



COLORADO
 Department of Health Care
 Policy & Financing

Vote Yes on HB21-1227

(Rep. Lontine/Rep. Soper - Sen. Fields/Sen. Kirkmeyer)

Medicaid Nursing Facility Demonstration of Need

What does this bill do?

HB21-1227 authorizes the Department to develop, analyze and enforce a “demonstration of need” as part of the process to determine where and when new Medicaid nursing facilities open. The demonstration of need will include clear and predetermined criteria for the Department to analyze when considering certification of a new facility. Any nursing facility certified prior to June 30, 2021, is exempt from the new requirement. The Department must implement the new demonstration of need by June 30, 2022.

The bill also includes technical changes related to the nursing facility statute, including an allowance for private pay or Medicare facilities to serve up to five Medicaid clients without having to fully enroll as a Medicaid facility.

Why is this bill needed?

When new long-term care nursing facilities apply for Medicaid certification, the Department currently lacks a consistent methodology for determining when and where new Medicaid nursing facilities can open. As the aging population continues to grow, the Department needs a more thoughtful process when considering how new providers come into Medicaid, with a focus on demographic need, innovative practices, and quality of the provider.

- Medicaid enrollment of older adults has been growing steadily, with an increase of 51 percent over the last decade.
- Colorado’s aging population is growing, with the 65-and-older population expected to increase by 37 percent over the next 10 years, and the highest percentage of that growth will be in those over the age of 75.
- The Department’s goal is to serve people in the community, the demonstration of need will ensure Colorado’s growing older adult population will have access to new, outstanding facilities statewide.

Additionally, after working with stakeholders, it is apparent a small exception for five Medicaid beds at non-Medicaid facilities will greatly reduce concerns around transfer trauma and allow for more person-centered care that keeps people in a stable and continuous environment.

What are the consequences if this bill is not passed?

The Department will continue to execute an inconsistent methodology for determining when and where new Medicaid nursing facilities can open. The result is fragmented care and lack of stability. In addition, without the new Medicaid bed exception, individuals who “spend down” their resources will be required to move facilities.

What is the fiscal impact of this bill?

No fiscal impact.

More Questions??

Jo Donlin, Legislative Liaison 720-610-7795 or Jo.donlin@state.co.us

Our mission is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.
www.colorado.gov/hcpf





House Bill 21-1227

Establishment of Nursing Facility Demonstration of Need

Background:

Medicaid pays for over 60% of nursing home residents in Colorado, and plays a significant role in ensuring overall solvency. Rapid expansion of bed supply without adequate demand would dilute the market and either threaten solvency or create a need for higher Medicaid rates. In the coming years, the growth in the older adult population, particularly those over the age of 85, will likely create a need for additional nursing facility beds to ensure for older adults who need them. The establishment of a nursing facility demonstration of need will allow for measured growth of licensed Medicaid nursing facility beds to meet the growing demand, while also protecting the solvency of facilities already in a local community and continuing to prioritize community-based placement where appropriate.

Bill Details:

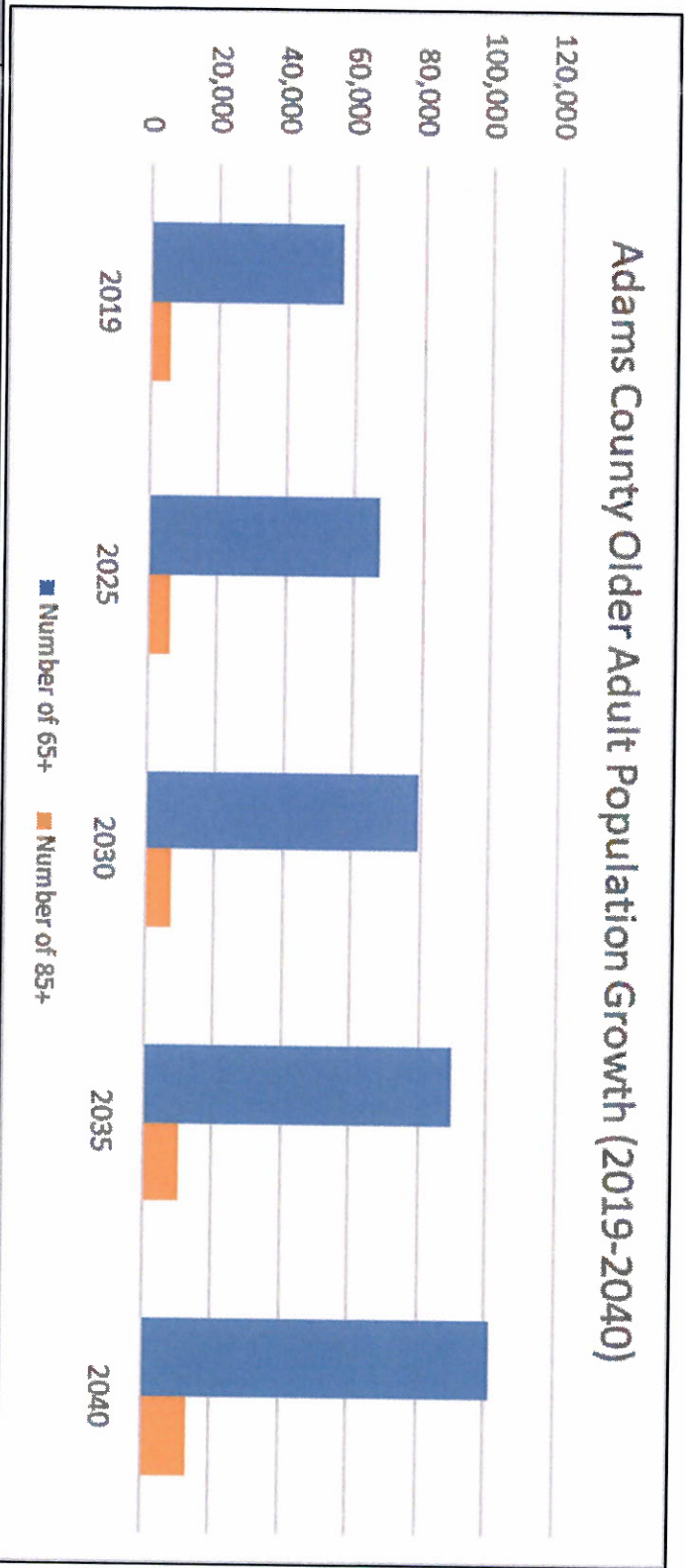
The bill authorizes the Department of Health Care Policy and Financing to develop, analyze, and enforce a demonstration of need for each new nursing facility provider seeking Medicaid certification. The requirement does not apply to a nursing facility provider certified prior to June 30, 2021.

The bill requires the Medical Services Board to promulgate rules no later than June 30, 2022, addressing the establishment of criteria to be used in determining a nursing facility provider's Medicaid certification. In addition, the bill allows private pay or Medicare facilities to serve up to five Medicaid clients without having to fully enroll as a Medicaid facility.

https://leg.colorado.gov/sites/default/files/documents/2021A/bills/2021a_1227_ren.pdf

Adams County

By 2040, Adams County's older adult population (65 years and older) will account for 14% of the overall population, with those over 85 accounting for 1.8%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 82% and the over 85 population will increase by 133%, compared to just under 40% growth for the total county population.

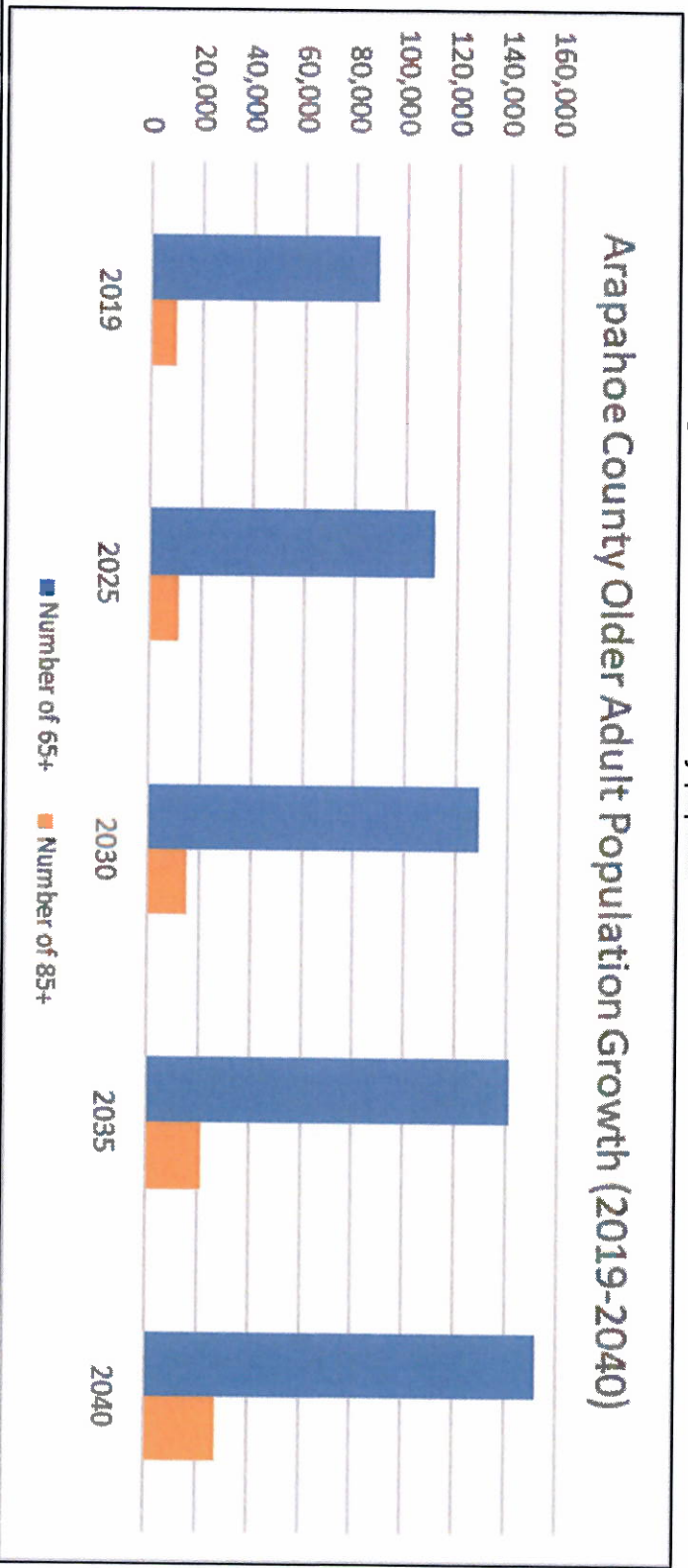


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	517,881	558,066	612,896	668,697	722,807	39.6%
65+	55,878 10.8%	66,962 12.0%	79,225 12.9%	89,911 13.4%	101,482 14.0%	81.6%
85+	5,580 1.1%	6,197 1.1%	7,665 1.3%	10,473 1.6%	13,002 1.8%	133%



Arapahoe County

By 2040, Arapahoe County's older adult population (65 years and older) will account for nearly 19% of the overall population, with those over 85 accounting for 3.4%. Between 2019 and 2040, the over 65 population in the County will grow by 71% and the over 85 population will increase by 182%, compared to 22% growth for the total county population.

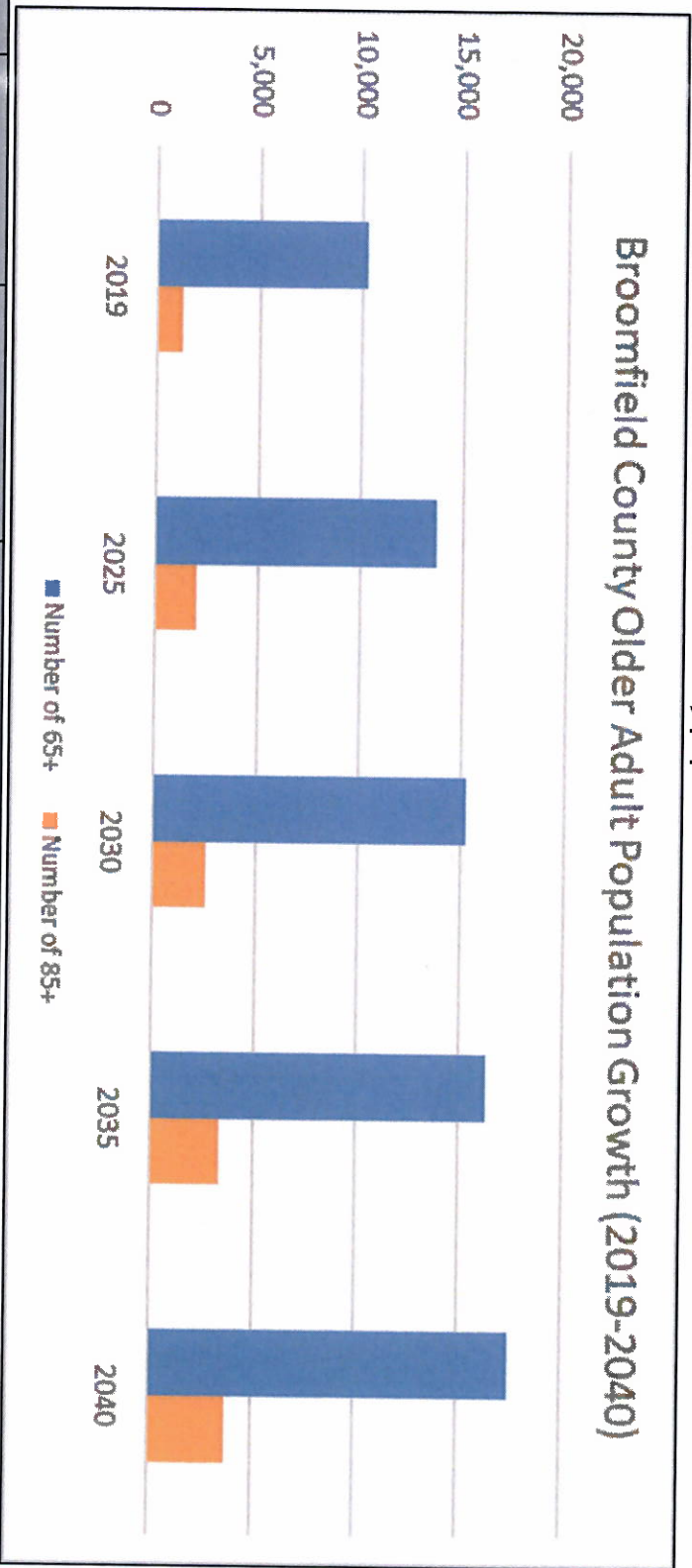


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	656,823	695,724	733,513	769,020	801,150	22%
65+	88,592	110,780	128,514	141,143	151,756	71.3%
85+	9683	11,514	14,796	21,059	27,288	181.8%



Broomfield County

By 2040, Broomfield County's older adult population (65 years and older) will account for 18% of the overall population, with those over 85 accounting for 4%. Between 2019 and 2040, the over 65 population in the County will grow by 70.4% and the over 85 population will increase by 202.3%, compared to 34% growth for the total county population.

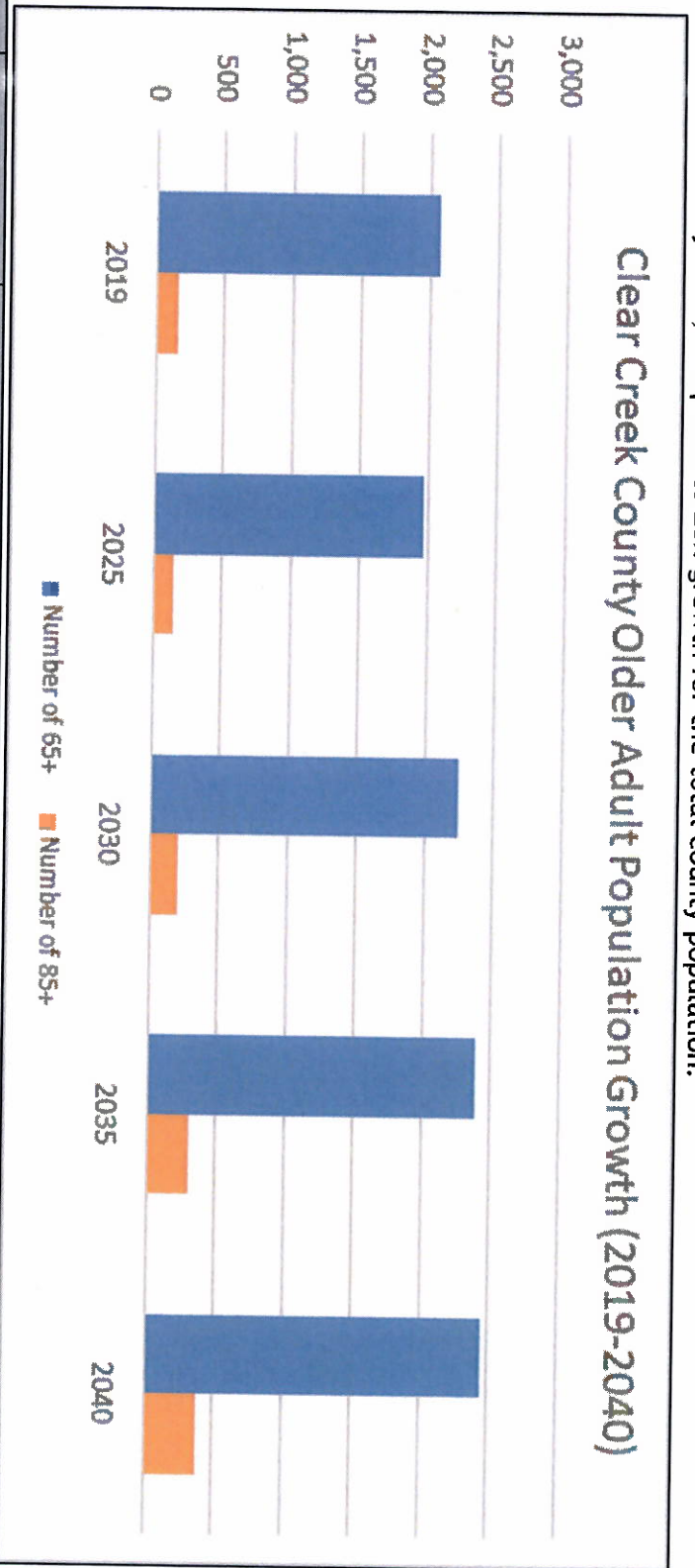


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	70,763	81,024	91,058	93,660	94,816	34%
65+	10,213 14.4%	13,644 16.8%	15,217 16.7%	16,300 17.4%	17,406 18.4%	70.4%
85+	1,243 1.8%	1,990 2.5%	2,521 2.8%	3,322 3.5%	3,757 4.0%	202.3%



Clear Creek County

By 2040, Clear Creek County's older adult population (65 years and older) will account for nearly 21% of the overall population, with those over 85 accounting for 3.2%. Between 2019 and 2040, the over 65 population in the County will grow by 18% and the over 85 population will increase by 143%, compared to 20% growth for the total county population.

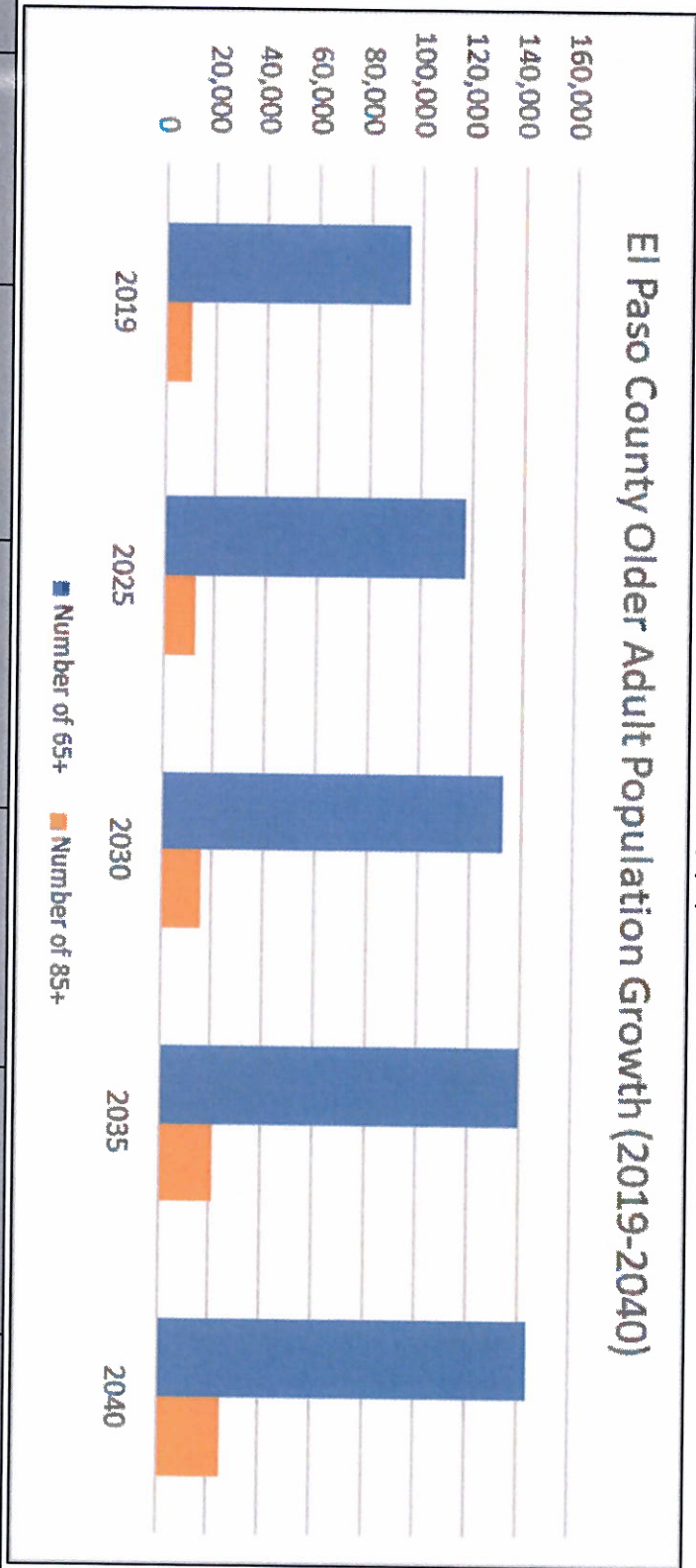


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	9,738	9,972	10,523	11,101	11,688	20%
65+	2,068 21.2%	1,975 19.8%	2,248 21.4%	2,384 21.5%	2,445 20.9%	18.2%
85+	154 1.6%	145 1.5%	207 2.0%	296 2.7%	374 3.2%	142.9%



El Paso County

By 2040, El Paso County's older adult population (65 years and older) will account for 15% of the overall population, with those over 85 accounting for 2.6%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 51% and the over 85 population will increase by 157%, compared to nearly 32% growth for the total county population.

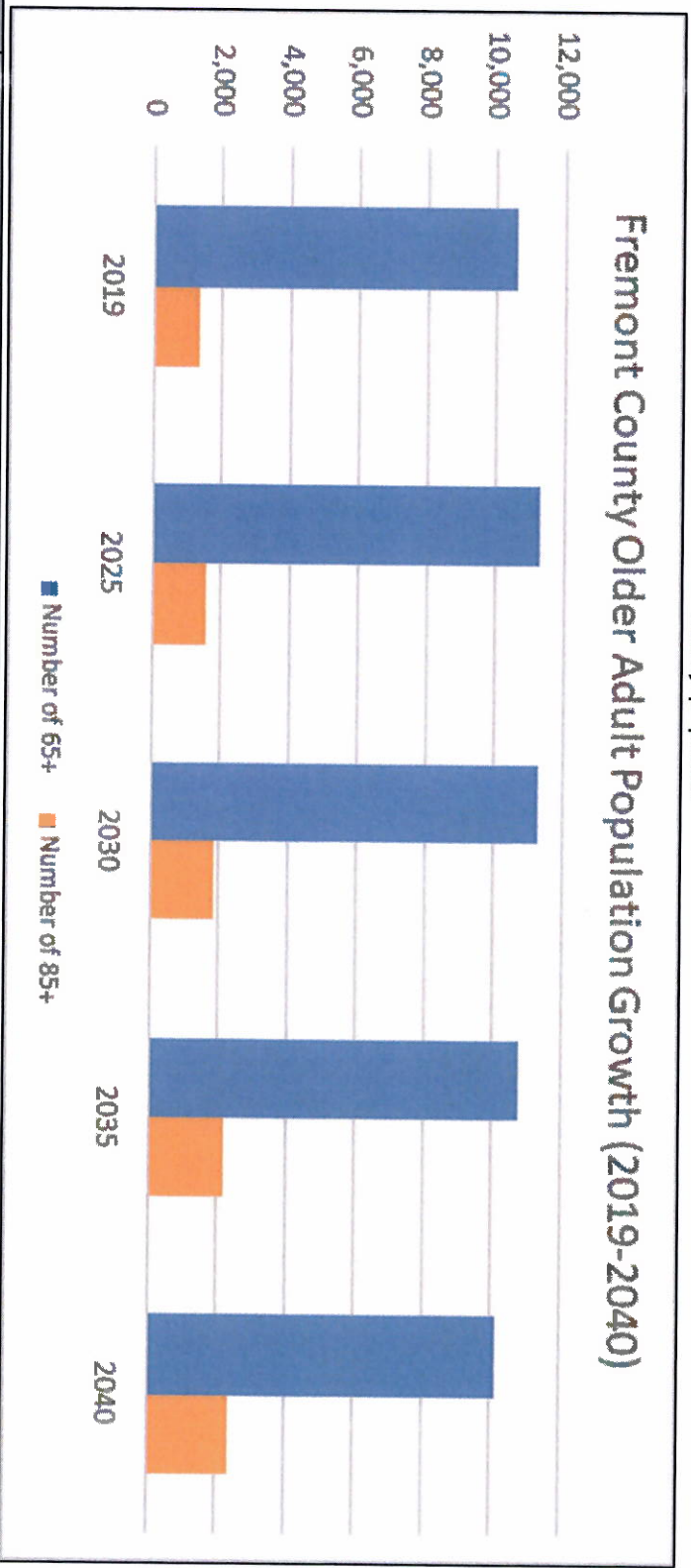


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	722,490	776,678	835,832	894,168	950,078	31.5%
65+	95,375	117,113	132,634	139,994	143,805	50.8%
85+	9,637	11,935	15,367	20,663	24,730	156.6%



Fremont County

By 2040, Fremont County's older adult population (65 years and older) will account for 20% of the overall population, with those over 85 accounting for 4.6%. Between 2019 and 2040, the over 65 population in the County will decrease by 4% and the over 85 population will increase by 75%, compared to 6% growth for the total county population.

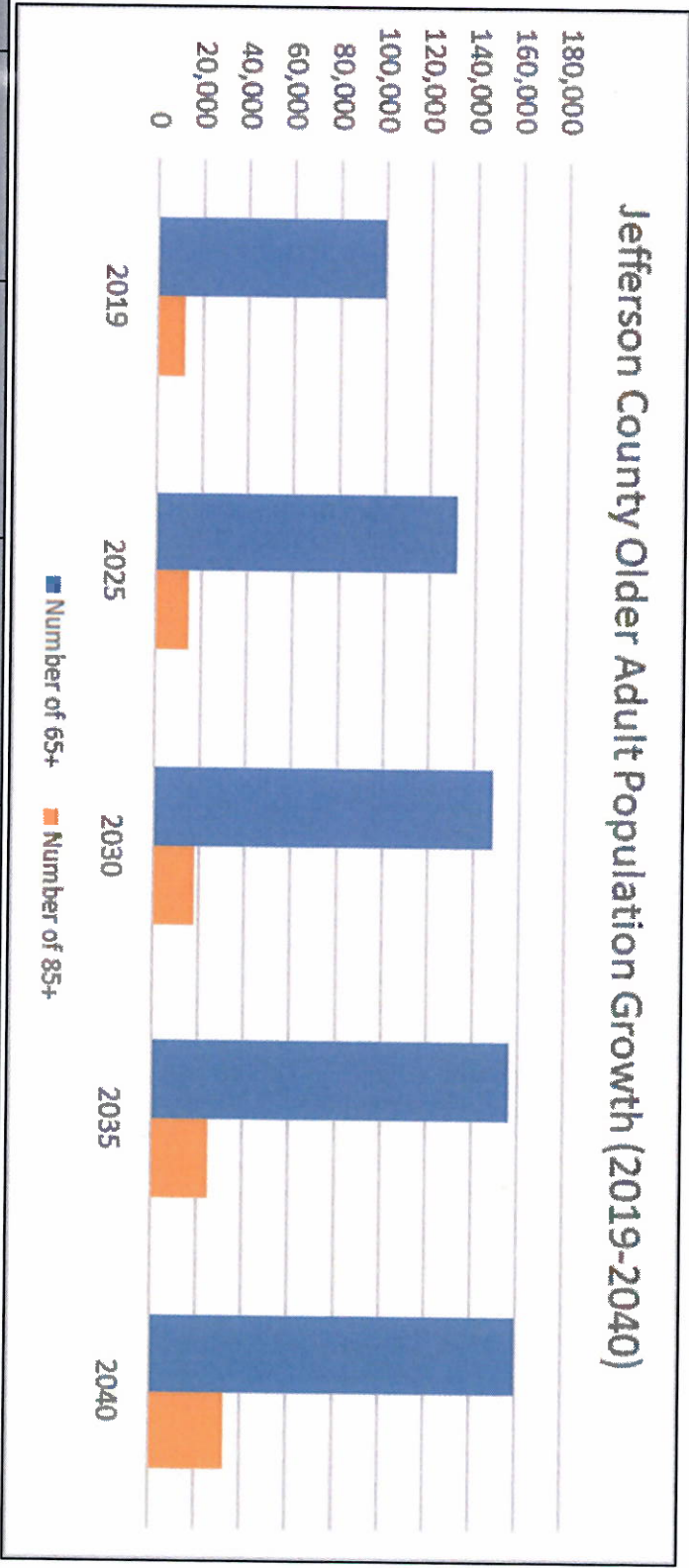


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	47,649	47,369	48,242	49,461	50,630	6%
65+	10,559	11,270	11,254	10,754	10,137	-4.0%
85+	1,343	1,534	1,840	2,189	2,350	75.0%



Jefferson County

By 2040, Jefferson County's older adult population (65 years and older) will account for 25% of the overall population, with those over 85 accounting for 5.2%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 61% and the over 85 population will increase by 190%, compared to 9% growth for the total county population.

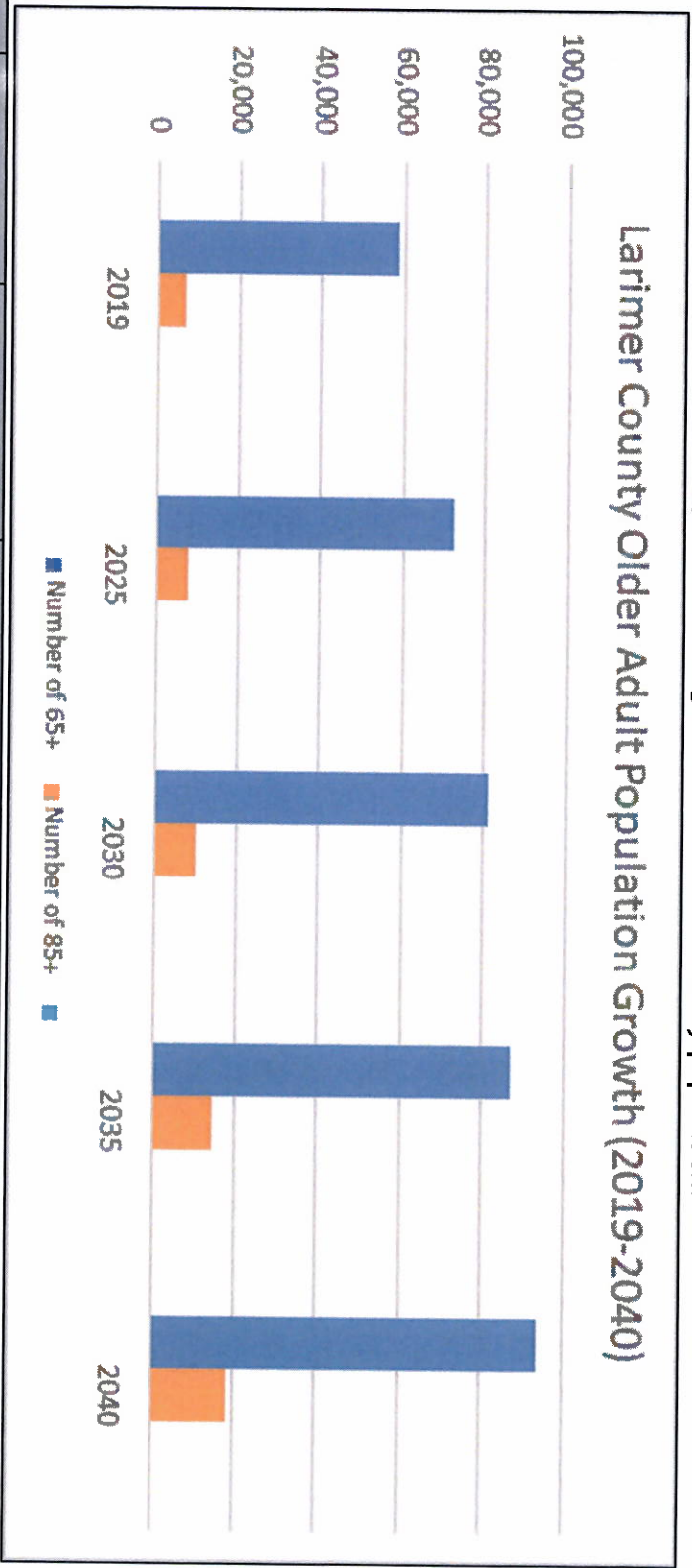


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	583,082	597,382	613,270	626,199	635,636	9%
65+	99,332	131,542	148,378	156,536	159,737	60.8%
85+	11,369	14,022	17,719	24,836	32,968	190.0%



Larimer County

By 2040, Larimer County's older adult population (65 years and older) will account for nearly 20% of the overall population, with those over 85 accounting for 3.8%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 60% and the over 85 population will increase by 178%, compared to just over 20% growth for the total county population.

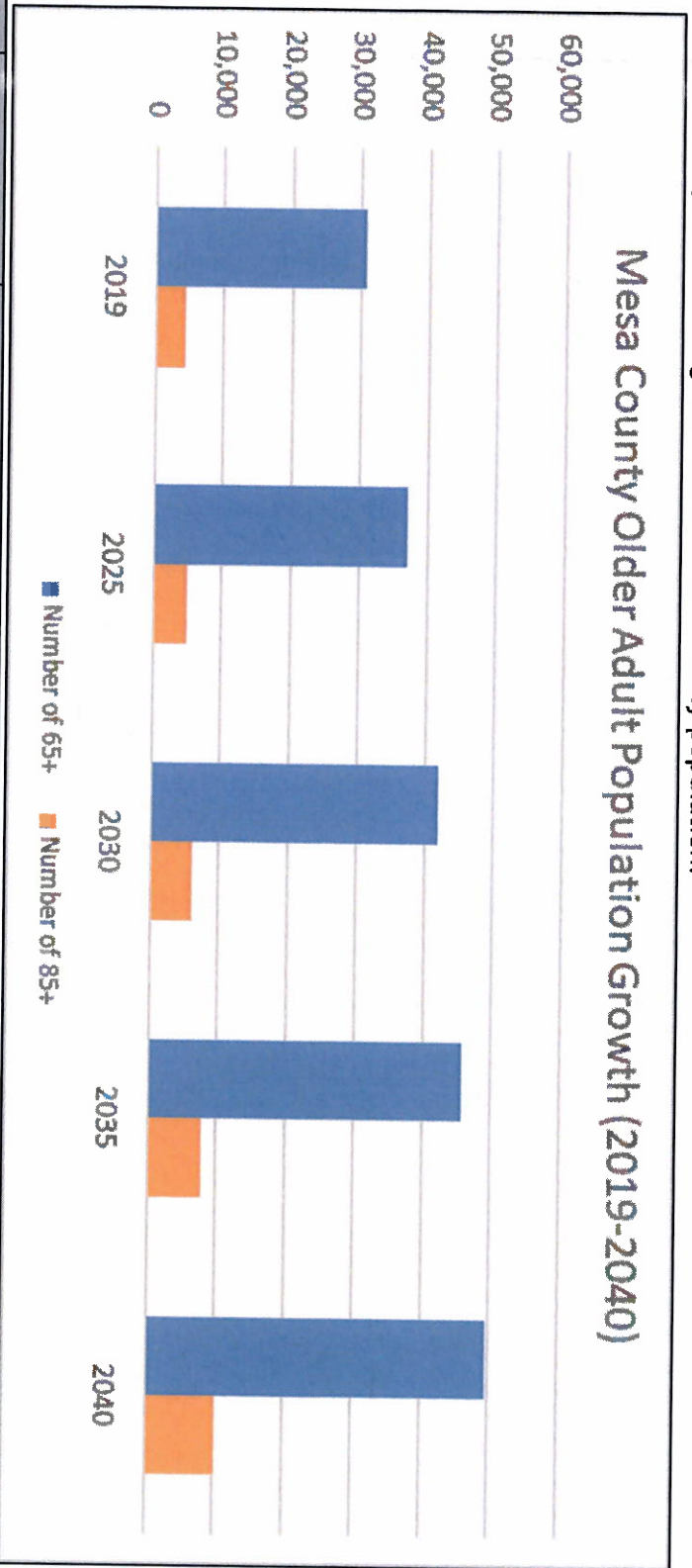


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	356,936	384,222	415,251	444,446	472,029	21%
65+	58,490	72,345	81,222	86,932	93,448	59.8%
85+	6,510	7,767	10,286	14,283	18,098	178.0%



Mesa County

By 2040, Mesa County's older adult population (65 years and older) will account for 23.4% of the overall population, with those over 85 accounting for 4.8%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 62% and the over 85 population will increase by 129%, compared to 36% growth for the total county population.

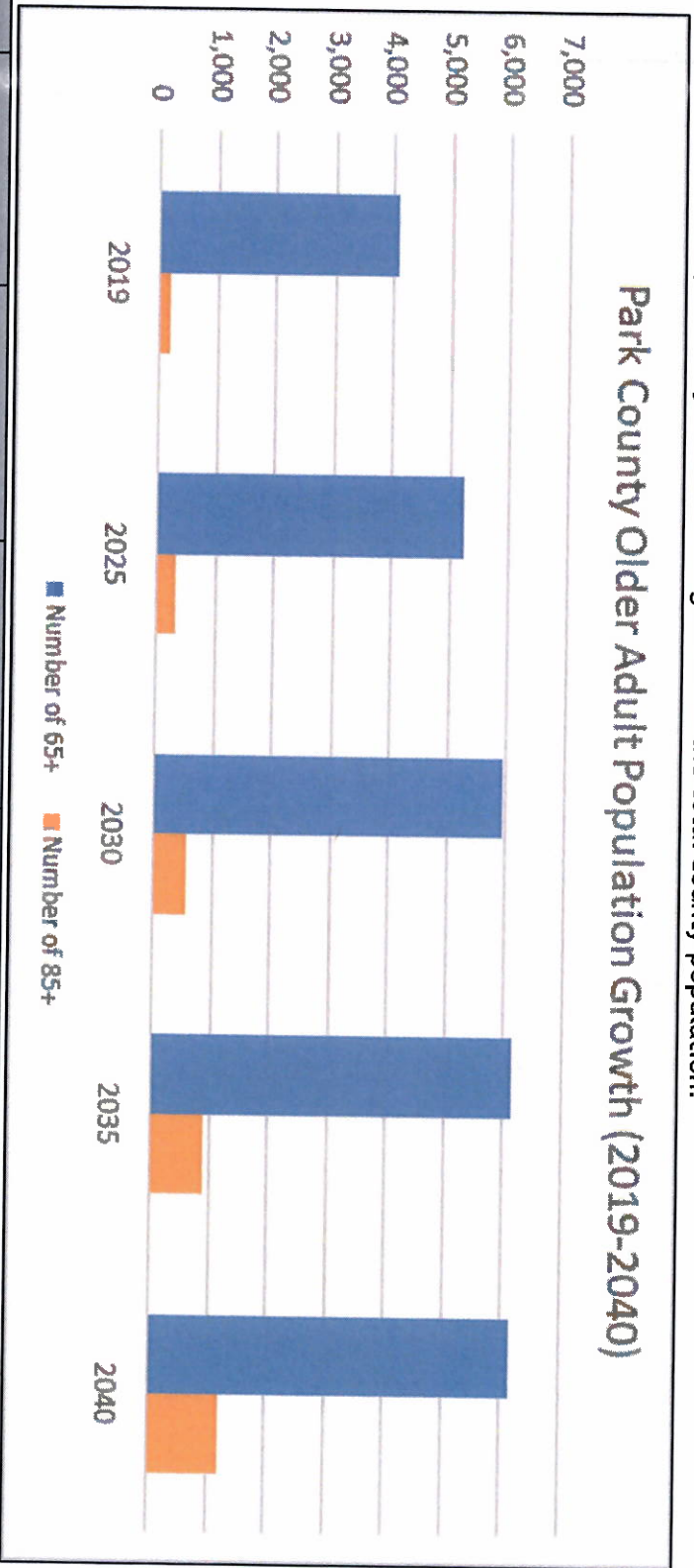


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	154,931	163,039	177,573	194,349	210,833	36%
65+	30,594 19.7%	37,056 22.7%	42,017 23.7%	45,731 23.5%	49,427 23.4%	61.6%
85+	4,397 2.8%	4,913 3.0%	5,946 3.3%	7,872 4.1%	10,072 4.8%	129.1%



Park County

By 2040, Park County's older adult population (65 years and older) will account for 27.3% of the overall population, with those over 85 accounting for 5.3%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 52% and the over 85 population will increase by about 530%, compared to just under 20% growth for the total county population.

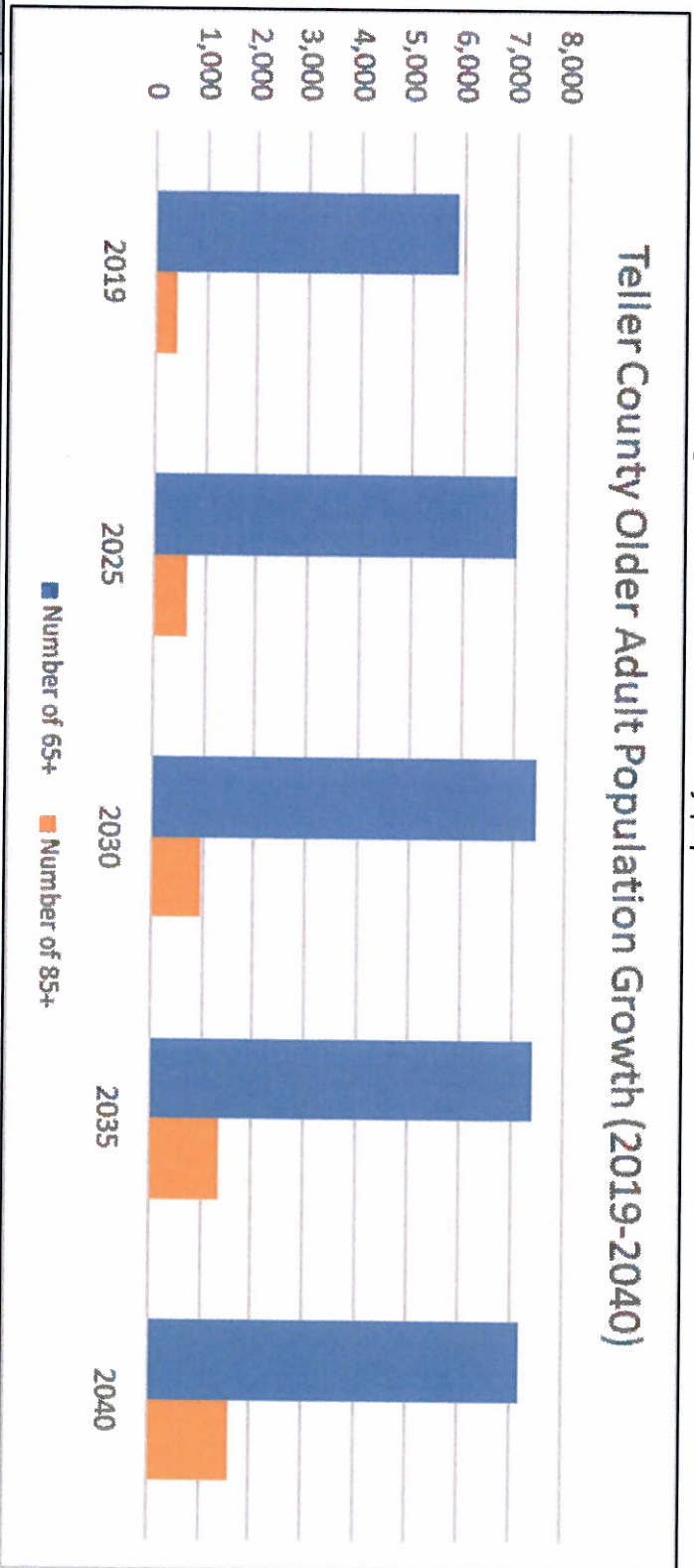


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	18,841	19,708	21,077	22,143	22,520	19.5%
65+	4,061	5,223	5,941	6,148	6,151	51.5%
85+	190	318	563	895	1,196	529.5%



Teller County

By 2040, Teller County's older adult population (65 years and older) will account for 25% of the overall population, with those over 85 accounting for 5.5%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 23% and the over 85 population will increase by about 276%, compared to 13% growth for the total county population.

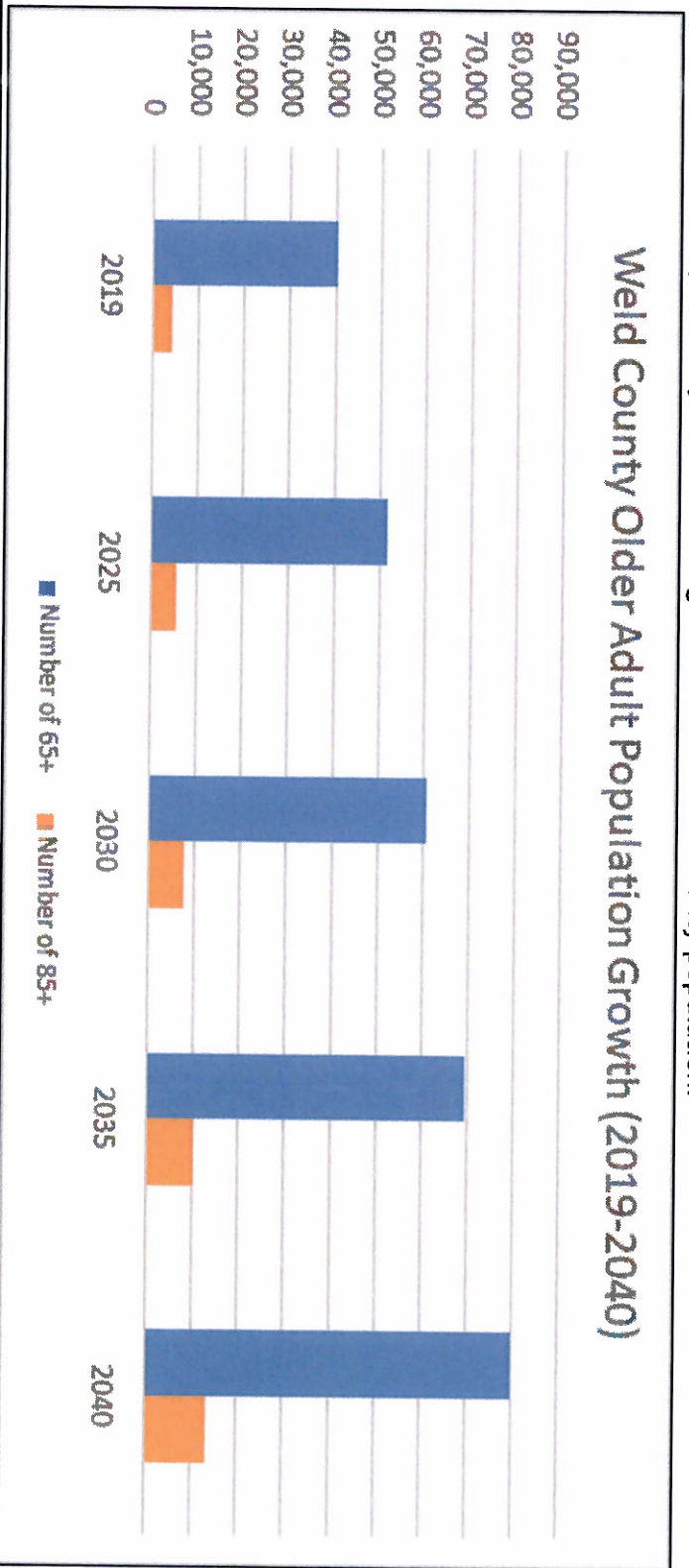


	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	25,358	26,587	27,446	28,115	28,675	13%
65+	5,854	7,029	7,456	7,397	7,191	22.8%
85+	422	633	949	1,356	1,586	275.8%



Weld County

By 2040, Weld County's older adult population (65 years and older) will account for 14.6% of the overall population, with those over 85 accounting for 2.4%. Between 2019 and 2040, the over 65 population in the County will grow by nearly 99% and the over 85 population will increase by about 204%, compared to just under 70% growth for the total county population.



	2019	2025	2030	2035	2040	Growth 2019-2040
Total Pop.	323,762	369,268	424,821	485,594	548,180	69.3%
65+	40,345 12.5%	51,819 14.0%	60,681 14.3%	69,678 14.3%	80,101 14.6%	98.5%
85+	4,406 1.4%	5,820 1.6%	7,637 1.8%	10,489 2.2%	13,397 2.4%	204.1%