

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 22-1042.01 Shelby Ross x4510

**SENATE BILL 22-236**

**SENATE SPONSORSHIP**

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Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING THE REVIEW OF MEDICAID PROVIDER RATES.**

**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.** Current law requires the department of health care policy and financing (state department) to establish a schedule for a review of provider rates paid under medicaid so that each provider rate is reviewed at least every 5 years and to provide the schedule to the joint budget committee (JBC). Beginning August 1, 2023, the bill requires the state department to establish a schedule so that each provider rate is reviewed at least every 3 years and to provide the schedule to the medicaid provider rate review advisory committee (advisory committee)

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

HOUSE  
Amended 2nd Reading  
May 5, 2022

SENATE  
3rd Reading Unamended  
May 3, 2022

SENATE  
2nd Reading Unamended  
May 2, 2022

in addition to the JBC.

Current law authorizes the advisory committee or the JBC, by a majority vote, to direct the state department to conduct a review of a provider rate that is not scheduled for review during that year. Effective August 1, 2023, if the state department determines the request for an out-of-cycle review cannot be conducted, the bill requires the state department to provide written notification to the advisory committee and the JBC within 30 days after the request is made stating the reasons the out-of-cycle request cannot be conducted.

Effective August 1, 2023, the bill requires the state department to utilize information made available by the state department concerning the prior authorization process and billing structure for provider rates if such information is relevant to the review in order to minimize rate disparities for services in professional classifications that are eligible for reimbursement under medicaid.

Effective August 1, 2023, the bill requires the state department to conduct a public meeting at least quarterly to inform the state department's review of provider rates.

Current law requires the advisory committee consist of 24 members. Effective August 1, 2023, the bill decreases the advisory committee to 7 members and requires the members to have proven expertise related to medicaid in one or more specific areas. The advisory committee is currently scheduled to sunset September 1, 2025. The bill moves the sunset to September 1, 2036.

On or before December 1, 2024, and each December 1 thereafter, the bill requires the advisory committee to present to the JBC an overview of the provider rate review process, a summary of the provider rates that were reviewed, and the strategies for responding to the findings of the provider rate review.

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

2           **SECTION 1.** In Colorado Revised Statutes, **amend with**  
3 **relocated provisions** 25.5-4-401.5 as follows:

4           **25.5-4-401.5. Review of provider rates - advisory committee**  
5 **- recommendations - repeal.** (1) (a) On or before September 1, ~~2015~~  
6 2023, the state department shall establish a schedule for an annual review  
7 of provider rates paid under the "Colorado Medical Assistance Act" so  
8 that each provider rate is reviewed at least every ~~five~~ THREE years and

1 shall provide the schedule to the ADVISORY COMMITTEE ESTABLISHED  
2 PURSUANT TO SUBSECTION (3) OF THIS SECTION AND THE joint budget  
3 committee. If the state department receives any petitions or proposals for  
4 provider rates to be reviewed or adjusted, the state department ~~must~~  
5 SHALL forward a copy of the petition or proposal to the advisory  
6 committee AND THE JOINT BUDGET COMMITTEE.


7 (b) The state department shall review each of the provider rates  
8 scheduled for review pursuant to the process described in this section.  
9 ~~Additionally, The advisory committee established pursuant to subsection~~  
10 ~~(3) of this section, by a majority vote, or the joint budget committee MAY,~~  
11 ~~by a majority vote, may~~ direct that the state department conduct a review  
12 of a provider rate that is not scheduled for review during that year. The  
13 advisory committee or the joint budget committee shall notify the state  
14 department OF THE REQUEST FOR AN OUT-OF-CYCLE REVIEW by December  
15 1 of the year prior to the year in which the out-of-cycle review will take  
16 place. ~~of the request for an out-of-cycle review.~~ IF THE STATE  
17 DEPARTMENT DETERMINES THAT THE REQUEST FOR AN OUT-OF-CYCLE  
18 REVIEW CANNOT BE CONDUCTED, THE STATE DEPARTMENT SHALL PROVIDE  
19 WRITTEN NOTIFICATION TO THE ADVISORY COMMITTEE AND THE JOINT  
20 BUDGET COMMITTEE WITHIN THIRTY DAYS AFTER THE REQUEST FOR AN  
21 OUT-OF-CYCLE REVIEW. THE NOTIFICATION MUST INCLUDE A DESCRIPTION  
22 OF THE REASONS THE OUT-OF-CYCLE REVIEW CANNOT BE CONDUCTED.

23 (c) (I) The state department may propose to exclude rates from the  
24 schedule established pursuant to ~~paragraph (a) of this subsection (1)~~  
25 SUBSECTION (1)(a) OF THIS SECTION if those rates are adjusted on a  
26 periodic basis as a result of other state statute or federal law or regulation.  
27 The state department shall include the proposed list of exclusions with the

1 schedule established pursuant to ~~paragraph (a) of this subsection (1)~~  
2 SUBSECTION (1)(a) OF THIS SECTION.

3 (II) The advisory committee or the joint budget committee may,  
4 by a majority vote, direct the state department to include any rate that the  
5 state department has proposed to exclude from the schedule.

6 (2) (a) In the first phase of the review process, the state  
7 department shall conduct an analysis of the access, service, quality, and  
8 utilization of each service subject to a provider rate review. The state  
9 department shall compare the rates paid with available benchmarks,  
10 including medicare rates and usual and customary rates paid by private  
11 pay parties, and use qualitative tools to assess whether payments are  
12 sufficient to allow for provider retention and client access and to support  
13 appropriate reimbursement of high-value services. ~~Notwithstanding the~~  
14 ~~provisions of section 24-1-136 (11)(a)(I), on or before May 1, 2016, and~~  
15 ~~each May 1 thereafter, the state department shall provide a report on the~~  
16 ~~analysis required by this paragraph (a) to the advisory committee, the~~  
17 ~~joint budget committee, and any stakeholder groups identified by the state~~  
18 ~~department whose rates are reviewed.~~

19   
20 (b) Following the ~~report~~ ANALYSIS required by ~~paragraph (a) of~~  
21 ~~this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION, the state  
22 department shall work with the advisory committee and any stakeholders  
23 identified by the state department OR THE ADVISORY COMMITTEE to review  
24 the ~~report~~ ANALYSIS and develop strategies for responding to the findings,  
25 including any nonfiscal approaches or rebalancing of rates AND  
26 STRATEGIES TO ADDRESS CAPACITY ISSUES THAT MAY EXIST IN CERTAIN  
27 REGIONS OF THE STATE.

1 (c) Following the review required by ~~paragraph (b) of this~~  
2 ~~subsection (2)~~ SUBSECTION (2)(b) OF THIS SECTION, the state department  
3 shall work with the office of state planning and budgeting to determine  
4 achievable goals and executive branch priorities within the statewide  
5 budget.

6 (d) (I) Notwithstanding ~~the provisions of~~ section 24-1-136  
7 (11)(a)(I), on or before November 1, ~~2016~~ 2025, and each November 1  
8 thereafter, the state department shall submit a written report to the joint  
9 budget committee and the advisory committee ~~containing its~~ ON THE  
10 ANALYSIS REQUIRED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION,  
11 A DESCRIPTION OF THE INFORMATION DISCUSSED DURING THE QUARTERLY  
12 PUBLIC MEETING CONDUCTED PURSUANT TO SUBSECTION (2)(e) OF THIS  
13 SECTION, AND THE STATE DEPARTMENT'S recommendations on all of the  
14 provider rates reviewed pursuant to this section and all of the data relied  
15 upon by the state department in making ~~its~~ THE recommendations. The  
16 joint budget committee shall consider the recommendations in  
17 formulating the STATE DEPARTMENT'S budget. ~~for the state department.~~

18 (II) THE STATE DEPARTMENT SHALL SUBMIT, AS PART OF THE  
19 REPORT REQUIRED PURSUANT TO THIS SUBSECTION (2)(d), A DESCRIPTION  
20 OF THE INFORMATION DISCUSSED DURING THE QUARTERLY PUBLIC  
21 MEETING; THE STATE DEPARTMENT'S RESPONSE TO THE PUBLIC COMMENTS  
22 RECEIVED FROM PROVIDERS, RECIPIENTS, AND OTHER INTERESTED  
23 PARTIES; AND AN EXPLANATION OF HOW THE PUBLIC COMMENTS INFORMED  
24 THE PROVIDER RATE REVIEW PROCESS AND THE RECOMMENDATIONS  
25 CONCERNING PROVIDER RATES.

26 (e) THE STATE DEPARTMENT SHALL CONDUCT A PUBLIC MEETING  
27 AT LEAST QUARTERLY TO INFORM THE STATE DEPARTMENT'S REVIEW OF

1 PROVIDER RATES PAID UNDER THE "COLORADO MEDICAL ASSISTANCE  
2 ACT". THE STATE DEPARTMENT SHALL INVITE TO THE PUBLIC MEETING  
3 PROVIDERS, RECIPIENTS, AND OTHER INTERESTED PARTIES DIRECTLY  
4 AFFECTED BY THE SERVICES SCHEDULED TO BE REVIEWED AT THE PUBLIC  
5 MEETING. AT A MINIMUM, EACH PUBLIC MEETING MUST CONSIST OF, BUT  
6 IS NOT LIMITED TO:

7 (I) A DISCUSSION OF THE ANALYSIS AND REVIEW PERFORMED  
8 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION; AND

9 (II) PUBLIC COMMENTS FROM PROVIDERS, RECIPIENTS, AND OTHER  
10 INTERESTED PARTIES CONCERNING:

11 (A) THE ANALYSIS AND REVIEW PERFORMED PURSUANT TO  
12 SUBSECTION (2)(a) OF THIS SECTION; AND

13 (B) RECOMMENDED CHANGES TO THE PROVIDER RATE REVIEW  
14 PROCESS THAT MAY ENHANCE OR IMPROVE THE PROCESS.

15 (3) (a) There is created in the state department the medicaid  
16 provider rate review advisory committee, referred to in this section as the  
17 "advisory committee", to assist the state department in the review of the  
18 provider rate reimbursements under the "Colorado Medical Assistance  
19 Act". The advisory committee shall:

20 (I) Review the schedule for annual review of provider rates  
21 established by the state department pursuant to ~~paragraph (a) of~~  
22 ~~subsection (1)~~ SUBSECTION (1)(a) of this section and recommend any  
23 changes to the schedule;

24 (II) Review the ANALYSIS PERFORMED PURSUANT TO SUBSECTION  
25 (2)(a) OF THIS SECTION AND THE reports prepared by the state department  
26 on its analysis of provider rates pursuant to ~~paragraph (a) of subsection~~  
27 ~~(2)~~ SUBSECTION (2)(d) of this section and provide comments and feedback

1 to the state department AND THE JOINT BUDGET COMMITTEE on the reports;

2 (III) ~~With the state department, conduct public meetings to allow~~  
3 ~~providers, recipients, and other interested parties an opportunity to~~  
4 ~~comment on the report required by paragraph (a) of subsection (2)~~

5 REVIEW THE COMMENTS RECEIVED FROM PROVIDERS, RECIPIENTS, AND  
6 OTHER INTERESTED PARTIES AND THE STATE DEPARTMENT'S RESPONSE TO  
7 THE COMMENTS REQUIRED PURSUANT TO SUBSECTION (2)(d)(II) of this  
8 section;

9 (IV) Review proposals or petitions RECEIVED BY THE ADVISORY  
10 COMMITTEE for provider rates to be reviewed or adjusted; ~~received by the~~  
11 ~~advisory committee;~~

12 (V) Determine whether any provider rates not scheduled for  
13 review during the next calendar year should be reviewed during that  
14 calendar year;

15 (VI) Recommend to the state department and to the joint budget  
16 committee any changes to the process of reviewing provider rates,  
17 including measures to increase access to the process, such as by providing  
18 for electronic comments by providers and the public; and

19 (VII) Provide other assistance to the state department AND THE  
20 JOINT BUDGET COMMITTEE as requested by the state department or the  
21 joint budget committee.

22 (b) (I) The advisory committee consists of the following  
23 ~~twenty-four~~ SEVEN members:

24 (A) THREE MEMBERS APPOINTED BY THE GOVERNOR;

25 (B) TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE,  
26 OR THE PRESIDENT'S DESIGNEE; AND

27 (C) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF

1 REPRESENTATIVES, OR THE SPEAKER'S DESIGNEE.

2 (II) EACH MEMBER APPOINTED TO THE ADVISORY COMMITTEE  
3 MUST HAVE PROVEN EXPERTISE RELATED TO THE MEDICAL ASSISTANCE  
4 PROGRAM IN ONE OR MORE OF THE FOLLOWING AREAS:

5 (A) SERVICE DELIVERY OR CASE MANAGEMENT SERVICES  
6 PROVIDED TO ONE OR MORE ELIGIBLE POPULATIONS;

7 (B) PROVIDER FINANCE OR BUDGET;

8 (C) SERVICE CAPACITY ANALYSIS;

9 (D) BUSINESS PROCESSES;

10 (E) CLAIMS FILING OR PROCESSING; OR

11 (F) IMPLEMENTATION OF STATE AND FEDERAL MEDICAID RULES,  
12 REGULATIONS, AND GUIDANCE.

13 (III) THE STATE DEPARTMENT MAY MAKE RECOMMENDATIONS TO  
14 THE GOVERNOR, THE PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE  
15 HOUSE OF REPRESENTATIVES CONCERNING THE QUALIFICATIONS OF  
16 MEMBERS APPOINTED TO THE ADVISORY COMMITTEE.

17 ~~(I) The following members appointed by the president of the~~  
18 ~~senate:~~

19 ~~(A) A recipient with a disability or a representative of recipients~~  
20 ~~with a disability;~~

21 ~~(B) A representative of hospitals providing services to recipients~~  
22 ~~recommended by a statewide association of hospitals;~~

23 ~~(C) A representative of providers of transportation;~~

24 ~~(D) A representative of rural health centers;~~

25 ~~(E) A representative of home health providers recommended by~~  
26 ~~a statewide organization of home health providers; and~~

27 ~~(F) A representative of providers of durable medical equipment~~



1 recommended by a statewide association of durable medical equipment  
2 providers;

3 (H) ~~The following members appointed by the minority leader of~~  
4 ~~the senate:~~

5 (A) ~~A representative of providers of behavioral health-care~~  
6 ~~services;~~

7 (B) ~~A representative of primary care physicians who see recipients~~  
8 ~~recommended by a statewide association of primary care physicians;~~

9 (C) ~~A representative of dentists providing services to recipients~~  
10 ~~recommended by a statewide association of dentists;~~

11 (D) ~~A representative of federally qualified health centers;~~

12 (E) ~~A representative of nonmedical home- and community-based~~  
13 ~~service providers; and~~

14 (F) ~~A representative of providers serving recipients with~~  
15 ~~intellectual and developmental disabilities;~~

16 (HH) ~~The following members appointed by the speaker of the~~  
17 ~~house of representatives:~~

18 (A) ~~A representative of child recipients with a disability;~~

19 (B) ~~A representative of specialty care physicians not employed by~~  
20 ~~a hospital who see recipients recommended by a statewide association~~  
21 ~~whose members include at least one-third of the doctors of medicine or~~  
22 ~~osteopathy licensed by the state;~~

23 (C) ~~A representative of providers of alternative care facilities~~  
24 ~~recommended by a statewide association of alternative care facilities;~~

25 (D) ~~*[Editor's note: This version of subsection (3)(b)(HH)(D) is*~~  
26 ~~*effective until July 1, 2024.]*~~ ~~A representative of single entry point~~  
27 ~~agencies;~~

1           ~~(D) [Editor's note: This version of subsection (3)(b)(III)(D) is~~  
2 ~~effective July 1, 2024.]~~ A representative of case management agencies;

3           ~~(E) A representative of ambulatory surgical centers;~~

4           ~~(F) A representative of hospice providers recommended by a~~  
5 ~~statewide association of hospice and palliative care providers; and~~

6           ~~(IV) The following members appointed by the minority leader of~~  
7 ~~the house of representatives:~~

8           ~~(A) A representative of substance use disorder providers~~  
9 ~~recommended by a statewide association of substance use disorder~~  
10 ~~providers;~~

11           ~~(B) A representative of facility-based physicians who see~~  
12 ~~recipients. For purposes of this sub-subparagraph (B), "facility-based~~  
13 ~~physicians" include anesthesiologists, emergency room physicians,~~  
14 ~~neonatologists, pathologists, and radiologists.~~

15           ~~(C) A representative of pharmacists providing services to~~  
16 ~~recipients;~~

17           ~~(D) A representative of managed care health plans;~~

18           ~~(E) A representative of advanced practice nurses recommended~~  
19 ~~by a statewide association of nurses; and~~

20           ~~(F) A representative of physical therapists or occupational~~  
21 ~~therapists recommended by a statewide association representing~~  
22 ~~occupational or physical therapists.~~

23           (c) The appointing authorities shall make their initial  
24 appointments to the advisory committee no later than August 1, 2015  
25 JANUARY 1, 2023. In making appointments to the advisory committee, the  
26 appointing authorities shall make a concerted effort to include members  
27 of diverse political, racial, cultural, income, and ability groups and

1 members from urban and rural areas.

2 (d) Each member of the advisory committee serves at the pleasure  
3 of the official who appointed the member. Each member of the advisory  
4 committee serves a four-year term and may be reappointed.

5 (e) The members of the advisory committee serve without  
6 compensation and without reimbursement for expenses.

7 (f) At the first meeting of the advisory committee, to be held on  
8 or after ~~September 1, 2015~~ MARCH 1, 2023, the members shall elect a  
9 chair and vice-chair from among the members.

10 (g) The advisory committee shall meet at least once every quarter.  
11 The chair may call ~~such~~ additional meetings as may be necessary for the  
12 advisory committee to complete its duties.

13 (h) The advisory committee shall develop bylaws and procedures  
14 to govern its operations.

15 (i) ON OR BEFORE DECEMBER 1, 2023, AND EACH DECEMBER 1  
16 THEREAFTER, THE ADVISORY COMMITTEE SHALL PRESENT TO THE JOINT  
17 BUDGET COMMITTEE AN OVERVIEW OF THE PROVIDER RATE REVIEW  
18 PROCESS, A SUMMARY OF THE PROVIDER RATES THAT WERE REVIEWED,  
19 AND THE STRATEGIES FOR RESPONDING TO THE FINDINGS OF THE PROVIDER  
20 RATE REVIEW, INCLUDING ANY FISCAL OR NONFISCAL APPROACHES OR  
21 REBALANCING OF RATES, ANY ADVISORY COMMITTEE RECOMMENDATIONS  
22 FOR RATE ADJUSTMENTS MADE TO THE STATE DEPARTMENT, AND ANY  
23 RECOMMENDATIONS FOR IMPROVING CAPACITY AND ACCESS TO SERVICES  
24 IN REGIONS OF THE STATE WHERE REDUCED CAPACITY RESULTS IN LIMITED  
25 ACCESS TO SERVICES.

26 (†) (j) (I) This subsection (3) is repealed, effective September 1,  
27 2025 2034.

1 (II) Prior to repeal, the department of regulatory agencies shall  
2 conduct a sunset review of the advisory committee pursuant to the  
3 provisions of section 2-3-1203. ~~C.R.S.~~

4 **SECTION 2.** In Colorado Revised Statutes, 2-3-1203, **repeal**  
5 (16)(a)(I); and **add** (23) as follows:

6 **2-3-1203. Sunset review of advisory committees - legislative**  
7 **declaration - definition - repeal.** (16) (a) The following statutory  
8 authorizations for the designated advisory committees will repeal on  
9 September 1, 2025:

10 (I) ~~The medicaid provider rate review advisory committee created~~  
11 ~~in section 25.5-4-401.5, C.R.S.;~~

12 (23) (a) THE FOLLOWING STATUTORY AUTHORIZATIONS FOR THE  
13 DESIGNATED ADVISORY COMMITTEES WILL REPEAL ON SEPTEMBER 1,  
14 2034:

15 (I) THE MEDICAID PROVIDER RATE REVIEW ADVISORY COMMITTEE  
16 CREATED IN SECTION 25.5-4-401.5;

17 (b) THIS SUBSECTION (23) IS REPEALED, EFFECTIVE SEPTEMBER 1,  
18 2036.

19 **SECTION 3. Act subject to petition - effective date.** Section  
20 25.5-4-401.5 (3), as enacted in section 1 of this act, takes effect  
21 December 1, 2022, section 25.5-4-401.5 (2)(d), as enacted in section 1 of  
22 this section, takes effect May 1, 2025, and the remainder of this act takes  
23 effect July 1, 2023; except that, if a referendum petition is filed pursuant  
24 to section 1 (3) of article V of the state constitution against this act or an  
25 item, section, or part of this act within the ninety-day period after final  
26 adjournment of the general assembly, then the act, item, section, or part  
27 will not take effect unless approved by the people at the general election

1 to be held in November 2022 and, in such case, will take effect July 1,  
2 2023, or on the date of the official declaration of the vote thereon by the  
3 governor, whichever is later; except that section 25.5-4-401.5 (3), as  
4 enacted in section 1 of this act, takes effect December 1, 2022, and  
5 section 25.5-4-401.5 (2)(d), as enacted in section 1 of this section, takes  
6 effect May 1, 2025.