

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

ENGROSSED

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

LLS NO. 25-0667.01 Shelby Ross x4510

HOUSE BILL 25-1288

HOUSE SPONSORSHIP

Martinez and Winter T.,

SENATE SPONSORSHIP

Roberts and Simpson,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING FINANCIAL SUPPORT FOR FEDERALLY QUALIFIED HEALTH**
102 **CENTERS.**

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 authorizes the department of health care policy and financing (state department) to seek and accept gifts from private or public sources for the primary care fund. Upon receiving federal authorization, if the state department receives gifts designated for a federally qualified health center (FQHC) or a qualified provider, the state department is required to allocate 115% of the total amount of gifts

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.

HOUSE
Amended 2nd Reading
April 29, 2025

received to the designated FQHC or qualified provider. The bill prohibits the state department from allocating money to a qualified provider if the donor is an FQHC or a qualified provider that has a direct or indirect relationship to medicaid payments and the allocation amount is positively correlated to the donation.

The bill authorizes an FQHC to establish a separate subsidiary company for the purpose of providing fee-for-service services outside of the FQHC's standard cost report if the subsidiary is providing fee-for-service services that have historically been provided and reimbursed on a fee-for-service basis, or if the state department determines that the subsidiary's reimbursements would be budget neutral. Upon receiving any necessary federal authorization, the state department is required to reimburse a subsidiary of an FQHC on a fee-for-service basis for services that are eligible for fee-for-service reimbursement. A subsidiary that receives reimbursement is authorized to pass through money received from the reimbursement directly to the FQHC operating as the subsidiary's parent corporation. Services reimbursed to an FQHC's subsidiary are excluded from the FQHC's cost report.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) Federally qualified health centers (FQHC) play an important
5 role in the safety net system by serving roughly 30% of medicaid patients
6 in Colorado; however, FQHCs receive less than 2% of the state's
7 medicaid provider reimbursement;

8 (b) The primary care fund (fund) was created to allocate money
9 to qualified providers who provide comprehensive primary care services
10 in an outpatient setting to uninsured and medically indigent patients, or
11 individuals enrolled in medicaid;

12 (c) Each dollar in the fund receives a one-for-one match by the
13 federal centers for medicare and medicaid (CMS); and

14 (d) CMS adopted rules that prohibit qualified providers who
15 would benefit from the federal match from donating to the fund, but the

1 rules do not prohibit other gifts from being made to the fund.

2 (2) Therefore, the general assembly declares that it is necessary to
3 allow the state to seek and accept gifts for the primary care fund. ■

4 **SECTION 2.** In Colorado Revised Statutes, 24-22-117, **amend**
5 (2) introductory portion and (2)(b)(I); and **add** (2)(b)(VI) as follows:

6 **24-22-117. Tobacco tax cash fund - accounts - creation -**
7 **legislative declaration.** (2) There are hereby created in the state treasury
8 the following funds:

9 (b) (I) The primary care fund to be administered by the department
10 of health care policy and financing. The state treasurer and the controller
11 shall transfer an amount equal to nineteen percent of the ~~moneys~~ MONEY
12 deposited into the cash fund, plus nineteen percent of the interest and
13 income earned on the deposit and investment of ~~those moneys~~ THE
14 MONEY, to the primary care fund. ~~except that, for the 2008-09, 2009-10,~~
15 ~~2010-11, and 2011-12 fiscal years, the state treasurer and the controller~~
16 ~~shall transfer to the primary care fund only an amount equal to nineteen~~
17 ~~percent of the moneys deposited into the cash fund.~~ IN ADDITION TO THE
18 MONEY TRANSFERRED FROM THE CASH FUND, THE PRIMARY CARE FUND
19 CONSISTS OF GIFTS RECEIVED PURSUANT TO **SUBSECTION (2)(b)(VI) OF**
20 **THIS SECTION** AND ANY OTHER MONEY THE GENERAL ASSEMBLY MAY
21 APPROPRIATE OR TRANSFER INTO THE PRIMARY CARE FUND. All interest
22 and income derived from the deposit and investment of ~~moneys~~ MONEY
23 in the primary care fund ~~shall be~~ IS credited to the primary care fund.
24 ~~except that all interest and income derived from the deposit and~~
25 ~~investment of moneys in the primary care fund during the 2008-09,~~
26 ~~2009-10, 2010-11, and 2011-12 fiscal years shall be credited to the~~
27 ~~general fund.~~ Any unexpended and unencumbered ~~moneys~~ MONEY

1 remaining in the primary care fund at the end of a fiscal year shall remain
2 REMAINS in the fund and shall IS not be credited or transferred to the
3 general fund or any other fund.

4 (VI) THE STATE DEPARTMENT MAY SEEK AND ACCEPT GIFTS FROM
5 PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SUBSECTION
6 (2)(b).

7
8 **SECTION 3.** In Colorado Revised Statutes, **amend 25.5-5-331**
9 as follows:

10 **25.5-5-331. Federally qualified health center - reimbursement**
11 **- rules.** (1) Costs associated with services provided by clinical
12 pharmacists through a federally qualified health center, as defined in the
13 federal "Social Security Act", 42 U.S.C. sec. 1395x (aa)(4), are
14 considered allowable costs for the purpose of a federally qualified health
15 center's cost report and must be included in the calculation of the
16 reimbursement rate for a patient visit at a federally qualified health center.

17 (2) (a) A FEDERALLY QUALIFIED HEALTH CENTER, AS DEFINED IN
18 THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 1395x (aa)(4),
19 MAY ESTABLISH A SEPARATE SUBSIDIARY COMPANY FOR THE PURPOSE OF
20 PROVIDING FEE-FOR-SERVICE SERVICES OUTSIDE OF THE FEDERALLY
21 QUALIFIED HEALTH CENTER'S STANDARD COST REPORT IF:

22 (I) THE SUBSIDIARY IS PROVIDING FEE-FOR-SERVICE SERVICES
23 THAT HAVE HISTORICALLY BEEN PROVIDED AND REIMBURSED ON A
24 FEE-FOR-SERVICE BASIS; AND

25 (II) THE STATE DEPARTMENT DETERMINES THAT THE SUBSIDIARY'S
26 REIMBURSEMENTS WOULD BE BUDGET NEUTRAL.

27 (b) UPON RECEIVING ANY NECESSARY FEDERAL AUTHORIZATION,

1 THE STATE DEPARTMENT SHALL REIMBURSE A SUBSIDIARY COMPANY, AS
2 DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION, ON A FEE-FOR-SERVICE
3 BASIS FOR SERVICES THAT ARE ELIGIBLE FOR FEE-FOR-SERVICE
4 REIMBURSEMENT.

5 (c) A SUBSIDIARY THAT RECEIVES REIMBURSEMENT PURSUANT TO
6 THIS SECTION MAY PASS THROUGH MONEY RECEIVED FROM THE
7 REIMBURSEMENT DIRECTLY TO THE FEDERALLY QUALIFIED HEALTH
8 CENTER OPERATING AS THE SUBSIDIARY'S PARENT CORPORATION.

9 (d) (I) THE STATE DEPARTMENT SHALL EXCLUDE ALL COSTS
10 ASSOCIATED WITH A SUBSIDIARY COMPANY ESTABLISHED PURSUANT TO
11 THIS SUBSECTION (2) FROM THE CALCULATION OF A FEDERALLY QUALIFIED
12 HEALTH CENTER'S REIMBURSEMENT RATES.

13 (II) THE STATE DEPARTMENT SHALL REQUIRE A FEDERALLY
14 QUALIFIED HEALTH CENTER THAT ESTABLISHES A SEPARATE SUBSIDIARY
15 COMPANY PURSUANT TO THIS SUBSECTION (2) TO INCLUDE THE COSTS
16 ASSOCIATED WITH THE SUBSIDIARY IN ITS COST REPORT THAT IS
17 NECESSARY TO CALCULATE REIMBURSEMENT RATES.

18 ~~(2)~~ (3) The state department shall promulgate rules to implement
19 the provisions of this section.

20 **SECTION 4. Safety clause.** The general assembly finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, or safety or for appropriations for
23 the support and maintenance of the departments of the state and state
24 institutions.