

CHAPTER 400

HEALTH CARE POLICY AND FINANCING

HOUSE BILL 07-1183

BY REPRESENTATIVE(S) White, Butcher, Frangas, Gallegos, Jahn, Kerr J., Marostica, McFadyen, McKinley, Rice, Riesberg, Borodkin, Stafford, Todd, Gagliardi, Gibbs, Labuda, Roberts, and Rose;
also SENATOR(S) Isgar, Brophy, Kester, Tochtrop, Wiens, Boyd, Groff, Schwartz, Shaffer, Taylor, Tupa, and Williams.

AN ACT

CONCERNING REIMBURSEMENT OF NURSING FACILITIES UNDER THE "COLORADO MEDICAL ASSISTANCE ACT", AND MAKING AN APPROPRIATION THEREFOR.

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

SECTION 1. 25.5-6-207 (1) and (3), Colorado Revised Statutes, are amended to read:

25.5-6-207. Class I nursing facility reimbursement rates - study - report - repeal. (1) The state department, in conjunction with representatives of class I nursing facilities and advocate organizations representing residents of class I nursing facilities who are medicaid recipients, shall conduct a feasibility study of a new reimbursement system for class I nursing facilities. The study shall include a study of a reimbursement system based upon a pricing model that shall be based upon a reasonable price to be paid by the state department to meet the needs of nursing facility residents, a reimbursement system based upon a pay for performance model, and any other reimbursement system as determined by the state department. On or before November 1, ~~2006~~ 2007, the state department shall file with the health and human services committees of the senate and house of representatives and the joint budget committee, or any successor committees, a report on the study. The report shall include but not be limited to recommended provisions of a new reimbursement system for adoption by the general assembly and for implementation by the state department for the fiscal year beginning July 1, ~~2007~~ 2008, and for each fiscal year thereafter.

(3) This section is repealed, effective July 1, ~~2007~~ 2008.

SECTION 2. 25.5-6-204, Colorado Revised Statutes, is amended BY THE

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

ADDITION OF A NEW SUBSECTION to read:

25.5-6-204. Providers - reimbursement - fees - nursing facility - nursing facility patient program improvement fund - intermediate care facility for the mentally retarded - reimbursement - maximum allowable - nonmonetary incentive program - legislative declaration - grant program - repeal.

(7) (a) THERE IS HEREBY ESTABLISHED IN THE STATE DEPARTMENT THE NURSING FACILITY RATE GRANT PROGRAM, REFERRED TO IN THIS SUBSECTION (7) AS THE "GRANT PROGRAM", TO PROVIDE ASSISTANCE TO ELIGIBLE FACILITIES. SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL DISTRIBUTE TO ELIGIBLE FACILITIES GRANTS THROUGH AN INCREASE IN THE ELIGIBLE FACILITY'S OVERALL REIMBURSEMENT RATE. THE GRANTS SHALL INCREASE AN ELIGIBLE FACILITY'S RATE BY ITS PERCENTAGE OF THE ELIGIBLE FACILITY'S ANNUALIZED PATIENT DAYS TIMES THE ESTIMATED DECREASE IN THE ELIGIBLE PROVIDER'S RATE BETWEEN JULY 1, 2007, AND JULY 1, 2006, AS COMPARED TO THE SUM OF ALL ELIGIBLE PROVIDERS' ANNUALIZED PATIENT DAYS TIMES THE ESTIMATED DECREASE IN THE ELIGIBLE PROVIDER'S RATE BETWEEN JULY 1, 2007, AND JULY 1, 2006.

(b) AS USED IN THIS SUBSECTION (7), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "ANNUALIZED PATIENT DAYS" SHALL MEAN THE ESTIMATED ANNUALIZED PATIENT DAYS CALCULATED BY THE STATE DEPARTMENT FOR THE COST REPORT USED TO ESTIMATE THE ELIGIBLE PROVIDER'S OVERALL REIMBURSEMENT RATE AS OF JULY 1, 2007.

(II) "ELIGIBLE PROVIDER" MEANS A CLASS I NURSING FACILITY PROVIDER:

(A) WHOSE OVERALL REIMBURSEMENT RATE FOR THE FISCAL YEAR COMMENCING JULY 1, 2006, WAS INCREASED DUE TO THE PROVISIONS OF SUBSECTION (6) OF THIS SECTION; AND

(B) WHOSE OVERALL REIMBURSEMENT RATE AS OF JULY 1, 2007, IS LESS THAN THE OVERALL REIMBURSEMENT RATE AS OF JULY 1, 2006.

(c) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2008.

SECTION 3. Appropriation - adjustments in 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, for allocation to the medical services premiums division, for the fiscal year beginning July 1, 2007, the sum of one hundred ninety-eight thousand five hundred dollars (\$198,500). Said sum shall be subject to the "(M)" notation as defined in the general appropriation act. In addition to said appropriation, the general assembly anticipates that, for the fiscal year beginning July 1, 2007, the department of health care policy and financing will receive the sum of one hundred ninety-eight thousand five hundred dollars (\$198,500) in federal funds for the implementation of this act. Although the federal funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds in developing state appropriation amounts.

(2) For the implementation of this act, the appropriation made in section 21 of the annual general appropriation act for the fiscal year beginning July 1, 2007, shall be

adjusted as follows: The general fund appropriation to the controlled maintenance trust fund is reduced by one hundred thousand dollars (\$100,000).

SECTION 4. Effective date. (1) Except as otherwise provided in subsection (2) of this section, section 1 of this act shall take effect upon passage and sections 2 and 3 of this act shall take effect July 1, 2007.

(2) Sections 2 and 3 of this act shall take effect only if:

(a) The final fiscal estimate for House Bill 07-1021 as reflected in the appropriations clause for said act shows a net general fund savings that is equal to or greater than the final general fund fiscal estimate for sections 2 and 3 of this act;

(b) House Bill 07-1021 is enacted at the First Regular Session of the Sixty-sixth General Assembly and becomes law; and

(c) The staff director of the joint budget committee files written notice with the revisor of statutes no later than July 15, 2007, that the requirement set forth in paragraph (a) of this subsection (2) has been met.

SECTION 5. 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, 2007