MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee Members
FROM	JBC Staff
DATE	April, 18, 2017
SUBJECT	Potential JBC Bills

This memo includes the following memos and bill drafts for the Committees consideration.

- Memo – Potential Legislation: Uniform School Finance Mill Levy (Craig Harper)
- Memo – Potential legislation, Child Welfare and the Marijuana Tax Cash Fund (Robin Smart)
- Memo – Potential legislation, Tony Grampsas Youth Service Program (Robin Smart)
- Memo – Potential Legislation – Capital Construction, LLS875 and LLS876 (Alfredo Kemm)
- Memo – Accountable Care Collaborative and Performance-based Payments Legislation (Eric Kurtz)
- LLS 17-1077.04 "Concerning the Implementation of Medicaid Initiatives that Create Higher Value in the Medicaid Program Leading to Better Health Outcomes for Medicaid Clients, and, in Connection Therewith, Continuing the Implementation of the Accountable Care Collaborative and Authorizing Performance-based Provider Payments." (Eric Kurtz)
- LLS 17-1058 "Concerning Exempting Time in Medical Isolation from the Requirements Related to the Use of Seclusion on Youth by the Division of Youth Corrections." (Kevin Neimond)

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee Members
FROM	Craig Harper, JBC Staff (303-866-3481)
DATE	April 17, 2017
SUBJECT	Potential Legislation: Uniform School Finance Mill Levy

During the FY 2017-18 JBC Staff Budget Briefing for the Department of Education, staff recommended that the General Assembly refer a measure to the voters that would:

- Return the state to a uniform (statewide) mill levy for school finance property taxes such that each school district's total program mill levy would be the lesser of the statewide mill levy *or* the mill levy necessary to fully fund the district's total program with local revenues.
- Allow mill levies in districts that are fully locally funded (at less than the statewide mill levy) to "float" on an annual basis below the uniform mill levy to continue to fully fund the district without requiring state funds.

Status: The item remains on the Committee's list of potential legislation for the 2017 Session but has not been approved for drafting.

Recommendation: While staff continues to recommend that the General Assembly move forward with a uniform mill levy, staff recommends that the Committee either approve the item for drafting or remove the proposal from the list of potential legislation.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Robin J. Smart, JBC Staff (303-866-4955)
DATE	April 18, 2017
SUBJECT	Potential legislation, Child Welfare and the Marijuana Tax Cash Fund

During the December 2016 Division of Child Welfare briefing, Joint Budget Committee (JBC) Staff recommended that the committee consider sponsoring legislation that would make Marijuana Tax Cash Fund (MTCF) monies an eligible source of funding for the provision of child welfare services. As of the date of this memorandum, the JBC members have not yet made a decision concerning this recommendation. Given that committee members have decided on FY 2017-18 appropriations from the MTCF, staff recommends that this bill topic be removed from the JBC's list of potential legislation.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Robin J. Smart, JBC Staff (303-866-4955)
DATE	April 18, 2017
SUBJECT	Potential legislation, Tony Grampsas Youth Services Program

During the FY 2017-18 budget process, Senator Lundberg requested that the Joint Budget Committee (JBC) members consider legislation that would change the definition of eligible applicant organizations for Tony Grampsas Youth Services Program grants from "Colorado public or nonsectarian secondary schools, groups of public or nonsectarian secondary schools, school districts or groups thereof" to "Colorado secondary schools, groups of secondary schools, school districts or groups thereof." Upon the request of committee members, JBC staff provided additional information to the members in a memorandum dated March 13, 2017.

As of this date, the JBC members have not requested a bill draft concerning this potential legislation and as a result, JBC staff recommends that this bill topic be removed from the list of potential legislation.

MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Joint Budget Committee
FROM	Alfredo Kemm, JBC Staff (303.866.4549)
DATE	April 18, 2017
SUBJECT	Potential Legislation – Capital Construction, LLS875 and LLS876

During the FY 2017-18 JBC Staff Budget Briefing for Capital Construction, staff recommended that the Committee consider pursuing two pieces of legislation:

The first was to increase funding for recapitalization – controlled maintenance, capital renewal, and renovation – equal to 0.5 percent of current replacement value (CRV) of the state building inventory for FY 2017-18 and rising to 1.0 percent of CRV by FY 2021-22. Bill draft LLS875 was drafted for the Committee's consideration, but not acted on by the Committee pending feedback from the Capital Development Committee (CDC). Attached is a letter from the CDC regarding this potential legislation. Staff recommends that the Committee remove this bill draft from consideration at this time.

The second was to establish a single line item for controlled maintenance, rather than fund controlled maintenance by project. Bill draft LLS876 was drafted for the Committee's consideration, but also not acted on by the Committee pending feedback from the CDC. Staff recommends that the Committee remove this bill draft from consideration.

Rep. Daneya Esgar, Chair
Rep. Jon Becker
Rep. Chris Hansen

Sen. Randy Baumgardner, Vice-Chair
Sen. John Kefalas
Sen. Jerry Sonnenberg

Capital Development Committee

State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521

March 14, 2017

Senator Kent Lambert
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Senator Lambert:

This letter responds to a request from the Joint Budget Committee (JBC) to provide feedback on two items of draft JBC legislation regarding budgeting for capital construction. The Capital Development Committee (CDC) discussed LLS 17-0875, Minimum Appropriation Amounts for Capital Construction, at several committee meetings in January and February. Following these discussions, the CDC decided to incorporate the key recommendation from this draft legislation in its FY 2017-18 prioritized funding recommendation to the JBC. Specifically, the FY 2017-18 funding recommendation is equal to about 1 percent of the current replacement value of the state's General Fund supported or academic building inventory. Additionally, a majority of the projects included in the CDC's recommendation are predominantly renovation or maintenance in nature.

The CDC discussed the merits of setting in law a requirement to commit a minimum amount of annual funding for capital construction. Instead of recommending the statutory change in LLS 17-0875 to the JBC, the CDC opted to establish a committee policy to budget a minimum amount of funding for capital construction each fiscal year. It plans to refine this policy in the coming months and will communicate the final policy to the JBC, the Governor's Office of State Planning and Budgeting, and other interested parties. The CDC intends to use this policy to guide its prioritized funding recommendation for FY 2018-19 and beyond, rather than basing its recommendations on the amount budgeted for capital construction in the Governor's annual November budget submission, as it has done in the past.

The CDC was also made aware of JBC draft legislation LLS 17-0876, Single Line Item Appropriation for Controlled Maintenance. The CDC did not discuss this draft legislation in detail during a committee meeting and is not ready to take a formal position on it. The committee respectfully submits that it needs additional time to study the proposal in more detail and to hear from stakeholders about any possible unintended consequences. However, the CDC agrees this proposal warrants further consideration in a future legislative session.

If you have any questions or concerns about the CDC's recommendations, please call Kori Donaldson, Legislative Council Staff, at 303-866-4976.

Sincerely,

Representative Daneya Esgar
Chair, Capital Development Committee

c: Capital Development Committee Members
Capital Development Committee Staff
Joint Budget Committee Members
John Ziegler, Joint Budget Committee Director
Alfredo Kemm, Joint Budget Committee Staff
Esther van Mourik, Office of Legislative Legal Services

MEMORANDUM

JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Eric Kurtz, JBC Staff (303-866-4952)
DATE April 18, 2017
SUBJECT Accountable Care Collaborative and Performance-based Payments Legislation

BACKGROUND

In November the Department of Health Care Policy and Financing presented a proposal to the JBC to implement (1) the second phase of the Accountable Care Collaborative and (2) new performance-based payments to providers. These initiatives take a significant amount of time to plan and implement and are expected to have profound effects on providers, the delivery system, and expenditures, but no fiscal impact until FY 2018-19. As a result, there was nothing in the Long Bill to indicate the JBC's position on the initiatives or for the rest of the General Assembly to vote on to approve or deny the initiatives.

The table below provides an updated estimate of the fiscal impact in FY 2018-19 and FY 2019-20 from the two initiatives. The table is updated from figure setting to reflect the Department's February forecast of Medicaid enrollment and to apply the JBC's common policies for new FTE.

Accountable Care Collaborative/Performance-based Payments Legislation					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2018-19					
Accountable Care Collaborative (ACC)					
Administrative staff	268,092	134,046	0	134,046	3.7
Mandatory enrollment	29,183,877	11,177,425	1,138,171	16,868,281	
Increase PMPM by $1	15,086,585	5,778,162	588,377	8,720,046	
Savings - Mandatory enrollment	(50,830,650)	(21,621,473)	(1,882,759)	(27,326,418)	
Savings - Physical-behavioral health	(57,785,147)	(15,364,614)	(1,897,370)	(40,523,163)	
Subtotal - ACC	*($64,077,243)*	*($19,896,454)*	*($2,053,581)*	*($42,127,208)*	*3.7*
Performance payments					
Rate analyst	66,999	33,499	0	33,500	0.9
Primary care	58,062,151	20,231,923	1,159,202	36,671,026	
Federally Qualified Health Centers	0	0	0	0	
Behavioral Health	26,717,069	7,215,319	1,090,836	18,410,914	
Subtotal - Performance payments	*$84,846,219*	*$27,480,741*	*$2,250,038*	*$55,115,440*	*0.9*
TOTAL FY 2018-19	**$20,768,976**	**$7,584,287**	**$196,457**	**$12,988,232**	**4.6**

Accountable Care Collaborative/Performance-based Payments Legislation					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2019-20					
Accountable Care Collaborative (ACC)					
Administrative staff	271,907	135,953	0	135,954	4.0
Mandatory enrollment	26,169,379	10,022,872	1,020,606	15,125,901	
Increase PMPM by $1	15,379,665	5,890,412	599,807	8,889,446	
Savings - Mandatory enrollment	(95,391,901)	(41,260,953)	(3,155,463)	(50,975,485)	
Savings - Physical-behavioral health	(117,205,890)	(31,164,084)	(4,909,831)	(81,131,975)	
Subtotal - ACC	*($170,776,841)*	*($56,375,801)*	*($6,444,881)*	*($107,956,159)*	**4.0**
Performance payments					
Contract performance evaluator	150,000	75,000	0	75,000	
Rate analyst	67,977	33,988	0	33,989	1.0
Primary care	59,055,014	20,577,889	1,492,346	36,984,779	
Federally Qualified Health Centers	0	0	0	0	
Behavioral Health	28,131,120	7,503,004	1,306,187	19,321,929	
Subtotal - Behavioral health	*$87,404,111*	*$28,189,881*	*$2,798,533*	*$56,415,697*	*1.0*
TOTAL FY 2018-19	**($83,372,730)**	**($28,185,920)**	**($3,646,348)**	**($51,540,462)**	**5.0**

The Department has broad statutory authority that can be interpreted to permit both the second phase of the Accountable Care Collaborative and performance-based payments. If a legislator wanted to stop the implementation of either initiative, or direct the Department to implement the initiatives in a different way, the best way to do so would be through legislation.

If the JBC doesn't introduce legislation or the General Assembly doesn't pass legislation, then the Department will be in the difficult position of trying to interpret what that means. Should the Department continue implementation without knowing whether the necessary funding adjustments will be approved in FY 2018-19, or should the Department stop or change the implementation to address legislative concerns?

SUMMARY OF THE LEGISLATION

ACCOUNTABLE CARE COLLABORATIVE

SECTIONS 1 AND 2 define the goal of the ACC as improving member health and reducing costs.

SECTION 2

1 Lists elements that must be included in the ACC, such as providing a primary care medical home for all Medicaid clients and integrating the delivery of behavioral health and physical health services

2 Requires the creation of stakeholder advisory committees

3 Requires an annual report on the ACC. The statutory annual report combines elements of an existing statutory report and an annual request for information submitted by the JBC.

4 Requires a report outlining changes required to align state statute with a new federal rule regarding managed care

5 Clarifies that the Medical Services Board has oversight and must promulgate rules to implement the ACC

PERFORMANCE-BASED PAYMENTS

SECTION 3

1 Authorizes the Department to implement performance-based payments and specifically authorizes performance payments for:
   a. Primary care providers
   b. Federally qualified health centers
   c. Behavioral health providers

2 Requires that prior to implementing performance payments the Department must submit to the JBC:
   a. Either:
      i. Evidence that the payments are designed to achieve budget savings, or
      ii. A budget request for costs associated with the performance-based payments
   b. The estimated performance-based payments compared to total reimbursements for the affected service
   c. A description of the stakeholder engagement process and the Department's response to stakeholder feedback

3 Requires an annual report on performance payments including factors such as the evidence for the performance payments, the expected outcomes, the stakeholder engagement process, and evaluation results

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

DRAFT
4.17.17

DRAFT

LLS NO. 17-1077.04 Brita Darling x2241 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Implement Medicaid Delivery & Payment Programs"

A BILL FOR AN ACT

CONCERNING IMPLEMENTING MEDICAID INITIATIVES THAT CREATE HIGHER VALUE IN THE MEDICAID PROGRAM LEADING TO BETTER HEALTH OUTCOMES FOR MEDICAID CLIENTS, AND, IN CONNECTION THEREWITH, CONTINUING THE IMPLEMENTATION OF THE ACCOUNTABLE CARE COLLABORATIVE AND AUTHORIZING PERFORMANCE-BASED PROVIDER PAYMENTS.

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

heath care policy and financing (department) to continue its implementation of the medicaid coordinated care system, referred to as the accountable care collaborative (ACC). The bill defines the goals of the ACC and the department's implementation of the ACC, including, in part, establishing primary care medical homes for medicaid clients, providing regional coordination and accountability, and integrating physical and behavioral health care delivery. The medical services board is required to promulgate rules implementing the ACC.

The bill requires the department to submit an annual report concerning the implementation of the ACC to the joint budget committee and to the health care committees of the house of representatives and of the senate that oversee the medicaid program. Among other information listed in the bill, the report must include information on the number of medicaid clients participating in the ACC, performance results, and fiscal impacts of the ACC.

The bill authorizes the department of health care policy and financing (department) to implement performance-based payments for medicaid providers. Prior to implementing performance-based payments, the department shall report to the joint budget committee concerning the performance-based payment, including whether the payment requires a budget request, the amount of the payments compared to total reimbursements for the affected service, and a description of the stakeholder process and the department's response to stakeholder feedback. After implementation of performance-based payments, the department shall report to the joint budget committee and the health care committees of the house of representatives and the senate that oversee the medicaid program concerning the design of the performance-based payments, the stakeholder engagement process with respect to the payments, and other information regarding the implementation of the performance-based payments described in the bill.

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

SECTION 1. In Colorado Revised Statutes, 25.5-4-103, **amend** the introductory portion; and **add** (1.5) as follows:

25.5-4-103. Definitions. As used in this ~~article~~ ARTICLE 4 and articles 5 and 6 of this ~~title~~ TITLE 25.5, unless the context otherwise requires:

(1.5) "ACCOUNTABLE CARE COLLABORATIVE" MEANS A MEDICAID COORDINATED CARE SYSTEM ESTABLISHED PURSUANT TO SECTION

25.5-5-419.

SECTION 2. In Colorado Revised Statutes, **add** 25.5-5-419 as follows:

25.5-5-419. Accountable care collaborative - reporting - rules. (1) IN 2011, THE STATE DEPARTMENT CREATED THE ACCOUNTABLE CARE COLLABORATIVE, ALSO REFERRED TO IN THIS TITLE 25.5 AS THE MEDICAID COORDINATED CARE SYSTEM. THE STATE DEPARTMENT SHALL CONTINUE TO PROVIDE CARE DELIVERY THROUGH THE ACCOUNTABLE CARE COLLABORATIVE. THE GOALS OF THE ACCOUNTABLE CARE COLLABORATIVE ARE TO IMPROVE MEMBER HEALTH AND REDUCE COSTS IN THE MEDICAID PROGRAM. TO ACHIEVE THESE GOALS, THE STATE DEPARTMENT'S IMPLEMENTATION OF THE ACCOUNTABLE CARE COLLABORATIVE MUST INCLUDE, BUT NEED NOT BE LIMITED TO:

(a) ESTABLISHING PRIMARY CARE MEDICAL HOMES FOR ALL MEDICAID CLIENTS; <{***Sen. Lundberg: add "WITHIN THE ACCOUNTABLE CARE COLLABORATIVE;"***}>

(b) PROVIDING REGIONAL CARE COORDINATION AND PROVIDER NETWORK SUPPORT;

(c) PROVIDING DATA TO REGIONAL ENTITIES AND PROVIDERS TO HELP MANAGE CLIENT CARE;

(d) INTEGRATING THE DELIVERY OF BEHAVIORAL HEALTH AND PHYSICAL HEALTH SERVICES FOR CLIENTS;

(e) CONNECTING PRIMARY CARE WITH SPECIALTY CARE AND NONHEALTH COMMUNITY SUPPORTS;

(f) PROMOTING MEMBER CHOICE AND ENGAGEMENT;

(g) UTILIZING INNOVATIVE CARE MODELS AND PROVIDER PAYMENT MODELS AS PART OF THE CARE DELIVERY PLATFORM;

(h) RECEIVING FEEDBACK FROM AFFECTED STAKEHOLDER GROUPS;

(i) ESTABLISHING A FLEXIBLE STRUCTURE THAT WOULD ALLOW FOR THE EFFICIENT EXPANSION OF THE ACCOUNTABLE CARE COLLABORATIVE TO FURTHER INTEGRATE MEDICAID POPULATIONS AND SERVICES; AND <{***Softening of draft language. Sen Lundberg's preference is to delete paragraph.*** }>

(j) ESTABLISHING A CARE DELIVERY AND PROVIDER PAYMENT PLATFORM THAT CAN ADAPT TO CHANGING FEDERAL FINANCIAL PARTICIPATION MODELS OR FUNDING LEVELS.

(2) THE STATE DEPARTMENT SHALL FACILITATE TRANSPARENCY AND COLLABORATION IN THE DEVELOPMENT, PERFORMANCE MANAGEMENT, AND EVALUATION OF THE ACCOUNTABLE CARE COLLABORATIVE THROUGH THE CREATION OF STAKEHOLDER ADVISORY COMMITTEES.

(3) ON OR BEFORE DECEMBER 1, 2017, AND ON OR BEFORE DECEMBER 1 EACH YEAR THEREAFTER, THE STATE DEPARTMENT SHALL PREPARE AND SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE, THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, CONCERNING THE IMPLEMENTATION OF THE ACCOUNTABLE CARE COLLABORATIVE. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136 (11)(a)(I), THE REPORT REQUIRED PURSUANT TO THIS SUBSECTION (3) CONTINUES INDEFINITELY. AT A MINIMUM, THE STATE DEPARTMENT'S REPORT MUST INCLUDE THE FOLLOWING INFORMATION CONCERNING THE ACCOUNTABLE CARE COLLABORATIVE:

(a) THE NUMBER OF MEDICAID CLIENTS ENROLLED IN THE

PROGRAM;

(b) PERFORMANCE RESULTS WITH AN EMPHASIS ON MEMBER HEALTH IMPACTS;

(c) CURRENT ADMINISTRATIVE FEES AND COSTS FOR THE PROGRAM;

(d) FISCAL PERFORMANCE;

(e) INFORMATION ON ANY ADVISORY COMMITTEES CREATED, INCLUDING THE PARTICIPANTS, FOCUS, AND OUTCOMES OF THE WORK OF THE ADVISORY COMMITTEES;

(f) FUTURE AREAS OF PROGRAM FOCUS AND DEVELOPMENT; AND

(g) INFORMATION CONCERNING EFFORTS TO REDUCE MEDICAID WASTE AND INEFFICIENCIES THROUGH THE ACCOUNTABLE CARE COLLABORATIVE, INCLUDING:

(I) THE SPECIFIC EFFORTS WITHIN THE ACCOUNTABLE CARE COLLABORATIVE, INCLUDING A SUMMARY OF TECHNOLOGY-BASED EFFORTS, TO IDENTIFY AND IMPLEMENT BEST PRACTICES RELATING TO COST CONTAINMENT; REDUCING AVOIDABLE, DUPLICATIVE, VARIABLE, AND INAPPROPRIATE USES OF HEALTH CARE RESOURCES; AND THE OUTCOME OF THOSE EFFORTS, INCLUDING COST SAVINGS, IF KNOWN;

(II) ANY STATUTES, POLICIES, OR PROCEDURES THAT PREVENT REGIONAL CARE COORDINATORS FROM REALIZING EFFICIENCIES AND REDUCING WASTE WITHIN THE MEDICAID SYSTEM; AND

(III) ANY OTHER EFFORTS BY REGIONAL ENTITIES OR THE STATE DEPARTMENT TO ENSURE THAT THOSE WHO PROVIDE CARE FOR MEDICAID CLIENTS ARE AWARE OF AND ACTIVELY PARTICIPATE IN REDUCING WASTE WITHIN THE MEDICAID SYSTEM.

(4) ON OR BEFORE DECEMBER 1, 2017, THE STATE DEPARTMENT

SHALL SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE, THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, OUTLINING THE STATUTORY CHANGES NEEDED TO PART 4 OF THIS ARTICLE 5 RELATING TO THE STATEWIDE MANAGED CARE SYSTEM, AS WELL AS ANY OTHER SECTIONS OF THE COLORADO REVISED STATUTES, IN ORDER TO ALIGN COLORADO LAW WITH THE FEDERAL "MEDICAID AND CHIP MANAGED CARE FINAL RULE", CMS-2390-F.

(5) THE STATE BOARD SHALL PROMULGATE RULES IMPLEMENTING THE ACCOUNTABLE CARE COLLABORATIVE.

SECTION 3. In Colorado Revised Statutes, **add** 25.5-4-401.2 as follows:

25.5-4-401.2. Performance-based payments - reporting. (1) TO IMPROVE HEALTH OUTCOMES AND LOWER HEALTH CARE COSTS, THE STATE DEPARTMENT IS AUTHORIZED TO IMPLEMENT PAYMENTS TO PROVIDERS THAT ARE BASED ON QUANTIFIABLE PERFORMANCE OR MEASURES OF QUALITY OF CARE. THESE PERFORMANCE-BASED PAYMENTS MAY INCLUDE, BUT ARE NOT LIMITED TO, PAYMENTS TO:

(a) PRIMARY CARE PROVIDERS;

(b) FEDERALLY QUALIFIED HEALTH CENTERS; AND

(c) BEHAVIORAL HEALTH PROVIDERS.

(2) (a) PRIOR TO IMPLEMENTING PERFORMANCE-BASED PAYMENTS IN THE MEDICAID PROGRAM PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5, INCLUDING PERFORMANCE-BASED PAYMENTS SET FORTH IN THIS SECTION, THE STATE DEPARTMENT SHALL SUBMIT TO THE JOINT BUDGET COMMITTEE:

(I) (A) EVIDENCE THAT THE PERFORMANCE-BASED PAYMENTS ARE DESIGNED TO ~~BE COST-NEUTRAL OR TO~~ ACHIEVE BUDGET SAVINGS; OR

<{***Sen. Lundberg suggests striking "cost-neutral" language.***}>

(B) A BUDGET REQUEST FOR COSTS ASSOCIATED WITH THE PERFORMANCE-BASED PAYMENTS;

(II) THE ESTIMATED PERFORMANCE-BASED PAYMENTS COMPARED TO TOTAL REIMBURSEMENTS FOR THE AFFECTED SERVICE; AND

(III) A DESCRIPTION OF THE STAKEHOLDER ENGAGEMENT PROCESS FOR DEVELOPING THE PERFORMANCE-BASED PAYMENTS AND THE STATE DEPARTMENT'S RESPONSE TO STAKEHOLDER FEEDBACK.

(b) THE INFORMATION REQUIRED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MUST BE PROVIDED ON OR BEFORE NOVEMBER 1 FOR PERFORMANCE-BASED PAYMENTS THAT WILL TAKE EFFECT IN THE FOLLOWING FISCAL YEAR UNLESS THE STATE DEPARTMENT INCLUDES WITH ITS SUBMISSION AN EXPLANATION OF THE NEED FOR FASTER IMPLEMENTATION OF THE PAYMENT. IF FASTER IMPLEMENTATION IS REQUESTED, THE STATE DEPARTMENT SHALL PROVIDE THE INFORMATION AT LEAST THREE MONTHS PRIOR TO THE IMPLEMENTATION OF THE PERFORMANCE-BASED PAYMENTS UNLESS COMPLIANCE WITH FEDERAL LAW NECESSITATES SHORTER NOTICE.

(3) ON OR BEFORE NOVEMBER 1, 2017, AND ON OR BEFORE NOVEMBER 1 EACH YEAR THEREAFTER, THE STATE DEPARTMENT SHALL SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE, THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, DESCRIBING RULES ADOPTED BY THE STATE BOARD AND CONTRACT PROVISIONS APPROVED BY

THE CENTERS FOR MEDICARE AND MEDICAID SERVICES IN THE PRECEDING CALENDAR YEAR THAT AUTHORIZE PAYMENTS TO PROVIDERS BASED ON PERFORMANCE. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136 (11)(a)(I), THE REPORT REQUIRED PURSUANT TO THIS SUBSECTION (3) CONTINUES INDEFINITELY. THE REPORT MUST INCLUDE, AT A MINIMUM:

(a) A DESCRIPTION OF PERFORMANCE-BASED PAYMENTS INCLUDED IN STATE BOARD RULES, INCLUDING WHICH PERFORMANCE STANDARDS ARE TARGETED WITH EACH PERFORMANCE-BASED PAYMENT;

(b) A DESCRIPTION OF THE OBJECTIVES OF THE PERFORMANCE-BASED PAYMENTS;

(c) A SUMMARY OF THE EVIDENCE FOR THE PERFORMANCE-BASED PAYMENTS;

(d) A SUMMARY OF THE ANTICIPATED IMPACT OR OUTCOMES OF IMPLEMENTING THE PERFORMANCE-BASED PAYMENTS;

(e) A DESCRIPTION OF HOW THE IMPACT OR OUTCOMES WILL BE EVALUATED;

(f) A SUMMARY OF THE STAKEHOLDER ENGAGEMENT PROCESS WITH RESPECT TO EACH PERFORMANCE-BASED PAYMENT, INCLUDING MAJOR CONCERNS RAISED THROUGH THE STAKEHOLDER PROCESS AND HOW THOSE CONCERNS WERE REMEDIATED;

(g) WHEN AVAILABLE, EVALUATION RESULTS FOR PERFORMANCE-BASED PAYMENTS THAT WERE IMPLEMENTED IN PRIOR YEARS; AND

(h) A DESCRIPTION OF PROPOSED MODIFICATIONS TO CURRENT PERFORMANCE-BASED PAYMENTS.

SECTION 4. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

DRAFT
4.17.17

DRAFT

LLS NO. 17-1058.01 Jane Ritter x4342 **COMMITTEE BILL**

Joint Budget Committee

BILL TOPIC: "Use Of Med Isolation Not Seclusion Div Youth Corr"

A BILL FOR AN ACT

CONCERNING EXEMPTING TIME IN MEDICAL ISOLATION FROM THE REQUIREMENTS RELATED TO THE USE OF SECLUSION ON YOUTH BY THE DIVISION OF YOUTH CORRECTIONS.

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 creates a definition of "medical isolation" and specifies that such medical isolation is not considered "seclusion" for statutory purposes.

Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) The division of youth corrections in the department of human services places a high priority on keeping the youth in its care safe and healthy. The division of youth corrections has made great progress towards better caring for youth's medical needs, including requesting additional licensed health care providers for its facilities.

(b) Youth in the care of the division of youth corrections often have medical conditions that require them to be separated from other youth for the health and safety of everyone in the facility, and the division seeks to clarify when a youth may be secluded for medical necessity, as prescribed by a licensed health care provider, for the health and wellness of all youth and staff in the division's care.

(2) Therefore, the general assembly finds that medical isolation is occasionally necessary to improve healthy outcomes for youth, by ensuring that youth receive the medical help they need and deserve, that they are checked upon regularly, and that any instance of medical isolation is for the shortest amount of time medically necessary, as determined by a licensed health care provider.

SECTION 2. In Colorado Revised Statutes, 26-20-102, **amend** the introductory portion and (7); and **add** (3.7) and (4.5) as follows:

26-20-102. Definitions. As used in this ~~article~~ ARTICLE 20, unless the context otherwise requires:

(3.7) "LICENSED HEALTH CARE PROVIDER" MEANS A PERSON, CORPORATION, FACILITY, OR INSTITUTION LICENSED OR CERTIFIED BY THIS STATE TO PROVIDE HEALTH CARE OR PROFESSIONAL SERVICES AS A

HOSPITAL, HEALTH CARE FACILITY, OR DISPENSARY OR TO PRACTICE AND PRACTICING MEDICINE, OSTEOPATHY, CHIROPRACTIC, NURSING, PHYSICAL THERAPY, PODIATRY, DENTISTRY, PHARMACY, ACUPUNCTURE, OR OPTOMETRY IN THIS STATE, OR AN OFFICER, EMPLOYEE, OR AGENT OF THE PERSON, CORPORATION, FACILITY, OR INSTITUTION WORKING UNDER THE SUPERVISION OF THE PERSON, CORPORATION, FACILITY, OR INSTITUTION IN PROVIDING HEALTH CARE SERVICES.

(4.5) "MEDICAL ISOLATION" MEANS THE PLACEMENT OF AN INDIVIDUAL ALONE IN A ROOM OR AN AREA FROM WHICH EGRESS IS INVOLUNTARILY PREVENTED FOR THE PERIOD OF TIME NECESSARY TO RESOLVE A MEDICAL CONDITION AND TO ACHIEVE THE BEST HEALTHY OUTCOMES FOR YOUTH IN SUCH MEDICAL ISOLATION. MEDICAL ISOLATION MUST BE PRESCRIBED BY A LICENSED HEALTH CARE PROVIDER AND BE FOR A PERIOD OF TIME THAT IS NO LONGER THAN IS MEDICALLY NECESSARY.

(7) "Seclusion" means the placement of an individual alone in a room or AN area from which egress is involuntarily prevented. ~~except during normal sleeping hours.~~ "SECLUSION" DOES NOT INCLUDE:

(a) NORMAL SLEEPING HOURS; OR

(b) MEDICAL ISOLATION.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.