

CHAPTER 115

HEALTH CARE POLICY AND FINANCING

SENATE BILL 03-112

BY SENATOR(S) Anderson;
also REPRESENTATIVE(S) Coleman, Boyd, Carroll, Frangas, Marshall, McFadyen, Paccione, Tochtrop, Vigil, and Williams S.

AN ACT

CONCERNING MODIFICATIONS TO THE PROGRAM FOR THE MEDICALLY INDIGENT.

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

SECTION 1. 26-15-103 (2), Colorado Revised Statutes, is amended to read:

26-15-103. Definitions. As used in this article, unless the context otherwise requires:

(2) "General provider" means any general hospital, birth center, or community health clinic licensed or certified by the department of public health and environment pursuant to section 25-1-107 (1) (I) (I) or (1) (I) (II), C.R.S., any health maintenance organization issued a certificate of authority pursuant to section 10-16-402, C.R.S., and the health sciences center when acting pursuant to section 26-15-106 (5) (a) (I) or (5) (a) (II) (A). ~~A home health agency may also serve as a provider of community maternity services.~~ For the purposes of the program, "general provider" includes associated physicians.

SECTION 2. 26-15-105, Colorado Revised Statutes, is amended to read:

26-15-105. Report concerning the program. (1) The executive director shall prepare an annual report concerning the STATUS OF THE medically indigent program TO BE SUBMITTED TO THE HEALTH, ENVIRONMENT, WELFARE, AND INSTITUTIONS COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES NO LATER THAN FEBRUARY 1 OF EACH YEAR. The report shall be prepared following consultation with ~~contract~~ providers in the program, state department personnel, and other agencies, organizations, or individuals as ~~it~~ THE EXECUTIVE DIRECTOR deems appropriate in order to obtain comprehensive and objective information about the program. ~~The report shall contain a plan for a delivery system to provide medical services to~~

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

~~medically indigent persons of Colorado in a manner that assures access to services, appropriateness of care, prudent utilization of state resources, and accountability to the health, environment, welfare, and institutions committees of the house of representatives and senate of the general assembly. The executive director shall submit the report to the health, environment, welfare, and institutions committees of the house of representatives and senate of the general assembly no later than February 1 of each year. The report shall include recommendations regarding the following:~~

- ~~(a) Program definitions;~~
- ~~(b) Eligibility requirements, including residency, income and assets, and necessity of medical treatment;~~
- ~~(c) Establishment of a standardized ability-to-pay schedule and establishment of copayment requirements;~~
- ~~(d) Methods for allocation and disbursement of funds;~~
- ~~(e) Methods of and responsibility for collection of costs from liable third-party sources, with such sources being primarily responsible for payment ("first dollar" sources);~~
- ~~(f) Incentives for efficient utilization control;~~
- ~~(g) Reporting requirements, including cost control, audits, and evaluations, and geographic distribution of providers by contract;~~
- ~~(h) Prevention of fraud by recipients and providers;~~
- ~~(i) Priorities among medical services rendered as related to resources available;~~
- ~~(j) Feasibility of future integration or coordination of the program with other medical programs for the medically indigent, including a medically needy option;~~
- ~~(k) Feasibility of a central registry of all medically indigent persons receiving assistance;~~
- ~~(l) A schedule for implementation of a statewide service delivery plan to commence July 1, 1992;~~
- ~~(m) Sources of funding and projected costs; and~~
- ~~(n) Such other program features as are deemed appropriate.~~

SECTION 3. 26-15-106, Colorado Revised Statutes, is amended to read:

26-15-106. Responsibility of the department of health care policy and financing - provider reimbursement. (1) The state department shall be responsible for:

- (a) Execution of such contracts with providers for ~~payment~~ PARTIAL

REIMBURSEMENT of costs of FOR medical services rendered to the medically indigent as the state department shall determine are necessary for the program;

(b) ~~Promulgation of such reasonable rules and regulations as are necessary for the program; including but not limited to matters enumerated in section 26-15-105 and program scope and content concerning community maternity programs; and~~

(c) Submission of the report required in section 26-15-105 (1).

(2) The contracts required by paragraph (a) of subsection (1) of this section shall be negotiated between the state department and the VARIOUS GENERAL providers, AS DEFINED IN SECTION 26-15-103 (2), and shall include contracts with providers to provide tertiary or specialized services. The ~~center~~ STATE DEPARTMENT may award such contracts upon a determination that it would not be cost effective nor result in adequate quality of care for such services to be developed by the contract providers, or upon a determination that the contract providers are unable or unwilling to provide such services.

(3) ~~Every contract between the state department and a~~ THE STATE DEPARTMENT SHALL ESTABLISH PROCEDURES REQUIRING THE provider ~~shall~~ TO provide for proof of indigency to be submitted by the person seeking assistance, but the provider shall be responsible for the determination of eligibility.

(4) ~~Contracts with~~ THE STATE DEPARTMENT SHALL ESTABLISH PROCEDURES SO THAT THE providers ~~shall reflect~~ OF medical services rendered to the medically indigent ~~in different~~ COVER GEOGRAPHIC regions of the state. ~~on a geographic basis.~~

(5) (a) The responsibilities of providers who provide medical care through the program for the medically indigent are as follows:

(I) Denver health and hospitals, including associated physicians, shall, up to its physical, staff, and financial capabilities as provided for under this program, be ~~designated by contract~~ as the primary providers of medical services to the medically indigent for the city and county of Denver.

(II) (A) University hospital ~~including associated physicians~~ AND THE PHYSICIANS AND OTHER FACULTY MEMBERS OF THE HEALTH SCIENCES CENTER shall, up to ~~its~~ THEIR physical, staff, and financial capabilities as provided for under this program, be the primary provider of medical services to the medically indigent for the Denver primary metropolitan statistical area.

(B) University hospital ~~including associated physicians~~ AND THE PHYSICIANS AND OTHER FACULTY MEMBERS OF THE HEALTH SCIENCES CENTER shall be the primary provider of such complex care as is not available or is not contracted for in the remaining areas of the state up to ~~its~~ THEIR physical, staff, and financial capabilities as provided for under this program.

(C) ~~When acting in the capacity of a provider, university hospital shall comply with all requirements of this article relating to contracts with providers.~~

(b) Any two or more providers awarded contracts may, with the approval of the

state department, redistribute their respective populations and associated funds.

(c) EVERY PROVIDER WHO PROVIDES MEDICAL CARE THROUGH THE PROGRAM FOR THE MEDICALLY INDIGENT SHALL COMPLY WITH ALL PROCEDURES ESTABLISHED BY THE STATE DEPARTMENT.

~~(5.5) Denver health and hospitals shall provide to the joint budget committee and the chairmen of the senate and house health, environment, welfare, and institutions committees a final report provided by any management companies that provide management services under contract with Denver health and hospitals for the management of Denver general hospital.~~

~~(6) (a) Contracts with providers shall specify the aggregate level of funding which will be available for the care of the medically indigent. However, providers will not be funded at a level exceeding actual costs. Each year, funds will be allocated THE STATE DEPARTMENT SHALL ESTABLISH PROCEDURES THAT ALLOCATE FUNDS TO providers based on the anticipated utilization of services. in the respective region; giving due consideration to actual utilization of comparable services within the program (including specialty and tertiary services) in the respective region, for the prior fiscal year.~~

~~(b) The contract amounts for the provision of services to the medically indigent shall be those identified in the general appropriation bill as follows: The Denver indigent care program; the out-state indigent care program and the specialty indigent care program; the university hospital indigent care program; and indigent care program administration.~~

~~(7) Providers shall receive interim monthly checks in the amount of one-twelfth of their level of funding.~~

~~(8) Each provider contract shall specify that:~~

~~(a) Contract dollars provided over the fiscal year will be managed to assure that funds are available to provide the emergency services as defined in this article; and~~

~~(b) A PROVIDER RECEIVING REIMBURSEMENT PURSUANT TO THIS SECTION SHALL transfer of A medically indigent patients PATIENT to contracting providers shall be accomplished ANOTHER PROVIDER only with the prior agreement of the contracting provider.~~

~~(9) (a) Every provider awarded a contract RECEIVING REIMBURSEMENT pursuant to this section shall prioritize for each fiscal year the medical services which it will be able to render, within the limits of the funds which will be made available to it in the contracts BY THE STATE DEPARTMENT. Each contract shall specify to the extent possible the services to be rendered.~~

~~(b) Such medical services shall be prioritized in the following order:~~

~~(I) Emergency care for the full year;~~

~~(II) Any additional medical care for those conditions the state department~~

determines to be the most serious threat to the health of medically indigent persons;

(III) Any other additional medical care.

(10) A provider ~~awarded a contract~~ RECEIVING REIMBURSEMENT PURSUANT TO THIS SECTION shall not be liable in civil damages for refusing to admit for treatment or for refusing to treat any medically indigent person for a condition which the state department or the provider has determined to be outside of the scope of the program.

(11) ~~Contracts with providers may include provisions for data collection expenses.~~

(12) ~~The state department shall establish patient per diem standards for comparable care to be effective July 1, 1984.~~

(13) (a) ~~Every contract shall require that~~ A medically indigent person who wishes to be determined eligible for assistance under this article shall ~~submit a signed application therefor to the provider or to~~ COMPLY WITH THE ELIGIBILITY REQUIREMENTS SET BY the state department.

(b) ~~By signing the application, the~~ A medically indigent person REQUESTING ASSISTANCE UNDER THIS ARTICLE specifically authorizes the state department OR PROVIDER to:

(I) Use any information ~~contained in the application~~ REQUIRED BY THE ELIGIBILITY REQUIREMENTS SET BY THE STATE DEPARTMENT for the purpose of verifying eligibility; and

(II) Obtain records pertaining to eligibility from a financial institution, as defined in section 15-15-201 (4), C.R.S., or from any insurance company.

(c) ~~Application forms~~ A MEDICALLY INDIGENT PERSON REQUESTING ASSISTANCE UNDER THIS ARTICLE shall ~~contain~~ BE PROVIDED language clearly explaining the provisions of this subsection (13).

(14) With the approval of the state department, any provider awarded a contract may enter into subcontracts or other agreements for services related to the program.

(15) ~~Providers awarded contracts shall, no less than quarterly, reimburse one another for the cost of emergency medical care rendered to residents of one another's respective regions, as well as any nonemergency care which the responsible provider approved in advance. In the event of disagreement, the finding of the state department shall be determinative.~~

(16) Providers awarded contracts shall not be paid from funds made available for this program up to the extent, if any, of their annual financial obligation under the Hill-Burton act.

(17) WHEN ADOPTING OR MODIFYING PROCEDURES UNDER THIS ARTICLE, THE STATE DEPARTMENT SHALL NOTIFY EACH PROVIDER, WHO IS CONTRACTED TO PROVIDE MEDICAL CARE THROUGH THE PROGRAM FOR THE MEDICALLY INDIGENT, AT LEAST THIRTY DAYS PRIOR TO IMPLEMENTATION OF A NEW PROCEDURE. THE STATE

DEPARTMENT SHALL HOLD A MEETING FOR ALL PROVIDERS AT LEAST THIRTY DAYS PRIOR TO THE IMPLEMENTATION OF A NEW PROCEDURE.

SECTION 4. Repeal. 26-15-109, Colorado Revised Statutes, is repealed as follows:

~~**26-15-109. Community maternity services.** Providers awarded contracts for community maternity services shall be reimbursed for low-risk deliveries at a single negotiated fee. Reimbursement for medically low-risk women who complicate prior to or during delivery or who have babies who require an extended newborn stay shall be at a variable negotiated fee. Patients must be receiving regular care and must be medically low risk, according to standards promulgated by rule by the state department.~~

SECTION 5. 26-15-111, Colorado Revised Statutes, is amended to read:

26-15-111. Effect of article. This article shall not affect the department of ~~institution's~~ HUMAN SERVICES' responsibilities for the provision of mental health care in accordance with part 2 of article 1 of title 27, C.R.S., and this article shall not affect any provisions of article 22 of title 23, C.R.S., or any other provisions of law relating to the university of Colorado psychiatric hospital.

SECTION 6. 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 7, 2003