

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 26-0929.01 Shelby Ross x4510

**SENATE BILL 26-188**

**SENATE SPONSORSHIP**

**Amabile and Kirkmeyer**, Bridges, Coleman, Exum, Simpson

**HOUSE SPONSORSHIP**

**Brown and Taggart**, Sirota

**Senate Committees**

Appropriations

**House Committees**

**A BILL FOR AN ACT**

101 **CONCERNING THE TRANSITION OF RESIDENTIAL TREATMENT**  
102 **PROGRAMS TO THE STATEWIDE MANAGED CARE SYSTEM FOR**  
103 **MEDICAID MEMBERS WHO ARE IN THE CUSTODY OF A COUNTY**  
104 **DEPARTMENT OF HUMAN OR SOCIAL SERVICES.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** No later than July 1, 2026, the department of health care policy and financing (HCPF) shall convene a steering committee (steering committee) to support the transition of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

SENATE  
3rd Reading Unamended  
May 7, 2026

SENATE  
2nd Reading Unamended  
May 6, 2026

services provided in qualified residential treatment programs (QRTP) and psychiatric residential treatment facilities (PRTF) to the managed care system for members in the care and custody of a county department of human or social services (county department).

No later than April 1, 2027, HCPF, in collaboration with the steering committee, shall develop policies and recommendations to support the transition of QRTP and PRTF to the managed care system for members in the care and custody of a county department.

No later than July 1, 2027, HCPF shall implement or initiate the transition of services provided in QRTP and PRTF to the managed care system for members in the care and custody of a county department according to the policies and recommendations developed by HCPF in collaboration with the steering committee.

HCPF shall submit quarterly reports to the joint budget committee with information about the steering committee's monthly meetings.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 25.5-1-137 as  
3 follows:

4 **25.5-1-137. Transition of services provided in qualified**  
5 **residential treatment facilities and psychiatric residential treatment**  
6 **facilities to managed care system - steering committee - policies and**  
7 **recommendations - report.**

8 (1) (a) NO LATER THAN JULY 1, 2026, THE STATE DEPARTMENT  
9 SHALL CONVENE A STEERING COMMITTEE TO SUPPORT THE TRANSITION OF  
10 SERVICES PROVIDED IN QUALIFIED RESIDENTIAL TREATMENT PROGRAMS  
11 AND PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES TO THE MANAGED  
12 CARE SYSTEM FOR MEMBERS IN THE CARE AND CUSTODY OF A COUNTY  
13 DEPARTMENT OF HUMAN OR SOCIAL SERVICES. THE STEERING COMMITTEE  
14 MAY CONSULT WITH OTHER STATE DEPARTMENTS AND AGENCIES,  
15 INCLUDING THE DEPARTMENT OF EARLY CHILDHOOD, AND RELEVANT  
16 STAKEHOLDERS AS NECESSARY TO FULFILL ITS DUTIES. THE STEERING  
17 COMMITTEE MUST INCLUDE LEADERSHIP REPRESENTATION FROM:

- 1 (I) THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING;
- 2 (II) THE DEPARTMENT OF HUMAN SERVICES;
- 3 (III) THE BEHAVIORAL HEALTH ADMINISTRATION IN THE
- 4 DEPARTMENT OF HUMAN SERVICES;
- 5 (IV) COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES;
- 6 (V) QUALIFIED RESIDENTIAL TREATMENT PROGRAM PROVIDERS
- 7 AND PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY PROVIDERS,
- 8 INCLUDING A STATEWIDE ASSOCIATION REPRESENTING PROVIDERS; AND
- 9 (VI) MANAGED CARE ENTITIES.

10 (b) BEGINNING JULY 1, 2026, THE STEERING COMMITTEE SHALL  
11 MEET AT LEAST ONCE PER MONTH UNTIL JULY 1, 2027.

12 (c) THE STEERING COMMITTEE SHALL IDENTIFY, EVALUATE, AND  
13 DEVELOP RECOMMENDATIONS ON POLICY AND OPERATIONAL ISSUES  
14 RELATED TO THE TRANSITION DESCRIBED IN SUBSECTION (1)(a) OF THIS  
15 SECTION AND ENSURE THAT UPDATES, POTENTIAL DECISION POINTS, AND  
16 DECISIONS MADE BY THE STATE DEPARTMENT ARE COMMUNICATED TO  
17 AND VETTED WITH THE LEADERSHIP OF EACH MEMBER'S RESPECTIVE  
18 ORGANIZATION OR CONSTITUENCY.

19 (2) NO LATER THAN APRIL 1, 2027, THE STATE DEPARTMENT, IN  
20 COLLABORATION WITH THE STEERING COMMITTEE, SHALL DEVELOP  
21 POLICIES AND RECOMMENDATIONS IN LINE WITH FEDERAL FINANCIAL  
22 PARTICIPATION AND MANAGED CARE REGULATIONS AND REQUIREMENTS  
23 TO SUPPORT THE TRANSITION OF QUALIFIED RESIDENTIAL TREATMENT  
24 PROGRAMS AND PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES TO THE  
25 MANAGED CARE SYSTEM FOR MEMBERS IN THE CARE AND CUSTODY OF A  
26 COUNTY DEPARTMENT OF HUMAN OR SOCIAL SERVICES. THE POLICIES AND  
27 RECOMMENDATIONS MUST INCLUDE, BUT ARE NOT LIMITED TO:

1 (a) CLEARLY DEFINED ROLES, RESPONSIBILITIES, AND  
2 DECISION-MAKING AUTHORITY ACROSS MANAGED CARE ENTITIES,  
3 COUNTIES, PROVIDERS, AND STATE AGENCIES, INCLUDING  
4 ACCOUNTABILITY FOR MEDICAL NECESSITY DETERMINATIONS, PLACEMENT  
5 DECISIONS, DISCHARGE PLANNING, CARE COORDINATION, AND PAYMENT;

6 (b) STATEWIDE STANDARDS FOR UTILIZATION MANAGEMENT,  
7 INCLUDING AUTHORIZATION, CONTINUED STAY REVIEW, AND DISCHARGE  
8 PLANNING, WITH CLARITY ON THE APPLICATION OF MEDICAL NECESSITY  
9 DETERMINATIONS AND CONSIDERATION OF THE UNIQUE CLINICAL AND  
10 PLACEMENT-RELATED NEEDS OF CHILDREN AND YOUTH INVOLVED IN THE  
11 CHILD WELFARE SYSTEM;

12 (c) REQUIREMENTS FOR TIMELY ENGAGEMENT, AUTHORIZATION,  
13 AND CARE COORDINATION ACROSS ENTITIES, INCLUDING DEFINED TIME  
14 FRAMES AND EXPECTATIONS FOR REAL-TIME COORDINATION FOR YOUTH  
15 IN CRISIS OR AT RISK OF PLACEMENT DISRUPTION;

16 (d) TRAINING AND TECHNICAL ASSISTANCE NEEDS FOR MANAGED  
17 CARE ENTITIES, COUNTIES, AND QUALIFIED RESIDENTIAL TREATMENT  
18 PROGRAM AND PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY  
19 PROVIDERS RELATED TO THE CONSISTENT APPLICATION OF MEDICAL  
20 NECESSITY CRITERIA, INCLUDING DOCUMENTATION EXPECTATIONS AND  
21 AUTHORIZATION PROCESSES AND TIMELINES FOR EACH;

22 (e) CARE COORDINATION EXPECTATIONS ACROSS MANAGED CARE  
23 ENTITIES, COUNTIES, AND QUALIFIED RESIDENTIAL TREATMENT PROGRAM  
24 AND PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY PROVIDERS TO  
25 IMPROVE COMMUNICATION, REDUCE DUPLICATION, AND SUPPORT  
26 CONTINUITY OF CARE, INCLUDING HOW FAMILIES ARE INTEGRATED INTO  
27 THE TREATMENT PROCESS AND PROCESSES TO ADDRESS CARE

1 COORDINATION AND ACCESS TO SERVICES FOR YOUTH IN DETENTION, WITH  
2 CLARITY ON ELIGIBILITY, ASSIGNMENT TO MANAGED CARE ENTITIES, AND  
3 ROLES AND RESPONSIBILITIES FOR COVERAGE, AUTHORIZATION, AND  
4 COORDINATION OF BEHAVIORAL HEALTH SERVICES DURING AND  
5 FOLLOWING PERIODS OF DETAINMENT;

6 (f) DISCHARGE PLANNING REQUIREMENTS AND AFTER-CARE  
7 SUPPORT FOR AT LEAST SIX MONTHS AFTER DISCHARGE, INCLUDING  
8 EXPECTATIONS THAT DISCHARGE PLANNING BEGINS AT ADMISSION AND  
9 THAT ALL RELEVANT PARTIES HAVE A SHARED UNDERSTANDING OF THE  
10 DISCHARGE PLAN AND OF AVAILABLE STEP-DOWN AND COMMUNITY-BASED  
11 SERVICE OPTIONS;

12 (g) RECOMMENDATIONS TO ADDRESS SYSTEM BARRIERS RELATED  
13 TO DISCHARGE PLANNING, PLACEMENT AVAILABILITY, AND CONTINUITY OF  
14 CARE, INCLUDING ALIGNMENT BETWEEN CLINICAL READINESS FOR  
15 DISCHARGE AND AVAILABLE PLACEMENT OR COMMUNITY-BASED SERVICE  
16 OPTIONS;

17 (h) PROCESSES FOR TRANSITIONING MEMBERS RECEIVING  
18 QUALIFIED RESIDENTIAL TREATMENT SERVICES AND PSYCHIATRIC  
19 RESIDENTIAL TREATMENT SERVICES PRIOR TO JULY 1, 2027, FROM  
20 FEE-FOR-SERVICE TO MANAGED CARE ON JULY 1, 2027, INCLUDING TIMING  
21 AND RESPONSIBILITY;

22 (i) STATEWIDE REQUIREMENTS FOR MANAGED CARE ENTITIES,  
23 INCLUDING MINIMUM EXPECTATIONS FOR PROCESSES, TIMELINES,  
24 APPLICATION OF POLICIES RELATED TO AUTHORIZATION, UTILIZATION  
25 MANAGEMENT, CARE COORDINATION, AND SERVICE DELIVERY; DECISION  
26 MAKING; AND APPLICATION OF THE EARLY AND PERIODIC SCREENING,  
27 DIAGNOSTIC, AND TREATMENT BENEFIT;

1 (j) DATA, REPORTING, AND TRANSPARENCY NEEDS NECESSARY TO  
2 SUPPORT IMPLEMENTATION, OVERSIGHT, AND ONGOING EVALUATION OF  
3 THE TRANSITION; AND

4 (k) CONSIDERATION OF FISCAL IMPACTS AND ALIGNMENT ACROSS  
5 ENTITIES, INCLUDING POTENTIAL COST SHIFTS, RATE ADEQUACY, AND  
6 FUNDING RESPONSIBILITIES ASSOCIATED WITH THE TRANSITION.

7 (3) NO LATER THAN JULY 1, 2027, THE STATE DEPARTMENT SHALL  
8 IMPLEMENT OR INITIATE THE TRANSITION OF SERVICES PROVIDED IN  
9 QUALIFIED RESIDENTIAL TREATMENT PROGRAMS AND PSYCHIATRIC  
10 RESIDENTIAL TREATMENT FACILITIES TO THE MANAGED CARE SYSTEM FOR  
11 MEMBERS IN THE CARE AND CUSTODY OF A COUNTY DEPARTMENT OF  
12 HUMAN OR SOCIAL SERVICES ACCORDING TO THE POLICIES AND  
13 RECOMMENDATIONS DEVELOPED PURSUANT TO SUBSECTION (2) OF THIS  
14 SECTION.

15 (4) NO LATER THAN OCTOBER 1, 2026, DECEMBER 31, 2026, AND  
16 MARCH 1, 2027, THE STATE DEPARTMENT SHALL SUBMIT A QUARTERLY  
17 REPORT TO THE JOINT BUDGET COMMITTEE THAT INCLUDES:

18 (a) THE DATES THE STEERING COMMITTEE MET DURING THE  
19 PREVIOUS QUARTER;

20 (b) A LIST OF ATTENDEES AT EACH MEETING;

21 (c) A SUMMARY OF THE TOPICS DISCUSSED; AND

22 (d) A SUMMARY OF DECISIONS MADE TO DATE.

23 (5) NO LATER THAN JULY 1, 2028, THE STATE DEPARTMENT SHALL  
24 SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE OUTLINING:

25 (a) THE OUTCOMES OF THE IMPLEMENTED POLICIES;

26 (b) ANY IDENTIFIED IMPACTS TO PLACEMENT STABILITY, CARE  
27 COORDINATION, AND SYSTEM ALIGNMENT; AND

1 (c) RECOMMENDATIONS FOR ANY STATUTORY OR BUDGETARY  
2 CHANGES NECESSARY TO SUPPORT ONGOING IMPLEMENTATION.

3 **SECTION 2.** In Colorado Revised Statutes, 25.5-5-202, **amend**  
4 (5)(c) as follows:

5 **25.5-5-202. Basic services for the categorically needy - optional**  
6 **services - repeal.**

7 (5) (c) This subsection (5) is repealed, effective ~~July 1, 2027~~ JULY  
8 1, 2026.

9 **SECTION 3.** In Colorado Revised Statutes, 25.5-5-402, **amend**  
10 (2)(c)(II) as follows:

11 **25.5-5-402. Statewide managed care system - rules -**  
12 **definitions - repeal.**

13 (2) The statewide managed care system implemented pursuant to  
14 this article 5 does not include:

15 (c) (II) This subsection (2)(c) is repealed, effective ~~July 1, 2026~~  
16 JULY 1, 2027.

17 **SECTION 4. Safety clause.** The general assembly finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, or safety or for appropriations for  
20 the support and maintenance of the departments of the state and state  
21 institutions.