are authorized to offer the program of all-inclusive care for the elderly (PACE program). If permitted by federal law, the bill authorizes public, private, and for-profit entities, in addition to nonprofit entities, to provide the PACE program.

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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.*

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-5-412, **amend**  
3 (1) (a), (2) (b), and (8) as follows:

4 **25.5-5-412. Program of all-inclusive care for the elderly -**  
5 **legislative declaration - services - eligibility - rules.** (1) (a) The general  
6 assembly hereby finds and declares that it is the intent of this section to  
7 replicate the ON LOK program in San Francisco, California, that has  
8 proven to be cost-effective at both the state and federal levels. The PACE  
9 program is part of a national replication project authorized in section  
10 9412(b)(2) of the federal "Omnibus Budget Reconciliation Act of 1986",  
11 as amended. ~~which instructs the secretary of the federal department of~~  
12 ~~health and human services to grant medicare and medicaid waivers to~~  
13 ~~permit not more than ten public or nonprofit private community-based~~  
14 ~~organizations in the country to provide comprehensive health care~~  
15 ~~services on a capitated basis to frail elderly who are at risk of~~  
16 ~~institutionalization.~~ The general assembly finds that, by coordinating an  
17 extensive array of medical and nonmedical services, the needs of the  
18 participants will be met primarily in an outpatient environment in an adult  
19 day health center, in their homes, or in an institutional setting. The  
20 general assembly finds that such a service delivery system will enhance  
21 the quality of life for the participant and offers the potential to reduce and  
22 cap the costs to Colorado of the medical needs of the participants,  
23 including hospital and nursing home admissions.

24 (2) The general assembly has determined on the recommendation  
25 of the state department that the PACE program is cost-effective. As a  
26 result of such determination and after consultation with the joint budget  
27 committee of the general assembly, application has been made to and

1       waivers have been obtained from the federal health care financing  
2       administration to implement the PACE program as provided in this  
3       section. The general assembly, therefore, authorizes the state department  
4       to implement the PACE program in accordance with this section. In  
5       connection with the implementation of the program, the state department  
6       shall:

7               (b) Develop and implement a contract with any ~~nonprofit~~  
8       ~~organization~~ PUBLIC, PRIVATE, NONPROFIT, OR FOR-PROFIT ENTITY  
9       providing the PACE program, AS PERMITTED BY FEDERAL LAW, that sets  
10       forth contractual obligations for the PACE program AS REQUIRED BY THE  
11       STATE DEPARTMENT, including but not limited to reporting and  
12       monitoring of utilization of services and of the costs of the program, as  
13       required by the state department QUALITY OF CARE, AND A  
14       COMPREHENSIVE ASSESSMENT OF THE PROVIDER'S FISCAL SOUNDNESS;

15               (8) Using a risk-based financing model, any ~~nonprofit~~  
16       ~~organization~~ PUBLIC, PRIVATE, NONPROFIT, OR FOR-PROFIT ENTITY  
17       providing the PACE program, AS PERMITTED BY FEDERAL LAW, shall  
18       assume responsibility for all costs generated by PACE program  
19       participants, and shall create and maintain a risk reserve fund that will  
20       cover any cost overages for any participant. The PACE program is  
21       responsible for the entire range of services in the consolidated service  
22       model, including hospital and nursing home care, according to participant  
23       need as determined by the multidisciplinary team. Any ~~nonprofit~~  
24       ~~organization~~ PUBLIC, PRIVATE, NONPROFIT, OR FOR-PROFIT ENTITY  
25       providing the PACE program, AS PERMITTED BY FEDERAL LAW, is  
26       responsible for the full financial risk at the conclusion of the  
27       demonstration period and when permanent waivers from the federal

1 health care financing administration are granted. Specific arrangements  
2 of the risk-based financing model shall be adopted and negotiated by the  
3 federal health care financing administration, any ~~nonprofit organization~~  
4 PUBLIC, PRIVATE, NONPROFIT, OR FOR-PROFIT ENTITY providing the PACE  
5 program, AS PERMITTED BY FEDERAL LAW, and the state department.

6 **SECTION 2.** In Colorado Revised Statutes, **repeal** 25.5-5-412 (1)  
7 (b).

8 **SECTION 3. Act subject to petition - effective date.** This act  
9 takes effect at 12:01 a.m. on the day following the expiration of the  
10 ninety-day period after final adjournment of the general assembly  
11 (August 5, 2015, if adjournment sine die is on May 6, 2015); except that,  
12 if a referendum petition is filed pursuant to section 1 (3) of article V of  
13 the state constitution against this act or an item, section, or part of this act  
14 within such period, then the act, item, section, or part will not take effect  
15 unless approved by the people at the general election to be held in  
16 November 2016 and, in such case, will take effect on the date of the  
17 official declaration of the vote thereon by the governor.