

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

ENGROSSED

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

LLS NO. 19-0966.01 Brita Darling x2241

SENATE BILL 19-209

SENATE SPONSORSHIP

Zenzinger, Moreno, Rankin

HOUSE SPONSORSHIP

Hansen, Esgar

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING PROVISIONS RELATING TO PACE PROGRAMS, AND, IN**
102 **CONNECTION THEREWITH, DETERMINING THE FUNDING**
103 **METHODOLOGY FOR THE 2019-20 FISCAL YEAR AND FISCAL**
104 **YEARS THEREAFTER, REQUIRING THE DEPARTMENT OF HEALTH**
105 **CARE POLICY AND FINANCING TO MEET WITH COLORADO PACE**
106 **PROGRAMS DURING THE 2019 LEGISLATIVE INTERIM TO**
107 **CONSIDER PACE PROGRAM FUNDING AND OTHER ISSUES**
108 **RELATING TO PACE PROGRAMS, AND MAKING AN**
109 **APPROPRIATION.**

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

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

SENATE
2nd Reading Unamended
March 27, 2019

applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill directs the department of health care policy and financing (department) to negotiate the monthly contracted rate for PACE program services for the 2019-20 fiscal year, and each fiscal year thereafter, using an actuarially sound upper payment limit methodology that complies with federal law regarding PACE organizations.

The bill repeals provisions in statute directing the department to apply a grade of membership method in determining the upper payment limit methodology and tying the 2019-20 fiscal year appropriations to a new methodology or to the fiscal year 2016-17 appropriation.

The bill requires the department and PACE organizations to meet during the 2019 legislative interim to consider the appropriate funding methodology for PACE programs and other issues relating to PACE delivery models, administrative oversight and funding administrative services, and appropriations requests.

The bill makes an appropriation for PACE programs for the 2019-20 fiscal year.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-5-412, **amend**
3 (12) as follows:

4 **25.5-5-412. Program of all-inclusive care for the elderly -**
5 **legislative declaration - services - eligibility - rules - definitions -**
6 **repeal.** (12) (a) The general assembly shall make appropriations to the
7 state department to fund services under this section provided at a monthly
8 capitated rate. FOR THE 2019-20 FISCAL YEAR, AND EACH FISCAL YEAR
9 THEREAFTER, the state department shall annually renegotiate, PURSUANT
10 TO THE PROVISIONS SET FORTH IN THIS SUBSECTION (12), a monthly
11 capitated rate for the contracted services.

12 ~~(b) Repealed.~~

13 ~~(e)~~ (b) The monthly capitated rate negotiated with the state
14 department ~~shall~~ **MUST** be included in the contract with the PACE

1 organization and must be based upon a prospective monthly capitation
2 payment to a PACE organization for a medicaid participant enrolled in a
3 PACE program that is less than what would otherwise have been paid
4 under the state medicaid plan if the participant were not enrolled in the
5 PACE program.

6 ~~(d)~~ (c) IN DETERMINING THE MONTHLY CAPITATED RATE, the
7 state department, with the participation of Colorado PACE organizations,
8 shall develop an actuarially sound upper payment limit methodology that
9 complies with federal law relating to PACE organizations. ~~and addresses~~
10 ~~a PACE-comparable population and employs functional, diagnostic, and~~
11 ~~other information on the PACE population and its service use and cost~~
12 ~~characteristics. The state department shall contract with an actuary that~~
13 ~~has experience with the methods described in this paragraph (d).~~

14 ~~(H)~~ For purposes of computing the upper payment limit, the state
15 department shall provide to the contracted actuary state long-term care
16 options data describing the health characteristics, functional acuity, and
17 long-term services and supports needs of the PACE-comparable
18 population, as well as relevant medicare and medicaid claims, cost,
19 utilization, and vital statistics data necessary for the computation. The
20 upper payment limit methodology must apply grade of membership
21 methods to characterize the health deficit structure of long-term services
22 and supports populations, demonstrating an empirical upper payment
23 limit.

24 ~~(H)~~ Notwithstanding the provisions of this paragraph (d) to the
25 contrary, the state department shall not be required to develop an upper
26 payment limit methodology pursuant to this paragraph (d) or comply with
27 the requirements of subparagraph (I) of paragraph (c) of this subsection

1 ~~(12) if the state department does not receive sufficient gifts, grants, and~~
2 ~~donations to fund the contract for actuarial services pursuant to~~
3 ~~subparagraph (f) of this paragraph (d).~~

4 ~~(e) (I) Contingent upon any necessary federal approval, until the~~
5 ~~upper payment limit methodology is developed pursuant to paragraph (d)~~
6 ~~of this subsection (12) and adopted in state board rules, the percentage of~~
7 ~~the upper payment limit used to calculate the monthly capitated rate shall~~
8 ~~not be less than the percentage negotiated by the state department with the~~
9 ~~PACE organizations for the 2016-17 state fiscal year.~~

10 ~~(H) This paragraph (e) is repealed, effective July 1 of the year~~
11 ~~following the year in which the executive director notifies the revisor of~~
12 ~~statutes that the state board has adopted rules relating to the upper~~
13 ~~payment limit methodology developed pursuant to paragraph (d) of this~~
14 ~~subsection (12).~~

15 (d) (I) DURING THE LEGISLATIVE INTERIM FOLLOWING THE 2019
16 REGULAR SESSION, THE STATE DEPARTMENT AND COLORADO PACE
17 PROGRAMS SHALL MEET TO CONSIDER THE APPROPRIATE FUNDING
18 METHODOLOGY FOR COLORADO PACE PROGRAMS FOR THE 2020-21
19 FISCAL YEAR AND FISCAL YEARS THEREAFTER. THE FIRST MEETING SHALL
20 OCCUR NO LATER THAN JUNE 1, 2019.

21 (II) IN ADDITION TO THE APPROPRIATE FUNDING METHODOLOGY
22 FOR COLORADO PACE PROGRAMS, THE PARTICIPANTS MAY ALSO
23 CONSIDER OTHER ISSUES RELATING TO THE COLORADO PACE PROGRAMS,
24 INCLUDING ADMINISTRATION, REGULATION, OVERSIGHT, REQUESTS FOR
25 ADDITIONAL STAFF AT THE STATE DEPARTMENT, INNOVATIVE DELIVERY
26 MODELS FOR PACE, OPTIONS FOR FUNDING ADMINISTRATIVE SERVICES,
27 AND APPROPRIATIONS REQUESTS.

1 (III) THIS SUBSECTION (12)(d) IS REPEALED, EFFECTIVE JULY 1,
2 2020.

3 **SECTION 2. Appropriation.** (1) For the 2019-20 state fiscal
4 year, \$6,755,479 is appropriated to the department of health care policy
5 and financing. This appropriation is from the general fund and is subject
6 to the "(M)" notation as defined in the annual general appropriation act
7 for the same fiscal year. To implement this act, the department may use
8 this appropriation for medical services premiums.

9 (2) For the 2019-20 state fiscal year, the general assembly
10 anticipates that the department of health care policy and financing will
11 receive \$6,755,479 in federal funds for medical services premiums to
12 implement this act. The appropriation in subsection (1) of this section is
13 based on the assumption that the department will receive this amount of
14 federal funds.

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