

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 24-0913.01 Shelby Ross x4510

HOUSE BILL 24-1146

HOUSE SPONSORSHIP

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House Committees
Appropriations

Senate Committees
Appropriations

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.

SENATE
2nd Reading Unamended
February 7, 2024

HOUSE
3rd Reading Unamended
February 5, 2024

HOUSE
2nd Reading Unamended
February 2, 2024

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.