

First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 19-0471.01 Brita Darling x2241

SENATE BILL 19-098

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SENATE SPONSORSHIP

Crowder,

HOUSE SPONSORSHIP

(None),

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Senate Committees

Finance  
Appropriations

House Committees

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A BILL FOR AN ACT

101 CONCERNING A COST-BASED SYSTEM OF REIMBURSEMENT FOR RURAL  
102 HOSPITALS PROVIDING OUTPATIENT HOSPITAL SERVICES  
103 PURSUANT TO COLORADO'S PROGRAM OF MEDICAL ASSISTANCE.

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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://leg.colorado.gov>.)*

The bill requires Colorado's program of medical assistance to pay rural critical access hospitals and sole community hospitals for outpatient hospital services pursuant to a cost-based reimbursement methodology using 100% of actual cost.

Prior to implementing the cost-based reimbursement methodology

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

for outpatient hospital services, the department of health care policy and financing (state department) shall convene a stakeholder group consisting of representatives of the affected hospitals and other persons or entities to consult with the state department on the elements of the cost-based reimbursement methodology and its implementation.

The bill makes a conforming amendment.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-4-402, **amend**  
3 (3)(a); and **add** (1.5) as follows:

4 **25.5-4-402. Providers - hospital reimbursement - hospital**  
5 **review program - rules.** (1.5)(a) NOTWITHSTANDING ANY PROVISION OF  
6 THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5 TO THE  
7 CONTRARY, ON OR BEFORE SEPTEMBER 1, 2019, FOR ALL CRITICAL ACCESS  
8 HOSPITALS THAT ARE LICENSED AS GENERAL HOSPITALS AND ARE  
9 CERTIFIED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT  
10 UNDER 42 CFR 485 (f) AND SOLE COMMUNITY HOSPITALS, AS DEFINED IN  
11 42 CFR 412.92, THE STATE DEPARTMENT SHALL PAY FOR OUTPATIENT  
12 HOSPITAL SERVICES PURSUANT TO A COST-BASED REIMBURSEMENT  
13 METHODOLOGY USING ONE HUNDRED PERCENT OF ACTUAL COST.

14 (b) PRIOR TO IMPLEMENTING SUBSECTION (1.5)(a) OF THIS  
15 SECTION, THE STATE DEPARTMENT SHALL CONVENE A STAKEHOLDER  
16 GROUP CONSISTING OF CHIEF EXECUTIVE OFFICERS, CHIEF FINANCIAL  
17 OFFICERS, AND OTHER REPRESENTATIVES OF COLORADO'S CRITICAL  
18 ACCESS HOSPITALS AND SOLE COMMUNITY HOSPITALS; REPRESENTATIVES  
19 OF A NETWORK OF CRITICAL ACCESS HOSPITALS AND RURAL HOSPITALS;  
20 AND OTHER AFFECTED PERSONS OR ENTITIES, AS DETERMINED BY THE  
21 STATE DEPARTMENT, TO CONSULT WITH THE STATE DEPARTMENT IN  
22 ESTABLISHING THE ELEMENTS OF THE COST-BASED REIMBURSEMENT

1 METHODOLOGY FOR OUTPATIENT HOSPITAL SERVICES AND THE EFFICIENT  
2 AND EFFECTIVE IMPLEMENTATION OF THE COST-BASED REIMBURSEMENT  
3 METHODOLOGY.

4 (3) (a) In addition to the reimbursement rate process described in  
5 ~~subsection (1)~~ SUBSECTIONS (1) AND (1.5) of this section and subject to  
6 adequate funding being made available pursuant to section 25.5-4-402.4,  
7 the Colorado healthcare affordability and sustainability enterprise created  
8 in section 25.5-4-402.4 (3) shall pay an additional amount based upon  
9 performance to those hospitals that provide services that improve health  
10 care outcomes for their patients. The state department shall determine this  
11 amount based upon nationally recognized performance measures  
12 established in rules adopted by the state board. The state quality standards  
13 must be consistent with federal quality standards published by an  
14 organization with expertise in health care quality, including but not  
15 limited to, the centers for medicare and medicaid services, the agency for  
16 healthcare research and quality, or the national quality forum.

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