

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0719.01 Brita Darling x2241

HOUSE BILL 17-1139

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HOUSE SPONSORSHIP

Landgraf and Michaelson Jenet,

SENATE SPONSORSHIP

Martinez Humenik and Kefalas,

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House Committees

Public Health Care & Human Services

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING IMPROVING MEDICAID CLIENT PROTECTIONS THROUGH  
102 EFFECTIVE ENFORCEMENT OF MEDICAID PROVIDER  
103 REQUIREMENTS.

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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 subjects a provider of medicaid services to a civil monetary penalty if the provider improperly bills or seeks collection from a medicaid recipient or the estate of a medicaid recipient.

In addition, the bill allows the department of health care policy and financing (department) to require a corrective action plan from any

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

provider who fails to comply with rules, manuals, or bulletins issued by the department, the medical services board, or the department's fiscal agent or from a provider whose activities endanger the health, safety, or welfare of a medicaid recipient. Based on good cause, the department may suspend the enrollment of a medicaid provider for a period of time set forth in the bill. The provider has the right to appeal the suspension administratively.

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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**  
3 (1)(a)(IV) and (15) as follows:

4           **25.5-4-301. Recoveries - overpayments - penalties - interest -**  
5 **adjustments - liens - review or audit procedures.** (1) (a) (IV) A  
6 PROVIDER OF MEDICAL SERVICES WHO BILLS A RECIPIENT OR THE ESTATE  
7 OF A RECIPIENT FOR MEDICAL SERVICES AUTHORIZED BY TITLE XIX OF THE  
8 FEDERAL "SOCIAL SECURITY ACT", AS AMENDED, EXCEPT FOR THOSE  
9 CONTRIBUTIONS REQUIRED PURSUANT TO SECTION 25.5-4-209 (1), OR WHO  
10 SEEKS COLLECTION THROUGH A THIRD PARTY OF AN AMOUNT IN  
11 VIOLATION OF SUBSECTION (1)(a)(I) OF THIS SECTION MAY BE SUBJECT TO  
12 A CIVIL MONETARY PENALTY OF THREE TIMES THE AMOUNT BILLED OR  
13 SENT TO COLLECTIONS.

14           (15) (a) THE STATE DEPARTMENT MAY REQUIRE A CORRECTIVE  
15 ACTION PLAN FROM ANY PROVIDER WHO FAILS TO COMPLY WITH THE  
16 RULES, MANUALS, OR BULLETINS ISSUED BY THE STATE DEPARTMENT,  
17 STATE BOARD, OR THE STATE DEPARTMENT'S FISCAL AGENT, OR FROM ANY  
18 PROVIDER WHOSE ACTIVITIES ENDANGER THE HEALTH, SAFETY, OR  
19 WELFARE OF MEDICAID RECIPIENTS.

20           (b) (I) BASED ON A GOOD CAUSE DETERMINATION, THE STATE  
21 DEPARTMENT MAY SUSPEND THE ENROLLMENT OF A PROVIDER FOR  
22 FAILURE TO COMPLY WITH RULES, MANUALS, OR BULLETINS ISSUED BY THE

1 STATE DEPARTMENT, STATE BOARD, OR STATE DEPARTMENT'S FISCAL  
2 AGENT FOR A PERIOD OF UP TO ONE YEAR OR, FOR ACTIVITIES THAT  
3 ENDANGER THE HEALTH, SAFETY, OR WELFARE OF MEDICAID RECIPIENTS,  
4 FOR A PERIOD OF UP TO ONE YEAR OR UNTIL THOSE ACTIVITIES ARE  
5 CORRECTED, WHICHEVER IS LONGER.

6 (II) THE STATE DEPARTMENT SHALL NOTIFY A PROVIDER OF THE  
7 SUSPENSION OF ENROLLMENT. IN THE PROVIDER'S NOTIFICATION, THE  
8 STATE DEPARTMENT SHALL INCLUDE THE REASONS FOR THE SUSPENSION  
9 AND THE PROVIDER'S RIGHT TO APPEAL THE SUSPENSION  
10 ADMINISTRATIVELY AS AN ADVERSE ACTION BY THE STATE DEPARTMENT.

11 **SECTION 2. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.