

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0913.01 Shelby Ross x4510

HOUSE BILL 24-1146

---

HOUSE SPONSORSHIP

**Bird and Taggart, Sirota**

SENATE SPONSORSHIP

**Bridges and Zenzinger, Kirkmeyer**

---

**House Committees**  
Appropriations

**Senate Committees**

---

A BILL FOR AN ACT

101 CONCERNING AUTHORIZING THE DEPARTMENT OF HEALTH CARE  
102 POLICY AND FINANCING TO SUSPEND A PROVIDER'S  
103 ENROLLMENT IF THE PROVIDER IS PARTICIPATING IN AN  
104 ORGANIZED FRAUD SCHEME.

---

**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/>.)*

**Joint Budget Committee.** The bill authorizes the department of health care policy and financing (state department) to suspend the enrollment of a medicaid and children's basic health plan (programs)

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

provider only if the state department identifies that the provider is participating in an alleged and ongoing organized crime or organized fraud scheme (scheme) that impacts the programs and if the state department documents in writing that at least 3 of the following factors are met:

- The provider has been enrolled in the programs for less than 3 years;
- At least 3 providers are involved in the scheme;
- The collective billing amount identified in the scheme exceeds \$1 million;
- The provider's billing indicates a pattern of abuse or noncompliance;
- The volume of claims or billing amount has increased at a significant rate and there is no other reasonable explanation for the increase;
- The federal centers for medicare and medicaid services has approved a provider enrollment moratorium for the provider type involved in the scheme; or
- The state department has notified law enforcement of the scheme.

The state department is required to notify the provider of the suspension in writing, including the reasons for the suspension.

The state department may suspend a provider's enrollment for an initial period of 6 months while the state department conducts a review of the scheme. After the state department's review is complete, the state department must reinstate the provider's enrollment if the department determines the provider did not engage in a scheme. If the state department's review cannot be completed during the initial 6-month period, the state department may extend the review period in additional 6-month increments if the state department documents in writing the necessity for extending the review.

---

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-4-301, **add** (16)

3 as follows:

4 **25.5-4-301. Recoveries - overpayments - penalties - interest -**  
5 **adjustments - liens - review or audit procedures - definitions - repeal.**

6 (16) (a) THE STATE DEPARTMENT MAY SUSPEND THE ENROLLMENT OF A  
7 PROVIDER, INCLUDING A CHILDREN'S BASIC HEALTH PLAN PROVIDER, ONLY

1 IF:

2 (I) THE STATE DEPARTMENT IDENTIFIES THAT THE PROVIDER IS  
3 PARTICIPATING IN AN ALLEGED AND ONGOING ORGANIZED CRIME OR  
4 ORGANIZED FRAUD SCHEME THAT IMPACTS THE STATE MEDICAL  
5 ASSISTANCE PROGRAM, THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS  
6 TITLE 25.5, OR THE CHILDREN'S BASIC HEALTH PLAN, ARTICLE 8 OF THIS  
7 TITLE 25.5; AND

8 (II) IF THE STATE DEPARTMENT DOCUMENTS IN WRITING THAT AT  
9 LEAST THREE OF THE FOLLOWING FACTORS ARE MET:

10 (A) THE PROVIDER HAS BEEN ENROLLED IN THE STATE MEDICAL  
11 ASSISTANCE PROGRAM OR CHILDREN'S BASIC HEALTH PLAN FOR LESS THAN  
12 THREE YEARS;

13 (B) AT LEAST THREE PROVIDERS ARE INVOLVED IN THE ORGANIZED  
14 CRIME OR ORGANIZED FRAUD SCHEME;

15 (C) THE COLLECTIVE BILLING AMOUNT IDENTIFIED IN THE  
16 ORGANIZED CRIME OR ORGANIZED FRAUD SCHEME EXCEEDS ONE MILLION  
17 DOLLARS;

18 (D) THE PROVIDER'S BILLING INDICATES A PATTERN OF ABUSE OR  
19 NONCOMPLIANCE;

20 (E) THE VOLUME OF CLAIMS OR BILLING AMOUNT HAS INCREASED  
21 AT A SIGNIFICANT RATE AND THERE IS NO OTHER REASONABLE  
22 EXPLANATION FOR THE INCREASE;

23 (F) THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID  
24 SERVICES HAS APPROVED A PROVIDER ENROLLMENT MORATORIUM FOR THE  
25 PROVIDER TYPE INVOLVED IN THE ORGANIZED CRIME OR ORGANIZED  
26 FRAUD SCHEME; OR

27 (G) THE STATE DEPARTMENT HAS NOTIFIED LAW ENFORCEMENT OF

1 THE ORGANIZED CRIME OR ORGANIZED FRAUD SCHEME.

2 (b) THE STATE DEPARTMENT SHALL NOTIFY THE PROVIDER OF THE  
3 SUSPENSION IN WRITING AND INCLUDE THE REASONS FOR THE SUSPENSION.

4 (c) THE STATE DEPARTMENT MAY SUSPEND A PROVIDER'S  
5 ENROLLMENT PURSUANT TO SUBSECTION (16)(a) OF THIS SECTION FOR AN  
6 INITIAL PERIOD OF SIX MONTHS WHILE THE STATE DEPARTMENT CONDUCTS  
7 A REVIEW OF THE ORGANIZED CRIME OR ORGANIZED FRAUD SCHEME.  
8 AFTER THE STATE DEPARTMENT'S REVIEW IS COMPLETE, REGARDLESS OF  
9 WHETHER THE SIX-MONTH PERIOD HAS ENDED, THE STATE DEPARTMENT  
10 MUST REINSTATE THE PROVIDER'S ENROLLMENT IF THE STATE  
11 DEPARTMENT DETERMINES THE PROVIDER DID NOT ENGAGE IN AN  
12 ORGANIZED CRIME OR ORGANIZED FRAUD SCHEME. IF THE STATE  
13 DEPARTMENT'S REVIEW CANNOT BE COMPLETED DURING THE INITIAL  
14 SIX-MONTH PERIOD, THE STATE DEPARTMENT MAY EXTEND THE REVIEW  
15 PERIOD IN ADDITIONAL SIX-MONTH INCREMENTS IF THE STATE  
16 DEPARTMENT DOCUMENTS IN WRITING THE NECESSITY FOR EXTENDING  
17 THE REVIEW.

18 (d) AS USED IN THIS SUBSECTION (16):

19 (I) "ORGANIZED CRIME OR ORGANIZED FRAUD SCHEME" MEANS A  
20 PROVIDER IS ALLEGEDLY PARTICIPATING IN A COERCIVE, FRAUDULENT,  
21 EXTORTIONARY, CRIMINAL, OR OTHERWISE ILLEGAL COORDINATED  
22 SCHEME OR OPERATION THAT REPEATEDLY OR CONSISTENTLY DEFRAUDS  
23 THE STATE MEDICAL ASSISTANCE PROGRAM OR CHILDREN'S BASIC HEALTH  
24 PLAN THAT MAY PUT MEMBERS' HEALTH, SAFETY, OR WELFARE AT  
25 IMMEDIATE RISK.

26 (II) "SUSPEND" MEANS TEMPORARILY PROHIBITING A PROVIDER  
27 FROM PARTICIPATING IN THE STATE MEDICAL ASSISTANCE PROGRAM OR

1 CHILDREN'S BASIC HEALTH PLAN, FROM RENDERING SERVICES OR SUPPLIES  
2 TO A MEMBER, AND FROM SUBMITTING CLAIMS TO THE STATE DEPARTMENT  
3 FOR ANY SERVICES OR SUPPLIES RENDERED TO A MEMBER.

4 (e) THIS SECTION DOES NOT APPLY TO A PROVIDER THAT HAS BEEN  
5 ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM, INCLUDING THE  
6 CHILDREN'S BASIC HEALTH PLAN, FOR THREE YEARS OR MORE AND THAT  
7 HAS CONSISTENTLY RENDERED SERVICES AND RECEIVED PAYMENT FOR  
8 THOSE SERVICES DURING THE PROVIDER'S ENROLLMENT.

9 **SECTION 2. Safety clause.** The general assembly finds,  
10 determines, and declares that this act is necessary for the immediate  
11 preservation of the public peace, health, or safety or for appropriations for  
12 the support and maintenance of the departments of the state and state  
13 institutions.