

**NOTE: The governor signed this measure on 3/18/2016.**

# An Act

HOUSE BILL 16-1081

BY REPRESENTATIVE(S) Ransom and Esgar, Becker K., Brown, Conti, Duran, Ginal, Kagan, Klingenschmitt, Kraft-Tharp, Landgraf, Lee, Lontine, Mitsch Bush, Neville P., Rosenthal, Saine, Van Winkle, Williams, Windholz;

also SENATOR(S) Lundberg and Newell, Aguilar, Baumgardner, Cooke, Garcia, Grantham, Guzman, Heath, Holbert, Jahn, Kefalas, Lambert, Marble, Martinez Humenik, Scheffel, Scott, Steadman, Tate, Todd, Woods, Cadman.

CONCERNING REMOVING OBSOLETE REPORTING PROVISIONS IN TITLE 25.5 OF THE COLORADO REVISED STATUTES.

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

**SECTION 1.** In Colorado Revised Statutes, 25.5-1-109.5, **repeal** (2) (b) as follows:

**25.5-1-109.5. Clinical standards - development.** (2) (b) ~~The state department shall review data collected pursuant to paragraph (a) of this subsection (2) and assess the health outcomes for programs administered by the state department. On or before July 1, 2008, and on or before each July 1 thereafter, based on the review of this data, the state department shall recommend to the health and human services committees of the senate and~~

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

~~the house of representatives, or any successor committees, strategies to improve health outcomes.~~

**SECTION 2.** In Colorado Revised Statutes, 25.5-4-300.7, **repeal** (2) as follows:

**25.5-4-300.7. Prevention of coding errors - prepayment review of claims.** (2) ~~On or before January 31, 2011, and on or before January 31 each year thereafter, the state department shall submit to the joint budget committee of the general assembly and to the health and human services committees of the house of representatives and senate, or any successor committees, a report concerning the system implemented and maintained by the state department pursuant to subsection (1) of this section. The report shall include, at a minimum, the number and dollar value of medical services coding errors identified during the previous year through the use of the system.~~

**SECTION 3.** In Colorado Revised Statutes, 25.5-5-410, **amend** (2); and **repeal** (1) as follows:

**25.5-5-410. Data collection for managed care programs.** (1) ~~In addition to any other data collection or reporting requirements set forth in this article and articles 4 and 6 of this title, the state department shall access and compile data concerning health data and outcomes. In addition, no later than July 1, 1998, the state department shall conduct or shall contract with an independent evaluator to conduct a quality assurance analysis of each managed care program in the state for medical assistance recipients. No later than July 1, 1999, and each fiscal year thereafter, the state department, using the compiled data and results from the quality assurance analysis, shall submit a report to the house and senate committees on health and human services, or any successor committees, on the cost-efficiency of each managed care program or component thereof, with recommendations concerning statewide implementation of the respective programs or components. For the purposes of this subsection (1), "quality assurance" means costs weighed against benefits provided to consumers, health outcomes or maintenance of the individual's highest level of functioning, and the overall change in the health status of the population served. The state department's report shall address capitation, including methods for adjusting rates based on risk allocations, fees-for-services, copayments, chronically ill populations, long-term care, community-supported services,~~

~~and the entitlement status of medical assistance. The state department's report shall include a comparison of the effectiveness of the MCE program and the PCCM program based upon common performance standards that shall include but not be limited to recipient satisfaction.~~

(2) ~~In addition,~~ The state department of human services, in conjunction with the state department, shall continue its existing efforts, which include obtaining and considering consumer input, to develop managed care systems for the developmentally disabled population and to consider a pilot program for a certificate system to enable the developmentally disabled population to purchase managed care services or fee-for-service care, including long-term care community services. The department of human services shall not implement any managed care system for developmentally disabled services without the express approval of the joint budget committee. Any proposed implementation of fully capitated managed care in the developmental disabilities community service system shall require legislative review.

**SECTION 4.** In Colorado Revised Statutes, 25.5-5-506, **repeal** (3) (b) as follows:

**25.5-5-506. Prescribed drugs - utilization review.** (3) (b) ~~The state department shall report to the health and human services committees for the house of representatives and the senate, or any successor committees, and the joint budget committee no later than December 1, 2003, and each December 1 thereafter, on plan utilization mechanisms that have been implemented or that will be implemented by the state department, the time frames for implementation, the expected savings associated with each utilization mechanism, and any other information deemed appropriate by the health and human services committees, or any successor committees, or the joint budget committee.~~

**SECTION 5.** In Colorado Revised Statutes, **repeal** 25.5-8-113 as follows:

**25.5-8-113. Reports by contractors to medical services board.** ~~Any personal services contractor that contracts with the department to provide services under this article shall provide quarterly reports to the medical services board relating to the functions performed by the contractor, including reports on enrollment, utilization, marketing, and any~~

~~concerns or recommendations relating to improving the administration of or the quality of the program. In addition, any contractor shall submit any data requested by the medical services board relating to the children's basic health plan and the functions provided by that contractor.~~

**SECTION 6.** In Colorado Revised Statutes, **repeal** 25.5-4-202 as follows:

**25.5-4-202. Comprehensive plan for other services and benefits.**

~~In accordance with federal requirements pertaining to the development of a broad-based medical care program for low-income families, the state department shall prepare a comprehensive medical plan for consideration by the house and senate committees on health and human services, or any successor committees. The comprehensive plan shall include alternate means of expanding the medical care benefits and coverage provided in this article and articles 5 and 6 of this title. The comprehensive plan shall be reevaluated annually and shall be based upon a documented review of medical needs of low-income families in Colorado, a detailed analysis of priorities of service, coverage, and program costs, and an evaluation of progress. The medical advisory council appointed pursuant to this article shall assist the state department in the preparation of the comprehensive plan.~~

**SECTION 7.** In Colorado Revised Statutes, 25.5-6-1403, **amend** (2); and **repeal** (1) as follows:

**25.5-6-1403. Waivers and amendments.** (1) ~~On or before January 1, 2010, the state department shall submit to the joint budget committee of the general assembly a report on the actuarial study and the fiscal analysis of the premiums based on the study and the rules adopted pursuant to this section.~~

(2) If approved by the joint budget committee following its review of the report and subject to available appropriations, the state department shall submit to the federal centers for medicare and medicaid services an amendment to the state medical assistance plan, and shall request any necessary waivers from the secretary of the federal department of health and human services, to permit the state department to expand medical assistance eligibility as provided in this part 14 for the purpose of implementing a medicaid buy-in program for people with disabilities who

are in the basic coverage group or the medical improvement group. In addition, the state department shall apply to the secretary of the federal department of health and human services for a medicaid infrastructure grant, if available, to develop and implement the federal "Ticket to Work and Work Incentives Improvement Act of 1999", Pub.L. 106-170.

**SECTION 8.** In Colorado Revised Statutes, **repeal** 25.5-8-106 as follows:

~~**25.5-8-106. Annual savings report.** (1) By October 1 of each year, the department shall submit to the joint budget committee of the general assembly, to the health and human services committees of the house of representatives and the senate, or any successor committees, and to the office of state planning and budgeting an annual savings report stating the cost-savings anticipated in the previous, current, and subsequent fiscal years from health care program reforms, consolidations, and streamlining.~~

~~(2) The annual savings report shall include a description of net savings factoring in increased administrative expenses from the following:~~

~~(a) **Enrollment of medicaid clients in medicaid managed care programs.** In calculating savings from enrollment of medicaid clients into medicaid managed care programs, the department shall calculate the total annual savings from growth in managed care enrollment subsequent to June 30, 1997.~~

~~(b) **Consolidation of the children's portions of the Colorado indigent care program into the plan.** In calculating the savings accrued and anticipated from consolidation of the children's portions of the Colorado indigent care program, created in part 1 of article 3 of this title, into the plan, the department shall use the following methodology: Estimate the reduction in expenditures due to the reduction in the number of children under age nineteen served by the Colorado indigent care program for each fiscal year in which children have been enrolled in the children's basic health plan.~~

~~(3) As reported in the annual savings report, the total savings from consolidation of the children's portions of the Colorado indigent care program, created in part 1 of article 3 of this title, into the plan shall not reduce the reimbursement rate of expenditures made on behalf of children~~

~~to the Colorado indigent care program enrolled providers below the reimbursement rates used in the fiscal year prior to the first child enrolling in the plan.~~

~~(4) The department shall modify total savings calculated in paragraph (b) of subsection (2) of this section according to the geographic residence of subsidized enrollees and to the probable location of their health care providers under the Colorado indigent care program, created in part 1 of article 3 of this title.~~

**SECTION 9.** In Colorado Revised Statutes, 25.5-5-406, **amend** (1) (f) (I) as follows:

**25.5-5-406. Required features of managed care system.**

(1) **General features.** All medicaid managed care programs shall contain the following general features, in addition to others that the state department and the state board consider necessary for the effective and cost-efficient operation of those programs:

(f) **Access to prescription drugs.** (I) The state department shall encourage an MCE to solicit competitive bids for the prescription drug benefit and discourage an MCE that has prescription drugs as a covered benefit from contracting for the prescription drug benefit with a sole source provider as much as possible. ~~The state department's reports required by section 25.5-5-410 shall include a summary of each MCE's pharmacy network by geographic catchment area.~~

**SECTION 10.** In Colorado Revised Statutes, 25.5-8-105, **amend** (6) as follows:

**25.5-8-105. Trust - created.** (6) As part of its annual savings report to the general assembly on November 1 of each year, the department may identify efficiencies and consolidations that produce savings in the department's annual budget request that result in actual reductions in administrative and programmatic costs associated with the implementation of this article and not decreases in the number of caseloads of such programs. ~~These identified savings shall not duplicate the savings reported in the annual savings report described in section 25.5-8-106.~~

**SECTION 11. Act subject to petition - effective date.** This act

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

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Dickey Lee Hullinghorst  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Bill L. Cadman  
PRESIDENT OF  
THE SENATE

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Effie Ameen  
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APPROVED \_\_\_\_\_

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John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO