

CHAPTER 92

HEALTH CARE POLICY AND FINANCING

HOUSE BILL 08-1063

BY REPRESENTATIVE(S) Primavera, Kerr J., Marshall, Mitchell V., Borodkin, Buescher, Carroll M., Casso, Labuda, McGihon, Merrifield, Soper, Stephens, and Todd;
also SENATOR(S) Isgar, Spence, Takis, Taylor, Gibbs, Shaffer, Tochtrop, and Williams.

AN ACT**CONCERNING CAPITATED PAYMENTS TO MEDICAID MENTAL HEALTH CARE PROVIDERS.**

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

SECTION 1. 25.5-5-411, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

25.5-5-411. Medicaid community mental health services - administration - rules. (1.5) (a) THE REQUIREMENTS OF SECTION 25.5-5-408 SHALL NOT APPLY TO THE CAPITATED RATE CALCULATION PROCESS FOR MEDICAID COMMUNITY MENTAL HEALTH SERVICES; EXCEPT THAT EACH MEDICAID COMMUNITY MENTAL HEALTH SERVICES MCO SHALL BE SUBJECT TO THE REQUIREMENTS OF SECTION 25.5-5-404 (1) (k) AND (1) (l).

(b) THE STATE DEPARTMENT SHALL ESTABLISH COST-EFFECTIVE, CAPITATED RATES FOR COMMUNITY MENTAL HEALTH SERVICES IN A MANNER THAT INCLUDES COST CONTAINMENT MECHANISMS. THESE COST CONTAINMENT MECHANISMS MAY INCLUDE, BUT ARE NOT LIMITED TO, RESTRICTING AVERAGE PER MEMBER PER MONTH UTILIZATION GROWTH, RESTRICTING UNIT COST GROWTH, LIMITING ALLOWABLE ADMINISTRATIVE COST, ESTABLISHING MINIMUM MEDICAL LOSS RATIOS, OR ESTABLISHING OTHER COST CONTAINMENT MECHANISMS THAT THE STATE DEPARTMENT DETERMINES APPROPRIATE.

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 3, 2008

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