

CHAPTER 76

HUMAN SERVICES - SOCIAL SERVICES

SENATE BILL 98-173

BY SENATORS Rizzuto, Blickensderfer, and Lacy;
also REPRESENTATIVES Owen, Grampas, Romero, Alexander, Epps, and Lawrence.

AN ACT

CONCERNING THE EXCLUSION OF DIRECT MEDICARE PART B COSTS FROM ALLOWABLE MEDICAID REIMBURSEMENT TO CERTAIN NURSING FACILITIES.

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

SECTION 1. 26-4-410 (4) (d) (I) and (4) (d) (II) (B), Colorado Revised Statutes, are amended to read:

26-4-410. Providers - nursing facility - nursing facility patient program improvement fund - reimbursement - maximum allowable - quality of care incentive payment program - legislative declaration - repeal. (4) (d) (I) The general assembly finds that the historical growth in nursing facility rates has significantly exceeded the rate of inflation. These increases have been caused in part by the inclusion of Medicare costs in Medicaid cost reports. The state of Colorado has an interest in limiting these exceptional increases in Medicaid nursing facility rates by imposing growth ceilings on nursing facility rates, instituting a case-mix reimbursement system, removing Medicare part B DIRECT costs from the Medicaid nursing facility rates, and imposing a ceiling on the Medicare part A ancillary costs ~~which~~ THAT are included in calculating Medicaid nursing facility rates.

(II) Notwithstanding any other provision in this article, the following limitations shall apply to rates for reimbursement of nursing facilities:

(B) For all rates effective on or after July 1, 1997, for each class I and class V facility, only such costs as are reasonable, necessary, and patient-related may be reported for reimbursement purposes. Nursing facilities may include whatever level

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

of Medicare part A ancillary costs was included and allowed in the facility's latest Medicaid cost report filed prior to July 1, 1997. Any subsequent increase in this amount shall be limited to either the increase in the facility's allowable Medicare part A ancillary costs or the percentage increase in the cost of medical care reported in the United States department of labor bureau of labor statistics consumer price index for the same time period, whichever is lower. Part B DIRECT costs for Medicare shall be excluded from the allowable reimbursement for facilities.

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

Approved: April 10, 1998