

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0667.01 Shelby Ross x4510

HOUSE BILL 25-1288

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HOUSE SPONSORSHIP

Martinez and Winter T.,

SENATE SPONSORSHIP

Roberts and Simpson,

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House Committees  
Health & Human Services

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING FINANCIAL SUPPORT FOR FEDERALLY QUALIFIED HEALTH  
102 CENTERS.

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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 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.*

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.

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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 that are  
4 designated for an FQHC in order to receive the federal match and allocate  
5 115% of the total amount of gifts received to the designated FQHC.

6 **SECTION 2.** In Colorado Revised Statutes, 24-22-117, **amend**  
7 (2) introductory portion and (2)(b)(I) as follows:

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

11 (b) (I) The primary care fund to be administered by the department  
12 of health care policy and financing. The state treasurer and the controller  
13 shall transfer an amount equal to nineteen percent of the ~~moneys~~ MONEY  
14 deposited into the cash fund, plus nineteen percent of the interest and  
15 income earned on the deposit and investment of ~~those moneys~~ THE  
16 MONEY, to the primary care fund. ~~except that, for the 2008-09, 2009-10,~~  
17 ~~2010-11, and 2011-12 fiscal years, the state treasurer and the controller~~  
18 ~~shall transfer to the primary care fund only an amount equal to nineteen~~  
19 ~~percent of the moneys deposited into the cash fund.~~ IN ADDITION TO THE  
20 MONEY TRANSFERRED FROM THE CASH FUND, THE PRIMARY CARE FUND  
21 CONSISTS OF GIFTS RECEIVED PURSUANT TO SECTION 25.5-3-302 AND ANY  
22 OTHER MONEY THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER  
23 INTO THE PRIMARY CARE FUND. All interest and income derived from the  
24 deposit and investment of ~~moneys~~ MONEY in the primary care fund ~~shall~~  
25 ~~be~~ IS credited to the primary care fund. ~~except that all interest and income~~  
26 ~~derived from the deposit and investment of moneys in the primary care~~  
27 ~~fund during the 2008-09, 2009-10, 2010-11, and 2011-12 fiscal years~~

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

5 **SECTION 3.** In Colorado Revised Statutes, 25.5-3-302, **amend**  
6 (1); and **add** (3.5) as follows:

7 **25.5-3-302. Annual allocation - primary care services -**  
8 **qualified provider - rules.** (1) The state department shall annually  
9 allocate the ~~moneys~~ MONEY appropriated by the general assembly to the  
10 primary care fund created in section 24-22-117 (2)(b) ~~C.R.S.~~, to all  
11 eligible qualified providers in the state who comply with the requirements  
12 of subsection (2) of this section. EXCEPT AS PROVIDED IN SUBSECTION  
13 (3.5) OF THIS SECTION, the state department shall allocate the ~~moneys~~  
14 MONEY in amounts proportionate to the number of uninsured or medically  
15 indigent patients served by the qualified provider. For a qualified provider  
16 to be eligible for an allocation pursuant to this section, the qualified  
17 provider ~~shall~~ MUST meet either of the following criteria:

18 (a) The qualified provider is a community health center, as  
19 defined in section 330 of the federal "Public Health Service Act", 42  
20 U.S.C. sec. 254b; or

21 (b) At least fifty percent of the patients served by the qualified  
22 provider are uninsured or medically indigent patients, or patients who are  
23 enrolled in the medical assistance program, articles 4, 5, and 6 of this  
24 title, or the children's basic health plan, article 8 of this title, or any  
25 combination thereof.

26 (3.5) (a) THE STATE DEPARTMENT MAY SEEK AND ACCEPT GIFTS  
27 FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION.

1 THE STATE DEPARTMENT SHALL TRANSMIT ALL MONEY RECEIVED  
2 THROUGH GIFTS TO THE STATE TREASURER, WHO SHALL CREDIT THE  
3 MONEY TO THE PRIMARY CARE FUND CREATED IN SECTION 24-22-117  
4 (2)(b).

5 (b) UPON RECEIVING ANY NECESSARY FEDERAL AUTHORIZATION,  
6 IF THE STATE DEPARTMENT RECEIVES GIFTS PURSUANT TO SUBSECTION  
7 (3.5)(a) OF THIS SECTION DESIGNATED FOR A FEDERALLY QUALIFIED  
8 HEALTH CENTER, AS DEFINED IN THE FEDERAL "SOCIAL SECURITY ACT",  
9 42 U.S.C. SEC. 1395x (aa)(4), OR A QUALIFIED PROVIDER, THE STATE  
10 DEPARTMENT SHALL ALLOCATE ONE HUNDRED FIFTEEN PERCENT OF THE  
11 TOTAL AMOUNT OF GIFTS RECEIVED TO THE DESIGNATED FEDERALLY  
12 QUALIFIED HEALTH CENTER OR QUALIFIED PROVIDER.

13 (c) NOTWITHSTANDING THIS SUBSECTION (3.5) TO THE CONTRARY,  
14 THE STATE DEPARTMENT SHALL NOT ALLOCATE MONEY TO A FEDERALLY  
15 QUALIFIED HEALTH CENTER OR QUALIFIED PROVIDER PURSUANT TO  
16 SUBSECTION (3)(b) OF THIS SECTION IF THE DONOR IS A FEDERALLY  
17 QUALIFIED HEALTH CENTER OR A QUALIFIED PROVIDER THAT HAS A DIRECT  
18 OR INDIRECT RELATIONSHIP TO MEDICAID PAYMENTS AND THE  
19 ALLOCATION AMOUNT IS POSITIVELY CORRELATED TO THE DONATION.

20 **SECTION 4.** In Colorado Revised Statutes, **add** 25.5-4-434 as  
21 follows:

22 **25.5-4-434. Federally qualified health center - subsidiary -**  
23 **fee-for-service reimbursement.** (1) A FEDERALLY QUALIFIED HEALTH  
24 CENTER, AS DEFINED IN THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C.  
25 SEC. 1395x (aa)(4), MAY ESTABLISH A SEPARATE SUBSIDIARY COMPANY  
26 FOR THE PURPOSE OF PROVIDING FEE-FOR-SERVICE SERVICES OUTSIDE OF  
27 THE FEDERALLY QUALIFIED HEALTH CENTER'S STANDARD COST REPORT IF:

1           (a) THE SUBSIDIARY IS PROVIDING FEE-FOR-SERVICE SERVICES  
2 THAT HAVE HISTORICALLY BEEN PROVIDED AND REIMBURSED ON A  
3 FEE-FOR-SERVICE BASIS; OR

4           (b) THE STATE DEPARTMENT DETERMINES THAT THE SUBSIDIARY'S  
5 REIMBURSEMENTS WOULD BE BUDGET NEUTRAL.

6           (2) UPON RECEIVING ANY NECESSARY FEDERAL AUTHORIZATION,  
7 THE STATE DEPARTMENT SHALL REIMBURSE A SUBSIDIARY COMPANY, AS  
8 DESCRIBED IN SUBSECTION (1) OF THIS SECTION, ON A FEE-FOR-SERVICE  
9 BASIS FOR SERVICES THAT ARE ELIGIBLE FOR FEE-FOR-SERVICE  
10 REIMBURSEMENT.

11           (3) A SUBSIDIARY THAT RECEIVES REIMBURSEMENT PURSUANT TO  
12 THIS SECTION MAY PASS THROUGH MONEY RECEIVED FROM THE  
13 REIMBURSEMENT DIRECTLY TO THE FEDERALLY QUALIFIED HEALTH  
14 CENTER OPERATING AS THE SUBSIDIARY'S PARENT CORPORATION.

15           (4) SERVICES REIMBURSED PURSUANT TO THIS SECTION ARE  
16 EXCLUDED FROM THE FEDERALLY QUALIFIED HEALTH CENTER'S COST  
17 REPORT.

18           **SECTION 5. Safety clause.** The general assembly finds,  
19 determines, and declares that this act is necessary for the immediate  
20 preservation of the public peace, health, or safety or for appropriations for  
21 the support and maintenance of the departments of the state and state  
22 institutions.