

## CHAPTER 54

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**HEALTH CARE POLICY AND FINANCING**


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## SENATE BILL 13-044

BY SENATOR(S) Nicholson, Giron, Kefalas, King, Newell, Roberts;  
also REPRESENTATIVE(S) Coram, Ginal, Stephens, Young.

## AN ACT

## CONCERNING INCENTIVE PAYMENTS IN PREPAID INPATIENT HEALTH PLAN AGREEMENTS.

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

**SECTION 1.** In Colorado Revised Statutes, 25.5-5-407.5, **amend** (2) (a) as follows:

**25.5-5-407.5. Prepaid inpatient health plan agreements - rules.** (2) (a) A PIHP agreement may include a provision for a quality incentive payment that is distributed to the contractor within ~~six months~~ A REASONABLE PERIOD OF TIME, AS SPECIFIED IN THE CONTRACT, following the end of each fiscal year if the contractor substantially exceeds predetermined quality indicators. The quality indicators shall be based upon broadly accepted measures of performance adopted by rule of the state board and agreed upon at the outset of the contract period, and shall include, but need not be limited to, the health plan employers data and information set measures. The quality incentive payment may be made proportional if the state board establishes multiple quality measurements. The quality incentive payments shall not exceed the total cost savings created under the PIHP agreement, as determined by comparison of the PIHP members with an actuarially equivalent fee-for-service population, and the quality incentive payment shall not exceed five percent of the total medicaid payments received by the contractor during the performance period of the PIHP agreement.

**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: March 22, 2013

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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.*