

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0390.01 Chelsea Princell x4335

HOUSE BILL 26-1235

HOUSE SPONSORSHIP

Feret,

SENATE SPONSORSHIP

Daugherty,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING UPDATES TO THE MEDICAL ASSISTANCE PROGRAM.**

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>.)

Beginning December 1, 2026, the bill requires each transportation broker that administers nonemergency medical transportation to medicaid members to submit certain information to the state department regarding transportation providers that the transportation broker contracts with. The department of health care policy and financing (state department) is required to include this information in its annual "SMART Act" presentation.

The bill requires the medical services board to adopt rules to

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.

implement the federal community engagement requirements.

Under current law, the state department is required to reimburse an opioid treatment program for administering medication-assisted treatment in a jail setting. The bill amends this requirement to require the state department to reimburse a licensed provider who is licensed and authorized to prescribe, dispense, compound, or administer medication-assisted treatment in a jail setting.

The bill prohibits the state department from implementing a multiple procedure payment reduction, compound billing methodology, or substantially similar reimbursement policy for outpatient therapy services.

Beginning January 1, 2027, the bill requires home- and community-based service agencies to submit their medical loss ratio to the state department. The state department is required to publish this medical loss ratio data on the state department's website on an annual basis.

The bill repeals the state medical assistance and services advisory council.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-1-803 as
3 follows:

4 **25.5-1-803. Transportation provider data reporting**
5 **requirements.**

6 (1) ON OR BEFORE DECEMBER 1, 2026, AND ON OR BEFORE EACH
7 DECEMBER 1 THEREAFTER, EACH TRANSPORTATION BROKER SHALL
8 REPORT THE FOLLOWING INFORMATION TO THE STATE DEPARTMENT:

9 (a) REGARDING EACH TRANSPORTATION PROVIDER THAT THE
10 TRANSPORTATION BROKER CONTRACTS WITH:

11 (I) THE TOTAL NUMBER OF RIDES REQUESTED;

12 (II) THE TOTAL NUMBER OF RIDES COMPLETED;

13 (III) THE TOTAL NUMBER OF RIDES CANCELED BY MEMBERS AND
14 THE TRANSPORTATION PROVIDER;

15 (IV) THE TOTAL COST OF RIDES COMPLETED CATEGORIZED BY

1 PROCEDURE CODE; AND

2 (V) THE TOTAL NUMBER OF CALLS RECEIVED FROM MEMBERS
3 REQUESTING NONEMERGENCY MEDICAL TRANSPORTATION AND THE
4 AVERAGE TIME A MEMBER SPENT ON HOLD;

5 (b) THE NUMBER OF GRIEVANCES SUBMITTED BY MEMBERS
6 REGARDING A TRANSPORTATION PROVIDER THAT WERE SUBSTANTIATED,
7 AND THE TRANSPORTATION PROVIDER THAT THE GRIEVANCE CONCERNS;
8 AND

9 (c) THE TOTAL NUMBER OF TRANSPORTATION PROVIDERS
10 TERMINATED FROM THE TRANSPORTATION BROKER'S NETWORK, ON A
11 CORRECTIVE ACTION PLAN, OR ON A PERFORMANCE IMPROVEMENT PLAN.

12 (2) BEGINNING JANUARY 1, 2027, THE STATE DEPARTMENT SHALL
13 INCLUDE AS PART OF THE STATE DEPARTMENT'S "SMART ACT"
14 PRESENTATION REQUIRED BY SECTION 2-7-203 THE INFORMATION
15 SUBMITTED TO THE STATE DEPARTMENT BY THE TRANSPORTATION
16 BROKERS AS REQUIRED BY SUBSECTION (1) OF THIS SECTION.

17 **SECTION 2.** In Colorado Revised Statutes, **add** 25.5-4-217 as
18 follows:

19 **25.5-4-217. Multiple procedure payment reductions for**
20 **outpatient therapy - prohibition - definitions.**

21 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 

24 (a) "MULTIPLE PROCEDURE PAYMENT REDUCTION" MEANS A
25 REIMBURSEMENT METHODOLOGY THAT REDUCES PAYMENT FOR ONE OR
26 MORE DIFFERENT SERVICES FURNISHED TO A MEMBER DURING THE SAME
27 DATE OF SERVICE, ENCOUNTER, OR EPISODE OF CARE BASED SOLELY ON

1 THE NUMBER, SEQUENCING, OR COMBINATION OF DIFFERENT SERVICES
2 PERFORMED.

3 (b) "OUTPATIENT THERAPY SERVICES" MEANS PROFESSIONAL
4 SERVICES PROVIDED BY AN OCCUPATIONAL THERAPIST, PHYSICAL
5 THERAPIST, OR SPEECH LANGUAGE PATHOLOGIST IN A SETTING OTHER
6 THAN A HOSPITAL.

7 (2) IF THE STATE DEPARTMENT PLANS TO IMPLEMENT, APPLY, OR
8 ENFORCE A NEW MULTIPLE PROCEDURE PAYMENT REDUCTION FOR
9 OUTPATIENT THERAPY SERVICES PROVIDED UNDER THE MEDICAL
10 ASSISTANCE PROGRAM, THE STATE DEPARTMENT MUST PROVIDE NOTICE TO
11 THE IMPACTED PROVIDERS OF THE FORTHCOMING CHANGE AT LEAST SIX
12 MONTHS PRIOR TO IMPLEMENTING THE CHANGE TO ENSURE ADEQUATE
13 TIME FOR PROVIDERS TO PREPARE.

14 **SECTION 3.** In Colorado Revised Statutes, **add 25.5-4-218** as
15 follows:

16 **25.5-4-218. Community engagement requirements for**
17 **medicaid eligibility - rules - repeal.**

18 (1) ON OR BEFORE JANUARY 1, 2027, THE STATE BOARD SHALL
19 ADOPT RULES THAT ARE NECESSARY TO IMPLEMENT THE COMMUNITY
20 ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL
21 SECURITY ACT OF 1965", 42 U.S.C. SEC. 1396a(xx), AS AMENDED OR
22 RELOCATED, IN A MANNER THAT ENSURES ALL APPLICANTS AND MEMBERS
23 CAN OBTAIN OR MAINTAIN COVERAGE WITH THE LEAST AMOUNT OF
24 ADMINISTRATIVE BURDENS.

25 (2) THE STATE BOARD'S AUTHORITY TO ADOPT RULES PURSUANT
26 TO SUBSECTION (1) OF THIS SECTION IS REPEALED IF THE COMMUNITY
27 ENGAGEMENT REQUIREMENTS OF TITLE XIX OF THE FEDERAL "SOCIAL

1 SECURITY ACT OF 1965", 42 U.S.C. SEC. 1396a(xx), AS AMENDED OR
2 RELOCATED, ARE REPEALED.

3 (3) THE STATE BOARD SHALL NOTIFY THE REVISOR OF STATUTES
4 IN WRITING OF THE DATE WHEN THE CONDITION SPECIFIED IN SUBSECTION
5 (2) OF THIS SECTION HAS OCCURRED BY EMAILING THE NOTICE TO
6 REVISOROFSTATUTES.GA@COLEG.GOV. THIS SECTION IS REPEALED,
7 EFFECTIVE UPON THE DATE IDENTIFIED IN THE NOTICE, OR IF THE NOTICE
8 DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE
9 REVISOR OF STATUTES.

10 SECTION 4. In Colorado Revised Statutes, 25.5-4-401.5, amend
11 (1)(c)(I) as follows:

12 25.5-4-401.5. Review of provider rates - advisory committee
13 - recommendations - repeal.

14 (1) (c) (I) The state department may propose to exclude rates from
15 the schedule established pursuant to subsection (1)(a) of this section if
16 those rates are adjusted OR REVIEWED on a periodic basis as a result of
17 other state statute or federal law or regulation. The state department shall
18 include the proposed list of exclusions with the schedule established
19 pursuant to subsection (1)(a) of this section.

20 SECTION 5. In Colorado Revised Statutes, 25.5-4-505.5, amend
21 (5) as follows:

22 25.5-4-505.5. Federal authorization related to persons involved
23 in the criminal justice system - report - rules - legislative declaration.

24 (5) (a) The state department shall ~~only reimburse an opioid~~
25 ~~treatment program, as defined in section 27-80-203, for administering~~
26 ~~medication-assisted treatment~~ REIMBURSE A PROVIDER WHO IS LICENSED
27 AND AUTHORIZED TO PRESCRIBE, DISPENSE, COMPOUND, OR ADMINISTER

1 MEDICATION-ASSISTED TREATMENT in a jail setting. ~~At a minimum, an~~
2 ~~opioid treatment program that administers medication-assisted treatment~~
3 ~~shall:~~

4 ~~(I) Employ a physician medical director;~~

5 ~~(II) Ensure the individual receiving medication-assisted treatment~~
6 ~~undergoes a minimum observation period after receiving~~
7 ~~medication-assisted treatment as determined by behavioral health~~
8 ~~administration rule pursuant to section 27-80-204; and~~

9 ~~(III) Meet all critical incident reporting requirements as~~
10 ~~determined by behavioral health administration rule pursuant to section~~
11 ~~27-80-204.~~

12 (b) The state department shall ensure as part of the state
13 department's quality oversight that ~~opioid treatment programs that~~
14 LICENSED PROVIDERS WHO administer medication-assisted treatment in a
15 jail setting maintain emergency policies and procedures that address
16 adverse outcomes.

17 **SECTION 6.** In Colorado Revised Statutes, **add** 25.5-5-428 as
18 follows:

19 **25.5-5-428. Home- and community-based service provider**
20 **agencies - disclosure of direct care service cost ratio to administrative**
21 **cost ratio - definition.**

22 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
23 REQUIRES, "DIRECT CARE SERVICE COST TO ADMINISTRATIVE COST RATIO"
24 MEANS THE PERCENTAGE OF MEDICAID SERVICES REVENUE THAT A HOME-
25 AND COMMUNITY-BASED SERVICE PROVIDER AGENCY THAT RENDERS BASE
26 WAGE QUALIFYING SERVICES SPENDS ON DIRECT CARE WORKFORCE
27 COMPENSATION AND DIRECT CARE SERVICE RELATED TRAINING AND

1 SUPPORTS AS COMPARED TO ADMINISTRATIVE AND GENERAL EXPENSES.

2 (2) (a) THE STATE DEPARTMENT SHALL COLLECT THE FOLLOWING
3 INFORMATION FROM EACH HOME- AND COMMUNITY-BASED SERVICE
4 PROVIDER AGENCY THAT SERVES MORE THAN ONE HUNDRED MEMBERS:

5 (I) THE TOTAL MEDICAL ASSISTANCE PROGRAM REVENUE FOR THE
6 REPORTING PERIOD AND DATA REGARDING WORKFORCE CLASSIFICATION
7 AND SERVICE VOLUME;

8 (II) DIRECT CARE WORKER AND WORKFORCE COMPENSATION;

9 (III) TOTAL COMPENSATION PAID TO INDIVIDUALS PERFORMING
10 DIRECT CARE SERVICES, REPORTED SEPARATELY FOR EMPLOYEES AND
11 INDEPENDENT CONTRACTORS, INCLUDING:

12 (A) BASE WAGES OR SERVICE PAYMENTS;

13 (B) OVERTIME OR PREMIUM PAYMENTS;

14 (C) EMPLOYER-PAID PAYROLL TAXES AND LEGALLY REQUIRED
15 CONTRIBUTIONS; AND

16 (D) HEALTH, RETIREMENT, LEAVE, AND OTHER BENEFITS;
17 BONUSES; INCENTIVE PAYMENTS; AND DIFFERENTIAL PAY; AND

18 (IV) ALL COMPENSATION PAID DIRECTLY OR INDIRECTLY,
19 INCLUDING THROUGH AFFILIATED OR RELATED ENTITIES.

20 (b) A HOME- AND COMMUNITY-BASED SERVICE PROVIDER AGENCY
21 SHALL SUBMIT TO THE STATE DEPARTMENT ITS DIRECT CARE SERVICE COST
22 TO ADMINISTRATIVE COST RATIO AND THE INFORMATION REQUIRED
23 PURSUANT TO THIS SUBSECTION (2) NO LATER THAN SEPTEMBER 30, 2027.

24 (3) THE STATE DEPARTMENT SHALL SUBMIT A REPORT DETAILING
25 THE INFORMATION COLLECTED PURSUANT TO SUBSECTION (2) OF THIS
26 SECTION TO THE HOUSE OF REPRESENTATIVES AND SENATE HEALTH AND
27 HUMAN SERVICES COMMITTEES AND THE JOINT BUDGET COMMITTEE, OR

1 ANY SUCCESSOR COMMITTEES, NO LATER THAN DECEMBER 31, 2027.

2 (4) THE DATA COLLECTED AND PUBLISHED PURSUANT TO THIS
3 SECTION MUST BE USED SOLELY FOR LEGISLATIVE INFORMATIONAL
4 PURPOSES.

5 SECTION 7. In Colorado Revised Statutes, **repeal** 25.5-4-203.

6 SECTION 8. **Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly (August
9 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2026 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.