

## CHAPTER 275

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**HEALTH CARE POLICY AND FINANCING**


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**SENATE BILL 12-128**

BY SENATOR(S) Roberts, Aguilar, Boyd, Cadman, Foster, Grantham, Guzman, Jahn, Johnston, King K., King S., Lambert, Lundberg, Neville, Newell, Scheffel, White, Williams S.;  
also REPRESENTATIVE(S) Summers, Fields, Kagan, Kerr A., Kerr J., Labuda, Massey, Schafer S., Singer, Stephens, Todd, Wilson, Young.

**AN ACT**

**CONCERNING ACHIEVING EFFICIENCIES IN THE MEDICAID LONG-TERM CARE PROGRAM THROUGH GREATER UTILIZATION OF ALTERNATIVE CARE FACILITIES.**

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

**SECTION 1.** In Colorado Revised Statutes, **add** 25.5-6-114 as follows:

**25.5-6-114. Alternative care facilities - reimbursement programs - legislative declaration - report - repeal.** (1) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(I) THE NUMBER OF COLORADANS NEEDING LONG-TERM CARE IS INCREASING;

(II) STATE GENERAL FUND EXPENDITURES FOR LONG-TERM CARE ALREADY REPRESENT A SIGNIFICANT PORTION OF THE STATE'S MEDICAL ASSISTANCE BUDGET;

(III) MANY PERSONS IN NEED OF LONG-TERM CARE ARE OFTEN UNAWARE THAT THEY MAY BE ABLE TO RECEIVE LONG-TERM CARE SERVICES IN A HOME-LIKE ENVIRONMENT, AT A LOWER COST TO THE MEDICAID PROGRAM;

(IV) STUDIES HAVE BEEN CONDUCTED INFORMING THE STATE THAT AN ENHANCED REIMBURSEMENT METHODOLOGY IS NECESSARY FOR THE ESTABLISHMENT OF A STRONG CONTINUUM OF CARE FOR LONG-TERM CARE;

(V) OTHER ALTERNATIVES TO NURSING HOME CARE SHOULD BE DEVELOPED AND IMPLEMENTED; AND

(VI) UNLESS COLORADO IMPLEMENTS NEW METHODS FOR FINANCING LONG-TERM

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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.*

CARE, THE COST TO THE STATE FOR LONG-TERM CARE SERVICES WILL CONTINUE TO RISE PRECIPITOUSLY.

(b) THEREFORE, THE GENERAL ASSEMBLY FINDS THAT IT IS APPROPRIATE TO ESTABLISH A PROGRAM TO PROVIDE GREATER FINANCIAL INCENTIVES TO ALTERNATIVE CARE FACILITIES THAT ARE ABLE TO MEET THE NEEDS OF MEDICAID CLIENTS AT A LOWER COST TO THE MEDICAID PROGRAM.

(2) IN ORDER TO DECREASE THE NUMBER OF COSTLY READMISSIONS TO NURSING FACILITIES, THE STATE DEPARTMENT MAY CREATE AN ENHANCED REIMBURSEMENT PROGRAM IN WHICH AN ALTERNATIVE CARE FACILITY RECEIVES A TEMPORARY INCREASE IN THE MEDICAID PER DIEM REIMBURSEMENT RATE FOR A MEDICAID CLIENT DISCHARGED FROM A NURSING FACILITY TO AN ALTERNATIVE CARE FACILITY. THE STATE DEPARTMENT SHALL DEVELOP THE CRITERIA FOR PARTICIPATION IN THE ENHANCED REIMBURSEMENT PROGRAM.

(3) IN ORDER TO ADDRESS THE NEEDS OF MEDICAID CLIENTS WHO ARE AT RISK OF NURSING HOME PLACEMENT, THE STATE DEPARTMENT MAY ALSO CREATE A PROGRAM, INFORMED BY PRIOR STUDIES, THAT MAY INCLUDE, BUT NEED NOT BE LIMITED TO, TIERED-RATE, ACUITY, AND ENHANCED REIMBURSEMENTS FOR ALTERNATIVE CARE FACILITIES AND ENHANCED ALTERNATIVE CARE SERVICES. ANY PROGRAM CREATED BY THE STATE DEPARTMENT PURSUANT TO THIS SUBSECTION (3) SHALL BE BUDGET-NEUTRAL OR SHALL PRODUCE COST SAVINGS TO THE STATE DEPARTMENT.

(4) AS PART OF ITS ANNUAL REPORTING REQUIREMENT, THE STATE DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEE, AND THE HEALTH AND ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEE, CONCERNING THE DESIGN, IMPLEMENTATION, AND OUTCOME OF ANY PROGRAM CREATED PURSUANT TO SUBSECTIONS (2) OR (3) OF THIS SECTION.

(5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

**SECTION 2. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2012 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 8, 2012