

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**ENGROSSED**

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

LLS NO. 15-0996.01 Jerry Barry x4341

**SENATE BILL 15-228**

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**SENATE SPONSORSHIP**

**Steadman**, Grantham, Lambert

**HOUSE SPONSORSHIP**

**Rankin**, Hamner, Young

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**Senate Committees**

Health & Human Services  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING A PROCESS FOR THE PERIODIC REVIEW OF PROVIDER**  
102 **RATES UNDER THE "COLORADO MEDICAL ASSISTANCE ACT",**  
103 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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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/bills summaries>.)*

**Joint Budget Committee.** The bill establishes a process for the department of health care policy and financing (department) to review provider fee rates. It requires the department to establish a schedule of rates to be reviewed so that every rate is reviewed every 5 years. It authorizes out-of-cycle review of rates at the request of the joint budget

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  
Amended 2nd Reading  
April 15, 2015

committee (JBC) or the medicaid provider rate review advisory committee (committee) established pursuant to the bill.

In reviewing rates, the department first conducts an analysis of the access, services, quality, and utilization of the service and provides a report to the JBC and the committee. The department then conducts a review of the report, including public meetings, with stakeholders. The department works with the office of state planning and budgeting to develop recommendations within the overall state budget. Finally, the department submits a report to the JBC on the review and its recommendations on or before November 1 of each year.

The bill requires leadership in both houses to appoint members of the committee and establishes duties for the committee.

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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** 25.5-4-401.5 as  
3 follows:

4 **25.5-4-401.5. Review of provider rates - advisory committee**  
5 **- recommendations - repeal.** (1) (a) ON OR BEFORE SEPTEMBER 1, 2015,  
6 THE STATE DEPARTMENT SHALL ESTABLISH A SCHEDULE FOR AN ANNUAL  
7 REVIEW OF PROVIDER RATES PAID UNDER THE "COLORADO MEDICAL  
8 ASSISTANCE ACT" SO THAT EACH PROVIDER RATE IS REVIEWED AT LEAST  
9 EVERY FIVE YEARS AND SHALL PROVIDE THE SCHEDULE TO THE JOINT  
10 BUDGET COMMITTEE. IF THE STATE DEPARTMENT RECEIVES ANY PETITIONS  
11 OR PROPOSALS FOR PROVIDER RATES TO BE REVIEWED OR ADJUSTED, THE  
12 STATE DEPARTMENT MUST FORWARD A COPY OF THE PETITION OR  
13 PROPOSAL TO THE ADVISORY COMMITTEE.

14 (b) THE STATE DEPARTMENT SHALL REVIEW EACH OF THE  
15 PROVIDER RATES SCHEDULED FOR REVIEW PURSUANT TO THE PROCESS  
16 DESCRIBED IN THIS SECTION. ADDITIONALLY, THE ADVISORY COMMITTEE  
17 ESTABLISHED PURSUANT TO SUBSECTION (3) OF THIS SECTION, BY A  
18 MAJORITY VOTE, OR THE JOINT BUDGET COMMITTEE, BY A MAJORITY VOTE,  
19 MAY DIRECT THAT THE STATE DEPARTMENT CONDUCT A REVIEW OF A

1 PROVIDER RATE THAT IS NOT SCHEDULED FOR REVIEW DURING THAT YEAR.  
2 THE ADVISORY COMMITTEE OR THE JOINT BUDGET COMMITTEE SHALL  
3 NOTIFY THE STATE DEPARTMENT BY DECEMBER 1 OF THE YEAR PRIOR TO  
4 THE YEAR IN WHICH THE OUT-OF-CYCLE REVIEW WILL TAKE PLACE OF THE  
5 REQUEST FOR AN OUT-OF-CYCLE REVIEW.

6 (c) (I) THE STATE DEPARTMENT MAY PROPOSE TO EXCLUDE RATES  
7 FROM THE SCHEDULE ESTABLISHED PURSUANT TO PARAGRAPH (a) OF THIS  
8 SUBSECTION (1) IF THOSE RATES ARE ADJUSTED ON A PERIODIC BASIS AS A  
9 RESULT OF OTHER STATE STATUTE OR FEDERAL LAW OR REGULATION. THE  
10 STATE DEPARTMENT SHALL INCLUDE THE PROPOSED LIST OF EXCLUSIONS  
11 WITH THE SCHEDULE ESTABLISHED PURSUANT TO PARAGRAPH (a) OF THIS  
12 SUBSECTION (1).

13 (II) THE ADVISORY COMMITTEE OR THE JOINT BUDGET COMMITTEE  
14 MAY BY A MAJORITY VOTE DIRECT THE STATE DEPARTMENT TO INCLUDE  
15 ANY RATE THAT THE STATE DEPARTMENT HAS PROPOSED TO EXCLUDE  
16 FROM THE SCHEDULE.

17 (2) (a) IN THE FIRST PHASE OF THE REVIEW PROCESS, THE STATE  
18 DEPARTMENT SHALL CONDUCT AN ANALYSIS OF THE ACCESS, SERVICE,  
19 QUALITY, AND UTILIZATION OF EACH SERVICE SUBJECT TO A PROVIDER  
20 RATE REVIEW. THE STATE DEPARTMENT SHALL COMPARE THE RATES PAID  
21 WITH AVAILABLE BENCHMARKS, INCLUDING MEDICARE RATES AND USUAL  
22 AND CUSTOMARY RATES PAID BY PRIVATE PAY PARTIES, AND USE  
23 QUALITATIVE TOOLS TO ASSESS WHETHER PAYMENTS ARE SUFFICIENT TO  
24 ALLOW FOR PROVIDER RETENTION AND CLIENT ACCESS AND TO SUPPORT  
25 APPROPRIATE REIMBURSEMENT OF HIGH-VALUE SERVICES. ON OR BEFORE  
26 MAY 1, 2016, AND EACH MAY 1 THEREAFTER, THE STATE DEPARTMENT  
27 SHALL PROVIDE A REPORT ON THE ANALYSIS REQUIRED BY THIS

1 PARAGRAPH (a) TO THE ADVISORY COMMITTEE, THE JOINT BUDGET  
2 COMMITTEE, AND ANY STAKEHOLDER GROUPS IDENTIFIED BY THE STATE  
3 DEPARTMENT WHOSE RATES ARE REVIEWED.

4 (b) FOLLOWING THE REPORT REQUIRED BY PARAGRAPH (a) OF THIS  
5 SUBSECTION (2), THE STATE DEPARTMENT SHALL WORK WITH THE  
6 ADVISORY COMMITTEE AND ANY STAKEHOLDERS IDENTIFIED BY THE STATE  
7 DEPARTMENT TO REVIEW THE REPORT AND DEVELOP STRATEGIES FOR  
8 RESPONDING TO THE FINDINGS, INCLUDING ANY NONFISCAL APPROACHES  
9 OR REBALANCING OF RATES.

10 (c) FOLLOWING THE REVIEW REQUIRED BY PARAGRAPH (b) OF THIS  
11 SUBSECTION (2), THE STATE DEPARTMENT SHALL WORK WITH THE OFFICE  
12 OF STATE PLANNING AND BUDGETING TO DETERMINE ACHIEVABLE GOALS  
13 AND EXECUTIVE BRANCH PRIORITIES WITHIN THE STATEWIDE BUDGET.

14 (d) ON OR BEFORE NOVEMBER 1, 2016, AND EACH NOVEMBER 1  
15 THEREAFTER, THE STATE DEPARTMENT SHALL SUBMIT A WRITTEN REPORT  
16 TO THE JOINT BUDGET COMMITTEE AND THE ADVISORY COMMITTEE  
17 CONTAINING ITS RECOMMENDATIONS ON ALL OF THE PROVIDER RATES  
18 REVIEWED PURSUANT TO THE SECTION AND ALL OF THE DATA RELIED UPON  
19 BY THE STATE DEPARTMENT IN MAKING ITS RECOMMENDATIONS. THE  
20 JOINT BUDGET COMMITTEE SHALL CONSIDER THE RECOMMENDATIONS IN  
21 FORMULATING THE BUDGET FOR THE STATE DEPARTMENT.

22 (3) (a) THERE IS CREATED IN THE STATE DEPARTMENT THE  
23 MEDICAID PROVIDER RATE REVIEW ADVISORY COMMITTEE, REFERRED TO  
24 IN THIS SECTION AS THE "ADVISORY COMMITTEE", TO ASSIST THE STATE  
25 DEPARTMENT IN THE REVIEW OF THE PROVIDER RATE REIMBURSEMENTS  
26 UNDER THE "COLORADO MEDICAL ASSISTANCE ACT". THE ADVISORY  
27 COMMITTEE SHALL:

1 (I) REVIEW THE SCHEDULE FOR ANNUAL REVIEW OF PROVIDER  
2 RATES ESTABLISHED BY THE STATE DEPARTMENT PURSUANT TO  
3 PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION AND RECOMMEND  
4 ANY CHANGES TO THE SCHEDULE;

5 (II) REVIEW THE REPORTS PREPARED BY THE STATE DEPARTMENT  
6 ON ITS ANALYSIS OF PROVIDER RATES PURSUANT TO PARAGRAPH (a) OF  
7 SUBSECTION (2) OF THIS SECTION AND PROVIDE COMMENTS AND FEEDBACK  
8 TO THE STATE DEPARTMENT ON THE REPORTS;

9 (III) WITH THE STATE DEPARTMENT, CONDUCT PUBLIC MEETINGS  
10 TO ALLOW PROVIDERS, RECIPIENTS, AND OTHER INTERESTED PARTIES AN  
11 OPPORTUNITY TO COMMENT ON THE REPORT REQUIRED BY PARAGRAPH (a)  
12 OF SUBSECTION (2) OF THIS SECTION;

13 (IV) REVIEW PROPOSALS OR PETITIONS FOR PROVIDER RATES TO BE  
14 REVIEWED OR ADJUSTED RECEIVED BY THE ADVISORY COMMITTEE;

15 (V) DETERMINE WHETHER ANY PROVIDER RATES NOT SCHEDULED  
16 FOR REVIEW DURING THE NEXT CALENDAR YEAR SHOULD BE REVIEWED  
17 DURING THAT CALENDAR YEAR;

18 (VI) RECOMMEND TO THE STATE DEPARTMENT AND TO THE JOINT  
19 BUDGET COMMITTEE ANY CHANGES TO THE PROCESS OF REVIEWING  
20 PROVIDER RATES, INCLUDING MEASURES TO INCREASE ACCESS TO THE  
21 PROCESS SUCH AS BY PROVIDING FOR ELECTRONIC COMMENTS BY  
22 PROVIDERS AND THE PUBLIC; AND

23 (VII) PROVIDE OTHER ASSISTANCE TO THE STATE DEPARTMENT AS  
24 REQUESTED BY THE STATE DEPARTMENT OR THE JOINT BUDGET  
25 COMMITTEE.

26 (b) THE ADVISORY COMMITTEE CONSISTS OF THE FOLLOWING  
27 TWENTY-FOUR MEMBERS:

1 (I) THE FOLLOWING MEMBERS APPOINTED BY THE PRESIDENT OF  
2 THE SENATE:

3 (A) A RECIPIENT WITH A DISABILITY OR A REPRESENTATIVE OF  
4 RECIPIENTS WITH A DISABILITY;

5 (B) A REPRESENTATIVE OF HOSPITALS PROVIDING SERVICES TO  
6 RECIPIENTS RECOMMENDED BY A STATEWIDE ASSOCIATION OF HOSPITALS;

7 (C) A REPRESENTATIVE OF PROVIDERS OF TRANSPORTATION;

8 (D) A REPRESENTATIVE OF RURAL HEALTH CENTERS;

9 (E) A REPRESENTATIVE OF HOME HEALTH PROVIDERS  
10 RECOMMENDED BY A STATEWIDE ORGANIZATION OF HOME HEALTH  
11 PROVIDERS; AND

12 (F) A REPRESENTATIVE OF PROVIDERS OF DURABLE MEDICAL  
13 EQUIPMENT RECOMMENDED BY A STATEWIDE ASSOCIATION OF DURABLE  
14 MEDICAL EQUIPMENT PROVIDERS;

15 (II) THE FOLLOWING MEMBERS APPOINTED BY THE MINORITY  
16 LEADER OF THE SENATE:

17 (A) A REPRESENTATIVE OF PROVIDERS OF BEHAVIORAL HEALTH  
18 CARE SERVICES;

19 (B) A REPRESENTATIVE OF PRIMARY CARE PHYSICIANS WHO SEE  
20 RECIPIENTS RECOMMENDED BY A STATEWIDE ASSOCIATION OF PRIMARY  
21 CARE PHYSICIANS;

22 (C) A REPRESENTATIVE OF DENTISTS PROVIDING SERVICES TO  
23 RECIPIENTS RECOMMENDED BY A STATEWIDE ASSOCIATION OF DENTISTS;

24 (D) A REPRESENTATIVE OF FEDERALLY QUALIFIED HEALTH  
25 CENTERS;

26 (E) A REPRESENTATIVE OF NONMEDICAL HOME- AND  
27 COMMUNITY-BASED SERVICE PROVIDERS; AND

1 (F) A REPRESENTATIVE OF PROVIDERS SERVING RECIPIENTS WITH  
2 INTELLECTUAL AND DEVELOPMENTAL DISABILITIES;

3 (III) THE FOLLOWING MEMBERS APPOINTED BY THE SPEAKER OF  
4 THE HOUSE OF REPRESENTATIVES:

5 (A) A \_\_\_\_\_ REPRESENTATIVE OF CHILD RECIPIENTS WITH A  
6 DISABILITY;

7 (B) A REPRESENTATIVE OF SPECIALTY CARE PHYSICIANS NOT  
8 EMPLOYED BY A HOSPITAL WHO SEE RECIPIENTS RECOMMENDED BY A  
9 STATEWIDE ASSOCIATION WHOSE MEMBERS INCLUDE AT LEAST ONE-THIRD  
10 OF THE DOCTORS OF MEDICINE OR OSTEOPATHY LICENSED BY THE STATE;

11 (C) A REPRESENTATIVE OF PROVIDERS OF ALTERNATIVE CARE  
12 FACILITIES RECOMMENDED BY A STATEWIDE ASSOCIATION OF  
13 ALTERNATIVE CARE FACILITIES;

14 (D) A REPRESENTATIVE OF SINGLE ENTRY POINT AGENCIES;

15 (E) A REPRESENTATIVE OF AMBULATORY SURGICAL CENTERS;

16 (F) A REPRESENTATIVE OF HOSPICE PROVIDERS RECOMMENDED BY  
17 A STATEWIDE ASSOCIATION OF HOSPICE AND PALLIATIVE CARE PROVIDERS;

18 AND

19 (IV) THE FOLLOWING MEMBERS APPOINTED BY THE MINORITY  
20 LEADER OF THE HOUSE OF REPRESENTATIVES:

21 (A) A \_\_\_\_\_ REPRESENTATIVE OF SUBSTANCE USE DISORDER  
22 PROVIDERS RECOMMENDED BY A STATEWIDE ASSOCIATION OF SUBSTANCE  
23 USE DISORDER PROVIDERS;

24 (B) A REPRESENTATIVE OF FACILITY-BASED PHYSICIANS WHO SEE  
25 RECIPIENTS. FOR PURPOSES OF THIS SUB-SUBPARAGRAPH (B),  
26 "FACILITY-BASED PHYSICIANS" INCLUDE ANESTHESIOLOGISTS, EMERGENCY  
27 ROOM PHYSICIANS, NEONATOLOGISTS, PATHOLOGISTS, AND RADIOLOGISTS.

1 (C) A REPRESENTATIVE OF PHARMACISTS PROVIDING SERVICES TO  
2 RECIPIENTS;

3 (D) A REPRESENTATIVE OF MANAGED CARE HEALTH PLANS;

4 (E) A REPRESENTATIVE OF ADVANCED PRACTICE NURSES  
5 RECOMMENDED BY A STATEWIDE ASSOCIATION OF \_\_\_ NURSES; AND

6 (F) A REPRESENTATIVE OF PHYSICAL THERAPISTS OR  
7 OCCUPATIONAL THERAPISTS RECOMMENDED BY A STATEWIDE  
8 ASSOCIATION REPRESENTING OCCUPATIONAL OR PHYSICAL THERAPISTS.

9 (c) THE APPOINTING AUTHORITIES SHALL MAKE THEIR INITIAL  
10 APPOINTMENTS TO THE ADVISORY COMMITTEE NO LATER THAN AUGUST  
11 1, 2015. IN MAKING APPOINTMENTS TO THE ADVISORY COMMITTEE, THE  
12 APPOINTING AUTHORITIES SHALL MAKE A CONCERTED EFFORT TO INCLUDE  
13 MEMBERS OF DIVERSE POLITICAL, RACIAL, CULTURAL, INCOME, AND  
14 ABILITY GROUPS AND MEMBERS FROM URBAN AND RURAL AREAS.

15 (d) EACH MEMBER OF THE ADVISORY COMMITTEE SERVES AT THE  
16 PLEASURE OF THE OFFICIAL WHO APPOINTED THE MEMBER. EACH MEMBER  
17 OF THE ADVISORY COMMITTEE SERVES A FOUR-YEAR TERM AND MAY BE  
18 REAPPOINTED.

19 (e) THE MEMBERS OF THE ADVISORY COMMITTEE SERVE WITHOUT  
20 COMPENSATION AND WITHOUT REIMBURSEMENT FOR EXPENSES.

21 (f) AT THE FIRST MEETING OF THE ADVISORY COMMITTEE, TO BE  
22 HELD ON OR AFTER SEPTEMBER 1, 2015, THE MEMBERS SHALL ELECT A  
23 CHAIR AND VICE-CHAIR FROM AMONG THE MEMBERS.

24 (g) THE ADVISORY COMMITTEE SHALL MEET AT LEAST ONCE EVERY  
25 QUARTER. THE CHAIR MAY CALL SUCH ADDITIONAL MEETINGS AS MAY BE  
26 NECESSARY FOR THE ADVISORY COMMITTEE TO COMPLETE ITS DUTIES.

27 (h) THE ADVISORY COMMITTEE SHALL DEVELOP BYLAWS AND



1 PROCEDURES TO GOVERN ITS OPERATIONS.

2 (i) (I) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE SEPTEMBER  
3 1, 2025.

4 (II) PRIOR TO REPEAL, THE DEPARTMENT OF REGULATORY  
5 AGENCIES SHALL CONDUCT A SUNSET REVIEW OF THE ADVISORY  
6 COMMITTEE PURSUANT TO THE PROVISIONS OF SECTION 2-3-1203, C.R.S.

7 **SECTION 2.** In Colorado Revised Statutes, 2-3-1203, **add** (3) (II)  
8 as follows:

9 **2-3-1203. Sunset review of advisory committees.** (3) The  
10 following dates are the dates on which the statutory authorization for the  
11 designated advisory committee is scheduled for repeal:

12 (II) SEPTEMBER 1, 2025:

13 (I) THE MEDICAID PROVIDER RATE REVIEW ADVISORY COMMITTEE  
14 CREATED IN SECTION 25.5-4-401.5, C.R.S.

15 **SECTION 3. Appropriation.** (1) For the 2015-16 state fiscal  
16 year, \$269,912 is appropriated to the department of health care policy and  
17 financing. This appropriation is from the general fund and is based on an  
18 assumption that the department of health care policy and financing will  
19 require an additional 4.0 FTE. To implement this act, the department of  
20 health care policy and financing may use this appropriation to establish  
21 an annual rate review process as follows:

22 (a) \$133,606 for personal services;

23 (b) \$11,306 for operating expenses; and

24 (c) \$125,000 for general professional services and special  
25 projects.

26 (2) For the 2015-16 state fiscal year, the general assembly  
27 anticipates that the department of health care policy and financing will

1 receive \$269,911 in federal funds for an annual rate review process. The  
2 appropriation in subsection (1) of this section is based on the assumption  
3 that the department will receive this amount of federal funds to be used  
4 as follows:

- 5 (a) \$133,605 for personal services;
- 6 (b) \$11,306 for operating expenses; and
- 7 (c) \$125,000 for general professional services and special  
8 projects.

9 **SECTION 4. Safety clause.** The general assembly hereby finds,  
10 determines, and declares that this act is necessary for the immediate  
11 preservation of the public peace, health, and safety.