

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**ENGROSSED**

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

LLS NO. 17-0160.01 Brita Darling x2241

**HOUSE BILL 17-1126**

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**HOUSE SPONSORSHIP**

**Danielson and Michaelson Jenet,**

**SENATE SPONSORSHIP**

**Crowder,**

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**House Committees**

Public Health Care & Human Services

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE REVIEW OF LEGAL SUFFICIENCY OF MEDICAID**  
102 **APPEALS.**

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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/>.)*

**Interim Study Committee on Communication Between the Department of Health Care Policy and Financing (HCPF) and Medicaid Clients.** The bill requires the administrative law judge hearing medicaid appeals to review the legal sufficiency of the notice of action from which the recipient is appealing at the commencement of the appeal hearing if the notice of action concerns the termination or reduction of an

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.*

HOUSE  
2nd Reading Unamended  
February 17, 2017

existing benefit. If the notice is legally insufficient, the judge shall advise the appellant that he or she may waive the defense of insufficient notice and proceed to a hearing on the merits or may ask the judge to decide the appeal based on the judge's finding of insufficiency. The judge shall advise the appellant that a legally sufficient notice may be issued in the future and that the state may recoup benefits from the appellant.

The provisions of the bill apply to hearings conducted on and after a certain date.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-4-207, **add**  
3 (1)(d.5) as follows:

4 **25.5-4-207. Appeals - rules - applicability.** (1) (d.5) (I) AT THE  
5 COMMENCEMENT OF A HEARING THAT CONCERNS THE TERMINATION OR  
6 REDUCTION OF AN EXISTING BENEFIT, THE STATE DEPARTMENT'S  
7 ADMINISTRATIVE LAW JUDGE SHALL REVIEW THE LEGAL SUFFICIENCY OF  
8 THE NOTICE OF ACTION FROM WHICH THE RECIPIENT IS APPEALING. IF THE  
9 ADMINISTRATIVE LAW JUDGE DETERMINES THAT THE NOTICE IS LEGALLY  
10 INSUFFICIENT, THE ADMINISTRATIVE LAW JUDGE SHALL INFORM THE  
11 APPELLANT THAT THE TERMINATION OR REDUCTION MAY BE SET ASIDE ON  
12 THE BASIS OF INSUFFICIENT NOTICE WITHOUT PROCEEDING TO A HEARING  
13 ON THE MERITS. THE APPELLANT MAY AFFIRMATIVELY WAIVE THE  
14 DEFENSE OF INSUFFICIENT NOTICE AND AGREE TO PROCEED WITH A  
15 HEARING ON THE MERITS OR MAY ASK THE ADMINISTRATIVE LAW JUDGE  
16 TO DECIDE THE APPEAL ON THE BASIS OF HIS OR HER FINDING THAT THE  
17 NOTICE IS LEGALLY INSUFFICIENT. THE ADMINISTRATIVE LAW JUDGE  
18 SHALL ALSO INFORM THE APPELLANT THAT THE STATE DEPARTMENT MAY  
19 ISSUE LEGALLY SUFFICIENT NOTICE IN THE FUTURE AND THAT THE STATE  
20 DEPARTMENT MAY SEEK RECOUPMENT OF BENEFITS IF A BASIS FOR DENIAL  
21 OR REDUCTION OF BENEFITS IS SUBSEQUENTLY DETERMINED.

1            (II) THIS SUBSECTION (1)(d.5) APPLIES TO HEARINGS CONDUCTED  
2 ON AND AFTER JANUARY 1, 2018.

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