

## CHAPTER 361

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**HUMAN SERVICES - SOCIAL SERVICES**

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**HOUSE BILL 00-1475**

BY REPRESENTATIVES Tool, Hefley, Alexander, Chavez, Clarke, Hagedorn, Hoppe, Kaufman, Kester, Lawrence, Leyba, Morrison, Saliman, Tochtrop, Coleman, Gagliardi, Plant, and S.Williams;  
also SENATORS Lacy, Linkhart, Reeves, Epps, Hernandez, Rupert, Tanner, Tebedo, and Wham.

**AN ACT**

CONCERNING REIMBURSEMENT TO FEDERALLY QUALIFIED HEALTH CENTERS FOR THE TOTAL AMOUNT OF REASONABLE COSTS OF PROVIDING HEALTH CARE SERVICES TO RECIPIENTS OF MEDICAID ASSISTANCE, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

**SECTION 1.** 26-4-119 (1), Colorado Revised Statutes, is amended to read:

**26-4-119. Capitation rates - risk adjustments.** (1) The state department shall make prepaid capitation payment to managed care organizations based upon a defined scope of services. Payments shall be based upon the following upper and lower limits:

(a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (1), the upper limit shall not exceed ninety-five percent of the cost of providing these same services on an actuarially equivalent non-managed care enrolled Colorado medicaid population group. ~~This limit may be modified based upon any federal requirements for reimbursement to federally qualified health clinics as defined in the federal "Social Security Act".~~

(b) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (1), the lower limit shall be a market rate set through the competitive bid process for a set of defined services. The state department shall only use market rate bids that do not discriminate and are adequate to assure quality, network sufficiency, and long-term competitiveness in the medicaid managed care market. A certification of a qualified actuary, retained by the state department, to the appropriate lower limit shall be conclusive evidence of the state department's compliance with the requirements of this paragraph (b). For the purposes of this paragraph (b), a "qualified actuary" shall be

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

a person deemed as such under regulations promulgated by the commissioner of insurance.

(c) A FEDERALLY QUALIFIED HEALTH CENTER, AS DEFINED IN THE FEDERAL "SOCIAL SECURITY ACT", SHALL BE REIMBURSED BY THE STATE DEPARTMENT FOR THE TOTAL REASONABLE COSTS INCURRED BY THE CENTER IN PROVIDING HEALTH CARE SERVICES TO ALL RECIPIENTS OF MEDICAID ASSISTANCE.

**SECTION 2. Appropriation - adjustment in 2000 long bill.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of health care policy and financing, medical services premiums, for the fiscal year beginning July 1, 2000, the sum of two hundred thousand dollars (\$200,000), or so much thereof as may be necessary, for the implementation of this act. Said sum shall be subject to the "(M)" notation as defined in the general appropriation act. In addition, the general assembly anticipates that, for the fiscal year beginning July 1, 2000, the department of health care policy and financing will receive the sum of two hundred thousand dollars (\$200,000) in federal funds for the implementation of this act. Although these funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds.

(2) For the implementation of this act, appropriations made in the annual general appropriations act for the fiscal year beginning July 1, 2000, shall be adjusted as follows:

(a) The general fund appropriation to the capital construction fund outlined in section 3 (1) (f) is reduced by two hundred thousand dollars (\$200,000).

(b) The capital construction fund exempt appropriation to the department of transportation, construction projects, is reduced by two hundred thousand dollars (\$200,000).

**SECTION 3. Effective date - applicability.** This act shall take effect upon passage, and shall apply to health care services provided by federally qualified health centers to recipients of medicaid assistance on or after said date.

**SECTION 4. 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: June 1, 2000