

CHAPTER 124

HEALTH CARE POLICY AND FINANCING

SENATE BILL 19-209

BY SENATOR(S) Zenzinger, Moreno, Rankin, Foote, Tate;
also REPRESENTATIVE(S) Hansen, Esgar.

AN ACT

CONCERNING PROVISIONS RELATING TO PACE PROGRAMS, AND, IN CONNECTION THEREWITH, DETERMINING THE FUNDING METHODOLOGY FOR THE 2019-20 FISCAL YEAR AND FISCAL YEARS THEREAFTER, REQUIRING THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO MEET WITH COLORADO PACE PROGRAMS DURING THE 2019 LEGISLATIVE INTERIM TO CONSIDER PACE PROGRAM FUNDING AND OTHER ISSUES RELATING TO PACE PROGRAMS, AND MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 25.5-5-412, **amend** (12) as follows:

25.5-5-412. Program of all-inclusive care for the elderly - legislative declaration - services - eligibility - rules - definitions - repeal. (12) (a) The general assembly shall make appropriations to the state department to fund services under this section provided at a monthly capitated rate. FOR THE 2019-20 FISCAL YEAR, AND EACH FISCAL YEAR THEREAFTER, the state department shall annually renegotiate, PURSUANT TO THE PROVISIONS SET FORTH IN THIS SUBSECTION (12), a monthly capitated rate for the contracted services.

~~(b) Repealed.~~

~~(c)~~ (b) The monthly capitated rate negotiated with the state department ~~shall~~ **MUST** be included in the contract with the PACE organization and must be based upon a prospective monthly capitation payment to a PACE organization for a medicaid participant enrolled in a PACE program that is less than what would otherwise have been paid under the state medicaid plan if the participant were not enrolled in the PACE program.

~~(d)~~~~(f)~~ (c) IN DETERMINING THE MONTHLY CAPITATED RATE, the state department,

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

with the participation of Colorado PACE organizations, shall develop an actuarially sound upper payment limit methodology that complies with federal law relating to PACE organizations. ~~and addresses a PACE-comparable population and employs functional, diagnostic, and other information on the PACE population and its service use and cost characteristics. The state department shall contract with an actuary that has experience with the methods described in this paragraph (d).~~

~~(H) For purposes of computing the upper payment limit, the state department shall provide to the contracted actuary state long-term care options data describing the health characteristics, functional acuity, and long-term services and supports needs of the PACE-comparable population, as well as relevant medicare and medicaid claims, cost, utilization, and vital statistics data necessary for the computation. The upper payment limit methodology must apply grade of membership methods to characterize the health deficit structure of long-term services and supports populations, demonstrating an empirical upper payment limit.~~

~~(HH) Notwithstanding the provisions of this paragraph (d) to the contrary, the state department shall not be required to develop an upper payment limit methodology pursuant to this paragraph (d) or comply with the requirements of subparagraph (H) of paragraph (c) of this subsection (12) if the state department does not receive sufficient gifts, grants, and donations to fund the contract for actuarial services pursuant to subparagraph (I) of this paragraph (d).~~

~~(c) (I) Contingent upon any necessary federal approval, until the upper payment limit methodology is developed pursuant to paragraph (d) of this subsection (12) and adopted in state board rules, the percentage of the upper payment limit used to calculate the monthly capitated rate shall not be less than the percentage negotiated by the state department with the PACE organizations for the 2016-17 state fiscal year.~~

~~(H) This paragraph (c) is repealed, effective July 1 of the year following the year in which the executive director notifies the revisor of statutes that the state board has adopted rules relating to the upper payment limit methodology developed pursuant to paragraph (d) of this subsection (12).~~

(d) (I) DURING THE LEGISLATIVE INTERIM FOLLOWING THE 2019 REGULAR SESSION, THE STATE DEPARTMENT AND COLORADO PACE PROGRAMS SHALL MEET TO CONSIDER THE APPROPRIATE FUNDING METHODOLOGY FOR COLORADO PACE PROGRAMS FOR THE 2020-21 FISCAL YEAR AND FISCAL YEARS THEREAFTER. THE FIRST MEETING SHALL OCCUR NO LATER THAN JUNE 1, 2019.

(II) IN ADDITION TO THE APPROPRIATE FUNDING METHODOLOGY FOR COLORADO PACE PROGRAMS, THE PARTICIPANTS MAY ALSO CONSIDER OTHER ISSUES RELATING TO THE COLORADO PACE PROGRAMS, INCLUDING ADMINISTRATION, REGULATION, OVERSIGHT, REQUESTS FOR ADDITIONAL STAFF AT THE STATE DEPARTMENT, INNOVATIVE DELIVERY MODELS FOR PACE, OPTIONS FOR FUNDING ADMINISTRATIVE SERVICES, AND APPROPRIATIONS REQUESTS.

(III) THIS SUBSECTION (12)(d) IS REPEALED, EFFECTIVE JULY 1, 2020.

SECTION 2. Appropriation. (1) For the 2019-20 state fiscal year, \$6,755,479

is appropriated to the department of health care policy and financing. This appropriation is from the general fund and is subject to the "(M)" notation as defined in the annual general appropriation act for the same fiscal year. To implement this act, the department may use this appropriation for medical services premiums.

(2) For the 2019-20 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$6,755,479 in federal funds for medical services premiums to implement this act. The appropriation in subsection (1) of this section is based on the assumption that the department will receive this amount of federal funds.

SECTION 3. 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 17, 2019