

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

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

LLS NO. 23-0700.01 Shelby Ross x4510

**HOUSE BILL 23-1228**

---

**HOUSE SPONSORSHIP**

**McCluskie and Willford,**

**SENATE SPONSORSHIP**

**Zenzinger and Smallwood,**

---

**House Committees**

Public & Behavioral Health & Human Services  
Finance  
Appropriations

**Senate Committees**

---

**A BILL FOR AN ACT**

101 **CONCERNING NURSING FACILITY REIMBURSEMENT RATE SETTING, AND,**  
102 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

---

**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>.)*

The bill adjusts the supplemental medicaid payment rates a qualifying nursing facility receives from the department of health care policy and financing (state department).

Current law limits the annual increase of the general fund share of the aggregate statewide average of the per diem rate to not more than 3%. The bill removes this limitation and requires the general fund share be

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.*

HOUSE  
Amended 2nd Reading  
April 14, 2023

calculated based on specific percentage increases.

The bill requires the state department to initiate a process no later than July 1, 2023, to remove the medicare costs from the provider rate setting by July 1, 2026.

The bill repeals the requirement that only such costs as are reasonable, necessary, and patient-related be reported for reimbursement purposes.

The bill authorizes the state department to require a nursing facility, as a condition of receiving medicaid funds, to submit any documentation necessary to ensure the state's interest in transparency, stability, and sound fiscal stewardship.

As part of developing and implementing a transition plan to regulate nursing facility reimbursement, the bill requires the state department to:

- No later than July 1, 2026, define "nursing home reimbursement" and provide payments to nursing facilities;
- Engage with stakeholders regularly to seek input on any proposed methodology changes; and
- From November 1, 2023, to November 1, 2026, submit an annual report to the joint budget committee of the general assembly regarding the implementation process.

The bill requires the state department to issue additional supplemental payments to nursing facility providers with disproportionately high medicaid utilization, to facilities that are geographically critical to ensuring access to care, and to facilities that admit compassionate release individuals from the department of corrections.

Effective July 1, 2026, the bill repeals:

- The requirement that the state department exempt certain nursing facility providers from the provider fee;
- The process for providing a wage enhancement supplemental payment to eligible nursing home providers that pay their employees a wage of at least \$15 per hour; and
- Requirements for issuing additional supplemental payments to nursing facility providers that meet certain requirements.

---

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

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-6-202, **amend**  
3 (5), (6), (9)(b)(I), and (9)(c)(I); **repeal** (9)(c)(II); and **add** (9)(b)(I.5),  
4 (13), (14), (15), and (16) as follows:

1           **25.5-6-202. Providers - nursing facility provider**  
2 **reimbursement - exemption - rules - repeal.** (5) Subject to available  
3 ~~moneys~~ APPROPRIATIONS and the priority of the uses of the provider fees  
4 as established in section 25.5-6-203 (2)(b), in addition to the  
5 reimbursement rate components paid pursuant to subsections (1) to (4) of  
6 this section, the state department shall make a supplemental medicaid  
7 payment based upon performance to those nursing facility providers that  
8 provide services that result in better care and higher quality of life for  
9 their residents. ~~This amount shall be determined by~~ The state department  
10 SHALL DETERMINE THE PAYMENT AMOUNT based upon performance  
11 measures established in rules adopted by the state board in the domains  
12 of quality of life, quality of care, and facility management. ~~The payment~~  
13 ~~shall be computed annually as of July 1, 2009, and each July 1 thereafter,~~  
14 ~~and shall not be less than twenty-five hundredths of one percent of the~~  
15 ~~statewide average per diem rate for the combined rate components~~  
16 ~~determined pursuant to subsections (1) to (4) of this section.~~ BEGINNING  
17 JULY 1, 2024, THE PAYMENT MUST NOT BE LESS THAN TWELVE PERCENT OF  
18 TOTAL PROVIDER FEE PAYMENTS AND MUST BE ADJUSTED FOR FISCAL  
19 YEARS 2024-25 AND 2025-26. NO LATER THAN JULY 1, 2026, THE  
20 PAYMENT MUST NOT BE LESS THAN FIFTEEN PERCENT OF TOTAL PROVIDER  
21 FEE PAYMENTS AND MUST BE ANNUALLY ADJUSTED THEREAFTER. During  
22 each state fiscal year, the state department may discontinue the  
23 supplemental medicaid payment established pursuant to this subsection  
24 (5) to any nursing facility provider that fails to comply with the  
25 established performance measures during the state fiscal year, and the  
26 state department may initiate the supplemental medicaid payment  
27 established pursuant to this subsection (5) to any provider who THAT

1 comes into compliance with the established performance measures during  
2 the state fiscal year.

3 (6) Subject to available ~~money~~ APPROPRIATIONS and the priority  
4 of the uses of the provider fees as established in section 25.5-6-203  
5 (2)(b), in addition to the reimbursement rate components PAID pursuant  
6 to subsections (1) to (5) of this section, the state department shall make  
7 a supplemental medicaid payment to nursing facility providers that ~~have~~  
8 ~~SERVE~~ residents: ~~who have moderately to very severe mental health~~  
9 ~~conditions, dementia diseases and related disabilities, or acquired brain~~  
10 ~~injury as follows:~~

11 (a) ~~A supplemental medicaid payment shall be made to nursing~~  
12 ~~facility providers that serve residents~~ Who have severe mental health  
13 conditions that are classified at a level II by the medicaid program's  
14 preadmission screening and resident review assessment tool. The state  
15 department shall compute this payment annually as of July 1, 2009, and  
16 each July 1 thereafter, and it ~~shall be~~ MUST not BE less than two percent  
17 of the statewide average per diem rate for the combined rate components  
18 determined pursuant to subsections (1) to (4) of this section. BEGINNING  
19 JULY 1, 2023, THE STATE DEPARTMENT SHALL ANNUALLY ADJUST THE  
20 RATE TO ENSURE ACCESS TO CARE FOR RESIDENTS WHO HAVE SEVERE  
21 MENTAL HEALTH CONDITIONS.

22 (b) ~~A supplemental medicaid payment shall be made to nursing~~  
23 ~~facility providers that serve residents~~ With severe dementia diseases and  
24 related disabilities or acquired brain injury. The state department shall  
25 calculate the payment based upon the resident's cognitive assessment  
26 established in rules adopted by the state board. The state department shall  
27 compute this payment annually as of July 1, 2009, and each July 1

1 thereafter, and it ~~shall be~~ MUST not BE less than one percent of the  
2 statewide average per diem rate for the combined rate components  
3 determined ~~under~~ PURSUANT TO subsections (1) to (4) of this section.  
4 BEGINNING JULY 1, 2023, THE STATE DEPARTMENT SHALL ANNUALLY  
5 ADJUST THE RATE TO ENSURE ACCESS TO CARE FOR RESIDENTS WITH  
6 SEVERE DEMENTIA DISEASES AND RELATED DISABILITIES OR ACQUIRED  
7 BRAIN INJURY.

8 (9) (b) (I) Except for changes in the number of patient days, THE  
9 STATE DEPARTMENT SHALL ESTABLISH the general fund share of the  
10 aggregate statewide average of the per diem rate net of patient payment  
11 pursuant to subsections (1) to (4) of this section. ~~shall be limited to an~~  
12 ~~annual increase of three percent~~ The state's share of the reimbursement  
13 rate components pursuant to subsections (1) to (4) of this section may be  
14 funded through the provider fee assessed pursuant to ~~the provisions of~~  
15 section 25.5-6-203 and any associated federal funds. Any provider fee  
16 used as the state's share and all federal funds ~~shall~~ MUST be excluded from  
17 the calculation of the general fund ~~limitation on the annual increase~~  
18 SHARE. For the fiscal year commencing July 1, 2009, and for each fiscal  
19 year thereafter, THE STATE DEPARTMENT SHALL CALCULATE the general  
20 fund share of the aggregate statewide average per diem rate net of patient  
21 payment pursuant to subsections (1) to (4) of this section ~~shall be~~  
22 ~~calculated~~ using the rates that were effective on July 1 of that fiscal year;  
23 EXCEPT THAT:

24 (A) FOR FISCAL YEAR 2023-24, THE STATE DEPARTMENT SHALL  
25 INCREASE THE AGGREGATE STATEWIDE AVERAGE OF THE PER DIEM RATE  
26 BY AT LEAST TEN PERCENT;

27 (B) FOR FISCAL YEAR 2024-25, THE STATE DEPARTMENT SHALL

1 INCREASE THE AGGREGATE STATEWIDE AVERAGE OF THE PER DIEM RATE  
2 BY AT LEAST THREE PERCENT;

3 (C) FOR FISCAL YEAR 2025-26, THE STATE DEPARTMENT SHALL  
4 INCREASE THE AGGREGATE STATEWIDE AVERAGE OF THE PER DIEM RATE  
5 BY AT LEAST ONE AND ONE-HALF PERCENT; AND

6 (D) BEGINNING IN FISCAL YEAR 2026-27, AND FOR EACH FISCAL  
7 YEAR THEREAFTER, THE STATE DEPARTMENT SHALL ESTABLISH THE  
8 AGGREGATE STATEWIDE AVERAGE OF THE PER DIEM RATE.

9 (I.5) WHEN INCREASING THE AGGREGATE STATEWIDE AVERAGE OF  
10 THE PER DIEM RATE FOR FISCAL YEARS 2023 THROUGH 2027, THE  
11 REIMBURSEMENT RATE FOR A CLASS I NURSING FACILITY THAT OPERATES  
12 EFFICIENTLY AND ECONOMICALLY MUST BE REASONABLE AND ADEQUATE  
13 TO MEET THE NURSING HOME'S COSTS IN ORDER TO PROVIDE CARE AND  
14 SERVICES IN CONFORMITY WITH APPLICABLE STATE AND FEDERAL LAWS,  
15 REGULATIONS, AND QUALITY AND SAFETY STANDARDS, AND MUST BE  
16 BASED ON THE MOST RECENT AUDITED AND FINALIZED COST AND  
17 UTILIZATION DATA AVAILABLE.

18 (c) (I) The general assembly finds that the historical growth in  
19 nursing facility provider rates has significantly exceeded the rate of  
20 inflation. These increases have been caused in part by the inclusion of  
21 medicare costs in medicaid cost reports. The state of Colorado has an  
22 interest in limiting these exceptional increases in medicaid nursing facility  
23 provider rates by removing medicare ~~part B~~ direct costs from the  
24 medicaid nursing facility provider rates and by imposing a ceiling on the  
25 medicare part A ancillary costs that are included in calculating medicaid  
26 nursing facility rates. NO LATER THAN JULY 1, 2023, THE STATE  
27 DEPARTMENT SHALL INITIATE A PROCESS TO REMOVE MEDICARE COSTS

1 FROM THE PROVIDER RATE SETTING BY JULY 1, 2026. THE STATE BOARD  
2 SHALL PROMULGATE RULES ESTABLISHING THE SPECIFIC METHODOLOGY  
3 USED FOR REMOVING MEDICARE COSTS.

4 ~~(II) For all rates effective on or after July 1, 1997, for each class~~  
5 ~~I nursing facility provider, only such costs as are reasonable, necessary,~~  
6 ~~and patient-related may be reported for reimbursement purposes. Nursing~~  
7 ~~facility providers may include the level of medicare part A ancillary costs~~  
8 ~~that was included and allowed in the facility's last medicaid cost report~~  
9 ~~filed prior to July 1, 1997. Any subsequent increase in this amount shall~~  
10 ~~be limited to either the increase in the facility's allowable medicare part~~  
11 ~~A ancillary costs or the percentage increase in the cost of medical care~~  
12 ~~reported in the United States department of labor bureau of labor statistics~~  
13 ~~consumer price index for the same time period, whichever is lower. Part~~  
14 ~~B direct costs for medicare shall be excluded from the allowable~~  
15 ~~reimbursement for facilities.~~

16 (13) (a) AS A CONDITION OF RECEIVING MEDICAID FUNDS, THE  
17 STATE DEPARTMENT MAY REQUIRE A NURSING FACILITY TO SUBMIT ANY  
18 DOCUMENTATION NECESSARY TO ENSURE THE STATE'S INTEREST IN  
19 TRANSPARENCY, STABILITY, AND SOUND FISCAL STEWARDSHIP,  
20 INCLUDING, BUT NOT LIMITED TO:

21 (I) ANNUAL AUDITED FINANCIAL STATEMENTS, PREPARED BY AN  
22 INDEPENDENT ACCOUNTANT, FOR A FACILITY, MANAGEMENT COMPANY,  
23 AND ANY RELATED PARTY CONDUCTING BUSINESS WITH A  
24 MEDICAID-CERTIFIED NURSING FACILITY, INCLUDING AUDITED AND  
25 CONSOLIDATED FINANCIAL STATEMENTS FOR ANY PARENT COMPANY THAT  
26 ACCEPTS, OR WHOSE SUBSIDIARIES ACCEPT, MEDICAID PAYMENTS FROM  
27 THE STATE OF COLORADO;

1 (II) DETAILS ON TRANSACTIONS BETWEEN RELATED PARTIES OR  
2 ENTITIES THAT HAVE COMMON OWNERSHIP; AND

3 (III) OWNERSHIP INTEREST IN REAL ESTATE, MANAGEMENT  
4 COMPANIES, FACILITY OPERATORS, AND ALL RELATED PARTIES.

5 (b) THE STATE DEPARTMENT SHALL DETERMINE THE FORMAT FOR  
6 THE DOCUMENTATION PROVIDED BY EACH NURSING FACILITY.

7 (c) THE STATE BOARD SHALL ESTABLISH BY RULE ANY PENALTIES  
8 FOR NONCOMPLIANCE WITH THE FINANCIAL REPORTING REQUIRED  
9 PURSUANT TO THIS SUBSECTION (13).

10 (d) THE COSTS ASSOCIATED WITH THE FINANCIAL REPORTING  
11 REQUIRED PURSUANT TO THIS SUBSECTION (13), INCLUDING ANY AUDIT  
12 COSTS INCURRED BY A NURSING FACILITY, ARE AN ALLOWABLE EXPENSE  
13 ON THE MEDICAID COST REPORT AND MUST BE INCORPORATED AS A  
14 COMPONENT OF THE OVERALL REIMBURSEMENT METHODOLOGY.

15 (14) THE GENERAL ASSEMBLY FINDS THAT THE INFLEXIBLE  
16 NATURE OF STATUTORILY FIXED REIMBURSEMENT RATES IS NOT IN THE  
17 BEST INTEREST OF THE STATE OF COLORADO. THEREFORE, THE STATE  
18 DEPARTMENT SHALL DEVELOP AND IMPLEMENT A TRANSITION PLAN TO  
19 REGULATE NURSING FACILITY REIMBURSEMENT AIMED AT IMPROVING THE  
20 HEALTH AND SAFETY OF RESIDENTS, PROMOTING INNOVATION AND  
21 IMPROVED INFECTION CONTROL EFFORTS, IMPROVING ACCESS TO CARE,  
22 AND PROMOTING INNOVATION IN COLORADO NURSING FACILITIES. AS PART  
23 OF THIS PROCESS, THE STATE DEPARTMENT SHALL:

24 (a) NO LATER THAN JULY 1, 2026, DEFINE "NURSING HOME  
25 REIMBURSEMENT" THROUGH RULES PROMULGATED BY THE STATE BOARD  
26 AND PROVIDE PAYMENTS TO NURSING FACILITIES CONSISTENT WITH THE  
27 PROMULGATED RULES;



1 (b) ENGAGE WITH STAKEHOLDERS REGULARLY TO SEEK INPUT ON  
2 ANY PROPOSED METHODOLOGY CHANGES AND ENSURE THE METHODOLOGY  
3 IS REASONABLE AND ADEQUATE TO MEET THE COSTS OF AN EFFICIENTLY  
4 AND ECONOMICALLY OPERATED NURSING FACILITY THAT PROVIDES CARE  
5 AND SERVICES IN CONFORMITY WITH APPLICABLE STATE AND FEDERAL  
6 LAWS, REGULATIONS, AND QUALITY AND SAFETY STANDARDS BASED ON  
7 THE MOST RECENT AUDIT AND FINALIZED COST AND UTILIZATION DATA  
8 AVAILABLE; AND

9 (c) FROM NOVEMBER 1, 2023, TO NOVEMBER 1, 2026, SUBMIT AN  
10 ANNUAL REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL  
11 ASSEMBLY REGARDING THE IMPLEMENTATION PROGRESS DESCRIBED IN  
12 THIS SUBSECTION (14), INCLUDING, AT A MINIMUM:

- 13 (I) RECORDS OF STAKEHOLDER ENGAGEMENT;
- 14 (II) CONCLUSIONS DRAWN FROM FINANCIAL OVERSIGHT  
15 ACTIVITIES;
- 16 (III) ISSUES REGARDING PAYMENT EQUITY AND ACCESS TO CARE  
17 COORDINATION; AND
- 18 (IV) EXPECTED BUDGETARY IMPACTS OF ANY METHODOLOGY  
19 CHANGE.

20 (15)(a) EACH NURSING FACILITY THAT RECEIVES MEDICAID FUNDS  
21 SHALL DEVELOP AND SUBMIT A PLAN TO THE STATE DEPARTMENT THAT  
22 MEETS STATE DEPARTMENT STANDARDS AND DEMONSTRATES HOW THE  
23 NURSING FACILITY WILL:

- 24 (I) IMPROVE THE HEALTH AND SAFETY OF THE NURSING FACILITY'S  
25 RESIDENTS, INCLUDING INFECTION CONTROL AND STAFFING;
- 26 (II) INCREASE ACCESS TO CARE;
- 27 (III) IMPROVE FINANCIAL SUSTAINABILITY, INCLUDING

1 OPPORTUNITIES FOR DIVERSIFICATION OF BUSINESS LINES AND  
2 STABILIZATION OF REVENUE STREAMS; AND

3 (IV) PROMOTE INNOVATION TO MEET THE EMERGING NEEDS OF  
4 INDIVIDUALS WITH DISABILITIES AND AGING AND OLDER ADULTS.

5 (b) THE STATE BOARD SHALL PROMULGATE RULES IMPLEMENTING  
6 THIS SUBSECTION (15).

7 (16) SUBSECTIONS 1 TO 9 OF THIS SECTION AND THIS SUBSECTION  
8 (16) ARE REPEALED, EFFECTIVE JULY 1, 2026.

9 SECTION 2. In Colorado Revised Statutes, 25.5-6-203, **amend**  
10 (1)(c) as follows:

11 **25.5-6-203. Nursing facilities - provider fees - federal waiver**  
12 **- fund created - rules - repeal.** (1) (c) (I) In accordance with the  
13 redistributive method set forth in 42 CFR 433.68 (e)(1) and (e)(2), the  
14 state department shall seek a waiver from the broad-based provider fees  
15 requirement or the uniform provider fees requirement, or both, to exclude  
16 nursing facility providers from the provider fee. The state department  
17 shall exempt the following nursing facility providers to obtain federal  
18 approval and minimize the financial impact on nursing facility providers:

19 (H) (A) A facility operated as a continuing care retirement  
20 community that provides a continuum of services by one operational  
21 entity providing independent living services, assisted living services, and  
22 skilled nursing care on a single, contiguous campus. Assisted living  
23 services include an assisted living residence as defined in section  
24 25-27-102 C.R.S., or that provides assisted living services on-site,  
25 twenty-four hours per day, seven days per week.

26 (H) (B) A skilled nursing facility owned and operated by the state;

27 (H) (C) A nursing facility that is a distinct part of a facility that

1 is licensed as a general acute care hospital; and

2 ~~(IV)~~ (D) A facility that has forty-five or fewer licensed beds.

3 (II) NO LATER THAN JULY 1, 2026, THE STATE DEPARTMENT SHALL  
4 PROMULGATE RULES MAINTAINING THE EXEMPTIONS IDENTIFIED IN THIS  
5 SUBSECTION (1)(c) IN ORDER TO MINIMIZE THE FINANCIAL IMPACT ON  
6 NURSING FACILITY PROVIDERS.

7 (III) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1,  
8 2028.

9 **SECTION 3.** In Colorado Revised Statutes, 25.5-6-208, **add** (7)  
10 as follows:

11 **25.5-6-208. Nursing facility provider reimbursement - rules -**  
12 **definition - repeal.** (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1,  
13 2026.

14 **SECTION 4.** In Colorado Revised Statutes, 25.5-6-210, **amend**  
15 (10); **repeal** (1)(a), (1)(b), (6), (7), (8), and (9); and **add** (1)(c) and (1)(d)  
16 as follows:

17 **25.5-6-210. Additional supplemental payments - nursing**  
18 **facilities - funding methodology - reporting requirement - rules -**  
19 **repeal.** (1) Notwithstanding any other provision of law to the contrary  
20 and subject to available appropriations, for the purposes of reimbursing  
21 a medicaid-certified class I nursing facility provider, the state department  
22 shall issue additional supplemental payments to nursing facility providers  
23 that meet the requirements outlined in this section and the state  
24 department's subsequent regulation as follows:

25 (a) ~~For the 2021-22 state fiscal year, funds appropriated by the~~  
26 ~~general assembly are for the purposes of supporting nursing facility~~  
27 ~~providers experiencing increased staffing costs resulting from the~~

1 ~~COVID-19 pandemic, nursing facility providers with high medicaid~~  
2 ~~utilization rates, or nursing facility providers currently serving individuals~~  
3 ~~with complex needs.~~

4 (b) ~~Payments made in addition to those specified in subsection~~  
5 ~~(1)(a) of this section may also be made to nursing facility providers that~~  
6 ~~accept new admissions of medicaid-enrollment individuals with complex~~  
7 ~~needs.~~

8 (c) A PAYMENT TO A NURSING FACILITY WITH  
9 DISPROPORTIONATELY HIGH MEDICAID UTILIZATION OR GEOGRAPHICALLY  
10 CRITICAL TO ENSURING ACCESS TO CARE. IN DETERMINING QUALIFYING  
11 FACILITIES FOR THIS PAYMENT, THE STATE DEPARTMENT SHALL CONSIDER  
12 ANY ACCESS TO CARE IMPACTS TO INDIVIDUALS NOT COVERED BY  
13 MEDICAID, INCLUDING, BUT NOT LIMITED TO, VETERANS ADMINISTRATION  
14 BENEFICIARIES, INDIVIDUALS WITHOUT HEALTH-CARE COVERAGE, AND  
15 INDIVIDUALS PENDING MEDICAID COVERAGE.

16 (d) A PAYMENT TO A NURSING FACILITY ADMITTING  
17 COMPASSIONATE RELEASE INDIVIDUALS FROM THE DEPARTMENT OF  
18 CORRECTIONS WHO NEED ADDITIONAL SERVICES TO ENSURE ACCESS TO  
19 CARE.

20 (6) ~~To receive an additional payment pursuant to subsection (1)(b)~~  
21 ~~of this section, a nursing facility provider shall work with a hospital to~~  
22 ~~facilitate the timely discharge of medicaid members from the hospital into~~  
23 ~~the nursing facility, serve medicaid members with complex needs, or~~  
24 ~~accept compassionate release individuals from the department of~~  
25 ~~corrections.~~

26 (7) ~~On or before November 1, 2022, the state department shall~~  
27 ~~engage with stakeholders and submit a report and recommendations to the~~

1 joint budget committee, the health and human services committee of the  
2 senate, and the public and behavioral health and human services  
3 committee of the house of representatives, or any successor committees,  
4 concerning suggested changes for permanently changing medicaid  
5 nursing facility provider reimbursement policy in Colorado to prioritize  
6 quality, sustainability, and sound fiscal stewardship to avoid further  
7 one-time cash infusions. The report must include changes that can be  
8 made to affirm a nursing facility provider's commitment to accountability  
9 and must include, at a minimum:

- 10 (a) Infection control and culture change practices, including:
  - 11 (I) Single occupancy rooms;
  - 12 (II) Smaller facility models; and
  - 13 (III) Innovative facility models;
- 14 (b) Behavioral health needs;
- 15 (c) Practices regarding individuals who have complex needs  
16 requiring hospital discharge;
- 17 (d) Practices regarding care and services to compassionate release  
18 individuals from the department of corrections;
- 19 (e) Options for diversified funding streams to ensure continuity of  
20 services;
- 21 (f) Competitive staffing practices;
- 22 (g) The timeline and costs associated with implementing the  
23 recommended changes, including the impact on nursing facility provider  
24 rates; and
- 25 (h) Identification of the amount of supplemental payments to each  
26 nursing facility provider and the outcome evaluation required pursuant to  
27 subsection (3) of this section.

1           (8) ~~The state department shall meet with the following~~  
2 ~~stakeholders, at a minimum, to seek input on any proposed reimbursement~~  
3 ~~methodology changes and report as required by this section:~~

- 4           ~~(a) A representative from an urban nursing facility provider;~~
- 5           ~~(b) A representative from a rural nursing facility provider;~~
- 6           ~~(c) A representative from a nursing facility trade organization;~~
- 7           ~~(d) A representative from a nursing facility with a high medicaid~~  
8 ~~utilization rate; and~~
- 9           ~~(e) A representative from a nursing facility that serves individuals~~  
10 ~~with complex needs.~~

11           (9) ~~The state board shall promulgate any rules necessary to~~  
12 ~~implement this section.~~

13           (10) This section is repealed, effective July 1, ~~2023~~ 2026.

14           **SECTION 5.** In Colorado Revised Statutes, 25-48-102, **amend**  
15 (4) as follows:

16           **25-48-102. Definitions.** As used in this article 48, unless the  
17 context otherwise requires:

18           (4) "Health-care provider" or "provider" means a person who is  
19 licensed, certified, registered, or otherwise authorized or permitted by law  
20 to administer health care or dispense medication in the ordinary course of  
21 business or practice of a profession. The term includes a health-care  
22 facility, including a long-term care facility as defined in section  
23 25-3-103.7 (1)(f.3) and a continuing care retirement community as  
24 described in section 25.5-6-203 ~~(1)(c)(I)~~, C.R.S. (1)(c)(I)(A).

25           **SECTION 6. Appropriation.** (1) For the 2023-24 state fiscal  
26 year, \$30,509,457 is appropriated to the department of health care policy  
27 and financing. This appropriation is from the general fund, which is

1 subject to the "(M)" notation as defined in the annual general  
2 appropriation act for the same fiscal year. To implement this act, the  
3 department may use this appropriation for medical and long-term care  
4 services for Medicaid eligible individuals.

5 (2) For the 2023-24 state fiscal year, the general assembly  
6 anticipates that the department of health care policy and financing will  
7 receive \$31,754,740 in federal funds for medical and long-term care  
8 services for Medicaid eligible individuals to implement this act. The  
9 appropriation in subsection (1) of this section is based on the assumption  
10 that the department will receive this amount of federal funds.

11 **SECTION 7. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, or safety.